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PROCEEDINGS AND DEBATES OF THE 101st CONGRESS, FIRST SESSION

SENATE—*Wednesday, April 19, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by the Honorable ALAN J. DIXON, a Senator from the State of Illinois.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Praise ye the Lord. Praise, O ye servants of the Lord, praise the name of the Lord. Blessed be the name of the Lord from this time forth and for evermore.—Psalm 113:1, 2.

God of Abraham, Isaac, and Israel, God of Moses and the Prophets, as we anticipate Passover, we celebrate deliverance. As Thou didst deliver the people of God in the day of Moses, so deliver Thy people today from the subtle forces that enslave.

Deliver us from bondage to greed and lust and avarice. Deliver us from the bondage to drugs and wealth and the desire to control. Deliver us from the bondage of ego that refuses to acknowledge need.

Lord God who emancipates Thy people from all bondage, liberate us today. Blessed be the name of the Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 19, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ALAN J. DIXON, a Senator from the State of Illinois, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. DIXON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, this morning, following time for the two leaders, there will be a period for morning business not to extend beyond 9 o'clock. At 9 a.m., the Senate will resume consideration of S. 774, the Federal savings and loan reform bill.

At that time the Senate will began debate on an amendment by Senator GRAHAM of Florida which would require Senate confirmation of the current COSA chairman. The Graham amendment will be under a 60-minute time limit, equally divided, with the vote to occur on or in relation to that amendment after time has expired or has been yielded back.

Upon disposition of the Graham amendment, Senator MURKOWSKI will offer an amendment restricting broker deposits. The Murkowski amendment will also have a 60-minute time limitation with the same conditions as those of the Graham amendment.

Therefore, Mr. President, the Senate will be conducting two rollcall votes this morning on or in relation to the Graham and Murkowski amendments. Even though there is not yet a specific time agreement on other amendments to S. 774, I do hope that time agreements will be worked out on any remaining amendments. I encourage Senators with amendments to be prepared to offer them following the disposition of the Graham and Murkowski amendments this morning. It remains my intention to complete action on this legislation by 4 p.m. this afternoon. If not, the Senate will return later this week until action on the legislation is completed.

Mr. President, I reserve the remainder of my time and reserve also the time of the distinguished Republican leader.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 9 a.m. with Senators permitted to speak therein for not to exceed 5 minutes each.

The Senator from Texas is recognized.

Mr. BENTSEN. I thank the Chair.

JAPAN AND THE FSX

Mr. BENTSEN. Mr. President, before the dust settles on the controversy over the plan to develop and produce a new fighter aircraft for Japan, the FSX, I think we can and should learn some very important lessons about trade and commercial policy as well as defense.

The first lesson is that this controversy was avoidable if Japanese policies on trade and defense cooperation had been different, or if those policies had changed to respond to legitimate United States concerns.

Instead, the Japanese obsession with exports plus a longstanding refusal to buy current American military aircraft led to a Government decision to go it alone. The most we could get in our subsequent diplomatic efforts was only an agreement on codevelopment.

If Japan sincerely wanted to help reduce our bilateral trade deficit—which in February was equal to 45 percent of our total trade deficit—it should have seized upon this case to demonstrate its willingness to help.

Mr. President, I remember when Prime Minister Nakasone staged a

buying trip to the United States for Japanese businessmen. They returned to Japan with a great deal of fanfare, telling of their purchases made in the United States. But that whole effort had at most only minimal impact on our trade imbalance, and it was not sustained. It was just firing for effect.

This FSX decision was a Government decision, fully under the control of the Government and not subject to the real or imagined whims of the Japanese marketplace.

Our trade deficit with other nations has been easing—dropping a remarkable 30 percent this year with everyone but Japan. And the United States-Japanese imbalance has been increasing, thus making corrective actions by Tokyo all the more important and urgent.

The Japanese claim that our trade deficit has been caused by our budget deficits. But that argument ignores the fact that we have been shouldering important defense burdens to protect Europe and Asia as well as North America. As I have pointed out to Japanese officials, if we spent only as much on defense as Japan does, our budget deficit would disappear overnight.

Indeed, if we had a defense budget at 1 percent of GNP; that is, $50 billion instead of our current $300 billion per year, we would have a surplus of about $90 billion, along with other benefits such as lower interest rates, higher levels of savings and investment, faster productivity growth, and therefore faster real income growth.

Japan could have avoided this current dispute if it had been more sensitive to broader United States concerns and had taken more concrete steps to reduce our trade deficit.

The second lesson from this FSX controversy is that it is costly, inefficient, and wasteful for Japan to develop a wholly new fighter for itself, especially one with a very limited production of only 130. It would be far better for all concerned for Japan to buy what it needs from existing aircraft manufacturers.

Japan has deliberately limited its defense budget to barely 1 percent of its GNP, compared to more than 5 percent for the United States.

I support the fundamental policy, written into the Japanese Constitution, of limiting Japan to a nonaggressive foreign policy and to a basically defensive military posture. But that stricture does not require an arbitrary ceiling at 1 percent of GNP. In fact, in order to meet its own self-defense objectives and to utilize expensive advanced technology, Japan should probably be spending 2 to 3 percent of GNP on defense.

So long as that upper limit exists, however, it makes no sense to divert scarce defense resources into a go-it-alone fighter program.

Even the coproduction plan now under review is grossly inefficient. It would cost Japan nearly three times as much per plane as just buying the latest F-16 and half again as much as buying our latest F-15. And those figures assume no unanticipated increases in development or production costs.

Japan may think it can afford to waste an extra $5 billion or so in the hope that it will gain some knowledge useful to future commercial aircraft production. Japanese consumers may be willing to tolerate high food prices for cultural and political reasons, but there is no reason for the United States to contribute to inefficiency in building a common defense.

Mr. President, a third and related lesson from this FSX controversy is that United States-Japanese defense cooperation has to be a genuine two-way street.

We cannot have a repeat of the experience on trade, where they say they want to help cut the trade imbalance but then fall far short.

While some sharing of the development and production effort was promised on the FSX, the promises were sufficiently vague and questionable that President Bush sought added assurances.

I understand the administration has made some headway, including a Japanese commitment to a 40-percent United States share of ongoing production. I hope we get that as a minimum. It remains to be seen how much genuinely new technology we will get.

There are many ways to calculate the defense burden each nation bears, and obviously the United States has global commitments and responsibilities which exceed those of any of our allies. But when we have a mutual security treaty and a troop presence to support it—as we do with Japan—then it seems only fair to ascribe the costs of that deployment to the nation which benefits directly.

Right now, it costs about $5–$7 billion a year for the United States to maintain its forward presence in Japan. Right now, Japan pays directly, or waives United States payment, for costs totaling about $2.5 billion. American taxpayers—who already pay about $1,100 per person per year for defense, while their Japanese counterparts pay only $163—pay the rest. A simple and easy way for Japan to share our common defense burdens more equitably would be for Tokyo to assume those other costs of our troop deployments there.

A fourth lesson of the FSX is that defense policy and diplomacy must not be divorced from trade and commercial policy.

For too long, the United States has compromised on commercial and trade issues in order not to complicate smiling summits or White House photo opportunities. Often our trade experts were not even involved, much less heeded, in key meetings with our major trading partners.

Our top policymakers ignored our mounting trade deficits and failed to realize that those deficits, like our domestic budget deficits, weakened us economically and militarily. Meanwhile, we have become more vulnerable to an economic Pearl Harbor.

Trade and commercial policy has to go to the front burner, and the experts in these matters deserve a seat at the table when major agreements are being negotiated. And even lesser programs ought to be reviewed to be sure no significant trade or technology issues have been overlooked.

In the case of the FSX, the entire deal was worked out by the State and Defense Departments. Neither Commerce nor the U.S. Trade Representative was given a chance to comment until the outcry in Congress forced a review.

When they did get involved, they quite properly raised issues and concerns which the other departments had not considered as important. They also looked beyond the immediate issue to the broader context of our trade deficits and Japanese industrial policy.

The facts are that Japan accounts for the largest single share of our trade deficit, and that share grew last year from 35 to 40 percent. That figure is now climbing—to 45 percent in February—and has been projected to increase further. Meanwhile, Japan still has in place enormous barriers to foreign products that can no longer be excused, ignored, or tolerated. Estimates vary, but a recent high level advisory committee to the President found that Japan's import barriers account for between 9 and 54 percent of the total United States trade deficit with Japan.

Japan has to do better. It has to let more American products in, and when the Government makes procurement decisions like the FSX, it has to buy more here if only to help reduce our bilateral trade deficit.

Promises are not enough. We need results. We reached an agreement on semiconductors in 1986 but the Japanese have not lived up to their commitment to open their market to foreign producers. After 2 years, domestic Japanese producers still held on to 90 percent of the market and did not seem to be moving fast enough toward the 80 percent goal by 1991.

Recently, for example, Japan entered into an agreement to buy paging devices from Motorola, but when Motorola went to sell the pagers in Japan they found that they could sell them only west of Osaka and in Hokkaido. In other words, they were excluded from the industrial and financial cen-

ters of Japan, which were reserved for Japanese companies.

These and dozens of similar examples are reason enough to be dubious about assurances that General Dynamics will get 40 percent of both development and production effort on the FSX.

We also have to be alert to Japanese industrial policy, so that we do not inadvertently surrender a competitive edge to them. That is one of the potential risks in the FSX deal because we would be providing technology and know-how that would enable them to advance their own aircraft industry. While it is debatable whether the specific techniques involved in the F-16 are easily translatable into large commercial aircraft production, no one can deny that the Japanese wanted and expected the FSX arrangements to bring some benefits to that domestic industry.

Aviation, of course, is one area where America has long been a technological leader, and one which is a major export without which our trade deficits would have been substantially greater. Commercial aircraft are our largest single category of exports, amounting to nearly $20 billion per year. We have seen many other countries—from Europe to Brazil—try to enter this market, aided by subsidies, import barriers and industrial policy. It would be foolishness of the first order for us knowingly to help others to undermine our leadership in aviation.

Mr. President, the FSX deal was a mistake from which I hope we learn some valuable lessons, lessons that go far beyond the specifics of the memorandum of understanding. We have to learn to pay attention to the economic context in which some of our defense and diplomacy is rooted. We must elevate trade and commercial issues to the status other nations routinely give to them and which we rarely have.

And we must seek greater Japanese sensitivity and responsiveness to our legitimate concerns, especially our huge trade deficits.

Japan and America start with an enormous reservoir of friendship and goodwill. We have developed much better understanding of our respective views. Now it is time to move ahead on mutually beneficial actions. A satisfactory resolution of the FSX would be one small step in the right direction.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The senior Senator from West Virginia, the distinguished President pro tempore.

Mr. BYRD. Is the Senate in morning business?

The PRESIDING OFFICER. It is.

Mr. BYRD. Senators are permitted to speak for how long?

The PRESIDING OFFICER. For 5 minutes.

Mr. BYRD. I thank the Chair.

THE UNITED STATES SENATE

TREATIES—ADVICE AND CONSENT

Mr. BYRD. Mr. President, one of the thorny issues that surfaced early in the Senate's history was whether the "advice and consent" of the Senate was required prior to the negotiations leading into the making of treaties. Reference has already been made to the controversy surrounding the Jay Treaty, in which Attorney General Edmund Randolph maintained that to do otherwise would abridge the rights of the Senate. On June 10, 1846, President Polk sought the previous "advice and consent" of the Senate to a convention submitted by the British minister in the dispute over the boundary of the Oregon Territory. Polk, in doing so, may have been trying to extricate himself from a political dilemma over the frustration of accepting or rejecting Great Britain's proposition to settle upon the 49th parallel. Senate approval would preclude it from blaming the administration for surrender of extreme claims which demagogs in Congress had been making. Polk's message transmitting the British proposal said:

In the early periods of the government the opinion and advice of the Senate were often taken in advance upon important questions of our foreign policy. General Washington repeatedly consulted the Senate and asked their previous advice upon pending negotiations with foreign powers; and the Senate in every instance responded to his call by giving their advice, to which he always conformed his action. This practice, though rarely resorted to in later times, was in my judgment eminently wise, and may on occasions of great importance be properly revived. The Senate are a branch of the treaty-making power, and by consulting them in advance of his own action, upon important measures of foreign policy which may ultimately come before them for their consideration, the President secures harmony of action between that body and himself. The Senate are, moreover, a branch of a war-making power, and it may be eminently proper for the executive to take the opinion and advice of that body in advance, upon any great question which may involve in its decision the issue of peace or war. On the present occasion the magnitude of the subject would induce me under any circumstances to desire the previous advice of the Senate, and that desire is increased by the recent debates and proceedings in Congress, which render it, in my judgment, not only respectful to the Senate, but necessary and proper, if not indispensable to insure harmonious action between that body and the Executive. * * * For these reasons I invite the consideration of the Senate to the proposal of the British Government for the settlement of the Oregon question, and ask their advice on the subject.

* * * * *

Should the Senate, by the constitutional majority required for the ratification of treaties, advise the acceptance of this proposition or advise it with such modifications as they may upon full deliberation deem proper, I shall conform my action to their advice. Should the Senate, however, decline by such constitutional majority to give such advice, or to express an opinion on the subject I shall consider it my duty to reject the offer.[1]

The Senate shrank from advising rejection and, by a vote of 37 to 12, advised the acceptance of the proposal. Later, Senate consent was given to ratification by a vote of 41 to 14.

President Grant, on May 13, 1872, sent to the Senate a message requesting an expression concerning that body's disposition toward a proposal by Great Britain, in which he stated:

To the Senate of the United States:

I transmit herewith the correspondence which has recently taken place respecting the differences of opinion which have arisen between this Government and that of Great Britain with regard to the powers of the tribunal of arbitration created under the treaty signed at Washington May 8, 1871.

I respectfully invite the attention of the Senate to the proposed article submitted by the British Government with the object of removing the differences which seem to threaten the prosecution of the arbitration, and request an expression by the Senate of their disposition in regard to advising and consenting to the formal adoption of an article such as is proposed by the British Government.

The Senate is aware that the consultation with that body in advance of entering into agreements with foreign states has many precedents. In the early days of the Republic General Washington repeatedly asked their advice upon pending questions with such powers. The most important recent precedent is that of the Oregon boundary treaty, in 1846.

The importance of the results hanging upon the present state of the treaty with Great Britain leads me to follow these former precedents and to desire the counsel of the Senate in advance of agreeing to the proposal of Great Britain.

U.S. GRANT.[2]

The Senate gave its approval to the proposed article, but with an "understanding" which proved unacceptable to the British Government.0

On December 7, 1861, President Lincoln asked the Senate for advice concerning a treaty with Mexico, proposed to Lincoln by the U.S. Minister to that Government. On February 25, 1862, the Senate, in a resolution, stated its reaction that, "It is not advisable to negotiate a treaty that will require the United States to assume any portion of the principal or interest of the debt of Mexico, or that will require the concurrence of European power."

Meanwhile, two treaties providing for a loan to the Republic had been signed by the U.S. minister, he, not having received the delayed instructions; whereupon, President Lincoln

[1] Senate *Executive Journal*, VII, 84-85.

[2] Messages and Papers of the Presidents, Volume VII, 166.

on June 23, 1862, again sent to the Senate a message as follows, in part:

In view of the very important events occurring there, he has thought that the interests of the United States would be promoted by the conclusion of two treaties which should provide for a loan to that Republic. He has therefore signed such treaties, and they having been duly ratified by the Government of Mexico he has transmitted them to me for my consideration. The action of the Senate is of course conclusive against an acceptance of the treaties on my part. I have, nevertheless, thought it just to our excellent minister in Mexico and respectful to the Government of that Republic to lay the treaties before the Senate, together with the correspondence which has occurred in relation to them. In performing this duty I have only to add that the importance of the subject thus submitted to the Senate can not be overestimated, and I shall cheerfully receive and consider with the highest respect any further advice the Senate may think proper to give upon the subject.

ABRAHAM LINCOLN.[3]

So, beginning with President Washington and repeated by Presidents Polk, Lincoln, Grant, and several other Presidents, the advice of the Senate has from time to time, been sought in advance of the entering into conventions, treaties, et cetera.

Upon several occasions, Senate amendments have proved fatal to treaties or conventions, either because of the nonacceptance by the President of the United States or because the other signatory party or parties were unwilling to ratify the modified contract. An amendment makes an actual change in the language of the treaty. There are options other than amendments open to the Senate short of outright rejection of a treaty, and the terminology of these limiting actions varies. Although the labeling of the Senate's expression is relatively unimportant in determining its legal effect, the most significant actions, in order of their effect, are: amendments, reservations, understandings, interpretations, declarations, and statements or similar wording such as clarification, recommendation, explanation, sense of the Senate, et cetera. But regardless of what it is called, it is the substance that determines the legal effect of any statement. For example, language would constitute a reservation when it would exclude or vary the legal effect or one or more of the provisions of the treaty. On the other hand, language which merely explains or clarifies the meaning of treaty provisions but which does not exclude or vary the legal effect of such provisions would properly constitute an understanding. Often there can be confusion in the use of a particular label or descriptive term for what is being done, but the substance is what counts, and there can be little difference in effect between a reservation and an amendment, depending on its content. A reservation that limits the U.S. obligation may have the same effect as an amendment to the actual text of the treaty itself. Conversely, an interpretation, understanding, or declaration may deal with some matter incidental to the operation of the treaty in a manner other than as a substantive reservation. However, even though such language would have no effect on the international obligations of the treaty, the executive would communicate such interpretations or understandings to the other parties. If, regardless of its label, the U.S. Government believes that the condition has the actual character of an amendment or reservation, it would be so treated and transmitted to the other signatory state or states, and it could be subject to further negotiations if not rejected outright by the other state.

Incidentally, on two notable occasions, the likelihood of failure to obtain the necessary two-thirds majority in the Senate led to the resort of a joint resolution to accomplish the purpose sought by the proposed treaty. This occurred in the annexation of Texas after the Senate had rejected a treaty of annexation in 1844 during the Presidency of John Tyler. In the instance of Hawaii, an annexation treaty had been concluded with the provisional government in Hawaii but its approval by the U.S. Senate was delayed by strong opposition. The outbreak of the war with Spain so strengthened the feeling that a mid-Pacific naval station was needed, that a joint resolution on the cession of Hawaii was approved in 1898.

[3] Messages and Papers of the Presidents, Vol. VI, 81-82.

LOBBYING AND THE SENATE

Mr. BYRD. Mr. President, I have previously spoken on the subject of "lobbying and the Senate."

Complementing the freewheeling attitude, which many Government officials took toward the relationship between public office and private enterprise, was the reality of living and working in the Washington of the early 19th century. The embryonic capital bore no resemblance to the cosmopolitan centers of Philadelphia and New York, let alone the great European capitals. The city was dusty and malaria-ridden in the summer, damp and cold in the winter. Social and cultural amenities were few. Many Senators, their families remaining at home, took rooms in the boarding houses that surrounded the Capitol Building. It was an atmosphere in which the so-called social lobby could thrive, and thrive it did. Clubs, brothels, and gambling dens were natural habitats of the lobbyists, visited, as these institutions occasionally were, by Members of Congress who, far from home, could find good food, drink, and agreeable company.

The excesses of antebellum lobbying reached their height in the early 1850's when Samuel Colt, sought passage of a bill to extend Colt's patent for 7 years. A congressional investigation later disclosed that "more than one" of Colt's agents "have at different times presented pistols to certain members,"[1] including "a handsome Colt pistol, as a present," [2] to a Representative's son, "only 11 or 12 years of age," [3] and staged lavish entertainments for the benefit of wavering Senators.

The select committee's report noted that:

The money has been used, as the evidence shows, in paying the costs and charges incurred in getting up costly and extravagant entertainments, to which ladies and members of Congress and others were invited, with a view of furthering the success of this measure. The ladies, having been first duly impressed with the importance of Colt's pistol extension by presents of Parisian gloves, are invited to these entertainments; and the evidence shows that, while there, members of Congress are appealed to by them to favor this particular measure.[4]

Colt's principal lobbyist was characterized by the committee as having adopted the rule that, "to reach the heart or get the vote, the surest way is down the throat" [5]—an altogether appropriate epigram for the lobbying of the period.

The House report also refers to a practice whereby certain persons affiliated with the press were allowed to obtain seats on the House floor. The report reveals that these persons, in contravention of promises to the contrary and in violation of House rules, would lobby the House Members concerning claims, bills, et cetera. The following excerpt comes from the report:

The evidence shows another important fact, that the letter-writers for the daily press who have been admitted to desks on the floor of the House are very generally regarded as the most efficient agents who can be employed by those who have measures to advance. Although these letter-writers, before they can obtain a seat within the House, are required to give a personal pledge of honor that they are not "employed as agents to prosecute any claim pending before Congress," yet we find that, in utter disregard of this pledge and its spirit, they have been employed in many of the railroad, patent, and other schemes which have engaged the attention of Congress during the present session.[6]

Mr. President, this practice, of course, no longer continues today, as we all know. Today's lobbying is more diverse than ever before, with an organized lobby formed, seemingly, around

[1] House of Representatives Report No. 353, 33rd Congress, 1st Session, August 3, 1854, p. 9.
[2] Ibid p. 15.
[3] Ibid p. 15.
[4] Ibid p. 4.
[5] Ibid.
[6] Ibid. p. 6.

virtually every aspect of American social and economic life. No longer do the lobbying groups come solely from the town's great law firms and associations. Public relations companies; consulting groups; specialized accounting, medical, and insurance firms—all these, and others, engage in a multitude of activities, from raising money for election campaigns to conducting technical studies, the ultimate goal being that of influencing the course of legislation and Government policy.

Modern technology has made it possible for far-flung group members to stay in almost constant contact with their lobbying representatives in Washington. The explosion in the electronic media and the televising of House and Senate debates have resulted in better informed interest groups, who, in turn, more readily get their message across to their members, legislators, and other targets. Congressional offices, at times, are flooded with telegrams, telephone calls, letters, and postcards (sometimes preprinted), as the grassroots campaign gets into full swing, mobilized by this or that special interest group on a given issue. Among the most effective interest groups today in bringing such organized pressure to bear upon legislators are the labor unions, banking interests, the gun lobby, anti-abortion and freedom-of-choice groups, civil rights organizations, environmentalists, and consumer interests.

The past 15 years have witnessed a political phenomenon: The development and proliferation of political action committees [PAC's]. These PAC's are formed by special interest groups for the purpose of funneling contributions to the political campaigns of Members of Congress and other office seekers, and they constitute a subtle but sophisticated form of lobbying. Spiralling campaign costs in this electronic age have made Members of Congress increasingly dependent upon PAC contributions. Incumbents and challengers alike, unless they are inordinately wealthy, besiege scores of PAC's in every election for money to fund their ravenous advertising and other political expenditures. The demand for money to wage a successful political campaign has now become so excessive that the average cost for winning a Senate seat is roughly $4 million. In other words, this means that a Senator is forced to raise an average of more than $12,000 every week over a 6-year term if he hopes to remain in public service. And this is just the average! In the more populous States, the cost is much greater, and the costs are rising with each election year. The threat to our representative form of democracy is clear and needs no elaboration here. The need for congressional campaign financing reform is, likewise, obvious. But just because it is obvious does not mean that it is easy to attain, as was demonstrated by our inability to enact reform legislation during the 100th Congress when, as the then-majority leader, I filed a cloture motion eight times (the most ever) to shut off a filibuster and failed eight times to get the necessary three-fifths majority. The money chase has gotten out of hand, and the practice of campaign contributions in return for access to the policymaking process does nothing to remove the negative image that clouds the legitimate side of interest representation.

Another problem is that special interest groups often wield an influence that is greatly out of proportion to their representation in the general population. This type of lobbying, in other words, is not exactly an equal opportunity activity. One-person, one-vote does not apply when the great body of citizens is underrepresented in the Halls of Congress as against the well-financed, highly organized special interest groups, notwithstanding the often-plausible objectives of such groups.

Mr. President, I yield the floor and thank the Chair.

LEGISLATIVE AGENDA, SENATE DEMOCRATIC CONFERENCE

Mr. DASCHLE. Mr. President, I rise to thank my Democratic colleagues for their patience and their cooperation in the crafting of our legislative agenda for the 101st Congress.

Whatever strength this agenda may possess is the strength of 55 Democratic Senators together.

It is the strength of our shared values and beliefs.

And it is our distinguished majority leader, GEORGE MITCHELL, who understands this best.

The idea for this agenda was conceived by GEORGE MITCHELL.

His push launched it.

The beacon of his belief guided it past rocks of disagreement and produced the document we have today.

I thank the majority leader for the confidence he has shown in my own efforts.

And I hope the agenda I place in the RECORD here today is but a first step.

A first step toward a new tradition of constructive compromise among Democrats in the U.S. Senate.

And a first step toward active, coordinated leadership as well.

It is the wisdom of GEORGE MITCHELL to understand that the two must go together.

To see that a firm stand on ground softened by discord precedes only a fall.

But that no stand precedes nothing at all.

This agenda is our first attempt to build common Democratic ground, solid ground from which we can advance together to help lead this Nation.

The agenda which follows is offered in the spirit of bipartisanship. But it is built on the belief we cannot wait to forge an alliance for American greatness.

It is simply no longer acceptable to limit our vision.

Senate Democrats believe America must be first in education and in health.

We believe America must be strong and confident in her trade, steadfast in her alliances and firm in her commitment to fiscal reality.

American families must know that the land they will pass to their children and their children's children will be clean and safe and free.

Those are the goals around which our agenda is centered.

It is an agenda that says those who claim Americans will no longer pay the price of world leadership are wrong.

The agenda of the Democratic Members of the U.S. Senate is an agenda for national leadership.

It is also a tribute to the willingness of 55 Democrats to work together, to their kindness in helping one very junior Senator and to the wisdom of their new majority leader.

So I thank all Senators, particularly our distinguished majority leader, and invite your comment and support for the objectives we have outlined together.

I ask unanimous consent that the legislative agenda be printed in the RECORD.

There being no objection, the agenda was ordered to be printed in the RECORD, as follows:

LEGISLATIVE AGENDA OF THE SENATE DEMOCRATIC CONFERENCE FOR THE 101ST CONGRESS, MARCH 17, 1989

THE NEED FOR A NATIONAL AGENDA

The Democratic Majority in the Senate is committed to two fundamental purposes—standing up for the principles in which we believe the nation needs. These purposes are not at odds, for there are a host of important endeavors that can and should bring the executive and legislative branches together.

We must ensure a prosperous economy and protect the national security.

We must preserve our environment, strengthen our democratic process and challenge Americans to ask again what they can contribute to their country.

We must defend essential family values and extend opportunity to our fellow citizens who have been left out or left behind.

We know that saying these things is not enough—that the measure of a kinder, gentler nation is deeds and not just words. This agenda sets forth our legislative priorities for this year and our reasons for them. It will be periodically reviewed and updated. It is not a political platform. Neither can it include every item of interest to every Senator—or accommodate every difference of emphasis and viewpoint. Diversity is inherent in the Democratic Party.

But there is also a fresh and powerful consensus emerging for a series of initiatives and a set of priorities that can move our economy and our society into the next decade and toward a new century.

The job of government is to make hard choices and forge a purposeful direction for the nation. Our job, as Democrats and members of the Senate, is not to oppose the Administration automatically, but to propose new policies and pursue them cooperatively.

We will continue to be the leading country in the world only if our country has leadership.

America needs an agenda of action. We offer one here. We invite the Administration to join us in making 1989 an historic year of progress.

RESTORE THE NATION'S FISCAL INTEGRITY

It is imperative that we significantly reduce budget and trade deficits cast a shadow over all the other issues with which we are concerned.

If we are to make the difficult choices involved in reducing the deficit, we must start with:

Realistic economic projections in all areas, including growth and interest rates, and

Accurate calculation of budget numbers using uniform definitions in spending and revenue proposals.

With these as a beginning, the Democratic Conference pledges a serious and sustained effort to achieve a reasonable and fair budget plan and to enact it as soon as possible.

We face another urgent task: we must deal swiftly, equitably, and comprehensively with the security of the nation's thrift industry. The Senate Democratic Conference recommends that at least two principles guide the Senate in its deliberations:

Those responsible for the unprecedented fraud and abuse within the industry must be brought to justice. Those who profited from corruption must pay the legal price.

Tough, new regulatory reform must be adopted so that this sordid episode will never be repeated and the financial fall-out can be kept to the lowest possible cost.

STRENGTHENING AMERICA'S ECONOMY

The United States faces the challenges of a new world economy. International competition poses a constant challenge to American education, science, business, and government. While we remain the single largest economic and military power, in industry after industry our competitors are challenging our pre-eminence. To succeed in the future, we have to invest in ourselves and in the tools necessary to secure our competitive advantage, including increasing personal savings rate, which is now the lowest in the industrialized world. There are five areas of legislative activity that must receive priority in the 101st Congress:

First, we believe that there is a clear relationship between success in international competition and emphasis on education and job training at all levels. We must aggressively promote basic skills in both elementary and secondary schools. Leadership and major funding at those levels have come traditionally from state and local governments, with limited federal help. We must call upon all education leadership to reassess the adequacy of their commitment and spearhead efforts to provide America with the best educational system in the world. At every level of government, we must seek the maximum education for every dollar spent, by emphasizing excellence in reading, science, mathematics and other core subjects.

We must also reaffirm the small, but critical role the federal government plays in areas such as ensuring equal opportunity in postsecondary education, and providing compensatory education services for poor children at the elementary and secondary levels.

During the 101st Congress, we therefore recommend the following initiatives:

Re-examine the current availability of college and advanced educational opportunities in light of the urgent need to become increasingly competitive in the global community.

Make a more concerted effort with state and local school districts to achieve educational excellence, including these elements:

(a) basic skills instruction for the economically disadvantaged,

(b) assistance to those who are handicapped, and

(c) an upgrading of instruction in such critical areas as math and science.

(d) improvements in the quality of teaching through efforts to enhance teacher training, professionalism, and compensation.

Undertake a renewed and significant effort to reduce illiteracy at all age levels.

Create efforts to increase the availability and quality of early childhood education in order to keep at-risk children in school through high school graduation.

Improve vocational education to provide critical training for the next generation of American workers.

Create programs to guarantee African-American, Asian-American, Hispanic, Native American and all other minority students access to quality education in preparation for their growing role in our Nation's workforce.

Adopt legislation to prepare American students and current unprepared members of the labor force to live and work in a technologically based society and to compete successfully in the international economy with a particular emphasis on teaching our students critical thinking in all disciplines.

Adopt legislation to increase America's productivity and to decrease poverty by improving and expanding the Job Training Partnership Act programs providing basic education, job training and employment services to the Nation's disadvantaged individuals.

Second, we support the following specific efforts to enhance and expand our research, development and industrial base:

Reduce legal impediments to the licensing of industrial technology and to the flow of technology from government labs to the private sector.

Insure the adequacy of intellectual property protection to promote innovation and new products.

Extend the research and development tax credit in addition to allocating R&D expenses to support American-based efforts in science and technology.

Provide adequate funding to maximize joint ventures between government and industry.

Reauthorize and amend the Defense Production Act and other relevant defense authorization legislation to enhance our defense industrial base.

Develop consistent federal decison-making on our Nation's science and technology policy and priorities including better coordination and utilization of existing programs.

Maintain a strong biomedical research effort through the National Institutes of Health.

Third, America's economic success has come in large measure from drawing on the strengths of all regions of the country. Yet, today our agricultural economy, indeed our broader rural economy, is in continuing trouble. Critical to our efforts to change this course this year will be these actions:

Passage of a comprehensive rural development proposal in concert with a restoration of funding for vital programs affecting rural America.

Expansion of research into non-food uses of agricultural products, such as renewable alternative fuels, biodegradable plastics and alternative and sustainable agricultural production methods.

Aggressive re-examination of our nation's farm and agricultural export policies to provide the foundation for the 1990 farm bill, including fair prices for agricultural commodities.

Fourth, a strong nation needs a strong infrastructure. In order to assess more accurately our current needs as well as our intergovernmental and public-private commitment, we endorse aggressive oversight in the following areas:

The current backlog of infrastructure maintenance, construction and repair.

A review of current restrictions on tax-exempt financing of public infrastructure by state and local governments.

A review of our nation's information and communications infrastructure to measure its capacity to meet long-term economic needs, including new public-private initiatives to better develop communications and computing capabilities.

Fifth, last year's passage of the Omnibus Trade and Competitiveness Act provided a comprehensive, long-term growth strategy to strengthen U.S. exports and our competitive position. Oversight activities related to the new law and government's adherence to its intent will have a high priority in at least these specific categories.

Foreign barriers to exported goods and services.

Streamlining export controls.

Multilateral trade negotiations.

Super 301 procedures.

The intermediate debt facility.

Symmetrical access to foreign research centers.

Programs to foster the study of math, science, foreign language and computers.

The export enhancement act.

Small business export promotion programs.

Readjustment assistance for workers.

Government organizational reforms.

The Training for Trade Program.

STRENGTHENING AMERICA'S SECURITY

To promote a stronger America, we must respond to the new challenges and opportunities of a changing international order. The Soviet Union is in the process of transformation. Our allies in the Pacific and Europe have emerged as major economic powers with increased global influence. And democracies in developing nations are threatened by economic instability, unresolved political and military conflicts and environmental degradation. American security is enhanced by global stability as well as our own economic and military strength.

Our government should encourage and support the aspirations of people across the globe for freedom, democracy, respect for human rights and self help and exert every effort to end the system of apartheid.

Senate attention to America's security must include the following legislative priorities in the 101st Congress:

Thorough consideration of the remaining authorizing legislation for defense in fiscal year 1990. While we remain steadfast in support of adequate spending for defense, we must develop those approaches that allow us to conserve resources.

Our allies must share more equitably the military and economic burdens and responsibilities of our common international relationships.

We urge successful conclusion of the U.S.-Soviet protocol for the verification of both the Threshold Test Ban and Peaceful Nuclear Explosions treaties.

In addition to efforts to control nuclear proliferation, we strongly urge multilateral action to eliminate worldwide use of chemical and biological weapons and that the U.S. lead an effective, concerted effort to combat terrorism.

We will pursue a realistic and effective strategy for dealing with the Soviet Union across a broad range of issues, including nuclear and conventional arms reduction, human rights, trade and investment, and regional conflicts.

We will seek aggressive and comprehensive oversight of both policy and practice in defense procurement. Progress has been made, but only through effective management can procurement reform goals finally be realized.

We must insist upon a comprehensive strategy to combat the threat to our national security from international drug trafficking, including efforts to combat drug production.

America is now more dependent on foreign countries for the production and distribution of energy than we were in 1973—the year of the Arab oil embargo. We must develop and implement a comprehensive national energy policy to reduce this threat to our economic and national security.

PRESERVING OUR ENVIRONMENT

The quality of the natural environment and the quality of life are inseparable. Our legislative efforts to protect the environment have failed to keep pace with the side effects of rapid economic and population growth. A strong economy and a clean environment are not incompatible—if we take decisive action.

But now, after too many years of inaction and indifference, of half measures and wholesale neglect, scientists warn us that the Earth is sending signals of long term jeopardy to our planet's basic capacity to sustain human life. We must meet our obligations to future generations in the area of environmental protection.

Air pollution is causing illness and death. It is threatening to destroy the protective ozone layer, to change the Earth's climate, and to destroy the life in lakes, streams and forests. The waste we are producing is contaminating our groundwater, our soil, our oceans and beaches. The destruction of tropical forests and wetlands is impoverishing the diversity of life on this planet.

Now in the ninth year of implementing the Superfund, the Nation's hazardous waste program, we have cleared up only a small percentage of the sites currently on the national cleanup list. The EPA has failed to implement the law aggressively or to make polluters pay for cleanups. EPA also has failed to make a strong enough commitment to emergency planning despite the risk of chemical accidents. The Nation needs to do more to promote the development and the implementation of technologies to reduce waste before it becomes an environmental burden.

Despite significant legislative achievements during the past eight years—such as enactment of the Superfund amendments, the Clean Water Amendments, the Resource Conservation Recovery Act and the Safe Drinking Water Amendments—a lack of commitment by the Administration to the enforcement and funding of these laws has meant continued and compounded failure to protect the Nation's health and environment. Progress can and must be made in ways fully consistent with employment and economic priorities. The Democratic Conference will seek a commitment from the new Administration to reverse the last one's disregard for current environmental statutes, and to move on other fronts to preserve and restore the environment.

We will give high priority to the following environmental initiatives:

Passage of a comprehensive bill to create a new national policy on clean air.

Accelerated consideration of specific legislative options to resolve the major problems in cleaning up both toxic and nuclear waste sites.

Passage of legislation related to international environmental issues, including global warming, loss of biological diversity, depletion of stratospheric ozone, and tropical deforestation.

A new and stronger commitment to the management and protection of our ocean and coastal resources and encouragement of environmentally benign sources of energy.

Passage of a national program to curtail production of hazardous waste and other pollutants.

Enactment of additional programs to combat ocean and water pollution including plastic pollution, and to protect the Nation's groundwater.

Passage of legislation to extend and strengthen the Resource Conservation and Recovery Act, including programs for the reduction and recycling of municipal solid waste.

Renewed efforts to promote the efficient use of our energy resources and wise management of renewable resources, including our forest and other public lands.

PROTECTING AMERICA'S FAMILIES

America's strength comes from its people, and we cannot afford to waste any of their strength or talents. We are determined to achieve equal economic opportunity for all Americans—in life, as well as in our law. Our efforts must include policies to secure affordable housing, good jobs, adequate health and child care, effective anti-drug programs, and better nutrition.

Therefore, we have established the following legislative priorities for the 101st Congress:

Swift passage of an increase in the Federal minimum wage. We recognize that no other single action can do more to close the widening gap between the rich and poor.

The highest priority for comprehensive legislation to assure all Americans access to affordable, quality child care.

In full recognition of the need to protect the American family from the ravages of drug abuse and the crime wave which it has fueled, we endorse legislation to provide full funding of the Comprehensive Anti-Drug Abuse Act of 1988, including funding for state and local law enforcement, improved education and treatment, and interdiction programs, and vigorous oversight of the Nation's strategy to fight drugs.

Passage of legislation that will—

(a) improve homeownership opportunities for young families struggling to buy their first homes;

(b) expand the supply of housing affordable to low and moderate income Americans through partnerships between government and the private sector at the Federal, State and local levels;

(c) preserve the existing stock of federally assisted housing affordable for low-income families and accelerate programs to rejuvenate existing public housing; and

(d) expand the Federal commitment to provide adequate housing for people with special needs—particularly elderly individuals, individuals with disabilities, and the homeless.

Efforts to provide broader access to health care should include—

(a) a refusal to accept the Administration's proposed deep budget cut in Medicare;

(b) legislation to assist those in remote and mostly rural areas of the country who have little or no access to quality health care today;

(c) legislation to address the growing need for health care coverage for the millions of Americans, especially women and children, who have little or no access to insurance;

(d) legislation to address long-term care needs of our Nation's elderly citizens;

(e) reauthorization of the National Health Service Corps;

(f) expanded oversight of the newly enacted AIDS legislation of 1988; and

(g) legislation to establish community-based mental health facilities on Indian reservations.

Passage of minimum guidelines for family leave.

Adequate funding to remedy, on an immediate basis, the critical shortfall in the Department of Veterans' Affairs health care and legislation to address personnel recruitment problems.

National nutrition policy is integrally related to the strength of American families and the Nation as a whole. Accordingly, we will pass legislation to reauthorize child nutrition programs, including the Federal school lunch programs and the Special Supplemental feeding programs for Women, Infants and Children's program.

BUILDING A STRONGER DEMOCRACY

All Americans should be encouraged to become active participants, not passive observers, in their democracy by getting involved in the election of their representatives and in holding their representatives accountable. We are concerned that many Americans may be losing the full measure of their rights and that many more may never have the opportunity to contribute to our country in the spirit of true volunteerism. We therefore will support legislative proposals to ensure greater participation in the election process, as well as greater confidence in federally elected officials.

During this Congress, the Conference will seek to promote national volunteer service. With equal vigor, we will pursue legislation to reform campaign finance laws.

We also support legislation to achieve the following goals:

Improve voter registration procedures.

Establish high standards of ethics in the federal government.

Protect officials as well as all employees of the Federal Government who disclose mismanagement or wrongdoing by their agencies.

Guarantee, in fact as well as in theory, the constitutional right of all Americans to participate fully in our country's political campaigns and elections by reforming the Hatch Act.

Prohibit discrimination against persons with disabilities parallel in scope of coverage with that afforded to individuals on the basis of race, sex and national origin.

Clarify the constitutional rights of all Americans, regardless of sex.

Expand opportunities for legal immigration to all nationalities on an equal basis.

With this report we offer the President our hand. In it we hold an agenda for the future of the Nation.

We do not expect the Administration to accept every item. We seek only cooperation and progress.

But it is time to state and debate the issues, and set the national direction.

It is time to work together—and we are ready.

NEW PROBLEMS IN THE COMMISSION ON BASE REALIGNMENTS AND CLOSURES IN DEALING WITH THE U.S. ARMY INFORMATION SYSTEMS COMMAND

Mr. McCAIN. Mr. President, I cannot criticize the overall success of the Commission on Base Realignments and Closures. There is no way an individual Senator can examine all of the actions it has taken. I do believe, however, that it may be responsible for at least one major error and injustice.

My office has now reviewed the record of the Commission's work relating to the transfer of the Army Information Systems Command from Fort Huachuca to Fort Devens in great detail. Much of that record still remains sealed to the public and cannot be discussed before this body. It is painfully clear, however, that the Commission decided to keep Fort Devens open in spite of the repeated recommendation by its own staff to close it. It also is clear that this was the result of the personal views and prejudices of the Commission, and not the result of any strategic analysis or savings to the Government.

The proposed move of the Information Systems Command is a case where all the planning and analysis had to be "backfit" to suit the views of the Commission, and where the cost and tradeoff models were constantly adjusted until a solution could be found that appeared to produce savings and where the individual merits of the proposed move were buried in a complex set of six way tradeoffs that disguised the true nature of events.

It is also clear, however, that there is little anyone can do to deal with these events as part of the overall action of Congress on the Commission's recommendations. The House did not support a resolution of disapproval and it has long been clear to me there was no chance of getting the support of the Senate. We deal here in simple arithmetic and we cannot get the votes we need to challenge the overall recommendations of the Commission on the basis of the problems uncovered to date.

I do not believe, however, that a Member of Congress can ever stop fighting for his constituents when there are strong indications that an injustice is being done. These indications exist, and they go beyond my investigation of the transcript of the Commission's meetings and its supporting documents.

As I have said before to my colleagues, General Rogers, the Commander of ISC, has told my office that executing the Commission's recommendations will disrupt the operation of ISC for years because they failed to take into consideration a host of operational and cost factors.

The staff of ISC has put the true cost of military construction for moving the intelligence school and ISC at $92.15 million for Fort Devens and $162 million for Fort Huachuca. This compares with cost estimates by the Commission of $45 million for Fort Devens and $56 million for Fort Huachuca.

General Rogers also told my office that neither he or the Commander at Fort Devens were ever explicitly consulted about the merits of moving ISC to Fort Devens, and that if he had been consulted, he would have stated that Fort Devens would be the least desirable facility for the consolidation of ISC on the east coast.

Further, he indicates that at least 80 percent of its best trained and most skilled personnel will not make the move to Fort Devens, and that the end result will disrupt ISC's operations for years. It has concluded that it cannot hope to attract the skills and quality of personnel it needs with existing salaries and grade structures because of the higher costs in the Fort Devens area.

Finally, the army officers in charge of the move, which are based at Fort Huachuca, have told my staff that the Commission ignored many of the real-world support and infrastructure costs necessary to make such a move feasible, and that these costs include changes in medical facilities, roads, service facilities, Corps of Engineers costs, and a number of other areas where the Army does not yet have even preliminary cost estimates. Further, the Commission seems to have used a wrong area factor for Fort Devens, and to have used a factor of 0.9 rather than 1.3. This sharply understated the true cost of locating in the Fort Devens area.

In short, Mr. President, there are many good reasons to believe we will have to reopen this issue when it comes time to consider whether the funds necessary to execute this move should be authorized and appropriated. This is why I have joined Senator DECONCINI and Congressman KOLBE in asking for a GAO investigation of these issues and of the merits of the Commission's recommendations relating to the realignments affecting Fort Huachuca and Fort Devens.

If the GAO concludes that the Commission's recommendations are as flawed as I think that it may, I trust that this body will consider suitable efforts to remedy the situation. We should be prepared to correct a mistaken recommendation when it can be proved to be wrong by a neutral and expert body. We should not let sheer legislative momentum force through a measure that will damage the effectiveness of our forces, cost the taxpayer millions of dollars, and hurt some of the citizens of our country.

I also want to reiterate some of my previous criticisms of the way the Commission worked. Regardless of what good it may have done, its record clearly describes a body that rushed to judgment, that violated its own procedures and methodology in making many key decisions—particularly toward the end of its operations—and where the personal prejudices of some Commissioners overruled the expertise of the Commission's staff.

I hope that all future Commissions approved by this body will be required to follow different procedures. I hope they will be forced to follow clearly described procedures and methodologies. I hope they will be given proper time to operate. I hope they will be required to keep detailed records, and I hope they will be required to make their records available to the public the moment they complete their work. No Commission endorsed by this body should ever again be free of the responsibility to justify its work to our citizens or the need to be a part of open Government.

CENTENNIAL CELEBRATION OF LUVERNE, AL

Mr. HEFLIN. Mr. President, I am delighted to rise today to congratulate the citizens of Luverne, AL, on the Centennial Anniversary of their city. The people of Luverne will celebrate the centennial throughout the month of April with the culmination coming on Saturday, April 22.

The town has many events planned and hopes that the occasion will serve as a sort of homecoming. The centennial will feature a professional mime in the schools and a Kids' Day at the airport with the Pepsi skywriter and skydivers as well as a festive street dance for the entire community. The conclusion of this celebration will be a parade through downtown Luverne and the largest public gathering in the city's history. I am confident that the celebration will be an enjoyable and memorable event.

This centennial celebration offers the current and past residents of Luverne to look back over their 100 year history with pride. Although Luverne is a century old, the county in which it lies, Crenshaw County, is only a few years older. Crenshaw County was created by the Alabama Legislature in 1866 from pieces of Butler, Coffee, Covington, Lowndes, and Pike Counties.

Luverne was begun in 1888 and named after the wife of a railroad pioneer and as luck would have it a railroad station was soon built at Luverne. Luverne was a town born of the railroad. As precious commodities such as cotton and timber began to flow through the town, Luverne began to grow. In 1893, Luverne won the hotly contested election to become the Crenshaw County seat.

Since the early days of Luverne, its citizens have contributed much to the growth of Alabama and the Nation. During this country's time of need in the wars we have fought, Luverne provided many men and women to help defend the freedoms we enjoy.

This centennial celebration represents much more than a birthday celebration for the people of Luverne. It provides an opportunity for them to remember their past, to be mindful of the outstanding contributions they have made, to remember the great citizens of their history, and then to join together to work for a brighter future. This is a time when the citizens of Luverne can identify goals and dreams and begin to work to accomplish all of their hopes. I am confident that the next 100 years will be as glorious as the last 100 years.

I am proud to represent the people of Luverne in the U.S. Senate and am pleased to serve them in every way I can. I look forward to working with them in the future to make their city stronger and better, and to work with them to improve and enrich our State and our Nation.

MOWA BAND OF CHOCTAW INDIANS RECOGNITION ACT

Mr. HEFLIN. Mr. President, I rise today as a cosponsor of S. 381, the Mowa Band of Choctaw Indians Recognition Act. I agree with Senator SHELBY that this tribe deserves both recognition by the Federal Government and the advantages that accompany this recognition.

The Mowas were granted recognition as an American Indian tribe by the State of Alabama in 1979 and are recognized by the National Congress of American Indians. This bill will provide Federal recognition to the Mowas Band of Choctaw Indians and allow them to benefit from all Federal programs designed to aid Indians.

Many tribes currently have productive relationships with the U.S. Government. This relationship begins with Federal recognition and involves numerous benefits for the tribe as well as their responsibilities to the Government.

There are around 4,000 members of the Mowa Band of Choctaws. Most of these Indians live in Mobile and Washington Counties of southwest Alabama. All of these members are descendants of the original Choctaw Nation and have formed a tightknit community. Their leadership consists of 14 members of the tribal commission and 5 officers. These officers and members oversee the daily operations as well as other Mowa tribal affairs.

Under this bill, the land owned by the Mowas in south Washington County would be transferred to the Federal Government to be used for the benefit of the Mowas.

As I mentioned earlier, the Mowas are already considered an American Indian tribe by the State of Alabama. The Mowas also currently participate in two Federal programs as a result of Alabama's recognition. These programs are the Low Income Home Energy Assistance program and the Community Services Block Grant Program. In addition, the Mowas have received assistance from the administration for Native Americans.

The Mowas play an integral role in the activities of Indians in the State of Alabama. Their tribe is a founding member of the Alabama Indian Affairs Commission which has had a Mowa delegate as its chairman.

The recognition by the State of Alabama of the Mowas was a great step for the tribe. The next hurdle which they must clear is Federal recognition. This bill, S. 381—"Mowas Band of Choctaw Indians Recognition Act," represents the fastest method by which they can achieve Federal recognition. I urge my colleagues to join Senator SHELBY and me in supporting this bill which would grant the Mowas the recognition and support they deserve.

CONCERNING ELIZABETH DOLE

Mr. DANFORTH. Mr. President, on April 1 we cleared one of the last obstacles to getting airbags in all new passenger cars. We passed this obstacle in large part because of a tough and skillful decision made by the former Secretary of Transportation and current Secretary of Labor, Elizabeth Dole.

In 1983, the Supreme Court ordered the Department of Transportation to reexamine its rulemaking, issued before Mrs. Dole's appointment, on automobile passive restraints, which include airbags and automatic seat belts. Elizabeth Dole was placed in a difficult position. There were many in the administration and on Capitol Hill who did not want her to respond to the Court's ruling with a strong passive restraint rule. On the other hand, there were some of us in Congress, including myself, who realized the lifesaving potential of airbags and wanted Mrs. Dole to make air bags mandatory in all new vehicles on an expedited basis.

Elizabeth Dole fashioned a responsive solution, which has been saving lives for the first time in the troubled 15-year history of this rulemaking. And, she did it within a 7 month self-imposed deadline. It provided that passive restraints, including both airbags and automatic seat belts, would be phased in over a 4-year period, with a special credit provision favoring the use of airbags over automatic seatbelts. Her rule also provided that these automatic devices would not be required if, by April 1, 1989, States representing two-thirds of the U.S. population passed seatbelt laws that met five stringent criteria.

Mrs. Dole crafted her rule to produce a vigorous contest between proponents of State safety belt use laws and advocates of automatic restraint systems. Thirty-two States now have belt use laws protecting 207 million Americans and safety belt use has increased from 14 percent in 1984 to 46 percent today. In 1988 alone, this translated into 4,560 lives saved. At the same time, however, supporters of airbags and other automatic restraints argued in State legislatures that these excellent lifesaving technologies would enter the market if the State safety belt use laws did not fully meet the stiff requirements of Mrs. Dole's rule. While safety belts provide essential protection in rear-end and roll-over accidents, airbags are the best protection in front and front-angular crashes. In the end, with many seat belt use laws passed, but as expected, few meeting all of the criteria set forth in the final rule, the automatic restraint provisions have become permanent.

Mr. President, now that this hurdle is cleared, we are seeing airbags installed in record numbers, where not one manufacturer offered airbags before this rule took effect. The big three automakers alone have announced plans for the installation of 2 million driver-side airbags in model year 1990 passenger cars. Chrysler will install them as standard equipment in its entire production line. Ford will place 1 million driver-side airbags in 11 different model lines. General Motors has announced its intention to install 500,000 driver-side airbags in model year 1990. By model year 1992, the big three plans to install 5 million driver-side airbags. These three manufacturers have plans to install passenger side airbags as well.

Mr. President, we should not be satisfied until every passenger car, minivan and small truck has full front seat

airbag protection. We should congratulate Elizabeth Dole for her critical role in moving us dramatically closer to that goal.

Mr. President, passive restraints are only one area in which Elizabeth Dole has demonstrated her safety leadership. She was one of the leading proponents of Federal legislation which encouraged States to adopt a minimum 21-year-old drinking age. Again, the results tell the story, with all 50 States having 21-year-old drinking age laws and a 13-percent reduction in the involvement of young people aged 18 to 20 in fatal accidents.

Elizabeth Dole also played an active role in motor carrier safety. Secretary Dole sought major increases in funding for the Motor Carrier Safety Assistance Program. This program now accounts for over 1.25 million truck, bus and hazardous material vehicle safety inspections every year. She also worked to implement important legislation that removes the ability of lawbreaking truck drivers to hide behind multiple licenses from different States and to require that anyone who operates large trucks or buses is qualified to drive those vehicles.

Elizabeth Dole also left her mark in the field of aviation safety, with the 3 safest years in aviation history recorded during her tenure. During the first decade of airline deregulation, many travelers took advantage of new price and service options. This rapid growth in aviation created new challenges going beyond the traditional technical and operating experience of the Federal Aviation Administration [FAA]. Sometimes an operational agency can be slow to respond to dramatic changes in the environment. The rapid growth in air travel required sustained, broader policy and budgetary attention at the Secretarial level.

One of Elizabeth Dole's priorities was to change some of the FAA's systems and to push through a myriad of controversial safety rules in order to help stay ahead of the growth curve in aviation. Economic deregulation, she believed, called for even more vigorous safety oversight. She mobilized a team to respond to a dramatically changing environment in aviation. The airline safety inspection process was totally overhauled, leading first to 14,000 additional inspections of the Nation's airlines, followed by an intensive program of continuing inspections. At her direction, the FAA centralized and systematized inspections around the country, eliminating nonstandardized approaches to inspections of different airlines in different parts of the country. She initiated the first rewrite of the Federal handbook for aviation safety inspections in 28 years. Safety violations were prosecuted vigorously, and her department collected record level multimillion-dollar fines from air carriers. Secretary Dole sought additional safety restrictions on small planes. She asked for, and received, funding for a 60-percent increase in the number of aviation safety inspectors and hundreds of additional air traffic controllers in the budget requests prepared during her tenure. Overall, she succeeded in increasing the FAA's budget by 50 percent during a time of severe Federal budget constraints.

Among the safety regulations put into place by Secretary Dole were aircraft cabin fire safety regulations and a requirement that small aircraft operating near the Nation's busiest airports must carry altitude-reporting transponders. At her direction, a rulemaking was initiated to require installation of new collision avoidance warning systems on commerical aircraft and installation of wind shear warning equipment.

Breaking a 12-year logjam, Elizabeth Dole also took action in 1985 to issue the first requirement for alcohol and drug testing after serious railroad accidents. That rule was just upheld by the Supreme Court. During her tenure, the Department of Transportation became the first civilian Department to administer random drug testing to all senior appointees, and to its 30,000 employees in critical safety and security positions. Secretary Dole also directed the preparation of rules, issued after her departure, to require such testing for all transportation industry employees who have safety and security responsibilities. Her decision to support random drug testing was tough and unpopular in many quarters.

Mr. President, my colleagues on the Senate Commerce Committee and I have had a long-standing commitment to safety, and we hold Secretaries of Transportation to high standards. I look forward to working with Elizabeth Dole now as Secretary of Labor, knowing that she brings to her new department the same zeal and fundamental commitment to problem-solving she exhibited at the Department of Transportation.

RETIREMENT OF LEONARD E. JOHNSON

Ms. MIKULSKI. Mr. President, it is my pleasure to honor a distinguished member of my home State of Maryland and a dedicated member of the Government who is now retiring.

I am speaking of Leonard E. Johnson who has served as Senate Doorkeeper for the past 14 years and is now retiring from that position in May. Mr. Johnson has served his country and community throughout his life.

In 1942, Mr. Johnson served in the U.S. Army during the European campaign or World War II. Finishing his tour of duty in 1945, he returned to Washington, DC, and worked at IBM. After a brief stay in Florida, Mr. Johnson returned with his family and went to work as a doorkeeper in 1975. He has held the position faithfully under six Sergeants at Arms.

I know that all of Mr. Johnson's colleagues are going to miss him. I know, too, that Mr. Johnson's family shares our pride in him. His wife Norma C. Ruppert, his two daughters, Gail C. Johnson and Joyce C. Frank and two grandchildren, Diane and Stephen all join in celebrating his retirement.

Mr. Johnson is a member of the Knights of Columbus and will now be able to travel with his wife as well as spend more time on his other hobbies, golf and fishing.

Mr. President, I am proud to pay tribute to this outstanding individual who has served his community, the Senate and the Nation.

HERSCHEL LASHKOWITZ

Mr. BURDICK. Mr. President, the North Dakota Legislature will soon finish up its business. Legislators will leave Bismarck in the next week to resume their normal lives as farmers, lawyers, business owners, students, or other professionals. One very special State senator deserves recognition for the service he has given to Fargo and to all of North Dakota. Herschel Lashkowitz has an unusual name in a State known for Indians and Norwegians. He's also been an unusual man, fighting for the concerns of working people and earning wide respect in my State.

Herschel Lashkowitz served as mayor of Fargo from 1954 to 1974, promoting urban renewal and leading Fargo to be declared an All American City. While mayor, he served one term in the North Dakota Senate in 1965. He has served as a State senator continuously since 1975, most recently as president pro tempore.

Herschel has been in poor health lately, suffering from Parkinson's disease and recently undergoing heart surgery. But he hasn't let his health problems stop him. During my campaign last fall, Herschel would show up at my office door to offer me his advice and suggestions. His body may be weak, but his mind and spirit are truly an inspiration.

I call on my colleauges to join me in commending Herschel Lashkowitz for his public service and wishing him well in the future.

THE PEPCON EXPLOSION

Mr. REID. Mr. President, the Pepcon explosion in May 1988 was a tragedy and disaster that tested the will and resources of people all across Nevada.

Three explosions at the Henderson plant killed 2 workers and injured more than 350 others. The blasts left a

ring of destruction 8 miles wide, knocking cars off roads, shattering windows and shaking buildings 10 miles away in downtown Las Vegas. A toxic cloud covering 5 square miles drifted over the Las Vegas valley.

This disaster created outright havoc in many quarters. The roads into and out of Henderson were jammed for more than 4 hours. Schoolchildren were quickly evacuated. More than 160 firefighters from departments all over over the valley were called upon to help. Over 60 law enforcement officers directed traffic. Doctors and nurses worked through the day and night to care for the injured.

The Pepcon explosion helped bring out the best in the people of Nevada. We responded quickly. We cooperated. We worked together to get through the crisis.

Crises are like that, Nevada was lucky to have so many individuals who did their best, literally under fire, to save lives and keep the public informed of the crisis.

The Society of Professional Journalists—Sigma Delta Chi—recently chose KRRI-FM 105.5, in Boulder City, NE to receive its national award for "Best Radio Spot News Reporting in 1988." KRRI-FM received this award because of their news coverage of the tragic Pepcon explosion.

When tragedy struck, KRRI abandoned its rock 'n' roll format for more than 4 hours. Its entire staff, including receptionists, sales personnel, and station owners reported the story. The station become a center for community action and response.

KRRI's public service is now an object of respect well beyond Nevada and the West. Everyone who cares about public safety and civic responsibility can be proud of their accomplishment and national acclaim. The rest of the country can now acknowledge KRRI-FM for what we in Nevada have long valued and appreciated—a job well done.

On behalf of the people of Nevada, I commend them and all the other news organizations and citizens who did so much during that time of crisis. Keep up the good work.

HOOPA VALLEY INDIAN RESERVATION

Mr. CRANSTON. Mr. President, I am proud to announce that next week a tribal ceremony will take place on the Hoopa Valley Indian Reservation in my State of California, to celebrate the passage of the Hoopa-Yurok Settlement Act. I would like to thank my colleagues in the Senate who helped enact this important law.

Mr. President, in the last days of the 100th Congress we were able to enact Public Law 100-580, a settlement act intended to bring about an end to the bitter and costly litigation that has dominated the lives of the Hoopa and Yurok Indians for three decades. This protracted litigation resulted from the muddled policies of the Federal Government, which in 1891 extended the Hoopa Valley Indian Reservation, the ancestral home of the Hoopas, to include the Klammath River Reservation, the ancestral home of the Yuroks.

The law suits that ensued years later failed to resolve the controversy surrounding the ownership and management of the Hoopa Valley Reservation. Instead, control of the affairs of the reservation shifted from Indian hands to the Bureau of Indian Affairs—a dismal result in terms of the principles of both Indian self-determination and tribal sovereignty. Additionally, many persons involved in the litigation died awaiting a judicial solution that never came.

Public law 100-580, based upon legislation that I introduced in the Senate, and Congressman Doug Bosco introduced in the House, partitioned the reservation in a way that was generally consistent with the aboriginal territories of the Hoopa and Yurok people. It restored tribal sovereignty to the Hoopa Valley Tribe, and it provided the Yurok Indians with the means to organize as a tribe.

I am delighted that the Hoopa Valley Tribe will be celebrating the enactment of this law with a tribal ceremony, and I understand that August 12, the date on which the original Hoopa Valley Indian Reservation was established in 1864, will hence forth be proclaimed as the tribe's day of celebration and remembrance of its struggles to maintain its ancestral home.

Mr. President, I am proud to have helped bring about enactment of Public Law 100-580. It is my hope that the passage of this legislation will help put behind us the strife and controversy which have plagued this issue and will help bring about a long lasting friendship between the Hoopa and Yurok peoples.

MEXICO—MODEL DEBTOR

Mr. KENNEDY. Mr. President, Mexico is one of our closest and most important neighbors. We share a lengthy, unarmed border, extensive trade in both directions and deep cultural ties. Mexico is currently struggling to reignite economic growth so that prosperity may be extended to all of its citizens. It is essential for Mexico to relieve itself of some of the crushing burden of debt service in order to assure that growth.

Today's New York Times took note of the courageous and bold steps currently being implemented by the Mexican Government to reform its domestic economy and to resolve its debt situation. We must be full partners in this effort. I ask unanimous consent the editoral just referenced be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 19, 1989]

MEXICO MAKES ITSELF A MODEL DEBTOR

Mexico, the first big debtor nation to crack under the load of its debts to foreign banks, is now the first to start negotiating with them on debt reduction. The outcome of their negotiations, which start today in New York City, will set a pattern for all the debtors and their creditors. In Mexico's case, relief is well deserved.

Of the third world's $1.3 trillion in foreign debt, Mexico owes $100 billion—second only to Brazil. The debt reduction plan recently proposed by Treasury Secretary Nicholas Brady and adopted, in broad terms, by the major creditor nations is aimed at bank debt; Mexico's is $60 billion, on which it pays roughly $6 billion a year in interest.

The object is to let debtors put more of their foreign earnings into economic development and less into paying off foreign banks. The amount of reduction will vary from country to country. Treasury officials have estimated 20 percent over all. That's not enough, but it's an important start.

The burden of servicing foreign debt has hobbled Mexico's economic growth for seven years. But while the average Mexican is no better off than before the Government came up short in 1982, Mexico has done more than almost all other debtors to address the root causes of its economic disorder.

Former President Miguel de la Madrid began the process, trimming and selling off state-owned enterprises and reducing barriers to foreign competition. Then his party's 60-year grip on government leadership was seriously challenged in last year's election when Mr. de la Madrid's protégé, Carlos Salinas de Gortari, won by only a thin margin.

Mr. Salinas has moved boldly to extend economic reform and to attack business and labor corruption. He has also moved bravely against drug trafficking. By these measures, Mexico has earned the right to expect relief from its crushing debt.

Several debtors have started negotiations under the new plan; Mexico has made the most progress, and thus will be a model. The first big step was a $3.6 billion loan from the International Monetary Fund. That is an extraordinary opening. Previously the fund insisted on waiting until after a borrower had made arrangements with the banks. With the fund's commitment already a fact, Mexico negotiates with its banks under less pressure.

The Mexicans plan to use about a third of the I.M.F. loan for debt reduction; indeed, Mr. Brady has said that if the banks don't agree to take some losses, the monetary fund will withhold $1 billion. How much can be accomplished with $1 billion depends on how Mexico and the banks arrange it.

There are various routes. For instance, Mexico could use the $1 billion as collateral to guarantee future interest payments if banks agreed to accept bonds with substantially less face value than current debt. Or it could offer banks equity stakes in Mexican businesses. Or banks could agree to postpone some current interest if eventual payment were guaranteed.

The ultimate goal of debt reduction is economic growth and political stability. The borrowers and the lenders need both.

REGARDING INFLUENCE OF BIG BANKS

Mr. GRASSLEY. Mr. President, last night the U.S. Senate proved once again that it is willing to just roll over for the big regional and multinational banks.

And frankly, it really gripes me that this has occurred again!

They come in here with their high paid lobbyists and expense accounts and just utter the magic words: "international competitiveness."

If there is a code word that can make a U.S. Senator blink, that code word is "international competitiveness." It is almost as reliable as getting Pavlov's dog to salivate.

I wouldn't suggest for a minute that we forget about the world marketplace or revert to financial isolationism. Of course not, we have to be vigorously involved in the international market, and that includes international financial markets. And the Congress should facilitate that involvement.

But international competitiveness cannot become a god onto itself.

As elected representatives of all the people in this great Nation, we cannot let one mission dictate our actions. Sometimes I fear that that may be the case with international competitiveness.

Perhaps the problem is not so much a concentration on competitiveness. Perhaps it also entails who we encourage to compete. The dozen or so big banks which dominate foreign holdings are in an obvious position to compete. But the 14,000 commercial banks—10,500 of which have assets of less than $100 million, provide the daily credit needs of the millions of men and women who labor and toil to make competitiveness possible.

These small banks provide the threads which hold together the fabric of our Nation's financial system.

Just as important as the chorus of international competitiveness is the tune of rural economic development.

Economic development in rural areas depends on our small commercial banks—those banks which make their bread and butter from the basic business of making loans to and taking deposits from the friends and neighbors they greet on the street each day.

Last night the U.S. Senate slapped these community bankers in the face.

We told them that we're sorry they will have to pay thousands more dollars into the FDIC insurance fund. We have told them that we're sorry that the big banks have drained the FDIC fund, and the small bank assessment must be increased to restore the fund.

"We're sorry," we have told them. But that is all we have told them.

Last night we had a chance to reaffirm our commitment to their business and their customers. If the Senate would have adopted the Nickles/Grassley amendment to at least give the FDIC the authority to assess foreign deposits, the community bankers might have renewed their faith in the democratic process which is supposed to represent all the people, not just the powerful.

I hate to use the phrase "level playing field." It is misused more than any other regarding banking legislation. But it is most unfortunate when Congress continues to weight the field to the advantage of a dozen or so big banks, to the disadvantage of more than 10,000 community banks.

The issue of foreign deposits isn't the only time we've favored the big banks. The issue with LDC debt is also a problem. And, it is another $100 billion problem.

Even if one has to accept the current U.S. policy that failure of a major bank threatens the Nation's financial system, it is troubling to see a Federal agency intervening to protect a private company from the consequences of its own mistakes.

I know, and appreciate, that the Banking Committee will insist on a clarification that the Congress is not advocating a bailout for the banks. Instead we are bailing out the depositors.

But we should advocate covering only small depositors—those with less than $100,000 in the bank. But the FDIC has repeatedly given large investors a guarantee as well.

This is a mistake.

The large investors, especially the institutional investors, have the tools to analyze the banks with whom they do business. That is how to hold the system accountable and responsible. Investment risk, I always thought, means taking the rewards when you win and taking the lumps when you lose.

I realize that every time I complain about the benefits Congress provides to the likes of Citicorp, J.P. Morgan, or Manufacturer's Hanover Trust, you only have to breathe one word, "sumitomo." That one word, the Japanese bank which could swallow the largest United States banks with hardly blinking, would make the most populist Senator back off.

But for every time you mention sumitomo, I would like to remind you of the First National Bank in Latimer, IA, or the Hayesville State Savings Bank, or hundreds of small banks around the country which have been closed by the FDIC.

Many times local economies are damaged when the local bank closed.

The FDIC is not always successful at finding a buyer for a failed bank's assets. Also, the buyers that do acquire the assets do not always assume all of the loans. Loan contracts may be interpreted differently with a new lender, imposing new restrictions on the borrower. The new banker may not choose to be involved with a certain type of loan. In Iowa and other parts of the Corn Belt, lenders have been reluctant to acquire a loan when the prospects of a drought may threaten the viability of farm loans.

There are many details that are involved when a bank fails. Many times the transactions are smooth and painless. But we would be naive to assume that small towns and their residents are not affected when the FDIC closes or sells a bank.

Mr. President, I am only requesting the Senate reaffirm its commitment to the small community banker. I only ask that we do not lose our sensitivity for the little guy, who does not have the resources to fight the big fellow. We failed miserably last night. Words cannot fully express my disappointment—disappointment shared by small bankers and communities throughout America.

AMERICANS SAY "NO" TO NEW TAXES IN CSEF POLL

Mr. SYMMS. Mr. President, listening to the evening news and watching the Sunday talk shows, one gets the feeling that the health of the economy somehow depends on a tax increase. Unless taxes are raised, we are continuously told, the stock market will collapse, inflation will skyrocket, the trade deficit will rise, and interest rates will climb. Even more ridiculous than these assertions, proponents of higher taxes imply that the American people want their taxes raised.

Fortunately, Citizens for a Sound Economy Foundation commissioned the Roper organization to poll the American people on what they really think about taxes, Federal spending, and the deficit. Not surprisingly, this representative survey of public opinion found that citizens have a much different view of fiscal policy than the so-called experts in Washington, DC.

Most importantly, when asked whether they favored spending restraint or higher taxes as a solution for the deficit, the public picked spending restraint by a margin of more than 14 to 1. For every one person who felt the deficit is caused by inadequate tax revenues, more than six correctly stated that excessive spending is responsible. By a 3-to-1 margin, the public feels a tax increase would harm the economy. For every person who thinks a tax increase would help the United States compete with other nations, five people believe higher taxes would stifle our competitive ability. Finally, for those who argue that higher taxes would encourage savings, the American people said

higher taxes would lead them to save less by a margin of 9 to 1.

Other notable results in the survey include strong support for a balanced budget amendment and line-item veto. In a sign that the American people have picked up on congressional behavior, the poll found that 70 percent of the public believes Congress would simply spend additional tax revenue rather than use the money for deficit reduction.

Citizens for a Sound Economy Foundation has done us all a great service by releasing this poll done by the Roper organization. The time has come for us to cut through the fog of self-serving Washington rhetoric and listen to the will of the American people. I ask unanimous consent that the CSEF-commissioned poll be printed in the RECORD, and I strongly encourage all of us to read the American people's lips.

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

FEDERAL SPENDING, TAXES, AND THE BUDGET DEFICIT, JANUARY 25, 1989

INTRODUCTION AND PURPOSE

Citizens for a Sound Economy Foundation commissioned The Roger Organization to conduct a national public opinion survey on the related issues of federal spending, taxes, and the budget deficit.

The survey was designed to look at these issues in a broad sense—not to look in detail at specific areas of spending, various sources of revenue, or the gamut of possible steps that might be considered to reduce the deficit. It is important to keep this in mind when viewing the survey results. For example, general support for spending control or tax increases cannot automatically be translated into support for spending reductions in specific areas or tax increases from specific sources.

Thus, the survey results provide you with the general mindset of the public—i.e., the opinion environment within which any specific spending or taxation recommendation will be received and evaluated.

METHODOLOGY

The survey was conducted by way of personal, in-home interviews among a nationally representative sample of 1,947 adults, age 18 and over. The interviewing was conducted during the period of December 3-10, 1988.

SURVEY RESULTS

By better than a three-to-one margin, the public believes that Congress rather than the President is primarily responsible for the budget deficit. About half the public puts the responsibility on Congress, while only 15% blame the President. Another three people in ten, however, say they share the responsibility equally.

"Who do you think is primarily responsible for the federal budget deficit—the President or the Congress?"

	Percent
Congress	47
President	15
Both equally (vol.)	30
No opinion	7

Although all segments of the population single Congress out more frequently than the President as having primary responsibility for the budget deficit, there are differences of degree.

Most likely to lay the blame at the door of Congress are:

	Percent
Political/social activists[1]	65
Republicans	63
Conservatives	57
Higher income	55
Executive/professional	52
College educated	52

[1] A Political/Social activity index is built out of responses to a list of activities respondents reported having engaged in in the last year—such things as having run for political office, having written a letter to the editor, having made a speech, or written an article, having worked in a political campaign, being an officer of a civic or fraternal organization, etc. Respondents who have done three or more of the things on the list are classified as "Political/Social Activists"—and may be roughly equated with "thought leaders."

The President is most likely to be held primarily responsible for the budget deficit by:

	Percent
Blacks	24
Liberals	23
Democrats	22
Non-high school graduates	20

Public opinion is considerably more conclusive with respect to the primary cause of the budget deficit. By over six-to-one the cause is seen as increased spending rather than inadequate tax revenues. More than six people in ten cite the former, while only one in ten cites the latter. Both increased spending and inadequate revenues are given equal blame by a fifth of the public.

"Do you feel the federal budget deficit has been caused primarily by increased spending or primarily by inadequate tax revenues?"

	Percent
Increased spending	63
Inadequate tax revenues	10
Both equally (vol.)	20
No opinion	8

Among all the population subgroups studied, increased spending rather than inadequate revenues is regarded as the cause of the deficit by a significant margin. Republicans (70%) and Conservatives (68%) are more likely than Democrats (59%) and Liberals (56%) to cite increased spending.

Overwhelmingly, the public believes that federal spending has increased over the last eight years. Only about one person in eight thinks spending has either stayed level or decreased.

"Since 1980, do you think federal spending has increased, decreased, or stayed about the same?"

	Percent
Increased	80
Stayed the same	9
Decreased	3
No opinion	8

Fewer people but still a solid majority—66%—are of the opinion that federal tax revenues also have gone up since 1980. Here, about a fourth of the public say revenues have either stayed the same or declined.

"Since 1980, do you think federal tax revenues have increased, decreased, or stayed about the same?"

	Percent
Increased	66
Stayed the same	17
Decreased	6
No opinion	11

With respect to both spending and tax revenues, those who believe there have been increases underestimate the size of the increase.

The median estimate for the percentage increase in federal spending since 1980 is 39%.

"By about what percentage would you say federal spending has increased since 1980?"

	Percent
1 to 20 percent	14
21 to 40 percent	24
41 to 60 percent	18
61 to 80 percent	7
81 to 100 percent	7
Over 100 percent	4
Don't know	26
Median	39

(Those who say spending has increased.)

For increases in federal tax revenues over the last eight years, the median estimate is 31%.

	Percent
1 to 20 percent	24
21 to 40 percent	24
41 to 60 percent	12
61 to 80 percent	7
81 to 100 percent	6
Over 100 percent	1
Don't know	26
Median	31

(Those who say revenues have increased.)

After asking about the direction of spending and tax revenues since 1980 and asking those who said there was an increase to estimate its amount, respondents were given the facts—that spending has risen by just over 90% and tax revenues have risen by almost 90%. Then respondents again were asked whether the primary cause of the budget deficit was increased spending or inadequate tax revenues. The response was identical to that given to the same question at the beginning of the interview. Increased spending is named by better than a six-to-one margin.

"In fact, since 1980, federal spending has risen by just over 90 percent and federal tax revenues have risen by almost 90 percent. Knowing this, do you feel the deficit has been caused primarily by increased spending or primarily by inadequate tax revenues?"

	Percent
Increased spending	62
Inadequate tax revenues	9
Both equally (vol.)	21
No opinion	8

If reducing the budget deficit were in the hands of the American public, the preferred approach—by a wide margin of more than 14 to one—would be to hold down spending so that it fits the tax revenues, not to raise taxes so that they equal spending. This point of view holds across all demographic, political, and ideological groups.

"Federal tax revenues are expected to rise by an average of $74 billion a year through 1993. At the present rate, government spending will also increase about that fast, leaving the deficit above $100 billion. What would you do to reduce the budget deficit—raise taxes so that they equal spending, or hold down spending so that it fits tax revenues?"

	Percent
Hold down spending	73
Raise taxes	5
Both (vol.)	12
Live with deficit (vol.)	3
No opinion	7

That people are generally opposed to tax increases, which in one way or another come out of their pockets, is not surprising. However, aversion to taxes is not the only reason that the public so dramatically faults spending rather than a revenue shortfall for the deficit and opts for holding down spending rather than taxes as the route to reducing the deficit.

There also is a mistrust of government; a doubt that enhanced revenues actually would be applied to deficit reduction. By almost six-to-one—70% to 12%—the public is of the opinion that, if there were an increase in taxes, the government would find new ways to spend the additional money rather than using it to cut the budget deficit.

"If taxes were raised, do you think the money would be used to cut the deficit, or do you think the government would find new ways to spend the additional money?"

	Percent
Find new ways to spend the additional money	70
Cut the budget deficit	12
Some of each (vol.)	11
No opinion	7

Further, on balance, higher taxes are seen as having a detrimental effect on several aspects of the economy.

First, by about three-to-one—44% to 15%—the public believes that higher taxes will decrease rather than increase economic growth. This opinion reaches the 50% level or better among Republicans (50%), executives and professionals (51%), and those most politically and socially active (53%). No more than 23% of any population group (Blacks) see higher taxes as beneficial to economic growth.

"Do you think higher taxes would increase economic growth, decrease economic growth, or not affect it one way or the other?"

	Percent
Decrease	44
Increase	15
No effect	23
No opinion	18

Second, by more than five-to-one—49% to 9%—people say that higher taxes would hurt rather than help the ability of American companies to compete with foreign companies. Here opinion reaches the majority level among the political/social activists (57%), executive and professionals (54%), Republicans (53%), conservatives (52%), and liberals (51%). No more than 13% of any population group (the South) regards higher taxes as helping in the foreign competition battle.

"Do you think higher taxes would help American companies to compete with foreign companies, hurt their ability to compete, or not affect their ability to compete one way or the other?"

	Percent
Hurt	49
Help	9
No effect	24
No opinion	18

Third, over half the public—55%—say they would save less if their taxes were raised, while only 7% say their savings would go up—a margin of almost eight-to-one. Another third of the public say a personal tax increase would have no affect on their savings. Opinion is reasonably similar throughout all population subgroups.

"If your taxes were raised, do you think you would put more money into savings than you now do, or put less money into savings, or wouldn't it affect your savings one way or the other?"

	Percent
Save less	55
Save more	7
No effect	32
No opinion	6

Numerous suggestions have been put forth to help reduce the budget deficit. Research has shown that suggestions which are not regarded as having a direct financial impact on the average individual are favored, while those seen as directly hitting the personal pocketbook are opposed.

Public reaction to the two budget reduction proposals tested in this survey does not run counter to this principle. Both are supported by about two-thirds of the public—and this high level of support is evidenced among all subgroups. The proposals are: limit annual federal spending growth to 3% for each of the next five years—supported by 68% of the public; and hold federal spending in 1989 and 1990 to the same amount spent in 1988—supported by 65% of the public.

"I'm going to read you two suggestions that would reduce the federal budget deficit. For each one, would you tell me if you favor or oppose it?"

	Percent—		
	Favor	Oppose	No opinion
Limit the annual growth in federal spending to 3% a year for each of the next five years	68	16	16
Hold federal spending in 1989 and 1990 to the same dollar amount we spent in 1988	65	18	17

When asked which of these deficit reduction approaches would be favored, if it were known that one of them was going to happen, there is no majority opinion. Holding spending to the 1988 level is the winner, however, by a 47% to 40% plurality—and it wins with all population subgroups except the college-educated (where there is a 45% to 45% tie). The most support for the flat spending approach comes from the political/social activists—53%.

"Here are those two approaches. If you knew one of them was going to happen, which one would you favor?"

	Percent
Limit the annual growth in federal spending to 3% a year for each of the next five years	40
Hold federal spending in 1989 and 1990 to the same dollar amount we spent in 1988	47
No opinion	13

There are, however, exceptions to everything—and, with respect to spending, social security apparently is an exception.

If federal spending were held to present levels for the next two years; if there were no increases in any other government spending, almost two-thirds of the public nonetheless would favor cost of living increases in social security payments. And, not surprisingly, this rises to seven in ten among those now receiving social security retirement benefits.

"Suppose federal spending were held to present levels for the next two years. Would you favor having no cost of living increases in social security payments for those two years, or do you think there should be cost of living increases in social security payments even though there would be no increases in any other government spending?"

	Percent—		
	Total public	Those receiving social security benefits	Those not receiving social security benefits
Should have increases	64	71	63
Favor no increases	26	24	27
No opinion	9	5	10

What should happen to social security payments if federal spending increases were held to 3% a year? Should this also apply to social security, or should social security be allowed to go up more? Given this scenario opinion is considerably more divided, but even so more people would allow social security to exceed the 3% limit than would constrain its increases to 3% (49% v. 41%). Among social security recipients, a majority support exceeding general spending limitations.

"Suppose federal spending increases were held to 3% a year. Do you think increases in social security payments should also be held to 3% or should social security be allowed to go up more?"

	Percent—		
	Total public	Those receiving social security benefits	Those not receiving social security benefits
Go up more than 3 percent	49	54	48
Hold to 3 percent	41	38	42
No opinion	10	8	10

Another attack on the budget deficit would be to ban all new government programs, however popular, until the deficit is eliminated. This suggestion, however, is quite controversial and puts the public overall into two rather evenly divided camps—43% oppose the idea and 40% favor it.

"Some people have suggested a ban on all new government programs, no matter how popular they may be, until the federal budget deficit is eliminated. Would you favor or oppose banning new government programs until the deficit is eliminated?

	Percent
Oppose	43
Favor	40
No opinion	17

On this issue there are differing points of view by population subgroups. Most opposition to a ban on all new programs is found among:

	Percent
Political/social activists	56
Liberals	53
College educated	52
Executives/professionals	51
Blacks	50

The majority of no subgroup favors such a ban, but among those age 60 and over support outweighs opposition by the largest margin—49% to 31%.

Among Republicans and Conservatives opinion is split right down the middle.

More diligence on the part of the Internal Revenue Service would raise more tax revenue by catching people who cheat on their taxes. And increased diligence is supported by a majority—although just a majority—of the public, even though it would mean that more people who do not cheat would be subjected to an audit. However, none of the population subgroups studied registers majority opposition.

"More Internal Revenue agents and stricter review of people's tax returns would raise more revenue by catching people who cheat on their taxes. It would also mean more people who don't cheat would be audited each year. On balance, would you favor or oppose tighter enforcement of the tax laws and tighter review of tax returns?"

	Percent
Favor	51
Oppose	33
No opinion	16

Lastly, the public was asked about two possible changes in the budget process—the line item veto and a balanced budget amendment to the Constitution.

The public was asked which system is better—allowing the President to approve some expenditures in a Congressional budget bill and reduce or reject others, or the present system whereby the President must either sign or reject a budget bill in its entirety. By a margin of three-to-one—62% to 21%—the public opts for the line item veto. Majorities of all groups hold this view.

"At the present time, when Congress passes a budget bill, the President must either sign the bill or reject it. Some people believe the President should be allowed to approve some expenditures in a budget bill and reduce or reject others that he disapproves of or thinks are too high. This would be what is called the line item veto. Do you think the present all-or-nothing system is better, or that the line item veto would be better?"

	Percent
Line item veto better	62
Present system better	21
No opinion	17

With respect to a balanced budget amendment to the Constitution—presented as an amendment that would both require a balanced budget and limit the amount of tax increases Congress could pass, except in times of national crises—this, too, is favored by a margin of three-to-one—62% to 20%. And here, too, opinion is relatively similar across subgroups.

"Some people have suggested a Constitutional amendment that would both require a balanced budget and limit the amount of tax increases Congress could pass, except in times of national crises. Would you favor or oppose such an amendment to the Constitution?"

	Percent
Favor	62
Oppose	20
No opinion	17

SUMMARY

In brief, the American public:

Blames Congress more than the President for the federal budget deficit.

Believes the primary cause of the deficit is increased spending rather than inadequate revenues.

Knows that both spending and revenues have gone up since 1980, but underestimates the amount of the increase.

Prefers holding down spending to raising taxes as the route to deficit reduction.

Fears that additional revenues would lead to new spending rather than deficit reduction.

Thinks that higher taxes would decrease economic growth, hurt our ability to compete with foreign companies, and reduce savings.

Supports a limit on spending growth and holding spending at the 1988 level as ways to reduce the deficit.

Is divided over banning all new government programs until the deficit is eliminated.

Sees social security as an exception to general spending limitations.

Supports both the line item veto and a balanced budget Constitutional amendment.

Thus, the public is not in a mood to see the budget deficit reduced at its expense—people want taxes controlled, spending decreased, and support legislative measures to accomplish these goals.

HOW THE SURVEY WAS CONDUCTED

The survey is based on personal, in-home interviews conducted December 3-10, 1988 with a representative sample of 1,947 adults, age 18 and over, in the Continental United States—exclusive of institutionalized segments of the population (military bases, nursing homes, prisons, etc.).

A multi-stage, stratified probability sample of interviewing locations is employed in this research. The probabilities of selection at each stage are based on the latest U.S. Census population data, and detailed Census maps are used to identify and locate the selected areas.

At the first stage, 100 counties are selected with probabilities proportionate to population, after all the counties in the 48 contiguous states and the District of Columbia are ordered by population size within 18 strata. The strata are constructed by classifying counties as metropolitan and non-metropolitan within each of the 9 Census Geographic Divisions.

At the second stage, within each primary sampling unit, two Census block groups (or Census Enumeration Districts, when Census block statistics data are unavailable) are selected with probabilities proportionate to population from a computer listing in which the block groups (ED's) are stratified by size of place in which located.

At the third stage, within each sample block group (ED), two sample locations (blocks or rural equivalents of blocks) are selected. When Census block data are available the sample blocks are selected with probability proportionate to size (population) from a cumulative computer listing. When no such block data are available, sample Enumeration Districts are broken into identifiable segments (small areas defined by roads, streams, railroad tracks, or other unambiguous boundaries), and the sample segments are selected with equal probability.

At the block (segment) level, the interviewer is assigned a starting point and a path to proceed around the sample area. Quotas for men and women over and under age 45 are imposed, as are quotas for employed people. In addition it is required that interviewing on half the assigned blocks (segments) be conducted after 5 PM on weekdays or on Saturday or Sunday, to facilitate fulfilling the employment quota. While the assigned quotas produce the proper number of men and women over and under 45, there are small imbalances when the sample is examined in finer age terms, e.g., too few 18-29 year olds, too many 30-44 year olds. Accordingly the sample is weighted to achieve the correct proportions of men and women 18-29, 30-44, 45-59 and 60 and over.

A validation is made by telephone of all interviewer's work from our centralized telephone facility.

In theory, in 19 cases out of 20 (the 95% confidence level) the results based on such a sample will differ by no more than 3 percentage points in either direction from what would have been obtained if interviews had been conducted with all members of the population represented by the sample. For subgroups of the population the potential sampling error is larger.

In addition to sampling error, the practical difficulties of conducting any survey of public opinion may introduce other sources of error.

NAMIBIAN CRISIS

Mr. SYMMS. Mr. President, for some time, I have followed closely Namibia's struggle for independence. Since the signing of the tripartite agreement which, in part, implements United Nations Security Council Resolution 435, I was hopeful the transition process toward Namibian independence would be peaceful.

I was hopeful, Mr. President, but not optimistic.

In a brief summary, the agreements, signed by the governments of South Africa, Cuba, and the MPLA regime in Angola, promised to bring about an end to the 13-year-old war in Angola, the removal of the estimated 60,000 Cubans in that country, and the withdrawal of South Africa from Namibia.

As the accords relate to Namibia, members of the pro-Marxist guerrilla movement, SWAPO, were to remain at their bases in Angola above the 16th parallel. In time, they would be permitted to return to Namibia to partici-

pate in a peaceful manner in the transitional independence process.

However, on April 1, SWAPO leader Sam Nujoma ordered an estimated 2,000-strong SWAPO guerrilla force to enter Namibia in an attempt to establish bases inside the territory.

These troops, heavily armed with AK-47's, antitank weapons, mortars, and ground-to-air missiles, blatantly violated the recently consumated cease-fire agreements and have jeopardized the independence process.

Since the incursion, nearly 300 SWAPO guerrillas and approximately 30 members of the South West African police have died in battles.

I am pleased to hear almost universal condemnation of this violation by SWAPO. Moreover, I am encouraged by the administration's response to this situation; namely, that all SWAPO cadres be forced to withdraw beyond the 16th parallel. As I stated in a letter to Secretary Baker dated April 18, I believe that no party to the agreement must be allowed to gain what they could not achieve through negotiation.

I would hope that no statement will come from Congress that would imply that SWAPO's behavior is acceptable or condoned. Furthermore, I encourage those who are quick to condemn South Africa at every turn to make similar condemnations of this clear violation by SWAPO. Allowing this to go unnoticed will place the entire independence process at risk.

My staff is currently working on a resolution with the Foreign Relations Committee staff and the majority leaders office with regard to this serious situation. I would hope that we can reach an agreement on the specific language because I believe it is imperative we address this matter quickly.

Finally, Mr. President, I commend to everyone the various letters that Senators SHELBY, GRASSLEY, and I have sent to Secretary Baker and our previous Ambassador to the United Nations, Vernon Walters. Moreover, I encourage Senators and their staff to read the March 31 editorial in the Wall Street Journal titled "Unfairness," and today's Washington Times and Washington Post articles on this issue.

Mr. President, I ask unanimous consent that the letters and articles be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, March 22, 1989.

Hon. JAMES BAKER,
Secretary of State,
Washington, DC.

DEAR MR. SECRETARY: It has come to our attention that you will be meeting with UN Secretary General Javier Perez de Cuellar tomorrow morning. We would be pleased if you could discuss the following matter with him, as we believe it to be central to the success of the agreements on southwestern Africa.

There seems to be confusion surrounding implementation of the "impartiality package," which is part of the UN plan for Namibia, by the UN body. Such recent developments as the inclusion of the "question of Namibia" in the provisional agenda of the forty-fourth regular session of the General Assembly, and continuing activities by the UN Council for Namibia, have not gone unnoticed on Capitol Hill. We understand that the State Department is working behind the scenes to ensure adherence by the UN to its obligations under the impartiality package. We are hopeful that efforts will prove successful, and that April 1st will not come before these obligations are put into effect.

Our position, which was echoed during confirmation hearings by the newly appointed US Ambassador to the UN, Thomas Pickering, is that strict application of the agreement on impartiality, as set out in the "informal checklist," is essential for free and fair elections in Namibia. This has been recognized by the Secretary General, as he explained in paragraphs 35 and 36 of his report to the Secretary Council of January 23, 1989.

We urge you to establish from the Secretary General what steps the UN is taking to give effect to these binding agreements.

We would also appreciate your advising us of the outcome of the meeting.

Sincerely,

STEVE SYMMS,
CHARLES E. GRASSLEY,
U.S. Senators.

U.S. SENATE,
Washington, DC, April 18, 1989.

Hon. JAMES A. BAKER III,
Secretary of State, Department of State,
Washington, DC.

DEAR MR. SECRETARY: The recent events with respect to the Namibian independence process and cease-fire agreements are of significant concern to me.

Following the violations of the South West African People's Organization (SWAPO), the meeting at Mount Etjo, Namibia seemed to bring back on track that country's efforts to begin a peaceful transition toward independence. However, it is now believed that a significant number of SWAPO units are likely to stay "underground" in Namibia, having cached both weapons and supplies.

Moreover, the government in Luanda, despite its commitment to abide by the terms of the Mount Etjo accords, is now allowing its own radio station to be used to enable SWAPO leader Sam Nujoma to broadcast messages to the cadres. His instructions—that SWAPO units avoid assembly points and return directly to their bases in Angola—are clearly an attempt to deceive United Nation monitors as to how many SWAPO forces are in Namibia and how many have truthfully returned.

Though I am encouraged by the position taken by our State Department, there are many reports that some individuals and institutions are attempting to shift the focus and blame from SWAPO, thereby justifying their continued presence in the territory.

I am sure we will agree the United Nations Plan is to allow for free and fair elections in Namibia. Yet the prospects for freedom of expression will be affected dramatically if heavily armed SWAPO units who entered the territory in complete violation of the accords are permitted to remain. The United States must not allow any party to the New York accords, or SWAPO, to deviate from its commitments. Furthermore, no party to the agreement must be allowed to gain by violation what it could not obtain through negotiation.

I would appreciate your providing me detailed information with regard to U.S. efforts aimed at resolving this serious situation.

I look forward to your timely response.

Sincerely,

STEVE SYMMS,
U.S. Senator.

U.S. SENATE,
Washington, DC, February 22, 1989.

Hon. VERNON A. WALTERS,
U.S. Representative to the United Nations,
New York, NY.

DEAR MR. AMBASSADOR: As Members of Congress who have been following with great interest the Namibian independence process, we would like clarification on a few items of ambiguity which have surfaced with the passage of United Nations Security Council Resolution (UNSCR) 632 (1989).

Prior to the passage of UNSCR 632, paragraph 35 of the Secretary General's report on the implementation of UNSCR 435 (S/20412) provides that:

"The United Nations Plan for Namibia includes agreements and understandings reached by the parties since the adoption of Security Council Resolution 435 (1978) . . . These agreements and understandings remain binding on the parties."

It was understood, and clearly stated by the Secretary General, that when the Security Council voted to approve his report (S/20412), these "agreements and understandings" would become synthesized with and inseparable from UNSCR 435.

Indeed, UNSCR 632 (1989) states that the Security Council:

"1. Approves the report of the Secretary General (S/20412) for the implementation of the United Nations plan for Namibia;"

Yet, the next sub-paragraph of the resolution states that the Security Council:

"2. Decides to implement its resolution 435 (1978) in its original and definitive form . . ."

From our interpretation, the latter is a contradiction of the former. If the Secretary-General's report (S/20412) is "approved" with the agreements and understandings reached by the parties since the adoption of Security Council Resolution 435, then Resolution 435 is no longer in its "original and definitive form."

It would appear there is a distinction now being drawn between "Resolution 435" and "The United Nations Plan for Namibia." If this is true, which plan is the Administration requesting voluntary United Nations peacekeeping contributions for?

Moreover, we would appreciate the clarification on provisions relating to the "impartiality package." This package was among the four listed items which comprised the "agreements and understandings" reached since the adoption of Resolution 435 in 1978.

The so-called "informal checklist" referred to in paragraph 36 of the Secretary-General's report mentions certain "impartiality provisions to be covered by [the] final Security Council enabling resolution." However, this language was not included. In fact, the enabling resolution contains no instructions on impartiality of the Secretary-General and the United Nations agencies.

This error clearly strengthens the argument of those who contend that strict impartiality is not called upon or required. Furthermore, despite assurances from the Secretary-General, there is no legal mechanism to ensure the United Nations fulfill its obligation on impartiality as it is not a "bound party" to the Namibian independence agreement.

We would appreciate your clarification of these matters, as well as your intentions to ensure that the four agreements specified in the Secretary-General's report (S/20412) are properly incorporated in the United Nations Settlement Plan.

Because Congress will soon receive requests for funding of the Settlement Plan, your timely response will be greatly appreciated.

Sincerely,

RICHARD SHELBY,
STEVE SYMMS,
U.S. Senators.

[From the Washington Post, Apr. 19, 1989]

PRETORIA PULLOUT KEYED TO REBEL MOVES

(By William Claiborne)

JOHANNESBURG, April 18.—South African Army troops in Namibia will not be returned to their garrisons, and their phased withdrawal from the territory will not be resumed until virtually all the black nationalist guerrillas who crossed the border on April 1 have pulled back to their bases in Angola, the South African government said today.

Foreign Minister Roelof F. Botha said that a "reasonable time" for the withdrawal of South West Africa People's Organization (SWAPO) guerrillas to Angola would start running out by the end of this month and that the continued presence of the rebels in northern Namibia would begin to interfere with the timetable for Nov. 1 independence elections for the territory, which has been occupied by South Africa for 74 years.

"As time passes, we will come to a situation where we must ask if the time schedules are still viable. That is why all parties concerned must go out of their way to get SWAPO back over the 16th parallel and the withdrawal verified," Botha said at a news conference in Cape Town.

He was referring to the demarcation line about 100 miles north of the Angolan border to which all SWAPO guerrillas were to have been withdrawn by April 1 under last December's comprehensive peace agreement guaranteeing Namibian independence in exchange for the pullout of 50,000 Cuban troops from Angola.

Until today, Pretoria had maintained that the schedule for reducing the number of South African troops in Namibia to a token presence of 1,500 by July 1 and the holding of independence elections three months later could be met in spite of cross-border incursions by an estimated 1,600 SWAPO guerrillas on the same day the United Nations-supervised independence process started.

Under that schedule, South Africa's estimated troop strength in Namibia of 40,000 soldiers was to have been reduced to 12,000 by mid-May and to 8,000 by early June. By July 1, the remaining 1,500 troops were to have been confined to two bases in north-central Namibia until independence.

Although U.N. peace-keeping officials say that "substantial" numbers of SWAPO guerrillas are returning to their Angolan bases in response to a call from guerrilla leader Sam Nujoma, South African security forces tracking the rebels estimate that nearly 900 are still inside the territory.

Only seven guerrillas have turned themselves in at U.N.-monitored deportation assembly points set up along the border under a cease-fire plan intended to rescue the U.S.-brokered peace agreement, and the vast majority of those who have left Namibia appear to have done so without checking in with U.N. forces. Friday is the last day of the U.N.-supervised amnesty, but authorities have indicated it may be extended.

SWAPO officials say it is unlikely that significant numbers of guerrillas would turn up at U.N. assembly points because these have been established alongside heavily fortified South African army and counterinsurgency police bases. The guerrillas also appear to be wary of an announcement by Pretoria that the rebels would be interrogated once they surrender their weapons.

Botha said today that the withdrawal of Cuban troops from Angola was continuing on schedule but that South Africa could not meet its timetable for withdrawing from Namibia as long as SWAPO rebels are still in the territory, presenting a security risk and intimidating voters in the planned elections. He said South Africa would not "count droplets" of remaining SWAPO fighters, as long as the bulk of them withdraw.

Botha said he hopes SWAPO will have withdrawn by the time a joint South African-Angolan-Cuban monitoring panel meets in Cape Town at the end of the month. The United States and the Soviet Union are to send observers to the meeting.

[From the Washington Times, Apr. 19, 1989]

TIMETABLE FOR NAMIBIA IN DOUBT

CAPE TOWN, SOUTH AFRICA.—The timetable for removing South African troops from Namibia will be abandoned unless all black nationalist guerrillas withdraw to Angola soon, Foreign Minister Roelof "Pik" Botha said yesterday.

Mr. Botha said the U.N. plan to bring independence of Namibia still is on schedule, despite heavy fighting this month when guerrillas of the South-West Africa People's Organization crossed into Namibia from Angola.

But the timetable will be disrupted if guerrillas still in the territory do not leave by month's end, he said.

South Africa claims 1,600 guerrillas entered Namibia after April 1 in violation of an agreement restricting them to Angola at least until mid-May.

According to South Africa, 278 guerrillas have been killed and 28 captured, about 380 have returned to Angola, and about 900 remain in Namibia. SWAPO says the numbers are much lower.

Mr. Botha said his troops will not return to their bases or withdraw to South Africa, as called for in the U.N. plan, until a total SWAPO withdrawal is verified.

South Africa does not disclose its troop strength in Namibia but is required to have no more than 12,000 soldiers there by May 14.

In Namibia, territorial officials said a land mine badly damaged an army truck Monday in the northern war zone. They said no one was injured by the blast, which they blamed on SWAPO.

At a news briefing, Mr. Botha expressed annoyance at reports that security forces acted callously in disposing of bodies of slain guerrillas. He said such reports diverted attention from SWAPO's responsibility for the combat.

Armed forces chief Gen. Jannie Geldenhuys said this troops had firm instructions not to bury enemy bodies in mass graves. But he said "relatively inexperienced" policemen did so when "suddenly confronted with large numbers of dead in blistering heat."

By yesterday, only seven guerrillas had reported to U.N. checkpoints established to give the insurgents safe passage back to Angola. The others who have withdrawn did so on their own.

Peter Younghusband of The Washington Times filed this dispatch from Cape Town:

An additional casualty of the SWAPO incursion into Namibia is a postponement of plans for the release of jailed back nationalist Nelson Mandela, according to South African officials.

"It is a fact that plans for the release of Mr. Mandela were well advanced when SWAPO's forces invaded Namibia from Angola on April 1," one official said.

Now, according to officials, it is unlikely that Mr. Mandela will be released in the immediate future—although other political prisoners might be freed.

The reason, according to these officials, is that the government stands accused by right-wing opposition parties of having botched the Namibian situation. Leaders of the Conservative Party, the official parliamentary opposition in the House of Assembly, have triumphantly declared themselves vindicated by events.

"It is exactly what we expected—SWAPO breached the peace agreement, and the United Nations were a disaster," party leader Dr. Andries Treurnicht said.

[From the Wall Street Journal, Mar. 31, 1989]

UNFAIRNESS

The world cheers when diplomatic agreements are reached. What does it do when they're violated? In December, for instance, the United States brokered a peace agreement to remove Cuban forces from Angola and to remove South Africa's presence from neighboring Namibia. Tomorrow United Nations peacekeeping forces will begin supervising the transition to Namibian independence and elections this November. Senators Steve Symms and Charles Grassley, however, have just written Secretary of State James Baker that a U.N. impartiality accord is being ignored.

The 1982 accord among the Marxist-dominated SWAPO rebels, key African states and nations on the U.N. Security Council promised the U.N. wouldn't play favorites before elections. It was a key reason the State Department let the U.N. supervise the transition. The need was obvious: In 1977 the U.N. General Assembly, perhaps reflecting most of its members' theory of democracy, declared SWAPO the "sole, authentic representative" of the Namibian people.

If implemented, the U.N. guidelines well might lead to fair elections in Namibia. The U.N. is supposed to end all funding of SWAPO during the campaign. The pro-SWAPO U.N. Council For Namibia must cease public activities. SWAPO is to lose its status as an official U.N. observer, and no discussion of Namibia is to be allowed at the U.N. Tell that to the General Assembly.

The U.N., which gave SWAPO some $30 million last year, has continued to raise money for funds dedicated to SWAPO's use. As for the Council on Namibia, it met recently to make plans for the transition period. Maria Almeida, a council officer,

told us the only difference the transition period will make is "that we will not be able to support SWAPO as vociferously." The provisional agenda for the General Assembly's fall session includes a discussion of Namibia.

The General Assembly apparently is angry over a recent Security Council move to reduce the number of peacekeeping forces in Namibia. It is simply ignoring the Security Council; a spokesman for the council admits "that the assembly is an independent body that we cannot control."

If the Security Council can't control the General Assembly, it's unlikely that it can ensure the neutrality of its 9,000 peacekeeping troops in Namibia. The results could mirror the 1980 election in Zimbabwe in which a massive campaign of intimidation by Marxist rebels effectively neutralized the black political opposition.

The State Department spent more than a decade negotiating the agreement linking Cuban and South African withdrawal from southern Africa. It should not now abdicate its responsibility to prevent the accord from merely ushering into power another poverty-producing Third World Marxist movement calling itself the "sole, authentic representative" of its people. Secretary Baker should press the U.N. to keep its word on Namibia.

AIDS UPDATE

Mr. CRANSTON. Mr. President, according to the April 1989 HIV/AIDS Surveillance Report, 90,990 Americans have been diagnosed with AIDS; 51,611 Americans have died from AIDS; and 39,379 Americans are currently living with AIDS.

Mr. President, 2,894 more Americans have developed AIDS and 1,741 Americans have died from this horrible disease during the month of March.

Mr. President, during the last 2 weeks a Dutchman with AIDS has received a good deal of attention. He wanted to attend a conference in San Francisco and visit AIDS projects around the country. He wanted to learn what our country was doing to prevent the spread of this disease and to share with Americans efforts ongoing in the Netherlands. However, because he has AIDS, he was denied entry, and the Immigration and Naturalization Service [INS] refused to grant him a waiver. Fortunately, an immigration judge subsequently reversed the decision, and Hans Paul Verhoef was able to attend the last 2 days of the conference.

I have been deeply concerned about the handling of this case and its implications for our future efforts to stop this worldwide epidemic. The United States has an obligation to share information about efforts to prevent and treat this disease with representatives of other countries. Yet, under the current immigration policy, no one with AIDS will be able to attend a conference on AIDS in the United States as hundreds will seek to do next year when the Sixth International AIDS Conference is scheduled to be held in San Francisco. I have contacted Attorney General Thornburg, Secretary of State Baker, and Surgeon General Koop to urge that they intervene to correct this unmanageable and counterproductive INS policy.

Mr. President, Randy Shilts, author of "And the Band Played On," and reporter for the San Francisco Chronicle, wrote an excellent article regarding the Verhoef situation on April 10. I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks. I urge all my colleagues to read the article and to join with me in urging the administration to reverse the policy before the United States is further embarrassed by the international scientific and public health community.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the San Francisco Chronicle, Apr. 10, 1989]

AN UGLY LITTLE INTERNATIONAL INCIDENT

(By Randy Shilts)

Imagine the scene at San Francisco International Airport next year when 10,000 scientists, health officials and community leaders begin arriving for the sixth International Conference on AIDS.

Under a strict interpretation of current law, immigration officials can keep out those who have AIDS or who are infected with the human immunodeficiency virus, which leads to the ailment.

By most estimates, there will be at least 1,000 who will fit that category. The conference is devoted to presenting the latest data from AIDS prevention studies, and HIV-infected people have played a key role in organizing such programs.

Because of the sheer numbers of people who could be placed under arrest there may not be enough jail cells in the Bay Area to hold them all. This would leave the Immigration and Naturalization Service with the prospect of finding a make-shift internment camp to hold these invited conference guests until the deportation hearings.

The huge contingent of international media, which always materializes for the annual AIDS conferences, will be on hand to record the scene.

INTERNATIONAL IMPLICATIONS

This scenario gave conference organizers at the San Fransciso Department of Public Health nightmares all last week. And it became all the more likely Friday when top INS officials in Washington struggled to do everything in their power to deport a Dutch man with acquired immune deficiency syndrome. The case of Hans Paul Verhoef and his aborted trip to a San Francisco AIDS conference has profound international implications, with the potential for making the United States a pariah nation in scientific circles.

Leading international AIDS authorities are now pondering proposals to cancel every AIDS conference now planned for the United States and relocate them to countries that will not lock up participants.

And the controversy is only starting.

From the beginning, the Verhoef affair has presented all the makings of an ugly international incident.

DELFT PAID HIS WAY

Consider the circumstances: Hans Paul Verhoef was stopped in Minneapolis on April 2 on the way to San Francisco to participate in the National AIDS Forum. The young man came here as the official representative of the city of Delft, where he is the head of a regional organization for people with AIDS. The city government paid his way here to learn more about how the Americans are fighting AIDS.

When a customs check of his baggage showed that he was carrying the AIDS medication AZT, he freely conceded that he has AIDS. The INS promptly locked him up under the provisions of a law that bars people with contagious diseases, including AIDS, from entering the United States.

Verboef spent last week in a maximum-security prison, going to hearings in handcuffs. When a local INS official said he would make an exception for Verhoef and let him go to San Francisco, he was overruled by the top INS officials in Washington on Friday.

An INS judge quickly reversed that ruling and said Verhoef could go free on $10,000 bond.

The INS then appealed further, saying the young man was such a danger to the public health that he should not be allowed out of prison on any circumstances.

Ultimately, Verhoef was released on the $10,000 bond as long as he agreed to leave the United States within three weeks. Nevertheless, the Bush administration's insistence on keeping Verhoef locked up bodies poorly for next year's AIDS conference in San Francisco.

Nothing short of a comprehensive policy change on HIV-infected visitors will make this city a safe place in which to hold AIDS conferences. And if the INS maneuvering was any sign, no such change is forthcoming from Washington.

Already the consensus has emerged among AIDS experts and international health officials: If the immigration policy remains in place, the San Francisco conference should be canceled and moved elsewhere.

Proponents of the immigration policy argue that it has been this country's tradition to exclude people carrying contagious diseases. The laws first setting up such exclusions date back to the days of tuberculosis.

This gets to precisely why just about everybody in public health opposes the AIDS ban. Tuberculosis is a disease you can contract from being coughed on, AIDS is not.

The imprisonment and humiliation of a foreigner who has committed no crime is something that might be expected from an Iron Curtain country or an Islamic republic. The scope of the jailings that would be required for the international conference here next year would be downright Stalinesque.

This is not how civilized countries conduct business. The United States should change its AIDS-exclusion policy and rejoin the ranks of civilized nations.

FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT

The PRESIDING OFFICER. Under the previous order the Senate will now resume consideration of S. 774. The clerk will report.

The legislative clerk read as follows:

A bill (S. 774) to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and en-

forcement powers of the Federal financial institutions regulatory agencies, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Chair recognizes the President pro tempore.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the Senator from Michigan.

Mr. RIEGLE. Mr. President, let me advise colleagues that Senator GRAHAM has an amendment that will be the first amendment up this morning and he will arrive on the floor shortly for the purposes of presenting that amendment.

I would like to correct one number that I gave yesterday that was incorrect. I was citing the cost of the savings and loan restructuring plan for various time periods, the 3-year cost, the 10-year cost and the 30-year cost. The data that I was given was in error for the 30-year cost. I had yesterday indicated that that figure was $239 billion. I wish it were that low. The 30-year cost, again using CBO assumptions and budget scoring, is anticipated to be $274 billion.

So that was an inadvertent misstatement of that number. The accurate number is $274 billion over a 30-year period.

So these are really astronomical numbers that we are talking about, as we have attempted to make clear in presenting the legislation and the rationale for it, and in discussing various amendments that have been offered.

Obviously, when you make payments, as this plan envisions, over a 30-year period, there are various ways to calculate that. One method that is now generally used is to apply a discounted present value to a stream of future payments and to bring that back to a single figure, as if the money were all in today's dollars.

If one were to discount to present value expenditures over 30 years of $274 billion, the present value calculation would be substantially lower than $274 billion.

But having said that, the fact to bear in mind is that these obligations, once they are undertaken, have to be met. And just as with a person's house payments or payments on a car or anything else, student loans, whatever it might be, whether those loan payments have to be made a year from now, 2 years from now, 3 years from now, they have to be paid as the contractual obligation calls for.

So the fact is that over the next 30 years the United States will be obligated to pay, through this financing plan, $274 billion.

So, these are some of the facts that are important to this discussion that I want to make sure that we keep clear as the debate goes along.

I want to make one other point of emphasis with respect to some of the information that has been brought forward in this debate. That is that the savings and loan industry in this country last year originated over half of the total home mortgage activity that took place throughout our country. They are the single leading originator of home mortgages in this country.

In years past the percentage was even higher than it was last year. But the fact that the savings and loan industry continues to originate over half of the dollar volume of mortgages in the country says a lot about what the purpose is of the industry and what is accomplished by that activity.

Most of the mortgages made by savings and loans in communities across the 50 States are made to individuals and to families, just what we might call average homeowners who, when they reach the point of becoming homeowners will go out and get a mortgage. They will, typically, get that mortgage at a savings and loan.

So that function is a very important function that is carried out for our citizenry, and that is the purpose of having this kind of specialized industry. Not that that is all that savings and loans do, but that is the principal activity that they do. That is why there is an important public effect each day in this country as those mortgages are originated and as people have a chance to fulfill that part of the American dream of becoming homeowners. It is a very important part of our system in this country. Most other countries do not have it.

Home ownership levels, percentagewise, are much lower in other countries, partly because those countries are less wealthy, but also because they have not developed the kinds of financing mechanisms and have not put the national emphasis on individual home ownership that we have in this country. We see home ownership as central to the American way of life and what we want to try to accomplish as individuals and as families.

In fact, that carries over into our tax laws as well. One of the few major tax advantages available to every citizen is the home morgage interest deduction. When we went through the tax reform bill, we made a judgment to retain that deduction, feeling that it was very important to bring home ownership more financially feasible to people. So, throughout our National Government system over the years, we have had this very pronounced emphasis on trying to help people obtain home ownership.

So, while we have not talked a great deal about it here in this bill, the S&L industry's central focus, its fundamental purpose, the reason it exists and will continue to exist as a specialized industry, is to meet this principal national public interest in home financing.

I would say just one other thing about it now before the Senator from Florida commences with his amendment. We have talked, about what is called the qualified thrift lender test. That is actually a percentage test that requires savings and loans to devote a major share of their business activity to home mortgage lending or activities closely related to it. In fact, we have tightened and increased the qualified thrift lender test for savings and loans to put even more emphasis on that principal responsibility that thrifts carry as specialized financial institutions.

So it is important to bear in mind that, while we talk about this problem as a financial sector problem, it relates very importantly to our overall national concept of what we are trying to foster and achieve as a society.

As long as home ownership, individual and family home ownership, remains a very high national goal and something that we want to encourage and assist appropriately in every way we can, it is the fundamental foundation of the savings and loan industry and why it is very important from the public point of view to continue that industry in the future.

I thought that review might be helpful. I know the Senator from Florida is on the floor. I suggest the absence of a quorum pending his decision to proceed on his amendment.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BURNS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BURNS. Mr. President, I want to congratulate the chairman of the Banking Committee, Mr. RIEGLE, and the ranking Senator from Utah, Mr. GARN, because they have undertaken a monumental task. The administration has acted quickly to solve this problem. All you have to do is look at the size of this bill to see that many hours of work and time and effort have gone into this.

The thrift industry has provided home ownership opportunities for millions of Americans for more than 50 years. They originated nearly 54 percent of all mortgages nationwide

through the third quarter of 1988. This is a clear indication of the thrift industries involvement in home mortgage lending.

The current crisis has focused our attention on an industry that has operated in a fiscally responsible way for many years. With the onslaught of high interest rates, as a result of unsound economic policies throughout the mid-to-late seventies, the thrifts found themselves in a no win position as the value of their portfolios decreased dramatically.

In an attempt to resolve the difficulties thrifts were experiencing, Congress and the regulators stepped in and provided greater powers in an effort to strengthen the industry. However, as we have discovered, something went drastically wrong. Between 1980 and 1988, over 500 thrifts failed, more than 3½ times as many as in the previous 45 years combined. Hundreds more remain insolvent and many more may follow.

The costs of the so-called bailout—and I do not like to use that term, either, because basically what we are doing here is keeping the covenant that this Government has made between us and the savers of this country. That cost will run into billions of dollars by the time the crisis is resolved. No small bills by any means.

Mr. President, the thrift industry in my own State of Montana has been able to weather these tough economic times. Even though we have had good economic times on both coasts, the heartland is hurt, as the Senator well knows. But we have weathered those times. Financial hardships continue to plague us in the heartland and yet, the ones in Montana, those thrift industries, rank fourth in the Nation. I want to reiterate that they rank fourth in the Nation; strongest, and most sound.

It becomes difficult for me when people like Charlie Mercord, who is president of First Federal Savings Bank in Kalispell, MT, come to me and ask why they must suffer financial consequences of the unsound lending practices of institutions over a thousand miles away. His is not an easy question to answer. It would be if Montana's savings and loans were experiencing the same difficulties as the rest of the Nation's thrift lending institutions. I cannot help but to think that what we are really doing is paying for the lavish lifestyles and fiscal irresponsibility of some highflying gamblers in other parts of the country.

I can only tell him we have a problem of significant proportions that must be addressed as quickly and as thoroughly as possible. We have to stop the hemorrhage.

Mr. President, the Bush administration has attacked this crisis in an expeditious manner. The comprehensive package they presented has acted as a strong framework from which to formulate a sound piece of legislation. The entire Senate Banking Committee must also be commended for their efforts.

I believe one of the most important changes that will occur with passage of this legislation concerns the regulatory structure. Too often we have witnessed that the cozy relationship between the bank board and its member banks has prevented the board from carrying out its regulatory activities. Allowing thrifts to operate in a manner which defies all logic and sound lending practices cannot be allowed to happen again. By placing the regulatory functions under the auspices of the Treasury, I am confident this will be the case. We can have a closer look and regulations on the industry.

Mandating strong capital requirements is another positive step. If we are to avoid the risky investment activities that have crippled so many S&L's, a strong capital requirement will cause speculators to think twice about investing in high flying real estate shams. Also, the fines and penalties are one important part of this legislation, and I cannot emphasize that too much.

I have reviewed this legislation and, although I cannot help but think it unfairly penalizes strong institutions, such as those operating in Montana, we must resolve this matter as quickly as possible. I believe the package as is will begin to restore vitality and life to an industry so many Americans depend upon.

I will be offering no amendments to this legislation, but we will be following those amendments as it takes its course. I ask my colleagues to join in this unified effort to bring this problem to a close. I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Florida, Senator GRAHAM, is recognized to offer an amendment on which there shall be 1 hour of debate to be equally divided and controlled. The Senator from Florida.

AMENDMENT NO. 55

(Purpose: To require confirmation of the Chairman of the Office of Savings Associations)

Mr. GRAHAM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes an amendment numbered 55.

On page 166, strike lines 7 through 14.

Mr. GRAHAM. Mr. President, as has been described previously, there are two basic objectives being accomplished in this legislation. One is to provide a financing plan to deal with the cost of already completed resolutions within the thrift industry and to provide a fund of $50 billion in anticipation of resolutions that would be completed in the future.

A second major aspect of this legislation is a restructuring of the industry and particularly of the regulatory framework in anticipation that we will be able to moderate, hopefully avoid, a repetition of these circumstances in the future.

One of the most fundamental of those restructuring is of the Home Loan Bank Board. The Home Loan Bank Board today performs two functions for the industry. It is the basic regulator of the industry, including the responsibility for chartering new Federal institutions, substantial oversight, and supervision of institutions. And second, it also serves in another capacity, the Federal Savings and Loan Insurance Corporation, as the insurance trustees, those who manage the insurance fund for the savings and loan industry.

Those two functions, the function of regulator and the function of insurer, were early identified as being incompatible and created serious conflicts, if not conflicts of interest, at least conflicts of orientation.

It was instructive to note in the commercial bank area that those two functions, regulation and insurance, have long been divided, placed in separate responsible hands. And so one of the recommendations is to make that same division as it relates to the savings and loan industry.

The insurance function is largely going to go under the umbrella of the Federal Deposit Insurance Corporation. The agency that has responsibility today for commercial banks will now have responsibility for the savings and loan insurance fund.

The regulatory function which today is carried out by a three-person board, Federal Home Loan Bank Board, will largely be focused in a new single office called the Chairman of the Office of Savings Associations, or COSA, a single individual. That single individual will become the primary regulator of the S&L industry.

That single individual also takes on a major responsibility because of another policy position which has been taken in this legislation. That policy being that the Congress would set some general standards and then look to COSA, the Chairman of the Office of Savings Associations, and the Federal Deposit Insurance Corporation, which will now have responsibility for overseeing the insurance fund. Incidentally, one of the five members of the FDIC will now be the Chairman of the Office of Savings Associations, to exercise case-by-case judgment.

Let me give a couple of examples where I think judgment is going to be particularly called for. The adminis-

tration had recommended in the area of goodwill; that is, the intangible asset which is created generally when an institution is purchased at a price greater than its book value. The difference for accounting and regulatory purposes is booked as goodwill. In the commercial bank system, that goodwill is not allowed to be counted toward your necessary minimum capital. In the savings and loan industry, it has been allowed to be counted.

The administration recommended there be a 10-year period to phase out that goodwill to move toward the commercial banks' standard of accounting. They did that based on the history that some of the institutions which had gotten into most trouble were those that had a high proportion of their capital in that intangible called goodwill.

The committee was persuaded that because of a substantial amount of that goodwill, the chairman of the FDIC estimates up to 90 percent, was created under supervisory merger, that is where a strong institution was asked by a regulator at some time in the past to take on a weak institution and did so under an agreed set of circumstances which typically included the placing on its book of goodwill and the determination of the number of years in which that goodwill could be written off.

The committee made the judgment that since goodwill had largely been developed under those kinds of circumstances which had a substantial element of trust and a significant amount of public spirit that we should be somewhat more lenient than the administration recommended, and we decided to allow up to 25 years for the writeoff of goodwill. But that was cautioned by the provision that if either COSA or the FDIC felt that in a particular instance that allowing 25 years represented a threat to the safety and soundness of the system or safety and soundness of the insurance fund that they would have the right to impose some different standard than 25 years.

We did essentially the same thing relative to growth of institutions. The administration recommended that if an institution did not meet the standard of capital, which basically is 6 percent capital, by the end of 1991, that institution sanction would be that it could not grow. It would not have to go out of business, but it could not expand until it had brought itself into compliance with the capital requirements.

We amended that by allowing an institution to grow at 7 percent a year, provided it was providing the full 6-percent capitalization behind that 7-percent growth.

Hypothetical. An institution with $100 million of deposits on the date in 1991 only has 3 percent capital instead of the 6 percent that it is supposed to have. Under the legislation that we are submitting, that institution could grow up to a maximum of 7 percent a year into the future provided that 7 percent was backed up by 6-percent capital.

Again, recognizing that that creates some potentially vulnerable circumstances, we put the responsibility on COSA and FDIC to closely monitor those on a case-by-case basis, and if either of those agencies found there was a safety problem created by applying that standard they would have the right to intervene.

I go to this detail, Mr. President, to indicate how much confidence we are investing in the Chairman of the Office of Savings Associations and in the FDIC upon which that individual will serve as one out of five members to give us the protection that is a fundamental objective of this legislation.

Having said that, Mr. President, when we look at the bill, what it provides is that the current chairman of the Home Loan Bank Board will be grandfathered into his position through June 30, 1991. That individual was confirmed by the Senate on June 25, 1987. His term runs out June 30, 1991. Under this bill, he would be grandfathered into that position.

The amendment I have offered would strike that grandfather provision. What it would provide is that the President would nominate a new individual who could be the individual who is currently holding the job as Chairman of the Home Loan Bank Board, and that individual would be subject to Senate confirmation.

Given the new status of this office, an office that has not previously existed, the office of Chairman of the Office of Savings Associations, the fact that he will now be serving singularly rather than as one of three individuals, the fact that he will have different authorities, particularly as it relates to regulation, and he will be serving on the Federal Deposit Insurance Corporation as one of five members with responsibility not only for the S&L industry but for the commercial banks in terms of their insurance fund, because a basic policy of this bill is to give to COSA and the FDIC significant new intervention authority in the event that the standards the legislation set on a case-by-case basis are found to be inappropriate, I believe it is critical that the President and the Senate have an opportunity to look at the individual who is going to be occupying this new position and make the judgment based on his or her past record, his or her sense of the vision and direction of this new office, and our confidence in his or her judgment in terms of exercising these new singular responsibilities, as to whether this is the individual in whom we are ready to invest a substantial amount of America's confidence in the future of this industry.

I urge the adoption of this amendment, which will place upon the President and this institution the responsibility for making a judgment as to who we think is the best American to fill this very important new position that this legislation creates. I thank the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah, Senator GARN.

Mr. GARN. Mr. President, I rise in opposition to this amendment. First of all, let me state at the outset, so there is no misunderstanding about my position. Everybody knows exactly how I feel because much has been said, ad nauseam by certain Members of the press. I would be ashamed to do my job as poorly, sloppily and inaccurately as they have done covering some of these issues over the past few months. I think it should be very well known to everybody that this is the way this Senator works and always has. And the reputation that I have in this body is one of always saying what I think, no fuzziness; nobody ever has any trouble understanding how JAKE GARN feels about an issue. I do not think there is a single colleague that would say anything else after 15 years. So let us put it on top of the table.

Dan Wall, the current Chairman of the Federal Home Loan Bank Board, worked for me for 17 years before he took that particular position. He started when I was a city commissioner in Salt Lake City. He was hired by the previous mayor, J. Bracken Lee, and I retained him when I became mayor. The reason I brought him to Washington with me as my chief legislative assistant was because he was incredibly competent and honest. I have never had any staff member in 21 years in public office for whom I had such personal admiration for his integrity and his honesty.

I think that my opinion is shared by anybody who worked with Dan, not only on my staff but also as minority staff director of the Senate Banking Committee and as majority staff director, whether they agreed with him on positions or not. But agreement is not the issue of the deals in 1988. The issue is a man's personal integrity.

I will say at the outset I wish there were hundreds more Dan Walls in this town, there are not very many. There are not very many in this body. There are not very many among the lobbyists. There are not very many among the administration. In the 15 years I have been here I have seen more and more game playing, positioning, populace speeches, TV-so-we-can-go-on-C-SPAN and how do we look good. I get rather sick and tired of the whole political syndrome inside the beltway. That is one of the reasons I live in

Utah. It is so refreshing to get outside the beltway on Friday, and be out there with real honest-to-God people with both feet planted firmly on the ground. People who have not heard of the latest inside-the-beltway crisis; they have not read the Washington Post; they have not listened to all rumors that go around. I tell them sometimes how fun it is to start a rumor here in Washington to see how long it takes to get back to your office—the big inside-the-beltway game. It is a tragedy of American politics that we have become so centralized. Too bad we cannot get back to what Howard Baker talked about—the citizen legislative body where we actually live and work with the people who elected us to represent them. We could have our feet firmly planted on the ground, have a little common sense, not be so enthralled with ourselves and our self importance.

So I say I would like to have more Dan Walls in Washington, DC. But beyond my personal admiration for him, and the honesty and integrity with which he has conducted himself not only over the last 18 months as Chairman of the Federal Home Loan Bank Board but in his conduct in the many years he worked as an employee of the Senate and in Fargo, ND, Salt Lake City, UT, he is absolutely impeccable.

Boy, why not do an FBI report on this man. It would be so dull, so boring, nobody would want to read it. His wife and his children are the model people we talk about and would like to have in this country. The type of people we would like to have in public office.

So, having said that, let me address the specifics of the issue. When the President sent up this bill, there were some who felt it was unfair because on one hand, looking at the position—not the individual, the Chairman of the Federal Home Loan Bank Board position should be grandfathered. Well, I think that is a little bit misleading. The Chairman is appointed by the President with the advice and consent of the Senate for a 4-year term. That was done 1½ years ago. The Senate Banking Committee unanimously approved him. It was a love fest during the hearings because the whole Banking Committee admired his ability and integrity so much. That was 1½ years ago. His term runs until 1991.

The bill did not say that the Chairman of the Federal Deposit Insurance Corporation could finish his term. The Senate Banking Committee corrected that. We treat both positions, forgetting personalities and individuals now, identically. They would continue to serve until they finish their terms, and then it would be the pleasure of the President to decide whether those positions were filled with the same individuals or with new ones.

I agree with that change and there was no dissent in the committee. Now we have a committee member who wants to shift the balance in the other direction. His argument is made on the basis that we are changing the responsibilities of the Chairman of the Federal Home Loan Bank Board. Yes, we are. But we are diluting those responsibilities. We have removed FSLIC, and most of the criticism that has come to the Federal Home Loan Bank Board has been over FSLIC. The congratulations and compliments have come to the regulatory side for the changes that have been made since 1985, and continue to be made in beefing up the regulatory staff: Removing the pay caps, which Senator Riegle and I fought for, so that the Federal Home Loan Bank Board could begin hiring more people in quantity pay them more and so retain really highly qualified people in the tough regulatory environment.

The very part that was the subject of most of the criticism has been removed and put under the FDIC. So if we are going to stop people in the middle of their terms, and you are going to ask to reconfirm the one that has had responsibility reduced, has been placed, not as an independent agency anymore, but under the Secretary of the Treasury. A move which I oppose since I did not think there should be another level of bureaucracy.

While on the other hand, we have added to the responsibilities of the troublemaking area of FSLIC, where the problems have occurred and have placed it under the FDIC. It seems to me my good friend from Florida has it backward. It we are going to confirm or rather reconfirm one, the place that has changed the most is the FDIC. The problem area has been placed in that area.

And I guess that is the one we ought to look at and see whether this is someone that we want to take on all of those responsibilities to clean up this mess. It is not under COSA. It is under the FDIC.

I would suggest to my colleagues that if this amendment should pass, then there will be a followup amendment because in my mind both regulators should be treated exactly the same. That is the way the Senate Banking Committee did it—fairly, and openly. If we are going to change one, we are going to change the other one back, and I can talk a good deal of time about that one.

I want my colleagues to understand that both of them should be treated the same. The arguments my colleague makes certainly apply more to the FDIC, because of its enhanced responsibilities in the area of FSLIC, where the problem has occurred.

So we are either going to let both of them finish their terms, which I think is the fair and honorable way to do it and the way I think it should be done, or we are going to see that both of them are confirmed under a new process.

I reserve the remainder of my time at this point.

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan [Mr. RIEGLE].

Mr. RIEGLE. I thank the Chair.

Mr. President, we have come a long way on this bill in terms of both the development of the bill within the administration and the conversations going back and forth in the early formulation of the bill in the time period since the bill was actually presented to us, which was about 7 weeks ago.

We have come through an exhaustive committee hearing process and discussion process to produce the legislation that is before us today.

I think it is a sound, solid package. I do not necessarily agree with each and every aspect in here, because it is the nature of our governmental system that no one person dominates or can write the bill. It is a blend of opinion, and that is the whole nature of a representative democracy—we iron these things out in that fashion.

This bill is therefore the work product of all of us, the Senator from Florida being one of the important members of the committee, the ranking Republican, Senator GARN, and all the rest of the members of the committee.

We have tried here as best we can to put together a balanced bill that addresses all the issues, the structural reform changes, the funding mechanisms, a whole variety of new safeguards, a series of checks and balances on the administrative side to go way beyond anything that ever existed in the past—most of those or many of those suggested by the administration, some added by the Senate committee, because we have been determined to want to try to have the most solid system that we can have in the future, and one that we can have confidence will work as well as it possibly can under all circumstances.

With respect to the amendment that the Senator from Florida brings today, this is not an amendment that, as he knows, we discussed in the committee, in our private deliberations in my office that extended over 3 days, or in the day-long committee markup. So we have not had an opportunity to hear or debate or consider that amendment before right now. Certainly he is within his rights as any Senator is to bring an amendment to the floor, and I can make no point in that regard. I only make the point that this is not an issue that has been raised and debated previously, although there were of course opportunities for that to be done.

Having not had this issue come before us before, we have—in a long series of discussions and give and take in every direction—structured a package to which the Senator from Florida made a very important contribution, along with the other members of the committee, so that I think we have a solid, reasonable package.

I hasten to add as an aside, repeating something I said the other day, that there are no guarantees that go with this. This is a highly complex problem. It is an area that is in serious difficulty, and in working with the Bush plan, we have made changes and modifications we think are appropriate. We think this is the best plan that can be devised under the circumstances, but time will tell how well it will work. It may not work as well as we would hope. Maybe it will exceed our hopes. But there are no guarantees in that respect on something as complex as this.

But on the specific issue that has been raised, the administration looked at this issue very carefully. They looked at the people that were in the various roles to decide who they wanted, who they wanted to retain, and what level of responsibility those people should have. As the Senator from Utah has said, the reassignment of responsibilities has gone in several directions. The authority of the FDIC, for example, has been very substantially expanded. We have split up functions that used to be in the Federal Home Loan Bank Board in a variety of different ways, and sent them off in different directions. So we have made a host of structural reforms that fundamentally change the nature of some of these jobs that have to be done in the future.

But the President in this case, who is responsible as the Executive Officer for deciding who is to run what, has made that judgment. He has decided in his wisdom, unless he so indicates to the contrary, that under the new arrangements, the revised responsibilities, he wants to continue with the people who are presently handling those duties, at least with respect to the FDIC and with respect to the Chairman of the Federal Home Loan Bank Board, which goes out of business, and its responsibilities are redefined in different ways.

So the President has looked at that. He has made his judgment. He has decided to opt for continuity in the people who are on board and have them work through the changes in this system.

Were I President, were the Senator from Florida President, were somebody else here in that seat, we might see it the same way. We might see it differently. In comparing the language in the bill, when I look, for example, on page 10 of the bill, the transition provision for the members of the Board of Directors of the FDIC, is that they shall continue to serve in office until the expiration of their existing terms. The Chairman of the Board of Directors shall continue to serve until the expiration of his term as a member.

Now, that, of course, relates to the FDIC. The amendment offered by the Senator from Florida goes to page 166, where you find the same kind of transition provision for the chairman of the Federal Home Loan Bank Board becoming the new chairman of the office of Savings Associations. While the language is not precisely the same, its effect is the same, and it says, "The individual serving as the chairman of the Federal Home Loan Bank Board on the date of enactment shall be the chairman of the Office of Savings Associations until the date on which his term as chairman of the Federal Home Loan Bank Board would have expired."

So the language is virtually the same here. Now, that does not, as I would read it, preclude the President, if he is not satisfied with the work that is being done by any appointed officer, in these two instances or any other, from making a change and asking for a resignation and pursuing it in that fashion.

So the President obviously has looked at this, has made a judgment, and has made this a part of the overall restructuring that goes on. And I think that that is really where that decision ought to reside.

Now, let me just speak directly to the issue of Danny Wall. Senator GARN has mentioned the background that he is very familiar with, because this is an individual whom he has known and worked with for many years, and in whom he has great confidence. My experiences are far more limited.

We had Mr. Wall work on the Senate Banking Committee. He was the staff director of the Banking Committee. In that responsibility he was hardworking, diligent, and, I thought, always willing to work with the Members on both sides of the aisle; and I give him high marks for his performance as the staff director of the Banking Committee, when the now minority party was in the majority some years ago.

In terms of the activities since that time, I probably have had as many complaints with the operations of the savings and loan system and the regulatory structure, the deficiencies in it that I have seen—and I do not aim that at any individual, because the problems are far too vast for that—but I probably registered as many complaints about that setup and system as anybody here. We have tried to change the Gramm-Rudman law, so that we could have more money available for examination personnel and people who carry out the regulation and supervision functions.

In fact, Senator GARN and I led that fight sometime back, to try to take and set aside the Gramm-Rudman-Hollings constraints that were preventing the Federal Home Loan Bank Board from being able to hire the number of examiners they needed, as this problem was developing. So, there is a long history of interactions in that area. One of the recent ones had to do with coming down the homestretch last year with the burst of assisted transactions that took place in the month of December.

I had a very strong feeling about that, and I made it public and took a series of steps, some of which I have recounted on the floor here, because I did not agree with what I saw taking place there; although others were charged with the responsibility in the direct sense of handling that activity, and those of us not directly involved, whether in the Congress or elsewhere, were certainly entitled to have our own opinions and could have contrary opinions; but we were not in a position to be able to take and put ourselves in somebody else's shoes and actually substitute our operational judgment for theirs.

So I am not here to make a beef on the issue of that particular individual, Danny Wall, in terms of his conduct in the job, because we have agreed on some issues and we have disagreed on others.

I come in with about as detached a view of it as one can have. My circumstances are quite different from the very intimate, long-term relationship and knowledge that the Senator from Utah has properly referred to here. But coming off my base of experience, I think what the President and the administration have asked for here is a reasonable approach. I think under the circumstances, with all of the restructuring that has gone on here, they have looked at this question and have made a judgment about it, and I think it was a reasonable judgment. In the Senate Banking Committee, in our private sessions and public sessions, the administration's choice regarding Mr. Wall was not raised a single time.

So I think the entire fabric of the package that we put together, as we moved through every stage, was based on the fact that in the end, we were weighing and evaluating and balancing out everything that is in this document; and that is why the document is as it is, and with everything that is both in it and the things that are not in it.

It took us, I might say, and I have to keep referring to this page number here, 564 pages of written law, to be able to structure the package that contained the reforms with the checks and balances that appeared, in our

best judgment, to be adequate, to be able to bring something to the floor that we felt good about. It was reported out of the committee by a vote of 21 to 0. That does not often happen.

So, I think it reflects about as careful a job of trying to weigh and settle these issues, one by one, and in combination, and I have stressed that, to settle the issues in combination, so that we had a package that was balanced and sensible. I think we have that here.

So I feel strongly that we ought to stay with this package. That does not mean that the Senate may or may not decide in its wisdom to change some part of it. We have had some votes on amendments already, and I assume that we will have others later in the day. But I feel that in representing the bill, both the substance and the process, that we have something here that is solid and that makes sense, and that I think we ought to pass.

So I will at an appropriate time, as I have done with other amendments that have been offered, move to table the amendment.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. If no one else wishes to be heard on this, I wish to reserve time to close.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, I want to follow up on the chairman's statement. I appreciate his opposition to this amendment, and I wanted to make sure, in my last statement, to talk about the substance. I wanted my regard for Danny Wall to be very clear so that nobody misunderstood my position at all. I wanted that up front, on the record, in front of everybody. I want to emphasize, that forgetting the individual comments of the chairman—and add one thing to it: Although this particular amendment was not discussed, there was a lot of discussion over what the committee felt was unfairness in treating the two offices differently in the administration of the package, that is to say the Chairman of the Federal Home Loan Bank Board would finish his term, but the Chairman of the FDIC would serve at the pleasure of the President. So I think there was a great element of fairness when we simply said, no, we do not agree with the President on that. We are going to say that both of them, both of those offices, will continue until their terms have expired.

Again, if there is a case to be made for reconfirmation, the power of the Federal Home Loan Bank Board, by my estimate, has been reduced by about two-thirds. You have not only taken away FSLIC, which was the problem area, but you have also taken away COSA. Under the new authority for the 12 regional banks, they will stay independent of Treasury. The Chairman of the Federal Home Loan Bank Board becomes chairman of the new office, under the Treasury Department. He gains a supervisor, a Cabinet officer which again I opposed, and FSLIC goes to the Chairman of the FDIC or the FDIC Board. The 12 Federal Home Loan Bank Boards are independent. Now, I happen to think the committee has made the right choice, leaving it as it is, and the Presidential prerogative, as the chairman stated, to decide whether he wants them to continue or not. He can ask them—and they serve at the pleasure of the President. If he wants to stop them short of their term, he can certainly ask for their resignation.

That is true of his Cabinet officers, true of any of his appointees.

So I think the right balance has been struck and they are both treated equally.

But if the case were to be made it is the Chairman of the FDIC who should be confirmed. And again I am not talking about personalities—I am not talking about Mr. Seidman I am talking about the positions simply because of the fact of the vastly increased responsibility of the Chairman of the FDIC and the FDIC Board and not new responsibility over FSLIC but over State-chartered institutions, to cut off that particular problem.

I do not think that is necessary. But again if we do not defeat this amendment, then I would offer an amendment to keep it fair and balanced as the committee has done. We either keep them both the way they are or we say both positions should be renominated, someone else, or some other current individual, renominated by the President of the United States and here for advice and consent of the Senate.

I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. KOHL). Who yields time?

Mr. GRAHAM. Mr. President, if no one else wishes to speak then I would like to close on my amendment.

Mr. President, the amendment that I have offered would accomplish a simple objective. It would give to the President of the United States the opportunity to make an independent determination of who should fill this newly created position of COSA, the Chairman of Savings Associations, through the midpoint in 1991 and this Senate would have the responsibility of confirming that appointment.

The issue has been raised that we need to treat the Chairman of the Federal Deposit Insurance Corporation in the same manner as we treat the Chairman of the Federal Home Loan Bank Board in this legislation.

As indicated, that was not the original position of the President of the United States, who has suggested that the Chairman of FDIC be removed from his position subject to Presidential determination while the position of Chairman of the Home Loan Bank Board being converted into the new position of COSA would be grandfathered in through the balance of the term in 1991.

I suggested that the President was correct in evaluating these two positions independently, but was incorrect in opposition in what the outcome should have been.

It is true that the Federal Deposit Insurance Corporation Chairman will have new powers, but they are essentially in the same order of those that he is presently occupying. He will continue to serve as chairman of a collegial board. He will continue to exercise essentially the same responsibility over commercial banks which he is currently exercising.

He will have added to that responsibility the responsibility of overseeing the insurance fund for savings and loan institutions.

Contrast that with what we are doing with the new position of Chairman of the Office of Savings Association.

Currently, the Chairman serves as one of a three-person board. He will now be serving singular as the one individual in America with responsibility for regulating the savings and loan industry.

Second, he will be serving on the Federal Deposit Insurance Corporation. Previously the Chairman of the Home Loan Bank Board had been one of three in overseeing the savings and loan industry. Now he will be one of five overseeing the savings and loan fund plus the commercial banks insurance fund.

Third, the office will be moved from an independent office of Home Loan Bank Board to an agency under the Treasury. The committee was very concerned about that because of the potential of political interference with the regulatory function of the S&L industry and, therefore, built some protections around this new office, albeit, still in the Secretary of the Treasury's department.

Those fundamental changes, the collegial board to single responsibility, placement on the FDIC Board, location as an agency no longer independent but under the Treasury, I think justified the President being asked to look at what the individual who was appointed as Chairman of the Home Loan Bank Board 2 years ago has the judgment, the quality, the experience that warrant his being grandfathered, carried forward into this new position.

The President obviously will have the capacity to appoint whoever he wants to appoint to this new position and the Senate will have the responsibility to evaluate and pass its advice

and consent as to the appropriateness of that appointment.

I would like to finally indicate in terms of the nature of the job and the statement that was made that the President must have wanted to keep this individual because it was in his legislation that this grandfathering was contained. I would suggest that we have made sufficient changes in this legislation that maybe the President might now like to reconsider the judgment that he made 3 months ago when this legislation was submitted.

I mentioned in my opening statement the fact that the structure of the President's bill was based on some clear legislative standards, particularly in the area of capital of the S&L industry. If you do not have 6 percent capital by 1991 you are prohibited from future growth. Goodwill has to be written off within a 10-year period.

In both of those areas, the bill that is now before us provides a somewhat relaxed standard. You can grow at 7 percent even if you do not meet the capital requirements if you can provide the capital to back up that new growth. You will have 25 years to write off goodwill, not the 10 years that the President has suggested.

In those and other areas of fundamental rationale for the change the Senate committee has made is that we are going to look to these regulators, COSA and FDIC, to make case-by-case determinations if those standards represent a threat to the safety and soundness of the system and then the ability of those individuals to intervene.

I wonder if the President had realized this change in philosophy which would occur to this legislation over the period of legislative consideration, if he would have reached the same judgment relative to grandfathering in the person who is now singularly going to be responsible for the Federal regulation of the S&L industry.

Mr. President, I do not want to make this a personal issue, and I respect the Senator from Utah and the comments that the Senator from Utah has made relative to a person with whom he has had a long and very positive relationship, and we can all identify with that because we have had in our own persons people with whom we have had similar relationships.

I will say, however, that last year at several critical points in time statements were made before legislative committees relative to the condition of this industry which in my judgment had highly negative effects.

Over a period of several months, Mr. Wall testified before the Senate Banking Committee, the House Banking Committee, the Senate and House Budget Committees, relative to the state of the savings and loan industry.

I would like to submit for the RECORD some of those earlier statements but for now just to mention what I believe was the last statement made which was before the Senate Committee on the Budget on October 5, 1988. I underscore that date, October 5. That was a day in time just some slightly 6 months ago, so it was fairly recent. It was a period of time in the last month of a campaign for various congressional offices, Senate seats, and the Presidency, at which time many people were asking what would you as a candidate propose to do about the savings and loan crisis. It was at a time when many in the national press was focusing attention on the issue, front page articles in major national periodicals, raising concerns about the S&L industry.

In that focus of concern, focus of the need for a political debate on how we would handle this crisis, the Chairman of the Home Loan Bank Board, the individual in the best position to give an assessment to the Nation as to the level of apprehension that we should feel about this issue, whether Congress should take action in the remaining days of its session to try to suture this bleeding wound on America's economic body, this is what the Chairman of the Home Loan Bank Board who is now being proposed to be grandfathered into his position through 1991 said to the U.S. Senate Budget Committee:

> I believe that in the past year the FSLIC has made significant strides in resolving FSLIC cases and, though subject to the vagaries of future economic conditions, realistic projections today—October 5, 1988—indicate that FSLIC possesses adequate resources in the near term to deal effectively with the immediate problems of troubled institutions.

Mr. President, if you were a candidate for office and had just read that description of the state of the industry on October 5, 1988, would you have given a speech to those whose votes you sought outlining the vigor with which you would deal with the S&L crisis?

It certainly did not have that effect on either of the Presidential candidates for the Democratic Party or the Republican Party, because neither effectively raised this issue during their campaign. I suggest that they had just received an intravenous shot of morphine which would have numbed anyone to the fact that there was a crisis and yet today barely 6 months later we are about to veto legislation which could cost the American taxpayers over the next 30 years in excess of $175 billion to resolve.

I believe that at least the President ought to be given the right to review the individual to see if the President feels, as of the passage of this legislation, he is the most appropriate to bring the kind of leadership which this newly created office requires. And this Senate can exercise its confirmation responsibility as to whether that individual has demonstrated in the past the candor, the judgment, the necessary vision, and the ability to be an effective advocate to the American people for the needs of this industry that warrant that person serving at what is going to be the critical period for the future of this legislation that we are about to pass, and the future of the industry.

I suggest that the adoption of this amendment would give to all of the responsible parties, the President and the U.S. Senate and the American people, the opportunity to review who we think should accept this important position of responsibility.

Thank you, Mr. President.

Mr. GARN. Mr. President, shortly I will yield back the remainder of my time if the Senator from Florida is willing to do the same. I would just make some brief comments.

I do think it is important for the FDIC and the new COSA office to have continuity as regards the responsibilities of both. I think even if the President were given the authority to replace them, or the requirement to, it would be a serious mistake to take somebody new, without any background, without any experience, and dump him into the middle of this problem, in either office.

So I think there is a great deal to be said for a transition with both Mr. Seidman and Mr. Wall. Because they have on-the-job experience. There is going to be no learning curve as if somebody else came along.

Also, just one brief comment about the size of the problem. I think the record has been very clear for over 3 years, from GAO, from all of the different agencies and different people who have testified: everybody failed, everybody, without exception. I am not going to take the time to go into GAO estimates at various periods of time as far back as 1985, and through last year. All of them were wrong. The Federal Home Loan Bank Board was wrong. GAO was wrong. CBO was wrong. The administration was wrong. Congress was wrong. We all erred dramatically on the side of underestimating the problem. Not just Federal Home Loan Bank Board.

GAO testified a year ago that the problem was a $25 billion to $32.5 billion problem and GAO is supposed to be the most competent of all.

I will not take any more time. I ask unanimous consent that a chronology of events, a factual chronology starting on May 10, 1984, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHRONOLOGY OF THE FSLIC RECAPITALIZATION

1. 5-10-84: An FHLBB issue paper states concern over the dwindling FSLIC insur-

ance fund and considers recapitalizing the FSLIC with higher premiums or requiring thrifts to maintain deposits at the FSLIC.

2. 2-20-85: FHLBB Chairman Gray proposes the one percent solution to the House Appropriations Subcommittee on HUD.

3. 10-18-85: Rep. Parris asks the GAO to report on the condition of the FSLIC.

4. 2-12-86: The GAO estimates the FSLIC may need as much as a $22.5 billion recapitalization.

5. 2-27-86: The Administration's Economic Policy Council approves a recapitalization plan for $15-$20 billion of new funding for the FSLIC to cover up to $30 billion of case resolution costs over three to five years (the full Administration plan).

6. 3-4-86: Under Secretary of the Treasury George D. Gould testifies before the Senate Banking Committee in support of the Administration's FSLIC recapitalization plan and its three pronged strategy to revitalize thrifts.

7. 3-12-86: Under Secretary Gould testifies before the House Banking Subcommittee on Financial Institutions in support of the Administration plan.

8. 3-2-86: The U.S. League's board of directors adopts an FSLIC recapitalization plan with less funding.

9. 3-13-86: Chairman Gray testifies before the Senate Banking Committee that the FSLIC will need $16 to $23 billion to resolve cases over five years.

10. 3-20-86: Under Secretary Gould testifies before the House Banking Subcommittee on Financial Institutions on the problems within the thrift industry and the need to enhance the FSLIC's resources.

11. 5-6-86: The U.S. League testifies before the House Banking Subcommittee on Financial Institutions that only $8-$15 billion is necessary to resolve cases.

12. 5-8-86: Under Secretary Gould testifies before the House Banking Subcommittee on Financial Institutions in support of the full Administration plan and its three-pronged strategy to revitalize FSLIC and thrifts.

13. 5-21-86: S. 2491, the Administration FSLIC recapitalization plan, is introduced by Senators Proxmire and Garn.

14. 5-22-86: H.R. 4907, the Administration plan, is introduced by Reps. St Germain and Wylie.

15. 6-6-86: Under Secretary Gould writes Chairman St Germain, urging the Committee to avoid amendments that would restrict the use of FSLIC resources to resolve insolvent thrift cases.

16. 6-11-86: Chairman St Germain cancels Subcommittee mark up of H.R. 4907.

17. 6-12-86: Chairman St Germain cancels Subcommittee mark up of H.R. 4907.

18. 6-19-86: Chairman St Germain cancels Subcommittee mark up of H.R. 4907.

19. 6-19-86: Chairman St Germain cancels Subcommittee mark up of H.R. 4907.

20. 6-24-86: Senator Garn introduces S. 2592, a comprehensive banking bill that includes the full Administration plan.

21. 7-17-86: The House Banking Subcommittee on Financial Institutions reports H.R. 4907, the full Administration plan.

22. 7-21-86: A GAO letter to Chairman St Germain warns that the problem could be larger.

23. 7-28-86: The U.S. League urges a "pay-as-you-go" plan in a letter to the House Banking Committee.

24. 7-30-86: A letter to Chairman St Germain from 16 Committee members, including Rep. Wylie, requests a full Committee mark up of H.R. 4907.

25. 7-31-86: Chairman St Germain responds in a letter to Rep. Wylie with concerns over nonbank banks.

26. 8-1-86: Rep. Wylie again writes to Chairman St Germain requesting a full Committee mark up of H.R. 4907.

27. 8-13-86: Senator Garn drops all of the banking provisions from S. 2592, other than the full Administration plan and two other emergency provisions.

28. 8-13-86: The Senate Banking Committee reports a stripped-down banking bill (including the full Administration plan concerning the FSLIC) and assigns a new number to it, S. 2752.

29. 8-13-86: Senator Proxmire says he will use all means at his disposal to prevent consideration of S. 2752, the Federal recapitalization bill, on the Senate floor, unless a controversial amendment to impose a moratorium on nonbank banks is adopted.

30. 9-12-86: Senator Proxmire files amendments to S. 2752 on Senate floor, including a nonbank bank moratorium, and states that it would be better to have no FSLIC bill than one that does not include the moratorium amendment. He also reserves his right to speak at length against a FSLIC bill.

31. 9-19-86: Chairman St Germain introduces a new bill, H.R. 5565, which includes not only the Administration's FSLIC plan, but also a housing and other extraneous title.

32. 9-23-86: Chairman St Germain introduces another new omnibus bill, H.R. 5576, which includes the Administration plan, the housing title, and other extraneous titles.

33. 9-23-86: The House Banking Committee reports the new bill, H.R. 5576, with the recapitalization plan and other extraneous titles, after dropping the provisions on nonbank banks.

34. 9-29-86: H.R. 5576, as passed by the Banking Committee, is pulled from the suspension calendar.

35. 9-29-86: Senator Proxmire files on the Senate floor additional, extraneous amendments to S. 2752.

36. 10-1-86: Speaker Wright blocks House consideration of H.R. 5576 because of concerns over Texas thrifts, according to the Wall Street Journal.

37. 10-7-86: Chairmen Gray, Volcker, and Seidman urge Congress to pass a clean FSLIC recapitalization bill.

38. 10-7-86: The House passes H.R. 5576 by voice vote under suspension of the rules.

39. 10-16-86: The U.S. League urges Congress to pass the full Administration plan before adjournment.

40. 10-16-86: Chairman St Germain urges House Appropriations Committee Chairman Whitten in a letter to oppose a possible Senate attempt to attach the FSLIC recapitalization bill (S. 2752) to the continuing resolution.

41. 10-16-86: Floor time for S. 2752 is denied because of the controversial nonbank bank title, according to an article in the *American Banker.*

42. 10-16-86: Senator Proxmire states that the FSLIC can wait, because the nonbank issue is more important, according to an article in the *American Banker.*

43. 10-17-86: Senator Proxmire agrees to withdraw the nonbank bank amendment, but a new provisions restricting thrift direct investment is added to the FSLIC bill; Senator Garn agrees.

44. 10-18-86: A new bill, S. 2443, which contains the full Administration plan plus other emergency provisions, passes the Senate hours before adjournment Sinee Die. (The direct investment provision was dropped after objections by other Senators.) The House does not consider it, however, even though it was the very last matter discussed before the end of the 99th Congress.

45. 10-18-86: Chairman St Germain issues a statement accusing the Senate of killing the recapitalization bill by making substantial changes in the consumer, housing, and regulatory titles during the final hours of the Congressional session.

46. 1-6-87: H.R. 27, the full Administration plan, is introduced by Reps. St Germain and Wylie (with $15 billion in new funding).

47. 1-6-87: S. 45, the full Administration plan, is introduced by Senators Proxmire and Garn (with $15 billion in new funding).

48. 1-21-87: Under Secretary Gould testifies before the Senate Banking Committee in support of a clean FSLIC bill.

49. 1-22-87: Under Secretary Gould testifies before the House Banking Committee in support of a clean FSLIC bill.

50. 2-3-87: Chairman St Germain cancels the February 3 Subcommittee mark up of H.R. 27.

51. 2-9-87: Speaker Wright endorses a plan providing only $10 billion in new funding for the FSLIC with forbearance provisions to assist troubled thrifts.

52. 2-10-87: Chairman St Germain cancels mark up of H.R. 27.

53. 3-2-87: Treasury Secretary James A. Baker III writes to Senator Proxmire urging that the full Administration plan be put into a clean bill.

54. 3-3-87: The GAO testifies before the House Banking Subcommittee on Financial Institutions that the full Administration plan represents the minimum necessary and that the FSLIC is insolvent.

55. 3-6-87: In a letter to the GAO, the U.S. League accuses Treasury of trying to "frighten" Congress into passing a "bloated" plan.

56. 3-9-87: FHLBB Chairman Gray writes Senator Garn that the FSLIC is more insolvent than the GAO reported.

57. 3-10-87: Secretary Baker addresses the National Council of Savings Institutions on the need for the full Administration plan.

58. 3-10-87: In a letter to Chairman St Germain, the GAO defends its position against the U.S. League's attack.

59. 3-10-87: A plan providing only $7.5 billion in new funding for the FSLIC (S. 45) is reported out of the Senate Banking Committee together with numerous, extraneous provisions.

60. 3-10-87: Chairman St Germain cancels the Subcommittee mark up of H.R. 27.

61. 3-18-87: The GAO defends its position in a letter to the U.S. League.

62. 3-23-87: Secretary Baker writes to the members of the Senate urging support for the full Administration plan.

63. 3-25-87: Secretary Baker writes to Senator Garn urging passage of the full Administration plan.

64. 3-25-87: Under Secretary Gould writes to the members of the Senate urging passage of the full Administration plan.

65. 3-27-87: The Senate passes S. 790, which contains a plan providing only $7.5 billion in new FSLIC funding and other extraneous and controversial amendments in the Competitive Equality Banking Act.

66. 3-31-87: The House Banking Subcommittee on Financial Institutions reports the full Administration plan, 42-1.

67. 4-1-87: The House Banking Committee reverses the subcommittee vote and reports a plan providing only $5 billion in new FSLIC funding, 45-5.

68. 4-20-87: Secretary Baker writes Senator Garn opposing the $5 billion plan and calls for the quick passage of the full Administration plan.

69. 4-28-87: The FHLBank presidents write to Chairman St Germain and express their opposition to the $5 billion plan.

70. 4-28-87: Reps. Wright and St Germain issue a joint statement calling for a compromise plan that includes the full $15 billion in new funding and forbearance.

71. 5-4-87: Secretary Baker writes Reps. St Germain and Wylie supporting the full Administration plan.

72. 5-4-87: The GAO states that the FSLIC is $6 billion in deficit.

73. 5-5-87: H.R. 27 passes the House after the St Germain amendment to increase the FSLIC plan to $15 billion in new funding from $5 billion was defeated, 258 nays to 153 yeas.

74. 6-1-87: The Administration issues a policy statement urging adoption of the full Administration plan.

75. 6-9-87: Chairman St Germain excuses FHLBB General Counsel Bill Black from testifying and cancels the subcommittee hearing on problems in the thrift industry.

76. 6-11-87: House appoints conferees.

77. 6-22-87: Secretary Baker urges the conferees in a letter to pass a responsibly funded recapitalization bill.

78. 6-23-87: Conferees meet, but come to no resolution.

79. 7-1-87: Conferees approve a plan providing for only $8.5 billion in new funding.

80. 7-29-87: Secretary Baker's continuing negotiations with the conferees increase the package to $10.8 billion in new funding to cover over $20 billion of case resolution costs.

81. 8-3-87: The House passes the $10.8 billion plan.

82. 8-4-87: The Senate passes the $10.8 billion plan.

83. 8-10-87: President Reagan signs the $10.8 billion plan into law (Public Law 100-86).

Mr. GARN. I am prepared to yield back the remainder of my time if the Senator from Florida is.

Mr. GRAHAM. Mr. President, I am prepared to yield back the remainder of my time. I ask unanimous consent to submit for the RECORD immediately following my remarks, other statements that were made by the Chairman of the Home Loan Bank Board relative to his assessment of the extent of the problems of the Federal Savings and Loan Insurance Corporation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INDEX STATEMENT TO WALL STATEMENTS

Mr. Chairman, I would again like to bring to the Committee's attention and to Mr. Wall his statement made on May 26th, 1988, page 8, "Together with deposit premiums and other resources available to us; that is, FSLIC, these funds have enabled the FSLIC to begin resolving those cases on which it had previously been unable to act." Then moving to page 13, Mr. Wall continues: "The Board projects that FSLIC possesses adequate resources in the near term to deal effectively with problem institutions in the thrift industry. This projection depends upon other segments of the thrift industry remaining stable and assumes no significant increase in interest rates or dramatic downturn in other sectors of the economy." At that time Mr. Wall was projecting a cost to the fund of somewhere around $22.7 billion.

During the question and answer period with Senator Phil Gramm, he asked you if "we could avoid a taxpayer bailout." Mr. Wall's response was: "We believe that the numbers are such right now that barring any significant shift in our assumptions in the economy, generally, we are within striking distance of having dealt with all of the problems with the resources available." Senator Gramm then asks again: "that you can avoid a taxpayer bailout; is that right?" Mr. Wall, "We believe we have the resources available that, as I say, put us within striking distance of the problem, barring any unforeseen shifts in the economy."

The Mr. Wall in your House Sept. 8th testimony, page 4, you say again, "I believe that in the past year the FSLIC has made significant strides in resolving FSLIC cases and, though subject to the vagaries of future economic conditions, realistic projections today indicate that FSLIC possesses adequate resources in the near term to deal effectively with the immediate problems of troubled institutions." The problem was then estimated to be around the $30 billion level.

Finally, in your Senate Budget Committee testimony on October 5th, page 17, you restate your House testimony by saying "I believe that in the past year the FSLIC has made significant strides in resolving FSLIC cases and, though subject to the vagaries of future economic conditions, realistic projections today indicate that FSLIC possesses adequate resources in the near term to deal effectively with the immediate problems of troubled institutions." The problem was then estimated to be between $45-50 billion.

[Excerpts from statement of M. Danny Wall before Committee on Banking, Housing and Urban Affairs, May 26, 1988]

Together with deposit premiums and other resources available to us, these funds have enabled FSLIC to begin resolving those cases on which it had previously been unable to act.

The Board projects that FSLIC possesses adequate resources in the near term to deal effectively with problem institutions in the thrift industry. This projection depends upon other segments of the thrift industry remaining stable and assumes no significant increase in interest rates or a dramatic downturn in other sectors of the economy.

[Excerpt from hearing of Senate Committee on Banking, Housing, and Urban Affairs, May 19, 25, and 26, 1988]

Senator GRAMM. Danny, as you are aware, there have been a lot of people in front of this committee and a lot of talk around town from people with faint hearts and open palms about a taxpayer bailout. [Laughter.]

I am committed to the idea that with enlightened public policy, we can avoid a taxpayer bailout.

Do you believe we can do that?

NO TAXPAYER BAILOUT FORESEEN

Mr. WALL. We believe that the numbers are such right now that barring any significant shift in our assumptions in the economy, generally, we are within striking distance of having dealt with all of the problems with the resources available. Now, I am not Pollyanna to say that absolutely, without question, but we are clearly within range, and it is clearly appropriate for the Congress and for the industry to give us the time to utilize those resources and for the next President and the next Congress to look over our shoulder and into our closets as to what success we have had and what problems remain if any.

Senator GRAMM. Well, obviously, we don't know what is going to happen in the future. We don't know how the program is going to work, but you believe, based on the data you have right now and the experience that you have had in implementing your plan, that you can avoid a taxpayer bailout; is that right?

Mr. WALL. We believe we have the resources available that, as I say, put us within striking distance of the problem, barring any unforeseen shifts in the economy.

[Excerpt from statement of M. Danny Wall, Chairman, Federal Home Loan Bank Board, before the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, Sept. 8, 1988]

I believe that in the past year the FSLIC has made significant strides in resolving FSLIC cases and, though subject to the vagaries of future economic conditions, realistic projections today indicate that FSLIC possesses adequate resources in the near term to deal effectively with the immediate problems of troubled institutions.

[Excerpt from statement of M. Danny Wall, Chairman, Federal Home Loan Bank Board, before the Committee on Budget, U.S. Senate, Oct. 5, 1988]

I believe that in the past year the FSLIC has made significant strides in resolving FSLIC cases and, though subject to the vagaries of future economic conditions, realistic projections today indicate that FSLIC possesses adequate resources in the near term to deal effectively with the immediate problems of troubled institutions.

Mr. GRAHAM. I yield back the remainder of my time.

Mr. GARN. I yield back the remainder of my time.

Mr. RIEGLE. Mr. President, I move to table the amendment.

Mr. GRAHAM. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. There being no further debate, the question is on agreeing to the motion of the Senator from Michigan. The yeas and nays have been ordered. The clerk will call the role.

The legislative clerk called the role.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE], is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—61 yeas, 38 nays, as follows:

[Rollcall Vote No. 50 Leg.]

YEAS—61

Armstrong	Burns	Cohen
Bentsen	Chafee	Cranston
Bond	Coats	D'Amato
Boschwitz	Cochran	Danforth

DeConcini	Humphrey	Pell
Dixon	Inouye	Pressler
Dodd	Jeffords	Riegle
Dole	Kassebaum	Roth
Domenici	Kasten	Rudman
Durenberger	Kohl	Sasser
Ford	Lott	Shelby
Garn	Lugar	Simpson
Glenn	Mack	Specter
Gorton	Matsunaga	Stevens
Gramm	McCain	Symms
Grassley	McClure	Thurmond
Hatch	McConnell	Wallop
Hatfield	Moynihan	Warner
Heflin	Murkowski	Wilson
Heinz	Nickles	
Helms	Packwood	

NAYS—38

Adams	Exon	Metzenbaum
Baucus	Fowler	Mikulski
Biden	Graham	Mitchell
Bingaman	Harkin	Nunn
Boren	Hollings	Pryor
Bradley	Johnston	Reid
Breaux	Kennedy	Robb
Bryan	Kerrey	Rockefeller
Bumpers	Kerry	Sanford
Burdick	Lautenberg	Sarbanes
Byrd	Leahy	Simon
Conrad	Levin	Wirth
Daschle	Lieberman	

NOT VOTING—1

Gore

So the motion to lay on the table amendment (No. 55) was agreed to.

Mr. RIEGLE. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. Mr. President, I make a point of order the Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MITCHELL. Mr. President, I ask all Senators to pay careful attention, particularly those who may have amendments which they wish to offer, because I am about to propound a unanimous-consent request identifying the remaining amendments to the bill, to the extent possible, and the conditions under which they will be considered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the following be the only amendments in order to S. 774, the savings and loan reform bill, and that they be considered under the following conditions and time limitations where indicated: A managers' amendment to be offered by Senators RIEGLE and GARN with no time agreement; an amendment by Senator CONRAD regarding small bank fines, with 15 minutes equally divided; an amendment to be offered by Senator ADAMS regarding Canadian acquisitions, with 20 minutes equally divided; an amendment to be offered by Senators WARNER, FOWLER, and SASSER regarding the hostile takeover of Citizens and Southern, with 20 minutes equally divided——

Mr. WARNER. Mr. President, will the leader accept a comment at this time or does he wish to conclude his remarks?

Mr. MITCHELL. I welcome the Senator's suggestion.

Mr. WARNER. Do I understand that is 20 minutes equally divided?

Mr. MITCHELL. That is correct.

Mr. WARNER. Mr. Leader, I respectfully ask for an additional amount of time. A number of colleagues have a growing interest in this amendment at this time. It is important not only to the institution that the distinguished leader mentioned but to institutions in my State. Beyond that there is a principle involved about the involvement of taxpayer investment in these institutions as a means to gain certain additional advantages for aggressor financial institutions in hostile takeovers. I think this issue should be thoroughly aired. Just how the problem is solved remains to be seen but the bottom line is there has to be decisions made about the policy making entities in our Federal Government. So I respectfully ask that time be increased from 20 to 30 minutes.

Mr. MITCHELL. Mr. President, I amend my request to ask that with respect to the amendment to which Senator WARNER has addressed himself the time be 30 minutes equally divided; next an amendment to be offered by Senator LEAHY regarding loan to value ratios for farm loans, 15 minutes equally divided; an amendment to be offered by Senator BUMPERS regarding financial institution relationships with vendors, 20 minutes equally divided; two amendments to be offered by Senator HEFLIN on judicial processes, with 20 minutes equally divided on each amendment; an amendment to be offered by Senator GORTON regarding capital standards and retained mortgage servicing rights, with no time agreement; an amendment to be offered by Senator SANFORD to strike section 214(n) which provided for prevention of State indemnity laws, 10 minutes equally divided; an amendment to be offered by Senator DURENBERGER involving a sense-of-the-Senate resolution on repealing tax breaks that foster the acquisition of failing thrifts, 10 minutes equally divided; an amendment to be offered by Senator DOLE regarding Presidential commission with no time agreement.

Mr. DOLE. I will only offer that if there is an agreement. Five minutes is adequate.

Mr. MITCHELL. Then I will amend my request to make it——

Mr. DOLE. Ten minutes equally divided.

Mr. MITCHELL. Ten minutes equally divided on the Dole amendment, and finally an unspecified number of amendments by Senator METZENBAUM on which there shall be no time agreement and to which relevant second-degree amendments are in order.

As a part of this request, Mr. President, I ask that no motions to recommit be in order, and that except where indicated there will be no second degree amendments in order, and that the agreements be in the usual form.

Mr. WIRTH. Reserving the right to object, Mr. Leader, I also have an amendment that I hope would be agreed to as part of the managers' package. But if not—I think we will be able to accomplish that—I would like to have a Wirth amendment related to environmental and recreational properties added to the list.

Mr. MITCHELL. How much time would the Senator like?

Mr. WIRTH. We can dispose of that very rapidly, 10 minutes at the most.

Mr. MITCHELL. Equally divided?

Mr. WIRTH. Yes.

Mr. MITCHELL. Mr. President, I amend my request to include an amendment to be offered by Senator WIRTH on environmental and other properties of special significance; 10 minutes equally divided.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader.

Mr. DOLE. Mr. President, I think we have one problem, and that is not knowing what the amendments of Senator METZENBAUM may be. We are happy to request now a second degree amendment to protect against the Metzenbaum amendments. We do not know what the Metzenbaum amendments are. In addition, I have a request by Senator MACK, unspecified amendment. My view is we should not, unless we know what the amendment is, whether it is his or the Senator from Ohio, agree on it unless we know what the amendments are.

Mr. MITCHELL. Mr. President, it was my hope that we could continue progress toward identifying amendments. It is my understanding that the distinguished Senator from Ohio has presented two of the managers of the bill a proposed series of amendments which the staffs have been discussing through this morning. There is still some hope that will be worked out in a way that will obviate the need for any amendments to be offered. That remains uncertain at this point. Obviously, if the Senator objects on the grounds stated, then the unanimous-consent request will not be agreed to.

Mr. RIEGLE. Will the majority leader yield?

Mr. MITCHELL. Yes.

Mr. RIEGLE. On that point, Senator METZENBAUM, of course, is on the floor. He has a package of amendments. The precise number I think is about six or seven. We received those about 15 minutes ago. Staff is working on those now; we will take a look to see what they are, and what might be done with them. The Senator may be able to clarify the precise number of

amendments, to at least answer that question for Senator DOLE. If I am not mistaken, the unanimous-consent request did limit the amendments to the Metzenbaum amendments, should they be offered, to relevant or germane second degree amendments. So, that would protect the people on the substance of those amendments.

Mr. MITCHELL. That is correct. With respect to all other amendments, the phrase I used was "except where indicated" there will be no second degree amendments in order. With respect to the amendments which may be offered by the Senator from Ohio, I stated "to which relevant second degree amendments are in order."

So the right to offer second degree amendments to Senator METZENBAUM'S amendments, if offered, is preserved in this agreement. With respect to the other specified amendments, they are not. If Senator MACK should like a similar provision, I will be pleased to include that.

Mr. DOLE. If we could include one such amendment by Senator MACK which must be relevant and subject to second degree, and two for the Senator from Texas, Senator GRAMM, I think the relevancy of the second degree amendments of the Metzenbaum amendment would eliminate any objection.

Mr. MITCHELL. Are either Senators MACK or GRAMM willing to agree to a time limit, or do they prefer no time agreement at this time?

Mr. DOLE. I am now advised that the Mack amendment deals with auditing. I hope we can have a very brief time agreement on all of these.

Mr. MITCHELL. Why do we not do this, Mr. President, I amend my request by adding an unspecified amendment by Senator MACK, and two unspecified amendments by Senator GRAMM with respect to which the same provisions as have been stated with respect to Senator METZENBAUM'S amendment would be applicable; that there will be no time agreement, and with respect to which relevant second degree amendments would be in order.

Mr. DOLE. I can now get a 20-minute time agreement on the Mack amendment, 10 minutes on each side, on auditing.

Mr. MITCHELL. If I could further amend my request to state with respect to the amendment by Senator MACK, it would be relating to auditing procedures, and would be subject to a 20-minute time limit equally divided.

Mr. WARNER. Mr. President, reserving the right to object, at an appropriate time after the leaders have resolved this, I would like at this time to ask for, if it is necessary, a clarification from the managers as to the policy of no amendments on this bill. We are now learning of additional amendments coming up.

Mr. DOLE. Can we get the agreement on all of them?

Mr. WARNER. Before the unanimous-consent agreement on the overall time agreement, I would like to be heard momentarily.

The amendment by the Virginia Senator together with the Georgia Senator is gaining interest on this floor. The concern of the proponents of the amendment and indeed those that are supporting us are that we want to see this bill moved forward. And as such we are highly influenced by the managers' desire not to have any amendments.

Could we have a clarification if necessary of the managers' position on the amendments to this bill in light of the recitation by the majority leader and the Republican leader? Has there been a change of policy? Are the managers now considering perhaps amendments as appropriate to this bill?

Mr. RIEGLE. The approach we have taken all the way along is we will take a look at each amendment, and if it is something that does not in any fundamental way alter the bill, we are willing to talk about whether or not some modification can be found and can handle it without having to present it on the floor. If we think it does in some fundamental way alter the bill, then we are quite prepared to have those amendments offered. Several have been. The Senate will have to work its will on those things. So those are judgments.

Mr. WARNER. So the managers are willing to work with the proponents of the amendments providing those amendments do not materially alter the bill?

Mr. RIEGLE. On the amendment the Senator from Virginia talks about, there has been enormous discussion over the last couple of days with the various principles who are associated with him on that amendment. So that is not a new issue to us. That is an issue that has been actually rehashed. At one point yesterday, we thought we might be close to something that looked like it might be a workable solution. I cannot tell you right now whether that meets with the approval of others in the group with the Senator from Virginia or not. But we are continuing to discuss and work with Members all the way through. We are continuing to do that with the Senator from Virginia.

Mr. WARNER. Several of the principles are here on the floor now regarding the amendment that the Senator from Virginia proposes. I suggest we go back and revisit the conferences we had yesterday and see if there is not something that can be worked out because we believe very firmly in the principle of public policy that we are endeavoring to advocate out here in connection with one or more institutions in our respective States.

I see my distinguished colleague from Georgia is here. I do not know whether he wishes to engage in this colloquy or not.

Mr. MITCHELL. Mr. President, if the Senator will yield, I know this is a matter of great concern to the Senator from Georgia and he has pressed it vigorously, as has the Senator from Virginia.

Will the Senator permit us to get an agreement with an assurance for full discussion of his amendment, and prior to then he can continue the discussions with the managers to determine whether or not it can be accepted. I would like very much, if the Senators from Virginia and Georgia do not object to the agreement itself and permit us to go forward and obtain the agreement, to then have the kind of full discussion of this important issue which was raised that it clearly deserves.

Mr. FOWLER. If I may respond to the leader's suggestion, I think that is appropriate. We have the time agreement for the full public exploration of my amendment, and public policy implications that are of concern to myself and the Senator from Virginia, and we will also continue our private discussion and see if an acceptable result cannot be reached.

Mr. MITCHELL. I thank the Senator, and I thank the Senator from Virginia.

Mr. President, I renew my request——

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. If we can ask the distinguished Republican manager to respond to my request, to be willing to sit down and try to work out some understanding.

Mr. GARN. I will be happy to respond to my colleague from Virginia, the chairman of the committee and I decided at the outset that he did not want to materially change this bill. It came out of committee 21 to 0. The answer to the Senator's question is the fact that some amendments have been adopted. Others that we felt materially changed the bill or were objectionable, we have attempted to defeat; and in most cases—I guess in all cases we have, but there have been amendments that have been worked out and accepted, and there are two or three that I am aware of that we are still continuing to talk to people about to see if they can be worked out, and if not, they have the right under the agreement to bring them up.

Mr. WARNER. Mr. President, I ask the distinguished manager, do you have a willingness to try and sit and work out an arrangement on the amendment with the Senator from Virginia and the Senator from Georgia?

Mr. GARN. I have never refused a colleague on either side of the aisle an opportunity to talk and see if that can be worked out.

Mr. WARNER. I withdraw any objections.

Mr. MITCHELL. Mr. President, I renew my unanimous-consent request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MITCHELL. I thank my colleagues, and the manager, and the distinguished Republican leader.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. With that list having been identified now, I am wondering if we can have one of the amendments offered at this time. We had hoped that the Senator from Alaska [Mr. MURKOWSKI] would offer his amendment; his Governor is in town with regard to the Alaskan oilspill, and that requires him to be off the floor at that meeting, and understandably so. We had anticipated his amendment at this time, but he is not available for that reason to present his amendment.

So let me issue the invitation to anyone else within the sound of my voice, who is now on this part of the unanimous-consent agreement, to be prepared to now come over and offer his or her amendment. It is still our hope and intention, as the majority leader has indicated on a number of occasions, to try to complete this legislation today. That may or may not be possible. If it is not possible, as he stated yesterday, as many of us had a chance to hear, it would be his intention to be back in on Friday and to plow ahead until we get this job done. The chairman of this committee is ready, willing, and available to pursue whatever scheduling course is required. But it is important that we make full use of the time today, so I would hope that in short order we can have an amendment ready to be offered.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, just as a point of clarification, I am on the floor and I am not offering any amendments, because, as I indicated to the manager of the bill previously, my staff is meeting with his staff in an effort to work out a package, and it seems to me that it is somewhat illogical to start offering some of these and get them voted up or down, and they might be accepted late in the package.

I want to make it clear that it is not an effort to delay or stall, but in the hopes that the package of negotiations would be successful.

Mr. RIEGLE. If I may respond to the Senator from Ohio, I appreciate what he said. We are now reviewing the package of amendments that the Senator from Ohio has developed. I did them by rough count, because I sent them out to get copied, because of various other Members on the minority side and others who need to review them, as well. I think there are seven amendments; am I right in that respect?

Mr. METZENBAUM. I think there are seven to be included in the package.

Some we recognize, may be more controversial or less controversial. There might be additional amendments, should we have to go that route, but I think seven is the number that we sent back.

Mr. RIEGLE. I think one of the seven covered the matter we just disposed of.

Mr. METZENBAUM. Yes.

Mr. RIEGLE. Yes, so presumably, that issue has been decided. With respect to the remainder, the Senator and I have spoken earlier in the morning, and agreed that we would try, as best we could, to expedite the process of review, so that we would know maybe within an hour from now as to whether or not there was a basis for feeling that we could take a part or all of the amendments and, if not, to also know that, so that that was clear, and we could share that information on the floor, and for the knowledge and the planning of others in this Chamber.

So the Senator and I are working on that, and I would hope that within an hour's time, we ought to have a reading as to where we are, and then we can decide where we go from there.

Mr. METZENBAUM. I want to say, if I may, I was told by my staff that the number previously mentioned may actually be larger than that, but within six, so I want to put you on notice with respect to that.

Having said that, let me say that some of our amendments are definitely amendments that have already been adopted by the U.S. Senate. So those, we would hope, would be a given, that once the Senate has acted last year, it will be much less difficulty with them. Some of the amendments that we are offering have to do with the strengthening of some of the provisions of the bill that we think should be strengthened, and they may be more controversial. I hope we can resolve the matter, because we are both moving in the same direction.

Mr. RIEGLE. Let me, on that point, say to the Senator from Ohio that I understand the point he makes about issues that have previously been raised in other Congresses, where the prior Senates have acted affirmatively on those issues.

This is the first bill out of the box in the Banking Committee this year. There are going to be others. This one is extraordinary in its nature, because it truly meets the test, in this Senator's view, of an emergency piece of legislation, in that we have a system that is in severe difficulty, and where losses are mounting each day, and presently we are not in a position, as the law sits, to fix the problem, short of enacting a major overhaul, which is, of course, our purpose in being on the floor now.

So I say to the Senator that some of the issues that he may well wish to raise, which are not directly related to the savings and loan issue, but other issues that would normally be within the jurisdiction of the Banking Committee, I say I want to look at the items, because I have not had a chance to review them yet. But I anticipate later this year coming through with a major financial institution restructuring bill, such as we had in the last Congress, which was not finally enacted, because the House and Senate did not act.

In that major bill, there would be a whole host of issues that will arise, some in the consumer affairs area, that I know are of particular interest to the Senator. I think one or two of his amendments were just brought to us. And those are matters of strong interest to the chairman, as well.

It may very well be, in looking at some of those, at least in the chairman's view, that I will want to handle those issues in the context of taking up that whole collection of issues as it relates to that body of activity.

Now, I am not saying that the Senator from Ohio will agree or disagree with that, but I just say, speaking for the committee as a whole, and I will want to consult with my colleagues on the committee, it may very well be that on some of those issues, the way to get them done and the way that may very well also meet the interests of the Senator from Ohio, will be to treat those in another legislative package that is coming down the track here, and that would be the normal vehicle by which that is done.

Now, that may not sound very attractive to the Senator from Ohio, but I will say this: The Senator from Ohio knows the Senator from Michigan, and when the Senator from Michigan says something he means it and he follows through.

So, if we could reach agreement, fine if we cannot, then I think what we will have to do, if we have a difference, is that which we sometimes do; we will just have to let the Senate as a whole decide that difference, because we may not be able to settle it, if we have a bona fide difference of opinion.

I hope we will not find that is the case.

Mr. METZENBAUM. I can only say in the past, the only way I have been able to be at all successful with respect

to the consumer amendments has been on the floor.

When I have been assured it will go back to committee by a man for whom I have the highest respect, Senator Proxmire, sometimes he, himself, had difficulty with his own committee, and the consumer amendments died in committee.

Those that we were able to put on on the floor did not die in committee. The Senate adopted them.

I would say to my friend let us see what we can do and let us neither of us be too obdurate or stubborn and maybe we can work this out so that everybody can go home at 4 o'clock today.

Mr. RIEGLE. I appreciate the spirit in which the Senator says that.

If I may, I want to just make one other comment, because we are establishing an important record here, I think, on these issues and between ourselves and how we are going to conduct the affairs of this committee as we go down the track in the remainder of this session of Congress.

We have a new system in place and I am a new chairman. I want to try to do the job in a fashion that I think can really meet the needs of the Senate. We have had a lot of legislation in the past that has come part way down the track and has not been enacted.

The reason the Senator is on the floor today with some of these amendments is that those amendments got added in some instances and not added in others, but they never made it all the way through the legislative process.

I am very much interested in taking legislation all the way through the legislative process.

I would just say to the Senator that I have already commenced discussions with our colleagues and our counterparts on the House side. There is a divided jursidiction in the House. The Senate Banking Committee has jurisdiction in the area of securities, for example. The Commerce Committee in the House has jurisdiction.

And I would just say to the Senator as part of the record that we ought to establish right now that I have gone over to the House on a number of occasions already this year. I have met with Banking Committee chairman and the financial distributions Subcommittee chairman. We have had discussions as a way to begin to establish a kind of work process that in my view was not sufficient or present in the past.

That is not to find fault with anybody. That is just a difference in approach.

But I am determined, as I stand here speaking to the Senator from Ohio today, and it may well have relevance as we go down through the hours between now and 4 p.m. today, that when we take these issues up and we incorporate them in part of a package with an understanding that we are going to try to take them all the way through, it will be the intention of this chairman to take them all the way through.

I may not succeed in every single case, and I intend to succeed. It will be my intention to do that.

So if we incorporate provisions that the Senator from Ohio may want to present to the full committee as a witness, as we take up legislation, he may want to offer that on the floor. If it is the understanding of the managers that proposals of the Senator should become an integral part of any such package, are going to go all the way to try to get it. I intend to the best of my ability to fulfill that commitment and bring it back at the other end and put these provisions in law.

I served for a time on the Senate Banking Committee as the chairman of the Consumer Affairs Subcommittee, and we enacted a lot of consumer affairs legislation at that time, during the Carter administration, for which I am very proud.

So, these are interests that I feel as keenly about as does Senator METZENBAUM. But I want him to understand that my intention is over the period of the time that we have to work. This is the first bill out of the chute. It is specialized in many ways. There are going to be a lot of opportunities both within the committee process and on the floor to get a lot of things done, and it is my intention to see that they get done.

As a matter of fact, just the fact that we have been able to produce a bill of this complexity with a unanimous vote out of the committee, notwithstanding the fact that there may be parts that the Senator would change, says something about the work process, and I think he will see that continued and manifested in ways that will enable us to accomplish a lot of goals together.

Mr. METZENBAUM. I hope the Senator can get the other amendments up early so that if we have to start my amendments there will be time to do so.

Mr. RIEGLE. This is precisely my intention.

I thank the Senator.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BREAUX). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Michigan is recognized.

Mr. RIEGLE. Mr. President, let me review the amendment situation. I want to draw this to the attention of Members who may be off the floor, and to the attention of their staffs. We are endeavoring to finish this bill, if we can, by 4 o'clock today. There are a host of activities under way to try to talk through some of the issues that have been raised by some Senators. But I want to go down the list. I would like to invite the Senators on this list to please come to the floor at the earliest time they can to take up their amendments and see if we cannot resolve them by one means or another.

The Senator from North Dakota, Senator CONRAD, has an amendment on small bank fines. As part of the time agreement we have 15 minutes equally divided. I would like to ask Senator CONRAD if he could come to the floor as soon as he can to raise that amendment.

Senator ADAMS has an amendment on the Canadian acquisition issue. It is part of the unanimous-consent agreement. It is very important that we take that up as soon as we can.

There was conversation on the floor earlier with respect to the Fowler-Warner-Sasser amendment on the hostile takeover question. Those discussions have commenced, but we need to bring those to a conclusion one way or the other. So, I would ask those Senators, if they can, to move that along rapidly one way or the other, so that we either reach an understanding or we have an amendment that we can take up on the floor, debate and settle.

Senator LEAHY has an amendment on the loan to value ratio for family farms used for farm loans, with 15 minutes equally divided. It would be very helpful, if he would plan to come now, also, and raise that amendment.

We have a Bumpers amendment, financial institutions' relationship with vendors, with 20 minutes equally divided. We are ready to take up that amendment.

We have two amendments from Senator HEFLIN on judicial process. We are ready now to take up those amendments.

We have also been working with Senator GORTON on an amendment that he has brought to us. We tried to resolve that with a colloquy. We have gone back and forth over the night, and I would hope that we could resolve that issue in that fashion. If we cannot, then I would ask Senator GORTON to be prepared to offer his amendment within the time agreement set forth in the unanimous-consent agreement, so we can settle that one.

We also have an amendment by Senator SANFORD. It is important that that amendment also be dealt with in one manner or another.

We have an amendment from Senator DURENBERGER, with 10 minutes equally divided in the time agreement.

I would urge Senator DURENBERGER to come to the floor at an early time so we can deal with his amendment.

We have had a colloquy on the floor with Senator METZENBAUM, because we are presently at work with members of his staff on issues that he has raised; I think seven amendments that are being looked at. One way or another those issues have to be settled, hopefully today.

There is a Wirth amendment. I would say to Senator WIRTH, if he is available to come to the floor now, that his environmental amendment could be handled at this time. This would be a very good time to do it. We are in discussions presently on the floor with Senator MACK on an amendment that he is prepared to offer with respect, I believe, to auditing procedures, and that is another issue that, hopefully, we can resolve and settle.

Let me repeat. I would ask the Senators who are on the unanimous consent list to indicate to us by phone when they can be here, so we can start to schedule the remainder of these amendments. I want to get these amendments up. I want everybody to have a chance to debate them and let the Senate work its will. We have an important bill here that needs to be completed, and I want to make sure everyone's rights are protected. The unanimous-consent agreement of course does that, but I would like to make sure that we have an opportunity to take these amendments up in an orderly fashion.

So, if I may, let me make that appeal to colleagues. We will welcome the first amendment that is ready to go.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 56

(Purpose: To encourage the House of Representatives to repeal special tax rules affecting troubled financial institutions concurrent with the adoption of the financial institutions reform bill)

Mr. DURENBERGER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment of the Senator from Minnesota.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. DURENBERGER] proposes an amendment numbered 56.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Insert at the end of the bill the following new section:

SEC. . REPEAL OF SPECIAL TAX RULES.

(1) The Senate finds that special tax provisions which (a) determine the taxable status of payments made to financially troubled institutions by the FSLIC and the FDIC; (b) affect the tax-free reorganization status of financial institutions, and (c) relax loss carryover rules of these institutions are inherently inefficient subsidies and do not permit for a full accounting of the costs of financing resolution of the financial institution crisis; and therefore,

It is the Sense of the Senate:

That the House of Representatives should adopt and send to the Senate for consideration as part of the Financial Institutions Reform Act legislation to repeal special tax rules for financial institutions, including Section 904(c) of the Tax Reform Act of 1986; the last sentence of Section 382(l)(5)(F) of the Internal Revenue Code of 1986; and Subparagraph (B) of Section 904(c)(2) of the Tax Reform Act of 1986 (as amended by Section 4012(c)(2) of the Technical and Miscellaneous Revenue Act of 1988 and that repeal of such rules shall apply to transfers on or after the date of enactment of the Financial Institutions Reform, Recovery, and Enforcement Act.

Mr. DURENBERGER. Mr. President, I rise to offer an amendment in the form of a sense-of-the-Senate resolution regarding the repeal of several tax rules that affect financially troubled savings and loan institutions and banks.

Mr. President, throughout the debate on the Financial Institutions Reform, Recovery and Enforcement Act, the point has been repeatedly made that we have a responsibility to resolve this crisis as quickly as possible, and that we must also make certain that any bailout package must minimize the costs to the American taxpayer.

With these principles in mind, I am offering this sense-of-the-Senate resolution requesting that when the House of Representatives adopts its version of the S&L reform bill, it includes a provision concurrently repealing the special financial institution tax rules that are due to expire at the end of this year.

The current tax law contains several provisions that have been specially crafted to take into account the problems confronting financially troubled financial institutions.

Among the most important of these provisions are: First, rules that exclude from income payments made to financially troubled institutions by the Federal Savings and Loan Insurance Corporation [FSLIC] and the Federal Deposit Insurance Corporation [FDIC]; second, rules that provide that most reorganizations of troubled financial institutions are tax free and, third, rules that relax loss carryover rules.

Mr. President, in the past, these special rules may have facilitated the transfer and merger of failed savings and loans institutions, especially when Federal regulators had insufficient direct capital to complete some of these transactions. But after the spate of transactions that took place last December, when FSLIC may have transferred more than $8 billion in tax losses, and at a time when Congress is authorizing more than $150 billion to bailout the S&L industry, I believe it is imperative that Congress not allow these special tax breaks to continue in effect for the remainder of this year.

I would note that when the Director of the Office of Management and Budget, Richard Darman, testified before the Senate Finance Committee earlier this year, he stated unequivocally that the administration does not support extension of these special tax provisions.

And just last month, Treasury's legislative counsel, Dana Trier, testified before the Finance Committee that Treasury was "strongly opposed" to these tax provisions in part because "such indirect subsidies are inherently inefficient and do not permit the kind of full and precise accounting for costs envisioned by the administration's plan" for the S&L industry.

From evidence that has been presented at hearings in the House it appears that the long-term costs of some of the financing packages negotiated by the FSLIC at the end of 1988, may be far higher than was originally anticipated.

Moreover, the inclusion of these special tax provisions in S&L financing packages undermines the integrity of our tax base by allowing companies to, in effect, traffic in tax losses in a manner similar to what we witnessed earlier in this decade when safe harbor leasing was the vehicle of choice for zeroing out corporate tax liabilities.

I had a hand in that one.

What is even more troubling about transactions involving these tax provisions is that in some instances it appears that FSLIC may have actually transferred failing S&L's to investors whose cash investments were lower than the tax savings involved in the transaction.

In such instances, there is little, if any, risk incurred by investors. And by including the benefit of these special provisions in S&L financing packages, it appears that the regulators may unwittingly be serving to discourage the new S&L owners from operating the merged facility in the most efficient and cost-effective manner and may undermine the long-term health of the entire industry.

As was recently noted in a Congressional Budget Office staff memorandum:

The tax-exempt status of the portion of the FSLIC assistance provided in the form of yield maintenance agreements can weaken incentives for acquirers to increase the performance of assets covered by such agreements * * *. The tax benefits can also give rise to perverse incentives that may work to the detriment of the thrift industry as a whole.

For example, it would be desirable for insolvent thrifts to be acquired by those parties who are likely to operate them most efficiently. Yet, rules that facilitate the use of tax-deductible net operating losses and built-in losses could have the unintended effect of awarding the insolvent thrift to the wrong bidder.

Mr. President, I think it would be a mistake to extend these provisions once we adopt this bailout package.

That is why I have introduced legislation, S. 538, that would terminate these tax provisions on the date of enactment of this reform bill. However, the procedural posture of this bill makes it impossible for the Senate to adopt this tax legislation at this time.

Therefore, I offer this sense-of-the Senate resolution to encourage our colleagues in the House, especially the members of the House Ways and Means Committee, to add a provision to the House bill terminating these tax provisions on the date of enactment of this legislation.

We cannot do that on our side, which is why this sense-of-the-Senate resolution urges our colleagues on the House side to take that action. I urge all of my colleagues to support this resolution.

The PRESIDING OFFICER. The time of the Senator from Minnesota in support of this amendment has expired. Who seeks time in opposition? The Senator from Utah controls 5 minutes in opposition.

Mr. GARN. Mr. President, I do not speak in opposition. On behalf of the minority, I am willing to accept this sense-of-the-Senate resolution.

The PRESIDING OFFICER. Does anyone seek time in opposition?

Mr. RIEGLE. Mr. President, on behalf of the minority, in discussion with the minority floor leader, I am also prepared to indicate that we can accept this amendment and handle it on a voice vote basis.

The PRESIDING OFFICER. Is there further debate on the amendment offered by the Senator from Minnesota?

If not, the question in on agreeing to the amendment.

The amendment (No. 56) was agreed to.

Mr. DURENBERGER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GARN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DURENBERGER. Mr. President, I wish to express my appreciation to the majority and minority floor managers of the bill not only for their consideration of this amendment but for the tremendous piece of work they have done on this legislation.

The PRESIDING OFFICER. Are there further amendments?

Mr. DURENBERGER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is noted. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WIRTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 57

Mr. WIRTH. Mr. President, I have an amendment to the bill which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment of the Senator from Colorado.

The legislative clerk read as follows:

The Senator from Colorado [Mr. WIRTH], for himself and Mr. GRAHAM proposes an amendment numbered 57.

Mr. WIRTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 342, line 21, after the period insert the following: "The Corporation shall compile and maintain a list of properties with natural, cultural, recreational or scientific values of special significance. The Corporation from time to time shall provide the list to the Secretary of Interior, the Secretary of Agriculture, and appropriate state agencies."

The PRESIDING OFFICER. The Senator is recognized for 5 minutes in support of the amendment.

Mr. WIRTH. Mr. President, the Federal Government and the taxpayers of this country are going to own a vast amount of foreclosed property all across the country from deals that have gone down, from S&L's that have gone belly up, and so on. A lot of that property is going to have some very significant value historically, environmentally, and culturally.

The purpose of the amendment which I am offering is to ask the RTC, the corporation, to compile and maintain a list of properties that have natural, cultural, scientific, or recreational values of special significance, and then to report to appropriate public agencies on the availability of these properties.

The purpose of this is to assure that public agencies with concern particularly about wildlife, wetlands, and other environmental, scientific, and historic values have access to the property, know that it exists, and then if they want it, can go through the usual procedures for the purposes of obtaining the property.

One might say, has any property like this shown up? Yes; it has. FADA, for example, which has been the disposal agency for the savings, and FSLIC had a very important wetlands property in Florida, more than 110 acres of very valuable wetlands that had been part of a deal that had gone belly up. Unfortunately, nobody knew about it, and FADA conveyed this property to a private agency. A lot of public agencies would have wanted to have it had they even known about it.

Similarly, some very valuable property in Texas which had similar wildlife values, also included an Indian burial ground, and was the habitat for an endangered species, was similarly disposed of. Other public agencies did not know about the property and consequently could not purchase it.

That is the purpose of the amendment, simply to have the corporation compile and maintain this list of properties, and from time to time to make that list available to the Secretary of the Interior, the Secretary of Agriculture, and other public agencies.

I hope we might be able to include this amendment in this good piece of legislation that has been crafted by the committee, and I appreciate the assistance of the chairman and his staff.

I yield the floor.

Mr. RIEGLE. Mr. President, I think this is a useful and constructive amendment. It has been cleared on both sides. I want to commend the Senator from Colorado for his work in the committee on the bill generally and for bringing forward this amendment at this time. We have cleared it on both sides.

Mr. GARN. It is cleared on this side.

The PRESIDING OFFICER. Is there further debate on the amendment? If there is no further debate on the amendment, the question is on agreeing to the amendment of the Senator from Colorado.

The amendment (No. 57) was agreed to.

Mr. RIEGLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GARN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Are there further amendments to the bill?

Mr. RIEGLE. Mr. President, let me just indicate that we have now disposed of two of the remaining amendments. We have disposed of the Durenberger amendment and now the

Wirth amendment. I would like to as quickly as we can take up and resolve the remaining amendments.

Can we get an indication as to whether the two Heflin amendments on judicial process are going to be offered?

Mr. CRANSTON. I say to the manager that I have spoken to Senator HEFLIN, and he says it is 99 percent certain that he will not bring them up. He will probably come over and make a few remarks. He is in the Agriculture Committee at the moment.

Mr. RIEGLE. Could I also inquire if we have an indication on the Bumpers amendment?

Mr. CRANSTON. Senator BUMPERS' staff reported that the amendment is not quite ready. But we warned him through staff that it is very important to put it together at once so that he will not be responsible for our failing to meet the 4 p.m. deadline.

Mr. RIEGLE. May I inquire about the Adams amendment, the Canadian acquisition issue?

Mr. CRANSTON. Mr. ADAMS seems to be assuming that is in the managers' amendment. I think he does not intend to offer it.

Mr. RIEGLE. We have discussions going on in a number of places at once. But it is not my understanding at the moment that it is in the managers' package of amendments.

Let me indicate to Senator ADAMS and his staff that, as far as I am able to report right now, that amendment has not been worked out to a degree that would enable it to be in the managers' package. So they ought to be in touch with us, if they want to pursue that issue further. Obviously they are protected under the time agreement to bring it up on the floor, if they want to do that at this time. But that certainly would be appropriate.

The Conrad amendment on the small bank fines?

Mr. CRANSTON. Senator CONRAD was making a statement at a hearing. I called there about 20 minutes ago. They said he would come to the floor as soon as he finished his statement. He has not yet shown up, however.

Mr. RIEGLE. Let us indicate that the Conrad amendment is still up in the air, and he is detained at another committee at this time. We will await his availability to take up that issue.

On the Gorton amendment, if I am not mistaken, we have gone through two or three versions of the colloquy language that hopefully is now acceptable. I do not have any indication at the moment one way or the other. Of course, Senator GORTON's right to offer the amendment is protected under the unanimous consent agreement.

Could we ask now of an indication from Senator GORTON and his staff as to whether or not we have reached closure on that item, and if not what their intention might be?

We also have a Sanford amendment which is to strike section 214(n), which provides for the preemption of State indemnity laws, and I might indicate to Senator SANFORD and his staff, if they intend to proceed with that issue, this would also be a good time to attempt to take that matter up.

Mr. CRANSTON. On the Sanford amendment, he is not certain he will offer that, but that, in part, and I think probably totally, depends on what he will do or not do with that amendment. I believe it depends upon how the issue will be handled on the other amendment that we were discussing that involves Senator SANFORD and Senator SARBANES.

Mr. GARN. Will the chairman yield?

Mr. RIEGLE. Yes.

Mr. GARN. I have been informed that Senator DOLE will not offer his amendment.

Mr. RIEGLE. He gets a gold star, as will any other Senator who decides not to offer his amendment.

Mr. CRANSTON. May I ask about Senator MURKOWSKI? Are we able to bring him to the floor?

Mr. GARN. I will discuss an offer with Senator MURKOWSKI when we take a break and have a quorum call.

Mr. RIEGLE. Just to complete the list here, active discussions are underway and analysis of the package of amendments that have been offered by Senator METZENBAUM, and I have no report to make on that at this time. I will report as soon as I am able to do so.

We have also an outstanding amendment by Senator MACK on audit procedures. Do we have an update on where that might be?

Mr. GARN. We will, if the Senator will yield, we have to take Senator DOLE's gold star back.

Mr. RIEGLE. We have taken back Senator DOLE's gold star, and we have put the Dole amendment back on the list.

Do we have any indication on the Mack amendment on auditing procedures as to whether or not there is still an intention to bring that issue to a vote? I am not aware of any further information on that.

Mr. GARN. Senator MACK would still hope to work out a compromise, as would I. This is an amendment that I talked about, not in terms of the amendment, but making changes in the accounting standards language. So he would prefer not to offer it if it is possible to work out a compromise, and I agree with him on that.

Mr. RIEGLE. Well, let us press aggressively here to see if we can find a satisfactory answer to Senator MACK's concern on this, and if we can, then that will resolve it. If not, then I hope we could know that, as well, so that, if that is to be raised on the floor, we can work it into the amendments schedule.

I think that is where we are at the moment. I am going to enter a quorum call so that we can now talk about where we stand with respect to the Murkowski amendment.

Mr. CRANSTON. May I just comment that it would appear that we should be able to handle all the other measures that are before us, except for the questions about the Metzenbaum amendment. That is the only major hangup in terms of the 4 o'clock deadline; is that correct?

Mr. RIEGLE. Well, that may be so. We still have outstanding the Fowler-Warner-Sasser amendment, which involves a hostile takeover.

Mr. CRANSTON. That has a 30-minute time limit.

Mr. RIEGLE. Yes, it does, and we have been endeavoring to see if there is some avenue that may be workable here, and thus far, we have not found one. So, it looks as if that is an issue that may very well be presented to the Senate and debated and settled there.

If that is the case, if we can decide that relatively quickly, that would then be an amendment that we can bring up and debate and settle however the Senate chooses to settle it. So that brings us, I think, up to date as to where we are on the outstanding amendments.

I suggest the absence of a quorum.

Mr. WIRTH. Before you do so, I ask unanimous consent that Senator KASTEN be included as a cosponsor of the Wirth amendment that's just been agreed to.

The PRESIDING OFFICER (Mr. BURDICK). Without objection, it is so ordered.

The absence of a quorum having been noted, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, if I may have the attention of the managers, I would like to report where we stand on a few amendments. Senator ADAMS will not offer his amendment, so we can take that off the list. Senator CONRAD is on his way to the floor, and he is ready to take up his. Senator BUMPERS expects to have his ready within about a half-hour, and to proceed with his amendment.

Mr. RIEGLE. All right. If you will yield, so we can take off the Adams amendment, and he gets a gold star. The Conrad amendment we will plan to take up shortly, and he is en route to the floor. Does that cover it?

Mr. CRANSTON. Senator BUMPERS will have his amendment ready within about half an hour.

Mr. RIEGLE. Very good. I thank the majority whip.

I suggest the absence of a quorum.

Mr. WARNER. Will the distinguished Senator withhold that request for a moment? At this time the Senator from Georgia and myself are discussing with the managers possible avenues, as you say very adroitly, by which our amendment can be addressed by the Senate, and we will continue that conversation; but on the assumption that the managers, the two principals here, are able to reach some understanding here in 5 minutes or so—I think we are that close—could we not alert our colleagues who are interested in this amendment that in all likelihood we will start discussion in about 10 minutes on this amendment?

Mr. RIEGLE. I think that is a very useful thing to do. I want to say to the Senators from Virginia and Georgia that they have been very diligent in pressing their concern in this area, and in working with the managers of the bill; and we have had a number of discussions, and I must say that you have been eminently reasonable in terms of raising a concern that is of great interest to both of you, as well as to Senator SASSER, who is detained over in activities in the Senate Budget Committee, where he serves, of course, as chairman.

So let everyone be on notice that the Fowler-Warner-Sasser amendment, having to do with the hostile takeover of Citizens and Southern and the related larger generic questions is now something that we will shortly take up, and anyone who wants to be present should be.

Mr. WARNER. Senator ROBB has been very active in this discussion, as well.

Mr. RIEGLE. Senator ROBB, as well.

Mr. WARNER. He may well wish to come to the floor momentarily and participate.

Mr. RIEGLE. I thank the Senators for their effort not only to work constructively on this, but to be ready to take it up. That is very helpful to the effort to move this bill along today. I believe I saw Senator CONRAD. We anticipate that Senator CONRAD will present his amendment shortly, and in anticipation of that, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order of the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, we have had lengthy discussions with the Senator from Virginia [Mr. WARNER], who is on the floor, and the Senator from Georgia [Mr. FOWLER], who is on the floor, on the issue that they have brought before us. I believe at this time it is their intention to raise this subject. I and the ranking minority member are prepared to discuss it with them, when they choose to raise that issue.

Mr. WARNER. Mr. President, first, I wish to thank the distinguished managers of the bill for their cooperation. I think the distinguished Senator from Georgia and I are prepared to go forward and we have alerted others—and there are many others—who are interested in this amendment.

So at this point in time, Mr. President, I would yield the floor, if I may, in hopes that the Senator from Georgia would initiate the colloquy.

Mr. FOWLER. Mr. President, I thank my friend, the distinguished Senator from Virginia [Mr. WARNER] and I also thank the chairman and ranking minority member for their courtesy.

The Senator from Virginia and the Senator from Tennessee [Mr. SASSER], myself and others have an amendment that we have as yet not offered to the body in an attempt to work this out with the managers of the bill to address what we believe to be a serious public question arising out of the crisis in the savings and loan industry and the matters in which we all attempt to address from this legislation.

The amendment that we have drafted is based on the simple principle that the taxpayers of this country should not see their tax dollars used as leverage in hostile bank takeovers. Now, I know and we all know that the issue of hostile takeovers is in itself controversial. You have proponents who say that it strengthens and streamlines corporate leadership. Many others believe the practice that has exploded out of control in recent years substituting paper profits for a productive economy.

I am not going to take the time this morning to attempt to resolve that debate, but I do assert to my colleagues that in the specific circumstances that this amendment is intended to address, hostile takeovers are totally inappropriate. The amendment would prevent assistance programs of the Federal Deposit Insurance Corporation which are intended to serve all of the banking public from being used to support the hostile acquisitions of other banking institutions. It applies only to insured financial institutions that have received substantial FDIC assistance including an equity participation and then leverage that assistance to launch a takeover attempt.

In this legislation, substantial assistance for the purposes of this drafting is defined as assistance much more than $300 million. This makes it clear that we are not talking about the possibility of target banks objecting on a technicality. The Government involvement—that means the taxpayers' involvement—must be major. And I should add that once a financial institution has fully returned to the private sector this amendment would pose no further constraints.

The prohibition that we are proposing applies only to hostile acquisitions which have particularly harmful effects on the entire banking industry. A hostile takeover would be defined as one opposed by the target institution's board of directors, which is the widely accepted standard. The public confidence along with the Federal support and tax benefits that FDIC backing provides should not be used for competitive advantage against the privately owned financial institutions that are pulling their own weight as they should in a free enterprise system without Government assistance.

This amendment will make sure that if banking institutions are going to tie up their energy and resources in struggles for financial control, they are not going to do it at taxpayers expense. It seems to me that we must see to it that Federal assistance and regulation of the banking industry is not turned into private gain but exists strictly to serve and to protect the public interest.

I have some questions that I want to discuss with my friend, the chairman of the committee, Mr. RIEGLE, but I will be glad to yield such time as he needs to the Senator from Virginia, Mr. WARNER, and my colleague, Senator NUNN, and any others who would like to seek recognition.

Mr. WARNER. Mr. President, we have worked along as a team on this, the distinguished Senator from Georgia, Senator ROTH, Senator NUNN, Senator SASSER.

The Senator from Georgia has stated our case. I would only like to incorporate one additional feature to this colloquy and discussion; that is, I think it is important that we encourage the Federal Reserve Board to begin to address this issue.

I would like to first ask unanimous consent that I may have printed in the RECORD such additional material as I feel appropriate.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

We are seeking to prohibit "nonapproved acquisitions" of insured financial institutions by a financial institution in which the FDIC has an equity interest and which has received "substantial assistance" from the FDIC.

As the Board of Governors of the Federal Reserve System explained in a decision two months ago involving a friendly acquisition by a government-assisted bank:

"The Board believes this situation raises important public policy concerns with regard to the potential for distortion of competition due to continued use of government provided capital in competition with private capital. In this situation, careful consideration must be given to expansion of

activities where the growth is in effect being financed with public funds. In this situation, careful consideration must be given to expansion of activities where the growth is in effect being financed with public funds. In this case, the proposed acquisition would represent an interstate expansion which would not, in the Board's opinion, so substantially further the goals of the Federal Deposit Insurance Act aimed at stabilizing troubled institutions as to outweigh the significant public policy concerns noted above."

The policy considerations described above apply irrespective of which entity in a bank holding company system receives substantial FDIC assistance and which entity in the system has an FDIC equity investment. Accordingly, the concepts of control that are basic to the Bank Holding Company Act should be included in any discussion.

Some additional reasons for our concerns:

I

When the Federal Deposit Insurance Corporation ("FDIC") acquires an equity interest in a financial institution, that institution becomes a quasi-public enterprise and enjoys extraordinary federal benefits.

Since 1984, the FDIC has taken equity positions in at least eight different failed banks, including Continental Illinois in Chicago and the First Republic banks of Texas. A complete list of these institutions is attached as Appendix A to this paper.

The institutions in which the FDIC holds equity interests enjoy a substantial advantage over privately owned financial institutions. Because these institutions are quasi-public, investors and depositors can be confident that the institutions will not be allowed to fail. This public confidence gives FDIC-owned banks numerous competitive advantages, including the ability to raise funds at significantly lower rates than are available to privately-owned financial institutions.

Organizations in which the FDIC holds an equity interest also have a unique relationship with the federal regulatory agencies. This special relationship was particularly evident when, in the midst of the stock market crash of October 1987, Continental Illinois was allowed to extend to its options-trading subsidiary a line of credit that would have been impermissible for a similarly-situated privately-owned bank.

II

Companies that are affiliated with financial institutions in which the FDIC holds equity interests also enjoy significant competitive advantages.

Companies, such as NCNB, that have controlling investments in FDIC-owned banks are also beneficiaries of extraordinary federal support. Like the institutions in which the FDIC holds direct equity interests, affiliated financial institutions benefit from enhanced public confidence and a special relationship with federal regulators. These advantages lower the operating costs of affiliated financial institutions and improve their ability to gain special treatment from federal regulators.

In addition, these affiliated financial institutions often enjoy substantial federal tax benefits as a result of their participation in FDIC-assisted transactions. These tax benefits were particularly significant in the case of NCNB's acquisition of the First Republic banks.

III

By investing in a financial institution in which the FDIC holds an equity interest, a bank holding company can materially increase its market power.

Because the capital markets appreciate the advantages bestowed upon a corporation that joins with the FDIC in acquiring a troubled financial institution, such a corporation can substantially enhance its market power by making such an acquisition.

In the case of NCNB, for example, its participation in the First Republic transaction materially enhanced its stock performance. During the nine months since the public announcement of that transaction, NCNB's common stock has significantly outperformed other comparable regional bank holding companies. The increase in the market valuation of NCNB common stock is directly attributable to the corporation's participation in the First Republic transaction.

A summary of the performance of NCNB's common stock in the months following the announcement of NCNB's acquisition of First Republic is attached as Appendix B to this paper.

Bank holding companies that participate in FDIC-assisted acquisitions are also allowed to enhance their economic base by expanding into new geographic markets.

Participation in FDIC-assisted transactions also gives bank holding companies the advantage of entering new markets that they would not otherwise be allowed to enter because of state restrictions on interstate banking. For example, by participating in the FDIC-assisted First Republic transaction, NCNB became the first southeastern regional bank holding company to establish a major presence in the Texas banking market.

This unique opportunity for geographic expansion gives participating bank holding companies a broader base over which to defray expenses and additional economic power compared to private-owned competitors.

Bank holding companies that are affiliated with FDIC-owned financial institutions therefore have an artificial advantage over privately-owned financial institutions and should not be permitted to exploit that advantage through hostile acquisitions.

The numerous advantages of affiliation with FDIC-owned banks give participating bank holding companies a substantial advantage over private competitions. Affiliated bank holding companies can use this enhanced economic leverage to wage hostile takeovers that would not otherwise be financially viable.

NCNB's current hostile bid to acquire C&S illustrates this phenomenon. Before its acquisition of First Republic, NCNB was not large enough or economically strong enough to force an acquisition of a competitor such as C&S. Only after the First Republic transaction was the C&S acquisition feasible for NCNB. Appendix B to this paper provides additional information on the significant positive impact of the First Republic acquisition on NCNB's financial condition.

The threat of additional hostile acquisitions by NCNB is not, of course, limited to Georgia bank holding companies such as C&S. NCNB is currently, or will soon be, authorized to acquire banks in twenty-two different states. Appendix C to this paper includes a list of states in which banks are vulnerable to NCNB hostile acquisitions.

APPENDIX A

OUTSTANDING EQUITY PARTICIPATIONS

The FDIC currently holds outstanding equity participations in the following large financial institutions:

1. Continental Illinois.
2. First National Bank of Oklahoma transaction with First Interstate.
3. Bank Oklahoma.
4. BancTEXAS (Hallwood Group).
5. Alliance Bank (Hallwood Group).
6. First City Bancorporation.
7. First Republic/NCNB.
8. MCorp (FDIC owns the entire bridge bank).

APPENDIX B

NCNB CORP. EARNINGS IMPACT OF TEXAS ACQUISITION

[Dollars and shares in millions]

	1989	1990	1991	1992	1993	1994	Growth rate (percent)
NCNB FORECAST [1]							
Net Income:							
NCNB Stand Alone	$264.6	$291.1	$320.2	$352.2	$387.4	$426.1	10.0
Net Income from Texas	31.0	35.0	46.0	141.0	264.0	375.0	
Acquisition Financing	3.0	2.8	−1.2	−20.7	−37.4	−43.7	
Pro Forma Net Income	298.6	328.9	365.0	472.5	614.0	757.4	
Shares Outstanding:							
NCNB Stand Alone	85.90	85.90	85.90	85.90	85.90	85.90	
Shares Issued on Conversion	7.00	7.00	7.00	7.00	7.00	7.00	
Common Shares Issued	0	0	1.70	8.50	14.00	15.80	
Pro Forma Shares Outstanding	92.90	92.90	94.60	101.40	106.90	108.70	
Stand Alone Fully-Diluted Earnings Per Share	$3.08	$3.39	$3.73	$4.10	$4.51	$4.96	10.0
Pro Forma Fully-Diluted Earning Per Share	3.21	3.54	3.86	4.66	5.74	6.97	16.7

NCNB CORP. EARNINGS IMPACT OF TEXAS ACQUISITION—Continued

[Dollars and shares in millions]

	1989	1990	1991	1992	1993	1994	Growth rate (percent)
EPS Accretion (percent)	4.3	4.5	3.5	13.7	27.4	40.5	
Assumed Ownership (percent)	20.00	20.00	20.00	51.00	80.00	100.00	
Aggregate Texas Earnings	155	175	230	276	330	375	19.3
Revised NCNB Forecast [2]							
Net Income:							
NCNB Stand Alone	$264.6	$291.1	$320.2	$352.2	$387.4	$426.1	10.0
Net Income from Texas	91.3	127.3	291.0	325.9	365.1	408.9	
Acquisition Financing	−12.8	−20.7	−43.7	−43.7	−43.7	−43.7	
Pro Forma Net Income	343.1	397.7	567.5	634.4	708.8	791.3	
Shares Outstanding:							
NCNB Stand Alone	85.90	85.90	85.90	85.90	85.90	85.90	
Shares Issued on Conversion	7.00	7.00	7.00	7.00	7.00	7.00	
Common Shares Issued	0	1.7	15.80	15.80	15.80	15.80	
Pro Forma Shares Outstanding	92.90	94.60	108.70	108.70	108.70	108.70	
Stand Alone Fully-Diluted Earnings Per Share	$3.08	$3.39	$3.73	$4.10	$4.51	$4.96	10.0
Pro Forma Fully-Diluted Earnings Per Share	3.69	4.20	5.22	5.84	6.52	7.28	14.5
EPS Accretion (percent)	19.9	24.1	40.1	42.4	44.6	46.7	
Assumed Ownership (percent)	[4] 39.33	49.00	100.00	100.00	100.00	100.00	
Aggregate Texas Earnings [3]	232	260	291	326	365	409	12.0

[1] All data based on material presented by NCNB to the investment community on December 16, 1988.
[2] Data based on material presented by NCNB to the investment community on December 16, 1988, revised to account for NCNB's announced intention to complete the acquisition by year-end 1990.
[3] 1989 earnings based on annualized first quarter results. Subsequent earnings based on assumed 12% earnings growth.
[4] Weighted average based on announced intention to go to 49% at the end of April 1989.

[$40.95 per share or a 40 percent premium for 1989; $38.15 per share or a 40 percent premium for 1988 (100 percent Stock Pooling)]

Competitive situation at Apr. 13, 1989									1989 estimates				
									Common equity/assets		Net tangible common equity/assets		
Company name	Total assets	Common equity	Goodwill	Market value	Price Apr. 13, 1989	1989 estimate EPS	Price/EPS	EPS (dilution)/ accretion (percent)	Current (percent)	Pro forma (percent)	Current (percent)	Pro forma (percent)	Exchange ratio
Bank A	$5,132	$385	$8	$466	$29.25	$3.28	8.9 ×		7.5		7.3		
MCNA	29,848	1,942	288	3,210	34.38	3.20	10.7 ×	−2.4	6.5	6.7	5.5	6.8	1.19
Citizens & Southern	21,098	1,229	177	2,132	34.63	3.65	9.5 ×	−5.6	5.8	6.2	5.0	5.4	1.18
First Wachovia	21,815	1,557	29	2,359	42.50	4.65	9.1 ×	−5.8	7.1	7.2	7.0	7.1	0.96
Sun Trust	29,177	1,750	182	2,727	21.13	2.60	8.1 ×	−6.7	6.0	6.2	5.4	5.7	1.94
First Union (4)	37,160	1,923	635	2,407	22.50	2.97	7.6 ×	−8.4	5.2	5.5	3.5	3.9	1.82
Sovran	22,484	1,426	44	2,091	35.50	4.65	7.8 ×	−8.9	6.3	6.6	6.1	6.4	1.15
Barnett	25,748	1,462	201	1,987	33.00	4.25	7.8 ×	−9.4	5.7	6.0	4.9	5.3	1.24

Competitive situation at Apr. 13, 1988									1988 earnings				
									Common equity/assets		Net tangible common equity/assets		
Company name	Total assets	Common equity	Goodwill	Market value	Price Apr. 13, 1988	1988 EPS	Price/EPS	EPS (dilution)/ accretion (percent)	Current (percent)	Pro forma (percent)	Current (percent)	Pro forma (percent)	Exchange ratio
Bank A	$4,927	$348	$8	$435	$27.25	$2.99	9.1 ×		7.1		6.9		
Sun Trust	20,904	1,724	182	2,809	21.75	2.38	9.1 ×	−5.1	6.4	6.5	5.7	5.9	1.75
First Wachovia	19,255	1,341	29	2,194	37.25	4.22	6.8 ×	−6.7	7.0	7.0	6.8	6.8	1.02
Barnett	23,823	1,330	201	2,029	33.50	3.75	6.9 ×	−6.9	5.6	5.8	4.7	5.1	1.14
Sovran	21,715	1,366	44	2,066	34.88	4.09	8.5 ×	−7.5	6.3	6.4	6.1	6.2	1.09
First Union	24,566	1,819	635	2,340	21.50	2.76	7.8 ×	−6.0	7.4	7.3	4.8	5.2	1.77
NCNB	28,934	1,566	268	1,760	20.75	2.86	7.3 ×	−11.1	5.4	5.7	4.4	4.8	1.84
Citizens & Southern	20,771	1,155	177	1,532	25.00	3.25	7.7 ×	−11.3	5.6	5.8	4.7	5.1	1.53

APPENDIX C

STATES INTO WHICH A NORTH CAROLINA BANK HOLDING COMPANY COULD EXPAND

The following states have (or will have by July 1, 1990) reciprocal interstate banking laws that would permit a North Carolina bank holding company to acquire a bank or bank holding company located in their state:

Alabama, Arkansas, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi (eff. 7/1/90), South Carolina, Tennessee, Virginia, West Virginia.

The following states have (or will have by July 1, 1989) nationwide nonreciprocal interstate banking laws that would permit a North Carolina bank holding company to acquire a bank or bank holding company located in their state:

Alaska, Arizona, Idaho, Maine, New Mexico, Oklahoma, Oregon (eff. 7/1/89), Wyoming, Texas.

SIGNET BANKING CORP.,
Richmond, VA, April 17, 1989.

Hon. JOHN W. WARNER,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR JOHN: Signet Banking Corporation wishes to express its strong support for an important legislative initiative under way that addresses the unfriendly acquisition of financial institutions by other financial institutions.

Specifically, the issue, which we understand will be the subject of an amendment to S. 413 by Senator Wyche Fowler (D-GA), is whether a financial institution should be permitted to acquire other financial institutions while it is receiving federal assistance as a failed institution and/or is financed by the federal government.

As you are aware, the NCNB Corp., Charlotte, North Carolina, is proposing to acquire Citizens and Southern Crop., Atlanta, Georgia, at a time when the Federal Deposit Insurance Corp. (FDIC) has invested $4 billion in federal financial assistance and continues to own 80 percent of the equity in NCNB Texas National Bank. Clearly, without this enormous infusion of federal funds the favorable tax ruling it received to acquire the failed First Republic Bank Corp. of Dallas, NCNB would not have the financial ability to accomplish this takeover of Citizens and Southern.

We regard this is a paramount issue of concern to all banks in Virginia, as well as to banks throughout the south, and urge your support of Senator Flower's amendment. We believe the rationale for this legislative initiative is buttressed by recent policy statements by the Federal Reserve Board. Specifically, in denying the application of

Continental Bank's acquisition of Grand Canyon State Bank, Scottsdale, Arizona, the Federal Reserve property stated on February 15, 1989:

"The board believes this situation raises important public policy concerns with regard to the potential for distortion of competition due to continued use of government provided capital in competition with private capital. In this situation, careful consideration must be given to expansion of activities where the growth is in effect being financed with public funds."

The Senate is about to authorize massive federal assistance to U.S. financial institutions as provided in S. 413. We believe this bill should contain language, as provided in Senator Fowler's amendment, that the federal financial institution's regulatory agencies cannot approve an acquisition of another financial institution in a hostile takeover so long as there is continuing government ownership of the acquiror or any of its subsidiaries or affiliates.

We believe your support of Senator Fowler's amendment is important to the stability of, and continued public confidence in, the nation's banking system.

Sincerely,

ROBERT M. FREEMAN,
President.

FIRST AMERICAN BANK,
McLean, VA, April 17, 1989.

Hon. JOHN W. WARNER,
U.S. Senate,
Russell Senate Office Building, Washington, DC.

DEAN SENATOR WARNER: I would like to express my strong support for an important legislative initiative underway that addresses the unfriendly acquisition of financial institutions.

Specifically, the issue, which we understand will be the subject of an amendment to S. 413 by Senator Wyche Fowler (D-GA), is whether a financial institution should be pemitted to acquire other financial institutions while it is receiving federal assistance as a failed institution and/or is financed by the federal government.

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We regard this as a paramount issue of concern to all banks in Virginia, as well as to banks throughout the South, and urge your support of Senator Fowler's amendment. We believe the rationale for this legislative initiative is buttressed by recent policy statements by the Federal Reserve Board. Specifically, in denying the application of Continental Bank's acquisition of Grand Canyon State Bank, Scottsdale, Arizona, the Federal Reserve properly stated on February 15, 1989:

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Your support of Senator Fowler's amendment is important to the future strength of Virginia banks and to the stability of, and continued public confidence in, the nation's banking system.

Sincerely yours,

ERIC W. ERDOSSY,
President and Chief Administrative Officer.

VIRGINIA BANKERS ASSOCIATION,
Richmond, VA, April 17, 1989.

Hon. JOHN W. WARNER,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR WARNER: The Virginia Bankers Association wishes to express its strong support for an important legislative initiative underway that addresses the unfriendly acquisition of financial institutions.

Specifically, the issue, which we understand will be the subject of an amendment to S. 413 by Senator Wyche Fowler (D-GA), is whether a financial institution should be permitted to acquire other financial institutions while it is receiving federal assistance as a failed institution and/or is financed by the federal government.

As you are aware, the NCNB Corp., Charlotte, NC, is proposing to acquire Citizens and Southern Corp., Atlanta, GA, at a time when the Federal Deposit Insurance Corp. (FDIC) has invested $4 billion in federal financial assistance and continues to own 80 percent of the equity in NCNB Texas National Bank. Clearly, without this enormous infusion of federal funds and the favorable tax ruling it received to acquire the failed First Republic Bank Corp. of Dallas, NCNB would not have the financial ability to accomplish this takeover of Citizens and Southern.

We regard this as a paramount issue of concern to all banks in Virginia, as well as to banks throughout the South, and urge your support of Senator Fowler's amendment. We believe the rationale for this legislative initiative is buttressed by recent policy statements by the Federal Reserve Board. Specifically, in denying the application of Continental Bank's acquisition of Grand Canyon State Bank, Scottsdale, AZ, the Federal Reserve properly stated on February 15, 1989:

"The board believes this situation raises important public policy concerns with regard to the potential for distortion of competition due to continued use of government provided capital in competition with private capital. In this situation, careful consideration must be given to expansion of activities where the growth is in effect being financed with public funds."

The Senate is about to authorize massive federal assistance to U.S. financial institutions as provided in S. 413. We believe this bill should contain language, as provided in Senator Fowler's amendment, that the federal financial institutions' regulatory agencies cannot approve an acquisition of another financial institution in a hostile takeover so long as there is continuing government ownership of the acquiror or any of its subsidiaries or affiliates.

Your support of Senator Fowler's amendment is important to the future strength of Virginia banks and to the stability of, and continued public confidence in, the nation's banking system.

Sincerely,

WALTER C. AYERS,
Executive Vice President.

CENTRAL FIDELITY BANK,
Richmond, VA, April 17, 1989.

Hon. JOHN W. WARNER,
U.S. Senate, Washington, DC.

DEAR SENATOR WARNER: Central Fidelity Bank wishes to express its strong support for an important legislative initiative underway that addresses the unfriendly acquisition of financial institutions by other financial institutions.

Specifically, the issue, which we understand will be the subject of an amendment to S. 413 by Senator WYCHE FOWLER (D-GA), is whether a financial institution should be permitted to acquire other financial institutions while it is receiving federal assistance as a failed institution and/or is financed by the federal government.

As you are aware, the NCNB Corporation, Charlotte, NC, is proposing to acquire Citizens and Southern Corporation, Atlanta, GA, at a time when the Federal Deposit Insurance Corporation (FDIC) has invested $4 billion in federal financial assistance and continues to own 80 percent of the equity in NCNB Texas National Bank. Clearly, without this enormous infusion of federal funds and the favorable tax ruling it received to acquire the failed First Republic Bank Corporation of Dallas, NCNB would not have the financial ability to accomplish this takeover of Citizens and Southern.

We regard this as a paramount issue of concern to all banks in Virginia, as well as to banks throughout the South, and urge your support of Senator FOWLER'S amendment. We believe the rationale for this legislative initiative is buttressed by recent policy statements by the Federal Reserve Board. Specifically, in denying the application of Continental Bank's acquisition of Grand Canyon State Bank, Scottsdale, AZ, the Federal Reserve properly stated on February 15, 1989: "The board believes this situation raises important public policy concerns with regard to the potential for distortion of competition due to continued use of government provided capital in competition with private capital. In this situation, careful consideration must be given to expansion of activities where the growth is in effect being financed with public funds."

The Senate is about to authorize massive federal assistant to U.S. financial institutions as provided in S. 413. We believe this bill should contain language, as provided in Senator FOWLER'S amendment, that the federal financial institutions' regulatory agencies cannot approve an acquisition of another financial institution in a hostile takeover so long as there is continuing government ownership of the acquiror or any of its subsidiaries or affiliates.

We believe your support of Senator FOWLER'S amendment is important to the stability of, and continued public confidence in, the nation's banking system.

Sincerely,

THOMAS E. FLOUNDERS III.

CRESTAR FINANICAL CORP.,
Richmond, VA, April 17, 1989.

Re S. 413, Financial Institutions, Reform, Recovery, and Enforcement Act of 1989.

Hon. JOHN W. WARNER,
c/o Mr. Andrew Hyde, United States Senate, Washington, DC.

DEAR SENATOR WARNER: I am writing to express my support of an important legislative initiative that will be the subject of an amendment to the above bill by Sen. Wyche Fowler (D-GA). The amendment addresses unfriendly acquisitions of financial institutions by other financial insitutions that have received substantial federal benefits.

The unfriendly takeover by NCNB Corp., Charlotte, N.C., of Citizens and Southern Corp., Atlanta, GA., illustrates the need for legislation in this area. The FDIC has invested over $4 billion in federal financial assistance and continues to own 80 percent of the equity of NCNB Texas National Bank. Without this enormous infusion of federal assistance and the favorable tax ruling it received to acquire the former First Republic Bank Corp. of Dallas, NCNB would not have the financial ability to accomplish the takeover of Citizens and Southern.

This situation raises strong public policy concerns because of its potential to distort the private competitive arena in Virginia, the rest of the Southeast, and the nation.

Your support of Senator Fowler's amendment is important to the future of Virginia banks and our nation's private banking system.

Yours truly,

RICHARD G. TILGHMAN,
Chairman and Chief Executive Officer.

AMENDMENTS INTENDED TO BE PROPOSED BY MR. FOWLER

On page 123, line 4, before "Section" insert "(a) IN GENERAL.—".

On page 135, after line 23, insert the following:

"(1) CERTAIN ACQUISITIONS PROHIBITED.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, any insured financial institution in which the Corporation or the Resolution Trust Corporation holds an equity interest as a result of a transaction or series of transactions for which the Corporation or the Federal Savings and Loan Insurance Corporation provided substantial assistance under this section or under the National Housing Act and any company controlling, controlled by, or under common control with such an insured financial institution shall be prohibited from making a nonapproved acquisition of another insured financial institution for so long as either Corporation shall hold such an equity interest, whether the assistance was provided prior to, on, or after the effective date of the FIRRE Act.

"(2) SUBSTANTIAL ASSISTANCE.—For purposes of this subsection, substantial assistance shall be deemed to have been provided to a transaction or series of transactions if aggregate amount of assistance for the transaction or series of transactions was in excess of, or is expected to exceed, $300,000,000.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) the term 'equity interest' means any direct or indirect ownership interest, whether voting or nonvoting, including but not limited to stock, securities convertible into stock warrants, options, or any other instrument or contractual arrangement granting the Corporation or the Federal Savings and Loan Insurance Corporation any form of profit participation in the financial institution or some portion of the institution's assets or liabilities;

"(B) the terms 'company' and 'control' shall have the same meaning as in sections 2(a) and 2(b) of the Bank Holding Company Act of 1956; and

"(C) the term 'nonapproved acquisition' shall mean any acquisition of beneficial ownership (as defined for purposes of section 13(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(d)) of more than 5 percent of any class of outstanding stock, merger, consolidation, solicitation of proxies, participation in a proxy solicitation, action in concert with persons participating in a solicitation of proxies or transaction involving an acquisition of control of any insured financial institution, if in any such case a majority of the board of directors of such insured financial institution (or the board of directors of a company controlling such financial institution), as constituted prior to the date on which the acquisition was initially proposed or disclosed to the public, has not approved the acquisition.

"(4) ENFORCEMENT.—For any nonapproved acquisition that is prohibited under this subsection—

"(A) the Board of Governors of the Federal Reserve System shall be required to deny any application filed under section 3 of the Bank Holding Company Act, as amended (12 U.S.C. 1842), in connection with the acquisition;

"(B) the responsible agency shall be required to deny any application filed under section 18(c) in connection with the acquisition; and

"(C) the appropriate Federal banking agency shall be required to disapprove any notice filed under section 7(j), in connection with the transaction.

"(5) ENFORCEMENT.—Violation of this subsection shall constitute an unsafe and unsound practice for purposes of section 8 and may be enjoined upon application of the insured financial institution that is the target of the nonapproved acquisition to the United States District Court of the District of Columbia or the United States District Court in the district in which the target insured financial institution has its principal place of business.".

(b) REPEAL.—Section 13(1) of the Federal Deposit Insurance Act (as added by subsection (a)) shall be repealed effective upon the expiration of 5 years after the effective date of the FIRRE Act.

Mr. WARNER. Mr. President, in a previous situation involving a financial institution, the Board of Governors of the Federal Reserve explained in a decision—this was a friendly—the following public policy observation:

The Board believes this situation raises important public policy concerns with regard to the potential for distortion of competition due to continued use of government provided captial in competition with private capital. In this situation, careful consideration must be given to expansion of activities where the growth is in effect being financed with public funds. In this case, the proposed acquisition would represent an interstate expansion which would not, in the Board's opinion, so substantially further the goals of the Federal Deposit Insurance Act aimed at stabilizing troubled institutions as to outweight the significant public policy concerns noted above.

So, I am hopeful that the Federal Reserve Board will also take notice of what is transpiring here and perform such studies as they deem appropriate on this and that momentarily my colleague from Georgia will address the future work of the Senate on this issue.

Mr. FOWLER. Mr. President, I thank the Senator from Virginia. I yield such time as he may need to the senior Senator from Georgia, my colleague, Senator NUNN.

Mr. NUNN. Mr. President, I want to echo and endorse what Senator FOWLER, the junior Senator from Georgia, has said here today, and said very strongly. As well as with what my colleague and friend from Virginia, Senator WARNER has said.

Senator ROBB, Senator SASSER, Senator HEFLIN, and Senator SHELBY, I understand, agree with this position. I support this amendment and I hope the managers can see fit to accept the amendment.

We are not talking here about a major new blocking mechanism for hostile takeovers. What we are talking about is the relationship of the FDIC to banking institutions that are being, in effect, assisted by the FDIC and then engaging in hostile takeovers.

So, I strongly support the amendment. I also support the statement of the Senator from Virginia a moment ago when he said he hopes the Federal Reserve will undertake a study on this matter to determine what role the Federal Government should be playing, if any, in encouraging hostile takeovers by use of the relationship with the FDIC, which has a real part to play in some of these that are now in the discussion.

I also hope, again, that the managers will see fit to accept this amendment and I strongly support the amendment and the words describing that amendment by the Senator from Georgia.

Mr. FOWLER. I thank my colleague.

As the chairman, Senator RIEGLE, knows, the FDIC in recent years has made a practice of acquiring equity investments in certain troubled banks, for lack of a more accurate technical definition.

I and Senator WARNER and Senator NUNN do not quarrel with the FDIC's decision to make equity investments in failed banks under appropriate circumstances. We are, however, extremely concerned that while these banks continue to have a limit of FDIC ownership, they do not exploit their Government support to make hostle acquisitions of other banks.

We submit that banks in which the FDIC has an interest, and corporations that are affiliated with such banks, should not be used to make hostile acquisitions of healthy banks. To allow such hostile takeovers, it

seems to me, disrupts the competitive marketplace and unfairly penalizes other privately owned banking organizations.

Simply put, it seems to me as a matter of overwhelming public interest that we ought to prohibit banks in which the FDIC has an equity interest, and their affiliates, from making hostile acquisitions.

I know the Senator is concerned about this problem. I know that with all of the problems that the chairman and Senator from Utah have attempted to deal with in committee, that this particular matter has not been a focus of attention in this bill. But I do ask the chairman to immediately proceed to hearings on this matter. I ask for the chairman's commitment to such hearings in the immediate future. Because I believe that we are going to find, unfortunately, that to deal with this problem we must have Federal parameters and it must be examined in the public interest lest we see this a growing and mounting problem and not just the early stages that we are now witnessing.

The PRESIDING OFFICER (Mr. LIEBERMAN). The Chair recognizes the Senator from Michigan [Mr. RIEGLE].

Mr. RIEGLE. Mr. President, if I may respond to the three Senators who have spoken? I want to say at the outset that I am very sensitive to the issues that they have raised and the concern that they have about the specific case and the broader policy implications that attach to that. We have talked at length over the last 2 days about this issue directly and through our professional staffs, to try to understand the issue clearly and put it in the context of the emergency savings and loan legislation that we have in front of us today.

Let me give the Senators my sense for it. I think this as well reflects the view of the ranking minority member as we have been in discussions together on this with three Senators who have spoken just moments ago. This issue is a big, complex, important issue of its own. The whole question of leveraged buyouts and hostile takeovers, whether in the banking field or in commerce generally, is a subject of enormous importance and consequence in the country these days.

The administration itself has expressed some concern about it. The Treasury Secretary said he has a concern about it. In testimony before the Senate Finance Committee he has indicated that he feels that there is excessive activity going on. He did not single out banking, but he also went on to say that they were not sure what they wanted to do about it, if anything; that that was a matter they were looking at but had not come to any judgment on and, therefore, were not in a position to make a recommendation about it.

Just the fact that that hearing took place in the Finance Committee tells you also, I think, something about the complexity of the issue, because, while we have certain jurisdictional authority within the Senate Banking Committee and would, of course, as it relates in part to banks and financial institutions, the broader issue of leveraged takeovers and the tax implications and the overall policy implications are spread between other committees in the U.S. Senate and the House.

The problem with this particular issue now is that it does come off the foundation of a particular case that is underway. That, obviously, leads to the broader policy questions. But we have had a practice of steering clear, and I think wisely so, of trying to intervene with a broad-gauge piece of legislation in a specific transaction or directly or indirectly, whatever the facts of the case might be. Because this really is not, in my view, the vehicle through which we should try to do this.

I do not know whether the sponsors will decide to go ahead and offer the amendment. In my view, no disrespect intended to them, but I do not think it is really germane to the FSLIC legislation we have in front of us. We do not have a germaneness rule here, and in a sense anything is germane. But I think the nature of the FSLIC savings and loan legislation is sufficiently important, and unique in its own right, that, if we start to move over into the issue of leveraged buyouts and hostile takeovers, we will open up a subject here that can keep us here for a very long period of time.

These are not isolated cases. There is a whole raft of activity going on, not just in financial services but beyond that. And if we get into that subject here, I think we are into it for a long period of time.

I might just say with respect to the facts that involve this pending NCNB-C&S merger proposal—this has not been something that I have been immediately familiar with, but I have asked that some work be done in it, so that I could understand it better. This is what I have been told. I do not know whether it is accurate or not, because I do not propose to have us get into the details of an individual instance.

But I am told the NCNB is not receiving any subsidy from the FDIC and is not using Government money to finance its merger proposal. That does not in any way comment on the merits or demerits of what they may be intending to try to do.

I am further told that they have invested $210 million of their own capital in what is called NCNB in Texas. So I am not at all clear on what the case facts are, but I do not think this is the place for us to try to establish that or get into that subject specifically or even generically.

So, let me make this proposal, if I may, before yielding to my colleague from Utah. I want to get into the leveraged buyout issue. I want to understand it better. I want to see the Banking Committee take it up. It is one of several issues, like Third World debt, where we have important responsibilities and where I think we need to address those issues.

I fully propose that we do that this year. I envision hearings this year. I would like to invite colleagues who have spoken to be part of those hearings, as they would relate either to a given transaction or to a class of transactions that they have seen that they find troubling. There may well be something here that under examination and a very careful look will require some kind of policy response. I am open on that as to what may or may not be something that would appear to be warranted after we have had a chance to really get into it.

I do not think it is prudent of us to try, in the confines of this very specialized piece of legislation, to take on this issue now. I do not think we can. I think—and I might say if we did, I think there are an awful lot of people around, even though we have a unanimous-consent agreement, who have wanted to try to deal with a specific situation, directly or indirectly with an amendment who were dissuaded from doing so because we indicated we were not going to see this legislation as that kind of a vehicle. We were going to try to keep it focused directly on the savings and loan restructuring and the solvency of the deposit insurance fund.

Those would be my thoughts, but I want to yield to my colleague from Utah and let him add his, if he would.

Mr. GARN. I will be very brief. I compliment our colleagues from Virginia and Georgia in their persistence. They worked very hard on this and feel very strongly about it. I respect them for that, but it really is not germane. We are not going to raise germaneness but it is not relevant to the FSLIC regulation. It is securities law we are talking about. It is totally extraneous to the goal of this bill.

The major reason I am concerned is it is designed to help one transaction, as the chairman has said. If we agree to that kind of an amendment, Congress is going to be asked to arbitrate in, I do not know how many, hostile takeovers. I do not know how many times during the last 2 or 3 years a colleague has come to me saying we need to stop this one. I do not think we can make policy for an institution here and an institution there. It is a very bad policy precedent.

More importantly, I think if Congress steps into individual situations,

rather than addressing hostile take overs on an overall basis, if we get into a decision on the merits of an individual case, we have really taken the transaction out of the hands of shareholders. I do not think Congress wants to do that—start arbitrating and judging between shareholders. I think it is unfair, and I think it is wrong for us to do it.

Then the issue is certainly a very complex one, as anybody on the Securities Subcommittee of the Banking Committee knows. We certainly have no detailed knowledge, no hearings have been held on this particular transaction. I really think it needs to be dealt with in the Securities Subcommittee where we have staff who are versed in that, who deal with it in securities law, not a FSLIC banking bill.

Having said all of that, I understand the concern of our colleagues. I wish we could accommodate them, but I do think it sets several bad policy precedents to which the Banking Committee should not agree.

Mr. RIEGLE. I might just add one other thought. We have endeavored, in response to the request of the Senators who have come forward here, to try to get some greater sense of this issue, because it is not one we were intimately familiar with, as you might expect.

In terms of the work that has been done on it, the indications are this proposed merger, whether one is for it or against it, is apparently between two healthy well-capitalized commercial banking companies. How that ends up sorting out, no one can say now. To attempt to intervene raises the very largest kind of policy questions for us to try to take on.

I would feel, if we are going to do that, we have to try to do it in a systemic way in the sense we are handling the savings and loan legislation. We are here with a legislative package that deals with the entire subject. If we are going to get into, as we may well have to, the leveraged buyout-hostile takeover situation, and the insider trading—and there are a lot of other aspects that from time to time connect with that—that may well necessitate a long searching inquiry that would eventually lead to a legislative response. I do not presume that it necessarily will yield that, but it would seem to me that it is the kind of issue that with its complexity and size and dimensions could conceivably lead to that.

Mr. WARNER. Will the manager yield for a short question?

Mr. RIEGLE. Sure.

The PRESIDING OFFICER. The Chair recognizes the Senator from Virginia.

Mr. WARNER. We are gravitating now toward the best solution we can attain, given the fact the managers do not desire to have amendments which are not germane. I think listening carefully to the managers of the bill, they recognize there is a sense of urgency. The distinguished chairman said within the year we will have a hearing. I urge the chairman to step up that timetable and that the hearings on this subject, as broad as the chairman and the ranking member desire them to be, be initiated very soon, perhaps within the next 30 or 60 days. This Senator took the liberty to discuss the matter with Senator DIXON who I understand has basic jurisdiction within the subcommittee framework. He indicated a light concern about the public policy of taxpayer's dollars being involved in one way or another in the hostile takeover situation.

So I hope the timetable could be moved up, and I hope also that the institution within the executive branch, Federal Reserve and others, would put in an informal posture hold until such time as the Congress has ascertained what the facts are, the Congress has ascertained whether or not we are going to step out and make policy decisions legislatively to direct the executive branch.

So I thank the managers. I think we are now progressing to a point where we can solve this problem.

Mr. RIEGLE. I will respond very shortly to the Senator.

Mr. FOWLER. I thank the chairman. Let me say to both managers of the bill, I appreciate their patience, and I appreciate their attempts to understand what we are trying to do. I must correct the record, I say with great respect to my chairman and ranking member. I was alerted to this problem by the NCNB-C&S proposals, but this amendment does not deal with a specific transaction. I will not debate the chairman as to the facts that he recounted on the transaction or it would negate what I am about to say because this amendment is a generic amendment attempting to deal with the problem of public policy that ought not to arise, and that is the use of the taxpayers' money to catapult or to pole vault into a hostile takeover position. That is wrong public policy.

I say with all respect to second the remarks of the Senator from Virginia [Mr. WARNER] about the urgency, the chairman mentioned problems within his jurisdiction which are very large, and they are very important. The chairman mentioned the Third World debt. We are here today talking about the first world debt, $50 billion in this bill of taxpayers' money, first world debt.

I defy any man or woman on the floor of the U.S. Senate to get up and to say that we do not have a public interest in seeing to it that when public moneys are used to aid a troubled institution that those public moneys ought to be in some way exploited to go into a superior private position by the use of public financing moneys. That is not right, as a matter of public policy, and this amendment is designed to deal presently where those undertakings may be being considered but, most important, to save the chairman and all of us the problem to make sure that we say as a government in governmental policy under the laws of the United States of America, when it is necessary to take a public position, those moneys shall not be then used for excessive private profit. That is what the goal of a hostile takeover is.

I appreciate, because of my great respect for the chairman, and I know that he will step on the accelerator a little bit in raising this matter through hearings so that it can be discussed outside of the crucible of this very important legislation. I hope that you will accede to Senator WARNER's and my wishes, along with Senator ROBB, who wanted to speak but had to leave, Senator SASSER and others that we will have hearings immediately under the appropriate subcommittees under your jurisdiction and that we will address this as the overriding public policy issue as it is and not under the ambit of any specific proposal between private institutions, because I say to both managers that I would not do it that way either.

Mr. RIEGLE. Let me say to the Senator from Georgia, I appreciate very much the comments he has made and the manner in which he has approached this with his allies on this issue. You certainly have the attention of the chairman, and you will have the attention of the committee. You do today and you will beyond today. I know the ranking minority member feels the same way.

We will get into the issue of an examination of the leveraged buyout-hostile takeover problem. When I said this year, I was not implying somewhere way down the track. I fully understand the sense of urgency that both Senators, and Senator NUNN, earlier have indicated. We will seek to establish a hearing opportunity early in time. My goal would be within the next 60 days.

I know the Senator has spoken with Senator DIXON. He now has an important subcommittee responsibility. This also affects, by the way, the subcommittee responsibility of the Securities Subcommittee, which is chaired by Senator DODD. They are very much involved right now, as you know, with the insider trading issue, because there have been massive violations of the insider trading laws. We are a busy place these days because of what is happening or has recently happened outside our Halls.

I want also to say, if I may, to my colleague from Georgia, I want to

agree with him that he, in fact, has drafted an amendment that is a generic amendment. He stated to me that was his intent, and he clearly has done so. I think it is fair to say at the same time that it does not come in at a time where you have sort of a neutral lay of the land. We have active cases out there. I cited one.

Because we have cases that are under way in a sense out in the private sector, even a generic amendment automatically has the effect of interdicting specific cases, intentionally or otherwise. I want to indicate my agreement with his point that he has attempted to draft a generic approach here, but I think we have an answer, and I think the answer will help us illuminate this issue, will help us develop a body of data.

I would hope when the time comes to commence the hearing process Senators will avail themselves of that opportunity to bring in and invite witnesses they think are important to be heard on this so that we can begin to build a hearing record to decide what public policy initiatives may well be ones that need to be considered, and where action may need to be taken.

Mr. FOWLER. I thank the chairman. We will, based on those assurances, which are genuine. I think the chairman will find that, contrary to my usual abilities, I have not overstated the coming problem unless it is seriously addressed by the appropriate committees of jurisdiction, which the Senator so capably led.

I thank also the Senator from Alabama [Mr. HEFLIN] who has joined me in this effort, and all Senators. With those assurances, we will go to work and see if we cannot head off a problem that is beginning to mount, rather than coming in as we had to on a major bill before the body today, and try to get the horse back in the barn.

Mr. RIEGLE. I appreciate very much what the Senator said. I know Senator WARNER wants to speak, and Senator GARN.

Mr. GARN. Mr. President, may I speak very briefly? Four o'clock is going to happen very fast. I want to say I support the chairman, and can we move on?

The PRESIDING OFFICER. Well said. Thank you, Senator.

The Chair recognizes the Senator from Virginia [Mr. WARNER].

Mr. WARNER. Mr. President, I address to my distinguished colleague from Georgia the possibility for submitting for the purposes of printing as part of the RECORD the amendment, because I think the more of this is in the public domain for inspection and comment the stronger our case will become.

Mr. FOWLER. The Senator is correct. I thank the Senator. I will follow that course.

May I submit it at this time?

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMENDMENT INTENDED TO BE PROPOSED BY MESSRS. FOWLER, WAGNER, NUNN, ROBB, HEFLIN, SASSER

On page 123, line 4, before "Section" insert "(a) IN GENERAL.—".

On page 135, after line 23, insert the following:

"(1) CERTAIN ACQUISITIONS PROHIBITED.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, any insured financial institution in which the Corporation or the Resolution Trust Corporation holds an equity interest as a result of a transaction or series of transactions for which the Corporation or the Federal Savings and Loan Insurance Corporation provided substantial assistance under this section or under the National Housing Act and any company controlling, controlled by, or under common control with such an insured financial institution shall be prohibited from making a nonapproved acquisition of another insured financial institution for so long as either Corporation shall hold such an equity interest, whether the assistance was provided prior to, on, or after the effective date of the FIRRE Act.

"(2) SUBSTANTIAL ASSISTANCE.—For purposes of this subsection, substantial assistance shall be deemed to have been provided to a transaction or series of transactions if aggregate amount of assistance for the transaction or series of transactions was in excess of, or is expected to exceed, $300,000,000.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) the term 'equity interest' means any direct or indirect ownership interest, whether voting or nonvoting, including but not limited to stock, securities convertible into stock, warrants, options, or any other instrument or contractual arrangement granting the Corporation or the Federal Savings and Loan Insurance Corporation any form of profit participation in the financial institution or some portion of the institution's assets or liabilities;

"(B) the terms 'company' and 'control' shall have the same meaning as in sections 2(a) and 2(b) of the Bank Holding Company Act of 1956; and

"(C) the term 'nonapproved acquisition' shall mean any acquisition of beneficial ownership (as defined for purposes of section 13(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78md)) of more than 5 percent of any class of outstanding stock, merger, consolidation, solicitation of proxies, participation in a proxy solicitation, action in concert with persons participating in a solicitation of proxies or transaction involving an acquisition of control of any insured financial institution, if in any such case a majority of the board of directors of such insured financial institution (or the board of directors of a company controlling such financial institution), as constituted prior to the date on which the acquisition was initially proposed or disclosed to the public, has not approved the acquisition.

"(4) ENFORCEMENT.—For any nonapproved acquisition that is prohibited under this subsection—

"(A) the Board of Governors of the Federal Reserve System shall be required to deny any application filed under section 3 of the Banking Holding Company Act, as amended (12 U.S.C. 1842), in connection with the acquisition;

"(B) the responsible agency shall be required to deny any application filed under section 18(c) in connection with the acquisition; and

"(C) the appropriate Federal banking agency shall be required to disapprove any notice filed under section 7(j), in connection with the transaction.

"(5) ENFORCEMENT.—Violation of this subsection shall constitute an unsafe and unsound practice for purposes of section 8 and may be enjoined upon application of the insured financial institution that is the target of the nonapproved acquisition to the United States District Court of the District of Columbia or the United States District Court in the district in which the target insured financial institution has its principal place of business.".

"(b) REPEAL.—Section 13(1) of the Federal Deposit Insurance Act (as added by subsection (a)) shall be repealed effective upon the expiration of 5 years after the effective date of the FIRRE Act.

Mr. WARNER. Mr. President, without losing my right to the floor for a moment, part of the legislation before the Senate at this moment is an extensive amount of money. Although with the bonds, the taxpayers will pay. Nevertheless, we Members should be put on notice that there is a strong sentiment by a number of Members of this body as to the propriety of using public funds that the FDIC now has or the new type of funding envisioned by this bill for purposes of hostile takeovers.

I thank the Chair.

Mr. SASSER. Mr. President, I rise today as a cosponsor of Senator FOWLER and WARNER's amendment to prevent banks that receive substantial FDIC assistance from participating in the hostile acquisition of other banking institutions. I have long been concerned about the impact of highly leveraged hostile transactions on the economy in general, and particularly on the stability of the banking system.

Now, an interesting situation has arisen. A banking institution that has received substantial assistance in the amount of $3 billion from the Federal Deposit Insurance Corporation [FDIC] and tax breaks valued at $1.2 billion from the Internal Revenue Service [IRS] is attempting a hostile takeover. Indeed, the FDIC has taken an 80-percent equity ownership in NCNB Dallas, and this capital is now fueling a hostile takeover of another bank.

NCNB has a "turbo boost" in power over comparable banks in its region due to the liquidity, tax advantages and enhanced investment confidence that it enjoys directly as a result of Government assistance—taxpayer assistance for that matter. If the situation is not stopped, NCNB and banks in a similar position can maurade through the banking community with the scales tipped in their favor as a result of this type of Government assistance.

This amendment would prevent federally insured institutions that have received $300 million or more of FDIC assistance from engaging in a hostile acquisition of another bank. Mr. President, I think this makes sense.

The Federal Reserve Board, the chief regulator of commercial banks, has already warned against this kind of activity. In a recent decision involving a friendly acquisition by a Government-assisted bank, the Board of Governors decided that:

> This situation raises important public policy concerns with regard to the potential for distortion of competition due to continued use of Government provided capital in competition with private capital. In this situation, careful consideration must be given to expansion of activities where the growth is in effect being financed with public funds.

Mr. President, I call your attention to the words "distortion of competition due to continued use of Government provided capital in competition with private capital." This is the crux of the issue. Is this an appropriate activity for a Government supported entity? Does this promote safety and soundness in the banking system?

Mr. President, I have long raised concerns about hostile takeovers generally. I do not believe they always result in better managed and more efficient companies. Indeed, targets are often well-managed and efficient companies.

Moreover, the gruelling nature of the takeover process often leaves the company that is the victim of the takeover attempt with little or no money for needed investments in plants and equipment. The long-term results of failing to invest in new equipment, and research and development, do irreparable damage to not only that company's future, but to the competitive edge of our country as a whole.

With the uncertainty that exists in the minds of thousands of depositors in federally insured banks, hostile takeovers add an unnecessary and unwelcome element.

I believe that hostile bank takeovers inject a major note of instability to the banking system. The regulatory approval process for bank acquisitions is a lengthy one and intensifies the uncertainty that surrounds any hostile takeover bid. In light of the massive bailout that we are now facing with the federally insured savings and loan fund, and waning confidence in our savings institutions, it is essential that investor confidence be maintained beyond the shadow of a doubt.

The notion of federally insured institutions engaging in highly leveraged hostile acquisitions is offensive enough, but allowing FDIC money to be used as weaponry in a takeover battle is outrageous. If one thing is obvious, the legislation before us today clearly shows that taxpayer money stands behind the deposit insurance funds. Bank hostile takeovers are not an appropriate use of tax dollars.

This amendment will effectively stop hostile transactions fuelled by public money without hindering legitimate transactions designed to assist ailing institutions. I urge my colleagues to support this amendment.

This is an appropriate issue to be considered in the context of this savings and loan insurance fund bailout. The first Republic-assisted acquisition was one of the largest bank bailouts in history. If we are to preserve the safety and soundness of the insurance funds in the future, we cannot permit this activity to continue.

This is not a securities issue, it is a bank insurance fund safety and soundness issue. It's what we're about today, Mr. President. We must include this amendment in this bill. Mr. President, I ask unanimous consent that a copy of a letter that two of my colleagues on the Banking Committee, including the former chairman, sent to Federal Reserve Chairman Greenspan on this very issue, be printed in the RECORD. I yield the floor.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC, February 19, 1988.

Hon. ALAN GREENSPAN,
Chairman, Board of Governors of the Federal Reserve System, Washington, DC.

DEAR CHAIRMAN GREENSPAN: We are writing to express our concern regarding the potential dangers posed to the banking system by hostile takeovers, such as Bank of New York Company's (BNY) current effort to gain control of Irving Bank Corporation (IBC). This proposed acquisition raises the prospect that for the first time the banking system will be subject to hostile acquisitions attempts, particularly as opportunities for bank acquisitions are dramatically expanded by the ongoing removal of barriers to interstate banking.

We believe that hostile bank takeovers could inject a major note of instability to the banking system. The necessary process of regulatory approval for bank acquisitions means that hostile takeover battles will last much longer than those in unregulated industries, intensifying the uncertainty and instability for the system. The often bitter, contested nature of a hostile takeover insures that charges and countercharges about bank management will escalate, raising questions about the soundness of the institutions involved. Most important, the highly leveraged nature of hostile acquisitions could have an adverse effect on the capital adequacy of the acquiring institution as well as the target. The risk is heightened in a hostile situation because the normal "due diligence" cannot take place, causing substantial disparity to result between projections and reality with respect to asset values and capital.

While we have great respect for the capacity of the Federal Reserve to review proposed mergers on a case by case basis, the Fed's current procedures are designed to review negotiated, consensual mergers, where hostile mergers present significantly different issues.

In addition, we are concerned about a potential ripple effect in the banking industry. As a Wall Street Journal article of January 6 stated: "So far, no large bank has been the victim of an unfriendly takeover. But the watershed could be Bank of New York Company's hostile $1.25 billion offer for Irving Bank Corp . . . Should regulators allow the bid to proceed, bankers say, a string of hostile attempts to take over big banks would follow."

We are not certain that the benefits of hostile bank takeovers outweigh the costs and risks for the safety and soundness of the banking system. We are particularly concerned about preserving adequate capital for banks and bank holding companies and about the implications that debt-financed transactions could have on the strength of our banks. We urge the Federal Reserve to consider very carefully the implications that a wave of hostile takeovers could have on the banking system before granting approval for such transactions.

Sincerely,

WILLIAM PROXIMIRE.
JIM SASSER.
TERRY SANFORD.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, if I might engage the chairman, and if I might have the chairman's attention, and engage the chairman in a discussion, perhaps we can save some time and forego my right to the amendment that we have provided for under the unanimous-consent agreement.

Mr. President, it is clear that we are going to have difficulty working out in time the concern that I have. If I can draw the chairman's attention to the problem that I see, perhaps we could reach some sort of understanding about what might occur in conference committee that would save us from having to offer an amendment, and take further time of our colleagues here on the floor.

Mr. President, I direct the chairman's attention to section 7(a) which provides that every such bank which fails to make or publish any such report within the period of time specified by the corporation or which submits or publishes any false, misleading, or incomplete report or information shall be subject to a penalty for such failure, submission, or publication of not more than $2,500 a day. That would be provided for in the managers' bill. That is currently a penalty of $100 a day.

Mr. President, I simply want to make the point to the chairman that in my State we have banks of very small size. I had banks come to me which have a capitalization of $1.2 million. They pointed out to me that if we could have a continuing violation for just incomplete information, which ran for 100 days, and you had the full penalty, $2,500 a day, it would wipe

out a quarter of the capital of the institution.

I know the steps that have been taken in the managers' amendment to require certain standards to be met before that kind of penalty could be imposed. Let me just say that has not given full comfort to the bankers that I represent because they say "Look, we would be subjected to costly legal fees in attempting to defend ourselves. We would be subjected to the decision of a bureaucrat who may or may not be reasonable."

And the simple point that I would like to bring to the attention of the chairman and the ranking member is whether or not this is really what we want to do. Should we have a penalty structure that applies the same to a bank that has $5 billion of capital as to a bank that has $1 million of capital?

It does not seem to make much sense to this Senator. Should there not be some mechanisms for fines that fit the size of the institution? In other words, we expect the same kind of pain to be enacted whether you are a very large institution or a small institution instead of this kind of disproportionate penalty for those who are small.

Mr. RIEGLE. Will the Senator yield on that point?

Mr. CONRAD. Yes.

Mr. RIEGLE. I appreciate the Senator for yielding. I am sensitive to the concern that he raises. We want good reporting. We want timely reporting. We have a lot of public money at stake. We had $100 billion-plus disappearing from the S&L system in large part because of misleading and false reports. I know the Senator wants the reports to be on time and accurate as strongly as I do. These call reports are a very fundamental part of the system, and it connects to deposit insurance.

Now, mistakes can be made, but these are treated as very serious documents. The people who prepare them know what they are; they know what needs to go in them. I do not know that in the recent past we have had anyone cited, for example, in the Senator's State for this problem. I would have no way of knowing. I doubt that there would be very many, if any, cases, but false and misleading, I agree with the Senator, carries one kind of ring to it. But let me say this. We have scaled that fine down. It was much higher, as the Senator knows, initially. We have gone down to $2,500.

Let me read something that is in existing law that relates to this and allows the kind of regulatory adjustment for precisely the kind of case about which I think the Senator properly expresses concern. The law now says as follows:

In determining the amount of penalty, the appropriate Federal banking agency shall take into account the appropriateness of the penalty with respect to the size of financial resources and good faith of the insured institution or person charged, the gravity of the violation, the history of previous violations and—

And I underline this—

such other matters as justice may require.

So the law has in effect ancitipated, I think, certainly to a rather substantial degree the possibility that somehow someone could file an incomplete report and be in a situation where through really innocent omission or just a clerical error or what have you find themselves in a situation where they could be very badly damaged financially, and no one would want that. So, in a sense we have some means and manner in the law now that specifically requires the consideration of precisely this situation.

Mr. CONRAD. Will the Senator yield on that point?

Mr. RIEGLE. Yes, of course.

Mr. CONRAD. Who makes that judgment?

Mr. RIEGLE. The person making the judgment in this case is clearly the appropriate Federal banking agency or the regulators themselves, but that does not exhaust somebody's recourse, if they feel they have been improperly assigned a fine. There are all kinds of ways in which they can pursue an appeal, if they think they are being improperly handled, including, by the way, calling their Senators, calling their House Members—not that they should have to do that, but in our system people do not have to be run over by the regulators. I do not want a system where the regulators are behaving in a highhanded or arbitrary fashion. On the other hand, I do want a situation where the reporting laws for reasons of safety and soundness require people to turn in accurate information on time. If they want to be in the banking business in Michigan, North Dakota, California, or any other place, there is an obligation to obey the law.

Mr. CONRAD. I respond to the Senator that it strikes me when you have a flat penalty, you are saying to the small bank, you are going to take a very serious hit potentially if you make a mistake, far heavier penalty than on the large bank.

As far as this Senator is concerned, I have a very hard time justifying that kind of differential penalty. If you have a bank with $1 million capital and it has left out something in a report that could eventuate in a $2,500 fine for 100 days, $250,000 in the example that I gave would be a quarter of the capital of the institution. If you had a $10 billion facility, it would be a fraction of their capital. Frankly, if we are interested in assuring that people do what they ought to do, then it seems to me we ought to have a proportional penalty.

Now, I really question, when you take a fine from $100 a day to $2,500 a day and apply it to all institutions the same, whether you have done something that passes the essential element of fairness. I think it fails the essential element of fairness. I hope in the conference committee the chairman might be persuaded to raise this matter and have it reviewed. I very much hope that we are not left with a situation in which this is the bottom line.

(Mr. KERREY assumed the chair.)

Mr. RIEGLE. Let me say to the Senator, I have great regard for him and for the ideas that he presents and for this one. I am sensitive to the points he raises. We do not want the structure of the law to be punitive or to lend itself to a punitive effect. It is tough enough today; I know the Senator's State has been especially hard hit because of agricultural problems and other things, so that everybody is struggling these days, and that is tough enough without having other things that are perverse or carry unintended consequences.

So I hear what the Senator is saying. Let me discuss this further with him, take a look at it. I appreciate his willingness, if I hear him correctly, not necessarily to press forward with an amendment at this time, but I say to the Senator that I, in fact, will look more closely at this matter. I will talk with the Senator. We will see where we are in the conference, and this will be one of the issues that I will take a very close look at and will weigh in that context.

Mr. CONRAD. It will be with that understanding I would not offer the amendment at this time, in the interest of saving the time of my colleagues in pressing ahead on this legislation. I very much appreciate the openmindedness of the chairman on this matter. I do feel strongly that it deserves a second look.

Mr. GARN. Will the Senator yield?

Mr. CONRAD. Yes; I am happy to yield.

Mr. GARN. I appreciate the Senator's cooperation, and I have some of the same concerns. But while we rushed to increase these penalties because of the problems of waste, fraud, and abuse, I am concerned about minor violations in smaller institutions that are not involved in this. So I certainly have no problem taking a second look at it. I appreciate the Senator's willingness to not offer the amendment.

Mr. HEFLIN. Will the Senator yield?

Mr. CONRAD. I am happy to yield.

Mr. HEFLIN. I appreciate the concern of the Senator and the statement of Senator RIEGLE and Senator GARN. Senator RIEGLE in response to Senator CONRAD's statement of what rights, or some language to that effect, does a

person who is fined or an institution or an institution-related party have, the Senator mentioned several things, but one of my concerns is that there is no due process, there is no fundamental fairness in that he, under the language, is not given a right to have a review before an agency, for him to come in and be able to contest this.

Now, I have an amendment prepared pertaining to agency hearings and other things that I do not want to offer. I hope that we can work it out, and I will address that as soon as I can get a time with you, and I will address this thing more thoroughly; but I concur wholeheartedly with Senator CONRAD on the size of the fines as it would apply to smaller banking institutions, smaller savings and loans, thrifts, credit unions, anyone that might be involved in regard to this. But when Senator CONRAD finishes, I will go into some other related matters.

Mr. RIEGLE. If I may respond to the Senator from Alabama, I am told by professional staff that the procedure here, if the penalty is assigned and thought to be inappropriate by the small institution, that there is a review process that goes on within the agency where they can seek a remedy; but if they are not satisfied with how that works out, that is subject to outside judicial review, I am told.

Now, we do not want to have to use that sort of procedure, because that takes a long time, and that can be cumbersome and can be very expensive. My view runs in the same direction as the two Senators who are on their feet. That is, I do not want an arbitrary procedure. By the same token, I do not want to have another $100 billion disappear, so we are back one day asking the taxpayers to cough up all this money.

I think if the people are going to be in the banking business or the savings and loan business with insured deposits, that they ought to keep their records straight, and they ought to hire people who keep their records straight. That is an obligation that goes with the charter. If that is too tough to do, maybe they ought not be in a business where they are handling insured deposits.

They are acting, in a sense, as a partial fiduciary for the taxpayers of the United States. There is an obligation that attaches to them to do the recordkeeping properly, not to file false or misleading or incomplete records. This is a way for us to see to it that we are not finding a pattern develop here of arbitrary abuse of bureaucratic power, or of administrative power. I have seen that happen.

People in administrative agencies can feel that they, in a sense, have absolute power. I have seen it exercised very arbitrarily. I spend a lot of time, and have over 23 years as a House Member and as a Senator, intervening in cases, where I have seen the Federal Government be excessive in the application of its authority in individual cases, whether it is with the Veterans' Administration or the Social Security Administration or the IRS, or wherever it happens to be. So I fully concede that that can happen.

I want to say one other thing while I have the floor now. That is, as the chairman of this committee, I want the input of Senators exactly like we are getting right now, who may not happen to serve on this committee, because if we have a problem out there with small banks, or we have other kinds of problems that may either be in existence or building up, I want to know about it, because I want to try to do something sensibly and affirmatively to try to fix it.

I view that as the job of our committee. So, I am acutely sensitive to the suggestions and ideas of my colleagues, who can bring to light things that they think are a problem, and to the extent that we find they are, I want to try to find a solution, working with them to solve those problems.

Mr. CONRAD. Mr. President, I think I retain the floor.

The PRESIDING OFFICER. You do. The Senator from North Dakota has the floor.

Mr. CONRAD. If I might just indicate once again to my friend from Michigan, I very much appreciate your response. I just want to say that I understand what is provided for in terms of a test. I understand what is provided for in terms of regulatory review of those fines. I just want to share with you that the bankers from my State, who are small bankers, who came to see me, and who I know to be very honest, credible people, said to me that they do not have an awful lot of comfort in that process, given the threat to their institution, $2,500 a day. For something that is incomplete in a call report, not misleading, not fraudulent, but an incomplete report, that potentially subjects them to $2,500 a day fine, when it was a hundred dollars.

And they are told, "Well, if you are not being treated fairly, you can go to Federal court," is not something that is very encouraging to them, because the cost of that would be extremely burdensome to a small, rural bank in my State.

Mr. RIEGLE. I appreciate what the Senator said, and I hear it clearly, and I understand that.

Let me also make this suggestion: I say this, and I would say it to any other Senator who is on his feet on the floor right now; that is, if you find a situation, a single situation like that, where you find an arbitrary action that is taking place in the system of this kind—this is a very sensitive area, because I made it clear, I hope, that I feel very strongly about the need to do the recordkeeping and do it properly. If you find there is abuse of agency power, or something of that kind that is taking place, and that you have someone in your State who comes in and can present those kind of facts to you, I want to know it.

I hope that the very same day you will bring that individual over to see me, and I will make time available. I give you that commitment now, and it is a blanket commitment, that I will make time available, and I have done it in the case of others, to hear what is being said and to consider that from the point of view of what the responsibility of our committee is.

So I want us to be in a position to do this job right. I feel as strongly about you being able to make those representations here to your constituents as my being able to make them to mine.

Mr. CONRAD. I do not want to further delay, Mr. President, consideration of this bill. I just want to conclude by saying, I take on its face the offer of the chairman to reconsider this matter and evaluate it further in the conference committee; I hope very much that that will be done, and I do feel that this is something that requires a second look. I also want to express my support for the concept that Senator HEFLIN is advocating, that there be some review process, short of the Federal court system.

I yield the floor.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. Before the Chair recognizes the Senator from Alabama, I must say the Chair accepts the request made earlier by the Senator from Georgia with respect to the printing of the amendment.

The Senator from Alabama has the floor.

Mr. HEFLIN. Mr. President, I had reserved the right to bring two amendments to the floor for a 20-minute time limit. It is not my present intention to offer these amendments, but to discuss the issues that I have in mind with it. I realize that this bill ought to be passed and be passed expeditiously, and I do not want to delay it; but I think that in conference, certainly and hopefully, the House, before it finalizes its action, will take notice of my remarks pertaining to these issues.

I raise some questions about the title IX of the FSLIC rescue plan, which dramatically increases the enforcement authority of the regulators over all members of the financial institutional industry, including the members of the boards of directors. I think the language should be reviewed and, in my judgment, changed to ensure that financial institutions are able to attract strong and capable individuals as directors and officers.

While I will not offer any amendment, in the interest of the swift pas-

sage of the bill, I do want to address some of these issues, which I believe to be critical. Federal regulatory officials constantly stress the need for effective and honest board management. The Office of Comptroller of the Currency has stated: "At the OCC we recognize the important contributions knowledgeable and active directors make to the bank and the community. We appreciate just how much directors can enhance the safety and the stability of the banking system. We want to support directors by ensuring that they have a clear idea of what is expected of them."

Therefore, without a clarifying amendment, financial institutions may lose effective directors, maybe an entire board of directors.

I am merely recommending that due process and fairness dictate that clear standards should be included in any assessment of civil penalties.

I would like to respectfully request of my colleagues that the following suggested changes to S. 774 be considered particularly in conference.

First, S. 774 would raise the current rate of discretionary civil money penalties from $1,000 a day to $25,000 and would expand the scope of civil money penalties to include unsafe and unsound practices or breaches of fiduciary duty. Penalties could be assessed and accumulated at a rate of $25,000 per day for such subjective grounds as unsafe and unsound practices. In addition, the regulators could assess a civil money penalty of $1 million a day for reckless disregard of the safety and soundness of the financial institution.

The potential for agency abuse of such increased penalty authority can be somewhat protected against by the insertion of conditions which must be met in cases where the penalty is over a certain threshold amount.

The conditions which should be included in my judgment are that: First, the violation was intentionally or willfully done; second, the violation caused or will cause substantial financial loss or result in substantial pecuniary gain; and third, the violation was done with reckless disregard for safety and soundness.

An additional safeguard against regulatory abuse should be included; we should grant the "assessed—the institution or institution-related—party" the right to an administrative hearing on the civil money penalty assessment within 10 days from the date the notice of assessment is issued.

Under existing law, the assessed party or institution has a right to request, within 10 days, that a hearing be held. However, the hearing may actually be scheduled several months after the request is filed, if the parties in effect agree.

This amendment, allowing the opportunity for an "expedited" hearing, should not remove the alternative for the institution or institution-related party to request a nonexpedited hearing as provided under current law.

In addition, under current law, any person who willfully violates the provision of the act may be fined up to $10,000 a day. Title IX increases the penalties for any violation of the Change in the Bank Control Act from $10,000 a day to $25,000 a day—or $1 million for violations of reckless disregard—and removes the "willful" standard.

This change may permit even inadvertent violations of the act to be punished with penalties of $25,000 per day. This section warrants retention of the "willful" standard and mitigating factors to be considered prior to civil money penalty assessment. No penalties should be imposed for inadvertent violations.

Mr. President, my recommendations are minor. I sincerely do not want to change the intent of the administration that violators be punished. I wish to see those guilty of fraud and abuse punished for their wrongdoing. However, if adjustments can be made, then the financial institution industry will understand what constitutes violations of law and regulations and they will be able to attract solid individuals as directors and employees, thus upholding the safety and soundness of the industry.

Now, Mr. President, I feel that particularly the matter pertaining to the administrative hearings ought to be carefully considered and that these ought to be incorporated into the final version of the bill.

I hope that the managers of the bill in conference will look into it.

The idea that you would have an administrative hearing, whether it be expedited or nonexpedited, to me means that it would prevent a lot of litigation that could go on in courts and appeals in the legal system which could be handled. In many, many instances the administrative hearings bring out misunderstandings. It gives an opportunity for people to explain, and we all know that explanations sometimes clarify matters that are before regulatory agencies.

I will ask that an amendment that I prepared on this be printed in the RECORD as a part of my suggestions, and I ask unanimous consent that that appear in my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMENDMENT

On page 430, line 12, before "Section" insert the following:

(a) IN GENERAL.—

On page 431, between lines 14 and 15, insert the following:

(b) STANDARD FOR IMPOSITION OF CERTAIN PENALTIES.—Section 8(i)(2)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1818(i)(2)(B)) is amended by adding at the end the following: "Notwithstanding any other provision of law, an appropriate Federal banking agency may impose a civil penalty under a provision of Federal law on a financial institution or an institution-related party in an amount in excess of $2,500 per day but not exceeding $25,000 per day only if such agency determines that—

"(i) the violation, breach, or practice has caused a serious financial loss to the financial institution or to the holding company of which such institution is a subsidiary, to the Bank Insurance Fund, or to the Savings Association Insurance Fund;

"(ii) the violation, breach, or practice was willful;

"(iii) the violation, breach, or practice was part of a pattern of violations, breaches, or practices by that financial institution or institution-related party; or

"(iv) the violation, breach, or practice resulted in the enrichment of the institution-related party charged with the violation, breach, or practice.

The financial institution or institution-related party shall be afforded an opportunity for agency hearing, upon request, to commence not later than 10 days after issuance of a notice of assessment of a penalty that exceeds $2,500 per day. In such hearing all issues shall be determined on the record pursuant to section 554 of title 5, United States Code. The agency determination shall be made by final order which may be reviewed only as provided in subparagraph (D). An institution or institution-related party which does not request a hearing to commence within 10 days of the issuance of the notice retains its rights to make a request within 10 days after issuance of the notice of assessment as provided in subparagraph (C).".

On page 468, between lines 17 and 18, insert the following:

SEC. 966. STANDARD FOR IMPOSITION OF CIVIL PENALTIES.

Section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended by adding at the end thereof the following:

"(t) STANDARD FOR IMPOSITION OF CIVIL PENALTIES.—Notwithstanding any other provision of law, the Board may impose a civil penalty under a provision of Federal law on a credit union or an institution-related party in an amount in excess of $2,500 per day but not in excess of $25,000 per day only if the Board determines that—

"(1) the violation, breach, or practice has caused or is likely to cause a serious financial loss to the credit union or to the National Credit Union Share Insurance Fund;

"(2) the violation, breach, or practice was willful;

"(3) the violation, breach, or practice was part of a pattern of violations, breaches, or practices by that credit union or institution-related party; or

"(4) the violation, breach, or practice resulted in the enrichment of the institution-related party charged with the violation.

The financial institution or institution-related party shall be afforded an opportunity for agency hearing, upon request, to commence not later than 10 days after issuance of a notice of assessment of a penalty that exceeds $2,500 per day. In such hearing all issues shall be determined on the record pursuant to section 554 of title 5, United States Code. The agency determination shall be made by final order which may be reviewed only as provided in subsection (k)(2)(D). An institution or institution-related party which does not request a hearing to commence within 10 days of the issuance

of the notice retains its rights to make a request within 10 days after issuance of the notice of assessment as provided in subsection (k)(2)(C).".

Mr. RIEGLE. Mr. President, will the Senator yield at that point?

Mr. HEFLIN. I yield.

Mr. RIEGLE. I think the Senator makes some very important points here, and they are ones that we also had a concern about.

One of the amendments that we have incorporated in what we call a series of managers' amendments which we will offer at the end of the bill, is one to further set out the circumstances under which penalties above the $2,500 a day can be assessed.

We set forth these tests that go in the direction of what the Senator from Alabama has raised.

Those fines can only be assessed, if the agency determines that one of the five following factors was present, and let me just read off the five.

Mr. HEFLIN. I am familiar with them.

Mr. RIEGLE. All right. The Senator has seen those.

So, in any event we have tried with those standards—including one being willful, knowing violation and one being grossly negligent—to set a clearer standard, an important set of standards to impose some discipline in what the Senator has expressed some concern about.

Mr. HEFLIN. Now, Mr. President, the other amendment that I was contemplating bringing deals with section 1004 of S. 774, which makes significant changes in the disclosure of grand jury material.

I think this is an issue, that at the very least, warrants some discussion during this debate.

Current provisions within S. 774 would overturn two Supreme Court cases decided in 1983. The first, is *United States* v. *Sells Engineering Inc.*, 463 U.S. 418 (1983), and the second, decided on the same day, is *United States* v. *Baggot*, 463 U.S. 476 (1983).

The Supreme Court in Sells, ruled that under rule 6(E) of the Federal Rules of Criminal Procedure, Department of Justice Civil Division attorneys may not obtain secret grand jury materials without a court order based on a showing of "particularized need."

Section 1004 of S. 774, would overturn the Sells decision, and allow prosecutors to make disclosures of grand jury materials without a court order to civil attorneys within the Department of Justice.

In addition, this bill will also allow grand jury material, "at the request of an attorney for the Government, and when so permitted by a court upon a showing of substantial need, to be given to personnel of any department or agency of the United States, when (a) such personnel are deemed necessary to provide assistance to an attorney for the Government in the performance of such attorney's duty to enforce Federal civil law, or (b) for use in relation to any matter within the jurisdiction of such department or agency."

Really the last part (b) is so broad that there was really no need to put that (a) in it.

This provision, overturns the Baggot decision which currently allows grand jury material to be given to a Federal agency only upon a showing of particularized need, and if such disclosure is preliminary to or in connection with a judicial proceeding. The language in S. 774 would expand the disclosure of grand jury material to include administrative proceedings.

Historically, the use of grand jury material has been zealously guarded to serve two purposes. One, to protect the individual under investigation, and second, to protect the process itself. The Supreme Court in Sells, quoting from an earlier case, underscored the policy behind maintaining the secrecy of grand jury proceedings:

> We consistently have recognized that the proper functioning of our grand jury system depends upon the secrecy of grand jury proceedings. In particular, we have noted several distinct interests served by safeguarding the confidentiality of grand jury proceedings. First, if preindictment proceedings were made public, many prospective witnesses would be hesitant to come forward voluntarily, knowing that those against whom they testify would be aware of that testimony. Moreover, witnesses who appeared before the grand jury would be less likely to testify fully and frankly, as they would be open to retribution as well as to inducements. There also would be the risk that those about to be indicted would flee, or would try to influence individual grand jurors to vote against indictment. Finally, by preserving the secrecy of the proceedings, we assure that persons who are accused but exonerated by the grand jury will not be held up to public ridicule. (*U.S. States* v. *Sells*, 463 U.S. at 424, quoting *Douglas Oil Co.* v. *Petrol Stops Northwest*, (citations omitted).)

Under S. 774, a new standard is created to allow Federal agencies access to grand jury material, namely a showing of "substantial need." The only definition I have seen discussing the term "substantial need" is the section-by-section analysis of Senator GARN found in the CONGRESSIONAL RECORD on March 9, 1989 on page 2396. It seems to me that this is very little legislative history to provide to courts in trying to interpret a brand new standard.

Currently, rule 6(e)(3)(C)(i) authorizes a court to order disclosure "preliminary to or in connection with a judicial proceeding." Courts have construed the rule to require a showing of particularized need before disclosure of grand jury materials. The Supreme Court has described the standard of "particularized need." In Douglas Oil the Court stated:

> Parties seeking grand jury transcripts under rule 6(e) must show that the material they seek is needed to avoid a possible injustice in another judicial proceeding, that the need for disclosure is greater than the need for continued secrecy, and that their request is structured to cover only material so needed * * *. (See *Sells*, 463 U.S. at 443, quoting *Douglas Oil*).

If in fact other agencies need access to grand jury material then at the very least, let us provide the courts with a sufficient history in order to construe this new standard. If such history is not possible, I believe that the well known standard of "particularized need" would be preferable to give the courts sufficient guidance. This would still permit greater access to grand jury material because it would not be limited to judicial proceedings.

I know the managers of this bill are anxious to complete work as soon as possible. I do not wish to unduly delay the consideration of this legislation. However, I believe that it is my responsibility to raise this issue particularly as chairman of the subcommittee on Courts, and discuss my concerns with this provision. I am hopeful that in future discussions of this legislation particularly in conference, this provision will be further considered and clarified.

This is pretty broad power in regards to anything that would occur in a grand jury. It means the IRS, or any other agency, would have the right—a showing of the fact that there is some substantial need in their proceedings to get access to the grand jury information.

We have a long history, part of the Anglo-American system, that there has been protection of grand jury proceedings. I am very much in favor of bringing the violators of this law to the bar of justice and seeing that they receive just punishment. But at the same time, I think that we have to watch, and watch very carefully, what we are doing to basic fundamental concepts of justice in our basic institutions.

So I ask that the managers of this bill in conference and in the meantime to give careful consideration to the provisions that have been rewritten pertaining to the grand jury proceedings, and that hopefully we can come up with language that protects the grand jury as an institution, protects the grand jury proceedings, but nevertheless as an aid in trying to gain convictions of those who should be convicted and have violated the law. At the same time if we do change a term and substitute "particularized need" and put in place of it a "substantial need," that we give some sort of guidance and legislative history as to what that term means.

Mr. GARN. Mr. President, I apologize to the Senator. This other conver-

sation is going on and I did have my left ear toward the distinguished Senator from Alabama. I certainly think he makes some good points particularly from his background as a judge and distinguished legal mind. I will certainly, from my standpoint, try to do something about this in conference. I certainly have no problem with trying to accomplish that.

Mr. HEFLIN. I thank the Senator.

Mr. RIEGLE. Mr. President, I was listening to the Senator from Alabama. I got distracted, because we were trying to resolve another item on the floor.

I want to say again I appreciate the points the Senator from Alabama has raised. I have enormous regard for his insight on judicial and legal process issues because of his previous very distinguished service as a judge and as a supreme court justice in his State. So, we will take full account of what he said and we will take those observations and those concerns with us into the conference and see what we can do.

Mr. HEFLIN. I appreciate the statement on the part of the distinguished chairman of the committee.

Mr. RIEGLE. I thank the Senator.

Senator MURKOWSKI I believe has been waiting for some period of time.

Mr. MURKOWSKI. Mr. President, I thank my friend from Michigan, the floor manager.

AMENDMENT NO. 58

(Purpose: To Prohibit Brokered Deposits)

Mr. MURKOWSKI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alaska [Mr. MURKOWSKI] for himself and Mr. EXON, proposes an amendment numbered 58.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 157, between lines 14 and 15, insert the following:

SEC. 226. BROKERED DEPOSITS.

(a) DEFINITIONS.—Section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) is amended by adding at the end the following:

"(u)(1) The term 'deposit broker' means—

"(A) any person engaged in the business of placing funds, or facilitating the placement of funds, of third parties with insured banks or the business of placing funds with insured banks for the purpose of selling interests in those deposits to third parties; and

"(B) an agent or trustee who establishes a deposit account to facilitate a business arrangement with an insured bank to use the proceeds of the account to fund a prearranged loan.

"(2) The term 'deposit broker' does not include—

"(A) an insured bank, with respect to funds placed with that bank;

"(B) an employee of an insured bank, with respect to funds placed with the employing bank;

"(C) a trust department of an insured bank or of an institution insured by the Federal Savings and Loan Insurance Corporation, if the trust in question has not been established for the primary purpose of placing funds with insured depository institutions;

"(D) the trustee of a pension or other employee benefit plan, with respect to funds of the plan;

"(E) a person acting as a plan administrator or an investment adviser in connection with a pension plan or other employee benefit plan provided that that person is performing managerial functions with respect to the plan;

"(F) the trustee of a testamentary account;

"(G) the trustee of an irrevocable trust (other than one described in paragraph (1)(B)), as long as the trust in question has not been established for the primary purpose of placing funds with insured depository institutions;

"(H) a trustee or custodian of a pension or profit-sharing plan qualified under section 401(d) or 408(a) of the Internal Revenue Code of 1986; or

"(I) an agent or nominee whose primary purpose is not the placement of funds with depository institutions.

"(v) The term 'employee' includes only an employee—

"(1) who is employed exclusively by the insured bank for which he or she is soliciting deposits;

"(2) whose compensation is primarily in the form of a salary;

"(3) who does not share his or her compensation with a deposit broker; and

"(4) whose office space or place of business is used exclusively for the benefit of his or her insured bank/employer.

"(w) The term 'business of placing funds or facilitating the placement of funds' does not include deposit listing services where—

"(1) the person or entity listing the deposit is compensated only by means of a subscription fee which is not calculated on the basis of the number or dollar amount of deposits placed as the result of information provided by such service;

"(2) the service provided is limited to the gathering and transmission of information concerning the availability of deposits; and

"(3) any funds to be invested in deposit accounts are remitted directly by the depositor to the insured bank and not, directly or indirectly, through the person or entity providing the listing service.

"(x) The term 'troubled institution' means an insured financial institution which is entitled to the benefits of insurance under this Act and which the Corporation has determined for the purpose of section 30 does not meet its minimum capital requirements.".

(b) APPLICABILITY OF LIMITATION.—The Federal Deposit Insurance Act is amended by adding at the end the following:

"SEC. 30. BROKERED DEPOSITS.

"(a) IN GENERAL.—A troubled institution may not accept funds deposited into one or more deposit accounts by or through a deposit broker.

"(b) GRANDFATHERED ACCOUNTS.—The prohibition contained in subsection (a) shall not apply to any account opened before the effective date of the FIRRE Act unless such account has been added to or renewed after the effective date of such Act.

"(c) WAIVER AUTHORITY.—The Corporation is authorized, on a case-by-case basis, and upon application by an insured financial institution, to waive the applicability of subsections (a) and (b) upon a finding that the acceptance of such deposits does not constitute an unsafe or unsound practice.".

Mr. MURKOWSKI. Mr. President, the purpose of my amendment is to address an area of great concern associated with the matter of change within the bill before the committee covering brokered deposits. I recognize that there has been a great deal of time spent by staff on this matter.

Specifically, what my amendment does is prohibit banks and thrifts that do not meet the minimum capital requirements from using brokered deposits and this is very important, Mr. President—unless the institution receives a waiver from the Federal Deposit Insurance Corporation.

The waiver is available if FDIC makes a determination, in advance, that the use of brokered deposits by that institution does not constitute an unsound banking practice.

Mr. President, this is a relatively simple amendment. My understanding is that FDIC does not object to it in the intention in which it is interpreted because it does not disallow the continuation of brokered deposits.

Mr. President, I would like to correct one statement. I should have asked that Senator EXON WHO joins with me in the amendment be added formally as a cosponsor and I ask unanimous consent that he be so added.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. Mr. President, one of the arguments on the other side of this matter are that the proposed FDIC regulations are adequate.

Well, I hope in the discussion that we are going to have that we can examine the regulations in some detail bcause these regulations are inherently weak. They establish a presumption that the use of brokered deposits by troubled thrifts is somehow OK.

Would you believe that we are looking somewhere in excess of $157 billion to bail out the FSLIC and the thrift institutions? I happen to know something about this area because I was a commercial banker for 24 years. I can tell you what happens when your loan portfolio deteriorates. The quality of your loans goes down, your loans are charged off against your capital, the regulators are breathing down your throat, and your depositors are leaving you. They are going to other institutions. So your only chance for survival is to go out and buy funds.

There are many ways to buy funds, but one way that is very much attributed to the difficulties of the organizations is their ability to go out and buy what they call brokered deposits.

These are a rather interesting and ingenius method developed by a sophisticated financial community, to go out and solicit from individual certificates of deposit investors and then go to these bank and thrift institutions that have to have deposits to offset the runoff they have had in their core deposits, and these institutions issue the certificates of deposit offering a return at a higher-than-market rate. They have to have the money. They pay for the money at a higher rate than the healthy competitor, and they continue to stay in business.

Some of them are able to overcome their difficulties. Others fall by the wayside. And many of them are falling by the wayside as a consequence of the difficulties that originate from the deterioration of their loan portfolio coupled with a runoff of deposits that results in the creation of the atmosphere where the brokered deposits come into play.

The brokered deposits are rather interesting innovations in the sense that these brokerage firms place your individual investment funds in deposits of $100,000 or less, because they are federally insured. There is no risk.

The Federal Government underwrites the risk through the insurance corporations. You do not see these brokered deposits in amounts over $100,000. You do not see healthy institutions soliciting for brokered deposits. They do not need them.

What it is, Mr. President, is a ripoff of the taxpayer. The taxpayer is underwriting that premium, that quarter of 1 percent, that half of 1 percent.

Let us go into a typical transaction, a broker sells a CD for $100,000. The customer gets a CD for $100,000. The financial institution gets $95,000, the broker gets $5,000. Those are the premiums that are paid.

The deposit corporation is on the hook for the entire $100,000, Mr. President, and who is paying for that? The taxpayer.

As we address what we are attempting to do, and I commend my colleagues on this bill because they worked hard to address the loopholes, but what you have here, Mr. President, is a situation in the proposed regulation that is endorsed in this bill that only requires a thrift to check a box on a reporting form if it intends to grow rapidly.

Growth in a thrift and rapid growth mean different things to different people. But it can certainly mean going out and soliciting for brokered deposits. And you can grow very fast. But you have to pay a premium and you are not going to be competitive if you have to pay a higher cost for your money than your healthy competitor.

I think we all agree the burden is on FDIC to step forward and stop this intended growth. That is addressed, and I will concede that, by requiring the insured bank to report any intention to grow rapidly. But, Mr. President, that is a very, very broad, toothless interpretation. What does it mean, to grow "rapidly"? It says in the regulations, "Increase assets more than 9 percent in any 3-month period."

They cannot do that, then, without reporting their intention to grow rapidly. But if they grow 8 percent in each quarter, then theoretically they could achieve a growth of 32 percent a year and stay under the oversight of the regulatory agency.

We can go back to the case of the S&L's. We can acknowledge that there was fraud, there was mismanagement. Mr. President, there was inadequate oversight from the FSLIC regulatory authorities. Make no mistake about it. These are federally insured agencies. These regulatory authorities should have been in those institutions making management make the necessary changes. And they ought to be held responsible today.

That is, perhaps, another story for another day. But they are not. They are blaming everybody and everything, and there is probably enough blame for everybody and everything. But that is why we have regulatory authorities. That is why you have the authority to take a board of directors and issue a cease-and-desist order and prosecute if they do not follow prudent procedures.

I am not on the Banking Committee because maybe I spent 24 years and had enough of that particular profession. And maybe that is a good thing. But I have some objectivity. I hope that my concern is reflected adequately in the effort that is being made by the Banking Committee and those members on both sides of the professional staff, to address the real loopholes that we still have in the system.

Do we really believe that we have in this regulation sufficient action to address the abuses? I have already indicated I think it is toothless. Do we really believe that the crooks, who will go to any length to rip off depositors and taxpayers, will check the box, Mr. President, and voluntarily refrain from using brokered deposits? Well, let us be realistic, Mr. President. These proposed regulations do absolutely nothing, nothing except signal the abuse of brokered deposits can continue.

I understand how to count and I understand what the committee is doing. They are basically saying: I am sorry, we are down to the wire. No amendments.

Well, I want to cooperate. I am willing to pursue any alternative that will address some way to ensure that we mandate that the regulatory authorities have their feet held to the fire so that we can identify the responsibility, yet we can continue to allow brokered deposits for those institutions that need them with the approval of the appropriate regulatory authorities.

Mr. President, in my discussions with professional staff and my colleagues, I fail to understand why we cannot reconcile some appropriate safeguards without dramatically changing anything but simply recognizing that there is inadequate control in this area.

The reasons why it is inadequate, Mr. President, is that FDIC regulation is only a proposal. There is no guarantee it is going to be adopted. It should be. We have the right to ask that.

The FDIC regulation is too weak by itself. We need additional supervision for sick thrifts, and we have limited our amendment to sick thrifts. The amendment will require FDIC to give the OK before the problem starts. We will then have appropriate accountability on the part of FDIC.

I think Congress has shirked its responsibility too long. This is the time to act. The time to act is now. And I offer, Mr. President, to my colleagues, my wish that somehow we can address this specific area.

I believe the chairman of the Banking Committee wishes to be heard at this time. I will be happy to yield, without losing my right to the floor. I yield to the chairman.

Mr. RIEGLE. I appreciate the Senator for yielding. Let me just say that we are working to try to see if we can find a way to respond to the issue that the Senator from Alaska has raised. We think we may have a way to do that. So, Senator GARN will discuss that with the Senator from Alaska.

I want to further use this opportunity, as that discussion goes forward, to give an update on a couple of other matters here. We may be close to resolving the issue that Senator GORTON has raised, and we have now a colloquy that needs to be reviewed. That might enable us to settle that particular issue.

I am told that we are continuing to work on the auditing amendment of Senator MACK, and we may be able to resolve that issue as well. We, of course, handled the Heflin items which were discussed earlier. We are in discussions at the moment with Senator METZENBAUM on the series of amendments that he offered. We are attempting to see if we can perhaps reach an understanding there as well. I do not presume to say that we can or cannot, although I can say that we are all working in good faith, in a positive way, to see if we can find some accommodation there. We are making good progress.

That does leave the Bumpers amendment up in the air, which I have not mentioned. I know he was intending to come to the floor at the appropriate time and offer that amendment. Perhaps, when we finish with

the Murkowski amendment, we can work on through the rest of these.

Mr. GARN. If the chairman will yield, I do think it is possible in just 5 minutes or so to work out a compromise on the Murkowski amendment which we would both be able to accept.

Mr. RIEGLE. Very good. Perhaps what we should do, I suggest to the Senator from Alaska, because we are attempting to work out an agreeable answer to that, maybe we ought to leave the issue pending, unless there is something else somebody wants to raise right now, and enter a quorum call and then see if we cannot resolve the item.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BRYAN). Without objection, it is so ordered.

Mr. MURKOWSKI. Mr. President, I send a modification of my pending amendment to the desk. Specifically, the proposal would be to strike the exclusion for listing services. Listing services will now be covered by the amendment.

The PRESIDING OFFICER. Is there objection to the modification? If not, the amendment is so modified.

The amendment, as modified, is as follows:

On page 157, between lines 14 and 15, insert the following:

SEC. 226. BROKERED DEPOSITS.

(a) DEFINITIONS.—Section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) is amended by adding at the end the following:

"(u)(1) The term 'deposit broker' means—

"(A) any person engaged in the business of placing funds, or facilitating the placement of funds, of third parties with insured banks or the business of placing funds with insured banks for the purpose of selling interests in those deposits to third parties; and

"(B) an agent or trustee who establishes a deposit account to facilitate a business arrangement with an insured bank to use the proceeds of the account to fund a prearranged loan.

"(2) The term 'deposit broker' does not include—

"(A) an insured bank, with respect to funds placed with that bank;

"(B) an employee of an insured bank, with respect to funds placed with the employing bank;

"(C) a trust department of an insured bank or of an institution insured by the Federal Savings and Loan Insurance Corporation, if the trust in question has not been established for the primary purpose of placing funds with insured depository institutions;

"(D) the trustee of a pension or other employee benefit plan, with respect to funds of the plan;

"(E) a person acting as a plan administrator or an investment adviser in connection with a pension plan or other employee benefit plan provided that that person is performing managerial functions with respect to the plan;

"(F) the trustee of a testamentary account;

"(G) the trustee of an irrevocable trust (other than one described in paragraph (1)(B)), as long as the trust in question has not been established for the primary purpose of placing funds with insured depository institutions;

"(H) a trustee or custodian of a pension or profit-sharing plan qualified under section 401(d) or 408(a) of the Internal Revenue Code of 1986; or

"(I) an agent or nominee whose primary purpose is not the placement of funds with depository institutions.

"(v) The term 'employee' includes only an employee—

"(1) who is employed exclusively by the insured bank for which he or she is soliciting deposits;

"(2) whose compensation is primarily in the form of a salary;

"(3) who does not share his or her compensation with a deposit broker; and

"(4) whose office space or place of business is used exclusively for the benefit of his or her insured bank/employer.

"(w) The term 'troubled institution' means an insured financial institution which is entitled to the benefits of insurance under this Act and which the Corporation has determined for the purpose of section 30 does not meet its minimum capital requirements.".

(b) APPLICABILITY OF LIMITATION.—The Federal Deposit Insurance Act is amended by adding at the end the following:

"SEC. 30. BROKERED DEPOSITS.

"(a) IN GENERAL.—A troubled institution may not accept funds deposited into one or more deposit accounts by or through a deposit broker.

"(b) GRANDFATHERED ACCOUNTS.—The prohibition contained in subsection (a) shall not apply to any account opened before the effective date of the FIRRE Act unless such account has been added to or renewed after the effective date of such Act.

"(c) WAIVER AUTHORITY.—The Corporation is authorized, on a case-by-case basis, and upon application by an insured financial institution, to waive the applicability of subsections (a) and (b) upon a finding that the acceptance of such deposits does not constitute an unsafe or unsound practice.".

Mr. MURKOWSKI. More specifically, Mr. President, we have worked it out with the Banking Committee, Senator RIEGLE and his staff, as well as Senator GARN. I thank both of these gentleman for being sensitive to my concerns. It basically includes more people in the definition of deposit broker, now it includes listing services, specifically hot money houses in which we share the same concern. I want to make sure we all understand that we clearly only cover troubled banks and thrifts. There is no limitation on healthy institutions. They can proceed as they should. So more formally the striking of page 3, line 23 through page 4, line 12 is satisfactory to this Senator. It is my understanding it has been cleared on both sides. I thank my colleagues and wish them a good day and a good recess and indeed success.

Mr. GARN. Mr. President, I thank the Senator from Alaska for the modifications. He had modified the amendment earlier. I have four pages of talking points about why it was a bad amendment, and I am very happy I do not have to deliver them because I think the amendment, as amended, is now good public policy, and so I am not only willing to accept it on behalf of the minority, I think it is, with the changes, a good amendment.

Mr. RIEGLE. Mr. President, let me add my thought to that of the ranking minority member. We have worked out this amendment and I think on the basis we now have it, it is an amendment that we can accept and should accept.

Mr. MURKOWSKI. I urge adoption of the amendment.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. MURKOWSKI. I yield back my remaining time, Mr. President.

Mr. RIEGLE. Yes, all remaining time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment, as modified.

The amendment (No. 58), as modified, was agreed to.

Mr. MURKOWSKI. I thank my colleagues.

AMENDMENT NO. 59

(Purpose: To prevent financial institutions from entering into vendor agreements in exchange for stock purchases or capital investments)

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 59.

Mr. BUMPERS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title II, insert the following new section:

SEC. 226. (a) CONTRACTS BETWEEN FINANCIAL INSTITUTIONS AND PERSONS PROVIDING GOODS, PRODUCTS, OR SERVICES.

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 30. CONTRACTS BETWEEN FINANCIAL INSTITUTIONS AND PERSONS PROVIDING GOODS, PRODUCTS, OR SERVICES.

"(a) IN GENERAL.—An insured financial institution shall not enter into a written or oral contract with any person related to the provision of goods, products, or services to or for the benefit of such financial institution if such contract contains any of the following:

"(1) A provision under which such person agrees to purchase any asset of such financial institution unless the asset is directly related to the provision of such goods, products, or services.

"(2) A provision under which the person providing such goods, products, or services agrees to purchase stock of, invest capital in or make a deposit in such financial institution.

"(b) PROVISION TO APPLY TO HOLDING COMPANIES.—For purposes of this section, the term 'insured financial institution' includes a 'bank holding company' and a 'savings and loan holding company'.

"(c) REGULATIONS.—The Corporation shall promulgate regulations necessary to carry out the provisions of this section.".

SEC. 226. (b) The General Accounting Office shall conduct a study of the contracting practices between third-party vendors and insured financial institutions and shall report on the extent to which such contracts include questionable provisions that may tend to erode financial integrity and soundness by among other things allowing an institution to artificially inflate its capital base or to divest itself of a troublesome asset. Such report shall be submitted not later than six months after the date of enactment of this act to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

Mr. BUMPERS. Mr. President, I am especially anxious to have the attention of the floor managers because I hope this amendment could be accepted. I will be brief because the amendment is not complicated.

Most financial institutions in this country contract with a third party for their computer software and many other services. So many of them do it in fact that servicing financial institutions has become a $30 billion industry in America. It is very competitive. There is a troubling practice that may not be pervasive but I think it is relatively prevalent. It runs like this.

A software contractor goes to a financial institution and they are for the business: "We would like to cut a contract with you to provide all of your software services."

The financial institution says, "We are interested in entering into a contract with you, but here is our deal. We have a piece of real estate in our inventory that we have had to foreclose on that has a book value of $200,000 and a fair market value of $100,000. If you will buy this piece of property from us for $200,000 which admittedly is $100,000 more than it is worth, we will sign a 10-year contract with you and make it fat enough that over the period of the contract—say 10 year—"we will reimburse you for the amount you paid for this property in excess of its fair market value."

Illustration No. 2. The same software provider goes to the financial insititution and says, "We want your business." The financial institution says, "If you will buy 10,000 shares of our stock"—a stock that is not traded publicly, we will say—"for $10 a share, even though the book value is only $5 a share, we will make this worth your while over the term of the contract."

A deal is consummated. All of a sudden this institution, like the institution of the preceding example, looks very healthy, whereas in fact nothing has happened to improve the health of that institution.

Third example. "You want the business of this institution? Put $10 million in our bank and leave it there for 2 years and then we will sign the contract with you and we will make it worth your while over the period of the contract so that you get the value of having that 10 million laying in our bank."

And a fourth illustration simply would go to any property held in the inventory of the financial institution, be it real estate, furniture, fixtures, land, anything else that is unrelated to the provision of goods, products or services by the vendor.

Now, Mr. President, one of the reasons we are debating this bill right now is because these kinds of practices occurred in many, many instances in this industry.

I have heard it said by some that the law already prohibits this, but I can tell you we have been working on this amendment for 3 days, and we cannot find a law on the books which says it is prohibited. Obviously, extortion is prohibited. That is a violation of Federal law and State law. Kickbacks, as such, are prohibited. But some of these practices get pretty sophisticated, and it would make it almost impossible to prove that somebody had had several million dollars extorted from him in order to get some business or that they had agreed to make a deposit in a bank in exchange for a contract.

Now, what my amendment does is to say very precisely:

You may not enter into a contract with a financial institution where you purchase or buy something from that financial institution that is not directly related to the services and goods that you are going to furnish to them.

Now, I can tell you the language of our bill has been extremely carefully designed and crafted to make sure that these institutions may not enter into these kinds of contracts. If you are in the software business, let us say you wanted to design a contract with bank X for 10 years for $10 million or $20 million or whatever, and that is a competitive bid and you know that you are entitled to the business, and somebody else comes into the bank and they say:

Look, we will do it for the same amount of money and we will even cut this other deal with you; we will take that lousy piece of real estate off your hands if you will reimburse us for it, but temporarily you will look like you really have a healthy institution here.

My amendment would stop this unseemly practice.

You remember when Danny Wall came here 2 years ago and testified to the Banking Commission that we have a little problem but we are working it out, nothing really serious?

A few months later it looked like an $8 billion problem. A few months later it looked like a $50 billion problem. Today the very least estimate you can get is a $157 billion problem and it's likely a $250 billion problem. The industry is just rife with these examples.

Now, the second thing my amendment does, Mr. President, is that it requires the GAO to do an audit of just how extensive these arrangements are with software providers, or anybody else for that matter, and report back to this Congress within 6 months after the date of the enactment of this amendment.

I hope the managers of the bill will accept this amendment. If between now and the time they go to conference they can satisfy themselves and the rest of us that it is redundant, that the law is more than adequate, I want them to do two things: No. 1, to satisfy themselves that this amendment is redundant before they drop it in conference and, No. 2, I want them to satisfy themselves that this practice is not going in, because I know it is.

And if the law is on the books right now that prohibits these practices, it is not being enforced. If there is a regulation of the FDIC pursuant to some law, it is not being enforced. I want the practice stopped. It is just that simple.

I would like for the managers to accept this amendment, go over it with their own staff, and know precisely how they are going to redress this problem before they go to conference—either leave the amendment in or satisfy themselves that some current law is going to be enforced, and that these practices, which later on could bring us right back to where we are today, will be discontinued.

Finally, Mr. President, let me say that in American business we like for the free enterprise system to work. It does not work when you have somebody out there competing with you on an unfair basis. It does not work when some guy is willing to do something unethical or illegal, and you have two people entering into an unethical arrangement. The white hat gets left out. I do not like it. It is not in the best American tradition, and if it is not a violation of law, it ought to be. It ought to be enforced by the Attorney General of the United States.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition? Who yields time?

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. GARN. Mr. President, at this time, I will not make any remarks, simply because it may be possible to accept the Senator's amendment. If it is, there is no need to take up time. We are checking some of the language, and I hope we will be able to accept it.

Mr. BUMPERS. Mr. President, let me address this to the Senator from Michigan, the distinguished floor manager. If the manager has something else pending and would like to temporarily set this amendment aside so he can get on to something else, I certainly have no objection.

Mr. RIEGLE. I appreciate that. We are coming down to the homestretch here. We only have three items left outstanding, one of which is this item. I think the Senator has made a good argument. I appreciate also the Senator's offer to us to take the time between now and the conference; if we can satisfy ourselves in other respects, that would have weight with the Senator.

So I think we may well be able to accept this amendment. I am hopeful we can. I hope we will be able to give the Senator an answer very shortly.

I would prefer to keep the amendment pending right now, and maybe in the next 4 or 5 minutes get this issue settled.

On that basis, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I send a modification of my amendment to the desk.

The PRESIDING OFFICER. Is there objection to the modification of the amendment? None appearing, it is so ordered.

The amendment, as modified, is as follows:

At the end of title II, insert the following new section:

SEC. 226. (a) CONTRACTS BETWEEN FINANCIAL INSTITUTIONS AND PERSONS PROVIDING GOODS, PRODUCTS, OR SERVICES.

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 30. CONTRACTS BETWEEN FINANCIAL INSTITUTIONS AND PERSONS PROVIDING GOODS, PRODUCTS, OR SERVICES.

"(a) IN GENERAL.—An insured financial institution shall not enter into a written or oral contract with any person related to the provision of goods, products, or services to or for the benefit of such financial institution if such contract contains any of the following:

"(1) A provision under which such person agrees to purchase any asset of such financial institution unless the asset is directly related to the provision of such goods, products, or services,

"(2) A provision under which the person providing such goods, products, or services agrees to purchase stock of, invest capital in or make a deposit in such financial institution;

If such a contract term or provision has an anticompetitive effect or would adversely affect the health or safety of such institution.

"(b) PROVISION TO APPLY TO HOLDING COMPANIES.—For purposes of this section, the term 'insured financial institution' includes a 'bank holding company' and a 'savings and loan holding company'.

"(c) REGULATIONS.—The Corporation shall promulgate regulations necessary to carry out the provisions of this section.".

SEC. 226. (b) The General Accounting Office shall conduct a study of the contracting practices among third-party vendors and insured financial institutions and shall report on the extent to which such contracts include questionable provisions that may tend to erode financial integrity and soundness by among other things allowing an institution to artificially inflate its capital base or to divest itself of a troublesome asset. Such report shall be submitted not later than six months after the date of enactment of this act to the Committee on Banking, Housing and Urban Affairs to the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas [Mr. BUMPERS], the time allotted has been exhausted.

Mr. BUMPERS. Mr. President, I ask unanimous consent that I be permitted to proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, in the modification of the amendment, we have added language making these practices I have described illegal if they would have an adverse affect on the health or safety of the financial institution. That is essentially the modification. The staff of the distinguished floor managers have suggested this modification, and I think it is a good one.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. RIEGLE. Mr. President, I think with that addition, we have a good amendment here, and it is an amendment that we can and will accept. I indicate my support for the amendment.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. GARN. With the modification by the Senator from Arkansas, the amendment is acceptable.

The PRESIDING OFFICER. All time has expired. The question is agreeing to the amendment, as modified.

The amendment (No. 59) as modified, was agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GORTON. I have two questions for the chairman and ranking minority member of the Banking Committee. First, let me explain the situation.

I have an amendment at the desk which clarifies certain ambiguities concerning the use by a savings association of retained mortgage servicing rights as part of its capital, when their inclusion had been authorized by the Federal Home Loan Bank Board upon the association's de novo organization in 1986.

In the highly charged atmosphere existing here today surrounding this very controversial and complicated bill, I hesitate to press this amendment to the "capital standards" section of the bill. Having been a member of the Banking Committee in the past I realize that "holding the line" on any and all amendments to such an important section is crucial to maintaining its integrity.

My questions for the chairman and the ranking minority member are:

First. In view of the committee report language accompanying S. 774 which appears on page 15 under the subparagraph entitled "Uniform accounting standards required" and which states in part:

For example, the Committee understands that one Federal banking regulatory agency has proposed risk-based capital requirements that depart from the other Federal banking regulatory agencies' treatment of mortgage servicing rights in computing core capital.

Is the Chairman of the Office of Savings Associations empowered to permit the inclusion of retained mortgage servicing rights in the capital of an association if he deems such action appropriate on a case by case basis?

Mr. RIEGLE. The Chairman of the Office of Savings Associations cannot lower the leverage ratio for thrifts below the leverage ratio for national banks, or otherwise lessen the leverage ratio by lowering accounting standards.

The language to which you refer was placed in the report accompanying S. 774 in order that the Chairman of the Office of Savings Associations be required to explain any deviations in capital standards for thrifts from those of banks. The bill does give the Chairman of the Office of Savings Associations limited discretion to deviate on the risk-based standard—but such deviations may not result in materially lower capital standards—and, in that context, the mortgage servicing rights issue could be addressed.

Mr. GARN. The language to which you refer was placed in the report accompanying S. 774 in order that the Chairman of the Office of Savings Associations be allowed to tailor accounting standards to specific institutions which render services to the public in different ways. For instance, and purely for the purpose of illustration, if a savings association having adequate capital wishes to include retained mortgage servicing rights in its capital, the regulator may, if he finds that such mortgage servicing rights represent a valid and determinable asset, allow that asset to be included in its capital base.

Second. If a provision is contained in the House banking bill providing that retained mortgage servicing rights shall be included in the capital of a savings association if such inclusion had been originally authorized by the Federal Home Loan Bank Board, will the chairman and ranking minority member consider the inclusion of the provision in the report of the conference committee?

Mr. RIEGLE. Senator GORTON, in answer to your second question, any provision coming from the House is treated with respect. I am open to considering whether retained mortgage servicing rights are an appropriate addition to capital.

Mr. GARN. Senator GORTON, in answer to your second question, any provision coming from the House is always treated with utmost respect. While I obviously cannot bind the Senate conferees in any matter, you have my word that I will make every effort to insure that retained mortgage servicing rights be given consideration as an appropriate addition to capital. Furthermore, as I stated in answer to your first question, the ability of regulators of dissimilar institutions to tailor operational standards, including accounting standards, to different types of institutions is essential to fair and effective regulation and therefore in the public interest.

Mr. RIEGLE. Mr. President, let me indicate now where we are. We are coming down the home stretch, I hope. We have resolved now all remaining amendments, with the exception of three outstanding items. We have the issue Senator MACK has raised, and that has to be dealt with, regarding the audit procedures. I am told by the Senator from Utah that we appear to be close on that issue, and I see the Senator from Florida on the floor. Maybe we can get that issue settled here shortly.

We have now resolved, of course, the Bumpers amendment. Negotiations are under way, and discussions, with Senator METZENBAUM. I do not have a current report on how those discussions are going, but I think the intention is there on both sides to see if we can find a package that would be acceptable all around. So, we should know that here in the next short period of time.

I am not immediately aware of any other items that are left. I inquire of the Senator from Utah to see if he knows of any more than I have just outlined.

Mr. GARN. No. The chairman has outlined, at least to my understanding, what remains.

Mr. RIEGLE. With that said, we are now going to endeavor to resolve the issue with Senator MACK, and we do have a managers' amendment, which we will offer at the end, which is one that we have worked through and cleared on both sides.

I hope there will be no objection to it at the time that we bring it up. We will be prepared to discuss that as the final matter. I very much hope that with respect to the outstanding issues the Senator METZENBAUM has raised, that we find an answer, if we possibly can, prior to the 4 o'clock time that the majority leader has indicated is the time that we have to suspend operations for the day, in deference to the religious holiday upcoming.

I think we have sufficient time between now and then to do it. That does not mean that we will necessarily be able to accomplish that. I hope that we can. We can work it out, and I think that is the preferable course.

If not, I would like to be able to state that earlier, rather than later, to leave some time for Senator METZENBAUM to be able to offer any amendments he might wish to offer on the floor, if that becomes the course of action he decides he wishes to take.

In any case, I want to thank all of our colleagues for their cooperation and help thus far. We have come a long way in a short period of time, and we are within sight of the finish line here, if we can work out the remaining items in the next, roughly, hour and a half. So that is the report at this time.

With no further amendments waiting action at the present time, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Michigan is recognized.

AMENDMENT NO. 60

Mr. RIEGLE. Mr. President, I send an amendment to the desk in behalf of Senator SASSER and ask that it be reported at this time.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Michigan [Mr. RIEGLE] for Mr. SASSER proposes an amendment numbered 60.

Mr. RIEGLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

SEC. . STATUS OF CERTAIN THRIFT INSTITUTION.

Section 306(h)(2) of the Federal Savings and Loan Recapitalization Act (12 U.S.C. 1730 note) is amended by inserting before the period at the end thereof the following: ", or an insured institution the board of directors of which determined prior to April 1, 1987, to terminate its status as an insured institution, as evidenced in sworn minutes of the board of directors meeting held prior to such date, which had insured deposits of less than $11,000,000 on such date, and the deposit insurance of which had been in effect for less than one year as of such date".

Mr. RIEGLE. Mr. President, let me also ask unanimous consent that this amendment be in order to be considered. It is outside the previous unanimous-consent agreement. We have cleared it on both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. I thank the Chair.

This is a very narrow amendment. It deals with an item that is a carryover from the past. Senator GARN is familiar with the details.

Senator SASSER is now marking up the budget in the Budget Committee and is unavailable to come to the floor. So we offer it in his behalf.

I wish to yield to the Senator from Utah.

Mr. GARN. I thank the chairman.

This was not within the scope of the agreement. It was inadvertently left out. And that is my fault, although it is from the Democratic side, because this was an amendment that was part of the Competitive Quality Banking Act. In the process it was left out, but the Senate had passed this amendment before.

Senator SASSER has worked diligently on it. It applies to First City Federal Savings Bank. I will not read the whole letter I wrote on September 14, 1988, trying to get his corrected.

But prior to the moratorium going into effect on March 31, 1987, which was the cutoff date, it was my understanding that First City had complied by March 16, with all of what we thought was necessary. And we were frankly misadvised by the Senate Banking Committee as to actions that they needed to take. That is why I was willing to agree to open this up because it is the correction of an error made in 1987.

It is not new ground but something that the Senate considered in the CQBA Banking Act of 1987.

So on that basis, I believe our colleagues in all fairness should agree to it.

Mr. RIEGLE. Mr. President, we have looked at this on both sides, and both sides are in agreement on it.

I move adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 60) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GARN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ADAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Washington is recognized.

Mr. ADAMS. I thank the Chair.

(The remarks of Mr. ADAMS pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. ADAMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, let me just say that the Senator from Florida [Mr. MACK] has worked out this amendment in a form that is agreeable to the managers of the bill. I know he is ready to offer his amendment at this time.

AMENDMENT NO. 61

(Purpose: To modify the audit provision)

Mr. MACK. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. MACK] proposes an amendment numbered 61.

Mr. MACK. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 164, beginning with "by" on line 1, strike through line 15, and insert ". The Chairman shall establish rules governing the selection of independent auditors by savings associations and service corporations and the performance of auditing services. Not later than 90 days after the date of enactment of the FIRRE Act, the Chairman shall promulgate regulations establishing procedures for monitoring compliance with the rules established under this subsection. If the Chairman finds that any audit of a savings association under this subsection does not comply with such rules, the Chairman shall take appropriate action to assure compliance.". Such appropriate action may, but shall not necessarily, include that an audit be performed again, at the expense of the auditor.

Mr. MACK. Mr. President, we have worked now over the last several hours on this amendment. It has to do with the annual auditing procedures. The proposal that we have agreed to basically allows for the establishment of the criteria necessary for these audits. I believe it has been agreed to now by both sides.

Mr. RIEGLE. Mr. President, let me just say, as the manager of the bill, that we have worked it out and appreciate the work and effort of Senator MACK on this.

I ask that the amendment be adopted.

Mr. GARN. Mr. President, not only am I willing to accept the amendment, I am enthused about the work of Senator MACK, because he has succeeded where I failed. I wanted to make some of these changes in the committee. I was not able to get it done. So I am very supportive of the amendment. The minority is willing to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida [Mr. MACK].

The amendment (No. 61) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. Mr. President, let me now give another update, because, with the Mack amendment now having been taken care of and the Sasser amendment having been taken care of, we are left now with only, according to my list, the outstanding Metzenbaum amendments remaining.

Let me just doublecheck. Am I correct in thinking, I ask Senator GARN, that Senator DOLE has decided that he will not pursue his amendment under the unanimous-consent agreement?

Mr. GARN. He has not yet told me that, but it is not my expectation. I cannot speak for him.

I would suggest there are also two Gramm of Texas amendments. I do not expect him to offer those unless he disagrees with some of the Metzenbaum amendments. So they are tied in, not separately, to the Metzenbaum amendments.

Mr. RIEGLE. Mr. President, let me indicate for all involved that we have worked our way through the amendment list and we are now down to only the outstanding Metzenbaum items as items left outstanding.

I want to again thank all Members for their help and cooperation. As everyone knows, we are attempting today to complete our work, if we can, by 4 p.m., in deference to the religious holiday observation of some of our colleagues.

So I would say that we still have a good chance to complete our work by then, but no guarantee that we will.

Mr. DIXON. Mr. President, will the Senator yield?

Mr. RIEGLE. Yes, I yield to the Senator from Illinois.

Mr. DIXON. May I say to the distinguished manager on our side, and the ranking member, the distinguished manager on the minority side, first of all, on behalf of all of the membership here, I express what I consider to be the profound appreciation of this body for the outstanding work the two Senators have done.

The Senator from California and this Senator have been involved in a conference with the Senator from Ohio and others from staff for the last 15 or 20 minutes.

I believe I can report to the managers, subject to any correction the Senator from California might have, within the next 5 or 10 minutes, we will know whether we have achieved what all would consider to be a reasonable accommodation of sorts. I would presume that that would leave us adequate time to meet the deadline this afternoon. I think we should know that shortly.

I am going to leave the Chamber now to see whether we have a final word on that.

Mr. RIEGLE. Very good. I want to say to my colleagues, Senator DIXON and Senator CRANSTON, I very much appreciate all the effort that has gone into trying to resolve these items as we come down the home stretch today. We will get further reports here as we are able to do so, but we have come a long way. I think, if we can continue in the same spirit, we have a very good chance to try to complete this legislation today.

Mr. CRANSTON. Would the Senator yield?

Mr. RIEGLE. I yield to the Senator from California.

Mr. CRANSTON. I, too, would like to express my admiration for the way the chairman has handled this very difficult task. We have cleared all hurdles except one in record time. I congratulate the chairman on what we have accomplished and I hope to get over that last hurdle. I also thank the

Senator from Utah for his fine work. And AL DIXON has been very helpful working with me and the chairman and the ranking member to expedite matters. I hope we will soon hear that we are over that final hurdle.

Mr. RIEGLE. I thank the Senator for his very generous personal comment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I would like to direct, if I might, a couple of questions to the distinguished chairman of the Banking Committee in connection with this piece of legislation.

My chief concern has to do with the Resolution Trust Corporation, the so-called RTC. Here are my worries. As I understand it, there are five members, the legislation has now been changed to five members of the oversight board.

Mr. RIEGLE. Yes.

Mr. CHAFEE. Three of whom are extremely busy individuals: the Chairman of the Federal Reserve, the Secretary of the Treasury, and——

Mr. RIEGLE. The Attorney General.

Mr. CHAFEE. The Attorney General. I think we all know that when everybody is in charge, nobody is in charge. This group is supervising literally billions and billions of dollars. The amount of money that this group is going to have under them boggles the mind. Now, they are going to hire an executive director, am I not correct? They do the hiring of him?

Mr. RIEGLE. We would envision that that is——

Mr. CHAFEE. An executive officer.

Mr. RIEGLE. A chief executive officer, a person of stature, experience. Obviously, he has to be a person of towering reputation in background. This is an enormous job, as the Senator correctly says.

Mr. CHAFEE. I further understand they have the capacity to pay this individual whatever they feel necessary.

Mr. RIEGLE. I assume that is correct.

Mr. CHAFEE. They are not restricted by the laws for the salary of the Senate or members of the Cabinet?

Mr. RIEGLE. I am not sure. We are going to check right now as to whether we addressed that issue specifically.

I am informed that in terms of the executive director, the full-time operating executive, they will have salary freedom to be able to go out and pay whatever it takes to get a person of eminence to do that job.

Mr. CHAFEE. I think that is very important. I do not think there should be restrictions on the individual salary. They have to go out and get the very best person they can to handle this incredibly complex job. Every kind of wind is going to be blowing on this individual, every kind of current is going to be tugging at him, because each community is going to want certain office buildings rescued or their particular S&L's saved as the case might be.

I hope that the distinguished Senator from Michigan, chairman of the committee, and the distinguished Senator from Utah, would undertake on behalf of their committee to continue to have oversight over this commission——

Mr. RIEGLE. By all means.

Mr. CHAFEE. This board, the RTC as it is called. Obviously, in the first year they are going to be setting it up.

The Attorney General, Secretary Brady, and Mr. Greenspan undoubtedly will give attention to it. What I am worried about is when the thing gets rolling. If you can name three busier men in Washington, DC, I do not know who they would be. Therefore, I believe it behooves all of us, particularly the committee of jurisdiction, to watch this thing and see how it is going.

Mr. RIEGLE. If I may respond to the Senator, we have exactly the same concern. I think it is well to emphasize it, because this is a task without prior precedent. There will be tens of billions, I think eventually hundreds of billions of dollars of assets that have to be disposed of all across the country.

The administration, of course, made the recommendation because of the importance of the task to have principal officers right out of the highest level of the Cabinet to be responsible for overseeing this activity.

The Senator is exactly right. They are busy individuals, but it is some measure of the view of the President that this assignment is so important that he wanted to attach that level of operational responsibility to this work. We of course added the two additional members, outside members, to that board to have additional private sector competence.

But I want to say to the Senator that it is clearly our intention to exercise oversight. The Senator from Utah and I have talked about this a number of times, and other members of the committee feel just as strongly; that is, we intend to keep very close track of what is going on. There are some who feel that, if there is going to be scandal in the future, that the potential is probably greatest in this area where you have so many properties to dispose of, and it is very important that the right balance be struck as to moving those properties back out into private hands, but realizing full asset value, because every dollar that we recover from the disposition of assets is a dollar that the taxpayer does not have to pay. So, it is very important that this be managed well, and that there be no abuse of any kind.

So, we intend to watch it very carefully. Our concern is exactly the same as that expressed by the Senator from Rhode Island.

Mr. CHAFEE. Furthermore, if I understand this legislation, the Secretary of the Treasury is the chairman of the oversight board. And I think that is right. I think we want to pinpoint responsibility and accountability. Thus, it is wise in my judgment to have somebody in overall charge, somebody so that we can say this job is being done in a splendid fashion or it is not being done in adequate fashion.

So somebody will have the sense of responsibility instead of being one amongst four or five equals.

Mr. RIEGLE. Let me respond by saying that is exactly right. The Secretary of the Treasury is the chairman. This is a big job. We all know the Secretary, and I think he signs on this proposal. He asked for this responsibility. It is an administration proposal that we are adopting here. I think it is fair to say he has asked for this assignment with his eyes open. He clearly will be the person who drives this forward.

I think it is also fair to say, if one considers, say, Alan Greenspan as Chairman of the Federal Reserve Board and Attorney General Thornburgh for his part in this thing, these are people who are among the highest Cabinet officers that are to be found in the Bush administration. So, I think they have all had a hand in crafting this legislation. I think they understand the enormous weight of the responsibility that they take on with these assignments. They will be held accountable by the public, by the Senate, by the President, and I fully expect that they will give outstanding effort to see that this job is done and done properly.

Mr. CHAFEE. I believe furthermore that their deputies are not allowed to go as surrogates. It is they themselves.

Mr. RIEGLE. I am not sure that in the bill itself that we specifically address that question. I am told it does not allow designees. It necessarily must from time to time because there are occasions when one or more members may not be present. It does say that a quorum shall consist of three members of the oversight board and that all decisions of the board shall require an affirmative vote of at least a majority of the members voting.

But the Senator is exactly right to raise this issue. This is an enormous

additional task, a new task that these three individuals, who have big responsibilities to start with, are being asked to take on.

As I say, we all ought to do it with our eyes open. I assume they have a chance to comment on this before the President finalized his proposal. So I begin with the presumption that they have looked at this. They understand that new responsibility, and they are fully prepared to take it on.

Mr. CHAFEE. I myself have some ambivalence about the deputy point. In a way, not letting them have a deputy attend in their absence, it seems to me, further accentuates the necessity for each of them to pay attention to this instead of assigning it to a deputy to carry the measure for them because if there is a deputy, they are liable to let more and more of these responsibilities slough off on the deputy once the act is in full flourish here.

So all I can say is it is very important that all of us pay attention to this.

Mr. GARN. Let me respond to my colleague from Rhode Island. I disagree on that point. You are talking about placing some of the highest officials of the Government for a very particular reason: We want to hold them accountable and want very careful oversight. With all of their other duties, I think we would expect there would be less attention, unless they specifically assign somebody to cover when they cannot be there. We find ourselves in that position. I cannot attend all the meetings I am supposed to. So I have to send designees. Otherwise, if I could not make it, I would have no input whatsoever.

But I would like to comment on congressional oversight. For those of us on the Banking Committee who have suffered with this issue and other financial issues for years—the Senator from Rhode Island used to be a member of the Banking Committee, and I suggest we would love to have him back and he could help us watch. I was disappointed when the Senator from Rhode Island left the committee.

After putting this bill together, I think I speak on behalf of the entire committee, we do not want to go through this sort of thing again. We are going to watch and in addition, put in the bill a very detailed annual and semiannual report from the corporation.

In addition to the annual report, the Corporation shall submit by April 30 and October 31 of each year, a semiannual report on activities and conditions of the Corporation for the 6-month period ending on the last day of the month prior to the month in which such report is to be submitted. Such semiannual report shall include—

"(i) a statement of the total book value of assets held by the Corporation at the beginning and at the end of the reporting period,

"(ii) the total book value of the Corporation's assets which are under the management of private persons and entities at the end of the reporting period,

Mr. CHAFEE. It is pretty complete.

Mr. GARN. The point is it goes on and on, well into the second page of report requirements, it even covers the number of employees that the corporations have at the beginning of the reporting period. We are requiring very detailed reporting on this issue.

Mr. CHAFEE. I want to thank both the chairman and ranking member. I have a letter, a copy of the letter that voices some of the same concerns that I voiced here, that was addressed to the chairman of the committee by the Comptroller General of the United States.

I would like to have that printed in the RECORD in connection with my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, DC, April 7, 1989.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate.

DEAR MR. CHAIRMAN: I am writing to express our concern over the powers vested in the Resolution Trust Corporation and its Oversight Board, under the President's proposed legislation.

The Oversight Board, consisting of the Secretary of the Treasury, Chairman of the Board of Governors of the Federal Reserve System, and Attorney General, serves as the RTC's board of directors. In effect, the Oversight Board will be operationally involved in decisions about case resolution approaches and asset management decisions. For example, under the proposed legislation, the Oversight Board can make decisions regarding case resolutions and may, at its discretion, rely on private sector asset management firms such as the Federal Asset Disposition Association for asset management services.

Because of the composition of the Board and its relationship to the RTC, insurance decisions on the closure of institutions and workouts of assets may not be sufficiently insulated from undue influence. This situation is at considerable variance from the long-standing insulation that FDIC has had in carrying out its functions. In our view, this insulation should be preserved in the case of the RTC as well. The RTC should make the case resolution and asset management decisions and the Oversight Board's powers should be limited to evaluating the appropriate use of funds, and providing a check on the process.

Accordingly, we believe that structural changes should be made to the RTC in accordance with the views outlined above. These would include:

Limiting the control board's actions to disapproving by unanimous vote, RTC case resolutions and asset management decisions;

Retaining RTC as a separate entity, but with a 3-member board to be selected by FDIC's Board of Directors;

Requiring that RTC contract with FDIC for the services of key management officials; and

Creating RTC as a mixed-ownership government corporation.

We also believe that reporting requirements are needed to assure that the Corporation is accountable to the public and the Congress.

Sincerely yours,

CHARLES A. BOWSHER,
Comptroller General of the United States.

Mr. CHAFEE. I have nothing further in connection with this. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I rise to indicate that we have come to an understanding with the Banking Committee, and I am frank to say that it is not all that I would have liked to have had in the bill. But it is also fair to say that I think that the negotiations were conducted with good will and with well-intentioned people, in an effort to bring about resolution of some of the concerns the Senator from Ohio has raised.

I have been concerned about the new thrifts, the continuing thrifts, what kind of capital base they will have, and whether or not we are only laying the groundwork for further thrift failures in the future. And although it is not as much as I think it should be, the legislation presently provides for a zero capital base.

The agreement that will be included in the managers' amendment will provide for an increase to 1½ percent as a capital base. Frankly, it ought to be more, and I am hopeful that as this matter proceeds between the House and the Senate, that it will be more. I believe, if my recollection serves me right, I think the House has a 3-percent figure, but I understand that going from zero to 1½ percent at least is a major step in the right direction, and I am prepared to accept that as a compromise.

Perhaps something more important even than that, or equally as important, has to do with the language relative to the right of the continuing operation, the continuing corporation to go back and take a look at some of these deals that were made in the closing days of 1988. Without getting into the technical language, which I do not intend to do, it is fair to point out that the language is far stronger; in fact, the language, in my opinion, provides

a basis for the reopening or relooking, restructuring, reexamining of the deals that were put to bed in 1988. And within the constraints of the language of the bill, I believe it will give those who continue in control of FSLIC, or its successor organization, the right to go back and say, "Hey, wait a minute, was that the right thing to do?"

The bill does not add any new legal rights, but under the legal rights which are presently in effect, I do not have much doubt that the continuing corporation will have a right to reopen or renegotiate some of those deals.

The language speaks for itself. I cannot add to it nor subtract from it by my remarks here on the floor. But I am pleased that some of these deals that many of us spoke to, were concerned about, indicated our irritation, not alone through the Federal Home Loan Bank Board, but to the Secretary of the Treasury, that now some procedure has been put in place; and I believe it is a very effective procedure, in order to make it possible to take a second look at those deals.

Mr. MITCHELL. Will the Senator yield for a moment?

Mr. METZENBAUM. Certainly.

Mr. MITCHELL. Mr. President, I want to commend the Senator from Ohio for the usual diligence with which he approached this complex matter and the contribution he has made to approving the legislation.

I commend, also, the managers of the bill. As the Senator knows, we are working against the tight deadline, and several Senators, numerous Senators, have inquired of me as to our plans for this afternoon.

May I indicate to our colleagues that we can expect a final rollcall vote on the legislation, with the amendments of the Senator from Ohio having then been accepted, to begin not later than 3:55?

Mr. METZENBAUM. The answer is, yes, assuming that the managers will allow me at least another 4 or 5 minutes before.

Mr. MITCHELL. I assure the Senator there is no objection to that. Accordingly, for the benefit of all Senators, they and their staffs, now expressing an interest in their schedule, we now intend to have a rollcall vote on final passage of this legislation, commencing, hopefully, not later than 3:55 p.m. That will be the final rollcall vote today, and the Senate will then go into recess following the wrap-up, which will not involve any rollcall votes until a week from next Monday at 1 p.m.

I will communicate with Senators further regarding our schedule at that time, but for present purposes, I thank all concerned, and I yield back to the Senator so he may resume his discussion.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the majority leader?

Mr. MITCHELL. I did not place it, yet, in the context of the unanimous-consent request. I will do so if the Senator from Ohio and the managers so indicate to me.

Mr. CHAFEE. Would the majority leader yield? I would just like a 5-second request.

Mr. MITCHELL. All right.

Mr. CHAFEE. Make it 4.

Mr. MITCHELL. Mr. President, I now ask unanimous consent that a rollcall vote on final passage of S. 774 commence at 3:55 p.m.

The PRESIDING OFFICER. Is there objection?

Hearing no objection, it is so ordered. The Senator from Ohio has the floor.

Mr. CHAFEE. I wonder if the Senator will yield for a unanimous-consent request that I might be added as a cosponsor to the Wirth amendment that came earlier today.

The PRESIDING OFFICER. Is there objection?

Hearing no objection, it is so ordered. The Senator is added as a cosponsor to the Wirth amendment.

The Senator from Ohio.

Mr. METZENBAUM. Mr. President, let me move ahead promptly. What I am saying is, there were two major concerns that the Senator from Ohio had about this bill, plus a third ancillary factor. The two major concerns had to do with the strength of the continuing thrifts and new thrifts.

I cannot say that I am satisfied with the result that has been obtained and that will be included in the managers' amendment. I can say that substantial progress has been made to go from zero percent to 1½ percent. You cannot figure out what percentage that is when you go from zero to 1½, because it is to the *n*th degree.

But that is a major step in the right direction.

And the second point is that I have made it clear over a period of time that many of the deals that were made at the end of 1988 really shocked the conscience of those of us who knew what was going on and who tried to find out what was going on. That will be covered also in the managers' amendment.

I have also indicated my intent to offer a number of consumer amendments, and it is my understanding that the manager of the bill, the chairman of the committee, and the chairman of the subcommittee, Senator DIXON, who has jurisdiction with respect to these matters, have indicated their willingness to not only accord me a hearing promptly in connection with those issues, but to do more than that and to see to it that there is movement, whether it is exactly my language or someone else's language, on the following subjects.

The issues to which I had intended to offer amendments were the Government check-cashing, basic low-cost banking, making financial institutions community investment activities available to the public, eliminating discrimination in mortgage lending by requiring information on the gender and race of mortgage applicants, encouraging mortgage lending to low- and moderate-income individuals through the Federal Home Loan Bank Board's cash advance system.

I would wish to rise to ask both the manager as well as the chairman of the subcommittee charged with the responsibility, if not only may I be assured of an early hearing but some action in connection therewith, whether or not they accept my language and, of course, I could not expect them to do that, but I could expect them to act on the issue, and I am asking them whether that will be done.

Mr. RIEGLE. The answer is "yes."

I am going to yield to my colleague, the subcommittee chairman, and then I will respond after he speaks his remarks.

Mr. DIXON. May I say to my friend from Ohio that I think the exact words in our discussions a moment ago with others, who were managers of this bill, were that we will certainly give the Senator a hearing on all of those issues; that we are going to do a bill on mortgage discrimination; and that the committee will have a powers bill this year. Those two bills are obviously vehicles for the Senator's consideration with respect to those various concerns of his.

I want the RECORD to show, though, that I did not indicate that I would necessarily act, as chairman of that subcommittee, positively on those issues, or that I would personally entertain individual legislation on those issues.

I indicated to the Senator that all will be heard, all those issues will be heard, and that there are vehicles if the Senator from Ohio cares to look at those vehicles as possibilities for his amendments.

Mr. METZENBAUM. Do I understand the chairman of the subcommittee to mean that those subjects will be covered, either yes or no, in his committee hearings and in markups? Certainly, the Senator from Ohio, who was not a member of that committee and not a member of the Banking Committee, is in no position to offer an amendment.

Do I understand the Senator from Illinois to indicate that there will be action taken with respect to each of these subjects, and that the Senator from Illinois has an open mind as to

whether or not they should or should not be accepted?

Mr. DIXON. I have said to the Senator from Ohio, we will have a hearing at which all those subjects can be presented to the subcommittee which I chair. There will also be legislation in that subcommittee that could very well be an appropriate vehicle. I have not said that this Senator supports any of those ideas. Perhaps this Senator supports none of them. It may be that he supports some of them. I have not really considered them at all.

I do not want my friend from Ohio to think that I am pledging my honor that I would support any of these things, but there will be hearings. Given the obvious intellectual capacity of the distinguished Senator from Ohio to find a way to do these things, there will be vehicles around. I am not saying I am going to help the Senator from Ohio. But I am saying I am going to be there with a committee in which he is going to have a quorum.

Mr. METZENBAUM. I think the Senator from Michigan, the chairman of the committee, indicated stronger support for some of these committee amendments.

Mr. DIXON. He might have in some cases stronger support than this Senator. I do not know that.

Mr. RIEGLE. In earlier comments that we have exchanged on the floor here, a number of these issues that the Senator has raised are issues that I personally care very deeply about.

I think what we have heard here is the Senator has a firm commitment that these issues will come up, that hearings will take place that will cover that.

Mr. DIXON. Mr. President, will the chairman yield?

Mr. RIEGLE. Yes.

Mr. DIXON. I assure the Senator from Ohio that a mortgage discrimination bill will be marked up in the subcommittee this Senator chairs in Senator RIEGLE's committee, may I say to the manager, and that is an obvious possible vehicle.

I am not saying whether I support any of the ideas of the Senator from Ohio. He is a brilliant man, and maybe some of them I will and many perhaps I will not.

I cannot make that pledge at all.

Mr. METZENBAUM. I will persuade the Senator.

Mr. RIEGLE. May I just finish?

Mr. DIXON. Yes.

Mr. RIEGLE. I would say, obviously, after we have had the hearings and all the proposals are brought forward and, obviously, the Senator from Ohio is always welcome as a witness or to sit with the committee, as he has done from time to time, but somebody obviously has to be willing to support a particular approach or a particular amendment, and so forth.

But speaking for myself, the Senator has the commitment from the subcommittee chairman that he intends to proceed and he will proceed and the issues will be considered, they will be weighed, judged on their merits, and we will take whatever action the subcommittee and the full committee decide to take.

The issues that the Senator has raised are important issues to me as well as I know they are to him. I intend to see to it that the committee be very active in exercising its responsibilities in those areas: Not only equal access to credit, discrimination in any form, but also whether the rules of the game are being applied fairly in terms of the use of financial resources through Government entities for the benefit of the public.

So those are issues that are not going to get lost in this committee as long as I am the chairman.

Mr. METZENBAUM. I thank the chairman, and I want to make one final remark and then I yield the floor.

I had also felt very strongly that a 25-year phaseout of goodwill that is provided for in this legislation is the wrong approach to the problem. I think goodwill is not worth doodly-do and I wanted to eliminate it. I wanted to provide for a 5-year phaseout.

I said that if it could not be a part of the package I was prepared to offer it as a separate amendment and take my chances on the floor on that amendment alone.

Those who are handling the bill felt very strongly that they wanted to make a complete package. I yielded. I do not regret the fact that I yielded so that we might bring this matter to a conclusion, but I do say that I hope that the House exercises a little bit better judgment than the Senate on this question of goodwill.

Mr. GARN. Mr. President, will the Senator yield on that point?

Mr. METZENBAUM. I yield.

Mr. GARN. It is not very often the Senator from Ohio and I agree, but I was very happy to agree to these particular proposals on strengthening capital. I yelled and screamed for weeks—you have seen me quoted in the news media—about how the House sold out on capital.

The Senator has strengthened the capital provisions, and I appreciate that. It is really tangible.

As for goodwill, I again happen to agree with the Senator. I argued strenuously for a period shorter than 25 years. I simply did not have the votes to shorten it. I would have preferred to stay with the administration's original 10-year period.

So, that this is not just a compromise with this Senator to get this bill finished today. But once in a while we do agree. And I am pleased that we have strengthened the capital requirements and wish we could have done something about shortening the period for goodwill.

Mr. METZENBAUM. I thank the Senator from Utah and I also thank the managers of the bill, those who were in the negotiations with us. I think the staff has worked unusually well. I am very pleased to have worked both with respect to Kevin and other members of the committee.

Mr. RIEGLE. I appreciate those comments and we fully reciprocate the feeling, and I want to say something about it later when we have a little more time.

Mr. SANFORD. Mr. President, I would like to thank the distinguished managers of the bill, Senator RIEGLE and Senator GARN, for including in the managers' amendment modifications to the bill regarding directors' and officers' liability insurance contracts, surety bonds, and financial institution bond contracts, and provisions relating to State laws affecting the liability of officers and directors of financial institutions.

I believe that these changes are essential if we are to attract qualified officers and directors to serve in our financial institutions. The bill as drafted would have preempted numerous State laws which provide limited indemnification for directors and officers. These State laws were enacted largely in response to problems faced by corporations in attracting good officers and directors. Problems also occurred in obtaining directors' and officers' insurance due to potential law suits against these directors and officers personally based on even simple negligence claims. Nothing in these State laws would preclude the bringing of such suits against the corporation itself, but these laws limit the personal liability of the officers and directors in certain circumstances.

The amendment which the managers have accepted modifies the bill to preempt State law only in a very limited capacity. The amendment would permit the FDIC to bring an action or direct others to bring an action against the directors and officers of a financial institution if the director or officer acted with gross negligence or committed an intentional tort.

While I fundamentally believe that issues of corporate governance and the standard of care to which corporate officers and directors should be held are matters of State law, not Fedral law, the preemption of State law permitted by this bill is limited solely to those institution that have Federal deposit insurance and to those cases in which the directors or officers have committed intentional torts or acts of gross negligence. As such, the establishment of a Federal standard of care is based on the overriding Federal interest in protecting the soundness of

the Federal Deposit Insurance Corporation fund and is very limited in scope. It is not a wholesale preemption of longstanding principles of corporate governance, nor does it represent a major step in the direction of establishing Federal tort standards or Federal standards of care of corporate officers and directors.

Mr. LEAHY. Mr. President, I have been concerned about one provision of this legislative package that may create an unintended problem for agricultural producers. I know that Senator HARKIN and others have expressed similar concerns. In attempting to limit bank loans to speculative real estate ventures, the committee bill may have inadvertently created a new burden on the availability of credit to rural America.

Earlier this week, Senator HARKIN and I proposed raising an amendment to correct this potential flaw by taking language from the committee's own report and inserting it into the legislative text. This language, however, has now been incorporated in the amendment proposed by the bill's managers, and I thank them for accommodating the concerns of those of us in the agricultural community in this way.

Section 224 of the legislation limits loan-to-value ratios for real estate loans by FDIC-regulated banks and savings and loan associations. For undeveloped land, the limit is 65 percent. Many farm operations would fall into this category. Farmers would have to pay 35 percent down payments on production real estate—far more than the 15- to 20-percent currently allowed in the rural economy.

As my Banking Committee colleagues recognize, a farmer buying land to grow crops or raise livestock is not a real estate speculator. Credit decisions for him must be made based on standards similar to those for other businessmen, including the farmer's expected cash-flow and credit worthiness as well as land values.

Unfortunately, section 224 potentially reduces the flexibility of commercial banks to make such normal business judgments. The wording of the provision suggests that loan-to-value ratios would control—notwithstanding language in the Banking Committee's report that the provision "is not meant to affect loans to active farming operations secured by agricultural land."

Congress voted in 1982 to eliminate a 66-percent loan-to-value limit that was then imposed on commercial bank loans on undeveloped land. Federal bank regulators at that time found the restrictions counterproductive, resulting in overinflated land appraisals and other problems.

Just 18 months ago, in adopting the landmark Agricultural Credit Act if 1987, Congress specified the appropriate loan-to-value limit for real estate by Farm Credit System institutions at 85 percent. In that same legislation, we created a secondary market for agricultural real estate credit within a loan-to-value limit of 80 percent.

These 80 and 85 percent limits reflected what Congresss found to be prudent standards of practice in agricultural finance. I have seen no new evidence since that time that would lead me to change that assessment.

Commercial banks are a vital credit source to American farmers. In 1987, they provided $14.5 billion in farm real estate loans, far more than the $9.5 billion provided by the Farmers Home Administration and fully 42 percent of the $34.7 billion provided by Federal land banks that year. Without their participation, rural interest rates would be far higher and thousands of today's agricultural producers would be driven from the land.

By imposing a 65-percent limit on farm loans by commercial banks while Farm Credit System land banks continue to issue credit under an 85 percent ceiling, the legislation would create a stark competitive gap. Inevitably, commercial banks would be priced out of this market, possibly taking with them a key source of agricultural credit.

Mr. President, I had proposed simply taking the proviso from the committee report that the 65-percent loan-to-value limit "is not meant to apply to active farming operations secured by agricultural land" and inserts it in the legislative text as an exemption from the limit. This step removes any uncertainty or vagueness from the provision: farmers remain subject to the same credit limits as govern them today.

Again, I thank the managers of this legislation for accommodating our concerns through their amendment.

Mr. SANFORD. Mr. President, in December 1988, the Federal Home Loan Bank Board proposed new capital regulations for thrift institutions which would significantly increase the capital requirements for thrift.

While the proposed regulations are similar to the recently adopted risk-based capital regulations for commercial banks, the Bank Board's proposal fortunately did not exactly duplicate the requirements made by the banking agencies.

The successor to the Bank Board will be directed by Congress to adopt capital regulations essentially identical to those of the Federal banking agencies. At least one aspect of the Bank Board's proposal, however, should be preserved.

The banking agencies' regulations adjust required capital for the different risks inherent in different types of assets. In proposing a similar rule, the Bank Board correctly included a provision recognizing that residential mortgages covered by primary mortgage insurance policies issued by approved insurers represented significantly less risk than most other types of private sector credits. Since the insurance coverage effectively reducd the loan-to-value ratio below 80 percent, the loans therefore warranted a lower capital requirement.

Fannie Mae and Freddie Mac also recognize that primary mortgage insurance policies issued by approved insurers represent significantly less risk than other types of private sector credits.

The recently adopted risk-based capital rules of the Federal banking agencies, in accordance with the Basle accord, recognize that residential mortgages that meet "prudent underwriting standards" are entitled to a lower capital charge.

Since primary mortgage insurance policies effectively shift significant risk from the lender to the insurer, the inclusion of such insurance coverage provided by approved insurers is one means of satisfying the "prudent underwriting standards" envisioned by the regulations and the Basle accord.

Mr. SYMMS. Mr. President, I would like to also note along with my good friend and colleague from North Carolina that the Bank Board's proposed capital regulation, included a provision recognizing that residential mortgages covered by primary mortgage insurance policies issued by approved insurers represents significantly less risk than most other private sector credits.

It represents less risk because the primary mortgage insurance coverage effectively reduces the loan to value ratio below 80 percent.

The recently adopted risk-based capital rules of the Federal banking agencies, in accordance with the Basle accord, recognize that residential mortgages that meet "prudent underwriting standards" are entitled to a lower capital charge.

In determining what constitutes "prudent underwriting standards," the banking agencies should recognize, as the Bank Board did in its proposed rule, that primary mortgage insurance underwritten by approved insurers, effectively shifts a significant portion of the risk from the lender to a creditworthy insurer. Accordingly, such loans should appropriately bear a reduced captial charge under the principles of the Basle accord.

AMENDMENT NO. 62

Mr. RIEGLE. Mr. President, we have the managers' amendment at the desk. They incorporate the items that were worked out with Senator METZENBAUM that have just been described, and I would now like to move the approval of the managers' amendments at this time.

The PRESIDING OFFICER. The Senator from Michigan has forwarded amendments to the desk.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Michigan [Mr. RIEGLE] for himself and Mr. GARN proposes an amendment numbered 62.

Mr. RIEGLE. I thank the Chair for reporting it.

I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

EXPLANATION OF MANAGERS' AMENDMENT

Mr. RIEGLE. Mr. President, the managers' amendment primarily makes technical changes to the committee print, in order to correct drafting oversights and other errors of that nature. Included in this category are grammatical corrections, changes in spelling, corrections in cross-references to other sections, and similar matters. These technical changes do not change the substance of the bill as it was reported by the committee on April 12.

In addition, the managers' amendment also contains provisions which were discussed during the committee markup, but were not voted upon because the precise language of the amendment was not worked out at that time, as well as other issues which have come to the committee's attention since the markup, and which are generally considered to be noncontroversial. I would like to briefly explain what these amendments would do.

1. TRANSFER OF PERSONNEL

The committee bill did not address certain technical issues regarding the rights of personnel transferred from the Bank Board to the FDIC. The managers' amendment, drawn up in consultation with both the Bank Board and the FDIC, provides the procedures to be used in making these personnel transfers. This language is supported by both of these agencies.

2. REVIEW OF CLAIMS

The original Treasury proposal, as well as the committee reported bill, contains authority for the FDIC, when acting as a receiver of a failed institution, to review claims brought against the institution by creditors. On March 21, 1989, the Supreme Court considered current FSLIC procedures to adjudicate creditors' claims, and in the course of holding that the FSLIC does not have the statutory authority to adjudicate such claims, questioned the constitutionality of the FSLIC procedures. The managers' amendment contains revised agency adjudication procedures, suggested by the FDIC, to take into account the constitutional questions raised by the Court, as well as to ensure the protection of individual rights in these cases.

3. ABROGATION OF CONTRACTS

The Treasury proposal, as well as the committee-reported bill, provides that the FDIC, when acting as a receiver or liquidating conservator of an institution, may repudiate any contract that the FDIC considers to be burdensome. An exception was provided in the committee's bill with respect to securities contracts, commodities contracts or repurchase agreements which are used to obtain liquidity or other short-term credit to manage financial risk. However, this language was technically deficient in that it did not define the terms "securities contracts" or "repurchase agreements," and because it did not cover other types of arrangements which are functionally equivalent. The managers' amendment contains language suggested by the FDIC to remedy this problem by clarifying what types of liquidity or short-term credit arrangements will be protected against the FDIC's right of repudiation.

4. PREMIUMS

This amendment allows the FDIC to set a higher target reserve ratio—up to 1.65 percent—than the 1.25 percent in the committee bill. However, any assets above 1.25 percent of insured deposits will be placed in a supplemental account. The investment earnings on that account, if not needed for case resolutions, will be returned to the depository institutions. These features allow the FDIC to raise the size of the funds very substantially, but provides clearer standards for rebates that require the return of excess funds unless the FDIC Board explicitly decides more funds are needed.

The amendment treats banks and thrifts differently in the near term. Bank assessment rates are not fixed for the first 5 years as in the committee bill unless the BIF reserve ratio rises every year. The SAIF fund for thrifts does have fixed rates through 1994; until the thrift fund first reaches a 1.2-percent reserve ratio, assessment rates can be raised afterward only under the same conditions as in the committee bill.

The amendment protects thrifts to the full extent of the committee bill.

5. DISTRIBUTION OF $300 MILLION CONTRIBUTION

The committee's bill provides that $300 million will be contributed annually by the Federal Home Loan Banks. The distribution formula in the bill linked each bank's contribution to its ability to pay based on earnings potential. The 12 banks have now asked for a change in this distribution formula to link payments both to the banks' ability to pay and, for payments above 20 percent of earnings, to each district's share of advances to insured institutions. This change does not affect the total amount to be contributed, but makes the revision jointly requested by the Federal Home Loan Banks.

6. FDIC NOTE ISSUANCE AND REPORTING

The committee's reported bill provides that the FDIC may not issue any note if the note would reduce the net worth of the Bank Insurance Fund or the Savings Association Insurance Fund to an amount less than zero. However, with the approval of the Treasury, the FDIC could issue additional notes in an amount outstanding at any one time not to exceed $5 billion. The managers' amendment would limit FDIC note issuance such that the net worth of neither fund could be reduced to an amount less than 15 percent of assets. The FDIC could exceed this limit, again for up to $5 billion in the aggregate, if it receives the approval of the Treasury. This 15 percent cushion would provide additional assurance that FDIC would never overobligate its resources. In addition, FDIC would be required to provide quarterly reports of its activities to Treasury and OMB.

7. DIRECTORS AND OFFICERS LIABILITY

The committee reported bill provides that the FDIC may require a contract to continue in effect, even if the contract contains a provision providing for its termination upon the appointment of a receiver or conservator. A provision terminating contractual rights upon the appointment of the FDIC as conservator or receiver is often found in directors and officers liability insurance and surety bond—or other type of financial institution bond—agreements. Since the underwriters of these types of contracts charged premiums based on this exclusion, the effect of this provision would be to increase retroactively the exposure of these companies. Further, the committee has not had an opportunity to hold hearings on this matter. In light of these concerns, the managers' amendment excludes director and officer liability insurance and financial institution bond policies from the scope of this provision, and instead directs the FDIC to study this issue and report back to the Congress with legislative recommendations within 6 months.

8. PREEMPTION OF STATE LAW

In recent years, many States have enacted legislation that protects directors or officers of companies from damage suits. These "insulating" statutes provide for various amounts of immunity to directors and officers. For example, in Indiana, a director or officer is liable for damages only if his conduct constitutes "willful misconduct or recklessness."

The reported bill totally preempted State law in this area with respect to suits brought by the FDIC against bank directors or officers. However, inlight of the State law implications raised by this provision, the managers' amendment scales back the scope of this preemption.

Under the managers' amendment, State law would be overruled only to the extent that it forbids the FDIC to bring suit based on "gross negligence" or an "intentional tort." In determining whether or not conduct constitutes "gross negligence" or an "intentional tort," applicable State law is to govern. This amendment would thus allow the FDIC to sue a director or officer guilty of gross negligence or willfull misconduct, even if State law did not allow it. Unlike other corporations, when a bank officer or director is guilty of gross negligence or willful misconduct, it will often be the Federal taxpayer who is harmed. It would therefore appear to be justifiable to authorize the FDIC to seek to collect some of those funds from the guilty parties.

9. INDEMNIFICATION

The reported bill provides that no financial institution that has been closed or that has received financial assistance from the FDIC may indemnify officers or directors for their legal or other expenses, unless they are found innocent by a court. The managers' amendment deletes this provision.

10. PENALTIES FOR MINOR INFRACTIONS

The committee bill provides for civil fines of $25,000 per day for violations of law, regulations, orders, and written agreements. This fine may be increased to $1 million per day if the violation was "reckless."

The banking agencies have expressed concern that these penalties may discourage qualified individuals from serving on the boards of banks, or as bank officers.

To alleviate this problem, the managers' amendment provides an exception for minor and unintentional infractions, such as the late filing of a call report which is otherwise correct in all respects. Under this provision, the maximum fine for a minor violation in which the financial institution has not suffered a financial loss, the individual has not received a financial benefit, and the violation was not intentional or committed with gross negligence, is set at $2,500 per day.

All of the Federal banking agencies support this amendment, and the administration has reviewed this language and has no objection.

11. EFFECT OF REMOVAL ORDERS

The reported bill provides that if a person is removed or suspended from participating in the affairs of any one financial institution, that person is also removed or suspended from all financial institutions. This provision could apply to firms as well as individuals, so that if one accountant in an accounting firm, or one attorney in a law firm is removed or suspended, no other employee in that firm could work for any financial institution. The managers' amendment clarifies that these sanctions were intended to apply only to the culpable individual involved, unless the Federal agency concerned finds that it is appropriate to apply the sanction to the entire firm or other business entity employing the individual. This amendment does not prohibit applying the sanction from being applied to the entire firm or company if that is the remedy the agency is seeking.

12. CROSS-GUARANTEES

The reported bill provides that, if the FDIC suffers a loss due to the closing or provision of assistance to any financial institution, it may seek reimbursement from other insured financial institutions in the same holding company. During committee markup, an amendment was discussed which would exempt two bank holding companies from this provision in light of the fact that these holding companies might be liable for reimbursement because they recently acquired troubled institutions with the full support of the FDIC. This amendment would also exempt holding companies which acquired the stock of a financial institution—and thus technical control—because such stock secured a debt which had to be foreclosed upon, so long as the stock was disposed of within a 5-year period. At the markup, the committee indicated its approval of these amendments, provided the language could be refined to ensure that only the two companies intended to be covered by the first part of this amendment would in fact be covered. The managers' amendment contains the revised language, thus effectuating the committee's intent on this issue.

13. SEQUESTRATION FOR REFCORP INTEREST

Under current law, operations of the bank and thrift insurance funds are exempted from sequestration under Gramm-Rudman rules. S. 774 continues this practice by similarly exempting all new insurance and resolution funds created in the legislation. The exemption is extended to FDIC's new bank and thrift funds, the FSLIC Resolution Fund, the Office of Savings Associations and the Resolution Trust Corporation [RTC] but does not cover interest payments to the Resolution Funding Corporation [REFCORP]. This amendment extends the exemption to cover REFCORP interest as well.

Full REFCORP financing is essential if the RTC is to help resolve the problem of insolvent institutions that is hanging over the thrift industry. This is the critical first step in restoring the health of the thrift insurance fund. To ensure that this task is fully accomplished, the amendment would ensure that the financing component of the plan is treated the same as all other entities directly responsible for the insurance and resolution functions.

14. JUDICIARY COMMITTEE AMENDMENTS

Title X of the bill amends various provisions of the criminal code. These portions of the bill were submitted to the Judiciary Committee for its consideration. Chairman BIDEN of that committee has forwarded a package of amendments expressing his committee's views, and these amendments are included in the managers' amendment. These amendments would: First, revise the instructions to be given to the sentencing commission with regard to violations of criminal laws relating to bank fraud, so that the commission would be advised to "provide a substantial period of incarceration"; second, reduces the maximum prison sentence for violation of a bank-related crime from 20 years to 15 years; third, reduces the monetary penalty from $1 million or four times the loss to the institution or gain to the individual to $1 million or twice the loss to the institution or gain to the individual; and fourth, sunsets the new 10-year statute of limitations for bank-related crimes after 5 years, at which time it will be reduced to a 7-year period.

15. INSURANCE LOGO

The reported bill provides that the "logo" or "sticker" to be used must state that deposits are insured by the FDIC and in addition, state whether the institution is a Bank Insurance Fund or Savings Association Insurance Fund member.

The managers' amendment provides that savings institutions are to use a new logo which will: First, state that insured deposits are backed by the full faith and credit of the United States; second, state that deposits are insured for up to $100,000; and third, contain a symbol of the American eagle.

Banks may continue to use their present logo or elect to use the new logo at the discretion of the individual bank.

PASSIVE INVESTMENT RESTRICTIONS

The managers' amendment also revises the restrictions applicable to investments in additional depository institutions by companies controlling grandfathered nonbank banks and by savings association holding companies.

Under current law, a company controlling a grandfathered nonbank bank may not acquire more than 5 percent of the shares or assets of an additional bank or thrift. A savings association holding company is currently prohibited from acquiring a noncontrolling interest in another thrift institution. Section 602 of the bill modifies that restriction by permitting noncontrolling investments of up to 5 percent of another thrift institution.

The managers' amendment seeks to further clarify the rules relating to the 5-percent restriction for example, the restriction does not apply to shares held as a bona fide fiduciary,

whether by the parent company, by any affiliate, or by the independent fiduciary of an employee benefit plan. In both cases, the fiduciary must act in the interests of the beneficiaries rather than to aggrandize the parent company. The amendment specifies that the exemption for shares held as a fiduciary will not be lost merely because the fiduciary has sole discretion to vote such shares pursuant to its fiduciary obligations.

Likewise the 5-percent restriction is not violated merely by acquiring control of voting rights in the normal course of a proxy solicitation.

An exception is provided for shares or assets acquired in collecting a debt. This exception is modeled on section 2(a)(5) of the Bank Holding Company Act, which applies to bank holding companies generally.

An additional, narrowly circumscribed exception is provided for insurance company subsidiaries of the parent company. So long as shares are held under this exemption, they do not count toward the 5-percent limit.

Similar exceptions are provided for savings association holding companies.

EXPLANATION OF CAPITAL AMENDMENT

First, under the bill the leverage ratio that applies to thrifts may not be lower than the leverage ratio that applies to national banks. This amendment provides that the thrift leverage ratio may not go below 3 percent even if the national bank leverage ratio subsequently goes below that amount.

Second, this amendment also requires a savings association to maintain a floor of 1.5 percent tangible capital even if it is otherwise permitted to count goodwill as capital. All other capital safeguards in the committee's bill that apply to thrifts with goodwill also remain intact.

LOAN-TO-VALUE RESTRICTIONS

Mr. LUGAR. Mr. President, I would like to make a brief statement on the loan-to-value restrictions for commercial banks contained in S. 774.

I have some concern about fixing in law specific conditions under which banks can make loans. Restrictions limiting loans to a percentage of the appraised value focus in on only one aspect of the process of determining whether a loan is sound and may have serious side effects, particularly for agricultural loans.

In particular, I am making reference to the provision of section 224 of the bill we are now debating, which would restrict agricultural loans to 65 percent of the collateral value. Let me compliment the bill managers for working with my staff and with Senator LEAHY's staff to adjust the bill language to recognize and eliminate an unintended but potentially very harmful effect this would have on agricultural lenders. At the same time, however, I think it needs to be noted that even with the change that has been agreed to, small businesses and rural development will still be affected by the restricted loan to value ratios in the bill. It is common practice for small businesses to borrow against equity in real estate for the purchase of machinery and equipment. The proposed restrictions could halt this practice, making these loans less secure than they are currently. As a result, banks would shy away from these loans.

There is another problem to consider. If we fix the amount of a loan as a percentage of the appraised value, we are placing tremendous emphasis on the appraisal. It would become the most important factor in determining whether a loan should be made. I am afraid that this would invite inflated appraisals, which we learned very painfully in our agricultural sector can have dire consequences to both lenders and borrowers.

In summary, I encourage the members of the Banking Committee to carefully evaluate the potential adverse consequences of fixing in law the loan-to-value ratios of loans. While it may be wise to set some limits in this area to limit irresponsible lending practices, I believe the preferred way to do this is to require that the banking regulatory agencies monitor loan-to-value ratios during examinations and decide on a case-by-case basis whether loans have been extended in an unsafe and unsound manner.

THE LOGO PROVISION

Mr. ROTH. Mr. President, whatever reform we may enact to salvage the thrift industry will fail unless the American public is convinced that deposits placed in thrifts are safe and sound. If depositors have a choice between two types of depository institutions—thrifts and banks, yet believe only in the safety of banks, the thrifts are doomed.

Today, banks justifiably advertise their superior insurance. The public is reminded of depositors who stood in line in fear of lost savings insured by State programs that went under and is left to wonder about FSLIC insurance. Withdrawals from thrifts thunder the warning that it is imperative to restore depositor confidence in the thrift industry.

Well, how do we do that? If we use the banks' logo for thrifts, we would be restoring confidence but we would be disguising important differences that this bill takes several hundred pages to explain. Therefore, in truth, the thrift logo should be different. Yet it must be one that restores confidence in depositors. That is essential.

The regulators and others have been considering various logos that would refer to the component funds within FDIC insurance. But these solutions are not helpful because the public does not know what "SAIF" or "BIF" mean. References to these funds do not help either the banks or the thrifts. They create a distinction but do nothing to restore confidence.

To me the solution is fairly clear. I voiced my concept during the hearings on this legislation in hope that the FDIC would pick up on it and pursue it administratively. But now, at this late stage in the legislative process, since the regulators have not acted, I feel compelled to offer an amendment to resolve this matter by statutory direction.

The concept is fairly straightforward. A confidence-boosting logo would be established for thrifts. The banks would have a choice between their current logo or the new one. It is that simple.

Thrifts would not have an option to use the banks' FDIC logo. A specific bank or bank holding company or subsidiary would be required to elect one or the other logo. No insured depository institution could display both at the same time. Regulations would be necessary to preclude abuses, such as repeated switching back and forth to create the impression in the public mind that a given bank enjoyed both protections. I do not wish to create a situation where banks might advertise that they had two forms of protection in contrast to the thrifts' one.

Thus if an entity had affiliates, subsidiaries, or branches, it is clearly intended that the election bind the entire enterprise. It would not be permitted for one branch of a bank to display the FDIC logo and another branch the new logo.

My amendment makes no mention of how banks or thrifts might advertise. I am reluctant to restrict honest and free expression and I do not do so. If the amendment achieves its purpose of creating confidence in Federal insurance for thrifts, then advertising the differences between the logos would lose its significance.

The new logo for thrifts and for banks who wish to display it would indicate that depositors funds are "backed by the full faith and credit of the U.S. Government." Also, it would state that deposits are "federally insured to $100,000." The logo would display as a symbol the American eagle, such as the one depicted on the face of the committee report. I picture the eagle in the center of the logo surrounded, top and bottom, by the two required statements.

It is intended that the logo be that simple. The amendment permits only those three items to be represented. No reference to the SAIF or BIF fund is authorized; in fact, it is prohibited.

The amendment requires that the two statements and the symbol be given substantially equal prominence. This does not mean that the three items must occupy equal space. The important point is that the statements

must be clearly discernible and understandable to the viewer. The logo is designed to send a message. The paramount concern is that that message be transmitted.

The size of the new logo is to be the same as the current FDIC logo. By this I mean only that the two logos should cover roughly the same surface area. The new logo could have different rectangular dimensions or be an oval or a circle and still be the same in size.

Mr. President, while there have been many logo suggestions under consideration, I believe that my amendment is the first to be accepted by both the thrifts and the banks.

There is no question that both groups would like to have a different solution, one more advantageous to their side. They are, after all, competitors. But the bottom line is that the thrifts want a logo that restores confidence and the banks wish to retain exclusive rights to their FDIC logo. My proposal accomplishes that.

I am pleased that the American Bankers Association, the Independent Bankers Association of America, and the U.S. League of Savings and Loan Associations have informed me that the amendment is an acceptable accommodation of their interests. I thank the chairman and the ranking Republican member for their cooperation and support on this matter and commend them for incorporating my amendment as part of theirs.

SECTION 214(n)

Mr. ROTH. Mr. President, I wish to express my appreciation for the cooperation of the chairman and the ranking Republican member in modifying section 214(n) dealing with the personal liability of directors and officers of federally insured financial institutions. I have talked with various Members on this issue because of my concern whenever Federal law pre-empts State corporation law.

The discussions have been illuminating. There is no intention, I am happy to say, to pre-empt State corporation law in any general way. Section 214(n) sets a standard of care owed to the financial institution because it is federally insured. It is surgically designed to protect the Federal interest, the taxpayers' interest, and no other.

For two centuries now Congress has been writing special provisions to safeguard Federal interests. Various Federal officers and agencies have the benefit of special rules governing where a suit may be brought, the defenses to be raised, and the cause of action. These highly specialized provisions have been accepted as a valid component of federalism.

Therefore, just as it is not considered an infringement of States' rights that the Federal Government make it a crime to assassinate a President, assault a postman, or even to rob a federally insured State bank, section 214(n) as modified does no violence to State interests in governing corporations they may create. Rather, section 214(n) falls within the historic precedent and the necessary right of the Federal Government to protect its interests.

Again, I thank the floor managers for their cooperation.

Mr. GARN. I thank the Senator from Delaware for his statement regarding section 214(n). I likewise am reluctant to pre-empt State corporation law. Here, as the Senator noted, we have a special case. The pre-emption is limited to protecting a Federal interest. To do so we impose on directors and officers of federally insured financial institutions a standard of care they owe to the institution and its shareholders. We do this for the sole purpose of protecting the insurance fund. We are not imposing any rules that go beyond our purpose. Section 214(n) is not a general provision. It is limited.

Mr. ROTH. That is my understanding as well. I am pleased to hear the Senator's statement explaining the scope of this provision. I think it is important to point out that the standard of care imposed is owed to the institution and its shareholders. We are not talking about the standard of care, for example, that is owed to a passer-by who slips on a banana peel in front of a S&L. Rather, we are talking about the standard of care owed to an institution that enjoys Federal Deposit Insurance.

Mr. GARN. Mr. President, the committee print provides that the OCC and the COSA, when presenting legislative recommendations or other reports to the Congress, do not have to get OMB clearance.

Some have raised constitutional objections to this provision.

We have asked for a Library of Congress opinion of this issue, and they find no constitutional problem.

In March of this year the Department of Justice agreed to a provision requiring the special counsel of the Merit Systems Protection Board to report directly to Congress without OMB review.

Provisions requiring direct reporting to Congress by executive branch officers may be traced back to the very first Congress. The original legislation creating the Treasury Department required the Secretary to report directly to Congress.

Prior to 1921, each Federal agency submitted its budget request directly to the Congress. The Bureau of the Budget, now OMB, was created in that year, by Congress, to help it sift the various requests.

The Supreme Court has also recognized the right of Congress to have agencies report directly to it, as the Library of Congress report clearly explains.

The statute books are full of examples of agencies which are specifically relieved of OMB review. For example, the SEC, the Federal Reserve, the FDIC, and the Bank Board do not need OMB clearance. In addition, OMB review is also precluded for regulations issued by the Bureau of Alcohol, Tobacco and Firearms within the Department of the Treasury. Reports of the Secretary of HHS are reviewed by OMB, but may not be revised by that agency.

Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from a Library of Congress memo. This memo was originally prepared for the House Subcommittee on Civil Service and the Senate Subcommittee on Oversight of Governmental Management, regarding S. 508.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

III. DIRECT REPORTING TO CONGRESS

Section 1217 of S. 508 would allow the Special Counsel to inform a requesting congressional committee, by report, testimony or otherwise, as to information he may have, or about his views, with respect to the functions, responsibilities or other matters relating to OSC, "without review, clearance, or approval by any other administrative authority." Presumably this could vitiate, at the discretion of the Special Counsel,[1] the budget review, legislative clearance, and rules oversight powers that the President, through the Office of Management and Budget (OMB), now enjoys. The President contends that this would effect an unconstitutional diminution of his authority to faithfully execute the laws, supervise his subordinates in the Executive branch, and recommend such measures to the Congress as he judges necessary and expedient.

Footnotes at end of article.

However, Congress' authority to impose direct reporting requirements on agency officials, while amply supported by the case law just reviewed in Section II, also rests independently on Congress' constitutional prerogative to inform itself in aid of its legislative functions. Both historical practice and judicial precedent support the validity of such provisions.

It is well settled that Congress in legislating pursuant to the powers granted it under Article I, section 8 of the Constitution, as well as powers granted in other parts of the Constitution, has the authority, under the Necessary and Proper Clause, Art. I, § 8, cl. 18, to create the bureaucratic infrastructure of the Executive branch and to determine the nature, scope, power and duties of the offices so created.[2] Moreover, as a general matter, the Supreme Court has spoken very broadly of the legislative power over offices. Where Congress deals with the structure of an office—its creation, location, abolition, powers, duties, tenure, compensation and other such incidents—its power is virtually plenary.[3] Only where the object of the exercise of the power is clearly seen in the particular situation as an attempt to effect an unconstitutional purpose, *e.g.*, congressional appointment or removal of an officer, see *Buckely v. Valeo*, 424 U.S. 1 (1976); *Bowsher v. Synar*, 478 U.S 714 (1986), have the courts

felt constrained to intervene. Most recently the Court reaffirmed Congress' authority to require the submission of reports and other information to it from officials, and the exercise of oversight over agencies, "as functions that we have recognized generally as being incidental to the legislative function of Congress."[4]

With particular regard to the subject matter in question, the Supreme Court has had occasion to note that "there is abundant statutory precedent for the regulation and mandatory disclosure of documents in the possession of the Executive Branch" and that "[s]uch regulation of material generated in the Executive Branch has never been considered invalid as an invasion of its autonomy."[5] There the Court cited with approval the Freedom of Information Act, 5 U.S.C. 552 (1982); the Privacy Act of 1974, 5 U.S.C. 552a (1982); the Government in the Sunshine Act, 5 U.S.C. 552(b)(1982); the Federal Records Act 44 U.S.C. 2101 *et seq.* (1982); 13 U.S.C. 8-9 (1982) (census data); and 26 U.S.C. 6103 (1982) tax returns) as appropriate instances of such regulation. In *Nixon v. GSA* itself, the Court upheld the Presidential Recordings and Materials Preservation Act, 44 U.S.C. 2201 (1982), which regulates, *inter alia*, public access to President Nixon's presidential papers, against presidential claims of violations of the doctrines of separation of powers and executive privilege.

Moreover, the statute books are replete with examples of Congress limiting review by OMB of budget requests, legislative proposals, review of proposed agency rules, and other required reports and documents. Thus, since 1973, Congress has mandated that the budget requests of the U.S. Postal Service, *see* Act of June 30, 1974, Pub. L. No. 93-328, § 23, 88 Stat. 287 (codified at 39 U.S.C. § 2009 (1982)), and the U.S. International Trade Commission, *see* Trade Act of 1974, Pub. L. No. 93-618, § 175(a)(1), 88 Stat. 1978 (1975) (codified at 19 U.S.C § 2232 (1976)), be submitted to Congress without revision, and that the budget requests and legislative proposals of other agencies be submitted concurrently to OMB and the Congress, *See, e.g.*, Privacy Act of 1974, Pub. L. No. 93-579, § 5(a)(5), 88 Stat. 1986 (reprinted in 5 U.S.C. § 552a app., at 318 (1976) (Privacy Protection Study Commission); Commodity Futures Trading Commission Act of 1974, Pub. L. No. 93-463, § 101(a)(3), 88 Stat. 1389 (1974) (codified at 7 U.S.C. § 4a(h)(1)-(2)(1982)) (Commodity Futures Trading Commission); Consumer Product Safety Act, Pub. L. No. 92-573, § 27(k), 86 Stat. 1207 (1972) (codified at 15 U.S.C. § 2076(k) (1982) (Consumer Product Safety Commission); Hazardous Materials Transportation Act, Pub. L. No. 93-633, § 304(b)(7), 88 Stat. 2156 (1975) (codified at 49 U.S.C. § 1903(b)(7)(1982)) (National Transportation Safety Board); Civil Service Reform Act of 1978, Pub. L. No. 95-454, § 202(a), 92 Stat. 1122 (codified at 5 U.S.C. § 1205(j)(1982) (Merit Systems Protections Board); Railroad Revitalization and Regulatory Reform Act of 1976, Pub. L. No. 94-210, § 311, 90 Stat. 60 (codified at 31 U.S.C. § 1108(f)(1982)) (Interstate Commerce Commission); Department of Energy Act, Pub. L. No. 95-91, § 401, 91 Stat 582 (codified at 42 U.S.C. § 717(j)(1982) (Federal Energy Regulatory Commission); AMTRAK Improvement Act of 1973, Pub. L. No. 93-146, § 12, 87 Stat. 553 (codified at 45 U.S.C. § 601(d)(1976) (National Railroad Passenger Corporation); Regional Rail Reorganization Act of 1973, Pub. L. No. 93-236, § 2021, 87 Stat. 990 (codified at 45 U.S.C. § 712(f)(1982)) (U.S. Railway Association). Also, section 111 of the Act of Oct. 28, 1974, exempts the following agencies from OMB clearance of legislative proposals and comments: Securities and Exchange Commission, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Federal Home Loan Bank Board, and the National Credit Union Administration. Act of Oct. 28, 1974, Pub. L. No. 93-495, § 111, 88 Stat. 1500 (codified at 12 U.S.C. § 250 (1982)). And *see* 42 U.S.C. 242m(a)(3)(1982) (reports to Congress required of Secretary of HHS may be reviewed by OMB but cannot be revised or delayed); 42 U.S.C. 7138(f)(1982) (no clearance or approval of required reports and documents of the Inspector General of the Department of Energy); 15 U.S.C.A. 634 (1987 Suppl.) (no clearance of reports of Chief Council Office of Advocacy, Small Business Administration); Executive Office Appropriations Act, 1987, as included in Public Laws 99-500 and 99-591, section 101(m) (OMB precluded from reviewing agricultural marketing orders of the Department of Agriculture or regulations of the Bureau of Alcohol, Tobacco & Firearms of the Treasury Department under E.O. 12,291.)

In addition, statutory requirements that Executive branch officials report directly to the Congress trace their roots to the very first Congress. The legislation establishing the Treasury Department required the Secretary to report to Congress "and generally perform all such services relative to the finances, as he shall be directed to perform."[6] Pursuant to this mandate, Alexander Hamilton, the first Secretary of the Treasury, submitted seminal reports to the Congress at the direction of the House of Representatives. Each report begins with an acknowledgement of the order of the House which had directed him to report.[7] Prior to the passage of the Budget and Accounting Act of 1921,[8] which established the President's authority over the agency budget process, each agency had submitted its annual budget request directly to Congress. Finding this process inefficient and unwieldy, Congress created the Bureau of the Budget (now the Office of Management and Budget) to review the morass of agency budgetary information and to approve agency budget requests.[9] In addition to review and approve agency budget requests, the Bureau was subsequently authorized to clear proposals for legislation or agency comments on proposed legislation.[10]

However, Congress' voluntary relinquishment of this authority has not been unequivocal. Either House may request an agency official to submit directly to it "an appropriation estimate or request, a request for an increase in that estimate or request, or a recommendation on meeting the financial needs of the Government." 31 U.S.C. 1108(e)(1982). Also, as has been just catalogued, Congress has selectively required simultaneous or unaltered submission of budget requests and legislative proposals and comments.

The Supreme Court has long recognized the validity of direct reporting requirements.[11] At the core of this aspect of congressional authority is the recognition of the legislature's need for reliable information in order to fulfill its constitutionally mandated functions. As a general proposition it may be posited that, in the absence of a countervailing constitutional privilege or a self-imposed statutory restriction upon its authority, the Congress (and its committees) has plenary power to compel information needed to discharge its legislative function from executive agencies, private persons, and organizations, and, within certain constraints, the information so obtained may be made public. The fact that the Executive has determined for its own internal purposes that a particular item should not generally be disclosed does not prevent either House of Congress, or its committees and subcommittees, from obtaining and publishing information that it considers essential for the proper performance of its functions. The case law delineating Congress' expansive oversight authority demonstrates its virtually plenary power in this area.

Thus, although there is no express provision of the Constitution which specifically authorizes the Congress to conduct investigations and take testimony for the purpose of performing its legitimate functions, the practice of the British Parliament and numerous decisions of the Supreme Court of the United States have firmly established that the investigatory power of Congress is so essential to the legislative function as to be implied from the general vesting of legislative power in Congress.[12] Chief Justice Warren speaking for the Court in *Watkins* described the power as follows:

We start with several basic premises on which there is general agreement. The power of the Congress to conduct investigations is inherent in the legislative process. That power is broad. It encompasses inquiries concerning the administration of existing laws as well as proposed or possible needed statutes. It includes surveys of defects in our social, economic, or political system for the purpose of enabling the Congress to remedy them. It comprehends probes into departments of the Federal Government to expose corruption, inefficiency or waste. But broad as is this power of inquiry, it is not unlimited. There is no general authority to expose the private affairs of individuals without justification in terms of the functions of the Congress . . . Nor is the Congress a law enforcement or trial agency. These are functions of the executive and judicial departments of government. No inquiry is an end in itself it must be related to, and in furtherance of, a legitimate task of the Congress.[13]

Legitimate legislative tasks encompassing the power have been defined as activities that are "an integral part of the deliberative and communicative processes by which Members participate in committee and House proceedings with respect to the consideration and passage or rejection of proposed legislation or with respect to other matters which the Constitution places within the jurisdiction of either House."[14]

In *Eastland v. United States Servicemen's Fund*, the Court reiterated its view that the power of effective congressional inquiry is an integral part of the legislative process:

The power to investigate and to do so through compulsory process plainly falls within [the *Gravel* definition of legitimate legislative tasks]. This Court has often noted that the power to investigate is inherent in the power to make laws because "[a] legislative body cannot legislate wisely or effectively in the absence of information respecting the conditions which the legislation is intended to affect or change." *McGrain v. Daugherty*, 273 U.S. 125, 175 (1927) . . . Issuance of subpoenas such as the one in question here has long been held to be a legitimate use by Congress of its power to investigate . . .

Footnotes at end of article.

"[W]here the legislative body does not itself possess the requisite information—which not infrequently is true—recourse must be had to others who do possess it. Experience has taught that mere requests for such information often are unavailing, and also that information which is volunteered is not always accurate or complete, as some means of compulsion are essential to obtain what is needed." *McGrain v. Daugherty, supra,* at 175.[15]

These broad principles of congressional investigatory authority apply *a fortiori* to the exercise of Congress' Article I power to create the agencies and offices necessary to carry out its policy directives.[16] Anticipation of a legislative need to know accurately what an agency official actually thinks with respect to his agency's budget or about changes in his agency's legislative authority, whether reflected in an identifiable document or in his personal knowledge, would appear well within the congressional prerogative. Reporting provisions such as the one in question in no way significantly circumscribe the President's duties to "take care" that the laws be faithfully executed or to "recommend to [Congress'] consideration such measures as he shall judge necessary and expedient," under Article II, section 3. These clauses are not a source of substantive presidential power and claims to that effect have been consistently rejected by the courts.[17]

In the face of this case law and statutory precedent, the efficacy of a claim of violation of the separation of powers doctrine as a result of the subject reporting requirements is problematic. As has been previously detailed, in determining whether a statute disrupts the balance between the coordinate branches the Court first asks whether the action of the challenged branch threatens to prevent another "from accomplishing its constitutionally assigned function," and second, "where there is a potential for disruption," it determines "whether that impact is justified by the overriding need to promote objectives within the constitutional power" of the moving branch.[18]

The potential for disruption of the President's ability to perform his constitutional function is not apparent on the face of the instant proposal. It must be argued that the particular type of presidential communication and control argued for here—a veto power over the transmission to Congress of non-sensitive documents or information—is so central to the President's ability to "take care" that the laws are being faithfully executed that he must have final say whether they are to be used or not. That argument, however, was severely undercut by the *Morrison* case. The Court found that the President's duty under the "take care" clause requires no more than that he have "sufficient" control over the functioning of the independent counsel to assure that she is carrying out her statutory duties. In that case, the President's ability, through the Attorney General, to remove an Independent Counsel "for cause" was deemed "sufficient" to ensure that he could perform his constitutional function. The *Morrison* decisions would therefore seem to lend strong support to those court rulings which have precluded executive interference with the exercise of discretionary duties vested by Congress in subordinate executive branch officials.[19]

A strong argument can be made that such requirements do not aggrandize congressional power in derogation of presidential power. The Chief Executive maintains his ability to communicate with the Special Counsel in order to influence his ultimate views. Moreover, the President's recommendatory duty under Article II is not circumscribed in any way by such a provision. A proposed presidential alternative, including the abandonment of a proposed course of action, is not precluded. The proposed legislation also does not preclude OMB from seeking budget cuts that might vitiate the efficacy of a particular aspect of OSC's functions. Thus any intrusion on the ability of the President to exercise his executive functions is likely to be deemed *de minimis.*[20] Finally, no decided case has expanded the concept of executive privilege recognized in *U.S. v. Nixon,*[21] to cloak the kind of communications implicated by the type of reporting provision involved here.

In light of the precedents and factors just reviewed, it would seem likely that a court reviewing the question would find that the very limited potential for disruption of executive functioning is justified and necessary to support Congress' legislative function and does not create a significant impediment to the President's execution of the law.

FOOTNOTES

[1] The provision states that the Special Counsel "*may* transmit to the Congress on the request of any committee or subcommittee" the information requested, and thus does not appear mandatory.

[2] *Buckley v. Valeo,* 424 U.S. 1, 138 (1976).

[3] See, *e.g., Crenshaw v. United States,* 134 U.S. 99, 105-06 (1890); *Morrison v. Olson,* 108 S.Ct. 2597 (1988); *Mistretta v. United States,* 57 U.S.L.W. 4102 (U.S. S.Ct., Jan. 18, 1989).

[4] *Morrison v. Olson, supra,* 108 S.Ct. at 2621, citing *McGrain v. Dougherty,* 273 U.S. 135, 174 (1927).

[5] *Nixon v. GSA,* 433 U.S. 425, 445 (1977).

[6] Act of September 2, 1789, ch. 12, sec. 2, 1 Stat. 65, 66.

[7] See *e.g.,* Report of Public Credit, 2 Annals of Congress 1991 (1790); Report on a National Bank, *id.,* 2031; Report on Manufacturers, 3 Annals of Congress 971 (1791) ("The Secretary of the Treasury, in obedience to the order of the House of Representatives . . .").

[8] 42 Stat. 20.

[9] See generally, L. Fisher, Presidential Spending Power, ch. 1 (1975).

[10] *See* Reorganization Act of 1939, ch. 36, tit. II, 53 Stat. 565 (codified at 31 U.S.C. 1108 (1982)).

[11] See *e.g., INS v. Chadha,* 462 U.S. 919, 935 n. 9 (1987); *Sibbach v. Wilson and Co.,* 312 U.S. 1 (1941).

[12] *McGrain v. Daugherty,* 273 U.S. 135 (1927); *Watkins v. United States,* 354 U.S. 178 (1957); *Barenblatt v. United States* 360 U.S. 109 (1959); *Eastland v. United States Servicemen's Fund,* 421 U.S. 491 (1975); *Nixon v. Administrator of General Services,* 433 U.S. 425 (1977): see also, *United States v. A.T.T.* 551 F.2d 384 (D.C. Cir. 1976) and 567 F.2d 1212 (D.C. Cir. 1977).

[13] 354 U.S. at 187.

[14] *Gravel v. United States,* 408 U.S. 606, 625 (1973).

[15] *Eastland v. United States Servicemen's Fund,* 421 U.S. 491, 504-505 (1975).

[16] *Buckley v. Valeo supra,* at 138.

[17] See, *e.g., Kendall v. United States ex rel Stokes,* 37 U.S. (12 Pet.) 522, 612-13 (1838) ("To contend that the obligation imposed on the President to see the laws faithfully executed, implies a power to forbid execution, is a novel construction of the Constitution, and entirely inadmissable."); *Youngstown Sheet and Tube Co. v. Sawyer,* 343 U.S. 579, 587 (1952) (". . . [T]he President's power to see that the laws are faithfully executed refutes the idea he is to be a lawmaker. The Constitution limits his functions in the lawmaking process to the recommending of laws he thinks wise and the vetoing of laws he thinks bad."); *Lear Siegler, Inc. v. Lehman,* 842 F.2d 1102 (9th Cir. 1988) ("To construe this duty to faithfully execute the laws as implying the power to forbid their execution perverts the clear language of the 'take care' clause."); *National Treasury Employees Union v. Nixon,* 492 F.2d 587, 604 (D.C. Dir. 1974) ("That constitutional duty does not permit the President to refrain from executing laws duly enacted by the Congress as those laws are construed by the judiciary."); *United States v. Solomon,* 419 F. Supp. 358, 372 (D. Md. 1976) ("The duty of the President to see that the laws be executed is a duty that does not go beyond the laws or require him to achieve more than Congress sees fit to leave within his power", quoting Holmes, J. in *Myers v. U.S.* 272 U.S. 52, 177 (1926)); *Guadamuz v. Ash,* 368 F. Supp. 1233, 1243 (D.D.C. 1973) ("[N]owhere does our Constitution extol the virtue of efficiency and nowhere does it command that all our laws be fiscally wise. It does most clearly, however, state that laws, good or bad, be enacted by the Congress, and enforced by the President. '[I]f the power sought here were found valid, no barrier would remain to the executive ignoring any and all congressional authorizations if deemed them, no matter how conscientiously, to be contrary to the needs of the nation.' ").

[18] *Nixon v. GSA, supra,* 433 U.S. 425, 441, 443 (1977) Citing *United States v. Nixon,* 418 U.S. 683, 711-12 (1974)); *accord Mistretta v. United States* 57 U.S.L.W. 4102 (U.S. S.Ct., Jan. 18, 1989), at 202-22; *Morrison v. Olson,* 108 S.Ct. 2597, 2616, 2621 (1988); *Commodity Futures Trading Commission v. Schor,* 478 U.S. 833, 851-52 (1986).

[19] See, *e.g., Marbury v. Madison,* 5 U.S. (1 Cranch) 137, 166 (1803). *Kendall v. U.S. ex rel Stokes,* 37 U.S. (12 Pet.) 524, 610 (1838); *Ameron Inc. v. U.S. Corps of Engineers,* 809 F.2d 979 (3d Cir. 1986); *Lear Siegler, Inc. v. Lehman,* 842 F.2d 1102 (9th Cir. 1988); *Public Citizen v. Burke,* 655 F.Supp. 318 (D.D.C. 1987), aff'd, 843 F. 2d 1473 (D.C. Cir. 1988); *Gilchrist v. Collector of Customs,* 10 F. Cases 355, 356, 363 (C.C.D.S.C. 1808) (No. 5,420).

[20] *Commodity Futures Trading Commission v. Schor,* 106 S.Ct. 3245, 3260 (1986); *Ameron v. U.S. Crops of Engineers,* 809 F.2d 979, 997 (3d Cir. 1986).

[21] 418 U.S. 683 (1974).

Mr. RIEGLE. We have cleared it all around. It does include the items that have just been described that have been worked out with Senator METZENBAUM. I now ask for the adoption of the managers' amendments.

The PRESIDING OFFICER. Is there further debate?

Hearing no further debate, the question is on agreeing to the amendment of the Senator from Michigan.

The amendment (No. 62) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, several amendments which I offered in markup and which were adopted on the Banking Committee as we considered S. 774 need further clarification since there was no section-by-section analysis provided by the committee for the bill when it was reported simply because of the time rush constraints facing the committee as it moved the bill to the floor. Therefore, I offer the following language to serve as the legislative history for these provisions in the bill.

First, section 1402(b) of S. 774, solicitation of contracts. This section requires the agencies and federally related corporations covered to establish programs that encourage the participation of minority and women-owned businesses in their procurement activities. While the report on S. 774 states that the agencies and corporations are required to use the guidelines of the

Small Business Administration [SBA] in establishing the certification requirements for minority of female businesses, I would like to make it clear that it is not the intent of the author of the amendment that the participants be limited to SBA guidelines as stated in the report language in determining what procedures to use in qualifying a "minority or female-owned business" for participation under their programs. The agencies or corporations may rely upon the guidelines used by SBA, but in addition may use guidelines of other executive agencies that have established such guidelines and may accept written self-certification by a minority or female owner of a business. For the purposes of this section, a minority or female-owned business is defined as one that is 51 percent owned and controlled by eligible minorities or women. The definition of "minority" for the purposes of this section means any Black American, Native American, Hispanic American or Asian American. The purpose of this provision is to encourage the participation by minorities and women in the procurement programs established under this section in a meaningful way, consistent with prudent business practices. Procurement is defined as buying, purchasing, and contracting for goods and services required to carry out regular business activities.

This amendment requires that bank and thrift regulatory agencies, existing and new federally related corporations and new entities created under the bill implement minority participation procurement programs for minority and women business owners. This is not a set aside. It requires the agencies and corporations to disseminate information on purchases of goods and the hiring of outside contractors for services. Most of these entities have programs, but either they have not done very much to implement them or there has been a lack of coordination between each department in an agency on how the programs are to operate—leading to confusion by the female and minority business community. This amendment is a small step to encourage outreach and better coordination by these entities on these matters, and it will encourage the agency heads and executives to review their history and responsiveness to minority and women-owned business concerns. Minority participation requirements help stimulate relationships between minority professional organizations, the business community, and government which would not exist under normal circumstances. Statistics reveal that the most successful minority and female-owned firms succeed because of the access given to them initially by governmental minority participation requirements.

Second, Senator SANFORD and I offered an amendment in the Banking Committee which it was agreed by the committee would be accepted subject to final negotiations on some of the language. It was understood that the amendment would be included in the managers amendment on S. 774. This amendment clarifies the "bona fide fiduciary" exception from a 5-percent ownership of stock limitation imposed on owners of grandfathered bank and savings and loan holding companies by the Competitive Equality Banking Act [CEBA]. CEBA restricts such owners from acquiring control of more than 5 percent of the shares or assets of an additional bank or thrift institution. This amendment sets out the circumstances where the owners of a grandfathered bank may acquire more than 5 percent of the shares of an entity in the course of certain business activities and still remain exempt from the definition of "control" under the Bank Holding Company Act.

Third, while the bill addresses goodwill required in supervisory and voluntary mergers, many savings associations may acquire new goodwill as a result of intended acquisition of a savings association for which definitive acquisition agreements or pending applications have been filed with the Federal Home Loan Bank Board. My amendment to extend the date from February 20, 1989, to March 12, 1989, for applications for acquisition of a savings association or savings association holding company, is intended to cover applications originally filed before the date of March 12, 1989, rather than a completed application as stated in the committee report language. The word "completed" was not mentioned in the markup in relation to this section nor was it included in the legislative language nor intended by the author of the amendment that extended the application date to March 12, 1989.

On the managers amendment on restructuring of post 1989 thrift deals:

These powers as provided in the amendment of Senator METZENBAUM must be exercised as permitted by the terms of the resolution agreements only. Nothing in this amendment permits unilateral modification or termination of any agreement, or part thereof, including any forebearance or waivers granted by the Federal Home Loan Bank Board or the Federal Savings and Loan Insurance Corporation. Further the RTC is expected to, consistent with its obligations under this act, exercise judgment in the use of the authority to preserve the interest of the depositor and the insurance fund.

Mr. MACK. Mr. President, a noteworthy aspect of this bill is how it employs the use of the private sector in disposing of insolvent thrifts. It is expected that the Resolution Trust Corporation is going to be responsible for over $100 billion in assets reclaimed from closed S&Ls. With a provision sponsored by myself and my good friend from Texas, Senator GRAMM, the committee made it clear that we expect the Resolution Trust Corporation and the Oversight Board to use the private sector for services relating to the disposition of these assets, including real estate and loan portfolio asset management, property management, and brokerage.

I think it is vitally important that Congress makes its intentions known that private enterprise needs to be used to the fullest possible extent. The temptation for public officials to do everything in house can be overwhelming. The bill makes it clear that Congress prefers the use of the private sector to manage the disposal of thrift assets instead of the creation of a gigantic new bureaucracy.

The FDIC currently employs over 3,000 employees to manage and liquidate over $9 billion in assets. It has been estimated that the Federal Government will have to orchestrate the liquidation of over $150 billion in assets after the enactment of this legislation. The government does not have sufficient manpower or expertise to adequately deal with the quantities and types of assets which will be thrust upon it.

Private individuals and companies have expertise in the very complicated matters. Optimum recovery often depends on knowledge of complex fields such as bankruptcy law, as well as the mastery of negotiation practice and litigation techniques. Further, knowledge of local markets is critical to reaching the most favorable disposition of real estate and other assets. When the Government is managing over $100 billion in assets, a difference of even a few percentage points can make a tremendous difference to the taxpayer. Competition among private asset managers will help keep costs down and the quality of performance high.

Mr. KOHL. Mr. President, I would like to voice my support for S. 774. This bill addresses a severe problem. The forthright actions of the administration and the Senate Banking Committee are to be commended.

Over the past 8 years, no one wanted to tackle this issue. It was costly, it hurt powerful friends, it infringed on the turf of key regulators and, above all, nothing cataclysmic would happen if we just coasted along.

As a result, the problem and its cost grew and grew. This bill commits the funds necessary to take those difficult first steps toward recovery. We may ultimately need to spend more money and we may be able to spend this money more wisely. However, S. 774 is an excellent starting point.

I have the honor of representing the great State of Wisconsin. Our savings

and loan industry has performed admirably during these difficult times. They stuck to good, conservative investments and the regulators kept a watchful eye.

But the difficulties in other regions have created problems and pressures for Wisconsin. We can ease those pressures by quickly and effectively reining in the wheeler-dealers and the highflyers. We need to close the insolvent institutions, pay off the depositors, and prosecute those who have defrauded the insurance fund.

This bill will do just that. It provides the long-needed money to close down insolvent thrifts. It also gives our regulators the power to monitor troubled associations more closely. And it provides the Justice Department with funds to go after those who looted these S&L's.

This legislation is far from perfect. I have several concerns that I urge the conferees to address. Most importantly, we could easily save over $4 billion by using the financing mechanism proposed by the chairman of the Banking Committee. Not only would it save money, it would also be more honest.

In addition, I am disturbed at the lack of time we had to review this bill. This legislation may turn out to be the largest single expenditure ever enacted by the Federal Government. Yet, the text of the legislation was not available 1 week ago. If we've waited 5 years to address this problem, we could wait another week or so to be sure the legislation doesn't contain mistakes. I hope the conferees give their colleagues the legislation and its report in a timely manner.

The bill may also create some new problems. I am concerned that we may be asking too much of the FDIC. I am pleased that they will play an important role in the new regulatory structure. However, if the banking sector starts to slide anytime soon, the FDIC will have its hands full. We must provide adequate resources to ensure that the FDIC can proceed apace with its resolutions.

In addition, we should be careful that the penalties available to the FDIC are not too high. Increased penalties may well be in order. We should take care, however, that banks and thrifts are not subjected to those penalties without full and proper due process.

Finally, Mr. President, we need to give the Resolution Trust Corporation complete authority to renegotiate those December deals. The FHLBB gave away the store in those deals. The RTC should be free to restructure those contracts where it will save the taxpayers' money. The parties to those contracts knew the controversial nature of their transactions. They should have been on notice that any deals they cut would be the subject of extensive scrutiny.

The taxpayers of this Nation should not be forced to swallow deals which should never have been signed. However, as reported out of the Banking Committee, the bill would not have given the RTC full freedom to renegotiate those contracts. The bill's language could have proven to be a straightjacket. I was pleased, therefore, that the provisions were modified to strengthen RTC's powers to reopen those agreements.

Having expressed these reservations, Mr. President, I believe on balance that the bill is a good one. I urge its adoption by the Senate and look forward to a prompt conference with the other body.

Mr. SHELBY. Mr. President, today as we consider the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, I want to first join with my colleagues and commend the leadership of this committee for the excellent work they have done in getting this bill to this point. The distinguished Senator from Michigan has truly earned the title of chairman over these past weeks and months as he navigated the administration's proposal through the legislative process. He has been tireless in his energies and in his diligence; he has done an excellent job in bringing this committee to a congenial consensus; and I commend him for his leadership. The ranking minority member has also demonstrated the kind of leadershp that this bipartisan report needs and has greatly assisted the chairman in minimizing partisan differences of opinion.

I also want to thank the staffs of both sides; if we Members have worked long hours, they have worked longer hours, and throughout the process they have been cooperative and helpful. Their efforts are much appreciated.

Mr. President, the legislation we consider today seeks to resolve a crisis that has been 10 years in the making. S. 774 is a reasonable, comprehensive resolution to the largest financial crisis that this Nation has ever faced. The administration sent us this bill; we in the committee fine tuned it and made some minor changes but the central components of the administration's proposal have been left intact. President Bush is to be commended; after 8 years of the administration looking the other way, President Bush stepped up to the plate and took a good hard swing at the S&L problem, within his first month in office. The proposal his administration sent Congress is a good one, as is reflected by the fact that the committee process left most of the major elements of the Bush proposal unchanged.

The off-budget financing mechanism is one such element that has been left intact. The chairman of the Banking Committee offered a rational, reasonable alternative to the administration's financing plan which could have saved as much as $4.5 billion. I supported the chairman's initiative and commend him for his efforts in coming up with such a plan; $4.5 billion in the context of this 30-year bailout may not seem like a lot of money. However, that $4.5 billion belongs to the taxpayers and should not be spent if at all possible.

Senator RIEGLE devised a plan in which it would be possible to save that money. The administration vehemently opposed his more honest, on-budget approach and threatened a protracted debate. For this reason, the chairman's effort to save the taxpayers $4.5 billion was not accepted. And in order to expedite the bill's passage, the chairman has graciously accepted defeat on this issue. He is well aware that the costs of this resolution increase proportionally with the length of debate on this issue and that $4.5 billion in savings can be diminished very quickly if this bill's progress is significantly delayed.

Mr. President, as I mentioned earlier, the chairman of the Banking Committee did an excellent job in navigating the legislation through the committee process. Each member of the Banking Committee was given great opportunity to discuss provisions of the bill and was given equal opportunity to propose amendments during the markup process. The committee leadership was accommodating and cooperative and I believe that S. 774 includes many improvements as a result of the process.

I would like to see us pass this legislation as is. I believe that we have a good strong bill with which to go to conference with the House and I do not want to see us compromise this strength during the floor process. I urge my colleagues, particularly members of the banking committee, not to offer dilatory amendments. We have, thus far, stuck to a tight timeframe and I do not believe that we should compromise this schedule in order to debate amendments with little or no chance of success. I recognize that other Members of this body have not been part of the markup process and thus have not had the same opportunity to modify this legislation. However, I know that the chairman of this committee would have been receptive to suggestions from Members outside the committee had such suggestions been brought to his attention. I urge my colleagues to act as expeditiously on the floor as the committee did in the markup process.

Mr. President, I do now wish to rehash the elements of this legislation. S. 774 is a good solution to a very bad crisis. Not only does this bill provide for the funding that is necessary to close insolvent thrifts, restore the savings and loan insurance fund to

health, and thus restore depositors' confidence, it also makes essential changes in the regulation of the thrift industry. These changes will go a long way toward ensuring that a crisis of this proportion never happens again.

I support S. 774 and urge my colleagues to do the same.

Mr. CONRAD. Mr. President, I rise today to inform my colleagues that I intend to vote against the FSLIC bill.

But first I want to make it clear that I do not want my vote in any way to diminish the hard work members of the Banking Committee have put into this bill. They faced a truly awesome task: Resolving a crisis that has been estimated at anywhere from $50 to $150 billion. And they had to move quickly because the crisis is growing at an alarming rate, they had to address extremely complex questions of regulation, supervision, and enforcement to ensure that the crisis does not recur, and they sought to minimize the cost to taxpayers. They are to be commended for the time, thought, and effort that went into producing this legislation.

I also want to make it clear that I fully understand the need for legislation to address the savings and loan crisis. While I share the outrage of my constituents—and of taxpayers across the country—that a combination of economic factors, fraud, mismanagement, and lax supervision has created this enormous problem, we cannot allow blameless depositors to lose their life savings. These deposits were made with the clear understanding that they were insured, and we cannot break our commitment to depositors. At the same time, we must reform the structure of the savings and loan industry to eliminate the causes of today's crisis and ensure that the taxpayers of this country never again are forced to fund a bailout of this magnitude.

The committee bill that we are discussing today makes significant steps in that direction. I wish to point out just a few of the problems it corrects. The close relationship between the industry and its regulators and supervisors entailed a conflict of interest that encouraged overseers of the industry to overlook problems—ultimately magnifying the problem. The bill restructures oversight by separating the agency charged with regulating the industry from that charged with promoting it. Much of the problem was caused by high-flying thrifts that took advantage of loose regulation and that made risky loans. The bill strictly limits the activities of thrifts and enacts tough new standards for thrifts. Finally, as the Senator from Connecticut, Mr. DODD, pointed out in his opening statement, abusive real estate appraisal practices contributed billions of dollars to the FSLIC problem. The bill establishes new guidelines for real estate appraisal.

Despite these admirable provisions, however, I have decided to vote against the bill because I believe it fails one crucial test: It will not minimize the cost to the taxpayer of resolving the FSLIC problem. Mr. President, we cannot in good faith continue to tell the American taxpayer that there is not enough money for housing, for the war on drugs, for education, for health care, for essential air service, or for any of dozens of other programs that provide tangible goods and services to them while at the same time passing a bill which could cost billions of dollars unnecessarily—and which will provide those taxpayers with nothing in return.

There are several reasons I believe this bill will cost taxpayers too much. First, the financing mechanism adds several billions of dollars for the sake of an accounting trick. Off-budget financing is simply a gimmick to make it look like the Government is not borrowing money when it really is. And it is an expensive gimmick: The Senate Banking Committee chairman estimates that off-budget financing will result in higher interest rates that will end up costing the taxpayers an additional $4.5 billion when compared with his on-budget plan. Thus, I strongly believe that the bailout should be financed on-budget.

While proponents of off-budget financing argue that we cannot finance this scheme on-budget because of the Gramm-Rudman-Hollings law, their argument simply does not hold up. Ignoring the fact that the off-budget financing plan itself clearly violates the spirit of the law, the Gramm-Rudman deficit targets were set because it was hoped that cutting the deficit would have a favorable effect on a number of economic factors. Government borrowing to finance additional Government spending, it was argued, has a detrimental effect on the economy.

However, in this case the money has already been spent; the economic effects have already been experienced. By financing the bailout on-budget the Federal Government merely would be substituting an explicit debt for the implicit debt it has already incurred. Borrowing the money honestly—on-budget—will not have a negative impact on the economy. The chairman of the Federal Reserve Board, the Congressional Budget Office, and the General Accounting Office all agree that the FSLIC bailout should not be included in the Gramm-Rudman-Hollings calculation. Mr. President, I don't believe the financial markets or the American people are going to be fooled by the off-budget gimmick. Instead, I think they are going to be angered by its additional cost.

Borrowing the money honestly also could allow the Government to shut down and liquidate insolvent thrifts more quickly. These insolvent thrifts are costing the taxpayers tens of millions of dollars a day; the sooner we can shut them down the lower the cost to the taxpayer. Allowing the U.S. Treasury to borrow the money as needed to shut these thrifts down would avoid these unnecessary costs.

A second reason I believe this legislation will cost too much is that it relies heavily on administration assumptions that are unrealistic, and any shortfalls between optimistic assumptions and reality will be financed by the taxpayers. For example, the administration assumes that the cost of resolving institutions that will fall into difficulty in the future will be only $50 billion, but numerous experts believe the problem will be much bigger. The administration estimates that savings and loans deposits will grow at a record rate and that this deposit growth will generate significant increases in insurance premiums—which will, in turn, be used for the bailout. However, S&L's are now experiencing net withdrawals, and the interest rates offered by S&L's are expected to decline. Consequently, it is not surprising that the CBO estimates that deposit growth will be much slower and will result in $5.5 billion less in insurance premiums than the administration projects. As Senator GRAHAM pointed out in his opening statement, these mistaken assumptions could end up costing the taxpayers over $100 billion more than the administration admits.

Finally, there appears to be no limit to the costs of some of the agreements into which the FSLIC entered last December. These deals provided the new operators of bankrupt S&L's guaranteed returns on assets, they guaranteed the book value of assets regardless of actual market value, they waived many regulations, and they granted many tax benefits. The documentation of these deals is incomplete, and the open-ended nature of the guarantees means that no one is sure how much these deals will cost. Further, these newly created thrifts have no incentive to be managed carefully, and the regulatory breaks give them an unfair advantage over thrifts that were responsibly managed and did not go bankrupt. This combination could result in further significant drains on the thrift industry insurance fund and increase the cost of the bailout. While the bill touches on this issue, it does not go as far as I would like toward restructuring these deals and saving money for taxpayers.

In conclusion, Mr. President, I strongly support the stricter standards in the bill. I applaud the tougher enforcement standards to punish fraud and other abuses. I believe the restructuring of the regulatory arrangement

is necessary to prevent the recurrence of this crisis. And I appreciate the need to move quickly to resolve this crisis.

However, if we are to ask the American taxpayers to pay hundreds of billions of dollars for the mistakes and problems of the savings and loan industry, the least we can do is to make sure that none of those dollars are spent needlessly. While I accept the arguments for acting quickly, we cannot allow the pressure to act quickly to force us to act poorly. This is an exceedingly complex piece of legislation; the Banking Committee has held dozens of meetings and heard from over 50 witnesses in its efforts to deal with the intricacies of the issue. I again want to emphasize my respect for the hard work the committee and its staff put into producing this bill in such a short period of time. But I believe it is unreasonable to expect Senators who, like me, are not on the committee to fully understand, debate and vote on this complex, 564-page bill only 2 days after it became available. The next generation of taxpayers—the generation that will be paying for our mistakes—will not accept the excuse that we did the best under the circumstances. The best under the circumstances is simply not good enough if it costs the taxpayers tens of billions of dollars needlessly.

Because I believe legislation to address the FSLIC crisis is urgently needed, because this legislation is the only legislation available to address the crisis, and because this legislation contains many important and necessary reforms, it is only with reluctance that I have decided to vote against it. I hope that my objections will be cleared up as this bill moves through the legislative process. However, I firmly believe that in is present form S. 774 will cost the taxpayers of this country much more than it should, and consequently I cannot support it.

Mr. LEAHY. Mr. President, the Senate is about to vote on S. 774, the Financial Institutions Reform, Recovery, and Enforcement Act—the bill to help rescue the savings and loan industry from the crisis that now engulfs it.

There is an urgent need to act: In 1988, federally insured savings and loans lost more than $12 billion—more than a billion dollars a month.

I am sorry that we are here today. I am sorry that this situation has reached crisis proportions. But today there are 500 federally insured savings and loans which are either insolvent or on the brink of insolvency. We, as Members of the Senate, must protect the rights of the depositors in these institutions.

All S&L's are not equally culpable for this financial mess. Thrift institutions in Vermont and New England have remained viable and responsible, and unfortunately, it is the taxpayers from our region who are going to have to help pay to put the savings and loan industry back on its feet.

Regardless of who is to blame, the U.S. Government now faces a major liability with respect to those savings deposits which are federally insured. The industry's deteriorating condition clearly demands substantial reform.

The Banking Committee has drafted legislation which has set out to remedy the many flaws in the current system of regulation and supervision. The bill will recapitalize the Federal Deposit Insurance System by providing $50 billion in funds to resolve outstanding and anticipated savings and loan failures.

It will close failed and unhealthy thrifts, while seeking to preserve a safe and stable residential housing finance system upon which this country has come to rely. I recognize the financial niche that the savings and loan institutions provide and I am pleased that this legislation can work to resolve the crisis and strengthen the industry.

Provisions are included to separate the insurance from the regulatory and credit functions, toughen regulations with respect to capital standards, strengthen the hand of the regulators, and sharply increase the penalties for bank fraud.

Fraud. This is the one point that I find most contemptuous in this whole mess. I have read staggering reports of fraud involved in many of these failures. Irresponsible investments. Lavish parties. Gross misuse of the life savings of thousands of depositors. Recent GAO findings in a survey of 26 thrifts revealed that fraud was involved in every one. We cannot stand for this. These perpetrators must be prosecuted to the full extent of the law.

As a former prosecutor, I fully support the tougher criminal penalties that this legislation will impose. We owe this to the taxpayers. Giving law enforcement agencies the tools they need for adequate prosecution and punishment of banking offenses is critical. This bill provides stiff penalties for violators and will deter criminal misuse of our banking system in the future.

I am troubled by the budget controversy this bill raises. I voted for the amendment by Senator GRAHAM to put this entire package on budget. This was the so-called truth-in-budgeting amendment. I believe that we should not be trying to use budgetary sleight of hand to obscure the real cost of this bill. President Bush has apparently thrown down the gauntlet on this issue, saying he will veto the whole bill if it is put on budget. I was sorry to see the Graham amendment defeated.

On the whole, however, I believe this is a balanced, sensible package. I commend the efforts of the Banking Committee in drafting these provisions to finally resolve this crisis and set the course for rebuilding a strong and secure savings and loan system.

Mr. DURENBERGER. Mr. President, during the 11 years that I have served in the Senate I have been called on to cast many votes on complex and difficult issues affecting all aspects of our domestic and foreign affairs. The vote I will shortly cast on this savings and loan bailout presents one of the most troubling decisions I have had to make.

I say this because I firmly believe that the events that brought us to the point today where we are now being called on to finance a $200-plus billion bailout of the S&L industry were not inevitable, but were, in fact, avoidable and preventable. And what is even more troubling is that I am not convinced that this 564 page bailout package contains the type of real reforms that will guarantee that the American taxpayer will not again be called on to finance another bailout package in the foreseeable future. Nor am I convinced that the people who precipitated this financial debacle will pay the harsh penalties that they deserve.

I would like to take a moment to bring to my colleagues attention some of the events that I think have brought us to this day where it has become necessary to provide the largest financial bailout in the history of the Republic. In my view, the seeds of this crisis can be found in the deregulation mania that began to emerge in the late 1970's when double digit inflation and double digit interest rates began to undermine the competitive viability of a thrift industry which for decades had operated under the protective umbrella of regulation Q which capped the interest rates banks and S&L's could pay depositors.

While interest rate regulation enabled a large portion of the post-World War II adult population to purchase homes at relatively modest fixed interest rates, the interest rate and inflation shocks of the late 1970's and early 1980's changed the entire competitive landscape of the financial services industry. Savings and loans, commercial banks, and credit unions experienced substantial disintermediation as depositors and investors in institutional demand deposits, certificates of deposits and other time deposits transferred billions of dollars into high yield financial instruments purchased from unregulated sources such as money market funds.

Not only did the savings and loan industry face substantial disintermediation, but it also began to lose large amounts of money because they held a large portfolio of long-term low-rate fixed interest loans, especially home mortgage loans. Because of the high

interest rates of the late 1970's and early 1980's, S&L's cost of obtaining funds to carry these old loans was generally much higher than the income accruing on them. The resulting squeeze on the profitability and cash flow of these institutions threatened the financial viability of the entire industry.

In 1981, Congress attempted to temporarily stem savings industry disintermediation by adopting a provision in the Economic Recovery Tax Act exempting up to $1,000 of interest income earned on so-called all savers certificates, from Federal income tax. Although this provision cost the Treasury more than $3.6 billion in lost revenue, it could not, and did not, halt the flow of deposits out of savings institutions and into money market funds. Congress ultimately decided that the only way to stop disintermediation was to allow banks and S&L's to offer market level interest rates.

Although lifting regulation Q allowed the banks and S&L's to more successfully compete for depositor funds, most S&L's continued to lose money because their cost of funds continued to exceed their income from their large portfolios of fixed rate low-interest mortgages. Since it would have taken years to get these low-interest rate mortgages off of the books and replace them with floating rate mortgages for the baby boomers, Congress and many State regulators decided to allow the S&L's to expand their horizons and offer loans to a spectrum of borrowers far outside of the traditional home mortgage lending base.

In an attempt to offset their losses from old fixed rate home mortgages, many of the S&L's loaned money to highly speculative and risky commercial ventures including windmill farm operations, fast food operations, shopping center developments, and a host of other questionable ventures. Moreover, the reason that many of these so-called business ventures even got off the ground was because Congress had adopted a variety of tax incentives that rewarded investors for putting up little, if any, cash in investments whose only goal was to generate tax losses. Fifteen-year depreciation on real estate, special tax credits for windmill farms, and minimal "at risk" rules all contributed to a host of speculative investments that many S&L operators were more than happy to finance.

When these deals fell apart the cracks in the S&L universe began to break apart with the result that over the past few years hundreds of S&L's have become insolvent.

Although the Tax Code provisions I have identified were available to investors in all parts of the country, and while all S&L's sought to adapt to the deregulated economic environment of the 1980's, it would not be fair to assume that the crisis in the S&L industry is the result of actions taken by thrift owners throughout the country. Quite the contrary. In fact, the real financial crisis that we confront today is the result of activities that primarily took place in the oil patch States of the Southwest which enjoyed boom times in the early 1980's. Real estate speculators, shopping center developers, and a host of fly-by-night operators found the Southwest swimming in money because an unchallenged OPEC cartel was able to push $12 a barrel oil to $35 a barrel, while experts predicted that by end of this decade oil would be selling at more than $65 a barrel.

Besides the oil companies and the royalty owners who sat back and enjoyed boom times courtesy of OPEC, the real winners in the booming oil patch were the real estate speculators who sold houses, office buildings, and shopping centers at hugely inflated prices. And all of these deals were financed by the go-go S&L's who were more than willing to finance anything with four walls and a door, no matter what the price.

With inflation-driven real estate loan portfolios on their books—so-called assets—the oil patch S&L's got into an interest rate bidding war to see who could attract the most capital to finance the construction and sale of more and more commercial and residential real estate. And that meant that interest costs for consumers and businesses in other parts of the country, which were already suffering from the effects of higher energy prices had to go up.

While the land speculators and the construction companies in the oil patch got rich, so did the executives, officers, and shareholders of the go-go S&L's who turned little home town S&L's into macho financial powers that showed billions in inflated real estate assets on their books.

However, like all other booms in our history, by 1986 boom turned to bust and the bottom fell out in the oil patch when a price war in OPEC began to drive the price of oil below $10 a barrel. And the end of boom times in the oil patch meant that real estate deals that theoretically made economic sense when oil was $35 a barrel and heading into the stratosphere, now have become albatrosses around the neck of the all-American taxpayers.

Mr. President, what I have just described is just a brief summary of the events that have led to the current catastrophe in the S&L industry. I have not mentioned the executives in the S&L's who engaged in outright fraud who in large measure have contributed to this crisis, nor have I mentioned the many appraisers who probably made millions picking any number out of a hat to assess the value of real estate financed by many of these S&L's.

While much of the blame for this crisis can be placed on the greed and fraud of many in the private sector, we cannot ignore the irresponsibility of the Congress and the administration over the past several years in allowing what was a fairly manageable problem just a few years ago to explode into a $200 billion nationwide crisis. For years, the alleged S&L regulators refused to acknowledge the need for more money to hire a sufficient number of regulators and specialists to oversee the loan operations of many of these S&L's. Nor did the FSLIC regulators have the courage to face up to the dimensions of this problem barely 3 years ago and ask the Congress for sufficient money to close down the hundreds of thrifts that under any responsible accounting standard would only be deemed insolvent.

Instead, we have allowed this problem to fester for nearly the entire decade by coming up with Band-aid financing gimmicks, flip-flop accounting rules, and special tax rules all designed to keep the doors of as many S&L's open as possible. Now has come the time of reckoning, and it is, a sorry picture.

The legislation that we will soon vote on does change the players on the regulatory landscape. We have created a new Chairman of the Office of Savings Associations [COSA] to assume the regulatory functions of the Federal Home Loan Bank Board and to set capital and accounting standards. A new independent agency in the executive—The Federal Home Loan Bank Agency will supervise and oversee the Federal home loan banks and ensure that banks carry out their housing finance mission, remain adequately capitalized, and operate in a safe and sound manner.

Under the committee bill, the Treasury Department will be given authority to review compliance with business plans and require capitalization of existing investments in thrift subsidiaries. In addition, the bill establishes two capital standards that should eliminate some of the more questionable accounting practices that have plagued this industry for so long. Under the risk-adjusted standard, banks that hold assets with greater credit risk will be required to have more capital than banks with assets of a lower credit risk. While the standard that will be applied to thrifts may deviate from that applicable to national banks, the thrift risk-adjusted standard taken as a whole is not permitted to be materially lower than the national bank-risk adjusted standard.

While the bill tightens capital standards for the thrift industry, I do want to express my concern that the committee bill will count goodwill as capital for up to 25 years. I think it would have been more appropriate to have

adopted the administration's proposal to require thrifts to amortize goodwill over a period of 10 years.

I would also note that the legislation places stricter limits on loans that an S&L can make to a single borrower, and places stricter restrictions on the loan to value ratio for residential mortgages. In addition, thrifts will be restricted in loaning money to many of the types of speculative investments that have contributed to the current crisis.

Finally, I would point out that when the Senate earlier today adopted my amendment calling for the repeal of the special tax breaks available in conjunction with the sale of failing S&L's and banks, the Senate sent a clear message to the American taxpayer that we will no longer tolerate fireside sales of tax losses as a byproduct of the S&L crisis.

Mr. President, this bill will transfer a great deal of taxpayer money from the citizens of the Midwest and Northeast to pay for the excesses and abuses that occurred in the Sun Belt States, especially in the Southwest. It is not easy to explain to the hard-working citizens of my State who had to endure exploding energy prices in the early 1980's and then suffered through the economic depression and deflation of the mid-1980's that they must now ante up billions of dollars to bail out the speculators in the Southwest who profited from the expansive growth of just a few years ago. Our region lost jobs and industry to the booming Sun Belt which was able to entice companies to relocate with a promise of low taxes and booming growth. We paid taxes to State and local governments in the form of royalties on high-priced Southwest oil and gas. Now that the economic house of cards has collapsed, it seems unreasonable to ask the citizens of Minnesota to contribute to this bailout.

In addition, at a time of huge Federal budget deficits, when interest costs on the national debt continue to be the fastest growing part of the budget, it seems totally unreasonable that we have developed a financing package for this bailout that will pass the interest costs of the bailout onto our children and our children's children. I would have preferred that we paid for this package up front, right now, today. And I do not think we should have waived the Budget Act to pay for this package and voted against doing so. However, I understand the reluctance of Members on both sides of the aisle and the reluctance of the President, to unravel the deficit reduction package that was agreed to just last week. If we had more courage, I think we would face up to these costs today.

I can only justify my vote in support of this package on two grounds. In the first place, this legislation provides the financing to pay off the depositors who placed their trust in the Federal Deposit Insurance System that has prevented bank panics in this country for nearly 60 years. The integrity and soundness of our financial system is based on the security of deposit insurance and unless we meet this commitment, we threaten to undermine the entire financial system.

In the second place, adoption of this package should provide sufficient revenue to enable the Federal regulators to immediately close down the insolvent institutions which are still open for business. These insolvent institutions have been offering above-market interest rates to attract depositors and have created a situation which has raised the interest rate costs of all institutions throughout the country. Passage of this legislation should end this practice and ultimately lead to a lowering of interest rate costs for all thrifts.

Mr. President, I cannot expect the sponsors of this legislation to provide me with an ironclad guarantee that this bailout package will resolve the entire S&L problem, and that we will not be forced to come up with another financing package in the foreseeable future. But I expect that the committees with jurisdiction will strictly scrutinize the regulatory agencies responsible for overseeing the S&L and banking industry, and that at the first hint of further problems, the committees will act to ensure that we do not repeat the mistakes of the past and allow this problem to resurface.

Mr. President, this legislation should have made much greater changes in the deposit insurance system and placed greater distance between the activities that banks and S&L's can engage in using insured funds and noninsured funds. My greatest concern is that in our rush to complete action on this bill, we have not adopted the type of tough reforms that will ensure that this is the end of the problem.

Mr. LEVIN. Mr. President, I regret that I am in the position of having to support the bill, and I regret that the Senate must pass it.

I do not mean to imply that Senator RIEGLE and his colleagues on the Senate Banking Committee have not done anything less than a remarkable job. They have done a remarkable job indeed. Senator RIEGLE assumed the chairmanship of the Banking Committee just a few months ago, and immediately devoted himself to the daunting task of trying to find the most acceptable resolution to the worst financial crisis to confront this country in half a century.

Sadly, Mr. President, this legislation reminds me of Winston Churchill's well-known aphorism on democracy: "Democracy is the worst system devised by the wit of man, except for all the others."

At times, I think this solution to the crisis may be one of the worst devised by the wit of man, except for all the others.

There were specific options before the committee that were better than what was included in the reported legislation that is before us now. Yet, what emerged is a compromise that was forged after long and difficult negotiation in committee. It was forged by the heat of debate, as well as the fire of the crisis which is threatening conflagration. The chairman produced a remarkable achievement when he shepherded the committee to a vote of 21 to 0. But, as I said, there are specifics that were not included that would have been preferable.

For example, Senator RIEGLE crafted an improved funding mechanism than that presented in the administration's proposal. It is unfortunate that the Riegle proposal is not part of the committee's version. It is unfortunate for the American people, for it would have saved billions of dollars over the years. It would have been an improvement over what is before us. But, it has not survived the legislative process. I wish it had. It would have made the legislation better.

There are other examples. Yet, it is mandatory that the Senate act quickly, and produce legislation that will pass both Houses of Congress, and be signed by the President.

Not only do I regret being in the position of having to support this legislation, I am angry also. I am angry that this crisis was allowed to balloon to breathtaking proportions. I am angry that the Office of Management and Budget during the 1980's was penny wise and pound foolish, and cut the number of regulators at a time of deregulation. I am angry that this Congress is forced to spend massive Federal funds for this at a time of painful efforts to reduce the annual Federal deficit, and when taxpayer's money should be spent on necessary programs to address the needs of the American people.

So although efforts I have supported the past few days to improve specific provisions of this legislation have not been successful, I recognize that the Senate must act. Unfortunately, we are in an untenable position. We must act, and yet all our options are bad. I vote for this legislation with regret and hesitation, but fear the consequences may be even worse if it does not pass quickly.

Mr. HARKIN. Mr. President, I am pleased that a provision has been included in the committee amendment which provides legislative language indicating that farmland will not fall under the 65-percent loan to value rule.

I know that it was not the committee's intention to apply this rule to

farm operations. However, there is some concern that the committee report language might not be sufficient to assure that regulators would not apply the 65-percent standard. So, this amendment is necessary.

I would also like to take this opportunity to note that the general loan to value provisions could in my view create considerable problems to farmers and small businesses.

Clearly, regulators need to keep a watchful eye. But, I am concerned that these provisions may significantly change the priority of considerations by which financial institutions make loans. Presently, loans are made looking at many factors in addition to collateral such as cash flow and guarantees. Legislative loan to equity ratios change this pattern.

Financial institutions which are willing to make a loan for a larger sum than the loan to collateral value might indicate may be forced not to take a collateral position. We may see a higher proportion of unsecured loans which would have the reverse of the intended effect.

I am also concerned about how this rule will work in our present regulatory environment. Loans are continually being restructured. Are we going to see an added cost for new appraisals? Are we going to see loan amounts reduced because of reductions in appraised values? Are we going to see pressures to get inflated appraisals?

Clearly, there have been abuses by some regulated institutions in the types of loans made on the basis of collateralized land. And, that must be stopped. But, I do not believe that the method in the bill is the best solution.

I urge that the conferees closely examine this question as a final version of the bill is developed for the President's signature.

Mr. DOLE. Mr. President, the financial crisis facing the savings and loan industry has been building for quite a while. It did not sneak up on anyone.

Back in March 1986, the Reagan Administration saw the problem and took action to head it off by proposing a $15 billion FSLIC recapitalization. We now know that $15 billion would not have solved the problem, but everyone agrees that if it had been approved quickly we would be facing a much smaller problem today.

Unfortunately, the House of Representatives dragged its heels on this issue for almost 18 months before finally agreeing to a less ambitious $10.8 billion plan in August 1987. It has taken more than 3 years for Congress to face up to the magnitude of this problem. Now, we are finally dealing with this crisis—and paying for the delay.

President Bush, Treasury Secretary Brady, the chairman of the Senate Banking Committee—Senator RIEGLE, the ranking member—Senator GARN, and each member of the Senate Banking Committee, have recognized that another failure to respond to this problem could have critical implications on the entire U.S. economy. To their credit, they have acted swiftly on this issue.

THE NUMBERS

Mr. President, the American people are outraged. They know that this problem could cost more than $126 billion, and that taxpayers will ultimately foot a large part of the bill.

So, this is the time for us to get our priorities straight. The first order of business—after protecting depositors—should be to do everything possible to limit the cost to the taxpayers. And, if this legislation does not solve the problem we will be back.

KANSAS

One issue that obviously concerns me is how this legislation could affect my home State. In Kansas, we currently have 55 savings and loan institutions. According to the December 31, 1988, quarterly reports filed with the Federal home loan district bank in Topeka, 37 of these institutions meet the current 3-percent capital requirement, 5 have between 0 and 3 percent capital, and 13 are insolvent.

When compared to the institutions in the other States under the Topeka bank's jurisdiction, Kansas has done well. The total net worth for the industry stands at 4 percent of assets—higher than that for Oklahoma, Colorado, or Nebraska.

It is difficult to project how each institution will fare under this legislation, but if you look strictly at the numbers, there are only 17 Kansas thrifts that would immediately be able to meet the 6-percent capital requirement contained in this bill.

That means that the other 25 solvent savings and loans in Kansas will be required to raise additional capital between now and 1991 in order to meet the 6-percent target. That is almost 60 percent of the solvent institutions in the industry. Nationally, there are roughly 700 institutions that are in the same boat.

THE DRIVE FOR MORE CAPITAL

I agree with the administration, Senator RIEGLE, and Senator GARN that more tangible capital is needed within the thrift industry to ensure that this kind of problem never happens again. I agree that accounting gimmicks—such as goodwill and deferred loan losses—reduce the size of the capital buffer that insulates the Federal deposit insurance funds, and I agree that those who rely on these gimmicks to meet the capital requirements should be required to support any future growth with tangible capital.

A federally insured industry that is backed by tangible capital poses little risk to the taxpayer, because the industry's capital acts as a buffer between thrift losses and the deposit insurance fund. The fact that these gimmicks were ever allowed has contributed to the predicament we now face.

But, I also think that a forced march to raise capital could be counterproductive. We need to follow the progress of these so-called marginal institutions closely.

A BALANCING ACT IS NEEDED

Increasing the number of insolvencies in the savings and loan industry adversely affects the taxpayers. Obviously, each insolvent institution raises the price tag of financial assistance to the savings and loan industy. More insolvencies mean that there are fewer healthy thrifts that are able to pay insurance premiums. Maintaining an income stream—through premiums—from the savings and loan industry is essential if our goal is minimizing the cost to the taxpayer.

What does this bill do to a savings and loan that doesn't meet the 6-percent capital requirement by the 1991 deadline? It confines their growth to residential mortgage lending and other low-risk activities supported by tangible capital.

One of the reasons why this problem has grown so rapidly is that insolvent institutions have been allowed to grow. In effect, the managers of these institutions have been able to gamble with other people's money, knowing that their losses where backed by Federal deposit insurance.

This bill changes the rules of the game. It does not throw the managers of thrifts who miss the 1991 deadline into the streets. But, it does state that we are serious about limiting the growth of institutions that pose a risk to the deposit insurance funds. Senator GARN has stated and I quote: "We can't allow thrift managers to continue rolling the dice with other people's money." I agree.

REAL ESTATE

The FSLIC is now the largest holder of real estate in the United States. As Senator PHIL GRAMM indicated the other day— and I quote: "The Federal Government hasn't seen this much real estate since the Louisiana Purchase." Any conditions that affect the return on these assets will also influence the final cost of the S&L mess.

The incentives used by the Bank Board in negotiating FSLIC-assisted mergers and acquisitions have been questioned throughout this process. In the past, loan loss guarantees, yield maintenance agreements, et cetera, may have contributed to the size of problem we now face. In some cases, they encouraged acquirers to dump assets in favor of a guaranteed return, and in others, acquirers have held on to an asset despite competitive bids because of favorable yield maintenance agreements.

Certainly, the Federal Home Loan Bank Board's options were severely limited by their limited resources. But, it is not clear to me whether the FDIC will do anything differently than a bank board with more cash.

They should. In my view, the Federal Government needs to strengthen its hand when it negotiates assisted mergers and acquistions. In the future, the FDIC and the Resolutions Trust Corporation must give those who acquire troubled banks and thrifts the kind of incentives that encourage them to maximize the return on the assets in the troubled institution. Our focus should be on solving problems, not merely containing them.

REGIONAL SENSITIVITY TO THE MARKETS

The Financial Institutions Reform, Recovery and Enforcement Act of 1989, S. 774, contains a provision creating 12 regional advisory boards—comprised of experts from the private sector with backgrounds in real estate, development, and finance. I applaud this effort. Sensitivity to conditions in local and regional markets is crucial if we want to ensure a good return on these assets.

Regional economic problems in the southwest, and especially in Texas, have contributed to the development of this problem. But, an emphasis on regional concerns is only a partial solution.

NATIONAL PRIORITIES

National priorities should guide these regional efforts. This problem is not going to disappear on the day that this bill is enacted. The legislation contains a 30-year funding plan. Even if we wanted to, we could not dispose of all of the real estate held by the FSLIC, the FDIC, the Federal Asset Disposition Association [FADA], and the insolvent thrifts in 1 year or 2 years. It's going to take time to work out all of these problems. We do not want to generate a national real estate fire sale, and the committee-approved bill reflects that concern.

I believe that those who will administer the Resolution Trust Corporation should develop national guidelines for the disposition of these assets. I realize that the administration and the FDIC are preparing to hit the ground running on the day that this bill is enacted.

But, it seems to me that the most effective way to reduce long-term costs is to set some goals at the national level before moving ahead with a program. These guidelines should obviously be responsive to regional changes, but the national agenda should set parameters for efforts at the regional level, not vice versa.

In my view, we owe the U.S. taxpayer. We are in the hole for roughly $126 billion. The least we can do is work to get the taxpayers the best possible return on these assets.

CONCLUSION

President George Bush took the initiative on this issue. In doing so, he set the ground rules for the debate. There are a lot of people who would like to see the funding package go through and tinker with the reform package for a few more months. But, that is not an option. We are faced with a $126 billion problem that continues to grow at a rate of roughly $1 billion a month.

The Senate Banking Committee chairman, DON RIEGLE, has done an impressive job under very difficult circumstances. He and Senator JAKE GARN, the ranking member, were able to develop a document that reflects a consensus on the committee.

Mr. President, the members of the Senate Banking Committee are the experts on this issue. Despite the criticisms we have heard over the past few days, there is broad bipartisan support for the major provisions in this plan. I urge each of my colleagues to support this important piece of legislation.

Mr. BOND. I would like to direct a question to the distinguished floor manager of the bill. Section 206(e) of the bill defines the liability of commonly controlled financial institutions when the FDIC incurs a loss with respect to any other "insured institution" under "common control." There has been some confusion with respect to exactly what powers the FDIC attains with the passage of this section of the bill with respect to "other" assets owned and under the same "common control." It is my understanding that under section 206(e), the FDIC has no newly created rights with respect to assets a holding company may own which are held in a non-FDIC insured subsidiary. Is that understanding consistent with the chairman's interpretation of that section?

Mr. RIEGLE. I thank that Senator for his question. Let me suggest to my good friend from Missouri that his and my understanding of section 206(e) of the bill are the same. Under that section, the FDIC is limited in its recourse to other commonly controlled insured institutions and has no new authority, by virtue of this section of the bill, to other assets a holding company may have. However, I do not mean to suggest that the FDIC cannot pursue other remedies against the holding company or its other assets that arise under other provisions of law. But, let me state clearly that "other" assets of a holding company which are not held in an FDIC-insured subsidiary are not at risk due to enactment of this section of the bill.

Mr. BOND. I thank the Senator for clarifying the committee's intent and I certainly agree with his interpretation.

Mr. GARN. I understand that under this bill, the FDIC, may not, when acting as a nonliquidating conservator, exercise any extraordinary power of a liquidating conservator or receiver to interfere with the contractual rights of parties to certain market-sensitive contracts. The only exceptions to this principle are expressly set forth in subparagraph 11(c)(8)(N) and include the right of the FDIC to seek and obtain a stay against judicial actions for up to 45 days under section 11(c)(7). Stays under such section are not by the terms of the statute subject to extension or renewal.

Mr. RIEGLE. I agree with your interpretation of this provision.

FDIC REPORTING TO OMB

Mr. GARN. One part of the managers' amendment would require the Federal Deposit Insurance Corporation to submit quarterly reports to the Treasury and the Office of Management and Budget concerning its financial operating plans and forecasts. I am concerned that this requirement will allow OMB or Treasury to get some sort of regulatory control over the FDIC. Is that my colleague's intention?

Mr. RIEGLE. Absolutely not. I would direct my colleague's attention to the last sentence of section 221(a) of the bill as modified by the managers' amendment. This sentence says explicitly that the new reporting requirement does not imply any obligation by the FDIC to obtain the consent or approval of either the Treasury Department or OMB for its financial operating plans and forecasts. In fact, the managers' amendment made this sentence even more explicit than the similar provision that was in the administration's bill. Under no circumstances should this reporting requirement be used by either OMB or Treasury to get regulatory control over the FDIC.

I do think the reporting requirement is important. There are huge amounts of Federal funds going to the FDIC under this legislation. It is important for FDIC to let the Treasury and OMB know what its spending plans are. I certainly expect that there will be cooperation between these agencies about the meaning of the numbers included in the plans and forecasts.

But again, under no circumstances should this statutory language be construed to mean that FDIC will be subject to the regulatory authority of the Treasury Department or OMB.

Mr. GARN. Thank you for your clarification. I agree that the reporting requirement is a good idea, but I also wanted to be sure that this was nothing more than a reporting requirement. Now I am satisfied.

ACTIVITIES OF THRIFT INSTITUTIONS CONTROLLED BY BANK HOLDING COMPANIES

Mr. HEINZ. I would like to ask one question to make certain that I understand the meaning of title VI and section 601 in particular. Under current law, a thrift that is acquired by a bank

holding company is required to comply in full with the limitations of section 4(c)(8) of the Bank Holding Company Act. Am I correct that nothing in title VI changes that rule and that, in fact, any savings association that is acquired by a bank holding company will have to limit its activities to those permissible under section 4(c)(8)?

Mr. RIEGLE. The gentleman is exactly correct. The language of title VI and the committee report make clear that an acquired thrift must conform its activities to comply with section 4(c)(8) of the Bank Holding Company Act. This is entirely consistent with the Federal Reserve Board's understanding of title VI.

I posed this precise question to Chairperson Greenspan at the hearing held on February 23, 1989. I believe that his response was very clear and comprehensive. He stated:

Section 4 of the Bank Holding Company Act permits a bank holding company to acquire a nonbanking company, such as a thrift institution, only where all of the activities of the nonbanking company are "closely related to banking and a proper incident thereto" or are otherwise permissible under the Bank Holding Company Act, the Board has conditioned its approval of all applications by bank holding companies to acquire failed or failing thrift institutions on the requirement that all of the activities of the thrift institution, including activities carried on directly by the institution and activities conducted indirectly through a subsidiary of the thrift, conform to the nonbanking requirements of the Bank Holding Company Act.

This requirement permits thrifts to continue to engage in all of the traditional depository, lending, trust, and similar activities that represent by far the greatest portion of their business. Only non-traditional, higher risk activities that have not been permitted for bank holding companies or for national banks would be affected by this requirement. As a result, a bank holding company that acquires a thrift institution would not be permitted to engage through that thrift institution, or a subsidiary service corporation of the thrift, in underwriting and selling insurance, underwriting and dealing in corporate debt and equity securities, developing real estate, making equity investments in any company, or any other nonbanking activity, unless the activity is permissible for bank holding companies under the Bank Holding Company Act. Of course, thrift institutions acquired by bank holding companies would be able to conduct insurance activities to the extent that those activities are permissible for bank holding companies within one of the exceptions provided in section 4(c)(8) of the Bank Holding Company Act by the Garn-St Germain Act.

The requirement that thrift institutions acquired by bank holding companies limit their activities to those permissible under the Bank Holding Company Act is necessary in order to prevent thrift institutions from serving as a vehicle for circumvention of the requirements of the Bank Holding Company Act by conducting activities through the thrift that the bank holding company is otherwise prohibited from conducting directly under the Bank Holding Company Act. Without this requirement, a bank holding company could, for example, conduct through the holding company's thrift institution real estate investment and development activities that are not currently permitted under the Act or the Board's regulations because of safety and soundness concerns.

In addition, the Board has authorized bank holding companies to conduct a number of activities only upon the condition that the activity be conducted in a nonbanking corporation in which a federally insured depository institution has no ownership, financial, management or operational control. The Board believes that this structure is important for insulating federally insured depository institutions from the risks associated with non-traditional, higher-risk activities and for assuring that the federal safety net is not used to support these activities. Bank holding companies would be able to evade these firewall provisions by conducting otherwise limited activities under authority granted to the thrift under state law.

The Board has generally permitted thrift institutions acquired by bank holding companies a period of two years in which to conform their activities to the nonbanking restrictions of the Bank Holding Company Act. This requirement does not appear to have raised any significant disincentive for bank holding companies to acquire troubled thrift institutions.

Chairman Greenspan's correct interpretation of current law will not, in any way, be altered by title VI. Thus, I can assure the gentleman that his interpretation of title VI is correct, and I thank the gentleman for his question.

SEPARATE CAPITALIZATION REQUIREMENT NOT AIMED AT BRANCHING RESTRICTIONS

Mr. NUNN. I wish to compliment the Senator from Michigan on his leadership in conducting a 1-day Committee markup on a most complex piece of legislation. I just want to seek clarification on one particular aspect of S. 774 as reported by the Senate Banking Committee by asking the chairman of the committee a question.

Mr. RIEGLE. Yes.

Mr. NUNN. In the Capital Standards section of S. 774 (section 301) as ordered reported by the Senate Banking Committee on April 12, there is a requirement that a savings association's entire investment in and loans to any subsidiary engaged as principal in activities not permissible for a national bank must be deducted from the capital of the savings association. Is it true that a savings association's subsidiary engaged only in activities permissible for a national bank may conduct those activities across State lines, without requiring that the savings association's investment in and loans to that subsidiary be deducted from the capital of the savings association?

Mr. RIEGLE. That is correct. The requirement in question is not aimed at branching restrictions.

Mr. NUNN. I thank the Senator from Michigan for this clarification.

Mr. D'AMATO. Mr. President, in the legislation before us, it is my understanding that in determining capital adequacy, a savings association could include in its capital calculation its equity investment in, and loans to subsidiaries engaged in activities permitted for national banks as well as certain other activities specified in the bill, such as mortgage banking and agency activities. Is that correct?

Mr. GARN. That is correct.

HOUSING FINANCE AUTHORITY PROVISION

Mr. DODD. Mr. Chairman, during the Banking Committee markup, you were kind enough to include a provision that permits State housing finance authorities to purchase residential housing assets from the Resolution Trust Corporation.

The provision is designed to prevent the dumping of housing assets and to funnel any profits into low and moderate income housing. As you know, the provision is permissive and the RTC is supposed to consider the overall cost to the Government. After properly describing the provision, the committee report, at page 42, states that "in the view of the committee, this—the realization of maximum proceeds from the sale of residential assets—is not consistent" with the sale of such assets to HFA's.

Obviously, since we included the provision, I assume that the language is a misprint and should read "this is consistent." Am I correct in my assumption?

Mr. RIEGLE. The Senator is correct. It was simply a misprint in the committee report.

Ms. MIKULSKI. Mr. President, the public has been swamped in the past few months with a flood of publicity about the problems of the savings and loans. We have to take strong, positive steps to reassure Americans that their deposits are safe, and we have to do it quickly.

I took the floor several weeks ago to express my outrage at the go-go boys who have left it up to the American taxpayers to finance their lavish lifestyles. I am still outraged. We find ourselves in a predicament that many people and institutions can take responsibility for. But in most instances, the actions that these people and institutions took over the past few years were motivated by one goal: they were trying to preserve the savings and loan industry, an industry that has helped millions of Americans buy a home.

But there is one group who was not acting with the best interests of their depositors in mind, who were trying to feather their own nests. I want to make sure the bill we are considering today makes it easier to take appropriate action against them. These high-rollers used the money that their depositors entrusted to them—and that the Federal Government was backing up—to buy Rolls Royces and pay for extravagant parties, parties we now have to foot the bill for.

S. 774 increases the penalties for people who violate the public trust. It authorizes $50 million for a Treasury Department strike force to investigate and prosecute wrongdoers. It authorizes the regulators to assess civil penalties if an institution's books aren't in order. It increases the civil and criminal penalties for bank-related crime such as embezzlement, bribery, and fraud. And it expands RICO, the Government's most effective tool for going after white-collar criminals. I support those penalties.

Mr. President, when I started to analyze this bill, I asked four questions:

First, is the depositors' money still going to be safe?

Second, who is going to pay for this?

Third, how are we going to make sure we do not get into a mess like this again?

And fourth, are we going to make it easier to penalize the crooks who used the thrift industry as their financial playground?

There is an easy answer to the first one. Of course the depositors' money is going to be safe. We are engaged in this whole effort because we are firmly and unequivocally committed to guaranteeing the deposit of every single person or institution who's put up to $100,000 in a savings and loan account.

There are not any easy answers to the other three questions. But I want to commend Chairman RIEGLE and the Banking Committee for coming up—in near-record time—with a bill that at least heads a long way in the right direction.

So, who is going to pay for this bailout? The best estimates I've seen say that the American taxpayers are going to pay $70 billion over the next 10 years, and the savings and loans about $30 billion over the same period. I do not know whether that is the ideal balance, but it is a lot of money. It is money that we certainly could have used for more worthy causes.

Does this bill keep a crisis like this from happening again? I don't think anyone can forecast that. When we tried to help the thrifts keep their heads above water back in 1983, we thought our efforts were going to help. Now, we are being told that we just made the situation worse.

Our society has gotten so complex, and every aspect of our life has become so interconnected, that our actions here on Capitol Hill can have any number of unforeseen, unintended negative consequences.

I think the administration and the Banking Committee have come up with a bill that makes some good structural changes. They have tried to deal with the potential for conflict of interest in the present structure by moving the regulation of savings and loans into the Treasury Department.

But the best way to keep the big guys honest is with supervision and management control. The American taxpayers are now forced to put their hard-earned tax money into these institutions. They deserve a guarantee that the Federal Government will hire qualified people—and hire enough of them and pay them a competitive salary—to put the green eyeshades on and keep track of every taxpayer dollar that is pumped into the thrift industry.

For too long, we have let the people in the White House bash the bureaucrats, and, at the same time, asked those same workers to take on bigger workloads. We have asked them to enforce incredible complex laws, and then chastised them when they run into difficulty putting out the needed regulations.

Mr. President, I stand here today to tell you that it will not make much difference what regulatory changes we make today—and we're making some potentially good ones—if we don't give the necessary tools to the people we're asking to do the dirty work. We need more prosecutors to put the go-go boys away. We need investigators and auditors who will not let shady manipulators cook the books. And we need people who know the financial business inside out, who can figure out when a savings institution is headed down the wrong path, and who can tell them what they've got to do to straighten themselves out.

We're spending around $100 billion, according to the Congressional Budget Office, over the next 10 years to pump new life into this industry. Seventy percent of that will come out of the taxpayers' pockets. If this bill does not help us make sure that every single dollar is well spent—and I hope it will—we will have to answer to a justifiably irate constituency, a constituency that already feels that it has been defrauded, deceived, and double-crossed. They deserve a guarantee from us—from all 535 Members of Congress—that we are going to be a responsible guardian of their interests.

Mr. HEFLIN. Mr. President, I rise today to address S. 774, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, more commonly known as the S&L bailout plan.

Mr. President, we are searching for a fast and sure cure for a problem which has slowly been brewing over the past decade. But there is no quick fix for this crisis. I want to commend President Bush for his quick action in the plan to reform and recapitalize the system. I would also like to applaud the Senate Banking Committee for the speedy way in which they have addressed this crisis.

Although I do not agree with the entire S&L bailout plan, it is a good, solid plan, one with which I generally agree. Clearly, there is no cure-all for this crisis. No one can be happy with the entire plan, but I, like many of my colleagues, am pleased with the majority of the provisions in the bill.

However, Mr. President, I am unhappy over what has occurred in recent years in regard to the actions or rather the lack of actions on the part of the S&L regulatory body. The work of the Federal Home Loan Bank Board examiners has certainly not been applaudible. The inadequacy of examiners to discover poor account and loan practices is unforgivable. During the early 1980's, the number of thrift supervisors was cut, while the Federal Home Loan Bank Board allowed purchasers with weak capital commitments into the S&L industry. These two factors combined were instrumental in bringing about the crisis we are now facing.

Granted, we cannot blame the examiners or the Bank Board alone. This crisis was created by many means, including the lack of supervision by the Federal Government. Other causes for this crisis are the loss of capital resulting from a jump in interest rates in the late 1970's and early 1980's; the collapse in energy and farm prices which caused a regional depression in real estate values; and the 1986 Tax Reform Act's elimination of the tax benefits for real estate investors, just to name a few.

While we cannot address the causes for the S&L crisis which are beyond our control, we can resolve the situation with the means we have at our control. We must pass this bailout plan immediately; we must stop the hemorrhaging of the financial institutions; and we must give the public renewed confidence in the system as a whole. It is up to the administration and Congress to give the public a reason to believe in the system again.

Mr. President, I believe that we must search out and prosecute the violators of the system, particularly those who committed fraud and insider abuse. The U.S. Attorney General's Office estimates that 25 to 30 percent of savings and loan failures can be attributed to fraud. The House Government Operations Committee arrived at a much more conservative estimate in which three-quarters of the more than 500 S&L insolvencies appear to be linked to fraud and misconduct.

Mr. President, fraud and embezzlement amounted to over $2 billion in 1988, alone, and this was only in cases of insolvent federally insured banks and savings and loan associations. And taxpayers will be asked to foot a large portion of the bill. Taxpayers will be responsible for blatant violations of the law, something over which they had no control. Certainly, taxpayers have every right to be angry.

Today, American taxpayers are faced with the possibility of paying be-

tween $100 and $150 billion to rescue the savings of depositors in thousands of banks and savings and loan associations across the country. If we must ask American citizens to assist in shoring up the S&L situation, we must at least be able to assure them that those responsible for fraud and abuse will be vigorously prosecuted.

I sincerely hope that we will not lose sight of what we must accomplish in this bill. We must find a speedy solution to an ever increasing crisis, and we must find it now.

Mr. ADAMS. Mr. President, we are here today to consider legislation to restructure the crisis-ridden savings and loan industry. I am very aware of the very hard work exhibited by the Senate Banking Committee. Both Senator RIEGLE and Senator GARN have provided excellent leadership throughout this deliberation.

Accordingly, Mr. President, let me first say that I will be supporting this legislation. However, my support comes with much reluctance and deep frustration. Like many of you here in this Chamber I have received mail and phone calls throughout my State asking why we should be paying for the mistakes of an industry, when other social needs go begging. Mr. President, I want to take this time to explain my vote to my constituents and the citizens of this country.

Mr. President, this bill does in fact provide for the expenditure of approximately $130 billion in taxpayer money, along with another $44 billion to be provided by the thrift industry over the next 30 years. This amount of money is incomprehensible to the average taxpayer. This bill proposes to utilize these funds over the years to compensate and protect the depositors in the hundreds of failed thrifts throughout the country.

I want to make it clear, Mr. President, that I am appalled that we have reached this point in the crises. Consequently, I only support this bill because of the millions of innocent depositors and the majority of honest thrifts that would be permanently injured if we did nothing. Nonetheless, I heartily endorse provisions in the legislation that strengthens thrift and bank regulators to order restitution, assess a civil money penalty, increase civil and criminal penalties for financial institution-related crimes, such as bribery, embezzlement, and bank fraud, and authorizes additional money for the Department of Justice to investigate and prosecute financial institution crimes.

I also believe this legislation is a prime example of what happens when an industry seeks and receives fast track deregulation. Congress was told by the thrift associations that they could responsibly handle less regulation. What happened was not responsible, it was tragic. While this legislation may be necessary at this time I think it serves as a warning to every Member of the Senate and House. Government does have a role in protecting and preventing this type of rampant irresponsibility. And taxpayers have a right to ask why these institutions were allowed to go unchecked for so long and why they must now pay for the cleanup.

Fortunately, Mr. President, I can say that thrifts in Washington State are considered strong and healthy. Many of these institutions retained their strength because they stuck to the basics. That is, working to support the housing industry for the average working person in our big cities, small towns, and rural counties. Let me further say, Mr. President, had the thrifts in the State of Washington paid into their own separate State account, that system would be perfectly solvent today.

Nationwide, Mr. President, depositors are nervous. In December of last year, deposits dropped a record $8.1 billion. We need to act now, Mr. President, and as I have indicated, I will be supporting this bill. However, I expect that throughout the implementation of this new recapitalization and restructuring process, the taxpayers needs will be kept in mind.

Mr. KERREY. Mr. President, yesterday, as I argued for an amendment to S. 774, I declared that I intended to vote for the bill even if the amendment I offered failed. I have reached the conclusion that I cannot vote "yes" just to go along or just because something must be done about the S&L crisis.

I understand that something must be done. The urgency to act is apparent. I am prepared to spend the hundreds of billions of taxpayer dollars needed to meet the Federal Government's obligations to S&L depositors.

I am also prepared to toughen the regulatory environment so that we can keep gamblers out of the thrift industry. We do not want to continue to provide a taxpayer guarantee on deposits made in institutions operating under an unsound speculative investment philosophy.

However, I will vote "no" on this bill because of the following objections:

Insufficient accountability. There are two issues here. The first concerns our responsibility to be fiscally accountable to the American taxpayer. In voting to spend billions of taxpayer dollars we should support the approach that lessens the burden on the taxpayer. Senators GRAHAM and RIEGLE have attempted during the course of this bill to address this problem. Unfortunately, their efforts failed.

The second issue is that of the broader question of political accountability. In establishing the Resolution Trust Corporation, we have a responsibility as policymakers to craft a structure that is also politically accountable. My amendment would have addressed this issue.

Regulatory concentration. I fear that the dramatic increase of power given to the FDIC under this bill will overwhelm that agency's resources and expertise. Thus, the objective of improved oversight will not be reached and we will have overachieved the objective of greater regulatory control.

As it now stands the bill is unfairly weighted against small banks and savings and loan institutions. Larger banks will have a much easier time with appeals and proposals intended to achieve regulatory fairness.

Finally, in the absence of a full discussion of a best and permanent solution, which this spending program—one that rivals the Marshall plan—deserved, I remain skeptical. This proposal should be subjected to a more complete scrutiny of the full Senate.

Again let me state clearly: I am prepared to vote for the money needed to stop the hemorrhage of losses. However, my concerns about accountability and excessive regulatory concentration do not permit me to accept every recommendation made by the Banking Committee and the administration on a take it or leave it basis. If that is my only choice, on behalf of American taxpayers, borrowers, depositors, and financial institution operators, I cannot accept.

Mr. ROBB. Mr. President, if my information is correct, FDIC insured State chartered savings banks in the States of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania, and New Jersey are allowed to invest in real estate joint ventures without having the capital that is devoted to these activities subtracted from the net worth of the institution.

These institutions have been operated prudently and are well managed under FSLIC's supervision. It seems unfair to me for us, at a time when we are turning over supervision and regulation of FSLIC-insured institutions to the FDIC, not to allow those healthy and well-run FSLIC institutions to continue the activities that for many have been so profitable over a number of years.

I would not propose that we restrict the activities of the FDIC-insured State savings banks of New England, but only that the conferees devise some mechanism whereby a limited number of activities such as joint ventures in real estate might be allowed healthy and prudently run thrifts under the new management of the FDIC. It is only fair that all savings institutions supervised by the FDIC be accorded the same powers.

Mr. GRASSLEY. Mr. President, I, too, would like to express my support

for this bill. The tasks of the Senate Banking Committee are not envied by most of us. No doubt, the task has been difficult.

LOAN-TO-VALUE AMENDMENT

The committee has been responsive to input from Senators. Last Friday I wrote to Senator GARN and Senator RIEGLE about a section in the bill which I fear would have greatly restricted credit to farmers.

The provision to which I refer would have restricted all depository financial institutions from issuing loans on raw land for more than 65 percent of the value of the land. Under this restriction, the only way a farmer could purchase land is to have either a lot of cash, for a 35 percent downpayment, or a lot of collateral.

This section of the bill does not make a distinction between performing land and nonperforming land. In other words, it does not differentiate between land that is in agricultrual production and land that is sitting idle waiting for commercial development.

The committee report does specify that "this—limitation—is not meant to affect loans to active farming operations secured by agricultural land." While I take note of and appreciate this, report language isn't the law. Federal agencies find plenty of ways to circumvent report language.

Mr. President, it is my understanding that the report language exempting agricultural land is now included in the committee amendment. This statutory exemption for agricultural land from the 65 percent restriction on loan to value will enable many farmers to continue doing business with their commercial banks.

I thank Senator MITCHELL and Senator GARN for their insightful cooperation.

CONCERN ABOUT ENFORCEMENT POWERS

Mr. President, some of the sections of the bill which I support most are those provisions for swift and sure detection and prosecution of fraud and criminal activities. Indeed, these are the provisions which my constituents demand. The letters I have received from Iowans are very clear in their message: "Nail the Crooks!"

With this in mind, I want to take a minute to commend my colleagues on the Judiciary Committee: Senator BIDEN, the chairman, and Senator THURMOND, the ranking member, for drawing up a package of sanctions that compliments the work of the Senate Banking Committee.

I am confident that those who gain excessive amounts of money, cause significant harm to the Government, or who jeopardize the safety and soundness of a financial institution should—when appropriate—receive the maximum penalty allowable under Federal law.

Congress' intent has been made clear: Every defendant who commits a particular offense described under this act—without mandating to the Sentencing Commission—must be liable to a maximum of 15 years of incarceration.

Congress' intent is to direct the Sentencing Commission to amend its guidelines and include specific offense characteristics—such as the fact that the offense was committed against a federally insured financial institution; the potential effect upon the community being served by the financial institution; the amount of loss caused by the offense; and the effect upon the financial community—in the guidelines, as they relate to financial institution fraud.

This will ensure that there is a substantial increase i the period of incarceration for defendants who jeopardize the safety and soundness of our financial institutions.

In addition, the amendment increases the maximum criminal fine for ten offenses under this act to $1 million or twice the amount of gain or loss resulting from the offense.

Finally, there is a sunset on the provision in the act that sets the statute of limitations for offenses committed under the act, from 5 to 10 years. The 10-year limitation will be in effect until January 1, 1995, at which time it will be reduced to 7 years.

While these new provisions of the act may not be perfect to either the prosecution or the defense, it is a constructive step in the right direction. If, after enactment of this act, I can be shown that—in order to conform to congressional intent—improvements need to be made, I will gladly consider amendments to these enforcement provisions in the act.

CONCERNS ABOUT THE FDIC

Obviously, the ultimate goal of the FDIC is to preserve the integrity of the insurance fund. This enables the FDIC to protect the deposits of bank customers. Appropriately then, the mission of the FDIC, in relation to its liquidation functions, is to achieve the highest possible return on the sale of assets—at the earliest practical time—in the most cost-efficient manner.

But applying this approach with tunnel vision can overlook the individual circumstances of each case. It can have a detrimental effect on individual borrowers caught in the middle of impossible circumstances. Such tunnel vision also has profound consequences on an already damaged local economy.

A common practice of the FDIC is to package loans for bulk sale to an investor. This prevents the individual attention that FDIC should give to its borrowers and their particular cases. At the present time, the bulk sale policy of the FDIC gives no consideration to whether the investor acquiring the loans will treat the borrowers in the same manner as the local bank would.

It is especially critical whether the buyer of the loans understands the business and economy, such as in agricultural States. It's unlikely that an investor would have the same perspective as a local bank in dealing with its borrowers.

In the case of bulk sales, the only bottom line for FDIC is the bottom line.

I saw the effect of this within my own State as dozens of banks were closed over a period of a few years. During 1988, the FDIC sold 2,200 loans in Iowa—with a face value of $48.5 million—for $15.2 million, or 31 cents on the dollar. The loans were sold out of State, to a company based in Illinois. The Illinois based firm's actions toward the borrowers became the subject of a Chicago Tribune article last October.

The article describes how a number of borrowers complained that "their efforts to settle with the FDIC mysteriously fell apart in the weeks before the agency sold the loans * * * for an average of 31.5 cents on the dollar."

One agency that negotiates for farmers reported having 100 cases of farmers who thought they were close to settling their loan, only to have the rug pulled out from under them when their loan was sold.

With this bill, we are now facing the prospect of charging FDIC with this same responsibility over the loans from failed institutions under FSLIC. I recognize that the larger share of this responsibility will be conducted by the resolution trust corporation. However, I hope that the RTC will not repeat some of the techniques of the FDIC. Also, because the relationship between the RTC and the FDIC is unspecified, I hope that the committee will carefully examine the liquidation practices of the FDIC before giving them control over even more assets.

For those in our farm communities, it is just not acceptance to add the insult of dealing with carpetbagging loan collection firms on top of the injury of a failed banking institution and a farm economy struggling back to its feet.

Mr. President, I raise these concerns in the hopes that the conferees will take them into consideration when the House and Senate begin their negotiations.

Mr. BENTSEN. I am pleased that this legislation is getting expeditious consideration. I commend President Bush for recognizing this problem and promptly proposing this legislation, and I commend the distinguished chairman of the Senate Banking Committee, my good friend Senator DON RIEGLE, for moving it along so quickly.

Mr. President, this legislation addresses several vital concerns. Foremost, it recognizes that our financial system is based on trust and confi-

dence. The supply of both is getting shorter as the public watches the estimated losses in our troubled thrift industry grow at a rate that has been estimated to be as high as $40 million per day. Moving this bill quickly will staunch that bleeding and assure the world that we do indeed stand behind our Deposit Insurance System.

One of the major concerns I have with this issue is the cost. When the Deposit Insurance System was founded over half a century ago, the American public was assured that their deposits were safe. In effect, a blank check was written against the Treasury. That check has now been presented for payment, and we have no choice but to honor that commitment.

However, the American taxpayer has every right to expect that we will act to minimize the cost. We will honor the commitment, but let's not goldplate it. There are several ways we can keep the cost down.

One way to minimize the cost, as I have already mentioned, is to act quickly. We are doing that.

Another way to minimize the cost is to keep down the number of failing financial institutions, whether banks or thrifts. To do that, every effort must be made to strengthen the local economies in distressed areas. Also, every effort must be made to keep individual borrowers going when there is a reasonable probability of a successful workout. A man with a stake in a business or a piece of property will work 24 hours a day to make the payments on that note. I know—I spent 16 years in private business. I had some of those sleepless nights myself.

If the regulators force the bank to take that property away, it will be run by a bank or S&L property manager. He will have a number of properties to take care of, and he won't lose too much sleep over it. Worse still, if the regulators close the bank or S&L, the property then winds up with a Government agency and its value plummets. The paperwork to buy it back into the private sector may cost almost as much as the property is worth.

So we will be much better off leaving that property in private hands whenever it is economically feasible. That remains the responsibility of the regulators. Congress cannot make those detailed decisions. I urge the administration to adopt that kind of a policy and to work hard at implementing it.

The best way to minimize the cost of cleaning up this unpleasant mess is to get top dollar for the taxpayers when the Resolution Trust Corporation disposes of these assets. We as taxpayers have no choice but to fund the cleanup, but we can and must demand that the cleanup be done well.

The RTC and the Federal Deposit Insurance Corporation are going to have to work hard to avoid depressing local markets. They will control billions of dollars' worth of assets, in some cases having huge concentrations in terms of local markets. If those assets are dumped on the market the consequences could be terrible for the economy of Texas and other hard-hit States. I do not know where the bottom would be in the real estate market.

I am very pleased that language has been added to the bill in the Senate Banking Committee which strengthens the bill in this critical area of asset disposition. I commend my distinguished colleague from Colorado, [Mr. WIRTH], for his strong leadership role in that effort and I fully support him.

This language is helpful, but no amount of bill language can guarantee a favorable solution to the asset disposition issue. The rubber meets the road in the executive branch, in the Resolution Trust Corporation. The day-to-day decisions made there will have a very major impact on the economic health of large parts of our country and on the overall cost of this legislation.

This bill gives the administration the tools that the President asked for. I trust that these tools will be used wisely and well. I learned in my years in business that you can expect what you inspect, and I will be working to see that the appropriate committees and agencies take a very close look to see that this job is done right and these funds are spent wisely.

Mr. President, this bill is not perfect. Far from it. But legislation to strengthen our financial system is long overdue, and I urge the Senate to pass this bill promptly.

STRUCTURE OF THE BOARDS OF THE FEDERAL HOME LOAN BANKS

Mr. LOTT. Mr. President, I wonder if the chairman of the Banking Committee would yield to me for the purpose of engaging in a brief colloquy with him.

I was very concerned that S. 413, as originally introduced by the chairman and the ranking Republican member of the committee at the request of the administration, would have altered the requirement that each State shall be represented on the board of directors of the Federal Home Loan Bank for that region.

It is my understanding that under the committee print as reported, S. 774 retains the requirement in current law that each state in a Federal Home Loan Bank district shall have at least one representative on the board of directors of the Federal home loan bank for that district.

I ask the chairman whether my understanding is correct?

Mr. RIEGLE. Yes, the Senator's understanding is correct. The bill does retain the requirement that is in existing law with respect to the representation of each State on the board of directors of each Federal home loan bank.

Mr. LOTT. I thank the distinguished chairman of the committee and just want to add that I hope that the chairman will work to make sure that this requirement is maintained in conference.

Mr. HATFIELD. Mr. President, I rise to support enactment of S. 774, the Financial Institutions Reform, Recovery and Enforcement Act of 1989, but I do so with great reservation.

Certainly one of the most pressing domestic economic problems facing the country is the crisis facing the savings and loan industry. The number of insolvent savings and loan associations has risen dramatically during the late 1980's. In fact, between 1980 and 1988 over 500 thrifts have failed, more than 3½ times as many as in the previous 45 years combined. Thrift failures have already cost the FSLIC almost $80 billion and estimates of the future cost of shutting down or selling the many failed S&L's, primarily in Texas and the Southwest, range from $50 to $150 billion.

The crisis is, obviously, a serious one and no one is happy with the likely cost of the solution. However, all are agreed that maintaining the stability of the S&L industry, and ensuring the continued viability of its mission to provide home mortgage financing, are goals of the utmost importance. To that end, S. 774 is an ambitious and complex response to the need for recapitalization and restructuring of the thrift banking system.

Mr. President, my concerns stem from the realization that not all thrift institutions are failing, or have made poor investment decisions or are run by poor management. Indeed, Oregon savings and loan associations are quite healthy and have an excellent record in terms of financial stability and quality of management. However, it is these healthy Oregon thrifts that must bear a somewhat unnecessary financial burden for the mistakes and the omissions of other S&L's in other parts of the country.

In particular, I would have preferred that the Chairman of the newly created Federal Home Loan Bank System be given additional limited discretion to briefly extend the time period within which thrift institutions must meet the new tangible capital standards, where appropriate. Such additional discretion would provide the administration with a safeguard against the possibility that many healthy but slightly undercapitalized institutions, while making substantial progress, would be unable to meet the bill's new capital standards within the timeframe currently provided. A strict interpretation of the provision regarding the capital standard timeframe will unnecessarily, and perhaps fatally,

impact the earning capacity of healthy savings and loan institutions, many of which operate in Oregon. Such a result should be avoided, especially when doing so would not run counter to the purpose of the legislation.

Because of the true emergency nature of the problem and the need for quick action, I will vote for this bill; but I do so with great fear that many of the bill's provisions will severely and unnecessarily impact the earning capacity of healthy thrift institutions, thereby exacerbating the very problem which S. 774 seeks to remedy.

Mr. DOMENICI. Mr. President, I am pleased to rise today to commend my colleagues on the Senate Banking Committee for their work on this critical legislation, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

Also, I would like to take this opportunity to extend credit to President Bush. Without his deft leadership, decisive action, and determination we would not be here today.

I will cast my vote in favor of S. 774. No matter how painful, there is no escaping the duty to act on this difficult issue. For every month we delay, it costs the Federal Government nearly $1 billion. For years the Congress has struggled with the various thrift crises. We created the net-worth certificates, granted new powers, accepted regulatory accounting standards, invented supervisory goodwill, and issued FICO bonds, all in an attempt to buy enough time to turn around the unprofitable thrifts. In the meantime, the problems only seemed to get worse. I am convinced that part of the problem was that Congress did not provide enough resources for regulation and oversight. Simply put, there were not enough cops for this rapidly changing deregulated marketplace.

Having said that, I want to make one point clear. I am not voting to bail out the savings and loan industry. I am supporting this legislation because I believe we must live up to our commitment to protect deposits in institutions insured by the Federal Savings and Loan Insurance Corporation.

I know that some have criticized this body for our willingness to commit Federal funds for this purpose at a time when new spending initiatives are constrained by budget deficits. These arguments miss the point in my opinion. We had no choice in this matter. We have an insurance obligation that must be fulfilled.

I have carefully reviewed each of the various funding options—requiring the Federal Reserve to pay interest on its deposits held by the S&L's, selling the assets of Freddie Mac, the imposition of various user fees, and placing an excise tax on junk bonds—the proceeds of which would be used to refinance the FSLIC. I feel strongly that the package we are considering today is the best option we have at this point.

Mr. President, there is plenty of blame to go around for the events that have led us to where we are today. I will not add my voice to those who are eager to assign this blame. Instead, I believe we must focus on the lessons learned and fix what has been malfunctioning. S. 744 is a meaningful reform package that achieves this goal.

S. 774 is a reasonable step toward solving the problems facing the ailing thrift industry. I believe this is the best solution given the current magnitude of the problem. It is a farsighted solution that will ensure we do not find ourselves in this situation again. I would have preferred to find a solution that did not involve the use of taxpayer funds. I also have some concern about the continuation of the special assessment fee and increasing thrifts' premiums. On the one hand, the industry should self-finance the insurance fund. On the other hand, if the premiums are set too high too soon, we could force more thrifts into insolvency. I hope we have crafted a workable formula. I urge the Banking Committee to closely monitor the impact that the new premiums have on the S&L's that are on the edge of insolvency.

I am particularly pleased with the Senate bill because it goes far toward resolving the thrift crisis, while maintaining the ability of the district banks to support housing finance.

I am not in agreement with those who believe this country does not need a thrift industry. I firmly believe we do. Mr. President, we have a problem today and that problem is the lack of affordable housing. Thrifts are one solution to this problem. More than half of the dollar volume of housing loans are made by thrifts. In many of the communities in my State, thrifts are responsible for financing all of the home mortgages. If we did not have a thrift industry our job today would be to create one.

I am particularly supportive of the provision of the bill that strengthens enforcement and increases penalties for fraud against financial institutions. I firmly believe that Congress and the administration should do all in their power to recover funds that were mismanaged or used for fraudulent purposes. Earlier on in the 101st Congress I joined Senator BOND as a cosponsor to legislation that would increase the penalties beyond the scope of this bill. I am hopeful that the committee will act on this important bill. It is unfortunate that the recoverable funds that were lost to fraud are only a small part of what is needed to bring the FSLIC on its feet.

In the State of New Mexico, the problem is not as pervasive as it is in some other States in the Southwest. Currently, there are five thrifts in my State that are in receivership. Relatively speaking, I know this is a small number. However, there are several thrifts that are viable, but literally hanging by a thread. These thrifts can be saved if we act quickly and do not act to impose any new unreasonable burdens.

The committee should be commended for addressing the junk bond issue. Further, I know that other Senators have expressed their concern for the use of junk bonds on the floor today.

I am very pleased that this bill recognizes the risk junk bonds pose to savings and loan institutions. In 1985, I introduced the Junk Bond Limitation Act which would have required all federally insured financial institutions to abide by uniform limitations on their junk bond ownership and participation. I reintroduced this same bill in 1987.

In March 1985, the Federal Home Loan Bank Board conducted a study and found that FSLIC-insured institutions and their subsidiaries held 5.1 billion dollars worth of junk bonds. By September 1986, their holdings had increased to $7.2 billion. The numbers have continued to grow at an alarming rate.

It troubled me that FDIC and FSLIC were insuring such risky investments. It also troubled me that the rules were not uniform. State chartered, federally insured institutions could own any amount of junk bonds, but federally chartered S&L's were limited to having not more than 10 percent of their assets in junk bonds. Banks could hold, a lesser percentage of their assets in junk bonds.

I am very pleased that this bill includes the key provisions of the Junk Bond Limitation Act. I think this is an important move toward greater safety and soundness. The officers and directors of federally insured institutions should not be investing in junk bonds and the U.S. taxpayers should not be insuring against their losses. It shouldn't be heads the officers and directors win, tails, the FSLIC and FDIC loses.

The bill provides that a State thrift may not maintain more than 11 percent of its assets invested in junk bonds—whether directly or through a subsidiary—unless it has enough capital to satisfy the new, fully phased-in capital standards that will apply to thrifts as of 1993. In addition, a State thrift must apply to the FDIC within 90 days of the date of enactment for permission to maintain more than 11 percent of its assets in junk bonds.

I recognize that GAO was more concerned about real estate investments made by S&L's, however, I think this

might be one occasion where Congress imposes the restrictions before the problem gets out of hand.

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 is a well-crafted piece of legislation that will help end the crisis threatening the FSLIC. My support for this legislation is absolutely contingent upon a meaningful package of reforms in the regulation and supervision of the savings and loan industry.

A key component of this legislation is increased capital requirements. The goal is to have the S&L's and banks maintain 6 percent level of capital. This is déjà vu. It used to be that 6 percent was the capital requirement for safety and soundness of our financial institutions.

The regulation restructuring plan is also déjà vu. In 1956 a very similar plan was proposed and defeated in the House of Representatives.

On May 17, 1956, President Eisenhower sent to Congress Reorganization Plan No. 2. It provided for a complete split off of the FSLIC from the Board; the Corporation would have been administered by an entirely separate three man board of trustees. This proposal was included in the recommendations of the Hoover Commission.

I can't help but lament about how much taxpayer money we could have saved if we had enacted this reorganization plan back then.

Mr. President, there are certain standards that FSLIC reform legisation ought to meet. Insured deposits should be protected, taxpayer dollars should be used at a minimum and only as a last resort. And, since taxpayer dollars are expended, there must be a full accounting to the President and the Congress.

Additionally, reform of the regulatory and insurance system is mandatory. Finally, the reform package should be designed to ensure that we do not revisit the problems that currently face FSLIC.

S. 744 meets the requirements.

Mr. GRAHAM. Mr. President, it seems to me that this legislation is based on several premises. Let me suggest three of those premises, what I think are some of the implications and what course of action our passage of this legislation today now causes us to have the responsibility for undertaking.

The first premise is that the savings and loan industry is economically viable at its current and expanded level of operation. That premise is ingrained in the legislation, both financially, wherein the savings and loan industry's share of paying the cost of this resolution is predicated on its economic strength and its ability to grow at a rate in excess of 7 percent a year over the next 10 years. It is also a basis upon which much of the regulatory scheme was developed.

If we were wrong in that assumption, that the savings and loan industry is economically viable at its current and expanded size, then we face the prospect of having artificially, by Government action, attempted to prop up an industry that the economics will not support and thus run the risk of further costs to the American taxpayers.

A second premise is that the congressional standards, especially in the capital area of this legislation, will be viewed on a case-by-case basis by the regulators. And where those regulators find that the application of standards in a particular case constitute an unsafe condition, either for the institution, the industry, or the insurance fund, that they will intervene and intervene promptly.

A third premise is that the cost of resolving the new cases, those cases that have not yet been brought to our attention, will be no more than $50 billion.

I am frankly concerned about that estimated figure. In a recent article in the American Banker, it was pointed out that the estimate is predicated on the fact that those institutions which are most vulnerable to future failures have a total depositor base of $400 billion, an asset base of $350 billion, and therefore the net cost of resolving those cases is $50 billion.

The difficulty with that mathematical analysis is it assumes that we will be able to recapture close to 100 percent of that asset base, $350 billion, while our recent experience has been that there has been a substantial diminution in what could actually be returned from the asset bank of faltering or failed institutions.

Again, Mr. President, vigilance on the part of the Congress and the administration will be necessary so that we do not break faith with this premise that the maximum we will be asking the American taxpayer to contribute is the interest necessary to pay for $50 billion of new resolutions as well as the responsibilities of the American taxpayer for those resolutions that have already been completed.

With those three premises in mind, I would like to suggest the following conclusions to this chapter of what will be a long book on the savings and loan crises of the 1970's and 1980's.

One is that we need to pay close attention to what will be happening in the conference committee over the next few weeks. This Senate went to great lengths to try to assure itself as to what regulatory and financial standard would be included in this legislation. We now have a responsibility of assuring ourselves and the American people that those are not lost.

Second, once this legislation becomes law it will be our responsibility to exercise close oversight. If there was a criticism of this institution over the past few years, I would suggest that it has been the absence of that close oversight of this industry. We should not have reached a position where the industry could have fallen on to such a sorry state without our appropriate membership being alert to that circumstance. We cannot allow that lack of attention to occur again.

But, third and finally and most importantly, this legislation that we have passed is legislation of the administration. The administration in the fall of last year was singularly responsible for the Congress not passing legislation that would have established an independent commission to review the state of the savings and loan industry and recommend to Congress an appropriate legislative resolution. The administration very specifically, and very candidly and openly, assumed the responsibility to develop such legislation. In February, it realized on that by submitting the legislation to this Congress.

The Congress today, the U.S. Senate, has essentially accepted the outlines of the resolution which were recommended by the administration. It is now the responsibility, or soon will be with the final passage of this legislation, for the administration to accept its obligation to see that this legislation is fully and faithfully discharged, and discharged in a way that does not exceed the already enormous costs that we are about to impose on the American taxpayers as the necessary public contribution to the resolution of this economic page of tragedy in America's economic history.

Mr. President, my remarks today are a summary of where I think we are as of now. It will be all of our collective responsibilities to participate, to shape, and to carefully monitor the events of the future so that the expectations of the American people as we have expressed them will be realized.

Mr. MOYNIHAN. Mr. President, as this distinguished body debates legislation to reform and recapitalize the Federal Deposit Insurance System, I rise to note that it imposes a disproportionate cost on the taxpayers in the Northeast-Midwest region. As cochairman of the Northeast-Midwest Coalition, I would like to draw attention to a recent report by the coalition that contains some good analysis on the relative burden imposed by the savings and loan crisis.

Consider some facts from the coalition report. In 1988, FSLIC took action on 223 insolvent thrifts at an estimated cost of $38 billion in 1988 dollars. Texas accounts for 65 percent of the total cost of these actions, or almost $25 billion. No other State

came close. California accounted for just over 14 percent of the costs. Almost 80 percent between these two States. Almost one-half of the States had no bailout costs at all. None. The 18 States in the Northeast-Midwest region together accounted for only 10 percent of the total cost of the actions, with Illinois being the major component. Eleven of the States had no costs at all. Among these were New York and all six of the New England States.

Clearly, the bailout problem tends to be concentrated regionally, and is one that has resulted from the poor performance of a very few States. And the coalition has presented evidence that we should look for the cause of this disaster more in lax State regulation than in some systemic problem or economic circumstances beyond the control of Government. Indeed, the savings and loan problem represents an example of the need for greater Government oversight in the financial services industry.

The Congressional Budget Office estimates that taxpayers will pay 70 percent of the total cost of the thrift bailout plan recommended by President Bush. Using this guideline, the coalition has calculated the burden of the bailout costs on the presumption that each State will be faced with a bailout bill equivalent to the share of the State's Federal tax burden. Thus, if for example, New York pays 8.8 percent of Federal taxes, which it did in 1988, New York will be asked to pay approximately 8.8 percent of the bailout costs—assuming New York's tax payments remain fairly consistent for the period of the bailout costs.

If we look at the 1988 bailout costs of $38 billion, and apply the 70-percent taxpayer amount, or $26.7 billion, the Northeast-Midwest region taxpayers absorbed $12.5 billion of the costs, but were responsible for only $3.7 billion of the damages. Conversely, taxpayers in Texas, which has thrifts responsible for $25 billion in taxpayer costs, paid the equivalent of a mere $1.8 billion.

Mr. President, I believe that we must restore faith in the country's savings and loan industry and the deposit system. It is a matter of national import and urgency. Indeed, comprehensive action is so urgent that I will vote—reluctantly—for the legislation being considered today, rather than see further delay, but I hope that this issue can be addressed in conference.

I submit that under this legislation taxpayers in the Northeast-Midwest region will be paying too much for a problem that largely occurred elsewhere. Taxpayers in the Northeast-Midwest region understand the need to solve the problem of troubled thrifts, but they will not comprehend how they ended up paying a great deal more than their fair share.

American's taxpayers should know who will be footing the bill for this legislation. And how that tax burden will be distributed.

Mr. President, I ask unanimous consent that the text of the Northeast-Midwest Coalition report be included in the CONGRESSIONAL RECORD directly following my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

PICKING UP THE TAB

ASSESSING THE REGIONAL IMPLICATIONS OF THE SAVINGS AND LOAN BAIL-OUT

(By Keith Laughlin, Mary Weaver and Bob Kelley)

Imagine you are out to dinner at an expensive restaurant with distant relatives. Your free-wheeling cousin from Texas consumes a $50 entree and two $100 bottles of wine. You, on the other hand, have ordered the special and two glasses of the house wine. When a check for $380 comes, your cousin from Texas reveals that although he has run up a tab for $250, he only has $18 in his wallet. Everybody else around the table has to kick in extra to make up the difference. While your own dinner only comes to $37, you have to fork over $125 to help pay for your cousin's irresponsible extravagance.

If you multiply the numbers above by 100 million you will get a good picture of how the costs resulting from the Federal Savings and Loan Insurance Corporation's 1988 savings and loan bail-out activities might be divided up. By comparing the cost of the bailout within a state or region with its share of the nation's tax burden, it is possible to determine who's getting stuck with the tab and who's paying less than their fair share.

In 1988, FSLIC took actions to close, merge or stabilize 223 insolvent S&Ls at an estimated cost of $38 billion in 1988 dollars. Although Texas pays 6.6 percent of the nation's taxes, the state's insolvent S&Ls accounted for 65 percent of the total cost, carrying a price tag of almost $25 billion. The 18 states of the Northeast-Midwest region, which shoulder 47 percent of the tax burden, were responsible for less than 10 percent of the cost of FSLIC's action.

The Congressional Budget Office has estimated that the American taxpayer will pick up about 70 percent of the total cost of President Bush's proposed bail-out plan. If we apply that same assumption to the costs of FSLIC's 1988 actions, the taxpayer will pay about $26.7 billion of the $38 billion cost. The Northeast-Midwest region will be stuck with $12.5 billion in costs, while being responsible for only $3.7 billion in damage. Texas, on the other hand, will get away with paying just $1.8 billion while being responsible for $25 billion in costs. Although the post-1988 costs of the bail-out within a state or region could differ in degree from the pattern established by FSLIC's 1988 actions, the pattern will, nonetheless, be similar.

To truly appreciate the inequity associated with paying for the bail-out, it must be put into context. In recent years, tremendous increases in military spending have caused funds to flow from the Northeast-Midwest region into the Sunbelt. While military spending has subsided, the only major programs slated for increases in the years ahead will perpetuate this pattern. To carry the analogy one step further, Texas' getting the $6 billion superconducting supercollider in the wake of the S&L bail-out would be like your cousin stuffing the tip money in his pocket on his way out of the restaurant.

AN UNNATURAL DISASTER

President Bush has proposed, and Congress is about to consider, legislation that the Congressional Budget Office estimates will cost the American taxpayer $110 billion over the next 10 years. In an age of severe fiscal restraint, a new proposal to invest even 10 percent of that amount to rebuild public infrastructure, clean up the environment or improve public education would be considered naively out of step with the times.

But the necessity of bailing out the Federal Savings and Loan Insurance Corporation—regardless of the cost—is universally accepted as an unquestionable obligation of the United States government. The sanctity of the obligation, however, need not dissuade policy-makers from determining the cause and pursuing a small measure of accountability.

The cause of this "unnatural" disaster is not as easy to pinpoint as a drought or a flood. However, it certainly was not an act of God. It also cannot be entirely attributed to uncontrollable macroeconomic forces. While the savings and loan industry throughout the country was buffeted by unfavorable economic winds in the 1980s, the severity of the problem in Texas so far exceeds that experienced in the rest of the nation that this can be eliminated as the primary factor.

Others claim that the disaster resulted from the tough economic times that hit Texas and the oil producing states of the Southwest in 1986. If economic distress was the primary factor, a similar rash of insolvent S&Ls across the Northeast-Midwest region would have followed the 1982 recession. However, a comparison of unemployment rates and net worth as a percentage of assets in S&Ls in Texas and Michigan in the 1980s disproves that claim. The S&L industry, due to its role in providing home mortgages, has traditionally been sensitive to increases in the unemployment rate. While Michigan's S&L industry faltered when the state's unemployment rate hit 15.5 percent in 1982, it never approached insolvency and rebounded with the state economy. In Texas, where the unemployment rate never approached that of Michigan, the crash of the S&L industry came so fast it clearly had little to do with a cyclical downtown in the state's economy. The net worth of Texas' S&L industry dropped from $1.855 billion at the end of the third quarter to only $538 million at the end of the fourth quarter of 1986.

This "unnatural disaster," therefore, was not the result of problems plaguing the U.S. S&L industry or the economic distress that hit the Southwest in 1986. Rather, it was caused by irresponsible gambling with the taxpayers' money during the boom that preceded the bust.

ANYTHING GOES

The boom in America's oil producing states began with the jump in world oil prices that followed the OPEC embargo of 1973. The boom was further fueled when the second "oil shock" hit in 1979 and the world price of oil soared from $16 per barrel to $30 per barrel following the fall of the Shah of Iran.

These high oil prices, which crippled the economics of oil-consuming states, fueled rapid growth in the Texas economy. To illustrate this, the state economies of Texas,

Pennsylvania, Illinois, Michigan and Ohio were of approximately equal size in 1972. From 1972 to 1986 the gross state product of Texas grew by 362 percent in unadjusted dollars. Among the other four states during the same period, Ohio registered the highest growth rate with a 184 percent increase in GSP.

During the 1973 to 1986 period, the Lone Star State revelled in an "anything goes" attitude spurred by several factors. There was an unshakable belief that the price of oil could only go up. There was the glorification of the "entrepreneurial cowboy" in a ten-gallon hat engaged in the unbridled pursuit of wealth. And there was a general disdain for government that resulted in the belief that the private sector should not be constrained by government regulation.

This "anything goes" attitude coupled with robust economic activity, led to a very relaxed approach to commercial lending by Texas' S&L industry. A large segment of the state's thrift industry strayed from traditional home mortgage lending and financed a speculative boom in the construction of office buildings and shopping centers. These speculative ventures were counting on the economic activity generated by ever-increasing world oil prices.

To meet the high demand for credit, Texas S&Ls offered rates of return to depositors that were among the highest in the nation. From 1980 to 1985, deposits in all federally insured Texas S&Ls grew by 156 percent, compared to a 64 percent increase in the rest of the nation. This difference in growth rates was even more profound in state-chartered, but federally insured, institutions. From 1980 to 1985, deposits in state-chartered S&Ls in Texas grew by a staggering 186 percent, while such deposits in the rest of the nation grew by only 26 percent. By 1985, 85 percent of deposits in FSLIC-insured S&Ls in Texas resided in state-chartered institutions; the comparable figure for the rest of the nation was only 32 percent.

Federal statute specifically limits the types of investments that federally-chartered institutions can make, and it places limits on such investments in terms of percentage of assets. Until 1985, state-chartered S&Ls operated solely under the law of the state in which they were located. The regulation of state-chartered S&Ls in Texas appears to be among the most lenient in the nation. A recent Congressional Research Service report entitled "Powers of Federally Chartered Thrifts Compared with Those of Thrifts Chartered by Various States" found that:

". . . Texas statutes provide little elaboration on the powers of thrifts chartered by the state. The investment and loan powers of Texas state-chartered thrifts, unlike those of the other states that we have mentioned, are not delineated in statutory law except for a general provision pertaining to investment in securities. . . . Delineation of lending and investment powers of Texas thrifts is within the authority of the Texas Savings and Loan Commissioner. . . ."

The powers of state-chartered S&Ls in Texas are not spelled out in law. Instead of clearly defining what S&Ls can do, the Texas approach to regulation implicitly assumes that "anything goes"—except that which is explicitly prohibited. The authority to determine limits upon loans and investments resides in a state official. That is not too reassuring in a state with a decided bias against government involvement in the market place. The net result of this situation is that in Texas both the S&L regulators and the industry readily allowed the "entrepreneurial cowboys" to pursue their dreams through the irresponsible—and sometimes even fraudulent—use of borrowed money backed by the full faith of the United States government.

The private sector has not been the only beneficiary of the oil boom in Texas. From 1978 through 1988, the state government of Texas raked in $18.5 billion in state severance taxes on the production of oil and gas. In 1982 alone, the state received $2.4 billion—26 percent of state revenues. Reliance upon such taxes, which are ultimately passed on to oil consumers, has permitted Texas to refrain from imposing any income taxes, corporate or personal, upon its own citizens. The state has used this positive business climate to entice industry to leave oil-consuming states, which do not enjoy such an advantage.

During this period of frenetic economic growth, the dark side of the Texas character revealed itself in "Let the Yanks Freeze in the Dark" bumper stickers. This was also evident in some of the positions taken by the Texas congressional delegation.

For example, in 1975 only 3 of the 24 members of the Texas congressional delegation supported the New York City rescue plan—a bail-out based upon federal loan guarantees that did not cost the taxpayer a dime.

In 1979, the attention of the Congress turned to defining the role of the federal government in the energy market place. The general consensus in Texas was that the faster the government got out of the market place, the better. Understandably, almost the entire Texas congressional delegation opposed an amendment on the floor of the House of Representatives that would have maintained federal ceilings on the price of domestically produced crude oil. However, in the years to come the Texas delegation uncharitably failed to support efforts to minimize the impact of that decision on poor citizens in cold weather states through fuel assistance and weatherization programs.

TEXAS EMBRACES THE UNION

As long as the oil money flowed, the Lone Star State was content to go it alone. But the bubble burst in 1986 as world oil prices plummeted. The price of West Texas crude oil fell from $31 a barrel in November 1985 to $12 a barrel in July 1986. The Texas economy went into a tailspin. Speculative investments in real estate went bad, loan obligations could not be met, and state-chartered S&Ls that had engaged in high-risk lending plunged into insolvency.

Suddenly, Texas' attitude toward the federal government changed. The Lone Star State was ready to embrace the union. In 1987, a majority of the Texas congressional delegation co-sponsored legislation to impose a federal tax on imported oil. Such a tax would once again boost the price for domestic producers at the expense of energy-consuming states. While they were opposed to government involvement in the marketplace when it came to placing a ceiling on oil prices, they would welcome government efforts to establish a floor.

The Loan Star State also is looking for an infusion of federal money to stimulate the recovery of its economy. In addition to the multibillion dollar S&L bail-out, the state is counting on the inflow of billions of federal space and science dollars. Texas has greatly benefitted from the large increases in NASA spending in recent years. In fiscal 1990, NASA is expected to spend $1.3 billion in Texas—more than will be spent in 17 of the 18 states of the Northeast-Midwest region combined. And those dollars will continue to flow into Texas in the years ahead as NASA embarks upon its $24 billion space station project. In addition, Texas was recently chosen as the home of the Department of Energy's $6 billion superconducting supercollider, a project that will provide great stimulus to the Texas economy.

When put in the context of the budget squeeze created by the ever-declining Gramm-Rudman deficit targets, the space station and the supercollider, the S&L bail-out raises serious questions for the citizens of the Northeast-Midwest region.

COMING AND GOING

Northeast-Midwest states have traditionally received less than their share of federal funds. (This is due in large part to the siting of federal facilities, both military and civilian, in the South and West.) Non-defense discretionary spending has been the one area that the region historically has done well. The region has greatly benefitted from Urban Development Action Grants, the Low Income Home Energy Assistance Program, mass transit assistance, EPA wastewater construction grants, federal housing programs and Amtrak, to name a few.

WHO SHARES IN THE CRISIS?

	Number of cases	Cost	Percent of U.S. total	Percent of tax burden
New England				
Connecticut	0	0	0	2.0
Maine	0	0	0	.4
Massachusetts	0	0	0	3.0
New Hampshire	0	0	0	.5
Rhode Island	0	0	0	.4
Vermont	0	0	0	.2
Mid-Atlantic				
Delaware	0	0	0	.3
Maryland	0	0	0	2.2
New Jersey	3	$229.61	.60	4.4
New York	0	0	0	8.8
Pennsylvania	0	0	0	4.8
Midwest				
Illinois	15	2,394.89	6.28	5.3
Indiana	7	145.00	.38	2.0
Iowa	10	294.63	.77	1.0
Michigan	4	174.76	.46	4.0
Minnesota	5	299.04	.78	1.7
Ohio	5	135.87	.36	4.3
Wisconsin	0	0	0	1.8
South				
Alabama	1	12.95	.03	1.2
Arkansas	2	27.94	.07	.7
District of Columbia	0	0	0	.4
Florida	7	1,252.23	3.28	4.9
Georgia	1	4.88	.01	2.3
Kentucky	3	84.40	.22	1.1
Louisiana	1	176.66	.46	1.4
Mississippi	0	0	0	.6
North Carolina	1	34.37	.09	2.2
Oklahoma	21	1,552.89	4.07	1.1
South Carolina	0	0	0	1.0
Tennessee	3	33.80	.09	1.6
Texas	89	24,780.33	64.96	6.6
Viirgina	3	135.67	.36	2.5
West Virginia	3	81.48	.21	.5
West				
Alaska	0	0	0	.3
Arizona	0	0	0	1.2
California	18	5,438.24	14.26	12.6
Colorado	4	134.51	.35	1.4
Hawaii	0	0	0	.4
Idaho	1	2.39	.01	.3
Kansas	1	19.52	.05	1.0
Missouri	0	0	0	2.0
Montana	1	11.40	.03	.3
Nebraska	0	0	0	.6
Nevada	0	0	0	.4
New Mexico	1	79.85	.21	.5
North Dakota	0	0	0	.2
Oregon	5	248.77	.65	1.0
South Dakota	1	8.00	.02	.2
Utah	0	0	0	.5
Washington	5	205.46	.54	1.9
Wyoming	2	146.79	.38	.2

The number of resolutions and stabilizations in 1988, their cost, the state's share of the total national cost of 1988 bail-outs and that state's share of the federal tax burden.

Source: Federal Home Loan Bank Board, the Tax Foundation.

However, these kinds of community and economic development programs have been subject to a severe squeeze in recent years. And this squeeze will only get worse as the administration and Congress try to move from the $155 billion deficit forecast for fiscal 1989 to the Graham-Rudman requirement of a balanced budget by fiscal 1993. These programs have been squeezed in two ways.

First, there has been competition for funds within the non-defense discretionary area. Unfortunately, the UDAG program has been eliminated, EPA construction grants are being phased out, the funding level of LIHEAP has steadily eroded and other programs have been reduced on an annual basis for several years. At the same time, the non-defense discretionary programs that are on the rise are those which disproportionately benefit the Sunbelt, such as NASA and the supercollider.

Second, non-defense discretionary programs have become increasingly vulnerable as the large group of somewhat "sacred" programs has expanded. In fiscal 1990, military spending, means-tested entitlement programs, Social Security, medicare, and interest on the national debt will comprise $882 billion in spending—74 percent of the total. By contrast, non-defense discretionary programs will total $190 billion in fiscal 1990.

The Congressional Budget Office estimates that under current policy this same group of "sacred" programs would increase to $1.1 trillion in fiscal 1993, an increase of $244 billion (28 percent) over fiscal 1989 levels. Under current policy non-defense discretionary spending would rise by $35 billion (18 percent) to $225 billion.

On top of this, CBO estimates that the S&L bail-out—which is about to join the "sacred" category—will result in outlays of $32 billion during the same time frame.

The question facing the President and Congress is this: How to cut the deficit from $155 billion to zero over a four-year period when the three-quarters of the budget that is considered "sacred" is expected to grow at a 28 percent rate; when taxes are not on the table; when the already-cut-to-the-bone non-defense discretionary budget needs a $35 billion increase just to maintain current buying power; and $32 billion in new outlays is needed to begin to clean up the S&L mess?

It seems likely that the already-diminished non-defense discretionary portion of the budget will once again be subject to deep cuts. And the citizens of the Northeast-Midwest region will be hit coming and going. Not only will we be required to pick up a disproportionate share of the tab to bail out the poorly regulated S&L industry in Texas, but the federal economic and community development programs that are important to the continuing revitalization of the region will be further squeezed by the cost of the S&L bail-out as the Graham-Rudman balanced budget target approaches.

A MEASURE OF ACCOUNTABILITY

Since the 1970s, the federal government has periodically made sizable loans to state governments which could not meet unemployment insurance benefit commitments during times of severe economic distress. According to a 1988 General Accounting Office report, between 1972 and 1986 the states of Pennsylvania, Illinois, Michigan and Ohio borrowed more than $17 billion from the federal government to pay unemployment benefits. Despite fragile economies that have grown at half the rate of Texas, these states have managed to pay almost all of the loans back, with interest.

If these states were required to reimburse the treasury for legitimate costs associated with hard times, there is no reason that states that will cost the federal taxpayer billions of dollars through inadequate regulation should not be required to reimburse the federal treasury as well.

Requesting a small measure of accountability from such states would somewhat reduce the budgetary pressure upon programs of importance to the region and would introduce an element of equity into the bail-out bill. While a large share of the blame for this disaster lies at the federal doorstep and is therefore the responsibility of the federal taxpayer, there is no reason that states that have unreasonably contributed to the problem should not be called upon to make an additional sacrifice. Such sacrifice should be required from states that (1) have made an unreasonable contribution to the problem through poor regulation and (2) have the ability to pay.

In the case of Texas, the state is both responsible and able to pay. According to the Federal Home Loan Bank Board, 90 percent of the costs of FSLIC actions in 1988 in Texas were to close or merge state chartered institutions. The state's inadequate regulation of these state-chartered institutions will cost taxpayers across the country tens of billions of dollars in the years ahead.

While Texas may plead poverty, there is considerable evidence that the Texas economy is in the midst of a recovery. The price of West Texas crude has now risen to $21 per barrel, from $12 per barrel in 1986.

In addition, Texas has one of the largest untapped state and local tax bases in the nation. As noted earlier, the state has no corporate or personal income taxes. Even the revenues that the state does raise are somewhat misleading because they include oil and gas serverance tax receipts, a large portion of which are passed on to energy consumers in other states. In 1987, Texas ranked 48th when determining per capita state and local taxes as a percentage of per capita income. If the state of Texas were to raise additional revenue to make an additional contribution to the treasury equal to $100 per capita, which would raise $1.7 billion a year, the state would only rise to 40th in this measure of the level of state and local taxation.

The people of the Northeast-Midwest region are generous. If a disaster were to strike—a drought or a flood—they would be more than willing to pitch in to help those in need. However, they will have a very difficult time understanding why their hard-earned tax dollars should be used to clean up irresponsibility and fraud on such an incredible scale in the Sun Belt. If and when another deep recession hits our region, and if we once again have to borrow to meet our unemployment insurance obligations, our citizens may wonder why we should bother to pay it back. A genuine effort to achieve a small measure of accountability could go a long way to dispelling such cynicism.

Mr. WARNER. Mr. President, I intend to support the passage of this legislation by the Senate. First, though I wish to compliment the managers for their hard work and their expertise in managing the bill. I think they have done a fine job and should be recognized for it.

My support for this legislation, however, is tempered by several concerns over its size and sheer scale. Many issues we consider in the Senate have a measurable impact in an industry or business for short periods of time. But, in this case we are talking about bailing out an entire industry in a timeframe that will take us well into the next century. While I realize this legislation is just a first step on a process that will bring the Congress back to this issue time and time again over the next few years, we are setting the tone or precedent here for the method with which the Federal Government will deal with this type of a situation. We must keep an ever watchful eye on this situation.

I am concerned as well about the impact this legislation will have on the Federal budget process. I supported the leadership's effort to keep the $50 billion in bonds off budget when we voted on the amendment by the Senator from Florida, and I also supported the leadership amendment to waive the budget act with respect to the bill as reported by the committee.

However, I worry that this approach to limit S. 774's direct impact on the Federal budget, even if justified here, could be expanded to other areas, leaving us with less and less of an idea of the Federal Government's total effect on the national economy.

Although the Federal Government won't be borrowing money directly to close insolvent savings and loans, it will, under this legislation, facilitate that transaction on behalf of the thrift industry. As intended by this bill, save for the interest payments on these bonds coming out of taxpayer funds, S. 774 has little other effect on the Federal budget. It is true, however, that because REFCO's bonds will not be on-budget and therefore enjoy the backing of the full faith and credit of the United States, our taxpayers will bear a greater financial burden commensurate with the higher debt service costs that these bonds will require.

I commend to my colleagues' attention an article on the economic effects of Federal credit activities from the Economist magazine of March 4, 1989, which provides an excellent review of some of the other off-budget functions of the Federal Government and just how much money is being borrowed, in some cases indirectly in the Government's name.

I'm also concerned about the effect this bill will have on some of our smaller communities in Virginia. There are many S&L's throughout the Commonwealth that simply do not fit the stereotype of reckless, speculative thrifts which has been painted in some areas of the country. These

S&L's have operated in a safe, sound manner for years, and in doing so, have provided services to their communities that simply are not being provided by commercial banks.

Home ownership has been the hallmark of the thrift industry in America's small towns. They have provided loans in these communities that promote American values. Without these S&L's, many families would not have the opportunity to own a home, and put down roots so important to the stability and prosperity of their communities. Healthy, well-managed S&L's in many parts of the country are also low-cost providers of retail banking services such as checking accounts and home loans.

It is important that neither this bill nor future bills put an undue burden on those in the industry who have followed their mission and done so profitably. In spite of what we hear and read about problem thrifts, there are thrifts which are as healthy as their banking counterparts, and which provide a tremendous service to our constituents across the Commonwealth of Virginia and across the United States of America.

While it would be folly for us to attempt to predict what the financial industry landscape may look like in 10 years—whether there will be greater or lesser distinctions between the different types of institutions which exist today, it is important to note that there are healthy thrifts performing their jobs well.

It is my expectation that this and future Congresses will keep a close eye on what we have done here today. We must consider the solution to this situation an ongoing process and be prepared to revisit it as often as necessary.

Mr. HOLLINGS. Mr. President, I must reluctantly oppose this bill. My reluctance comes from my respect for the chairman of the Banking Committee, Senator RIEGLE and his outstanding work in moving this bill. He has taken on an onerous, thankless assignment and quickly produced a workable solution to an urgent problem. My opposition to the bill comes from the continued willingness of Congress and the President to agree to take off-budget any program which runs a deficit. Senator RIEGLE proposed a plan to leave the bailout on budget and I applaud his effort, but this was defeated in the committee.

Leaving the bailout on budget has two advantages: first, it would allow the bonds that the Federal Government is issuing to receive a lower interest rate and thereby save taxpayers billions of dollars over the life of the bonds; second, it would be a rare exercise in truth-in-budgeting.

By issuing the bonds through a quasi-governmental agency and not backing them with the full faith and credit of the Federal Government, we are sticking the taxpayers with a higher interest rate that translates into increased interest costs of $150 million a year. Clearly, the Government is the dominant player in this activity, and the debt taken on by the taxpayer should be acknowledged and made a part of future budget planning.

Finally, Mr. President, everytime we run into some Government program or service that we can establish is losing money, we take it off-budget. This is outrageous, and I cannot support this bill because it continues the charade that does nothing but mask the enormity of the deficit by pretending that it is not there. In the Budget Committee, we have heard that the President wants to take the Post Office off-budget next year not because of some policy change, but merely because it is projected that it will be losing money next year. This does not even rise to the level of a ploy; it is out and out deception. This is just one example. The bailout of the S&L's continues this tradition of fiscal monkeyshines which values a quick fix over long-term planning. Clearly, the bailout is a governmental function and ought to be carried on our books. For these and other reasons, I oppose the bill.

Mr. GLENN. Mr. President, I rise today in support of this legislation. The work we do today is clearly some of the most important we will do all year. Fundamental American concerns are at the heart of this debate. One concern is our commitment to stand behind deposits in federally insured savings institutions with the full faith and credit of the U.S. Government. Another concern is often described as part of the American dream, home ownership.

It is clear to me that we will stand behind the depositors. It is also clear to me that we must maintain a healthy savings and loan industry. This industry with all of its troubles still finances more than half of the Nation's home mortgages. Americans would not be well served by limiting access to sound home loans.

The cost of this legislation is enormous. When we routinely discuss trillion dollar budgets and $150 billion deficits, a $50-billion savings and loan transfusion perhaps seems more manageable. Some perspective is gained when you consider that this bailout is larger than the New York City, Chrysler, Lockheed, Continental Illinois, Conrail, and the Farm Credit System bailouts combined. The estimated taxpayer cost of this bill between now and 1999 is $157 billion.

Once we have recapitalized the Federal Savings and Loan Insurance Corporation, the question remains how can we reasonably expect that the problem will not reoccur. I am convinced that the Senate Banking Committee has thoroughly investigated the many factors that have contributed to this crisis, including the structural deficiencies of the savings and loan industry and its regulatory oversight, regional economic conditions, and out and out fraud. The Senate Banking Committee has held extensive hearings to examine the comprehensive proposal provided by the President. Because this crisis is costing the Treasury as much as $1 billion a month, the committee has acted on this bill in a relatively short period of time.

My own State of Ohio faced a crisis in the savings and loan industry 4 years ago and I know first hand the tremendous impact an insolvent thrift industry can have on our communities. I believe that our first step must be to recapitalize the FSLIC to protect depositors, not the owners or managers, but the depositors. We must then restructure the industry to liquidate insolvent thrifts, to eliminate the inherent conflicts of interests in the regulatory and oversight agencies, and to prosecute those who have committed crimes. This bill accomplishes these goals.

I do have, however, a number of concerns about this measure. I would have preferred that the Treasury be more directly involved in raising the necessary funds. This would be less costly and the costs would be more accurately reflected in our budget deficit calculations. I also am concerned about the impact of this legislation on solvent savings and loan institutions that will be required to increase their capitalization and pay higher insurance premiums. Many heretofore profitable institutions will now pay for the mistakes, mismanagement, and misdeeds of others.

Mr. President, I believe that the committee and the Senate have made a good faith effort to improve upon the President's plan. I support this effort and do so with the intention that the Congress provide adequate oversight to maintain a healthy savings and loan industry.

Mr. BRADLEY. Mr. President, I have decided to vote against S. 774, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

I want to commend the Banking Committee for having put this 564 page piece of legislation together in such a short time. The members of the committee heard testimony from many distinguished witnesses and used this testimony to make significant improvements on the Bush administration proposal in S. 714. The bill offered by the committee is clearly a step in the right direction.

But I remain unconvinced that this bill meets the crisis now facing us. In passing this emergency legislation, we are asking the American people to pick up a tab now conservatively estimated

at $100 billion—that's $500 to $1,500 per household. There is a crisis in the savings and loan industry, and the Government will have to honor its commitments to the depositors. But the American people deserve to know that the money we are spending is something more than just a stopgap measure, that it will in fact resolve the problems. We need to offer the American people a clear vision of where we are taking them with this legislation.

I do not believe we have offered that vision. We have passed four major pieces of legislation on the banking/thrift industry over the past decade, each of which has been touted as "solving the problems." The solutions, however, have clearly been less than adequate, or we wouldn't be here today. We have not recognized the complexities of the banking and thrift industries. Our reforms have been piecemeal. Policies that have been adopted in one area have created other, more serious, problems elsewhere.

We simply cannot afford to continue this pattern. In view of our record, the American taxpayer would be well within his rights to feel skeptical about some of our previous reform efforts. In this case, those feelings of skepticism will be primed by our decision to keep this financing off budget, which many will feel a self-serving, evasive, and ultimately more costly, action.

The doubts felt by the American people are only increased by their awareness that this crisis is in fact concentrated in a few States, and that the people who are responsible for it are getting away scot-free in many cases. To date, only 23 people have been convicted. Guilty S&L executives have been given extremely light sentences, which have often been suspended. The American people are rightfully incensed by this. They want to know why they should pay for S&L mismanagement and corruption when the people responsible are hanging onto their limos, their mansions, their planes? Surely, we should recover what we can from the crooks before we reach into the taxpayers' pockets.

Adequate capitalization is one of the key instruments to prevent such profligacy and to ensure the soundness of a thrift. Only when a financier has a personal stake will he invest the funds he's entrusted with wisely, prudently. It's easy to take other people's money, and throw it into the newest fad in a rapidly booming economy. But if it's your own money, you'll stop to think. If it's your own money, you won't allow $1.1 billion of your $1.2 billion in assets to become nonperforming, as happened in one case.

This bill simply does not do enough in this regard. It does not set a minimum leverage ratio. It states only that the leverage ratio of thrifts should be no less than that required of commercial banks. That ratio is now only 3 percent. The Federal Reserve and FDIC would like to see it raised to 6 percent, as I believe prudence requires, but others question the need for this high minimum when commercial banks are soon to adopt risk based capital requirements. And the House is apt to be even more lenient; I understand that they're talking about requiring a mere 1.5 percent capitalization. If they succeed in getting this through, I guarantee you that this problem will only grow larger.

Moreover, the bill leaves unanswered many other important issues. It does not, for instance, address the basic issue of deposit insurance. The original purpose of deposit insurance was to ensure that typical Americans don't see their basic savings wiped out if their bank failed. But the insurance is written per account, rather than per individual, permitting the wealthy to fully insure deposits way above the intended ceiling. We have gone far beyond insuring basic savings—and we are now writing the check to pay for this. The original purpose of the legislation has been undermined; the small savers are paying to protect the fat cats. That's truly topsy-turvy.

So even though the bill does a number of sensible things, on balance, it just doesn't go far enough.

Mr. KERRY. Mr. President, first, I would like to express my deep respect and appreciation for the tireless efforts of the chairman of the Banking Committee, and those of the ranking member. They have worked long and hard since the beginning of this year to insure that the catastrophe we face is dealt with quickly, and that we put an end to the senseless drain on the U.S. Treasury which has gone on already for much too long.

Still, despite the general respect I have for their work, I must say that as a new member of the Banking Committee, I find myself sharing with the public an overwhelming sense of outrage over the astonishing cost of this legislation. This cost is now estimated at over $100 billion, and it will undoubtedly rise before all is said and done. By some estimates, this will mean more than $1,600 for every family in America. This cost would be outrageous enough, but it is even more so at a time when so many other pressing national needs are being deferred or ignored. There is no question that the American taxpayer has been robbed, and this is one of the worst of countless unpaid bills that have been left to us by the outgoing administration. What makes it even worse is that so many of those who are responsible seem to be getting away with it.

I am particularly distressed that despite the already enormous cost of this legislation, we have failed to take advantage of a proposal to lessen that cost. Yesterday the Senate rejected Senator GRAHAM's amendment to finance the thrift resolution on budget. This proposal was the same as the financing proposal developed by Senator RIEGLE and narrowly defeated by the Banking Committee last week. I voted for that amendment because it would have saved at least $4.5 billion and because it would have forced an honest accounting treatment of the cost of this crisis. That it was rejected demonstrates how quickly some are willing to abandon their commitment to fiscal prudence and restraint when it serves some special interest. I doubt very much that we will see the same willingness to spend an additional $4.5 billion—or to weave through some loophole in the Balanced Budget Act—if the goal were feeding malnourished children, improving our schools, or providing long-term care to our senior citizens.

We had a unique opportunity to address the affordable housing crisis in this legislation without compromising its primary fiscal objectives and I am deeply disappointed that we have failed to seize this opportunity to do something positive for the middle-income citizens of our country who are being asked to finance so much of this package. I believe that this opportunity should not be overlooked in the interest of getting this legislation enacted quickly or because this is a banking bill and not a housing bill, and I certainly hope that this issue will be addressed in the conference.

This is a major point, and I believe it deserves some elaboration. Residential properties in the FSLIC inventory constitute a ready source of inexpensive housing because of the depressed local economies in which the housing is located. Five or ten years from now, however, these communities will recover, and real estate values will rise accordingly. If you take the long view and believe, as I do, that the pendulum will eventually swing the other way, and the prosperity will return to the areas in which the FSLIC assets are located, you will agree that we have a one-time-only opportunity to anticipate that recovery and address the present and future affordable housing needs of these communities.

The failure to act upon this opportunity to preseve affordable housing will ultimately cost the Federal Government in the end. Why? Because as surely as I stand here today the Federal Government will be asked one day in the future to provide rental subsidies so this same housing will be made affordable to ordinary people. The same housing sold by the Resolution Trust Corporation [RTC] at fire sale prices to buyers who bought the housing in anticipation of rising values. We cannot be penny wise and pound foolish. We cannot be so single mindedly

driven by the goal of recovering as much of the cash value of these assets that we can and as quickly as possible, that we ignore what will happen to the value inevitably created in the long run and how it affects the long-term financial interest of the Federal Government. A modest amount of foresight today will save significant Federal expenditures in the future.

During subcommittee markup of the FSLIC bill, I offered an amendment to provide nonprofits and public agencies with a right of first refusal to purchase certain residential properties from RTC, provided these purchasers agree to reserve 35 percent of the units for low and very low income households for the remaining useful life of the property. The amendment also provided that even if this right was not exercised, 25 percent of the residential units sold by RTC, in the aggregate, shall be reserved for low and very low income households. The amendment was defeated by one vote in committee because of concerns about the cost of this proposal.

But to my colleagues who have taken the position that none of the units in the FSLIC inventory should be reserved for low and very low income residents, because these use restrictions will depress values and result in a lower return to the RTC, I would ask that you compare the negligible economic impact of reserving a small fraction of the units for low and very low income housing today against the future subsidy costs of making this housing available and affordable to lower-income households, following an economic recovery and predictable rise in real estate values.

I would also ask you to consider whether it makes sense to have public agencies and nonprofit providers in the Southwest struggling to build a new housing for low- and moderate-income people at $50,000 to $60,000 a unit—as they are doing today in Colorado, Texas, and the other States affected by the savings and loan crises—with limited funding from the Federal, State, and local governments when we can provide them with access to a ready supply of housing and at a lower per unit cost? At the same time, off budget expenditures for the promotion of affordable housing in the form of low income housing tax credits that have been exclusively reserved for use in Texas, Oklahoma, Louisiana, Colorado, Florida, and other States in which the FSLIC inventory is concentrated, are vastly underutilized, and as a consequence are being lost.

We have the opportunity to link up the resources with the people who are struggling, against all odds, to provide affordable housing, and that is what I was attempting to accomplish in offering my amendment. As I said, I intend to press my colleagues who will be members of the conference committee to try to achieve a compromise on this issue with the House.

Aside from my substantial reservations with the bill's cost and financing mechanism and the lack of a meaningful commitment to those who need affordable housing, I also have doubts about whether it goes far enough in meeting its own stated objectives. I share with many of my colleagues the belief that the economic assumptions that the administration has used are overly optimistic. As a result, it is all too likely that the Congress will be asked in another period of years to pay out still more money in an attempt to paper over the regulatory failures of the past.

For all of these reasons, I have serious reservations about supporting this legislation, and I am inclined to reject it altogether.

I will support the bill, however, because I know that for all of its failings, it represents a substantial and long overdue effort to redress the costly and misguided experiment in deregulation which has given rise to this problem in the first place. This bill tightens capital standards for all thrifts, restricts the risky activities of State chartered thrifts, restructures the regulatory apparatus to improve supervision, and increases the enforcement powers and remedies the Government has to go after fraudulent and incompetent practices.

I will also support this bill because I believe very deeply that the Government has an overriding moral and legal obligation to protect the savings of the millions of Americans who have insured accounts in our Nation's savings and loan associations. For ultimately, it is those savers—not the fraudulent and incompetent thrifts executives—who will suffer if we fail to pass this legislation.

It is also important to note here that while this legislation makes a number of important and long overdue regulatory changes which will have an impact on those institutions which are central to these problems, in many parts of the country—particularly in the Northeast—our savings institutions are overwhelmingly solvent and healthy.

I raise this because when the administration originally submitted its proposal, S. 413, there were a number of provisions which inadvertently would have had a detrimental impact on a small number of these institutions. I am pleased that the committee has corrected these unintented changes, but due to the importance of this issue, I would like to explain the situation in some detail.

In 1978, Congress enacted amendments to the Home Owner's Loan Act, 12 U.S.C. 1461 et seq., which authorized State chartered savings banks insured by the FDIC to obtain Federal charters. Recognizing the historic differences between the activities of State chartered savings banks and federally chartered savings and loan associations, Congress permitted State chartered savings banks that converted to Federal charter to keep their traditional State law lending, investment, and other powers. Based on this Federal chartering authority, some 28 savings banks have elected to obtain Federal charters.

Under the 1978 legislation and subsequent amendments, the Federal Home Loan Bank Board has had the authority to place restrictions on the exercise of such "grandfathered powers," and under the provisions of S. 413 as proposed, the bank system would retain authority to restrict the exercise of powers that it believed might impair the safe and sound operation of such banks. The statutory provision permitting continued exercise of such "grandfathered" powers following conversion to Federal charter is not repealed or expressly limited by S. 413. S. 413 as proposed would have required special notice of the exercise of such powers through subsidiaries and additional capital against investments in subsidiaries.

Traditionally Congress has attempted to maintain the approximate parity of treatment between State chartered savings banks and Federal savings banks that converted from State charters with respect to investments and other powers. Some of these banks that converted to Federal charter remain eligible to convert to State charter again. In light of this history, S. 413 was amended to sustain the principle that State chartered savings banks and Federal savings banks should continue to receive the parity of treatment that they have received over the past 10 years.

S. 413 as amended would exempt federally chartered savings banks that were State chartered savings banks before October 15, 1982, and institutions that acquired their assets from such savings banks—collectively, covered banks—from the bill's special rules concerning notice of, and significantly increased capitalization for, activities conducted by such institutions through subsidiaries.

So in closing, Mr. President, I must once again say that while I commend my colleagues on the Banking Committee for the heroic efforts it has taken to bring this bill to where it is in such a short time, it is with some reluctance that I support the bill. While there is no alternative but to do something, I do wish that this bill could have been improved in the ways I have discussed here.

Mr. PRYOR. Mr. President, I apologize to the distinguished managers of the bill. This will take only a moment.

Just a few moments ago, my staff advised me that in one section of this

bill, title III, section 3, part (g) on page 162, there is a provision that relates to usury override of State usury laws or constitutional prohibitions now existing on the rate of interest which can be charged for loans.

Mr. President, there is one State in the Union which would be affected by this section. That State is the State of Arkansas.

I do not know—and I am having extensive research done on this provision right now—I do not know if this was the intent of the managers. I do not know if the managers knew if this section was even in the bill or if, in fact, it is simply a reenactment of the present law as we now deal with usury.

Mr. President, I would like to say that I am not going to stand and allow the S&L's to charge a greater rate of interest and exempt the banks from this, nor am I here to say that I am going to try to override, at this moment, the State usury laws in the State of Arkansas.

But this gives me great concern. I am only saying that if this is in here, and this is going to pass, then I am only imploring the distinguished chairman and the ranking member, if this goes to conference in this fashion, to make certain that this not be in the final version of legislation that comes before this body.

Mr. RIEGLE. If the Senator will yield to me, I understand his concern on this. We have talked any number of times and I know of the importance of this issue in his State and his sensitivity to it.

Section 301 that he refers to reenacts provisions of existing law with regard to the override of State usury laws. There is no substantive change.

The Senator has my assurance that that is the full extent of it, and it is not in the category that was potentially his concern.

Mr. PRYOR. If I might propound one more quick question to the distinguished chairman, is it the chairman's understanding that this would not give an S&L an advantage over a bank, or does it make a distinction in what we commonly know as a bank versus a savings and loan?

Mr. RIEGLE. The best answer that I can give is that we have not made a substantive change in existing law, so I do not see how it in any way alters the current lay of the land. It certainly is not our intention to change it, and it is our professional opinion that it is not changed.

Mr. PRYOR. Mr. President, I thank the distinguished chairman.

Mr. RIEGLE. Mr. President, we are a minute away from the time of the vote here. I just want to say again to all of our colleagues that I happen to think that the work of Senator METZENBAUM has been constructive and helpful to our bill. I think we have a good bill. I think it is a bill that has had great participation and involvement.

It is a miserable problem. I think this constitutes the best possible answer that we could fashion within the constraints of the situation that we find. I recommend it to my colleagues. I hope we will send it out of here with an overwhelming vote.

Mr. GARN. Mr. President, I want to thank all of the staff who worked so hard on this bill, including the principal people on Senator RIEGLE's staff: Kevin Gottlieb, Steve Harris, Rick Carnell; and the people on our side: Lamar Smith, John Dugan, Ray Nutter, John Walsh, Wayne Abernathy, Ira Paull, Mary Dwyer Pembroke, Karen Jensen Marsden, Brad Belt, Dan Berkland, Patti Mietla, Nan Frietag; and our interns, Nancy Isaacson and Lynn Gee as well as all the people in our front office who worked so hard during our hearings and markup.

Mr. President, in the last 14 years, either Bill Proxmire or I have been the chairman or the ranking minority member on this committee. Although I knew DAN RIEGLE very well, I would just like to say once again, what I have said several times during all of this process, how much I admire the job he has done as the new chairman of the Senate Banking Committee.

Mr. RIEGLE. I thank my colleague. That means a great deal to me. I hold him in great affection.

Mr. President, I will want to make some more elaborate comments to acknowledge and thank the staff at the conclusion of this rollcall vote, which is about to start. I think they have just done an absolutely sensational job, starting with the staff director, Kevin Gottlieb, and Steve Harris on our side and Lamar Smith and John Dugan on the Republican side and all the staff members. I will use the occasion just a little bit later to mention them by name, because they have really performed outstanding work for the country and for the Senate.

Mr. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is: Shall it pass? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE] is absent because of illness in the family.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE] would vote "yea."

The PRESIDING OFFICER (Mr. FOWLER). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 91, nays 8, as follows:

[Rollcall Vote No. 51 Leg.]

YEAS—91

Adams	Glenn	Mikulski
Armstrong	Gorton	Mitchell
Bentsen	Graham	Moynihan
Biden	Gramm	Murkowski
Bingaman	Grassley	Nickles
Bond	Harkin	Nunn
Boren	Hatch	Packwood
Boschwitz	Hatfield	Pell
Breaux	Heflin	Pressler
Bryan	Heinz	Reid
Bumpers	Helms	Riegle
Burdick	Humphrey	Robb
Burns	Inouye	Rockefeller
Byrd	Jeffords	Roth
Chafee	Johnston	Rudman
Coats	Kassebaum	Sanford
Cochran	Kasten	Sarbanes
Cohen	Kennedy	Sasser
Cranston	Kerry	Shelby
D'Amato	Kohl	Simon
Danforth	Lautenberg	Simpson
Daschle	Leahy	Specter
DeConcini	Levin	Stevens
Dixon	Lieberman	Symms
Dodd	Lott	Thurmond
Dole	Lugar	Wallop
Domenici	Mack	Warner
Durenberger	Matsunaga	Wilson
Ford	McCain	Wirth
Fowler	McClure	
Garn	McConnell	

NAYS—8

Baucus	Exon	Metzenbaum
Bradley	Hollings	Pryor
Conrad	Kerrey	

NOT VOTING—1

Gore

So the bill (S. 774), as amended, was passed, as follows:

S. 774

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Financial Institutions Reform, Recovery, and Enforcement Act of 1989" or the "FIRRE Act".

(b) TABLE OF CONTENTS.—

Section 1. Short title and table of contents.

TITLE I—PURPOSES

Sec. 101. Purposes.

TITLE II—FEDERAL DEPOSIT INSURANCE CORPORATION AUTHORITIES AND RESPONSIBILITIES

Sec. 201. Financial institutions.
Sec. 202. Duties of Federal Deposit Insurance Corporation.
Sec. 203. FDIC board members.
Sec. 204. Definitions.
Sec. 205. Insured savings associations.
Sec. 206. Application process; insurance fees.
Sec. 207. Insurability factors.
Sec. 208. Assessments.
Sec. 209. FDIC corporate powers.
Sec. 210. Administration of corporation.
Sec. 211. Insurance funds.
Sec. 212. FDIC receivership powers.

Sec. 213. Bridge banks.
Sec. 214. Valuation of claims and review.
Sec. 215. FSLIC resolution fund.
Sec. 216. Secondary reserve.
Sec. 217. Amendments to section 12.
Sec. 218. Amendments to section 13.
Sec. 219. Borrowing authority.
Sec. 220. Limitation on borrowings.
Sec. 221. Reports.
Sec. 222. Regulations governing insured financial institutions.
Sec. 223. Investment activities of State savings associations.
Sec. 224. Loan to value ratios.
Sec. 225. Nondiscrimination.
Sec. 226. Brokered deposits.
Sec. 227. Contracts between financial institutions and persons providing goods, products, or services.

TITLE III—CHAIRMAN OF THE OFFICE OF SAVINGS ASSOCIATIONS

Sec. 301. Amendment to Home Owners' Loan Act of 1933.
Sec. 302. Repeals.
Sec. 303. Qualified thrift lender.
Sec. 304. Transitional rule for certain transactions with affiliates.

TITLE IV—DISSOLUTION AND TRANSFER OF FUNCTIONS, PERSONNEL, AND PROPERTY OF FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Sec. 401. Dissolution.
Sec. 402. Continuation of rules.
Sec. 403. Personnel.
Sec. 404. Division of property and personnel.
Sec. 405. Repeals.
Sec. 406. Report.

TITLE V—FINANCING FOR THRIFT RESOLUTIONS

Subtitle A—Resolution Trust Corporation

Sec. 501. Resolution Trust Corporation established.

Subtitle B—Resolution Funding Corporation

Sec. 502. Resolution Funding Corporation established.
Sec. 503. Financing Corporation.
Sec. 504. Mixed ownership government corporation.
Sec. 505. Federal Home Loan Bank reserves.

TITLE VI—THRIFT ACQUISITION ENHANCEMENT PROVISIONS

Sec. 601. Acquisition of thrifts by bank holding companies.
Sec. 602. Investments by savings and loan holding companies in unaffiliated thrift institutions.
Sec. 603. Technical amendment to the Bank Holding Company Act of 1956.

TITLE VII—FEDERAL HOME LOAN BANK SYSTEM REFORMS

Subtitle A—Federal Home Loan Bank Act Amendments

Sec. 701. Definitions.
Sec. 702. Federal Home Loan Bank Agency.
Sec. 703. Shareholder eligibility requirements.
Sec. 704. Capital stock.
Sec. 705. Election of bank directors.
Sec. 706. Studies of values.
Sec. 707. Eligibility of borrowers to secure advances.
Sec. 708. Federal Home Loan Bank lending.
Sec. 709. Thrift advisory council.
Sec. 710. Federal Savings and Loan Insurance Corporation Industry Advisory Committee.
Sec. 711. Rate of interest.
Sec. 712. Advances.
Sec. 713. Examinations.
Sec. 714. Conforming Federal Home Loan Bank Act amendments.
Sec. 715. Liquidity.
Sec. 716. Transfers.

Subtitle B—Conforming Amendments

Sec. 721. Repeal of limitation of obligation for administrative expenses.
Sec. 722. Amendment of additional powers of Chairman.
Sec. 723. Amendment of title 5, United States Code.
Sec. 724. Amendment of title 31, United States Code.
Sec. 725. Amendment of Balanced Budget and Emergency Deficit Control Act provisions.

TITLE VIII—BANK CONSERVATION ACT AMENDMENTS

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Sec. 802. Appointment of conservator.
Sec. 803. Examinations.
Sec. 804. Termination of conservatorship.
Sec. 805. Conservator; powers and duties.
Sec. 806. Liability protection.
Sec. 807. Rules and regulations.
Sec. 808. Repeals.
Sec. 809. Conforming amendment.

TITLE IX—REGULATORY AUTHORITY ENHANCEMENT

Sec. 901. Short title.

Subtitle A—Regulation of Financial Institutions

Sec. 911. Change in terminology.
Sec. 912. Periods applicable to insurance termination.
Sec. 913. Suspension of insurance.
Sec. 914. Restitution, reimbursement, and other remedies.
Sec. 915. Applicability of section 8.
Sec. 916. Temporary cease and desist order.
Sec. 917. Temporary cease and desist order relating to books and records.
Sec. 918. Removal orders.
Sec. 919. Temporary suspension orders.
Sec. 920. Effect of suspension or removal.
Sec. 921. Civil penalties for certain violations.
Sec. 922. Criminal penalties for violation of removal or suspension orders.
Sec. 923. Definitions.
Sec. 924. Employment protection.
Sec. 925. Coordination with chairman of the Federal Home Loan Bank System.
Sec. 926. Effect on other authority.
Sec. 927. Nondelegability.
Sec. 928. Effect of resignation of institution-related party.
Sec. 929. Penalty for participation.
Sec. 930. Parallel increases in civil penalty provisions.
Sec. 931. Penalty for violation of "Change in Bank Control Act".
Sec. 932. Reports.

Subtitle B—Regulation by the Chairman of the Federal Home Loan Bank System

Sec. 941. Reports of condition and penalties.
Sec. 942. Continuity of authority for ongoing litigation.
Sec. 943. Extension of authority.

Subtitle C—Credit Unions

Sec. 951. Definition of institution-related party.
Sec. 952. Periods applicable to insurance termination.
Sec. 953. Restitution and reimbursement authorized.
Sec. 954. Limitations on activities.
Sec. 955. Temporary cease and desist orders relating to books and records.
Sec. 956. Removal orders.
Sec. 957. Temporary suspension orders.
Sec. 958. Effect of removal or suspension.
Sec. 959. Effect of resignation of institution-related party.
Sec. 960. Civil penalty for violation of condition imposed in writing.
Sec. 961. Criminal penalty for violation of removal or suspension order.
Sec. 962. Technical amendment.
Sec. 963. Definitions.
Sec. 964. Effect of other law.
Sec. 965. Employment protection.
Sec. 966. Standard for imposition of civil penalties.
Sec. 967. Prohibition against participation.
Sec. 968. Repeal of reporting requirement.
Sec. 969. Reporting violations.
Sec. 970. Audit requirement.

Subtitle D—Right to Financial Privacy Act

Sec. 981. Amendments to Right to Financial Privacy Act.

TITLE X—CRIMINAL ENHANCEMENTS

Sec. 1001. Increased criminal penalties and civil penalties for certain financial institution offenses.
Sec. 1002. Miscellaneous revisions to title 18.
Sec. 1003. Civil and criminal forfeiture.
Sec. 1004. Grand jury amendments.
Sec. 1005. Litigation authority.
Sec. 1006. Department of Justice appropriation.

TITLE XI—FEDERAL HOME LOAN MORTGAGE CORPORATION

Sec. 1101. Short title.
Sec. 1102. Purpose.
Sec. 1103. Transition of Board.
Sec. 1104. Regulatory power.
Sec. 1105. Common stock.
Sec. 1106. Fees.
Sec. 1107. Standby credit.
Sec. 1108. Terms of obligations.
Sec. 1109. Collateralized mortgage obligations.

TITLE XII—PARTICIPATION BY STATE HOUSING FINANCE AUTHORITIES

Sec. 1201. Definitions.
Sec. 1202. State housing finance authority authorization.

TITLE XIII—STUDY OF FEDERAL DEPOSIT INSURANCE AND BANKING REGULATION

Sec. 1301. Study.
Sec. 1302. Topics.
Sec. 1303. Final report.

TITLE XIV—MISCELLANEOUS PROVISIONS

Sec. 1401. GAO study of credit union system.
Sec. 1402. Credit union regulator salaries.
Sec. 1403. Amendment to section 203 of the Federal Credit Union Act.
Sec. 1404. Amendment to section 5240 of the Revised Statutes.
Sec. 1405. GAO audit of all organizations carrying out functions under the Act.
Sec. 1406. Report on loan discrimination.
Sec. 1407. Equal opportunity.
Sec. 1408. Annual report on the condition of the Federal Deposit Insurance Funds.
Sec. 1409. Capital and accounting standards.
Sec. 1410. Cross-marketing restrictions.

Sec. 1411. Establishment of Appraisal Subcommittee of the Federal Financial Institutions Examination Council.
Sec. 1412. Repeal of special tax rules.
Sec. 1413. Status of certain thrift institution.
Sec. 1414. Passive investment by companies controlling grandfathered nonbank banks.
Sec. 1415. Separability of provisions.
TITLE XV—GENERAL PROVISIONS
Sec. 1501. District of Columbia correctional facility.

TITLE I—PURPOSES

SEC. 101. PURPOSES.

The purposes of this Act are—

(1) to promote a safe and stable system of affordable housing finance through regulatory reform;

(2) to improve supervision by strengthening enforcement powers;

(3) to curtail needless risks to the Federal Deposit Insurance System by strengthening capital, accounting, and other supervisory standards;

(4) to promote the independence of the Federal deposit insurance system from the industry it insures by assuring an independent board of directors, adequate funding and appropriate powers;

(5) to put the Federal deposit insurance system on a sound financial basis for the future;

(6) to establish an Office of Savings Associations in the Department of the Treasury;

(7) to create a new corporation to contain, manage, and resolve failed thrift institutions;

(8) to provide the necessary private and public financing to resolve failed financial institutions expeditiously; and

(9) to provide more effective civil money penalties and criminal penalties for crimes of fraud against financial institutions and depositories.

TITLE II—FEDERAL DEPOSIT INSURANCE CORPORATION AUTHORITIES AND RESPONSIBILITIES

SEC. 201. FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—Except as otherwise hereinafter provided—

(1) the Federal Deposit Insurance Act is amended by striking "insured bank", "insured banks", and "insured bank's" and inserting "insured financial institution", "insured financial institutions", and "insured financial institution's", respectively; and

(2) by striking "Federal Home Loan Bank Board" and inserting "Chairman of the Office of Savings Associations".

(b) EXCEPTIONS.—The terms "insured bank" and "insured banks" shall not be amended as described in subsection (a)(1)—

(1) when preceded by "member" or "nonmember"; or

(2) in section 3(h), section 11(h), section 11(i), section 13(f), and section 18(d) of the Federal Deposit Insurance Act.

SEC. 202. DUTIES OF FEDERAL DEPOSIT INSURANCE CORPORATION.

Section 1 of the Federal Deposit Insurance Act (12 U.S.C. 1811) is amended by inserting "and savings associations" after "banks".

SEC. 203. FDIC BOARD MEMBERS.

(a) IN GENERAL.—Section 2 of the Federal Deposit Insurance Act is amended to read as follows:

"SEC. 2. MANAGEMENT.

"(a) IN GENERAL.—The management of the Corporation shall be vested in a Board of Directors consisting of 5 members, one of whom shall be the Comptroller of the Currency, one of whom shall be the Chairman of the Office of Savings Associations, one of whom shall be the Chairman of the Board of Directors, and 2 of whom shall be appointive members. The Chairman and the 2 appointive members shall be citizens of the United States to be appointed by the President, by and with the advice and consent of the Senate. No more than 2 of the members from among the Chairman and the appointive members shall be members of the same political party.

"(b) ACTING CHAIRMAN.—In the event of a vacancy in the position of the Chairman of the Board of Directors, and pending the appointment of his successor, or during the absence or disability of the Chairman, an Acting Chairman may be selected from the appointive members by a vote of the Board of Directors.

"(c) TERMS.—The Chairman and each appointive member shall hold office for a term of 6 years. The Chairman and each appointive member may continue to serve after the expiration of his term until a successor has been appointed and qualified.

"(d) VACANCY.—In the event of a vacancy in the office of the Comptroller of the Currency, or Chairman of the Office of Savings Associations and pending the appointment of a successor, or during the absence or disability of the Comptroller, the Acting Comptroller of the Currency or acting Chairman of the Office of Savings Associations shall be a member of the Board of Directors in the place and stead of the Comptroller or Chairman.

"(e) OTHER OFFICE.—The members of the Board of Directors shall be ineligible during the time they are in office and for 2 years thereafter to hold any office, position, or employment in any insured financial institution or holding company, except that this restriction shall not apply to any member who has served the full term for which he was appointed. No member of the Board of Directors shall be an officer or director of any insured financial institution or holding company or Federal Reserve bank or hold stock in any financial institution or holding company. Before entering upon duties as a member of the Board of Directors, each member shall certify under oath that he or she has complied with this subsection and such certification shall be filed with the secretary of the Board of Directors.".

(b) TRANSITION PROVISION.—The members of the Board of Directors of the Federal Deposit Insurance Corporation on the day before the date of enactment of the FIRRE Act shall continue to serve in office until the expiration of their existing terms. The Chairman of the Board of Directors on such date shall continue to serve until the expiration of his term as a member.

SEC. 204. DEFINITIONS.

Section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) is amended—

(1) in subsection (j), by inserting "conserving assets or" before "winding up," and by inserting before the period the following: ", or of a savings association";

(2) in subsection (l)—

(A) by inserting "or savings association" after "a bank", "the bank", "another bank", "receiving bank", and "such bank" each place they appear;

(B) by inserting "or savings association's" after the word "bank's" each time it appears; and

(C) in paragraph (5), by inserting ", Chairman of the Office of Savings Associations," after "Comptroller of the Currency";

(3) in subsection (m)—

(A) in paragraph (1), by striking "the bank" and inserting "the financial institution";

(B) in paragraph (2), by striking "ther" and inserting "term"; and

(C) by adding at the end thereof the following:

"(3) TREATMENT OF CERTAIN INSURED DEPOSITS.—Notwithstanding paragraph (1), the amount of an insured deposit held, immediately prior to the date of enactment of the FIRRE Act, as an insured account within the meaning of section 401(c) of the National Housing Act by a savings association that became an insured financial institution as a result of the operation of the last sentence of section 4(a) shall be determined in accordance with, and subject to the limitations in, the National Housing Act and the regulations, principles, and interpretations established by the Federal Savings and Loan Insurance Corporation in effect immediately prior to such date of enactment, including limitations on the amount of insurance. An insured deposit, or portion thereof, described in the preceding sentence that would not be an insured deposit or that would exceed the amount of an insured deposit if it were held by an insured bank shall cease to be an insured deposit as follows:

"(A) If the insured deposit has one or more fixed maturity dates, the insured deposit shall cease to be included within the term 'insured deposit' upon the earliest maturity date occurring after the expiration of 6 months from the date of enactment of the FIRRE Act.

"(B) If the insured deposit has a minimum required notice period, the insured deposit shall cease to be included within the term 'insured deposit' upon expiration of the required notice period or upon the expiration of 6 months after the date of enactment of the FIRRE Act, whichever is later. For the purpose of this subparagraph, the required notice period shall be deemed to be initiated on the date of enactment of the FIRRE Act.

"(C) If the insured deposit has no fixed maturity date or required notice period, the insured deposit shall cease to be included within the term 'insured deposit' upon the expiration of 6 months from the date of enactment of the FIRRE Act.

The Corporation may provide appropriate notice to depositors whose deposits are subject to this paragraph of the change in deposit insurance and of the possible termination of deposit insurance.";

(4) by striking subsection (q) and inserting the following:

"(q) The term 'appropriate Federal banking agency' shall mean—

"(1) the Comptroller of the Currency in the case of a national banking association, a District bank, or a Federal branch or agency of a foreign bank;

"(2) the Board of Governors of the Federal Reserve System—

"(A) in the case of a State member insured bank (except a District bank),

"(B) in the case of any branch or agency of a foreign bank with respect to any provision of the Federal Reserve Act which is made applicable under the International Banking Act of 1978, except that for the purposes of subsections (b) through (y) of section 8 of this Act, the term 'insured financial institution' includes an uninsured branch or agency of a foreign bank or a commercial lending company owned or controlled by a foreign bank,

"(C) in the case of any foreign bank which does not operate an insured branch,

"(D) in the case of any agency or commercial lending company other than a Federal agency,

"(E) in the case of supervisory or regulatory proceedings arising from the authority given to the Board of Governors under section 7(c)(1) of the International Banking Act of 1978, including such proceedings under the Financial Institutions Supervisory Act; and

"(F) in the case of a bank holding company or subsidiary thereof (other than a bank);

"(3) the Federal Deposit Insurance Corporation in the case of a State nonmember insured bank (except a District bank) or a foreign bank having an insured branch; and

"(4) the Chairman of the Office of Savings Associations in the case of a savings association or a savings and loan holding company.

Under the rule set forth in this subsection, more than one agency may be an appropriate Federal banking agency with respect to any given institution.";

(5) by striking subsection (t);

(6) by adding at the end thereof the following:

"(u) The term 'savings association' means—

"(1) any institution the accounts of which were insured by the Federal Savings and Loan Insurance Corporation immediately prior to the enactment of the FIRRE Act; and

"(2) a Federal savings and loan association or Federal savings bank, or a building and loan, savings and loan, or homestead association, organized and operating according to the laws of the State in which it is chartered or organized, or a corporation that the Board of Directors determines to be operating substantially in the same manner as a savings and loan association.

"(v) The term 'bank' means all banks as defined in subsections (a) through (g), including any cooperative bank the deposits of which were insured under this Act immediately prior to the enactment of the FIRRE Act. Such term does not include any savings association, but such term does include a former savings association that has—

"(A) converted from a savings association charter to a bank charter as determined by the Corporation; and

"(B) elected to remain a Savings Association Insurance Fund member.

"(w)(1) The term 'financial institution' means a bank or savings association.

"(2) The term 'insured financial institution' means a bank or savings association the deposits or accounts of which are insured pursuant to this Act.

"(3) The term 'Federal financial institution' means a bank chartered by the Comptroller of the Currency or a savings association chartered by the Chairman of the Office of Savings Associations.

"(4) The term 'State financial institution' means a financial institution other than (A) a Federal financial institution, or (B) a financial institution chartered under the laws of a foreign country.

"(x)(1) The term 'default' with respect to an insured financial institution means an adjudication or other official determination of a court of competent jurisdiction, the appropriate Federal banking agency, or other public authority pursuant to which a conservator, receiver, or other legal custodian is appointed for an insured financial institution or, in the case of a foreign bank having an insured branch, for such branch.

"(2) The term 'in danger of default' with respect to an insured financial institution means that the appropriate Federal banking agency or State chartering authority has advised the Corporation with respect to such institution (or in the case of a foreign bank having an insured branch, with respect to such insured branch) that, in its opinion—

"(A)(i) the financial institution or insured branch is not likely to be able to meet the demands of its depositors or pay its obligations in the normal course of business, and

"(ii) there is no reasonable prospect that the financial institution or insured branch will be able to meet such demands or pay such obligations without Federal assistance; or

"(B)(i) the financial institution or insured branch has incurred or is likely to incur losses that will deplete all or substantially all of its capital, and

"(ii) there is no reasonable prospect for the replenishment of the capital of the financial institution or insured branch without Federal assistance.

"(y)(1) The term 'financial institution holding company' means a bank holding company or a savings and loan holding company.

"(2) The term 'bank holding company' has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

"(3) The term 'savings and loan holding company' has the same meaning as in section 10(a)(1)(D) of the Home Owners' Loan Act of 1933.

"(z)(1) The term 'institution-related party' means a director, officer, employee, agent, controlling shareholder (other than a holding company), or other person participating in the conduct of the affairs of an insured financial institution or a subsidiary of an insured financial institution, or any person who has filed or is required to file a change-in-control notice with the appropriate Federal banking agency under section 7(j).

"(2) The term 'other person participating in the conduct of the affairs of an insured financial institution or subsidiary of an insured financial institution' includes, in addition, an independent contractor (including an attorney, appraiser, or accountant) who knowingly or recklessly participates in a wrongful action that had or is likely to have an adverse effect on an insured institution.

"(aa) The term 'subsidiary' means any company owned or controlled directly or indirectly by another company. Such term includes a service corporation owned in whole or in part by an insured financial institution or any subsidiary of such a service corporation.

"(bb) The term 'control' has the same meaning as under section 2 of the Bank Holding Company Act of 1956.

"(cc) The term 'violation' includes without limitation any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(dd) The term 'State housing finance authority' means any public agency, authority, or corporation that serves as an instrumentality of a State or political subdivision thereof and which functions as a source of residential mortgage loan financing in any such State.

"(ee) The term 'mortgage related assets' means (1) residential mortgage loans secured by one-to-four family or multi-family dwellings, and (2) real property improved with one-to-four family or multi-family residential dwellings, in all such cases located within the jurisdiction of the applicable State Housing Finance Authority.".

SEC. 205. INSURED SAVINGS ASSOCIATIONS.

Section 4 of the Federal Deposit Insurance Act (12 U.S.C. 1814) is amended—

(1) by adding at the end of subsection (a) the following: "Each savings association, the accounts of which were insured by the Federal Savings and Loan Insurance Corporation on the date immediately preceding the date of enactment of the FIRRE Act, shall be, without application or approval, an insured financial institution as of the date of enactment of that Act.";

(2) by inserting after the first sentence of subsection (b) the following: "Any application or notice for membership or to commence or resume business shall be promptly provided by the appropriate Federal banking agency to the Corporation and the Corporation shall have a reasonable period to provide comments with respect thereto which must be considered by the appropriate Federal banking agency in making its findings thereon and with respect to the statutory factors in section 6 of this Act.";

(3) by striking the last two sentences of subsection (b) and all of subsection (c) and inserting the following:

"(c) CONTINUATION OF INSURANCE FOLLOWING CONVERSION.—A State financial institution resulting from the conversion of an insured Federal financial institution shall continue as an insured financial institution.

"(d) CONTINUATION OF INSURANCE FOLLOWING MERGER.—A State financial institution resulting from the merger or consolidation of insured financial institutions, or from the merger or consolidation of a noninsured financial institution with an insured financial institution, shall continue as an insured financial institution.".

SEC. 206. APPLICATION PROCESS; INSURANCE FEES.

Section 5 of the Federal Deposit Insurance Act (12 U.S.C. 1815) is amended—

(1) by striking out "(a) Subject to the provisions of this Act, any" and inserting "(a) APPLICATION FOR INSURANCE.—

"(1) BANKS.—Any";

(2) in the first sentence of subsection (a)(1), by inserting "and State savings association" after "State nonmember bank"; and

(3) in the second sentence of subsection (a)(1)—

(A) by striking the comma following "State nonmember bank" and inserting "or such State savings association,";

(B) by striking the comma after "such bank" and inserting "or savings association,"; and

(C) by inserting before the period the following: "or savings association";

(4) by adding at the end of subsection (a) the following:

"(2) SAVINGS ASSOCIATIONS.—Any Federal savings association that is authorized by the Chairman of the Office of Savings Associations to engage in the business of receiving deposits, other than trust funds as herein defined, upon application by the association to the Chairman of the Office of Savings Associations, may become an insured financial institution following submission of such application to the Corporation together with a certificate issued to the Corporation by the Chairman of the Office of Savings Associations, unless insurance is denied by the Board of Directors. Such certificate shall state that the savings association is authorized to transact business as a savings association and that consideration has been given to the factors enumerated in section 6 of this Act. After the Corporation's review

of such certificate and application, and any appropriate examination by the Corporation, the Board of Directors shall give consideration to the factors set forth in paragraphs (1), (2), (3), (4), and (5) of section 6 of this Act in determining whether to deny insurance. If the Board of Directors, after giving due deference to the determination of the Chairman of the Office of Savings Associations does not concur with the determination of the Chairman of the Office of Savings Associations, the Board of Directors shall promptly notify the Chairman of the Office of Savings Associations that insurance has been denied, giving specific reasons in writing for the Corporation's determination. In such case no insurance shall be granted. Any determination by the Board of Directors to deny insurance to a Federal savings association under this subsection may not be delegated and may be made only upon a vote of three-fourths of all members of the Board of Directors. With respect to (A) any interim Federal savings association chartered by the Chairman of the Office of Savings Associations, and which will not open for business, Federal savings association resulting from the conversion of an insured State savings association or savings bank, or (C) a Federal savings association resulting from the merger or consolidation of insured savings associations or savings banks, insurance shall be automatically granted upon issuance of such association's charter by the Chairman of the Office of Savings Associations.";

(5) in subsection (b)—

(A) in paragraph (4), by inserting "and fitness" after character;

(B) by redesignating paragraphs (5), (6), and (7) as paragraphs (6), (7), and (8), respectively; and

(C) by inserting after paragraph (4) the following:

"(5) the risk presented to the Bank Insurance Fund or the Savings Association Insurance Fund;";

(6) by adding at the end thereof the following:

"(d) INSURANCE FEES.—

"(1) NONINSURED INSTITUTIONS.—

"(A) IN GENERAL.—Every noninsured financial institution that becomes insured by the Corporation, and every noninsured branch that becomes insured by the Corporation, shall pay the Corporation a fee the Corporation may by regulation prescribe, after giving due consideration to the need to establish and maintain reserve ratios in the Bank Insurance Fund and the Savings Association Insurance Fund as required by section 7. A financial institution that becomes an insured financial institution as a result of the operation of the last sentence of section 4(a) of this Act shall not pay a fee under this subparagraph.

"(B) FEE CREDITED TO APPROPRIATE FUND.—The fee paid by the financial institution shall be credited to the Bank Insurance Fund if the financial institution becomes a Bank Insurance Fund member, or to the Savings Association Insurance Fund if the financial institution becomes a Savings Association Insurance Fund member.

"(2) CONVERSIONS.—

"(A) PROHIBITED.—No insured financial institution may participate in a conversion transaction without the prior consent of the Corporation. Except as provided in paragraph (C), the Corporation shall not provide its consent to any conversion transaction occurring before the expiration of 5 years from the date of enactment of the FIRRE Act.

"(B) DEFINED.—A 'conversion transaction' means—

"(i) the change of status of an insured financial institution, whether as a result of a charter conversion or otherwise, from a Bank Insurance Fund member to a Savings Association Insurance Fund member or from a Savings Association Insurance Fund member to a Bank Insurance Fund member;

"(ii) the merger or consolidation of a Bank Insurance Fund member with a Savings Association Insurance Fund member;

"(iii)(I) the assumption on the part of a Bank Insurance Fund member of liability to pay any deposits in a Savings Association Insurance Fund member; or

"(II) the assumption on the part of a Savings Association Insurance Fund member of liability to pay any deposits in a Bank Insurance Fund member; or

"(iv)(I) the transfer on the part of a Bank Insurance Fund member of assets to any Savings Association Insurance Fund member in consideration of the assumption of liabilities for any portion of the deposits in such Bank Insurance Fund member; or

"(II) the transfer on the part of a Savings Association Insurance Fund member of assets to any Bank Insurance Fund member in consideration of the assumption of liabilities for any portion of the deposits in such Savings Association Insurance Fund member.

"(C) PERMITTED CONVERSIONS.—The Corporation may provide its consent at any time to a conversion transaction if—

"(i) the conversion transaction affects an insubstantial portion, as determined by the Corporation, of the insured liabilities of each financial institution participating in the conversion transaction;

"(ii) the conversion occurs in connecting with the acquisition of a Savings Association Insurance Fund member in default or in danger of default, the Corporation determines that the financial benefits to the Savings Association Insurance Fund equals or exceeds the Corporation's estimate of loss of assessment income to such insurance fund over the 5 years following the conversion, and the Resolution Trust Corporation concurs with the Corporation's determination;

"(iii) the conversion occurs in connection with the acquisition of a Bank Insurance Fund member in default or in danger of default and the Corporation determines that the financial benefits to the Bank Insurance Fund equals or exceeds the Corporation's estimate of the loss of assessment income to the insurance fund over the 5 years following the conversion;

"(iv) the conversion occurs in connection with the acquisition of a State chartered savings association pursuant to a letter of intent or a written memorandum of understanding entered into on or prior to December 31, 1988, with a bank holding company, which savings association (I) has never accepted deposits, (II) is not insured by the Federal Savings and Loan Insurance Corporation, and (III) has been owned by an entity which is required by Federal statute to divest itself of such savings association; or

"(v) the conversion transaction assists the transferring financial institution in meeting a capital standard agreed to by the transferring financial institution with its Federal supervisory agency prior to the passage of the Competitive Equality Banking Act of 1987, and the transferring institution has made a commitment in writing to use any gain from the conversion transaction to increase its capital.

For the purpose of clause (i), a conversion transaction shall be deemed to affect an insubstantial portion of the insured liabilities of the financial institution if the insured liabilities transferred over the 5-year period commencing upon enactment of the FIRRE Act do not exceed 20 percent of such insured liabilities existing at the date of enactment of such Act.

"(D) EXIT AND ENTRY FEES.—

"(i) The Corporation, with the approval of the Secretary of the Treasury, is authorized to prescribe and impose an exit fee which shall be payable in the case of a conversion transaction in which the resulting or acquiring financial institution is a Bank Insurance Fund member. The fee shall be collected from the converting institution or other institution involved in the conversion specified by the Secretary and shall be payable in the same manner and to the same entity as if it were an assessment for the year or other applicable period during which the conversion occurs, except that the Secretary may authorize such fee to be paid to the Financing Corporation (as defined in section 21A of the Federal Home Loan Bank Act) for interest payments on its obligations if such Financing Corporation has exhausted all other sources of funding for such purposes.

"(ii) The Corporation is authorized to establish and collect an entrance fee. The Corporation is authorized to determine the amount of the fee, except that—

"(I) in the case of a conversion transaction in which the resulting or acquiring financial institution is a Bank Insurance Fund member, the fee shall be in an amount necessary to prevent dilution of the Bank Insurance Fund, and shall be paid to the Bank Insurance Fund; and

"(II) in the case of a conversion transaction in which the resulting or acquiring financial institution is a Savings Association Insurance Fund member, the fee shall be in an amount necessary to prevent dilution of the Savings Association Insurance Fund, and shall be paid to the Savings Association Insurance Fund.

"(e) LIABILITY OF COMMONLY-CONTROLLED FINANCIAL INSTITUTIONS.—

"(1) REIMBURSEMENT REQUIRED.—On and after the date of enactment of the FIRRE Act, whenever the Corporation, acting in accordance with applicable law, incurs a loss in connection with the default of an insured financial institution, or in connection with providing assistance to an insured financial institution in danger of default, any other commonly-controlled insured financial institution shall be liable to the Corporation following notice to the institution as provided in this subsection and on request shall reimburse the Corporation for any such loss. No such liability shall arise under this subsection if the Corporation fails to provide notice within 2 years of the date the Corporation incurs such loss.

"(2) AMOUNT OF COMPENSATION; PROCEDURES.—

"(A) USE OF ESTIMATES.—When an insured financial institution is in default or requires assistance to prevent default, the Corporation shall in good faith estimate its prospective losses resulting from such default or assistance, shall advise any commonly-controlled financial institution of the amount of its liability in connection with such losses, and if there is more than one such commonly-controlled financial institution, determine each commonly-controlled financial institution's share of such liability.

"(B) PROCEDURES; IMMEDIATE PAYMENT.—The Corporation, after consultation with the appropriate Federal banking agency, shall specify the procedures and schedule by which each such commonly-controlled financial institution must reimburse the Corporation for its liability under this subsection on a case-by-case basis. The Corporation may compel any or all commonly-controlled financial institutions to make immediate payment of any compensation required under paragraph (1).

"(C) PRIORITY.—The liability established pursuant to the provisions of this subsection shall be—

"(i) superior to the following obligations and liabilities of the financial institution:

"(I) any obligation subordinated to depositors or other general creditors;

"(II) any obligation to shareholders arising as a result of their status as shareholders (including a bank holding company or savings and loan holding company or any shareholder or creditor of such company); or

"(III) any unsecured obligation or liability owed to any other commonly-controlled company or commonly-controlled insured financial institution; and

"(ii) subordinate in right or payment to the following obligations and liabilities of the financial institution:

"(I) deposit liabilities other than those to commonly-controlled financial institutions;

"(II) secured obligations; and

"(III) other general liabilities, except to the extent specified in (i) above; and

"(iii) equal in preference with other liabilities and obligations of the financial institution.

"(D) ADJUSTMENT OF ESTIMATED PAYMENT.—

"(i) OVERPAYMENT.—If the amount of compensation estimated by and paid to the Corporation by one or more such commonly-controlled financial institutions is greater than the actual loss incurred by the Corporation, the Corporation shall reimburse each such commonly-controlled financial institution its pro-rata share of any overpayment.

"(ii) UNDERPAYMENT.—If the amount of compensation estimated by and paid to the Corporation by one or more such commonly-controlled financial institutions is less than the actual loss incurred by the Corporation, the Corporation shall redetermine in its discretion the liability of each such commonly-controlled financial institution to the Corporation and shall require each such commonly-controlled financial institution to make payment of any additional liability to the Corporation.

"(3) REVIEW.—

"(A) ADMINISTRATIVE REVIEW.—The Corporation shall by regulation establish an administrative procedure for review of the amount of losses, the liability of individual commonly-controlled financial institutions, and the schedule of payments to be made by such commonly-controlled financial institutions. The regulations shall provide for a hearing on the record in accordance with section 556 of title 5, United States Code, on the part of any such commonly-controlled financial institution.

"(B) JUDICIAL REVIEW.—Determinations made by the Corporation of the amount of losses, the liability of commonly-controlled financial institutions, or the procedures or scheduling of the payments required, shall be reviewable by the Court of Appeals for the District of Columbia Circuit or the Court of Appeals for the circuit where the financial institution in default or in danger of default is located, in accordance with chapter 7 of title 5, United States Code.

"(4) LIMITATION ON RIGHTS OF PRIVATE PARTIES.—No court shall give effect to any rights or powers conferred on any person, by State or Federal law or otherwise, insofar as giving effect to any such rights or powers would impair the ability of the financial institution to perform its obligations under this subsection.

"(5) LIMITATIONS.—

"(A) LIMITED PARTNERSHIPS.—The provisions of this subsection shall not apply to any limited partnership or its affiliates (other than insured financial institutions which are majority-owned subsidiaries of such partnership) if a registration statement indicating that such partnership intends or intended to acquire one or more insured financial institutions was filed with the Securities and Exchange Commission with respect to such partnership on or before April 10, 1989.

"(B) SAVINGS ASSOCIATION AND BANK INSURANCE FUND MEMBERS.—For a period of 5 years from the date of enactment of the FIRRE Act, no Savings Association Insurance Fund member shall have any liability to the Corporation under this subsection arising out of assistance provided to or loss incurred as a result of the default of a Bank Insurance Fund member, and no Bank Insurance Fund member shall have such liability with respect to assistance provided to or loss incurred as a result of the default of a Savings Association Insurance Fund member.

"(C) EXCLUSION.—Notwithstanding the foregoing, no insured financial institution shall be liable to the Corporation for any such loss incurred in connection with the default of or provision of assistance to any other commonly-controlled insured financial institution, the principal office of which is located in another State, if that other State was economically distressed at the time of the acquisition of the commonly-controlled insured financial institution in that other State, and one or more commonly-controlled insured financial institutions in that other State had assets in excess of $4,000,000,000 in the aggregate and was a member of the Federal Reserve System. This subparagraph shall apply only for 5 years after the acquisition or such longer period determined by the Corporation after written application by the acquiror, and only to acquisitions consummated on May 1, 1987, or January 29, 1988.

"(D) DEFINITION.—Financial institutions are not 'commonly-controlled' for a period of 5 years after the acquisition or such longer period determined by the Corporation after written application of the acquiror, whenever one financial institution controls another by virtue of ownership of voting shares acquired in securing or collecting a debt previously contracted in good faith, and from the date of enactment of the FIRRE Act to the expiration of the exclusion, notwithstanding the provisions of 23A(d)(1) of the Federal Reserve Act, the controlling bank and all of its other insured financial institution affiliates comply fully with the restrictions of 23A and 23B of the Federal Reserve Act in their transactions with the acquired insured financial institution.

"(6) DEFINITION.—For the purpose of this subsection, financial institutions are 'commonly-controlled' if they are controlled by the same financial institution holding company (including any company required to file reports pursuant to section 4(f)(6) of the Bank Holding Company Act of 1956) or if one financial institution is controlled by another financial institution.".

SEC. 207. INSURABILITY FACTORS.

Section 6 of the Federal Deposit Insurance Act (12 U.S.C. 1816) is amended to read as follows:

"SEC. 6. FACTORS TO BE CONSIDERED.

"Except as otherwise provided, the factors to be considered and enumerated in the certificate required under section 4(b) and to be considered by the Board of Directors under section 5 shall be—

"(1) the financial history and condition of the financial institution;

"(2) the adequacy of its capital structure;

"(3) its future earnings prospects;

"(4) the general character and fitness of its management;

"(5) the risk presented to the Bank Insurance Fund or the Savings Association Insurance Fund, as appropriate;

"(6) the convenience and needs of the community to be served; and

"(7) whether or not its corporate powers are consistent with the purposes of this Act.".

SEC. 208. ASSESSMENTS.

Section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817) is amended—

(1) in subsection (a)(2)—

(A) by inserting ", the Chairman of the Office of Savings Associations, any Federal Home Loan Bank," after "Comptroller of the Currency" in the first sentence of subparagraph (A);

(B) by striking "either" and inserting "any" in such sentence;

(C) by striking "State nonmember bank (except a District bank)" in the second sentence of subparagraph (A) and inserting "financial institution";

(D) by inserting "to the Chairman of the Office of Savings Associations, to any Federal Home Loan Bank," after "Comptroller of the Currency," in the second sentence of subparagraph (A); and

(E) by striking subparagraph (B) and inserting the following:

"(B) The Board of Directors may from time to time require any or all insured financial institutions to file such additional reports as the Corporation, after agreement with the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Chairman of the Office of Savings Associations, as appropriate, may deem advisable for insurance purposes.";

(2) in subsection (a)(3)—

(A) by striking all before "reports of condition" and inserting "Each insured financial institution shall make to the appropriate Federal banking agency 4";

(B) by inserting after the word "bank" each time it appears in the second, fifth, and sixth sentences, the following: "or savings association";

(C) by inserting after "member bank" in the seventh sentence the following: "and each insured savings association"; and

(D) by inserting "or savings associations" after "banks" in the last sentence;

(3) in paragraphs (4) and (7), by inserting after the words "bank", "bank's", or "banks" (except "foreign banks") the words "or savings association", "or savings association's", or, "or savings associations", respectively;

(4) by striking paragraphs (1) and (2) of subsection (b) and inserting in lieu thereof the following:

"(1) ASSESSMENT RATES.—

"(A) ANNUAL ASSESSMENT RATES PRESCRIBED.—The Corporation shall set assess-

ment rates for insured financial institutions annually. The Corporation shall fix the annual assessment rate for Bank Insurance Fund members independently from the annual assessment rate for Savings Association Insurance Fund members. The Corporation shall by June 30 of each year announce the assessment rates for the succeeding calendar year.

"(B) DESIGNATED RESERVE RATIO DEFINED.—

"(i) The designated reserve ratio of the Bank Insurance Fund shall be—

"(I) 1.25 percent of insured accounts; or

"(II) such higher ratio, not exceeding 1.65 percent of insured accounts, that the Board of Directors by a majority vote determines to be justified by circumstances that raise a significant risk of substantial future losses to the Bank Insurance Fund, for a period of one year and for further periods not exceeding one year each and by a majority vote of the Board of Directors in each instance.

"(ii) The designated reserve ratio of the Savings Association Insurance Fund shall be—

"(I) 1.25 percent of insured accounts; or

"(II) such higher ratio, not exceeding 1.65 percent of insured accounts, that the Board of Directors by a majority vote determines to be justified by circumstances that raise a significant risk of substantial future losses to the Savings Association Insurance Fund, for a period of one year and for further periods not exceeding one year each and by a majority vote of the Board of Directors in each instance.

"(iii) The Board of Directors shall—

"(I) maintain reserves in the Bank Insurance Fund received pursuant to clause (i)(II) as Supplemental Reserves in the Bank Insurance Fund;

"(II) allocate each calendar quarter to an Earnings Participation Account in the Bank Insurance Fund the investment income earned by the Bank Insurance Fund on such Supplemental Reserves in the preceding calendar quarter;

"(III) distribute such Earnings Participation Account at the conclusion of each calendar year to Bank Insurance Fund members; and

"(IV) distribute such Supplemental Reserves to Bank Insurance Fund members if and to the extent such Supplemental Reserves are not needed to satisfy the designated reserve ratio.

"(iv) The Board of Directors shall—

"(I) maintain reserves in the Savings Association Insurance Fund received pursuant to clause (ii)(II) as Supplemental Reserves in the Savings Association Insurance Fund;

"(II) allocate each calendar quarter to an Earnings Participation Account in the Savings Association Insurance Fund the investment income earned by the Savings Association Insurance Fund on such Supplemental Reserves in the preceding calendar quarter;

"(III) distribute such Earnings Participation Account at the conclusion of each calendar year to Savings Association Insurance Fund members; and

"(IV) distribute such Supplemental Reserves to Savings Association Insurance Fund members if and to the extent such Supplemental Reserves are not needed to satisfy the designated reserve ratio.

"(C) ASSESSMENT RATE FOR BANK INSURANCE FUND MEMBERS.—The annual assessment rate for Bank Insurance Fund members shall be—

"(i) until December 31, 1989, one-twelfth of 1 percent;

"(ii) from January 1, 1990, through December 31, 1990, twelve one-hundredths of 1 percent;

"(iii) on and after January 1, 1991, fifteen one-hundredths of 1 percent;

"(iv) on January 1 of a calendar year in which the reserve ratio of the Bank Insurance Fund is expected to be below the designated reserve ratio by determination of the Board of Directors, such rate determined by the Board of Directors to be appropriate to restore the reserve ratio to the designated reserve ratio within a reasonable period of time, after taking into consideration the expected operating expenses, case resolution expenditures, and investment income of the Bank Insurance Fund, and the impact on insured bank earnings and capitalization, except that—

"(I) from the date of enactment of the FIRRE Act and through 1994, so long as the Bank Insurance Fund reserve ratio is rising on a calendar year basis, the rate shall be as specified in clauses (i), (ii), and (iii), above;

"(II) the rate shall not exceed thirty one-hundredths of one percent; and

"(III) the increase in the rate shall not exceed five one-hundredths of one percent; and

"(v) at all times not less than $1,000 per annum.

"(D) ASSESSMENT RATE FOR SAVINGS ASSOCIATION INSURANCE FUND MEMBERS.—The annual assessment rate for Savings Association Insurance Fund members shall be—

"(i) until December 31, 1990, 20.8 one-hundredths of 1 percent;

"(ii) from January 1, 1991, through December 31, 1993, twenty-three one-hundredths of 1 percent;

"(iii) from January 1, 1994, through December 31, 1997, eighteen one-hundredths of 1 percent;

"(iv) on and after January 1, 1998, fifteen one-hundredths of 1 percent;

"(v) on January 1 of a calendar year in which the reserve ratio of the Savings Association Insurance Fund is expected to be below the designated reserve ratio by determination of the Board of Directors, such rate determined by the Board of Directors to be appropriate to restore the reserve ratio to the designated reserve ratio within a reasonable period of time, after taking into consideration the expected operating expenses, case resolution expenditures, and investment income of the Savings Association Insurance Fund, and the impact on insured savings association earnings and capitalization, except that—

"(I) from the date of enactment of this provision and through 1994, the rate shall be as specified in (i), (ii), and (iii) above;

"(II) from January 1, 1995 and until the calendar year in which the Savings Association Insurance Fund first attains a ratio of 1.20 percent of insured accounts, the rate shall be as specified in (iii) and (iv) above, unless the Savings Association Insurance Fund has experienced a net loss during any one of the prior 3 years, or in the opinion of the Board of Directors, extraordinary circumstances exist that raise a reasonable risk of serious future losses to the Savings Association Insurance Fund;

"(III) the rate shall not exceed thirty one-hundredths of one percent; and

"(IV) the increase in the rate shall not exceed five one-hundredths of one percent; and

"(vi) at all times not less than $1,000 per annum.

"(E) FINANCING CORPORATION AND FUNDING CORPORATION ASSESSMENTS.—Notwithstanding any authority provided herein, with respect to Savings Association Insurance Fund members, amounts assessed by the Financing Corporation and the Funding Corporation under section 21 and 21B, respectively, of the Federal Home Loan Bank Act shall be subtracted from the amounts authorized to be assessed by the Corporation hereunder. The Corporation may adopt such regulations as may be necessary to phase in the assessments required to be made by the Financing Corporation on Savings Association Insurance Fund members pursuant to section 21 of the Federal Home Loan Bank Act in order that the Financing Corporation can obtain sufficient funds for interest payments required thereunder.

"(2) ASSESSMENT PROCEDURES.—

"(A) SEMIANNUAL ASSESSMENTS.—Except as provided in subsection (c)(2) of this section—

"(i) the semiannual assessment due from any Bank Insurance Fund member for any semiannual period shall be equal to one-half the annual assessment rate applicable to such Bank Insurance Fund member multiplied by such Bank Insurance Fund member's average assessment base for the immediately preceding semiannual period; and

"(ii) the semiannual assessment due from any Savings Association Insurance Fund member for any semiannual period shall be equal to one-half the annual assessment rate applicable to such Savings Association Insurance Fund member multiplied by such Savings Association Insurance Fund member's average assessment base for the immediately preceding semiannual period.

"(B) PERIOD DEFINED.—For the purpose of this section the term 'semiannual period' means a period beginning on January 1 of any calendar year and ending on June 30 of the same year, or a period beginning on July 1 of any calendar year and ending on December 31 of the same year.";

(5) in paragraphs (3) through (8) of subsection (b), by striking "bank" and "bank's" and inserting "financial institution" and "financial institution's", respectively, except that the phrases "foreign bank" and "foreign banks" shall not be amended; and

(6) in subsection (c)—

(A) by striking "bank" and inserting "financial institution", and

(B) by inserting after the first sentence the following: "A financial institution that becomes an insured financial institution as a result of the operation of section 4(a) shall pay such an assessment.";

(7) by striking subsection (d) and inserting the following:

"(d) ASSESSMENT CREDITS.—

"(1) IN GENERAL.—

"(A) On June 30 of each calendar year, the Corporation shall prescribe and publish the aggregate amount to be credited to insured financial institutions in the succeeding calendar year; and

"(B) Each insured financial institution shall be invoiced by the Corporation in such succeeding calendar year for the net premium which shall be equal to the assessment less such prescribed assessment credit.

"(C) The Corporation shall deduct any outstanding obligations owed to the corporation by an individual insured financial institution from any assessment credit to be credited to such financial institution.

"(2) ASSESSMENT CREDIT FOR INSURED BANKS.—

"(A) CREDIT BARRED.—The Board of Directors shall not prescribe an assessment credit to Bank Insurance Fund members, when the Board of Directors determines that the Bank Insurance Fund reserve ratio is expected to be equal to or less than the designated reserve ratio after taking into consid-

eration the Fund's expected operating expenses, case resolution expenditures, investment income, and assessment income.

"(B) CREDIT AUTHORIZED.—When the Board of Directors determines after taking into consideration the Fund's expected operating expenses, case resolution expenditures, investment income, and assessment income, that the Bank Insurance Fund reserve ratio is expected to exceed the designated reserve ratio in the succeeding year, the Board of Directors shall prescribe an assessment credit to Bank Insurance Fund members in such succeeding calendar year equal to the smaller of the following amounts—

"(i) the amount necessary to reduce the Bank Insurance Fund reserve ratio to the designated reserve ratio; or

"(ii) 100 percent of the net assessment income to be received from Bank Insurance Fund members in such succeeding year.

"(3) ASSESSMENT CREDIT FOR INSURED SAVINGS ASSOCIATONS.—

"(A) CREDIT BARRED.—The Board of Directors shall not prescribe an assessment credit to Savings Association Insurance Fund members, when the Board of Directors determines that the Savings Association Insurance Fund reserve ratio is expected to be equal to or less than the designated reserve ratio after taking into consideration the fund's expected operating expenses, case resolution expenditures, investment income, and assessment income.

"(B) CREDIT AUTHORIZED.—When the Board of Directors determines after taking into consideration the fund's expected operating expenses, case resolution expenditures, investment income, and assessment income, that the Savings Association Insurance Fund reserve ratio is expected to exceed the designated reserve ratio in the succeeding year, the Board of Directors shall prescribe an assessment credit to Savings Association Insurance Fund members in such succeeding calendar year equal to the smaller of the following amounts—

"(i) the amount necessary to reduce the Savings Association Insurance Fund reserve ratio to the designated reserve ratio; or

"(ii) 100 percent of the net assessment income to be received from Savings Association Insurance Fund members in such succeeding year.

"(4) NET ASSESSMENT INCOME DEFINED.—The term 'net assessment income' as used herein means—

"(A) for the Bank Insurance Fund, the total assessments which become due during the calendar year less operating costs and expenses described in clause (i), further reduced by the amount by which the Bank Insurance Fund's insurance costs described in clause (ii), exceed its investment income for the calendar year, as follows:

"(i) for the purposes of this subparagraph, the operating costs and expenses to be deducted from assessments include the operating costs and expenses of—

"(I) the Corporation for the calendar year directly attributable to the Bank Insurance Fund; and

"(II) the Bank Insurance Fund; and

"(ii) for the purposes of this subparagraph, the insurance costs shall include—

"(I) additions to the Bank Insurance Fund's reserve to provide for insurance losses during the calendar year, except that any adjustments to reserve which result in a reduction of such reserve shall be added; and

"(II) the insurance losses sustained in said calendar year; and

"(B) for the Savings Association Insurance Fund, the total assessments which become due during the calendar year less operating costs and expenses described in clause (i), further reduced by the amount by which the Savings Association Insurance Fund's insurance costs described in clause (ii), exceed its investment income for the calendar year, as follows:

"(i) for the purposes of this subparagraph, the operating costs and expenses to be deducted from assessments include the operating costs and expenses of—

"(I) the Corporation for the calendar year directly attributable to the Savings Association Insurance Fund; and

"(II) the Savings Association Insurance Fund; and

"(ii) for the purposes of this subparagraph, the insurance costs shall include—

"(I) additions to the Savings Association Insurance Fund's reserve to provide for insurance losses during the calendar year, except that any adjustments to reserve which result in a reduction of such reserve shall be added; and

"(II) the insurance losses sustained in said calendar year.

"(5) INVESTMENT INCOME DEFINED.—The term 'investment income' as used herein means—

"(A) for the Bank Insurance Fund, interest, dividends, and net market gains earned on investments of the Bank Insurance Fund; and

"(B) for the Savings Association Insurance Fund, interest, dividends, and net market gains earned on investments of the Savings Insurance Fund.";

(8) by striking "bank" wherever it appears in subsections (e), (f), (g) and (i) and inserting "financial institution";

(9) in subsection (j)—

(A) in the last sentence of paragraph (1)—

(i) by inserting "(A)" before "any 'bank holding company' "; and

(ii) by inserting before the period the following: "; (B) any 'savings and loan holding company' which has control of any insured financial institution, and the appropriate Federal banking agency in the case of savings and loan holding companies shall be the Chairman of the Office of Savings Associations; and (C) any other company that controls an insured financial institution that is not a bank holding company or a savings and loan holding company";

(B) in paragraph (2)(A), by striking "failure" and inserting "default" and by striking "bank" wherever it appears and inserting "financial institution";

(C) in paragraph (2)(D), by inserting "unless it finds that an emergency exists." after the comma following the word "shall";

(D) in paragraph (7)—

(i) by striking "or" at the end of subparagraph (D);

(ii) by striking the period at the end of subparagraph (E) and inserting "; or"; and

(iii) by adding at the end the following:

"(F) the appropriate Federal banking agency determines that the proposed transaction would result in an adverse effect on the Bank Insurance Fund, or the Savings Association Insurance Fund.";

(E) by striking paragraph (17) and inserting the following:

"(17) APPLICABILITY.—This subsection shall not apply to—

"(A) a transaction subject to section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) or section 18 of this Act (12 U.S.C. 1828); or

"(B) the acquisition of a savings association which acquisition is subject to section 10 of the Home Owners' Loan Act of 1933."; and

(F) by adding at the end the following:

"(l) DEFINITIONS.—For purposes of this section—

"(1) the 'Bank Insurance Fund reserve ratio' is the ratio of the net worth of the Bank Insurance Fund to the value of the aggregate insured deposits held in all Bank Insurance Fund members;

"(2) the 'Savings Association Insurance Fund reserve ratio' is the ratio of the net worth of the Savings Association Insurance Fund to the value of the aggregate insured deposits held in all Savings Association Insurance Fund members;

"(3) 'Bank Insurance Fund member' means any insured financial institution other than a Savings Association Insurance fund member; and

"(4) 'Savings Association Insurance Fund member' means any financial institution the accounts of which were insured by the Federal Savings and Loan Insurance Corporation immediately prior to the enactment of the FIRRE Act, any insured savings association other than a Federal savings bank chartered pursuant to section 5(o) of the Home Owners' Loan Act of 1933, and any other financial institution that is required to pay assessments into the Savings Association Insurance Fund.".

SEC. 209. FDIC CORPORATE POWERS.

Section 9 of the Federal Deposit Insurance Act (12 U.S.C. 1819) is amended—

(1) by striking out the words "bank" and "banks" wherever they appear and inserting "financial institution" and "financial institutions", respectively; and

(2) by striking out the provisions of Paragraph Four after the phrase "as receiver of a State bank" and replacing them with the following: "other than as receiver under the provisions of section 11(e)(2) or 11(e)(3) and which involves only the preappointment rights of or obligations owing to depositors, creditors, or stockholders against or by such State financial institution under State law shall not be deemed to arise under the laws of the United States. Nothing in the foregoing shall limit the right of the Corporation to invoke the jurisdiction of a United States district court where the Corporation is acting as receiver of a State financial institution and that institution could have invoked such jurisdiction. No attachment or execution shall be issued against the Corporation or its property before final judgment in any suit, action, or proceeding in any State, county, municipal or United States court. The Board of Directors shall designate agents upon whom service of process may be made in any State, territory, or jurisdiction in which any insured bank is located.".

SEC. 210. ADMINISTRATION OF CORPORATION.

Section 10(b) of the Federal Deposit Insurance Act (12 U.S.C. 1820(b)) is amended—

(1) in the first sentence, by inserting after "or other institution" a comma and the following: "including a State savings association,";

(2) in the second sentence, by striking "insured Federal savings bank" and inserting "insured savings association".

SEC. 211. INSURANCE FUNDS.

Section 11(a) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)) is amended—

(1) in subsection (a)—

(A) by striking paragraph (1) and inserting the following:

"(1) On and after the effective date of the FIRRE Act, the Corporation shall insure the deposits of all insured financial institutions as provided in this Act. Except as provided in paragraph (2), the maximum amount of the insured deposit of any depositor shall be $100,000.";

(B) in paragraph (2)(b), by striking "(b)" and inserting "(B)" and by striking "time and savings".

(C) by adding at the end the following:

"(4) There are established two insurance funds both to be operated and administered by the Corporation and to be separately maintained and not commingled, which shall be used by the Corporation for the purposes of carrying out the insurance purposes of this Act in the manner set forth below:

"(A) On the effective date of the FIRRE Act, there is established a fund to be designated the Bank Insurance Fund. On that date, the Permanent Insurance Fund shall be dissolved and all the assets, debts, obligations, contracts, and other liabilities of the Permanent Insurance Fund, matured or unmatured, accrued, absolute, contingent, or otherwise shall hereby be transferred in their entirety to the Bank Insurance Fund. The Bank Insurance Fund shall be available to the Corporation for the uses and purposes herein provided with respect to the Bank Insurance Fund members. All amounts assessed Bank Insurance Fund members by the Corporation shall be deposited into the Bank Insurance Fund.

"(B)(i) On the effective date of the FIRRE Act, there is established a fund to be designated the Savings Association Insurance Fund. All amounts assessed Savings Association Insurance Fund members from the date of enactment of the FIRRE Act, and not required for the Financing Corporation or for the Resolution Funding Corporation pursuant to section 21 and 21B, respectively, of the Federal Home Loan Bank Act, or for the FSLIC Resolution Fund pursuant to section 11A of this Act, shall be covered into the Savings Association Insurance Fund. Beginning on January 1, 1992, no amounts assessed Savings Association Insurance Fund members shall be provided to the FSLIC Resolution Fund.

"(ii)(I) Beginning in fiscal year 1991, in order to provide funding to the Savings Association Insurance Fund, the Secretary of the Treasury shall, subject to the availability of appropriations, pay to the Fund the amounts per fiscal year, less the assessment paid by the savings associations to the Fund for such fiscal year, as set forth in the following table:

"Fiscal year ending September 30	Dollars in billions
1991	$2.0
1992	3.4
1993	4.6
1994	3.0
1995	4.0
1996	4.0
1997	4.0
1998	4.0
1999	3.0

"(II) When the Savings Association Insurance Fund reserve ratio equals or exceeds 1.25 percent no further amounts shall be paid to the Fund by the Secretary of the Treasury. The Secretary of the Treasury shall pay to the Savings Association Insurance Fund such additional funds as necessary, if any, to ensure that such Fund has the minimum net worth, as determined by the Corporation and the Secretary of the Treasury, set forth in the following table in each respective fiscal year as specified therein, subject to the provisions of the preceding sentence that at such time as the Savings Association Insurance Fund reserve ratio equals or exceeds 1.25 percent no further amounts shall be paid to the Fund by the Secretary of the Treasury:

"Fiscal year ending September 30	Dollars in billions
1991	$0.0
1992	1.0
1993	2.1
1994	3.2
1995	4.3
1996	5.4
1997	6.5
1998	7.6
1999	8.8

"(iii) Cumulative additions to obligations outstanding of the Savings Association Insurance Fund for fiscal years 1991 through 1999 shall not exceed $24,000,000,000.".

"(iv) There are authorized to be appropriated to the Secretary of the Treasury, without fiscal year limitation, such sums as may be necessary for payments as authorized by this Act.

"(v) The Corporation is authorized to borrow from the Federal Home Loan Banks, with the concurrence of the Chairman of the Office of Savings Associations, such funds as the Corporation deems necessary for the use of the Savings Association Insurance Fund, which borrowings shall be a direct liability of such Fund and shall be subject to the limitations in subsection (b) of section 15 of this Act. All such loans shall be made in accordance with section 11(k) of the Federal Home Loan Bank Act.

"(vi) The Savings Association Insurance Fund shall be available to the Corporation for the uses and purposes herein provided with respect to Savings Association Insurance Fund members. All amounts assessed Savings Association Insurance Fund members by the Corporation which do not include those required for the Financing Corporation or the Resolution Funding Corporation pursuant to the Federal Home Loan Bank Act, or for the FSLIC Resolution Fund pursuant to section 11A of this Act, shall be deposited into the Savings Association Insurance Fund.

"(5)(A) Any provision of this Act forbidding the commingling of the Bank Insurance Fund with the Savings Association Insurance Fund, or requiring the separate maintenance of the Bank Insurance Fund and the Savings Association Insurance Fund shall not—

"(i) limit or impair the authority of the Corporation to use the same facilities and resources other than the Bank Insurance Fund, the Savings Association Insurance Fund, or the FSLIC Resolution Fund in the course of conducting supervisory, regulatory, conservatorship, receivership, or liquidation functions with respect to banks and savings associations, or to integrate such functions; or

"(ii) limit or impair the Corporation's power to combine assets belonging to the estates of banks and savings associations for managerial purposes, or limit or impair the Corporation's power to dispose of such assets on an aggregate basis.

"(B)(i) The Corporation shall keep a full and complete accounting of all costs and expenses associated with the use of any facilities and resources used in the course of functions specified in subparagraph (A)(i). The Corporation shall allocate any such costs and expenses incurred by the Corporation with respect to Bank Insurance Fund members to the Bank Insurance Fund, and shall allocate any such costs and expenses incurred by the Corporation with respect to Savings Association Insurance Fund members to the Savings Association Insurance Fund.

"(ii) The Corporation shall keep a full and complete accounting of all costs and expenses associated with the management of any assets specified in subparagraph (A)(ii), and a full and complete accounting of all costs, expenses, and receipts associated with the disposition of such assets. The Corporation shall allocate any such costs, expenses, and receipts associated with assets belonging to Bank Insurance Fund members or to the estates of such members to the Bank Insurance Fund, and shall allocate any such costs, expenses, and receipts associated with assets belonging to Savings Association Insurance Fund members or to the estates of such members to the Savings Association Insurance Fund.

"(C) A personnel, administrative, or other overhead expense of the Corporation shall be allocated—

"(i) fully to the Bank Insurance Fund, if the expense was incurred directly as a result of the corporation's responsibilities solely with respect to insured banks;

"(ii) fully to the Savings Association Insurance Fund, if—

"(I) the expense was incurred directly as a result of the Corporation's responsibilities solely with respect to insured savings associations; or

"(II) the expense is associated with a bridge bank established to assume liabilities and receive assets of an institution under the jurisdiction of the Resolution Trust Corporation or insured by the Savings Association Insurance Fund;

"(iii) between the Bank Insurance Fund and the Savings Association Insurance Fund, in amounts reflecting the relative degree to which the expense was incurred as a result of the activities of insured banks and insured savings associations; or

"(iv) between the Bank Insurance Fund and the Savings Association Insurance Fund, in amounts reflecting the relative total assets as of the end of the preceding calendar year of insured banks and insured savings associations, if the Board of Directors is unable to make a determination under (i), (ii), or (iii) above.".

SEC. 212. FDIC RECEIVERSHIP POWERS.

(a) BASIC AUTHORITIES.—Section 11(c) of the Federal Deposit Insurance Act (12 U.S.C. 1821(c)) is amended to read as follows:

"(c) CORPORATION AS RECEIVER OR CONSERVATOR.—

"(1) IN GENERAL.—

"(A) AUTHORITY UNDER THIS SECTION.—Notwithstanding any other provision of law, the Corporation is authorized to accept appointment and act as receiver or conservator for financial institutions in default and shall have the authorities specified in this section upon appointment as set out in subsection (d) or (e). As receiver or conservator, the Corporation shall have the authorities and duties described in paragraphs (2) through (12).

"(B) AUTHORITY IN SPECIAL CASES.—In addition to any powers otherwise conferred by this section, the Corporation as receiver or conservator shall have with respect to cases with respect to which the Federal Savings and Loan Insurance Corporation appointed,

or was itself appointed as, a receiver or conservator prior to January 1, 1989, all powers and authorities that were or would have been available to the Federal Savings and Loan Insurance Corporation immediately prior to the enactment of the FIRRE Act.

"(2) GENERAL AUTHORITIES.—The Corporation is authorized—

"(A) to take over the assets of, operate the financial institution, and perform all functions of the financial institution in its own name;

"(B) to exercise all the powers of the members, shareholders, directors, and officers of the financial institution and to conduct all business of the institution, including taking deposits;

"(C) to take such action as may be necessary to put the financial institution in a sound and solvent condition;

"(D) to conserve the assets of the financial institution;

"(E) to merge the financial institution with another insured financial institution;

"(F) to organize, in the case of a savings association, by application to the Chairman of the Office of Savings Associations a new Federal savings association to take over such assets or such liabilities as the Corporation may deem appropriate;

"(G) to organize, in the case of an insured bank, a bridge bank under subsection (i) or a new national bank under subsection (h);

"(H) to transfer any assets or liabilities of the financial institution in default (including assets or liabilities associated with any trust business), such transfer to be effective without any further approval, assignment or consent with respect thereto, except that when the transferee is another financial institution, the transfer must be approved by the appropriate Federal banking agency for the acquiring institution;

"(I) to place the financial institution in liquidation and to proceed to realize upon the assets of the financial institution, having due regard to the condition of credit in the locality;

"(J) to determine claims under the provisions set forth under subsection (1);

"(K) to exercise all powers and authorities specifically granted by the provisions of this Act and such incidental powers as shall be necessary to carry out the powers so granted; and

"(L) to exercise any combination of the powers enumerated in subparagraphs (A) through (K),

whichever shall appear to be in the best interests of the financial institution, its depositors, and the Corporation.

"(3) PAYMENT OF OBLIGATIONS.—The Corporation shall pay all valid credit obligations of the financial institution in accordance with this Act.

"(4) CLAIMS.—

"(A) IN GENERAL.—In cases of liquidation, or other closing or winding up of the affairs of a closed financial institution, the Corporation shall promptly publish a notice to the financial institution's creditors to present their claims, with proof thereof, to the receiver by a date specified in the notice (at least 90 days after first publication). The notice shall be published again approximately one month and two months respectively after first publication. Claims filed after the specified date shall be disallowed, and such disallowance shall be final. The receiver shall mail a similar notice at the time of first publication to any creditor shown on the financial institution's books at the creditor's last address appearing thereon or upon discovery of the name and address of a claimant not appearing on the financial institution's books within 30 days of discovery.

"(B) ALLOWANCE OF CLAIMS.—The Corporation shall allow any claim seasonably received and proved to its satisfaction. The receiver may wholly or partly disallow any creditor claim or claim of security, preference, or priority not so proved, and shall notify the claimant of the disallowance and the reason therefore. Mailing notice of the disallowance to the claimant's last address appearing on the financial institution's books or on the proof of claim shall be sufficient notice. Unless, within 30 days after notice is mailed, the claimant files a written objection to the disallowance, disallowance shall be final. Those claims to which an objection is properly and timely filed shall be decided in accordance with the provisions of subsection (1).

"(C) PAYMENTS.—The Corporation may pay creditor claims which are allowed by the receiver or approved by a final determination by the receiver in accordance with subsection (1), from time to time, in the receiver's discretion, to the extent funds are available, in such manner and amounts as are authorized under this Act.

"(5) SUBROGATION.—The Corporation shall pay to itself for its own account such portion of the amounts realized from any liquidation as it shall be entitled to receive on account of its subrogation to the claims of depositors, and it shall pay to depositors and other creditors the net amounts available for distribution to them.

"(6) DIVIDENDS.—The Corporation may, in its discretion, pay dividends on proved claims at any time, and no liability shall attach to the Corporation itself or as such receiver by reason of any such payment for failure to pay dividends to a claimant whose claim is not proved at the time of any such payment.

"(7) STAYS.—The Corporation may request a stay for a period of up to 45 days after the appointment of the receiver as to any judicial action or proceeding to which the receiver or the financial institution in default is or becomes a party. Upon petition, the court shall grant such stay as to all parties.

"(8) REPUDIATION OF CONTRACTS.—

"(A) The Corporation is authorized in any case in which it is liquidating or otherwise closing or winding up the affairs of a closed financial institution to disaffirm or repudiate any contract or lease the performance of which the Corporation in its discretion considers to be burdensome and the disaffirmance or repudiation of which will promote the orderly administration of the financial institution's affairs.

"(B) If the Corporation repudiates or disaffirms any contract other than as provided in subparagraph (C), (D), or (E), the claim for damages resulting from such repudiation or disaffirmance shall be limited to actual direct compensatory damages, and, in the case of contracts and agreements referred to in subparagraph (F) of this paragraph, shall be measured as of the date of disaffirmance or repudiation, and there shall be no liability either on the part of the Corporation or on the part of the estate of the failed financial institution for any other damages, including punitive exemplary, or consequential damages or similar damages, or damages for lost profits or opportunity, or damages for pain and suffering. With respect to contracts and agreements under subparagraph (F) of this paragraph, lost profits and opportunity shall not be deemed to include normal costs of cover or other reasonable measures of damages utilized in the industries for such contracts and agreements. A claim under this subparagraph is a claim against the estate of the financial institution to be paid in accordance with subsections (k) and (l), and shall be deemed to have arisen on the date of the Corporation's appointment as conservator or receiver.

"(C) If the Corporation disaffirms or repudiates a lease under which the financial institution was the lessee, neither the Corporation nor the estate of the financial institution will incur any liability with respect to such lease, except that the lessor shall be entitled to the contractual rent for the period from the appointment of the receiver or conservator to the date the notice of disaffirmance or repudiation is mailed or effective and the lessor shall have a claim against the estate of the institution to be paid in accordance with subsections (k) and (l) of this section for any unpaid rent (but shall have no claims for damages under acceleration or other penalty provisions) due as of the date of the appointment of the receiver or conservator.

"(D) If the Corporation repudiates any unexpired written lease of real property of the financial institution under which the institution is the lessor and the lessee is not in default, the lessee under such lease may treat the lease as terminated by such repudiation; or, in the alternative, the lessee may remain in possession of the leasehold interest for the balance of the term of the lease. If such lessee remains in possession under the provisions of this paragraph, he shall continue to pay the contractual rent, and may offset against the rent unpaid for the balance of the term after the date of the repudiation of the lease, any damages occurring after such date caused by the nonperformance of any obligation of the financial institution under the lease after such date, but the lessee does not have any rights against the estate on account of any damages arising after such date from the repudiation, other than such offset.

"(E) If the Corporation repudiates a written contract of the financial institution for the sale of real property, which satisfies the provisions of section 13(e), under which the purchaser is in possession and not in default, such purchaser may treat the contract as terminated, or in the alternative, may remain in possession of such real property. If the purchaser remains in possession, he shall continue to make all payments due under the contract, but may offset against such payments any damages occurring after the date of the repudiation of the contract caused by the nonperformance of any obligation of the institution contained in the contract after such date, but the purchaser does not have any rights against the estate on account of any damages arising after such date from the repudiation, other than such offset; and the Corporation shall deliver title to the purchaser in accordance with the provisions of the contract, but is relieved of all other obligation to perform under the contract. Nothing herein is intended to limit the Corporation's right to assign such contract and sell the property subject to the contract and the provisions of this paragraph. If such an assignment and sale is consummated, the Corporation shall have no further liability.

"(F) CERTAIN MARKET-SENSITIVE CONTRACTS.—

"(i) Subject to subparagraph (L) of this paragraph, but notwithstanding any other provision of this Act (other than subsections (i)(4)(I) and (l)(4) of this section and section 13(e) of this Act) or any other provision of

Federal or State law, no person shall be stayed or prohibited from exercising any rights such person has to cause the termination or liquidation of a securities contract, commodity contract, forward contract, repurchase agreement, or swap agreement with a financial institution in receivership or liquidating conservatorship based upon the appointment of the Corporation as receiver or conservator for the purpose of liquidation, or any rights under any security arrangement relating to the foregoing, or any rights to set off or net out any termination values, payment amounts or other transfer obligations arising under or in connection with one or more such contacts and agreements, including any master agreement for such contracts or agreements. If any party to such a contract or agreement shall bring any judicial action or proceeding against the receiver or the financial institution in default, the provisions of subsection (c)(7) of this section shall be applicable.

"(ii) Notwithstanding subparagraph (G) of this paragraph, the Corporation, in its corporate, receivership and conservatorship capacities, shall have no authority to avoid any transfer of money or other property made in connection with a contract or agreement referred to in the foregoing clause (i) except upon a showing of actual intent by such party to hinder, delay, or defraud such financial institution's creditors.

"(iii) For purposes of clauses (i) and (ii), the following terms shall have the following meanings:

"(I) 'Securities contract' has the meaning ascribed to such term in section 741(7) of title 11, United States Code, for purposes of section 555 of title 11, United States Code. For the purposes of this subparagraph, the term 'security' as used in such section 741(7) shall have the meaning given to such term in section 101(43) of title 11, United States Code, and shall include 'mortgage-related securities' (as such term is defined in section 3(a)(41) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(41)), mortgage loans, and interests therein. A participation in a commercial mortgage loan does not itself constitute a 'securities contract', unless the Corporation determines by regulation, rule, resolution or order to include a participation in a commercial mortgage loan itself within such term.

"(II) 'Commodity contract' and 'forward contact' have the meanings ascribed to such terms for purposes of section 556 of title 11, United States Code.

"(III) 'Repurchase agreement' has the meaning given to such term in section 101(41) of title 11, United States Code, for purposes of section 559 of title 11, United States Code, except that for the purpose of this subparagraph the phrase ' "mortgage-related securities" (as such term is defined in section 3(a)(41) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(41)), mortgage loans, and interests therein' shall be deemed to be inserted after the word 'States' the second time the word 'States' appears in such definition, inserted before the word 'with' in such definition, and inserted before the word 'as' the second time the word 'as' appears in such definition. A participation in a commercial mortgage loan does not itself constitute a 'repurchase agreement', unless the Corporation determines by regulation, rule, resolution, or order to include a participation in a commercial mortgage loan itself within such term.

"(IV) 'Swap agreement' means an agreement, including terms and conditions incorporated by reference therein, which is a rate swap agreement, basis swap, forward rate agreement, interest rate future, interest rate option purchased, forward foreign exchange agreement, rate cap agreement, rate floor agreement, rate collar agreement, currency swap agreement, cross-currency rate swap agreement, currency future, currency option purchased or any other similar agreement or combination thereof (including any option to enter into any of the foregoing), and a master agreement for any of the foregoing together with all supplements shall be considered one swap agreement.

"(V) 'Transfer' has the meaning given to such term in section 101(5) of title 11, United States Code.

"(G) Nothing in this paragraph is intended to allow the avoidance of any legally valid security interest in the assets of the institution except where such an interest is taken in contemplation of the institution's insolvency or with the intent to hinder, delay, or defraud the institution or its creditors.

"(H) Nothing in this paragraph is intended to affect the validity of or right to collect on any extensions of credit by the Corporation, a Federal Home Loan Bank, or a Federal Reserve Bank to the institution or any security interest in any assets of the institution securing any such extensions of credit.

"(I) The Corporation shall determine whether or not to exercise the rights of repudiation under this paragraph within a reasonable period following its appointment as conservator or receiver.

"(J) If, pending its determination whether or not to exercise the right of repudiation under this paragraph, the Corporation, without prejudice to its right of repudiation, accepts performance by the other party to a contract for services, the Corporation shall pay the other party under the terms of the contract for the services performed as an administrative expense of the conservatorship or receivership. Any claim of such other party for services performed prior to the Corporation's appointment as conservator or receiver shall be a claim against the estate of the financial institution to be paid in accordance with subsections (k) and (l) and shall be deemed to have arisen as of the date of the Corporation's appointment as conservator or receiver.

"(K) TRANSFERS.—In effecting any transfer of assets or liabilities of a financial institution in default, the Corporation as receiver or conservator shall either—

"(i) transfer to a single financial institution (other than a financial institution in default) all Financial Contracts (as defined in subparagraph (L)) of a party and its affiliates with such financial institution in default, all claims of a party and its affiliates under Financial Contracts against such financial institution in default (other than claims subordinated by any such Financial Contracts to the claims of general unsecured creditors), all claims of such financial institution in default against such party and its affiliates under all Financial Contracts, and all property securing claims under all such Financial Contracts; or

"(ii) transfer no Financial Contracts of a party and its affiliates with a financial institution in default, no claims of a party and its affiliates under Financial Contracts against such financial institution in default, no claims of such financial institution in default against such party and its affiliates under Financial Contracts, and no property securing claims under such Financial Contracts.

"(L) NOTICE.—If a party to a contract or agreement specified in subparagraph (F) of this paragraph is notified by the Corporation as receiver or conservator by the close of business on the Business Day following its first appointment as such that it has transferred to a single financial institution (other than a financial institution in default) all Financial Contracts of a party and its affiliates with the financial institution for which it has been appointed as receiver or conservator, all claims of a party and its affiliates under Financial Contracts against such financial institution in default (other than claims subordinated by any such Financial Contracts to the claims of general unsecured creditors), all claims of such financial institution in default against such party and its affiliates under all Financial Contacts, and all property securing claims under all such Financial Contracts, then the provisions of subparagraph (F)(i) shall not apply. For purposes of this subparagraph (L), the Corporation as receiver or conservator shall be deemed to have notified a party if it has taken steps reasonably calculated to provide notice to such party. The Corporation as receiver or conservator shall use its best efforts to notify a party whether it has effected a transfer of assets and liabilities of a financial institution in default in accordance with subparagraph (K)(i) prior to 12:00 a.m. local time on the Business Day following its first appointment. As used in this subparagraph (L), 'Business Day' means a day other than a Saturday, Sunday, or day on which either the New York Stock Exchange or the Federal Reserve Bank of New York is closed. As used in this subparagraph (L), in subparagraph (K), and in subparagraph (N), 'Financial Contract' means a contract or agreement referred to in subparagraph (F) of this subsection and any other similar contract or agreement (including contracts or agreements relating to hedging, risk management, funding or capital markets transactions).

"(M) PREEXISTING PROTECTIONS FOR SAVINGS ASSOCIATIONS.—

"(i) The following resolutions of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation shall be binding, with respect to savings associations, on the Corporation in its corporate, receivership, and conservatorship capacities, to the same extent they were binding on the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation, in its corporate, receivership, and conservatorship capacities and may only be rescinded or otherwise amended in accordance with the terms thereof:

"(I) Resolutions relating to the treatment of 'Repos', 'Financial Contracts' and 'special accounts' (including security arrangements in connection with special accounts) of American Savings and Loan Association, Stockton, California, American Savings, a Federal Savings and Loan Association, Stockton, California, New West Federal Savings and Loan Association, Stockton, California, Western Federal Savings and Loan Association, Phoenix, Arizona, and Gibraltar Savings, Beverly Hills, California; and

"(II) Resolution, dated August 31, 1988, regarding the treatment of certain subsidiaries of savings associations;

"(ii) The following letters of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation, general counsels thereto and representatives thereof, shall be and remain binding, with respect to savings associations, on the Corporation in its corporate, receivership

and conservatorship capacities, to the same extent they were binding on the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation, in its corporate, receivership and conservatorship capacities, in respect of any party that, on or prior to the date of enactment of the FIRRE Act, relied in good faith on one or more of such letters in entering into any transaction described therein or in incurring or purchasing any obligation or otherwise extending any credit in connection with any such transaction:

"(I) Letters relating to the treatment of security arrangements in connection with 'special accounts' of American Savings and Loan Association, Stockton, California, American Savings, a Federal Savings and Loan Association, Stockton, California, New West Federal Savings and Loan Association, Stockton, California, Western Federal Savings and Loan Association, Phoenix, Arizona, and Gibraltar Savings, Beverly Hills, California;

"(II) Letters of March 23, 1984, January 18, and May 29, 1985, from Norman H. Raiden, Esq., General Counsel to the Federal Home Loan Bank Board, regarding the substantive consolidation of subsidiaries of savings associations;

"(III) Letters of February 22 and March 1, 1988 from Jordan Luke, Esq., General Counsel to the Federal Home Loan Bank Board, regarding the characterization of certain asset sales; and

"(IV) Letter of November 19, 1987, from Stuart D. Root, Esq., Executive Director of the Federal Savings and Loan Insurance Corporation and Jordan Luke, Esq., General Counsel to the Federal Home Loan Bank Board, clarifying a letter of October 13, 1987 from the Securities Industry Association to Messrs. Root and Luke, in each case regarding documentation supporting payment of insured deposits of savings associations.

No such letter shall be binding on the Corporation in respect of any such transaction entered into, or in respect of, any obligations incurred or purchased or credit extended in connection therewith, after the date of enactment of the FIRRE Act.

"(N) CERTAIN PROTECTIONS IN EVENT OF APPOINTMENT OF CONSERVATOR NOT FOR THE PURPOSE OF LIQUIDATION.—Notwithstanding any other provision of this Act (other than subsections (c)(9), (i)(4)(I), and (l)(4) of this section and section 13(e) of this Act) or any other provision of Federal or State law, no person shall be stayed or prohibited from exercising any rights such person has to cause the termination, liquidation or acceleration of Financial Contracts with a financial institution in a nonliquidating conservatorship based upon a default under such Financial Contracts enforceable under applicable noninsolvency law, or any rights under any security arrangement relating to such Financial Contracts, or any rights to setoff or net out any termination values, payment amounts or other transfer obligations arising under or in connection with such Financial Contracts. If any party to a Financial Contract shall bring any judicial action or proceeding against the financial institution in default, the provisions of section 11(c)(7) of this Act shall apply.

"(9) ENFORCEMENT OF CONTRACTS.—The Corporation may enforce any contract, other than those of a director's or officer's liability insurance contract or a financial institution bond, entered into by the financial institution notwithstanding any provision of the contract providing for termination, default, acceleration, exercise of rights upon, or soley by reason of insolvency or the appointment of receiver or conservator. Nothing in this paragraph shall impair or affect any right, if any, of ther Corporation that mayt have existed immediately prior to the enactment of the FIRRE Act to enforce or recover a director's or officer's insurance policy contract or financial institution bond issued or otherwise entered into prior to enactment of the FIRRE Act.

"(10) ACCOUNTING.—The Corporation shall keep an accounting of each receivership estate and conservatorship estate or other disposition of institutions in default in the manner which it deems in its discretion to be appropriate and make such accounting available, on an annual basis, to the shareholders of the financial institution, the Secretary of the Treasury, the Comptroller General, and the agency that appointed the Corporation as receiver or conservator, upon request.

"(11) DISTRIBUTION AFTER PAYMENT OF ALL CLAIMS.—In any case in which funds remain after all depositors, creditors, other claimants, and administrative expenses are paid, the Corporation shall distribute such funds to the financial institution's shareholders or members along with the accounting specified in paragraph (I).

"(12) RECORDS.—The Corporation may, any time 7 years after its appointment as receiver of a financial institution, destroy any records of such institution which the Corporation in its discretion deems to be unnecessary. The Corporation shall not destroy any records which may be needed for any criminal prosecution or civil or administrative proceeding.

"(13) STATE HOUSING FINANCE AGENCIES.—The Corporation is authorized to enter into contracts with State housing finance agencies for the sale of mortgage related assets of the financial institutions in default (including assets and liabilities associated with any trust business), such contracts to be effective in accordance with their terms without any further approval, assignment, or consent with respect thereto. In evaluating the disposition of such assets, the Corporation shall consider—

"(A) the State housing finance authority's ability to acquire and service current, delinquent, and defaulted mortgage related assets;

"(B) the State housing finance authority's ability to further national housing policies;

"(C) the State housing finance authority's sensitivity to the impact of the sale of mortgage related assets upon State and local communities;

"(D) the costs to the Federal Government associated with alternative ownership or dispositions of the mortgage related assets;

"(E) the minimization of future guaranties which may be required of the Federal Government;

"(F) the maximization of mortgage related asset values; and

"(G) the utilization of institutions currently established in mortgage related asset market activities.

"(14) STATUTES OF LIMITATION.—Notwithstanding any contractual provisions to the contrary, the applicable statute of limitations with regard to any action brought by the Corporation as receiver or conservator shall be—

"(A) the period provided for in sections 2415 and 2416 of title 28, United States Code,

"(B) the applicable State statute of limitations, or

"(C) the expiration of 3 years following the date of the appointment of the Corporation as receiver or conservator,

whichever provides for the longest limitations period.".

(b) RECEIVER OR CONSERVATOR OF FEDERAL FINANCIAL INSTITUTION.—Section 11(d) of the Federal Deposit Insurance Act (12 U.S.C. 1821(d)) is amended to read as follows:

"(d) CORPORATION AS RECEIVER OR CONSERVATOR OF FEDERAL FINANCIAL INSTITUTIONS.—

"(1) IN GENERAL.—Whenever a receiver or conservator is appointed for an insured Federal or District financial institution by the authority having supervision of such financial institution for the purpose of liquidation or winding up its affairs, the Corporation shall be appointed, and shall accept appointment, as such receiver or conservator. The Corporation may, at the discretion of the supervisory authority, be appointed conservator not for the purpose of liquidation or winding up the financial institution's affairs, and the Corporation may accept such appointment.

"(2) POWERS AND DUTIES.—As a receiver or conservator appointed under this subsection, the Corporation shall have all powers and duties set forth in this Act, and such other powers and duties possessed by receivers and conservators for Federal financial institutions under any other provisions of law, in addition to and not in derogation of the powers conferred in this Act.

"(3) RELATIONSHIP TO OTHER AGENCIES.—As such receiver or conservator, the Corporation shall not be subject to the direction or supervision of any other agency or department in the exercise of its rights, powers, and privileges as receiver or conservator. If the financial institution continues to operate in conservatorship, the institution shall remain subject to the supervision of the appropriate Federal banking agency.".

(c) CORPORATION AS RECEIVER OR CONSERVATOR OF STATE FINANCIAL INSTITUTIONS.—Section 11(e) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)) is amended to read as follows:

"(e) CORPORATION AS RECEIVER OR CONSERVATOR OF STATE FINANCIAL INSTITUTIONS.—

"(1) IN GENERAL.—(A) Whenever the authority having supervision of any insured State financial institution (except a District financial institution) appoints a receiver or conservator for such State financial institution and tenders appointment to the Corporation, the Corporation may accept appointment as receiver or conservator.

"(B) As a receiver or conservator appointed under this subsection, the Corporation shall possess all the rights, powers, and privileges granted by State law to a receiver or conservator of a State financial institution of any kind, in addition to and not in derogation of the powers conferred upon the Corporation under subsection (c).

"(C) As such receiver or conservator, the Corporation shall not be subject to the direction or supervision of any other agency or Department, State or Federal, in the exercise of its rights, powers, and privileges. If the financial institution continues to operate in conservatorship, the institution shall remain subject to the supervision of the appropriate Federal banking agency.

"(2) APPOINTMENT BY CHAIRMAN OF THE OFFICE OF SAVINGS ASSOCIATIONS.—Whenever the Chairman of the Office of Savings Associations appoints a conservator or receiver under the provisions of section 5(d)(2)(C) of the Home Owners' Loan Act of 1933 for the

purpose of liquidation or winding up a savings association's affairs, the Resolution Trust Corporation shall be appointed for the period from the date of enactment of the FIRRE Act until 3 years thereafter, and the Corporation shall be appointed thereafter. The Corporation or the Resolution Trust Corporation as appropriate, may, at the discretion of the supervisory authority, be appointed conservator not for the purpose of liquidation or winding up the savings association's affairs, and the Corporation may accept such appointment.

"(3) POWER AND JURISDICTION.—The Corporation shall have power and jurisdiction to appoint itself as sole conservator or receiver of a State savings association if the Corporation or the Resolution Trust Corporation as appropriate determines—

"(A) that—

"(i) a conservator, receiver, or other legal custodian has been or is hereafter appointed for an insured State other than by the Chairman of the Office of Savings Associations and that the appointment of such conservator, receiver, or custodian, or any combination thereof, has been outstanding for a period of at least 15 consecutive days, and that one or more of the depositors in such institution is unable to obtain a withdrawal of a deposit, in whole or in part; or

"(ii) an insured State savings association has been closed by or under the laws of any State; and

"(B) that one or more of the grounds specified in paragraph (2)(A) of section 5(d) of the Home Owners' Loan Act of 1933 existed with respect to such savings association at the time a conservator, receiver, or other legal custodian was appointed, or at the time such savings association was closed, or exists thereafter during the appointment of the conservator, receiver, or other legal custodian or while the savings association is closed.

"(4) AUTHORITY IN CERTAIN CASES.—In any case where the Corporation is appointed conservator or receiver of an insured State financial institution—

"(A) the provisions of this Act shall be applicable in the same manner and to the same extent as if such institution were a Federal institution with respect to which the Corporation had been appointed conservator or receiver; and

"(B) the Corporation shall have authority to liquidate such institution in an orderly manner or to make such other disposition of the matter as it deems to be in the best interests of the institution, its depositors, and the Corporation.

"(5) CONSTRUCTION OF SUBSECTION.—The authority conferred by paragraphs (2) and (3) shall be in addition to, and not a limitation upon, appointment under paragraph (1).".

(d) PAYMENT OF INSURED DEPOSITS.—Section 11(f) of the Federal Deposit Insurance Act (12 U.S.C. 1821(f)) is amended to read as follows:

"(f) PAYMENT OF INSURED DEPOSITS.—

"(1) IN GENERAL.—In cases of the liquidation or other closing or winding up of the affairs of an insured financial institution in default or an insured branch of a foreign bank in default, payment of the insured deposits in such financial institution or branch shall be made by the Corporation as soon as possible, subject to the provisions of subsection (g) of this section either by cash or by making available to each depositor a transferred deposit in a new financial institution in the same community or in another insured financial institution in an amount equal to the insured deposit of such depositor. All payments made pursuant to this section on account of a Bank Insurance Fund member shall be made only from the Bank Insurance Fund, and all payments made pursuant to this section on account of a Savings Association Insurance Fund member shall be made only from the Savings Association Insurance Fund.

"(2) PROOF OF CLAIMS.—The Corporation, in its discretion, may require proof of claims to be filed and may approve or reject such claims. In the case of a disputed claim, the Corporation shall have the power to resolve such disputed claims according to rules and regulations established by the Corporation for that purpose. Final determination made by the Corporation shall be reviewable by the Court of Appeals for the District of Columbia Circuit or the Court of Appeals for the circuit where the financial institution is located and shall be upheld unless found to be arbitrary or capricious. Any request for review of a final determination by the Corporation shall be filed with the appropriate Circuit Court of Appeals not later than 60 days after such determination is ordered. In the absence of rules and regulations, the Corporation may require the final determination of a court of competent jurisdiction before paying such claim.".

(e) SUBROGATION.—Section 11(g) of the Federal Deposit Insurance Act (12 U.S.C. 1821(g)) is amended to read as follows:

"(g) SUBROGATION.—Notwithstanding any other provision of State law, the Corporation, upon the payment to any depositor as provided in subsection (f) of this section, or the assumption of any deposit by another insured financial institution pursuant to section 11 or section 13, shall be subrogated to all rights of the depositor against the financial institution or branch to the extent of such payment or assumption. Such subrogation shall include the right on the part of the Corporation to receive the same dividends from the proceeds of the assets of such financial institution or branch and recoveries on account of stockholders' liability as would have been payable to the depositor on a claim for the insured deposit, but such depositor shall retain such claim for any uninsured or unassumed portion of the deposit. With respect to any bank which closes after May 25, 1938, the Corporation shall waive, in favor only of any person against whom stockholders' individual liability may be asserted, any claim on account of such liability in excess of the liability, if any, to the bank or its creditors, for the amount unpaid upon his stock in such bank; but any such waiver shall be effected in such manner and on such terms and conditions as will not increase recoveries or dividends on account of claims to which the Corporation is not subrogated. If the Corporation is not appointed pursuant to subsection (e)(2), or determines not to invoke the authority conferred in subsection (e)(3), the rights of depositors and other creditors of any State financial institution shall be determined in accordance with the applicable provisions of State law.".

(f) TECHNICAL AMENDMENTS.—Section 11(h) of the Federal Deposit Insurance Act (12 U.S.C. 1821(h)) is amended—

(1) by striking "closed bank" wherever it appears and inserting "financial institution in default";

(2) in paragraph (1), by striking "closing of an insured bank" and inserting "default of an insured bank"; and

(3) in paragraph (4), by striking "closed insured bank" and inserting "insured bank in default".

SEC. 213. BRIDGE BANKS.

Section 11(i) of the Federal Deposit Insurance Act (12 U.S.C. 1821(i)) is amended to read as follows:

"(i) BRIDGE BANKS.—

(1) ORGANIZATION.—

"(A) PURPOSE.—When one or more insured banks are in default or in danger of default, the Corporation may, in its discretion, organize a bridge bank or banks with respect thereto and upon the granting of a charter to such bridge bank, the bridge bank may—

"(i) assume such deposits of such insured bank or banks that is or are in default or in danger of default as the Corporation may, in its discretion, determine to be appropriate, except that if any insured deposits of a bank are assumed, all insured deposits of that bank shall be assumed;

"(ii) assume such other liabilities (including liabilities associated with any trust business) of such insured financial institution or institutions that is or are in default or in danger of default as the Corporation may, in its discretion, determine to be appropriate;

"(iii) purchase such assets (including assets associated with any trust business) of such insured financial institution or institutions that is or are in default or in danger of default as the Corporation may, in its discretion, determine to be appropriate; and

"(iv) perform any other temporary function which the Corporation may, in its discretion, prescribe in accordance with this Act.

"(B) ARTICLES OF ASSOCIATION.—The articles of association and organization certificate of a bridge bank as approved by the Corporation shall be executed by three representatives designated by the Corporation.

"(C) NATIONAL BANK.—A bridge bank shall be organized as a national bank.

"(D) INTERIM DIRECTORS.—A bridge bank shall have an interim board of directors consisting of not fewer than 5 nor more than 10 members appointed by the Corporation.

"(2) CHARTERING.—

"(A) CONDITIONS.—A bridge bank may be chartered by the Comptroller of the Currency as a national bank only if the Board of Directors determines that—

"(i) the amount which is reasonably necessary to operate such bridge bank will not exceed the amount which is reasonably necessary to save the cost of liquidating, including paying the insured accounts of, one or more insured banks in default or in danger of default with respect to which the bridge bank is chartered;

"(ii) the continued operation of such insured bank or banks in default or in danger of default with respect to which the bridge bank is chartered is essential to provide adequate banking services in the community where each such bank in default or in danger of default is located; or

"(iii) the continued operation of such insured bank or banks in default or in danger of default with respect to which the bridge bank is chartered is in the best interest of the depositors of such bank or banks in default or in danger of default or the public.

"(B) INSURED NATIONAL BANK.—A bridge bank shall be an insured bank from the time it is chartered as a national bank.

"(C) BRIDGE BANK TREATED AS BEING IN DEFAULT FOR CERTAIN PURPOSES.—A bridge bank shall be treated as an insured bank in default at such times and for such purposes as the Corporation may, in its discretion, determine.

"(D) MANAGEMENT.—A bridge bank, upon the granting of its charter, shall be under

the management of a board of directors consisting of not fewer than 5 nor more than 10 members appointed by the Corporation.

"(E) BYLAWS.—The board of directors of a bridge bank shall adopt such bylaws as may be approved by the Corporation.

"(3) TRANSFER OF ASSETS AND LIABILITIES.—

"(A) IN GENERAL.—Upon the granting of a charter to a bridge bank pursuant to this subsection, the Corporation, as receiver, or any other receiver appointed with respect to any insured financial institution in default with respect to which the bridge bank is chartered may transfer any assets and liabilities of such financial institution in default to the bridge bank in accordance with paragraph (1) of this subsection. Thereafter, the Corporation, as receiver, or any other receiver appointed with respect to an insured financial institution in default may transfer any assets and liabilities of such insured financial institution in default as the Corporation may, in its discretion, determine to be appropriate in accordance with paragraph (1) of this subsection. For purposes of this paragraph, the trust business, including fiduciary appointments, of any insured financial institution in default is included among its assets and liabilities. The transfer of any assets or liabilities, including those associated with any trust business, of an insured financial institution in default transferred to a bridge bank shall be effective without any further approval under Federal or State law, assignment, or consent with respect thereto.

"(B) SENSE OF CONGRESS REGARDING CONTINUING OPERATIONS.—It is the sense of the Congress that, in order to prevent unnecessary hardship or losses to the customers of any insured financial institution in default with respect to which a bridge bank is chartered, especially creditworthy farmers, small businesses, and households, the Corporation should attempt to—

"(i) continue to honor commitments made by the financial institution in default to creditworthy customers, and

"(ii) not interrupt or terminate adequately secured loans which are transferred under subparagraph (A) and are being repaid by the debtor in accordance with the terms of the loan instrument.

"(4) POWERS OF BRIDGE BANKS.—Each bridge bank chartered under this subsection shall have all corporate powers of, and be subject to the same provisions of law as, a national bank, except that—

"(A) the Corporation may—

"(i) remove the interim directors and directors of a bridge bank;

"(ii) fix the compensation of members of the interim board of directors and the board of directors and senior management, as determined by the Corporation in its discretion, of a bridge bank; and

"(iii) waive any requirement established under section 5145, 5146, 5147, 5148, or 5149 of the Revised Statutes (relating to directors of national banks) or section 31 of the Banking Act of 1933 which would otherwise be applicable with respect to directors of a bridge bank by operation of paragraph (2)(B);

"(B) the Corporation may indemnify the representatives for purposes of paragraph (1)(B) and the interim directors, directors, officers, employees, and agents of a bridge bank on such terms as the Corporation determines to be appropriate;

"(C) no requirement under section 5138 of the Revised Statutes or any other provision of law relating to the capital of a national bank shall apply with respect to a bridge bank;

"(D) the Comptroller of the Currency may establish a limitation on the extent to which any person may become indebted to a bridge bank without regard to the amount of the bridge bank's capital or surplus;

"(E)(i) the board of directors of a bridge bank shall elect a chairperson who may also serve in the position of chief executive officer, except that such person shall not serve either as chairperson or as chief executive officer without the prior approval of the Corporation;

"(ii) the board of directors of a bridge bank may appoint a chief executive officer who is not also the chairperson, except that such person shall not serve as chief executive officer without the prior approval of the Corporation;

"(F) a bridge bank shall not be required to purchase stock of any Federal Reserve bank;

"(G) the Comptroller of the Currency shall waive any requirement for a fidelity bond with respect to a bridge bank at the request of the Corporation;

"(H) any action to which a bridge bank becomes a party by virtue of its acquisition of any assets or assumption of any liabilities of a financial institution in default shall be stayed from further proceedings for a period of up to 45 days at the request of the bridge bank;

"(I) no agreement which tends to diminish or defeat the right, title or interest of a bridge bank in any asset of an insured financial institution in default acquired by it shall be valid against the bridge bank unless such agreement—

"(i) shall be in writing,

"(ii) shall have been executed by such insured financial institution in default and the person or persons claiming an adverse interest thereunder, including the obligor, contemporaneously with the acquisition of the asset by such insured financial institution in default or if the financial institution is the borrower under such agreement, the agreement was executed prior to or contemporaneously with such borrowing,

"(iii) shall have been approved by the board of directors of such insured financial institution in default or its loan committee, which approval shall be reflected in the minutes of said board or committee, and

"(iv) shall have been, continuously from the time of its execution, an official record of such insured financial institution in default; and

"(J) except with the prior approval of the Corporation, a bridge bank may not, in any transaction or series of transactions, issue capital stock or be a party to any merger, consolidation, disposition of assets or liabilities, sale or exchange of capital stock, or similar transaction, or change its charter.

"(5) CAPITAL.—

"(A) NO CAPITAL REQUIRED.—The Corporation shall not be required to purchase any capital stock of a bridge bank.

"(B) OPERATING FUNDS IN LIEU OF CAPITAL.—Upon the organization of a bridge bank, and thereafter, as the Board of Directors may, in its discretion, determine to be necessary or advisable, the Corporation may make available to the bridge bank, upon such terms and conditions and in such form and amounts as the Corporation may in its discretion determine, funds for the operation of the bridge bank in lieu of capital.

"(C) AUTHORITY TO ISSUE CAPITAL STOCK.—Whenever the Board of Directors determines it is advisable to do so, the Corporation shall cause capital stock of a bridge bank to be issued and offered for sale in such amounts and on such terms and conditions as the Corporation may, in its discretion, determine.

"(6) NO FEDERAL STATUS.—

"(A) AGENCY STATUS.—A bridge bank is not an agency, establishment, or instrumentality of the United States.

"(B) EMPLOYEE STATUS.—Representatives for purposes of paragraph (1)(B), interim directors, directors, officers, employees, or agents of a bridge bank are not, solely by virtue of service in any such capacity, officers or employees of the United States. Any employee of the Corporation or of any Federal instrumentality who serves at the request of the Corporation as a representative for purposes of paragraph (1)(B), interim director, director, officer, employee, or agent of a bridge bank shall not—

"(i) solely by virtue of service in any such capacity lose any existing status as an officer or employee of the United States for purposes of title 5, United States Code, or any other provision of law, or

"(ii) receive any salary or benefits for service in any such capacity with respect to a bridge bank in addition to such salary or benefits as are obtained through employment with the Corporation or such Federal instrumentality.

"(7) ACQUISITION.—

"(A) IN GENERAL.—The responsible agency shall notify the Attorney General of any transaction involving the merger or sale of a bridge bank requiring approval under section 13(c) and if a report on competitive factors is requested within 10 days, such transaction may not be consummated before the fifth calendar day after the date of approval by the responsible agency with respect thereto. If the responsible agency has found that it must act immediately to prevent the probable failure of one of the financial institutions involved, the preceding sentence does not apply and the transaction may be consummated immediately upon approval by the agency.

"(B) BY OUT-OF-STATE HOLDING COMPANY.—Any financial institution, including an out-of-State financial institution, or any out-of-State financial institution holding company may acquire and retain the capital stock or assets of, or otherwise acquire and retain a bridge bank if the bridge bank at any time had assets aggregating $500,000,000 or more, as determined by the Corporation on the basis of the bridge bank's reports of condition or on the basis of the last available reports of condition of any insured financial institution in default, which institution has been acquired, or whose assets have been acquired, by the bridge bank. The acquiring entity may acquire the bridge bank only in the same manner and to the same extent as such entity may acquire an insured bank in default under section 13(f)(2).

"(8) CORPORATE EXISTENCE OF BRIDGE BANK.—Subject to paragraphs (9) and (10) of this subsection, the corporate existence of a bridge bank shall terminate at the end of the 2-year period following the date it was granted a charter. The Board of directors may, in its discretion, extend the corporate existence of the bridge bank for 3 additional one-year periods.

"(9) TERMINATION OF BRIDGE BANK STATUS.—A bridge bank shall terminate its status as such upon the earliest to occur of the following—

"(A) the merger or consolidation of the bridge bank with a financial institution that is not a bridge bank. In connection with such a transaction, the bridge bank may request conversion of its charter to that of a

financial institution that is not a bridge bank;

"(B) the sale of all or substantially all of the capital stock of the bridge bank to an entity other than the Corporation and other than another bridge bank;

"(C) the assumption of all or substantially all of the deposits and other liabilities of the bridge bank by a financial institution holding company or a financial institution that is not a bridge bank, or the acquisition of all or substantially all of the assets of the bridge bank by a financial institution holding company, a financial institution that is not a bridge bank, or other entity as permitted under applicable law;

"(D) the dissolution of the bridge bank by the Corporation in accordance with paragraph (10) of this subsection prior to the initial two-year period of corporate existence of the bridge bank and any extension thereof in accordance with paragraph (8) of this subsection; and

"(E) the expiration of the initial 2-year period of corporate existence of the bridge bank and any extension thereof in accordance with paragraph (9) of this subsection.

"(10) DISSOLUTION OF BRIDGE BANK.—

"(A) IN GENERAL.—Notwithstanding any other provision of State or Federal law—

"(i) the Board of Directors may, in its discretion, dissolve a bridge bank in accordance with this paragraph at any time during the corporate existence of a bridge bank if the Board of Directors determines that the amount which is reasonably necessary to dissolve the bridge bank will not exceed the amount which is reasonably necessary to either continue operation of the bridge bank or effect a transaction with respect to the bridge bank as contemplated in subparagraph (A), (B), or (C) of paragraph (9);

"(ii) the Board of Directors may, in its discretion, commence such dissolution proceedings in accordance with this paragraph with respect to a bridge bank as the Board of Directors determines to be necessary following the consummation of a transaction contemplated in subparagraph (B) or (C) of paragraph (9); and

"(iii) the Board of Directors shall commence dissolution proceedings in accordance with this paragraph upon the expiration of the period of corporate existence of a bridge bank as provided in paragraph (8) of this subsection.

"(B) PROCEDURES.—The Comptroller of the Currency shall appoint the Corporation receiver for a bridge bank upon certification by the Board of Directors to the Comptroller of the Currency of its determination to dissolve the bridge bank. The Corporation as such receiver shall wind up the affairs of the bridge bank in conformity with the provisions of law relating to the liquidation of closed national banks. With respect to any such bridge bank, the Corporation as such receiver shall have all the rights, powers, and privileges now possessed or hereafter granted by law to a receiver of any insured financial institution and notwithstanding any other provision of law in the exercise of such rights, powers, and privileges the Corporation shall not be subject to the direction or supervision of any State agency or other Federal agency.

"(11) MISCELLANEOUS.—

"(A) SINGLE STATE OF OPERATION.—Each bridge bank established under this subsection may operate branches in only one State.

"(B) MULTIPLE BRIDGE BANKS.—Subject to paragraph (1)(A)(i), the Corporation may, in the Corporation's discretion, organize 2 or more bridge banks under this subsection to assume any deposits of, assume any other liabilities of, and purchase any assets of a single financial institution in default.".

(b) TECHNICAL AMENDMENT.—Section 11(j) of the Federal Deposit Insurance Act (12 U.S.C. 1821(j)) is amended by striking "closed bank" and inserting "financial institution in default".

SEC. 214. VALUATION OF CLAIMS AND REVIEW.

Section 11 of the Federal Deposit Insurance Act (12 U.S.C. 1821) is amended by adding at the end thereof the following new subsections:

"(k) VALUATION OF CLAIMS AGAINST FINANCIAL INSTITUTIONS IN DEFAULT.—

"(1) IN GENERAL.—Notwithstanding any other State or Federal law, and regardless of the method which the Corporation determines to utilize with respect to an insured financial institution in default or in danger of default (other than a nonliquidating conservatorship), including but not limited to transactions authorized under subsection (i) and under section 13(c)(2)(A), this subsection shall govern the rights of the creditors (other than insured depositors) of such financial institution.

"(2) MAXIMUM LIABILITY.—The maximum liability of the Corporation, acting as receiver or in any other capacity, to any person having a claim against the estate of an insured financial institution in default shall equal the amount such claimant would have received from the estate of the financial institution if the Corporation had liquidated such estate without exercising its authority under subsection (i) of this section or section 13. In addition, such maximum liability shall include the amount the Corporation as receiver actually realizes as a premium reflecting the value of the institution as a going concern. In the case of an insured financial institution which the Corporation elects to operate, the point in time for determining what such claimant will receive from the estate of the financial institution had the Corporation liquidated such estate shall be the date the receiver ceases operating the financial institution, and begins to wind up the affairs of the financial institution, and for purposes of this paragraph only, the Corporation shall not be liable to any such claimant should the estate of the financial institution be diminished from the time the Corporation begins operating the financial institution to the time the Corporation ceases operating the financial institution and begins to wind up the affairs of the financial institution, absent a finding of bad faith on the part of the Corporation.

"(3) ADDITIONAL PAYMENTS AUTHORIZED.—

"(A) IN GENERAL.—The Corporation may, in its discretion and in the interests of minimizing its losses, use its own resources to make additional payments or credit additional amounts to or with respect to or for the account of any claimant or category of claimants. The Corporation shall not be obligated, as a result of having made any such payment or credited any such amount to or with respect to or for the account of any claimant or category of claimants, to make payments to any other claimant or category or claimants.

"(B) SOURCE OF FUNDS.—If the financial institution in default is a Bank Insurance Fund member, the Corporation may only make such payments out of funds held in the Bank Insurance Fund. If the financial institution in default is a Savings Association Insurance Fund member, the Corporation may only make such payments out of funds held in the Savings Association Insurance Fund.

"(C) MANNER OF PAYMENT.—The Corporation may make the payments or credit the amounts specified in subparagraphs (A) and (B) directly to the claimants or may make such payments or credit such amounts to an open insured financial institution to induce the open insured financial institution to accept liability for such claims.

"(l) RULEMAKING AND CLAIMS DETERMINATION AUTHORIZED.—

"(1) IN GENERAL.—The Corporation shall have the exclusive power to make rules and regulations for the conduct of conservatorships and receiverships where it is so appointed and the Corporation may, by regulation or order, provide for the exercise of functions by members or stockholders, directors, or officers of a financial institution during conservatorship or receivership. The Corporation shall also have the power to determine claims in accordance with rules and regulations it shall prescribe and subject to judicial review as herein provided. No court shall have jurisdiction over any claim or action seeking payment from, or a determination of rights with respect to, the assets of any financial institution for which the Corporation has been appointed receiver or conservator, including assets which the Corporation may acquire from itself as such receiver or conservator, or with respect to any act or omission of the institution or the Corporation as receiver or conservator except as set out in paragraphs (2) and (3) of this subsection.

"(2) RULES AND REGULATIONS.—The authority to determine claims shall only be exercised after the Corporation has established rules or regulations governing the processing of claims, the accounting of estate funds, and the distributing of residual funds to shareholders. The rules and regulations if promulgated shall provide that—

"(A) the receiver shall make an initial determination of acceptance or rejection within a specified reasonable time period;

"(B) the claimant may reject or contest the receivers determination in whole or in part within a reasonable specified time period;

"(C) if the claimant rejects or contests the determination of the receiver, then the matter shall be referred to a certified administrative law judge;

"(D) the administrative law judge shall determine if the dispute involves a material question of fact. If the issues presented raise no material question of fact or if the claimant and the Corporation otherwise agrees, the judge may conduct the proceedings entirely by pleading and a hearing shall be unnecessary;

"(E) if a dispute as to a material fact is present and the material fact issue would preclude a summary judgment disposition order under the Federal Rules of Civil Procedure, then the judge shall conduct a full evidentiary hearing under rules of procedure and evidence promulgated by the Corporation for that purpose;

"(F) the administrative law judge's decision in any case shall be appealable only to the Circuit Court of Appeals for the District of Columbia or the Circuit in which the failed institution was located. Such an appeal must be filed within 60 days of the judge's final decision;

"(G) as to all legal issues the standard of review shall be the same as any review of a district court decision;

"(H) as to factual issues, the Court of Appeals shall uphold the findings of the ad-

ministrative law judge provided there is substantial evidence to support the findings; and

"(I) the petitions for review of decisions under this subsection shall be upon the record of the pleadings before the administrative law judge.

"(3) ACTIONS IN THE ABSENCE OF RULES AND REGULATIONS.—In the absence of rules and regulations established by the Corporation for the resolution of claims against the estate of the financial institution, any action or proceeding against a financial institution for which the Corporation has been appointed receiver, or against the Corporation as receiver of such financial institution, shall be brought in the district or territorial court of the United States held within the district in which that financial institution's principal place of business is located, or, in the event any State, county, or municipal court has jurisdiction over such an action or proceeding, in such court in the county or city in which the financial institution's principal place of business is located.

"(4) AGREEMENTS AGAINST INTEREST.—No agreement which does not meet the requirements set forth in section 13(e) shall form the basis of, or substantially comprise, a claim against the Corporation or the estate of the financial institution in default.

"(5) NO EFFECT ON FINAL ADJUDICATION.—The Corporation may not by regulation or rule disturb the final adjudication of a court rendered prior to the appointment of the Corporation as receiver or conservator. In the event of such a judgment, the receiver shall have all the rights and remedies available to the institution prior to failure but shall not be required to post any bond in order to pursue such remedies.

"(6) ATTACHMENT OR EXECUTION.—No attachment or execution may issue by any court upon assets in the possession of the Corporation as receiver.

"(m) JUDICIAL REVIEW.—Except as provided in this section, no court may take any action, except at the request of the Board of Directors by regulation or order, to restrain or affect the exercise of powers or functions of the Corporation as a conservator or receiver.".

"(n) LIABILITY.—A director or officer of an insured financial institution may be held personally liable for monetary damages in any civil action by, on behalf of, or at the request or direction of the Corporation, which action is prosecuted wholly or partially for the benefit of the Corporation—

"(A) acting as receiver or conservator of that insured financial institution,

"(B) acting based upon a suit, claim, or cause of action purchased from, assigned by, or otherwise conveyed by such receiver or conservator, or

"(C) acting based upon a suit, claim, or cause of action purchased from, assigned by, or otherwise conveyed in whole or in part by an insured financial institution or its affiliate in connection with assistance provided under section 13, for gross negligence or intentional tortious conduct, as those terms are defined and determined under applicable State law. Nothing in this paragraph shall impair or affect any right, if any, of the Corporation that may have existed immediately prior to the enactment of the FIRRE Act.

"(o) PROCEDURES APPLICABLE TO CERTAIN CLAIMS.—

"(1) IN GENERAL.—In any proceeding related to any claim acquired under section 11 or 13 of this Act against an insured financial institution's director, officer, employee, agent, attorney, accountant, appraiser, or any other party employed by or providing services to an insured financial institution, any suit, claim, or cause of action brought by the Corporation shall have priority over any such suit, claim, or cause of action asserted by depositors, creditors, or shareholders of the insured financial institution, except for claims of Federal agencies as provided in section 6321 of the Internal Revenue Code of 1986 and section 3713 of title 31, United States Code. This priority shall apply to both the prosecution of any suit, claim, or cause of action, and to the execution of any subsequent judgments resulting from such suit.

"(2) DEFENSES.—

"(A) Alleged acts, errors, or omissions of the Corporation, or any other appropriate Federal banking agency, shall in no way provide a defense to nor in any way diminish, directly or indirectly, any such suit, claim, or cause of action brought under this section, whether such acts, errors, or omissions are raised in a separate lawsuit, counterclaim, affirmative defense, setoff, recoupment, or in any other manner. Evidence pertaining to such acts, errors, or omissions shall not be admissible for any purpose in any action brought by the Corporation under this section.

"(B) Alleged acts, errors, or omissions of the Corporation in connection with the liquidation, sale, disposal or other handling of any assets or claims acquired pursuant to section 11 or 13 of this Act shall in no way provide a defense to, nor in any way diminish, directly or indirectly, any suit, claim, or cause of action brought under this section, whether such acts, errors, or omissions are raised in a separate lawsuit, counterclaim, affirmative defense, setoff, recoupment, or in any other manner. Evidence pertaining to such alleged acts, errors, or omissions shall not be admissible for any purpose in any action brought by the Corporation under this section.

"(3) DEFALCATION.—A finding by a Federal bankruptcy or district court that a director or an officer of an insured financial institution has breached any of his or her fiduciary duties to that institution shall constitute a defalcation while acting in a fiduciary capacity within the meaning of section 523(a)(4) of title 11, United States Code. The liability arising from such breach shall constitute a debt not dischargeable in bankruptcy.

"(4) DAMAGES.—Recoverable damages determined to result from the improvident or otherwise improper use or investment of an insured financial institution assets shall include, but not be limited to, principal losses plus appropriate interest.

"(p) COMPUTATION OF LIMITATIONS.—Notwithstanding any other provision of law, for the purpose of computing whether the applicable limitations period has expired prior to the Corporation's acquisition of the claim, in addition to the time excluded under any other applicable tolling rules, there shall be excluded—

"(1) as to any action against a director or officer, all periods during which any culpable director or officer continues in such capacity;

"(2) as to any action against an accountant, attorney, appraiser, or other person providing services to the insured financial institution, all periods during which such party continues to provide services to the insured institution.

If a claim is not already time-barred at the time the Corporation acquires it, the limitations periods set forth in sections 2415 and 2416 of title 28, United States Code, shall start anew at the time the Corporation acquires the claim.

"(q) TIME FOR FILING NOTICE OF APPEAL.—The notice of any appeal of any order, whether interlocutory or final, entered in any case brought by the Corporation against an insured institution's officers and directors, attorneys, accountants, or other agents shall be filed within 10 days of the entry of that order. Hearing of the appeal shall be within 30 days of the filing of the notice. The appeal will be decided within 90 days of the filing of the notice.

"(r) SCHEDULING.—Consistent with section 1647 of title 28, United States Code, the courts of the United States shall expedite the consideration of any case brought by the Corporation against an insured institution's officers and directors, attorneys, accountants, or other agents. As far as practicable, the courts will give such cases priority on their dockets.

"(s) JUDICIAL DISCRETION.—Any judge may modify the schedule and limitations of subsections (q) and (r) as applied to a specific case, based on a specific finding that the ends of justice served by making such a modification outweigh the best interest of the public in having the case resolved expeditiously.".

SEC. 215. FSLIC RESOLUTION FUND.

The Federal Deposit Insurance Act is amended by inserting after section 11 the following:

"SEC. 11A. FSLIC RESOLUTION FUND.

"(a) ESTABLISHED.—

"(1) IN GENERAL.—There is established a separate fund to be designated as the FSLIC Resolution Fund which shall be managed by the Corporation and separately maintained and not commingled.

"(2) TRANSFER OF FSLIC ASSETS AND LIABILITIES.—On the date of the dissolution of the Federal Savings and Loan Insurance Corporation in accordance with section 401 of the FIRRE Act, all reserves and all other assets of any kind, and debts, obligations, contracts and other liabilities of the Federal Savings and Loan Insurance Corporation, matured or unmatured, accrued, absolute, contingent, or otherwise shall be transferred in their entirety to the FSLIC Resolution Fund. Such liabilities transferred to the FSLIC Resolution Fund shall not include liabilities specifically transferred pursuant to section 21A(o) of the Federal Home Loan Bank Act.

"(3) SEPARATE HOLDING.—Such reserves, assets, debts, obligations, contracts, or other liabilities as are so transferred shall be exclusive assets and liabilities of the FSLIC Resolution Fund and not of the Corporation and shall not be consolidated with the assets and liabilities of the Bank Insurance Fund, the Savings Association Insurance Fund, or the Corporation for accounting or reporting or any other purpose.

"(b) SOURCE OF FUNDS.—The FSLIC Resolution Fund shall be funded from the following sources in the listed priority to the extent funds are needed:

"(1) income earned on assets of the FSLIC Resolution Fund;

"(2) the proceeds of the resolution of insolvent savings associations which were resolved by action of the Federal Savings and Loan Insurance Corporation prior to January 1, 1989, to the extent such funds are not required by the Resolution Funding Corporation pursuant to section 21B of the Federal Home Loan Bank Act or the Financing

Corporation pursuant to section 21 of such Act;

"(3) proceeds from borrowings by the Financing Corporation pursuant to section 21 of the Federal Home Loan Bank Act; and

"(4) all amounts assessed Savings Association Insurance Fund members by the Corporation pursuant to section 7 from the date of enactment of the FIRRE Act, and not required by the Financing Corporation pursuant to section 21 of the Federal Home Loan Bank Act, or for the Resolution Funding Corporation pursuant to section 21B of the Federal Home Loan Bank Act, which shall be covered into the FSLIC Resolution Fund until December 31, 1991. Miscellaneous income from assets of the Federal Savings and Loan Insurance Corporation that were transferred to the FSLIC Resolution Fund in accordance with this section shall be transferred to the Savings Association Insurance Fund to the extent needed for administrative expenses.

"(c) TREASURY BACKUP.—In the event that all the above funds are insufficient to satisfy the liabilities of the FSLIC Resolution Fund, the Secretary of the Treasury shall, subject to the availability of appropriations, provide such excess funds determined by the Federal Deposit Insurance Corporation and the Secretary to be necessary for FSLIC Resolution Fund purposes. There are authorized to be appropriated to the Secretary of the Treasury, without fiscal year limitation, such sums as may be necessary to carry out the provisions of this section.

"(d) FDIC POWERS.—In order to manage the assets and liabilities transferred to the FSLIC Resolution Fund, the Corporation may exercise the authorities granted under this Act, and those authorities exercised by the Federal Savings and Loan Insurance Corporation immediately prior to the enactment of the FIRRE Act, including but not limited to, authority to collect claims and indebtedness, to enforce liabilities and obligations, whether contingent or otherwise, to defend lawsuits and to exercise the incidental powers and authorities currently provided to the Federal Savings and Loan Insurance Corporation.

"(e) LEGAL PROCEEDINGS.—Notwithstanding any other provision of law, any judgment resulting from civil action, suit, or proceeding to which the Federal Savings and Loan Insurance Corporation was a party prior to its dissolution hereunder, or which is initiated against the Corporation (or its assets) with respect to Federal Savings and Loan Insurance Corporation actions or inactions or with respect to FSLIC Resolution Fund activities, shall be limited to the assets of the FSLIC Resolution Fund.

"(f) DISSOLUTION.—The FSLIC Resolution Fund shall be dissolved upon satisfaction of all debts and liabilities and sale of all assets acquired in case resolutions and otherwise. Upon dissolution any remaining funds shall be covered into the Treasury. Any administrative facilities and supplies, including offices and office supplies, shall be transferred to the Corporation for use by and to be held as assets of the Savings Association Insurance Fund.

"(g) ANNUAL REPORT ON FSLIC RESOLUTION FUND.—

"(1) IN GENERAL.—

"(A) REPORT REQUIRED.—The Corporation shall annually submit a full report on the operations, activities, receipts, and expenditures of the FSLIC Resolution Fund for the preceding 12-month period. The report shall include—

"(i) audited statements of financial position, income and expense, and cash flow, an analysis of surplus or deficit, and

"(ii) such additional statements and information as necessary to make known the financial condition and operations of the Fund in accordance with generally accepted accounting principles.

"(B) SUBMISSION.—The report, including the results of the audit conducted pursuant to paragraph (2), shall be submitted to the President of the Senate and the Speaker of the House of Representatives, who shall cause the same to be printed for the information of Congress, and to the President as soon as practicable after the first day of January of each year but not later than 6 months after the close of the 12-month period covered by the report.

"(2) AUDIT.—

"(A) AUDIT REQUIRED.—The Comptroller General shall audit annually the financial statements of the FSLIC Resolution Fund in accordance with generally accepted government auditing standards unless the Comptroller General notifies the Chairman of the Federal Deposit Insurance Corporation no later than 180 days before the close of a fiscal year that the Comptroller General will not perform such audits for that fiscal year. In the event of such notification, Federal Deposit Insurance Corporation shall contract with an independent certified public accountant to perform the annual audit of the financial statements of the FSLIC Resolution Fund in accordance with generally accepted government auditing standards.

"(B) ACCESS TO BOOKS AND RECORDS.—All books, records, accounts, reports, files, and property belonging to or used by the FSLIC Resolution Fund, or by an independent certified public accountant retained to audit the Fund's financial statements, shall be made available to the Comptroller General.".

SEC. 216. SECONDARY RESERVE.

Section 11A of the Federal Deposit Insurance Act is amended by adding at the end the following:

"(f) SECONDARY RESERVE.—

"(1) IN GENERAL.—

"(A) CREDIT.—The Corporation shall credit to the secondary reserve, as of the close of each calendar year a return on the outstanding balances of the secondary reserve, during such calendar year, as determined by the Corporation, at a rate equal to the average annual rate of return to the Corporation during the year ending at the close of November 30 of such calendar year, as determined by the Corporation, on the investments in the FSLIC Resolution Fund. Except as provided in paragraph (2), the secondary reserve shall be available to the Corporation only for losses of the Corporation and shall be so available only to such extent the FSLIC Resolution Fund is insufficient for such losses. No right, title, or interest of any insured financial institution in or with respect to its pro rata share of the secondary reserve shall be assignable or transferable whether by operation of law or otherwise, except to such extent as the Corporation may provide for transfer of such pro rata share in cases of merger or consolidation, transfer of bulk assets or assumption of liabilities, and similar transactions, as defined by the Corporation for purposes of this sentence.

"(B) SECONDARY RESERVE OFFSETS AGAINST ASSESSMENTS.—

"(i) OFFSETS IN ASSESSMENT YEARS BEGINNING BEFORE 1993.—Subject to the maximum amount limitation contained in clause (ii) and notwithstanding any other provision of law, an insured financial institution may offset such institution's pro rata share of the statutorily prescribed amount against any assessment assessed against such insured institution under section 7 for any premium year beginning after 1987 and before 1993.

"(ii) ANNUAL MAXIMUM AMOUNT LIMITATION.—The amount of any offset allowed for any insured financial institution under clause (i) for any premium year referred to in clause (i) shall not exceed an amount which is equal to 20 percent of such institution's pro rata share of the statutorily prescribed amount (as computed for the calendar year in which such premium year begins).

"(iii) OFFSETS IN ASSESSMENT YEARS BEGINNING AFTER 1992.—Notwithstanding any other provision of law, an insured institution may offset such institution's pro rata share of the statutorily prescribed amount against any assessment assessed against such insured institution for any premium year beginning after 1992.

"(iv) STATUTORILY PRESCRIBED AMOUNT DEFINED.—For purposes of this paragraph, the term 'statutorily prescribed amount' means—

"(I) with respect to calendar year 1988, the sum of $823,705,000; and

"(II) with respect to any calendar year beginning after 1988, the sum contained in subclause (I) minus the aggregate amount of offsets made by all insured financial institutions before the beginning of the calendar year for which such computation is being made.

"(v) INSURED FINANCIAL INSTITUTION'S PRO RATA AMOUNT.—For purposes of this paragraph, an insured financial institution's pro rata share of the statutorily prescribed amount is the percentage which is equal to such institution's pro rata share of the secondary reserve as determined on the day before the date (prior to the enactment of the FIRRE Act) on which the Federal Savings and Loan Insurance Corporation ceased to recognize the secondary reserve.

"(vi) PREMIUM YEAR DEFINED.—For purposes of this paragraph, the term 'premium year' means, with respect to any insured financial institution, the calendar year for which an assessment is assessed under section 7(b)(2).

"(2) PRO RATA DISTRIBUTION ON TERMINATION OF INSURED STATUS.—

"(A) IN GENERAL.—If (i) the status of an insured financial institution as an insured financial institution is terminated pursuant to any provision of section 8 or the insurance of accounts of an insured institution is otherwise terminated, (ii) a conservator, receiver, or other legal custodian is appointed for an insured institution under the circumstances and for the purpose of liquidation or winding up the affairs of the insured financial institution, or (iii) the Corporation makes a determination that for the purposes of this subsection an insured institution otherwise has gone into liquidation, the Corporation shall pay in cash to such institution its pro rata share of the secondary reserve, in accordance with such terms and conditions as the Corporation may prescribe, or, at the option of the Corporation, the Corporation may apply the whole or any part of the amount which would otherwise be paid in cash toward the payment of any indebtedness or obligation, whether matured or not, of such institution to the Corporation, then existing or arising before

such payment in cash. Such payment or such application need not be made to the extent that the provisions of the exception in the last sentence of paragraph (1)(A) are applicable.

"(B) EXCEPTION.—In the case of an institution which—

"(i) ceases to be an insured institution; and

"(ii) is required to pay an assessment to the Financing Corporation under section 21(f)(4) of the Federal Home Loan Bank Act with respect to the termination of such insured status, subparagraph (A) and the last sentence of paragraph (1)(A) shall not apply with respect to such institution.

"(3) SECONDARY RESERVE.—For purposes of this subsection, the term 'secondary reserve' means the secondary reserve described in subsection (a) of section 404 of the National Housing Act on the day prior to the date of enactment of the FIRRE Act.".

SEC. 217. AMENDMENTS TO SECTION 12.

Section 12 of the Federal Deposit Insurance Act (12 U.S.C. 1822) is amended—

(1) by striking "closed bank" each place it appears and inserting "financial institution in default";

(2) by striking subsection (a) and inserting the following:

"(a) BOND NOT REQUIRED; AGENTS; FEE.—The Corporation as receiver of an insured financial institution or branch of a foreign bank shall not be required to furnish bond and shall have the right to appoint an agent or agents to assist it in its duties as such receiver, and all fees, compensation, and expenses of liquidation and administration thereof shall be fixed by the Corporation, and may be paid by it out of funds coming into its possession as such receiver."; and

(3) in subsection (d)—

(A) by striking "as a stockholder of the financial institution in default, or of any liability of such depositor"; and

(B) by striking "such bank" and inserting "such financial institution".

SEC. 218. AMENDMENTS TO SECTION 13.

Section 13 of the Federal Deposit Insurance Act (12 U.S.C. 1823) is amended—

(1) by striking subsection (a) and inserting the following:

"(a) INVESTMENT OF CORPORATION FUNDS.—

"(1) AUTHORITY.—Funds held in the Bank Insurance Fund, the Savings Association Insurance Fund, or the FSLIC Resolution Fund, that are not otherwise employed shall be invested in obligations of the United States or in obligations guaranteed as to principal and interest by the United States.

"(2) LIMITATION.—The Corporation shall not sell or purchase any obligations described in paragraph (1) for its own account, at any one time aggregating in excess of $100,000, without the approval of the Secretary of the Treasury. The Secretary may approve a transaction or class of transactions subject to the provisions of this paragraph under such conditions as the Secretary may determine.";

(2) in subsection (b)—

(A) by striking "banking and checking" and "banking or checking" wherever they occur and inserting the word "depository";

(B) by striking "bank" (except "Federal Reserve bank") wherever it appears and inserting "financial institution";

(3) in subsection (c)—

(A) by striking "closing" or "closed" wherever they appear and the inserting "default" or "in default".

(B) by striking "an" before "closed insured bank" wherever it appears and inserting "a";

(C) by striking "in default insured financial institution" wherever it appears and inserting "insured financial institution in default";

(D) in paragraph (2)(A)—

(i) by striking "such insured institution" and "an insured financial institution" and inserting "such other insured financial institution" and "another insured financial institution", respectively;

"(ii) by inserting "any or all of the" after "the sale of"; and

"(iii) by striking "and the assumption" and inserting "or the assumption of any or all";

(E) by adding at the end of paragraph (2) the following:

"(C) Any action to which the Corporation is or becomes a party by virtue of its acquisition of any asset or exercise of any other authority set forth in this section or section 11 shall be stayed for a period of 45 days at the request of the Corporation.";

(F) in paragraph (3), by striking "section 13(f) of this Act" and inserting "subsection (f) or (k) thereof";

(G) in paragraph (4)—

(i) by striking "banking" and inserting "financial"; and

(ii) by inserting at the end of subparagraph (A) the following: "In calculating the cost of assistance, the Corporation shall include (i) the immediate and long-term obligations of the Corporation with respect to such assistance, including contingent liabilities, and (ii) the Federal tax revenues foregone by the Government, to the extent reasonably ascertainable."; and

(H) by striking paragraph (8);

(I) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively;

(J) by inserting after paragraph (5) the following:

"(6) The transfer of any assets or liabilities associated with any trust business of an insured financial institution in default under subparagraph (2)(A) shall be effective without any State or Federal approval, assignment, or consent with respect thereto."; and

(K) by adding at the end the following:

"(9) Payments made under this subsection shall be made—

"(A) from the Bank Insurance Fund in the case of payments to a member of such Fund; or

"(B) from the Savings Association Insurance Fund or from funds made available by the Resolution Trust Corporation in the case of Savings Association Insurance Fund members.";

(4) by striking subsections (d) and (e) and inserting the following:

"(d) SALE OF ASSETS TO CORPORATION.—Conservators, receivers, or liquidators of insured financial institutions in default shall be entitled to offer the assets of such financial institutions for sale to the Corporation or as security for loans from the Corporation. The proceeds of every such sale or loan shall be utilized for the same purposes and in the same manner as other funds realized from the liquidation of the assets of such financial institutions. The Corporation, in its discretion, may make loans on the security of or may purchase and liquidate or sell any part of the assets of an insured financial institution which is now or may hereafter be in default.

"(e) AGREEMENTS AGAINST INTERESTS OF CORPORATION.—No agreement which tends to diminish or defeat the right, title or interest of the Corporation in any asset acquired by it under this section or section 11, either as security for a loan or by purchase or as receiver of any insured financial institution, shall be valid against the Corporation unless such agreement—

"(1) shall be in writing,

"(2) shall have been executed by the financial institution and the person or persons claiming an adverse interest thereunder, including the obligor, contemporaneously with the acquisition of the asset by the financial institution, or if the financial institution is the borrower under such agreement, the agreement was executed prior to or contemporaneously with such borrowing,

"(3) shall have been approved by the board of directors of the financial institution or its loan committee, which approval shall be reflected in the minutes of said board or committee, and

"(4) shall have been, continuously, from the time of its execution, an official record of the financial institution.";

(5) in subsection (f)—

(A) by striking "closed" and "closing" wherever they occur and inserting "in default" or "default", respectively, except that whenever "bank" immediately follows "closed", the phrase "closed bank" shall be stricken and the phrase "bank in default" shall be inserted;

(B) in paragraph (2)(B)(iii) by striking "a unanimous vote" and inserting "a vote of 75 percent of";

(C) by striking "depository" wherever it appears and inserting "financial";

(D) by striking "the constitution of any State,";

(E) in paragraph (6)(A), by inserting "the offeror which made the initial lowest acceptable offer and" after "the Corporation shall permit";

(F) by adding at the end of paragraph (7) the following:

"(C) if in the opinion of the Corporation the acquisition threatens the safety and soundness of the acquirer or does not result in the future viability of the resulting financial institution.";

(G) in paragraph (8), by striking subparagraphs (A), (B), and (D) and redesignating paragraphs (C), (E), (F), and (G) as subparagraphs (A), (B), (C), and (D), respectively; and

(H) in paragraph (9)—

(i) in the paragraph heading by striking "nonbank" and inserting "certain";

(ii) in paragraph (9)(A), by inserting ", other than a subsidiary that is an insured financial institution," after "subsidiary" and by striking "which is not an insured bank"; and

(iii) in paragraph (9)(B) by inserting "or an affiliate of an insured financial institution" after "intermediate holding company";

(6) in subsection (h), by striking "a closed insured financial institution", "closing", and "insurance fund" and inserting "an insured financial institution in default", "default", and "Bank Insurance Fund", respectively;

(7) in subsection (i)—

(A) by inserting "financial" before "institution" wherever it appears;

(B) in paragraph (1)(C)—

(i) by striking "corporation" and inserting "Corporation";

(ii) by striking "chartered bank" and inserting "chartered financial institution";

(iii) by inserting ", a savings association," after "State member bank"; and

(iv) by inserting "or the Chairman of the Office of Savings Associations" after "Federal Reserve System";

(C) in paragraph (2), by striking "or insured or guaranteed under State law"; and

(D) by striking paragraphs (10) and (12); and

(8) by adding at the end thereof the following:

"(k)(1)(A)(i) Notwithstanding any provision of State law the Corporation, upon determining that severe financial conditions threaten the stability of a significant number of savings associations, or of savings associations possessing significant financial resources, may authorize, in its discretion and if it determines such authorization would lessen the risk to the Corporation, a savings association that is eligible for assistance pursuant to subsection (c) to merge or consolidate with, or to transfer its assets and liabilities to, any other savings association or any insured bank, may authorize any other savings association to acquire control of such savings association, or may authorize any company to acquire control of such savings association or to acquire the assets or assume the liabilities thereof. In any authorization under this paragraph the Corporation shall determine that the authorization does not present a substantial risk to the safety or soundness of the savings association to be acquired or to the acquiring entity or entities.

"(ii) Mergers, consolidations, transfers, and acquisitions under this subsection shall be on such terms as the Corporation shall provide.

"(iii) Where otherwise required by law, transactions under this subsection must be approved by the appropriate Federal banking agency of every party thereto.

"(iv) A Federal savings association that acquires another savings association pursuant to clause (i) may, with the concurrence of the Chairman of the Office of Savings Associations, hold that savings association as a subsidiary notwithstanding the percentage limitations of section 5(c)(4)(B) of the Home Owners' Loan Act of 1933.

"(v) Dual service by a management official that would otherwise be prohibited under the Depository Institution Management Interlocks Act may, with the approval of the Corporation, continue for up to 10 years.

"(vi) Nothing in this subsection overrides or supersedes State laws restricting or limiting the activities of a savings association on behalf of any other entity.

"(B)(i) Before making a determination to take any action under subparagraph (A), the Corporation shall consult the State official having jurisdiction of the acquired institution.

"(ii) The official shall be given a reasonable opportunity, and in no event less than 48 hours, to object to the use of the provisions of this paragraph. Such notice may be provided by the Corporation prior to its appointment as receiver, but in anticipation of an impending appointment.

"(iii) If the official objects during such period, the Corporation may use the authority of this paragraph only by a vote of 75 percent or more of the voting members of the Board of Directors. The Corporation shall provide to the official, as soon as practicable, a written certification of its determination.

"(2) In considering authorizations under this subsection, the Corporation may solicit such offers or proposals as are practicable from any prospective purchasers or merger partners it determines, in its sole discretion, are both qualified and capable of acquiring the assets and liabilities of the savings association.

"(3)(A) If, after receiving offers, the offer presenting the lowest expense to the Corporation, that is in a form and with conditions acceptable to the Corporation (hereinafter referred to as the 'lowest acceptable offer'), is from an institution that is not an existing in-State savings association or an in-State savings and loan holding company, the Corporation shall permit the offeror which made the lowest acceptable offer and each offeror who made an offer the estimated cost of which to the Corporation was within 15 percent or $15,000,000, whichever is less, of the initial lowest acceptable offer to submit a new offer.

"(B) In considering authorizations under this subsection, the Corporation shall give consideration to the need to minimize the cost of financial assistance and to the maintenance of specialized financial institutions. The Corporation shall authorize transactions under this subsection considering the following priorities:

"(i) First, between financial institutions of the same type within the same State;

"(ii) Second, between financial institutions of the same type in different States;

"(iii) Third, between financial institutions of different types in the same State; and

"(iv) Fourth, between financial institutions of different types in different States.

"(C) In the case of a minority-controlled financial institution, the Corporation shall seek an offer from other minority-controlled financial institutions before proceeding with the sequence set forth in subparagraph (B).

"(D) In considering offers from different States, the Corporation shall give a priority to offers from adjoining States.

"(E) In determining the cost of offers and reoffers under this subsection, the Corporation's calculations and estimations shall be determinative. The Corporation may set reasonable time limits on offers and reoffers.

"(4) For purposes of this subsection—

"(A) the term 'of the same type' means financial institutions that are 'savings associations' as defined in section 10(a) of the Home Owners' Loan Act of 1933 or holding companies thereof; and

"(B) a financial institution is 'within the same State' where the financial institution is an existing insured financial institution currently operating in the State in which the institution to be acquired has its home office or a company that is operating an insured financial institution subsidiary in the State in which the institution to be acquired has its home office.

"(5)(A) Where a merger, consolidation, transfer, or acquisition under this subsection involves a savings association eligible for assistance and a bank or bank holding company, a savings association may retain and operate any existing branch or branches or any other existing facilities. If the savings association continues to exist as a separate entity, it may establish and operate new branches to the same extent as any savings association located in the same State that is not affiliated with a bank holding company.

"(B)(i) Notwithstanding the foregoing, if such a savings association does not have its home office in the State of the bank holding company bank subsidiary, and if such association does not qualify as a domestic building and loan association under section 7701(a)(19) of the Internal Revenue Code of 1986, or does not meet the asset composition test imposed by subparagraph (C) of that section on institutions seeking so to qualify, then such savings association shall be subject to the conditions upon which a bank may retain, operate, and establish branches in the State in which the Savings Association Insurance Fund member is located.

"(ii) The Corporation, for good cause shown, may allow a savings association up to 2 years to comply with the requirements of clause (i).".

SEC. 219. BORROWING AUTHORITY.

Section 14 of the Federal Deposit Insurance Act (12 U.S.C. 1824) is amended—

(1) by striking "and directed" and by striking "$3,000,000,000 outstanding at any one time" and inserting "$5,000,000,000 outstanding at any one time, subject to the approval of the Secretary of the Treasury and to approval in an appropriation Act"; and

(2) by adding at the end the following: "The Corporation may employ such funds for purposes of the Bank Insurance Fund or the Savings Association Insurance Fund and the borrowing shall become a liability of each such fund to the extent funds are employed therefor."; and

(3) by striking "the current average rate on outstanding marketable and nonmarketable obligations of the United States as of the last day of the month preceding the making of such loan" and inserting in lieu thereof the following: "an amount determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities".

SEC. 220. LIMITATION ON BORROWINGS.

Section 15 of the Federal Deposit Insurance Act (12 U.S.C. 1825) is amended as follows:

(1) by inserting "(a)" after "SEC. 15."

(2) by inserting before the period at the end of the last sentence of subsection (a) the following: "and such State, territorial, county, municipal or local taxation shall be the only type of State, territorial, county, municipal, or local tax to which the Corporation for itself or as receiver of an insured financial institution shall be subjected. Further, the failure of an insured financial institution to pay or remit any State, territorial, county, municipal, or other local tax shall not subject the Corporation as receiver or conservator of that financial institution to any penalty, forfeiture, or limitation with respect to the enforceability of any right, title, or interest the Corporation as receiver or conservator may have and such failure to pay the tax shall only result in a claim for such tax against the estate of the financial institution"; and

(3) by adding at the end the following:

"(b)(1) The Corporation shall estimate the cost of all notes or similar obligations issued by it, and all guarantees or similar obligations incurred by it, prior to the creation thereof, and shall reflect such cost in its financial statements, and make such adjustments as are appropriate thereto no less than quarterly.

"(2) The Corporation shall not issue any note or similar obligation, and shall not incur any liability under a guarantee or similar obligation, with respect to either the Bank Insurance Fund or the Savings Association Insurance Fund if the estimated cost thereof would reduce the net worth of the respective Insurance Fund to less than 15 percent of assets.

"(3) With the prior approval of the Secretary of the Treasury, the Corporation may issue or incur up to $5,000,000,000 in the aggregate of additional liabilities in excess of

the limitations of (2) above. Any such additional liabilities shall reduce, on a dollar basis, the amount which the Corporation may borrow from the Treasury under section 14 of this Act.

"(4) For the purpose of subsection (b), the net worth of an Insurance Fund shall be calculated based upon the most recent audit of such Fund by the General Accounting Office, as reduced by the adjustments required in paragraph (1).".

"(c) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all notes, debentures, bonds, and other similar obligations, including guarantees and similar liabilities, of the Bank Insurance Fund and the Savings Association Insurance Fund, with respect to both principal and interest.".

SEC. 221. REPORTS.

(a) IN GENERAL.—Section 17 of the Federal Deposit Insurance Act (12 U.S.C. 1827) is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) ANNUAL REPORTS ON BIF, SAIF, AND THE FSLIC RESOLUTION FUND.—

"(1) IN GENERAL.—The Corporation shall annually submit a full report of its operations, activities, budget, receipts, and expenditures for the preceding 12-month period. The report shall include, with respect to the Bank Insurance Fund, the Savings Association Insurance Fund, and the FSLIC Resolution Fund, an analysis by the Corporation of—

"(A) the purpose, effect, and estimated cost of each resolution action taken for an insured institution during the preceding year;

"(B) the extent to which the actual costs of assistance provided to, or for the benefit of, an insured institution during the preceding year exceeded the estimate costs of such assistance reported in a previous year under paragraph (A);

"(C) a current estimate of the resources needed for the Bank Insurance Fund, the Savings Association Insurance Fund, or the FSLIC Resolution Fund to achieve the purposes of this Act; and

"(D) any findings, conclusions, and recommendations for legislative and administrative actions considered appropriate to future resolution activities by the Corporation.

"(2) MANNER OF SUBMISSION.—Such report shall be submitted to the President of the Senate and the Speaker of the House of Representatives, who shall cause the same to be printed for the information of Congress, and the President as soon as practicable after the first day of January each year."

(2) by redesignating subsections (b), (c), and (d) as (c), (d), and (e), respectively; and

(3) by adding a new subsection (b) to read as follows:

"(b) BUDGET PLANNING.—As soon as practicable, prior to the beginning of each fiscal quarter, the Corporation shall submit a report to the Secretary of the Treasury and the Director of the Office of Management and Budget with respect to the Corporation's financial operating plans and forecasts (including estimates of actual and future spending, and estimates of actual and future non-cash obligations) taking into account the Corporation's financial commitments, guarantees and other contingent liabilities. Nothing herein implies any obligation on the part of the Corporation to obtain the consent or approval of the Secretary or the Director of the plans and forecasts provided pursuant hereto.".

(b) SPECIFIC REPORTS.—

(1) RISK-BASED ASSESSMENTS.—The Federal Deposit Insurance Corporation shall study the establishment of premium assessment categories related to types of risk to the insurance funds and shall report its recommendations to the Congress not later than January 1, 1991. If the Corporation should recommend the establishment of such a risk-based assessment plan, it shall also provide a timetable and plan for implementation.

(2) STUDY OF DEPOSIT INSURANCE PASS-THROUGH.—Not later than 6 months after the date of enactment of this Act, the Federal Deposit Insurance Corporation shall transmit to the Congress a report containing its findings and recommendations relating to the pass-through of deposit insurance either to individual investors in unit investment trust funds or to individual participants in pension or to profit sharing plans qualified under section 401 of the Internal Revenue Code of 1986. Such report shall also contain the Corporation's assessment of the potential effects of broadening deposit insurance coverage on the operation of capital markets.

(3) REPORT ON DIRECTORS AND OFFICERS LIABILITY INSURANCE.—

(A) STUDY.—The Federal Deposit Insurance Corporation shall, together with the Department of the Treasury and the Department of Justice, conduct a comprehensive study of directors and officers liability insurance and financial institution bonds, and the availability of such insurance for directors and officers of insured financial institutions. The study shall include—

(i) consideration of State laws limiting liability for directors and officers,

(ii) the effect of contractual provisions limiting insurance coverage when an institution is placed in receivership or conservatorship,

(iii) provisions limiting coverage when a claim is made by the Federal Deposit Insurance Corporation, and

(iv) provisions limiting claims made by one insured against another insured.

In addition, the study shall consider the need for such insurance or bonds and the effect any change in any of the above noted conditions or terms may have on the future availability of such insurance, and the ability of financial institutions to attract qualified officers and directors.

(B) REPORT.—Not later than 6 months after the date of enactment of the FIRRE Act, the Federal Deposit Insurance Corporation, together with the Department of the Treasury and the Department of Justice, shall report its findings from the study under subparagraph (A) to the Congress, together with legislative recommendations.

SEC. 222. REGULATIONS GOVERNING INSURED FINANCIAL INSTITUTIONS.

Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended—

(1) by striking "(a)" and the first two sentences of subsection (a) and inserting the following:

"(a) INSURANCE LOGO.—

"(1) INSURED SAVINGS ASSOCIATIONS.—Each insured savings association shall display at each place of business maintained by such association a sign containing only the following items:

"(A) a statement that insured deposits are 'backed by the full faith and credit of the United States Government';

"(B) a statement that each account is 'federally insured to $100,000'; and

"(C) the symbol of the American eagle.

The sign shall not contain any reference to a Government agency and shall accord each item substantially equal prominence.

"(2) INSURED BANKS.—Each insured bank shall display at each place of business maintained by such bank a sign that conforms to one or the other of the following:

"(A) the sign required to be displayed by insured banks under regulations prescribed by the Corporation in effect on January 1, 1989, or

"(B) the sign prescribed under paragraph (1).

"(3) REGULATIONS.—The Corporation shall have the authority to prescribe regulations to carry out the purposes of this subsection, including regulations governing the manner of display or use of such signs, except that the size of the sign prescribed under paragraph (1) shall be the same as that prescribed under paragraph (2)(A).";

(2) in subsection (c)—

(A) in paragraph (2), by striking subparagraph (C) and inserting the following:

"(C) the Corporation if the acquiring, assuming, or resulting bank is to be a State nonmember insured bank (except a District bank or a savings bank supervised by the Chairman of the Office of Savings Associations); and

"(D) the Chairman of the Office of Savings Associations if the acquiring, assuming, or resulting institution is to be a savings association.";

(B) by striking paragraph (12);

(C) in paragraphs (3), (4), (6), (7), and (9), by inserting after the word "bank" or "banks" each time it appears, the words "or savings association" or "or savings associations", respectively; and

(D) in paragraph (3), by striking "failure" and inserting "default";

(3) in subsection (i)—

(A) in paragraph (1), by striking "nonmember bank (except a District bank)" and inserting "financial institution (except a member bank, a District bank, or savings bank supervised by the Chairman of the Office of Savings Associations)";

(B) in paragraph (2)—

(i) in subparagraph (C), by inserting with in the parenthetical "or a savings bank to be supervised by the Chairman of the Office of Savings Associations" after "except a District bank"; and

(ii) by inserting before the period the following: "; (D) the Chairman of the Office of Savings Associations if the resulting institution is to be a State savings association or a savings bank to be supervised by the Office of Savings Associations";

(C) in paragraph (4)(D), by inserting "and fitness" after "character"; and

(D) by striking paragraph (5); and

(4) by adding at the end the following:

"(m) ACTIVITIES OF SAVINGS ASSOCIATIONS AND THEIR SUBSIDIARIES.—

"(1) PROCEDURES.—Whenever an insured savings association establishes or acquires control of a company or whenever an insured savings association elects to conduct any new activity through a company that the insured savings association controls, the insured savings association:

"(A) shall notify the Corporation and the Chairman of the Office of Savings Associations not less than 30 days prior to the establishment, or acquisition, of any such new company, and not less than 30 days prior to the commencement of any such activity,

and in either case shall provide at that time such information as each such agency may, by regulation, require;

"(B) except as provided in section 5(t)(3) of the Home Owners' Loan Act of 1933, shall deduct its entire investment in and loans and other financial accommodations to the company from its own capital for the purposes of determining capital adequacy if the company is engaged in activities not permissible for a national bank; and

"(C) shall commence and conduct the activities of the company in accordance with such rules, regulations, and orders as may be established by the Chairman of the Office of Savings Associations.

"(2) ENFORCEMENT POWERS.—With respect to any company controlled by an insured savings association:

"(A) the Corporation and the Chairman of the Office of Savings Associations shall each have, with respect to such company, the respective powers and authorities that each may possess with respect to the insured savings association pursuant to this section or to section 8; and

"(B) the Chairman of the Office of Savings Associations shall have authority to determine, after notice and opportunity for hearing, that the continuation by the insured savings association of its ownership or control of, or its relationship to, the company constitutes a serious risk to the financial safety, soundness, or stability of the insured savings association or is inconsistent with sound banking principles or with the purposes of this Act, and upon making any such determination the agency shall have authority to order the insured savings association to divest itself of control of the company. The Chairman of the Office of Savings Associations shall also have the authority to take any other corrective measures with respect to the company, including the authority to have the company terminate the activities or operations posing such risks, as the agency may deem appropriate.

"(3) ACTIVITIES INCOMPATIBLE WITH DEPOSIT INSURANCE.—

"(A) The Board of Directors is authorized to determine by regulation or order that any specific activity poses a serious threat to the Savings Association Insurance Fund. Prior to adopting any such regulation, the Corporation shall consult with the Chairman of the Office of Savings Associations and shall provide appropriate State supervisors the opportunity to review such regulation and comment thereon, and the Corporation shall specifically take such comments into consideration. If the Board of Directors makes such a determination with respect to an activity, the Corporation shall have authority to order that no Savings Association Insurance Fund member may engage in the activity directly. In addition, no Savings Association Insurance Fund member shall be or become liable for the liabilities or obligations arising out of any such activity conducted indirectly, except to the extent such liability or obligation (i) is in writing, (ii) shall have been executed by the member and person or entity to whom the liability or obligation is owed either contemporaneously with the creation of the liability or obligation, or if the liability or obligation was created prior to the effective date of the FIRRE Act, within one hundred and twenty days of the effective date of the FIRRE Act, (iii) has been approved by the board of directors or an official committee of the member, and (iv) shall have been, continuously, from the time of its creation, an official record of the Savings Association Insurance Fund member.

"(B) Nothing in this section shall limit the authority of the Office of Savings Associations to issue regulations to promote safety and soundness or to enforce compliance with other applicable laws.

"(4) 'COMPANY' DEFINED.—As used in this subsection (m), the term 'company' shall not include an insured financial institution.

"(5) EFFECT ON OTHER AUTHORITY.—Nothing contained in subsection (m) shall derogate from the rights and authorities of the Corporation under other provisions of law.

"(6) APPLICABILITY.—The provision of subparagraphs (A) and (B) of paragraph (1) of this subsection shall not apply to any Federal savings bank that was chartered prior to October 15, 1982, as a savings bank under State law, or to a savings association that acquired its principal assets from an institution that was chartered prior to October 15, 1982, as a savings bank under State law.

"(n) CALCULATION OF CAPITAL.—No appropriate Federal banking agency shall allow any insured financial institution to include an unidentifiable intangible asset in its calculation of compliance with the appropriate capital standard, if such unidentifiable intangible asset was acquired after April 12, 1989, except to the extent permitted under section 5(t)(2)(B) of the Home Owners' Loan Act of 1933.".

SEC. 223. INVESTMENT ACTIVITIES OF STATE SAVINGS ASSOCIATIONS.

The Federal Deposit Insurance Act is amended by adding at the end thereof the following new section:

"SEC. 28. INVESTMENT ACTIVITIES OF SAVINGS ASSOCIATIONS CHARTERED UNDER STATE LAW.

"(a) IN GENERAL.—A savings association chartered under State law shall not, after January 1, 1990, engage as principal in any type of activity, or in any activity in an amount, that is not permissible for a Federal savings association unless—

"(1) the Corporation has determined that the activity would pose no significant risk to the affected deposit insurance fund; and

"(2) the savings association is and remains in compliance with the fully phased-in capital standards prescribed pursuant to section 5(t) of the Home Owners' Loan Act of 1933.

"(b) DIFFERENCES OF MAGNITUDE.—Notwithstanding subsection (a)(1), if an activity is permissible for a Federal savings association, a savings association chartered under State law may engage as principal in that activity in an amount that is greater than the amount permissible for a Federal savings association if—

"(1) the Corporation has not determined that engaging in that amount of the activity poses any significant risk to the deposit insurance fund;

"(2) the savings association chartered under State law is described in subsection (a)(2); and

"(3) the activity—

"(A) does not involve acquiring or retaining shares of one or more subsidiary corporations in an aggregate amount greater than that permissible for a Federal savings association under section 5(c)(4)(B) of the Home Owners' Loan Act of 1933;

"(B) is not described in section 5(c)(2)(B) of the Home Owners' Loan Act of 1933; and

"(C) does not involve acquiring or retaining corporate debt securities that are not of investment grade in an amount greater than the amount that a Federal savings association may acquire directly.

"(c) EQUITY INVESTMENTS.—

"(1) IN GENERAL.—Notwithstanding subsections (a) and (b), a savings association chartered under State law shall not directly acquire or retain any equity investment of a type or in an amount that is not permissible for a Federal savings association.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply with respect to shares of one or more service corporations acquired or retained pursuant to subsection (a).

"(3) TRANSITIONAL RULE.—

"(A) Notwithstanding paragraph (1), if a savings association held an equity investment on the date of enactment of the FIRRE Act, the savings association may retain the equity investment for such a period and on such terms as the Corporation may determine by regulation or order pursuant to subparagraph (B).

"(B) The Corporation shall require savings associations to divest any equity investment that is not permissible under paragraph (1) or (2) as quickly as can be prudently done, and in any event not later than July 1, 1994.

"(d) CORPORATE DEBT SECURITIES THAT ARE NOT OF INVESTMENT GRADE.—

"(1) IN GENERAL.—Except as provided in paragraph (2)(A), a savings association chartered under State law shall not, directly or through a subsidiary, acquire or retain corporate debt securities that are not of investment grade in an amount greater than the amount that the savings association could acquire directly if it were a Federal savings association unless—

"(A) the savings association chartered under State law has filed an application, and the Corporation has determined that no significant risk to the deposit insurance fund would be posed if the savings association held the amount in question; and

"(B) the savings association is described in subsection (a)(2) (or would be described in subsection (a)(2) if paragraph 4 did not apply) or in paragraph (2)(D) of this subsection.

"(2) REVIEW.—

"(A) A savings association chartered under State law may, directly or through a subsidiary, during the 12-month period following the date of enactment of the FIRRE Act, retain corporate debt securities that are not of investment grade in an amount greater than the amount that a Federal savings association may acquire directly.

"(B) A savings association chartered under State law that wishes to retain such securities directly or through a subsidiary after that 12-month period in an amount greater than the amount that a Federal savings association may acquire directly shall file a written application with the Corporation not later than 90 days after the date of enactment in the manner prescribed by the Corporation. The Corporation shall approve or deny the application not later than 10 months after the date of enactment.

"(C) In approving an application, the Corporation may impose such conditions as it determines to be appropriate pursuant to paragraph (1), including—

"(i) limiting the amount of such securities to any amount greater than or equal to the amount that a Federal savings association may acquire directly;

"(ii) requiring that any amount of such securities greater than the amount that a Federal savings association may acquire directly be deducted from the savings association's capital for purposes of section 5(t) of the Home Owners' Loan Act of 1933; or

"(iii) requiring that such securities be held by a subsidiary subject to paragraph (4).

"(D) During a reasonable period (to be determined by the Corporation) not to exceed

6 months from the date on which the Corporation makes a determination under subparagraph (B) with respect to a savings association, the savings association is described in this subparagraph for purposes of paragraph (1)(B) if the Corporation is satisfied that the savings association will be described in subsection (a)(2) (or would be described in subsection (a)(2) if paragraph (4) did not apply) before that period expires.

"(3) TRANSITIONAL RULES.—To the extent that the Corporation does not permit a savings association to retain such securities in an amount greater than the amount that a Federal savings association may acquire directly, the savings association shall divest itself of the excess amount in accordance with the following schedule:

"During the following period:	The association may retain not more than the following percentage of the excess amount:
The 1-year period beginning 12 months after that date of enactment.	75 percent
The 1-year period beginning 24 months after that date of enactment.	50 percent
The 1-year period beginning 36 months after that date of enactment.	25 percent
Thereafter	0 percent

"(4) SECURITIES HELD THROUGH A SUBSIDIARY.—Except as provided in paragraph (1), if a savings association chartered under State law holds through a subsidiary corporate debt securities that are not of investment grade and the aggregate amount of such securities held by the savings association and its subsidiaries is greater than the amount that a Federal savings association may acquire directly, then the excess amount shall be deducted from the savings association's capital in determining that capital for purposes of section 5(t) of the Home Owners' Loan Act of 1933.

"(e) DETERMINATIONS.—The Corporation may make determinations under this section by regulation or order.

"(f) DEFINITIONS.—

"(1) The term 'activity' includes acquiring or retaining any investment.

"(2) Notwithstanding paragraph (1), subsections (a) and (b) shall not be construed to require a savings association to divest itself of any assets acquired before the date of enactment of the FIRRE Act.

"(g) OTHER AUTHORITY NOT AFFECTED.—This section does not limit—

"(1) any other authority of the Corporation; or

"(2) any authority of the Chairman of the Office of Savings Associations or of a State to impose more stringent restrictions.".

SEC. 224. LOAN TO VALUE RATIOS.

(a) IN GENERAL.—The Federal Deposit Insurance Act is amended by adding at the end thereof the following:

"SEC. 29. LOAN TO VALUE RATIOS.

"(a) IN GENERAL.—Each insured financial institution in making a loan secured by real property shall be subject to the following limitations:

"(1) For a loan or other advance to finance the purchase of or to refinance outstanding indebtedness on property improved by a completed one- to four-family dwelling, the amount of the loan or advance may not exceed 95 percent of the appraised value of the property.

"(2) For a loan secured by other real estate—

"(A) if the property is improved by one or more completed structures, the amount of the loan or advance may not exceed 80 percent of the appraised value of the property;

"(B) if the property is improved but has no completed structure, the amount of the loan or advance may not exceed 70 percent of the appraised value; or

"(C) if the property is undeveloped and the loan is not a loan to an active farming operation secured by agricultural land, the amount of the loan or advance may not exceed 65 percent of the appraised value.

"(b) EXCEPTIONS.—Subsection (a) does not apply to any loan the payment of principal and interest of which is insured or guaranteed by a Federal agency, as defined in regulations of the appropriate Federal regulatory agency.

"(c) REGULATORY AUTHORITY.—The limitations contained in subsection (a) may be adjusted by the appropriate Federal regulatory agency upon a determination that—

"(1) the limitation which would otherwise apply is unreasonable and limits safe and sound investment activities; or

"(2) the limitation that would otherwise apply does not sufficiently curtail unsafe and unsound practices.

"(d) ENFORCEMENT.—Compliance with the requirement imposed under this section shall be enforced under section 8 of this Act.".

(b) CONFORMING AMENDMENT.—Section 24 of the Federal Reserve Act (12 U.S.C. 371) is repealed.

SEC. 225. NONDISCRIMINATION.

Section 22 of the Federal Deposit Insurance Act (12 U.S.C. 1830) is amended to read as follows: "It is not the purpose of this Act to discriminate in any manner against State nonmember banks or State savings associations and in favor of national or member banks or Federal savings associations, respectively; but the purpose is to provide all banks and savings associations with the same opportunity to obtain and enjoy the benefits of this Act.".

SEC. 226. BROKERED DEPOSITS.

(a) DEFINITIONS.—Section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) is amended by adding at the end the following:

"(u)(1) The term 'deposit broker' means—

"(A) any person engaged in the business of placing funds, or facilitating the placement of funds, of third parties with insured banks or the business of placing funds with insured banks for the purpose of selling interests in those deposits to third parties; and

"(B) an agent or trustee who establishes a deposit account to facilitate a business arrangement with an insured bank to use the proceeds of the account to fund a prearranged loan.

"(2) The term 'deposit broker' does not include—

"(A) an insured bank, with respect to funds placed with that bank;

"(B) an employee of an insured bank, with respect to funds placed with the employing bank;

"(C) a trust department of an insured bank or of an institution insured by the Federal Savings and Loan Insurance Corporation, if the trust in question has not been established for the primary purpose of placing funds with insured depository institutions;

"(D) the trustee of a pension or other employee benefit plan, with respect to funds of the plan;

"(E) a person acting as a plan administrator or an investment adviser in connection with a pension plan or other employee benefit plan provided that that person is performing managerial functions with respect to the plan;

"(F) the trustee of a testamentary account;

"(G) the trustee of an irrevocable trust (other than one described in paragraph (1)(B)), as long as the trust in question has not been established for the primary purpose of placing funds with insured depository institutions;

"(H) a trustee or custodian of a pension or profit-sharing plan qualified under section 401(d) or 408(a) of the Internal Revenue Code of 1986; or

"(I) an agent or nominee whose primary purpose is not the placement of funds with depository institutions.

"(v) The term 'employee' includes only an employee—

"(1) who is employed exclusively by the insured bank for which he or she is soliciting deposits;

"(2) whose compensation is primarily in the form of a salary;

"(3) who does not share his or her compensation with a deposit broker; and

"(4) whose office space or place of business is used exclusively for the benefit of his or her insured bank/employer.

"(w) The term 'troubled institution' means an insured financial institution which is entitled to the benefits of insurance under this Act and which the Corporation has determined for the purpose of section 30 does not meet its minimum capital requirements.".

(b) APPLICABILITY OF LIMITATION.—The Federal Deposit Insurance Act is amended by adding at the end the following:

"SEC. 30. BROKERED DEPOSITS.

"(a) IN GENERAL.—A troubled institution may not accept funds deposited into one or more deposit accounts by or through a deposit broker.

"(b) GRANDFATHERED ACCOUNTS.—The prohibition contained in subsection (a) shall not apply to any account opened before the effective date of the the FIRRE Act unless such account has been added to or renewed after the effective date of such Act.

"(c) WAIVER AUTHORITY.—The Corporation is authorized, on a case-by-case basis, and upon application by an insured financial institution, to waive the applicability of subsections (a) and (b) upon a finding that the acceptance of such deposits does not constitute an unsafe or unsound practice.".

SEC. 227. (a) CONTRACTS BETWEEN FINANCIAL INSTITUTIONS AND PERSONS PROVIDING GOODS, PRODUCTS, OR SERVICES.

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 30. CONTRACTS BETWEEN FINANCIAL INSTITUTIONS AND PERSONS PROVIDING GOODS, PRODUCTS, OR SERVICES.

"(a) IN GENERAL.—An insured financial institution shall not enter into a written or oral contract with any person related to the provision of goods, products, or services to or for the benefit of such financial institution if such contract contains any of the following:

"(1) A provision under which such person agrees to purchase any asset of such financial institution unless the asset is directly related to the provision of such goods, products, or services;

"(2) A provision under which the person providing such goods, products, or services agrees to purchase stock of, invest capital in, or make a deposit in such financial institution;

if such a contract term or provision has an anticompetitive effect or would adversely affect the safety or soundness of the financial institutions.

"(b) PROVISION TO APPLY TO HOLDING COMPANIES.—For purposes of this section, the term 'insured financial institution' includes a 'bank holding company' and a 'savings and loan holding company'.

"(c) REGULATIONS.—The Corporation shall promulgate regulations necessary to carry out the provisions of this section.".

(b) The General Accounting Office shall conduct a study of the contracting practices among third-party vendors and insured financial institutions and shall report on the extent to which such contracts include questionable provisions that may tend to erode financial integrity and soundness by among other things allowing an institution to artificially inflate its capital base or to divest itself of a troublesome asset. Such report shall be submitted not later than six months after the date of enactment of this act to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

TITLE III—CHAIRMAN OF THE OFFICE OF SAVINGS ASSOCIATIONS

SEC. 301. AMENDMENT TO HOME OWNERS' LOAN ACT OF 1933.

The Home Owners' Loan Act of 1933 is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Home Owners' Loan Act of 1933'.

"SEC. 2. DEFINITIONS.

"For the purpose of this Act—

"(1) The term 'Chairman' means the Chairman of the Office of Savings Associations.

"(2) The term 'savings association' has the same meaning as in section 3 of the Federal Deposit Insurance Act.

"(3) The term 'Federal savings association' means a Federal savings association or a Federal savings bank chartered under section 5(o) of this Act.

"(4) The term 'Federal banking agencies' means the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation.

"SEC. 3. SUPERVISION OF SAVINGS ASSOCIATIONS.

"(a) IN GENERAL.—The Chairman is authorized to provide for the examination, safe and sound operation, and regulation of savings associations. The Chairman may issue rules and regulations to carry out the responsibilities of the Chairman. The authority conferred by this section is intended to encourage savings associations to provide credit for housing safely and soundly.

"(b) UNIFORM STANDARDS.—The Chairman shall by regulation prescribe uniform accounting and disclosure standards for all savings associations to be used in determining their compliance with all applicable rules and regulations. These uniform accounting standards shall incorporate generally accepted accounting principles to the same degree that generally accepted accounting principles are used to determine compliance with rules and regulations issued by the Federal banking agencies, shall require full compliance therewith no later than the schedule provided in 12 C.F.R. section 563.23-3 (as in effect immediately prior to the effective date of the FIRRE Act), and shall be coordinated with the capital standards established by the Chairman pursuant to section 5(t)(1) of this Act. No deviation from full compliance with the uniform accounting standards shall be permitted after December 31, 1993. The Chairman may, at any time, prescribe more stringent accounting principles if the Chairman determines that they are necessary to ensure the safe and sound operation of savings associations.

"(c) STRINGENCY OF STANDARDS.—The rules, regulations, and policies of the Chairman governing the safe and sound operation of savings associations, including policies governing asset classification and appraisals, shall be no less stringent than those of the Office of the Comptroller of the Currency.

"(d) INVESTMENT OF FUNDS.—The savings accounts and share accounts held by savings associations insured by the Federal Deposit Insurance Corporation shall be lawful investments and may be accepted as security for all public funds of the United States, fiduciary and trust funds under the authority or control of the United States or any officer or officers thereof, and for the funds of all corporations organized under the laws of the United States (subject to any regulatory authority otherwise applicable), regardless of any limitation of law upon the investment of any such funds or upon the acceptance of security for the investment or deposit of any of such funds.

"(e) LOTTERIES.—(1) A savings association may not—

"(A) deal in lottery tickets;

"(B) deal in bets used as a means or substitute for participation in a lottery;

"(C) announce, advertise, or publicize the existence of any lottery;

"(D) announce, advertise, or publicize the existence or identity of any participant or winner, as such, in a lottery.

"(2) A savings association may not permit—

"(A) the use of any part of any of its own offices by any person for any purpose forbidden to the savings association under paragraph (1), or

"(B) direct access by the public from any of its own offices to any premises used by any person for any purpose forbidden to the savings association under paragraph (1).

"(3) As used in this subsection—

"(A) The term 'deal in' includes making, taking, buying, selling, redeeming, or collecting.

"(B) The term 'lottery' includes any arrangement whereby three or more persons (the 'participants') advance money or credit to another in exchange for the possibility or expectation that one or more but not all of the participants (the 'winners') will receive by reason of their advances more than the amounts they have advanced, the identity of the winners being determined by any means which includes—

"(i) a random selection;

"(ii) a game, race, or contest; or

"(iii) any record or tabulation of the result of one or more events in which any participant has no interest except for its bearing upon the possibility that he may become a winner.

"(C) The term 'lottery ticket' includes any right, privilege, or possibility (and any ticket, receipt, record, or other evidence of any such right, privilege, or possibility) of becoming a winner in a lottery.

"(4) Nothing contained in this subsection prohibits a savings association from accepting funds from, or performing any lawful services for, a State operating a lottery, or an officer or employee of that State who is charged with the administration of the lottery.

"(5) The Chairman shall prescribe such regulations as may be necessary to the strict enforcement of this section and the prevention of evasions thereof.

"(f) LENDING DISCLOSURES.—No savings association shall make any Federally related mortgage loan to any agent, trustee, nominee, or other person acting in a fiduciary capacity without the prior condition that the identity of the person receiving the beneficial interest of such loan shall at all times be revealed to the savings association. At the request of the Chairman of the Federal Home Loan Bank System, the savings association shall report to the Chairman on the identity of such person and the nature and amount of the loan.

"(g) USURY OVERRIDE.—(1) If the applicable rate prescribed in this section exceeds the rate of a savings association would be permitted to charge in the absence of this section, such savings association may, notwithstanding any State constitution or statute which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at a rate of not more than 1 percent in excess of the discount rate on 90-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where such savings association is located or at the rate allowed by the laws of the State, territory, or district where such savings association is located, whichever may be greater.

"(2) If the rate prescribed in paragraph (1) exceeds the rate such savings association would be permitted to charge in the absence of this section, and such State fixed rate is thereby preempted by the rate described in paragraph (1), the taking, receiving, reserving, or charging a greater rate of interest than that prescribed by paragraph (1), when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover, in a civil action commenced in a court of appropriate jurisdiction not later than two years after the date of such payment, an amount equal to twice the amount of the interest paid from the savings association taking or receiving such interest.

"(h) FORM AND MATURITY OF SECURITIES.—No savings association shall issue securities which guarantee a definite maturity except with the specific approval of the Chairman, or issue any securities the form of which has not been approved by the Chairman.

"(i) AUDIT.—Each savings association and service corporation thereof shall, at its own expense, be audited at least once in every calendar year. The Chairman shall establish rules governing the selection of independent auditors by savings associations and service corporations and the performance of auditing services. Not later than 90 days after the date of enactment of the FIRRE Act, the Chairman shall promulgate regulations establishing procedures for monitoring compliance with the rules established under this subsection. If the Chairman finds that any audit of a savings association under this subsection does not comply with such rules, the Chairman shall take appropriate action to assure compliance. Such appropriate

action may, but shall not necessarily, include that an audit be performed again, at the expense of the auditor.

"SEC. 4. CHAIRMAN OF OFFICE OF SAVINGS ASSOCIATIONS

"(a) IN GENERAL.—

"(1) ESTABLISHMENT.—There is established an Office of Savings Associations. The Office shall be a bureau in the Department of the Treasury. All power and authority vested in the Federal Home Loan Bank Board or its Chairman immediately prior to enactment of the FIRRE Act are, except as otherwise provided in that Act or the Federal Home Loan Bank Act, vested in the Chairman of the Office of Savings Associations. On the date which is 60 days after enactment of the FIRRE Act, the Federal Home Loan Bank Board shall cease to exist and shall for all purposes be considered dissolved. Prior thereto, all employees of the Federal Home Loan Bank Board shall be transferred as provided in title IV of the FIRRE Act. During the period between enactment of such Act and dissolution of the Federal Home Loan Bank Board, the Chairman of the Federal Home Loan Bank Board may act on behalf of the Federal Home Loan Bank Board as necessary to accomplish the dissolution thereof and the Chairman may utilize the services of the employees of the Federal Home Loan Bank Board to perform services for the Office of Savings Associations.

"(2) DUTIES.—The Chairman shall supervise savings associations and shall promulgate and enforce such rules, regulations, and orders, as are necessary from time to time for carrying out the provisions of this Act and all other laws it is his or her duty to implement. The Chairman shall perform his or her duties under the general direction of the Secretary of the Treasury. Nothing in this section may be construed to permit the Secretary of the Treasury to intervene in any matter or proceeding before the Chairman.

"(b) APPOINTMENT.—

"(1) IN GENERAL.—The Chairman, who shall be a citizen of the United States, shall be appointed by the President, by and with the advice and consent of the Senate, and shall hold office for a term of 5 years unless sooner removed by the President, upon reasons to be communicated by the President to the Senate.

"(2) TRANSITIONAL PROVISION.—Notwithstanding subsection (a) or paragraph (1), the individual serving as the Chairman of the Federal Home Loan Bank Board on the date of enactment of the FIRRE Act shall be the Chairman of the Office of Savings Associations until the date on which his term as Chairman of the Federal Home Loan Bank Board would have expired.

"(3) CONTINUED SERVICE UNTIL SUCCESSOR APPOINTED.—The Chairman may continue to serve until a successor has been appointed and qualified.

"(c) APPOINTMENT OF STAFF.—

"(1) IN GENERAL.—The Chairman of the Office of Savings Associations may employ, direct, and fix the compensation of such employees, attorneys, and agents as the Chairman deems necessary to carry out his or her duties without regard to the provisions of any law or regulation, including the provisions of title 5, United States Code, and report thereon to the Congress. Such compensation shall be determined solely by the Chairman and relating to the compensation of Federal officers and employees. In directing and fixing such compensation, the Chairman shall consult with, and seek to maintain comparability with the compensation at, the other Federal bank regulatory agencies.

"(2) ADMINISTRATIVE PROVISIONS.—The Chairman may—

"(A) designate who shall serve in the Chairman's absence; and

"(B) notwithstanding any other provisions of law, may delegate to any duly authorized employee, representative, or agent any power vested in the Chairman by law.

"(d) SALARIES AND EXPENSES.—The salaries of the Chairman and other employees of the Office and all other expenses thereof may be paid from assessments levied under this Act, and the funds derived from such assessments may be deposited by the Chairman in the same manner as authorized under section 5234 of the Revised Statutes and shall not be construed to be Government Funds or appropriated monies, or subject to apportionment for the purposes of chapter 15 of title 31, United States Code, or any other authority. Such compensation, other than that of the Chairman, shall be paid without regard to the provisions of other laws applicable to officers or employees of the United States.

"(e) AUTHORITIES.—Notwithstanding any other provision of law, the Chairman shall have and may exercise all functions which the Chairman of the Federal Home Loan Bank Board, the Federal Home Loan Bank Board, and the Federal Savings and Loan Insurance Corporation had or could exercise immediately prior to August 11, 1954, or immediately prior to June 24, 1954, which are not expressly transferred to or consolidated into the Federal Deposit Insurance Corporation, the Resolution Trust Corporation, or the Federal Home Loan Bank Agency pursuant to the FIRRE Act.

"(f) ANNUAL REPORT.—The Chairman of the Federal Home Loan Bank System shall make an annual report to Congress.

"(g) COMMUNICATIONS TO THE CONGRESS.—(1) Whenever the Chairman submits any budget estimate or request to any officer or employee in the executive branch of the Government, including the President or the Office of Management and Budget, he or she shall concurrently transmit copies of that estimate or request to the Congress.

"(2) Whenever the Chairman transmits any legislative recommendations, or testimony, or comments on legislation to the President or the Office of Management and Budget, he or she shall concurrently transmit copies thereof to the Congress. No officer or agency of the United States shall have any authority to require the Chairman to submit legislative recommendations, or testimony, or comments on legislation to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress. In instances in which the Chairman voluntarily seeks to obtain the comments or review of any officer or agency of the United States, the Chairman shall include a description of such actions in the legislative recommendations, testimony, or comments on legislation which is transmitted to the Congress.

"SEC. 4A. LIQUIDITY.

"(a) IN GENERAL.—The purpose of this section is to provide a means for creating meaningful and flexible liquidity in savings associations and other members which can be increased when mortgage money is plentiful, maintained in easily liquidated instruments, and reduced to add to the flow of funds to the mortgage market in periods of credit stringency. More flexible liquidity will help support sound mortgage credit and a more stable supply of such credit.

"(b) MAINTENANCE OF ACCOUNT.—(1) Any institution which is a member of a Federal Home Loan Bank or which is a savings association shall maintain the aggregate amount of its assets of the following types at not less than such amount as, in the opinion of the Chairman, is appropriate:

"(A) cash;

"(B) to such extent as the Chairman may approve for the purposes of this section, time and savings deposits in Federal Home Loan Banks, institutions which are, or are eligible to become, members thereof, and commercial banks;

"(C) to such extent as the Chairman may so approve, such obligations, including such special obligations, of the United States, a State, any territory or possession of the United States, or a political subdivision, agency, or instrumentality of any one or more of the foregoing, and bankers' acceptances, as the Chairman may approve;

"(D) to such extent as the Chairman may so approve, shares or certificates of any open-end management investment company which is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and the portfolio of which is restricted by such investment company's investment policy, changeable only if authorized by shareholder vote, solely to any of the obligations or other investments enumerated in subparagraphs (A) through (C), (F), and (G);

"(E) balances maintained in a Federal Reserve bank or passed through a Federal Home Loan Bank or another depository institution to a Federal Reserve bank pursuant to the Federal Reserve Act;

"(F) to such extent as the Chairman may approve as liquid, highly rated corporate debt obligations with 3 years or less remaining until maturity; and

"(G) to such extent as the Chairman may so approve, highly rated commercial paper with 270 days or less remaining until maturity.

"(2) The requirement prescribed by the Chairman pursuant to this subsection (hereinafter in this section referred to as the 'liquidity requirement') may not be less than 4 percent or more than 10 percent of the obligation of the institution on withdrawable accounts and borrowings payable on demand or with unexpired maturities of one year or less, or in the case of institutions which are insurance companies, such other base or bases as the Chairman may determine to be comparable. The Chairman shall prescribe rules and regulations to implement the provisions of this subsection.

"(c) CALCULATION.—The amount of any institution's liquidity requirement, and any deficiency in compliance therewith, shall be calculated as the Chairman shall prescribe. The Chairman may prescribe different liquidity requirements, within the limitations specified herein, for different classes of institutions, and for such purposes the Chairman is authorized to classify institutions according to type, size, location, rate of withdrawals, or, without limitation by or on the foregoing, on such other basis or bases of differentiation as the Chairman may deem to be reasonably necessary or appropriate for effectuating the purposes of this section.

"(d) DEFICIENCY ASSESSMENTS.—For any deficiency in compliance with the liquidity requirements, the Chairman may, in his or her discretion, assess a penalty consisting of the payment by the institution of such sum as may be assessed by the Chairman but not

in excess of a rate equal to the highest rate on Federal Home Loan Bank advances of one year or less, plus 2 percent per annum, on the amount of the deficiency for the period with respect to which the deficiency existed. Any penalty assessed under this subsection against a member shall be paid to the Federal Home Loan Bank of which it is a member, and any such penalty assessed against a savings association which is not a member shall be paid to the Chairman. The right to assess or to recover, or to assess and recover, any such penalty is not abated or affected by an association's ceasing to be a member or ceasing to be insured. The Chairman may authorize or require that, at any time before collection thereof, and whether before or after the bringing of any action or other legal proceeding, the obtaining of any judgment or other recovery, or the issuance or levy of any execution or other legal process therefor, and with or without consideration, any such penalty or recovery be compromised, remitted, or mitigated in whole or part. The penalties authorized under this subsection are in addition to all remedies and sanctions otherwise available.

"(e) REDUCTION OR SUSPENSION.—Whenever the Chairman deems it advisable in order to enable an institution to meet withdrawals or to pay obligations, the Chairman may, to such extent and subject to such conditions as it may prescribe, permit the institution to reduce its liquidity below the minimum amount. Whenever the Chairman determines that conditions of national emergency or unusual economic stress exist, the Chairman may suspend any part or all of the liquidity requirements hereunder for such period as the Chairman may prescribe. Any such suspension, unless sooner terminated by its terms or by the Chairman, shall terminate at the expiration of ninety days next after its commencement, but nothing in this sentence prevents the Chairman from again exercising, before, at, or after any such termination, the authority conferred by this subsection.

"(f) REGULATING AUTHORITY.—The Chairman is authorized to issue such rules and regulations, including definitions of terms used in this section, to make such examinations, and to conduct such investigations as it deems necessary or appropriate to effectuate the purposes of this section. The reasonable cost of any such examination or investigation, as determined by the Chairman, shall be paid by the association.

"SEC. 4B. APPLICABILITY.

"(a) IN GENERAL.—Sections 1, 2, 3, 5(d), 5(i), 5(o), 5(p), 5(q), 5(s), 5(t), 5(u), 5(v), 5(w), 6, 7, 9, 10, 11, and 12, of this Act apply to all savings associations.

"(b) Sections 5(a), 5(b), 5(c), 5(e), 5(f), 5(g), 5(h), 5(j), 5(l), 5(m), 5(n), 5(r), and 8 of this Act apply to Federal savings associations.

"SEC. 5. FEDERAL SAVINGS ASSOCIATIONS.

"(a) IN GENERAL.—In order to provide thrift institutions for the deposit or investment of funds and for the extension of credit for homes and other goods and services, the Chairman is authorized, under such rules and regulations as the Chairman may prescribe, to provide for the organization, incorporation, examination, operation, and regulation of associations to be known as Federal savings and loan associations, or Federal savings banks, and to issue charters therefor, giving primary consideration to the best practices of thrift institutions in the United States. The lending and investment authorities are conferred by this section to provide such institutions the flexibility necessary to maintain their role of providing credit for housing consistent with the safe and sound operation of Federal savings associations.

"(b) DEPOSITS.—(1)(A) A Federal savings association may raise capital in the form of such savings deposits, shares, or other accounts, for fixed, minimum, or indefinite periods of time (all of which are referred to in this section as savings accounts), or in the form of such demand accounts of those persons or organizations that have a business, corporate, commercial, or agricultural loan relationship with the association as are authorized by its charter or by regulations of the Chairman, and may issue such passbooks, time certificates of deposit, or other evidence of accounts as are so authorized.

"(B) A Federal savings association may accept a demand account from itself and may also accept demand accounts from a commercial, corporate, business, or agricultural entity for the sole purpose of effectuating payments thereto by a nonbusiness customer. A Federal savings association may not pay interest on a demand account. All savings accounts and demand accounts shall have the same priority upon liquidation. Holders of accounts and obligors of a Federal savings association shall, to such extent as may be provided by its charter or by regulations of the Chairman, be members of the association, and shall have such voting rights and such other rights as are thereby provided.

"(C) Except as may be otherwise authorized by a Federal savings association's charter or regulation of the Chairman in the case of savings accounts for fixed or minimum terms of not less than 14 days, the payment of any savings account shall be subject to the right of the Federal savings association to require such advance notice, not less than fourteen days, as shall be provided for by the charter of the association or the regulations of the Chairman.

"(D) The payment of withdrawals from accounts in the event a Federal savings association does not pay all withdrawals in full (subject to the right of the association, where applicable, to require notice) shall be subject to such rules and procedures as may be prescribed by the association's charter or by regulation of the Chairman, but any Federal savings association which, except as authorized in writing by the Chairman, fails to make full payment of any withdrawal when due shall be deemed to be in an unsafe or unsound condition to transact business within the meaning of subsection (d) of this section.

"(E) Accounts may be subject to check or to withdrawal or transfer on negotiable or transferable or other order or authorization to the Federal savings association, as the Chairman may by regulation provide.

"(F) Notwithstanding any limitation of this section, Federal savings associations may establish remote service units for the purpose of crediting savings or demand accounts, debiting such accounts, crediting payments on loans, and the disposition of related financial transactions, as provided in regulations prescribed by the Chairman.

"(2) To such extent as the Chairman may authorize by regulation or advice in writing, a Federal savings association may borrow, may give security, may be surety as defined by the Chairman and may issue such notes, bonds, debentures, or other obligations, or other securities, including capital stock, as the Chairman may so authorize.

"(3) Subject to regulation by the Chairman but without regard to any other provision of this subsection, any Federal savings association whose general reserves, surplus, and undivided profits aggregate a sum in excess of 5 percent of its withdrawable accounts is authorized to borrow funds from a State mortgage finance agency of the State in which the head office of such association is situated to the same extent as State law authorizes a savings association organized under the laws of such State to borrow from the State mortgage finance agency, except that such a Federal savings association may not make any loan of such funds at an interest rate which exceeds by more than 1¾ percent per annum the interest rate paid to the State mortgage finance agency on the obligations issued to obtain the funds so borrowed.

"(4) A Federal savings association is authorized, subject to such regulations as the Chairman may prescribe, to issue credit cards, extend credit in connection therewith, and otherwise engage in or participate in credit card operations.

"(5)(A) In accordance with rules and regulations issued by the Chairman, mutual capital certificates may be issued and sold directly to subscribers or through underwriters, and such certificates shall constitute part of the general reserve and net worth of the issuing Federal savings association. The Chairman, in its rules and regulations relating to the issuance and sale of mutual capital certificates, shall provide that such certificates—

"(i) shall be subordinate to all savings accounts, savings certificates, and debt obligations;

"(ii) shall constitute a claim in liquidation on the general reserves, surplus, and undivided profits of the Federal savings association remaining after the payment in full of all savings accounts, savings certificates, and debt obligations;

"(iii) shall be entitled to the payment of dividends; and

"(iv) may have a fixed or variable dividend rate.

"(B) Net worth certificates issued by a Federal savings association pursuant to section 406(f) of the National Housing Act shall constitute part of the general reserves and net worth of the Federal savings association, in accordance with the rules and regulations of the Chairman.

"(C) The Chairman shall provide in rules and regulations for charging losses to mutual capital certificates, net worth certificates issued pursuant to section 406(f) of the National Housing Act, reserves, and other net worth accounts.

"(c) LOANS AND INVESTMENTS.—A Federal savings association may to such extent, and subject to such rules and regulations as the Chairman may prescribe from time to time, invest in, sell, or otherwise deal with the following loans, or other investments:

"(1) LOANS OR INVESTMENTS WITHOUT PERCENTAGE OF ASSETS LIMITATION.—Without limitation as a percentage of assets, the following are permitted:

"(A) ACCOUNT LOANS.—Loans on the security of its savings accounts and loans specifically related to transaction accounts.

"(B) RESIDENTIAL REAL PROPERTY LOANS.—Loans on the security of liens upon residential real property.

"(C) UNITED STATES GOVERNMENT SECURITIES.—Investments in obligations of, or fully guaranteed as to principal and interest by, the United States.

"(D) FEDERAL HOME LOAN BANK AND FEDERAL NATIONAL MORTGAGE ASSOCIATION SECURITIES.—Investments in the stock or bonds of

a Federal home loan bank or in the stock of the Federal National Mortgage Association.

"(E) FEDERAL HOME LOAN MORTGAGE CORPORATION INSTRUMENTS.—Investments in mortgages, obligations, or other securities which are or ever have been sold by the Federal Home Loan Mortgage Corporation pursuant to section 305 or 306 of the Federal Home Loan Mortgage Corporation Act.

"(F) OTHER GOVERNMENT SECURITIES.—Investments in obligations, participations, securities, or other instruments of, or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association, the Student Loan Marketing Association or the Government National Mortgage Association, or any other agency of the United States and an association may issue and sell securities which are guaranteed pursuant to section 306(g) of the National Housing Act.

"(G) DEPOSITS.—Investments in time deposits, savings accounts certificates, or accounts of any financial institution, the deposits of which are insured by the Federal Deposit Insurance Corporation.

"(H) STATE SECURITIES.—Investments in obligations of, or issued by, any State or political subdivision thereof (including any agency, corporation, or instrumentality of a State or political subdivision), except that a Federal savings association may not invest more than 10 percent of its capital and surplus in obligations of any one issuer, exclusive of investments in general obligations of any issuer.

"(I) PURCHASE OF INSURED LOANS.—Purchase of loans secured by liens on improved real estate which are insured under provisions of the National Housing Act, or insured as provided in the Servicemen's Readjustment Act of 1944 or chapter 37 of title 38, United States Code.

"(J) HOME IMPROVEMENT AND MANUFACTURED HOME LOANS.—Loans made for the repair, equipping, alteration, or improvement of any residential real property, and loans made for the purpose of manufactured home financing.

"(K) INSURED LOANS TO FINANCE THE PURCHASE OF FEE SIMPLE.—Loans as to which the Federal savings association has the benefit of insurance under section 240 of the National Housing Act, or of a commitment or agreement therefor.

"(L) LOANS TO FINANCIAL INSTITUTIONS, BROKERS, AND DEALERS.—Loans to financial institutions with respect to which the United States or an agency or instrumentality thereof has any function of examination or supervision, or to any broker or dealer registered with the Securities and Exchange Commission, secured by loans, obligations, or investments in which the Federal savings association has the statutory authority to invest directly.

"(M) LIQUIDITY INVESTMENTS.—Investments which, at the time of making, are assets eligible for inclusion toward the satisfaction of any liquidity requirement imposed by the Chairman pursuant to section 5A of the Federal Home Loan Bank Act, but only to the extent that the investment is permitted to be so included under regulations of the Chairman or is otherwise authorized.

"(N) INVESTMENT IN THE NATIONAL HOUSING PARTNERSHIP CORPORATION, PARTNERSHIPS, AND JOINT VENTURES.—Investments in shares of stock issued by a corporation authorized to be created pursuant to title IX of the Housing and Urban Development Act of 1968, and investments in any partnership, limited partnership, or joint venture formed pursuant to section 907(a) or 907(c) of such Act.

"(O) HOUSING AND LAND AND URBAN DEVELOPMENT INSURED OR GUARANTEED INVESTMENTS.—Loans (i) secured by mortgages as to which the Federal savings association has the benefit of insurance under title X of the National Housing Act or of a commitment or agreement for such insurance, or (ii) as to which the Federal savings association has the benefit of any guarantee under title IV of the Housing and Urban Development Act of 1968 or under part B of the National Urban Policy and New Community Development Act of 1970 or under section 802 of the Housing and Community Development Act of 1974, or of a commitment or agreement therefor.

"(P) STATE HOUSING CORPORATION INVESTMENTS.—Investments in, commitments to invest in, loans to, or commitments to lend to any State housing corporation, provided that such obligations or loans are secured directly, or indirectly through an agent or fiduciary, by a first lien on improved real estate which is insured under the provisions of the National Housing Act and that in the event of default, the holder of such obligations or loans would have the right directly, or indirectly through an agent or fiduciary, to cause to be subject to the satisfaction of such obligations or loans the real estate described in the first lien or the insurance proceeds under the National Housing Act.

"(Q) INVESTMENT COMPANIES.—A Federal savings association may invest in, redeem, or hold shares or certificates in any open-end management investment company which is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and the portfolio of which is restricted by such management company's investment policy, changeable only if authorized by shareholder vote, solely to any such investments as a Federal savings association by law or regulation may, without limitation as to percentage of assets, invest in, sell, redeem, hold, or otherwise deal with. The Chairman shall prescribe rules and regulations to implement the provisions of this subparagraph.

"(R) MORTGAGE BACKED SECURITIES.—Investments in securities that—

"(i) are offered and sold pursuant to section 4(5) of the Securities Act of 1933 (15 U.S.C. 77d(5)); or

"(ii) are mortgage related securities (as that term is defined in section 3(a)(41) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(41)), subject to such regulations as the Chairman may prescribe, including regulations prescribing minimum size of the issue (at the time of initial distribution) or minimum aggregate sales price, or both.

"(2) LOANS OR INVESTMENTS LIMITED TO A PERCENTAGE OF ASSETS OR CAPITAL.—The following loans or investments are permitted, but authority conferred in the following subparagraphs is limited to not in excess of the following percentages of the assets of the association for each subparagraph:

"(A) COMMERCIAL AND OTHER LOANS.—Secured or unsecured loans for commercial, corporate, business, or agricultural purposes. No Federal savings association may make loans to one borrower under the authority provided by this subparagraph in excess of the amount a national bank having an identical total capital and surplus could lend such borrower. The aggregate amount of loans under this paragraph shall not exceed 10 percent of the assets of a Federal savings association or savings bank.

"(B) NONRESIDENTIAL REAL PROPERTY LOANS.—Loans on the security of liens upon nonresidential real property. The Chairman may not permit a savings association to have outstanding such loans, in the aggregate, at any one time, in excess of 400 percent of the savings association's capital (as determined under subsection (t)), unless he finds that such additional amount will not present a significant risk to the safe and sound operation of the association or class of associations concerned, and that the increased authority is consistent with prudent operating practices. If the Chairman authorizes any savings association to exceed the 400 percent of capital limitation described in the preceding sentence, he shall monitor the condition, including the lending activities, of such association closely to assure compliance with this subparagraph and all other applicable laws and regulations.

"(C) INVESTMENTS IN PERSONALITY.—Investments in tangible personal property, including, without limitation, vehicles, manufactured homes, machinery, equipment, or furniture, for rental or sale, but such investment may not exceed 10 percent of the assets of the Federal savings association.

"(D) CONSUMER LOANS AND CERTAIN SECURITIES.—A Federal savings association may make secured or unsecured loans for personal, family, or household purposes, including loans reasonably incident to the provision of such credit, and may invest in, sell, or hold commercial paper and corporate debt securities, as defined and approved by the Chairman, except that loans of an association under this subparagraph may not exceed 30 percent of the assets of the association.

"(3) LOANS OR INVESTMENTS LIMITED TO 5 PERCENT OF ASSETS.—The following loans or investments are permitted, but the authority conferred in the following subparagraphs is limited to not in excess of 5 percent of assets of the Federal savings association for each subparagraph:

"(A) EDUCATION LOANS.—Loans made for the payment of educational expenses.

"(B) COMMUNITY DEVELOPMENT INVESTMENTS.—Investments in real property and obligations secured by liens on real property located within a geographic area or neighborhood receiving concentrated development assistance by a local government under title I of the Housing and Community Development Act of 1974, except that no investment under this subparagraph in such real property may exceed an aggregate investment of 2 percent of the assets of the Federal savings association.

"(C) NONCONFORMING LOANS.—Loans upon the security of or respecting real property or interests therein used for primarily residential or farm purposes that do not comply with the limitations of this subsection.

"(D) CONSTRUCTION LOANS WITHOUT SECURITY.—Investments not exceeding the greater of (i) the sum of its surplus, undivided profits, and reserves, or (ii) 5 percent of the assets of the association, in loans the principal purpose of which is to provide financing with respect to what is or is expected to become primarily residential real estate where (I) the Federal savings association relies substantially for repayment on the borrower's general credit standing and forecast of income without other security, or (II) the Federal savings association relies on other assurances for repayment, including but not limited to a guaranty or similar obligation of a third party. Investments under this subsection shall not be included in any

percentage of assets or other percentage referred to in this subsection.

"(4) OTHER LOANS AND INVESTMENTS.—The following additional loans and other investments to the extent authorized below:

"(A) BUSINESS DEVELOPMENT CREDIT CORPORATIONS.—A Federal savings association whose general reserves, surplus, and undivided profits aggregate a sum in excess of 5 percent of its withdrawable accounts is authorized to invest in, lend to, or to commit itself to lend to, any business development credit corporation incorporated in the State in which the home office of the association is located in the same manner and to the same extent as savings associations chartered by such State are authorized, but the aggregate amount of such investments, loans, and commitments of any such Federal savings association shall not exceed one-half of 1 percent of the total outstanding loans of the association or $250,000, whichever is less.

"(B) SERVICE CORPORATIONS.—Investments in the capital stock, obligations, or other securities of any corporation organized under the laws of the State in which the home office of the Federal savings association is located, if the entire capital stock of such corporation is available for purchase only by savings associations of such State and by Federal associations having their home offices in such State, but no Federal savings association may make any investment under this subparagraph if its aggregate outstanding investment under this subparagraph would exceed 3 percent of the assets of the association, except that not less than one-half of the investment permitted under this subparagraph which exceeds 1 percent of assets shall be used primarily for community, inner-city, and community development purposes.

"(C) FOREIGN ASSISTANCE INVESTMENTS.—Investments in housing project loans having the benefit of any guaranty under section 221 of the Foreign Assistance Act of 1961 or loans having the benefit of any guarantee under section 224 of such Act, or any commitment or agreement with respect to such loans made pursuant to either of such sections and in the share capital and capital reserve of the Inter-American Savings and Loan Bank. This authority extends to the acquisition, holding, and disposition of loans having the benefit of any guaranty under section 221 or 222 of such Act as hereafter amended or extended, or of any commitment or agreement for any such guaranty. Investments under this subparagraph shall not exceed, in the case of any Federal savings association, 1 percent of the assets of such association.

"(D) SMALL BUSINESS INVESTMENT COMPANIES.—A Federal savings association may invest in stock, obligations, or other securities of any small business investment company formed pursuant to section 301(d) of the Small Business Investment Act of 1958, for the purpose of aiding members of the Federal Home Loan Bank System, but no Federal savings association may make any investment under this subparagraph if its aggregate outstanding investment under this subparagraph would exceed 1 percent of the assets of such association.

"(5) DEFINITIONS.—As used in this subsection—

"(A) the terms 'residential real property' or 'residential real estate' mean leaseholds, homes (including condominiums and cooperatives, except that in connection with loans on individual cooperative units, such loans shall be adequately secured as defined by the Chairman) and, combinations of homes or dwelling units and business property, involving only minor or incidental business use, or property to be improved by construction of such structures;

"(B) the term 'loans' includes obligations and extensions or advances of credit; and any reference to a loan or investment includes an interest in such a loan or investment; and

"(C) the term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Canal Zone, Guam, American Samoa, and any territory or possession of the United States.

"(d) REGULATORY AUTHORITY.—

"(1) IN GENERAL.—

"(A) ENFORCEMENT.—The Chairman shall have power to enforce this section, section 8 of the Federal Deposit Insurance Act, and rules and regulations made hereunder. In the enforcement of any provision of this section or rules and regulations made hereunder, or any other law or regulation, or in any other action, suit, or proceeding to which it is a party or in which it is interested, and in the administration of conservatorships and receiverships, the Chairman is authorized to act in its own name and through its own attorneys. Except as otherwise provided herein, the Chairman shall be subject to suit (other than suits on claims for money damages) by any Federal savings association or director or officer thereof with respect to any matter under this section or any other applicable law, or rules or regulations thereunder, in the United States district court for the judicial district in which the home office of the savings association is located, or in the United States District Court for the District of Columbia, and the Chairman may be served with process in the manner prescribed by the Federal Rules of Civil Procedure.

"(B) ANCILLARY PROVISIONS.—(i) In making examinations of savings associations, examiners appointed by the Chairman shall have power to make such examinations of the affairs of all affiliates of such savings associations as shall be necessary to disclose fully the relations between such savings associations and their affiliates and the effect of such relations upon such savings associations. For purposes of this subsection, the term 'affiliate' shall have the same meaning as where used in section 2(b) of the Banking Act of 1933 (12 U.S.C. 221a(b)), except that the term 'member bank' in said section 2(b) shall be deemed to refer to a savings association.

"(ii) In the course of any examination of any savings association, upon request by any authorized personnel or agents of the Chairman of the Office of Savings Associations, prompt and complete access shall be given to all savings association officers, directors, employees, and agents; and to all relevant books, records, or documents of any type.

"(iii) Upon request made in the course of supervision or oversight of any savings association, for the purpose of acting on any application or determining the condition of any savings association, including whether operations are being conducted safely, soundly, or in compliance with charters, laws, rules, regulations, directives, written agreements, or conditions imposed in writing in connection with the granting of an application or other request, any authorized personnel or agents of the Chairman of the Office of Savings Associations shall be given prompt and complete access to all savings association officers, directors, employees, and agents; and to all relevant books, records, or documents of any type.

"(iv) In the event that prompt and complete access upon request is not given as required in this subsection, any authorized personnel or agent of the Chairman shall be authorized to apply to the United States district court for the judicial district or the United States court in any territory in which the principal office of the institution is located, or in which the person denying such access resides or carries on business for an injunction prohibiting denial of access to persons or prohibiting the withholding of information and may seek an order requiring that access to persons or information be promptly provided.".

"(v) In connection with examinations of savings associations and affiliates thereof, the Chairman or his or her designated representatives shall have power to administer oaths and affirmations and to examine and to take and preserve testimony under oath as to any matter in respect of the affairs or ownership of any such savings association or affiliate thereof, and to issue subpoenas and subpenas duces tecum, and, for the enforcement thereof, to apply to the United States district court for the judicial district or the United States court in any territory in which the principal office of the savings association or affiliate thereof is located, or in which the witness resides or carries on business. Such courts shall have jurisdiction and power to order and require compliance with any such subpoena.

"(vi) In the course of or in connection with any proceeding under this section, the Chairman or his designated representatives, including any person designated to conduct any hearing under this section, shall have power to administer oaths and affirmations, to take or cause to be taken depositions, and to issue, revoke, quash, or modify subpenas and subpenas duces tecum; and the Chairman is empowered to make rules and regulations with respect to any such proceedings. The attendance of witnesses and the production of documents provided for in this subsection may be required from any place in any State or in any territory at any designated place where such proceeding is being conducted. Any party to proceedings under this section may apply to the United States District Court for the District of Columbia, or the United States district court for the judicial district or the United States court in any territory in which such proceeding is being conducted, or where the witness resides or carries on business, for enforcement of any subpena or subpena duces tecum issued pursuant to this subsection or section 10(c) of the Federal Deposit Insurance Act, and such courts shall have jurisdiction and power to order and require compliance therewith. Witnesses subpenaed under this section shall be paid the same fees and mileage that are paid witnesses in the district courts of the United States. All expenses of the Chairman in connection with this section shall be considered as nonadministrative expenses. Any court having jurisdiction of any proceeding instituted under this section by a savings association, or a director or officer thereof, may allow to any such party such reasonable expenses and attorneys' fees as it deems just and proper; and such expenses and fees shall be paid by the savings association or from its assets.

"(C) References in this subsection to savings account holders and to members of associations shall be deemed to be references to holders of withdrawable accounts in insti-

tutions over which the Chairman has any statutory power of examination or supervision as provided in this paragraph, and references therein to boards of directors of associations shall be deemed to be references to boards of directors or other governing boards of such institutions.

"(2) RECEIVERSHIPS.—

"(A) IN GENERAL.—The grounds for the appointment of a conservator or receiver for a Federal savings association shall be one or more of the following: (i) insolvency in that the assets of the association are less than its obligations to its creditors and others, including its members; (ii) substantial dissipation of assets or earnings due to any violation or violations of law, rules, or regulations, or to any unsafe or unsound practice or practices; (iii) an unsafe or unsound condition to transact business; (iv) willful violation of a cease-and-desist order which has become final; (v) concealment of books, papers, records, or assets of the savings association or refusal to submit books, papers, records, or affairs of the association for inspection to any examiner or to any lawful agent of the Chairman; (vi)(I) the association is not likely to be able to meet the demands of its depositors or pay its obligations in the normal course of business, and (II) there is no reasonable prospect that the association will be able to meet such demands or pay such obligations without Federal assistance; (vii)(I) the association has incurred or is likely to incur losses that will deplete all or substantially all of its capital, and (II) there is no reasonable prospect for the replenishment of the capital of the association without Federal assistance; or (viii) the failure to obtain a bank charter within the 3-year period required by section 10(m)(4) of this Act. The Chairman shall have exclusive power and jurisdiction to appoint a conservator or receiver. If, in the opinion of the Chairman, a ground for the appointment of a conservator or receiver as herein provided exists, the Chairman is authorized to appoint ex parte and without notice a conservator or receiver for the association. In the event of such appointment, the association may, within 30 days thereafter, bring an action in the United States district court for the judicial district in which the home office of such association is located, or in the United States District Court for the District of Columbia, for an order requiring the Chairman to remove such conservator or receiver, and the court shall upon the merits dismiss such action or direct the Chairman to remove such conservator or receiver. Upon the commencement of such an action, the court having jurisdiction of any other action or proceeding authorized under this subsection to which the association is a party shall stay such action or proceeding during the pendency of the action for removal of the conservator or receiver.

"(B) GROUNDS FOR APPOINTMENT.—In addition to the foregoing provisions, the Chairman may, without any requirement of notice, hearing, or other action, appoint a conservator or receiver for a Federal savings association if (i) the association, by resolution of its board of directors or of its members, consents to such appointment, or (ii) the association is removed from membership in any Federal home loan bank, or its status as an institution the accounts of which are insured by the Federal Deposit Insurance Corporation is terminated.

"(C) APPOINTMENT.—Notwithstanding any other provision of law, State or Federal, or the constitution of any State, or of this section, the Chairman shall have power and jurisdiction to appoint the Federal Deposit Insurance Corporation as sole conservator or receiver of an insured State savings association, if the Chairman determines that any of the following grounds for the appointment of a conservator or receiver exist with respect to such financial institution:

"(i) insolvency in that the assets of the financial institution are less than its obligations to its creditors and others;

"(ii) substantial dissipation of assets or earnings due to any violation or violations of law, rules, or regulations, or to any unsafe or unsound practice or practices;

"(iii) an unsafe or unsound condition to transact business;

"(iv)(I) the association is not likely to be able to meet the demands of its depositors or pay its obligations in the normal course of business, and (II) there is no reasonable prospect that the association will be able to meet such demands or pay such obligations without Federal assistance; or

"(v)(I) the savings association has incurred or is likely to incur losses that will deplete all or substantially all of its capital, and (II) there is no reasonable prospect for the replenishment of the capital of the savings association without Federal assistance.

"(D) POWERS.—In such cases the Federal Deposit Insurance Corporation shall have powers and duties specified in subsection (c) and in subsection (l) of section 11 of the Federal Deposit Insurance Act.

"(E) APPROVAL OF STATE OFFICIAL.—(i) The authority conferred by subparagraph (C) shall not be exercised without the written approval of the State official having jurisdiction over the insured State financial institution that one or more of the grounds specified for such exercise exist.

"(ii) If such approval has not been received within 30 days of receipt of notice to the State that the Chairman has determined such grounds exist, and the Chairman has responded in writing to the State's written reasons, if any, for withholding approval, then the Chairman may proceed without State approval.

"(F) COURT ACTION.—Except as otherwise provided in this subsection, no court may take any action for or toward the removal of any conservator or receiver, or, except at the instance of the Chairman, restrain or affect the exercise of powers or functions of a conservator or receiver.

"(G) POWERS.—A conservator shall have all the powers of the members, the stockholders, the directors, and the officers of the association and shall be authorized to operate the association in its own name or to conserve its assets in the manner and to the extent authorized by the Chairman. The Chairman shall appoint only the Federal Deposit Insurance Corporation as conservator or receiver for a savings association for the purpose of liquidation or winding up the affairs of a savings association, and said Corporation shall have power to buy at its own sale as conservator or receiver, subject to approval by the Chairman. The Chairman may, without any requirement of notice, hearing, or other action, replace a conservator with another conservator or with a receiver, but any such replacement shall not affect any right which the association may have to obtain judicial review of the original appointment, except that any removal under this paragraph (6) shall be removal of the conservator or receiver in office at the time of such removal.

"(H) DISCLOSURE REQUIREMENT FOR THOSE ACTING ON BEHALF OF CONSERVATOR.—A conservator shall require that any independent contractor, consultant, or counsel employed by the conservator in connection with the conservatorship of a savings association pursuant to this section shall fully disclose to all parties with which such contractor, consultant, or counsel is negotiating, any limitation on the authority of such contractor, consultant, or counsel to make legally binding representations on behalf of the conservator.

"(3) RULES AND REGULATIONS.—The Chairman shall have power to make rules and regulations for the reorganization, consolidation, liquidation, and dissolution of savings associations, for the merger of insured savings associations with insured savings associations, for savings associations in conservatorship and receivership, and for the conduct of conservatorships and receiverships. The Chairman may, by regulation or otherwise, provide for the exercise of functions by members, stockholders, directors, or officers of a savings association during conservatorship and receivership. Until the Federal Deposit Insurance Corporation exercises its authority under section 11(l) of the Federal Deposit Insurance Act, the authority conferred by this paragraph shall also apply to the Federal Deposit Insurance Corporation as conservator or receiver or to the institution with respect to which it was appointed.

"(4) REFUSAL TO COMPLY WITH CONSERVATOR'S DEMAND.—Whenever a conservator or receiver appointed by the Chairman demands possession of the property, business, and assets of any savings association, or of any part thereof, the refusal by any director, officer, employee, or agent of such association to comply with the demand shall be punishable by a fine of not more than $5,000 or imprisonment for not more than one year, or both.

"(5) DEFINITIONS.—(A) As used in this subsection, the term 'savings association' includes any former savings association that retains deposits insured by the Federal Deposit Insurance Corporation notwithstanding termination of its status as an institution insured by such corporation and any Federal savings bank that is a member of the Bank Insurance Fund, and any former Federal savings bank that retains deposits insured by the Federal Deposit Insurance Corporation notwithstanding termination of its status as an insured financial institution.

"(B) References in this subsection to savings account holders and to members of savings associations shall be deemed to be references to holders of withdrawable accounts in savings institutions over which the Chairman has any statutory power of examination or supervision as provided in this paragraph, and references therein to boards of directors of savings associations shall be deemed to be references to boards of directors or other governing boards of such associations.

"(6) COMPLIANCE WITH MONETARY TRANSACTION RECORDKEEPING AND REPORT REQUIREMENTS.—

"(A) COMPLIANCE PROCEDURES REQUIRED.—The Chairman shall prescribe regulations requiring savings associations to establish and maintain procedures reasonably designed to assure and monitor the compliance of such associations with the requirements of subchapter II of chapter 53 of title 31, United States Code.

"(B) EXAMINATIONS OF SAVINGS ASSOCIATIONS TO INCLUDE REVIEW OF COMPLIANCE PROCEDURES.—

"(i) IN GENERAL.—Each examination of a savings association by the Chairman shall

include a review of the procedures required to be established and maintained under subparagraph (A).

"(ii) EXAM REPORT REQUIREMENT.—The report of examination shall describe any problem with the procedures maintained by the association.

"(C) ORDER TO COMPLY WITH REQUIREMENTS.—If the Chairman determines that a savings association—

"(i) has failed to establish and maintain the procedures described in subparagraph (A); or

"(ii) has failed to correct any problem with the procedures maintained by such association which was previously reported to the association by the Chairman,

the Chairman shall issue an order in the manner prescribed in paragraph (2) or (3) requiring such association to cease and desist from its violation of this paragraph or regulations prescribed under this paragraph.

"(e) CHARACTER AND RESPONSIBILITY.—No charter shall be granted except to persons of good character and responsibility, nor unless in the judgment of the Chairman a necessity exists for such an institution in the community to be served, nor unless there is a reasonable probability of its usefulness and success, nor unless the same can be established without undue injury to properly conducted existing local thrift and home-financing institutions.

"(f) FEDERAL HOME LOAN BANK MEMBERSHIP.—Each Federal savings association, upon its incorporation, shall become automatically a member of the Federal Home Loan Bank of the district in which it is located, or if convenience shall require and the Chairman approve, shall become a member of a Federal Home Loan Bank of an adjoining district. Such associations shall qualify for such membership in the manner provided in the Federal Home Loan Bank Act with respect to other members.

"(g) PREFERRED SHARES.—[Repealed.]

"(h) TAXATION.—No State, county, municipal, or local taxing authority shall impose any tax on Federal savings associations or their franchise, capital, reserves, surplus, loans, or income greater than that imposed by such authority on other similar local mutual or cooperative thrift and home financing institutions.

"(i) CONVERSIONS.—(1) Any institution which is, or is eligible to become, a member of a Federal home loan bank may convert itself into a Federal savings association or Federal savings bank under this Act (and in so doing may change directly from the mutual form to the stock form, or from the stock form to the mutual form), but such conversion shall be subject to such rules and regulations as the Chairman shall prescribe, and thereafter the converted Federal savings association shall be entitled to all the benefits of this section and shall be subject to examination and regulation to the same extent as other associations incorporated pursuant to this Act.

"(2)(A) No savings association may convert from the mutual to the stock form, or from the stock form to the mutual form, except in accordance with the rules and regulations of the Chairman.

"(B) Any aggrieved person may obtain review of a final action of the Chairman which approves, with or without conditions, or disapproves a plan of conversion pursuant to this subsection only by complying with the provisions of subsection (d)(1)(A) of section 5 of this Act within the time limit and in the manner therein prescribed, which provisions shall apply in all respects as if such final action were an order the review of which is therein provided for, except that such time limit shall commence upon publication of notice of such final action in the Federal Register or upon the giving of such general notice of such final action as is required by or approved under regulations of the Chairman, whichever is later.

"(C) Any Federal savings association may change its designation from a Federal savings and loan association to a Federal savings bank, or the reverse.

"(3)(A) Any Federal savings association may convert itself into a savings and loan or savings bank type of institution organized pursuant to the laws of the State, district, commonwealth, or territory (hereinafter referred to in this section as the 'State') in which the principal office of such Federal savings association is located if—

"(i) the State permits the conversion of any savings and loan or savings bank type of institution of such State into a Federal savings association;

"(ii) such conversion of a Federal savings association into such a State institution is determined upon the vote in favor of such conversion cast in person or by proxy at a special meeting of members or stockholders called to consider such action, specified by the law of the State in which the home office of the Federal savings association is located, as required by such law for a State-chartered institution to convert itself into a Federal savings association, but in no event upon a vote of less than 51 percent of all the votes cast at such meeting, and upon compliance with other requirements reciprocally equivalent to the requirements of such State law for the conversion of a State-chartered institution into a Federal savings association;

"(iii) notice of the meeting to vote on conversion shall be given as herein provided and no other notice thereof shall be necessary; the notice shall expressly state that such meeting is called to vote thereon, as well as the time and place thereof, and such notice shall be mailed, postage prepaid, at least thirty and not more than sixty days prior to the date of the meeting, to each member or stockholder of record of the Federal savings association at his last address as shown on the books of the Federal savings association and the Office of its Chairman;

"(iv) in the event of dissolution of a mutual savings association after conversion, the members or shareholders of the savings association will share on a mutual basis in the assets of the association in exact proportion to their relative share or account credits;

"(v) in the event of dissolution of a stock savings association after conversion, the stockholders will share on a equitable basis in the assets of the association; and

"(vi) such conversion shall be effective upon the date that all the provisions of this Act shall have been fully complied with and upon the issuance of a new charter by the State wherein the savings association is located.

"(B)(i) The act of conversion constitutes consent by the institution to be bound by all the requirements that the Chairman may legally impose under this Act.

"(ii) The savings association shall upon conversion and thereafter be authorized to issue securities in any form currently approved at the time of issue by the Chairman for issuance by similar savings associations in such State.

"(iii) If the insurance of accounts is terminated in connection with such conversion, the notice and other action shall be taken as provided by law and regulations for the termination of insurance of accounts.

"(4)(A) To the extent authorized by the Chairman—

"(i) any Federal savings bank chartered as such prior to the enactment of this paragraph may continue to make any investment or engage in any activity not otherwise authorized under this section, to the degree it was permitted to do so as a Federal savings bank prior to such enactment; and

"(ii) any Federal savings bank organized prior to the enactment of the FIRRE Act formerly organized as a mutual savings bank under State law may continue to make any investment or engage in any activity not otherwise authorized under this section, to the degree it was authorized to do so as a mutual savings bank under State law.

"(B) The authority conferred by this paragraph may be utilized by any Federal savings association that acquires, by merger or consolidation, a Federal savings bank enjoying grandfathered rights hereunder.

"(j) SUBSCRIPTION FOR SHARES.—[Repealed.]

"(k) DEPOSITORY OF PUBLIC MONEY.—When designated for that purpose by the Secretary of the Treasury, any savings association or member of any Federal Home Loan Bank shall be a depositary of public money and may be employed as fiscal agent of the Government under such regulations as may be prescribed by said Secretary and shall perform all such reasonable duties as fiscal agent of the Government as may be required of it. Any savings association or member of any Federal Home Loan Bank may act as agent for any other instrumentality of the United States when designated for that purpose by such instrumentality of the United States, including services in connection with the collection of taxes and other obligations owed the United States, and the Secretary of the Treasury is hereby authorized to deposit public money in any such Federal savings association or member of a Federal home loan bank, and shall prescribe such regulations as may be necessary to carry out the purposes of this subsection.

"(l) RETIREMENT ACCOUNTS.—Any Federal savings association is authorized to act as trustee of any trust created or organized in the United States and forming part of a stock bonus, pension, or profit-sharing plan which qualifies or qualified for specific tax treatment under section 401(d) of the Internal Revenue Code of 1986 and to act as trustee or custodian of an individual retirement account within the meaning of section 408 of such Code if the funds of such trust or account are invested only in savings accounts or deposits in such Federal savings association or in obligations or securities issued by such Federal savings association. All funds held in such fiduciary capacity by any such Federal savings association may be commingled for appropriate purposes of investment, but individual records shall be kept by the fiduciary for each participant and shall show in proper detail all transactions engaged in under the authority of this paragraph.

"(m) BRANCHING.—No savings association incorporated under the laws of the District of Columbia or organized in such District or doing business in such District shall establish any branch or move its principal office or any branch without the prior written approval of the Chairman, and no other savings association shall establish any branch

in such District or move its principal office or any branch in such District without such approval. As used in the sentence next preceding, 'branch' means any office, place of business, or facility, other than the principal office as defined by the Chairman, of a savings association at which accounts are opened or payments thereon are received or withdrawals therefrom are paid, or any other office, place of business, or facility of a savings association defined by the Chairman as a branch within the meaning of such sentence, and as used in such sentence and in this sentence 'savings association' means any incorporated or unincorporated building, building or loan, building and loan, savings and loan, or homestead association or cooperative bank.

"(n) TRUSTS.—(1) The Chairman is authorized and empowered to grant by special permit to a Federal savings association applying therefor, when not in contravention of State or local law, the right to act as trustee, executor, administrator, guardian, or in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with Federal savings associations are permitted to act under the laws of the State in which the Federal savings association is located. Subject to the rules and regulations of the Chairman, service corporations may invest in State or federally-chartered corporations which are located in the State in which the home office of the Federal savings association is located and which are engaged in trust activities.

"(2) Whenever the laws of such State authorize or permit the exercise of any or all of the foregoing powers by State banks, trust companies, or other corporations which compete with Federal savings associations, the granting to and the exercise of such powers by Federal savings associations shall not be deemed to be in contravention of State or local law within the meaning of this section.

"(3) Federal savings associations exercising any or all of the powers enumerated in this section shall segregate all assets held in any fiduciary capacity from the general assets of the association and shall keep a separate set of books and records showing in proper detail all transactions engaged in under authority of this section. The State banking authority involved may have access to reports of examination made by the Chairman insofar as such reports relate to the trust department of such association but nothing in this section shall be construed as authorizing such State banking authority to examine the books, records, and assets of such associations.

"(4) No Federal savings association shall receive in its trust department deposits of current funds subject to check or the deposit of checks, drafts, bills of exchange, or other items for collection or exchange purposes. Funds deposited or held in trust by the association awaiting investment shall be carried in a separate account and shall not be used by the association in the conduct of its business unless it shall first set aside in the trust department United States bonds or other securities approved by the Chairman.

"(5) In the event of the failure of a Federal savings association, the owners of the funds held in trust for investment shall have a lien on the bonds or other securities so set apart in addition to their claim against the estate of the association.

"(6) Whenever the laws of a State require corporations acting in a fiduciary capacity to deposit securities with the State authorities for the protection of private or court trusts, Federal savings associations so acting shall be required to make similar deposits and securities so deposited shall be held for the protection of private or court trusts, as provided by the State law. Federal savings associations in such cases shall not be required to execute the bond usually required of individuals if State corporations under similar circumstances are exempt from this requirement. Federal savings associations shall have power to execute such bond when so required by the laws of the State involved.

"(7) In any case in which the laws of a State require that a corporation acting as trustee, executor, administrator, or in any capacity specified in this section, shall take an oath or make an affidavit, the president, vice president, cashier, or trust officer of such association may take the necessary oath or execute the necessary affidavit.

"(8) It shall be unlawful for any Federal savings association to lend any officer, director, or employee any funds held in trust under the powers conferred by this section. Any officer, director, or employee making such loan, or to whom such loan is made, may be fined not more than $50,000 or twice the amount of that person's gain from the loan, whichever is greater, or may be imprisoned not more than five years, or may be both fined and imprisoned, in the discretion of the court.

"(9) In passing upon applications for permission to exercise the powers enumerated in this section, the Chairman may take into consideration the amount of capital and surplus of the applying Federal savings association, whether or not such capital and surplus is sufficient under the circumstances of the case, the needs of the community to be served, and any other facts and circumstances that seem to it proper, and may grant or refuse the application accordingly, except that no permit shall be issued to any association having a capital and surplus less than the capital and surplus required by State law of State banks, trust companies, and corporations exercising such powers.

"(10) SURRENDER OF CHARTER.—(A) Any Federal savings association desiring to surrender its right to exercise the powers granted under this section, in order to relieve itself of the necessity of complying with the requirements of this section, or to have returned to it any securities which it may have deposited with the State authorities for the protection of private or court trusts, or for any other purpose, may file with the Chairman a certified copy of a resolution of its board of directors signifying such desire.

"(B) Upon receipt of such resolution, the Chairman, after satisfying itself that such Federal savings association has been relieved in accordance with State law of all duties as trustee, executor, administrator, guardian or other fiduciary, under court, private or other appointments previously accepted under authority of this section, may in its discretion, issue to such association a certificate certifying that such association is no longer authorized to exercise the powers granted by this section.

"(C) Upon the issuance of such a certificate by the Chairman, such Federal savings association (i) shall no longer be subject to the provisions of this section or the regulations of the Chairman made pursuant thereto, (ii) shall be entitled to have returned to it any securities which it may have deposited with the State authorities for the protection of private or court trusts, and (iii) shall not exercise thereafter any of the powers granted by this section without first applying for and obtaining a new permit to exercise such powers pursuant to the provisions of this section.

"(D) The Chairman is authorized and empowered to promulgate such regulations as it may deem necessary to enforce compliance with the provisions of this subsection and the proper exercise of the trust powers granted by this subsection.

"(11) REVOCATION.—(A) In addition to the authority conferred by other law, if, in the opinion of the Chairman, a Federal savings association is unlawfully or unsoundly exercising, or has unlawfully or unsoundly exercised, or has failed for a period of 5 consecutive years to exercise, the powers granted by this section or otherwise fails or has failed to comply with the requirements of this subsection, the Chairman may issue and serve upon the association a notice of intent to revoke the authority of the association to exercise the powers granted by this subsection. The notice shall contain a statement of the facts constituting the alleged unlawful or unsound exercise of powers, or failure to exercise powers, or failure to comply, and shall fix a time and place at which a hearing will be held to determine whether an order revoking authority to exercise such powers should issue against the association.

"(B) Such hearing shall be conducted in accordance with the provisions of subsection (d)(7), and subject to judicial review as therein provided, and shall be fixed for a date not earlier than 30 days and not later than sixty days after service of such notice unless an earlier or later date is set by the Chairman at the request of any Federal savings association so served.

"(C) Unless the Federal savings association so served shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the issuance of the revocation order. In the event of such consent, or if upon the record made at any such hearing, the Chairman shall find that any allegation specified in the notice of charges has been established, the Chairman may issue and serve upon the association an order prohibiting it from accepting any new or additional trust accounts and revoking authority to exercise any and all powers granted by this subsection, except that such order shall permit the association to continue to service all previously accepted trust accounts pending their expeditious divestiture or termination.

"(D) A revocation order shall become effective not earlier than the expiration of 30 days after service of such order upon the association so served (except in the case of a revocation order issued upon consent, which shall become effective at the time specified therein), and shall remain effective and enforceable, except to such extent as it is stayed, modified, terminated, or set aside by action of the Chairman or a reviewing court.

"(o) CONVERSION OF STATE SAVINGS BANKS.—(1) Notwithstanding any other provision of this section, the Chairman, subject to the provisions of this subsection, may authorize, under the rules and regulations of the Chairman, the conversion of a State-chartered savings bank that is a Bank Insurance Fund member into a Federal savings bank, if such conversion is not in contravention of State law, and provide for the organization, incorporation, operation, examination, and regulation of such institution.

"(2)(A) Any Federal savings bank chartered pursuant to this subsection shall con-

tinue to be a Bank Insurance Fund member until such time as it changes its status to a Savings Association Insurance Fund member.

"(B) The Chairman shall provide the Federal Deposit Insurance Corporation with notification of any application under this Act for conversion to a Federal charter by an institution insured by the Corporation, shall consult with the Corporation before disposing of the application, and shall provide said Corporation with notification of the Chairman's determination with respect to such application.

"(C) Notwithstanding subsection (i), any provision of the constitution or laws of any State, or paragraph (1) of this subsection, if the Federal Deposit Insurance Corporation determines conversion into a Federal stock savings bank or the chartering of a Federal stock savings bank is necessary to prevent the closing of a savings bank it insures or to reopen a closed savings bank it insured, or if the Federal Deposit Insurance Corporation determines, with the concurrence of the Chairman, that severe financial conditions exist that threaten the stability of a savings bank insured by such Corporation and that such a conversion or charter is likely to improve the financial condition of such savings bank, the Federal Deposit Insurance Corporation shall provide to the Chairman a certificate of such determination, the reasons therefor in conformance with the requirements of this Act, and the bank, without further action by the Chairman, shall be converted or chartered by the Chairman, pursuant to the rules and regulations thereof, from the time the Federal Deposit Insurance Corporation issues such certificate.

"(D) A bank may be converted under subparagraph (C) only where the board of trustees of the bank—

"(i) has specified in writing that the bank is in danger of closing or is closed, or that severe financial conditions exist that threaten the stability of the bank and a conversion is likely to improve the financial condition of the bank; and

"(ii) has requested in writing that the Corporation use the authority of subparagraph (C).

"(E)(i) Before making a determination under subparagraph (D), the Corporation shall consult the State bank supervisor of the State in which the bank in danger of closing is chartered. The State bank supervisor shall be given a reasonable opportunity, and in no event less than 48 hours, to object to the use of the provisions of subparagraph (D).

"(ii) If the State supervisor objects during such period, the Corporation may use the authority of subparagraph (D) only by a unanimous vote of the Board of Directors. The Board of Directors shall provide to the State supervisor, as soon as practicable, a written certification of its determination.

"(3) A Federal savings bank chartered under this subsection shall have the same authority with respect to investments, operations, and activities, and shall be subject to the same restrictions, including those applicable to branching and discrimination, as would apply to it if it were chartered as a Federal savings bank under any other provision of this Act.

"(4) For purposes of the Bank Protection Act of 1968, the Home Mortgage Disclosure Act, the Community Reinvestment Act, the Depository Institution Management Interlocks Act, the Depository Institutions Deregulation Act of 1980, the Truth in Lending Act, the Equal Credit Opportunity Act, the Fair Debt Collection Practices Act, the Electronic Fund Transfer Act, and section 12(i) of the Securities Exchange Act of 1934, a savings association shall be regarded as an institution the accounts of which are insured by the Federal Savings and Loan Insurance Corporation.

"(p) CONVERSIONS.—(1) Notwithstanding any other provision of Federal law or the laws or constitution of any State, and consistent with the purposes of this Act, the Chairman may authorize (or in the case of a Federal savings association, require) the conversion of a mutual savings association or Federal mutual savings bank that is insured by the Federal Deposit Insurance Corporation into a Federal stock savings association or Federal stock savings bank, or charter a Federal stock savings association or Federal stock savings bank to acquire the assets of, or merge with such a mutual institution under the rules and regulations of the Chairman.

"(2) Authorizations under this subsection may be made only to assist an institution in receivership, or if the Chairman has determined that severe financial conditions exist which threaten the stability of an association and that such authorization is likely to improve the financial condition of the association, or when the Federal Deposit Insurance Corporation has contracted to provide assistance to such association under section 13 of the Federal Deposit Insurance Act.

"(3) A Federal savings bank chartered under this subsection shall have the same authority with respect to investments, operations and activities, and shall be subject to the same restrictions, including those applicable to branching and discrimination, as would apply to it if it were chartered as a Federal savings bank under any other provisions of this Act, and may engage in any investment, activity, or operation that the institution it acquired was engaged in if that institution was a Federal savings bank, or would have been authorized to engage in had that institution converted to a Federal charter.

"(q) TYING ARRANGEMENTS.—(1) A savings association shall not in any manner extend credit, lease, or sell property of any kind, or furnish any service, or fix or vary the consideration for any of the foregoing, on the condition or requirement—

"(A) that the customer shall obtain additional credit, property, or service from such savings association, or from any service corporation or affiliate of such association, other than a loan, discount, deposit, or trust service;

"(B) that the customer provide additional credit, property, or service to such association, or to any service corporation or affiliate of such association, other than those related to and usually provided in connection with a similar loan, discount, deposit, or trust service; and

"(C) that the customer shall not obtain some other credit, property, or service from a competitor of such association, or from a competitor of any service corporation or affiliate of such association, other than a condition or requirement that such association shall reasonably impose in connection with credit transactions to assure the soundness of credit.

"(2)(A) Any person may sue for and have injunctive relief, in any court of the United States having jurisdiction over the parties, against threatened loss or damage by reason of a violation of paragraph (1), under the same conditions and principles as injunctive relief against threatened conduct that will cause loss or damage is granted by courts of equity and under the rules governing such proceedings.

"(B) Upon the execution of proper bond against damages for an injunction improvidently granted and a showing that the danger of irreparable loss or damage is immediate, a preliminary injunction may issue.

"(3) Any person who is injured in his business or property by reason of anything forbidden in paragraph (1) may sue therefor in any district court of the United States in which the defendant resides or is found or has an agent, without regard to the amount in controversy, or may sue therefor in any other court of competent jurisdiction, and shall be entitled to recover three times the amount of the damages sustained by him, and the cost of suit, including a reasonable attorney's fee. Any such suit shall be brought within four years from the date of the occurrence of the violation.

"(4) Nothing contained in this subsection shall be construed as affecting in any manner the right of the United States or any other party to bring an action under any other law of the United States or of any State, including any right which may exist in addition to specific statutory authority, challenging the legality of any act or practice which may be proscribed by this subsection. No regulation or order issued by the Chairman under this subsection shall in any manner constitute a defense to such action.

"(5) For purposes of this subsection—

"(A) the term 'affiliate' of an association means any individual or company (including any corporation, partnership, trust, joint-stock company, or similar organization) which controls, is controlled by, or is under common control with such association; and

"(B) the term 'loan' includes obligations and extensions or advances of credit.

"(r) OUT OF STATE BRANCHES.—(1) No Federal savings association may establish, retain, or operate a branch outside the State in which the Federal savings association has its home office, unless the association qualifies as a domestic building and loan association under section 7701(a)(19) of the Internal Revenue Code of 1986 or meets the asset composition test imposed by subparagraph (c) of that section on institutions seeking so to qualify. No out-of-State branch so established shall be retained or operated unless the total assets of the Federal savings association attributable to all branches of the Federal savings association in that State would qualify the branches as a whole, were they otherwise eligible, for treatment as a domestic building and loan association under said section 7701(a)(19).

"(2) The limitations of paragraph (1) shall not apply if—

"(A) the branch results from a transaction authorized under section 13(k) of the Federal Deposit Insurance Act;

"(B) the branch was authorized for the Federal savings association prior to the enactment of the Garn-St Germain Depository Institutions Act of 1982;

"(C) the law of the State in which the branch is or is to be located would permit establishment of the branch were the Federal savings association an institution of the savings and loan or savings bank type chartered by the State in which its home office is located; or

"(D) the branch was operated lawfully as a branch under State law prior to the association's conversion to a Federal charter.

"(3) The Chairman, for good cause shown, may allow Federal savings associations up to

two years to comply with the requirements of this subsection.

"(s) MINIMUM CAPITAL REQUIREMENTS.—

"(1) IN GENERAL.—Consistent with the purposes of section 908 of the International Lending Supervision Act of 1983 and the capital requirements established pursuant to such section by the appropriate Federal banking agencies (as defined in section 903(1) of such Act), the Chairman shall require all savings associations to achieve and maintain adequate capital by—

"(A) establishing minimum levels of capital for savings associations; and

"(B) using such other methods as the Chairman determines to be appropriate.

"(2) MINIMUM CAPITAL LEVELS MAY BE DETERMINED BY CHAIRMAN ON CASE-BY-CASE BASIS.—The Chairman may, consistent with subsection (t), establish the minimum level of capital for a savings association at such amount or at such ratio of capital-to-assets as the Chairman determines to be necessary or appropriate for such association in light of the particular circumstances of the association.

"(3) UNSAFE OR UNSOUND PRACTICE.—In the Chairman's discretion, the Chairman may treat the failure of any savings association to maintain capital at or above the minimum level required by the Chairman under this subsection as an unsafe or unsound practice within the meaning of subsection (d).

"(4) DIRECTIVE TO INCREASE CAPITAL.—

"(A) PLAN MAY BE REQUIRED.—In addition to any other action authorized by law, including paragraph (3), the Chairman may issue a directive requiring any savings association which fails to maintain capital at or above the minimum level required by the Chairman to submit and adhere to a plan for increasing capital which is acceptable to the Chairman.

"(B) ENFORCEMENT OF PLAN.—Any directive issued and plan approved under subparagraph (A) shall be enforceable under subsection (d)(2) or section 8 of the Federal Deposit Insurance Act to the same extent and in the same manner as an outstanding order which was issued under subsection (d)(2) or section 8 of the Federal Deposit Insurance Act and has become final.

"(5) PLAN TAKEN INTO ACCOUNT IN OTHER PROCEEDINGS.—The Chairman may—

"(A) consider a savings association's progress in adhering to any plan required under paragraph (4) whenever such association or any affiliate of such association (including any company which controls such association) seeks the approval of the Chairman for any proposal which would have the effect of diverting earnings, diminishing capital, or otherwise impeding such association's progress in meeting the minimum level of capital required by the Chairman; and

"(B) disapprove any proposal referred to in subparagraph (A) if the Chairman determines that the proposal would adversely affect the ability of the association to comply with such plan.

"(t) CAPITAL STANDARDS.—

"(1) IN GENERAL.—

"(A) Not later than 90 days after enactment of the FIRRE Act, the Chairman shall by regulation establish uniformly applicable capital standards for savings associations not less stringent than standards applicable to national banks, except as provided in paragraph (2). Such standards shall require a savings association to meet both the leverage ratio and the risk-based capital standards. The Chairman may provide for deviation in the risk-based standard to reflect interest rate or other risks, but any deviation from such standard shall not, when, taken as a whole, result in a materially lower risk-based capital standard than that which applies to national banks. The leverage ratio that applies to savings associations shall not be less stringent than the leverage ratio that applies to national banks and in no event shall be less than 3 percent of total assets.

"(B) If the appropriate Federal banking agency for national banks ceases to have risk-based capital standards applicable to national banks, the Chairman shall establish by regulation uniformly applicable capital standards for savings associations that, taken as a whole, shall not be less stringent than the capital standards then applicable to national banks.

"(2) GOODWILL.—(A) The calculation of capital for either the leverage ratio or the risk-based capital standard shall include goodwill—

"(i) limited to goodwill existing on April 12, 1989, to be amortized on a straightline basis over the shorter of—

"(I) a 25-year period, or

"(II) the remaining period for amortization in effect as of April 12, 1989, or

"(ii) limited to goodwill resulting from the acquisition of a savings association or savings association holding company for which under section 408(e) of the National Housing Act (as then in effect) was filed on or prior to March 12, 1989), to be amortized on a straightline basis over—

"(I) a 10-year period, or

"(II) such shorter period as may be determined by the Chairman with the concurrence of the Secretary of the Treasury.

"(B) notwithstanding subparagraph (A), a savings, association shall maintain tangible capital (excluding goodwill) equal to 1.5 percent of the association's total assets.

"(3) SEPARATE CAPITALIZATION REQUIRED FOR CERTAIN SUBSIDIARIES.—

"(A) IN GENERAL.—For purposes of paragraph (1) the savings association's entire investment in, and loans to, any subsidiary engaged as principal in activities not permissible for a national bank shall be deducted from the capital of the savings association.

"(B) EXCEPTIONS.—Subparagraph (A) shall not apply to—

"(i) investments in and loans to a subsidiary that is engaged solely in mortgage banking activities;

"(ii) investments in and loans to a subsidiary—

"(I) that is itself a savings association or a company the sole investment of which is a savings association, and

"(II) that was acquired by the parent savings association prior to April 12, 1989;

"(iii) corporate debt securities that are not of investment grade; or

"(iv) any Federal savings bank that was chartered prior to October 15, 1982, as a savings bank under State law, or to a savings association that acquired its principal assets from an institution that was chartered prior to October 15, 1982, as a savings bank under State law.

"(C) TRANSITIONAL RULE.—

"(i) Notwithstanding subparagraph (A), if a savings associations's subsidiary was, as of April 12, 1989, engaged as principal in activities not permissible for a national bank, the savings association may, except as provided in clause (iii), include in its capital the applicable percentage of the lesser of—

"(I) the savings association's investments in and loans to the subsidiary on April 12, 1989; or

"(II) the savings association's investments in and loans to the subsidiary on the date as of which the savings association's capital is being determined.

"(ii) For purposes of clause (i), the applicable percentage is as follows:

"For the following period:	The applicable percentage is:
Prior to July 1, 1990	100 percent
July 1, 1990–June 30, 1991.	90 percent
July 1, 1991–June 30, 1992.	75 percent
July 1, 1992–June 30, 1993.	60 percent
July 1, 1993–June 30, 1994.	40 percent.

"(iii) For purposes of clause (i), the Federal Deposit Insurance Corporation may prescribe by order, with respect to a particular savings association, an applicable percentage less than that provided in clause (ii) if the Corporation determines, in its sole discretion, that the use of a greater percentage would, under the circumstances, constitute an unsafe or unsound practice or be likely to result in the institution's being in an unsafe or unsound condition.

"(4) SCHEDULE.—The Chairman shall prescribe a timetable for the implementation of capital standards under paragraph (1) that requires their full implementation not later than June 1, 1991.

"(5) RESTRICTION ON GROWTH.—

"(A) PRIOR TO 1991.—Until June 1, 1991, the Chairman—

"(i) shall require any savings association not in compliance with capital standards under this subsection to submit a revised plan under subsection (s)(4)(A) which—

"(I) provides, among other things, for asset growth fully supported by tangible capital in the amount required under the then applicable capital standard;

"(II) sets forth the types and levels of activities that the association will engage in to raise capital; and

"(III) is acceptable to the Chairman, and

"(ii) may restrict the asset growth of any savings association not in compliance with capital standards established pursuant to this subsection.

"(B) ON AND AFTER JUNE 1, 1991.—On and after June 1, 1991, the Chairman shall—

"(i) prohibit the asset growth of any savings association or class of savings associations not in compliance with capital standards established pursuant to this subsection to not more than the extent of interest credited on deposits;

"(ii) limit such asset growth to increases in assets described in section 10(m)(5)(B) and consumer loans; and

"(iii) require that all such asset growth be fully supported by tangible capital at 6 percent (or, in the Chairman's discretion, at such lower rate as may be provided for under the standard in effect at such time under paragraph (1)).

"(C) SPECIAL RESTRICTIONS FOR ASSOCIATION'S USE OF GOODWILL.—In the case of a savings association that complies with the capital standards established under this subsection only by including goodwill as provided by paragraph (2), the Chairman shall require that—

"(i) prior to June 1, 1991, such association's asset growth be fully supported by tangible capital in the amount required under the then applicable capital standard; and

"(ii) on and after June 1, 1991, such association's asset growth be fully supported by

tangible capital at 6 percent (or, in the Chairman's discretion, at such lower rate as may be provided for under the standard in effect at such time under paragraph (1)).

"(D) GENERAL RESTRICTIONS.—The Chairman may restrict the asset growth of any savings association that the Chairman determines is taking excessive risks or is paying excessive rates for deposits.

"(6) USE OF OTHER DEFINITIONS.—The standards established under the subsection shall include all relevant substantive definitions established by the appropriate Federal banking agency for national banks.

"(7) DEFINITION.—For purposes of this subsection, the term 'national bank' shall have the same meaning as it has in section 3(d) of the Federal Deposit Insurance Act.

"(u) LIMITS ON LOANS TO ONE BORROWER.—

"(1) IN GENERAL.—The limitations contained in section 5200 of the Revised Statutes (12 U.S.C. 84) applies to savings associations in the same manner and to the same extent as they apply to national banks.

"(2) EXCEPTIONS.—A savings association may make loans to one borrower not to exceed—

"(A) 50 percent of its paid in capital and surplus in the case of a loan made to finance the sale of real property held by the financial institution after foreclosure, or

"(B) $500,000,

whichever is greater.

"(v) REPORTS OF CONDITION.—

"(1) IN GENERAL.—Each association shall make reports of conditions to the Chairman which shall be in a form prescribed by the Chairman and shall contain—

"(A) information sufficient to allow the identification of potential interest rate and credit risk;

"(B) a description of any assistance being received by the association, including the type and monetary value of such assistance;

"(C) the identity of all subsidiaries and affiliates of the association;

"(D) the identity, value, type, and sector of investment of all equity investments of the associations and subsidiaries; and

"(E) other information that the Chairman may prescribe.

"(2) AVAILABILITY.—Reports required under this subsection and all information contained therein shall be available to the public upon request, unless the Chairman determines that a particular item or classification of information should not be made public in order to protect the safety or soundness of the institution concerned or institutions concerned, the Savings Association Insurance Fund, or that public disclosure would not otherwise be in the public interest. A determination made by the Chairman not to permit the public disclosure of information must be made in writing, and if the Chairman chooses to restrict any item of information for all savings institutions he should disclose the reason in detail in the Federal Register. The Chairman's decision under this paragraph shall not be subject to judicial review.

"(3) ACCESS BY CERTAIN PARTIES.—Notwithstanding paragraph (2), the Chairman and ranking minority member of the House and Senate Banking Committee may not be denied access to any information contained in a condition of report, subject to reasonable confidentiality requirements which may be imposed upon their further dissemination. These confidentiality requirements may not prevent the forwarding of such information to the General Accounting Office for purposes of analysis.

"SEC. 6. ENCOURAGEMENT OF SAVING AND HOME FINANCING.

"[Repealed.]

"SEC. 7. APPLICABILITY.

"The provisions of this Act shall apply to the continental United States (including Alaska), to the State of Hawaii, and to Puerto Rico, Guam, and the Virgin Islands.

"SEC. 8. DISTRICT ASSOCIATIONS.

"(a) IN GENERAL.—Without regard to any provision of law other than this section, and without limitation on any other power or function now or hereafter vested in or exercisable by the Chairman by or under this Act or otherwise, the Chairman shall, with respect to all incorporated or unincorporated building, building or loan, building and loan, or homestead associations, and similar institutions, of or trans- acting or doing business in the District of Columbia, or maintaining any office in the District of Columbia (other than Federal savings and loan associations), have the same powers and functions as to examination, operation, and regulation as are now or hereafter vested in or exercisable by it with respect to Federal savings and loan associations by or under section 5 of this Act or otherwise, and all of the provisions of subsection (d) of section 5 of this Act as now or hereafter in force shall be applicable with respect to such associations or institutions.

"(b) ADDITIONAL POWERS.—Any such association or institution incorporated under the laws of, or organized in, the District of Columbia shall have in addition to any existing statutory authority such statutory authority as is from time to time vested in Federal savings and loan associations.

"(c) CHARTER AMENDMENTS.—Charters, certificates of incorporation, articles of incorporation, constitutions, bylaws, or other organic documents of associations or institutions referred to in subsection (b) of this section may, without regard to anything contained therein or otherwise, hereafter be amended in such manner and to such extent and upon such vote or votes if any as the Chairman may by regulation or otherwise provide.

"(d) LIMITATION.—Nothing herein shall cause, or permit the Chairman to cause, District of Columbia associations to be or become Federal savings and loan associations, or require the Chairman to impose on District of Columbia associations the same regulations as are imposed on Federal savings and loan associations.

"SEC. 9. EXPENSES OF EXAMINATIONS OF SAVINGS ASSOCIATIONS; AFFILIATES; SAVINGS ASSOCIATION HOLDING COMPANIES AND THEIR SUBSIDIARIES; EXPENSES OF PROCESSING APPLICATIONS; EXPENSES OF GENERAL OPERATIONS OF THE OFFICE OF THE CHAIRMAN; ASSESSMENT OF FEES.

"(a) IN GENERAL.—A fee adequate to cover the cost of examinations of savings associations provided for by this Act may be assessed by the Chairman upon savings associations.

"(b) INSTITUTION ASSESSED.—A fee adequate to cover the cost of examinations of affiliates of savings associations, savings association holding companies and subsidiaries of savings association holding companies provided for by section 5(d)(1)(B)(i) and section 10(b)(4) of this Act may be assessed against the affiliate, savings association holding company, or subsidiary of a savings association holding company by the Chairman and paid for by such entity.

"(c) FAILURE OF AFFILIATE TO PAY.—If any affiliate of a savings association, savings association holding company, or subsidiary of a savings association holding company shall refuse to pay such expense, or other expense imposed pursuant to this section, or shall fail to do so within 60 days after the date of such assessment, then such expenses may be assessed against the affiliated savings association and when so assessed, shall be paid by such association. If the affiliation is with 2 or more savings associations or affiliates, such expenses may be assessed against, and collected from, any or all of such savings associations in such proportions as the Chairman prescribe.

"(d) REFUSAL TO PERMIT EXAMINATION.—If any affiliate of a savings association, savings association holding company, or subsidiary of a savings association holding company shall refuse to permit an examiner to make an examination of the affiliate or shall refuse to give any information required in the course of any examination, the savings association with which it is affiliated shall be subject to a penalty of not more than $25,000 for each day that any such refusal shall continue. Notwithstanding the foregoing, for violations made with reckless disregard for the safety and soundness of the financial institution, the Chairman may, in his or her discretion, assess a penalty of not more than $1,000,000 per day for each day during which such violation continues. Such penalty may be assessed by the Chairman, and collected for the use of the Chairman and deposited in the same manner as expenses of examinations.

"(e) PROCESSING FEE.—The Chairman may, in his sole discretion, assess against any person, corporation, savings association or other entity, without limitation, that submits to the Chairman or his designee an application, filing, notice, or request for approval by the Chairman or his designee a fee adequate to cover the cost of processing such submission.

"(f) FEES FOR EXAMINATIONS AND SUPERVISORY ACTIVITIES.—The Chairman may assess against institutions for which the Chairman of the Federal Home Loan Bank System is the appropriate Federal banking agency, within the meaning of section 3 of the Federal Deposit Insurance Act, fees to fund the direct and indirect expenses of the Office of the Chairman. Such fees shall be imposed in proportion of the assets or resources of the institutions subject to such fees. The fees may be imposed more frequently than annually at the discretion of the Chairman. The annual rate of such fees shall be the same for all institutions subject to such fees.

"(g) WORKING CAPITAL.—The Chairman is authorized to impose fees and assessments pursuant to subsections (a), (b), (e), and (f) of this section, in excess of actual expenses for any given year to permit the Chairman to maintain a working capital fund. The Chairman shall remit to the payors of such fees and assessments any funds collected in excess of what he deems necessary to maintain such working capital fund.

"(h) USE OF FUNDS.—The Chairman is authorized to use the combined resources retained through fees and assessments imposed pursuant to this section to pay all direct and indirect salary and other expenses of the Office of the Chairman and the direct and indirect expenses of the examinations and supervisory activities of the Office of Savings Associations.

"(i) REGULATIONS.—The Chairman is authorized and empowered to prescribe regulations governing the imposition, calculation, collection and all other matters pertaining to the fees and assessments imposed pursuant to this section. Such regulations may es-

tablish formulas to determine a fee or schedule of fees to cover the costs of examinations and also to cover the cost of processing applications, filings, notices, and requests for approvals by the Chairman or his designee.

"SEC. 10. REGULATION OF HOLDING COMPANIES.

"(a) DEFINITIONS.—

"(1) IN GENERAL.—As used in this section, unless the context otherwise requires—

"(A) 'savings association' means a Federal savings and loan association or a Federal savings bank, a building and loan, savings and loan or homestead association, a cooperative bank or a State savings bank that is a member of the SAIF the deposits of which are insured by the FDIC, and shall include a savings bank which is deemed by the Chairman to be a savings association under subsection (l).

"(B) 'uninsured institution' means any financial institution the deposits of which are not insured by the Federal Deposit Insurance Corporation;

"(C) 'company' means any corporation, partnership, trust, joint-stock company, or similar organization, but does not include the Federal Savings and Loan Insurance Corporation, any Federal home loan bank, or any company the majority of the shares of which is owned by the United States or any State, or by an officer of the United States or any State in his official capacity, or by an instrumentality of the United States or any State;

"(D) 'savings and loan holding company' means any company which directly or indirectly controls a savings association or controls any other company which is a savings and loan holding company by virtue of this subsection;

"(E) 'multiple savings and loan holding company' means any savings and loan holding company which directly or indirectly controls two or more savings associations;

"(F) 'diversified savings and loan holding company' means any savings and loan holding company whose subsidiary savings association and related activities as permitted under paragraph (2) of subsection (c) of this section represented, on either an actual or a pro forma basis, less than 50 percent of its consolidated net worth at the close of its preceding fiscal year and of its consolidated net earnings for such fiscal year (or, during the first year's operation of the section, at such time as the holding company so qualifies), as determined in accordance with regulations issued by the Corporation;

"(G) 'person' means an individual or company;

"(H) 'subsidiary' of a person means any company which is controlled by such person, or by a company which is a subsidiary of such person by virtue of this subsection;

"(I) 'affiliate' of a specified savings association means any person or company which controls, is controlled by, or is under common control with, such savings association;

"(J) 'State' includes the District of Columbia and the Commonwealth of Puerto Rico;

"(K) the terms 'bank holding company' and 'bank' have the meanings given to such terms in subsections (a) and (c), respectively, of section 2 of the Bank Holding Company Act of 1956;

"(L) the term 'acquire' has the meaning given to such term in section 13(f)(8)(E) of the Federal Deposit Insurance Act; and

"(M) the term 'Chairman' means the Chairman of the Office of Savings Associations.

"(2) CONTROL.—For purposes of this section, a person shall be deemed to have control of—

"(A) a savings association if the person directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, or holds with power to vote, or holds proxies representing, more than 25 percent of the voting shares of such savings association, or controls in any manner the election of a majority of the directors of such association;

"(B) any other company if the person directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, or holds with power to vote, or holds proxies representing, more than 25 percent of the voting shares or rights of such other company, or controls in any manner the election or appointment of a majority of the directors or trustees of such other company, or is a general partner in or has contributed more than 25 percent of the capital of such other company;

"(C) a trust if the person is a trustee thereof; or

"(D) a savings association or any other company if the Chairman determines, after reasonable notice and opportunity for hearing, that such person directly or indirectly exercises a controlling influence over the management or policies of such association or other company.

"(3) EXCLUSIONS.—Notwithstanding any other provision of this subsection, the term 'savings and loan holding company' does not include—

"(A) any company by virtue of its ownership or control of voting shares of a savings association or a savings and loan holding company acquired in connection with the underwriting of securities if such shares are held only for such period of time (not exceeding 120 days unless extended by the Chairman) as will permit the sale thereof on a reasonable basis; and

"(B) any trust (other than a pension, profit-sharing, shareholders', voting, or business trust) which controls a savings association or a savings and loan holding company if such trust by its terms must terminate within 25 years or not later than 21 years and 10 months after the death of individuals living on the effective date of the trust, and is (i) in existence on June 26, 1967, or (ii) a testamentary trust created on or after June 26, 1967.

"(b) REGISTRATION AND EXAMINATION.—(1) Within 90 days after becoming a savings and loan holding company, each savings and loan holding company shall register with the Chairman on forms prescribed by the Chairman, which shall include such information, under oath or otherwise, with respect to the financial condition, ownership, operations, management, and intercompany relationships of such holding company and its subsidiaries, and related matters, as the Chairman may deem necessary or appropriate to carry out the purposes of this section. Upon application, the Chairman may extend the time within which a savings and loan holding company shall register and file the requisite information.

"(2) Each savings and loan holding company and each subsidiary thereof, other than a savings association, shall file with the Chairman, and the regional office of the Chairman of the district in which its principal office is located, such reports as may be required by the Chairman. Such reports shall be made under oath or otherwise, and shall be in such form and for such periods, as the Chairman may prescribe. Each report shall contain such information concerning the operations of such savings and loan holding company and its subsidiaries as the Chairman may require.

"(3) Each savings and loan holding company shall maintain such books and records as may be prescribed by the Chairman.

"(4) Each savings and loan holding company and each subsidiary thereof shall be subject to such examinations as the Chairman may prescribe. The cost of such examinations shall be assessed against and paid by such holding company. Examination and other reports may be furnished by the Chairman to the appropriate State supervisory authority. The Chairman shall, to the extent deemed feasible, use for the purposes of this subsection reports filed with or examinations made by other Federal agencies or the appropriate State supervisory authority.

"(5) The Chairman shall have power to require any savings and loan holding company, or persons connected therewith if it is not a corporation, to execute and file a prescribed form of irrevocable appointment of agent for service of process.

"(6) The Chairman may at any time, upon its own motion or upon application, release a registered savings and loan holding company from any registration theretofore made by such company, if the Chairman shall determine that such company no longer has control of any savings association.

"(c) HOLDING COMPANY ACTIVITIES.—

"(1) PROHIBITED ACTIVITIES.—Except as otherwise provided in this subsection, no savings and loan holding company and no subsidiary (of such company) which is not a savings association shall—

"(A) engage in any activity or render any service for or on behalf of a savings association subsidiary for the purpose or with the effect of evading any law or regulation applicable to such savings association;

"(B) commence any business activity, other than the activities described in paragraph (2), after the date of the enactment of the Competitive Equality Amendments of 1987; or

"(C) continue any business activity, other than the activities described in paragraph (2), after the end of the 2-year period beginning on the later of—

"(i) the date of the enactment of the Competitive Equality Amendments of 1987; or

"(ii) the date on which such company received approval under subsection (e) of this section to become a savings and loan holding company subject to the limitations contained in this subparagraph.

"(2) EXEMPT ACTIVITIES.—The prohibitions of subparagraphs (B) and (C) of paragraph (1) shall not apply to the following business activities of any savings and loan holding company or any subsidiary (of such company) which is not a savings association:

"(A) Furnishing or performing management services for a savings association subsidiary of such company.

"(B) Conducting an insurance agency or escrow business.

"(C) Holding, managing, or liquidating assets owned or acquired from a savings association subsidiary of such company.

"(D) Holding or managing properties used or occupied by a savings association subsidiary of such company.

"(E) Acting as trustee under deed of trust.

"(F) Any other activity—

"(i) which the Board of Governors of the Federal Reserve System, by regulation, has

determined to be permissible for bank holding companies under section 4(c) of the Bank Holding Company Act of 1956, unless the Chairman, by regulation, prohibits or limits any such activity for savings and loan holding companies; or

"(ii) in which multiple savings and loan holding companies were authorized (by regulation) to directly engage on March 5, 1987.

"(3) CERTAIN LIMITATIONS ON ACTIVITIES NOT APPLICABLE TO CERTAIN HOLDING COMPANIES.—Notwithstanding paragraphs (4) and (6) of this subsection, the limitations contained in subparagraphs (B) and (C) of paragraph (1) shall not apply to any savings and loan holding company (or any subsidiary of such company) which controls—

"(A) only 1 savings association, if the savings association subsidiary of such company is a qualified thrift lender (as determined under subsection (m)); or

"(B) more than 1 savings association, if—

"(i) all, or all but 1, of the savings association subsidiaries of such company were acquired pursuant to an acquisition under section 13(c) or 13(k) of the Federal Deposit Insurance Act; and

"(ii) all of the savings association subsidiaries of such company are qualified thrift lenders (as determined under subsection (m)).

"(4) PRIOR APPROVAL OF CERTAIN NEW ACTIVITIES REQUIRED.—

"(A) IN GENERAL.—No savings and loan holding company and no subsidiary (of such company) which is not a savings association shall commence, either de novo or by an acquisition (in whole or in part) of a going concern, any activity described in paragraph (2)(F)(i) of this subsection without the prior approval of the Chairman.

"(B) FACTORS TO BE CONSIDERED BY CHAIRMAN.—In considering any application under subparagraph (A) by any savings and loan holding company or any subsidiary of any such company which is not a savings association, the Chairman shall consider—

"(i) whether the performance of the activity described in such application by the company or the subsidiary can reasonably be expected to produce benefits to the public (such as greater convenience, increased competition, or gains in efficiency) that outweigh possible adverse effects of such activity (such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound financial practices);

"(ii) the managerial resources of the companies involved; and

"(iii) the adequacy of the financial resources, including capital, of the companies involved.

"(C) CHAIRMAN MAY DIFFERENTIATE BETWEEN NEW AND ONGOING ACTIVITIES.—In prescribing any regulation or considering any application under this paragraph, the Chairman may differentiate between activities commenced de novo and activities commenced by the acquisition, in whole or in part, of a going concern.

"(D) APPROVAL OR DISAPPROVAL BY ORDER.—The approval or disapproval of any application under this paragraph by the Chairman shall be made in an order issued by the Chairman containing the reasons for such approval or disapproval.

"(5) GRACE PERIOD TO ACHIEVE COMPLIANCE.—If any savings association referred to in paragraph (3) fails to maintain the status of such association as a qualified thrift lender, the Chairman may allow, for good cause shown, any company which controls such association (or any subsidiary of such company which is not a savings association) up to 3 years to comply with the limitations contained in paragraph (1)(C).

"(6) SPECIAL PROVISIONS RELATING TO CERTAIN COMPANIES AFFECTED BY 1987 AMENDMENTS.—

"(A) EXCEPTION TO 2-YEAR GRACE PERIOD FOR ACHIEVING COMPLIANCE.—Notwithstanding paragraph (1)(C)(i), any company which received approval under subsection (e) of this section to acquire control of a savings association between March 5, 1987, and the date of the enactment of the Competitive Equality Amendments of 1987 shall not continue any business activity other than the activities described in paragraph (2) after such date of enactment.

"(B) EXEMPTION FOR ACTIVITIES LAWFULLY ENGAGED IN BEFORE MARCH 5, 1987.—Notwithstanding paragraph (1)(C) and subject to subparagraphs (C) and (D), any savings and loan holding company which received approval, before March 5, 1987, under subsection (e) of this section to acquire control of a savings association may engage, directly or through any subsidiary (other than a savings association subsidiary of such company), in any activity in which such company or such subsidiary was lawfully engaged on such date.

"(C) TERMINATION OF SUBPARAGRAPH (B) EXEMPTION.—The exemption provided under subparagraph (B) for activities engaged in by any savings and loan holding company or a subsidiary of such company (which is not a savings association) which would otherwise be prohibited under paragraph (1)(C) shall terminate with respect to such activities of such company or subsidiary upon the occurrence (after the date of the enactment of the Competitive Equality Amendments of 1987) of any of the following:

"(i) The savings and loan holding company acquires control of a bank or an additional savings association (other than a savings association acquired pursuant to subsection (m) of this section or section 406(f)).

"(ii) Any savings association subsidiary of the savings and loan holding company fails to qualify as a domestic building and loan association under section 7701(a)(19) of the Internal Revenue Code of 1986.

"(iii) The savings and loan holding company engages in any business activity—

"(I) which is not described in paragraph (2); and

"(II) in which it was not engaged on March 5, 1987.

"(iv) Any savings association subsidiary of the savings and loan holding company increases the number of locations from which such savings association conducts business after March 5, 1987 (other than an increase which occurs in connection with a transaction under section 13(c) or (k) of the Federal Deposit Insurance Act.

"(v) Any savings association subsidiary of the savings and loan holding company permits any overdraft (including an intraday overdraft), or incurs any such overdraft in its account at a Federal Reserve bank, on behalf of an affiliate, unless such overdraft is the result of an inadvertent computer or accounting error that is beyond the control of both the savings association subsidiary and the affiliate.

"(D) ORDER BY CHAIRMAN TO TERMINATE SUBPARAGRAPH (B) ACTIVITY.—Any activity described in subparagraph (B) may also be terminated by the Chairman, after opportunity for hearing, if the Chairman determines, having due regard for the purposes of this title, that such action is necessary to prevent conflicts of interest or unsound practices or is in the public interest.

"(7) FOREIGN SAVINGS AND LOAN HOLDING COMPANY.—Notwithstanding any other provision of this section, any savings and loan holding company organized under the laws of a foreign country as of June 1, 1984 (including any subsidiary thereof which is not a savings association), which controls a single savings association on the date of enactment of the Competitive Equality Amendments of 1987 shall not be subject to this subsection with respect to any activities of such holding company which are conducted exclusively in a foreign country.

"(8) EXEMPTION FOR BANK HOLDING COMPANIES.—Except for paragraph (1)(A), this subsection shall not apply to a bank holding company registered with the Board of Governors of the Federal Reserve System and regulated pursuant to the Bank Holding Company Act of 1956, or any of its subsidiaries.

"(d) TRANSACTIONS WITH AFFILIATES.—Transactions between any subsidiary savings associations of a savings and loan holding company and any affiliate (of such savings association subsidiary) shall be subject to the limitations and prohibitions specified in section 11 of this Act.

"(e) ACQUISITIONS.—(1) It shall be unlawful for—

"(A) any savings and loan holding company directly or indirectly, or through one or more subsidiaries or through one or more transactions—

"(i) to acquire, except with the prior written approval of the Chairman, the control of a savings association or a savings and loan holding company, or to retain the control of such an association or holding company acquired or retained in violation of this section as heretofore or hereafter in effect;

"(ii) to acquire, except with the prior written approval of the Chairman, by the process of merger, consolidation, or purchase of assets, another savings association or a savings and loan holding company, or all or substantially all of the assets of any such association or holding company;

"(iii) to acquire by purchase or otherwise, or to retain for more than one year after the enactment of this amendment, any of the voting shares of a savings association not a subsidiary, or of a savings and loan holding company not a subsidiary, or, in the case of a multiple savings and loan holding company, to so acquire or retain more than 5 percent of the voting shares of any company not a subsidiary which is engaged in any business activity other than those specified in paragraph (2) of subsection (c) of this section; or

"(iv) to acquire the control of a savings association, or to retain for more than one year after the effective date of this amendment or from the date on which such control was acquired, whichever is later, except that the Chairman may upon application by such company extend such one-year period from year to year, for an additional period not exceeding 3 years, if the Chairman finds such extension is warranted and shall not be detrimental to the public interest;

"(B) any other company, without the prior written approval of the Chairman, directly or indirectly, or through one or more subsidiaries or through one or more transactions, to acquire the control of one or more savings associations, except that such approval shall not be required in connection with the control of a savings association, (i) acquired by devise under the terms of a will

creating a trust which is excluded from the definition of 'savings and loan holding company' under subsection (a) of this section, or (ii) acquired in connection with a reorganization in which a person or group of persons, having had control of a savings association for more than 3 years, vests control of that association in a newly formed holding company subject to the control of the same person or group of persons. The Chairman shall approve an acquisition of a savings association under this subparagraph unless it finds the financial and managerial resources and future prospects of the company and association involved to be such that the acquisition would be detrimental to the association or the insurance risk of the Savings Association Insurance Fund or Bank Insurance Fund, and shall render its decision within 90 days after submission to the Board of the complete record on the application.

"(2) The Chairman shall not approve any acquisition under subparagraphs (A)(i) or (A)(ii), or of more than one savings association under subparagraph (B), or paragraph (1) of this subsection, or any transaction under section 13(k) of the Federal Deposit Insurance Act, except in accordance with this paragraph. In every case, the Chairman shall take into consideration the financial and managerial resources and future prospects of the company and association involved, and the convenience and needs of the community to be served, and shall render its decision within 90 days after submission to the Board of the complete record on the application. Before approving any such acquisition, except a transaction under section 13(k) of the Federal Deposit Insurance Act, the Chairman shall request from the Attorney General and consider any report rendered within 30 days on the competitive factors involved. The Chairman shall not approve any proposed acquisition—

"(A) which would result in a monopoly, or which would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the savings and loan business in any part of the United States, or

"(B) the effect of which in any section of the country may be substantially to lessen competition, or tend to create a monopoly, or which in any other manner would be in restraint of trade, unless it finds that the anticompetitive effects of the proposed acquisition are clearly outweighed in the public interest by the probable effect of the acquisition in meeting the convenience and needs of the community to be served.

"(3) INTERSTATE ACQUISITIONS.—No acquisition shall be approved by the Chairman under this subsection which will result in the formation by any company, through one or more subsidiaries or through one or more transactions, of a multiple savings and loan holding company controlling savings associations in more than one State, unless—

"(A) such company, or a savings association subsidiary of such company, is authorized to acquire control of a savings association subsidiary, or to operate a home or branch office, in the additional State or States pursuant to section 13(k) of the Federal Deposit Insurance Act;

"(B) such company controls a savings association subsidiary which operated a home or branch office in the additional State or States as of March 5, 1987; or

"(C) the statute laws of the State in which the savings association, control of which is to be acquired, is located are such that a savings association chartered by such State could be acquired by a savings association chartered by the State where the acquiring savings association or savings and loan holding company is located (or by a holding company that controls such a State chartered savings association), and such statute laws specifically authorize such an acquisition by language to that effect and not merely by implication.

"(4) The provisions of this subsection and of subsection (c)(2) of this section shall not apply to any savings and loan holding company which acquired the control of a savings association or of a savings and loan holding company pursuant to a pledge or hypothecation to secure a loan, or in connection with the liquidation of a loan, made in the ordinary course of business, but it shall be unlawful for any such company to retain such control for more than one year after the enactment of this amendment or from the date on which such control was acquired, whichever is later, except that the Chairman may upon application by such company extend such one-year period from year to year, for an additional period not exceeding 3 years, if the Chairman finds such extension is warranted and would not be detrimental to the public interest.

"(f) DECLARATION OF DIVIDEND.—Every subsidiary savings association of a savings and loan holding company shall give the Chairman not less than 30 days' advance notice of the proposed declaration by its directors of any dividend on its guaranty, permanent, or other nonwithdrawable stock. Such notice period shall commence to run from the date of receipt of such notice by the Chairman. Any such dividend declared with such period, or without the giving of such notice to the Chairman, shall be invalid and shall confer no rights or benefits upon the holder of any such stock.

"(g) ADMINISTRATION AND ENFORCEMENT.—(1) The Chairman is authorized to issue such rules, regulations, and orders as it deems necessary or appropriate to enable it to administer and carry out the purposes of this section, and to require compliance therewith and prevent evasions thereof.

"(2) The Chairman may make such investigations as it deems necessary or appropriate to determine whether the provisions of this section, and rules, regulations, and orders thereunder, are being and have been complied with by savings and loan holding companies and subsidiaries and affiliates thereof. For the purpose of any investigation under this section, the Chairman or its designated representatives shall have power to administer oaths and affirmations, to issue subpoenas and subpoenas duces tecum, to take evidence, and to require the production of any books, papers, correspondence, memorandums, or other records which may be relevant or material to the inquiry. The attendance of witnesses and the production of any such records may be required from any place in any State or in any territory. The Chairman may apply to the United States district court for the judicial district or the United States court in any territory in which any witness or company subpoenaed resides or carries on business, for enforcement of any subpoena or subpoena duces tecum issued pursuant to this paragraph, and such courts shall have jurisdiction and power to order and require compliance therewith.

"(3)(A) In the course of or in connection with any proceeding under subsection (a)(2)(D) or under paragraph (5) of this section, the Chairman or its designated representatives, including any person designated to conduct any hearing under said subsection, shall have power to administer oaths and affirmations, to take or cause to be taken depositions, and to issue, revoke, quash, or modify subpoenas and subpoenas duces tecum; and the Chairman is empowered to make rules and regulations with respect to any such proceedings. The attendance of witnesses and the production of documents provided for in this paragraph may be required from any place in any State or in any territory at any designated place where such proceeding is being conducted. Any party to such proceedings may apply to the United States District Court for the District of Columbia, or the United States district court for the judicial district or the United States court in any territory in which such proceeding is being conducted, or where the witness resides or carries on business, for enforcement of any subpoena or subpoena duces tecum issued pursuant to this paragraph, and such courts shall have jurisdiction and power to order and require compliance therewith. Witnesses subpoenaed under this section shall be paid the same fees and mileage that are paid witnesses in the district courts of the United States.

"(B) Any hearing provided for in subsection (a)(2)(D) or under paragraph (5) of this section shall be held in the Federal judicial district or in the territory in which the principal office of the association or other company is located unless the party afforded the hearing consents to another place, and shall be conducted in accordance with the provisions of chapter 5 of title 5 of the United States Code.

"(4) Whenever it shall appear to the Chairman that any person is engaged or has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this section or of any rule, regulation, or order thereunder, the Chairman may in his or her discretion bring an action in the proper United States district court, or the United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, to enforce compliance with this section or any rule, regulation, or order thereunder, or to require the divestiture of any acquisition in violation of this section, or for any combination of the foregoing, and such courts shall have jurisdiction of such actions, and upon a proper showing an injunction, decree, restraining order, order of divestiture, or other appropriate order shall be granted without bond.

"(5)(A) Notwithstanding any other provision of this section, the Chairman may, whenever it has reasonable cause to believe that the continuation by a savings and loan holding company of any activity or of ownership or control of any of its noninsured subsidiaries constitutes a serious risk to the financial safety, soundness, or stability of a savings and loan holding company's subsidiary savings association and is inconsistent with the sound operation of a savings association or with the purposes of this section or the Financial Institutions Supervisory Act, order the savings and loan holding company or any of its subsidiaries, after due notice and opportunity for hearing, to terminate such activities or to terminate (within 120 days or such longer period as the Chairman directs in unusual circumstances) its ownership or control of any such noninsured subsidiary either by sale or by distribution of the shares of the subsidiary to the shareholders of the savings and

loan holding company. Such distribution shall be pro rata with respect to all of the shareholders of the distributing savings and loan holding company, and the holding company shall not make any charge to its shareholders arising out of such a distribution.

"(B) The Chairman may in its discretion apply to the United States district court within the jurisdiction of which the principal office of the company is located, for the enforcement of any effective and outstanding order issued under this section, and such court shall have jurisdiction and power to order and require compliance therewith, but except as provided in subsection (j), no court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any notice or order under this section, or to review, modify, suspend, terminate, or set aside any such notice or order.

"(6) All expenses of the Chairman under this section shall be considered as nonadministrative expenses.

"(h) PROHIBITED ACTS.—It shall be unlawful for—

"(1) any savings and loan holding company or subsidiary thereof, or any director, officer, employee, or person owning, controlling, or holding with power to vote, or holding proxies representing, more than 25 percent of the voting shares, of such holding company or subsidiary, to hold, solicit, or exercise any proxies in respect of any voting rights in a savings association which is a mutual association;

"(2) any director or officer of a savings and loan holding company, or any person owning, controlling, or holding with power to vote, or holding proxies representing, more than 25 percent of the voting shares of such holding company to acquire control, or to retain control for more than 2 years after the enactment of this subsection, of any savings association not a subsidiary of such holding company; or

"(3) any individual, except with the prior approval of the Chairman, to serve or act as a director, officer, or trustee of, or become a partner in, any savings and loan holding company after having been convicted of any criminal offense involving dishonesty or breach of trust.

"(i) PENALTIES.—(1) Any company which willfully violates any provisions of this section, or any regulation or order issued by the Chairman pursuant thereto shall be subject to a fine of not more than $1,000,000 for each day during which such violation continues. Any individual who with reckless disregard for the safety or soundness of the financial institution participates in a violation of any provision of this section or any rule, regulation or order thereunder, shall be subject to a fine of not more than $1,000,000 for each day during which such violation continues or shall be imprisoned for not more than 5 years, or both.

"(2) Any company which or individual who willfully participates in a violation of any provision of this section, or any regulation or order issued pursuant thereto, shall pay a civil penalty of not more than $1,000,000 per day for each day during which such violation continues and for all other violations, shall pay a civil penalty of not more than $25,000 per day for each day during which such violation continues. Civil and criminal penalties under this section are cumulative.

"(3) The jurisdiction and authority of the appropriate Federal banking agency to proceed under this subsection against any institution-related party shall not be affected by the resignation, termination of employment, or other separation of such person from an insured financial institution, including separation caused by the failure of the institution. The preceding sentence shall also apply to all matters which are pending as of the time of this amendment, whether or not formally commenced, so long as the individual was an institution-related party at the time the alleged transactions occurred.

"(4) Every director, officer, partner, trustee, agent, or employee of a savings and loan holding company shall be subject to the same penalties for false entries in any book, report, or statement of such savings and loan holding company as are applicable to officers, agents, and employees of a savings association the accounts of which are insured by the Federal Deposit Insurance Corporation for false entries in any books, reports, or statements of such association under section 1006 of title 18, United States Code.

"(5)(A) The Chairman may, in his or her discretion, compromise, modify, or remit any civil money penalty which is subject to imposition or has been imposed under authority of this subsection. The penalty may be assessed and collected by the Chairman by written notice. As used in the section, the term 'violates' includes without any limitation any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.

"(B) In determining the amount of the penalty the Chairman shall take into account the appropriateness of the penalty with respect to the size of financial resources and good faith of the company or person charged, the gravity of the violation, the history of previous violations, and such other matters as justice may require.

"(C) The company or person assessed shall be afforded an opportunity for agency hearing, upon request made within 10 days after issuance of the notice of assessment. In such hearing all issues shall be determined on the record pursuant to section 554 of title 5, United States Code. The agency determination shall be made by final order which may be reviewed only as provided in subparagraph (D). If no hearing is requested as herein provided, the assessment shall constitute a final and unappealable order.

"(D) Any company or person against whom an order imposing a civil money penalty has been entered after agency hearing under this section may obtain review by the United States court of appeals for the circuit in which the home office of the company is located, or in the United States Court of Appeals for the District of Columbia Circuit, by filing a notice of appeal in such court within 30 days from the date of such order, and simultaneously sending a copy of such notice by registered or certified mail to the Chairman. The Chairman shall promptly certify and file in such court the record upon which the penalty was imposed, as provided in section 2112 of title 28, United States Code. The findings of the Chairman shall be set aside if found to be unsupported by substantial evidence as provided by section 706(2)(E) of title 5, United States Code.

"(E) If any company or person fails to pay an assessment after it has become a final and unappealable order, or after the court of appeals has entered final judgment in favor of the agency, the Chairman shall refer the matter to the Attorney General, who shall recover the amount assessed by action in the appropriate United States district court. In such action the validity and appropriateness of the final order imposing the penalty shall not be subject to review.

"(F) The Chairman shall promulgate regulations establishing procedures necessary to implement this paragraph.

"(G) All penalties collected under authority of this paragraph shall be coveyed into the Treasury of the United States.

"(j) JUDICIAL REVIEW.—Any party aggrieved by an order of the Chairman under this section may obtain a review of such order by filing in the court of appeals of the United States for the circuit in which the principal office of such party is located, or in the United States Court of Appeals for the District of Columbia Circuit, within 30 days after the date of service of such order, a written petition praying that the order of the Chairman be modified, terminated, or set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Chairman, and thereupon the Chairman shall file in the court the record in the proceeding, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, such court shall have jurisdiction, which upon the filing of the record shall be exclusive, to affirm, modify, terminate, or set aside, in whole or in part, the order of the Chairman. Review of such proceedings shall be had as provided in chapter 7 of title 5, United States Code. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari as provided in section 1254 of title 28, United States Code.

"(k) SAVING CLAUSE.—Nothing contained in this section, other than any transaction approved under subsection (e)(2) or section 13 of the Federal Deposit Insurance Act, shall be interpreted or construed as approving any act, action, or conduct which is or has been or may be in violation of existing law, nor shall anything herein contained constitute a defense to any action, suit, or proceeding pending or hereafter instituted on account of any act, action, or conduct in violation of the antitrust laws.

"(l) TREATMENT OF FDIC INSURED STATE SAVINGS BANKS AND COOPERATIVE BANKS AS SAVINGS ASSOCIATIONS.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, a savings bank (as defined in section 3(g) of the Federal Deposit Insurance Act) and a cooperative bank that is an insured bank (as defined in section 3(h) of the Federal Deposit Insurance Act) upon application shall be deemed to be a savings association for the purpose of this section, if the Chairman determines that such bank is a qualified thrift lender (as determined under subsection (m)).

"(2) FAILURE TO MAINTAIN QUALIFIED THRIFT LENDER STATUS.—If any savings bank which is deemed to be a savings association under paragraph (1) subsequently fails to maintain its status as a qualified thrift lender, as determined by the Chairman, such bank may not thereafter be a qualified thrift lender for a period of 5 years.

"(m) QUALIFIED THRIFT LENDER REQUIREMENTS.—

"(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), any savings association shall have the status of a qualified thrift lender if—

"(A) the qualified thrift investments of such savings association equal or exceed 60 percent of the total tangible assets of such association; and

"(B) the qualified thrift investments of such savings association continue to equal or exceed 60 percent of the total tangible

assets of such association on an average basis in 3 out of every 4 quarters and 2 out of every 3 years.

"(2) TRANSITION RULE FOR CERTAIN ASSOCIATIONS.—

"(A) IN GENERAL.—If any savings association—

"(i) which was chartered as a savings bank or a cooperative bank under State law before October 15, 1982; or

"(ii) the principal assets of which were acquired from an association which was chartered as a savings bank or a cooperative bank under State law before October 15, 1982,

meets the requirements of subparagraph (B), such savings association shall be treated as a qualified thrift lender during the 10-year period beginning on January 1, 1988.

"(B) SUBPARAGRAPH (B) REQUIREMENTS.—A savings association meets the requirements of this subparagraph if, in the determination of the Chairman—

"(i) the actual thrift investment percentage of such association does not, after the date of the enactment of the Competitive Equality Amendments of 1987, decrease below the actual thrift investment percentage of such association on such date of enactment; and

"(ii) the amount by which—

"(I) the actual thrift investment percentage of such association at the end of each period described in the following table, exceeds

"(II) the actual thrift investment percentage of such association on such date of enactment,

is equal to or greater than the applicable percentage (as determined under the following table) of the amount by which 60 percent exceeds the actual thrift investment percentage of such association on such date of enactment:

"For the following period:	The applicable percentage is:
The 2½-year period beginning on such date of enactment.	25 percent
The 5-year period beginning on such date of enactment.	50 percent
The 7½-year period beginning on such date of enactment.	75 percent

"(3) EXCEPTIONS GRANTED BY CHAIRMAN.—Notwithstanding paragraph (1), the Chairman may grant such temporary and limited exceptions from the minimum actual thrift investment percentage requirement contained in such paragraph as the Chairman deems necessary if—

"(A) the Chairman determines that extraordinary circumstances exist, such as when the effects of high interest rates reduce mortgage demand to such a degree that an insufficient opportunity exists for a savings association to meet such investment requirements; or

"(B) the Chairman determines that—

"(i) the grant of any such exception will facilitate an acquisition under section 13(c) or (k) of the Federal Deposit Insurance Act; and

"(ii) the acquired association will comply with the transition requirements of paragraph (2)(B).

"(4) FAILURE TO ACHIEVE AND MAINTAIN QUALIFIED THRIFT LENDER STATUS.—

"(A) A savings association that fails to achieve or maintain its status as a qualified thrift lender shall, within 3 years of the date on which the association loses its status as a qualified thrift lender, convert its charter to one or more bank charters, unless during the one-year period following the date it loses its status as a qualified thrift lender, the association becomes a qualified thrift lender and does not thereafter lose its status as a qualified thrift lender.

"(B) Until such conversion is complete, such savings association shall not—

"(i) after 3 years from the date it loses its qualified thrift lender status, be eligible to obtain advances from any Federal Home Loan Bank and shall repay any outstanding advances promptly;

"(ii) expand its activities beyond those conducted on the date the savings association loses its status as a qualified thrift lender;

"(iii) open any additional branch offices; or

"(iv) after 3 years from the date it loses its qualified thrift lender status, engage directly or through a subsidiary in an activity unless such activity is permissible for either a national bank or a State bank (other than a savings bank) located in the State in which the association is located.

"(C) Any company that controls a savings association identified in paragraph (A) shall, after 3 years following the date on which the savings association loses its status as a qualified thrift lender, be subject to all of the provisions of the Bank Holding Company Act of 1956, as amended, and other applicable statutes as if the company were a bank holding company and the savings association were a bank as those terms are defined in the Bank Holding Company Act of 1956.

"(D) Any bank chartered as a result of the requirements of this section shall be obligated until December 31, 1993, to pay the assessments assessed on savings associations under the Federal Deposit Insurance Act. Such association shall also be assessed, on the date of its change of status from a Savings Association Insurance Fund member, the exit fee provided in section 5(d)(2) of the Federal Deposit Insurance Act. Such institution shall not be obligated to pay the assessments on banks under the Federal Deposit Insurance Act until—

"(i) December 31, 1993, or

"(ii) the institution's change of status from a Savings Association Insurance Fund member to a Bank Insurance Fund member.

whichever is later.

"(E) As used in this subsection, 'bank' shall mean a national member bank or a State bank (other than a savings bank), as defined in section 3 of the Federal Deposit Insurance Act.

"(5) DEFINITIONS.—For purposes of this subsection—

"(A) ACTUAL THRIFT INVESTMENT PERCENTAGE.—The term 'actual thrift investment percentage' means the percentage determined by dividing—

"(i) the amount of the qualified thrift investments of a savings association, by

"(ii) the total amount of tangible assets of such savings association.

"(B) QUALIFIED THRIFT INVESTMENTS.—The term 'qualified thrift investments' means, with respect to any savings association, the sum of—

"(i) the aggregate amount of loans, equity positions, or securities held by the savings association (or any subsidiary of such association) which are related to domestic residential real estate or manufactured housing;

"(ii) the value of property used by such association or subsidiary in the conduct of the business of such association or subsidiary;

"(iii) subject to paragraph (6), the liquid assets of the type required to be maintained under section 5A of the Federal Home Loan Bank Act; and

"(iv) subject to paragraph (6), 50 percent of the dollar amount of the residential mortgage loans originated by such savings association or subsidiary and sold within 90 days of origination.

"(6) LIMITATION ON TREATMENT OF CERTAIN ASSETS AS THRIFT INVESTMENTS.—The aggregate amount of the assets described in clauses (iii) and (iv) of paragraph (5)(B) which may be taken into account in determining the amount of the qualified thrift investments of any savings association shall not exceed the amount which is equal to 10 percent of the tangible assets of such association.

"(n) TYING RESTRICTIONS.—

"(1) STATE CHARTERED SAVINGS ASSOCIATION SUBSIDIARIES.—A State chartered savings association subsidiary of a savings and loan holding company shall be subject to section 5(q) of the Home Owners' Loan Act of 1933, and regulations prescribed under such subsection, in the same manner and to the same extent as an association (as defined in section 2(d) of such Act).

"(2) HOLDING COMPANIES AND CERTAIN AFFILIATES.—A savings and loan holding company and any of its affiliates (other than a savings association) shall be subject to section 5(q) of the Home Owners' Loan Act of 1933, and regulations prescribed under such subsection, in connection with transactions involving the products or services of such company or affiliate and those of an affiliated savings association as if such company or affiliate were an association (as defined in section 2(d) of such Act).

"(o) MUTUAL HOLDING COMPANIES.—

"(1) IN GENERAL.—Notwithstanding any provision of Federal law other than this title, a savings association operating in mutual form may reorganize so as to become a holding company by—

"(A) chartering an interim savings association, the stock of which is to be wholly owned by the mutual association; and

"(B) transferring the substantial part of its assets and liabilities, including all of its insured liabilities, to the interim savings association.

"(2) DIRECTORS AND CERTAIN ACCOUNT HOLDERS' APPROVAL OF PLAN REQUIRED.—A reorganization is not authorized under this subsection unless—

"(A) a plan providing for such reorganization has been approved by a majority of the board of directors of the mutual savings association; and

"(B) in the case of an association in which holders of accounts and obligors exercise voting rights, such plan has been submitted to and approved by a majority of such individuals at a meeting held at the call of the directors in accordance with the procedures prescribed by the association's charter and bylaws.

"(3) NOTICE TO THE CHAIRMAN; DISAPPROVAL PERIOD.—

"(A) NOTICE REQUIRED.—At least 60 days prior to taking any action described in paragraph (1), a savings association seeking to establish a mutual holding company shall provide written notice to the Chairman. The notice shall contain such relevant information as the Chairman shall require by regulation or by specific request in connection with any particular notice.

"(B) TRANSACTION ALLOWED IF NOT DISAPPROVED.—Unless the Chairman within such 60-day notice period disapproves the pro-

posed holding company formation, or extends for another 30 days the period during which such disapproval may be issued, the savings association providing such notice may proceed with the transaction, if the requirements of paragraph (2) have been met.

"(C) GROUNDS FOR DISAPPROVAL.—The Chairman may disapprove any proposed holding company formation only if—

"(i) such disapproval is necessary to prevent unsafe or unsound practices;

"(ii) the financial or management resources of the savings association involved warrant disapproval;

"(iii) the savings association fails to furnish the information required under subparagraph (A); or

"(iv) the savings association fails to comply with the requirement of paragraph (2).

"(D) RETENTION OF CAPITAL ASSETS.—In connection with the transaction described in paragraph (1), a savings association may, subject to the approval of the Chairman, retain capital assets at the holding company level to the extent that such capital exceeds the association's capital requirement established by the Chairman pursuant to sections 5 (s) and (t) of this Act.

"(4) OWNERSHIP.—Persons having ownership rights in the mutual association pursuant to section 5(b)(1)(B) of this Act or State law shall have the same ownership rights with respect to the mutual holding company.

"(5) PERMITTED ACTIVITIES.—A mutual holding company may engage only in the following activities:

"(A) Investing in the stock of a savings association.

"(B) Acquiring a mutual association through the merger of such association into a savings association subsidiary of such holding company or an interim savings association subsidiary of such holding company.

"(C) Subject to paragraph (6), merging with or acquiring another holding company, one of whose subsidiaries is a savings association.

"(D) Investing in a corporation the capital stock of which is available for purchase by a savings association under Federal law or under the law of any State where the subsidiary savings association or associations have their home offices.

"(E) Engaging in the activities described in subsection (c)(2), except subparagraph (B).

"(6) LIMITATIONS ON CERTAIN ACTIVITIES OF ACQUIRED HOLDING COMPANIES.—

"(A) NEW ACTIVITIES.—If a mutual holding company acquires or merges with another holding company under paragraph (5)(C), the holding company acquired or the holding company resulting from such merger or acquisition may only invest in assets and engage in activities which are authorized under paragraph (5).

"(B) GRACE PERIOD FOR DIVESTING PROHIBITED ASSETS OR DISCONTINUING PROHIBITED ACTIVITIES.—Not later than 2 years following a merger or acquisition described in paragraph (5)(C), the acquired holding company or the holding company resulting from such merger or acquisition shall—

"(i) dispose of any asset which is an asset in which a mutual holding company may not invest under paragraph (5); and

"(ii) cease any activity which is an activity in which a mutual holding company may not engage under paragraph (5).

"(7) REGULATION.—Unless the context otherwise requires, a mutual holding company shall be subject to the other requirements of this section regarding regulation of holding companies.

"(8) DEFINITIONS.—For purposes of this subsection—

"(A) MUTUAL HOLDING COMPANY.—The term 'mutual holding company' means a corporation organized as a holding company under this subsection.

"(B) MUTUAL ASSOCIATION.—The term "mutual association" means—

"(i) a savings association; or

"(ii) a savings bank (as defined in section 3(g) of the Federal Deposit Insurance Act), which is operating in mutual form.

"SEC. 11. TRANSACTIONS WITH AFFILIATES; LOANS AND EXTENSIONS OF CREDIT TO EXECUTIVE OFFICERS, DIRECTORS AND CONTROLLING PERSONS.

"(a) TRANSACTIONS WITH AFFILIATES.—Except to the extent that the Chairman determines for reasons of safety and soundness that additional restrictions should apply, the provisions of section 23A and section 23B of the Federal Reserve Act shall be applicable to every savings association in the same manner and to the same extent as if such savings association were a member bank as defined in that Act, except that—

"(1) no loan or other extension of credit may be made to any affiliate unless that affiliate is engaged only in activities described in section 10(c)(2)(F)(i); and

"(2) no savings association may enter into any transaction described in section 23A(b)(7)(B) of the Federal Reserve Act with any affiliate.

For the purpose of this subsection any company which would be an affiliate of a savings association for the purposes of section 23A and section 23B of the Federal Reserve Act if such savings association were a member bank as defined in that Act shall be deemed to be an affiliate of such savings association.

"(b) LOAN LIMITS.—Except to the extent that the Chairman determines for reasons of safety and soundness that additional restrictions should apply, the provisions of section 22(h) of the Federal Reserve Act relating to limits on loans and extensions of credit by a member bank to its executive officers or directors or to any person who directly or indirectly owns, controls, or has the power to vote more than 10 percent of any class of voting securities of such member bank shall be applicable to every savings association in the same manner and to the same extent as if such savings association were a member bank as defined in that Act.

"(c) ENFORCEMENT.—Violations of this section shall be enforced by the Chairman in accordance with section 8 of this Federal Deposit Insurance Act.

"SEC. 12. ADVERTISING.

"No savings association shall carry on any sale, plan, or practices, or any advertising, in violation of regulations promulgated by the Chairman.

"SEC. 13. SEPARABILITY PROVISION.

"If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.".

SEC. 302. REPEALS.

(a) Section 407(m), section 408, section 409, section 410, section 413, section 414, and section 416 of the National Housing Act are repealed.

(b) SAVINGS PROVISIONS.—

(1) Any association that had entered into a plan under section 10 of the Home Owners' Loan Act of 1933 (as in effect prior to enactment of the FIRRE Act) approved by the Federal Home Loan Bank Board, shall be grandfathered hereunder as long as the association adheres to the plan and continues to submit to the Chairman of the Office of Savings Associations regular and complete reports on the association's progress in meeting the association's goals under the plan.

(2) Any insured institution which had entered into a plan under section 416 of the National Housing Act (as in effect prior to enactment of the FIRRE Act) approved by the Federal Savings and Loan Corporation shall be grandfathered hereunder as long as the insured institution adheres to the plan and continues to submit to the Chairman of the Office of Savings Associations regular and complete reports on the insured institutions progress in meeting the insured institutions goals under the plan. For the purpose of this subsection, the term "insured institution" shall have the same meaning as in section 408 of the National Housing Act, as in effect prior to the enactment of the FIRRE Act.

SEC. 303. QUALIFIED THRIFT LENDER.

(a) IN GENERAL.—Section 10(m) of the Home Owners' Loan Act of 1933 is amended to read as follows:

"(m) QUALIFIED THRIFT LENDER REQUIREMENTS.—

"(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), any savings association is a qualified thrift lender if—

"(A) the savings association's qualified thrift investments equal or exceed 60 percent of the savings association's portfolio assets; and

"(B) the savings association's qualified thrift investments continue to equal or exceed 60 percent of the savings association's portfolio assets, as measured by a daily or weekly average of such qualified thrift investments and such portfolio assets, for every 2-year period beginning on July 1, 1991.

"(2) TRANSITION RULE FOR CERTAIN ASSOCIATIONS.—

"(A) IN GENERAL.—If any savings association—

"(i) which was chartered as a savings bank or a cooperative bank under State law before October 15, 1982; or

"(ii) the principal assets of which were acquired from an association which was chartered as a savings bank or a cooperative bank under State law before October 15, 1982,

meets the requirements of subparagraph (B), such savings association shall be treated as a qualified thrift lender during the 10-year period beginning on January 1, 1988.

"(B) SUBPARAGRAPH (B) REQUIREMENTS.—A savings association meets the requirements of this subparagraph if, in the determination of the Chairman—

"(i) the actual thrift investment percentage of such association does not, after the date of the enactment of the Competitive Equality Amendments of 1987, decrease below the actual thrift investment percentage of such association on such date of enactment; and

"(ii) the amount by which—

"(I) the actual thrift investment percentage of such association at the end of each period described in the following table, exceeds

"(II) the actual thrift investment percentage of such association on such date of enactment,

is equal to or greater than the applicable percentage (as determined under the following table) of the amount by which 60 percent exceeds the actual thrift investment percentage of such association on such date of enactment:

"For the following period:	The applicable percentage is:
The 2½-year period beginning on such date of enactment.	25 percent
The 5-year period beginning on such date of enactment.	50 percent
The 7½-year period beginning on such date of enactment.	75 percent

"(3) EXCEPTIONS GRANTED BY CHAIRMAN.—Notwithstanding paragraph (1), the Chairman may grant such temporary and limited exceptions from the minimum actual thrift investment percentage requirement contained in such paragraph as the Chairman deems necessary if—

"(A) the Chairman determines that extraordinary circumstances exist, such as when the effects of high interest rates reduce mortgage demand to such a degree that an insufficient opportunity exists for a savings association to meet such investment requirements; or

"(B) the Chairman determines that—

"(i) the grant of any such exception will facilitate an acquisition under section 13 (c) or (k) of the Federal Deposit Insurance Act; and

"(ii) the acquired association will comply with the transition requirements of paragraph (2)(B).

"(4) FAILURE TO BECOME AND REMAIN A QUALIFIED THRIFT LENDER.—

"(A) CONVERSION REQUIREMENT.—A savings association that fails to become or remain a qualified thrift lender shall, within 3 years after the date on which the association should have become or ceases to be a qualified thrift lender, convert its charter to one or more bank charters, unless during the one-year period following that date, the association becomes a qualified thrift lender and does not thereafter cease to be a qualified thrift lender.

"(B) RESTRICTIONS APPLICABLE PENDING CONVERSION.—Until such conversion is complete, such savings association shall not—

"(i) after 3 years from the date it ceases to be a qualified thrift lender, be eligible to obtain advances from any Federal Home Loan Bank, and shall repay any outstanding advances promptly;

"(ii) expand its activities beyond those conducted on the date the savings association ceases to be a qualified thrift lender;

"(iii) open any additional branch offices; or

"(iv) after 3 years from the date it ceases to be a qualified thrift lender, engage directly or through a subsidiary in an activity unless such activity is permissible for either a national bank or a State bank (other than a savings bank) located in the State in which the association is located.

"(C) HOLDING COMPANY REGULATION.—Any company that controls a savings association identified in paragraph (A) shall, after 3 years following the date on which the savings association loses its status as a qualified thrift lender, be subject to all of the provisions of the Bank Holding Company Act of 1956 and other applicable statutes in the same manner and to the same extent as if the company were a bank holding company and the savings association were a bank, as those terms are defined in the Bank Holding Company Act of 1956.

"(D) DEPOSIT INSURANCE ASSESSMENTS.—Any bank chartered as a result of the requirements of this section shall be obligated until December 31, 1993, to pay the assessments assessed on savings associations under the Federal Deposit Insurance Act. Such association shall also be assessed, on the date of its change of status from a Savings Association Insurance Fund member, the exit fee and entrance fee provided in section 5(d) of the Federal Deposit Insurance Act. Such institution shall not be obligated to pay the assessments assessed on banks under the Federal deposit Insurance Act until—

"(i) December 31, 1993, or

"(ii) the institution's change of status from a Savings Association Insurance fund member to a Bank Insurance Fund member.

whichever is later.

"(E) EXEMPTION FOR SPECIALIZED SAVINGS ASSOCIATION SERVING TRANSIENT MILITARY PERSONNEL.—Subparagraph (A) shall not apply to a savings association subsidiary of a savings and loan holding company if—

"(i) the savings and loan holding company is a reciprocal interinsurance exchange that acquired control of the insured institution before January 1, 1984; and

"(ii) at least 90 percent of the customers of the savings and loan holding company and its subsidiaries and affiliates are active or former officers in the United States military services or the widows, widowers, divorced spouses, or current or former dependents of such officers.

"(5) DEFINITIONS.—For purposes of this subsection—

"(A) ACTUAL THRIFT INVESTMENT PERCENTAGE.—The term 'actual thrift investment percentage' means the percentage determined by dividing—

"(i) the amount of a savings association's qualified thrift investments, by

"(ii) the amount of the savings association's portfolio assets.

"(B) PORTFOLIO ASSETS.—The term 'portfolio assets' means, with respect to any savings association, the total assets of the savings association, less the following—

"(i) goodwill and other intangible assets;

"(ii) the value of property used by the savings association to conduct its business; and

"(iii) liquid assets to the extent that the association is required to maintain such assets under section 4A of the Home Owners' Loan Act of 1933.

"(C) QUALIFIED THRIFT INVESTMENTS.—

"(i) The term 'qualified thrift investments' means, with respect to any savings association, the sum of—

"(I) the aggregate amount of loans held by the savings association (or any subsidiary of the association) that were made to purchase, refinance, construct, improve, or repair domestic residential housing or manufactured housing;

"(II) home-equity loans, to the extent permitted under clause (ii);

"(III) mortgage-backed securities; and

"(IV) 50 percent of the dollar amount of the residential mortgage loans originated by such savings association and sold within 90 days of origination, but the dollar amount treated as qualified thrift investments pursuant to this subclause may not exceed the amount which is equal to 5 percent of the savings association's portfolio investments.

"(ii) The Chairman shall determine annually what percentage of outstanding home-equity loans by all savings associations are used for the purposes described in clause (i). A savings association may include pursuant to clause (i)(II) the amount determined by multiplying that percentage by the aggregate amount of its home-equity loans.

"(iii) The term 'qualified thrift investments' excludes—

"(I) that portion of any loan that is used for any purpose other than purchasing, refinancing, improving, or repairing domestic residential housing or manufactured housing; or

"(II) goodwill or any other intangible asset.

"(D) DEFINITION.—As used in this subsection, the term 'insured bank' means an insured bank (other than a savings bank), as defined in section 3 of the Federal Deposit Insurance Act.

"(6) CONSISTENT ACCOUNTING REQUIRED.—In determining the amount of a savings association's portfolio assets, the assets of any subsidiary of the savings association shall be consolidated with the assets of the savings association if—

"(A) assets of the subsidiary are consolidated with the assets of the savings association in determining the savings association's qualified thrift investments; or

"(B) residential mortgage loans originated by the subsidiary are included pursuant to paragraph (5)(C)(i)(III) in determining the savings association's qualified thrift investments.

"(7) ASSOCIATIONS THAT HAVE PREVIOUSLY FAILED TO REMAIN QUALIFIED THRIFT LENDERS.—If, as of June 30, 1991, any savings association is required to convert its charter pursuant to paragraph (4)(A) as in effect on that date, the amendment to paragraph (4)(A) made by section 303 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, shall not be construed as extending the period for conversion.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on July 1, 1991.

SEC. 304. TRANSITIONAL RULE FOR CERTAIN TRANSACTIONS WITH AFFILIATES.

(a) CONSISTENCY OF CERTAIN REGULATIONS WITH SECTION 23A OF THE FEDERAL RESERVE ACT.—Not later than 6 months after the date of enactment of this Act, the Chairman of the Office of Savings Associations shall revise his conflicts regulations so as not to prohibit a thrift institution from purchasing mortgages from a mortgage-banking affiliate to the same extent as a member bank may do so under section 250.250 of title 12, Code of Federal Regulations.

(b) TRANSITIONAL PERIOD.—Notwithstanding section 11(a) of the Home Owners' Loan Act of 1933 (as added by section 301 of this Act), a thrift institution that, before April 12, 1989, had received approval from the Federal Savings and Loan Insurance Corporation pursuant to section 408(d)(6) of the National Housing Act as then in effect to purchase mortgages from a mortgage-banking affiliate may, during the 6-month period following the date on which final regulations are prescribed pursuant to subsection (a), continue to engage in transactions for which it had received such approval. Any savings association that engages in such transactions pursuant to this subsection shall comply with the standards that were applicable under section 408(d)(6) as in effect on the day before the date of enactment of this Act.

(c) AUTHORITY TO EXTEND REGULATORY APPROVALS THAT WOULD OTHERWISE LAPSE

DURING THE TRANSITION PERIOD.—The Chairman of the Office of Savings Associations may extend until the expiration of the 6-month period described in subsection (b) any approval granted by the Federal Savings and Loan Insurance Corporation that expires or would expire before the expiration of that 6-month period. In determining whether to grant such exemptions, the Chairman shall apply the standards that were applicable under section 408(d)(6) as in effect on the day before the date of enactment of this Act.

TITLE IV—DISSOLUTION AND TRANSFER OF FUNCTIONS, PERSONNEL, AND PROPERTY OF FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

SEC. 401. DISSOLUTION.

(a) IN GENERAL.—On the date which is 60 days after the date of enactment of this Act, except as otherwise provided, the Federal Savings and Loan Insurance Corporation shall cease to exist and shall for all purposes be considered dissolved.

(b) TRANSFER OF FUNCTIONS.—Except as otherwise provided in this Act, all functions previously performed under title IV of the National Housing Act by the Federal Savings and Loan Insurance Corporation are transferred to and shall be performed by the Federal Deposit Insurance Corporation or the Resolution Trust Corporation. The Federal Deposit Insurance Corporation shall have the power to take any action necessary on behalf of the Federal Savings and Loan Insurance Corporation in connection with its dissolution.

SEC. 402. CONTINUATION OF RULES.

(a) IN GENERAL.—All rules, regulations, and orders of the Federal Savings and Loan Insurance Corporation or the Federal Home Loan Bank Board, as operating head thereof, in effect on the date of enactment of this Act which relate to—

(1) the provision, rates, cancellation, or payment of insurance of accounts,

(2) the administration of the insurance fund, or

(3) the conduct of conservatorships or receiverships (including the handling of claims against receiverships),

shall remain in effect and shall be enforceable by the Federal Deposit Insurance Corporation or the Resolution Trust Corporation, unless the Federal Deposit Insurance Corporation, after consultation with the Chairman of the Office of Savings Associations, determines otherwise.

(b) OTHER RULES, REGULATIONS.—All other rules, regulations, orders, and administrative actions of the Federal Savings and Loan Insurance Corporation (not described in subsection (a)) shall remain in effect and—

(1) shall be enforceable by the Federal Deposit Insurance Corporation, or

(2) if such rules, regulations, orders, and administrative actions relate to a function which has been transferred to the Chairman of the Office of Savings Associations, such rules, regulations, orders, or administrative actions shall be enforceable by the Chairman of the Office of Savings Associations.

(c) ALLOCATION OF AUTHORITY.—Not later than 60 days after the date of enactment of this Act, the Chairman of the Office of Savings Associations and the Chairman of the Federal Deposit Insurance Corporation shall identify the rules, regulations, and orders described in subsections (a) and (b) and shall publish in the Federal Register notice identifying such rules, regulations, and orders and the allocation of authority therefor. The foregoing requirement shall not apply to any order which by its terms provides for nondisclosure.

(d) SAVINGS PROVISION.—All orders, determinations, rules, and regulations, that—

(1) have been issued, made, or allowed to become effective by the Federal Savings and Loan Insurance Corporation, or by a court of competent jurisdiction, in the performance of functions which are transferred by this Act; and

(2) are in effect on the date this Act takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the Chairman of the Office of Savings Associations, or by the Federal Deposit Insurance Corporation, or by a court of competent jurisdiction, or by operation of law.

(e) FDIC AUTHORITY OVER CERTAIN SAVINGS ASSOCIATIONS.—The Federal Deposit Insurance Corporation shall have the power to promulgate and enforce rules, regulations, or orders to prevent actions or practices of savings associations (as defined in section 3 of the Federal Deposit Insurance Act) if such actions or practices pose a serious threat to the Savings Association Insurance Fund or the Bank Insurance Fund.

SEC. 403. PERSONNEL.

(a) IN GENERAL.—The Chairman of the Office of Savings Associations and the Chairman of the Federal Deposit Insurance Corporation, acting jointly, shall in their sole discretion—

(1) identify which employees of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation were, on the day before the date of enactment of this Act, engaged in functions or activities transferred to the Federal Deposit Insurance Corporation; and

(2) determine which of the employees so identified shall be transferred to the Federal Deposit Insurance Corporation.

The employees so determined to be transferred shall be entitled to the rights described in subsection (b).

(b) RIGHTS OF IDENTIFIED EMPLOYEES.—The rights described in this subsection are the following:

(1) Each employee identified in a transferred function shall be transferred to the Federal Deposit Insurance Corporation for employment and shall be guaranteed a position with the same status such employee had on the day immediately preceding the transfer.

(2) In the case of an employee who occupies a position in the excepted service, the excepted appointing authority established pursuant to law or regulation of the Office of Personnel Management for filling such position will be transferred to the Federal Deposit Insurance Corporation.

(3) All Board and Federal Savings and Loan Insurance Corporation employees transferring with their function shall be transferred to the Federal Deposit Insurance Corporation not later than 60 days after the date of enactment of this Act. For purposes of determining assignment rights after transfer, any transfer from the Board or the Federal Savings and Loan Insurance Corporation to the Federal Deposit Insurance Corporation shall be deemed a transfer of function consistent with Office of Personnel Management regulations promulgated pursuant to section 3503 of title 5, United States Code. After transfer to the Federal Deposit Insurance Corporation, transferring employees shall be placed consistent with section 351 of title 5, Code of Federal Regulations and shall receive notice of their assignment rights in a manner described to section 351 of title 5, Code of Federal Regulations, no later than 120 days after the effective date of their transfer to Federal Deposit Insurance Corporation.

(4) All Board and Federal Savings and Loan Insurance Corporation employees who transfer with their functions may be placed in competitive areas at Federal Deposit Insurance Corporation separate and apart from the competitive areas in existence at the Federal Deposit Insurance Corporation for purposes of placement. The Federal Deposit Insurance Corporation may provide for the assignment of a transferred employee in an excepted service position to a position in the competitive service. A transferring employee who is in the excepted service and is placed by Federal Deposit Insurance Corporation in a competitive service position shall have his or her appointment converted to career or career conditional in accordance with section 315.701 of title 5, Code of Federal Regulations.

(5) A transferring employee in the Senior Executive Service shall be placed in a comparable executive level position at the Federal Deposit Insurance Corporation.

(6) Transferring employees shall receive notice of their position assignment not later than 120 days after the effective date of their transfer.

(7) Transferring employees shall be entitled to pay and grade retention in accordance with the principles reflected in regulations promulgated by the Office of Personnel Management pursuant to sections 5361 through 5366 of title 5, United States Code.

(8) Any employee who does not transfer with his or her function to the Federal Deposit Insurance Corporation shall be entitled to severance pay in accordance with regulations promulgated by the Office of Personnel Management pursuant to section 5595 of title 5, United States Code, and shall be entitled to placement assistance under the Office of Personnel Management's Displaced Employee Program in accordance with sections 330.301 through 330.306 of title 5, Code of Federal Regulations. Notwithstanding the foregoing, severance pay shall in no event be less than 90 days pay. All such severance pay shall be paid by the Chairman of the Office of Savings Associations.

(9) Each employee in an excepted service position who does not transfer shall be entitled to placement assistance under the Office of Personnel Management's Interagency Placement Assistance Program for a period of 120 days after the effective date of the transfer.

(10) If a transferred Board or Federal Savings and Loan Insurance Corporation employee declines an offer of employment by the Federal Deposit Insurance Corporation and if such offer is not considered reasonable under regulations promulgated by the Office of Personnel Management pursuant to section 8336(d)(1) or section 8414(b)(1)(B) of title 5, United States Code, such employee shall be entitled to—

(A) the benefits specified in paragraph (8) or (9), and

(B) if otherwise eligible, shall be entitled to an early optional retirement under section 8336(d)(2) or section 8414(b)(1)(B) of title 5, United States Code.

Any benefits paid pursuant to this paragraph shall be paid by the Chairman of the Office of Savings Associations.

(11) If the Federal Deposit Insurance Corporation determines within one year after the transfer of functions that a reorganization of the combined workforce is required, such reorganization shall be deemed a "major reorganization" for purposes of affording transferred employees early optional retirement under section 8336(d)(2) or section 8414(b)(1)(B) of title 5, United States Code.

(12) Any employee employed by the Federal Deposit Insurance Corporation as a result of the transfer may retain through the end of the calendar year during which such transfer occurs membership in any employee benefit program of the Federal Home Loan Bank Board, including insurance, which he or she has on the date of enactment of this Act, if the employee does not elect to give up such membership and the benefit or program is continued by the Chairman of the Office of Savings Associations. The difference in the cost between the benefits which would have been provided by the Federal Deposit Insurance Corporation and those provided by this section shall be paid by the Chairman of the Office of Savings Associations.

(13) Subject to the exclusions set forth in section 7112(b) of title 5, United States Code, an employee transferred to the Federal Deposit Insurance Corporation shall be subject only to the provisions of labor organization certification and collective bargaining structures in place at the Federal Deposit Insurance Corporation.

SEC. 404. DIVISION OF PROPERTY AND PERSONNEL.

Not later than 60 days after the date of enactment of this Act, the Chairman of the Office of Savings Associations, jointly with the Chairman of the Federal Deposit Insurance Corporation, shall in accordance with this Act divide between the Chairman of the Office of Savings Associations and the Federal Deposit Insurance Corporation, all personnel and all property of the Federal Savings and Loan Insurance Corporation and the Federal Home Loan Bank Board. Any disagreement shall be resolved by the Director of the Office of Management and Budget.

SEC. 405. REPEALS.

Except as otherwise provided in this Act, sections 401, 402, 403, 404, 405, 406, 407 (except subsection (m)), 411, and 415 of the National Housing Act are hereby repealed.

SEC. 406. REPORT.

Immediately prior to its dissolution, the Federal Savings and Loan Insurance Corporation shall provide in writing to the Secretary of the Treasury, the Director of the Office of Management and Budget, and to the Congress, a final accounting of its finances and operations.

TITLE V—FINANCING FOR THRIFT RESOLUTIONS

Subtitle A—Resolution Trust Corporation

SEC. 501. RESOLUTION TRUST CORPORATION ESTABLISHED.

The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended by inserting after section 21 the following new section:

"SEC. 21A. RESOLUTION TRUST CORPORATION ESTABLISHED.

"(a) ESTABLISHMENT.—There is hereby established the Resolution Trust Corporation (hereinafter referred to as the 'Corporation') with the powers and authorities herein provided. The Corporation shall be under the direction of the Oversight Board. The Oversight Board and the Corporation shall not be an 'agency' or 'executive agency' for purposes of title 5, United States Code.

"(b) PURPOSES.—The purpose of the Corporation shall be to carry out a program, under the direction of the Oversight Board—

"(1) to manage and resolve all cases involving institutions, the accounts of which were insured by the Federal Savings and Loan Insurance Corporation, prior to the effective date of the FIRRE Act, for which a receiver or liquidating conservator—

"(A) was appointed between January 1, 1989, and the date of enactment of such Act, or

"(B) is appointed within 36 months after the date of the enactment of such Act;

"(2) to manage and wind up or otherwise dispose of the assets of the Federal Asset Disposition Association;

"(3) to conduct the operations of the Corporation in a manner which maximizes the recoveries on assets acquired by the Corporation, make efficient use of funds obtained from the Funding Corporation, and minimize losses realized in the resolution of cases; and

"(4) to perform such other functions as authorized under this Act.

"(c) AUTHORITY AND LIMITATIONS.—

"(1) In carrying out its activities, the Corporation shall possess all of the rights, powers, duties, and obligations provided in sections 11, 12, and 13 of the Federal Deposit Insurance Act, or otherwise granted herein. The Corporation shall not have the power to obligate the Federal Deposit Insurance Corporation or its funds. In connection with providing assistance to an institution, the Corporation shall consider and be subject to the limitations set forth in section 13(c)(4) of the Federal Deposit Insurance Act.

"(2)(A) As of the date of enactment of the FIRRE Act, the Corporation shall replace the Federal Savings and Loan Insurance Corporation as receiver or conservator for any institution for which the Federal Savings and Loan Insurance Corporation was appointed conservator or receiver during the period beginning on January 1, 1989, and ending on the date of enactment of the FIRRE Act. Effective on the date of enactment of such Act and notwithstanding section 11A of the Federal Deposit Insurance Act, the Corporation shall assume the position and responsibilities of the Federal Savings and Loan Insurance Corporation in the management contract between the Federal Savings and Loan Insurance Corporation and the Federal Deposit Insurance Corporation, and such contract shall remain in full force and effect for a period not to exceed 30 days during which the Oversight Board and the Federal Deposit Insurance Corporation may enter into a new contract.

"(B) During the 36 months following the date of enactment of the FIRRE Act, whenever the Federal Deposit Insurance Corporation has the power or authority to appoint itself as liquidating conservator or receiver for a Savings Association Insurance Fund member, the Corporation shall have such power and authority, and whenever the Chairman of the Office of Savings Associations shall appoint a liquidating conservator or receiver for any such member, only the Corporation shall be appointed.

"(d) OVERSIGHT BOARD.—

"(1) MEMBERSHIP.—The Oversight Board of the Resolution Trust Corporation shall serve as the board of directors thereof, and shall consist of 5 members—

"(A) the Secretary of the Treasury,

"(B) the Chairman of the Federal Reserve Board,

"(C) the Attorney General of the United States, and

"(D) 2 members from the private sector.

"(2) CHAIRMAN.—The Chairman of the Oversight Board shall be the Secretary of the Treasury.

"(3) PRIVATE SECTOR MEMBERS.—The 2 private sector members shall be appointed by the President and shall have substantial experience in the management of large business organizations engaged in real estate, finance, or development activities.

"(4) TERMS OF OFFICE, SUCCESSION, DELEGATION, AND VACANCIES.—The term of each member of the Oversight Board shall expire when the Resolution Trust Corporation is terminated. Vacancies on the Oversight Board shall be filled in the same manner as the vacant position was previously filled.

"(5) COMPENSATION.—Members of the Oversight Board shall receive reasonable allowances for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the Oversight Board, as set forth in the Oversight Board's bylaws, except that such allowances shall not exceed the maximum fixed by subchapter 1 of chapter 57 of title 5, United States Code, for officers and employees of the United States.

"(6) DUTIES.—The Oversight Board shall review and have overall responsibility over the work, progress, management and activities of the Corporation. The Oversight Board shall approve or disapprove, in its discretion, any regulation, policy, procedure, guideline, statement, contract, and other action of the Resolution Trust Corporation, and shall approve or disapprove, in its discretion, any agreement for the disposition of an institution under its management including an agreement for the purchase of assets and assumption of liabilities, consolidation or merger, or any other transaction by which any person or entity will acquire an institution subject to the provisions of this Act. Nothing in this paragraph shall preclude the Oversight Board from delegating authority to the chief executive officer or other appropriate employee of the Corporation.

"(7) QUORUM REQUIRED.—A quorum shall consist of 3 members of the Oversight Board and all decisions of the Board shall require an affirmative vote of at least a majority of the members voting.

"(8) STAFF.—The Oversight Board is authorized to employ such staff as it deems necessary and appropriate to fulfill its obligations under this Act. Such staff shall be subject to the terms and conditions of employment applicable to the Corporation. In addition, the Oversight Board may utilize the personnel of the agencies of the three government members without additional compensation.

"(9) RULES AND RECORDS.—The Oversight Board shall adopt such rules as it may deem appropriate for the transaction of its business and the accomplishment of its duties hereunder, and shall keep permanent and accurate records of its acts and proceedings.

"(e) CHIEF EXECUTIVE OFFICER.—A chief executive officer of the Corporation shall be selected by the Oversight Board and shall serve at the pleasure of the Board.

"(f) CORPORATE POWERS.—The Corporation shall be a body corporate and shall have the power to—

"(1) operate under the direction of the Oversight Board;

"(2) adopt, alter, and use a corporate seal, which shall be judicially noted;

"(3) issue capital certificates as provided in this Act;

"(4)(A) provide for one or more vice presidents, a secretary, a treasurer, and such other officers, employees, and agents, as may be necessary,

"(B) define the duties of such officers, employees, and agents, and

"(C) require surety bonds or make other provisions against losses occasioned by acts of such officers, employees, and agents;

"(5) subject to the approval of the Oversight Board, hire, promote, compensate, and discharge officers and employees of the Corporation, without regard to title 5, United States Code. The compensation and benefits of such employees shall be consistent with those of the Federal Deposit Insurance Corporation;

"(6) prescribe, with the approval of the Oversight Board, bylaws which shall be consistent with law and shall provide for the manner in which—

"(A) its officers, employees, and agents are selected;

"(B) its property is acquired, held, and transferred;

"(C) its general operations are to be conducted; and

"(D) the privileges granted to such Corporation by law are exercised and enjoyed;

"(7) with the consent of any executive department or agency, avail itself on a reimbursable basis of the use of information, services, staff, and facilities of such department or agency;

"(8) enter into contracts and make advance, progress, or other payments with respect to such contracts;

"(9) lease, purchase, or acquire any property, real, personal, or mixed, or any interest therein, to hold, rent, maintain, modernize, renovate, improve, use, and operate such property, to mortgage, pledge, or hypothecate such property, and to sell for cash or credit, lease, or otherwise dispose of the same;

"(10) enter into joint ventures;

"(11) obtain insurance against loss;

"(12) modify or consent to the modification of any contract or agreement to which it is a party or in which it has an interest under this Act;

"(13) deposit its securities and its current funds under the terms and conditions applicable to the Federal Deposit Insurance Corporation under section 13(b) of the Federal Deposit Insurance Act and pay fees therefor and receive interest thereon as may be agreed;

"(14) take (whenever possible) warrants, voting and nonvoting equity, or other participation interests in insured financial institutions or their holding companies, or assets or properties of institutions liquidated or otherwise resolved by the Corporation;

"(15) accept gifts or donations of services or of property, real or personal; and

"(16) exercise such other powers as set forth in this Act, and such incidental powers as are necessary to carry out its powers, duties, and functions in accordance with this Act.

"(g) SPECIAL POWERS.—

"(1) IN GENERAL.—The Resolution Trust Corporation is authorized—

"(A) to set the policy on credit standards to be used by any institution for which it is responsible;

"(B) to require a merger or consolidation of an institution for which it is responsible;

"(C) to exercise all resolution powers and activities, which the Federal Deposit Insurance Corporation is authorized to exercise under the Federal Deposit Insurance Act and which the Federal Savings and Loan Insurance Corporation was authorized to exercise under title IV of the National Housing Act (as in effect on the day preceding the date of enactment of the FIRRE Act), including the powers and authorities—

"(i) with respect to receiverships or conservatorships,

"(ii) to engage in assistance transactions,

"(iii) to collect indebtedness,

"(iv) to enforce liabilities and obligations,

"(v) to renegotiate debt instruments, and

"(vi) to exercise any incidental power and authority similar to those of the Federal Deposit Insurance Corporation which may be necessary to fulfill its obligations and duties under this Act; and

"(D) to take such other action as it determines may be necessary to carry out the purposes of this section.

"(2) CONTRACTUAL POWERS.—

"(A) GENERAL RULE.—The Corporation is authorized to enter into contracts with the Federal Deposit Insurance Corporation and with such other persons or entities, public and private, including State housing finance authorities (as defined in section 3 of the Federal Deposit Insurance Act), as it deems advisable and necessary in order to carry out its functions and purposes. The Federal Deposit Insurance Corporation shall be the primary manager of the Corporation in accordance with an agreement between the Federal Deposit Insurance Corporation and the Corporation, except in such case where the Corporation shall specifically contract with another person or entity.

"(B) LIMITATIONS.—

"(i) Except as provided in clause (iii), all contracts with persons or entities other than the Federal Deposit Insurance Corporation must be subject to a competitive bid process.

"(ii) The Corporation shall compensate the Federal Deposit Insurance Corporation for all costs and expenses which the Federal Deposit Insurance Corporation may incur in connection with services it provides.

"(iii) When exercising the rights and powers of the Federal Deposit Insurance Corporation as conservator or receiver, the Corporation shall contract in accordance with the procedures applicable under the Federal Deposit Insurance Act and regulations thereunder.

"(3) REVIEW OF 1988 RESOLUTION CASES.—The Corporation shall—

"(A) review and analyze (with the assistance of the Federal Deposit Insurance Corporation) all insolvent institution cases resolved by the Federal Savings and Loan Insurance Corporation between January 1, 1988, and the date of enactment of the FIRRE Act, and actively review all means by which it can reduce costs under existing Federal Savings and Loan Insurance Corporation agreements relating to such cases, including restructuring such agreements;

"(B) evaluate the costs under existing Federal Savings and Loan Insurance Corporation agreements with regard to the following:

"(i) capital loss coverage,

"(ii) yield maintenance guarantees,

"(iii) forbearances,

"(iv) tax consequences, and

"(v) any other relevant cost consideration;

"(C) review the bidding procedures used in resolving these cases in order to determine whether the bidding and negotiating processes were sufficiently competitive;

"(D) report to the Oversight Board the results and conclusions of its review. The Corporation, with the concurrence of the Oversight Board, shall exercise any and all existing legal rights to modify, renegotiate, or restructure such agreements where savings would be realized by such actions. The costs or income of any modifications shall be a liability or an asset of the Corporation or the Federal Savings and Loan Insurance Corporation Resolution Fund as determined by the Corporation.

"(4) nothing in this section shall be construed as granting or denying the Corporation any legal rights to modify, renegotiate, or restructure agreements between the Federal Savings and Loan Insurance Corporation and any other party, which did not exist prior to the enactment of the FIRRE Act.

"(h) INSTITUTIONS ORGANIZED BY THE CORPORATION.—

"(1) All insured savings associations organized by the Corporation under this section shall be subject to such limitations, restrictions, and conditions as determined by the Corporation with respect to the following activities—

"(A) growth of assets;

"(B) lending activities;

"(C) asset acquisitions (except as necessary to serve its existing customer base with residential mortgages or consumer loans);

"(D) use of brokered deposits; and

"(E) payment of deposit rates.

"(2) All insured savings associations organized by the Corporation shall be subject to all laws, rules, and regulations otherwise applicable to them as insured savings associations.

"(3) Any insured savings association organized by the Corporation under this section that holds deposits insured by the Federal Deposit Insurance Corporation shall continue to be subject to supervision by the Chairman of the Office of Savings Associations and Federal Deposit Insurance Corporation as provided by law.

"(i) FADA.—The Corporation shall convert the Federal Asset Disposition Association to a corporation or other business entity and sell such other corporate entity or business entity, or dissolve and wind up the affairs of such Association. In connection with any such sale, no contractual rights to manage the resolution of a savings association shall be transferred.

"(j) CAPITAL CERTIFICATES.—The Corporation shall be authorized to issue capital certificates to the Resolution Funding Corporation consistent with the provisions of section 21B of this Act in the following manner:

"(1) AUTHORIZATION TO ISSUE.—The Corporation is hereby authorized to issue to the Resolution Funding Corporation nonvoting capital certificates.

"(2) REQUIREMENT RELATING TO THE AMOUNT OF CERTIFICATES.—The amount of certificates issued by the Corporation under paragraph (1) shall be equal to the aggregate amount of funds provided by the Resolution Funding Corporation to the Corporation under section 21B.

"(3) CERTIFICATES MAY BE ISSUED ONLY TO THE RESOLUTION FUNDING CORPORATION.—Capital certificates issued under paragraph (1) may be issued only to the Resolution Funding Corporation in the manner and to the extent provided in section 21B and this section.

"(4) NO DIVIDENDS.—The Corporation shall not pay dividends on any capital certificates issued under this section.

"(k) EXEMPTION FROM TAXATION.—The Resolution Trust Corporation, the capital,

reserves, and surplus thereof, and the income derived therefrom, shall be exempt from Federal, State, municipal, and local taxation, except real estate held by the Corporation may be taxed according to its value to the same extent as other real property is taxed.

"(l) ADMINISTRATIVE EXPENSES.—Administrative expenses approved by the Oversight Board shall be paid from proceeds received from the Resolution Funding Corporation from the issuance of its obligations.

"(m) TERMINATION.—

"(1) RESOLUTION TRUST CORPORATION.—The Resolution Trust Corporation shall terminate on the expiration of the date which is 5 years after the date of enactment of the FIRRE Act.

"(2) CASE RESOLUTIONS.—Simultaneously with the termination of the Corporation, all assets and liabilities of the Corporation shall be transferred to the FSLIC Resolution Fund to be managed by the Federal Deposit Insurance Corporation with the proceeds of the net assets being provided to the Resolution Funding Corporation.

"(n) POWER TO REMOVE: JURISDICTION.—Notwithstanding any other provision of law, any civil action, suit, or proceeding to which the Corporation is a party shall be deemed to arise under the laws of the United States, and the United States district courts shall have original jurisdiction. The Corporation may, without bond or security, remove any such action, suit, or proceeding from a State court to the United States District Court for the District of Columbia, or if the action, suit, or proceeding arises out of the actions of the Corporation with respect to an institution for which a receiver or liquidating conservator has been appointed, the United States district court for the district where the institution is located. Nothing in this section shall imply a grant of jurisdiction not otherwise granted under section 11(m) of the Federal Deposit Insurance Act when the Corporation exercises the powers and functions as conservator or receiver under such Act.

"(o) GUARANTEES OF FSLIC.—

"(1) Guarantees issued by the Federal Savings and Loan Insurance Corporation after January 1, 1989, and before the date of enactment of the FIRRE Act, made in connection with loans made to savings associations extended by the Federal Reserve Banks and Federal Home Loan Banks (the "Lenders"), and guaranteed by the Federal Savings and Loan Insurance Corporation during such period, shall by operation of law and without further action by the Chairman of the Office of Savings Associations, the Federal Savings and Loan Insurance Corporation, or any court, become and be converted into obligations, entitlements, and instruments of the Corporation.

"(2) Obligations under the guarantees to the Lenders, assumed by the Corporation under paragraph (1), shall be paid by the Corporation not later than one year after the date of enactment of this section if such loans have not previously been paid. Payment shall be made using any funds or other assets available to the Corporation, including any resources available to it through borrowing by the Resolution Funding Corporation.

"(p) ISSUE REGULATIONS.—The Corporation may issue such regulations, policies, procedures, guidelines, or statements as it considers necessary or appropriate to carry out this section. Such regulations, policies, procedures, guidelines, or statements shall be promulgated and enforced without regard to subchapter II of chapter 5 of title 5, United States Code, and, when relating to the Corporation's exercise of rights and powers under the Federal Deposit Insurance Act shall be consistent with such Act and regulations thereunder.

"(q) BORROWING.—The Corporation is authorized to borrow from the Treasury, and the Secretary of the Treasury is authorized and directed to loan to the Corporation on such terms as may be established by the Secretary of the Treasury, an amount not to exceed $5,000,000,000 outstanding at any one time. Each such loan shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current market yield on outstanding marketable obligations of the United States with comparable maturities. For purposes of this subsection, the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are hereby extended to include such loans.

"(r) SOLICITATION AND SELECTION OF OFFERS FOR ASSISTED ACQUISITIONS AND ASSET DISPOSITION.—

"(1) IN GENERAL.—The Corporation shall prescribe procedures for the solicitation and selection of offers for assisted acquisitions and disposition of assets of institutions for which the Corporation is responsible, subject to approval by the Oversight Board. The procedures shall, consistent with the objectives of assisted acquisitions, provide for adequate competition, and fair and consistent treatment of offerors, and shall minimize cost to the Corporation and the Government.

"(2) DOCUMENTATION OF DECISIONS.—The Corporation shall document decisions made in the solicitation and selection process and the reasons for the decisions. The Corporation shall maintain this documentation as well as any other documentation relating to the solicitation and selection process in its offices.

"(s) REPORTS AND AUDITS.—

"(1) REPORTS.—

"(A) IN GENERAL.—The Corporation shall annually submit a full report of its and the Oversight Board's operations, activities, budget, receipts, and expenditures for the preceding 12-month period. The report shall include statements of financial position, income and expense, and cash flow, an analysis of surplus or deficit, and such additional statements and information as necessary to make known the financial condition and operations of the Corporation in accordance with generally accepted accounting principles. The report also shall include the Corporation's financial operating plans and forecasts (including estimates of actual and future spending, and estimates of actual and future noncash obligations) taking into account the Corporation's financial commitments, guarantees, and other contingent liabilities.

"(B) SEMIANNUAL REPORTS.—In addition to the annual report, the Corporation shall submit by April 30 and October 31 of each year, a semiannual report on activities and conditions of the Corporation for the 6-month period ending on the last day of the month prior to the month in which such report is to be submitted. Such semiannual report shall include—

"(i) a statement of the total book value of assets held by the Corporation at the beginning and at the end of the reporting period,

"(ii) the total book value of the Corporation's assets which are under the management of private persons and entities at the end of the reporting period,

"(iii) the total book value and total sale value of assets disposed of during the reporting period,

"(iv) summary data on discounts from book value at which assets of the Corporation were sold or otherwise disposed of during the reporting period,

"(v) a list of all of the areas that carried a distressed area designation during the reporting period (including a justification for removal of areas from or addition of areas to the list of distressed areas),

"(vi) an evaluation of market conditions in distressed areas and a description of any changes in conditions during the reporting period,

"(vii) the number of employees of the Corporation at the end of the reporting period and the total amounts expended on employee wages and salaries during such period, and the total amounts expended on private contractors,

"(viii) any change adopted by the Oversight Board in a minimum disposition price and the reasons for such change, and

"(ix) the valuation method or methods adopted by the Corporation to value assets as well as the reasons for selection of those methods.

"(C) SUBMISSION.—The reports, including the results of the audit conducted pursuant to paragraph (2), shall be submitted to the President of the Senate and the Speaker of the House of Representatives, who shall cause the same to be printed for the information of Congress, and to the President and with respect to the annual report, the submission shall be made as soon as practicable after the first day of January each year but not later than 6 months after the close of the 12-month period covered by the report.

"(2) AUDITS.—

"(A) ANNUAL AUDIT.—The Comptroller General shall audit annually the financial statements of the Corporation in accordance with generally accepted government auditing standards unless the Comptroller General notifies the chief executive officer of the Corporation not later than 180 days before the close of a fiscal year that the Comptroller General will not perform such audit for that fiscal year. In the event of such notification, the Corporation shall contract with an independent certified public accountant to perform the annual audit of the Corporation's financial statement in accordance with generally accepted government auditing standards.

"(B) ACCESS TO BOOKS AND RECORDS.—All books, records, accounts, reports, files, and property belonging to or used by the Corporation (including the Oversight Board), or by an independent certified public accountant retained to audit the Corporation's financial statement, shall be made available to the Comptroller General.

"(t) ASSET DISPOSITION.—

"(1) IN GENERAL.—The Corporation shall develop a strategic plan and shall establish and implement policies and procedures to—

"(A) maximize the net present value of the return from the assets it owns or manages;

"(B) minimize the disruption to the local real estate markets and banking and thrift communities caused by the Corporation's operations; and

"(C) provide for an adequate level of capital for the operation of the Corporation.

The plan shall provide for the disposition of assets, consistent with the above stated objectives, in the most efficient and orderly manner. Such policies and procedures shall, at a minimum, take into consideration the current local market conditions, an appropriate financing standard, the value of the asset, the potential appreciation of and the expenses and risks associated with holding the asset for a period of time, and the sources and cost of funds to further develop the asset. The policies and procedures shall also provide for adequate competition and fair and consistent treatment of third parties seeking to conduct business with the Corporation. The Corporation shall compile and maintain a list of properties with natural, cultural, recreational or scientific values of special significance. The Corporation from time to time shall provide the list to the Secretary of Interior, the Secretary of Agriculture, and appropriate state agencies. The Corporation's books and records shall contain evidence of the Corporation's adherence to its plans, policies, and procedures.

"(2) REGIONAL ADVISORY BOARD.—

"(A) IN GENERAL.—The Corporation shall establish no more than 12 Regional Advisory Board districts. As soon as practicable, the Corporation shall establish, in each district but not later than 90 days after the date of enactment of the FIRRE Act, a Regional Advisory Board. The Regional Advisory Boards shall continue in existence as long as the Corporation shall be in existence. A Regional Advisory Board shall consist of 5 members. The chief executive officer of the Corporation shall appoint the members of a Regional Advisory Board, who shall serve at his pleasure. The members shall be selected from those residents of the region with knowledge and experience regarding business, financial and real estate matters. A Regional Advisory Board shall consult with the Corporation on the strategic plans, marketing strategies, financing standards, and the policies and procedures developed to dispose of assets in distressed areas, and such other concerns as may assist the Corporation in furtherance of its purpose.

"(B) ADMINISTRATIVE PROVISIONS.—Except as otherwise provided herein, the Regional Advisory Boards shall be subject to the provisions of the Federal Advisory Committee Act. The members shall not be compensated except for reimbursement from the Corporation for reasonable travel and lodging expenses incurred while attending official meetings of a Regional Advisory Board. A Regional Advisory Board shall meet four times a year, or more frequently if requested by the chief executive officer of the Corporation. A Regional Advisory Board shall conduct its meetings in its district.

"(C) RULES AND PROCEDURES.—A Regional Advisory Board shall elect a chairman, vice-chairman, and secretary. The rules and procedures for the Regional Advisory Boards shall be established by the Corporation.

"(3) ALTERNATIVE PUBLIC USES.—When the value of an asset has decreased so that no reasonable recovery is anticipated, the Corporation may consider potential public uses of such asset including providing shelter for the homeless, day care centers for the children of low- and moderate-income families, or such other public purpose designated by the Secretary of Housing and Urban Development.

"(4) DISTRESSED AREAS.—

"(A) IN GENERAL.—In developing its strategic plan, the Corporation shall take the following steps to avoid adverse economic impact for those real estate markets that are distressed.

"(B) VALUATION AND DISPOSITION.—The Corporation shall establish an appraisal or other valuation method for determining the market value of real property. With respect to a real property asset with a market value in excess of a certain dollar limit, (such limit to be determined by the Oversight Board) consideration shall be given to the volume of assets above such limit and the potential impact of sales in such distressed areas. The Corporation shall not sell a real property asset located in a distressed area without obtaining at least the minimum disposition price, unless the chief executive officer, or his designees, determines that such a transaction furthers the three objectives set forth in paragraph (1) and the objective of this subsection.

"(5) DEFINITIONS.—For the purposes of this subsection:

"(A) The term 'minimum disposition price' means 95 percent of the market value established by the Corporation. The Oversight Board, in its discretion, may change the percentage set forth in this definition from time to time if the Oversight Board determines that such change does not adversely impact the objectives set forth in paragraph (1).

"(B) The term 'sell a real property asset' means to convey all title and interest in a piece of tangible real property in which the Corporation has a fee simple or equivalent interest. The term 'real property' does not include loans secured by real property, joint ventures, participation interests, options, or other similar interests. In addition, the term 'sell' does not include hypothecation of assets, issuance of asset backed securities, issuance of joint ventures, or participation interests, or other similar activities.

"(C) The term 'distressed area' means the geographic areas in those political subdivisions designated from time to time by the Oversight Board as having depressed real estate markets. Until the Oversight Board designates otherwise, such distressed areas shall be the States of Arkansas, Colorado, Louisiana, New Mexico, Oklahoma, and Texas.

"(D) The term 'market value' means the most probable price which a property should bring in a competitive and open market if—

"(i) all conditions requisite to a fair sale are present,

"(ii) the buyer and seller are acting prudently and are knowledgable, and

"(iii) the price is not affected by any undue stimulus.

"(u) EMPLOYEES AND INDEPENDENT CONTRACTORS.—For purposes of this Act, employees of the Corporation and independent contractors of the Corporation shall be subject to conflict of interest rules and ethical standards no less stringent than those applicable to employees of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act. Such rules and standards shall be promulgated by the Oversight Board, and incorporated into all agreements with independent contractors. Independent contractors and employees of the Corporation shall be subject to the penalties applicable to employees of the Federal Deposit Insurance Corporation.

"(v) ROLE OF PRIVATE SECTOR.—In carrying out the provisions of this section, the Corporation, the Federal Deposit Insurance Corporation, and the Oversight Board should utilize resources of private persons and entities for services, including real estate and loan portfolio asset management, property management, and brokerage, if such services are available in the private sector and utilization of such services would be practicable and efficient.".

Subtitle B—Resolution Funding Corporation

SEC. 502. RESOLUTION FUNDING CORPORATION ESTABLISHED.

The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended by inserting after section 21A the following new section:

"SEC. 21B. RESOLUTION FUNDING CORPORATION ESTABLISHED.

"(a) PURPOSE.—The purpose of the Resolution Funding Corporation is to provide funds to the Resolution Trust Corporation to enable the Resolution Trust Corporation to carry out the provisions of this Act.

"(b) ESTABLISHMENT.—Notwithstanding any other provision of law, and not later than 5 days after the date of enactment of this section, the Chairman of the Office of Savings Associations is authorized and directed to charter a corporation to be known as the Resolution Funding Corporation (hereinafter referred to as the 'Funding Corporation').

"(c) MANAGEMENT OF THE FUNDING CORPORATION.—

"(1) DIRECTORATE.—The Funding Corporation shall be under the management of a Directorate composed of 3 members as follows:

"(A) The director of the Office of Finance of the Federal Home Loan Banks (or the head of any successor office); and

"(B) Two members selected by the Oversight Board from among the presidents of the Federal Home Loan Banks.

"(2) TERMS.—Of the two members appointed under paragraph (1)(B), one shall be appointed for an initial term of two years and one shall be appointed for an initial term of three years. Thereafter, such member shall be appointed for a term of three years.

"(3) VACANCY.—If any member leaves the office in which such member was serving when appointed to the Directorate—

"(A) such member's service on the Directorate shall terminate on the date such member leaves such office; and

"(B) the successor to the office of such member shall serve the remainder of such member's term.

"(4) EQUAL REPRESENTATION OF BANKS.—No president of a Federal Home Loan Bank may be appointed to serve an additional term on the Directorate until such time as the presidents of each of the other Federal Home Loan Banks have served as many terms as the president of such bank.

"(5) CHAIRPERSON.—The Oversight Board shall select the chairperson of the Directorate from among the three members of the Directorate.

"(6) STAFF.—

"(A) NO PAID EMPLOYEES.—The Funding Corporation shall have no paid employees.

"(B) POWERS.—The Directorate may, with the approval of the Chairman of the Office of Savings Associations, authorize the officers, employees, or agents of the Federal Home Loan Banks to act for and on behalf of the Funding Corporation in such manner as may be necessary to carry out the functions of the Funding Corporation.

"(7) ADMINISTRATIVE EXPENSES.—

"(A) IN GENERAL.—All administrative expenses of the Funding Corporation, including custodian fees (as defined in subsection (k)(5) of this section), shall be paid by the Federal Home Loan Banks.

"(B) PRO RATA DISTRIBUTION.—The amount each Federal Home Loan Bank shall pay shall be determined by the Oversight Board by multiplying the total administrative expenses for any period by the percentage arrived at by dividing—

"(i) the aggregate amount the Oversight Board required such bank to invest in the Funding Corporation (as of the time of such determination) under paragraphs (4) and (5) of subsection (e) (computed without regard to paragraphs (3) or (6) of such subsection); by

"(ii) the aggregate amount the Oversight Board required all Federal Home Loan Banks to invest (as of the time of such determination) under such paragraphs.

"(C) ADMINISTRATIVE EXPENSES DEFINED.—For purposes of this paragraph, the term 'administrative expenses' does not include—

"(i) any interest on and any redemption premium with respect to any obligation of the Funding Corporation; or

"(ii) issuance costs (as defined in subsection (k)(4)).

"(8) REGULATION BY OVERSIGHT BOARD.—The Directorate of the Funding Corporation shall be subject to such regulations, orders, and directions as the Oversight Board may prescribe.

"(9) NO COMPENSATION FROM FUNDING CORPORATION.—Members of the Directorate of the Funding Corporation shall receive no pay, allowance, or benefit from the Funding Corporation for serving on the Directorate.

"(d) POWERS OF THE FUNDING CORPORATION.—The Funding Corporation shall have only the powers described in paragraphs (1) through (9), subject to the other provisions of this section and such regulations, orders, and directions as the Oversight Board may prescribe:

"(1) To issue nonvoting capital stock to the Federal Home Loan Banks;

"(2) To purchase capital certificates issued by the Resolution Trust Corporation under section 21A;

"(3) To issue debentures, bonds, or other obligations, and to borrow, to give security for any amount borrowed, and to pay interest on (and any redemption premium with respect to) any such obligation or amount;

"(4) To impose assessments in accordance with subsection (e)(7);

"(5) To adopt, alter, and use a corporate seal;

"(6) To have succession until dissolved;

"(7) To enter into contracts;

"(8) To sue and be sued in its corporate capacity, and to complain and defend in any action brought by or against the Funding Corporation in any State or Federal court of competent jurisdiction; and

"(9) To exercise such incidental powers not inconsistent with the provisions of this section and section 21A as are necessary and appropriate to carry out the provisions of this section.

"(e) CAPITALIZATION OF THE FUNDING CORPORATION.—

"(1) PURCHASE OF CAPITAL STOCK BY FEDERAL HOME LOAN BANKS.—Each Federal Home Loan Bank shall invest in nonvoting capital stock of the Funding Corporation at such times and in such amounts as the Oversight Board may prescribe up to a maximum of $2,995,800,000 less any amounts required to be invested in the capital stock of the Financing Corporation after December 31, 1988.

"(2) PAR VALUE; TRANSFERABILITY.—Each share of stock issued by the Funding Corporation to a Federal Home Loan Bank shall have a par value in an amount determined by the Oversight Board and shall be transferable at not less than par value only among the Federal Home Loan Banks in the manner and to the extent prescribed by the Oversight Board.

"(3) MAXIMUM INVESTMENT AMOUNT LIMITATION FOR EACH FEDERAL HOME LOAN BANK.—The aggregate amount of funds invested in nonvoting capital stock of the Funding Corporation by each Federal Home Loan Bank shall not exceed the aggregate amount calculated under subparagraphs (A) and (B):

"(A) the sum of—

"(i) the reserves maintained by such bank on December 31, 1988, pursuant to the requirement contained in the first two sentences of section 16 of this Act; and

"(ii) the undivided profits (as defined in paragraph (8)) of such bank on such date; minus

"(I) the amounts (as of December 31, 1988) invested in the capital stock of the Financing Corporation pursuant to section 21 of this Act; and

"(II) the amount of any reserves that the Chairman of the Office of Savings Associations may, by regulation, require such bank to maintain in order to meet such bank's obligations pursuant to sections 18, 21(b)(7) and 21B(c)(7) of this Act; and

"(B) for the period December 31, 1988, through December 31, 1991, or such later date as may be necessary to fund the Funding Corporation Principal Fund (as described in subsection (g)(2)), the sum of—

"(i) the amounts added to reserves after December 31, 1988, pursuant to the requirement contained in the first two sentences of section 16 of this Act; and

"(ii) the undivided profits of such bank accruing after December 31, 1988; minus

"(I) the amounts used to invest in the capital stock of the Financing Corporation pursuant to the requirement contained in section 21 of this Act after December 31, 1988; and

"(II) the amount of any reserves that the Chairman of the Office of Savings Associations may, by regulation, require such bank to maintain in order to meet such bank's obligations pursuant to sections 18, 21(b)(7), and 21B(c)(7) of this Act and section 403 of the FIRRE Act; and

"(iii) in the event the aggregate amount for all Federal Home Loan Banks determined under this subparagraph is less than $300,000,000 per year, an additional amount determined by allocating the deficiency among the banks in accordance with the formula contained in paragraph (5).

"(4) PRO RATA DISTRIBUTION OF FIRST $1,000,000,000 INVESTED IN THE FUNDING CORPORATION BY THE FEDERAL HOME LOAN BANKS.—With respect to the first $1,000,000,000 in the aggregate which the Chairman of the Office of Savings Associations (pursuant to section 21) or the Oversight Board (under this section), may require the Federal Home Loan Banks to invest in the capital stock of the Financing Corporation or the Funding Corporation, the amount which each Federal Home Loan Bank (or any successor to such bank) shall invest shall be determined by the Chairman of the Office of Savings Associations or the Oversight Board, as the case may be, by applying to the aggregate amount of such investment by all banks the percentage appearing in the following table for each such bank:

"Bank	Percentage
Federal Home Loan Bank of Boston	1.8629
Federal Home Loan Bank of New York	9.1006
Federal Home Loan Bank of Pittsburgh	4.2702
Federal Home Loan Bank of Atlanta	14.4007
Federal Home Loan Bank of Cincinnati	8.2653
Federal Home Loan Bank of Indianapolis	5.2863
Federal Home Loan Bank of Chicago	9.6886
Federal Home Loan Bank of Des Moines	6.9301
Federal Home Loan Bank of Dallas	8.8181
Federal Home Loan Bank of Topeka	5.2706
Federal Home Loan Bank of San Francisco	19.9644
Federal Home Loan Bank of Seattle	6.1422

"(5) PRO RATA DISTRIBUTION OF AMOUNTS REQUIRED TO BE INVESTED IN EXCESS OF $1,000,000,000.—With respect to any amount in excess of $1,000,000,000 which the Oversight Board may require the Federal Home Loan Banks to invest in capital stock of the Funding Corporation under this subsection, the amount which each Federal Home Loan Bank (or any successor to such bank) shall invest shall be determined by the Oversight Board by multiplying such excess amount by the percentage arrived at by dividing—

"(A) the sum of the total assets (as of the most recent December 31) held by all insured savings associations which are members of such bank; by

"(B) the sum of the total assets (as of such date) held by all insured savings associations which are members of a Federal Home Loan Bank.

"(6) SPECIAL PROVISIONS RELATING TO MAXIMUM AMOUNT LIMITATIONS.—

"(A) IN GENERAL.—If the amount any Federal Home Loan Bank is required to invest in capital stock of the Funding Corporation under paragraph (5) exceeds the maximum investment amount applicable to such bank under paragraph (3) at the time of such determination (hereinafter the 'excess amount')—

"(i) the Oversight Board shall require each remaining Federal Home Loan Bank to invest (in addition to the amount determined under paragraph (5) for such remaining bank and subject to the maximum investment amount applicable with respect to such remaining bank under paragraph (3) at the time of such determination) in such capital stock on behalf of the bank in the amount determined under subparagraph (B);

"(ii) the Oversight Board shall require the bank to subsequently purchase the excess amount of capital stock from the remaining banks in the manner described in subparagraph (C); and

"(iii) the requirements contained in subparagraph (D) relating to the use of net earnings available for dividends shall apply to such bank until the bank has purchased all of the excess amount of capital stock.

"(B) ALLOCATION OF EXCESS AMOUNT AMONG REMAINING HOME LOAN BANKS.—

"(i) The amount each remaining Federal Home Loan Bank shall be required to invest under subparagraph (A)(i) is the amount determined by the Oversight Board by multiplying the excess amount by the percentage arrived at by dividing—

"(I) the amount of capital stock of the Funding Corporation held by such remaining bank at the time of such determination; by

"(II) the aggregate amount of such stock held by all remaining banks at such time.

"(ii) If the allocation under this subparagraph results in a remaining bank exceeding its maximum investment amount under paragraph (3), such excess amount shall be reallocated to the other remaining banks in accordance with this subparagraph.

"(C) PURCHASE PROCEDURE.—

"(i) The bank on whose behalf an investment in capital stock is made under subparagraph (A)(i) shall purchase stock annually from each remaining bank at a price equal to the issuance.

"(ii) The Oversight Board shall determine the dollar amount of such stock to be purchased from each remaining bank by multiplying the amount available for such purchases (at the time of such determination) by the percentage determined under subparagraph (B) with respect to such remaining bank until the aggregate amount of such capital stock has been purchased by the bank.

"(D) TRANSFER TO ACCOUNT FOR THE PURCHASE OF STOCK REQUIRED.—Of the net earnings available for dividends for any year of a bank on whose behalf an investment is made under subparagraph (A)(i), up to a maximum of 20 percent of such earnings, such amount as is necessary to make the purchases of stock required under subparagraph (A)(ii) shall be placed in a reserve account (established in such manner as the Oversight Board shall prescribe by regulations) the balance of which shall be available only for such purchases.

"(F) NET EARNINGS AVAILABLE FOR DIVIDENDS DEFINED.—For purposes of this paragraph, the term 'net earnings available for dividends' means the net earnings of a bank for any period as computed before reducing the amount of earnings for such period by the amount required to purchase capital stock under paragraph (4) or (5) or under subparagraph (A) or (C) of this paragraph.

"(7) ADDITIONAL SOURCES.—In the event that each Federal Home Loan Bank has exhausted the investment amount applicable with respect to such bank under paragraph (3) with respect to investments under paragraphs (4), (5), and (6), then the amounts necessary to provide additional funding for the Funding Corporation Principal Fund shall be obtained as follows:

"(A) First, the Funding Corporation, with the approval of the Board of Directors of the Federal Deposit Insurance Corporation, shall assess each Savings Association Insurance Fund member an assessment in the same manner the Federal Deposit Insurance Corporation assesses such members under section 7 of the Federal Deposit Insurance Act. The maximum amount of the aggregate assessment shall be the amount of additional funds necessary to fund the Funding Corporation Principal Fund. However, the amount assessed under this subparagraph and the amount assessed by the Financing Corporation under section 21 shall not exceed the amount authorized to be assessed under section 7 of the Federal Deposit Insurance Act. The Financing Corporation shall have first priority to make such assessments and all such amounts shall be subtracted from the amounts authorized to be assessed by the Federal Deposit Insurance Corporation under section 7 of the Federal Deposit Insurance Act.

"(B) To the extent funds available pursuant to subparagraph (A) are insufficient to capitalize the Funding Corporation and to provide funds for the Funding Corporation Principal Fund, the Federal Deposit Insurance Corporation shall transfer to the Funding Corporation from the receivership proceeds of the FSLIC Resolution Fund, the remaining amount of funds necessary for such purpose.

"(8) UNDIVIDED PROFITS DEFINED.—For purposes of paragraph (3), the term 'undivided profits' means retained earnings minus the sum of—

"(A) that portion required to be added to reserves maintained pursuant to the first two sentences of section 16; and

"(B) the dollar amounts held by the respective Federal Home Loan Banks in special dividend stabilization reserves on December 31, 1985, as determined by the table set forth in section 21(d)(7).

"(f) OBLIGATIONS OF THE FUNDING CORPORATION.—

"(1) ISSUANCE.—The Funding Corporation, subject to the direction of the Resolution Trust Corporation, may issue bonds, notes, debentures, and similar obligations, in an aggregate amount not to exceed $50,000,000,000.

"(2) INTEREST PAYMENTS.—The Funding Corporation shall pay the interest due on (and any redemption premium with respect to) such obligations from funds obtained for such interest payments from the following sources.

"(A) The Resolution Trust Corporation shall pay to the Funding Corporation—

"(i) the net proceeds received by the Resolution Trust Corporation from the liquidation of institutions under its management (pursuant to section 21A) to the extent such proceeds are determined by the Oversight Board to be in excess of funds necessary for resolution costs, and

"(ii) any proceeds from warrants and participations of the Resolution Trust Corporation; and

"(B) To the extent the funds available pursuant to subparagraph (A) are insufficient to cover the amount of interest payments, then the Federal Home Loan Banks shall pay to the Funding Corporation the aggregate annual amount of $300,000,000 minus the amounts needed by the Financing Corporation (pursuant to section 21) and the amounts needed to purchase Funding Corporation capital certificates. Each bank's individual share of any amounts required to be paid by the Federal Home Loan Banks under this subparagraph shall be determined as follows, subject to the procedures and limitations of paragraphs (3), (4), and (6) of subsection (e):

"(i) Each Federal Home Loan Bank shall pay an equal percentage of its net earnings for the year for which such amount is required to be paid, up to a maximum of 20 percent of net earnings.

"(ii) To the extent that the aggregate amount required to be paid by the Federal Home Loan Banks under this subparagraph for any year exceeds 20 percent of the aggregate net earnings of the Federal Home Loan Banks for such year, each bank shall pay 20 percent of its net earnings for such year as provided in clause (i), and each bank's individual share of the excess of the required amount over 20 percent of the aggregate net earnings of the Federal Home Loan Banks for such year shall be determined by dividing—

"(I) the average month-end level of advances made in the prior year by such bank to Savings Associations Insurance Fund members; by

"(II) the average month-end level of advances made in the prior year by all Federal Home Loan Banks to Savings Associations Insurance Fund members.

"(C) The proceeds of all net assets of the Resolution Trust Corporation, upon its dissolution, which shall be transferred to the Funding Corporation; and

"(D) Notwithstanding any other provision of this Act, to the extent that the Directorate determines, after consultation with and approval by the Secretary of the Treasury, that the Funding Corporation is unable to pay the interest on any obligation issued under this subsection from the sources described in subparagraphs (A), (B), and (C), the Secretary of the Treasury shall pay to the Funding Corporation the additional amount due which shall be used by the Funding Corporation to pay such interest. In each such instance where the Secretary of the Treasury is required to make a payment under this subparagraph, the amount of the payment shall become a liability of the Funding Corporation to be repaid to the Secretary of the Treasury upon dissolution of the Funding Corporation to the extent that the Funding Corporation may have any remaining assets. There are hereby appropriated to the Secretary of the Treasury, for fiscal year 1989 and each fiscal year thereafter, such sums as may be necessary to carry out this paragraph.

"(3) PRINCIPAL PAYMENTS.—On maturity of an obligation issued under this subsection, the obligation shall be repaid by the Funding Corporation from the liquidation of noninterest bearing instruments held in the Funding Corporation Principal Fund. The Funding Corporation shall obtain funds for such Principal Fund pursuant to subsection (e). All of such funds shall be invested in noninterest bearing instruments described in subsection (g)(1).

"(4) PROCEEDS TO BE INVESTED IN CAPITAL CERTIFICATES OF THE RESOLUTION TRUST CORPORATION.—Subject to such terms and conditions as may be approved by the Oversight Board, the proceeds (less any discount, plus any premiums, and net of issuance costs) of any obligation issued by the Funding Corporation shall be used to—

"(A) purchase the capital certificates issued by the Resolution Trust Corporation under section 21A of this Act; or

"(B) refund any previously issued obligation the proceeds of which were invested in the manner described in subparagraph (A).

"(5) INVESTMENT OF UNITED STATES FUNDS IN OBLIGATIONS.—Obligations issued under this section by the Funding Corporation, at the direction of the Oversight Board shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer of the United States.

"(6) MARKET FOR OBLIGATIONS.—All persons having the power to invest in, sell, underwrite, purchase for their own accounts, accept as security, or otherwise deal in obligations of the Federal Home Loan Banks shall also have the power to do so with respect to obligations of the Funding Corporation.

"(7) TAX EXEMPT STATUS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), obligations of the Funding Corporation shall be exempt from tax both as to principal and interest to the same extent as any obligation of a Federal Home Loan Bank is exempt from tax under section 13 of this Act.

"(B) EXCEPTION.—The Funding Corporation, like the Federal Home Loan Banks, shall be treated as an agency of the United States for purposes of the first sentence of section 3124(b) of title 31, United States

Code (relating to determination of tax status of interest on obligations).

"(8) OBLIGATIONS ARE EXEMPT SECURITIES.—Notwithstanding paragraph (10), obligations of the Funding Corporation shall be deemed to be exempt securities (within the meaning of the laws administered by the Securities and Exchange Commission) to the same extent as securities which are direct obligations of the United States or are guaranteed as to principal or interest by the United States.

"(9) MINORITY PARTICIPATION IN PUBLIC OR NEGOTIATED OFFERINGS.—The Oversight Board and the Directorate shall ensure that minority owned or controlled commercial banks, investment banking firms, underwriters, and bond counsels throughout the United States have an opportunity to participate to a significant degree in any public or negotiated offering of obligations issued under this section.

"(10) NO FULL FAITH AND CREDIT OF THE UNITED STATES.—Obligations of the Funding Corporation shall not be obligations of, or guaranteed as to principal by, the Federal Home Loan Bank System, the Federal Home Loan Banks, the United States, or the Resolution Trust Corporation and the obligations shall so plainly state. The Secretary of the Treasury shall pay interest on such obligations as required pursuant to this subsection.

"(g) USE AND DISPOSITION OF ASSETS OF THE FUNDING CORPORATION NOT INVESTED IN RESOLUTION TRUST CORPORATION.—

"(1) IN GENERAL.—Subject to such regulations, restrictions, and limitations as may be prescribed by the Oversight Board, assets of the Funding Corporation, which are not required to be invested in capital certificates issued by the Resolution Trust Corporation under section 21A of this Act and which are not needed for current interest payments, shall be invested in—

"(A) direct obligations of the United States;

"(B) obligations, participations, or other instruments of, or issued by, the Federal National Mortgage Association or the Government National Mortgage Association;

"(C) mortgages, obligations, or other securities for sale by, or which have been disposed of by, the Federal Home Loan Mortgage Corporation under section 305 or 306 of the Federal Home Loan Mortgage Corporation Act; or

"(D) any other security in which it is lawful for fiduciary and trust funds to be invested under the laws of any State.

"(2) SEGREGATED ACCOUNT FOR ZERO COUPON INSTRUMENTS HELD TO ASSURE PAYMENT OF PRINCIPAL.—The Funding Corporation shall invest funds from sources specified in subsection (e) in, and hold in a segregated account (the 'Funding Corporation Principal Fund'), noninterest bearing instruments—

"(A) which are securities described in paragraph (1); and

"(B) the total of the face amounts (the amount of principal payable at maturity) of which is approximately equal to the aggregate amount of principal on the obligations of the Funding Corporation.

"(3) EARNINGS ON CERTAIN ASSETS.—All earnings on assets that are invested pursuant to paragraph (1) and not pursuant to paragraph (2) shall be used before the funds described in subsection (f)(2) to make interest payments on Funding Corporation obligations when interest is due.

For purposes of the foregoing, the Funding Corporation shall be deemed to hold noninterest bearing instruments that it may lend temporarily to primary United States Treasury dealers in order to enhance market liquidity and facilitate deliveries, provided that United States Treasury securities of equal or greater value have been delivered as collateral.

"(h) MISCELLANEOUS PROVISIONS RELATING TO THE FUNDING CORPORATION.—

"(1) TREATMENT FOR CERTAIN PURPOSES.—Except as provided in subsection (f)(7)(B), the Funding Corporation shall be treated as a Federal Home Loan Bank for purposes of sections 13 and 23.

"(2) FEDERAL RESERVE BANKS AS DEPOSITARIES AND FISCAL AGENTS.—The Federal Reserve banks are authorized to act as depositaries for or fiscal agents or custodians of the Funding Corporation.

"(3) APPLICABILITY OF CERTAIN PROVISIONS RELATING TO GOVERNMENT CORPORATIONS.—The Funding Corporation shall be treated, for purposes of sections 9105, 9107, and 9108 of title 31, United States Code, as a mixed-ownership Government corporation which has capital of the Government.

"(4) JURISDICTION AND POWER TO REMOVE.—

"(A) Notwithstanding any other provision of law, any civil action, suit, or proceeding to which the Funding Corporation is a party shall be deemed to arise under the laws of the United States, and the United States District Court for the District of Columbia shall have original jurisdiction over such action, suit, or proceeding.

"(B) The Funding Corporation may, without bond or security, remove any such action, suit, or proceeding from a State court to the United States District Court for the District of Columbia.

"(5) ANNUAL REPORTS ON THE FUNDING CORPORATION.—

"(A) IN GENERAL.—The Funding Corporation shall annually submit a full report of its operations, activities, budget, receipts, and expenditures for the preceding 12-month period. The report shall include—

"(i) audited statements of financial position, income and expense, and cash flow, an analysis of surplus or deficit, and such additional statements and information as necessary to make known the financial condition and operations of the Corporation in accordance with generally accepted accounting principles; and

"(ii) the Corporation's financial operating plans and forecasts (including estimates of actual and future spending, and estimates of actual and future noncash obligations) taking into account the Corporation's financial commitments, guarantees and other contingent liabilities.

"(B) SUBMISSION.—The report, including the results of the audit conducted pursuant to paragraph (6), shall be submitted to the President of the Senate and the Speaker of the House of Representatives, who shall cause the same to be printed for the information of Congress, and to the President as soon as practicable after the first day of January each year but not later than 6 months after the close of the 12-month period covered by the report.

"(6) INDEPENDENT AUDITS.—The financial statements of the Resolution Funding Corporation shall be audited annually by an independent certified public accountant in accordance with generally accepted government auditing standards.

"(i) TERMINATION OF THE FUNDING CORPORATION.—

"(1) IN GENERAL.—The Funding Corporation shall be dissolved, as soon as practicable, after the maturity and full payment of all obligations issued by the Funding Corporation under this section.

"(2) OVERSIGHT BOARD AUTHORITY TO CONCLUDE THE AFFAIRS OF THE FUNDING CORPORATION.—Effective on the date of the dissolution of the Funding Corporation under paragraph (1), the Oversight Board may exercise on behalf of the Funding Corporation, any power of the Funding Corporation which the Oversight Board determines to be necessary to settle and conclude the affairs of the Funding Corporation.

"(j) REGULATIONS.—The Oversight Board may prescribe such regulations as may be necessary to carry out the provisions of this section, including regulations defining terms used in this section.

"(k) DEFINITIONS.—For purposes of this section—

"(1) INSURED SAVINGS ASSOCIATION.—The term 'insured savings association' means a savings association as such term is defined by section 7(l) of the Federal Deposit Insurance Act.

"(2) OVERSIGHT BOARD.—The term 'Oversight Board' means the Oversight Board of the Resolution Trust Corporation under section 21A, and after the termination of such Corporation, the term shall mean the Secretary of the Treasury, the Chairman of the Federal Reserve Board and the Attorney General.

"(3) DIRECTORATE.—The term 'Directorate' means the Directorate established in the manner provided in subsection (c)(1) to manage the Funding Corporation.

"(4) ISSUANCE COSTS.—The term 'issuance costs'—

"(A) means issuance fees and commissions incurred by the Funding Corporation in connection with the issuance or servicing of any obligations of the Funding Corporation; and

"(B) includes legal and accounting expenses, trustee and fiscal paying agent charges, costs incurred in connection with preparing and printing offering materials, and advertising expenses, to the extent that any such costs or expense is incurred by the Funding Corporation in connection with issuing any obligation.

"(5) CUSTODIAN FEE.—The term 'custodian fee' means—

"(A) any fee incurred by the Funding Corporation in connection with the transfer of any security to, or the maintenance of any security in, the segregated account established under subsection (g); and

"(B) any other expense incurred by the Funding Corporation in connection with the establishment or maintenance of such account.".

SEC. 503. FINANCING CORPORATION.

Section 21 of the Federal Home Loan Bank Act (12 U.S.C. 1441) is amended—

(1) by striking the term "insured institution" each place it appears and inserting "insured savings association";

(2) by striking the term "institution" each place it appears and inserting "savings association";

(3) by striking the term "Federal Home Loan Bank Board" and the term "Board" each place such terms appear and inserting "Chairman of the Office of Savings Associations;

(4) in subsection (c)(2) by inserting "prior to the date of the enactment of the FIRRE Act and thereafter by the FSLIC Resolution Fund" before the period;

(5) in subsection (c)(9) by striking out "or section 402(b) of the National Housing Act";

(6) in subsection (e)(3)(A) by inserting "prior to the enactment of the FIRRE Act, and thereafter purchase capital certificates

or capital stock issued by the FSLIC Resolution Fund" before the semicolon;

(7) in subsection (e)—

(A) by striking paragraph (2) and redesignating paragraphs (3) through (10) as paragraphs (2) through (9), respectively, and

(B) in paragraph (6) as redesignated, by striking "the Federal Savings and Loan Insurance Corporation" and inserting "the FSLIC Resolution Fund" in lieu thereof;

(8) by striking subsection (f) and inserting the following:

"(f) SOURCES OF FUNDS FOR INTEREST PAYMENTS; FINANCING CORPORATION ASSESSMENT AUTHORITY.—The Financing Corporation shall obtain funds for interest payments on obligations issued hereunder from the following sources:

"(1) The Financing Corporation assessments which were assessed on insured institutions pursuant to this section as in effect prior to the date of enactment of the FIRRE Act;

"(2) The Financing Corporation, with the approval of the Board of Directors of the Federal Deposit Insurance Corporation, shall make assessments on each Savings Association Insurance Fund member in the same manner as assessments are made by the Federal Deposit Insurance Corporation with respect to Savings Association Insurance Fund members under section 7 of the Federal Deposit Insurance Act. The amount assessed hereunder and the amount assessed by the Funding Corporation under section 21B shall not exceed the amount authorized to be assessed pursuant to section 7 of the Federal Deposit Insurance Act, and the Financing Corporation shall have first priority to make such assessments. All assessments made by the Financing Corporation under this section and by the Funding Corporation under section 21B shall be subtracted from the amounts authorized to be assessed by the Federal Deposit Insurance Corporation pursuant to section 7 of the Federal Deposit Insurance Act; and

"(3) To the extent the funds available pursuant to paragraphs (1) and (2) are insufficient to cover the amount of interest payments, and if the funds are not required by the Resolution Funding Corporation to provide funds for the Funding Corporation Principal Fund under section 21B, the Federal Deposit Insurance Corporation shall transfer to the Financing Corporation from the proceeds of the FSLIC Resolution Fund (established under section 11A of the Federal Deposit Insurance Act) the remaining amount of funds necessary for the Financing Corporation to make interest payments.";

(9) in subsection (g)(1) by striking "National Housing Act," and inserting "National Housing Act before the date of enactment of the FIRRE Act and after such date in capital certificates issued by the FSLIC Resolution Fund,";

(10) in subsection (g), by inserting the following at the end of paragraph (2): "For purposes of the foregoing, the Financing Corporation shall be deemed to hold noninterest bearing instruments that it lends temporarily to primary United States Treasury dealers in order to enhance market liquidity and facilitate deliveries, provided that United States Treasury securities of equal or greater value have been delivered as collateral.";

(11) in subsection (j), by striking subparagraph (A) of paragraph (1) and inserting the following:

"(A) the maturity and full payment of all obligations issued by the Financing Corporation pursuant to this section; or"; and

(12) in subsection (1)—

(A) by striking paragraph (1) and inserting the following:

"(1) INSURED SAVINGS ASSOCIATION.—The term 'insured savings association' means a savings association as defined by section 7(l) of the Federal Deposit Insurance Act."; and

(B) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

SEC. 504. MIXED OWNERSHIP GOVERNMENT CORPORATION.

Section 9101(2) of title 31, United States Code, is amended by adding at the end thereof the following new subparagraphs:

"(L) the Resolution Funding Corporation.

"(O) the Resolution Trust Corporation.".

SEC. 505. FEDERAL HOME LOAN BANK RESERVES.

(a) IN GENERAL.—Section 16(a) of the Federal Home Loan Bank Act (12 U.S.C. 1436(a)) is amended—

(1) by striking the first three sentences and inserting in lieu thereof: "Each Federal Home Loan Bank may carry to a reserve account from time-to-time such portion of its net earnings as may be determined by its board of directors. If the reserve accounts of a bank established pursuant to this section reach 100 percent of the paid-in capital of the bank but are subsequently reduced below such amount, such reserves shall be restored to 100 percent of the paid-in capital of the bank before any dividends are paid."; and

(2) by inserting at the end of section 16(a) the following: "For the purpose of this section, net earnings shall be computed without reduction by any charge or expense incurred by a bank in connection with the bank's investment in the Funding Corporation under section 21(B).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a)(1) shall take effect on January 1, 1992.

TITLE VI—THRIFT ACQUISITION ENHANCEMENT PROVISIONS

SEC. 601. ACQUISITION OF THRIFTS BY BANK HOLDING COMPANIES.

Section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843) is amended by adding at the end thereof the following new subsection:

"(i) ACQUISITION OF SAVINGS ASSOCIATIONS.—Beginning on the date which is two years after the date of the enactment of the FIRRE Act, the Board may approve an application by a bank holding company under subsection (c)(8) to acquire any savings association pursuant to the requirements and limitations of this section. The Board may immediately approve an application by a bank holding company under subsection (c)(8) (pursuant to the requirements and limitations of this section) to acquire a saving association that does not meet the capital standards prescribed by the Chairman of the Office of Savings Associations, or that, excluding goodwill, has less than 2 percent tier 1 capital. In approving an application by a bank holding company to acquire a savings association, the Board shall not impose restrictions on transactions between the savings association and its holding company affiliates, except as required under the provisions of sections 23A and 23B of the Federal Reserve Act or other applicable statute. The Board shall modify any orders authorizing the acquisition of a savings association by a bank holding company in a manner consistent with the preceding sentence.".

SEC. 602. INVESTMENTS BY SAVINGS AND LOAN HOLDING COMPANIES IN UNAFFILIATED THRIFT INSTITUTIONS.

Section 10(e)(1)(A)(iii) of the Home Owners' Loan Act of 1933, as amended by section 301 of this Act, is amended to read as follows:

"(iii) to acquire, by purchase or otherwise, or to retain more than 5 percent of the voting shares of a savings association not a subsidiary, or of a savings and loan holding company not a subsidiary, or in the case of a multiple savings and loan holding company, to so acquire or retain more than 5 percent of the voting shares of any company not a subsidiary which is engaged in any business activity other than those specified in subsection (c)(2). This subparagraph shall not apply to shares of a savings association or of a savings association holding company—

"(I) held as a bona fide fiduciary (whether with or without the sole discretion to vote such shares);

"(II) held temporarily pursuant to an underwriting commitment in the normal course of an underwriting business;

"(III) held in an account solely for trading purposes or over which no control is held other than control of voting rights acquired in the normal course of a proxy solicitation;

"(IV) acquired in securing or collecting a debt previously contracted in good faith, for two years after the date of acquisition or for such additional time (not exceeding 3 years) as the Chairman may permit if, in the Chairman's judgment, such an extension would not be detrimental to the public interest;

"(V) acquired under section 13(k)(1)(A)(i) of the Federal Deposit Insurance Act; or

"(VI) shares held by insurance companies as defined in section 2(a)(17) of the Investment Company Act of 1940, so long as all shares held under this subclause do not in the aggregate exceed 1 percent of any class of such shares.".

SEC. 603. TECHNICAL AMENDMENT TO THE BANK HOLDING COMPANY ACT.

Section (2)(j) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(j)) is amended to read as follows:

"(j) INSURED INSTITUTION; SAVINGS ASSOCIATION.—For purposes of this Act, the terms 'insured institution' and 'savings association' have the meaning given to the term 'savings association' in section 10(a)(1)(A) of the Home Owners' Loan Act of 1933.".

TITLE VII—FEDERAL HOME LOAN BANK SYSTEM REFORMS

Subtitle A—Federal Home Loan Bank Act Amendments

SEC. 701. DEFINITIONS.

(a) IN GENERAL.—Section 2 of the Federal Home Loan Bank Act (12 U.S.C. 1422) is amended—

(1) by striking paragraphs (1) and (2) and inserting the following:

"(1) The term 'Agency' means the 'Federal Home Loan Bank Agency' established under section 17.

"(2)(A) The term 'Federal Home Loan Bank' or 'Bank' means a bank established under the authority of this Act.

"(B) The term 'Federal Home Loan Bank System' means the Federal Home Loan Banks and their joint offices, under the supervision of the Agency.";

(2) in paragraph (4), by striking "(except when used in reference to the member of the board)"; and

(3) by adding at the end the following:

"(10) The term 'savings association' has the same meaning as in section 2(c) of the

Home Owners Loan Act of 1933 (12 U.S.C. 1462(c)).".

(b) CHANGE IN TERMS.—

(1) IN GENERAL.—The Federal Home Loan Bank Act is amended by striking "Federal Home Loan Bank Board", "Board", and "board" each place they appear and inserting "Federal Home Loan Bank Agency", "Agency", and "Agency", respectively.

(2) EXCEPTIONS.—The amendments made by subsection (a) shall not apply to sections 21, 21A, and 21B, of the Federal Home Loan Bank Act.

(c) TECHNICAL AMENDMENTS.—(1) Section 11(e)(2)(C) of the Federal Home Loan Bank Act (12 U.S.C. 1431(e)(2)(C)) is amended by inserting "Federal Home Loan" before "Banks,"; and

(2) The first sentence in the third paragraph of section 11(i) of such Act is amended by inserting "Federal" before "Home Loan Bank System".

SEC. 702. FEDERAL HOME LOAN BANK AGENCY.

Section 17 of the Federal Home Loan Bank Act (12 U.S.C. 1437) is amended to read as follows:

"SEC. 17. FEDERAL HOME LOAN BANK AGENCY.

"(a) IN GENERAL.—There is established as an independent agency in the executive branch the Federal Home Loan Bank Agency. The Agency shall supervise the Federal Home Loan Banks and shall promulgate and enforce such rules, regulations, and orders, as are necessary from time to time for carrying out the provisions of this Act and all other laws it is his duty to implement.

"(b) FUNCTION.—The function of the Agency shall be to ensure that the Federal Home Loan Banks carry out their housing finance mission, that the Federal Home Loan Banks remain adequately capitalized and able to raise funds in the capital markets, and that the Federal Home Loan Banks operate in a safe and sound manner.

"(c) APPOINTMENT.—

"(1) IN GENERAL.—The Agency shall be under the direction of a Board of Directors consisting of a President and 2 other members, all of whom shall be citizens of the United States, shall be appointed by the President, by and with the advice and consent of the Senate, and shall hold office for a term of 6 years. No member of the Board of Directors shall hold any other appointive office during his or her term as a Director. Not more than 2 members of the Board of Directors shall be members of the same political party.

"(2) QUALIFICATIONS.—The Board of Directors shall be appointed from among persons with extensive experience or training in housing finance and with a commitment to the provision of specialized housing credit.

"(3) CONTINUED SERVICE UNTIL SUCCESSOR APPOINTED.—Each member of the Board of Directors may continue to serve until a successor has been appointed and qualified.

"(d) APPOINTMENT OF STAFF.—Subject to title IV of the FIRRE Act, the Agency may employ, direct, and fix the compensation of such employees, attorneys and agents as it deems necessary to carry out its duties, except that in no event shall the Agency delegate any function to any employee or administrative unit of any Federal Home Loan Bank. In directing and fixing such compensation, the Agency shall consult with and maintain comparability with the compensation at the other Federal bank regulatory agencies. Notwithstanding any other provision of this Act, no officer, employee, or agent of the Banks shall be a Federal officer or employee under any definition of either term in section 2104, 2105, 5331, 5541, 5561, 5701, 7103, 8101, 8311, 8331, or any other provision of title 5, United States Code. Any person appointed as agent of the Agency by the Agency shall be deemed an 'employee of the Government' solely for the purpose of section 2671 of title 28, United States Code.

"(e) SUSPENSION AND REMOVAL.—The Agency may suspend or remove for cause a director, officer, employee, or agent of any Federal Home Loan Bank or administrative unit thereof. The cause of such suspension or removal shall be communicated in writing forthwith to such director, officer, employee, or agent and to such Bank or administrative unit.

"(f) SALARIES AND EXPENSES.—The salaries of the Board of Directors and other employees of the Agency and all other expenses thereof may be paid from assessments levied on the Federal Home Loan Banks pursuant to section 18 of this Act, and the funds derived from such assessments may be deposited by the Agency in the same manner as authorized under section 5240 of the Revised Statutes and shall not be construed to be Government Funds or appropriated monies, or subject to apportionment for the purposes of chapter 15 of title 31 or any other authority. Such compensation shall be paid without regard to the provisions of other laws applicable to officers or employees of the United States, except that the President and other Directors shall be compensated as prescribed in sections 5314 and 5315 of title 5, United States Code.

"(g) FINANCIAL INTEREST.—It shall not be lawful for the President or the Directors of the Agency to have a financial interest, either directly or indirectly, in any member of a Federal Home Loan Bank.

"(h) ANNUAL REPORT.—The Agency shall make an annual report to the Congress.".

SEC. 703. SHAREHOLDER ELIGIBILITY REQUIREMENTS.

(a) IN GENERAL.—The first sentence of section 4(a) of the Federal Home Loan Bank Act (12 U.S.C. 1424(a)) is amended by striking "or savings bank," and inserting "savings bank, any other insured financial institution (as defined in section 3(h) of the Federal Deposit Insurance Act), or any credit union whose accounts are insured by the National Credit Union Administration Board under the Federal Credit Union Act".

(b) QUALIFIED THRIFT LENDER.—The last sentence of section 4(a) of the Federal Home Loan Bank Act (12 U.S.C. 1424(a)) is amended to read as follows: "No insured financial institution that is not a member on January 1, 1989, shall become a member of a Federal Home Loan Bank if the insured financial institution is not a qualified thrift lender pursuant to section 10(e) or, in the judgment of the Agency, the insured financial institution's financial condition is such that advances may not safely be made to such institution, or the character of its management or its home-financing policy is inconsistent with sound and economical home financing or with the purposes of this Act.".

(c) REPEALER.—Section 27 of the Federal Home Loan Bank Act (12 U.S.C. 1447) is repealed.

SEC. 704. CAPITAL STOCK.

Section 6 of the Federal Home Loan Bank Act (12 U.S.C. 1426) is amended—

(1) by striking subsections (a), (e), (f), and (g), and redesignating the remaining subsections as (a) through (h), respectively; and

(2) by placing a period after "canceled" in the second sentence of redesignated subsection (e), and by striking "except that in the case of a voluntary withdrawal," and inserting "Any".

SEC. 705. ELECTION OF BANK DIRECTORS.

Section 7 of the Federal Home Loan Bank Act (12 U.S.C. 1427) is amended—

(1) by inserting after the last sentence of subsection (a) the following: "Two of the directors appointed by the Agency shall be selected based on their qualifications as consumer or moderate income community interest representatives.";

(2) by inserting after the first sentence of subsection (b) the following: "No person who is an officer or director of a member that fails to meet its capital requirement as set by the appropriate Federal regulatory agency may seek, or hold, the office of director of a Federal Home Loan Bank."; and

(3) by adding at the end the following:

"(i) The directors of each Bank shall determine the terms and conditions under which the Bank may indemnify its directors, officers, employees, or agents.

SEC. 706. STUDIES OF VALUES.

Section 8 of the Federal Home Loan Bank Act (12 U.S.C. 1428) is amended to read as follows:

"SEC. 8. STUDIES OF VALUES.

"The banks or the Agency may make studies of trends of home and other property values, methods of appraisals, and other subjects such as they may deem useful for the general guidance of their policies and operations and those of the Bank members.".

SEC. 707. ELIGIBILITY OF BORROWERS TO SECURE ADVANCES.

(a) IN GENERAL.—Section 9 of the Federal Home Loan Bank Act (12 U.S.C. 1429) is amended by striking "or nonmember borrower" in the first sentence.

(b) CONFORMING AMENDMENTS.—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended—

(1) in sections 2(5) and 4(b), by striking "or a nonmember borrower" wherever it appears;

(2) by striking section 2(9);

(3) in section 4(a), by striking ", or a nonmember borrower of," wherever it appears;

(4) in section 5, by striking ", or granted the privileges of nonmember borrowers,";

(5) in section 6(i) (as redesignated by section 705 of this Act), by striking ", or deprive any nonmember borrower of the privilege of obtaining further advances," in the first sentence;

(6) in section 6(e) as redesignated by section 705, by striking "or deprive any nonmember borrower of the privilege of further advances,";

(7) in sections 6(e) (as redesignated by section 705), 7(j), and 10(c), by striking "or nonmember borrower" wherever it appears;

(8) in section 10(c), by striking ", or made to a nonmember borrower" in the second sentence; and

(9) in sections 11(g) and 11(h), by striking "or nonmember borrowers" wherever it appears.

SEC. 708. FEDERAL HOME LOAN BANK LENDING.

Section 11(k) of the Federal Home Loan Bank Act (12 U.S.C. 1431(k)) is amended to read as follows:

"(k) The Federal Home Loan Banks are hereby authorized, as directed by the Federal Deposit Insurance Corporation with the concurrence of the Agency, to make loans to such Corporation for the use of the Savings Association Insurance Fund, which loans shall be a direct liability of such Fund. In-

terest on such loans from the Federal Home Loan Banks shall not be less than their current marginal cost of funds, taking into account the maturities involved. Such loans shall be adequately secured as determined by the Agency.".

SEC. 709. THRIFT ADVISORY COUNCIL.

Section 8a of the Federal Home Loan Bank Act (12 U.S.C. 1428a) is repealed.

SEC. 710. FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION INDUSTRY ADVISORY COMMITTEE.

Subsection (i) of section 21 of the Federal Home Loan Bank Act (12 U.S.C. 1441) is repealed, and subsections (k) and (l) are redesignated as subsections (j) and (k), respectively.

SEC. 711. RATE OF INTEREST.

Section 5B of the Federal Home Loan Bank Act (12 U.S.C. 1425b) is repealed.

SEC. 712. ADVANCES.

(a) IN GENERAL.—Subsection (a) of section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430(a)) is amended by striking everything after "members" to the end of the section and replacing it with the following: "upon collateral sufficient, in the judgment of such Bank, to fully secure advances obtained from the Bank under this section, or section 11(g) of this Act. All long term advances shall be made only for the purpose of providing funds for housing finance. A Bank, at the time of origination or renewal of a loan or advance, shall obtain and maintain a security interest in collateral eligible pursuant to one or more of the following categories:

"(1) fully disbursed, whole first mortgages on improved residential property, not more than 90 days delinquent;

"(2) securities issued, insured, or guaranteed by the United States Government or any agency thereof (including without limitation, mortgage-backed securities issued or guaranteed by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Corporation, and the Government National Mortgage Association);

"(3) deposits of a Federal Home Loan Bank; or

"(4) other real-estate related collateral acceptable to the Bank if such collateral has a readily ascertainable value and that the Bank can perfect its interest in the collateral. The aggregate amount of outstanding advances secured by such other real-estate related collateral, to any one member, shall not exceed 30 percent of that member's capital.

Paragraphs (1) through (4) shall not affect the ability of any Federal Home Loan Bank to take such steps as it deems necessary to protect its security position as to outstanding advances, including but not limited to requiring deposits of additional collateral security, whether or not such additional security would be eligible to originate an advance.".

(b) CONFORMING AMENDMENTS.—Subsection (e) of section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended—

(1) by striking "insured institution" and inserting "savings association";

(2) in paragraph (1)—

(A) by striking "(A)" and inserting "(i)",

(B) by inserting "(A)" before "Except",

(C) by striking "(B)" and inserting "(ii)",

(D) by adding at the end the following:

"(B) Notwithstanding subparagraph (A), no member may receive any advances at any time that its actual thrift investment percentage is less than 60 percent. A member who does not meet the requirement contained in the preceding sentence may nonetheless receive advances if and only if such member purchases and maintains stock in its Federal Home Loan Bank in the amount that would be required if at least 60 percent of its assets were in home mortgage loans. The determination regarding meeting the requirement of the first sentence of this subparagraph shall be made by the Agency and the Chairman of the Office of Savings Associations or, in the event of a disagreement in any case, by the Secretary of the Treasury.";

(3) in paragraph (3)(A), by striking "section 408(a)(1)(A) of the National Housing Act" and inserting "section 10(a)(1)(A) of the Homeowners' Loan Act of 1933";

(4) in paragraph (3)(B), by striking "section 408(o) of the National Housing Act" and inserting "section 10(m) of the Homeowners' Loan Act of 1933"; and

(5) by striking paragraph (3)(C) and inserting the following:

"(C) ACTUAL THRIFT INVESTMENT PERCENTAGE.—The term 'actual thrift investment percentage' has the same meaning as in section 10(m) of the Home Owners' Act of 1933 and, in the case of a depository member that is not a 'savings association' within the meaning of such section, shall be computed as if the term 'savings association' includes such member.".

SEC. 713. EXAMINATIONS.

Section 20 of the Federal Home Loan Bank Act (12 U.S.C. 1440) is amended by adding at the end the following: "In addition to such examinations, the Comptroller General shall, from time to time, audit or examine the Agency, the Banks, and any administrative unit thereof to determine the extent to which the Agency and the Banks are fairly and effectively fulfilling the purposes of this Act.".

SEC. 714. CONFORMING FEDERAL HOME LOAN BANK ACT AMENDMENTS.

(a) IN GENERAL.—The Federal Home Loan Bank Act is amended—

(1) by striking subsection (a) of section 18;

(2) in section 18(c)(5) (12 U.S.C. 1438(c)(5)), by striking all after "receipts of the board" and inserting a period;

(3) in subsection (b) of section 18—

(A) by striking "its" the first place it appears and inserting "his or her";

(B) by striking "its" the second place it appears and inserting "the Agency's";

(C) by striking "All expenses" and inserting "Any expenses"; and

(D) by striking "shall be paid" and inserting "may be paid";

(4) in section 18(c)(6), by striking all after "budget program" up to ", and (B)";

(5) by striking the last sentence of section 19; and

(6) in section 21(b)(5), by striking "of the Federal Home Loan Bank Board".

(b) OTHER CONFORMING AMENDMENTS.—(1) Section 101 of title I of the Act of June 16, 1943 (12 U.S.C. 1439a) is amended by striking everything after "Federal Home Loan Bank Administration" and inserting a period.

(2) Section 111 of title I of Public Law 93-495 (12 U.S.C. 250) is amended by striking "the Federal Home Loan Bank Board".

SEC. 715. LIQUIDITY.

Section 5A of the Federal Home Loan Bank Act (12 U.S.C. 1425a) is repealed.

SEC. 716. TRANSFERS.

The Chairman of the Office of Savings Associations and the Federal Home Loan Bank Agency shall jointly provide for—

(1) the transfer of employees of the Federal Home Loan Bank performing supervisory functions to the Office of Savings Associations; and

(2) such incidental transfers as the Chairman and the Agency may agree to.

Subtitle B—Conforming Amendments

SEC. 721. REPEAL OF LIMITATION OF OBLIGATION FOR ADMINISTRATIVE EXPENSES.

Section 7 of the First Deficiency Appropriation Act of 1936 (15 U.S.C. 712a) is amended by deleting from subsection (b) the following enumerated entities:

"1. Federal Home Loan Bank System;";

"2. Home Owners' Loan Corporation;"; and

"11. Federal Savings and Loan Insurance Corporation;".

SEC. 722. AMENDMENT OF ADDITIONAL POWERS OF CHAIRMAN.

(a) Subsection (c) of section 502 of the Housing Act of 1948, as amended (12 U.S.C. 1701c(b)), is amended by striking out the terms "Federal Home Loan Bank Board (which term as used in this section shall also include and refer to the Federal Savings and Loan Insurance Corporation, and the Chairman of the Federal Home Loan Bank Board)" and inserting in lieu thereof the following: "Chairman, Office of Savings Associations"; and

(b) Subsection (1) of subsection (c) of such section 502 is amended by inserting between the term "of any" and "State or" the following term: "Federal".

SEC. 723. AMENDMENT OF TITLE 5, UNITED STATES CODE.

(a) EXECUTIVE SCHEDULE.—(1) Section 5314 of title 5, United States Code (5 U.S.C. 5314) is amended by striking—

"Chairman of the Federal Home Loan Bank Board.";

and inserting:

"Chairman, Office of Savings Associations.

"President, Federal Home Loan Bank Agency.".

(2) Section 5315 of such title is amended by striking—

"Members, Federal Home Loan Bank Board.";

and inserting:

"Directors, Federal Home Loan Bank Agency.".

(b) Section 5373 of title 5, United States Code, is amended by inserting at subparagraph (2), between the terms, "481," and "and" the following terms: "1437, 1439,".

SEC. 724. AMENDMENT OF TITLE 31, UNITED STATES CODE.

(a)(1) Subchapter I of chapter 3 of subtitle I of title 31, United States Code, is amended by adding at the end thereof the following new section:

"§ 310. Office of Savings Associations

"The Office of Savings Associations, established under section 4 of the Home Owners' Loan Act of 1933 is subject to the general oversight of the Secretary of the Treasury.".

(2) The table of sections for chapter 3 of subtitle I of title 31, United States Code, is amended by inserting at the end of the items for subchapter I the following:

"310. Office of Savings Associations.".

(b) Subsection (c) of section 321 of title 31, United States Code, is amended by—

(1) striking "and" after the semicolon in paragraph (1);

(2) striking the period at the end of paragraph (2) and inserting "; and"; and

(3) adding at the end thereof the following:

"(3) of the Chairman, Office of Savings Associations.".

(c) Subsection (a) of section 714 of title 31, United States Code, is amended by—

(1) striking "and" before "the Office"; and

(2) inserting before the period the following: ", and the Office of the Chairman, Office of Savings Associations".

(d) Section 9101(3) of title 31, United States Code, is amended by striking subparagraph (E).

SEC. 725. AMENDMENT OF BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT PROVISIONS.

(a) Subsection (g)(1)(A) of section 255 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905) is amended by striking "Federal Home Loan Bank Board;" and "Federal Home Loan Bank Board, Federal Savings and Loan Insurance Corporation;" and inserting "Federal Deposit Insurance Corporation, including the Bank Insurance Fund, the Saving Association Insurance Fund, and the FSLIC Resolution Fund, Chairman of the Office of Savings Associations, Resolution Trust Corporation, and Payments to the Resolution Funding Corporation;".

(b) Subsection (b)(4) of section 256 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 906) is amended by—

(1) striking subparagraph (C) and inserting the following:

"(C) Office of Savings Associations and Resolution Trust Corporation.";

(2) striking subparagraph (D); and

(3) redesignating subparagraphs (E), (F), and (G), as subparagraphs (D), (E), and (F), respectively.

(c) Subsection (g)(2) of section 255 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking "Federal Savings and Loan Insurance Corporation Fund (02-4037-0-3-372)";

TITLE VIII—BANK CONSERVATION ACT AMENDMENTS

SEC. 801. DEFINITIONS.

Section 202 of the Act of March 9, 1933 (48 Stat. 2, 12 U.S.C. 202) (the "Bank Conservation Act"), is amended by inserting the following: "or any other financial institution chartered or licensed under Federal law and subject to the supervision of the Comptroller of the Currency" after "national banking association".

SEC. 802. APPOINTMENT OF CONSERVATOR.

Section 203 of the Bank Conservation Act (12 U.S.C. 203) is amended to read as follows:

"SEC. 203. APPOINTMENT OF CONSERVATOR.

"(a) APPOINTMENT.—The Comptroller of the Currency may, without notice or prior hearing, appoint a conservator, which may be the Federal Deposit Insurance Corporation, to take possession and control of a bank whenever the Comptroller determines that one or more of the following circumstances exists—

"(1) the conditions for appointment of a receiver for the bank are present;

"(2)(A)(i) the bank is not likely to be able to meet the demands of its depositors or pay its obligations in the normal course of business, and

"(ii) there is no reasonable prospect that the bank will be able to meet such demands or pay such obligations without Federal assistance; or

"(B)(i) the bank has incurred or is likely to incur losses that will deplete all or substantially all of its capital, and

"(ii) there is no reasonable prospect for the replenishment of the capital of the bank without Federal assistance;

"(3) there is a violation or violations of laws, rules, or regulations, or any unsafe or unsound practice or condition which is likely to cause insolvency or substantial dissipation of assets or earnings, or is likely to weaken the condition of the bank or otherwise seriously prejudice the interests of its depositors;

"(4) the bank is in an unsafe or unsound condition to transact business;

"(5) the bank's board of directors consists of fewer than 5 members;

"(6) there is a willful or continuing violation of an order enforceable against the bank under section 8(i) of the Federal Deposit Insurance Act; or

"(7) there is concealment of books, papers, records, or assets of the bank, or refusal to submit books, papers, records, or affairs of the bank for inspection to any examiner or to any lawful agent of the Comptroller.

"(b) JUDICIAL REVIEW.—

"(1) Not later than 20 days after the initial appointment of a conservator pursuant to this section, the bank may bring an action in the United States district court for the judicial district in which the home office of such bank is located, or in the United States District Court for the District of Columbia, for an order requiring the Comptroller to terminate the appointment of the conservator, and the court, upon the merits, shall dismiss such action or shall direct the Comptroller to terminate the appointment of such conservator. The Comptroller's decision to appoint a conservator pursuant to this provision shall be set aside only if the court finds that such decision was arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.

"(2) The Comptroller may request a stay for a period of up to 90 days after the appointment of the conservator as to any legal action or proceeding to which the conservator or the bank is or may become a party. Upon petition, the court shall grant such stay as to all parties.

"(3) Except as otherwise provided in this subsection, no court may take any action regarding the removal of a conservator, or restrain, or affect the exercise of powers or functions of a conservator. A court, upon application by the Comptroller, shall have jurisdiction to enforce an order of the Comptroller relating to—

"(A) the conservatorship and the bank in conservatorship, or

"(B) restraining or affecting the exercise of powers or functions of a conservator.

"(c) ADDITIONAL GROUNDS FOR APPOINTMENT.—In addition to the foregoing provisions, the Comptroller may appoint a conservator for a bank in the event—

"(1) the bank, by an affirmative vote of a majority of its board of directors or by an affirmative vote of a majority of its shareholders, consents to such appointment, or

"(2) the bank's status as an insured bank is terminated by the Federal Deposit Insurance Corporation.

The appointment of a conservator pursuant to this subsection shall not be subject to review.

"(d) EXCLUSIVE AUTHORITY.—

"(1) IN GENERAL.—The Comptroller shall have exclusive power and jurisdiction to appoint a conservator for a bank. Whenever the Comptroller appoints a conservator for any bank, he may appoint the Federal Deposit Insurance Corporation conservator for such bank. Except as provided in paragraph (2), the Federal Deposit Insurance Corporation, as such conservator, shall have all the powers granted under the Federal Deposit Insurance Act, and (when not inconsistent therewith) any other rights, powers, and privileges possessed by conservators or receivers of banks under this Act and any other provision of law. The Comptroller may also appoint another person as conservator, who shall be subject to the provisions of this Act.

"(2) LIMITATIONS ON AUTHORITY.—Unless permitted under section 205(a)(2), a conservator appointed by the Comptroller under this Act shall not be appointed for the purpose of liquidating or winding up the affairs of the bank.

"(e) REPLACEMENT OF CONSERVATOR.—The Comptroller may, without notice or hearing, replace a conservator with another conservator. Such replacement shall not affect the bank's right under subsection (b) to obtain judicial review of the Comptroller's original decision to appoint a conservator.".

SEC. 803. EXAMINATIONS.

Section 204 of the Bank Conservation Act (12 U.S.C. 204) is amended to read as follows:

"SEC. 204. EXAMINATIONS.

"The Comptroller of the Currency, in consultation with the Board of Directors of the Federal Deposit Insurance Corporation (when the Corporation is appointed conservator), is authorized to examine and supervise the bank in conservatorship as long as the bank continues operations as an ongoing national bank. The Comptroller may use reports and other information provided by the Federal Deposit Insurance Corporation for this purpose.".

SEC. 804. TERMINATION OF CONSERVATORSHIP.

Section 205 of the Bank Conservation Act (12 U.S.C. 205) is amended to read as follows:

"SEC. 205. TERMINATION OF CONSERVATORSHIP.

"(a) GENERAL RULE.—At any time the Comptroller becomes satisfied that it may safely be done and that it would be in the public interest, the Comptroller, with the agreement of the Board of Directors of the Federal Deposit Insurance Corporation (when the Corporation is appointed conservator), may—

"(1) terminate the conservatorship and permit the involved bank to resume the transaction of its business subject to such terms, conditions, and limitations as the Comptroller may prescribe; or

"(2) terminate the conservatorship upon a sale, merger, consolidation, purchase and assumption, change in control, or voluntary liquidation of the involved bank.

"(b) OTHER GROUNDS FOR TERMINATION.—The Comptroller also may terminate the conservatorship upon a declaration that the bank is insolvent and upon the appointment of a receiver pursuant to section 1 of the Act of June 30, 1876 (12 U.S.C. 191).

"(c) ENFORCEMENT UNDER FEDERAL DEPOSIT INSURANCE ACT.—Such terms, conditions, and limitations as may be prescribed under subsection (a)(1) shall be enforceable under the provisions of section 8(i) of the Federal Deposit Insurance Act, to the same extent as an order issued pursuant to section 8(b) of the Federal Deposit Insurance Act, which has become final. The bank may bring an action in the United States district court for the judicial district in which the home office of such bank is located or in the United States District Court for the District of Columbia for an order requiring the

Comptroller to terminate the order. An action for judicial review of the terms, conditions, and limitations may not be commenced later than 20 days from the date of the termination of the conservatorship or the imposition of the order, whichever is later.

"(d)(1) ACTION UPON TERMINATION.—Upon termination of the conservatorship under subsection (a)(2), the Federal Deposit Insurance Corporation, as conservator, or when another person is appointed conservator, such other person, shall proceed to conclude the affairs of the conservatorship in accordance with paragraph (2).

"(2)(A) Within 180 days of the sale, merger, consolidation, purchase and assumption, change in control, or voluntary liquidation, the conservator shall deposit all net proceeds received from the transaction, less any expenses of the conservatorship that are outstanding, with the United States district court for the judicial district in which the home office of such bank is located and shall cause notice to be published for three consecutive months and notify by mail all known and remaining creditors and shareholders. Within 60 days thereafter, any depositor, creditor, or other claimant of the bank, or any shareholder of the bank may bring an action in interpleader in that court for distribution of the proceeds. The district court shall disseminate such funds in an equitable manner. If no such action is instituted within one year after the date the funds are deposited with the district court, title to such net proceeds shall revert to the United States and the district court shall remit the funds to the Treasury of the United States.

"(B) The conservator shall be deemed to have discharged all responsibility of the conservatorship upon the deposit of the proceeds with the district court and fulfillment of the required notifications.".

SEC. 805. CONSERVATOR; POWERS AND DUTIES.

Section 206 of the Bank Conservation Act (12 U.S.C. 206) is amended to read as follows:

"SEC. 206. CONSERVATOR; POWERS AND DUTIES.

"(a) GENERAL POWERS.—A conservator shall have all the powers of the shareholders, directors, and officers of the bank and shall be authorized to operate the bank in its own name unless the Comptroller in the order of appointment limits the authority of the conservator.

"(b) SUBJECT TO RULES OF COMPTROLLER.—The conservator shall be subject to such rules, regulations, and orders as the Comptroller from time to time deems appropriate; and, except as otherwise specifically provided in such rules, regulations, or orders or in section 209 of this Act, shall be vested with or subject to the same rights, privileges, duties, restrictions, penalties, conditions, and limitations that apply to directors, officers, or employees of a national bank.

"(c) PAYMENT OF DEPOSITORS AND CREDITORS.—The Comptroller may require the conservator to set aside and make available for withdrawal by depositors and payment to other creditors such amounts as in the opinion of the Comptroller may safely be used for this purpose. All depositors and creditors who are similarly situated shall be treated in the same manner.

"(d) COMPENSATION OF CONSERVATOR AND EMPLOYEES.—The conservator and professional employees appointed to represent or assist the conservator shall not be paid amounts greater than are payable to employees of the Federal Government for similar services, except that the Comptroller of the Currency may authorize payment at higher rates (but not in excess of rates prevalent in the private sector), if the Comptroller determines that payment of such higher rates is necessary in order to recruit and retain competent personnel.

"(e) EXPENSES.—All expenses of any such conservatorship shall be paid by the bank and shall be a lien upon the bank which shall be prior to any other lien.".

SEC. 806. LIABILITY PROTECTION.

Section 209 of the Bank Conservation Act (12 U.S.C. 209) is amended to read as follows:

"SEC. 209. LIABILITY PROTECTION.

"(a) FEDERAL AGENCY AND EMPLOYEES.—In any case in which the conservator is a Federal agency or an employee of the Government, the provisions of chapters 161 and 171 of title 28, United States Code, shall apply with respect to such conservator's liability for acts or omissions performed pursuant to and in the course of the duties and responsibilities of the conservatorship.

"(b) OTHER CONSERVATORS.—

"(1) IN GENERAL.—In any case where the conservator is not a conservator described in subsection (a), the conservator shall not be liable for damages in tort or otherwise for acts or omissions performed pursuant to and in the course of the duties and responsibilities of the conservatorship, unless such acts or omissions constitute bad faith or are grossly negligent, as determined by a court.

"(2) INDEMNIFICATION.—The Comptroller shall have authority to indemnify the conservator on such terms as the Comptroller deems proper.".

SEC. 807. RULES AND REGULATIONS.

Section 211 of the Bank Conservation Act (12 U.S.C. 211) is amended to read as follows:

"SEC. 211. RULES AND REGULATIONS.

"The Comptroller of the Currency is authorized and directed to prescribe such rules and regulations as the Comptroller may deem necessary to carry out the provisions of this Act. In any case where the Federal Deposit Insurance Corporation is the conservator, any rules or regulations prescribed by the Comptroller shall be consistent with the rules and regulations issued by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act.".

SEC. 808. REPEALS.

Sections 207 and 208 of the Bank Conservation Act (48 Stat. 3, 12 U.S.C. 207 and 208) are hereby repealed.

SEC. 809. CONFORMING AMENDMENT.

Section 5373(2) of title 5, United States Code, is amended by striking paragraph (2) and inserting the following:

"(2) sections 203, 248, 481 and 1819 of title 12;".

TITLE IX—ENFORCEMENT AUTHORITY IMPROVEMENTS

SEC. 901. SHORT TITLE.

This title may be cited as the "Enforcement Authority Improvements Act of 1989".

Subtitle A—Regulation of Financial Institutions

SEC. 911. CHANGE IN TERMINOLOGY.

(a) INSTITUTION-RELATED PARTY.—Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended by striking—

(1) "director, officer, employee, agent, or other person participating in the conduct of the affairs of such bank";

(2) "director, officer, employee, agent, or other person participating in the conduct of the affairs of such a bank";

(3) "director, officer or other person";

(4) "director, officer, or other person";

(5) "director or officer or other person";

(6) "director, officer, employee, agent or other person";

(7) "director, officer, employee, agent, or other person";

(8) "director or officer of an insured bank, or other person participating in the conduct of the affairs of such bank";

(9) "officer, director, employee, agent, or other person participating in the conduct of the affairs of such a bank";

(10) "director or officer thereof or other person participating in the conduct of its affairs"; and

(11) "director or officer or other person participating in the conduct of its affairs";

each place they appear and inserting "institution-related party".

(b) FINANCIAL INSTITUTION.—Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) (except subsections (b)(3), (b)(6), (m), (o), (r), and (s)) is amended—

(1) by striking "bank" each place it appears following "the", "such", "any", or "such a" and each place it appears immediately preceded by a comma and inserting "financial institution";

(2) by striking "the bank's" each place it appears and inserting "the financial institution's";

(3) by striking "the banks' " each place it appears and inserting "the financial institutions'";

(4) by striking "Federal savings bank" and inserting "Federal savings association";

(5) in subsection (g)(1), by striking "bank affairs" and inserting "affairs of any financial institution"; and

(6) in subsection (q), by striking "or banks".

(c) AMENDMENT TO SECTION 8(m).—Section 8(m) of the Federal Deposit Insurance Act (12 U.S.C. 1818(m)) is amended by striking "State bank" and "No bank" and inserting "State financial institution" and "No financial institution", respectively.

SEC. 912. PERIODS APPLICABLE TO INSURANCE TERMINATION.

Section 8(a) of the Federal Deposit Insurance Act (12 U.S.C. 1818(a)) is amended—

(1) by striking "one hundred and twenty days" and inserting "60 days"; and

(2) by striking "shall continue for a period of two years" and inserting "shall continue for a period of not less than 6 months and not more than 2 years, as determined in the discretion of the Board of Directors".

SEC. 913. SUSPENSION OF INSURANCE.

Section 8(a) of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end the following:

"(2) SUSPENSION OF INSURANCE.—

"(A) IN GENERAL.—In addition to the administrative proceedings described in paragraph (1), but subject to subparagraph (B), whenever the Board of Directors, after consultation with the appropriate Federal banking agency, finds that an insured financial institution has no tangible capital under the capital guidelines or regulations of the appropriate Federal banking agency, the Corporation may issue a temporary order suspending deposit insurance on all deposits received by the institution.

"(B) SPECIAL RULE FOR CERTAIN SAVINGS INSTITUTIONS.—(i) In determining the tangible capital of a savings association for purposes of this paragraph, the Board of Directors shall include goodwill to the extent it is considered a component of capital under section 5(t) of the Home Owners' Loan Act. Any savings association which would be sub-

ject to a suspension order under subparagraph (A) but for the operation of this subparagraph, shall be considered by the Corporation to be a 'special supervisory association'.

"(ii) The Corporation may issue a temporary order suspending deposit insurance on all deposits received by a special supervisory association whenever the Board of Directors determines (on or after the date of enactment of the FIRRE Act) that—

"(I) the capital of such association, as computed utilizing applicable accounting standards, has suffered a material decline;

"(II) that such association (or its directors or officers) is engaging in an unsafe or unsound practice in conducting the business of the association;

"(III) that such association is in an unsafe or unsound condition to continue operating as an insured association; or

"(IV) that such association (or its directors or officers) has violated any applicable law, rule, regulation, or order, or any condition imposed in writing by a Federal banking agency, or any written agreement including a capital improvement plan entered into with any Federal banking agency, or that the association has failed to enter into a capital improvement plan which is acceptable to the Corporation within 3 months after the date of enactment of the FIRRE Act.

Nothing in this paragraph limits the right of the Corporation or the Chairman of the Office of Savings Associations to enforce a contractual provision which authorizes the Corporation or the Chairman of the Office of Savings Associations, as a successor to the Federal Savings and Loan Insurance Corporation or the Federal Home Loan Bank Board, to require a savings association to write down or amortize goodwill at a faster rate than otherwise required under this Act or under applicable accounting standards.

"(C) EFFECTIVENESS OF ORDER.—A temporary order suspending deposit insurance shall become effective not earlier than 10 days from the date of service upon the institution. Such temporary order shall remain effective and enforceable—

"(i) pending completion of the administrative proceedings, or

"(ii) until the Corporation shall dismiss such administrative proceedings,

unless set aside, limited, or suspended by a court in proceedings authorized under subparagraph (D).

"(D) APPEAL.—Within 10 days after a temporary order has been served upon the institution under this paragraph, the institution may apply to the United States District Court for the District of Columbia, or the United States district court for the judicial district in which the home office of the institution is located, for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of such order, and such court shall have jurisdiction to issue such injunction. The court shall issue an injunction preventing enforcement of the temporary order issued under this paragraph only upon a finding that issuance of such order by the Federal Deposit Insurance Corporation was arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.

"(E) CONTINUED INSURANCE FOR CERTAIN DEPOSITS.—The insured deposits of each depositor in such financial institution on the effective date of the order issued under this paragraph, less all subsequent withdrawals from any deposits of such depositor, shall continue to be insured, subject to the administrative proceedings otherwise provided in this section.

"(F) NOTICE.—The Corporation may publish notice of any order issued under this paragraph and the financial institution shall give notice of such order to each of its depositors in such manner and at such times as the Corporation finds necessary and orders for the protection of depositors. If the Corporation determines that the financial institution has not substantially complied with the required notice to depositors, the Corporation may provide such notice.

"(G) EXAMINATIONS OF SPECIAL SUPERVISORY ASSOCIATIONS.—The Corporation shall make special examinations of all special supervisory associations within 3 months after the date of enactment of the FIRRE Act, and on a quarterly basis thereafter.

"(H) EFFECT OF FAILURE TO RECEIVE NOTICE.—The Corporation shall provide, by regulation that the deposits of any depositor who establishes that he or she did not receive, in the ordinary course of business, knowledge of the suspension of insurance under this paragraph shall remain insured until he or she received actual knowledge, and additions to deposits remain insured where a depositor establishes that an automatic deposit addition could not be stopped in a timely manner.".

SEC. 914. RESTITUTION, REIMBURSEMENT, AND OTHER REMEDIES.

Section 8(b)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1818(b)(1)) is amended—

(1) by inserting "(A)" after "(1)"; and

(2) by adding at the end the following subparagraph:

"(B) The authority to issue an order under subparagraph (A) includes the authority to require an insured financial institution or institution-related party to—

"(i) make restitution or provide reimbursement or indemnification;

"(ii) provide a guarantee against loss;

"(iii) rescind agreements or contracts;

"(iv) dispose of any loan or asset involved; or

"(v) take such other action as the appropriate Federal banking agency determines to be appropriate.

Such order may place limitations on the activities or functions of the financial institution or any institution-related party necessary to correct the conditions resulting from any such violation or practice and may prohibit or restrict the growth of assets of the financial institution.".

SEC. 915. APPLICABILITY OF SECTION 8.

(a) IN GENERAL.—Section 8(b) of the Federal Deposit Insurance Act (12 U.S.C. 1818(b)) is amended—

(1) in paragraph (3)—

(A) by striking "Nothing" in the second sentence and inserting "Except as provided in subsection (b)(6) of this section, nothing"; and

(B) by striking "(f) and (h) through (n)" and inserting "(y)"; and

(2) by adding at the end the following new paragraph:

"(6) APPLICABILITY TO SAVINGS AND LOAN HOLDING COMPANIES.—This subsection and subsections (c) through (y) of this section shall apply to—

"(A) any savings and loan holding company;

"(B) any subsidiary (other than a bank or subsidiary of that bank) of a savings and loan holding company; and

"(C) any subsidiary of a savings association;

in the same manner as they apply to a savings association.".

(b) TECHNICAL AMENDMENT.—Section 8(b)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1818(b)(4)) is amended by striking "and (n)" and inserting ", (n), (s), (t), (u), (w), and (y)".

SEC. 916. TEMPORARY CEASE AND DESIST ORDER.

Section 8(c)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1818(c)(1)) is amended—

(1) by striking "substantial" and "seriously"; and

(2) by inserting the following sentence after the first sentence: "Such order may place limitations on the activities or functions of the financial institution or any institution-related party, including prohibitions or restrictions on the growth of assets of the institution".

SEC. 917. TEMPORARY CEASE AND DESIST ORDER RELATING TO BOOKS AND RECORDS.

(a) IN GENERAL.—Section 8(c) of the Federal Deposit Insurance Act (12 U.S.C. 1818(c)) is amended by adding at the end the following:

"(3) ORDERS RELATING TO BOOKS AND RECORDS.—

"(A) IN GENERAL.—Whenever the appropriate Federal banking agency determines that an insured financial institution's books and records are so incomplete or inaccurate that the appropriate Federal banking agency is unable, through the normal supervisory process, to determine the financial condition of that insured financial institution or the details or purpose of any transaction or transactions that may have an adverse effect on the financial condition of that insured financial institution, the agency may issue a temporary order requiring cessation of any activities the agency deems appropriate, including prohibitions or restrictions on the growth of assets of the institution, or affirmative action to restore such books and records to an accurate state, until completion of proceedings conducted under paragraph (1) of subsection (b) of this section.

"(B) EFFECTIVENESS OF ORDER.—Such order shall become effective upon service. Such order shall remain effective and enforceable—

"(i) pending completion of the administrative proceeding initiated under such notice; or

"(ii) until the agency determines by examination or otherwise that the financial institution's books and records are accurate and capable of reflecting the financial condition of the financial institution;

unless set aside, limited, or suspended by a court in proceedings authorized by paragraph (2) of this subsection.".

(b) STANDARD FOR REVIEW.—Section 8(c)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1818(c)(2)) is amended by adding at the end the following: "The court shall issue an injunction preventing enforcement of the temporary order issued under this subsection only upon a finding that issuance of such order by the appropriate Federal banking agency was arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.".

SEC. 918. REMOVAL ORDERS.

(a) IN GENERAL.—Section 8(e) of the Federal Deposit Insurance Act (12 U.S.C. 1818(e)) is amended by striking paragraphs (1) and (2) and inserting the following:

"(1) REMOVAL ORDERS.—Whenever the appropriate Federal banking agency determines that—

"(A) any institution-related party, directly or indirectly, has—

"(i) violated any law, rule, regulation, written agreement entered into with the appropriate Federal banking agency, or order which has become final,

"(ii) engaged or participated in any unsafe or unsound practice in connection with any insured financial institution or business institution, or

"(iii) committed or engaged in any act, omission, or practice which constitutes a breach of his fiduciary duty;

"(B) such insured financial institution or business institution has suffered or will probably suffer financial loss or other damage, the interests of its depositors have been or could be prejudiced by reason of such violation, practice, or breach, or the institution-related party has received financial gain by reason of such violation, practice, or breach; and

"(C) such violation, practice, or breach involves personal dishonesty on the part of such institution-related party or demonstrates willful or continuing disregard for the safety or soundness of such insured financial institution or business institution,

the agency may serve upon such institution-related party a written notice of its intention to remove such party from office or to prohibit his further participation in any manner in the conduct of the affairs of any insured financial institution.".

(b) CONFORMING AMENDMENTS.—Section 8(f) of the Federal Deposit Insurance Act (12 U.S.C. 1818(f)) is amended—

(1) by striking "(e)(4)" and inserting "(e)(3)";

(2) by striking "(e)(1), (e)(2), or (e)(3)" and inserting "(e)(1) or (e)(2)"; and

(3) by adding at the end the following: "The court shall issue an injunction preventing enforcement of the temporary order issued under subsection (e)(3) only upon a finding that issuance of such order by the appropriate Federal banking agency was arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.".

SEC. 919. TEMPORARY SUSPENSION ORDERS.

Section 8(e) of the Federal Deposit Insurance Act (12 U.S.C. 1818(e)) is amended—

(1) by redesignating paragraphs (3) through (6) as paragraphs (2) through (5), respectively; and

(2) by amending paragraph (3), as redesignated, to read as follows:

"(3) TEMPORARY SUSPENSION ORDERS.—

"(A) IN GENERAL.—With respect to any institution-related party referred to in paragraph (1) or (2) of this subsection, the appropriate Federal banking agency may, if it deems it necessary for the protection of the financial institution or the interests of its depositors, by written order to such effect served upon such party, suspend such party from office or prohibit such party from further participation in any manner in the conduct of the affairs of the financial institution.

"(B) EFFECTIVENESS OF ORDER.—Such suspension or prohibition shall become effective upon service of such order on the institution-related party. Such order shall remain in effect pending the completion of the administrative proceedings pursuant to the notice served under paragraph (1) or (2) of this subsection and until—

"(i) such time as the agency shall dismiss the charges specified in such notice, or

"(ii) if an order of removal or prohibition is issued against such party, the effective date of any such order,

unless stayed by a court in proceedings authorized by subsection (f) of this section. Copies of any order issued pursuant to this paragraph shall also be served upon any financial institution where the party involved is presently associated.".

SEC. 920. EFFECT OF SUSPENSION OR REMOVAL.

Section 8(e) of the Federal Deposit Insurance Act (12 U.S.C. 1818(e)) is amended by adding at the end the following:

"(6) EFFECT OF SUSPENSION OR REMOVAL ORDER.—Any person who is subject to a removal, suspension, or prohibition order pursuant to this subsection or subsection (g) shall also be removed, suspended, or prohibited from participation in the conduct of the affairs of—

"(A) any insured financial institution,

"(B) any bank holding company or subsidiary thereof,

"(C) any organization organized and operated under section 25(a) of the Federal Reserve Act or operating under section 25 of the Federal Reserve Act,

"(D) any subsidiary of any insured financial institution,

"(E) any savings and loan holding company or subsidiary thereof;

"(F) any depository institution the accounts of which are insured by the National Credit Union Share Insurance Fund, and

"(G) any institution chartered under the Farm Credit Act of 1971,

unless the party involved has received the prior written approval of the appropriate Federal regulatory agency that issued such order. This paragraph shall only apply to a person who is an individual, unless the appropriate Federal regulatory agency specifically finds that it should apply to a corporation, firm, or other business entity.".

SEC. 921. CIVIL PENALTIES FOR CERTAIN VIOLATIONS.

(a) IN GENERAL.—Section 8(i)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1818(i)(2)) is amended—

(1) by redesignating subparagraphs (i) through (vii) as subparagraphs (A) through (G), respectively; and

(2) by striking subparagraph (A), as redesignated, and inserting the following:

"(A) Any insured financial institution or any institution-related party which has—

"(i) violated any law or regulation relating to financial institutions, any condition imposed in writing by the appropriate Federal banking agency in connection with the granting of an application or other request by the financial institution or institution-related party, or the terms of any order which has become final under subsection (b), (c), (e), (g), or (s) of this section; or

"(ii) breached any fiduciary duty or engaged in any unsafe or unsound practice where such breach or practice has resulted in a loss to the financial institution or financial gain to the institution-related party;

shall pay a civil penalty of not more than $25,000 for each day during which such violation, breach, or practice continues. Notwithstanding the foregoing, for a violation, breach, or practice made with reckless disregard for the safety or soundness of the financial institution, the appropriate Federal banking agency may, in its discretion, assess a penalty of not more than $1,000,000 per day for each day during which such violation, breach, or practice continues.".

(b) STANDARD FOR IMPOSITION OF CERTAIN PENALTIES.—Section 8(i)(2)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1818(i)(2)(B)) is amended by adding at the end the following: "Notwithstanding any other provision of law, an appropriate Federal banking agency may impose a civil penalty under a provision of Federal law on a financial institution or an institution-related party in an amount in excess of $2,500 per day only if such agency determines that—

"(i) the violation, breach, or practice has caused or is likely to cause a serious financial loss to the financial institution or to the holding company of which such institution is a subsidiary, to the Bank Insurance Fund, or to the Savings Association Insurance Fund;

"(ii) the violation, breach, or practice evidenced reckless disregard for the safety or soundness of the financial institution or resulted from gross negligence;

"(iii) the violation, breach, or practice was part of a pattern of violations, breaches, or practices by that financial institution or institution-related party; or

"(iv) the violation, breach, or practice resulted in the enrichment of the institution-related party charged with the violation, breach, or practice.".

SEC. 922. CRIMINAL PENALTIES FOR VIOLATION OF REMOVAL OR SUSPENSION ORDERS.

Section 8(j) of the Federal Deposit Insurance Act (12 U.S.C. 1818(j)) is amended to read as follows:

"(j) PENALTY FOR VIOLATION OF SUSPENSION OR REMOVAL ORDER.—Any institution-related party against whom there is outstanding and effective any notice or order served upon such person under paragraph (3) or (4) of subsection (e) or under subsection (g) who, directly or indirectly, without the prior written approval of the appropriate Federal regulatory agency that issued such notice—

"(1) participates in any manner in the conduct of the affairs of—

"(A) any insured financial institution,

"(B) any bank holding company or subsidiary thereof,

"(C) any organization organized and operated under section 25(a) of the Federal Reserve Act or operating under section 25 of the Federal Reserve Act,

"(D) any subsidiary of any insured financial institution,

"(E) any savings and loan holding company or subsidiary thereof,

"(F) any depository institution whose accounts are insured by the National Credit Union Share Insurance Fund, or

"(G) any institution chartered under the Farm Credit Act of 1971;

"(2) solicits or procures, or transfers or attempts to transfer, or votes or attempts to vote any proxies, consents, or authorization in respect to any voting rights in an institution described in paragraph (1); or

"(3) votes for a director, or serves or acts as an institution-related party for an institution described in paragraph (1),

shall be fined not more than $1,000,000 for each day the violation continues or imprisoned for not more than 5 years, or both.".

SEC. 923. DEFINITIONS.

Section 8(k) of the Federal Deposit Insurance Act (12 U.S.C. 1818(k)) is amended to read as follows:

"(k) DEFINITIONS.—For the purpose of this section:

"(1) APPROPRIATE FEDERAL REGULATORY AGENCY.—The term 'appropriate Federal regulatory agency' means—

"(A) the appropriate Federal banking agency, as defined in subsection (q) of section 3;

"(B) the National Credit Union Administration Board in the case of a depository institution the accounts of which are insured

by the National Credit Union Share Insurance Fund; and

"(C) the Farm Credit Administration in the case of an institution chartered under the Farm Credit Act of 1971.

"(2) ORDER WHICH HAS BECOME FINAL.—The term 'order which has become final' means an order issued by the appropriate Federal banking agency—

"(A) with the consent of the financial institution or the institution-related party concerned; or

"(B) which is not subject to further administrative review.

"(3) CONTROLLING SHAREHOLDER.—The term 'controlling shareholder' means a person that directly or indirectly, or acting through or in concert with one or more persons, owns or controls an insured financial institution. Shares owned or controlled by a member of an individual's immediate family are considered to be held by the individual.

"(4) ADDITIONAL TERMS.—Each appropriate Federal banking agency is authorized to promulgate regulations to define any term not otherwise defined in this section.".

SEC. 924. EMPLOYMENT PROTECTION.

Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended by adding at the end thereof the following:

"(t) EMPLOYMENT PROTECTION.—

"(1) IN GENERAL.—A federally insured financial institution or a financial institution holding company may not discharge or otherwise discriminate against any officer, director, or employee with respect to compensation, terms, conditions, or privileges of employment because the officer, director, or employee (or any person acting pursuant to the request of such individual) provided information to any financial institution regulatory authority or to the Department of Justice regarding a possible violation of any law or regulation by the financial institution or any institution-related party.

"(2) CIVIL ACTION.—Any employee, officer, or director or former employee, officer, or director who believes he or she has been discharged or discriminated against in violation of paragraph (1) may file a civil action in Federal district court within 2 years from the date of such discharge or discrimination.

"(3) REMEDIES.—If the district court determines that a violation of paragraph (1) has occurred, it may order the financial institution which committed the violation to reinstate the employee, officer, or director to his former position, to pay compensatory damages, or to take other appropriate action to remedy any past discrimination.

"(4) EXCEPTION.—The protections of this subsection do not apply to any employee, officer, or director who deliberately causes the alleged violation of law or regulation.".

SEC. 925. COORDINATION WITH CHAIRMAN OF THE OFFICE OF SAVINGS ASSOCIATIONS.

Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended by adding at the end thereof the following:

"(u) COORDINATION WITH CHAIRMAN OF THE OFFICE OF SAVINGS ASSOCIATIONS.—The Corporation, based on an examination of a savings association by the Corporation or by the Chairman of the Office of Savings Associations, may recommend that the Chairman take any enforcement action authorized under this section with respect to any savings association. If the Chairman fails to take the recommended action or to provide an acceptable plan for addressing the concerns of the Corporation as set forth in its recommendation within 60 days of receipt of the formal recommendation from the Corporation, the Board of Directors may take such action if it determines that the association is in an unsafe or unsound condition to continue as an insured financial institution or that failure to take the recommended action will result in continuance of unsafe or unsound practices in conducting the business of the savings association. Notwithstanding the above, the Board of Directors may exercise its authority without regard to the time period set forth, in exigent circumstances upon notification of the Chairman. The Board of Directors shall, by agreement with the Chairman, set forth those exigent circumstances in which the Corporation may act without regard to the time period set forth above.".

SEC. 926. EFFECT ON OTHER AUTHORITY.

Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended by adding at the end thereof the following:

"(v) EFFECT ON OTHER AUTHORITY.—The authority granted to the appropriate Federal banking agencies under this section shall be in addition to, and not be restricted by, any other authority provided by Federal or State law.".

SEC. 927. NONDELEGABILITY.

Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended by adding at the end thereof the following:

"(w) NONDELEGABILITY.—Any decision by the Board of Directors to—

"(1) issue a notice of intention to terminate insured status under subsection (a);

"(2) issue a temporary order suspending deposit insurance;

"(3) issue a final order terminating deposit insurance under subsection (a); or

"(4) initiate an enforcement action against an ongoing savings association pursuant to subsection (v);

shall be made by the Board of Directors and may not be delegated.".

SEC. 928. EFFECT OF RESIGNATION OF INSTITUTION-RELATED PARTY.

Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended by adding at the end of the following:

"(x) EFFECT OF RESIGNATION OF INSTITUTION-RELATED PARTY.—The jurisdiction and authority of the appropriate Federal banking agency to proceed under this Act against any institution-related party shall not be affected by the resignation, termination of employment, or other separation of such person from an insured financial institution, including separation caused by the failure or deregistration of the institution. The preceding sentence shall also apply to all matters which are pending as of the effective date of the FIRRE Act, whether or not formally commenced, so long as the person was an institution-related party at the time the alleged transaction or conduct occurred.".

SEC. 929. PENALTY FOR PARTICIPATION.

Section 19 of the Federal Deposit Insurance Act (12 U.S.C. 1829) is amended to read as follows:

"SEC. 19. PENALTY FOR PARTICIPATION.

"(a) IN GENERAL.—Except with the prior written consent of the Corporation, a person who has been convicted, or who is hereafter convicted, of any criminal offense involving dishonesty or a breach of trust shall not—

"(1) act or serve as an institution-related party of an insured financial institution, or

"(2) participate in the conduct of the affairs of any insured financial institution.

"(b) PENALTY.—For each knowing violation of this section—

"(1) the financial institution or the individual involved each shall be fined not more than $1,000,000 for each day such prohibition is violated, or

"(2) the individual involved shall be imprisoned for not more than five years,

or both, and the financial institution and the individual shall be subject to a civil penalty of not more than $1,000,000 for each day such prohibition is violated. The Corporation may recover the costs of assessment and collection of such penalty for its use.".

SEC. 930. PARALLEL INCREASES IN CIVIL PENALTY PROVISIONS.

(a) FEDERAL RESERVE ACT.—Section 29(a) of the Federal Reserve Act (12 U.S.C. 504(a)) is amended by striking "$1,000 per day for each day during which such violation continues" and inserting "$25,000 for each day during which such violation continues. Notwithstanding the foregoing, for violations made with reckless disregard for the safety or soundness of the financial institution, the agency authorized to impose the penalty may, in its discretion, assess a penalty of not more than $1,000,000 per day for each day during which such violation continues. The jurisdiction and authority of the agency with authority to impose a civil penalty under this section against an officer, director, employee, or agent of a bank shall not be affected by the resignation, termination of employment, or other separation of such person from an insured bank, including separation caused by the failure of the institution. The preceding sentence shall also apply to all matters which are pending as of the effective date of the FIRRE Act, whether or not formally commenced, so long as the individual was an officer, director, employee, or agent of the bank at the time the alleged transactions or conduct occurred.".

(b) BANK HOLDING COMPANY ACT.—Section 8 of the Bank Holding Company Act of 1956 (12 U.S.C. 1847) is amended—

(1) by amending subsection (a) to read as follows:

"(a) Any company which willfully violates any provision of this Act, or any regulation or order issued by the Board pursuant thereto shall be subject to a fine of $1,000,000 for each day during which such violation continues. Any individual who willfully participates in a violation of any provision of this Act or any rule, regulation or order thereunder, shall be subject to a fine of not more than $1,000,000 for each day during which such violation continues or shall be imprisoned for not more than 5 years, or both."; and

(2) in subsection (b)(1)—

(A) by striking the first sentence and inserting the following: "Any company which or individual who willfully participates in a violation of any provision of this Act, or any regulation or order issued pursuant thereto, shall pay a civil penalty of not more than $1,000,000 per day for each day during which such violation continues and for all other violations shall pay a civil penalty of not more than $25,000 per day for each day during which such violation continues."; and

(B) by adding at the end the following sentence: "Criminal and civil penalties under this section are cumulative.".

(c) BANK HOLDING COMPANY AMENDMENTS.—Section 106(b)(2)(F)(i) of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1972(2)(F)(i)) is amended by striking "$1,000 per day for each day during which such violation continues" and insert-

ing "$25,000 for each day during which such violation continues. Notwithstanding the foregoing, for violations made with reckless disregard for the safety or soundness of the financial institution, the agency having authority to impose a penalty may, in its discretion, assess a penalty of not more than $1,000,000 per day for each day during which such violation continues. The jurisdiction and authority of the agency with authority to impose a civil penalty under this section against an officer, director, employee, or agent of a bank shall not be affected by the resignation, termination of employment, or other separation of such person from an insured bank, including separation caused by the failure of the institution. The preceding sentence shall also apply to all matters which are pending as of the effective date of the FIRRE Act, whether or not formally commenced, so long as the individual was an officer, director, employee, or agent of the bank at the time the alleged transactions or conduct occurred".

(d) NATIONAL BANK VIOLATIONS.—Section 5239 of the Revised Statutes (12 U.S.C. 93) is amended in subsection (b)(1) by striking "$1,000 per day for each day during which such violation continues" and inserting "$25,000 for each day during which such violation continues. Notwithstanding the foregoing, for violations made with reckless disregard for the safety or soundness of the financial institution, the Comptroller may, in his or her discretion, assess a penalty of not more than $1,000,000 per day for each day during which such violation continues. The jurisdiction and authority of the Comptroller to impose a civil penalty under this section against an officer, director, employee, agent, or other person participating in the conduct of the affairs of a bank shall not be affected by the resignation, termination of employment, or other separation of such person from an insured bank, including separation caused by the failure of the institution. The preceding sentence shall also apply to all matters which are pending as of the effective date of the FIRRE Act, whether or not formally commenced, so long as the individual was an officer, director, employee, agent, or other person participating in the conduct of the affairs of the bank at the time the alleged transactions or conduct occurred".

(e) NATIONAL BANK EXAMINATIONS.—Section 5240 of the Revised Statutes (12 U.S.C. 481) is amended by striking "$100 for each day that any such refusal shall continue" and inserting "$25,000 for each day such refusal continues. Notwithstanding the foregoing, for violations made with reckless disregard for the safety or soundness of the bank, the Comptroller may, in his discretion, assess a penalty of not more than $1,000,000 for each day during which such refusal continues".

(f) NONMEMBER INSURED BANKS.—Section 18(j)(4)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1828(j)(4)(A)) is amended by striking "$1,000 per day for each day during which such violation continues:" and inserting "$25,000 per day for each day during which such violation continues. Notwithstanding the foregoing, for violations made with reckless disregard for the safety or soundness of the bank, the Corporation may, in its discretion, assess a penalty of not more than $1,000,000 per day during which such violation continues. The jurisdiction and authority of the Corporation to impose a civil penalty under this section against an officer, director, employee, agent, or other person participating in the conduct of the affairs of a bank shall not be affected by the resignation, termination of employment, or other separation of such person from an insured bank, including separation caused by the failure of the institution. The preceding sentence shall also apply to all matters which are pending as of the effective date of the FIRRE Act, whether or not formally commenced, so long as the individual was an officer, director, employee, agent, or other person participating in the conduct of the affairs of the bank at the time the alleged transactions or conduct occurred:".

SEC. 931. PENALTY FOR VIOLATION OF "CHANGE IN BANK CONTROL ACT".

Section 7(j)(16) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j)(16)) is amended to read as follows:

"(16) PENALTY.—

"(A) IN GENERAL.—Any person who violates any provision of this subsection, or any regulation or order issued by the appropriate Federal banking agency pursuant thereto, shall pay a civil penalty of not more than $25,000 for each day during which such violation continues. Notwithstanding the foregoing, for violations made with reckless disregard for the safety or soundness of the financial institution, the agency having authority to impose a civil money penalty, in its discretion, may assess a penalty of not more than $1,000,000 per day for each day during which such violation continues. The agency having authority to impose a civil money penalty may, in its discretion, compromise, modify, or remit any civil money penalty which is subject to imposition or has been imposed under such authority. The penalty may be assessed and collected by the appropriate Federal banking agency by written notice.

"(B) ASSESSMENT AND COLLECTION.—A penalty imposed under this paragraph shall be assessed and collected in the manner provided in section 8(i)(2) of the Federal Deposit Insurance Act and any such assessment (including the determination of the amount of the penalty) shall be subject to the provisions of such section.".

SEC. 932. REPORTS.

(a) BANK PROTECTION ACT.—Section 3 of the Bank Protection Act of 1968 (12 U.S.C. 1882) is amended by striking in the first sentence of subsection (b) "and shall require the submission of periodic reports with respect to the installation, maintenance, and operation of security devices and procedures".

(b) NATIONAL BANKS.—

(1) REPORTS OF CONDITION.—Section 5211 of the Revised Statutes (12 U.S.C. 161) is amended—

(A) by striking, in the fifth sentence of subsection (a), "within ten days after the receipt of a request thereof from him;" and inserting "within the period of time specified by the Comptroller;"; and

(B) by striking the last sentence of subsection (c).

(2) AMOUNT OF PENALTY.—Section 5213 of the Revised Statutes (12 U.S.C. 164) is amended by striking the first sentence and inserting the following: "Every association which fails to make, obtain, transmit, or publish any report or information required by the Comptroller under section 5211 of the Revised Statutes or which submits any false, misleading, or incomplete report or information shall be subject to a penalty for such failure, submission, or publication of not more than $25,000 for each day during which such failure continues or for each day from the time of submission or publication until such false, misleading, or incomplete report or information is corrected. Notwithstanding the foregoing, for violations made with reckless disregard for the safety or soundness of the financial institution, the Comptroller may, in his discretion, assess a penalty of not more than $1,000,000 per day for each day during which such failure continues or for each day from the time of submission or publication until such false, misleading, or incomplete report or information is corrected. A penalty imposed under this section shall be assessed and collected in the manner provided in section 8(i)(2) of the Federal Deposit Insurance Act and any such assessment (including the determination of the amount of the penalty) shall be subject to the provisions of such section.".

(c) STATE NONMEMBER BANKS.—Section 7(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(1)) is amended by striking the last sentence and inserting the following: "Every such bank which fails to make or publish any such report within the period of time specified by the Corporation or which submits or publishes any false, misleading, or incomplete report or information shall be subject to a penalty for such failure, submission, or publication of not more than $25,000 for each day during which such failure continues or for each day from the time of submission or publication until such false, misleading, or incomplete report or information is corrected. Notwithstanding the foregoing, for such failure, submission or publication resulting from reckless disregard for the safety or soundness of the institution, such bank shall be subject to a penalty of not more than $1,000,000 for each day during which such failure continues or for each day from the time of submission or publication until such false, misleading, or incomplete information is corrected. Such penalty may be collected by the Corporation by suit or otherwise and the costs of assessment and collection for such penalty retained by the Corporation for its own use. A penalty imposed under this paragraph shall be assessed and collected in the manner provided in section 8(i)(2) of the Federal Deposit Insurance Act and any such assessment (including the determination of the amount of the penalty) shall be subject to the provisions of such section.".

(d) MEMBER BANKS.—The sixth paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 324) is amended by striking the fourth sentence and inserting "Every bank which fails to make such reports within the period of time specified by the Board of Governors of the Federal Reserve System or which submits or publishes any false, misleading, or incomplete report or information shall be subject to a penalty for such failure, submission, or publication of not more than $25,000 for each day during which such failure continues or for each day from the time of submission or publication until such false, misleading, or incomplete report or information is corrected. Notwithstanding the foregoing, for such failure, submission or publication resulting from reckless disregard for the safety or soundness of the bank, such bank shall be subject to a penalty of not more than $1,000,000 for each day during which such failure continues or for such day from the time of submission or publication until such false, misleading or incomplete information is corrected. A penalty imposed under this paragraph shall be assessed and collected in the same manner as prescribed by section 8(i)(2) of the Federal Deposit Insurance Act and any such as-

sessment (including the determination of the amount of the penalty) shall be subject to the provisions of such section.".

(e) BANK HOLDING COMPANIES.—Section 8(b) of the Bank Holding Company Act of 1956 (12 U.S.C. 1847(b)) is amended—

(1) by redesignating subsection (b)(1) as subsection (b) and redesignating sections (b)(2) through (6) as sections (d)(1) through (5); and

(2) by inserting after subsection (b) the following:

"(c) REPORTING VIOLATIONS.—Any company which fails to make such reports as are required by this chapter or any regulation or order issued pursuant thereto within the period of time specified by the Board or which submits or publishes any false, misleading or incomplete report or information shall pay a civil penalty of not more than $25,000 for each day during which such failure continues or for each day from the time of submission or publication until such false, misleading, or incomplete report or information is corrected. Notwithstanding the foregoing, for such failure, submission or publication made with reckless disregard, the company shall be subject to a penalty of not more than $1,000,000 for each day during which such failure continues or for each day from the time of submission or publication until such false or misleading report or submission is corrected.".

Subtitle B—Regulation by the Chairman of the Office of Savings Associations

SEC. 941. REPORTS OF CONDITION AND PENALTIES.

Section 5 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464), as amended by section 301, is amended by adding at the end the following:

"(w) REPORTS OF CONDITIONS.—

"(1) IN GENERAL.—Each savings association shall make reports of condition to the Chairman which shall be in such form and shall contain such information as the Chairman may require.

"(2) PUBLICATION.—The Chairman may require reports of condition to be published in such manner as the Chairman may direct.

"(3) PENALTY.—Any savings association which fails to submit or publish any report or information required by the Chairman under paragraph (1) or (2) within the period of time specified by the Chairman, or submits or publishes any false, misleading, or incomplete report or information shall be subject to a penalty for such failure, submission, or publication of not more than $25,000 for each day during which such failure continues, or for each day from the time of submission or publication until such false, misleading, or incomplete report or information is corrected. Notwithstanding the foregoing, for violations resulting from reckless disregard for the safety or soundness of a savings association, the Chairman may, in his or her discretion, assess a penalty of not more than $1,000,000 for each day during which such failure continues or for each day from the time of submission or publication until such false or misleading report or information is corrected.

"(4) PROCEDURE.—Any penalty imposed under paragraph (3) shall be assessed and collected by the Chairman in the manner provided in section 8(i)(2) of the Federal Deposit Insurance Act.

"(5) ACCESS TO REPORTS.—The Federal Deposit Insurance Corporation shall have access to reports of condition made pursuant to paragraph (1) and any revision made to any such report.".

SEC. 942. CONTINUITY OF AUTHORITY FOR ONGOING LITIGATION.

All litigation in which the Federal Home Loan Bank Board or the Federal Savings and Loan Insurance Corporation is a party shall be continued after the effective date of this Act by the Chairman of the Office of Savings Associations, the Federal Deposit Insurance Corporation, or the Federal Home Loan Bank Agency, as appropriate under this Act.

SEC. 943. EXTENSION OF AUTHORITY.

(a) IN GENERAL.—Any administrative hearing or proceeding initiated prior to the effective date of this Act or any order issued, agreement entered, condition imposed, memorandum of understanding entered, penalty assessed or capital directive issued—

(1) pursuant to those provisions in section 5(d) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(d)) that are repealed by title III of this Act, or

(2) pursuant to section 407 (e) through (h), (k), (m), or (p) of the National Housing Act (12 U.S.C. 1730),

shall be continued by the Chairman of the Office of Savings Associations as if those provisions remained in effect.

(b) CONTINUING EFFECT OF ORDERS.—(1) Any person subject to an order, agreement, or condition issued by the Federal Savings and Loan Insurance Corporation or the Federal Home Loan Bank Board prior to the effective date of this Act shall remain subject to the provisions of such order with respect to an institution that is a member of the Savings Association Insurance fund unless otherwise authorized by the Chairman of the Office of Savings Associations.

(2) Any individual who has been prohibited by order of the Federal Savings and Loan Insurance Corporation or the Federal Home Loan Bank Board from voting for any director or serving, acting as a director, officer, or employee, or participating in the affairs of any institution the accounts of which were insured by the Federal Savings and Loan Insurance Corporation prior to the effective date of this Act or of any holding company, subsidiary, or service corporation of such institution may not serve or act in any of those capacities with respect to a financial institution that is a member of the Savings Association Insurance Fund, without the prior written approval of the Chairman of the Office of Savings Associations.

Subtitle C—Credit Unions

SEC. 951. DEFINITION OF INSTITUTION-RELATED PARTY.

Section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended by striking the following phrases:

(1) "director, officer, committee member, employee, agent, or other person participating in the conduct of the affairs of such a credit union";

(2) "director, officer, committee member, employee, agent, or other person";

(3) "director, officer, committee member, or employee";

(4) "director, officer, or committee member";

(5) "director, committee member, or officer";

(6) "director, committee member, officer, or other person";

(7) "officer, director, committee member, employee, agent, or other person participating in the conduct of the affairs of such a credit union";

(8) "officer, director, committee member, employee, agent, or other person participating in the conduct of the affairs of such credit union";

(9) "director, committee member, or officer or other person";

(10) "director, committee member, officer or other person";

(11) "director, officer, committee member or other person";

(12) "director, officer, committee member, or other person"; and

(13) "director, committee member, or officer of an insured credit union, or other person participating in the conduct of the affairs of such credit union";

each place they appear and inserting "institution-related party".

SEC. 952. PERIODS APPLICABLE TO INSURANCE TERMINATION.

Section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended—

(1) in subsection (b)(1), by striking "one hundred and twenty days" and inserting "60 days"; and

(2) in subsection (c), by striking "one year" and inserting "not less than 6 months and not more than 2 years as determined in the discretion of the Board".

SEC. 953. RESTITUTION AND REIMBURSEMENT AUTHORIZED.

Section 206(e) of the Federal Credit Union Act (12 U.S.C. 1786(e)) is amended by adding at the end the following new paragraph:

"(3) RESTITUTION AND REIMBURSEMENT.—The authority to issue an order under this subsection which requires an insured credit union or any institution-related party to take affirmative action to correct any conditions resulting from any violation or practice with respect to which such order is issued includes the authority to require such insured credit union or institution-related party to—

"(A) make restitution or provide reimbursement or indemnification;

"(B) provide a guarantee against loss;

"(C) rescind agreements or contracts;

"(D) dispose of any loan or asset involved; or

"(E) take such other action as the Board determines to be appropriate.

Such order may place limitations on the activities or functions of the credit union or any institution-related party necessary to correct the conditions resulting from any such violation or practice and may prohibit or restrict the growth of assets of the credit union.".

SEC. 954. LIMITATIONS ON ACTIVITIES.

Section 206(e) of the Federal Credit Union Act (12 U.S.C. 1786(e)) is amended by adding at the end the following:

"(4) The authority to issue an order under this subsection or subsection (f) includes the authority to place limitations on the activities or functions of an insured credit union, or institution-related party, including restriction on the growth of assets of the credit union.".

SEC. 955. TEMPORARY CEASE AND DESIST ORDERS RELATING TO BOOKS AND RECORDS.

Section 206(f) of the Federal Credit Union Act (12 U.S.C. 1786(f)) is amended—

(1) in paragraph (1), by striking "substantial" and "seriously";

(2) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(3) by inserting after paragraph (1) the following new paragraph:

"(2) ORDERS RELATING TO BOOKS AND RECORDS.—

"(A) IN GENERAL.—Whenever the Board determines that any insured credit union's books and records are so incomplete or inac-

curate that the Board is unable through the normal supervisory process to determine the financial condition of that credit union or the details or purpose of any transactions that may have an adverse effect on the financial condition of that credit union, the Board may issue a temporary order requiring cessation of any activities the Board deems appropriate, including prohibitions or restrictions on the growth of assets of the credit union, or affirmative action to restore such books and records to a complete and accurate state, until completion of proceedings conducted under paragraph (1) of subsection (e) of this section.

"(B) EFFECTIVENESS OF ORDER.—Such order shall become effective upon service, and shall remain effective and enforceable—

"(i) pending completion of the administrative proceeding initiated under such notice, or

"(ii) until the Board determines by examination or otherwise that the credit union's books and records are accurate and capable of reflecting the financial condition of the credit union,

unless set aside, limited, or suspended by a court in proceedings authorized by paragraph (3) of this subsection."; and

(4) by adding at the end of paragraph (3), as redesignated, the following: "The court shall issue an injunction preventing enforcement of the temporary order issued under this subsection only upon a finding that issuance of such order by the appropriate Federal banking agency was arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.".

SEC. 956. REMOVAL ORDERS.

Section 206(g) of the Federal Credit Union Act (12 U.S.C. 1786(g)) is amended by striking paragraphs (1) and (2) and inserting the following:

"(1) REMOVAL ORDERS.—Whenever the Board determines that—

"(A) any institution-related party, directly or indirectly, has—

"(i) violated any law, rule, regulation, written agreement entered into with the Board, or order which has become final,

"(i) engaged or participated in any unsafe or unsound practice in connection with any insured credit union or other business institution,

"(iii) committed or engaged in any act, omission, or practice which constitutes a breach of his fiduciary duty, or

"(iv) by conduct or practice evidenced his personal dishonesty or unfitness to continue as an institution-related party; and

"(B) such insured credit union or other business institution has suffered or will probably suffer substantial financial loss or other damage, or the interests of its insured members have been or could be seriously prejudiced by reason of such violation, practice, or breach, or the institution-related party has received financial gain by reason of such violation, practice, or breach,

the Board may serve upon such institution-related party a written notice of its intention to remove such party from office or to prohibit his further participation in any manner in the conduct of the affairs of any insured credit union.".

SEC. 957. TEMPORARY SUSPENSION ORDERS.

(a) IN GENERAL.—Section 206(g) of the Federal Credit Union Act (12 U.S.C. 1786(g)) is amended—

(1) by striking paragraph (7),

(2) by redesignating paragraphs (3) through (6) as paragraphs (2) through (5), respectively, and

(3) by amending paragraph (3) (as so redesignated) to read as follows:

"(3) TEMPORARY SUSPENSION ORDERS.—

"(A) IN GENERAL.—With respect to any institution-related party referred to in paragraph (1) or (2) of this subsection, the Board may, if it deems necessary for the protection of the credit union or the interests of its members, by written order to such effect served upon such party, suspend that party from office or prohibit that party from further participation in any manner in the conduct of the affairs of the credit union.

"(B) EFFECTIVENESS OF ORDER.—Such suspension or prohibition shall become effective upon service of such order on the institution-related party. Such order shall remain in effect pending the completion of the administrative proceedings pursuant to the notice served under paragraphs (1) and (2) of this subsection and until—

"(i) such time as the Board shall dismiss the charges specified in such notice, or

"(ii) if an order of removal or prohibition is issued against such party, the effective date of any such order,

unless stayed by a court in proceedings authorized by paragraph (5) of this subsection. Copies of any order issued pursuant to this paragraph shall also be served upon any institution where the party involved is presently associated.".

(b) TECHNICAL AMENDMENT.—Section 206(g)(5) of the Federal Credit Union Act (12 U.S.C. 1786(g)(5)), as redesignated, is amended—

(1) by striking "(4)" and inserting "(3)";

(2) by striking "(1), (2), or (3)" and inserting "(1) or (2)"; and

(3) by adding at the end the following: "The court shall issue an injunction preventing enforcement of the temporary order issued under this subsection only upon a finding that issuance of such order by the appropriate Federal banking agency was arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.".

SEC. 958. EFFECT OF REMOVAL OR SUSPENSION.

Section 206(g) of the Federal Credit Union Act (12 U.S.C. 1786(g)), as redesignated, is amended by adding at the end the following:

"(6) EFFECT OF SUSPENSION OR REMOVAL ORDER.—Any person who is subject to a removal, suspension, or prohibition order pursuant to this subsection or subsection (i) shall also be removed, suspended, or prohibited from participation in the conduct of the affairs of—

"(A) any insured institution,

"(B) any bank holding company or subsidiary of a bank holding company (as those terms are defined in the Bank Holding Company Act of 1956),

"(C) any organization organized and operated under section 25(a) of the Federal Reserve Act or operating under section 25 of the Federal Reserve Act,

"(D) any subsidiary of any insured financial institution,

"(E) any savings and loan holding company or any subsidiary of a savings and loan holding company (as those terms are defined in the Home Owners' Loan Act of 1933), and

"(F) any institution chartered under the Farm Credit Act of 1971,

unless the party involved has received the prior written approval of the appropriate Federal regulatory agency that issued the order. This paragraph shall only apply to a person who is an individual, unless the appropriate Federal regulatory agency specifically finds that it should apply to a corporation, firm, or other business entity.".

SEC. 959. EFFECT OF RESIGNATION OF INSTITUTION-RELATED PARTY.

Section 206(g) of the Federal Credit Union Act (12 U.S.C. 1786(g)) is amended by adding at the end the following:

"(7) The jurisdiction and authority of the Board to proceed under this Act against any institution-related party shall not be affected by the resignation, termination of employment, or other separation of such person from an insured credit union, including separation caused by the failure of the credit union. The preceding sentence shall also apply to all matters which are pending as of the effective date of the FIRRE Act, whether or not formally commenced, so long as the person was an institution-related party at the time the alleged transaction or conduct occurred.".

SEC. 960. CIVIL PENALTY FOR VIOLATION OF CONDITION IMPOSED IN WRITING.

The first sentence of section 206(k)(2)(A) of the Federal Credit Union Act (12 U.S.C. 1786(k)(2)(A)) is amended to read as follows: "Any insured credit union and any institution-related party which has—

"(i) violated any law or regulation relating to financial institutions, or any condition imposed in writing by the Board in connection with the granting of an application or other request by the credit union or institution-related party, or the terms of any order which has become final under subsection (e), (f), (g), (i), or (p) of this section; or

"(ii) breached any fiduciary duty or engaged in any unsafe or unsound practice where such breach or practice has resulted in a loss to the credit union or pecuniary gain to the institution-related party;

shall pay a civil penalty of not more than $25,000 for each day during which such violation continues. Notwithstanding the foregoing, for a violation made with reckless disregard for the safety or soundness of the financial institution, the Board may, in its discretion, assess a penalty of not more than $1,000,000 per day for each day during which such violation continues.".

SEC. 961. CRIMINAL PENALTY FOR VIOLATION OF REMOVAL OR SUSPENSION ORDER.

Section 206(l) of the Federal Credit Union Act (12 U.S.C. 1786(l)) is amended to read as follows:

"(l) PENALTY.—Any person against whom there is outstanding and effective any order served upon such person under paragraph (3) or (4) of subsection (g) or under subsection (i) who, directly or indirectly, without the prior written approval of the Board—

"(1) participates in any manner in the conduct of the affairs of—

"(A) any insured institution,

"(B) any bank holding company or subsidiary of a bank holding company (as those terms are defined in the Bank Holding Company Act of 1956),

"(C) any organization organized and operated under section 25(a) of the Federal Reserve Act or operating under section 25 of the Federal Reserve Act,

"(D) any savings and loan holding company or subsidiary thereof (as those terms are defined in the Home Owners' Loan Act of 1933), or

"(E) any institution chartered under the Farm Credit Act of 1971;

"(2) solicits or procures, or transfers or attempts to transfer, or votes or attempts to vote any proxies, consents, or authorization in respect to any voting rights in an institution described in paragraph (1); or

"(3) votes for a director, or serves or acts as an institution-related party of an institution described in paragraph (1);

shall be fined not more than $1,000,000 or imprisoned for not more than 5 years, or both.".

SEC. 962. TECHNICAL AMENDMENT.

Section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended by striking subsection (m) and redesignating subsections (n), (o), (p) and (q) of this section as subsections (m), (n), (o) and (p), respectively.

SEC. 963. DEFINITIONS.

Section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended by adding at the end thereof the following:

"(q) DEFINITIONS.—As used in this section:

"(1) APPROPRIATE FEDERAL REGULATORY AGENCY.—The term 'appropriate Federal regulatory agency' has the same meaning as in section 8 of the Federal Deposit Insurance Act.

"(2) ORDER WHICH HAS BECOME FINAL.—The term 'order which has become final' means an order issued by the Board—

"(A) with the consent of the credit union or the institution-related party concerned;

"(B) which is not subject to further administration review.

"(3) INSTITUTION-RELATED PARTY.—

"(A) The term 'institution-related party' means a director, officer, committee member, employee, agent, or other person participating in the conduct of the affairs of an insured credit union.

"(B) For the purpose of this paragraph, the term 'other person participating in the conduct of the affairs of an insured credit union' includes, in addition, an independent contractor (including an attorney, appraiser, or accountant) who knowingly or recklessly participates in a wrongful action that caused or is likely to cause significant loss.

"(4) INSURED INSTITUTION.—The term 'insured institution' means an insured credit union, as defined in section 101, or a depository institution whose accounts are insured by the Federal Deposit Insurance Corporation.

"(5) VIOLATION.—The term 'violation' includes without limitation any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation.".

SEC. 964. EFFECT OF OTHER LAW.

Section 206 of the Federal Credit Act (12 U.S.C. 1786) is amended by adding at the end thereof the following:

"(r) EFFECT OF OTHER LAW.—The authority granted to the Board under this section shall be in addition to, and not restricted by, any other authority provided by Federal or State law.".

SEC. 965. EMPLOYMENT PROTECTION.

Section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended by adding at the end thereof the following:

"(s) EMPLOYMENT PROTECTION.—

"(1) IN GENERAL.—A credit union may not discharge or otherwise discriminate against any officer, director, or employee with respect to compensation, terms, conditions, or privileges of employment or membership because such individual (or any person acting pursuant to the request of such individual) provided information to any financial institution regulatory authority or to the Department of Justice regarding a possible violation of any law or regulation by the credit union or its institution-related party.

"(2) CIVIL ACTION.—Any employee or former employee who believes he or she has been discharged or discriminated against in violation of paragraph (1) may file a civil action in Federal district court within 2 years from the date of such discharge or discrimination.

"(3) REMEDIES.—If the district court determines that a violation of paragraph (1) has occurred, it may order the financial institution which committed the violation to reinstate the employee to his former position, to pay compensatory damages, or to take other appropriate action to remedy any past discrimination.

"(4) EXCEPTION.—The protections of this subsection do not apply to any employee who deliberately causes the alleged violation of law or regulation.".

SEC. 966. STANDARD FOR IMPOSITION OF CIVIL PENALTIES.

Section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended by adding at the end thereof the following:

"(t) STANDARD FOR IMPOSITION OF CIVIL PENALTIES.—Notwithstanding any other provision of law, the Board may impose a civil penalty under a provision of Federal law on a credit union or an institution-related party in an amount in excess of $2,500 per day only if the Board determines that—

"(1) the violation, breach, or practice has caused or is likely to cause a serious financial loss to the credit union or to the National Credit Union Share Insurance Fund;

"(2) the violation, breach, or practice evidenced reckless disregard for the safety or soundness of the credit union or resulted from gross negligence;

"(3) the violation, breach, or practice was part of a pattern of violations, breaches, or practices by that credit union or institution-related party; or

"(4) the violation, breach, or practice resulted in the enrichment of the institution-related party charged with the violation.".

SEC. 967. PROHIBITION AGAINST PARTICIPATION.

Section 205 of the Federal Credit Union Act (12 U.S.C. 1785) is amended—

(1) in the first sentence of subsection (d), by inserting after "insured credit union" the following: "or shall participate in the conduct of the affairs of such insured credit union"; and

(2) by striking the second sentence of subsection (d) and inserting "For each knowing violation of this subsection, the credit union or the individual involved shall pay a civil penalty of not more than $25,000 for each day such violation continues. Notwithstanding the foregoing, for violations made with reckless disregard for the safety or soundness of the institution, the Board, in its discretion, may assess a penalty of not more than $1,000,000 per day for each day such violation continues. The Board may recover the costs of penalty assessment and collection for its use.".

SEC. 968. REPEAL OF REPORTING REQUIREMENT.

Section 205(e)(2) of the Federal Credit Union Act (12 U.S.C. 1787(e)(2)) is amended in the first sentence by striking "and shall require the submission of periodic reports with respect to the installation, maintenance, and operation of security devices and procedures".

SEC. 969. REPORTING VIOLATIONS.

Section 202(a)(3) of the Federal Credit Union Act (12 U.S.C. 1782(a)(3)) is amended by striking the second sentence and inserting the following: "Any insured credit union which—

"(A) fails to submit or publish any report required under this subsection or section 106 within the period of time specified by the Board; or

"(B) submits or publishes any false, misleading, or incomplete report or information;

shall be subject to a penalty for such failure, submission, or publication or false, misleading, or incomplete submission of not more than $25,000 for each day during which such failure continues or for each day from the time of submission or publication until such false, misleading, or incomplete report or information is corrected. Notwithstanding the foregoing, for violations made with reckless disregard for the safety or soundness of a credit union, the Board, in its discretion, may assess a penalty of not more than $1,000,000 for each day during which such failure continues or for each day from the time of submission or publication until such false, misleading, or incomplete report or information is corrected. Any penalty imposed by the preceding sentence shall be assessed and collected by the Board in the manner provided in section 206(k)(2) (for penalties imposed under such section), and any such assessment (including the determination of the amount of the penalty) shall be subject to the provisions of such section.".

SEC. 970. AUDIT REQUIREMENT.

Section 202(a) of the Federal Credit Union Act (12 U.S.C. 1782(a)) is amended by adding at the end thereof the following new paragraph:

"(6) AUDIT REQUIREMENT.—

"(A) IN GENERAL.—Before the end of the 120-day period beginning on the date of the enactment of the FIRRE Act, and notwithstanding any provision of Federal law, the law of any State, or the constitution of any State, the Board shall prescribe, by regulation, audit standards which require an outside, independent audit of any insured credit union by a certified public accountant for any fiscal year (of such credit union)—

"(i) for which such credit union has not conducted an annual supervisory committee audit;

"(ii) for which such credit union has not received a complete and satisfactory supervisory committee audit; or

"(iii) during which such credit union has experienced persistent and serious record-keeping deficiencies, as determined by the Board.

"(B) UNSAFE OR UNSOUND PRACTICE.—The Board may treat the failure of any insured credit union to obtain an outside, independent audit for any fiscal year for which such audit is required under subparagraph (A) as an unsafe or unsound practice within the meaning of section 206(b).".

Subtitle D—Right to Financial Privacy Act

SEC. 981. AMENDMENTS TO RIGHT TO FINANCIAL PRIVACY ACT.

(a) DEFINITIONS.—Section 1101 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) is amended—

(1) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively; and

(2) in paragraph (7), as redesignated, by striking all matter before subparagraph (A) and inserting in lieu thereof:

"(7) 'supervisory agency' means with respect to any particular financial institution, holding company, or any subsidiary of a financial institution or holding company, any of the following which has statutory authority to examine the financial condition, business operations or records or transac-

tions of that institution, holding company, or subsidiary—"; and

(3) by inserting after paragraph (5) the following new paragraph:

"(6) 'holding company' means—

"(A) a 'bank holding company' as defined in section 2 of the Bank Holding Company Act of 1956,

"(B) a company described in section 3(f)(1) of the Bank Holding Company Act of 1956, or

"(C) a 'savings and loan holding company' as defined in the Home Owners' Loan Act of 1933.".

(b) EXCEPTIONS TO DISCLOSURE REQUIREMENTS.—Section 1113 of the Right of Financial Privacy Act of 1978 (12 U.S.C. 3413) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) Nothing in this chapter applies to the examination by or disclosure to any supervisory agency of financial records or information in the exercise of its supervisory, regulatory, or monetary functions, including conservatorship or receivership functions, with respect to any financial institution, holding company, or any subsidiary of a financial institution or holding company, or any officer, director, employee, agent or other person participating in the affairs thereof."; and

(2) by adding at the end the following new paragraphs:

"(m) Nothing in this title shall apply to the examination by or disclosure to employees or agents of the Board of Governors of the Federal Reserve System or any Federal Reserve Bank of financial records or information, if such examination or disclosure is made in connection with the exercise of the Federal Reserve System's authority to extend credit to depository institutions or others.

"(n) Nothing in this title shall apply to the examination by or disclosure to the Resolution Trust Corporation or its employees or agents of financial records or information, if such examination or disclosure is made in connection with the exercise of its conservatorship, receivership, or liquidation functions with respect to a financial institution.".

(c) GRAND JURY INFORMATION.—Section 1120 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3420) is amended—

(1) by inserting "(a)" before "Financial"; and

(2) by adding at the end thereof the following paragraph:

"(b) A financial institution on which a grand jury subpoena has been served, relating to a possible violation of section 215, 656, 657, 1005, 1006, 1007, 1014, or 1344 of title 18, United States Code, shall not notify the customer whose records are sought or any other party about the existence or contents of the subpoena or information that has been furnished to the grand jury in response to that subpoena. Any person who violates the requirement of the preceding sentence shall be punished as provided in section 1510(b) of title 18, United States Code.".

TITLE X—CRIMINAL ENHANCEMENTS

SEC. 1001. INCREASED CRIMINAL PENALTIES AND CIVIL PENALTIES FOR CERTAIN FINANCIAL INSTITUTION OFFENSES.

(a) RECEIPT OF COMMISSIONS OR GIFTS FOR PROCURING LOANS.—Section 215 of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) by striking "$5,000" and inserting "$1,000,000";

(B) by striking "five" and inserting "15"; and

(C) by striking the period at the end thereof and inserting: "and shall be subject to a civil penalty of up to $1,000,000 or the amount of the thing given, offered, promised, solicited, demanded, accepted or agreed to be accepted, whichever is greater. Civil and criminal penalties under this section are cumulative."; and

(2) in subsection (b)—

(A) by striking "a bank" in paragraph (1) and inserting "an institution";

(B) by striking paragraphs (2) and (8);

(C) by redesignating paragraphs (3), (4), (5), (6), and (7) as paragraphs (2), (3), (4), (5), and (6);

(D) by inserting "or" at the end of paragraph (6); and

(E) by striking "; or" at the end of paragraph (7) and inserting a period; and

(3) by adding at the end the following:

"(e) The Attorney General may bring a civil action against any person who violates the provisions of this section. The action may be brought in any district court of the United States or the United States courts of any territory in which the defendant or, in the case of multiple defendants, any one defendant resides, is doing business, may be found, or in which any proscribed act was committed. A subpoena requiring the attendance of a witness at trial or hearing conducted under this section may be served at any place in the United States. The court in which such action is brought shall determine the existence of a violation upon a preponderance of the evidence, shall assess the civil penalty, and shall have power to grant such other relief, including injunctions, as may be appropriate. Such remedies shall be in addition to any other remedy available under statutory or common law.

"(f)(1) For the purpose of any civil investigation or proceeding under this section, the Attorney General or any officer designated by him is empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records which the Attorney General deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing.

"(2) In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Attorney General may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records. And such court may issue an order requiring such person to appear before the Attorney General or officer designated by the Attorney General to produce records, if so ordered, or to give testimony touching upon the matter under civil investigation or in question. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district where such person is an inhabitant or wherever he may be found. Any person who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, and other records, if in his power so to do, in obedience to the subpoena of the Attorney General shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than one year, or both.".

(b) THEFT, EMBEZZLEMENT, AND MISAPPLICATION BY BANK OFFICER OR EMPLOYEE.—Section 656 of title 18, United States Code, is amended—

(1) by striking "$5,000" and inserting "$1,000,000" and striking "five" and inserting "15";

(2) by striking the period at the end of the first paragraph and inserting the following: "and shall be subject to a civil penalty of up to $1,000,000 for each day the violation continues or the amount embezzled, abstracted, purloined or willfully misapplied and any pecuniary gain attributable to the proscribed conduct, or up to $5,000,000, whichever is greater. Civil and criminal penalties under this section are cumulative."; and

(3) by inserting "(a)" before "Whoever" and adding new subsections (b) and (c) as follows:

"(b) The Attorney General may bring a civil action against any person who violates the provisions of the preceding section. The action may be brought in any district court of the United States or the United States courts of any territory in which the defendant or, in the case of multiple defendants, any one defendant resides, is doing business, may be found, or in which any proscribed act was committed. A subpoena requiring the attendance of a witness at trial or hearing conducted under this provision may be served at any place in the United States. The court in which such action is brought shall determine the existence of a violation upon a preponderance of the evidence, shall assess the civil penalty, and shall have power to grant such other relief, including injunctions, as may be appropriate. Such remedies shall be in addition to any other remedy available under statutory or common law.

"(c)(1) For the purpose of any civil investigation or proceeding under this section, the Attorney General or any officer designated by him is empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records which the Attorney General deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing.

"(2) In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Attorney General may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records. And such court may issue an order requiring such person to appear before the Attorney General or officer designated by the Attorney General to produce records, if so ordered, or to give testimony touching upon the matter under civil investigation or in question. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district where such person is an inhabitant or wherever he may be found. Any person who shall, without just cause, fail or refuse to

attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, and other records, if in his power so to do, in obedience to the subpoena of the Attorney General shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than one year, or both.".

(c) THEFT, EMBEZZLEMENT, OR MISAPPLICATION BY LENDING, CREDIT, OR INSURANCE INSTITUTION OFFICER OR EMPLOYEE.—Section 657 of title 18, United States Code, is amended—

(1) by striking "$5,000" and inserting "$1,000,000" and striking "five" and inserting "15";

(2) by striking the period at the end of the section and inserting the following: "and shall be subject to a civil penalty of $1,000,000 for each day the violation continues or the amount embezzled, abstracted, purloined or willfully misapplied and any pecuniary gain attributable to that proscribed conduct, or $5,000,000, whichever is greater. Civil and criminal penalties under this section are cumulative."; and

(3) by inserting "(a)" before "Whoever" and by adding new subsections (b) and (c) as follows:

"(b) The Attorney General may bring a civil action against any person who violates the provisions of the preceding section. The action may be brought in any district court of the United States or the United States courts of any territory in which the defendant or, in the case of multiple defendants, any one defendant resides, is doing business, may be found, or in which any proscribed act was committed. A subpoena requiring the attendance of a witness at trial or hearing conducted under this provision may be served at any place in the United States. The court in which such action is brought shall determine the existence of a violation upon a preponderance of the evidence, shall assess the civil penalty, and shall have power to grant such other relief, including injunctions, as may be appropriate. Such remedies shall be in addition to any other remedy available under statutory or common law.

"(c)(1) For the purpose of any civil investigation or proceeding under this section, the Attorney General or any officer designated by him is empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records which the Attorney General deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing.

"(2) In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Attorney General may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records. And such court may issue an order requiring such person to appear before the Attorney General or officer designated by the Attorney General to produce records, if so ordered, or to give testimony touching upon the matter under civil investigation or in question. And any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found. Any person who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, and other records, if in his power so to do, in obedience to the subpoena of the Attorney General shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than one year, or both.".

(d) BANK ENTRIES, REPORTS, AND TRANSACTIONS.—Section 1005 of title 18, United States Code, is amended—

(1) by inserting "bank holding company, savings and loan holding company," after "member bank," in the first clause thereof;

(2) by inserting "or company" after "such bank" each place it appears in the third clause;

(3) by striking "—" at the end of the third clause following the words "Federal Reserve System" and inserting "; or";

(4) by inserting after the third clause the following:

"Whoever with intent to defraud the United States or any agency thereof, or any financial institution referred to in this section, participates or shares in or receives directly or indirectly any money, profit, property, or benefits through any transaction, loan, commission, contract, or any other act of any such financial institution—";

(5) by striking "$5,000" and inserting "$1,000,000" and striking "five" and inserting "15";

(6) by striking the period at the end of the first paragraph and inserting the following: "and shall be subject to a civil penalty of $1,000,000 for each day the violation continues or the amount of any pecuniary gain attributable to the proscribed actions, or $5,000,000, whichever is greater. Civil and criminal penalties under this section are cumulative."; and

(7) by inserting "(a)" before "Whoever" at the beginning of the subsection and by adding new subsections (b) and (c) as follows:

"(b) The Attorney General may bring a civil action against any person who violates the provisions of the preceding section. The action may be brought in any district court of the United States or the United States courts of any territory in which the defendant or, in the case of multiple defendants, any one defendant resides, is doing business, may be found, or in which any proscribed act was committed. A subpoena requiring the attendance of a witness at trial or hearing conducted under this provision may be served at any place in the United States. The court in which such action is brought shall determine the existence of a violation upon a preponderance of the evidence, shall assess the civil penalty, and shall have power to grant such other relief, including injunctions, as may be appropriate. Such remedies shall be in addition to any other remedy available under statutory or common law.

"(c)(1) For the purpose of any civil investigation or proceeding under this section, the Attorney General or any officer designated by him is empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records which the Attorney General deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing.

"(2) In case of contumacy by, or refusal to obey a subpoena issued, to, any person, the Attorney General may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records. And such court may issue an order requiring such person to appear before the Attorney General or officer designated by the Attorney General to produce records, if so ordered, or to give testimony touching upon the matter under civil investigation or in question. And any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district where such person is an inhabitant or wherever he may be found. Any person who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, and other records, if in his power so to do, in obedience to the subpoena of the Attorney General shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than one year, or both.".

(e) FEDERAL CREDIT INSTITUTION ENTRIES, REPORTS, AND TRANSACTIONS.—Section 1006 of title 18, United States Code, is amended—

(1) by striking "$10,000" and inserting "$1,000,000" and by striking "five" and inserting "15";

(2) by striking the period at the end of the section and inserting the following: "and shall be subject to a civil penalty of $1,000,000 for each day the violation continues or the amount of pecuniary gain attributable to the proscribed action, or $5,000,000, whichever is greater. Civil and criminal penalties under this section are cumulative."; and

(3) by inserting "(a)" before "Whoever" and by adding new subsections (b) and (c) as follows:

"(b) The Attorney General may bring a civil action against any person who violates the provisions of the preceding section. The action may be brought in any district court of the United States or the United States courts of any territory in which the defendant or, in the case of multiple defendants, any one defendant resides, is doing business, may be found, or in which any proscribed act was committed. A subpoena requiring the attendance of a witness at trial or hearing conducted under this provision may be served at any place in the United States. The court in which such action is brought shall determine the existence of a violation upon a preponderance of the evidence, shall assess the civil penalty, and shall have power to grant such other relief, including injunctions, as may be appropriate. Such remedies shall be in addition to any other remedy available under statutory or common law.

"(c)(1) For the purpose of any civil investigation or proceeding under this section, the Attorney General or any officer designated by him is empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers,

correspondence, memoranda, or other records which the Attorney General deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing.

"(2) In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Attorney General may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records. And such court may issue an order requiring such person to appear before the Attorney General or officer designated by the Attorney General to produce records, if so ordered, or to give testimony touching upon the matter under civil investigation or in question. And any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district where such person is an inhabitant or wherever he may be found. Any person who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, and other records, if in his power so to do, in obedience to the subpoena of the Attorney General shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than one year, or both.".

(f) FEDERAL DEPOSIT INSURANCE CORPORATION TRANSACTIONS.—Section 1007 of title 18, United States Code, is amended to read as follows:

"§ 1007. Federal Deposit Insurance Corporation transactions

"(a) Whoever, for the purpose of inducing the insurance of the accounts of any institution by the Federal Deposit Insurance Corporation, for the purpose of obtaining any loan from the Federal Deposit Insurance Corporation, for the purpose of obtaining any extension or renewal of such insurance or such loan, or for the purpose of obtaining the acceptance, release, or substitution of security for such loan, or for the purpose of inducing the Federal Deposit Insurance Corporation to purchase any assets, or for the purpose of obtaining the payment of any insured deposit or transferred deposit or the allowance, approval, or payment of any claim, or for the purpose of influencing in any way the action of the Federal Deposit Insurance Corporation, makes, passes, utters, or publishes any statement, knowing it to be false; utters, forges, or counterfeits any instrument, paper, or document, or utters, publishes, or passes as true any instrument, paper or document, knowing it to have been uttered, forged, or counterfeited; or willfully overvalues any security, asset, or income, of any institution insured or applying for insurance by the Federal Deposit Insurance Corporation shall be fined not more than $1,000,000, or imprisoned for not more than 15 years, or both, and shall be subject to a civil penalty of $1,000,000 for each day the violation continues, or the amount of pecuniary gain attributable to the proscribed action, or $5,000,000, whichever is greater. Civil and criminal penalties under this section are cumulative.

"(b) The Attorney General may bring a civil action against any person who violates the provisions of the preceding section. The action may be brought in any district court of the United States or the United States courts of any territory in which the defendant or, in the case of multiple defendants, any one defendant resides, is doing business, may be found, or in which any proscribed act was committed. A subpoena requiring the attendance of a witness at trial or hearing conducted under this provision may be served at any place in the United States. The court in which such action is brought shall determine the existence of a violation upon a preponderance of the evidence, shall assess the civil penalty, and shall have power to grant such other relief, including injunctions, as may be appropriate. Such remedies shall be in addition to any other remedy available under statutory or common law.

"(c)(1) For the purpose of any civil investigation or proceeding under this section, the Attorney General or any officer designated by him is empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records which the Attorney General deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing.

"(2) In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Attorney General may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records. And such court may issue an order requiring such person to appear before the Attorney General or officer designated by the Attorney General to produce records, if so ordered, or to give testimony touching upon the matter under civil investigation or in question. And any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district where such person is an inhabitant or wherever he may be found. Any person who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, and other records, if in his power so to do, in obedience to the subpoena of the Attorney General shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than one year, or both.".

(g) FSLIC TRANSACTIONS.—

(1) IN GENERAL.—Section 1008 of title 18, United States Code, is repealed.

(2) CONFORMING AMENDMENT.—The table of sections of chapter 47 of title 18, United States Code, is amended by striking the item relating to section 1008.

(h) LOANS AND CREDIT APPLICATIONS GENERALLY.—Section 1014 of title 18, United States Code, is amended—

(1) by striking "a Federal Home Loan Bank, the Federal Home Loan Bank Board, the Home Owners' Loan Corporation, a Federal Savings and Loan Association", by striking "the Federal Savings and Loan Insurance Corporation, any bank the deposits of which are insured by", by striking "any member of", and by inserting "the Resolution Trust Corporation" after "Federal Deposit Insurance Corporation,";

(2) by striking "$5,000" and inserting "$1,000,000" and striking "two" and inserting "15";

(3) by striking the period at the end of the first paragraph and inserting the following: "and shall be subject to a civil penalty of $1,000,000 for each day the violation continues, or the amount of any pecuniary gain attributable to the false statement or report or overvaluation, or $5,000,000, whichever is greater. Civil and criminal penalties under this section are cumulative."; and

(4) by inserting "(a)" before "Whoever" and by adding new subsections (b) and (c) as follows:

"(b) The Attorney General may bring a civil action against any person who violates the provisions of the preceding section. The action may be brought in any district court of the United States or the United States courts of any territory in which the defendant or, in the case of multiple defendants, any one defendant resides, is doing business, may be found, or in which any proscribed act was committed. A subpoena requiring the attendance of a witness at trial or hearing conducted under this provision may be served at any place in the United States. The court in which such action is brought shall determine the existence of a violation upon a preponderance of the evidence, shall assess the civil penalty, and shall have power to grant such other relief, including injunctions, as may be appropriate. Such remedies shall be in addition to any other remedy available under statutory or common law.

"(c)(1) For the purpose of any civil investigation or proceeding under this section, the Attorney General or any officer designated by him is empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records which the Attorney General deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing.

"(2) In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Attorney General may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records. And such court may issue an order requiring such person to appear before the Attorney General or officer designated by the Attorney General to produce records, if so ordered, or to give testimony touching upon the matter under civil investigation or in question. And any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district where such person is an inhabitant or wherever he may be found. Any person who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, and other records, if in his power so to do, in obedience to the subpoena of the Attorney General shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000" or to imprisonment for a term of not more than one year, or both.".

(i) BANK FRAUD.—Section 1344(a) of title 18, United States Code, is amended—

(1) by striking "$10,000" and inserting "$1,000,000" and striking "five" and inserting "15";

(2) by and striking the period at the end and inserting the following: "and shall be subject to a civil penalty of $1,000,000 for each day the violation continues or the amount of pecuniary gain attributable to the fraud, or $5,000,000, whichever is greater. Civil and criminal penalties and restitution under this section are cumulative.";

(3) by striking "bank" and inserting "institution" in subsection (b)(2);

(4) by striking paragraph (4) and redesignating paragraph (5) as paragraph (4); and

(5) by adding at the end the following:

"(c) The Attorney General may bring a civil action against any person who violates the provisions of the preceding section. The action may be brought in any district court of the United States or the United States courts of any territory in which the defendant or, in the case of multiple defendants, any one defendant resides, is doing business, may be found, or in which any proscribed act was committed. A subpoena requiring the attendance of a witness at trial or hearing conducted under this provision may be served at any place in the United States. The court in which such action is brought shall determine the existence of a violation upon a preponderance of the evidence, shall assess the civil penalty, and shall have power to grant such other relief, including injunctions, as may be appropriate. Such remedies shall be in addition to any other remedy available under statutory or common law.

"(d)(1) For the purpose of any civil investigation or proceeding under this section, the Attorney General or any officer designated by him is empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records which the Attorney General deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing.

"(2) In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Attorney General may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records. And such court may issue an order requiring such person to appear before the Attorney General or officer designated by the Attorney General to produce records, if so ordered, or to give testimony touching upon the matter under civil investigation or in question. And any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district where such person is an inhabitant or wherever he may be found. Any person who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, and other records, if in his power so to do, in obedience to the subpoena or the Attorney General shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than one year, or both.".

(j) FINANCIAL INSTITUTION OFFENSES.—

(1) IN GENERAL.—(A) Chapter 213 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 3293. Financial institution offenses

"No person shall be prosecuted, tried, or punished for violation of any provision of sections 215, 656, 657, 1005, 1006, 1007, 1008, 1014, or 1344 of this title, or for conspiracy to commit violations of any of the aforementioned sections, unless the indictment is returned or the information is filed within 10 years after the commission of the offense. This section shall apply to any of the aforementioned offenses committed before the effective date of this section, if the statute of limitations applicable to that offense under this chapter had not run as of the effective date of this section.".

(B) Effective on the first day of January of the year beginning 5 years after the date of enactment of this Act, section 3293 of title 18, United States Code, shall be amended by striking "10 years" and inserting "7 years".

(2) CONFORMING AMENDMENT.—The table of sections of chapter 213 of title 18, United States Code, is amended by adding at the end thereof the following:

"3293. Financial institution offenses.".

(k) SENTENCING GUIDELINES.—Pursuant to its authority under section 994(p) of title 28, United States Code, and section 21 of the Sentencing Act of 1987, the United States Sentencing Commission shall promulgate guidelines, or shall amend existing guidelines, to provide that a defendant convicted of violating section 215, 656, 657, 1005, 1006, 1007, 1008, 1014, or 1344 of title 18, United States Code, under circumstances which substantially jeopardize the safety and soundness of a financial institution shall be sentenced to a substantial period of incarceration in addition to the period generally imposable for the underlying offense. If the sentencing guidelines are amended after the effective date of this section, the Sentencing Commission shall implement the instruction set forth in this subsection so as to achieve a comparable result.

SEC. 1002. MISCELLANEOUS REVISIONS TO TITLE 18.

(a) USE OF TERM "FEDERAL HOME LOAN BANK SYSTEM".—Title 18, United States Code, is amended by striking "Federal Home Loan Bank Board" wherever it appears and inserting "Office of Savings Associations".

(b) OFFER OF LOAN OR GRATUITY.—Section 212 of title 18, United States Code, is amended—

(1) by striking "bank" or "banks" wherever they appear and inserting "financial institution" or "financial institutions", respectively (except in the phrases "land bank" and "member banks"); and

(2) by inserting "Office of Savings Associations," after "Federal Deposit Insurance Corporation," in the second sentence.

(c) ACCEPTANCE OF LOAN OR GRATUITY.—Section 213 of title 18, United States Code, is amended by striking "banks the deposits of which" and inserting "financial institutions the deposits of which".

(d) RUMORS REGARDING THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION.—

(1) IN GENERAL.—Section 1009 of title 18, United States Code, is repealed.

(2) CONFORMING AMENDMENT.—The analysis of chapter 47 of title 18, United States Code, is amended by striking the item relating to section 1009.

(e) COMPUTER FRAUD.—Section 1030(e)(4) of title 18, United States Code, is amended—

(1) by striking "a bank" in subparagraph (A) and inserting "an institution," and

(2) by striking subparagraph (C) and redesignating subparagraphs (D), (E), (F), (G), and (H), as subparagraphs (C), (D), (E), (F), and (G), respectively.

(f) PROTECTION OF UNITED STATES OFFICERS AND EMPLOYEES.—Section 1114 of title 18, United States Code, is amended by striking "the Federal Savings and Loan Insurance Corporation,".

(g) PARTICIPATION IN LOTTERIES.—Section 1306 of title 18, is amended by striking "section 20 of the Federal Deposit Insurance Act, or section 410 of the National Housing Act" and inserting "or section 20 of the Federal Deposit Insurance Act".

(h) OBSTRUCTION OF CRIMINAL INVESTIGATIONS.—Section 1510 of title 18, United States Code, is amended—

(1) by redesignating subsection (b) as subsection (c), and

(2) by inserting after subsection (a) the following:

"(b) Whoever, being an officer, director, partner, or employee of a financial institution (as that term is defined in section 3401 of title 12, United States Code), directly or indirectly notifies a customer of that financial institution whose financial records are sought by a grand jury subpoena served on that financial institution, relating to a possible violation of section 215, 656, 657, 1005, 1006, 1007, 1008, 1014, or 1344 of title 18, United States Code, or any other party about the existence or contents of the subpoena or information that has been furnished to the grand jury in response to that subpoena shall be fined under this title or be imprisoned not more than 5 years, or both.".

(i) RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS.—Section 1961(1) of title 18, United States Code, is amended—

(1) by inserting "sections 656 and 657 (relating to financial institution embezzlement)," after "(relating to counterfeiting),";

(2) by inserting "section 1344 (relating to financial institution fraud)," after "(relating to wire fraud),";

(3) by inserting after "Section 201 (relating to bribery)," the following: "section 215 (relating to receipt of commissions or gifts for proving loans),"; and

(4) by inserting after "section 894 (relating to extortionate credit transactions)," the following: "sections 1004, 1005, 1006, 1007, and 1014 (relating to fraud and false statements),".

(j) BANK ROBBERY.—Section 2113 of title 18, United States Code, is amended—

(1) in subsection (f), by striking "any bank the deposits of which" and inserting "any institution the deposits of which";

(2) by inserting before the period at the end of subsection (h) the following: ", and any 'Federal credit union' as defined in section 2 of the Federal Credit Union Act"; and

(3) by striking subsection (g) and redesignating subsection (h) as subsection (g).

SEC. 1003. CIVIL AND CRIMINAL FORFEITURE.

(a) IN GENERAL.—Chapter 46 of title 18, United States Code, is amended by adding at the end the following:

"§ 983. Civil forfeiture relating to certain financial institution violations

"(a) Any property, real or personal, which constitutes or is derived from proceeds traceable to a violation of section 215, 656,

657, 1005, 1006, 1007, 1014, or 1344 of this title affecting a federally insured financial institution, shall be subject to forfeiture to the United States, except that no property shall be forfeited under this section, to the extent of the interest of an owner or lienholder by reason of any act or omission established by that owner or lienholder to have been committed or omitted without the knowledge or consent of that owner or lienholder.

"(b) Any property subject to civil forfeiture to the United States under this section may be seized by the Attorney General upon process issued pursuant to the Supplemental Rules for Certain Admiralty and Maritime Claims by any district court of the United States having jurisdiction over the property, except that seizure without such process may be made when the seizure is incident to a lawful arrest or search or if the Attorney General has probable cause to believe that the property is subject to civil forfeiture under this section. In the event of seizure pursuant to this subsection, proceedings under subsection (d) of this section shall be instituted promptly. The Government may request the issuance of a warrant authorizing the seizure of property subject to forfeiture under this section in the same manner as provided for a search warrant under the Federal Rules of Criminal Procedure.

"(c) Property taken or detained under this section shall not be repleviable, but shall be deemed to be in the custody of the Attorney General, subject only to the orders and decrees of the court or the official having jurisdiction thereof. Whenever property is seized under any of the provisions of this subchapter, the Attorney General may—

"(1) place the property under seal;

"(2) remove the property to a place designated by him; or

"(3) require that the General Services Administration take custody of the property and remove it, if practicable, to an appropriate location for disposition in accordance with law.

"(d) The provisions of law relating to the seizure, summary and judicial forfeiture, and condemnation of property for violation of customs laws; the disposition of such property or the proceeds from the sale thereof; the remission or mitigation of such forfeitures; and the compromise of claims shall apply to seizures and forfeitures incurred, or alleged to have been incurred, under this section, insofar as applicable and not inconsistent with the provisions hereof; except that such duties as are imposed upon the customs officer or any other person with respect to the seizure and forfeiture of property under the customs laws shall be performed with respect to seizures of property under this section by the Federal Bureau of Investigation, and with respect to custody and forfeitures under this section by such officers, agents, or other persons as may be authorized or designated for that purpose by the Attorney General.

"(e)(1) Whenever property is forfeited under this section, the Attorney General may sell any forfeited property which is not required to be destroyed by law and which is not harmful to the public.

"(2)(A) The Attorney General shall transfer the property or proceeds from the sale of such property to any federal financial institution regulatory agency to the extent of such agency's contribution of resources to, or expenses involved in, the seizures and forfeiture, and the investigation leading directly to the seizure and forfeiture, of such property; and

"(B) The Attorney General may retain property and proceeds from the sale of such property to the extent of the Attorney General's contribution of resources to, or expenses involved in, the seizure and forfeiture, and the investigation leading directly to the seizure and forfeiture, of such property. Such expenses include, but are not limited to, expenses for maintenance of custody, advertising, and court cost.

"(3) Notwithstanding any other provision of law, if the affected financial institution is in receivership, property forfeited pursuant to this section, or proceeds from the sale of such property, less any amount transferred pursuant to subsection (e)(2) of this section, shall be deposited to the General Fund of the Treasury.

"(4) Notwithstanding any other provision of law, if the affected financial institution is not in receivership, property forfeited pursuant to this section, or proceeds from the sale of such property, less any amount transferred pursuant to subsection (e)(2) of this section, shall be deposited to the General Fund of the Treasury or may be made available upon the order of the appropriate Federal financial institution regulatory agency as restitution to that financial institution. Amounts received by the financial institution shall be set off against any amounts later recovered by the institution as compensatory damages in any State or Federal proceeding.

"(5) The United States shall not be liable in any action arising out of a transfer made pursuant to subsection (e) (2), (3), or (4).

"(f) All right, title, and interest in property described in subsection (a) of this section shall vest in the United States upon commission of the act giving rise to forfeiture under this section.

"(g) The filing of an indictment or information alleging a violation of law which is also related to a civil forfeiture proceeding under this section shall, upon motion of the United States and for good cause shown, stay the civil forfeiture proceeding.

"(h) In addition to the venue provided for in section 1395 of title 28 or other provision of law, in the case of property of a defendant charged with a violation that is the basis for forfeiture of the property under this section, a proceeding for forfeiture under this section may be brought in the judicial district in which the defendant owning such property is found or in the judicial district in which the criminal prosecution is brought.

"§ 984. Criminal forfeiture relating to certain financial institution violations

"(a) Any person convicted of an offense under section 215, 656, 657, 1005, 1007, 1014, or 1344 of this title affecting a federally insured financial institution, shall forfeit to the United States, irrespective of any provision of State law, any property constituting, or derived from, proceeds the person obtained directly or indirectly, as the result of such violation. The court, in imposing sentence on such person shall order, in addition to any other sentence imposed, that the person forfeit to the United States all property described in this section.

"(b) Property subject to criminal forfeiture under this section includes—

"(1) real property including things growing on, affixed to, and found in land; and

"(2) tangible and intangible personal property, including rights, privileges, interest, claims and securities.

"(c) All right, title and interest in property described in subsection (a) vests in the United States upon the commission of the act giving rise to forfeiture under this section. Any such property that is subsequently transferred to a person other than the defendant may be the subject of a special verdict of forfeiture and thereafter shall be ordered forfeited to the United States, unless the transferee establishes in a hearing pursuant to subsection (m) that he is a bona fide purchaser for value of such property who at the time of purchase was reasonably without cause to believe that the property was subject to forfeiture under this section.

"(d)(1) Upon application of the United States, the court may enter a restraining order or injunction, require the execution of a satisfactory performance bond, or take any other action to preserve the availability of property described in subsection (a) for forfeiture under this section—

"(A) upon the filing of an indictment or information charging a violation of section 215, 656, 657, 1005, 1006, 1007, 1014, or 1344 of this title and alleging that the property with respect to which the order is sought would, in the event of conviction, be subject to forfeiture under this section; or

"(B) prior to the filing of such an indictment or information, if, after notice to persons appearing to have an interest in the property and opportunity for a hearing, the court determines that—

"(i) there is a substantial probability that the United States will prevail on the issue of forfeiture and that failure to enter the order will result in the property being destroyed, removed from the jurisdiction of the court, or otherwise made unavailable for forfeiture; and

"(ii) the need to preserve the availability of the property through the entry of the requested order outweighs the hardship on any party against whom the order is to be entered.

An order entered pursuant to this subparagraph (B) shall be effective for not more than 90 days, unless extended by the court for good cause shown or unless an indictment or information described in subparagraph (A) has been filed.

"(2) A temporary restraining order under this subsection may be entered upon application of the United States without notice or opportunity for a hearing when an information or indictment has not yet been filed with respect to the property, if the United States demonstrates that there is probable cause to believe that the property with respect to which the order is sought would, in the event of conviction, be subject to forfeiture under this section and that provision of notice will jeopardize the availability of the property for forfeiture. Such a temporary order shall expire not more than 10 days after the date on which it is entered, unless extended for good cause shown or unless the party against whom it is entered consents to an extension for a longer period. A hearing requested concerning an order entered under this paragraph shall be held at the earliest possible time, and prior to the expiration of the temporary order.

"(3) The court may receive and consider, at a hearing held pursuant to this subsection, evidence and information that would be inadmissible under the Federal Rules of Evidence.

"(e) Upon conviction of a person under section 215, 656, 657, 1005, 1006, 1007, 1014, or 1344 of this title, the court shall enter a judgment of forfeiture of the property to the United States and shall also authorize the Attorney General to seize all property ordered forfeited upon such terms and con-

ditions as the court shall deem proper. Following the entry of an order declaring the property forfeited, the court may, upon application of the United States, enter such appropriate restraining orders or injunctions, require the execution of satisfactory performance bonds, appoint receivers, conservators, appraisers, accountants, or trustees, or take any other action to protect the interest of the United States in the property ordered forfeited. Any income accruing to, or derived from, an enterprise or an interest in an enterprise which has been ordered forfeited under this section may be used to offset ordinary and necessary expenses to the enterprise which are required by law, or which are necessary to protect the interests of the United States or third parties.

"(f) Following the seizure of property ordered forfeited under this section, the Attorney General shall direct the disposition of the property by sale or any other commercially feasible means, making due provision for the rights of any innocent persons. Any property right or interest not exercisable by, or transferable for value to, the United States shall expire and shall not revert to the defendant, nor shall the defendant or any person acting in concert with or on behalf of the defendant be eligible to purchase forfeited property at any sale held by the United States. Upon application of a person, other than the defendant or a person acting in concert with or on behalf of the defendant, the court may restrain or stay the sale or disposition of the property pending the conclusion of any appeal of the criminal case giving rise to the forfeiture, if the applicant demonstrates that proceeding with the sale or disposition of the property will result in irreparable injury, harm or loss to him.

"(g) With respect to property ordered forfeited under this section, the Attorney General is authorized to—

"(1) grant petitions for mitigation or remission of forfeiture, restore forfeited property to victims of the violation, or take any other action to protect the rights of innocent persons which is in the interest of justice and which is not inconsistent with the provisions of this section;

"(2) compromise claims arising under this section;

"(3) award compensation to persons providing information resulting in a forfeiture under this section;

"(4) direct the disposition by the United States of all property ordered forfeited under this section, making due provision for the rights of innocent persons; and

"(5) take appropriate measures necessary to safeguard and maintain property ordered forfeited under this section pending its disposition.

"(h) Except to the extent that they are inconsistent with the provisions of this section, the provisions of sections 983(d) and 983(e) of this title shall apply to a criminal forfeiture under this section.

"(i) Except as provided in subsection (m) of this section, no party claiming an interest in property subject to forfeiture under this section may—

"(1) intervene in a trial or appeal of a criminal case involving the forfeiture of such property under this section; or

"(2) commence an action at law or equity against the United States concerning the validity of his alleged interest in the property subsequent to the filing of an indictment or information alleging that the property is subject to forfeiture under this section.

"(j) The district court of the United States shall have jurisdiction to enter orders as provided in this section without regard to the location of any property which may be subject to forfeiture under this section or which has been ordered forfeited under this section.

"(k) In order to facilitate the identification and location of property declared forfeited and to facilitate the disposition of petitions for remission or mitigation of forfeiture, after the entry of an order declaring property forfeited to the United States, the court may, upon application of the United States, order that the testimony of any witness relating to the property forfeited be taken by deposition and that any designated book, paper, document, record, recording, or other material not privileged be produced at the same time and place, in the same manner as provided for the taking of depositions under Rule 15 of the Federal Rules of Criminal Procedure.

"(l)(1) Following the entry of an order of forfeiture under this section, the United States shall publish notice of the order and of its intent to dispose of the property in such manner as the Attorney General may direct. The Government may also, to the extent practicable, provide direct written notice to any person known to have alleged an interest in the property that is the subject of the order of forfeiture as a substitute for published notice as to those persons so notified.

"(2) Any person, other than the defendant, asserting a legal interest in property which has been ordered forfeited to the United States pursuant to this section may, within 30 days of the final publication of notice or his receipt of notice under paragraph (1), whichever is earlier, petition the court for a hearing to adjudicate the validity of his alleged interest in the property. The hearing shall be held before the court alone, without a jury.

"(3) The petition shall be signed by the petitioner under penalty of perjury and shall set forth the nature and extent of the petitioner's right, title, or interest in the property, the time and circumstances of the petitioner's acquisition of the right, title, or interest in the property, any additional facts supporting the petitioner's claim, and the relief sought.

"(4) The hearing on the petition shall, to the extent practicable and consistent with the interests of justice, be held within 30 days of the filing of the petition. The court may consolidate the hearing on the petition with a hearing on any other petition filed by a person other than the defendant under this subsection.

"(5) At the hearing, the petitioner may testify and present evidence and witnesses on his own behalf, and cross-examine witnesses who appear at the hearing. The United States may present evidence and witnesses in rebuttal and in defense of its claim to the property and cross-examine witnesses who appear at the hearing. In addition to testimony and evidence presented at the hearing, the court shall consider the relevant portions of the record of the criminal case which resulted in the order of forfeiture.

"(6) If, after the hearing, the court determines that the petitioner has established by a preponderance of the evidence that—

"(A) the petitioner has a legal right, title, or interest in the property, and such right, title, or interest renders the order of forfeiture invalid in whole or in part because the right, title, or interest was vested in the petitioner rather than the defendant or was superior to any right, title, or interest of the defendant at the time of the commission of the acts which gave right to the forfeiture of the property under this section; or

"(B) the petitioner is a bona fide purchaser for value of the right, title, or interest in the property and was at the time of the purchase reasonably without cause to believe that the property was subject to forfeiture under this section, the court shall amend the order of forfeiture in accordance with its determination.

"(7) Following the court's disposition of all petitions filed under this subsection, or if no such petitions are filed following the expiration of the period provided in paragraph (2) for the filing of such petitions, the United States shall have clear title to property that is the subject of the order of forfeiture and may warrant good title to any subsequent purchaser or transferee.

"(m) If any of the property described in subsection (a) of this section, as a result of any act or omission of the defendant—

"(1) cannot be located upon the exercise of due diligence;

"(2) has been transferred or sold to, or deposited with, a third party;

"(3) has been placed beyond the jurisdiction of the court;

"(4) has been substantially diminished in value; or

"(5) has been commingled with other property which cannot be divided without difficulty;

the court shall order the forfeiture of any of the property of the defendant up to the value of any property described in paragraph (1) through (5).".

(b) CONFORMING AMENDMENT.—The analysis of chapter 46, United States Code, is amended by adding at the end the following:

"983. Civil forfeiture relating to certain financial institution violations.
"984. Criminal forfeiture relating to certain financial institution violations.".

SEC. 1004. GRAND JURY AMENDMENTS.

(a) IN GENERAL.—Paragraphs (A), (B), and (C) of rule 6(e)(3) of the Federal Rules of Criminal Procedure are amended to read as follows:

"(A) Disclosure otherwise prohibited by this rule of matters occurring before the grand jury, other than its deliberations and the vote of any grand juror, may be made to—

"(i) any attorney for the government for use in the attorney's performance of the government's duty to enforce Federal criminal or civil law; and

"(ii) such government personnel (including personnel of a State or subdivision of a State) as are deemed necessary by an attorney for the government to assist an attorney for the government in the performance of such attorney's duty to enforce Federal criminal law.

"(B) Any person to whom matters are disclosed under subparagraph (A)(ii) of this paragraph shall not utilize that grand jury material for any purpose other than assisting an attorney for the government in the performance of such attorney's duty to enforce Federal criminal or civil law. An attorney for the government shall promptly provide the district court, before which was impaneled the grand jury whose material has been so disclosed, with the names of the persons to whom such disclosure has been made, and shall certify that the attorney

has advised such persons of their obligation of secrecy under this rule.

"(C) Disclosure otherwise prohibited by this rule of matters occurring before the grand jury may also be made—

"(i) when so directed by a court, upon a showing of particularized need, preliminarily to or in connection with a judicial proceeding;

"(ii) when permitted by a court at the request of the defendant, upon a showing that grounds may exist for a motion to dismiss the indictment because of matters occurring before the grand jury;

"(iii) when the disclosure is made by an attorney for the government to another Federal grand jury;

"(iv) when permitted by a court at the request of an attorney for the government, upon a showing that such matters may disclose a violation of State criminal law, to an appropriate official of a State or subdivision of a State for the purpose of enforcing such law; or

"(v) at the request of an attorney for the government, and when so permitted by a court upon a showing of substantial need, to personnel of any department or agency of the United States (a) when such personnel are deemed necessary to provide assistance to an attorney for the government in the performance of such attorney's duty to enforce Federal civil law, or (b) for use in relation to any matter within the jurisdiction of such department or agency.".

(b) CONFORMING AMENDMENT.—The first sentence of paragraph (D) of rule 6(e)(3) of the Federal Rules of Criminal Procedure is amended to read as follows:

"(D) A petition for disclosure pursuant to subdivision (e)(3)(C) (i) or (v) shall be filed in the district where the grand jury convened.".

(c) FAIR CREDIT REPORTING ACT.—Paragraph (1) of section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended by inserting before the period at the end the following: ", or a subpoena issued in connection with proceedings before a Federal grand jury".

SEC. 1005. LITIGATION AUTHORITY.

Nothing in this Act may be construed as impairing or diminishing the authority of the Attorney General under section 516 of title 28, United States Code, to conduct and coordinate litigation on behalf of the United States Government.

SEC. 1006. DEPARTMENT OF JUSTICE APPROPRIATION.

There are authorized to be appropriated, to appropriations under control of the Attorney General, $50,000,000 for each of the fiscal years 1989, 1990, and 1991, for the purpose of conducting investigations, prosecutions, and civil proceedings involving financial institutions subject to the provisions of this Act. Such funds shall remain available to the Attorney General without fiscal year limitation.

TITLE XI—FEDERAL HOME LOAN MORTGAGE CORPORATION

SEC. 1101. SHORT TITLE.

This title may be cited as the "Federal Home Loan Mortgage Corporation Transition Act".

SEC. 1102. PURPOSE.

The purposes of this title are—

(1) to provide stability in the secondary market for home mortgages,

(2) to provide that the operations of the Federal Home Loan Mortgage Corporation respond appropriately to the private capital market, and

(3) to ensure that the Federal Home Loan Mortgage Corporation continues to provide supplementary assistance to the secondary market for home mortgages by providing a degree of liquidity for mortgage investments thereby improving the distribution of investment capital available for home mortgage financing.

SEC. 1103. TRANSITION OF BOARD.

(a) NEW BOARD.—Section 303(a) of the Federal Home Loan Mortgage Corporation Act is amended to read as follows:

"(a)(1) There is created the Federal Home Loan Mortgage Corporation, which shall be a body corporate and shall be under the direction of a Board of Directors. Within the limitations of law and regulation, the Board of Directors shall determine the general policies which shall govern the operations of the Corporation. The principal office of the Corporation shall be in the District of Columbia or at such other place as the Corporation may from time to time prescribe.

"(2) The Corporation shall have a Board of Directors which shall consist of 18 persons, 5 of whom shall be appointed annually by the President of the United States, and the remainder of whom shall be elected annually by the voting common stockholders. The Board of Directors shall at all times have as members appointed by the President of the United States at least one person from the homebuilding industry, at least one person from the mortgage lending industry, and at least one person from the real estate industry. Each member of the Board of Directors shall be appointed or elected for a term ending on the date of the next annual meeting of the voting common stockholders, except that any such member may be removed from office by the President of the United States for good cause. Any appointive seat which becomes vacant shall be filled by appointment of the President of the United States, but only for the unexpired portion of the term. Any elective seat on the Board of Directors which becomes vacant after the annual election of the directors shall be filled by the Board of Directors, but only for the unexpired portion of the term. Any member of the Board of Directors who is a full-time officer or employee of the Federal Government shall not, as such member, receive compensation for services as such a member.".

(b) TRANSITIONAL PROVISION.—There shall be an interim Board of Directors of the Federal Home Loan Mortgage Corporation which shall serve from the date of enactment of this section until the date of the first meeting of the voting common shareholders of the Corporation at which the first election of the directors elected by the shareholders occurs. The interim Board of Directors shall consist of the President of the Corporation, the persons who were, on the day prior to the date of enactment of this section, the Chairman of the Federal Home Loan Bank Board, or his or her designee, and the Secretary of the Department of Housing and Urban Development, or his or her designee. A quorum of the interim Board of Directors shall consist of a majority of the directors duly serving from time to time. The first meeting for election of directors shall occur, under such procedures as shall be specified by the Corporation, within 6 months following the date of enactment of this section.

SEC. 1104. REGULATORY POWER.

Section 303 of the Federal Home Loan Mortgage Corporation Act is amended—

(1) by redesignating sections (b) through (f) as sections (c) through (g) respectively, and

(2) by inserting after subsection (a) the following:

"(b)(1) The Secretary of Housing and Urban Development shall have general regulatory power over the Corporation, and shall make such rules and regulations as shall be necessary and proper to ensure that the purposes of this title are accomplished. The Secretary may require that a reasonable portion of the Corporation's mortgage purchases be related to the national goal of providing adequate housing for low- and moderate-income families, but with reasonable economic return to the Corporation. In any one fiscal year, the aggregate amount of cash dividends paid by the Corporation on account of any share of its common stock shall not exceed any rate which may be determined from time to time by the Secretary to be a fair rate of return after consideration of the current earnings and capital condition of the Corporation. The Secretary may examine and audit the books and financial transactions of the Corporation, and the Secretary may require the Corporation to make such reports on its activities as he deems advisable. Pursuant to the authority provided in this subsection, the Secretary shall, not later than June 30 of each year, report to the Congress on the activities of the Corporation under this title.

"(2) The aggregate amount of notes, debentures, or substantially identical types of unsecured obligations of the Corporation evidencing money borrowed outstanding at any one time shall not exceed 15 times the sum of the Corporation's capital, capital surplus, general surplus, reserves, and undistributed earnings unless a greater ratio shall be fixed at any time or from time to time by the Secretary of Housing and Urban Development. The outstanding total principal amount of any obligations of the Corporation which are entirely subordinated to the general debt obligations of the Corporation shall be deemed to be capital of the Corporation for the purpose of determining the aggregate amount of notes, debentures, or substantially identical types of unsecured obligations which may be outstanding at any one time.

"(3) All issuances of stock, and debt obligations convertible into stock, by the Corporation shall be made only with the approval of the Secretary of Housing and Urban Development.

"(4) The exercise of the Corporation's authority pursuant to commitments or otherwise to purchase, service, sell, lend on the security of or otherwise deal in conventional residential mortgages under section 305(a) of this title is subject to the approval of the Secretary of Housing and Urban Development. Any conventional mortgage programs or activities with respect to purchasing, servicing, selling, lending on the security of or otherwise dealing in mortgages in which the Corporation has engaged or is engaging as of the effective date of this subsection shall be deemed to have been approved by the Secretary of Housing and Urban Development as required by this subsection.

"(5) If the Corporation submits to the Secretary of Housing and Urban Development a request for approval or other action under this title, the Secretary shall, not later than the expiration of the 45-day period following the submission of such request, approve such request or transmit to the Congress a report explaining why such request has not been approved. Such period

may be extended for an additional 15-day period if the Secretary requests additional information from the Corporation, but such 45-day period may not be extended for any other reason or for any period in addition to or other than such 15-day period. If the Secretary fails to transmit such report to the Congress within such 45-day period or 60-day period, as the case may be, the Corporation may proceed as if such request had been approved.".

SEC. 1105. COMMON STOCK.

(a) IN GENERAL.—Section 304(a) of the Federal Home Loan Mortgage Corporation Act is amended to read as follows:

"(a)(1) The common stock of the Corporation shall consist of—

"(A) nonvoting common stock, which shall be issued only to Federal home loan banks, and

"(B) voting common stock, which shall be issued to such holders, in such manner and amount, and subject to such limitations on concentration of ownership, as the Corporation prescribes.

"(2) The nonvoting common stock and the voting common stock shall have such par value and such other characteristics as the Corporation prescribes. The voting common stock shall be vested with all voting rights, each share being entitled to one vote. The free transferability of the voting common stock at all times to any person, firm, corporation or other entity shall not be restricted except that, as to the Corporation, it shall be transferable only on the books of the Corporation. Nonvoting common stock of the Corporation shall be evidenced in such manner and shall be transferable only to such extent, to such transferees, and in such manner, as the Corporation prescribes.".

(b) CONVERSION OF STOCK.—On the date of enactment of this Act, each share of outstanding senior participating preferred stock of the Federal Home Loan Mortgage Corporation, with a par value of $2.50 per share, shall be changed into and shall become one share of voting common stock of the Corporation. Such voting common stock shall, with respect to the nonvoting common stock of the Corporation, retain all of the rights, priorities and privileges of the senior participating preferred stock and the transformation of the senior participating preferred stock into voting common stock accomplished by this subsection shall be deemed to satisfy the Corporation's obligation to redeem senior participating preferred stock for non-callable common stock.

(c) CONFORMING AMENDMENTS.—(1) Section 304(b) of the Federal Home Loan Mortgage Corporation Act is amended by inserting "nonvoting" before "common".

(2) Section 304(c) of the Federal Home Loan Mortgage Corporation Act is amended by striking "such" and by inserting "nonvoting common" before the word "stock".

(3) Section 304(d) of the Federal Home Loan Mortgage Corporation Act is amended by inserting "nonvoting common" before "stock" each time it appears.

SEC. 1106. FEES.

Section 305(a)(1) of the Federal Home Loan Mortgage Corporation Act is amended by adding at the end thereof: "Nothing in this section authorizes the Corporation to impose any charge or fee upon any mortgagee approved by the Secretary of Housing and Urban Development for participation in any mortgage insurance program under the National Housing Act solely because of such status".

SEC. 1107. STANDBY CREDIT.

Section 306(c) of the Federal Home Loan Mortgage Corporation Act is amended to read as follows:

"(c) The Secretary of the Treasury is authorized in his or her discretion to purchase any obligations issued pursuant to subsection (a) of this section, as now or hereafter in force, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities hereafter issued under chapter 31 of title 31, United States Code, and the purposes for which securities may be issued under chapter 31 of title 31, United States Code, are extended to include such purposes. The Secretary of Treasury shall not at any time purchase any obligations under this subsection if such purchase would increase the aggregate principal amount of his then outstanding holdings of such obligations under this subsection to an amount greater than $2,250,000,000, and such purchases may be made only to such extent or in such amounts as are approved in appropriation Acts. Each purchase of obligations by the Secretary of the Treasury under this subsection shall be upon such terms and conditions as to yield a return at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the making of such purchase. The Secretary of the Treasury may, at any time, sell, upon such terms and conditions and at such price or prices as he shall determine, any of the obligations acquired by him under this subsection. All redemptions, purchases and sales by the Secretary of the Treasury of such obligations under this subsection shall be treated as public debt transactions of the United States.".

SEC. 1108. TERMS OF OBLIGATIONS.

Section 306 of the Federal Home Loan Mortgage Corporation Act is amended by adding at the end the following:

"(j) Any notes, debentures, or substantially identical types of unsecured obligations of the Corporation evidencing money borrowed, whether general or subordinated, shall be issued upon the approval of the Secretary of the Treasury and shall have such maturities and bear such rate or rates of interest as may be determined by the Corporation with the approval of the Secretary of the Treasury. Any notes, debentures, of substantially identical types of unsecured obligations of the Corporation having maturities of one year or less which the Corporation has issued or is issuing as of the effective date of this subsection shall be deemed to have been approved by the Secretary of the Treasury as required by this subsection. The Secretary of the Treasury, upon reasonable notice to the Corporation, may revoke any approval as to issuance or as to maturity or rate with respect to securities having maturities of one year or less. Any notes, debentures, or substantially identical types of unsecured obligations of the Corporation having maturities of more than one year which the Corporation has issued or is issuing as of the effective date of this subsection shall be deemed to have been approved by the Secretary of the Treasury as required by this subsection. Such deemed approval shall expire 60 days following enactment of this subsection.

"(k) Any securities in the form of debt obligations or trust certificates of beneficial interest, or both, and based upon mortgages held and set aside by the Corporation shall be issued upon the approval of the Secretary of the Treasury and shall have such maturities and shall bear such rate or rates of interest as may be determined by the Corporation with the approval of the Secretary of the Treasury. Any securities in the form of debt obligations or trust certificates of beneficial interest, or both, and based upon mortgages held and set aside by the Corporation, which the Corporation has issued or is issuing as of the effective date of this subsection shall be deemed to have been approved by the Secretary of the Treasury as required by this subsection.".

SEC. 1109. COLLATERALIZED MORTGAGE OBLIGATIONS.

(a) AUTHORITY.—Section 305(a) of the Federal Home Loan Mortgage Corporation Act is amended by adding at the end the following:

"(5) The Corporation is authorized to lend on the security of, and to make commitments to lend on the security of, any mortgage which it is authorized to purchase under this section. The volume of the Corporation's lending activities and the establishment of its loan ratios, interest rates, maturities, and charges or fees, in its operations under this paragraph, should be determined by the Corporation from time to time; and such determinations should be consistent with the objectives that the lending activities should be conducted on such terms as will reasonably prevent excessive use of the Corporation's facilities, and that the operations of the Corporation under this paragraph should be within its income derived from such operations and that such operations should be fully self-supporting. The Corporation shall not be permitted to use its lending authority under this paragraph (i) to advance funds to a mortgage seller on an interim basis, using mortgages as collateral, pending the sale of the mortgages in the secondary market, or (ii) to originate mortgage loans. Notwithstanding any Federal, State, or other law to the contrary, the Corporation is hereby empowered in connection with any loan under this paragraph, whether before or after any default, to provide by contract with the borrower for the settlement or extinguishment, upon default, of any redemption, equitable, legal, or other right, title, or interest of the borrower in any mortgage or mortgages that constitute the security for the loan; and with respect to any such loan, in the event of default and pursuant otherwise to the terms of the contract, the mortgages that constitute such security shall become the absolute property of the Corporation.".

(b) LIMITATION.—Section 304(a)(2) of the Federal National Mortgage Association Charter Act is amended by deleting the first and second sentences and adding the following after the third sentence: "The Corporation shall not be permitted to use its lending authority (i) to advance funds to a mortgage seller or originator on an interim basis, using mortgage loans as collateral, pending the sale of the mortgages in the secondary market, or (ii) to originate mortgage loans.".

TITLE XII—PARTICIPATION BY STATE HOUSING FINANCE AUTHORITIES AND NONPROFIT ENTITIES

SEC. 1201. DEFINITIONS.

For the purposes of this title—

(1) The term "State housing finance authority" means any public agency, authority, corporation, or other instrumentality of a State or political subdivision thereof which functions as a source or residential

mortgage loan financing in any such State or as a public housing agency.

(2) The term "nonprofit entity" means any not-for-profit corporation chartered under State law (including any nonprofit entity established by the corporation established under title IX of the Housing and Urban Development Act of 1968).

(3) The term "mortgage related assets" means (A) residential mortgage loans secured by one-to-four family or multi-family dwellings, and (B) real property improved with one-to-four family or multi-family residential dwellings, in all such cases located within the jurisdiction of the applicable State housing finance authority.

(4) The term "net income" shall mean income after deduction of all associated expenses calculated in accordance with generally accepted accounting principles.

SEC. 1202. STATE HOUSING FINANCE AUTHORITY AND NONPROFIT ENTITY AUTHORIZATION.

Notwithstanding any other provision of law, State or Federal, or the constitution of any State, State housing finance authorities and nonprofit entities are authorized to purchase mortgage related assets from the Resolution Trust Corporation or from financial institutions with respect to which the Federal Deposit Insurance Corporation is acting as a receiver or conservator (including the assets associated with any trust business), any contract for such purchase to be effective in accordance with its terms without any further approval, assignment, or consent with respect thereto. Any State housing finance authority or nonprofit entity purchasing mortgage related assets hereunder shall be required to invest net income attributable to the ownership of such assets in the financing, refinancing, or rehabilitation of low and moderate income housing within the jurisdiction of any such State housing finance authority or nonprofit entity.

TITLE XIII—STUDY OF FEDERAL DEPOSIT INSURANCE AND BANKING REGULATION

SEC. 1301. STUDY.

The Secretary of the Treasury, in consultation with the Comptroller of the Currency, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Office of Savings Associations, the Chairman of the Federal Deposit Insurance Corporation, the Chairman of the National Credit Union Administration Board, and the Director of the Office of Management and the Budget, shall conduct a study of the Federal deposit insurance system, including an appropriate structure for the offering of competitive products and services to consumers consistent with standards of safety and soundness.

SEC. 1302. TOPICS.

As part of such study, the Secretary shall investigate, review and evaluate—

(1) risk and rate structure for deposit insurance;

(2) incentives for market discipline, including supplementary private insurance;

(3) the scope of deposit insurance coverage and its impact on the liability of the insurance fund, including consideration of making the large depositor a coinsurer of a portion of the deposit exceeding $10,000 but less than $100,000;

(4) the feasibility of market value accounting, assessments on foreign deposits, limitations on brokered deposits, the addition of collateralized borrowings to the deposit insurance base, and multiple insured accounts;

(5) policies to be followed with respect to the recapitalization or closure of insured depositories whose capital is depleted to or near the point of, insolvency;

(6) the feasibility of developing and administering, through the appropriate Federal banking agency, an examination on the principles and techniques of risk management and their application to the management of insured institutions;

(7) the efficiency of housing subsidies through the Federal Home Loan Bank System; and

(8) the adequacy of capital of insured credit unions and the National Credit Union Share Insurance Fund, including whether the supervision of that fund should be separated from the other functions of the National Credit Union Administration.

SEC. 1303. FINAL REPORT.

The Secretary shall submit to Congress within 18 months from the date of enactment of this Act, a final report which shall contain a detailed statement of findings and conclusions, including recommendations for such administrative and legislative actions as the Secretary deems advisable.

TITLE XIV—MISCELLANEOUS PROVISIONS

SEC. 1401. GAO STUDY OF CREDIT UNION SYSTEM.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a comprehensive study of the Nation's credit union system. In conducting the study, the Comptroller General shall examine—

(1) credit unions' present and future role in the financial marketplace,

(2) the financial condition of credit unions,

(3) credit union capital,

(4) credit union regulation and supervision on both the Federal and State levels,

(5) the credit union common bond,

(6) the structure and financial condition of the National Credit Union Share Insurance Fund, including whether supervision of that Fund should be separated from the other functions of the National Credit Union Administration Board; and

(7) such other matters as the Comptroller General deems appropriate.

Comparative information with other types of financial institutions should be included.

(b) SUBMISSION.—Not later than 18 months after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a final report which shall contain a detailed statement of findings and conclusions, including recommendations for such administrative and legislative action as the Comptroller General deems advisable.

SEC. 1402. CREDIT UNION REGULATOR SALARIES.

(a) IN GENERAL.—Section 120(i)(1) of the Federal Credit Union Act (12 U.S.C. 1766(i)(1)) is amended—

(1) by inserting a comma after "personnel"; and

(2) by inserting after "functions" the following: ", who shall be paid such compensation as shall be determined by the Board without regard to the provisions of any law or regulation (including, but not limited to, provisions of title 5, United States Code, relating to Federal employee and officer compensation)".

(b) TREATMENT OF FUNDS.—Section 120 of the Federal Credit Union Act (12 U.S.C. 1766) is amended by adding at the end the following:

"(j) In setting and adjusting compensation under subsection (i)(1), the Board shall consult and seek to maintain comparability with the compensation at the other Federal bank regulatory agencies and shall report thereon to the Congress. The salaries and expenses of the Board and its employees shall be paid from fees and assessments (including income earned on insured deposits) levied on credit unions under the Federal Credit Union Act, and such fees and assessments shall not be construed to be government monies or appropriated monies, or subject to apportionment for the purposes of title 31 or any other authority.".

SEC. 1403. AMENDMENT TO SECTION 203 OF THE FEDERAL CREDIT UNION ACT.

Section 203 of the Federal Credit Union Act (12 U.S.C. 1783) is amended by striking "deposits and" in paragraph (b).

SEC. 1404. AMENDMENT TO SECTION 5240 OF THE REVISED STATUTES.

Section 5240 of the Revised Statutes (12 U.S.C. 482) is amended—

(1) by striking the first sentence of the third paragraph;

(2) by inserting in lieu thereof the following: "The Comptroller of the Currency may fix the compensation of employees of the Office of the Comptroller of the Currency and shall make a report thereof to the Congress. Such compensation shall be determined solely by the Comptroller and without regard to the provisions of any law or regulation (including, but not limited to, provisions of title 5, United States Code, relating to Federal employee and officer compensation). In setting and adjusting such compensation, the Comptroller shall consult and seek to maintain comparability with the compensation at the other Federal bank regulatory agencies."; and

"(3) by adding at the end the following:

"Whenever the Comptroller submits any budget estimate or request to any officer or employee in the executive branch of the Government, including the President or the Office of Management and Budget, the Comptroller shall concurrently transmit copies of that estimate or request to the Congress. Whenever the Comptroller transmits any legislative recommendations, or testimony, or comments on legislation to the President or the Office of Management and Budget, it shall concurrently transmit copies thereof to the Congress. No officer or agency of the United States shall have any authority to require the Comptroller to submit legislative recommendations, or testimony, or comments on legislation to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress. In instances in which the Comptroller voluntarily seeks to obtain the comments or review of any officer or agency of the United States, the Comptroller shall include a description of such actions in legislative recommendations, testimony, or comments on legislation which is transmitted to the Congress.".

SEC. 1405. GAO AUDIT OF ALL ORGANIZATIONS CARRYING OUT FUNCTIONS UNDER THE ACT.

(a) IN GENERAL.—All agencies, corporations, organizations, and other entities of any description which perform any functions or activities under this Act (including its amendments to other laws) shall be subject to audit by the Comptroller General of the United States with respect to such functions or activities. All persons and organizations which, by contract, grant, or other-

wise, provide goods or services to or receive financial assistance from any entity performing functions of activities under this Act shall be subject to audit by the Comptroller General with respect to such provision of goods or services or receipt of financial assistance.

(b) AUTHORITY OF COMPTROLLER GENERAL.—The Comptroller General shall determine the nature, scope, terms, and conditions of audits conducted under this section. The Comptroller General's authority under this section shall be in addition to any audit authority available to the Comptroller General under other provisions of this Act or any other law.

(c) ACCESS TO BOOKS AND RECORDS.—The Comptroller General and any duly authorized representatives shall have access to and the right to examine and copy all records and other recorded information in any form, and to examine any property, within the agencies, boards, corporations, and other organizations subject to audit under this section, where the Comptroller General deems relevant to an audit conducted under this section. The Comptroller General's right of access to information under this section shall be enforceable pursuant to section 716 of title 31, United States Code. The provisions of section 716(e) of such title shall apply to information obtained by the Comptroller General under this section.

SEC. 1406. REPORT ON LOAN DISCRIMINATION.

(a) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Secretary of Housing and Urban Development, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration Board, and the Chairman of the Office of Savings Associations, shall each transmit to the Congress a report containing—

(1) findings, based on a review of currently available loan acceptance and rejection statistics, on the extent of discriminatory lending practices by mortgage lenders subject to regulation or supervision by such agency; and

(2) recommendations for appropriate measures to assure nondiscriminatory lending practices.

(b) SCOPE OF HUD REPORT.—The Secretary of Housing and Urban Development may exclude from the report under subsection (a) any data pertaining to mortgage lenders which are approved mortgagees under title II of the National Housing Act if data pertaining to such lenders is or will be included in the other reports under such subsection.

SEC. 1407. EQUAL OPPORTUNITY.

(a) IN GENERAL.—For purposes of this Act, the following Executive Order 11478, providing for equal employment opportunity in the Federal Government, shall apply to—

(1) the Comptroller of the Currency;

(2) the Chairman of the Office of Savings Associations;

(3) the Federal Home Loan Banks;

(4) the Federal Deposit Insurance Corporation;

(5) the Federal Home Loan Mortgage Corporation;

(6) the Federal National Mortgage Association;

(7) the Resolution Trust Corporation; and

(8) the Resolution Finance Corporation.

(b) SOLICITATION OF CONTRACTS.—The Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Chairman of the Office of Savings Associations, the Federal Home Loan Bank Agency, the Resolution Finance Corporation, and the Resolution Trust Corporation shall establish programs which solicit businesses with majority ownership by minorities or women and provide these businesses with an opportunity for participation in the procurement program of each such agency. The Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association are encouraged to establish policies and goals to foster participation in their respective procurement programs by such businesses.

SEC. 1408. ANNUAL REPORT ON THE CONDITION OF THE FEDERAL DEPOSIT INSURANCE FUNDS.

(a) IN GENERAL.—On or before January 31 of each year commencing on January 31, 1990, the Federal Deposit Insurance Corporation shall deliver a detailed written report and analysis to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate—

(1) the current financial condition of the Bank Insurance Fund and the Savings Association Insurance Fund;

(2) the current level of the Economic Factors;

(3) the exposure of each insurance fund to insured losses if no changes occur in the Economic Factors;

(4) the exposure of each insurance fund to insured losses under reasonably possible changes in each of the Economic Factors, including worst case reasonably possible scenarios for each individual factor and an aggregate worst case reasonably possible scenario for all factors combined; and

(5) background information on historic levels and variations in each of the Economic Factors to substantiate the reasonableness of the scenarios presented.

(b) ECONOMIC FACTORS.—For purposes of this section, the Economic Factors shall include the following factors:

(1) the general level of interest rates;

(2) the general volatility of interest rates;

(3) the shape of the yield curve for United States Treasury obligations;

(4) the spread relationship between interest rates paid on United States Treasury obligations and interest rates paid on obligations of insured financial institutions;

(5) the default rate on outstanding loans held by insured financial institutions; and

(6) the rate of prepayments on fixed and variable rate loans held by insured financial institutions.

SEC. 1409. CAPITAL AND ACCOUNTING STANDARDS.

Within one year from the date of enactment of the FIRRE Act, the appropriate Federal banking agencies, as defined in section 8 of the Federal Deposit Insurance Act, shall establish uniform accounting standards to be used for determining the capital ratios of all federally insured financial institutions and for other regulatory purposes. Each Federal banking agency must report annually to the Chairman and ranking minority member of the Senate and House Banking Committees any differences between the capital standard used by such agency and capital standards used by other agencies. This report shall contain an explanation of the reasons for the discrepancies in such capital standards, and shall be published in the Federal Register.

SEC. 1410. CROSS-MARKETING RESTRICTIONS.

Section 4(f)(3)(B)(ii) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)(3)(B)(ii)) is amended by striking "by or through an affiliate (other than an affiliate that engages only in activities permissible for bank holding companies under subsection (c)(8))" and inserting "in connection with products and services of an affiliate that are not permissible for a bank holding company to provide under subsection (c)(8)".

SEC. 1411. ESTABLISHMENT OF APPRAISAL SUBCOMMITTEE OF THE FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL.

(a) IN GENERAL.—The Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3301 et seq.) is amended by adding at the end the following:

"SEC. 1010. APPRAISAL SUBCOMMITTEE.

"(a) ESTABLISHMENT.—There shall be established within the Council a subcommittee to be known as the 'Appraisal Subcommittee', which shall consist of the designees of the heads of the Federal financial institutions regulatory agencies. Each such designee shall be a person who has demonstrated knowledge and competence concerning the appraisal profession.

"(b) FUNCTIONS OF APPRAISAL SUBCOMMITTEE.—

"(1) IN GENERAL.—The Appraisal Subcommittee shall—

"(A) monitor the requirements established by States for the certification and licensing of persons who are qualified to perform appraisals in connection with federally related transactions, including codes of professional responsibility;

"(B) monitor the requirements established by the Federal financial institutions regulatory agencies, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Resolution Trust Corporation with respect to—

"(i) appraisal standards for federally related transactions under their jurisdiction, and

"(ii) determinations as to which federally related transactions under their jurisdiction require the services of a State certified appraiser and which require the services of a State licensed appraiser;

"(C) maintain a national registry of State certified and licensed appraisers who are eligible to perform appraisals in federally related transactions; and

"(D) transmit an annual report to the Congress not later than January 31 of each year which describes the manner in which each function assigned to the Appraisal Subcommittee has been carried out during the preceding year.

"(2) MONITORING AND REVIEWING FOUNDATION.—The Appraisal Subcommittee shall monitor and review the practices, procedures, activities, and organizational structure of the Appraisal Foundation.

"(c) CHAIRMANSHIP OF APPRAISAL SUBCOMMITTEE; TERM OF CHAIRMAN; MEETINGS.—

"(1) CHAIRMAN.—The Council shall elect the Chairman of the Subcommittee. The term of the Chairman shall be 2 years.

"(2) MEETINGS; QUORUM; VOTING.—The Appraisal Subcommittee shall meet at the call of the Chairman or a majority of its members so often as there is business to be conducted. A majority of the members of the Appraisal Subcommittee shall constitute a quorum but 2 or more members may hold hearings. Decisions of the Appraisal Subcommittee shall be made by a vote of a majority of its members.

"(d) OFFICERS AND STAFF.—The Chairman of the Appraisal Subcommittee shall, subject to the provisions of title 5, United States Code, relating to the competitive service, classification and General Schedule pay rates, appoint such officers and staff as

may be necessary to carry out the functions under this section.

"(e) POWERS OF APPRAISAL SUBCOMMITTEE.—The Appraisal Subcommittee may, for the purpose of carrying out this section, establish advisory committees, hold hearings, sit and act at times and places, take testimony, receive evidence, provide information, and perform research, as the Appraisal Subcommittee considers appropriate.

"(f) PROCEDURES FOR ESTABLISHING APPRAISAL STANDARDS AND REQUIRING THE USE OF CERTIFIED AND LICENSED APPRAISERS.—Appraisal standards and requirements for using State certified and licensed appraisers pursuant to this section shall be prescribed in accordance with procedures set forth in section 553 of title 5, United States Code, including the publication of notice and receipt of written comments or the holding of public hearings with respect to any standards or requirements proposed to be established.

"(g) AUTHORIZATION OF APPROPRIATIONS.—For purposes of this section, there are authorized to be appropriated to the Appraisal Subcommittee a one-time payment of $5,000,000 for the 24-month period beginning on the date of the enactment of this section. Thereafter, expenses of the Subcommittee shall be funded through the collection of registration fees from certain certified and licensed appraisers pursuant to subsection (h).

"(h) AUTHORITY TO COLLECT FEES.—

"(1) COLLECTION OF FEES.—The Appraisal Subcommittee may collect from each person who receives a State certification or license in accordance with this section and who seeks to perform appraisals in federally related transactions an annual registration fee of not more than $25.

"(2) USE OF AMOUNTS APPROPRIATED OR COLLECTED.—Amounts appropriated for or collected by the Appraisal Subcommittee under this section shall be used—

"(A) to maintain a registry of persons who are qualified and eligible to perform appraisals in connection with federally related transactions;

"(B) to support activities under this section;

"(C) to reimburse the general fund of the Treasury for amounts appropriated to and expended by the Appraisal Subcommittee during the 24-month startup period following the date of the enactment of this section; and

"(D) to make grants in such amounts as it deems appropriate to the Appraisal Foundation to help defray those costs of the Foundation relating to the activities of its Appraisal Standards and Appraiser Qualification Boards.

"(3) ADJUSTMENTS.—Subject to the approval of the Council, the Appraisal Subcommittee may adjust the dollar amount of registration fees as necessary to carry out its functions under this section.

"(i) APPRAISAL REFORM FUNCTIONS OF THE FEDERAL FINANCIAL INSTITUTIONS REGULATORY AGENCIES.—Each Federal financial institutions regulatory agency, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Resolution Trust Corporation, shall issue rules—

"(1) prescribing appropriate standards for the performance of real estate appraisals in connection with federally related transactions under the jurisdiction of each such agency or instrumentality. These rules shall require, at a minimum, that real estate appraisals be performed in accordance with generally accepted appraisal standards as evidenced by the appraisal standards promulgated by the Appraisal Standards Board of the Appraisal Foundation. Each such agency or instrumentality may require compliance with additional standards if it makes a determination in writing that such additional standards are required in order to properly carry out its statutory responsibilities; and

"(2) in accordance with section 1111 of this section, prescribing which categories of real estate related financial transactions shall be appraised by a State certified appraiser and which by a State licensed appraiser under this section.

"(j) TIME FOR PROPOSAL AND ADOPTION OF STANDARDS.—Appraisal standards established under this section shall be proposed not later than 6 months, and shall be effective upon adoption in final form not later than 12 months, after the date of the enactment of this section.

"(k) TRANSACTIONS REQUIRING THE SERVICES OF A STATE CERTIFIED APPRAISER.—In determining whether an appraisal in connection with a federally related transaction shall be performed by a State certified appraiser, an agency or instrumentality under this section shall consider whether the transactions, either individually or collectively, are of sufficient financial or public policy importance to the United States that an individual who performs an appraisal in connection with such transactions shall be a State certified appraiser; however, a State certified appraiser shall be required for all federally related transactions which involve the appraisal of real property having a value of $1,000,000 or more. One-to-four unit, single family residential appraisals may be performed by State licensed appraisers, unless the size and complexity require a State certified appraiser.

"(l) TRANSACTIONS REQUIRING THE SERVICES OF A STATE LICENSED APPRAISER.—All federally related transactions not requiring the services of a State certified appraiser may be performed by either a State certified or licensed appraiser.

"(m) TIME FOR PROPOSAL AND ADOPTION OF RULES.—Rules issued under subsections (k) and (l) shall be proposed not later than 6 months, and shall be effective upon adoption in final form not later than 12 months, after the date of the enactment of this section.

"(n) CERTIFICATION AND LICENSING REQUIREMENTS.—As used in this section—

"(1) DEFINITIONS.—

"(A) the term 'State certified real estate appraiser' shall mean a person who currently has satisfied the requirements for State certification in a State or territory whose criteria for certification as a real estate appraiser currently meet the minimum criteria for certification issued by the Appraiser Qualification Board of the Appraisal Foundation; and

"(B) the term 'State licensed appraiser' shall mean a person who currently has satisfied the requirements for State licensing in a State or territory.

"(2) RESTRICTION.—No person may be deemed a 'State certified real estate appraiser' under this section unless such person has achieved a passing grade upon a suitable examination administered by a State or territory that is consistent with and equivalent to the Uniform State Certification Examination issued or endorsed by the Appraiser Qualification Board of the Appraisal Foundation.

"(3) ADDITIONAL CERTIFICATION AUTHORITY.—Nothing in this section shall be construed to prevent any Federal agency or instrumentality from establishing such additional certification criteria as may be necessary or appropriate to carry out the statutory responsibilities of such department, agency or instrumentality.

"(o) ESTABLISHMENT OF STATE APPRAISER CERTIFYING AND LICENSING AGENCIES.—To assure the availability of State certified and licensed appraisers for the performance in a State of appraisals in federally related transactions and to assure effective supervision of the activities of certified and licensed appraisers, a State may establish a State appraiser certifying and licensing agency.

"(p) MONITORING OF STATE APPRAISER CERTIFYING AND LICENSING AGENCIES.—

"(1) IN GENERAL.—The Appraisal Subcommittee shall monitor State appraiser certifying and licensing agencies for the purpose of determining whether an agency's policies, practices and procedures are consistent with this section. The Committee shall not recognize appraiser certifications and licenses from States whose appraisal policies, practices or procedures are found to be inconsistent with this section.

"(2) DISAPPROVAL BY APPRAISAL SUBCOMMITTEE.—The Federal financial institutions regulatory agencies, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Resolution Trust Corporation shall accept certifications and licenses awarded by a State appraiser certifying and licensing agency unless the Appraisal Subcommittee issues a written finding that—

"(A) the State agency fails to recognize and enforce the standards, requirements, and procedures prescribed pursuant to this section;

"(B) the State agency is not granted authority by the State which is adequate to permit the agency to carry out its functions under this section; or

"(C) the State agency fails to make decisions concerning appraisal standards, appraiser qualifications and supervision of appraiser practices in conformance with this section.

"(3) REJECTION OF CERTIFICATIONS AND LICENSES BY STATE AGENCIES.—

"(A) OPPORTUNITY TO BE HEARD OR CORRECT CONDITIONS.—Before refusing to recognize a State's appraiser certifications or licenses, the Appraisal Subcommittee shall provide that State's certifying and licensing agency written notice of its intention not to recognize the State's certified or licensed appraisers and ample opportunity to provide rebuttal information or to correct the conditions causing the refusal.

"(B) ADOPTION OF PROCEDURES.—The Appraisal Subcommittee shall adopt written procedures for taking action described in this subsection.

"(C) JUDICIAL REVIEW.—A decision of the Appraisal Subcommittee under this subsection shall be subject to judicial review.

"(q) RECOGNITION OF STATE CERTIFIED AND LICENSED APPRAISERS FOR PURPOSES OF THIS SECTION.—

"(1) EFFECTIVE DATE FOR USE OF CERTIFIED OR LICENSED APPRAISERS ONLY.—

"(A) IN GENERAL.—No later than July 1, 1991, all appraisals performed in connection with federally related transactions and for other Federal purposes shall be performed only by persons certified or licensed in accordance with the requirements of this section.

"(B) EXTENSION OF EFFECTIVE DATE.—Subject to the approval of the Council, the Ap-

praisal Subcommittee may extend, until December 31, 1991, the effective date for the use of certified or licensed appraisers if it makes a written finding that a State has made substantial progress in establishing a State certification and licensing system that appears to conform to the provisions of this section.

"(2) TEMPORARY WAIVER OF APPRAISER CERTIFICATION OR LICENSING REQUIREMENTS FOR STATES HAVING SCARCITY OF QUALIFIED APPRAISERS.—Subject to the approval of the Council, the Appraisal Subcommittee may waive any requirement relating to the certification or licensing of a person to perform appraisals under this section if—

"(A) the Appraisal Subcommittee, or a State agency whose certifications and licenses are in compliance with this section, makes a written determination that there is a scarcity of certified or licensed appraisers to perform appraisals in connection with federally related transactions or the requirement would lead to inordinate delays in the performance of such appraisals; and

"(B) the waiver terminates when the Appraisal Subcommittee determines that such inordinate delays have been eliminated.

"(3) REPORTS TO STATE CERTIFYING AND LICENSING AGENCIES.—The Appraisal Subcommittee or any other Federal agency or instrumentality shall report any action of a State certified or licensed appraiser that is contrary to the requirements of this section to the appropriate State agency for a disposition of the subject of the referral. The State agency shall provide the Subcommittee or the other Federal agency or instrumentality with a report on its disposition of the matter referred. Subsequent to such disposition, the Subcommittee or the other Federal agency or instrumentality may take such further action, pursuant to written procedures, as it deems necessary to carry out the purposes of this section.

"(r) VIOLATIONS IN OBTAINING AND PERFORMING APPRAISALS IN FEDERALLY RELATED TRANSACTIONS.—

"(1) VIOLATIONS.—Except as authorized by the Appraisal Subcommittee in exercising its waiver authority pursuant to subsection (q), it shall be a violation of this section—

"(A) for a financial institution to knowingly seek, obtain, or give money or any other thing of value in exchange for the performance of an appraisal by a person who is not a State certified or licensed appraiser in connection with a federally related transaction; and

"(B) for the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Resolution Trust Corporation to knowingly contract for the performance of any appraisal by a person who is not a State certified or licensed appraiser in connection with a federally related transaction to which such association or corporation is a party.

"(2) PENALTIES.—A financial institution that violates paragraph (a)(1) shall be subject to a civil penalty of not more than $25,000 for the first violation, and not more than $50,000 for each subsequent violation.

"(3) PROCEEDING.—

"(A) IN GENERAL.—A proceeding with respect to a violation of this section shall be an administrative proceeding which may be conducted by a State appraiser certifying and licensing agency or by a Federal financial institution regulatory agency in accordance with the procedures set forth in subchapter II of chapter 5 of section 5, United States Code.

"(B) JUDICIAL REVIEW.—Notwithstanding any other provision of law—

"(i) a decision of a State appraiser certifying and licensing agency under this section shall be subject to review by a court of competent jurisdiction of the State; and

"(ii) a decision of a Federal financial institutions regulatory agency under this section shall be subject to review by the United States Court of Appeals for the District of Columbia in accordance with chapter 7 of section 5, United States Code.

"(s) DEFINITIONS.—For purposes of this section—

"(1) STATE APPRAISER CERTIFYING AND LICENSING AGENCY.—The term 'State appraiser certifying and licensing agency' means a State agency established in compliance with this section;

"(2) APPRAISAL SUBCOMMITTEE.—The term 'Appraisal Subcommittee' means the Appraisal Subcommittee of the Federal Financial Examination Council;

"(3) COUNCIL.—The term 'council' means the Federal Financial Institutions Examinations Council;

"(4) FEDERALLY RELATED TRANSACTION.—The term 'federally related transaction' means a real estate-related financial transaction requiring the services of an appraiser which a Federal financial institutions regulatory agency, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Resolution Trust Corporation engages in, contracts for or regulates;

"(5) REAL ESTATE RELATED FINANCIAL TRANSACTION.—The term 'real estate-related financial transaction' means any transaction involving—

"(A) the sale, lease, purchase, investment in or exchange of real property, including interests in property, or the financing thereof;

"(B) the refinancing of real property or interests in real property; or

"(C) the use of real property or interests in property as security for a loan or investment, including mortgage-backed securities;

"(6) CHAIRMAN.—The term 'Chairman' means the Chairman of the Appraisal Subcommittee selected by the council.

"(7) FOUNDATION.—The terms 'Appraisal Foundation' and 'Foundation' mean The Appraisal Foundation established on November 20, 1987, as a not for profit corporation under the laws of Illinois.

"(t) MISCELLANEOUS PROVISIONS.—

"(1) TEMPORARY PRACTICE.—A State appraiser certifying or licensing agency shall recognize on a temporary basis the certification or license of an appraiser issued by another State if (A) the property to be appraised is part of a federally related transaction, (B) the appraiser's business is of a temporary nature; and (C) the appraiser registers with the appraiser certifying or licensing agency in the State of temporary practice;

"(2) AUTHORITY TO EXTEND PROVISIONS OF THIS SECTION TO OTHER FEDERAL ENTITIES.—The Office of Management and Budget is authorized, through the issuance of appropriate directives or orders, to require Federal departments and agencies, other than the Federal financial institutions regulatory agencies, to adhere to the provisions of this section requiring the use by those departments and agencies of appropriate appraisal standards, appraiser certification and licensing requirements, and State certified, and licensing appraisers for all federally related transactions of those other departments and agencies, as defined in this section.

"(3) PROHIBITION AGAINST DISCRIMINATION.—In securing the services of a real estate appraiser, users of appraisal services under this section shall not discriminate against a State certified or licensed appraiser on the basis of a designation from any particular professional real estate appraiser organization.".

(b) CONFORMING AMENDMENT.—Section 1003(1) of such Act (12 U.S.C. 3302(1)) is amended by striking "the Federal Home Loan Bank Board" and inserting "the Chairman of the Office of Savings Associations".

SEC. 1412. REPEAL OF SPECIAL TAX RULES.

The Senate finds that special tax provisions which (a) determine the taxable status of payments made to financially troubled institutions by the FSLIC and the FDIC; (b) affect the tax-free reorganization status of trouble financial institutions, and (c) relax loss carryover rules of these institutions are inherently inefficient subsidies and do not permit for a full accounting of the costs of financing resolution of the financial institution crisis; and therefore,

It is the Sense of the Senate: That the House of Representatives should adopt and send to the Senate for consideration as part of the Financial Institutions Reform Act legislation to repeal special tax rules for financial institutions, including Section 904(c) of the Tax Reform Act of 1986; the last sentence of Section 382(a)(5)(F) of the Internal Revenue Code of 1986; and Subparagraph (B) of Section 904(c)(2) of the Tax Reform Act of 1986 (as amended by Section 4012(c)(2) of the Technical and Miscellaneous Revenue Act of 1988 and that repeal of such rules shall apply to transfers on or after the date of enactment of the Financial Institutions Reform, Recovery, and Enforcement Act.

SEC. 1413. STATUS OF CERTAIN THRIFT INSTITUTION.

Section 306(h)(2) of the Federal Savings and Loan Recapitalization Act (12 U.S.C. 1730 note) is amended by inserting before the period at the end thereof the following: ", or an insured institution the board of directors of which determined prior to April 1, 1987, to terminate its status as an insured institution, as evidenced in sworn minutes of the board of directors meeting held prior to such date, which had insured deposits of less than $11,000,000 on such date, and the deposit insurance of which had been in effect for less than one year as of such date".

SEC. 1414. PASSIVE INVESTMENTS BY COMPANIES CONTROLLING GRANDFATHERED NONBANK BANKS.

(a) IN GENERAL.—Section 4(f)(2)(A)(ii) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)(2)(A)(ii)) is amended to read as follows:

"(ii) acquires control of more than 5 percent of the shares or assets of an additional bank or a savings association other than—

"(I) shares held as a bona fide fiduciary (whether with or without the sole discretion to vote such shares);

"(II) shares held by an independent party as a bona fide fiduciary solely for the benefit of employees of either the company described in paragraph (1) or any subsidiary of that company and the beneficiaries of those employees;

"(III) shares held temporarily pursuant to an underwriting commitment in the normal course of an underwriting business;

"(IV) shares held in an account solely for trading purposes or shares over which no control is held other than control of voting rights acquired in the normal course of a proxy solicitation;

"(V) loans or other accounts receivable acquired in the normal course of business;

"(VI) shares or assets acquired in securing or collecting a debt previously contracted in good faith, for two years after the date of acquisition or for such additional time (not exceeding 3 years) as the Board may permit if, in the Board's judgment, such an extension would not be detrimental to the public interest;

"(VII) shares or assets of a savings association described in paragraph (10) of this subsection; and

"(VIII) shares held by insurance companies as defined in section 2(a)(17) of the Investment Company Act of 1940, so long as all shares held under this subclause do not in the aggregate exceed 1 percent of any class of such shares; or"."

(b) TECHNICAL AMENDMENT.—Section 4(f)(10) of the Bank Holding Company of 1956 (12 U.S.C. 1843(f)(10)) is amended by striking "408(m) of the National Housing Act" and inserting in lieu thereof "section 13(k)(1)(A)(i) of the Federal Deposit Insurance Act".

SEC. 1415. SEPARABILITY OF PROVISIONS.

If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of the provision to other persons not similarly situated or to other circumstances shall not be affected thereby.

TITLE XV—GENERAL PROVISIONS

SEC. 1501. DISTRICT OF COLUMBIA CORRECTIONAL FACILITY.

(a)(1) Since the Congress of the United States appropriated $50,000,000 between fiscal year 1986 and fiscal year 1989 to construct a correctional treatment facility in the District of Columbia;

(2) Since the construction of an 800-bed correctional treatment facility for the District of Columbia has been delayed because of pending litigation preventing the destruction of a building on the grounds of D.C General Hospital which currently occupies the site of the proposed correctional treatment facility, pending a determination of whether the building is eligible for the National Register;

(3) Since the Congress in September 1987, suspended all construction activities pending the outcome of an archaeological survey and alternative site review. And that the Congress, in May 1988, informed the District of Columbia that it could proceed with this project;

(4) Since the problem of crime generally and drug-related crime specifically has accelerated in Washington, D.C., so that Washington has been referred to as the "murder capital of the United States" with 150 homicides having been committed in the District of Columbia since January 1, 1989;

(5) Since a major Federal effort has been initiated on the drug-related crime problem in Washington, D.C., as articulated on April 10, 1989, by Attorney General Richard Thornburgh, Housing and Urban Development Secretary Jack Kemp and Director of National Drug Control Policy William Bennett;

(6) Since the Mayor of Washington, D.C., Marion Barry, Jr., in prepared testimony before the District of Columbia Subcommittee of the Appropriations Committee on April 17, 1989, at page six stated: "Finally, in the area of emergency assistance we request the help of the Committee to lead an expedited effort to clearly (perhaps legislatively) state the sense of the Congress that the long delayed 800-bed prison construction project in Southeast Washington is a local initiative being undertaken with a special federal appropriations. Currently, construction is delayed because of a court interpretation that the project is a federal initiative and, therefore, subject to review under federal historical preservation laws. Clarification by the Congress should be helpful to the Court in deciding that the project is local and need not be delayed further.".

(7) Since at a hearing on April 17, 1989, Mayor Barry reiterated his request for a Sense of the Congress resolution as an aid to assist the District of Columbia in the construction of the 800-bed correctional treatment facility;

(8) Since the issue is in litigation in the case of Flossie E. Lee, et al. vs. Richard Thornburgh, et al. (89-0421), United States District Court for the District of Columbia, with a hearing scheduled for May 18, 1989.

(9) Since the Congress expresses no opinion on any underlying legal issue which is the sole province of the Court, but does express its sense of urgency that the 800-bed correctional treatment facility be constructed at the earliest possible time consistent with other provisions of law.

(b)(1) It is the Sense of the Congress that the 800-bed local correctional treatment facility be completed at the earliest possible date to assist against crime generally and drug-related crime specifically.

(2) Mayor Barry and all other officials of the District of Columbia be urged to move ahead as expeditiously as possible with all aspects of the local program directed against crime generally and drug-related crime specifically including but not limited to the construction of local prison and jail space including the 800-bed prison.

Mr. LEVIN. Mr. President, I wish to take this brief opportunity to commend my colleague, the senior Senator from Michigan, DON RIEGLE, for his superb efforts in guiding the Federal savings and loan reform bill through the Senate today.

I can think of no comparable accomplishment. Senator RIEGLE was elected chairman of the Senate Committee on Banking, Housing, and Urban Affairs only 3 months ago. Although his legislative expertise has been well known to all of us, none of us could have envied his position, as he confronted a crisis of major proportions from the moment he assumed the chairmanship. He was thrust directly into a swirling maelstrom, and he emerged with the needed legislation in record time. He guided the 21 members of his committee through an exhaustive markup process, which resulted in a remarkable and impressive unanimous vote to send the bill to the full Senate. As we all know, the bill was passed by the Senate today with only eight dissenting votes.

We owe DON RIEGLE a debt of gratitude, and I congratulate him on his superb handling of this most difficult dilemma.

UNANIMOUS-CONSENT AGREEMENT—S. 774

Mr. RIEGLE. Mr. President, if I may, I want to make some acknowledgements. Before I do, I ask unanimous consent that if the House returns. S. 774 to the Senate, it be held at the desk and it be in order, upon receipt of the House companion bill and after consultation with the majority and minority leaders, that the Senate move to consideration of the House companion measure and all after the enacting clause be stricken and that the text of S. 774, as passed the Senate, be substituted; that the House bill, as amended, be advanced to third reading, the Senate request a conference with the House and that the Chair be authorized to appoint conferees.

The PRESIDING OFFICER. Is there an objection? Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I want to take the occasion right now to thank my colleagues for the tremendous job they have done to help produce this legislation. Senator GARN has had to leave the floor because he is traveling back to Utah, but he was an outstanding ranking member to work with on this. All the Members on both sides of the aisle from the first day through the closing of this vote just now have worked with enormous diligence to produce this legislation. I think the country should be grateful, as I know it will be, to all of them for the effort they have made and the contribution that each one has made to this work product. I am very grateful for that effort and teamwork.

I want to also say a personal note. Just as we were starting the rollcall vote, Mr. Steve Harris, who serves as the majority legal counsel—his wife Cindy has been expecting a baby and was about 10 days overdue. We were wondering if Steve would be called away as we were coming down the home stretch on this legislation, and Cindy was able to time this in such a way that we got a call about 8 minutes ago that she had gone to the hospital. So if anyone noticed Steve Harris leaving rather rapidly out the side door, it is because he is off to join her in that very happy event. But I want to say to Steve and to all the staff members, and very particularly to our staff director, Kevin Gottlieb, Lamar Smith on the Republican side, and all the other staff members, I want to comment on them as I go forward in just a moment.

I have had 23 years of experience in the Congress, in the House and Senate, and I have had over that period of time a chance to see a lot of work events occur. I have never seen one more complicated than this one where the professional help of our staff was as essential as it was in this case. To produce this bill in this period of time to this level of excellence is truly rare. We are deeply in their debt. To the staff who have taken time away from family and other activities to meet this very difficult deadline, a deadline that the President has asked us to meet, that the leadership of the

Senate has asked us to meet, it has required performance and devotion to duty way above the normal standards. I think the staff has been magnificent, and it has continued right up until the time of the beginning of the vote today. So I am deeply in their debt. I know all my colleagues on the committee feel the same way.

There were a number of Senators who are not members of the committee who said positive things about the bill just a minute ago, and I want the staff to know I said to those colleagues the staff has been central to the work we have done here and they deserve great applause and recognition for it.

I want to mention a number of people specifically. I thank the Rules Committee for granting us the funding several weeks ago to be able to augment the staff and to bring aboard the professional resources that we needed to tackle a problem of this complexity. Senator FORD of Kentucky and the other members of the Rules Committee were willing to respond to our request in that fashion, and I am deeply grateful they did so. The prudence of that step has been shown in our work product today.

We said when we began the work of the committee this year we were going to operate on a bipartisan basis. We have done that, and we are going to continue to operate that way. I think the staff has been able to work back and forth without regard to any kind of party division, and it has been a great way to operate. It is the way we shoud operate. I do not recall—and I would recall were there one—a single party line vote at any point during our deliberations. That to me is also a mark of the spirit of teamwork that has been developed.

Lamar Smith, Senator GARN's staff director, was helpful at all times. John Dugan, his general counsel, was also enormously helpful to us at every point along the way. He came up with summaries and analyses and provided invaluable assistance and counsel throughout the entire process. I believe Ray Natter has as excellent an understanding of the banking laws as anybody around. He could just as easily have been working for the other side of the aisle and is truly a professional. Ira Paul, Brad Belt, and Mary Pembroke on the Republican side have also left their imprint on this legislation. John Ross and Dan Berkland are also to be commended for their fine work.

On the Democratic side, I get emotional with pride about the job that has been done by what I think is truly an exceptional staff team. Pat Mulloy is an old pro. His thoroughness, competence, and devotion to public service is something I have appreciated from the day I first became chairman of this committee. Pat Lawler left the Federal Reserve Board to work with the committee, and I have looked to him for advice throughout the deliberations on this bill on all the funding and economic issues that have been raised and that we have had to address. He has done a truly outstanding job. Ted Rozeboom has been on my staff now for some time and there has never been a lower profile, quieter or more efficient worker who has always been in there in a number of different ways when needed. Kim Shafer left an excellent private law practice in New York and she has helped us on a number of different issues throughout the consideration of this legislation. We are pleased to have her on the Banking Committee and look forward to her continuing counsel.

Then we have a couple of people who have spent a good part of their professional careers working on FSLIC. There is no economist who knows more about this subject matter than Jo Garcia. She came to us from the GAO, and she was part of our original FSLIC team. Clem Dinsmore came from the Federal Home Loan Bank Board. His technical knowledge and understanding of these laws had made for a far more technically proficient document than otherwise would have been possible.

Then we were lucky to have two excellent lawyers from the private sector just when we needed them both. Bart Dzivi left private practice in San Francisco one day and literally flew across country and was at work for us the next day. He has been making an impressive contribution since. His combined accounting and legal background have greatly enhanced and increased our bargaining positions, and he has been outstanding in a number of different ways. Then toward the end of this process Conrad Alt joined the staff just in the nick of time, and his imprint can be seen throughout the committee report. He provided us with wise counsel and excellent writing and edit experience as we have headed down this home-stretch. We appreciate his joining us.

Then finally there is Rick Carnell. He has spent more hours on this legislation, I can say with confidence, than anyone in Washington and his fine hand can be seen throughout this entire process. I think it is fair to say that this bill could not have been written and passed in its current form without his invaluable assistance. He deserves a special mention of thanks for a job well done. I hope this weekend, for the first time this year, he and the others can take a well-deserved rest and reflect with great pride on what has happened here.

Then there are two other people who often get overlooked and that is Frank Burke and Polly Craighill, in the Legislative Counsel's Office, who worked around the clock to produce this bill.

I want to say to the staff over in the Banking Committee, to Lory Breneman, Barbara Crook, and the others who work there and do such a terrific job day in and day out, we know the fatigue levels have been extraordinary because of the inquiries that have come in, the amount of work that has had to be done. This was an almost impossible timetable to meet, but it has been met and that is because of the extraordinary effort that has been put in by everyone involved at the staff level.

Finally, I want to say with respect to Steve Harris, who as I commented is off to the hospital now and hopefully to have a very wonderful event happen in the birth of his and Cindy's first child. He has been with me for many years and was outstanding at every turn on this bill. I am enormously proud of and grateful for the work he has done.

Finally, the Isiah Thomas of the staff team is Dr. Kevin Gottlieb, who is seated here beside me. Kevin is without match in this town for the multiple talents he brings to this or any assignment. Kevin has enabled us to move very rapidly from the very first minutes to get our team together, our hearing process started, and to have come down through to this time. Each time we were asked to meet a tougher timetable or a more strict schedule, Kevin and the team we put together said that however it had to be done, we would get it done. We have worked in that fashion. To Kevin I say there will be a lot of things in your lifetime you will be involved in, as you have been in the past. I do not know there will be involved in, as you have been in the past. I do not know there will ever be an occasion quite equal to this one in terms of both the tremendous demand from the complexity of the assignment and the short amount of time with which it had to be done and done to a very high standard of effort. So I say to you how much I appreciate having you at my side because, in my view, we could not have gotten this done otherwise.

So with that, I again thank my colleagues and the leadership. These efforts are all team efforts; we do not get anything done by ourselves around here.

This chairman is profoundly appreciative of that fact, and very grateful.

Mr. SIMPSON addressed the Chair.

Mr. RIEGLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HEINZ. Mr. President, I move to lay that motion on the table.

ORDER OF PROCEDURE

Mr. RIEGLE. I ask unanimous consent that the previous agreement be modified to require that the Senate

pass the House bill prior to requesting the conference.

The PRESIDING OFFICER. Hearing no objection, it is so ordered.

COMMENDATION

Mr. SIMPSON. Mr. President, I thank my friend from Pennsylvania for allowing me a minute here. I want to speak for a moment about the work just performed in the Senate. I think all of us who have ever been involved in a major piece of legislation are never quite sure of the exhilaration that goes with that. You get that a day later or a few hours later because of the actual fatigue and elation you feel. But I would say this is obviously a major piece of legislation.

I want to congratulate the senior Senator from Michigan. I have been watching him now for 10 years. He is a spirited man in every way, and I think I got off to a rocky start with him in my first year here. Then I saw what a remarkably persistent man he is, and watched him in the minority and watched him in the majority. It is more fun being in the minority. You can raise more Cain. He did that beautifully, I thought. Then when the majority switched to their party, he took up the most responsible positions, and his work product is a remarkable one. He picked up the challenge, and he did it without partisanship. He can be a very partisan man, I found in my travels. But I want to congratulate him.

This is a fine thing for our country. It is a tough issue. I want to thank him for work of great magnitude.

To JAKE GARN on our side of the aisle, a very steady, dogged, and persistent person who sent the signals up 2 years ago, 3 years ago, that something had to be done. He and BILL PROXMIRE would work on it here, and it would meet doom in the House. Those days are gone, and the House is to be commended, too.

But a final word about Kevin Gottlieb, and many other staff members here. I will not even attempt to thank them because I am not on the committee, but I have come to know this man, a political scientist, a realist, a pragmatist, so bright and energetic and, pardon the expression, fun to be around. He is. And he has made a special contribution here. His skills and abilities in this last few hours made the difference here. There is no question about it. It was not really the principals that made the difference, although they certainly did, but Kevin Gottlieb become a special emissary in these last hours. And I think of my own staff; when you need a friend and you need a loyal person to assist you in a major piece of legislation, bring a friend. He is a friend of Senator RIEGLE. He is a friend of mine, a person you can trust, and who did not become enmeshed in partisanship. Because the American people indeed do not expect us just to bicker. They expect us to legislate.

So with that, it was a great pleasure for me as a legislator—I like to legislate—to see a very splendid job done in legislating, with a chairman, a ranking member, and a staff on both sides of the aisle that worked without a single shred of partisanship, and with a great need and intensity to educate the rest of us, which is the key to staff work. And they did.

I thank them, and I appreciate this opportunity.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, first I want to associate myself with the comments of the Senator from Wyoming [Mr. SIMPSON], our distinguished assistant leader, who has I think said it so eloquently as to what DON RIEGLE and JAKE GARN have been able to accomplish in bringing and shepherding through the Senate S. 774. It is not often you get anything this large, this heavy, 564 pages. The Senate worked on it for about 2½ days, which works out to about 6 minutes a page. You can read one of these pages in about 30 seconds.

We have had a very thoughtful session on this bill, but it does not begin to reflect the work of the members of the committee, and I have in mind especially Senator RIEGLE and Senator GARN, together with our colleagues on the committee, and that is multiplied many times over by the staff who have gotten very well-deserved and owed comments of thanks and appreciation from both Senator RIEGLE and Senator SIMPSON.

I suspect that there are other legislative priorities that we would rather have dealth with. One does not take home to one's wife or children very joyously the news that, well, dear, today I helped write, I helped pass, I helped debate, I helped shepherd through the largest bailout in the history of the United States. And yet it was work that had to be done.

It was a task that the Bush administration did not hestitate to tackle. It was work that the Banking Committee under Senator RIEGLE and Senator GARN's leadership enthusiastically undertook because it was not glamorous, not sexy, but absolutely necessary work.

I commend all the members of the committee because in my judgment, what I have just said—and the Chair, Senator GRAHAM of Florida, was a member of that committee—every single member of that committee did what they had to do, and they did it well.

I would be remiss if I did not take a minute to point out the extrordinary contributions of the staff on the Republican side. We do not have quite as many as DON RIEGLE has. But then again it was his job and his staff's job to be accountable and responsible for the final work product. They did a good one. But just as Kevin Gottlieb has been identified as the Isiah Thomas on the majority side, Lamar Smith being a Texan and it being harder to find Republicans in basketball than the proverbial hen's tooth, he is really the Roger Staubach of ours. He was ably assisted by John Dugan, one of our counsel.

John was particularly responsible for the capital and related issues, and he did a superb job.

Ray Natter, who did enormous amounts of statutory analysis and drafting;

Ira Paull, who is very new to the staff, pitched right in and got eyeball deep in regulatory issues;

Brad Belt, who was preparing for a Securities Subcommittee hearing, somehow managed to put a lot of time in on issues involving S&L liabilities, broker deposits, those kinds of issues;

Mary Dwyer Pembroke made an invaluable contribution on making sure that the secondary market issues were properly thought through, FNMA, Freddie Mac, and other housing-related issues;

And, John Walsh, who we often think of as dealing mainly with international financial and monetary issues, on this became a finance and budgetary treatment expert, as I know him to be.

That was our team. They were well led. They performed well. The product is the proof.

Mr. President, it is my hope that as a result of all this good work, we can move rapidly to conference with the House and get to the President a bill that he will sign.

This is a problem that will not wait. People have stayed up late nights. The Senate has worked late. The committee has worked late in order to get this done, not just by today and by the close of business, as we approach the time of Passover, but simply because this Nation needed this work to be done. I commend everybody that has been involved with that.

Mr. President, I might just say a special word about Senator GARN, who is not here. I know he would otherwise have been here, but he has been so deeply involved in this issue. He has, over many years, tried so hard to get the Congress to really take this issue seriously. He deserves a special commendation for having carried the lantern at night by indicating that we did have troubles, and they were coming both by land and by sea, and that he can and should take great pride in this work, because without him, as with Senator RIEGLE, we simply would not have been able to do this very good job.

Mr. President, I have remarks on another issue, but on this, I yield the floor.

Mr. RIEGLE. I want to thank the Senator from Pennsylvania, first, for the personal comments. I so enjoyed working with him on the Senate Banking Committee. We go back a long time to our days in the House together, and at one time, we actually served in the same party together. That is how long we have known one another.

There is nobody that brings more mental force to these issues on our committee than has the Senator from Pennsylvania. He is very much a part of what is in front of us, in terms of the document we have produced. I am very admiring of the part he has played in this and on all issues.

Earlier, when I was commenting on some of the administrative people, who have been so enormously helpful in the center of getting our work done and who for the most part do not get the opportunity to come over to the floor and be part of the excitement here, but to Lory Breneman, Rachel Jacobson, Barbara Crook, Mary Dilworth, Kim Tenhor, Margaret Muskett, Sarah Frazier, Jo Anne Proctor, Anna Maschino, I want to say to all of them how much we appreciate their work. I hope they are listening now on the squawk box, but we know what the demands have been and the tremendous inflow of inquiry, telephone calls, people coming in needing materials and getting materials produced, reproduced, retyped, and getting everything done, against an impossible time schedule. We are very grateful for that help. I thank Patty and Dan on the Republican side for their efforts, as well, because we could not have possibly been here today with this work but for the tremendous effort and achievement of those people who have just been outstanding in every way.

We are very grateful, and I certainly am very grateful. I know Senator GARN shares that feeling. With that, I hope that we have not omitted someone that we ought to have mentioned, and we very probably might have, because we are all tired. One thing I have learned today and yesterday, in managing a bill at this length down here, is that your back aches when you are finished, and your legs are tired. So my admiration for other chairmen that I have seen do this for long periods of time has gone way up, just in terms of the requirements of taking a bill like this through this process.

MORNING BUSINESS

Mr. RIEGLE. I now want to ask unanimous consent that there be a period now for morning business until 5 p.m., with Senators permitted to speak therein.

The PRESIDING OFFICER (Mr. GRAHAM). Without objection, it is so ordered.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. Mr. President, I rise today to pledge my support for preserving a sound Social Security policy. At issue is the relationship between Social Security and the Federal budget. Social Security is unique among Federal programs, because it is funded by its own tax on employees and employers.

Because of the unique way in which it is funded, for years Social Security was not part of the Federal budget. It was considered to be off budget, meaning that the Social Security receipts and benefit payments were not included as part of the Federal budget process. As a result, there was no temptation to use the Social Security trust fund for anything other than Social Security benefits.

Mr. President, that is the way it should be. Congress has prohibited the use of Social Security trust funds for any other purpose. This has been the law since 1935, and it must remain the law. After the threat of a collapse of the Social Security system several years ago, the Social Security Amendments of 1983 restored the system to a healthy financial state. That has resulted in the building of a healthy surplus.

However, contrary to popular belief, surplus Social Security taxes are not deposited into a Social Security trust fund. They flow into the General Treasury, like all other Federal receipts, and in return, the trust fund is given IOU's from the Government.

Similarly, benefits are paid from the General Treasury. The trust fund itself does not hold cash, only these IOU's. Therefore, including the surplus in the Social Security trust fund, when calculating the deficit targets by the Gramm-Rudman-Hollings Act, we are creating the illusion that the budget deficit is being brought into balance, when in point of fact, the operating deficit is continuing to grow.

This clever accounting method has allowed the Federal Government to use the savings in the Social Security system to hold down or hide the true amount of the Federal deficit. For fiscal year 1989, the deficit has been calculated at $215 billion. We have reported to the American people that it is only $159 billion. This is because we have used the $56 billion Social Security surplus to mask the true size of the budget deficit.

To further illustrate the illusory deficit, the Congressional Budget Office projects that in 1994 the Nation's deficit will be approximately $130 billion. What should be said is that the actual deficit, without using the Social Security surplus to reduce the true size of the imbalance, will be $247 billion. This is wrong, Mr. President, and it must stop.

Decisions about Social Security should be made on the basis of the condition of the trust fund, not the Federal budget as a whole. For this reason, today I am introducing legislation to restore Social Security to its off-budget status entirely.

Mr. President, I oppose lending the Social Security surpluses to the Treasury to finance the operating budget deficit. Social Security funds should not be used for anything other than the payment of benefits. It is our duty and responsibility to reassure Americans that their Social Security benefits are safe and are in a separate account, and not just safe today, but also on the day on which they plan to retire.

Funds in the Social Security reserve are, in no sense, a surplus, in the sense of being unnecessary or up for grabs. Maintaining this reserve is absolutely essential, if the baby boom generation is to enjoy economic security in its retirement years.

Mr. President, I call upon my colleagues in the Congress to pass this legislation, to separate Social Security from the Federal budget once and for all. It would be irresponsible to do otherwise.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. HEINZ. I thank the Chair.

(The remarks of Mr. HEINZ pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

COMMENDING THOSE RESPONSIBLE FOR CARING FOR THIS EXTRAORDINARY CREATION OF MAN AND GOD

Mr. WARNER. Mr. President, amidst the constant problems that surround this gracious Capitol Building is one unblemished jewel—the beautiful grounds with stately trees and bright gardens.

I wish to express appreciation to those who labor hard to make and care for this extraordinary creation of man and God.

Mr. President, I ask unanimous consent that a list of those gardeners who are responsible for maintaining the Capitol Grounds be printed in the RECORD.

There being no objection, the listing was ordered to be printed in the RECORD, as follows:

Paul Pincus, landscape architect.
Melvin Guthrie, general foreman.
Theodore Sanner, Leroy Maddox, John Green, Walter Cox, Barry March, Louis Schuster, Kenneth Barnhart, Donald Sellman, George Holland, James Mills, and Relando McKamey.

John Ellison, Ivory Newton, Freddie Nunn, Willie Murchison, James Thornton, Arlen Holmes, Charles G. Wallace, Jr., Richard McNeil, Charles Burton, and Philip Proctor.

Irvin Greene, Lewis Sours, Joseph Vallandingham, James Banks, Albert Lynn, Donald Wood, Michael Timms, James Bethel, and David Wathen.

LEGISLATION TO INCREASE REFUGEE ADMISSIONS

Mr. SIMPSON. Mr. President, I rise to alert my colleagues to my opposition to legislation recently introduced by my fine friend Senator PAUL SIMON (S. 476), which would increase refugee admissions to the United States.

I have the highest regard for the work of my colleague on the immigration subcommittee. He has been a very productive member of that group. I also share his objective of solving some of the difficulties we are currently experiencing in Rome and Moscow with Soviet refugee applicants. However, I do not believe that this bill is the proper response.

First, the bill is unnecessary. The Refugee Act of 1980 provides for "emergency consultations" between the executive and legislative branches to facilitate additional refugee admissions during the fiscal year. Separate legislation is not needed to achieve such admissions. In addition, I think it is important for the administration to justify its request for more refugee admissions to Congress, and the procedures in the Refugee Act provide for this.

The administration has just made an emergency admissions request. On April 6, 1989, it requested that 22,500 additional refugee positions be authorized for admission of Soviet refugees during this fiscal year. I firmly believe that Congress will approve of these additional refugee numbers and that separate legislation, as proposed by Senator SIMON, is not needed.

Second, the bill presumes that every Soviet applicant for admission to the United States is a refugee. While there are an undoubtedly large number of Soviet emigres who are refugees, U.S. law requires that every refugee applicant from every country prove the merits of his or her individual case. This requirement should not be excused merely because there are a large number of applicants waiting for decisions on their cases—nor should it be excused merely because groups in the United States interested in their admission have been critical of delays in the processing of their applications. The legislation undercuts the Refugee Act of 1980's clear requirement for country neutral, case-by-case adjudications of refugee applications.

Finally, the bill claims to restore refugee admissions number to Southeast Asia which had been previously shifted to the Soviet Union. In fact, there is no need to restore these numbers because there are not presently enough persons in Southeast Asia—who meet the Refugee Act definition—to fill the slots initially allocated to this part of the world. When additional numbers are not needed, they should not be provided for.

I pledge to work with Senator SIMON, the subcommittee chairman [Senator KENNEDY], and any other interested Member in resolving some of the many problems that now exist in the Soviet Refugee Program. However, the legislation in question is not the proper solution.

THE 74TH ANNIVERSARY OF ARMENIAN GENOCIDE

Mr. PRESSLER. Mr. President, April 24 marks the commemoration of the 74th anniversary of the Armenian genocide, in which one-half million Armenians were brutally murdered by agents of the former Ottoman Empire. It is extremely important that all Americans recognize and remember this atrocious action by the Ottoman Turks against the Armenians.

The Government of the Republic of Turkey refuses to acknowledge that the Armenian genocide ever occurred. The Turkish Government would like the memory of the Armenian genocide to fade away. We simply cannot let this historical massacre be forgotten. By recognizing the anniversary of the Armenian genocide, Americans can help prevent future genocides against other groups of people.

Soviet Armenians have been victimized by terror and violence more recently in the Armenian Soviet Socialist Republic. Tens of thousands of Armenians have been expelled from the Soviet Socialist Republic of Azerbijan, which borders the Armenian Soviet Socialist Republic. Azeri officials are attempting to depopulate the Armenian regions of their republic. The United States cannot ignore these human rights abuses.

The Armenians have experienced a tremendous amount of suffering during the 20th century—from the genocide that occurred over 70 years ago, to the human rights abuses in the Soviet Union, and the earthquake last December that devastated their homes and public buildings and killed tens of thousands.

Mr. President, the history of the Armenians is full of tragedy. The least we can do is to appropriately commemorate this 74th anniversary of the awful genocide that destroyed so many innocent Armenian citizens of Ottoman Turkey.

ITC REPORT PROVES VALIDITY OF PRESIDENT'S STEEL PROGRAM.

Mr. HEINZ. Mr. President, in the coming weeks Congress will begin debate on legislation introduced by Senator ROCKEFELLER and myself to extend steel voluntary restraint agreements [VRA's]. Currently, 56 Senators and nearly 200 of our colleagues in the other body are cosponsoring this legislation. We believe that a 5-year VRA extension is critical to the international competitiveness of our steel industry and is in the best interest of steel-using manufacturers across the country, both large and small. Most important, extending the steel VRA Program is in the national interest, which depends on a reliable domestic supply of top-quality steel at a fair price.

The VRA Program was launched in 1984 to counter the pervasive unfair trading practice of foreign steel producing countries. The program has successfully limited the effects of illegal foreign steel subsidies and dumping of steel into the U.S. market. But the trading practices of foreign steel producers are still unfair and still illegal. Their trading practices and industrial subsidies haven't changed.

As we near debate over extending the VRA Program, we have heard a great deal about the impact of VRA's on steel prices. We now have a report from the International Trade Commission that addresses this very issue. Its findings totally reject the position of Caterpillar and its allies that steel VRA's caused dramatic steel price increases in 1987 and 1988.

I suspect that most thoughtful American steel users do not need a study to tell them what they already know: Domestic steel prices today are a bargain, especially when compared to prices charged by other companies. In fact, American steel prices today are virtually the same as they were in 1981, and this is in large part a result of VRA's. The VRA's have allowed the domestic industry to reduce costs and improve productivity.

Let me read from the Commission's report. Its principal conclusion with respect to the 1987 and 1988 price increases is, and I quote: "VRA's had no direct effect on steel prices in the Western United States, or for that matter, on steel prices elsewhere in the United States."

The study finds that "It appears overwhelmingly likely that the current price effect of VRA's, if any, is negligible."

Mr. President, this finding doesn't surprise me. Since the VRA Program has been in existence, prices have both fallen and risen. Think about it: In different years, under the same program steel prices have moved in opposite directions. Clearly there are other factors in the marketplace determining

the price of steel. The main factor is obvious—increased demand. Demand for steel is up all over the world. And, as one would expect, world steel prices have responded accordingly.

The ITC study also examines price fluctuations among the United States, the European Community and Japan between 1983 and 1988. The finding shows something that thoughtful American steel customers have known all along: steel prices in the United States had the lowest percentage increase during that time—20 percent—compared to 33 percent in the European Community and up to 64 percent in Japan. Furthermore, in the preceding years American steel prices actually fell, making steel one of the best buys in the past decade.

The study also notes that price changes were not restricted to steel or to the United States. It stated, "Prices of two other major metals, copper and aluminum, neither of which were subject to trade restraints during the period, rose by significantly greater margins and home-market prices of steel in other major producing countries increased at an equal or greater rate."

Mr. President, if we allow VRA's to expire, if we allow unfair trade practices to gut our domestic steel industry once again, American steel consumers will suffer. Our manufacturers require a reliable, competitively priced domestic supply of steel; it is the lifeblood of their business. And, as the ITC points out, Western steel users often prefer domestic steel over foreign steel because it can be received on a "more frequent, reliable basis."

Does anyone believe that domestic steel users are going to get a fair shake from foreign steel producers without the competition provided by a healthy domestic steel industry? The ITC study found that countries covered by VRA's could have shipped considerably more steel into this country than they did. Why didn't they ship more? The answer is simple: they found other markets where they could charge more. Does anyone believe that without a strong steel industry here that foreign producers would not raise prices through the roof?

Short of an international agreement banning unfair foreign trading practices, we need the VRA Program to limit the rampant dumping of steel into our market. Our country cannot be strong, economically or militarily, without a fully competitive steel industry. Our national security depends on it. The American people are worried about our place in the international marketplace, and they should be unless we give American industry a fighting chance to be fully competitive in our own marketplace.

The VRA Program is giving our steel industry a chance to regain its competitive edge. In fact, the program requires domestic producers to reinvest substantially all of their net cash flow into modernization—upgrading facilities and retaining displaced workers.

As the ITC study notes, Western steel facilities have undergone significant renovation designed to improve their competitive position. In addition to reinvesting in new plants and equipment, Western producers increased their capital expenditures from 2.7 percent of sales in 1983 to 7.5 percent of sales in 1988. That is a quantum leap from $34.5 million to $237.4 million—under the VRA Program. And the same story applies to steel producers across our country.

I have every confidence that America's steel industry can continue on the road to recovery. I believe that they can compete with foreign steel companies. But they should not be forced to compete with the unfair trading practices of foreign governments.

Mr. President, I ask unanimous consent that the executive summary of the ITC report be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

EXECUTIVE SUMMARY

STRUCTURAL CHANGES IN THE WESTERN STEEL INDUSTRY

As a result of industrywide restructuring efforts during the 1980s, most primary (i.e., raw steel) producers in the Western U.S. region elected to withdraw from the market, as did many fabricators; most facilities continued operating, however, under new ownership.

Modernization

Under new owners, facilities have undergone significant renovation designed to improve the various companies' competitive positions. In addition to investing in new plant and equipment during 1983–88, new owners have negotiated favorable raw material contracts and labor agreements, leading to reduced costs. Capital expenditures increased from 2.7 percent of sales ($34.5 million) in 1983 to 7.5 percent of sales ($237.4 million) in 1988, with the greatest percentage in 1988 being invested in flat-rolled products.

Highlighting the investment activities is a joint venture undertaken by Korean and U.S. interests to construct a new finishing facility in California, the cost of which will exceed $350 million. Discussions with producers indicate that further investment can be anticipated, though more likely on a lesser scale, in the near future.

Investment in the Western region industry has been favorably influenced by the sharp appreciation of the yen against the dollar in the past several years. The appreciation has strengthened the relative cost competitiveness of U.S. producers versus Japan, the largest foreign supplier of steel products to the region, thereby raising potential returns on capital invested in the industry.

The modernization which has occurred has resulted in a reconfiguration of the industry. Two of the three integrated facilities that produced steel from iron ore no longer do so. At one facility (CF&I), the scale of operations has been reduced and steel is being produced in electric furnaces using scrap metal. In addition to a reduced need for raw steel, the closure of integrated capacity reflected declining resources of coal and iron ore deposits in the region. At the other facility (CSI), steel is being rolled from purchased semifinished steel slabs, the majority of which are currently being imported from Brazil, which has one of the few mills in the world that specializes in producing semifinished steel for the commercial market.

Capacity

Reflecting the restructuring which occurred in the Western industry during the 1980's, raw steel capacity declined by 36 percent during 1983–88. Finishing capacity, however, increased markedly in flat-rolled products, reflecting the reactivation of Kaiser's rolling mills and increased efficiency at other facilities.

Financial Position

Strong domestic demand during the past two years, combined with the effects of restructuring and the effects of the appreciation of the yen on the competitive position of Western producers, resulted in a return to profitability of the Western steel industry. Following losses during 1983–86, producers' ratio of net income to sales equaled 4.0 and 7.5 percent, respectively, in 1987 and 1988. By comparison, in 1987 and 1988, return on sales for the entire U.S. steel industry averaged 3.8 and 10.1 percent (January-September), respectively; whereas the return on sales for all U.S. manufacturers averaged 7.3 and 8.5 percent, respectively.

CONSUMPTION OF STEEL MILL PRODUCTS IN THE WESTERN REGION

The overall increase in industrial production which occurred in the United States during 1983–88 was accompanied by increased steel demand. The Western U.S. market shared in this growth; apparent consumption of steel products increased by 29 percent during 1983–88, which compares to a 24-percent increase in the total U.S. market.

PATTERNS OF SUPPLY TO THE WESTERN REGION

An analysis of supply patterns in the Western U.S. steel market indicates that the region depended increasingly on outside sources to meet its total steel needs during 1983–88; dependence on imports and Eastern U.S. suppliers rose from 63 percent in 1983 to 78 percent in 1988. Steel fabricators accounted for a relatively large portion of the steel purchased from non-Western sources (i.e., Eastern U.S. suppliers and imports). Netting their purchases out shows that net dependence on these outside sources to supply end users' needs declined from 54 percent in 1983 to 48 percent in 1988.

The overall role of imports in the Western market rose from 50 percent of apparent consumption in 1983 to 57 percent in 1985, before declining to 45 percent in 1988. Net dependence on imports to supply end users (i.e., total imports less steel imported by fabricators for further processing), however, declined from 42 percent in 1983 to 32 percent in 1988.

FACTORS LIMITING THE USE OF DOMESTICALLY PRODUCED STEEL MANUFACTURED OUTSIDE THE WESTERN REGION

Factors that limit the ability of non-Western U.S. producers to supply the Western market include transportation costs, production costs, product availability, capacity, and lead times. During the 1980s, non-Western U.S. producers improved their cost position

relative to foreign competitors, and also improved their competitive position in transportation costs compared with both Western U.S. producers and foreign suppliers, as follows:

Production costs

By successfully reducing production costs in recent years through the closure of obsolete facilities, renegotiation of long-term raw materials and labor contracts, investment in more efficient plant and equipment, and increased efficiency in the use of labor, non-Western U.S. producers lowered their production costs relative to those of foreign producers. Further assisted by the effect on relative costs of the depreciation of the dollar vis-a-vis the yen, production costs for non-Western producers are currently considered by steel analysts to be 12 percent lower than for Japanese producers, their principal foreign competitors in the Western U.S. market. U.S. production costs still, however, exceed those of most other countries by 2-18 percent.

Transportation costs

Although it is generally less expensive to transport merchandise by water, U.S. regulations (i.e., the Jones Act) currently render such a mode noncompetitive for shipments of steel from non-Western mills to the west coast; instead, rail is commonly used for such shipments.

The deregulation of rail rates in the early 1980s significantly improved the ability of non-Western U.S. producers to compete with imports and Western producers in the Western market. The deregulated rates are approximately one-half the prior rates, and are roughly equivalent to the cost of shipping steel from major foreign suppliers to the west coast.

Lead times

The average time required to ship steel from non-Western mills to the West (10-14 days) is more than double the time required for regional shipments within the West (4.5 days), which marginally affects the competitive position of non-Western producers enjoy a substantial advantage, as imported steel must be ordered 90 to 120 days in advance, whereas domestic producers require an average of only 30 days from time of order to arrival of shipment. Moreover, waterborne trade tends to be less reliable than rail in terms of meeting schedules.

Product availability and capacity

Non-Western U.S. producers are constrained in theiir ability to supply the Western market by their capacity and their ability to produce the products required in the West. Although this has not generally posed problems, during 1985-88 the U.S. Department of Commerce granted twelve short supply requests involving the Western market. One Western company (UPI) has indicated that U.S. producers are currently unable to supply the quality of steel sheet needed to run its new rolling mill as efficiently as is planned. In response, one company testified at the Commission hearing that certain U.S. companies would likely be able to supply UPI's sheet requirements following modernization of their facilities. Another Western producer (Davis Walker) has similarly argued that certain of its wire rod requirement cannot be fully met domestically, a claim which domestic rod producers have contested.

FACTORS AFFECTING THE IMPORTATION COST OF STEEL PRODUCED IN FOREIGN MILLS

Factors affecting the cost of importing steel into the Western United States include foreign inland costs, loading costs, shipping and insurance costs, wharfage fees, applicable customs duties, and U.S. inland freight costs. Much of the steel imported from Japan and Korea involves little or no foreign inland freight charges since production facilities are located on deep water ports. The cost of insurance and freight from the two countries to the West Coast averages $36 to $40 per ton, while wharfage and other port charges add $10 to $12 per ton to the cost. Customs duties assessed during January-November 1988 averaged $19 per ton (or 4.4 percent ad valorem). U.S. inland freight charges vary according to the final destination; trucking charges from a west coast port to a local destination would add a minimum of $5 per ton. The total overseas delivery cost of $70 to $74 per ton for imports compares with an average delivery cost of $78 per ton for products shipped from the Chicago area.

STEEL IMPORTS FROM NON-VRA COUNTRIES

Under the steel VRAs, steel that was produced in a VRA country and further processed in a non-VRA country was not counted against the VRA country's quota as long as the product had been substantially transformed in the non-VRA country.[1] An examination of trade during 1983-88 suggests that there were a number of imports of substantially transformed products into the Western region. Imports of wire products from Canada, much of which appears to have been produced from imported wire rod, increased their share of total Western U.S. wire imports from 14 to 35 percent during 1983-88.

Increases in imports from Singapore and Thailand of fabricated structural steel products and pipe and tube products, apparently produced from imported stock, also increased during the period, but to a lesser degree. Imports of galvanized sheet from New Zealand, produced from steel manufactured in Japan, also occurred; the increase in tonnage, however, was small relative to total imports.

EFFECTS OF THE VRAS ON PRODUCERS AND CONSUMING INDUSTRIES IN THE WESTERN REGION

The results of increased levels of shipments by Western producers in response to growing demand and their return to profitability created additional financial resources, and also lowered the level of risk associated with decisions on modernization and investment. Several producers indicated that the operation of the VRAs was an important factor in their ability to acquire financing for projects.

The VRAs have been a factor underlying the decisions by steel purchasers to alter their purchasing strategies, according to the Commission's questionnaires and fieldwork. In addition to increasing the level of domestic shipments, a number of steel service centers attribute a return to market stability in the Western market to the effects of the VRAs, which apparently served to reduce disruptive surges in imports.

Effects on supply

From the perspective of steel consumers, one of the effects of the VRAs has been to create shortages in certain products. The twelve short-supply requests involving Western U.S. purchasers, covered a broad range of steel mill products. Tonnage approved accounted for less than 1 percent of apparent consumption during the period. Although supply problems can be redressed through the filing of a request for increased imports, this action places a cost on petitioners in terms of the time and expense associated with the petition as well as the risk associated with an unknown outcome and potential delays in obtaining products needed to meet production schedules.

Effects on prices

The economic effects of the VRA's on Western steel-producing and steel-consuming industries depend largely on whether or not the VRA quotas are binding (filled). Binding quotas effectively reduce the volume of imports below that which would have entered in the absence of such quotas, causing import prices to rise as U.S. consumers compete for the restricted supply. Nonbinding quotas (i.e., those that are not filled) should have relatively little effect, if any, on the quantity of steel imported or on steel prices.

From their initiation in 1985 through 1986, the quotas were binding. During this initial period, the price of steel in the U.S. market was undoubtedly higher than it would have been without the VRA's. In 1987 and, to a much lesser extent, in 1988 export quotas for certain products and countries also appear to have been filled; as a result, import levels and prices may also have been affected by the restraints in these years, even though the quotas were not filled on a global (i.e., aggregate) basis.

On an aggregate basis, some 94 percent of the total export ceilings established under the VRAs quotas were filled in 1987; the degree to which they were filled fell to an estimated 75 percent in 1988. In 1987, less than 90 percent of the quotas were filled in three product categories (bars, wire and wire products, and rails and rail products), of the nine under investigation. The effect of the VRAs on prices would therefore appear to have diminished during 1987. By 1988, imports from countries covered by the agreements fell so significantly short of VRA ceilings that it appears that the price effect of the VRA's, if any, was relatively small.

The increase in both import and domestic steel prices which occurred during 1983-88, took place principally during 1987 and 1988, at a time when the steel VRAs were becoming less binding (i.e., fewer country and product quotas were being filled), or nonbinding, which, as noted above, limits the degree to which the measures could have affected steel prices. Further, price changes (in dollar terms) were not restricted to steel or to the United States. Prices of two other major metals, copper and aluminum, neither of which were subject to trade restraints during the period, rose by significantly greater margins and home-market prices of steel in other major producing countries increased at an equal or greater rate.

The magnitude of the steel price increases is reflected in data collected from steel purchasers located in the Western U.S. region, which indicate that the lowest price quotes for most imported steel products rose by 25 to 35 percent from mid-1983 through the end of the third quarter of 1988; the increase in the lowest price quotes from domestic producers, however, was significantly

[1] The Omnibus Trade and Competitiveness Act of 1988 (Public Law 100-418, Section 1322) includes a provision that affects the manner in which "transformed imports" are treated by specifying that any steel product covered by VRAs, manufactured in a non-VRA country from steel that was melted and poured in a VRA country may be treated as a product of the arrangement country. This provision may be applied at the President's discretion, and has not been applied to date.

lower, ranging from 10 to 25 percent for most products.

Although prices were undoubtedly higher as a result of the VRAs during the initial years of their existence, information developed by the Commission suggests that other factors, such as the decline in the value of the dollar versus major foreign suppliers' currencies, and the rise in demand for steel worldwide, were of significantly greater importance in explaining the overall price increases that occurred in the Western U.S. market during 1983–88.

In a previous study the Commission estimated that the dollar would have to depreciate by more than 8.9 percent in real terms for the steel import restraint program to become inoperative. Between 1985 and 1987, the dollar declined, on average, by 31 percent against the currencies of VRA countries.

The greater importance of the dollar depreciation and rising steel demand in worldwide price increases indicates that the VRAs did not have a significant direct effect on wages or on employment levels in the Western steel industry, nor did they have a direct effect on product prices or production levels of downstream users of steel in the Western United States.

Potential future effects

Extension of the VRA program beyond September 1989, at the 1989 restraint levels, could eventually result in binding quotas that would affect the Western region's steel employment levels and consumer prices. Three different scenarios of potential import growth, developed on the basis of a 17-year time series (1971–87), yield the following projections of when the VRAs might become binding.

First scenario: average import growth

If steel imports were to continue to grow at 1.1 percent per year (the average annual rate observed during 1971–87), the VRAs likely would not become binding until 1997.

Second scenario: fast import growth

If steel imports were to grow at 3.7 percent per year (the average annual rate observed between 1980 and 1984), then the VRAs likely would become binding as soon as 1990. For the second scenario to be plausible, the dollar would have to significantly appreciate against the currencies of important U.S. trading partners.

Third scenario: import decline

If steel imports were to decline at 0.9 percent per year (the annual rate observed between 1971 and 1975), then the VRAs likely would never become binding.

IMPLICATIONS

Implications of continuation of the VRAs depend in part on one's market prognosis. If the VRAs are nonbinding, there are no direct effects, although the system would still provide a form of insurance to producers that imports would not exceed a certain level; such insurance could well affect investment decisions and the terms under which financing could be obtained. On the other hand, if the VRAs are binding, they will continue to transfer income from steel consumers and foreign producers to domestic suppliers in terms of greater shipments and higher prices.

Examination of the cost and benefits associated with continuation of the steel VRAs also has to consider what would occur in their absence. Removal of the VRAs could result in the filing of numerous unfair trade complaints, the results of which could be either more or less restrictive than the VRAs, depending on the volume of trade affected by affirmative findings and the level of additional duties assessed.

In terms of the effect of continuation of the VRAs on trade, to the extent that the VRAs are binding, further increases in imports from non-VRA countries can be anticipated, particularly in long products, which appear to be more susceptible to non-VRA import penetration than do flat-rolled products.

Mr. HEINZ. Mr. President, I thank my colleague from Florida.

I yield the floor.

The PRESIDING OFFICER (Mr. BRYAN). The Senator from Florida is recognized.

Mr. GRAHAM. I thank the Chair.

(The remarks of Mr. GRAHAM pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

EXTENSION OF TIME FOR MORNING BUISNESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there be a period for morning business not to extend beyond 5:30 p.m. under the same conditions as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

ELECTIONS IN PANAMA

Mr. KENNEDY. Mr. President, on May 7, 1989, Panama is scheduled to hold Presidential, legislative, and municipal elections which will attract worldwide attention. The first elections since the current crisis over General Noriega was ignited, they present a choice for the people and government of that troubled country—further decline into chaos or progress toward restoring normalcy and democracy. The outcome will have a direct bearing on the interests of the United States.

The National Democratic Institute, recognizing the importance of the upcoming elections in Panama to the interests of the United States and to the promotion of democracy in our hemisphere, initiated a program to monitor these important elections in Panama. As part of the effort, a high level international delegation traveled to Panama under the auspices of the Council of Freely Elected Heads of Government from March 12 to 16, 1989, to study and analyze the conditions for free, fair, and democratic elections in Panama. The Council is made up of current and past democratically elected leaders of the Western Hemisphere. Its executive committee members are former U.S. Presidents, Jimmy Carter and Gerald Ford, former Venezuelan President Rafael Caldera, former Costa Rican President Daniel Oduber, and former Belize Prime Minister George Price.

I would like to call to the attention of my colleagues the excellent report just issued by the Council on the current conditions for the elections in Panama. It presents a superb picture of the current situation. According to the report, the environment for democratic elections is "far from ideal. The press is restricted, the fear of exile is a real one, and the government and Panamanian Defense Forces [PDF] allegedly are assisting the pro-government coalition and harassing the anti-government coalition." There is, however, a meaningful political campaign underway which, whatever the outcome, will have an important impact on the future of Panama and the future relations between the United States and Panama.

I urge my colleagues to read the Council's report on this important issue and ask unanimous consent that excerpts from it may be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

THE MAY 7, 1989, PANAMANIAN ELECTIONS: PRE-ELECTION REPORT BASED ON THE FINDINGS OF AN INTERNATIONAL DELEGATION

THE CARTER CENTER OF
EMORY UNIVERSITY,
Atlanta, GA, March 28, 1989.

This report is based on the findings of a delegation that visited Panama under the auspices of the Council of Freely-Elected Heads of Government from March 12–16, 1989. The Council was established in 1986 by current and former heads of government in the Western Hemisphere to reinforce democracy in the Americas.

The members of the delegation were designated by three members of the Council: Venezuelan President Carlos Andres Perez, former Costa Rican President Daniel Oduber, and myself. The three of us have a special interest in Panama that began with our efforts to fashion a new partnership between the United States and Panama concerning the Panama Canal. The Panama Canal Treaties marked a watershed in hemispheric relations, and we remain committed to seeing the promises of these treaties fulfilled.

We are also committed to promoting democratic, civilian government and respect for human rights in all countries. The situation in Panama has thus greatly concerned us, and we—and the Council of Freely-Elected Heads of Government—wanted to lend our support to ensuring that the elections on May 7 in Panama for President, legislature, and municipalities are free and fair. That was the reason that we sent a delegation to Panama, and we appreciated the cooperation that the delegation received from the Panamanian government. We view particularly important the government's pledge to respect free and fair elections and to welcome international observers.

This report provides a description of the context of the May 7 elections and an assessment of some current and potential problems. We hope the government will continue to respond positively to the recommendations in the report and act to improve confidence in the electoral system. We gratefully acknowledge the support of the

National Democratic Institute for International Affairs (NDI).

Members of the Council of Freely-Elected Heads of Government, who are participating in the Carter Center's Consultation on *The Hemispheric Agenda* will review the report and decide on how the Council will monitor the elections. The Council issues this report in the spirit of friendship and mutual respect with the people of Panama, whose aspiration for democracy we share.

JIMMY CARTER.

EXECUTIVE SUMMARY

A seven-member delegation, sponsored by the Council of Freely-Elected Heads of Government, visited Panama from March 12-16. The primary purpose of the visit was to assess the prospects for free and fair elections in that country on May 7, 1989.

During the course of its visit, the delegation met with government, military and electoral officials; candidates for president, vice president and the Legislative Assembly; representatives of civic organizations and the Church; journalists and owners of television and radio stations; and other leading Panamanians. Based on these meetings and other information, the following are the delegation's summary findings and conclusions:

1. Significance of elections—Virtually all sectors agree that the May 7 elections are critical for Panama's future. There is considerable disagreement, however, concerning the likelihood that they will be conducted in a fair manner. If they are not conducted fairly, there is fear that serious violent unrest may develop, and the prospects for economic recovery would be dim.

2. Conditions in Panama—The environment in which these elections are occurring is far from ideal. The press is restricted, the fear of exile is a real one, and the government and Panamanian Defense Forces (PDF) allegedly are assisting the pro-government coalition and harassing the anti-government coalition. At the same time, there is a meaningful political campaign underway. Large and small rallies have been held and large-scale mobilization of the population for election day duty. An independent vote count and the freedom of the media to report election results also will be critical to the monitoring efforts.

6. International Observers—Government officials and representatives of the PDF, while ambivalent about the presence of international observers, indicated that observers would be able to visit Panama without hindrance; opposition sectors actively encouraged the presence of observers. Given the profound political divisions in Panama and the contemporary practice, particularly in Latin America, of sending observers, the international community should ensure that observers are present in large numbers for the elections. The observers, as is true in all instances, should adhere to the local law, refrain from intervening in the process, and act in an objective and independent manner in reporting their observations.

7. National Reconciliation—Panamanians recognize that the current political and economic crises facing the country will not be resolved by elections alone. Ultimately, national reconciliation must be achieved through dialogue and negotiations between Panama's politically active sectors.

ELECTORAL ENVIRONMENT

A major requirement for a fair election is an environment in which parties and candidates can communicate freely with prospective voters without fear of untoward consequences. While this is generally a difficult issue for a fact-finding delegation to evaluate, in Panama the situation is particularly complicated. On the one hand, opposition candidates are traveling freely to all regions of the country and the opposition has been permitted to organize large and small rallies. On the other hand, the media remains subject to significant restrictions, several Panamanians are living outside the country for fear of returning home and there is little confidence in receiving due process from a government and judicial system allegedly rife with corruption. This section explores some of these issues in more detail.

A. Human rights

The Inter-American Commission on Human Rights, an organ of the Organization of American States, visited Panama from February 25 to March 3. The Commission, which has been monitoring the situation in Panama on an on-going basis, reported in a communique at the end of the visit that it had "received numerous complaints of alleged human rights violations such as: torture, mistreatment of prisoners, police brutality, illegal arrests, undue delay in the processing of criminal cases, the ineffectiveness of the writs of habeas corpus, prolonged periods of incommunicado detention [and] the arbitrary seizure of private property." These matters also have been raised by human rights groups in Panama and by respected international nongovernmental human rights organizations. For its part, the government denies the charges and encourages comparisons of Panama's human rights record with that of other Latin American countries.

In the current period, as acknowledged by several human rights activists, serious human rights violations, such as summary executions, torture, and disappearances, have not occurred. Prison conditions and arbitary detentions remain a concern of human rights organizations and other civic activists. The present focus of human rights activists, however, is on political rights related to the holding of fair elections and to the establishment of a democratic society.

B. Freedom of press

A frequent complaint heard from opposition sectors involves the freedom of the press. Over the past 20 years, newspapers and other media have been subject to periodic closures and other legal restrictions on their freedom to operate. The government justifies the closures, accusing the newspapers of inciting people to riot, and noted that there is a legal process underway regarding the closures. However, the legal process is proceeding at a glacial pace and even COLINA leaders have encouraged the government to expedite the process.

Three newspaper—La Prensa, El Siglo, and El Extra—have been closed by the regime since February 1988. They had reopened briefly in January 1988, after having been closed for the preceding six months.

The currently operating newspapers are all highly partisan toward the government. La Estrella de Panama, Panama's leading newspaper, covers some opposition activity, but usually from a critical perspective. The newspaper permits the opposition to purchase space in the paper for political advertising. While one new newspaper, Mediodia, recently began publishing, the opposition claims that it was granted permission only because it is a pro-government operation; its chairman of the board is COLINA vice presidential candidate Ramon Sieiro.

Three radio stations—Radio KW Continente, Radio Noticias and Radio Mundial—have been closed, except for a very short period, since July 1987. However, the limits of what can and is expressed over the radio appear to be broader than in other media. One owner of several still operating radio stations said he felt free to air blunt criticism of the government and even the PDF, but acknowledged that other colleagues undoubtedly feel more constrained.

There are daily radio programs that feature opposition candidates offering their perspectives on the Panamanian political situation. These programs are broadcast live and air time for them is purchased by the candidates or politial parties at a discounted rate.

The situation with respect to television, which provides over 60 percent of Panamanians with their primary source of information, is more complex. Channel 2 is a pro-government station that gives limited coverage to opposition activities. Channel 5, which is owned by Delvalle, has been closed since he was ousted from office.

Channels 4 and 13 cover opposition activities and permit the opposition to purchase short spots at reduced rates—25 percent is required by law, but the reductions, according to one station owner, can be as much as 60 percent. To date, however, the stations have been unwilling to sell the parties blocs of time. The stations' owners are very conscious of the limits of what can be said on television, candidly admitting they practice self-censorship and refusing to allow live interviews on political matters. Among the subjects not mentioned on television are criticisms of the PDF and government corruption. They also explained the need for reviewing and, in some cases, editing opposition spots to ensure that "offensive" materials are removed before broadcast.

A recent incident that occurred after the delegation visit illustrates the conditions under which the media operates. On March 20, Alfredo Jimenez, publisher of the Christian Democratic Party newspaper, was arrested together with two sons and two secretaries. While the sons and secretaries were released within 30 hours of their arrests, Jiminez was still in jail as of March 27. He was charged with printing "seditious materials" and of "formenting public disorder" by accusing the government of preparing a fraud.

C. Other forms of expression

The streets of Panama City are festooned with political party banners. The opposition, however, has complained that some of its banners have been removed at night.

More troubling is the charge that pro-government forces have been attempting to intimidate opposition supporters. In one incident reported to the delegation, a group of women were placing banners on lampposts when they were told to cease their activities by armed individuals riding in a car without license plates, thus signifying their membership as off-duty PDF personnel.

D. Government pressure and involvement

Another major complaint of opposition sectors involves the attempt to discourage public transport operators from working on days of opposition events. This allegedly is effected by threatening to withhold licenses or by using other forms of intimidation.

The delegation also heard allegations that the government is pressuring public employees to attend COLINA rallies and to recruit COLINA supporters. These employees are being asked to complete "surveys"; those supporting COLINA are asked to name two other friends or family members who also

would be likely to support the government and who could then be named as Electoral Tribunal representatives on election day. The implicit, and perhaps in some cases explicit, threat is that failure to support the government will result in the loss of a job. The government also allegedly is allowing COLINA to use public buildings and transport in support of its efforts. The opposition also charged that the minister of immigration is actively helping his son who is running for the legislature in Constituency 4-7.

ELECTION ADMINISTRATION

Given Panama's history of electoral fraud, a good deal of attention is being focussed on the particulars of the electoral process. As one prominent Panamanian noted: "since the first elections [held in 1904] electoral processes have concluded in fraudulent elections." This chapter describes the process as prescribed by the electoral law and reports various complaints concerning the process that have been presented by the opposition and by various civic organizations.

A. Voter registration

To vote in Panama an individual must: (1) be a Panamanian citizen; (2) appear on the final voter registration list; (3) have a national identity card (cedula); (4) not be subject to a legal disqualification; and (5) be in Panama on election day.

Panamanians are eligible to receive a cedula at age 18. The cedula is necessary for a variety of business and government related activities, but not all citizens, particularly those living in rural areas, obtain a cedula. Upon receiving a cedula, the citizen becomes a registered voter for life. The cedula, however, must be renewed every 12 years. The final day to obtain a cedula is April 7, one month before the election. Panamanians had to apply for a new cedula, however, by February 6.

1. Creating the electoral registry

The Electoral Tribunal published the preliminary registry on November 7, 1988. The list was drawn from the civil registry, which should have the names of all those with cedulas. The final list was published on February 7, 1989, although an amended list was then published on February 22 to incorporate names mistakenly excluded by the Tribunal. According to the Electoral Tribunal, nearly 1.1 million people are eligible to vote in the May elections. Each political party received five printouts of the final list, although the Tribunal has refused to provide the computer tapes to the parties.

The registry also contains the specific site to which a voter is assigned. A voter should be assigned to the site near his or her residence. However, those performing election-related duties, as well as medical personnel, firefighters, and the military, can vote at the place they are working, rather than the site they would otherwise be assigned. Ten days before the election, the Tribunal is required to send a list of those who will be voting away from their regularly-assigned sites to the sites where they will be voting and to the sites where they would have been voting.

On March 16, the Tribunal inaugurated a center whereby voters can obtain over the telephone the location of their voting site. The Tribunal has indicated its intention to publicize this service through the various media and to encourage generally voter turnout. However, party representatives repeatedly expressed concern that information provided prior to the elections would not necessarily be the same as that on the final lists distributed to election officials.

2. Problem areas

The delegation was presented with several complaints regarding the registration process and related matters. These complaints can be divided into the following general categories: adding bogus voters and disenfranchising prospective voters.

a. Bogus voters—The opposition charges that the number of registered voters this year represents an increase of 29 percent over the 1984 figure. In 1984, there were 917,677 registered voters and this year there are 1,118,430, an increase of 266,643. This would mean that nearly 92 percent of the voting-age population is registered, compared with 83 percent five years ago. Moreover, the opposition claims, there have been increases of up to 60 percent in certain districts. Based on an analysis of the number of registered voters since 1952, an independent analyst calculates there should be no more than a 12-percent increase in registered voters.

According to the opposition, the unexplained increases indicate there are a large number of fictitious voters or large numbers of individuals who are listed on the registry more than once. A suspected source of these fictitious voters is the military, whose members in January received new cedulas.

Since it is assumed that the computer would delete from the registry multiple listings of individuals with the same cedula number, the scheme requires either that an individual have cedulas with different numbers or that the individual use a fictitious name to obtain a separate cedula. To substantiate the charge, the opposition has identified several people who have two or more cedula numbers. (It should be noted that many Panamanians have more than one cedula, having obtained a new cedula when the original one was lost or misplaced and then finding the original; however, the cedula number always should remain the same.)

The above charges are indeed serious. The internal checks against multiple voting include the requirement that a voter must be listed in the electoral registry and the punching of his or her cedula. However, if there are fictitious names on the list and individuals have more than one cedula these checks will not prevent multiple voting.

To establish confidence in the registry list, the Electoral Tribunal could offer a public explanation about the large increase in the electorate. It also could agree to investigate cases where individuals allegedly have more than one cedula number. Finally, the registry should be carefully reviewed to ensure that those who have died are not mistakenly included.

b. Disenfranchisement—The opposition described several mechanisms by which progovernment forces are seeking to disenfranchise prospective voters. One method allegedly involves requiring individuals living in poor neighborhoods to present their cedulas to obtain sacks of food. The cedula is then punched in the precise place where the Electoral Tribunal will require that the card be punched on election day, thus preventing these individuals from voting. This allegation was the subject of discussion (and fisticuffs) in the Legislative Assembly on March 8, and the matter has been publicized in the media. For its part, the Electoral Tribunal says that it has received no specific complaints regarding this matter.

A second form of disenfranchisement involves the assigning of voters to sites far from their place of residence. One opposition party leader related that his youngest daughter had recently obtained her cedula and discovered she was assigned to a site 10 kilometers from their home; his five other children are assigned to the voting site nearest their home. It is unclear how many similar cases exist, but unless Panamanians inquire prior to the elections as to where they are assigned to vote, on election day they may discover having been reassigned to a less convenient site. This is particularly true for newly-registered voters who may assume they would be assigned to vote where their families have always voted.

A third form of disenfranchisement involves the April 7 cutoff date for replacing cedulas. Those who lose their cedulas in the month preceding the election will be effectively disenfranchised.

Finally, there are those whose names are simply not on the list, despite their having obtained a cedula at some point in their lives. According to one opposition leader, those turning 18 who have participated in demonstrations during the past 10 months have not yet received their cedulas. The delegation, however, received no independent corroboration of this particular charge.

3. Restoring confidence in the Electoral Tribunal

As noted earlier, a major problem is the lack of confidence among opposition sectors in the impartiality of the Electoral Tribunal. Thus, while some of the problems identified above may be the result of administrative mistakes or problems, in the current climate these problems are viewed as part of a grand scheme to manipulate the election system. By demonstrating a willingness to address the problems regarding the registry that have been identified to date, the Electoral Tribunal may be able to restore a degree of confidence in its ability to administer the elections fairly. Members of the Electoral Tribunal point to the inauguration of the telephone hotline that will inform voters as to their assigned sites and the distribution of instruction pamphlets on how to vote (Appendix 5) as demonstrating their efforts to ensure that the electorate is adequately prepared for the elections.

D. Monitoring the election day process

The Panamanian experience with fraudulent elections, including the controversy surrounding the 1984 elections, makes the monitoring of the process on election day extremely important. The counting process was identified as requiring particularly close scrutiny. This section reviews some of the planned efforts and highlights potential problem areas.

1. Panamanian efforts

The electoral law encourages election day monitoring by authorizing all parties to designate representatives for each mesa. Thus, each party must recruit at least 4,255 individuals (and perhaps double that amount) if it hopes to have a presence at every mesa from the times the polls open until the counting is complete. The recruiting and training of these representatives will test the organizational capacity of all the parties competing in the elections. Opposition poll-watchers will be instructed to pay particular attention to whether the military is voting earlier than permitted, whether there is intimidation of voters, and whether a single individual is being permitted to vote on behalf of the entire community.

A second aspect of the monitoring process involves the reporting of the results. In 1984, major problems developed when returns for precincts where the opposition

won were challenged at the counting board level by the pro-government coalition. This delayed the announcement of results and ultimately resulted in the voiding of large numbers of votes cast for the opposition. In addition, there were allegations that tally sheets from certain constituencies were stolen and replaced with forged sheets.

To counter these potential problems, ADOC is planning an independent, unofficial vote count that will involve obtaining results from the party representatives at each mesa. The opposition also wants to accompany the mesa officials who deliver the official act as to the counting boards and to station party representatives at the Electoral Tribunal's headquarters. The opposition estimates it will have most of the results cumulated by midnight on election day. The Civic Crusade also considered organizing an unofficial vote count that it hoped would receive the support of the Church, but has apparently decided the ADOC vote count will provide an adequate check on the official count.

The ability of the media to operate freely on election day will be another critical element in the monitoring process. Any attempt to limit the dissemination of results by the media, as happened in 1984 when Channel 13 was ordered to stop broadcasting live from the voting sites, inevitably will create suspicions that a fraud is being perpetrated.

2. International Observers

Opposition sectors stressed constantly the importance of international observers for the elections. They further insisted that observers are required "before, during and after the elections," and encouraged observers to visit all parts of the country. They noted the importance of the observers receiving access to the counting boards after the elections. In response, the delegation noted there would be a significant international observer presence for the elections, but that the observers would be dependent for the most part on the quality of information obtained from Panamanian monitors.

For its part, the government appeared ambivalent about the prospect of international observers being present for the elections. While government officials stressed their commitment to fair elections, and asserted that the elections would mark a further "perfecting of Panama's democracy," they did not publicly invite or even welcome observers. Instead, they indicated observers would be free to visit the country so long as they do not interfere in the process or inject themselves as "fiscalizadores" (judges).

Military officials also acknowledged that observers would be "beneficial to the process so long as they did not intervene in the process." However, La Critica, a newspaper closely aligned with the military, criticized prospective observers as "metiches" (busybodies).

In addition to permitting observers, the government also should ensure that representatives of the international media are allowed to operate in Panama. Onerous and unorthodox regulations have been adopted making it difficult for journalists to enter the country. These require that a journalist submit a copy of his or her newspaper's charter with every visa application.

PROSPECTS FOR FAIR ELECTIONS

PDF representatives told the delegation that they intended to respect the results regardless of who won. Panamanian analysts, however, remain dubious regarding such commitments. Indeed, if one listened only to opposition sectors, one would leave Panama believing fraudulent elections are inevitable. Given the events of 1984, there is good reason to be skeptical regarding the intentions of the government and the PDF. The government's refusal to lift restrictions on the media and to encourage the return of those who have been exiled are additional reasons for skepticism. In this context, the opposition's requests for international observers appears less designed to encourage fair elections and more oriented toward providing a basis for delegitimizing the elections in the eyes of the international community.

Various scenarios were presented to the delegation by Panamanians from a variety of political perspectives. Several people suggested that faced with the prospect of a massive defeat for the pro-government slate, the government would find some excuse for cancelling the elections; this possibility was firmly rejected by PDF officers. Alternatively, it was suggested, the government would commit massive fraud. In either case, the government would expect continued international condemnation, but would view such condemnation as a lesser risk than allowing the opposition to win the elections.

Several people suggested the PDF might allow an opposition victory in either the race for president or the legislature. In this way, the PDF could maintain control of those areas it deemed essential for its continued institutional autonomy. Such a development would pose a major challenge to the opposition, forcing it to decide whether reaching a modus vivendi with the PDF would be consistent with pledges to reform Panamanian society and to reestablish a democratic system. One critical issue that would have to be addressed regards General Noriega's future. The opposition views Noriega's departure as essential, but military officials appeared to be solidly in Noriega's corner, commenting that forcing his departure "would be an unacceptable sacrifice."

Both government and opposition leaders acknowledge that the elections, even if conducted freely and fairly, will not resolve Panama's problems. Ultimately, negotiations will be required between the different political actors in Panama, including most obviously the PDF. The space for such negotiations, however, appears limited. The government proudly proclaims that it represents the Torrijos mantle, while the opposition denounces 20 years of military dictatorship. The PDF feels threatened by the opposition and the opposition genuinely believes the PDF requires a major overhaul. Perhaps the Church could serve as a facilitator of negotiations, despite its reputation among some in the opposition as being nonactivist.

Given this delicate situation, international attention to the Panamanian situation deserves high priority among those committed to democracy and respect for human rights. However, the Panamanian people ultimately will be responsible for deciding the fate of their country.

MEXICO AND DEBT RELIEF

Mr. KENNEDY. Mr. President, I would like to call to the attention of my colleagues an excellent editorial in today's New York Times regarding international debt negotiations and relief for Mexico.

The current negotiations on Mexico's oppressive $100 billion debt represent the first test of the administration's new approach to the crisis under the Brady plan. All eyes—in the international financial community and among debtor nations—will be watching these negotiations as an indication of how extensive relief will be under the Brady plan.

Mexico's new President, Carlos Salinas de Gortari, faces many challenges as he seeks to reform Mexico politically and economically—his most pressing task is the international debt. As today's editorial notes,

Mr. Salinas has moved boldly to extend economic reform and to attack business and labor corruption. He has also moved bravely against drug trafficking. By these measures, Mexico has earned the right to expect relief from its crushing debt.

I commend this editorial to my colleagues and ask unanimous consent that it may be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 19, 1989]

MEXICO MAKES ITSELF A MODEL DEBTOR

Mexico, the first big debtor nation to crack under the load of its debts to foreign banks, is now the first to start negotiating with them on debt reduction. The outcome of their negotiations, which start today in New York City, will set a pattern for all the debtors and their creditors. In Mexico's case, relief is well deserved.

Of the third world's $1.3 trillion in foreign debt, Mexico owes $100 billion—second only to Brazil. The debt reduction plan recently proposed by Treasury Secretary Nicholas Brady and adopted, in broad terms, by the major creditor nations is aimed at bank debt; Mexico's is $60 billion, on which it pays roughly $6 billion a year in interest.

The object is to let debtors put more of their foreign earnings into economic development and less into paying off foreign banks. The amount of reduction will vary from country to country. Treasury officials have estimated 20 percent over all. That's not enough, but it's an important start.

The burden of servicing foreign debt has hobbled Mexico's economic growth for seven years. But while the average Mexican is no better off than before the Government came up short in 1982, Mexico has done more than almost all other debtors to address the root cause of its economic disorder.

Former President Miguel de la Madrid began the process, trimming and selling off state-owned enterprises and reducing barriers to foreign competition. Then his party's 60-year grip on government leadership was seriously challenged in last year's election when Mr. de la Madrid's protégé, Carlos Salinas de Gortari, won by only a thin margin.

Mr. Salinas has moved boldly to extend economic reform and to attack business and labor corruption. He has also moved bravely against drug trafficking. By these measures, Mexico has earned the right to expect relief from its crushing debt.

Several debtors have started negotiations under the new plan; Mexico has made the most progress and thus will be a model. The first big step was a $3.6 billion loan from the

International Monetary Fund. That is an extraordinary opening. Previously the fund insisted on waiting until after a borrower had made arrangements with the banks. With the fund's commitment already a fact, Mexico negotiates with its banks under less pressure.

The Mexicans plan to use about a third of the I.M.F. loan for debt reduction; indeed, Mr. Brady has said that if the banks don't agree to take some losses, the monetary fund will withhold $1 billion. How much can be accomplished with $1 billion depends on how Mexico and the banks arrange it.

There are various routes. For instance, Mexico could use the $1 billion as collateral to guarantee future interest payments if banks agreed to accept bonds with substantially less face value than current debt. Or it could offer banks equity states in Mexican businesses. Or banks could agree to postpone some current interest if eventual payment were guaranteed.

The ultimate goal of debt reduction is economic growth and political stability. The borrowers and the lenders need both.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MEASURES PLACED ON THE CALENDAR

The following bill, previously received from the House of Representatives for concurrence, was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 1385. An act to make permanent the Martin Luther King, Jr., Federal Holiday Commission.

ENROLLED JOINT RESOLUTION SIGNED

The PRESIDENT pro tempore (Mr. BYRD) reported that on today April 19, 1989, he had signed the following enrolled joint resolution, which had previously been signed by the Speaker of the House:

S.J. Res. 45. Joint resolution designating May 1989 as "Older Americans Month."

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, April 19, 1989, he had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 45. Joint resolution designating May 1989 as "Older Americans Month."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources:

James O. Mason, of Georgia, to be an Assistant Secretary of Health and Human Services;

John Theodore Sanders, of Illinois, to be Under Secretary of Education; and

Nancy Mohr Kennedy, of Maryland, to be Assistant Secretary for Legislation, Department of Education.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SASSER (for himself and Mr. GORE):

S. 835. A bill to provide that employees of the Tennessee Valley Authority who are covered by a collective bargaining agreement shall not be subject to any regulations which take employee efficiency or performance ratings into account in determining the order of retention of competing employees in a reduction in force; to the Committee on Environment and Public Works.

By Mr. MITCHELL (for himself, Mr. BOND, Mr. MCCLURE, and Mr. COHEN):

S. 836. A bill to amend the Potato Research and Promotion Act to provide potato producers with improved methods of assessment for financing a more effective marketing research and promotion program, to provide an effective consumer information program designed to expand the market for potatoes, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HEFLIN:

S. 837. A bill for the relief of Nicola Giampietro; to the Committee on the Judiciary.

S. 838. A bill to repeal the estate tax inclusion related to valuation freezes; to the Committee on Finance.

By Mr. ADAMS:

S. 839. A bill to provide for the safe operation of tanker traffic in Puget Sound, to improve the ability to respond to tanker vessel accidents in Puget Sound, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BOREN:

S. 840. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for education loan interest incurred by doctors, nurses, and allied health professionals while serving in medically underserved areas; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. KENNEDY, Mr. GARN, Mr. DECONCINI, Mr. REID, Mr. PELL, Mr. INOUYE, and Mr. BRYAN):

S. 841. A bill to provide jurisdiction and procedures for claims for compassionate payments for injuries due to exposure to radiation from nuclear testing and uranium mining; to the Committee on the Judiciary.

By Mr. DECONCINI:

S. 842. A bill to amend the Internal Revenue Code of 1986 to provide a credit against tax for employers who provide on-site daycare facilities for dependents of their employees; to the Committee on Finance.

By Mr. ROCKEFELLER (for himself and Mr. KERREY):

S. 843. A bill to establish a program of awards by the National Science Foundation for undergraduate students who are willing to commit themselves to teach elementary or secondary mathematics or science for a specified period of time; to the Committee on Labor and Human Resources.

By Mr. BRADLEY:

S. 844. A bill to establish a National Park System Review Board, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATCH (for himself, Mr. KENNEDY, Mr. THURMOND, Mr. BURDICK, Mrs. KASSEBAUM, Ms. MIKULSKI, Mr. WILSON, Mr. JEFFORDS, Mr. BUMPERS, Mr. COCHRAN, Mr. DODD, Mr. COATS, and Mr. METZENBAUM):

S. 845. A bill to amend the Federal Food, Drug, and Cosmetic Act to revitalize the Food and Drug Administration, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MURKOWSKI:

S. 846. A bill to amend title 38, United States Code, to improve the compensated work therapy and other services and assistance furnished to homeless veterans and other veterans; to the Committee on Veterans' Affairs.

By Mr. JOHNSTON (for himself and Mr. MCCLURE) (by request):

S. 847. A bill to maintain a competitive, financially strong, and secure uranium enrichment capability in the United States by reorganizing the uranium enrichment enterprise, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SHELBY:

S. 848. A bill to prevent distortions in the reapportionment of the House of Representatives caused by the use of census population figures which include illegal aliens; to the Committee on Governmental Affairs.

By Mr. DASCHLE (for himself, Mr. HEFLIN, Mr. BOREN, and Mr. SYMMS):

S. 849. A bill to repeal section 2036(c) of the Internal Revenue Code of 1986, relating to valuation freezes; to the Committee on Finance.

By Mr. JOHNSTON (for himself and Mr. BINGAMAN):

S. 850. A bill to amend the Internal Revenue Code of 1954 to impose a fee on the importation of crude oil or refined petroleum products; to the Committee on Finance.

By Mr. BOSCHWITZ (for himself, Mr. BAUCUS, Mr. BURNS, Mr. LOTT, Mr. CONRAD, Mr. BURDICK, Mr. BOREN, Mr. PRESSLER, Mr. KASTEN, and Mr. GRASSLEY):

S. 851. A bill to promote the development of small business in rural areas; to the Commiteee on Small Business.

By Mr. BRYAN (for himself, Mr. ROBB, and Mr. GRAHAM):

S. 852. A bill to exclude the receipts of Social Security Trust Funds from the deficit calculation; to the Committee on the

Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one committee reports, the other committee has thirty days of continuous session to report or be discharged.

By Mr. DODD:

S. 853. A bill to assist States in providing low and middle income housing to their residents, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. ADAMS (for himself, Mr. GORTON, and Mr. INOUYE):

S. 854. A bill to expand eligibility for the Expert-Witness Loan Fund; to the Select Committee on Indian Affairs.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 855. A bill to direct the Secretary of the Interior to establish a cave research institute at Carlsbad Caverns National Park; to the Committee on Energy and Natural Resources.

By Mr. MURKOWSKI:

S. 856. A bill to amend title 13, United States Code and the International Investment and Trade in Services Survey Act to improve the quality of data on foreign investment in the United States; to the Committee on Commerce, Science, and Transportation.

By Mr. GLENN:

S. 857. A bill to amend title 10, United States Code, to reduce the premium paid by retired members of the uniformed services for coverage for their survivors under the Survivor Benefit Plan and to provide a new Supplemental Survivor Benefit Plan to offset the effect of the two-tier annuity computation under the Survivor Benefit Plan for spouse and former spouse beneficiaries; to the Committee on Armed Services.

By Mr. STEVENS:

S. 858. A bill to repeal a provision of the Department of Defense Appropriations Act of 1989, prohibiting the use of funds for the alteration of the command structure for military forces in Alaska; placed on the calendar.

By Mr. WILSON:

S. 859. A bill to amend title XVIII of the Social Security Act to establish a drug utlization review system to prevent adverse drug reactions, and for other purposes; to the Committee on Finance.

By Mr. DASCHLE:

S. 860. A bill to amend title 38, United States Code, to ensure adequate analysis of the budgetary needs of the Department of Veterans Affairs for veterans health programs; to the Committee on Veterans Affairs.

By Ms. MIKULSKI (for herself and Mr. SARBANES):

S. 861. A bill to authorize financial assistance for the Washington Research Library Consortium; to the Committee on Labor and Human Resources.

By Mr. HARKIN:

S. 862. A bill to amend the Consolidated Farm and Rural Development Act to establish a grant program to assist the residents of rural areas and small communities to secure adequate quantities of safe water, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BAUCUS (for himself and Mr. BOSCHWITZ):

S. 863. A bill to create a Rural Partnership Fund and a loans program to administer funds from such Fund, to create a Microbusiness Loan Fund and a Microbusiness Technical Assistance Fund and a program to administer funds from such Funds, and for other purposes; to the Committee on Small Business.

By Mr. PRYOR (for himself, Mr. HEINZ, Mr. PRESSLER and Mr. BURDICK):

S. 864. A bill to require that the Consumer Price Index for all urban consumers be utilized by a Federal officer or agency in determining certain cost-of-living increases in benefits and allowances, and for other purposes; to the Committee on Governmental Affairs.

By Mr. METZENBAUM (for himself, Mr. RUDMAN, Mr. SIMON, Mr. WILSON, Mr. BRADLEY, Mr. SASSER, Mr. CRANSTON, Mr. BOSCHWITZ, Mr. GORTON, Mr. EXON, Mr. LAUTENBERG, Mr. KERRY, Mr. PELL, Mr. KENNEDY, Mr. LEVIN, Mr. MOYNIHAN, Mr. BINGAMAN, Mr. ADAMS, Mr. LIEBERMAN and Mr. DODD):

S. 865. A bill to amend the Sherman Act regarding retail competition; to the Committee on the Judiciary.

By Mr. LEVIN (for himself and Mr. RIEGLE):

S. 866. A bill to establish the Calumet Copper Country National Historical Park in the State of Michigan, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. GRASSLEY:

S. 867. A bill to temporarily suspend the duty on sulfachloropyridazine; to the Committee on Finance.

By Mr. SIMON (for himself and Mr. DIXON):

S. 868. A bill to amend the Employee Retirement Income Security Act of 1974 to allow interests in publicly traded partnerships to be treated as qualifying employer securities; to the Committee on Labor and Human Resources.

By Mr. DANFORTH (for himself, Mr. BOND, and Mr. PELL):

S.J. Res. 106. Joint resolution to authorize a commemorative stamp to be issued on January 18, 1991, to honor Doctor Thomas Anthony Dooley III, and commemorate the 30th anniversary of his death; to the Committee on Governmental Affairs.

By Mr. HELMS (for himself and Mr. COATS):

S.J. Res. 107. Joint resolution designating the month of May as "National Duckling Month"; to the Committee on the Judiciary.

By Mr. HEFLIN:

S.J. Res. 108. Joint resolution designating October 3, 1989, as "National Teacher Appreciation Day"; to the Committee on the Judiciary.

By Mr. THURMOND:

S.J. Res. 109. Joint resolution to designate the period commencing September 11, 1989, and ending on September 15, 1989, as "National Historically Black Colleges Week"; to the Committee on the Judiciary.

By Mr. SIMON (for himself, Mr. LEVIN, and Mr. MOYNIHAN):

S.J. Res. 110. Joint resolution designating October 5, 1989, as "Raoul Wallenberg Day"; to the Committee on the Judiciary.

By Mr. CRANSTON:

S.J. Res. 111. Joint resolution to designate the week of October 8 through 14, 1989, as "National Week of Commitment to Helping the Homeless"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Ms. MIKULSKI:

S. Res. 109. A resolution to recognize the Patuxent River as an appropriate demonstration site for national water quality management; to the Committee on Environment and Public Works.

By Mr. HELMS:

S. Res. 110. A resolution supporting freedom in Soviet-occupied Georgia; to the Committee on Foreign Relations.

By Mr. MITCHELL (for himself and Mr. DOLE):

S. Res. 111. A resolution to direct the Senate Legal Counsel to represent, and to authorize the production of documents by, a Subcommittee of the Committee on Governmental Affairs in the case of United States v. Eugene Robert Wallach, et. al; considered and agreed to.

By Mr. DOLE (for himself and Mr. MITCHELL):

S. Res. 112. A resolution to commend the courage of Albert Gore III the 6-year-old son of Senator ALBERT GORE, Jr.; considered and agreed to.

By Mr. HEINZ (for himself, Mr. SASSER, and Mr. LEVIN):

S. Res. 113. A resolution to discontinue the use of polystyrene foam products in the Senate Food Services; to the Committee on Rules and Administration.

By Mr. GRAHAM (for himself, Mr. BURDICK, Mr. ADAMS, Mr. DODD, Mr. METZENBAUM, Mr. LEVIN, Mr. KENNEDY, Mr. KERRY, and Mr. SIMON):

S. Res. 114. A resolution concerning the restoration of Eastern Airlines; to the Committee on the Judiciary.

By Mr. STEVENS (for himself, Mr. GLENN, Mr. JOHNSTON, Mr. BREAUX, Mr. THURMOND, Mr. HEINZ, Mr. GORTON, and Mr. CHAFEE):

S. Res. 115. A resolution expressing the sense of the Senate regarding continuation of the V-22 aircraft program of the Department of Defense; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MITCHELL (for himself, Mr. BOND, Mr. MCCLURE, and Mr. COHEN):

S. 836. A bill to amend the Potato Research and Promotion Act to provide potato producers with improved methods of assessment for financing a more effective marketing research and promotion program, to provide and effective consumer information program designed to expand the market for potatoes, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

POTATO RESEARCH AND PROMOTION ACT AMENDMENTS

Mr. MITCHELL. Mr. President, I am introducing today the Potato Research and Promotion Act Amendments of 1989.

I am pleased to be joined in this effort by Senator BOND, Senator MCCLURE and my distinguished colleague from Maine, Senator COHEN.

Representative RICHARD STALLINGS of Idaho is planning to introduce similar legislation in the House.

Under the authority of the Potato Research and Promotion Act of 1971, the Secretary of Agriculture appoints potato producers from throughout the United States to serve on the National Potato Promotion Board.

The Board now has 95 members and conducts a program of research and consumer information that is designed to expand potato markets. The program is generic in nature, does not distinguish between domestic or imported potatoes or make any reference to any particular brand of potatoes.

In order to pay for its Research and Consumer Information Program, the Board collects assessments from domestic producers on the fresh potatoes used for human consumption and for seed.

The current activities of the Board were instituted after a referendum among potato producers in the early 1970's and have historically been strongly supported by growers. In fact, growers in 1984 overwhelmingly supported an increase in the assessment in order to raise additional revenues for the National Promotion Board.

The only problem with the current program is that not all producers now pay the assessment which fund the National Potato Promotion Board's activities although all potato producers stand to benefit from the Board's efforts to expand markets.

The legislation I am introducing today would correct that situation in two ways so that all producers who benefit from the National Potato Promotion Board's programs contribute to the Board's support.

First, the legislation would authorize assessments on imported potatoes.

The rationale for doing so is clear. Domestic and foreign producers who export potatoes to the United States both benefit when markets are enhanced through the Board's activities. But only domestic producers pay an assessment.

I believe foreign producers should pay their fair share of the costs associated with the Board's Research and Education Program. The legislation would do so by extending the assessment to persons engaged in importing potatoes or who act as an agent, broker, or cosignee for any entity that produces potatoes outside the United States for sale in this country.

The assessment on imported tablestock, frozen, processed, or seed potatoes will be paid by importers at the time of entry into the United States at a rate established by the Board so that the effective assessment shall equal that paid by domestic producers. In addition, importers will be given representation on the Board so that they can have a voice over how the assessment revenues are spent.

Second, the legislation would eliminate the voluntary nature of the assessment.

Under current law, producers can now petition the Board for a refund of the assessments levied on their potatoes sold in commercial channels. Most producers pay the assessment.

In fact, only about 5 percent of growers take advantage of this authority. But the refunds represent about 15 percent of the total assessment originally collected by the Board.

Without making the assessment mandatory, too many large producers will continue to get a free ride from the Promotion Board's programs. That's unfair. Just as foreign producers should pay their fair share, so should all domestic producers.

One other important provision of this would enable the Secretary of Agriculture to put these changes into effect immediately instead of requiring a producer referendum. It would do so in order to save the substantial costs and time associated with conducting a referendum among 12,000 producers.

I believe that is reasonable given the historic levels of support among growers for the assessment and the activities of the National Potato Promotion Board over the past 16 years.

But I recognize, however, that there needs to be safeguards for potato producers to reflect their opposition to the proposals contained in my legislation. That is why I have included authority for the Secretary of Agriculture to conduct a referendum to determine whether producers want to terminate or suspend the changes if that is the request of 10 percent of growers.

In closing, Mr. President, the National Potato Promotion Board and many State potato boards support this legislation because it corrects the inequities I've discussed, but would provide the National Promotion Board additional revenues with which to conduct its ongoing activities.

The efforts of the National Potato Promotion Board to improve markets for potatoes has benefited all producers, foreign and domestic, large and small, those who pay the assessment and those who decline to do so.

I think it's only fair that all who share in the benefits should pay their fair share. That's what my legislation would do.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 836

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Potato Research and Promotion Act Amendments of 1989".

SEC. 2. FOREIGN COUNTRIES.

Section 302 of the Potato Research and Promotion Act (7 U.S.C. 2611) is amended—

(1) in the first sentence, by inserting "and foreign countries" before the period at the end thereof;

(2) in the second sentence, by inserting ", and imported into the United States from foreign countries" before the period at the end thereof; and

(3) in the last sentence, by inserting "and imported into the United States from foreign countries" after "harvested in the United States" and before the period at the end thereof.

SEC. 3. DEFINITIONS.

Section 303 of the Potato Research and Promotion Act (7 U.S.C. 2612) is amended—

(1) in subsection (c)—

(A) by striking out "forty-eight contiguous" and inserting in lieu thereof "50"; and

(B) by inserting "and foreign countries" before the period at the end thereof; and

(2) by adding at the end thereof the following new subsection:

"(g) The term 'importer' means any person engaged in importing tablestock, frozen, processed, or seed potatoes into the United States or who acts as an agent, broker, or consignee for any person or nation that produces Irish potatoes outside the United States for sale in the United States.".

SEC. 4. AUTHORITY TO ISSUE PLANS.

The last sentence of section 304 of the Potato Research and Promotion Act (7 U.S.C. 2613) is amended—

(1) striking out "forty-eight contiguous" and inserting in lieu thereof "50"; and

(2) by inserting "and foreign countries" before the period at the end thereof.

SEC. 5. REQUIRED TERMS AND CONDITIONS OF PLANS.

Section 308 of the Potato Research and Promotion Act (7 U.S.C. 2617) is amended—

(1) in subsection (b)—

(A) in the first sentence, by inserting "and importers" after "representatives of producers";

(B) in the second sentence, by inserting "and importers" after "Representatives of producers" and after "nominated by producers"; and

(C) in the fourth sentence, by inserting "or importers" after "If producers"; and

(2) by striking out subsection (g) and inserting in lieu thereof the following:

"(g) With regard to each order issued under this Act that provides for a producer refund, the Secretary shall amend such order to eliminate such refund.".

SEC. 6. ASSESSMENTS.

Section 310 of the Potato Research and Promotion Act (7 U.S.C. 2619) is amended—

(1) in subsection (c) by striking out "subsections (a) and (b)"; and inserting in lieu thereof "subsections (a), (b), and (d)"; and

(2) by adding at the end thereof the following new subsection:

"(d)(1) The board shall establish the assessment rate on imported tablestock, frozen, processed, or seed potatoes so that the effective assessment rate shall equal the assessment rate on domestic production.

"(2) Such assessment shall be paid by the importer to the board at the time of entry into the United States.

"(3) An importer shall—

"(A) maintain a separate record indicating the total quantity of tablestock, frozen, processes, or seed potatoes imported into the United States that are included under the terms of the plan and those that are exempt under such plan; and

"(B) provide to the board such other information as may be prescribed by the board.

"(4) An importer responsible for payment of assessments under this subsection shall—

"(A) maintain and make available for inspection by the Secretary such books and records as are required by the plan; and

"(B) file reports at the times, and in the manner, and having the content prescribed by the plan.".

SEC. 7. REFERENDUM.

Notwithstanding any other provisions of law, any amendment made to the plan issued under the Potato Research and Promotion Act (7 U.S.C. 2611 et seq.) as a result of an amendment made by this Act shall become effective on the date that the Secretary issues the amendment, without being subject to a referendum.

By Mr. HEFLIN:

S. 837. A bill for the relief of Nicola Giampietro; to the Committee on the Judiciary.

FOR THE RELIEF OF NICOLA GIAMPIETRO

● MR. HEFLIN. Mr. President, today I am introducing a private relief bill on behalf of Nicola Nico Giampietro to be lawfully admitted to the United States for permanent residence.

It is not often that I introduce legislation of this type, however, the circumstances of this situation indicate that a legislative response is necessary. Nicola Nico Giampietro, an Italian national, came to the United States in 1982 to assist his sister, Mrs. Quilico—a United States citizen residing in Selma, AL—in the care of her bedridden husband—also a citizen—who is suffering from cancer.

The Quilico's story is a sad one. Ten days after the Quilico's were married in 1979, Anthony Quilico was the victim of a mugging and robbery, leaving him paralyzed and brain damaged. His wife Carmela nursed Anthony after his hospital release until she could no longer give him 24 hour care alone.

Nico came from Italy to aid his sister. He is the only relative the Quilico's have in the United States.

Anthony Quilico, who is now bedridden, has developed cancer and must often be transported to the hospital for chemotherapy treatment. Mr. Quilico's condition requires 24 hour care. In fact a letter from the physician treating Mr. Quilico states that "it is medically necessary that Mrs. Quilico have help."

In 1983 Carmela Quilico filed a petition on behalf of her brother so that he may become a permanent resident of the United States under the fifth preference category. Currently the priority date Mr. Giampietro falls under will not be processed for several years. In the meantime, Mr. Giampietro has remained in the United States by receiving several extensions on his tourist visa. Now, Mr. Giampietro has exhausted any further attempts to extend his visa and the agencies insist that he must leave.

If Mr. Giampietro departs the United States, Mrs. Quilico will have to either admit her husband to a nursing home, which she cannot afford, or quit her job to provide full-time care for her husband. Mr. Giampietro came to America to provide assistance to his sister and brother-in-law. His assistance has enabled this family to survive circumstances that might have destroyed others. He has given this family hope. Allowing him to remain in this country is a recognition of the importance of his presence to his family.

Mr. Giampietro's situation was brought to my attention by citizens of the community in which the Quilico family resides. Mr. Giampietro has reached out not only to his family but to an entire community. I have been asked to introduce this legislation because of the belief of this community that Mr. Giampietro has and will continue to be a very important part of the Selma community.

While I do not know Mr. Giampietro personally, I admire his dedication and I believe that his departure would be very detrimental to the welfare of the Quilico family.

It is my hope that my colleagues will join me in this humanitarian effort and give this legislation favorable consideration.●

By Mr. HEFLIN:

S. 838. A bill to repeal the estate tax inclusion related to valuation freezes; to the Committee on Finance.

REPEALING THE ESTATE TAX INCLUSION RELATED TO VALUATION FREEZES

● Mr. HEFLIN. Mr. President, I rise to introduce an important piece of legislation for our Nation's small family farms and family businesses. The bill I am introducing will repeal section 2036(c) of the Internal Revenue Code. This new section from our estate tax laws has the potential to force countless family-owned businesses from family hands.

Section 2036(c) is aimed at the so-called estate freeze. An estate freeze is an estate tax planning technique which seeks to freeze for estate tax purposes the value of one generation's interest in a family-owned business. An estate freeze is accomplished when one generation conveys a partial ownership interest in the business to a later generation. The later generation is given an ownership interest that contains most of the potential for growth while the previous generation retains a controlling interest in the business but one which will not increase in value. Consequently, the value of the business for estate tax purposes is fixed at the time of the transfer at the value of the interest retained by the current generation. The current generation pays gift taxes on the interest conveyed to the next generation, but at the value at the time of conveyance. If the business increases in value, this increase will not be part of the current generation's estate. An estate freeze can be accomplished, for example, by an owner of a family business conveying common stock to his children while retaining preferred voting stock for himself.

Section 2036(c) puts a halt to this estate planning practice by bringing the interest conveyed to the second generation back into the estate of the first generation at death. As a result, the estate of the first generation pays taxes based upon the full present value of the business.

Section 2036(c) was enacted by the conference committee to the Omnibus Budget Reconciliation Act of 1987. It was not included in the bill that passed the Senate. Unfortunately, section 2036(c) was poorly drafted. Congress conducted no hearings on this proposed change in the law and took no testimony from experts on its possible effects. As a consequence, not only does the statute affect estate freezes, it potentially affects any transfer between family members regardless of whether the transfer is by sale or gift. To compound the problem, the potential reach of section 2036(c) was expanded last year in the Technical and Miscellaneous Revenue Act of 1988. To eliminate one method of estate planning, Congress passed a statute which may drastically affect many other legitimate transactions between family members.

For example, the American Bar Association's real property, probate and trust law section has concluded that section 2036(c) could subject an individual's estate to additional taxes at rates as high as 55 or 60 percent if the individual engages in any of the following transactions:

First, gives or sells—even at fair market value—an interest in a corporation or partnership to a child or other family member;

Second, makes a loan—even at a market interest rate—to a corporation in which a child has an interest;

Third, receives a salary as an employee of a corporation in which a child has an interest;

Fourth, hires a child to work in a family business if that business has an employee stock ownership plan; and

Fifth, starts a new business with his or her child.

As can be seen by these examples, this provision of the Tax Code has the potential for having disastrous effects upon this Nation's family businesses and family farms. Even an arm's-length transaction between family members might be suspect under this

code section. The only way for the owner of a family-run business to safely construct a transaction to sell all or part of the business would be to sell the property to a nonfamily member. The Tax Code should not be used in this way to destroy family-owned businesses and farms.

This section was enacted without the degree of scrutiny which any law should have, especially a law with such drastic consequences. The best course is for the Congress to start over. Congress should repeal the law. Once it has done so, it should then hold hearings and take testimony so that it can be determined if estate freezes pose a genuine problem to the estate tax system, and, if so, how best to solve the problem with the minimum amount of damage to other legitimate intrafamily transactions.

Mr. President, I urge my colleagues to consider the serious problems unintentionally caused by this bad law and to join with me in voting to repeal it.●

By Mr. ADAMS:

S. 839. A bill to provide for the safe operation of tanker traffic in Puget Sound, to improve the ability to respond to tanker vessel accidents in Puget Sound, and for other purposes; to the Committee on Commerce, Science, and Transportation.

PUGET SOUND TANKER SAFETY ACT

Mr. ADAMS. Mr. President, I rise today to introduce the Puget Sound Tanker Safety Act of 1989. This legislation will improve oil tanker safety on Puget Sound and improve contingency plans for oil spill response. We in Washington State are extremely proud of our beautiful marine environment, of the rocky coastline of the Olympic Peninsula, of the glories of Puget Sound.

We are terribly concerned over the spill that recently occurred in Valdez AK, and its implications for Puget Sound. I have been talking to a number of people during the course of the last 2 weeks, regarding the response to the Valdez spill; and have examined within Puget Sound the equipment and the availability of items to control a spill or to prevent it I am concerned about what I have learned, because we want to preserve the heritage of Puget Sound and our coastline from a very dangerous threat of the tanker traffic that occurs in that area.

Time is of the essence. We must hit the beaches before that oil does.

The legislation I am introducing today is an important part of an overall package to protect Puget Sound against oilspill pollution. This package will include the tanker safety bill, I am introducing today expanding the existing vessel traffic control system in Puget Sound and working with Senator MITCHELL to pass his Oil Pollution Liability and Compensation Act of 1989. Mr. President, many may wonder why I have proceeded with this so promptly at this time. My involvement to this issue goes back a long time.

DOUBLE HULLS

The first provision of my bill will require tankers to have double hulls. This step is long overdue. Fifteen years ago, Senator Magnuson and I fought for double hulled tankers; it is time that this fight be joined again.

The double hulls, which we are requiring now, are not a cure-all, but there is sound evidence that they will significantly reduce oilspills from grounding or collisions. We tried to obtain a worldwide double hull standard back in the 1970's. My bill would require double hulls on all new tankers operating in U.S. waters.

The second part would be individual vessel-spill-prevention measures.

Puget Sound vessels, those coming into this bathtub of water, should have individual vessel-spill-containment plans. These plans would outline how spills will be minimized, repairs made quickly, and the proper authorities notified. Each vessel would be required to carry the equipment necessary to carry out the plans aboard that vessel. Annual Coast Guard inspections would be required to see that the plan was being followed.

PLANS AND EQUIPMENT IN THE SOUND

Mr. President, I was shocked in my discussions to see how far the Coast Guard was unprepared to deal with major spills in Puget Sound. At least in Valdez they had an over optimistic plan that was on paper in Puget Sound; however, it appears we have a limited amount of equipment, and it was testified to by the Coast Guard last week that it would be overwhelmed by any major oilspill.

That is not good enough, and we want it upgraded. My bill requires every oil transport vessel owner and oil facility owner to obtain Coast Guard approval of a contingency plan for its operation in the event of a spill. These plans could not be approved unless they provided for sufficient equipment to deal, and this is a key word, with a maximum probable spill.

Mr. President, it has been testified that the equipment at Valdez was not adequate for the size of that spill and that was a major reason for that disaster. The bill also requires annual drills and practice exercises and makes these plans public.

When I was Secretary of Transportation of the United States I fought to force the Coast Guard to address tanker safety issues in Puget Sound. We did get supertankers banned from Puget Sound. Years later, however, I go back and find that our regulatory effort is still weak. It is time for Congress to step in and do the job.

So in addition to the bill I am introducing today, there are several other measures which we must take to protect Puget Sound.

And I might recommend these to other Members who have large bodies of unprotected water on their shores.

VESSEL TRAFFIC CONTROL

The first step in the package is to improve the vessel traffic control system in Puget Sound. It must be expanded to cover the entire sound and eliminate any blind spots or shadows. The Coast Guard should then use it to actively monitor and control vessels in dangerous waters.

FEDERALIZING CLEANUP

Second, we need to increase the Federal role in cleanup. Now, the Coast Guard waits for 3 or 4 days to see if the private company is going to do the job. They should have authority to direct how the oil will be cleaned up, and do so without relieving the companies of liability.

CONTINGENCY FUND/STRICT LIABILITY

Third, after 12 years of trying, we need to pass an oilspill liability and contingency fund bill. This will assure funds for immediate Coast Guard response. I am a cosponsor of Senator MITCHELL's legislation on this matter.

PENALTIES

Fourth, companies responsible for oilspills should not be able to reap huge profits from their spills in increased prices, and to deduct the cleanup costs from their taxes, and walk away scot-free with the insurance company picking up the tab. The penalties for oilspills should be increased, and I will introduce legislation dedicating a portion of the fines from oilspills to acquire coastal parkland and other wilderness and repair environmental damage.

PILOT LICENSING

Fifth, we need to be ever vigilant in making constant improvements to our pilot licensing programs to ensure that these tankers are properly and adequately manned in local waters.

COASTAL OIL EXPLORATION

Finally, we must block the administration's plans to allow oil drilling off the Washington and Oregon coastline.

This is an ambitious agenda; but it is a critical task. As we move forward, there will be changes in this legislation, and I will work with all interested parties to perfect this legislation and plan. We cannot afford to wait.

Mr. President, I ask unanimous consent that the text of the bill and a description of the legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 839

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Puget Sound Tanker Safety Act of 1989."

SEC. 2. CONGRESSIONAL FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds and declares that:

(1) Puget Sound is a unique and irreplaceable marine environment, and of paramount importance to the economy of Washington state and the Pacific Northwest.

(2) Transport by water of oil through Puget Sound poses an ongoing threat to this unique environment.

(3) In light of several oil spills in the area over the past several years, there is concern about the adequacy of the existing regulatory regime for vessels carrying oil on Puget Sound.

(4) In light of inadequate response to the tragic oil tanker accident in Prince William Sound, Alaska, there is concern about the adequacy of existing contingency response plans for oil spills in Puget Sound.

(b) PURPOSE.—It is the purpose of this Act:

(1) to authorize new regulations to better ensure the safety of vessels carrying oil in Puget Sound;

(2) to improve existing contingency plans for oil spill response in Puget Sound; and

(3) to ensure that the people of Washington state are informed about the adequacy of existing oil spill contingency plans.

SEC. 3. DEFINITIONS.

As used in this Act, the term—

(a) "barge" has the meaning given to such term in section 2101 of title 46 of the United States Code;

(b) "major conversion" has the meaning given to such term in section 3701 of title 46 of the United States Code;

(c) "new tanker" means a tanker:

(1) for which a contract for construction has not been entered into prior to the date of enactment of this Act;

(2) on which, in the absence of a contract for construction, construction begins after the date of enactment of this Act; or

(3) which undergoes a major conversion under a contract made after the date of enactment of this Act, or construction work that begins after the date of enactment of this Act.

(d) "Puget Sound" means all navigable waters within the jurisdiction of Washington state and the United States east of Cape Flattery, and all navigable waters within Grays Harbor and Willapa Bay: *Provided,* That the Secretary is directed to publish within one month of the date of enactment of this Act regulations defining the precise boundaries of the area covered by this Act;

(e) "Secretary" means the Secretary of the Department in which the Coast Guard is operating;

(f) "spill" includes any spilling, leaking, pumping, pouring, emitting, emptying, or dumping;

(g) "tank vessel" means a vessel that is constructed or adapted to carry, or that carries, oil in bulk as cargo or cargo residue;

(h) "tanker" means a self-propelled tank vessel constructed or adapted primarily to carry oil in bulk in the cargo spaces.

SEC. 4. DESIGN REQUIREMENTS FOR VESSELS CARRYING CERTAIN CARGOES IN BULK.

(a) APPLICABILITY.—Subject to subsection (b) of this section, this section applies to any new tanker of at least 20,000 gross tons which carries oil in bulk as cargo or in residue; and:

(1) operates on the navigable waters of the United States; or

(2) transfers oil in a port or place subject to the jurisdiction of the United States.

(b) EXCEPTIONS.—This section shall not apply to any public vessel as defined in section 2101 of title 46 of the United States Code.

(c) TANKER MINIMUM STANDARDS.—All tankers to which this section applies shall be equipped with a double hull, which includes both double sides and a double bottom fitted throughout the cargo length of such vessel.

(d) CONFORMITY WITH INTERNATIONAL STANDARDS.—The Secretary shall, at the earliest possible opportunity, enter into discussions with the International Maritime Organization (IMO) on requiring additional safety standards for tankers operating in environmentally sensitive areas. Such discussions shall include a review of the comparative safety records worldwide of tankers with double hulls or double bottoms, and tankers without these features. The Secretary shall report to the Committee on Commerce, Science, and Transportation of the Senate and the Merchant Marine and Fisheries Committee of the House of Representatives on progress on these negotiations no later than one year after the date of enactment of this Act.

(e) STUDIES.—The Secretary shall, not later than one year after the date of enactment of this Act, submit to the Committee on Commerce, Science, and Transportation of the Senate and the Merchant Marine and Fisheries Committee of the House of Representatives reports:

(1) on all recent oil spills in Puget Sound involving barges, whether any of these spills could have been prevented by requiring double hulls or double bottoms on barges, or requiring additional safety lines between towing vessels in Puget Sound, and a specific recommendation on the desirability of requiring double bottoms or double hulls on barges carrying oil in Puget Sound; and a specific recommendation on the desirability of requiring additional safety lines between towing vessels in Puget Sound; and

(2) on individual tank size in tankers carrying oil in bulk, changes in tank size over the last twenty years, and a specific recommendation on whether limits should be placed on the size of individual tanks within tankers.

SEC. 5. INDIVIDUALIZED VESSEL SPILL PREVENTION PLANS.

(a) APPLICABILITY.—Subject to the exceptions in subsection (b) of section 4, this section applies to all tank vessels which:

(1) carry oil in bulk as cargo or in residue in Puget Sound; or

(2) transfer oil in any port or place in Puget Sound.

(b) REGULATORY MEASURES.—Not later than one year after the date of enactment of this Act, the Secretary shall issue a final rule requiring all vessels subject to this section to prepare an individualized spill prevention and countermeasure plan. As a minimum, such plan must include:

(1) procedures for timely notification of appropriate authorities of a spill;

(2) identification of personnel responsible for taking corrective action in the case of a spill;

(3) a description of procedures used to minimize the damage from a spill and to make immediate repairs if possible;

(4) a description of countermeasure and response equipment and its location on the vessel; and

(5) minimum standards for crew training.

(c) EQUIPMENT STANDARDS.—Not later than one year after the date of enactment of this Act, the Secretary shall issue a final rule listing the equipment that must be carried by vessels subject to this section to carry out the spill prevention and countermeasure plans described in subsection (b) of this section.

(d) INSPECTION AND MAINTENANCE.—Subsequent to issuance of the rules described in this section, the Secretary shall implement regulations providing for annual inspection of vessels covered by this section to ensure that the vessel is in compliance with the plan described in subsection (b) of this section, and to ensure that the equipment required by subsection (c) of this section is on board and in good working order.

SEC. 6. OIL SPILL CONTINGENCY PLANS.

(a) APPLICABILITY.—This section applies to owners or operators of vessels described in section 5(a), and owners or operators of oil producing, refining, or transportation facilities that, due to their location, reasonably could be expected to spill oil into or upon the navigable waters of Puget Sound or adjoining shorelines.

(b) CONTINGENCY PLANS.—No later than one year after the date of enactment of this Act, the Secretary shall issue a final rule requiring persons subject to this section to prepare and submit to the Secretary for approval a contingency plan for the prevention, containment and cleanup of oil spills from vessels or facilities described in subsection (a). At a minimum such plans must include:

(1) an analysis of the "maximum probable spill" from the facility or vessel determined in accordance with the guidelines established under subsection (e) of this section;

(2) a description of the amount, type and location of all countermeasure equipment maintained or readily available and the time required for its deployment;

(3) procedures for early detection and timely notification regarding oil spills;

(4) procedures to assess the severity of the oil spill, plan countermeasures and begin cleanup efforts;

(5) identification of trained, prepared and available personnel for responding to an oil spill;

(6) Provisions for disposal of recovered spill material.

(c) COOPERATIVE EFFORTS.—In complying with this section, an owner or operator of a vessel or facility may rely on his participation in a cooperative effort with other persons subject to this section to develop satisfactory contingency plans.

(d) APPROVAL OF PLANS.—

(1) In approving the contingency plans required by this section, the Secretary shall consider the adequacy of risk analysis in the determination of maximum probable spill, the estimated response time, and the adequacy of trained personnel and communications equipment.

(2) No plan shall be approved unless the Secretary determines that the equipment listed in the plan is sufficient to respond to the maximum probable spill from the vessel or facility in question.

(3) The Secretary may enter into a cooperative agreement with the State of Washington to delegate the approval of contingency plans under this section to the State of Washington.

(f) GUIDELINES FOR MAXIMUM PROBABLE SPILL.—The Secretary shall publish guidelines for the determination of maximum probable spill from a vessel or facility, taking into account the amount of oil being transported, stored or transferred, and the risk of a spill.

SEC. 7. PUBLIC AWARENESS AND PRACTICE DRILLS.

(a) The Secretary shall annually publish an up-to-date description of the contingency plans prepared for oil spills in Puget Sound, and an inventory of equipment available for responding to such spills.

(b) The Secretary shall annually conduct practice drills of the contingency plans prepared for oil spills in Puget Sound. The Secretary shall publish a report on such drills including an assessment of actual response time, available equipment as compared to equipment listed in the contingency plans, and requirements, if necessary, for changes in the plans.

SEC. 8. IMPACT ON OTHER LAW.

Nothing in this Act shall be construed or interpreted as changing, diminishing, or preempting in any way the authority of a state, or any political subdivision thereof, to regulate vessels carrying oil or other hazardous materials and to provide for oil spill contingency response planning and activities, in state waters.

SEC. 9. PENALTIES.

(a) A person violating this Act or a regulation prescribed under this Act is liable to the United States Government for a civil penalty of not more than $25,000. Each day of a continuing violation is a separate violation.

(b) Each vessel to which this Act applies that is operated in violation of this Act or a regulation prescribed under this Act is liable in rem for a civil penalty as prescribed in subsection (a) of this section.

(c) A person willfully and knowingly violating this Act or a regulation precribed under this Act shall be fined not more than $50,000, imprisoned for not more than five years, or both.

(d) The district courts of the United States have jurisdiction to restrain a violation of this Act or a regulation prescribed under this Act.

DESCRIPTION OF THE HIGHLIGHTS OF SENATOR ADAMS' PUGET SOUND TANKER SAFETY ACT OF 1989

The Puget Sound Tanker Safety Act of 1989 addresses two issues of fundamental importance to the citizens of Washington State. First, it requires improvements in existing regulations for vessels carrying oil in Puget Sound. Second, it requires companies owning vessels and oil facilities to prepare contingency plans for oil spills and maintain the necessary equipment to carry them out.

DESIGN REQUIREMENTS FOR TANKERS OPERATING IN U.S. WATERS

1. All tankers over 20,000 tons that operate in U.S. waters and are constructed after the date of enactment of this legislation are required to be equipped with double hulls and double bottoms.

2. The Secretary of Transportation must seek a review by the International Maritime Organization of tanker safety standards, including the comparative safety records of single hull and double hull tankers.

3. The Coast Guard is directed to study the safety record of barges carrying oil in Puget Sound, and make specific recommendation for new regulations, including the possibility of requiring double hulls or double bottoms.

SPECIAL REQUIREMENTS FOR PUGET SOUND AND RELATED WATERS

1. These requirements apply to all of Puget Sound, including all state and federal waters east of Cape Flattery, and within the enclosed bay areas of Gray's Harbor and Willapa Bay.

2. Spills response requirements for vessels. This provision is designed to increase Coast Guard supervision of individual vessel spill prevention plans, and require that vessels carry the necessary equipment for minimizing and preventing spills.

(a) The Coast Guard is directed to implement regulations requiring vessels carrying oil as cargo or transferring oil in Puget Sound to have individualized vessel spill control plans. These plans will outline ways to minimize the amount of any spill, make immediate repairs, and immediately notify the proper authorities.

(b) The Coast Guard will determine the equipment necessary for implementation of these plans, and require vessels to carry such equipment.

(c) The Coast Guard must inspect vessels annually to ensure compliance with their plans, and to ensure that required equipment is on board and well maintained.

3. Contingency plans. This provision increases Coast Guard supervision of industry contingency plans, and requires companies owning or operating vessels or oil facilities to have sufficient levels of equipment available at all times.

(a) Vessels carrying oil as cargo or transferring oil in Puget Sound, and all oil refining, producing, and transportation facilities in Puget Sound would be required to submit contingency plans to the Coast Guard for approval. These plans must include specific elements outlined in the bill, and the Coast Guard could not approve plans that did not have sufficient equipment available to deal with the "maximum probable spill" from the vessel or facility in question. Acquisition of the equipment is the responsibility of the owner-operator.

(b) The bill permits, and is designed to encourage, obligations under this section to be met through cooperative efforts such as the existing Clean Sound Cooperative.

5. Impact on State law or regulatory authority. The bill is not intended to change, diminish, or preempt Washington state's law or regulatory authority in any way.

By Mr. BOREN:

S. 840. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for education loan interest incurred by doctors, nurses, and allied health professionals while serving in medically underserved areas; to the Committee on Finance.

TAX TREATMENT OF MEDICAL PERSONNEL SERVING IN MEDICALLY UNDERSERVED AREAS

● Mr. BOREN. Mr. President, today I am proud to introduce a bill that will reinstitute an important provision that was removed from the Internal Revenue Code with the Tax Reform Act of 1986. The intention of this measure is to encourage physicians and other health care professionals to practice in areas of our States that are rural or otherwise underserved.

The issue of health care may be the most important one that we deal with in Congress this year. The quality and the affordability of health care are crucial issues to every one of our constituents. Each one of us represents thousands and millions of individuals who depend on physicians, nurses, conselors, therapists, dietitians, and other health professionals for their care.

Mr. President, this need is magnified in many areas of Oklahoma. More than half of the people in my State live in rural areas where adequate care is often miles away from a family's home, if available at all. It is very hard to encourage good, educated, devoted providers to practice in many of these areas. And access to quality health care is not just a health issue: It is often the deciding factor of whether or not an area is attractive to new industry and economic development. For many rural areas that are dependent on agriculture and energy, the beating they have taken over the last 10 years has left them with barely an infrastructure left to survive. I want these areas to have a fighting chance to hold on and to rebuild their communities.

There are also parts of the country that may not necessarily be in rural areas, but are nonetheless medically underserved because of a shortage of personal health services. We need to consciously address the fact that these special needs do exist as well.

The real purpose of this bill, as I have stated before, is to address the continuing problem of recruiting health care professionals to rural areas. We cannot sit idly by and just hope that the problem corrects itself. I realize that doctors graduate from medical schools with hugh loans. I know that living expenses add up when one is in school full time and not able to be gainfully employed for a time. And by all means, we should encourage, not discourage, continuing education in these individuals' particular fields when we are depending on them to know the latest and most effective ways to treat our medical needs.

This bill, which has been introduced identically in the House of Representatives by Congressman VANDER JAGT for the House rural health caucus, allows these health care professionals to deduct the interest on the debts that they have incurred for their education. This is one small step to let them know that we value their work and that we need it desperately in our rural areas. This incentive will make it possible for some to practice medicine in areas where the paycheck may not be as generous as in other areas, but where the need and appreciation for their work is certainly not lacking.

I invite my colleagues, especially those who are members of the Senate rural health caucus, to join me in support of this measure.

Mr. President. I ask unanimous consent that the entire text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 840

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEDUCTION FOR EDUCATION LOAN INTEREST INCURRED BY CERTAIN INDIVIDUALS SERVING IN MEDICALLY UNDERSERVED AREAS.

(a) IN GENERAL.— Paragraph (1) of section 163(h) of the Internal Revenue Code of 1986 (relating to disallowance of deduction for personal interest) is amended by striking "and" at the end of subparagraph (D), by redesignating subparagraph (E) as subparagraph (F), and by inserting after subparagraph (D) the following new subparagraph:

"(E) any qualified education loan interest (within the meaning of paragraph (5)), and".

(b) QUALIFIED EDUCATION LOAN INTEREST DEFINED—Subsection (h) of section 163 of such Code is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) QUALIFIED EDUCATION LOAN INTEREST.—

"(A) IN GENERAL.—The term 'qualified education loan interest' means interest—

"(i) which is on an education loan of an eligible health care individual,

"(ii) which is paid or accrued by such individual, and

"(iii) which accrues during the period such individual is serving in a medically underserved area.

"(B) EDUCATION LOAN.—The term 'education loan' means indebtedness incurred to pay the individual's—

"(i) qualified tuition and related expenses (as defined in section 117(b)),

"(ii) reasonable living expenses while away from home in order to attend an educational institutional institution described in section 170(b)(1)(A)(ii), or

"(iii) continuing education expenses in the individual's health field.

"(C) ELIGIBLE HEALTH CARE INDIVIDUAL.—For purposes of subparagraph (A), the term 'eligible health care individual' means an individual who is—

"(i) a physician (as defined in section 1861(r)(1) of the Social Security Act),

"(ii) a nurse who is legally authorized to act as such by the State in which the individual is serving, or

"(iii) an allied health professional (as defined in section 701(13) of the Public Health Service Act).

"(D) MEDICALLY UNDERSERVED AREA.—The term 'medically underserved area' means—

"(i) any area with a medically underserved area (as defined in section 1302(7) or 330(b)) of the Public Health Service Act),

"(ii) any high impact area (as defined in section 329(a)(5) of such Act), and

"(iii) any health manpower shortage area (as defined in section 332(a)(1) of such Act)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1988.●

By Mr. HATCH (for himself, Mr. KENNEDY, Mr. GARN, Mr. DECONCINI, Mr. REID, Mr. PELL, Mr. INOUYE, and Mr. BRYAN):

S. 841. A bill to provide jurisdiction and procedures for claims for compassionate payments for injuries due to exposure to radiation from nuclear testing and uranium mining; to the Committee on the Judiciary.

RADIATION EXPOSURE COMPENSATION ACT

Mr. HATCH. Mr. President, in November 1985, a historic vote occurred here on the Senate floor. With that vote, the U.S. Government admitted that because of its open air testing of atomic bombs, innocent citizens had actually developed, and in some cases died from cancer. To help remedy the damage that occurred from this testing, the legislation upon which we favorably voted created a trust fund from which these innocent citizens could receive compensation for their injuries and loss of life. The historic vote to which I have referred occurred on a Senate resolution regarding the Compact of Free Association with the Governments of Micronesia. And the innocent citizens to which I referred were, of course, foreign citizens who happened to live on the islands that were downwind of the atomic testing that occurred at the Pacific testing site.

Mr. President, beyond the fact that the Government was admitting its responsibility for the cancers which were contracted by these islanders, this vote to which I am referring was historic for another important reason. This vote was also historic because it failed to address the exact same suffering that occurred right here within our borders, due to the open air testing at the Nevada test site.

As many of my colleagues will recall, when we were debating the Marshall Islands Compact, I offered an amendment which would also have provided a trust fund for those U.S. citizens who lived downwind of open air atomic testing. This amendment was not the product of some last minute thought, but was the product of years of research and testimony before the Senate Labor Committee. It was well conceived and offered a meaningful solution and remedy to the people of southern Nevada, southern Utah, and northwestern Arizona who were betrayed by their own government during the testing period.

Unfortunately, my amendment failed to survive a tabling motion by just eight votes. There were several reasons for that outcome, and I understand why some of my colleagues took the positions that they did. But the issue has not gone away.

While we were attempting to find a legislative solution to this problem, 1,200 downwind plaintiffs brought suit against the Federal Government, alleging that the fallout caused cancer to them or their relatives. In May 1984, the first 24 cases were decided in Allen versus United States, a 419-page opinion handed down by U.S. District Judge Bruce Jenkins. In Allen, the court determined that there was negligence and made awards to 10 of the 24 plaintiffs.

Several findings by the court are of particular interest because they verified many of the same findings that resulted from our numerous hearings in the Labor Committee. First, the court ruled that the Federal Government had a special duty of care in protecting American citizens from the nuclear fallout. This was particularly so because of the presence of children in residential communities which were in the immediate path of the fallout. To make matters worse, scientists have demonstrated that children are far more likely than adults to develop cancer from radiation. One would think that the Government would have at least made vigorous attempts to safeguard the children.

But the court found that the Federal Government did not even approach meeting its duty of care regarding the Americans who lived in the shadow of the nuclear blasts. Judge Jenkins stated:

This court is convinced that that part of the program of public safety—the public information program—was badly flawed, and that during the operation of that program, the information given to the off-site public as to the long-term biological consequences of exposure to ionizing radiation was woefully deficient—indeed, essentially non-existent. The off-site personnel failed to adequately inform persons at risk of what the government knew or could foresee concerning long-term biological consequences of radiation fallout exposure; failed to adequately instruct persons at hazard how to avoid or how to minimize such risk; failed to adequately, contemporaneously, and thoroughly measure and monitor such fallout so as to be able to inform persons at risk of the extent of the hazard faced by each; failed to explain the increased risks of radiation to children, infants and pregnant mothers; failed to warn of the risk of feeding farm animals with forage dusted with radioactive fallout, failed to warn of the dangers of fallout entering the food chain and the potential long-term biological risks involved in eating of such food—particularly to children; and failed to adequately, intensively and periodically advise persons at risk to do the simple things learned in prior Pacific experiments and laboratory practice, namely to stay indoors and under cover, shower, wash clothes, scrub and clean food, and if deeply worried, to evacuate or leave the area for other locations of less potential contamination.

The Americans who lived in the arid environs of the Nevada Test site were patriotic. If they had been told the dangers of the fallout, straight out—they would have still supported their government. But they would have also gotten indoors during the blasts and their aftermath. They would have kept their children indoors. They would have washed themselves and their clothes more often during the fallout. They would have tried to avoid contamination of the food they provided their families.

I do not believe that there was any malicious intent on the part of the responsible Federal officials. Nonetheless, their failure to care properly for the downwinders was unconscionable.

For this failure alone—for this negligence—there should be recompense; but the Federal Tort Claims Act, which governed these actions brought against the Government, required more than a demonstration of egregious dereliction. The law also required a demonstration through a preponderance of the evidence that the nuclear fallout was the proximate cause of the cancers in question.

The dearth of dose data made impossible the construction of standard radiogenic cancer cases by the downwinders against the government. These data do not exist because the government negligently failed to gather these data. Therefore, the government made it exceedingly difficult, if not impossible, for the downwiders to prove their cases under a standard interpretation of the Federal Tort Claims Act. Moreover, this Federal negligence makes it unlikely that we will ever know the actual health effects of the fallout.

In Allen versus United States, the court had much to say about the failure of the Government to monitor adequately the radiation doses of the people who lived with the fallout, but the judge summed it up best when he stated:

> Careful review of the numerous relevant documents, reports and statements which are now a part of the record in this case compels this court to conclude that the monitoring activities conducted in the areas surrounding the Nevada Test Site in an effort to ascertain external doses of radiation were persistently negligent in philosophy and action. . . .
>
> Test personnel were commonly assigned film badges and dosimeters; residents were not. Test personnal were regularly directed to shower, bathe, change and launder clothing, decontaminate vehicles, buildings and work areas and to exercise care to avoid ingesting or inhaling fallout materials . . . although the same or even stricter exposure standards were to be applied to the off-site population, no general direction was given to residents to shower or bathe carefully, change and launder clothing; except for brief efforts at washing vehicles at roadblocks, decontamination activities in the communities were minimal. This disparity ran contrary to the public-related obligations recognized by the Government.

The glaring deficiencies in the Federal data on doses also became evident during the 1979 congressional hearings. Embarrassment over these deficiencies at that time prodded the Department of Energy to begin the Offsite Radiation Exposure Review Project [ORERP] which has since spent millions of dollars attempting to reconstruct the doses through an array of clever techniques. However eminent and resourceful the scientists involved, I cannot imagine their succeeding in providing estimates that will be approximately accurate for individual claimants. Several of the people who wore offsite monitors during the bomb tests have reported that the fallout readings could vary substantially depending on whether one was measuring at the ground level, at waist level, or over at a bush 10 feet distant. The radiation blew and swirled with the wind, and was concentrated or dispersed according to topography. The downwinders were here and there, going about their daily business in the course of an entire decade of nuclear explosions. How can anyone now reconstruct the dose that any individual downwinder accrued?

Considering the Court's awareness of the scope and implications of the Federal Government's negligence in this matter, and considering the court's decision in favor of a substantial portion of the first 24 plaintiffs, one might question why the issue should not be left to the court, why there is a need for remedial legislation. There is one simple answer to this question.

The Department of Justice successfully appealed the Allen decision to the Tenth Circuit Court of Appeals, which found the Federal Government immune from liability under the Federal Tort Claims Act because the nuclear testing was a discretionary governmental function, for which the act provides a liability exemption. The Supreme Court has since refused to hear the case on appeal. Despite Judge Jenkins' innovative interpretation of the law in awarding damages for some of the claimants, for all intents and purposes, these civilian downwind victims have exhausted their court remedies with nothing to show for their suffering.

Though the requirements of justice should mean success for the plaintiffs, the letter of the law in these cases was against them. It is not the responsibility of the courts to rewrite the law to accommodate special circumstances such as these. Such is the province of the Congress.

Mr. President, even more appalling than the plight faced by the downwinders, if such is possible, is the case of those who mined uranium in Colorado, New Mexico, Arizona, and Utah from 1947 to 1961. During this period, the Federal Government controlled all aspects of the production of nuclear fuel.

Even though the Government had adequate warning of the hazards involved, these miners, most of whom were native Americans, were sent into inadequately ventilated mines with virtually no instruction regarding the dangers of ionizing radiation. These individuals sometimes ate their lunches in these mines, and often failed to bathe when they returned home in the evening. They had no idea of the danger. Consequently, many miners inhaled radon daughters that eventually yielded substantial doses of ionizing radiation. As a result, these miners have a substantially elevated cancer rate.

Not surprisingly, the miners were subject to the same callousness that was endured by the downwinders. For technical, legal reasons, most of the miners with radiogenic cancer have a claim on neither the mining companies nor the State workers compensation boards. They also met the same result as the downwinders in their efforts to sue the Federal Government.

Mr. President, these miners played a vital role in the protection of our country. The uranium that they mined was used to fuel our Federal nuclear program, and it is only fitting that these miners also be given a proper legal remedy.

Last year we overwhelmingly approved H.R. 1811, to provide assistance to the veterans who were exposed to the harmful effects of atomic radiation while in the line of duty. Under the provisions of that law, those veterans who develop any of several listed cancers and who can establish that they participated in nuclear weapons tests or in the occupation of Hiroshima or Nagasaki are presumed to have developed the disease as a result of their service. These veterans are then entitled to Veterans' Administration assistance.

Several of the factors involving the test site downwinders indicate an even greater need to provide for some form of compensation. Many of the downwinders were young children, still in their developmental years and highly susceptible to the damaging effects of the radiation, as opposed to the military population which generally consisted of healthy, young adult males. The average time of exposure for those in the military varied from a few weeks to a few months, while the average downwinder was exposed anywhere from slightly less than a year to more than 20 years, resulting in a much larger cumulative lifetime exposure rate. Residents in the Utah, Nevada, and Arizona downwind locations were more likely to have consumed locally grown food and dairy products that were affected by fallout for long periods of time. Such a diet would produce an even greater chance for internal exposure.

It is clear that if the Federal Government has a duty to compensate the Marshall Islanders and the atomic veterans, it also has a duty to compensate the test site downwinders and the uranium miners.

During the 1984 hearings on the Micronesian Compact of Free Association, I asked representatives of the administration whether they saw any reason why this Government should show our own American citizens any less courtesy and compassion than we are showing the people of the Marshall Islands, and whether there was

any reason why we should not provide to our own people a remedy that we are providing to the people of the Marshall Islands. The representatives of the administration could think of no reason why the Americans should not be treated the same as the Marshal Islanders. This is not surprising, since there is no reason why the American downwinders should not receive some form of compensation to provide them at long last with both the appearance and the reality of justice. The bill that we are introducing today will provide that justice.

This bill will provide compensation for both the downwind victims and the uranium miners. A seven-member board would be created and given exclusive jurisdiction to hear claims and render judgments for money damages to be paid from a $100 million trust fund.

To be eligible to file a claim, those exposed to downwind fallout radiation must have lived for at least a year in the designated area during the times of the above ground atomic tests and developed one of the following types of diseases: Leukemia—other than chronic lymphatic leukemia—multiple myeloma, or cancer of the thyroid, lung, female breast, stomach, colon, esophagus, or urinary tract.

They will have 2 years following the discovery of their cancer, or the enactment of this bill to file their claims, and the board must render its decision within 12 months after hearing the case. Upon a finding that the requirements to file a claim have been met, a one-time $50,000 compassionate award will be made to the claimant or his or her estate.

To be eligible for a mining claim, an individual must have been employed in the uranium mines located in Colorado, New Mexico, Arizona, or Utah during the years from 1947 through 1971 and must have been exposed to 100 or more working level months if a nonsmoker or 250 or more working level months if a smoker. These claimants must then have contracted lung cancer or other serious respiratory disease.

Again, these claimants will have 2 years following the discovery of their cancer, or the enactment of this bill to file their claims, and the board must render its decision within 12 months after hearing the case. Upon a finding that the requirements to file a claim have been met, a one-time $100,000 compassionate award will be made to the claimant or his or her estate.

The bill would limit attorney or agent fees to 10 percent of any damages paid and would not affect any insurance claims.

Some will undoubtedly complain about the costs that might be associated with this bill. But it is not that much, considering the harm that was done. It will amount to only a fraction of what the downwinders and miners have spent because of the problems that the Government has caused. According to the General Accounting Office, the Federal Government has spent over $2 billion to study the health effects of radiation. We have spent well over $100 million to clean up uranium tailings. We have spent over $100 million to treat and study the people of Nagasaki and Hiroshima. We have continued to spend hundreds of millions of dollars on underground nuclear testing. Finally, the money for the downwinders is not for some discretionary program, it is to pay a debt that the whole country owes.

I will close with two thoughts. First, hardly any complaint about the fallout has been heard from Las Vegas which is quite close to the Nevada Test Site, or from Los Angeles which is not that far away. The reason is simple. The masters of the Nevada Test Site would not detonate a nuclear bomb when the wind was blowing toward either of these two cities. They exercised this restraint because they considered the fallout dangerous. They only exploded a bomb when the wind was blowing into southern Utah, and then they hastened to assure the people there that there was no danger.

Finally, I wonder sometimes what each of my fellow Senators might say to a proposal to put an atmospheric nuclear bomb testing ground in their own State, or in the State next door. What if the idea were to put one in New Hampshire, New Jersey, or Montana, what would the Senators from these States say? Would they oppose such a move? I suspect so. I suspect that every Senator would oppose such a facility being in his or her State, vehemently. I suspect that the people of the State, whatever the State, would react as vehemently as their Senators. This suggests to me that the American people and this Senate implicitly understand the burden the downwinders bore and the contribution they have made. Therefore, I urge my colleagues to do the right thing and to support this legislation to provide justice to these Americans.

By Mr. DECONCINI:

S. 842. A bill to amend the Internal Revenue Code of 1986 to provide a credit against tax for employers who provide on-site day-care facilities for dependents of their employees; to the Committee on Finance.

TAX CREDIT FOR ON-SITE DAY-CARE FACILITIES

● Mr. DECONCINI. Mr. President, momentum is growing in this country for child care that is safe, affordable, and available. President Bush has called child care "the single most important issue arising from the changes in our work force." Throughout this country many Governors are now proposing higher child-care spending as a possible solution for the problems of drugs, poverty, and unemployment. The leadership in Congress is committed to enacting a child care bill this year. And certainly child care is a high priority for the American people. In a national poll taken last summer, a majority of Americans said child care is now an urgent need.

It has been said, and rightly so: This Nation is "in the midst of a child-care explosion." In 1950, 12 percent of America's mothers with children under 6 years of age were part of the work force. Since then, the number of working women with preschool children has more than quadrupled. Now the stereotype of dad at work and mom at home applies to less than 1 in 10 families in America.

All our evidence indicates that our child-care demand far exceeds supply. In Seattle, licensed child-care facilities have space for only one-third of the children who need child care. Florida has 25,000 children on a waiting list. The Governor's task force in Tennessee says that State is meeting the needs of only one out of five infants and toddlers who need child care.

The list gets longer, and the child-care costs get bigger. Child care is now the fourth largest item in the family budget—right behind rent, food, and clothing.

Not long ago, in a community near Chicago, 47 youngsters—one-half of them younger than 2—were discovered being cared for in a basement by only one adult. That program cost $25 a week—one-third of the cost of most child care in the community. The fact is, those children were in that child-care situation because their parents could afford no better. When parents cannot afford adequate child care, children suffer and there will be some who will pay with their lives.

This Nation can do better. All of us must work together—parents, child advocates, the business community, elected representatives. We must work together to give America's children a better chance at affordable, reliable, and safe child care.

It's going to take many innovative and imaginative solutions. I believe that one of our greatest untapped resources is America's businesses. But for much of the Nation, employer-sponsored child-care assistance is now the exception rather than the rule.

We are a country that has 6 million businesses. Of that number, only about 3,500 provide some kind of child-care support to their employees, mostly in the form of child-care information and referral.

I think the role of Government is to improve the system so that businesses will come on board. Our current tax incentives for employer-assisted child care have just not stimulated the development of increased child-care options for working families. This is es-

pecially true in the case of employer-provided child-care centers at the place of work.

Today there are only 750 employer on-site child-care centers in the United States and almost three-quarters of these centers are operated by Government-owned institutions or nonprofit organizations. While approximately 3,000 U.S. businesses support child-care programs in some way, only about 200 provide on-site child care.

On-site child care is good for families and good for businesses. Parents can visit their children at lunch or during coffee breaks. If they work later than usual, they know the children are right there, well taken care of. Businesses that pay attention to the family concerns of their employees are already realizing the rewards. Studies show that employees of such firms are more productive because of better morale, less absenteeism and burnout, and far less job turnover. It is estimated that for every $1 spent on an on-site facility, there is a potential profit increase of $3 to $6 due to increased productivity.

Last Congress I sponsored a bill, now law, which requires on-site child-care centers at all Veterans' Administration facilities for the children of employees. Under my legislation, VA centers are required to provide space in existing facilities along with utilities and other equipment for child care. The legislation requires no or nominal cost to the individual VA facilities. I believe a program such as this could be a model for future child-care facilities in both the public and private sectors.

Mr. President, in an effort to provide an incentive for employer on-site centers, I am today introducing a bill to provide tax credits to employers to help them establish child-care centers at the worksite. Specifically, my legislation would provide a tax credit of 50 percent, up to a limit of $150,000, for expenses related to the acquisition, construction, rehabilitation or expansion of an on-site child-care facility. The U.S. Government would recapture costs, on a reducing scale, if the facility does not operate for 10 years as a child-care center. For example, if the facility remains open for only 5 years, the employer would be required to pay back 70 percent of the credits taken. Should the child-care facility remain open for 6 years, the employer must pay back 55 percent of the credits taken.

In order for a child-care facility to qualify for the tax credit, at least 30 percent of the children enrolled must be dependents of the company's employees. In addition, the center must be open to the children of all employees, regardless of income. And in the case of multiple employers, the facility must be located on the premises of one employer, and within a reasonable distance from the premises of the other employers.

Under my legislation, any eligible employer may take the tax credit over a number of years until the credit's limit is reached, or until the facility ceases to operate in compliance with the State laws and regulations of a licensed day-care center.

Unlike most child-care legislation under consideration in Congress today, this bill emphasizes the critical need for more and properly equipped physical facilities. Finding the appropriate space is often the first step in providing child-care services. My bill gives businesses a tax incentive to cross this hurdle.

Today it is estimated that half the women in America have to leave their babies in places they don't trust. Right now in this country 1.5 million children under 5 years old are unattended for at least part of the time their parents are working. my own State of Arizona, 130,000 "latchkey" children come home from school each day to an empty house.

As a nation, we can do better. After all, the future of this country is in very small hands.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 842

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CERTAIN ON-SITE DAY-CARE FACILITIES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits) is amended by adding at the end thereof the following new section:

"SEC. 43. EMPLOYER ON-SITE DAY-CARE FACILITY CREDIT.

"(a) IN GENERAL.—For purposes of section 38, the employer on-site day-care facility credit determined under this section for the taxable year is an amount equal to 50 percent of the qualified investment in property placed in service during such taxable year as part of a qualified day-care facility.

"(b) LIMITATION.—The credit allowable under subsection (a) with respect to any qualified day-care facility shall not exceed $150,000.

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED INVESTMENT.—The term 'qualified investment' means the amount paid or incurred to acquire, construct, rehabilitate, or expand property—

"(A) which is to be used as part of a qualified day-care facility, and

"(B) with respect to which a deduction for depreciation (or amortization in lieu of depreciation) is allowable.

Such term includes only amounts properly chargeable to capital account.

"(2) QUALIFIED DAY-CARE FACILITY.—

"(A) IN GENERAL.—The term 'qualified day-care facility' means a facility—

"(i) operated by an employer to provide dependent care assistance for enrollees, at least 30 percent of whom are dependents of employees of employers to which a credit under subsection (a) with respect to the facility is allowable,

"(ii) the principal use of which is to provide dependent care assistance described in clause (i),

"(iii) located on the premises of such employer,

"(iv) which meets the requirements of all applicable laws and regulations of the State or local government in which it is located, including, but not limited to, the licensing of the facility as a day-care facility, and

"(v) the use of which (or the eligibility to use) does not discriminate in favor of employees who are highly compensated employees (within the meaning of section 414(q)).

"(B) MULTIPLE EMPLOYERS.—With respect to a facility jointly operated by more than 1 employer, the term 'qualified day-care facility' shall include any facility located on the premises of 1 employer and within a reasonable distance from the premises of the other employers.

"(d) RECAPTURE OF CREDIT.—

"(1) IN GENERAL.—If, as of the close of any taxable year, there is a recapture event with respect to any qualified day-care facility, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

"(A) the applicable recapture percentage, and

"(B) the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted if the qualified on-site day-care expenses of the taxpayer with respect to such facility had been zero.

"(2) APPLICABLE RECAPTURE PERCENTAGE.—

"(A) IN GENERAL.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

"If the recapture event occurs in:	The applicable recapture percentage is:
Years 1-3	100
Year 4	85
Year 5	70
Year 6	55
Year 7	40
Year 8	25
Years 9 and 10	10
Years 11 and thereafter	0.

"(B) YEARS.—For purposes of subparagraph (A), year 1 shall begin on the first day of the taxable year in which the qualified day-care facility is placed in service by the taxpayer.

"(3) RECAPTURE EVENT DEFINED.—For purposes of this subsection, the term 'recapture event' means—

"(A) CESSATION OF OPERATION.—The cessation of the operation of the facility as a qualified day-care facility.

"(B) CHANGE IN OWNERSHIP.—

"(i) IN GENERAL.—Except as provided in clause (ii), the disposition of a taxpayer's interest in a qualified day-care facility with respect to which the credit described in subsection (a) was allowable.

"(ii) AGREEMENT TO ASSUME RECAPTURE LIABILITY.—Clause (i) shall not apply if the person acquiring such interest in the facility agrees in writing to assume the recapture li-

ability of the person disposing of such interest in effect immediately before such disposition. In the event of such an assumption, the person acquiring the interest in the facility shall be treated as the taxpayer for purposes of assessing any recapture liability (computed as if there had been no change in ownership).

"(4) SPECIAL RULES.—

"(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

"(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under subpart A, B, or D of this part.

"(C) NO RECAPTURE BY REASON OF CASUALTY LOSS.—The increase in tax under this subsection shall not apply to a cessation of operation of the facility as a qualified day-care facility by reason of a casualty loss to the extent such loss is restored by reconstruction or replacement within a reasonable period established by the Secretary.

"(e) SPECIAL ALLOCATION RULES.—For purposes of this section—

"(1) ALLOCATION IN CASE OF MULTIPLE EMPLOYERS.—In the case of multiple employers jointly operating a qualified day-care facility, the credit allowable by this section to each such employer shall be its proportionate share of the qualified on-site day-care expenses giving rise to the credit.

"(2) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

"(3) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

"(f) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 1994.".

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) of the Internal Revenue Code of 1986 is amended—

(A) by striking out "plus" at the end of paragraph (4),

(B) by striking out the period at the end of paragraph (5), and inserting in lieu thereof a comma and "plus", and

(C) by adding at the end thereof the following new paragraph:

"(6) the employer on-site day-care facility credit determined under section 43.".

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 43. Employer on-site day-care facility credit.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1989.●

By Mr. ROCKEFELLER (for himself and Mr. KERREY):

S. 843. A bill to establish a program of awards by the National Science Foundation for undergraduate students who are willing to commit themselves to teach elementary or secondary mathematics or science for a specified period of time; to the Committee of Labor and Human Resources.

NATIONAL MATH-SCIENCE TEACHER CORPS ACT

● Mr. ROCKEFELLER. Mr. President, I rise today to introduce the National Math-Science Teacher Corps Act of 1989. This measure provides scholarships of $7,500 to college juniors and seniors majoring in math, science, or engineering. In return, those students who are selected for the scholarship must commit to teaching math or science in an elementary or secondary school for at least 2 years.

I know I speak for everyone in this body when I say that we are concerned about our Nation's ability to continue to lead the world technologically into the 21st century. Technology is the key to our Nation's economic growth and scientific advances are critical to maintaining our standard of living.

To continue as leaders, however, we need to have a well educated, skilled work force. And we can no longer confidently say that our students are the best in the world.

The average American high school student knows only about half as much math as his or her Japanese counterpart.

Among 14 countries, the most advanced U.S. 17-year-old students ranked last in biology, 12th in chemistry, and 10th in physics.

In the international survey of science achievement, our children lagged behind students from Japan, Singapore, and Poland.

Such alarming statistics demand attention. The decline in education particularly in critical fields of math and science pose a threat to our country's economic future and international leadership position.

We cannot afford to allow our students to remain at the bottom of the education barrel. Our future depends on the next generation being fully prepared to cope in an increasingly technological world.

American students cannot remain at the bottom in science and math. We should not be satisfied even if our students rise to the middle rankings. Our children must reach for the top, especially in math and science.

But how can we get our students back on top? There will be no easy answers, but it's time to try some new, creative initiatives.

And the first place to start is in the algebra and calculus classrooms and in biology, chemistry, and physics labs in schools across the country.

If we survey these classrooms, we will find some clues to the problems.

A survey of high school principals in 1985–86 reported that their schools had trouble hiring fully qualified teachers in physics, chemistry, computer science, mathematics, and foreign languages. And the problem is greater in rural areas.

In a survey of my State of West Virginia last year, 23 counties—nearly half of the State—reported shortages of math teachers; 19 counties experienced shortages in chemistry and physics; and 13 counties reported the same with biology.

The national survey also noted that such shortages resulted in nearly one-third of the Nation's high school students enrolling in a math or science course taught by a teacher not qualified in that particular course.

Before we point the blame toward our teachers, let's take a closer look at the same survey. Careful review shows that otherwise well-qualified teachers are often pushed to teach in their second or third field. For example, 12,000 of the 19,000 physics teachers teach only one physics class. The rest of the time, they are expected to teach biology, math, chemistry or other courses that they are not qualified or certified to teach.

This is a problem for both the teachers and students.

The Department of Education estimated that between 1988 and 1997, we will need 1,575,000 teachers to fill our classrooms.

Where can we find enough dedicated, qualified math and science teachers to motivate our young people to pursue these critical fields?

My suggestion is a modest proposal to develop a math-science teacher corps under the auspices of the National Science Foundation to provide college scholarships to junior and senior math, science, or engineering majors who are willing to commit to teaching for at least 2 years.

This teacher corps will encourage young mathematicians, scientists, and engineers to spend a few years in the classroom teaching elementary and secondary courses in their own field of study. I believe these young graduates will bring the enthusiasm and the latest scientific knowledge with them into the labs and classes.

Of course, I hope that some members of the corps will be enthralled by education and the challenge of opening the world of learning to young students and decide to stay, making teaching their career. But even scholars that merely teach the minimum number of years required by the program will have a profound impact on the dozens of students they encounter.

I believe this program will address our current teaching shortages and help channel new energy and excitement into the teaching of math and science by encouraging an influx of new young teachers.

The bill provides a generous scholarship of $7,500 dollars to qualified students. Students will be permitted to apply in both their junior and senior year of college, but each grant of $7,500 obligates the individual to teach

for at least 2 years. Therefore, students who receive awards totaling $15,000 must teach 4 years of science, math or engineering. Further, the bill provides 1 more year of postbaccalaureate funding to students who need additional credits in education to obtain their teaching certificates without incurring an additional service obligation.

My legislation is responsible in that it contains strict penalties to ensure that students who renege on their commitment must repay the scholarship back with interest.

This Incentive Scholarship Program is a double bonus. It gives math, science, and engineering majors financial support to finish their education. It will also help to address the teaching shortages faced by our elementary and secondary education systems.

It's hard to convince a young man or woman to take a job with a starting salary of $16,000 when he or she must immediately start paying off a debt of almost that much. But the math-science teacher corps gives young people the flexibility to explore the teaching profession and bring the enthusiasm and fresh ideas of a recent college graduate to the classroom.

Mr. President, many of the decisions that we have made about our lives have been based on the advice or inspiration of our teachers. When most of us look back, we remember the teachers who excited us about learning and gave us the knowledge and skills to excel in a particular subject area, in college, in our jobs—what other profession has had such an impact on our lives? A century ago, Henry Adams said, "A teacher affects enternity; he can never tell where his influence stops."

In September, the *Discovery* crew, newly returned from their successful mission, testified before the Senate Commerce Committee. They were an extraordinarily impressive team. All of them had advanced degrees in science, engineering, or mathematics. I asked them what inspired them to study math and science. Several of them responded that it was a particular teacher who had shared the glories and mystery of science and mathematics with them. It was a teacher who had inspired several of them to acquire the skills to explore the reaches of outer space.

For our Nation to lead the way into the 21st century, our children must have the math and science skills that will be critical to the workplace of the future. One way to do that, is to expand the opportunities for enthusiastic, talented math and science majors to teach our young and motivate them to pursue these fields. A national math-science teacher corps steers us in that direction.

Mr. President, I ask that the complete text of my bill be included in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 843

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Math-Science Teacher Corps Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the performance of American students in science and mathematics has declined, and American students are among the lowest scorers in international tests of scientific and mathematical ability;

(2) a declining percentage of students are studying science, mathematics, and engineering at the undergraduate level, and Ph.D. programs in many of these fields have a majority of foreign nationals;

(3) many elementary and secondary school teachers have little or no college course work in science and mathematics, and many teachers of high school science and mathematics are not certified in those fields;

(4) while the data on teacher shortages is incomplete, experts have acknowledged that in the next decade there will be a shortage of qualified math and science teachers at the secondary school level, particularly in rural areas; and

(5) the public needs to be more skilled in science and mathematics if the Nation is to meet the challenges posed by an increasingly technological and competitive world.

SEC. 3. ESTABLISHMENT OF PROGRAM.

The National Science Foundation shall establish a merit competitive award program for students enrolled in a baccalaureate degree program in science, mathematics, or engineering who are willing to commit themselves to teach elementary or secondary science or mathematics as provided in this Act.

SEC. 4. ELIGIBILITY.

Only students who are—

(1) majoring in science, mathematics, or engineering;

(2) in the last 2 years of a baccalaureate degree program; and

(3) enrolled in an institution of higher education which is accredited by a nationally recognized accrediting agency or association,

shall be eligible for awards under this Act.

SEC. 5. CRITERIA FOR SELECTION.

Individuals shall be selected to receive awards under this Act primarily on the basis of academic merit, with consideration given to financial need and to the goal of promoting the participation in elementary and secondary science and mathematics teaching by minorities, women, and people with disabilities.

SEC. 6. AMOUNT OF AWARD.

(a) IN GENERAL.—Awards under this Act shall be made at the rate of $7,500 per year. Except as provided in subsection (b) an individual may receive a maximum of 2 awards under this Act.

(b) SPECIAL RULE.—An individual may receive a maximum of 3 awards under this section if such individual has completed requirements for the baccalaureate degree but requires additional credits in education courses in order to obtain certification to teach.

SEC. 7. SERVICE OBLIGATION.

(a) IN GENERAL.—If an individual receives an award under this Act, that individual shall be required to complete, within 6 years after graduation from the baccalaureate degree program for which the award was made, at least 2 years of service as an elementary or secondary science or mathematics teacher for each award received. Service required under this section shall be performed at a school receiving assistance under chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.).

(b) SPECIAL RULE.—This section shall not apply with respect to more than 2 awards made to any individual under this Act.

SEC. 8. FAILURE TO COMPLETE SERVICE OBLIGATION.

(a) GENERAL RULE.—If an individual who has received an award under this Act—

(1) fails to maintain an acceptable level of academic standing in the educational institution in which he is enrolled, as determined by the National Science Foundation;

(2) is dismissed from such educational institution for disciplinary reasons;

(3) withdraws from the baccalaureate degree program for which the award was made before the completion of such program;

(4) declares that he does not intend to fulfill his service obligation under this Act; or

(5) fails to fulfill his service obligation under this Act,

such individual shall be liable to the United States as provided in subsection (b).

(b) AMOUNT OF REPAYMENT.—(1) If a circumstance described in subsection (a)(1), (2), (3), or (4) occurs before the completion of one year of a service obligation under this Act, the United States shall be entitled to recover from the individual, within one year after the date of the occurrence of such circumstance, an amount equal to—

(A) the total amount of awards received by such individual under this Act; plus

(B) the interest on such amounts which would be payable if at the time the amounts were received they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States,

multiplied by 3.

(2) If a circumstance described in subsection (a)(1), (2), (3), or (4) occurs after the completion of one year of a service obligation under this Act, but before the completion of the second year of such service obligation, the United States shall be entitled to recover from the individual, within one year after the date of the occurrence of such circumstance, an amount equal to—

(A) the total amount of awards received by such individual under this Act minus $3,750; plus

(B) the interest on such amounts which would be payable if at the time the amounts were received they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States,

multiplied by 3.

(3) If a circumstance described in subsection (a)(1), (2), (3), or (4) occurs after the completion of two years of a service obligation under this Act, but before the completion of the third year of such service obligation, the United States shall be entitled to recover from the individual, within one year

after the date of the occurrence of such circumstance, an amount equal to—

(A) the total amount of awards received by such individual under this Act minus $7,500; plus

(B) the interest on such amounts which would be payable if at the time the amounts were received they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States,

multiplied by 3.

(4) If a circumstance described in subsection (a)(1), (2), (3), or (4) occurs after the completion of three years of a service obligation under this Act, but before the completion of the fourth year of such service obligation, the United States shall be entitled to recover from the individual, within one year after the date of the occurrence of such circumstance, an amount equal to—

(A) the total amount of awards received by such individual under this Act minus $11,250; plus

(B) the interest on such amounts which would be payable if at the time the amounts were received they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States,

multiplied by 3.

(c) EXCEPTIONS.—(1) The National Science Foundation may provide for the partial or total waiver or suspension of any service obligation or payment by an individual under this Act whenever compliance by the individual is impossible or would involve extreme hardship to the individual, or if enforcement of such obligation with respect to the individual would be unconscionable.

(2) Any obligation of an individual under this Act for payment under subsection (b) may be released by a discharge in bankruptcy under title 11, United States Code, only if such discharge is granted after the expiration of the 5-year period beginning on the first date that such payment is required.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the National Science Foundation $3,750,000 for fiscal year 1990, $7,500,000 for fiscal 1991, and $11,250,000 for fiscal years 1992 and 1993 to carry out the provisions of this Act.●

By Mr. BRADLEY:

S. 844. A bill to establish a National Park System Review Board, and for other purposes; to the Committee on Energy and Natural Resources.

ESTABLISHING A NATIONAL PARK SYSTEM REVIEW BOARD

● Mr. BRADLEY. Mr. President, I rise today to introduce the National Park Service Review Board Act. This legislation elevates the Park Service mission and gives the Park Service the autonomy and independence necessary to protect America's national heritage.

On Monday, a new Director of the National Park Service was sworn into office. The new Director, Mr. James Ridenour, has a long history of involvement in both natural resource issues and Republican politics. He has been educated as a parks administrator and was both a director of the Indiana Department of Natural Resources and as a finance officer for Vice President QUAYLE's 1980 Senate campaign.

From the start, Mr. Ridenour's appointment has been punctuated by angry sentiments and allegations of a poor record in Indiana. A Sierra Club letter to the President's Office of Personnel, describes Mr. Ridenour "as one who pushed development with excessive zeal on the State lands to the constant detriment of the environment. Resorts were pushed in State parks where they did not belong and relations were frayed with key constituencies, with whom he had angry and confrontational relationships. He pushed a major hotel in Dunes State Park in a recovering area, and was embroiled in major controversy over the outlandish Tillery Hill Recreation Area resort project, which was proposed in a sensitive area which was a bald eagle habitat acquired for its environmental values. He tried to eliminate land from Versailles State Park so that it could be turned over to loggers * * * he is viewed as the greatest destroyer of river values—through promoting dredging and marina development—in Indiana's history."

These are strong words. Surely, if even half of this is true, Mr. Ridenour should be called on to justify his actions and to defend himself against these serious accusations. After all, Mr. Ridenour is not being appointed to some low-level bureaucratic job. On the contrary, his position is as steward of a national heritage. The public deserves to meet Mr. Ridenour and hear directly of his visions for our Park System—before he takes charge.

Mr. President, few positions are more deserving of the public process of Senate review and confirmation than the position of Director for the Park Service. The new Director may well be a good candidate, and I have asked to meet with him in order to discuss both these accusations and his vision for the National Park System. But the public has much at stake here. Americans and our parks need the best. An important element of the legislation that I introduce today is the elevation of the Park Service Director to a position that requires Senate confirmation. The allegations that have swirled about the new Director only highlight the fact that such a step is needed.

This Nation's vast land and variety of natural resources have been critical factors in our history and have shaped our development. The Old World was a place of kings and castles and beggars. The New World has been a place of abundance. In their crowded cities, the Europeans dreamed of a land of great riches and eternal youth. They sought the Fountain of Youth. They sought El Dorado. And they found these places, here, in America.

Our lands are themselves a clear window to the past. Geologists talk of "deep time." When you go from the Grand Canyon to Zion and Bryce Canyon National Parks, you proceed up the stairsteps of hundreds of millions of years—recorded in the layers of Earth as if some ancient force wanted us to know its story and to remind us how, against that backdrop, the evening news, the musings of pundits, and even our lives seem but the tiniest fraction of a second. Indeed, all of human history is represented on the canyon wall as just one narrow slice of rock.

A few years ago, I visited Mesa Verde and Chaco Canyon and discovered the mystery of the Anazazi culture. Standing in the kiva of Casa Bonito later one spring afternoon, I tried to imagine the full impact of the ancient apartment houses and magnificent roads that lay before me. I could hear the noise and shouts. I could smell the smoke. I could see the people. I could sense the panic and abandonment that relentless drought would bring.

The land is our teacher. It teaches us the value of things that can't be bought or sold, traded or exchanged. What's the dollar value of the desert? What price tag would you put on the endless grasses of the Everglades? In an earlier time, we might have said: zero. Nothing. They're worthless. Today, we look at the lonely beauty of the desert or the cypress swamp and say: it's priceless.

Our national parks are unique. They grew from an enlightened vision which acknowledged the land's importance to all of us. We've set-aside vast amounts of land, from seashores to mountain tops. We celebrate particular places interwoven with our history: the battlefield at Gettysburg, the Statue of Liberty, Ford's Theater.

The Review Board would report annually to the President and Congress on the management and budget of the Park Service. The Board is to address the resource needs of the Park Service and make recommendations that best serve the mission of the Park Service and the American public.

During my years at the Energy Committee, I've taken a long look at the Park Service. I've also had a personal involvement in a number of park issues, national as well as those linked specifically to New Jersey's parks. Too often, field recommendations have been reversed by higher Department officials in accordance with national park policies that seem at odds with the preservation of this fantastic resource heritage. For example, this administration refuses to provide significant funding for land acquisition, historic preservation or basic construction projects within national park units. This policy is defended as fiscally responsible. Yet, the effect of these policies and this responsibility guarantee that precious resources will be lost forever. In New Jersey, historical

records and artifacts have been destroyed or damaged due to inadequate preservation. The price of acquiring land inholdings has skyrocketed. And millions of visitors to Sandy Hook beaches must rely on bathroom facilities installed as temporary facilities years ago that are a disgrace.

The Review Board will not necessarily lead to more money for preservation, land acquisition, or even Sandy Hook's bathrooms. Yet, if we are to make the proper decisions, the Congress needs a clear, untarnished statement of the Park Service's mission and needs. Such a statement is not available today, and would be developed by the Park Service Review Board.

This bill's purpose is very simple: to create a safeguard against heavy-handed political meddling or compromise which threatens the fabric of the Park System. Obviously, this bill does not remove the Park Service from the direction of the President. The President nominates all of the members of the board and the director. Nor is this bill simply just an indictment of the current administration's practices. Rather, the bill deals with issues that would be inevitably raised, regardless of the political persuasion of the occupant of the White House.

Mr. President, this bill is not complicated. There's no hidden agenda. The legislation seeks to maintain the standard of excellence that has characterized the National Park System over its long history. The President needs to maintain a dedicated core of Park Service employees. The Congress needs clear information and guidance. The Park Service needs consistent direction and purpose. A Park Service muzzled by political whim is of no use to the American public. This bill is a necessary first step in response to a complex problem, and I urge my colleagues' support.

I ask unanimous consent that the text of the bill be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 844

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NATIONAL PARK SYSTEM REVIEW BOARD.

(a) ESTABLISHMENT AND FUNCTIONS.—

(1) ESTABLISHMENT.—There is hereby established a National Park System Review Board (hereinafter in this Act referred to as the "Board").

(2) FUNCTIONS.—The Board shall maintain a continuing review of programs and activities of the National Park Service and of existing and proposed national park system units.

(3) REPORTS.—The Board shall transmit to the President and to each House of the Congress an annual report containing the results of its review, together with any recommendations for the management of the national park system or any proposed additions to such system, as it considers appropriate. Concurrently with the submission of the annual budget of the United States by the President, the Board shall submit to the President and to the Congress budget recommendations for the National Park Service and for the Board. Notwithstanding any other provision of law or any rule, regulation, or policy directive, the Board shall transmit such annual report and budget recommendations, and provide any other information on the request of any committee or subcommittee of Congress, by report, testimony, or otherwise, without review, clearance, or approval by any other administrative authority except to the extent that the Board may deem such review, clearance, or approval appropriate.

(b) MEMBERSHIP AND TERMS OF OFFICE.—The President shall appoint members of the Board from among persons who, because of education or experience, are considered knowledgeable regarding policy issues affecting the natural or cultural resources of the Nation. The Board shall consist of 3 members serving for terms of 4 years, except that the terms of the members first taking office shall expire (as designated by the President at the time of appointment) as follows: one member after 3 years, one member after 5 years, and one member after 7 years. Members of the Board may be removed by the President only for inefficiency, neglect of duty, or malfeasance in office. Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term.

(c) ADMINISTRATIVE PROVISIONS.—The Board shall elect a Chairman from among its members. A majority of the Board serving at any one time shall constitute a quorum for the transaction of business. The Board shall have an official seal, which shall be judicially noticed. The Board shall meet at the call of the Chairman. Any member of the Board may, with the authorization of the Chairman, conduct public meetings. There shall be at least 6 meetings of the Board each year. In carrying out its functions, the Board may adopt bylaws, rules, and regulations necessary for the administration of its functions and may contract for any necessary services.

(d) PUBLIC MEETINGS; PUBLIC COMMENT.—All meetings of the Board shall be open to the public and the Board shall solicit, and review, public comments on all recommendations to be made by the Board.

(e) COMPENSATION.—Members of the Board shall each be paid annual compensation at a rate equal to the rate of basic pay payable for level V of the Executive Schedule. While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(f) STAFF; EXPERTS AND CONSULTANTS.—

(1) STAFF.—The Board may appoint and fix the pay of such personnel as it considers appropriate, including at least a chief of staff, a secretary to the Board, a legal counsel, 5 investigators, and 10 support staff. The staff shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(2) EXPERTS AND CONSULTANTS.—The Board may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed basic pay payable for GS-13 of the General Schedule. Upon request of the Board, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Board to assist the Board in carrying out its duties under this Act.

(g) OBTAINING DATA.—Notwithstanding section 552 through 552b of title 5 of the United States Code, the Board may secure directly from the National Park Service information necessary to enable it to carry out this Act. Upon request of the Chairman of the Board, the Director of the National Park Service shall furnish such information to the Board.

(h) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Board on a reimbursable basis such administrative support services as the Board may request. The Board may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

SEC. 2. NATIONAL PARK SERVICE

(a) DIRECTOR OF NATIONAL PARK SERVICE.—There shall be within the Department of the Interior, a National Park Service headed by a Director, who shall be appointed by the President, by and with the advice and consent of the Senate, from among persons qualified, by training and experience and by demonstrated ability, to administer, protect, and preserve the natural and cultural resources of the United States. The Director shall be paid at the rate of basic pay payable for level V of the Executive Schedule under section 5316 of title 5 of the United States Code. The Director shall hold office for a term of 5 years and may be removed by the President only for inefficiency, neglect of duty, or malfeasance in office. No Director shall be appointed to more than two consecutive terms.

(b) FUNCTIONS.—On the date of enactment of this Act, the Secretary of the Interior shall delegate to the Director of the National Park Service appointed under this Act all functions and authorities of the Secretary regarding the administration of the national park system and all other functions and authorities exercised by the Director of the National Park Service as of July 1, 1988. The Secretary shall retain all authorities not so delegated and shall have the authority and responsibility in the budget of the National Park Service and to convey information regarding the national park system to the cabinet. In the performance of his functions, the Director and the officers and employees of the National Park Service shall not be responsible to, or subject to the supervision or direction of, any officer or employee, or agent of any other part of the Department of the Interior.

(c) EMPLOYEES.—

(1) APPOINTMENT AND COMPENSATION.—The Director shall appoint and fix the compensation of all officers and employees of the National Park Service. The Director shall appoint the following three Deputy Directors from among the professional employees of the National Park Service—

(A) a Deputy Director of the National Park Service;

(B) a Deputy Director of Historic Preservation and Cultural Resources; and

(C) a Deputy Director in recreation, conservation, and open space.

(2) TRANSFER OF PERSONNEL.—Upon appointment of the Director of the National Park Service under this Act, the Director of the Office of Management and Budget shall provide for the transfer to the administrative jurisdiction of such Director to such personnel, property, funds, and records of the service created by the first section of the Act approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1), as are under the administrative jurisdiction of the Department of the Interior. Salaries, grades, and benefits of employees so transferred shall not be affected adversely thereby, except that no employee of the National Park service shall be appointed from or under schedules excepted from the competitive Civil Service.

(3) PERFORMANCE APPRAISALS.—No person whose position has been excepted from the competitive service, other than the Director or an individual holding a senior executive position, may conduct, or participate in the conduct of, any performance appraisal under chapter 43 of title 5 of the United States Code for any officer or employee of the National Park Service.

(d) INDEPEDENCE IN PROVIDING BUDGET AND OTHER INFORMATION.—Notwithstanding any other provision of law or any rule, regulation, or policy directive, the Director may transmit the budget request recommended by him for the National Park Service to the Congress, and provide any other information on the request of any committee or subcommittee of congress, by report, testimony, or otherwise, without review, clearance, or approval by any other administrative authority. ●

By Mr. HATCH (for himself, Mr. KENNEDY, Mr. THURMOND, Mr. BURDICK, Mrs. KASSEBAUM, Ms. MIKULSKI, Mr. WILSON, Mr. JEFFORDS, Mr. BUMPERS, Mr. COCHRAN, Mr. DODD, Mr. COATS, and Mr. METZENBAUM):

S. 845. A bill to amend the Federal Food, Drug, and Cosmetic Act to revitalize the Food and Drug Administration, and for other purposes; to the Committee on Labor and Human Resources.

FDA REVITALIZATION ACT

Mr. HATCH. Mr. President, we are beginning the second 50 years of the Food, Drug, and Cosmetics Act. Today, I am pleased to join with Senators KENNEDY, THURMOND, BURDICK, KASSEBAUM, MIKULSKI, WILSON, JEFFORDS, BUMPERS, DODD, COCHRAN, COATS, and METZENBAUM in the introduction of the FDA Revitalization Act. It is clear, Mr. president, that the revitalization of the FDA is not a partisan issue. The FDA is a preeminent force in consumer protection and for advancing the technological development of new foods, drugs, devices, and cosmetics. This act is intended to ensure that the FDA can function in today's climate with sufficient resources.

The role of today's FDA covers a greater portion of our lives than ever envisioned by writers of the original act in 1938. Today, the FDA is responsible for regulating more than 700 billion dollars' worth of goods sold annually to Americans—constituting about 25 percent of the total expenditures for personal consumption in the United States each year.

FDA's basic mission is to ensure we have safe and effective drugs and medical devices, safe cosmetics, and safe foods. It has been trying to keep pace with the continuous development of new products. For example, when the FDA was established 50 years ago, microwave cooking did not exist. Today, however, the FDA is concerned with the safety of the glues and resins that hold microwaveable packages together. Fifty years ago, food processing was in its infancy. Today, the agency must conduct surveillance of over 67,000 food processing plants. The average American consumer pays about $2 annually to have the agency assure the soundness of approximately $3,000 worth of consumer goods—a bargain by anyone's estimate.

In the immediate future, the FDA will need additional resources to meet its basic mission and to respond to the new challenges that confront it. The agency has established innovative measures to help expedite the development, testing, review, and approval of promising drugs, vaccine, and diagnostics for AIDS. Thanks to the able leadership of Commissioner Frank Young and the staff of the FDA, several critically important AIDS-related products have been developed and approved in record-breaking time.

Mr. President, the agency's success in this instance does not, however, mitigate the problems that it now faces. FDA's scientific base must be continually revitalized. It must have adequate fiscal resources as well as human resources to ensure a timely review of pending applications. And the rapid growth of scientific knowledge has rendered some of our laws and policies outdated. This requires that the FDA constantly reevaluate conditions and regulatory responses to those conditions.

The fundamental building block of the FDA is personnel. The agency must be able to recruit and retain excellent scientists. Historically, the FDA has been fortunate to have some of the finest and most dedicated personnel. They have been individuals who have made us aware of the problems in our food supply; they have identified drugs that cause birth defects; and, all the while, they have been working under conditions that are far less efficient than they would find in the private sector and for compensation far less rewarding. Without question, these employees derive a great deal of satisfaction from their public service, but it is unrealistic to expect that FDA will continue to attract such talented individuals indefinitely without vigorous efforts to improve their status. Their working environment must also improve.

Currently, the FDA is scattered among 23 different buildings at seven different sites in the Washington area. These are old buildings designed for other uses. One laboratory is located in a converted chicken coop that was built in 1933, while others are in converted bathrooms and freezers. I can only imagine the additional administrative burdens that are placed on the agency in trying to coordinate such geographically dispersed activities. I personally believe that the FDA should be consolidated into a single building, or at least a single campus, in order to meet the demands that will be placed on them in the future.

In title I of the bill, I propose to establish a trust fund to provide the opportunity for the private sector to join hands with the Federal Government in paying for a consolidated facility for the FDA. This legislation requires that the Secretary will establish the trust so that there is no conflict of interest between the FDA and those who donate funds to construct the new facility.

Title II of the bill addresses a problem that is not unique to the FDA, but that also exists in the Public Health Service—the recruitment and retention of senior scientific personnel. The Senior Health Science Corps provides flexibility in setting salary levels beyond the present Government's general service schedules up to 110 percent of their present pay levels.

Title III of the bill allows FDA to retain the existing fees imposed by FDA for filling Freedom of Information Act requests.

Title IV authorizes $18 million for expanded efforts to help small businesses comply with the regulations imposed by the FDA.

Title V authorizes $10 million for a public/private sector partnership in biotechnology.

Title VI authorizes training grants and loans for new scientists studying FDA regulatory issues.

Title VII authorizes the Commissioner of FDA to appoint members of the various scientific review boards.

Title VIII establishes a food advisory committee.

Title IX authorizes funding for greater automation of the FDA.

Title X requires OPM to ensure that scientists at EPA and FDA are paid comparable salaries.

Finally, title XI establishes a funding floor of $500 milion for the activities of the Food and Drug Administration.

This bill will improve FDA, and it is important to remember that the revitalization of the FDA is also a revitalization of the industries it regulates and the entire American economy. Re-

member, the FDA regulates 25 percent of consumer goods in this country. Our society's access to advanced new pharmaceuticals, medical devices, and food products, which could dramatically improve the health and well-being of the American people, will be hindered unless we give the FDA the support it needs to evaluate these advancements in a thorough and timely manner. As we have recently seen with apples and grapes, public confidence in the marketplace is very fragile. It can only be maintained if the FDA is given sufficient resources to react swiftly and effectively to tampering, recall, and other emergency situations.

In short, the FDA, more than any other Federal agency, has an impact in our lives every day. It is time that we in Congress demonstrate our commitment by providing the FDA with the resources it needs to carry out its responsibilities. We must give it the resources to prepare itself for the 21st century.

I urge my colleagues to give proper consideration to this bill, and I ask unanimous consent that the entire bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 845

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "FDA Revitalization Act".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. References to the Federal Food, Drug, and Cosmetic Act.
TITLE I—POWER OF FDA OVER REAL PROPERTY, BUILDINGS, AND FACILITIES
Sec. 101. Power of FDA over real property, buildings, and facilities.
TITLE II—SENIOR SCIENTIFIC SERVICE
Sec. 201. Senior Scientific Service.
TITLE III—RECOVERY AND RETENTION OF FEES FOR FOIA REQUESTS
Sec. 301. Recovery and retention of fees for FOIA requests.
TITLE IV—SMALL BUSINESS TRAINING AND TECHNICAL ASSISTANCE
Sec. 401. Small business training and technical assistance.
TITLE V—BIOTECHNOLOGY DEMONSTRATION PROJECT
Sec. 501. Biotechnology demonstration project.
TITLE VI—TRAINING AND LOAN REPAYMENT PROGRAMS
Sec. 601. Training and loan repayment programs.
TITLE VII—SCIENTIFIC REVIEW GROUPS
Sec. 701. Scientific review groups.
TITLE VIII—HUMAN FOOD SAFETY, TECHNOLOGY, AND NUTRITION ADVISORY COMMITTEE
Sec. 801. Human Food Safety, Technology, and Nutrition Advisory Committee.
TITLE IX—AUTOMATION OF FDA
Sec. 901. Automation of FDA.
TITLE X—COMPENSATION AND EMPLOYMENT REQUIREMENTS FOR FDA AND EPA SCIENTISTS
Sec. 1001. Compensation and employment requirements for FDA and EPA scientists.
TITLE XI—FUNDING FLOOR FOR FDA
Sec. 1101. Funding floor for FDA.

SEC. 2. REFERENCES TO THE FEDERAL FOOD, DRUG, AND COSMETIC ACT.

Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section other provision, the reference shall be considered to be made to a section or other provision of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.).

TITLE I—POWER OF FDA OVER REAL PROPERTY, BUILDINGS, AND FACILITIES

SEC. 101. POWER OF FDA OVER REAL PROPERTY, BUILDINGS, AND FACILITIES.

Chapter VII (21 U.S.C. 371 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 710. POWER OF FOOD AND DRUG ADMINISTRATION OVER REAL PROPERTY, BUILDINGS, AND FACILITIES.

"(a) IN GENERAL.—In connection with real property, buildings, and facilities, the Secretary shall have the power—

"(1) to acquire, in any lawful manner, such personal or real property, or any interest in such property, as the Secretary determines necessary or convenient in the transaction of the business of the Food and Drug Administration;

"(2) to hold, maintain, sell, lease, or otherwise dispose of property acquired under paragraph (1), or any interest in such property, and to provide services in connection with such property and charges for the use of such property, when appropriate;

"(3) to design, construct, operate, lease, and maintain buildings, facilities, equipment, and other improvements on any property owned or controlled by the Food and Drug Administration, including, without limitation, any property or interest therein transferred to the Food and Drug Administration under any other paragraph;

"(4) to acquire buildings, facilities, equipment, and make other improvements on any property owned, acquired, or controlled by the Food and Drug Administration through the use of lease-purchase or lease-construction contracts, when and as appropriate;

"(5) to accept gifts or donations of services or property, real or personal, as the Secretary determines necessary in the transaction of the business of the Food and Drug Administration; and

"(6) to establish a trust for public and private sector contributions for the purchase or lease of a facility to consolidate facilities of the Food and Drug Administration that are located in the Washington, D.C. metropolitan area.

"(b) CONSOLIDATION OF FACILITIES IN WASHINGTON, D.C. AREA.—

"(1) PLAN.—The Secretary, within a reasonable period of time after the date of enactment of this section, shall develop and implement a plan for the consolidation of facilities of the Food and Drug Administration that are located in the Washington, D.C. metropolitan area.

"(2) TRUST.—The Secretary shall ensure that the trust established under subsection (a)(6) meets appropriate ethical and fiduciary requirements. The Secretary shall recommend to Congress any legislation that is necessary to carry out subsection (a)(6) and this subsection.".

TITLE II—SENIOR SCIENTIFIC HEALTH SERVICE

SEC. 201. SENIOR SCIENTIFIC HEALTH SERVICE.

Part A of title III of the Public Health Service Act is amended by inserting after section 301 (42 U.S.C. 241) the following new section:

"SEC. 301A. SENIOR SCIENTIFIC HEALTH SERVICE.

"(a) ESTABLISHMENT.—The Secretary may establish a Senior Scientific Health Service (hereinafter in this section referred to as the 'Service').

"(b) MEMBERSHIP.—

"(1) CIVIL SERVICE.—An individual chosen to serve in the Service shall not be a part of the competitive service established under chapter 33 of subpart B of part I of title 5, United States Code.

"(2) APPOINTMENT.—A person may be appointed to the Service by the Secretary based solely on distinction and achievement of the person in the field of biomedical research or clinical research evaluation.

"(c) DUTIES.—A member of the Service shall be assigned to duties that require expertise in biomedical research, behavioral research, or clinical research evaluation, and may also be assigned to supervise other scientists in carrying out the activities described in this subsection.

"(d) COMPENSATION.—An individual selected to serve on the Service by the Secretary under subsection (b) shall be compensated at a rate not in excess of 110 percent of the annual rate of pay in effect for level I of the Executive Salary Schedule established in section 5512 of title 5, United States Code.

"(e) RETIREMENT.—For purposes of section 211, the continuous service in the Service of any person who commences such service on termination of service as a commissioned officer in the Public Health Service Corps may be treated as service as a commissioned officer in the Public Health Service Corps and shall not be considered as service that is subject to any other retirement system for officers and employees of the Federal Government.".

(f) Section 5948(g)(1) of title 5, United States Code, is amended—

(1) by striking out "or" at the end of subparagraph (H);

(2) by striking out "and" at the end of subparagraph (I), and inserting in lieu thereof "or" and

(3) by adding at the end thereof a new subparagraph as follows:

"(J) section 301A of the Public Health Service Act, relating to the Senior Scientific Health Service; and".

TITLE III—RECOVERY AND RETENTION OF FEES FOR FOIA REQUESTS

SEC. 301. RECOVERY AND RETENTION OF FEES FOR FOIA REQUESTS.

Chapter VII (21 U.S.C. 371 et. seq.) (as amended by section 101 of this Act) is further amended by adding at the end thereof the following new section:

"SEC. 711. RECOVERY AND RETENTION OF FEES FOR FREEDOM OF INFORMATION REQUESTS.

"(a) IN GENERAL.—The Secretary, acting through the Commissioner of Food and Drugs, may—

"(1) set and charge fees to recover from all requesters all direct and indirect costs incurred in processing requests made under section 552 of title 5, United States Code, for records obtained or created under this Act or any other Federal law for which responsibility for administration has been delegated to the Commissioner by the Secretary, including costs incurred for searches by clerical staff, duplication, professional or technical review of records (when required to delete trade secrets, personal privacy, or confidential commercial information), certification of documents, mailing, and related activities;

"(2) retain all fees charged for such requests, if such fees are used solely to offset costs described in paragraph (1); and

"(3) establish an accounting system and procedures to control receipts and expenditures of fees received under this section.

"(b) USE OF FEES.—The Secretary and the Commissioner of Food and Drugs may not use fees received under this section for any purpose other than funding the processing of requests described in subsection (a)(1). Such fees may not be used to reduce the amount of funds made available to carry out other provisions of this Act.".

TITLE IV—SMALL BUSINESS TRAINING AND TECHNICAL ASSISTANCE

SEC. 401. SMALL BUSINESS TRAINING AND TECHNICAL ASSISTANCE.

Chapter VII (21 U.S.C. 371 et. seq.) (as amended by section 301 of this Act) is further amended by adding at the end thereof the following new section:

"SEC. 712. SMALL BUSINESS TRAINING AND TECHNICAL ASSISTANCE.

"(a) IN GENERAL.—The Secretary, acting through the Commissioner of Food and Drugs, shall establish within the Food and Drug Administration an identifiable office to provide technical and other nonfinancial assistance to small manufacturers of medical devices, drugs, cosmetics, and foods to assist the manufacturers in complying with this Act.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $18,000,000 for each of the fiscal years 1990 through 1992.".

TITLE V—BIOTECHNOLOGY DEMONSTRATION PROJECT

SEC. 501. BIOTECHNOLOGY DEMONSTRATION PROJECT.

Chapter VII (21 U.S.C. 371 et seq.) (as amended by section 401 of this Act) is further amended by adding at the end thereof the following new section:

"SEC. 713. BIOTECHNOLOGY DEMONSTRATION PROJECT.

"(a) IN GENERAL.—The Secretary shall establish and carry out a demonstration project under which the Secretary shall use the facilities of a public or private cooperative, with the permission of any such cooperative and in conjunction with such cooperative, to promote the development of biotechnology.

"(b) REGULATIONS.—The Secretary shall issue such regulations as are necessary to carry out this section.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for fiscal year 1990 and such sums as are necessary for each of the fiscal years 1991 and 1992.".

TITLE VI—TRAINING AND LOAN REPAYMENT PROGRAMS

SEC. 601. TRAINING AND LOAN REPAYMENT PROGRAMS.

The Act (21 U.S.C. 301 et seq.) is amended by adding at the end thereof the following new chapter:

"CHAPTER X—TRAINING AND LOAN REPAYMENT PROGRAMS

"Subchapter A—Training Program

"SEC. 1001. AUTHORITY.

"The Secretary may make grants to, or enter into contracts with, public or nonprofit academic institutions (including schools of medicine, dentistry, pharmacy, and food science) to enable such institutions to design and develop core curriculum programs that will be used to train individuals in the field of regulatory review.

"SEC. 1002. REQUIREMENTS.

"(a) IN GENERAL.—No grant shall be awarded under this subchapter unless—

"(1) the institution has submitted to the Secretary an application for a grant and the Secretary has approved the application; and

"(2) the institution provides, in such form and manner as the Secretary shall by regulation prescribe, assurances satisfactory to the Secretary that individuals receiving funds through the institution under such grants will meet the service requirement of section 1004.

"(b) APPLICATION.—An application for a grant submitted under subsection (a) shall be in such form, submitted in such manner, and contain such information, as the Secretary may by regulation prescribe.

"SEC. 1003. USE OF GRANTS.

"An institution that receives a grant under this subchapter—

"(1) shall use such grant to—

"(A) design and develop a core curriculum program that has as its primary emphasis regulatory review; and

"(B) train health professionals and scientists in regulatory review; and

"(2) may use such grant to provide stipends, tuition, fees, and allowances (including travel and subsistence expenses and dependency allowances), to individuals who participate in the regulatory review program developed with funds provided under this subchapter.

"SEC. 1004. REQUIREMENT OF SERVICE.

"(a) IN GENERAL.—Each individual who receives funds from an institution through a grant provided under this subchapter shall, in accordance with subsection (c), serve an obligated period of time as an employee of the Food and Drug Administration.

"(b) PERIOD OF REQUIRED SERVICE.—For each month for which an individual receives funds in accordance with subsection (a), such individual shall remain employed for 2 months with the Food and Drug Administration.

"(c) COMPLIANCE.—The requirements of this section shall be complied with by any individual to whom it applies within such reasonable period of time, after the completion of the training of such individual under the grant received under this subchapter, as the Secretary shall by regulation prescribe.

"(d) FAILURE TO COMPLY.—If any individual to whom this section applies fails, within the period prescribed under subsection (c), to comply with such requirements, the United States shall be entitled to recover from such individual an amount determined in accordance with a formula prescribed through regulations issued by the Secretary.

"SEC. 1005. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this subchapter $4,000,000 for fiscal year 1990 and such sums as may be necessary for each of the fiscal years 1991 through 1992.

"Subchapter B—Loan Repayment Program

"SEC. 1011. LOAN REPAYMENT PROGRAM.

"The Secretary shall establish a loan repayment program under which the Secretary shall repay loans incurred by individuals to obtain training in regulatory review in exchange for the individuals serving a period of time as employees of the Food and Drug Administration.

"SEC. 1012. ADMINISTRATION.

"(a) REGULATIONS.—Not later than 1 year after funds are first made available to carry out this subchapter under section 1013, the Secretary shall issue such regulations are necessary to carry out this subchapter, including regulations prescribing eligibility for the loan repayment program, the method of disseminating applications to participate in the program, the content of a contract entered into to participate in the program, costs that are eligible for payment through the contract, and such other information as is necessary to carry out the program.

"(b) RELATIONSHIP TO NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENT PROGRAM.—The Secretary shall carry out the loan repayment program established under this subchapter, to the extent practicable, in a manner that is consistent with the National Health Service Corps Loan Repayment Program established under section 338B of the Public Health Service Act (42 U.S.C. 254l-1).

"(c) EMPLOYMENT CEILING.—Notwithstanding any other provision of law, an individual who has entered into a written contract with the Secretary under this subchapter, while undergoing academic or other training, shall not be counted against any employment ceiling affecting the Department.

"SEC. 1013. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this subchapter $2,000,000 for each of the fiscal years 1990 through 1992.".

TITLE VII—SCIENTIFIC REVIEW GROUPS

SEC. 701. SCIENTIFIC REVIEW GROUPS.

Chapter IX (21 U.S.C. 391 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 903. SCIENTIFIC REVIEW GROUPS.

"(a) IN GENERAL.—Without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, the Commissioner of Food and Drugs may—

"(1) establish such technical and scientific review groups as are needed to carry out the functions of the Food and Drug Administration (including functions prescribed under this Act); and

"(2) appoint and pay the members of such groups, except that officers and employees of the United States shall not receive additional compensation for service as members of such groups.

"(b) FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App. 2) shall not apply to a group established under this section.".

TITLE VIII—HUMAN FOOD SAFETY, TECHNOLOGY, AND NUTRITION ADVISORY COMMITTEE

SEC. 801. HUMAN FOOD SAFETY, TECHNOLOGY, AND NUTRITION ADVISORY COMMITTEE.

Chapter IV (21 U.S.C. 341 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 413. HUMAN FOOD SAFETY, TECHNOLOGY, AND NUTRITION ADVISORY COMMITTEE.

"(a) ESTABLISHMENT.—The Secretary shall establish an advisory committee which shall be known as the 'Human Food Safety, Technology, and Nutrition Advisory Committee' (hereinafter in this section referred to as the 'Advisory Committee').

"(b) COMPOSITION.—

"(1) IN GENERAL.—The Advisory Committee shall consist of 15 members appointed by the Secretary.

"(2) MEMBERSHIP.—In making appointments under paragraph (1), the Secretary shall—

"(A) consult with the Secretary of Agriculture; and

"(B) ensure that the membership of the Advisory Committee includes—

"(i) consumers;

"(ii) representatives of the food industry;

"(iii) experts in the field of food technology and food production;

"(iv) experts in the application of biotechnology to food products;

"(v) experts in the field of nutrition; and

"(vi) experts in the field of food safety.

"(c) DUTIES.—The Advisory Committee shall advise the Secretary and the Commissioner of Food and Drugs on issues involving food for human consumption, including issues relating to—

"(1) food technology and production;

"(2) food research and development;

"(3) biotechnology and food products;

"(4) food safety;

"(5) the relationship between diet, nutrition, and health; and

"(6) health-related claims for food for human consumption.

"(d) TERMS.—A member of the Advisory Committee shall be appointed for a term of 3 years, except that of the members first appointed, 5 members shall be appointed for a term of 1 year, 5 members shall be appointed for a term of 2 years, and 5 members shall be appointed for a term of 3 years, as determined by the Secretary.

"(e) SUPPORT.—The Commissioner of Food and Drugs shall provide the Advisory Committee with such professional and clerical staff and information as may be necessary for the Advisory Committee to carry out this section.

"(f) COMPENSATION; TRAVEL EXPENSES.—

"(1) COMPENSATION.—A member of the Advisory Committee shall be compensated at a rate not to exceed the daily equivalent of the rate in effect for grade GS-18 of the General Schedule established under section 5332 of title 5, United States Code, for each day (including traveltime) that the member is engaged in the performance of duties as a member of the Advisory Committee.

"(2) TRAVEL EXPENSES.—A member of the Advisory Committee, while so serving away from the home or regular place of business of the member, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized under section 5703 of title 5, United States Code, for employees serving intermittently.".

TITLE IX—AUTOMATION OF FDA

SEC. 901. AUTOMATION OF FDA.

Chapter VII (21 U.S.C. 371 et seq.) (as amended by section 501 of this Act) is further amended by adding at the end thereof the following new section:

"SEC. 714. AUTOMATION OF FOOD AND DRUG ADMINISTRATION.

"(a) IN GENERAL.—The Secretary, acting through the Commissioner of Food and Drugs, shall automate appropriate activities of the Food and Drug Administration to ensure timely review of activities regulated under this Act.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated each fiscal year such sums are necessary to carry out this section.".

TITLE X—COMPENSATION AND EMPLOYMENT REQUIREMENTS FOR FDA AND EPA SCIENTISTS

SEC. 1001. COMPENSATION AND EMPLOYMENT REQUIREMENTS FOR FDA AND EPA SCIENTISTS.

The Director of the Office of Personnel Management shall take such action as is necessary to ensure, to the extent practicable, that the level of compensation and employment requirements are comparable for scientists employed by the Food and Drug Administration and scientists employed by the Environmental Protection Agency.

TITLE XI—FUNDING FLOOR FOR FDA

SEC. 1101. FUNDING FLOOR FOR FDA.

Notwithstanding any other provision of law, there shall be appropriated no less than $500,000,000 each fiscal year to carry out the activities of the Food and Drug Administration.

By Mr. MURKOWSKI:

S. 846. A bill to amend title 38, United States Code, to improve the compensated work therapy and other services and assistance furnished to homeless veterans and other veterans; to the Committee on Veterans' Affairs.

VETERANS COMPENSATED WORK THERAPY PROGRAM IMPROVEMENTS ACT

● Mr. MURKOWSKI. Mr. President, as ranking minority member of the Committee on Veterans' Affairs, I rise today to introduce the proposed Veterans Compensated Work Therapy Program Improvements Act of 1989. This bill contains some important provisions which will make significant improvements in Department of Veterans Affairs [VA] programs which assist homeless veterans and other veterans. Many of the provisions are derived from VA's suggestions and recommendations, and I commend their continuing efforts to explore innovative treatment modalities for veterans.

SUMMARY OF PROVISIONS

Mr. President, the substantive provisions would:

First, extend VA's authority for 5 years—through September 30, 1994—to provide care and treatment in halfway houses for homeless veterans with chronic mental illnesses;

Second, authorize VA to contract with itself or other Government agencies or departments to provide therapeutic work for VA patients;

Third, authorize VA to establish transitional housing for veterans participating in the Compensated Work Therapy [CWT] Program;

Fourth, permit VA to purchase, lease or otherwise acquire houses to be operated by VA as transitional housing for veterans who are participating in the CWT Program;

Fifth, authorize VA to establish nonprofit corporations to provide a flexible funding mechanism for the conduct of CWT Programs;

Last, require VA to transfer $1.625 million and authorize the transfer of up to $5 million to the special therapeutic and rehabilitation activities fund [STRAF] from funds appropriated for the conduct of the Homeless Chronically Mentally Ill Program.

EXTENSION OF HOMELESS CHRONICALLY MENTALLY ILL PROGRAM

Mr. President, section 3 of this bill amends section 115(d) of Public Law 100-322 the Veterans' Benefits and Services Act of 1988, to extend the Homeless Chronically Mentally Ill [HCMI] Program for 5 years, through September 30, 1994. In order to fully understand this provision, let me provide some historical background on the HCMI Program.

On January 27, 1987, I offered an amendment to House Joint Resolution 102 to earmark $5 million for the treatment of homeless and certain other chronically mentally ill veterans and to establish a program to assist—through contracts with community-based psychiatric residential treatment centers—homeless and certain other chronically mentally ill veterans. This amendment was eventually enacted on February 12, 1987, as part of Public Law 100-6. In May 1988, the authority for the program was changed from a general authority to a pilot program in Public Law 100-322. In addition, the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100-628) authorized the appropriations of $15 million for the HCMI Program for each of fiscal years 1989 and 1990.

The HCMI Program consists of six major components: Outreach, needs assessment, psychiatric and medical examination, initiative of treatment, residential treatment, and case management. VA staff regularly visit homeless shelters, soup kitchens, parks, and other hubs for homeless individuals as part of their outreach efforts. After making a determination of the individual's veterans status, VA employees conduct a needs assessment, and subsequently the veteran undergoes a medical and psychiatric examination. If it is determined appropriate and the veteran agrees to do so, VA places the veteran in a contract community-based psychiatric residential treatment program to provide

treatment and rehabilitation for the veteran.

VA implemented its authority to conduct the program in May 1987, at 43 medical centers in 26 States and the District of Columbia. According to VA's second progress report of the HCMI Program, which was submitted to the committee on January 17, 1989, during the first 11 months of operation, over 10,000 veterans had needs assessments. Of these veterans, almost 50 percent had psychiatric exams and almost 30 percent had medical exams. Twenty percent—2,125 veterans—were placed in community residential treatment centers—at VA expense—which is the most costly part of the HCMI Program and is reserved for veterans with extensive clinical problems. According to VA's report, this program has been extremely effective in providing a broad range of services to the homeless veteran population.

Mr. President, I am very pleased—and I know the chairman of both the House and Senate Veterans' Affairs Committee's are as well—with the success of this program. It is vital that legislation is enacted to permit this program to continue.

COMPENSATED WORK THERAPY PROGRAM

During the late 1950's and early 1960's, the focus for psychiatric care emphasized the so-called deinstitutionalization of patients with mental illness. Of course, the success of such deinstitutionalization is dependent upon providing the individual with the social and vocational skills necessary for living in the community.

VA's CWT Program was established under Public Law 94-581 to provide such vocational skills to assist veteran patients in achieving independent living. Under current law, VA contracts with community businesses, industry, or nonprofit corporations to provide work opportunities for veteran patients. Such contracts include: Computer assembly, packaging, golf course maintenance, and furniture or engine repair. Work is accomplished generally on the grounds of VA medical centers but in some cases conducted in the community. In fiscal year 1988, VA operated 45 CWT programs which provided work for 6,581 veterans. CWT contracts totaled $3.7 million. Patients were paid a total of $1.8 million. About 60 percent of the participants in the program are inpatients in VA facilities, the remaining 40 percent are VA outpatients. Nearly 90 percent are psychiatric or substance abuse patients.

There are many benefits of the CWT Program. CWT provides the veteran with the opportunity to work in a sheltered environment while learning good work habits. The veteran obtains a potentially marketable skill and could eventually work in a nonsheltered environment. The self-esteem of the veteran is increased through participation in productive work activities.

Notwithstanding the positive aspects of the CWT Program, more can be done to provide expanded work opportunities. Certain language in section 618 of title 38, United States Code limits VA's ability to contract with Government agencies including contracting with VA itself for work contracts. This, of course, limits VA's capacity to expand the CWT Program because such contracts can be difficult to obtain—particularly in rural areas. Therefore, section 4 of this bill would amend section 618 of title 38 to authorize VA to contract with any appropriate source, including VA itself or other Government agencies, to provide therapeutic work for patients.

Additionally, the CWT Program is funded entirely through a revolving fund known as STRAF. The STRAF account maintains all moneys received from contracts with industry. The funds are maintained in the U.S. Treasury and are managed by local VA facilities. Payment for the patients' work comes from the STRAF. VA's general counsel has interpreted language in section 618 as prohibiting funds in the STRAF from being used for training of CWT Program personnel. This bill would specifically provide that funds in STRAF could be used for training and for administration of the CWT Program.

THERAPEUTIC HOUSING

The goal of this program is to link VA's CWT Program with a new program of therapeutic housing on a transitional basis. By providing veterans with the skills necessary to live independently, this program enhances the chances of gradual reentry into community life and at the same time provides the structured environment required to meet the needs of certain veterans.

Section 5 of the bill would authorize the Secretary of Veterans' Affairs to use STRAF funds to purchase, lease, or otherwise acquire houses to be used as therapeutic transitional housing only for veteran patients participating in the CWT Program.

The Secretary would be authorized to procure such housing through methods which would expedite the opening and operating of such housing. In this regard, I would expect that the Secretary would generally follow applicable procurement procedures. However, I believe that some flexibility is needed in order to overcome some of the administrative and procedural requirements often associated with such purchases.

The bill also describes certain conditions which the VA would be required to meet in order to operate such housing. These include: First, that priority be given to homeless veterans in filling vacancies in the transitional housing; second, that only veterans in the CWT Program and a house manager be permitted to reside in the house; third, that each resident, other than the house manager, be required to pay rent; fourth, that the Secretary consult with appropriate community representatives and comply with zoning, building and other requirements associated with the operation of such housing; and fifth, that each residence meet the State and local fire and safety requirements applicable to other such property in that community.

Community involvement is vital to the success of this program. There is sometimes resistance on the part of the community to have such therapeutic housing in their neighborhood. Therefore, VA should seek the cooperation of the community from the beginning.

It is also important to mention that a house manager is required to live in the residence. This individual will serve a very important role in providing supervision and support to the residents.

With respect to the local fire and safety requirements, VA is still examining that issue, and it is included in the bill for discussion purposes. I will request that this particular provision be addressed during hearings on this bill.

Additionally, the Secretary is required to prescribe a procedure to determine the rental rates and the time limitations that a veteran can reside in the house.

Often, residential properties that are acquired as a result of a foreclosed home loan are in need of repair. Veterans participating in the CWT Program may work on the renovation of the house in order to restore it to a livable condition or make other necessary improvements. Once the house is ready for occupancy, CWT participants may move into a therapeutic residential environment.

If the house owned by STRAF is not needed or able to be used for this purpose, VA can sell the house with proceeds going into STRAF.

In summary, this provision emphasizes: First, a work-for-pay program which focuses on skills training, developing good working habits, acceptance of supervision, and enhanced coping skills, as well as strengthening the veteran's self-esteem; second, a therapeutic residence which provides the opportunity for the veteran to live independently, including learning how to manage money, cook, clean house, operate appliances, and make minor household repairs.

NONPROFIT CORPORATIONS

Section 6 of the bill would add a new subchapter to chapter 73 which would allow the Secretary of Veterans' Affairs to establish nonprofit corporations to provide a flexible funding

mechanism for the conduct of VA CWT programs. This provision is designed in a manner similar to that provided by Public Law 100-322 for the establishment of nonprofit research corporations. This legislation would authorize the establishment of nonprofit corporations to help fund the CWT Program. Specifically, the nonprofit corporation would be able to accept gifts and grants which would be transferred to the STRAF account enabling VA to purchase homes and administer the CWT and Transitional Housing Program.

Overall supervision of the corporation would be through a board of directors which will consist of VA and community representatives who will serve as liaisons with the community, VA, and nonprofit corporation. The Secretary of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives an annual report on the number and location of corporations established and the amount of contributions made to each corporation.

FUNDING

As previously stated, $15 million has been authorized under the McKinney Homeless Act for each of fiscal years 1989 and 1990 to support the HCMI Program. If funds are appropriated for that purpose, section 7 of the bill would require the Secretary to transfer $1.625 million to the STRAF account to establish the mechanism to begin purchasing homes for therapeutic residences. The Secretary would also be provided with the authority to transfer up to $5 million to the STRAF for such purposes. The transferred funds could be used without regard to fiscal year limitation.

CONCLUSION

Mr. President, providing chronic mentally ill veterans with the skills necessary to live independently is not an easy task. It is a multifaceted, labor-intensive process. It involves coordinating clinical treatment and residential support, vocational training, and social coping skills. These components are vital in order for the individual to achieve optimal independence. The goal of this legislation is to assist veterans in preparing to live productive and fulfilling lives.

I particularly want to commend and thank Dr. Paul Errera, the Director of VA's Office of Mental Health and Behavioral Sciences and his colleague, Ms. Joan Sheldon for their hard work in the development of the provisions contained in this bill. I applaud their innovation and commitment to veterans. I also thank Ralph Ibson and Rich Robinson from VA's General Counsel Office for their support in providing technical assistance in the drafting of this bill.

I urge my colleagues to join me in support of this bill. I look forward to working with the chairman of the committee, Senator ALAN CRANSTON, and the other members of the committee on this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 846

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans Compensated Work Therapy Program Improvements Act of 1989".

SEC. 2. REFERENCE TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 3. EXTENSION OF PILOT PROGRAM OF COMMUNITY-BASED CARE FOR HOMELESS CHRONICALLY MENTALLY ILL AND OTHER VETERANS.

Section 115(d) of the Veterans' Benefits and Services Act of 1988 (Public Law 100-322; 102 Stat. 501; 38 U.S.C. 612 note) is amended by striking out "1989" and inserting in lieu thereof "1994".

SEC. 4. EXPANSION OF COMPENSATED WORK THERAPY PROGRAM.

(a) AUTHORIZED SOURCES FOR PROVISION OF THERAPEUTIC WORK.—Section 618 is amended—

(1) in subsection (a)—

(A) by striking out the first sentence and inserting in lieu thereof the following: "In providing rehabilitative services under this chapter to patients and members in Department health care facilities, the Secretary may use the services of such patients and members for the performance of Department functions if such use of services has therapeutic and rehabilitative benefits for such patients and members and is recommended by the Chief Medical Director."; and

(B) by striking out "Administrator" in the third sentence and inserting in lieu thereof "Secretary"; and

(2) in subsection (b)(1), by striking out "contractual arrangements with private industry or other sources outside the Veterans' Administration" and inserting in lieu thereof "a contract or other arrangement with any appropriate source (including any department or agency of the Federal Government)".

(b) PAYMENTS FOR SERVICES TO BE CREDITED TO THE SPECIAL THERAPEUTIC AND REHABILITATION ACTIVITIES FUND.—Subsection (c) of such section is amended—

(1) in paragraph (1), by striking out "carrying out the provisions of subsection (b)" in the first sentence and inserting in lieu thereof "furnishing rehabilitative services authorized in subsections (a) and (b)"; and

(2) in paragraph (2)—

(A) by striking out "contractual arrangements" and inserting in lieu thereof "contracts or other arrangements"; and

(B) by striking out "credited to the fund, and the Administrator" and inserting in lieu thereof "credited to the fund. The amount equal to the cost of the services performed by patients and members under subsection (a) of this section shall be paid out of funds available for the Department program, project, or activity benefiting from such services, and the amount so paid shall be credited to the fund. The Secretary".

(c) AVAILABILITY OF THE SPECIAL THERAPEUTIC AND REHABILITATION ACTIVITIES FUND FOR PAYMENT OF CERTAIN ADMINISTRATIVE EXPENSES.—Section 618(c)(1), as amended by subsection (b)(1), is further amended by inserting "(including defraying the costs of travel and related expenses necessary for the administration of services under such subsections or for the training of employees in the administration of such services)" before the period at the end of the first sentence.

SEC. 5. COMPENSATED WORK THERAPY COMMUNITIES.

(a) AUTHORITY TO ESTABLISH AND OPERATE THERAPEUTIC AND REHABILITATIVE ACTIVITIES TRANSITIONAL HOUSING.—Section 618 is amended by adding at the end the following new subsection:

"(g)(1) The Secretary may purchase, lease, or otherwise acquire residential housing and operate each residence so acquired as transitional housing solely for—

"(A) veterans who are furnishing services to the Department under subsection (a) of this section; and

"(B) veterans who are furnished therapeutic work pursuant to subsection (b) of this section.

"(2) Notwithstanding any other provision of law, the Secretary may use such procurement procedures for the purchase, lease, or other acquisition of residential housing for purposes of this subsection as the Secretary considers appropriate to expedite the opening and operation of transitional housing and to protect the interests of the United States.

"(3) A residence may be operated as transitional housing for veterans described in paragraph (1) of this subsection under the following conditions:

"(A) That homeless veterans have priority in filling residential vacancies in such housing.

"(B) That only veterans described in such paragraph and a house manager reside in such residence.

"(C) That each resident, other than the house manager, pay the Department rent for the period or periods of residence in such housing.

"(D) That, in the establishment and operation of such transitional housing in a community, the Secretary consult with appropriate representatives of such community and comply with zoning requirements, building permit requirements, and similar requirements applicable to other real property used for similar purposes in such community.

"(E) That the residence meet the State and community fire and safety requirements applicable to other real property used for similar purposes in the community in which the transitional housing is located.

"(4) The Secretary shall prescribe in regulations the qualifications for, and the fees for the services of, house managers for transitional housing operated under this subsection. The Secretary may provide for free room and subsistence for house managers in addition to or instead of payment of a fee for such services. The house managers shall not be considered employees of the United States for any purpose.

"(5) The Secretary may operate as transitional housing under this subsection—

"(A) any suitable residential property acquired by the Secretary as the result of a default on a loan made, guaranteed, or insured under chapter 37 of this title; and

"(B) any other suitable residential property purchased, leased, or otherwise acquired by the Secretary.

"(6)(A) In the case of the purchase of any property referred to in paragraph (5)(A) of this subsection, the Secretary shall transfer from the Special Therapeutic and Rehabilitation Activities Fund to the Loan Guaranty Revolving Fund the amount equal to the amount that the Secretary would charge for the sale of such property to a nonprofit organization or a State for use as a shelter for homeless veterans.

"(B) In the case of any residential property purchased by the Secretary of Veterans Affairs from the Department of Housing and Urban Development under this section, the amount charged by the Secretary of Housing and Urban Development for that property may not exceed the amount that the Secretary of Housing and Urban Development would charge for the sale of such property to a nonprofit organization or a State for use as a shelter for homeless persons.

"(7) Subject to the authority, direction, and control of the Secretary, the Chief Medical Director shall be responsible for the management, maintenance, and disposition of property acquired for the purpose of this subsection.

"(8) The Secretary shall prescribe—

"(A) a procedure for establishing reasonable rental rates for persons residing in transitional housing; and

"(B) appropriate limits on the period for which such persons may reside in transitional housing.

"(9) The Secretary may dispose of any property acquired for the purpose of carrying out this subsection when such property is no longer used for such purpose. The proceeds of disposition of such property shall be credited to the Special Therapeutic and Rehabilitation Activities Fund.

"(10) Except as provided in paragraph (3)(E) of this subsection, fire and safety requirements applicable to Federal Government buildings shall not be applicable to property operated as transitional housing under this subsection.".

(b) AVAILABILITY OF THE SPECIAL THERAPEUTIC AND REHABILITATION ACTIVITIES FUND FOR COMPENSATED WORK THERAPY COMMUNITIES.—Section 618(c), as amended by section 4 of this Act, is further amended—

(1) in paragraph (1), by inserting "and for the purpose of carrying out subsection (g) of this section" before the period at the end of the first sentence; and

(2) in paragraph (2)—

(A) by inserting "and all funds received by the Department as rent under subsection (g) of this section," in the first sentence after "paragraph (2) of such subsection,"; and

(B) by adding at the end the following: "The Secretary may also distribute out of the fund such amounts as may be necessary for the acquisition, management, maintenance, and disposition of real property for the purpose of carrying out subsection (g) of this section."

SEC. 6. NONPROFIT CORPORATIONS FOR VETERANS COMPENSATED WORK THERAPY PROGRAMS.

(a) AUTHORITY OF THE SECRETARY.—Chapter 73 is amended by adding at the end the following new subchapter:

"SUBCHAPTER VII—NONPROFIT CORPORATIONS FOR VETERANS COMPENSATED WORK THERAPY PROGRAMS

"§ 4171. Authority to establish; status

"(a) The Secretary may authorize the establishment of one or more nonprofit corporations to provide a flexible funding mechanism for the conduct of Department compensated work therapy programs for veterans (including homeless veterans) in such community or communities as the Secretary may designate. Except as otherwise required in this subchapter or under regulations prescribed by the Secretary, any such corporation, and its directors and employees, shall be required to comply only with those Federal laws, regulations, and executive orders and directives which apply generally to private nonprofit corporations.

"(b) Any corporation established under this subchapter shall be established solely to facilitate the conduct of compensated work therapy programs for veterans.

"(c) If, by the end of the three-year period beginning on the date of the establishment of a corporation under this subchapter, the corporation is not recognized as an entity the income of which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, the Secretary shall dissolve the corporation.

"§ 4172. Funds received by corporations

"(a) Except for sums used as provided in subsection (b) of this section, funds received by a corporation established under this subchapter for the conduct of compensated work therapy programs shall be transferred to the Special Therapeutic and Rehabilitation Activities Fund established under section 618(c) of this title and shall be administered by the Secretary for conducting such programs.

"(b)(1) Subject to paragraph (2) of this subsection, the corporation may use funds referred to in subsection (a) of this section to defray the administrative and fundraising expenses of the corporation.

"(2) Expenditures of the corporation shall be approved in advance in accordance with procedures prescribed by the Secretary.

"§ 4173. Board of directors; executive director

"(a) The Secretary shall provide for the appointment of a board of directors for each corporation established under this subchapter. The board shall include—

"(1) an officer or employee of the Department who—

"(A) is in a field office of the Department in or near the community or communities for which the corporation is established; and

"(B) is involved in the administration of section 618 of this title; and

"(2) representatives of the community or communities for which the corporation is established who are not officers or employees of the Federal Government.

"(b) Each such corporation shall have an executive director who shall be appointed by the board of directors with the concurrence of the Secretary. The executive director of a corporation shall be responsible for the operations of the corporation and shall have such specific duties and responsibilities as the board may prescribe.

"§ 4174. General powers

"A corporation established under this subchapter may—

"(1) accept gifts and grants from, and enter into contracts with, individuals and public and private entities solely for the purpose of facilitating the conduct of compensated work therapy programs;

"(2) employ personnel to carry out such purpose; and

"(3) fix the compensation of such personnel.

"§ 4175. Applicable State law

"Any corporation established under this subchapter shall be established in accordance with the nonprofit corporation laws of the State or States in which the community or communities for which the corporation is established are located and shall, to the extent not inconsistent with any Federal law, be subject to the laws of such State or States, as the case may be.

"§ 4176. Accountability and oversight

"(a)(1)(A) The records of a corporation established under this subchapter shall be available to the Secretary.

"(B) For the purposes of sections 4(a)(1) and 6(a)(1) of the Inspector General Act of 1978, the programs and operations of such a corporation shall be considered to be programs and operations of the Department with respect to which the Inspector General of the Department has responsibilities under such Act.

"(2) Such a corporation shall be considered an agency for the purposes of section 716 of title 31 (relating to availability of information and inspection of records by the Comptroller General).

"(b) Each such corporation shall submit to the Secretary an annual report providing a detailed statement of its operations, activities, and accomplishments during that year. The corporation shall obtain a report of independent auditors concerning the receipts and expenditures of funds by the corporation during that year and shall include that report in the corporation's report to the Secretary for that year.

"(c) Each member of the board of directors of a corporation established under this subchapter, each employee of such a corporation, and each employee of the Department who is involved in the functions of the corporation during any year—

"(1) shall be subject to Federal laws and regulations applicable to Federal employees with respect to conflicts of interest in the performance of official functions; and

"(2) shall submit to the Secretary an annual statement signed by the director or employee certifying that the director or employee is aware of, and has complied with, such laws and regulations in the same manner as is required of Federal employees.

"(d) The Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives an annual report on the number and location of corporations established and the amount of the contributions made to each such corporation.

"§ 4177. Report to Congress

"Not later than February 1, 1992, the Secretary shall submit to Congress a report on the experience through the end of fiscal year 1991 under this subchapter. The report shall include such recommendations as the Secretary considers appropriate.

"§ 4178. Expiration of authority

"No corporation may be established under this subchapter after September 30, 1992.

"§ 4179. Definition

"For the purposes of this section, the term 'compensated work therapy program' means any program of therapeutic and re-

habilitative activities conducted under section 618 of this title.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following:

"SUBCHAPTER VII—NONPROFIT CORPORATIONS FOR VETERANS COMPENSATED WORK THERAPY PROGRAMS

"4171. Authority to establish; status.
"4172. Funds received by corporations.
"4173. Board of directors; executive director.
"4174. General powers.
"4175. Applicable State law.
"4176. Accountability and oversight.
"4177. Report to Congress.
"4178. Expiration of authority.
"4179. Definition.".

SEC. 7. USE OF FUNDS AVAILABLE FOR THE PILOT PROGRAM OF COMMUNITY-BASED CARE FOR HOMELESS CHRONICALLY MENTALLY ILL AND OTHER VETERANS.

(a) TRANSFER REQUIREMENT.—(1) The Secretary of Veterans Affairs shall transfer $1,625,000, and may transfer up to $5,000,000 out of appropriated funds referred to in paragraph (2), to the Special Therapeutic and Rehabilitation Activities Fund established in section 618(c)(1) of title 38, United States Code.

(2)(A) The funds referred to in paragraph (1) are funds that—

(i) are appropriated for the conduct of the pilot program established under section 115 of the Veterans' Benefits and Services Act of 1988 (Public Law 100-322; 102 Stat. 501; 38 U.S.C. 612 note); and

(ii) are contained in the first appropriation Act enacted on or after the date of the enactment of this Act that contains funds for the conduct of such pilot program.

(B) If the amount of the funds appropriated for such pilot program in the appropriation Act referred to in subparagraph (A) is less than the amount specified in paragraph (1), the Secretary shall transfer the amount so appropriated and funds appropriated for such pilot program in each subsequently enacted appropriation Act containing funds for such pilot program until the total amount transferred to the Special Therapeutic and Rehabilitation Activities Fund equals the amount specified in paragraph (1).

(b) TREATMENT OF TRANSFERRED FUNDS.—The amount transferred to the Special Therapeutic and Rehabilitation Activities Fund pursuant to subsection (a) shall be merged with sums in such Fund and shall be available for the same purposes and under the same conditions as other sums in such Fund.

SEC. 8. DEFINITIONS.

Section 101 is amended—

(1) by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) The terms 'Administrator' and 'Secretary' mean the Secretary of Veterans Affairs (except when the context indicates otherwise).''; and

(2) by adding at the end the following:

"(33) The term 'Department' means the Department of Veterans Affairs (except when the context indicates otherwise).".●

By Mr. JOHNSTON (for himself and Mr. MCCLURE) (by request):

S. 847. A bill to maintain a competitive, financially strong, and secure uranium enrichment capability in the United States by reorganizing the uranium enrichment enterprise, and for other purposes; to the Committee on Energy and Natural Resources.

URANIUM ENRICHMENT REORGANIZATION ACT

● Mr. JOHNSTON. Mr. President, today I am introducing—by request—legislation submitted to Congress to restructure the Federal uranium enrichment enterprise as a Government corporation. This legislation is patterned after amendment numbered 6, introduced by Senator FORD and me to S. 83. There are differences, and I prefer the legislation that Senator FORD and I have sponsored. But this action by the administration is very gratifying. It shows that the administration is with us on the basic proposition that the Department of Energy's enrichment program needs to be placed on a solid business foundation, and that a Government corporation is the way to accomplish this.

The administration's proposal also agrees with us that the enrichment program's obligation to return so-called unrecovered costs to the Treasury should be capped at $364 milion, the net appropriation to the program over the years with interest. The intrinsic value of the enterprise to the taxpayer will be determined by the marketplace, if and when Congress decides to privatize its enrichment business. Any attempt to convert the value of the enterprise into an artificial debt owed to the Treasury, as some would do, runs directly counter to the goal of insuring the long-term health of the Federal uranium enrichment enterprise so that it can make money for the taxpayer. The administration is in agreement with us on this point.

This administration proposal is a victory for Senator FORD. For years he has fought the hard lonely fight to save the Federal uranium enrichment enterprise from numerous misguided attempts to impose artificial costs on electric ratepayers. In the last Congress his legislation to restructure the Federal uranium enrichment enterprise into a Government corporation passed the Senate twice.

He has now converted the administration to the essentials of his approach. I offer him congratulations for his good hard work, his persuasiveness, and his dedication to this program. I trust that with his help we will bring the administration to take the last few steps necessary to bring their approach into conformity with the Ford-Johnston legislation.

Mr. President, I ask unanimous consent that the adminstration's letter of transmittal, a section-by-section analysis, and the text of the administration bill be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 847

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Uranium Enrichment Reorganization Act".

SEC. 2. ESTABLISHMENT OF THE UNITED STATES URANIUM ENRICHMENT CORPORATION.—The Atomic Energy Act of 1954 (42 U.S.C. 2011 *et seq.*) is amended by—

(1) inserting at its beginning after the words "ATOMIC ENERGY ACT OF 1954": "TITLE I—ATOMIC ENERGY"; and

(2) adding at its end the following:

TITLE II—UNITED STATES URANIUM ENRICHMENT CORPORATION

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"CHAPTER 22. DEFINITIONS, PURPOSES, AND ESTABLISHMENT OF CORPORATION

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"CHAPTER 23. CORPORATE OFFICES

"Sec. 301. Corporate Offices.

"CHAPTER 24. POWERS AND DUTIES OF THE CORPORATION

"Sec. 1401. Specific Corporate Powers and Duties.
"Sec. 1402. General Powers of the Corporation.
"Sec. 1403. Continuation of Contracts, Orders, Proceedings, and Regulations.
"Sec. 1404. Liabilities.

"CHAPTER 25. ORGANIZATION, FINANCE, AND MANAGEMENT

"Sec. 1501. Board of Directors.
"Sec. 1502. Employees of the Corporation.
"Sec. 1503. Transfer of Property to the Corporation.
"Sec. 1504. Capital Structure of the Corporation.
"Sec. 1505. Borrowing.
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"Sec. 1509. Control of Information.
"Sec. 1510. Patents and Inventions.

"CHAPTER 26. LICENSING, TAXATION, AND MISCELLANEOUS PROVISIONS

"Sec. 1601. Licensing.
"Sec. 1602. Exemption From Taxation and Payments in Lieu of Taxes.
"Sec. 1603. Miscellaneous Applicability of the Atomic Energy Act.
"Sec. 1604. Cooperation with Other Agencies.
"Sec. 1605. Applicability of Antitrust Laws.
"Sec. 1606. Nuclear Hazard Indemnification.
"Sec. 1607. Report.
"Sec. 1608. Appropriations.
"Sec. 1609. Applicability of Environmental and Occupational Safety Laws.
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"CHAPTER 27. DECONTAMINATION AND DECOMMISSIONING

"Sec. 1701. Establishment and Administration of Fund.
"Sec. 1702. Deposits.
"Sec. 1703. Performance and Disbursements.

"TITLE II—UNITED STATES ENRICHMENT CORPORATION

"CHAPTER 22. DEFINITIONS, PURPOSES, AND ESTABLISHMENT OF CORPORATION

"SEC. 1201. DEFINITIONS.—For the purpose of this title:

"a. The term 'Secretary' means the Secretary of Energy.

"b. The term 'Department' means the Department of Energy.

"c. The term 'Corporation' means the United States Uranium Enrichment Corporation.

"d. The term 'Board' means the Board of Directors of the Corporation established under section 1501.

"e. The term 'uranium enrichment' means the separation of uranium of a given isotopic content into two components, one having a higher percentage of a fissile isotope and one having a lower percentage.

"f. The term 'remedial action' means those activities undertaken to assess, characterize, and clean up existing environmental contamination resulting from releases of hazardous and radioactive substances during facility operations.

"g. The term 'decontamination and decommissioning' means those activities undertaken to decontaminate and decommission inactive facilities that have residual radioactive or mixed radioactive and hazardous chemical contamination.

"Sec. 1202. PURPOSES.—The Corporation is created for the following purposes:

"a. to acquire enriched uranium, the Department's uranium previously set aside for commercial purposes, and the Department's uranium enrichment and related facilities;

"b. to operate facilities for uranium enrichment and to construct new enrichment facilities if required to meet business objectives;

"c. to market and sell enriched uranium and uranium enrichment and related services to—

"(1) The Department for governmental purposes; and

"(2) qualified domestic and foreign persons;

"d. to conduct research and development as required to meet business objectives for the purposes of identifying, evaluating, improving, and testing processes for uranium enrichment;

"e. to operate as a commercial enterprise on a profitable and efficient basis; and to return dividends to the Treasury as a return on the United States Government investment;

"f. to establish a corporate structure that is self-financing and would obviate the need for appropriations or other sources of Government financing after enactment of this title;

"g. to maintain a reliable and economical domestic source of enrichment services;

"h. to conduct its activities in a manner protective of the public health, safety, and the environment;

"i. to continue to meet the paramount objectives of ensuring the Nation's common defense and security (while taking into consideration United States policies concerning nonproliferation of atomic weapons and other nonpeaceful uses of atomic energy);

"j. to provide for the commercial share of the cost of decontamination and decommissioning of enrichment facilities; and

"k. to take all other lawful actions in furtherance of these purposes.

"Sec. 1203. ESTABLISHMENT OF THE CORPORATION.—

"a. There is hereby created a body corporate to be known as the 'United States Uranium Enrichment Corporation'.

"b. The Corporation shall—

"(1) be established as a wholly-owned Government Corporation subject to the Government Corporation Control Act (31 U.S.C. 9101-9109); and

"(2) be an agency and instrumentality of the United States.

"CHAPTER 23. CORPORATE OFFICES

"Sec. 1301. CORPORATE OFFICES.—The Corporation shall maintain an office for the service of process and papers in the District of Columbia and shall be considered, for purposes of venue in civil actions, a resident of the District of Columbia. The Corporation may establish offices in any other place it determines necessary or appropriate in the conduct of its business.

"CHAPTER 24. POWERS AND DUTIES OF THE CORPORATION

"Sec. 1401. SPECIFIC CORPORATE POWERS AND DUTIES.—The Corporation—

"a. shall enrich uranium or provide for uranium to be enriched by others at facilities of the Corporation. Contracts in existence as of the date of the enactment of this title between the Department and persons under contract to perform uranium enrichment and related services at facilities of the Department shall continue in effect as if the Corporation, rather than the Department, had executed these contracts.

"b. shall conduct, or provide for conducting, those research and development activities related to the isotopic separation of uranium and related processes and activities the Corporation considers necessary or advisable to maintain the Corporation as a commercial enterprise operating on a profitable and efficient basis;

"c. may acquire or distribute enriched uranium, feed material for uranium enrichment, or depleted uranium in transactions with—

"(1) persons licensed under sections 53, 63, 103, or 104 of title I in accordance with the licenses held by those persons;

"(2) persons in accordance with, and within the period of, an agreement for cooperation arranged under section 123 of title I; or

"(3) as otherwise authorized by law;

"d. may enter into contracts with persons licensed under section 53, 63, 103, or 104 of title I, for as long as the Corporation considers necessary or desirable, to provide uranium or uranium enrichment and related services; and

"e. may enter into contracts to provide uranium or uranium enrichment and related services in accordance with, and within the period of, an agreement for cooperation arranged under section 123 of title I or as otherwise authorized by law;

"f. shall sell to the Department as provided in this title, without regard to section 57e of title I, the amounts of enrichment and related services the Department determines from time to time are required for it to: (1) carry out Presidential directions and authorizations under section 91 of title I and (2) conduct other Department programs; and

"g. may grant licenses, both exclusive and nonexclusive, for the use of patent and patent applications owned by the Corporation, and establish and collect charges, in the form of royalties or otherwise, for utilization of Corporation-owned facilities, equipment, patents, and technical information of a proprietary nature pertaining to the Corporation's activities.

"Sec. 1402. GENERAL POWERS OF THE CORPORATION.—In order to accomplish the purposes of this title, the Corporation—

"a. may adopt, alter, and use a corporate seal, which shall be judicially noticed;

"b. may sue and be sued in its corporate name and be represented by its own attorneys in all judicial and administrative proceedings;

"c. may indemnify the members of the Board, officers, attorneys, agents, and employees of the Corporation for liabilities and expenses incurred in connection with their corporate activities;

"d. may adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its business may be conducted and the power granted to it by law may be exercised and enjoyed;

"e. (1) may acquire, purchase, lease, and hold the real and personal property, including patents and proprietary data, it considers necessary in the transaction of its business, and sell, lease, grant, and dispose of the real and personal property it considers necessary to effectuate the purposes of this title without regard to the Federal Property and Administrative Services Act of 1949;

"(2) may enter into purchases, contracts for the construction, maintenance, management, or operation of facilities, and contracts for supplies or services, after advertising in the manner and at a time sufficiently in advance of opening bids as the Corporation determines adequate to insure notice and an opportunity for competition: *Provided,* That advertising shall not be required when the Corporation determines that the making of any authorized purchase or contract without advertising is necessary in the interest of furthering the purposes of this title, or that advertising is not reasonably practicable;

"f. with the consent of the agency or government concerned, may employ the services or personnel of any Federal agency or any State or local government;

"g. may enter into the contracts, leases, cooperative agreements, or other transactions it considers necessary in the conduct of its business, on the terms it considers appropriate, with any agency or instrumentality of the United States; any State, territory or possession; any political subdivision of a State, territory, or possession; or any person, firm, association, or corporation;

"h. may settle and adjust its claims against other persons or parties and claims by other persons or parties against the Corporation;

"i. shall have the priority of the United States with respect to the payment of debts out of bankrupt, insolvent, and decedents' estates;

"j. may define appropriate information as 'Government Commercial Information' and exempt this information from mandatory release under 5 U.S.C. 552(b)(3) when it determines that this information if publicly released would harm the Corporation's legitimate commercial interests or those of a third party;

"k. may request from the Administrator of the General Services Administration the services the Administrator is authorized to provide agencies of the United States, and the Administrator shall furnish the requested services to the Corporation on the same basis those services are provided agencies of the United States;

"l. may accept gifts or donations of services or of real, personal, mixed, tangible, or intangible property in aid of any purposes authorized by this title;

"m. may execute, in accordance with its bylaws, rules, and regulations, all instruments necessary and appropriate in the exercise of any of its powers; and

"n. shall be exempted from the Federal Tort Claims Act (28 U.S.C. 1346 *et seq.*) and

shall not use the judgment fund (31 U.S.C. 1304).

SEC. 1403. CONTINUATION OF CONTRACTS, ORDERS, PROCEEDINGS, AND REGULATION.—

"a. Except as provided elsewhere in this title, all contracts, agreements, and leases with the Department, including all enrichment contracts and power purchase contracts and the settlement agreement with the Tennessee Valley Authority, that have been executed by the Department before the date of the enactment of this title and that relate to uranium enrichment and related services shall continue in effect as if the Corporation had executed those contracts, agreements, or leases.

"b. All orders, determinations, rules, regulations, and privileges of the Department related to the functions vested in the Corporation by this title shall continue in effect and remain applicable to the Corporation until modified, terminated, superseded, set aside, or revoked by the Corporation, by any court of competent jurisdiction, or by operation of law unless otherwise specifically provided in this title.

"c. The Corporation shall be substituted as a party in place of the United States, the Department, and any officer or employee of the Department in all judicial or other proceedings relating to the functions transferred to the Corporation and pending on the effective date of this title, provided that attorneys representing the United States may continue to participate in the proceeding if there remains a reasonable possibility that liability will be imposed on the United States or that the United States will be required to take actions as a result of the proceeding.

SEC. 1404. LIABILITIES.—Any judgment entered against the Corporation imposing liability arising out of the operation of the uranium enrichment enterprise before the date of enactment of this title shall be considered a judgment against and shall be payable by the United States.

CHAPTER 25. ORGANIZATION, FINANCE, AND MANAGEMENT

SEC. 1501. BOARD OF DIRECTORS.—

"a. The powers of the Corporation are vested in the Board of Directors.

"b. The Board of Directors shall consist of five individuals appointed by the President by and with the advice and consent of the Senate. The President shall designate a Chairman of the Board from among members of the Board.

"c. A vacancy in the membership of the Board shall be filled in the same manner in which the original appointment was made.

"d. Members of the Board shall be citizens of the United States. No member of the Board shall be an employee of the Corporation or have any direct financial relationship with the Corporation other than that of being a member of the Board.

"e. Members of the Board shall serve at the pleasure of the President.

"f. The Board shall meet at least ten times a year. Three members of the Board shall constitute a quorum. A majority of the Board shall adopt and from time to time may amend bylaws for the operation of the Board.

"g. The Board shall be responsible for general management of the Corporation, including—

"(1) appointing officers of the Corporation, defining their duties, and fixing their compensation, including appointing and fixing the compensation of a Chief Executive Officer who shall serve at the pleasure of the Board and whose duties shall be the daily management of the Corporation under the general guidance of the Board and whose compensation may be set without regard to section 5373 of title 5 United States Code;

"(2) establishing an incentive system based on the profitability of the Corporation as part of its compensation plan;

"(3) providing a system of organization inclusive of a personnel management system to fix responsibilities and promote efficiency; and

"(4) providing an initial business plan within 60 days after its first meeting and an annual business plan in its annual report.

"h. Members of the Board shall serve on a part-time basis and shall receive per diem at a rate equivalent to Executive Level III, as defined in 5 U.S.C. 5314, when engaged in the actual performance of Corporation duties plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of their duties.

"i. The Board shall not use a political test or qualification in selecting, appointing, promoting, or taking other actions concerning officers, agents, and employees of the Corporation.

"SEC. 1502. EMPLOYEES OF THE CORPORATION.— Officers and employees of the Corporation shall be officers and employees of the United States until a plan takes effect under section 1607. The compensation of officers of the Corporation may be set without regard to section 5373 of title 5 United States Code.

"SEC. 1503. TRANSFER OF PROPERTY TO THE CORPORATION.—In order to enable the Corportation to exercise the powers and duties vested in it by this title:

"a. As requested by the Corporation, the Secretary shall transfer without charge to the Corporation all of the Department's right, title, or interest in and to real or personal property owned by the Department, or by the United States but under control or custody of the Department, which is related to and materially useful in the performance of the functions transferred by this title, including but not limited to the following:

"(1) production facilities for uranium enrichment inclusive of real estate, buildings and other improvements at production sites, and their related and supporting equipment: *Provided,* That facilities, real estate, improvements, and equipment related to the Oak Ridge Gaseous Diffusion Plant in Oak Ridge, Tennessee, shall not transfer under this subsection, except for diffusion cascade and related equipment needed by the Corporation;

"(2) facilities, equipment, and materials for research and development activities related to the isotopic separation of uranium: *Provided,* That concerning the Atomic Vapor Laser Isotope Separation technology, all facilities and equipment that are used exclusively in the isotopic separation of uranium shall transfer to the Corporation;

"(3) the Department's stocks of preproduced enriched uranium, but excluding stocks of highly enriched uranium: *Provided,* That approximately 2 metric tons of the Department's highly enriched uranium shall transfer to the Corporation as required for working inventory;

"(4) the Department's stocks of feed materials for uranium enrichment except for the quantities currently allocated to the national defense activities of the Department.

"(5) all other facilities, equipment, materials, processes, patents, technical information of any kind, contracts, agreements, and leases to the extent these items concern the Corporation's functions and activities, except those items required for programs and activities of the Department and those items specifically excluded by this subsection.

"b. If requested by the Corporation, the Secretary shall provide, on a reimbursable basis, research and development of the Atomic Vapor Laser Isotope Separation technology. The Corporation shall have the exclusive commercial right to deploy or license the Atomic Vapor Laser Isotope Separation technology for uranium enrichment.

"c. The Secretary shall transfer to the Corporation without charge, to the extent necessary or appropriate for the conduct of the Corporation's activities, licenses to practice or have practiced any inventions or discoveries (whether patented or unpatented), together with the right to use or have used any process and technical information owned or controlled by the Government.

"d. The Secretary shall transfer to the Corporation, without further appropriation, unexpended balances in the Uranium Supply and Enrichment account appropriated for fiscal years prior to fiscal year 1990; balances in the Uranium Enrichment Special Fund Receipt account as of the end of fiscal year 1989; and accounts receivable which are related to functions and activities acquired by the Corporation from the Department under this title.

"e. The President may transfer to the Corporation the use, possession, and control of other real and personal property of the United States which is reasonably related to the functions performed by the Corporation. These transfers may be made by the President without charge as the President from time to time determines necessary and proper for achieving the purposes of this title.

"f. Title to depleted uranium resulting from the enrichment services provided to the Department by the Corporation shall remain with the Department.

"g. Within a year of the enactment of this title, the Secretary and the Corporation shall compile a list of facilities equipment and materials transferred or to be transferred under this section and forward that list to the President.

"SEC. 1504. CAPITAL STRUCTURE OF THE CORPORATION.—

"a. Upon commencement of operations of the Corporation, all liabilities then chargeable to unexpended balances of appropriations transferred under section 1503 shall become liabilities of the Corporation.

"b. (1) The Corporation shall issue capital stock representing an equity investment in the enrichment assets transferred to the Corporation. The Secretary of the Treasury shall hold this stock for the United States: *Provided,* That all rights and duties pertaining to management of the Corporation specified in section 1501 g. shall remain vested in the Board.

"(2) The capital stock of the Corporation shall not be sold, transferred, or conveyed by the United States unless authorized by the President after receiving recommendations from the report under section 1607 of this title. The initial capital stock shall represent an equity investment equal to the book value of the assets less liabilities transferred to the Corporation, as reported in the Uranium Enrichment Annual Report for Fiscal Year 1988, modified to reflect continued depreciation and other usual changes that occur up to the date of transfer.

"c. The Corporation shall pay to the Treasury, out of earnings of the Corpora-

tion, dividends on the capital stock as a return on the investment represented by the stock. The Corporation shall pay these dividends unless there is an overriding need to retain earnings in furtherance of other corporate functions, including but not limited to research and development, capital investments, and establishment of cash reserves.

"d. The Corporation shall repay to the Treasury the amount of $364,000,000 with interest on the unpaid balance from the date of enactment of this title at a rate determined by the Secretary of the Treasury taking into consideration the current market yields on outstanding marketable obligations of the United States of comparable maturity. By the end of each fiscal year, the Corporation shall pay the interest accrued during that year. The Corporation shall repay at least one-half of the $364,000,000 no later than September 30, 1994, and shall repay all of the remainder no later than September 30, 1999. The money required to be repaid under this subsection is referred to in this title as the 'Initial Debt'.

"e. Receipt by the United States of the stock issued by the Corporation (including all rights appurtenant thereto) together with repayment of the Initial Debt shall constitute the sole recovery by the United States of previously unrecovered costs that have been incurred by the United States for uranium enrichment activities prior to enactment to this title.

"SEC. 1505. BORROWING.—

"a. (1) The Corporation may issue and sell bonds, notes, and other evidences of indebtedness (collectively referred to in this title as 'bonds') in an amount not exceeding $2,500,000,000 outstanding at any one time to assist in financing its activities and to refinance its bonds.

"(2) Notwithstanding any other law, the Corporation may pledge and use its revenues for payment of the principal of and interest on its bonds, for their purchase or redemption, and for other purposes incidental to these functions, including creation of reserve funds and other funds which may be similarly pledged and used, to the extent and in the manner it determines necessary or desirable.

"(3) Notwithstanding any other law, the Corporation may enter into the binding covenants with the holders and trustees of its bonds with respect to the establishment of reserve and other funds, stipulations concerning the subsequent issuance of bonds, and other matters not inconsistent with this title that the Corporation determines necessary or desirable to enhance the marketability of the bonds.

"(4) Bonds issued by the Corporation under this section shall not be obligations of, nor shall payments of the principal thereof or interest thereon be guaranteed by, the United States.

"b. (1) Bonds issued by the Corporation under this section shall be negotiable instruments unless otherwise specified in the bond and shall mature not more than 30 years from their date of issuance.

"(2) The Corporation may determine the following terms and conditions of the bonds:

"(A) their forms and denominations;

"(B) the times, amounts, and prices at which they are sold;

"(C) their rates of interest;

"(D) the terms at what they may be redeemed before maturity by the Corporation;

"(E) the priority of their claims on the Corporation's revenues with respect to principal and interest payments; and

"(F) any other terms and conditions.

"(3) The Corporation shall be considered an executive department or an independent establishment of the United States for purposes of section 3(c) of the Securities and Exchange Act of 1934 (15 U.S.C. 78c(c)).

"c. The Corporation shall not issue or sell any bonds to the Federal Financing Bank.

"SEC. 1506. PRICING.—

"a. The Corporation shall establish prices for its products, materials, and services provided customers other than the Department on a basis that will allow it to recover its costs for providing the products, materials, and services; repay the Initial Debt; recover costs of decontamination, decommissioning, and remedial action under section (e) of this section; and attain the normal business objectives of a profit making Corporation.

"b. The Corporation shall establish prices for low assay enrichment services and other products, materials, and services provided the Department on a basis that will allow it to recover its costs, on a yearly basis, for providing the low assay enrichment services, and other products, materials, and services and including expenditures for plant and equipment but excluding depreciation for the plant and equipment transferred to the Corporation or for new plant and equipment of the Corporation; repayment of the initial Debt; costs of decontamination, decommissioning and remedial action concerning enrichment property; and a profit. In no event will the Department be charged in any year more for low assay enrichment services than the estimated annual average price to all other low assay enrichment services customers. The annual average price shall be the estimated total dollar amount of low assay enrichment services sales to customers other than the Department in a year, divided by the estimated total low assay enrichment services sold to customers other than the Department in that year. Adjustments between estimated and actual prices will be made upon receipt of actual sales data. If the ownership of the Corporation is transferred to the private sector, the Corporation may include in its low assay price to the Department a negotiated reasonable return on the Corporation's investment.

"c. The Corporation shall establish prices to the Department for high assay enrichment services on a basis that will allow it to recover its costs, on a yearly basis, for providing the products, materials, and services, including expenditures for plant and equipment but excluding depreciation for the plant and equipment transferred to the Corporation or for new plant and equipment of the Corporation; repayment of the Initial Debt; costs of decontamination, decommissioning, and remedial action concerning enrichment property; and a profit. if the Department does not request any enrichment services in a given year, the Department shall reimburse the Corporation for costs required to maintain the minimum level of operation of the high assay production facility. If the ownership of the Corporation is transferred to the private sector, the Corporation may include in its high assay price to the Department a negotiated reasonable return on the Corporation investment.

"d. Prices and other contractual terms for the provision of products, materials, and services by the Corporation shall be established without regard to the Administrative Procedure Act (5 U.S.C. 500-576).

"e. (1) The Corporation shall recover from its customers other than the Department in the prices it establishes in accordance with subsection (a) of this section amounts sufficient to pay for the decontamination, decommissioning, and remedial action costs assigned to commercial customers under paragraph (3) of this subsection. These costs shall be based on an estimation of what the costs will be when the decontamination, decommissioning, and remedial action is undertaken and accomplished.

"(2) In order to meet the objective of paragraph (1) of this subsection, the Corporation periodically shall estimate the anticipated or actual costs of decontamination, decommissioning, and remedial action. These estimates shall reflect any changes in assumptions or expectations relevant to meeting this objective, including, but not limited to, any changes in assumptions * * * requirements. The Corporation shall review these estimates at least every 2 years.

"(3) The portion of the cost recovered in prices and charges from customers other than the Department for decontamination, decommissioning, and remedial action of the property transferred to the Corporation under Section 1503 and the Oak Ridge Gaseous Diffusion Facilities shall be in the same ratio to the total costs of decontamination, decommissioning, and remedial action for the property in question as the quantity of enrichment services over the life of that property to customers other than the Department bears to the total quantity of enrichment services delivered over the life of that property. A separate calculation shall be made for low and high assay facilities.

"(4) When requested by the Corporation, the Department shall pay for all other costs of decontamination, decommissioning, and remedial action for the enrichment property, both the enrichment property transferred to the Corporation and that retained by the Department, at the time those activities are performed.

"SEC. 1507. AUDITS.—The financial transactions of the Corporation shall be audited by an independent firm of nationally recognized certified public accountants who shall use standards appropriate for commercial corporate transactions in preparing the audits. The fiscal year of the Corporation shall conform to the fiscal year of the United States. The General Accounting Office shall review these audits and, to the extent necessary, require a further examination of the Corporation using standards for commercial corporate transactions. These audits shall be conducted at the place where the accounts of the Corporation are established and maintained. All books, financial records, reports, files, papers, memoranda, and other property of, or in use by, the Corporation shall be made available to the person authorized to conduct audits in accordance with this section.

"SEC. 1508. REPORTS.—

"a. The Corporation shall prepare an annual report of its activities. This report shall contain:

"(1) a general description of the Corporation's operations;

"(2) a summary of the Corporation's operating and financial performance, including an explanation of the decision to pay or not pay dividends;

"(3) copies of audit reports prepared in conformance with section 1507 of this title and the provisions of the Government Corporation Control Act (31 U.S.C. 9101-9109); and

"(4) the information required under regulations issued under section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m).

"b. A copy of the annual report shall be provided by the President to the appropriate committees of the Senate and the House of Representatives. The report shall be completed not later than 150 days following the close of each fiscal year and shall accurately reflect the financial position of the Corporation at fiscal year end, inclusive of any impairment of capital or ability of the Corporation to comply with the provisions of this title.

"SEC. 1509. CONTROL OF INFORMATION.—

"a. The term 'Commission' shall be considered to include the Corporation wherever the term appears in section 141 and subsections a. and b. of section 142 of title I.

"b. No contracts or arrangements shall be made, nor any contract continued in effect, under sections 1401, 1402, or 1403 of this title unless the person with whom the contract or arrangement is made, or the contractor or prospective contractor, agrees in writing not to permit any individual to have access to Restricted Data, as defined in section 11y of title I, until the Office of Personnel Management has completed an investigation and report to the Corporation on the character, associations, and loyalty of the individual, and the Corporation has determined that permitting the person to have access to Restricted Data will not endanger the common defense and security.

"c. The restrictions detailed in subsection b., c., d., e., f., g., and h. of section 145 of title I shall apply to the Corporation where they refer to the Commission or a majority of the members of the Commission, and to the Chief Executive Officer of the Corporation where they refer to the General Manager.

"d. The Corporation shall have no power to control or restrict the dissemination of information other than that specifically granted by this or any other law.

"SEC. 1510. PATENTS AND INVENTIONS.—

"a. The term 'Commission' shall be considered to include the Corporation wherever that term appears in section 152, 153 b. (1), and 158 of title I. The Corporation shall pay royalty fees for patents licensed to it under section 153 b. (1) of title I at the same rate that the Department pays under that provision. Nothing in this Act shall affect the right of the Corporation to require the assignment to the Corporation of patents granted on inventions that have been conceived or first actually reduced to practice during the course of research by or operations of the Corporation or during the course of research or operations financed by the Corporation.

"b. The Department shall notify the Corporation of all reports filed with it under subsection 151 c. of title I, both before and after enactment of this title, and all applications for patents filed with the Commissioner of Patents, both before and after enactment of this title, of which the Department has notice under subsection 151 d. of title I or otherwise that pertain to the functions or responsibilities of the Corporation under this title. The Department shall make all those reports available to the Corporation, and the Commissioner of Patents shall provide the Corporation access to all those applications. All reports and applications to which access to so provided shall be kept in confidence by the Corporation, and no information concerning them shall be given without authority of the inventor or owner unless necessary to carry out an Act of Congress.

"c. The Corporation, without regard for any of the conditions specified in paragraphs 153 c. (1), (2), (3), or (4) of title I, may at any time apply to the Department for a patent license for the use of an invention or discovery useful in the production or utilization of special nuclear material or atomic energy covered by a patent when the patent has not been declared to be affected with the public interest under subsection 153 b. (1) of title I and when use of the patent is within the Corporation's authority. An application shall constitute an application under subsection 153 c. of title I subject, except as specified above, to all the provisions of subsections 153 c., d., e., f., g., and h. of title I.

"d. With respect to the Corporation's functions under this title, section 158 of title I shall be considered to include the Corporation within the phrase 'any other licensee' of the Department in its first sentence and within the phrase 'such licensee' in its second sentence.

"e. The Corporation shall not be liable directly or indirectly for any damages or be financially responsible with respect to secrecy orders imposed under 35 U.S.C. 181 through 187.

"f. The Corporation shall not be liable or responsible for any payments or awards made under subsection 157 b. (3) of title I or any settlements or judgments involving claims for alleged patent infringement, except to the extent that any of those awards, settlements, or judgments are attributable to activities of the Corporation after the effective date of this title.

"g. The Corporation shall keep currently informed as to matters affecting its rights and responsibilities under chapter 13 of title I as modified by this section and shall take all appropriate action to avail itself of these rights and satisfy those responsibilities. In discharging its responsibilities under chapter 13 of title I, the Department shall exercise diligence in informing the Corporation of matters affecting the responsibilities and jurisdiction of the Corporation and in seeking and following the advice and recommendations of the Corporation in these matters.

"CHAPTER 26. LICENSING, TAXATION, AND MISCELLANEOUS PROVISIONS

"SEC. 1601. LICENSING.—

"a. Notwithstanding any other law and with respect solely to facilities, equipment and materials for activities related to the isotopic separation of uranium by the gaseous diffusion technology at facilities in existence as of the date of enactment of this title, the Corporation and its contractors are exempt from the licensing requirements and prohibitions of sections 57, 62, 81 and other provisions of title I to the same extent as the Department and its contractors are exempt in regard to the Department's own functions and activities. This exemption shall remain in effect until the Corporation and its contractors receive all necessary licenses for these facilities, equipment, and materials required under title I.

"b. The Corporation is not exempt from the appropriate licensing requirements of Title I for the construction and operation of new enrichment facilities. The Nuclear Regulatory Commission shall promulgate regulations of issue other regulatory guidance that it considers necessary for new enrichment facilities and act on licensing requests by the Corporation in a timely manner.

"c. No later than 2 years after the enactment of this title, the Nuclear Regulatory Commission shall promulgate regulations or issue other regulatory guidance that it considers necessary under title I for the licensing of facilities described in subsection a. of this section.

"d. No later than 1 year after the issuance of regulations or other regulatory guidance under subsection c. of this section, the Corporation shall apply for and otherwise seek to obtain the licenses that will remove the exemption provided under subsection a. of this section. As part of its application, the Corporation shall submit an environmental impact statement in accordance with the requirements of the National Environmental Policy Act. The Nuclear Regulatory Commission shall adopt this statement to the extent practicable.

"e. No later than 5 years after enactment of this title, the Nuclear Regulatory Commission shall make a licensing decision on the gaseous diffusion plants.

"f. The Corporation shall not transfer or deliver any source, special nuclear, or by-product materials, or production or utilization facilities as defined in title I to any person who is not properly qualified or licensed under title I.

"g. The Corporation shall be subject to the regulatory jurisdiction of the Nuclear Regulatory Commission, Environmental Protection Agency, and the Department of Transportation with respect to packaging and transportation of source, special nuclear, and by-product materials.

"SEC. 1602. EXEMPTION FROM TAXATION AND PAYMENTS IN LIEU OF TAXES.—

"a. In order to render financial assistance to those states and localities in which the facilities of the Corporation are located, the Corporation shall make payments to state and local governments as provided in this section. These payments shall be in lieu of any and all state and local taxes on the real and personal property, activities, and income of the Corporation. All property of the Corporation, its activities, and income are expressly exempted from taxation in any manner or form by any state, county, or other local government entity including state, county, or other local government sales tax. The activities of the Corporation for this purpose shall include the activities of organizations under cost-type contracts with the Corporation to manage, operate, and maintain its facilities. The income of the Corporation shall include income received by those organizations for the account of the Corporation. The Corporation shall not include income received by those organizations for their own accounts, and that income shall not be exempt from taxation.

"b. The Corporation shall make annual payments, in amounts determined by the Corporation to be fair and reasonable, to the state and local governmental agencies having tax jurisdiction in any area where facilities of the Corporation are located. In making these determinations, the Corporation shall be guided by the following criteria:

"(1) the amounts paid shall be comparable to the tax payments that would be made by a private industrial corporation owning similar facilities and engaged in similar activities at the same location; *Provided*, however, that there shall be excluded any amount that would be payable as a tax on net income:

"(2) the Corporation shall take into account the customs and practices prevailing in the area with respect to appraisal, assessment, and classification of industrial property and any special considerations; extended to large-scale industrial operations; and

"(3) no amount shall be included to the extent that any tax unfairly discriminates against the class of taxpayers of which the Corporation would be a member if it were a private industrial corporation, compared with other taxpayers or classes of taxpayers.

"(4) The payment made to any taxing authority for any period shall not be less than the payments which would have been made to the taxing authority for the same period by the Department and its cost-type contractors on behalf of the Department with respect to property that has been transferred to the Corporation under section 1503 and which would have been attributable to the ownership, management, operation, and maintenance of the Department's uranium enrichment facilities, applying the laws and policies prevailing immediately prior to the enactment of this title.

"c. Payments shall be made by the Corporation at the time when payments of taxes by taxpayers to each taxing authority are due and payable: *Provided*. That no payment shall be made for a period prior to the enactment of this title.

"d. The determination by the Corporation of the amounts due under this section shall be final and conclusive.

"SEC. 1603. MISCELLANEOUS APPLICABILITY OF THE ATOMIC ENERGY ACT.—

"a. Any references to the term 'Commission' or to the Department in sections 150 b., 110 a., 161 c., 161 k., 161 q., 164, 165 a., 221 a., 229, 230, and 232 of title I shall be considered to include the Corporation.

"b. Section 188 of title I shall apply to licensed facilities of the Corporation so that the President may provide to the operation of a future licensed facility of the Corporation when its license has been revoked but operation of the facility is required by the public convenience and necessity. For purposes of applying this section to facilities of the Corporation:

"(1) the term 'Commission' shall refer to the Corporation; and

"(2) there shall be no requirement for payment of just compensation to the Corporation, and receipts from operation of the facility in question shall continue to accrue to the benefit of the Corporation.

"SEC. 1604. COOPERATION WITH OTHER AGENCIES.—The Corporation may use on a reimbursable basis and with their consent, the available services, equipment, personnel, and facilities of other civilian or military agencies and instrumentalities of the Federal Government, and on a similar basis cooperate with other agencies and instrumentalities in the establishment and use of services, equipment, and facilities of the Corporation. Further, the Corporation may confer with and avail itself of the cooperation, services, records, and facilities of state, territorial, municipal, or other local agencies.

"SEC. 1605. APPLICABILITY OF ANTITRUST LAWS.—

"a. The Corporation shall conduct its activities in a manner consistent with the policies expressed in the antitrust laws.

"b. As used in this subsection, the term 'antitrust laws' means:

"(1) The Act entitled, 'An Act to protect trade and commerce against unlawful restraints and monopolies,' approved July 2, 1890 (15 U.S.C. 1-7);

"(2) The Act entitled, 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914 (15 U.S.C. 12-27);

"(3) Sections 73 and 74 of the Act entitled, 'An Act to reduce taxation, to provide revenue for the Government, and for other purposes,' approved August 27, 1894 (15 U.S.C. 8 and 9); and

"(4) The Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a).

"SEC. 1606. NUCLEAR HAZARD INDEMNIFICATION.—The Nuclear Regulatory Commission shall treat the Corporation and its contractors as its licensees for the purposes of section 170 of this Act.

"SEC. 1607. REPORT.—

"a. Three years after enactment of this title, the Board shall submit to the President a report setting forth the views and recommendations of the Board regarding the sale of Corporation stock to the private sector and the transfer of the functions, powers, duties, and assets of the Corporation to private ownership. If the Board recommends sale of stock or other transfer, the report shall include a plan for implementation of the sale or other transfer and as an incentive for the profitable privatization of the Corporation a plan for a stock bonus for employees of the Corporation based on the total return to the United States on the sale of the Corporation stock.

"b. After the report is submitted to the President, the President is authorized to commence the sale of the stock no sooner than 5 years after the date of the enactment of this title: *Provided*, That before the stock is sold, the Corporation is licensed under title I. This transfer may be made under section 161g. of title I.

"SEC. 1608. APPROPRIATIONS.—Receipts, proceeds, and recoveries realized by the Corporation shall be available without fiscal year limitations and without further appropriations.

"SEC. 1609. APPLICABILITY OF ENVIRONMENTAL AND OCCUPATIONAL SAFETY LAWS.—The Corporation is subject to Federal environmental laws and the Occupational Safety and Health Act (29 U.S.C. 651-678) to the same extent as a privately owned corporation.

"SEC. 1610. SAFETY.—

"a. Until the Corporation receives a license under title I, the Secretary shall review the operations of the Corporation and shall make recommendations to the Corporation to ensure that public health and safety are adequately protected.

"b. The Corporation shall cooperate fully with the Secretary and shall provide the Secretary with the ready access to the facilities, personnel, and information the Secretary considers necessary to carry out the Secretary's responsibilities under this section. A contractor operating a Corporation facility for the Corporation shall cooperate with the Secretary to the extent provided in the contract and provide the Secretary with ready access to the facilities, personnel, and information of the contractor as the Secretary considers necessary to carry out the Secretary's responsibilities under this section.

"CHAPTER 27. DECONTAMINATION AND DECOMMISSIONING

"SEC. 1701. ESTABLISHMENT AND ADMINISTRATION OF FUND.—

"a. (1) There is established in the Treasury of the United States, an account of the Corporation to be known as the Uranium Enrichment Decontamination and Decommissioning Fund (referred to in this chapter as the 'Fund'). In accordance with section 1608, this account, and any amounts deposited in it, shall be available to the Corporation for the exclusive purpose of carrying out the purposes of this chapter.

"(2) The Fund shall consist of:

"(A) amounts paid into it by the Corporation in accordance with section 1702; and

"(B) any interest earned under subsection (b)(2) of this section.

"(b)(1) The Secretary of the Treasury shall hold the Fund and, after consultation with the Corporation, annually report to the Congress on the financial condition and operations of the Fund during the preceding fiscal year.

"(2) At the direction of the Corporation, the Secretary of the Treasury shall invest amounts contained within the Fund in obligations of the United States—

"(A) having maturities determined by the Secretary of the Treasury to be appropriate for what the Corporation determines to be the needs of the Fund; and

"(B) bearing interest at rates determined to be appropriate by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to these obligations.

"(3) At the request of the Corporation, the Secretary of the Treasury shall sell these obligations and credit the proceeds to the Fund.

"SEC. 1702. DEPOSITS.—"a. From the amounts recovered from customers other than the Department for decontamination and decommissioning remedial action under Section 1506 of this title, the Corporation shall pay $40,000,000 into the Fund no later than September 30, 1990. No later than September 30 of each subsequent fiscal year, the Corporation shall pay $50,000,000 into the Fund until the cost of decontamination and decommissioning required to be recovered from customers other than the Department under section 1506 has been paid into the Fund.

"b. When requested by the Corporation, the Department shall pay the cost of decontamination and decommissioning due from the Department under section 1506 of this title at the time the decontamination and decommissioning activities are performed.

"SEC. 1703. PERFORMANCE AND DISBURSEMENTS.—

"a. When the Corporation determines that particular property transferred to the Corporation should be decontaminated or decommissioned, or both, it shall enter into a contract for the decontamination and decommissioning.

"b. The Corporation shall pay for the share of the costs of decontaminating and decommissioning property transferred to it under section 1503 of this title as computed for customers other than the Department under section 1506 of this title. It shall pay this share out of amounts in the Fund without further appropriations. The Department shall pay the balance of the total costs.

"c. When the Department determines that the Oak Ridge Gaseous Diffusion Facilities should be decontaminated and decommissioned, or both, it shall enter into a contract for the decontamination and decommissioning.

"d. The Corporation shall pay the Department for the share of the cost of decontamination and decommissioning of the Oak Ridge Gaseous Diffusion Facilities as computed for customers other than the Department under section 1506 of this title. It shall pay this share out of amounts in the fund without further appropriations. The Department shall pay the balance of the total costs.

"e. After the President authorizes the sale of stock, and 100 percent of the stock has been transfered to the private sector, the Fund shall transfer from the Treasury of the United States to the Corporation. The Corporation shall maintain the Fund for the exclusive purpose of providing the Corporation share of the decontamination and decommissioning costs.

SEC. 3. CONFORMING AMENDMENTS AND REPEALERS.—

(a) Section 9101(3) of title 31, United States Code is amended by adding "(N) United States Uranium Enrichment Corporation" at the end.

(b) The Atomic Energy Act of 1954 (41 U.S.C. 2011-2296) is amended as follows:

(1) in section 11v. (42 U.S.C. 2014(v)) by striking the period and inserting in its place the following: ": *Provided*, that as used in chapters 10 and 16 of this Act, other than with respect to export of a uranium enrichment production facility, it does not mean any equipment or device capable of separating the isotopes of uranium or enriching uranium in the isotope 235 or any important component part especially designed for this type of equipment or device.";

(2) in section 41a. (42 U.S.C. 20.61(a)) by—

(A) striking "or" the first time it appears,

(B) striking "sections 103 and 104" and inserting "this title" in its place, and

(C) striking the period and inserting the following in its place: "; or (3) owned by the United States Uranium Enrichment Corporation.";

(3) in section 53c.(1) (42 U.S.C. 2973(c)(1)) by—

(A) inserting "or" before "grant", and

(B) striking "or through the provision of production or enrichment services" both places it appears;

(4) in section 161b. (42 U.S.C. 2201(b)) by—

(A) striking "and" the third time it appears, and

(B) inserting after "byproduct material" the following: ", any equipment or device capable of separating the isotopes or uranium or enriching uranium in the isotope 235, and any important component part especially designed for this type of equipment or device:";

(5) by striking section 161v. (42 U.S.C. 2201 (v));

(6) in section 161 w. (42 U.S.C. 2201 (w)) by striking the comma after "104 b." and inserting the following in its place: "or for a facility licensed to enrich uranium under section 1601 of this Act; and

(7) in section 236 a. (42 U.S.C. 2284(a)) by—

(A) striking "or" the third time it appears, and

(B) inserting after "facility;" at the end of paragraph (3) the following: "and (4) any uranium enrichment facility licensed by the Commission;".

(c) Section 2551(g)(1) of the Balanced Budget and Emergency Deficit Control Act of 1987 (2 U.S.C. 905(g)(1)) is amended by adding "United States Uranium Enrichment Corporation" at the end.

(d) Section 306 of the Energy and Water Development Appropriations Act, 1988, Pub. L. No. 100-202, is repealed.

SEC. 4. SEVERABILITY.—If any provision of this Act, or the application of any provision to any entity, person, or circumstance, is for any reason adjudged by a court of competent jurisdiction to be invalid, the remainder of this Act or its application shall not be affected.

SEC. 5. TRANSITION.—

(a) If the President authorizes the sale of stock in the United States Uranium Enrichment Corporation to the private sector or other transferal of the United States Uranium Enrichment Corporation to the private sector takes under section 1607 of title II of the Atomic Energy Act of 1954, the following sections of the title II of the Atomic Energy Act of 1954 do not apply to the United States Uranium Enrichment Corporation when 100 percent of its stock has been transferred to the private sector:

(1) 1203 b.;
(2) 1402 e., i., j., k., and n.;
(3) 1501 b., d., e., f., g., h., and i.;
(4) 1502
(5) 1503 b.
(6) 1504 b. and c.;
(7) 1505 except 1505 a. (4);
(8) 1507;
(9) 1508;
(10) 1510 a., b., d., e., and g.;
(11) 1602;
(12) 1603 a. in so far as it refers to sections 105 b., 110 a., 161 c., 161 k., 161 q., 164, 165, 229, and 232;
(13) 1604; and
(14) 1605.

(b) If the President authorizes sale of stock in the United States Uranium Enrichment Corporation to the private sector or other transferal of the United States Uranium Enrichment Corporation to the private sector takes effect under section 1607 of title II of the Atomic Energy Act of 1954, section 9101(3) of title 31, United States Code is amended by striking "(N) United States Uranium Enrichment Corporation when 100 percent of the stock of the United States Enrichment Corporation has been transferred to the private sector.

SEC. 6. EFFECTIVE DATE.—This Act takes effect October 1, 1989.

THE SECRETARY OF ENERGY,
Washington, DC, April 18, 1989.

Hon. J. DANFORTH QUAYLE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is proposed legislation entitled, the "Uranium Enrichment Reorganization Act." This legislation would create a new Government-owned corporation to operate the Nation's uranium enrichment enterprise and would permit the enterprise to be transferred to the private sector in 5 years without further legislation.

The United States needs to change the way it has managed its uranium enrichment business. There has been a sharp decline in the United States' share of the world enrichment market. Producers in Western Europe and the Soviet Union have taken away 50 percent of our world enrichment business, including about 10 percent of our domestic business, resulting in termination of contracts with a sales value of $5 billion. This decline has exacted a heavy price in lost jobs, lost income to the Federal Government, and sharply higher costs to taxpayers for defense enrichment services.

To operate effectively in today's complex commercial environment requires commercial flexibilities that typical Government agencies lack. It requires the ability to respond quickly to market needs through flexible contracting and pricing. It requires the authority to use revenues based on solid commercial decisions timely made. It requires the ability to make realistic decisions about research and development investments and a management structure that can act quickly, and authoritatively. The new corporation created by legislation would have these abilities.

Between now and the Year 2000, there is a potential of $5 billion in new sales throughout the world. A new enrichment corporation can maintain our share of the existing enrichment market and expand it to win part of this new market. In doing so, it not only can preserve an industry that is vital to our economic and national security, but also increase its value. An enrichment corporation with the ability to compete fully in the world market can create a positive cashflow for the Government of $1 billion by 1995, and realize a return if it is sold. It can improve the balance of payments deficit, increase the funds available for the taxpayer, and create more jobs.

The Adminsitration urges Congress to act quickly to create a more efficient, dynamic, and competitive organization to preserve and operate our uranium enrichment enterprise. The Office of Management and Budget advises that there is no objection to the presentation of this proposal to Congress.

Sincerely,

JAMES D. WATKINS,
Admiral, U.S. Navy (Ret.)

URANIUM ENRICHMENT REORGANIZATION ACT
SECTION-BY-SECTION ANALYSIS

SECTION 1. SHORT TITLE

This bill may be cited as the "Uranium Enrichment Reorganization Act."

SECTION 2. ESTABLISHMENT OF THE UNITED STATES URANIUM ENRICHMENT CORPORATION

This section would designate the Atomic Energy Act of 1954 in its present form as title I and amend that Act to add a new title II pertaining to the United States Uranium Enrichment Corporation. In the discussion of section 2 that follows, the section references are to new sections of the Atomic Energy Act of 1954 as added by this legislation.

CHAPTER 22. DEFINITIONS, PURPOSES, AND ESTABLISHMENT OF CORPORATION

SECTION 1201. DEFINITIONS

The definitions are self-explanatory.

SECTION 1202. PURPOSES

This section sets forth the purposes of the Corporation. Subsections a., b., c., and d. describe specific activities that the Corporation should undertake. Under subsection e., operation of the Corporation "as a commercial enterprise on a profitable and efficient basis" and returning dividends to the Treasury as a return on the United States investment should be the unifying goal of these activities. The term "commercial enterprise" would require that the Corporation conduct its activities in the manner of a private sector business. The terms "profitable" and "efficient" are adjectives that amplify what is meant by operation as a commercial enterprise.

Subsection f. emphasizes that the Corporation should rely on its own resources for financing and not on those of the Federal Government.

The maintenance of a "reliable and economical domestic source of enrichment services" as set out in subsection g. should be the result of operation of the enrichment enterprise under subsection e. and other provisions of the legislation. Enrichment services should be economical because the legislation permits the Corporation to meet foreign competition head-on.

Subsections h. and i. are included in recognition that the commercial and energy secu-

rity purposes described thus far must be consistent with ensuring public health and safety and maintenance of the common defense and security. With respect to the latter concern, the Corporation would play a critical role in providing enrichment services necessary for the nuclear naval propulsion program and other defense-related purposes and in helping to achieve U.S. nonproliferation goals.

Subsection j. makes clear that the Corporation is responsible for the commercial share of decontamination and decommissioning costs of enrichment facilities that is attributable to customers other than the Department.

Subsection k. is self-explanatory.

SECTION 1203. ESTABLISHMENT OF THE CORPORATION

This section would establish the United States Uranium Enrichment Corporation as a wholly-owned Government Corporation subject to the Government Corporation Control Act. For purposes of determining the applicability of other laws, this section would clarify that the Corporation is to be treated as an agency and instrumentality of the United States.

CHAPTER 23. CORPORATE OFFICES

This section is self-explanatory.

CHAPTER 24. POWERS AND DUTIES OF THE CORPORATION

SECTION 1401. SPECIFIC CORPORATE POWERS AND DUTIES

Subsection a. of this section would require the Corporation to enrich uranium or provide for enrichment to be performed at the Corporation's facilities. In this respect, the existing operating contract between the Department of Energy and the contract would transfer to the Corporation.

Subsection b. would require the Corporation to conduct or provide for conducting the research and development that the Corporation considers necessary or advisable to maintain the Corporation on a profitable and efficient basis.

Subsections c., d., and e. would allow the Corporation to deal only with customers who meet existing regulatory criteria under the Atomic Energy Act.

Subsection f. would require the Corporation to sell to the Department of Energy the enrichment and related services the Department determines necessary to carry out Presidential directions and meet its normal needs.

Subsection g. is self-explanatory.

SECTION 1402. GENERAL POWERS OF THE CORPORATION

This section gives the Corporation the normal powers possessed by a United States Corporation.

SECTION 1403. CONTINUATION OF CONTRACTS, ORDERS, PROCEEDINGS, AND REGULATIONS

This section generally would continue all contracts to which the uranium enrichment enterprise through the Department of Energy is now a party, as well as all orders, determinations, rules and regulations enjoyed by or applicable to the enterprise. This section transfers the Ohio Valley Electric Corporation, Edison Electric Institute, and Tennessee Valley Authority contracts including the settlement agreement, to the Corporation. This section also would transfer any environmental compliance agreements implemented by the Department prior to the date of incorporate regarding facilities transferred.

At the time of enactment, the Department may be involved in various judicial and administrative proceedings. Subsection c. provides for the general substitution of the Corporation for the Department of Energy to the extent that these proceedings properly involve the enrichment enterprise.

SECTION 1404. LIABILITIES

This section would provide that all liabilities attributable to operation of the enrichment enterprise before enactment that are not dealt with elsewhere in the legislation remain liabilities of the United States. At present, there do not appear to be any actual liabilities that fall within this category.

CHAPTER 25. ORGANIZATION, FINANCE, AND MANAGEMENT

SECTION 1501. BOARD OF DIRECTORS

This section would place control of the Corporation in a Board of Directors composed of five members appointed by the President by and with the advice and consent of the Senate. The Board would appoint officers of the Corporation, define their duties, and fix their compensation, including appointing and fixing the compensation, without regard to limits contained in current law, of a Chief Executive Officer whose duties would be the daily management of the Corporation under the guidance of the Board. The Board must develop an initial business plan within 60 days after its first meeting and present an annual business plan in its annual report.

SECTION 1502. EMPLOYEES OF THE CORPORATION

This section would require officers and employees of the Corporation to be Federal employees and the laws and regulations that apply to Government employees apply to them. While employees would be subject to the general schedule classification and pay system, officers would not be subject to general schedule or the pay cap normally applicable to Federal employees.

SECTION 1503. TRANSFER OF PROPERTY TO THE CORPORATION

This section would require the Secretary to transfer to the Corporation property it requested that would be useful to it in the performance of its mission, subject to certain qualifications. The Corporation would be expected to consult with the Secretary in making the request for transfer.

Subsection a.(1) would provide for the Corporation to receive Paducah, Kentucky, and Portsmouth, Ohio, plants. The shutdown enrichment plant at Oak Ridge, Tennessee, would remain with the Department.

Subsection a.(2) would provide for the Corporation to receive the Department's research and development facilities, equipment, and materials relating to uranium enrichment technology. Also transferred would be any equipment used exclusively on the Atomic Vapor Laser Isotope Separation Uranium Research. The Corporation may request facilities and equipment relating to centrifuge technology.

Subsection a.(3) and (4) would provide for the Corporation to receive the Department's stocks of feed material, except natural uranium that has been allocated to national defense activities. It is intended that the Department and the Corporation adopt the allocation of natural uranium contained in a memorandum on the use of Department of Energy inventories dated February 5, 1985, from James W. Vaughan, Jr., Acting Assistant Secretary for Nuclear Energy, and William W. Hoover, Assistant Secretary for Defense Programs, to Donald P. Hodel, Secretary of Energy. Highly enriched uranium remain the property of the Department. Two metric tons of highly enriched uranium shall be loaned for working inventory. Depleted uranium existing at the time of transfer shall remain the property of the Department.

Subsection b. would give the Corporation the Department's rights and access to the Atomic Vapor Laser Isotope Separation technology. If requested by the Corporation, the Department, which presently contracts with national laboratories for the performance of the Atomic Vapor Laser Isotope Separation and other enrichment research, would be required to give the Corporation the necessary cooperation and support, on a reimbursable basis, to facilitate efficient performance of this and any other research in the future. The Corporation also would have the exclusive right to deploy or license the Atomic Vapor Laser Isotope Separation technology for uranium enrichment purposes. However, nothing in this legislation should be construed as restricting the Corporation from funding, separately from the Department of Energy, the Atomic Vapor Laser Isotope Separation research and development activities necessary to achieve the purposes of this title.

Subsection c. would transfer the Department's unexpended uranium enrichment funds to the Corporation. The Secretary of Energy would be required to transfer to the Corporation, without further appropriation, all available uranium enrichment appropriated funds, receipts, and accounts receivable.

SECTION 1504. CAPITAL STRUCTURE OF THE CORPORATION

Subsection a. would provide that, consistent with the transfer of funds under Section 1503(d), the Corporation would assume all liabilities of the Department chargeable to those funds as of the date of the transfer.

Subsection b. would provide for the issuance of capital stock representing an equity investment in the enrichment assets transferred to the Corporation. The Secretary of the Treasury would hold this stock for the United States. All rights and duties pertaining to management of the Corporation would remain vested in the Board of Directors. The initial equity value of the stock will be set at $3 billion. The Corporation would be sold only if authorized by the President after receiving the recommendations from the report under section 1607 of this bill.

Subsection c. would provide for the payment of dividends to the Treasury from earnings of the Corporation that, in the judgment of the Corporation, are not otherwise needed by the Corporation for the furtherance of its functions, including but not limited to, research and development, capital investments, and the establishment of cash reserves necessary for the purposes of this title.

It is intended that the Corporation would pay dividends annually. In deciding on the amount of annual dividends, the Corporation would need to keep in mind the interest of the United States in receiving return on the investment represented by the Corporation and the need to maintain itself as a commercial enterprise.

Finally, under subsection d., the Corporation would be required to repay to the Treasury the amount of $364 million within 10 years with interest on the unpaid balance.

SECTION 1505. BORROWING

This section would authorize the Corporation to finance its operation with the issuance of bonds and other forms of indebtedness up to $2.5 billion at any one time. This indebtedness could be secured by revenues of the Corporation. The principal and interest of these bonds would be payable solely by the Corporation and would not constitute obligations of the United States. The Corporation would be able to enter into binding covenants with bondholders concerning the establishment of reserve funds and other appropriate matters for purposes of enhancing the marketability of the bonds. The Corporation would be exempt from the requirements of the Securities Exchange Act of 1934.

Further, the authority to incur this indebtedness would be fully authorized by this statute without the need for further appropriations. The Corporation will not have access to the Federal Financing Bank.

SECTION 1506. PRICING

This section would direct the Corporation to charge its commercial customers on a basis that would allow it to make a profit. Prices charged the Department of Energy for low assay enrichment services will be set to recover costs on an annual basis, but in no event will the price exceed the average price for low assay enrichment services for commercial customers. Prices to the Department for high assay enrichment services will be set to recover costs on a yearly basis. If the Department does not request any high assay enrichment services, then the Department will provide funds to the Corporation to operate the high assay production facility at the minimum level. This section equitably assigns cost of decontamination and decommissioning and remedial action of each enrichment plant to commercial and Department of Energy customers based on the total quantity of enrichment services over the life of each facility to commercial and Department of Energy customers. If the Corporation goes private the Corporation may include in its prices charged the Department for low and high assay enrichment services a reasonable return on its investment.

The financial health of the enrichment program has suffered from the relatively cumbersome procedure the Department of Energy must now go through in setting prices and other contractual terms and from the requirement that these items be publicly divulged. Accordingly, this section would exempt the Corporation from the Administrative Procedure Act in setting prices and other contractual terms.

SECTION 1507. AUDITS

Annual audits would be required to be performed by an independent accounting firm according to Generally Accepted Accounting Principles using standards appropriate for commercial corporation transactions. Thus, the Corporation needs to structure its books so as to meet these standards.

SECTION 1508. REPORTS

This section contains self-explanatory annual reporting requirements.

SECTION 1509. CONTROL OF INFORMATION

The Corporation would be guided by the same principles as the Department concerning the exchange of restricted data and the dissemination of scientific and technical information relating to atomic energy. No contracts would be allowed between the Corporation and another person unless that person agrees in writing not to permit any individual access to restricted data until the Office of Personnel Management has made an investigation of the character, associations, and loyalty of the individual and has reported to the Corporation that such access will not endanger the common defense and security. Furthermore, the Corporation will not employ or permit any individual access to restricted data without the same investigation and report, unless the access is determined by the Corporation to be consistent with the national interest. If the person previously has had a similar investigation by another Government agency and received a clearance, then this clearance may be acceptable to the Corporation. If the investigation develops evidence that the individual is of questionable loyalty or if the position the individual will hold in the Corporation is of a high degree of importance or sensitivity, the Federal Bureau of Investigation would be required to conduct a full field investigation.

The present standards and specifications used by the Department concerning the scope and extent of investigations would be applicable to the Corporation. If the Corporation wants to change their content and form, it would make its recommendations to the Department, and the Secretary would take the appropriate action. Whenever a state of war exists, the Corporation would be authorized to employ individuals and allow them access to restricted data pending the investigation and report, provided the Corporation finds that this action is required to prevent impairment of its activities in furtherance of the common defense and security. The Corporation would not have the power to control or restrict the dissemination of information other than as specifically granted by this or any other law.

SECTION 1510. PATENTS AND INVENTIONS

Subsection a. states that the Corporation will have the same rights to inventions or discoveries conceived by contractors of the Corporation as the Department has with its contractors.

Subsection b. directs the Department to notify the Corporation and allow access to any reports or patent applications it receives that involve matters that are the responsibility of the Corporation. These reports and applications would be held in strictest confidence by the Corporation. It would not release the information without approval of the inventor or owner except to carry out any legal provisions.

Subsections c. and d. state that the Corporation may at any time apply for a patent license from the Department when the use is within the Corporation's authority. Subsection e. would provide that the Corporation would not be held liable for any damages due to the imposition of secrecy orders on any patents or reports. Subsection f. states that the Corporation shall not have to pay any awards or settlements based on claims of patent infringement except to the extent that the judgment is attributable to activiies of the Corporation after its date of incorporation.

Subsection g. would direct the Corporation to keep informed of its rights and responsibilities concerning its patents and take any appropriate action needed to protect its rights. The Department would be required to inform the Corporation of any matters affecting the Corporation's rights and responsibilities and would seek and follow as appropriate the advice of the Corporation on these matters.

CHAPTER 26. LICENSING, TAXATION, AND MISCELLANEOUS PROVISIONS

SECTION 1601. LICENSING

This section would continue current law with respect to the licensing of existing facilities using gaseous diffusion technology. It would direct the Nuclear Regulatory Commission, however, to develop any necessary regulations or regulatory guidance for licensing these facilities within 2 years of enactment of this legislation. The Corporation then would have one year to apply to the Nuclear Regulatory Commission for a license, and the Nuclear Regulatory Commission would have to make a licensing decision on these facilities within five years of enactment of the legislation. Any new enrichment facilities must be licensed by the Nuclear Regulatory Commission.

As part of the licensing process, the Corporation would prepare an Environmental Impact Statement that would be updated by the Nuclear Regulatory Commission, but only to the extent that there exists signficant new information not considered by the Corporation in preparation of the statement that indicates that the adverse environmental effects of the proposed action are significantly greater than previously estimated. Also, the Department's facilities conducting uranium enrichment research, development, and demonstration for the Corporation would be exempt from the Nuclear Regulatory Commission licensing. The Corporation's research, development, and demonstration facilities will be exempt for 5 years.

SECTION 1602. EXEMPTION FROM TAXATION AND PAYMENTS IN LIEU OF TAXES

This section is self-explanatory.

SECTION 1603. MISCELLANEOUS APPLICABILITY OF THE ATOMIC ENERGY ACT

Section a. of this section would make various requirements and authorities under the Atomic Energy Act applicable to the Corporation. These include: (1) a requirement that the Corporation report suspected violation of the antitrust laws (section 105b); (2) exemption of Corporation contractors from atomic energy licensing (section 110); (3) a grant to the Corporation of the power to issue subpoenas and give oath to witnesses (section 161c); (4) authorization for Corporation employees and employees of contractors to carry firearms and make arrests (section 161k); (5) authorization to issue easements and rights-of-way across real property of the Corporation (section 161q); (6) procedures for contracting for electricity (section 164); (7) prohibition on cost-plus percentage-of-cost contracting and on reimbursement of the Federal income taxes of contractors (section 165a); (8) authorization for the President to use the services of the agencies in protecting restricted data and property of the Corporation (section 221a); (9) authorization for the Corporation to issue regulations governing the introduction of weapons; explosives, or other dangerous instruments onto Corporation property (section 229); (10) provision of criminal penalties for photographing sensitive installations and equipment of the Corporation (section 230); and (11) authorization for the Attorney General to seek injunctions in the name of the United States at the request of the Corporation for violations of the Atomic Energy Act (section 232).

Subsection b. would allow the President to provide for the operation of future licensed facilities of the Corporation when a license has been revoked but operation of the facili-

ty in question is required by the public convenience and necessity.

SECTION 1604. COOPERATION WITH OTHER AGENCIES

This section is self-explanatory.

SECTION 1605. APPLICABILITY OF ANTITRUST LAWS

It is inappropriate to make the Corporation and its officers and employees subject to the antitrust laws because the Corporation remains part of the Federal Government. Instead, the legislation generally would require the Corporation to conduct its activities in a manner consistent with the policies expressed in the antitrust laws. In particular, it is intended that the instances in which the common defense and security or other aspects of the public interest outweigh the aspects of the public interest protected by antitrust policies will be rare, but in such instances, the Corporation should act as the overall public interest requires.

SECTION 1606. NUCLEAR HAZARD INDEMNIFICATION

This section would not allow the Board to indemnify the Corporation's contractors for nuclear hazard liability under the Price-Anderson Act in the same manner as the Secretary indemnifies the Department's contractors. Instead, the Corporation and its contractors would be treated in the same manner as licensees of the Nuclear Regulatory Commission for the purpose of section 170 of the Price-Anderson Act, under which the Nuclear Regulatory Commission has discretion whether to indemnify a facility.

SECTION 1607. REPORTS

Three years after the date of enactment, the Board would prepare a report on the feasibility and advisability of selling the Corporation to the private sector. The report would be submitted to the Attorney General for antitrust review and then go to the President. The President would be authorized to sell the Corporation's property and assets to the private sector after the report is submitted, so long as a Nuclear Regulatory Commission license has been obtained, and the sale does not begin sooner than 5 years after the date of enactment of this bill.

SECTION 1608. APPROPRIATIONS

It would provide that the Corporation may spend its receipts at any time without appropriations. Because the Corporation will be managed by a Board of Directors, there is no need to provide for apportionment of funds or revenues by the Office of Management and Budget.

SECTION 1609. APPLICABILITY OF ENVIRONMENTAL AND OCCUPATIONAL SAFETY LAWS

This section would make the Corporation subject to Federal environmental laws and the Occupational Safety and Health Act to the same extent as a privately owned Corporation.

SECTION 1610. SAFETY

The Department of Energy would retain oversight responsibility for the safety of the Corporation's operations until it is granted a license by the Nuclear Regulatory Commission. The Corporation and its operating contractors would be required to cooperate fully with the Secretary as necessary to carry out his duties.

CHAPTER 27. DECONTAMINATION AND DECOMMISSIONING

SECTION 1701. ESTABLISHMENT AND ADMINISTRATION OF FUND

This section would establish a fund in the Treasury for the use of the Corporation to pay the costs to decontaminate and decommission low assay enrichment property transferred to the Corporation. The Secretary of the Treasury under the direction of the Corporation would invest the fund, and the interest earned by the investments would become part of the fund and be available to meet its purposes.

SECTION 1702. DEPOSITS

This section would require the Corporation to pay $40,000,000 into the fund by September 30, 1990, and $50,000,000 each year afterward from the funds recovered from customers through prices and charges for its services. The yearly payments would be made until the amount for decontamination and decommissioning of the enrichment facilities had been paid into the fund. After updating the cost estimates to decontaminate and decommission the enrichment facilities, the annual amount will be increased if necessary to assure that these costs are recovered. The decontamination and decommissioning of enrichment property not transferred to the Corporation would remain the responsibility of the Department of Energy with the Corporation providing its share of the funds to perform the work.

SECTION 1703. PERFORMANCE AND DISBURSEMENTS

This section provides that the Corporation pay for its share of the decontamination and decommissioning of the enrichment facilities as determined under section 1506. The Department will pay for its share.

SECTION 3. CONFORMING AMENDMENTS AND REPEALERS

Subsections (a) and (b) of this section would make conforming technical changes to the Atomic Energy Act.

Paragraph (1), of subsection (b) would provide that, except for export purposes, enrichment facilities and related equipment would not be considered production facilities under the Atomic Energy Act. The effect of this change would be to allow the Corporation and other firms to obtain Nuclear Regulatory Commission licenses for enrichment facilities under provisions applicable to the handling of source or special nuclear materials under the Atomic Energy Act and 10 C.F.R. Parts 40 and 70. Section (b)(2)(B) would make conforming changes to the Atomic Energy Act to clarify that the private ownership of enrichment facilities is permitted. Paragraph (b)(4) would authorize the Nuclear Regulatory Commission to promulgate regulations it determines necessary to implement the legislation. Paragraph (b)(5) would repeal section 161(v) of the Atomic Energy Act of 1954. Inasmuch as the Corporation will be performing the activities and providing the services covered by section 161(v), it is no longer required. Paragraph (b)(6) would authorize the Nuclear Regulatory Commission to charge the Corporation user fees. Paragraph (b)(7) would provide criminal penalties for sabotage of licensed enrichment facilities.

Subsection (c) would exempt the Corporation from sequestration occurring as a result of the maximum deficit amount being exceeded under the Gramm-Rudman-Hollings law.

Finally, subsection (d) would repeal a provision that prohibits the Executive Branch from spending any appropriated funds to study or propose privatization of uranium enrichment.

SECTION 4. SEVERABILITY

This section is self-explanatory.

SECTION 5. TRANSITION

This section specifies certain provisions of this Act that would no longer apply to the Corporation once a plan to transfer its ownership from the Federal Government is placed into effect under section 1607 of the Atomic Energy Act of 1954, which is added by this Act.

SECTION 6. EFFECTIVE DATE

This section is self-explanatory.●

By Mr. SHELBY:

S. 848. A bill to prevent distortions in the reapportionment of the House of Representatives caused by the use of census population figures which include illegal aliens; to the Committee on Governmental Affairs.

USE OF CENSUS POPULATION FIGURES WHICH INCLUDE ILLEGAL ALIENS

● Mr. SHELBY. Mr. President, the established policy of the Bureau of the Census is to count every inhabitant in the country without making an adjustment for illegal aliens, and the Census Bureau plans to continue this policy in 1990. If this policy is allowed to continue, some States will lose congressional representation which they would not otherwise lose.

The basic rights of representation are violated when voters in States with a large number of illegal aliens have a greater voice in choosing Representatives in Congress. As the Supreme Court stated in *Wesberry* v. *Sanders*, 376 U.S. 1 (1963):

> No right is more precious in a free country than that of having a voice in the election of those who make the laws under which, as good citizens, we must live. Other rights, even the most basic, are illusory if the right to vote is undermined.

We must address this issue prudently, yet expeditiously. In less than 1 year our country will once again undergo a taking of the census. In 1790, the first U.S. census was conducted and completed. Many demographic elements have changed during these past 200 years, and the census must remain attuned to these changes.

In the 1980 census, the Census Bureau counted an estimated 2.06 million illegal aliens. But for such inclusion, Indiana and Georgia would have gained seats in Congress. In 1990, if the Census Bureau's policy remains unchanged, Pennsylvania, Connecticut, Michigan, North Carolina, and Alabama may lose congressional seats.

Therefore, Mr. President, I am introducing legislation that would prevent the use of census figures which include undocumented aliens for apportionment of the House of Representatives. My proposal directs the Secretary of Commerce to ensure that undocumented aliens shall not be counted for apportionment purposes.

At the outset I must vigorously state that the legislation is not designed to be an anti-immigration proposal. It is not designed, implicitly or explicitly,

to hinder the legal immigration process.

However, it is designed to insure proper apportionment so that all citizens will receive the opportunity to be heard. The opportunity for active participation in governing through an undiluted ballot box is part and parcel of government in America. Consequently, to realize this opportunity, the undocumented alien must not be counted for apportionment purposes.

My proposal does not impede upon the constitutional protections that have been legislatively sanctioned and judicially recognized to apply to undocumented aliens as well as to citizens and resident aliens. Conversely, my proposal provides implementation of the concept of "equal protection under the laws" for those American citizens who would be adversely affected by the inclusion of undocumented aliens.

The mere inclusion of illegal aliens in census figures for House of Representatives apportionment purposes violates the notion of self-government and eradicates the community's process of political self-definition. This occurs when affected States voting strength is weakened and qualified voters are placed in an impracticable position vis-a-vis qualified voters of States with a large undocumented alien population. Thus, improper apportionment deprives citizens of their right to self-determination through the ballot box.

Mr. President, my proposal is simple in structure. It merely directs that the Secretary of Commerce shall make adjustments in total population figures as may be necessary, using such methods and procedures as the Secretary determines appropriate, in order that aliens in the United States in violation of the immigration laws shall not be counted in tabulating population for purposes of reapportionment.

As our Nation prepares for the 1990 census, it is important that fairness and equity not fall by the wayside in our assessment of demographics.

Mr. President, I urge my colleagues to support this legislation. I ask unanimous consent that the bill be printed in full in the RECORD following completion of my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 848

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that—

(1) in recent years millions of aliens have entered the United States in violation of immigration laws and are now residing in the United States in an illegal status and are subject to deportation;

(2) the established policy of the Bureau of the Census is to make a concerted effort to count such aliens during the 1990 census without making a separate computation for such illegal aliens; and

(3) by including the millions of illegal aliens in the reapportionment base for the House of Representatives, many States will lose congressional representation which such States would not have otherwise lost, thereby violating the constitutional principle of "one man, one vote".

SEC. 2. Section 141 of title 13, United States Code, is amended by redesignating subsection (g) as subsection (h), and by inserting after subsection (f) the following new subsection:

"(g) The Secretary shall make such adjustments in total population figures as may be necessary, using such methods and procedures as the Secretary determines appropriate, in order that aliens in the United States in violation of the immigration laws shall not be counted in tabulating population for purposes of subsection (b) of this section.".

SEC. 3. Section 22(a) of the Act entitled "An Act to provide for the fifteenth and subsequent decennial censuses and to provide for apportionment of Representatives in Congress", approved June 18, 1929 (2 U.S.C. 2a(a)), is amended by striking out "as ascertained under the seventeenth and each subsequent decennial census of the population" and inserting in lieu thereof "as ascertained and reported under section 141 of title 13, United States Code, for each decennial census of population".●

By Mr. DASCHLE (for himself, Mr. HEFLIN, Mr. BOREN, and Mr. SYMMS):

S. 849. A bill to repeal section 2036(c) of the Internal Revenue Code of 1986, relating to valuation freezes; to the Committee on Finance.

ESTATE TAX VALUATION FREEZES

● Mr. DASCHLE. Mr. President, today I am introducing legislation that would repeal a provision of the Internal Revenue Code that was enacted less than 2 years ago in the Omnibus Budget Reconciliation Act of 1987. That provision, section 2036(c) of the Code, provides for the inclusion in a decedent's gross estate of property transferred to family members through the use of an estate planning device called an estate freeze.

Section 2036(c) potentially ensnares a host of estate planning techniques that I do not believe were intended to fall within the scope of the original legislation. This is unsettling because, if section 2036(c) applies to a transaction, property thought to have been transferred during the decedent's lifetime is brought back into the estate at death, leading to substantially higher estate taxes than anticipated. The additional tax that results may force the sale of the family business in order to be able to pay the estate tax. Additional uncertainties exist under section 2036(c) with respect to computations that are required once it is determined that inclusion in the estate is necessary.

The typical estate freeze involves a recapitalization of the family business, in which the owner is allocated most of the current value of the business in the form of preferred stock, while his children receive common stock, to which future value will be allocated. Gift taxes are paid on the transfer of stock to the children at the time of the recapitalization. With luck, the business prospers, and the children's stock increases in value, while the value of the owner's stock remains constant or increases slightly.

I think we all recognize that, without certain safeguards, transactions among family members invite the potential for abuse. People are perhaps more prone to undervalue property that is transferred within the family than would otherwise be the case. They can make agreements among themselves to take certain actions or not take certain actions outside the scope of a written agreement. Furthermore, it is more likely among family members that the person transferring an alleged gift will retain an inordinate amount of control over the gift that belies a true gift transaction. If that control continues until the death of the transferor, it is obvious that the true nature of the transaction was a transfer at death, and that the transfer should be subject to the estate tax.

These are important concerns. Congress should seek ways to prevent such abuses where they lead to improper avoidance of estate taxes. But in crafting legislation, it is important to narrowly define and target abusive transactions, otherwise we may inadvertantly tax many legitimate transfers. This could lead to the sale of a family business solely to pay the estate taxes. I am very concerned that, through section 2036(c), as currently written, many parents will work all their lives to build a family business, only to be forced to sell it for tax reasons.

That's just not right. If not repealed, the effect of section 2036(c) may ultimately be to create strong disincentives for people to build family businesses. This would be a grave consequence at a time when we should be encouraging entrepreneurial activity. In my state of South Dakota, the specter of section 2036(c) is very real to small business owners and farmers, alike.

The complexity of this area of the tax law is enough to intimidate even the most stout-hearted and analytical person. What's more, finding a better way of targeting the abuse originally envisioned by Congress may take considerable time and study. The current law leaves a host of crucial questions unanswered. If no changes are made, these questions will be left to the courts to resolve through expensive and protracted litigation. In light of these difficulties, I believe it is unfair to allow the menace of section 2036(c) to remain. That is why I am offering legislation to repeal section 2036(c) as if the provision were never enacted.

I am joined on this legislation by Senators HEFLIN and BOREN. In addition, I am pleased to have Senator SYMMS, who has also proposed legislation to address this issue, join me in offering this bill to repeal the estate freeze provisions.

The potential breadth of section 2036(c) means that its repeal will undoubtedly be costly to the Treasury. I have requested the Joint Committee on Taxation to provide me with an exact estimate of the cost of repealing the measure. In the months ahead, I plan to work with the Chairman of the Finance Committee, Senator BENTSEN, to see if there is any way to draft a fair provision that would apply to the most egregious estate freezes. In the meantime, I urge my colleagues to support me in calling for the retroactive repeal of Internal Revenue Code section 2036(c).

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD at the end of my prepared remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 849

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REPEAL OF SPECIAL PROVIONS RELATING TO ESTATE TAX VALUATION FREEZES.

(a) IN GENERAL.—Sections 10402 of the Revenue Act of 1987 and 3031 of the Technical and Miscellaneous Revenue Act of 1988, and the amendments made by such sections, are hereby repealed.

(b) APPLICATION OF INTERNAL REVENUE CODE.—The Internal Revenue Code of 1986 shall be applied and administered as if the provisions described in subsection (a) had not been enacted.●

By Mr. JOHNSTON (for himself and Mr. BINGAMAN):

S. 850. A bill to amend the Internal Revenue Code of 1954 to impose a fee on the importation of crude oil or refined petroleum products; to the Committee on Finance.

ENERGY SECURITY TAX ACT

● Mr. JOHNSTON. Mr. President, today I am joining with Senator BINGAMAN in introducing the Energy Security Tax Act. This bill is vital in two respects:

First, it will insure the continued viability and vitality of our domestic petroleum industry.

Second, it represents a partial solution to one of the most basic dilemmas facing the Congress: Where can we go to find the revenues we so desperately need if we are to come even close to meeting the Gramm-Rudman-Hollings budget targets?

Let me briefly outline the basics of the energy security issue.

In January of this year, for the first time in a decade, oil imports exceeded U.S. crude oil production. According to Energy Information Administration figures, domestic crude oil production continued to slide to 8.0 million barrels per day, down 3.0 percent from the same month last year. Domestic production in 1988 fell to its lowest range in 12 years. The average Hughes rig count for 1988 was 936, compared to a high of nearly 4000 in 1981. The average seismic crew count for 1988 was 183, compared to 673 in 1981.

At the same time, according to the EIA, total energy consumption is estimated to have reached its highest level ever, reaching an estimated 79.4 quads. This is a 4-percent increase just in 1988.

The latest information available from the Department of Energy, indicates that last year's imports were at the highest level since 1979, reaching 7.2 million barrels per day. This constitutes an increase of 45 percent in imports over the past 3 years.

And the increase is continuing, as January and February's oil imports surged to 8.0 and 7.9 million barrels per day, respectively, up substantially over the same period last year, according to EIA. We are, in fact, currently importing more than we were in 1973, at the time of the OPEC embargo. The long-term trend is clearly ominous even using the most conservative assumptions.

The Department of Commerce recently announced that imports of crude petroleum and petroleum products in 1988 totaled nearly $42 billion. This accounts for over a quarter of our total trade deficit.

In January of this year, President Reagan approved a finding, pursuant to the Trade Expansion Act of 1962, that petroleum imports threaten to impair our national security. A Department of Commerce investigation had found that maintenance of U.S. access to sufficient supplies of petroleum is essential to our economic security, foreign policy flexibility, and defense preparedness.

Moreover, the Energy Security Report to the President, dated March 1987, concluded that:

> The United States and many of its allies and trading partners are likely to become more dependent in the future on imports, particularly from low-cost suppliers in the Persian Gulf. Higher import dependence would increase the risk of major supply disruptions that are damaging to our economic well-being and energy security.

This need not be the case. We have the means to preserve the domestic oil industry and to assure that our vital interests are not endangered by reliance on OPEC.

But we must act, and we must act now.

The President's findings under the Trade Expansion Act and the Energy Security Report accurately diagnosed the growing cancer of our energy dependence, but failed to offer a sufficient prescription. The only effective remedy I know is an oil import fee. Anything short of that simply will not work.

From a budget perspective, an oil import fee would provide substantial and much-needed revenues. Unfortunately, the President's budget includes a combination of unreasonable assumptions about economic performance, unacceptable program cuts, and revenue sources that have been rejected time and time again by this body, while at the same time proposing substantial new spending initiatives.

An oil import fee such as the one we are proposing today would provide needed revenues and serve to inject an element of reality into the budget equation. It would help to stave off drastic cuts in domestic programs, or in defense.

The Energy Security Tax Act would provide a stable foundation for the Nation's domestic oil industry. Unless we provide that foundation, the industry will continue to crumble around us. And I, for one, cannot stand idly by while that happens.

The bill is essentially the same as the bill I introduced last Congress. It would impose a fee on imports of crude oil, refined petroleum products, petrochemicals, and petrochemical derivatives. The fee on crude oil would be the difference between $24 and the price per barrel of internationally traded oil, with the fee staying in place until the price of oil reaches $24. The bill provides an additional differential of $2.50 per barrel for product imports and petrochemical feedstocks.

Mr. President, I ask unanimous consent that a summary of the Energy Security Tax Act appear at this point in the RECORD, along with the text of the bill itself.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 850

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Energy Security Tax Act".

SEC. 2. Fee on Imported Crude Oil or Refined Petroleum Products.

(a) IN GENERAL.—Subtitle I of the Internal Revenue Code of 1954 (relating to alcohol, tobacco, and certain other excise taxes) is amended by adding at the end thereof the following new chapter:

"CHAPTER 54—IMPORTED CRUDE OIL OR REFINED PETROLEUM PRODUCTS

"Sec. 5881. Imposition of tax.

"Sec. 5882. Definitions.

"Sec. 5883. Registration.

"Sec. 5884. Procedures; returns; penalties.

"SEC. 5881. IMPOSITION OF TAX.

"(a) IMPOSITION OF TAX.—In addition to any other tax imposed under this title, an excise tax is hereby imposed on—

"(1) the first sale within the United States of—

"(A) any crude oil,

"(B) any refined petroleum product, or

"(C) any petrochemical feedstock or petrochemical derivative,

that has been imported into the United States, and

"(2) the use within the United States of—

"(A) any crude oil, or

"(B) any refined petroleum product, or

"(C) any petrochemical feedstock or petrochemical derivative,

that has been imported into the United States if no tax has been imposed with respect to such crude oil or refined petroleum product prior to such use.

"(b) RATE OF TAX.—

"(1) CRUDE OIL.—For purposes of paragraphs (1)(A) and (2)(A) of subsection (a) the rate of tax shall be the excess, if any, of—

"(A) $24 per barrel, over

"(B) the most recently published average price of a barrel of internationally traded oil.

"(2) REFINED PETROLEUM PRODUCT.—For purposes of paragraphs (1)(B) and (2)(B) of subsection (a), the rate of tax shall be the excess, if any, of—

"(A) $26.50 per barrel, over

"(B) the most recently published average price of a barrel of internationally traded oil.

"(3) PETROCHEMICAL FEEDSTOCK OR PETROCHEMICAL DERIVATIVE.—For purposes of paragraphs (1)(C) and (2)(C) of subsection (a), the rate of tax shall be equal to the rate of tax determined under paragraph (2) of this subsection, except that 'barrel equivalent of crude oil feedstocks used in the manufacture of such petrochemical feedstocks or petrochemical derivative' shall be substituted for 'barrel' the first place it appears in such paragraph (1).

"(4) FRACTIONAL PARTS OF BARRELS.—In the case of a fraction of a barrel, the tax imposed by subsection (a) shall be the same fraction of the amount of such tax imposed on the whole barrel.

"(c) DETERMINATION OF AVERAGE PRICE.—

"(1) IN GENERAL.—For purposes of this section the average price of internationally traded oil with respect to any week during which the tax under subsection (a) is imposed shall be determined by the Secretary and published in the Federal Register on the first day of such week.

"(2) BASIS OF DETERMINATION.—For purposes of paragraph (1), the Secretary, after consultation with the Administrator of the Energy Information Administration of the Department of Energy, shall determine the average price of internationally traded oil for the preceding 4 weeks, pursuant to the formula for determining such international price as is used in publishing the Weekly Petroleum Status Report and as is in effect on the date of enactment of this section.

"(d) LIABILITY FOR PAYMENT OF TAX.—

"(1) SALES.—The taxes imposed by subsection (a)(1) shall be paid by the first person who sells the crude oil, refined petroleum product, petrochemical feedstock, or petrochemical derivative within the United States.

"(2) USE.—The taxes imposed by subsection (a)(2) shall be paid by the person who uses the crude oil, refined petroleum product, petrochemical feedstock, or petrochemical derivatives.

"SEC. 5882. DEFINITIONS.

"For purposes of this chapter—

"(1) CRUDE OIL.—The term 'crude oil' means crude oil other than domestic crude oil (within the meaning of chapter 45).

"(2) BARREL.—The term 'barrel' means 42 United States gallons.

"(3) REFINED PETROLEUM PRODUCT.—The term 'refined petroleum product' shall have the same meaning given to such term by section 3(5) of the Emergency Petroleum Allocation Act of 1973 (15 U.S.C. 752(5)).

"(4) EXPORT.—The term 'export' includes shipment to a possession of the United States; and term 'exported' includes shipment to a possession of the United States.

"SEC. 5883. REGISTRATION.

"Every person subject to tax under section 5881 shall, before incurring any liability for tax under such section, register with the Secretary.

"SEC. 5884. PROCEDURES; RETURNS; PENALTIES.

"For purposes of this title, any reference (other than in chapter 45 or section 6429) to the tax imposed by section 4986 shall be treated, except to the extent provided by the Secretary by regulation where such treatment would be inappropriate, as a reference to the tax imposed by section 5881.".

(b) CONFORMING AMENDMENT.—The table of chapters for subtitle E is amended by adding at the end thereof the following new item:

"CHAPTER 54. Imported crude oil, refined petroleum products, and petrochemical feedstocks or petrochemical derivatives.".

(c) DEDUCTIBILITY OF IMPORTED OIL TAX.—The first sentence of section 164(a) (relating to deductions for taxes) is amended by inserting after paragraph (5) the following new paragraph:

"(6) The imported oil taxes imposed by section 5881.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to sales and use of imported crude oil, imported refined petroleum products, petrochemical feedstocks, or petrochemical derivatives on or after the date of enactment of this Act.

SUMMARY, ENERGY SECURITY TAX ACT

Section 1. Short Title.

Section 2. Fee on Imported Crude Oil and Refined Petroleum Products.

(a) Applies to imports of crude oil, refined petroleum products, petrochemicals, and petrochemical derivatives.

(b) Rate of tax.

The fee would be the difference between $24 and the price of oil.

It would provide a differential of $2.50 per barrel for product imports and petrochemical feedstocks.

(c) The fee on crude oil imports would stay in place until the weighted average international price of crude oil reaches $24 per barrel.

(d) No exemptions.●

By Mr. BOSCHWITZ (for himself, Mr. BAUCUS, Mr. BURNS, Mr. LOTT, Mr. CONRAD, Mr. BURDICK, Mr. BOREN, Mr. PRESSLER, Mr. KASTEN, and Mr. GRASSLEY):

S. 851. A bill to promote the development of small business in rural areas; to the Committee on Small Business.

SMALL BUSINESS REVITALIZATION ACT

● Mr. BOSCHWITZ. Mr. President, I am pleased today to join my friend from Montana, Senator BAUCUS, as well as Senators BOREN, BURDICK, BURNS, CONRAD, KASTEN, LOTT, and PRESSLER in introducing the Small Business Rural Revitalization Act.

Mr. President, while much attention has been given the problems facing rural communities, cost-effective solutions have not been as readily available. Typically, proposed solutions have dealt primarily with agriculture and have overlooked the plight of small business. A prosperous agricultural sector is essential to rural revitalization but small business also plays an important role.

Over the past several decades, our country has become not only a nation of farmers but also a nation of small businesses. Today, 26 percent of the people in this country live in nonmetropolitan areas, but only 2 percent are directly involved in producing food and fiber. While agriculture will always be a very important part of rural America, our legislation focuses on the contribution small businesses can make in rebuilding our rural communities.

Mr. President, the importance of small business to the economy is well documented. There are nearly 18 million small businesses in this country, employing 55 percent of the private work force and adding almost 40 percent to the gross national product. Small businesses create over 60 percent of the net new jobs in this country. In rural areas, the effect is even more pronounced because there small business is often the only business.

Mr. President, the legislation we are introducing today is crafted to assist small businesses in gaining access to the tools they need to generate jobs and opportunities in rural areas. Because most rural businesses are far removed from many of the resources available to small businesses in more heavily populated areas, access is a major deterrent to their growth. Whether it's access to capital, access to technology, access to information, or access to the Government procurement process, rural small businesses are disproportionately and adversely impacted by their location.

Mr. President, this bill attempts to ameliorate the access problem for small businesses. It cannot guarantee success but my hope is it will help provide opportunities for succcess. Moreover, it is not an expensive, omnibus approach to rural development. Rather, it is cost effective and focused in its mission. It deals exclusively with small businesses.

A recent GAO study estimated that there are already 88 Federal programs which target rural areas. It is clear the answer to rural problems is not more Federal programs. Programs don't facilitate change, people do. And no one is better versed in creating economic development in small communities than the people in those communities. It's for this reason that existing Federal programs need to be locally oriented, providing the greatest amount of

flexibility for people at the grassroots level.

Our part is to insure that available Federal tools are adaptable and workable for use by local policymakers. For example, the SBA Certified Development Company Program is an ideal vehicle for local economic development. It allows maximum flexibility for tailoring assistance to the economic needs of the individual community. Our legislation recognizes that fact and further refines the CDC's mission.

Mr. President, our bill consists of four titles, each addressing different needs of rural small businesses. The titles deal with capital formation, procurement assistance, business development, and regulatory simplification and flexibility. I ask unanimous consent that the attached bill summary be included in the RECORD as a part of my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

BILL SUMMARY

I. CAPITAL FORMATION

Revolving loans: Authorize the SBA to establish a new section 507 of the Small Business Act permitting qualifying certified development companies to issue an SBA-guaranteed debenture in the amount of $1 million to capitalize a revolving loan fund authorized to make small business loans of up to $100,000. The program would be established as a pilot program capped at $25 million and would be financed by dollars already appropriated under section 504. Certified Development Company [CDC] funding under this program would be contingent upon a a 50 percent private sector match.

Section 503/504: The jobs creation requirement currently applying to section 503/504 loans would be changed from one job per $15,000 to one job per $30,000.

Small business investment companies: Authorize nonprofit economic development authorities to participate in the formation of SBICs and receive guaranteed funding from SBA; present law requires that SBICs originate only from the private sector as a condition of receiving SBA guaranteed leveraging money; our bill would allow up to $500,000 of the $1 million needed to form an SBIC under current law to come from State or local sources provided that portion of the $1 million is senior to the private contribution. Because the private investors lose their investment first, we would further insist that they retain majority control of the company.

II. PROCUREMENT ASSISTANCE

Rural set asides on Federal formula funding: Require that Federal agencies work with the Office of Federal Procurement Policy [OFPP] to develop methods for assisting designated rural areas in participating and benefitting from Federal procurement.

Rural areas shall be given priority in determining the location of new Federal building and activities related to their construction.

III. BUSINESS DEVELOPMENT

Business incubators: Authorize the SBA to award matching grants to economic development authorities for the creation of business incubators; the grant would be used to buy down up to 3 percent of the interest on loans made to acquire property to house an incubator; the buy down would be contingent on an equal buy down by private sector sources. Funding would come from unallocated dollars appropriated for funding of section 7(j) of the Small Business Act.

IV. REGULATORY SIMPLIFICATION

Direct the Administrator of SBA to coordinate an interagency review of conflicting requirements in existing Federal economic development programs, that is. EDA, FMHA, SBA, etc., and make recommendations about changes.

Regulatory flexibility: Allow rural economic development authorities to waive or relax Federal standards imposed under this bill, provided it is for the purpose of increasing job opportunities and does not allow discrimination on the basis of race, sex, etc.

Mr. President, let me just say in closing that I look forward to working with the Senate toward final passage of this very timely legislation. I urge Members on both sides of the aisle to join us in support of this responsible and workable approach to revitalizing our rural economies.●

● Mr. BURNS. Mr. President, I am pleased to join the Senator from Minnesota as an original cosponsor of this legislation. I want to commend him for taking the leadership on this issue and for working with the various members of the Small Business Committee to develop this fine piece of legislation.

The details of the legislation were outlined by Senator BOSCHWITZ, so I will not go into them. However, I do want to highlight a couple of areas. I think the provision relating to business development through the creation of business incubators is excellent. As the Senator from Minnesota knows from experience in his State, this type of program is extremely beneficial in rural areas. In recent years the rate of new business starts has declined 27.6 percent in Montana. This is a reflection of the phenomena that I have mentioned over and over again on this floor—that the coasts continue to boom while the heartland suffers. When the economy is weak, it is extremely tough to come up with the capital needed to start a small business. By helping people in economically depressed areas with the costs of starting up a new business, we are helping them overcome a major hurdle.

It is also important that we work to divert Federal resources to these areas. This bill takes a major step forward in that area by requiring rural set-asides for Federal procurement contracts. Nationally, small businesses received only 16 percent of the Federal contracts over $25,000 awarded in fiscal year 1987. I think that is a shame—especially since small businesses can often be more innovative and cost effective than large firms. I look forward to seeing those percentages improve.

Finally, this bill includes a simple, but crucial provision which directs the Administrator of SBA to coordinate a review of conflicting requirements in existing Federal economic development programs. It is extremely important that the Federal Government coordinate its efforts to help small businesses. We cannot keep sending mixed signals which confuse and frustrate those small business people who are trying to take advantage of the programs offered for their benefit.

It is also important to note that this bill obligates no new funds. It utilizes existing SBA programs and funds. I think that Senator BOSCHWITZ should be commended for his fiscal responsibility in crafting this legislation.

I look forward to holding hearings on this legislation and getting input from small businesses in Montana and other rural areas. I think that this legislation takes some important steps in addressing a crucial rural development issue—the creation of new small businesses and new jobs.●

● Mr. LOTT. Mr. President, today I join my colleague from Minnesota as a cosponsor of a bill which is designed to create an environment in rural America for the revitalization of small business.

With small businesses providing employment for 56 percent of the Nation's nonmetropolitan work force, it is of great importance to the national economy that small businesses in rural America continue to grow and expand their markets. In the next 25 years, the United States will need 43 million new jobs. Small business is expected to provide nearly three-quarters of those job opportunities.

The current trend of population movement toward the greater metropolitan areas has left small rural business growing at a rate of 30 percent slower than its urban counterparts. In order to preserve our "hometowns" across America, we must create an environment conducive to small business.

Mr. President, I believe that the 1989 Small Business Rural Revitalization Act is a step in that direction, and I would ask my colleagues to support this important legislation.●

● Mr. CONRAD. Mr. President, I am pleased to rise today as an original cosponsor of Senators BOSCHWITZ's and BAUCUS' Small Business Rural Revitalization Act and express my strong support for this legislation.

The Small Business Rural Revitalization Act authorizes the Small Business Administration to establish a pilot program, permitting certified development companies—CDC's are private nonprofit, locally controlled economic development organizations—to issue up to $1 million in Small Business Administration [SBA] guaranteed debentures to capitalize a revolving loan fund. This fund will be authorized to make loans up to $100,000 to small businesses in rural areas.

The funding to the certified development company will be contingent upon a 50-percent private sector match which would be subordinate to the federally guaranteed debenture. This pilot program would be financed by funds already authorized under the existing SBA Section 504 Loan Program. The funding for this pilot program is limited to $25 million for the initial year only.

The act also authorizes economic development authorities to participate in Small Business Investment Corporations [SBIC's]. Currently, SBIC's are privately capitalized and managed, but are licensed, funded, and regulated by SBA to provide small firms with long-term loans, debt security, and equity financing. This act will enable small rural communities to attract additional sources of venture capital for small businesses in rural areas.

In addition, this act amends the Office of Federal Procurement Policy Act by requiring Federal agencies to give rural areas priority when Federal building sites are selected and constructed. Under regulations prescribed by the Administrator, the head of each executive agency will give equal consideration to rural areas in determining the location of new Federal buildings and activities relating to construction.

It will also ensure rural areas benefit from Federal procurement and receive their fair share of Federal procurement activities.

This act also directs the SBA to coordinate an interagency study to review the conflicting requirements in existing Federal grant and loan programs, which involve community development, business promotion, and research and development, for which small businesses located in rural areas are eligible. In conducting the review the SBA Administrator will be required to consult with the Secretaries of Housing and Urban Development, Health and Human Services, Energy, Defense, Commerce, Agriculture, Labor, and any other appropriate officials and recommend changes.

Mr. President, in my travels and discussions with bankers, economic development authorities, and small businesses in North Dakota, it is clear that rural America is facing a severe economic decline. Unemployment, underemployment, poverty, and outmigration are increasingly significant problems in rural communities throughout the country. The lack of economic diversity in rural areas has made these rural areas more vulnerable during economic downturns.

Although 25 percent of our Nation's population lives in rural areas, this number is declining rapidly. The U.S. Department of Agriculture estimates that rural areas lost 632,000 people due to outmigration in 1985–86. Many college graduates leave rural areas due to the lack of job opportunities, not a desire to leave their home State.

Previously, rural policy focused almost solely on agricultural issues; however, the problems of rural areas extend beyond agricultural issues. While agriculture will always be important to the rural economy, one key to rural economic development is diversification.

In the past decade, small businesses have outperformed large businesses in creating jobs. The Small Business Administration reports that in 1988, small business continued to lead in job generation. Small business dominated industries increased by 4.9 percent, while employment for large business dominated industries increased by 3.3 percent.

By shifting their focus—toward new business development—rural areas can make a larger contribution to the global economic issues facing our country. Rural areas have traditionally directed their resources to encouraging existing businesses to relocate to their areas. By directing our rural economic efforts toward the creation of new business growth, rural areas will be able to make a greater contribution to meeting our country's increasingly competitive global challenges.

In discussions with North Dakotans, I have learned of the many financing obstacles for individuals trying to obtain sufficient capital from banks and other financial institutions. The problem is not the cost of capital, it is its availability. Mr. President, these problems are not unique to North Dakota.

The provisions in this act will address these problems and increase the availability of capital to the many people in rural areas who want to start their own business and are unable to find the adequate capital. It will also create more job opportunities for the many people who want to remain in rural areas and are unable to find jobs.

Mr. President, this legislation is important to the economic development of all rural areas. I congratulate Senators BAUCUS and BOSCHWITZ for introducing this essential and long needed legislation. I ask my colleagues to carefully consider this bill and urge its quick passage.●

By Mr. BRYAN (for himself, Mr. ROBB, and Mr. GRAHAM):

S. 852. A bill to exclude the receipts of Social Security Trust Fund from the deficit calculation; pursuant to the order of August 4, 1977, referred jointly to the Committee on the Budget, and the Committee on Governmental affairs.

EXCLUSION OF SOCIAL SECURITY TRUST FUND FROM DEFICIT CALCULATION

Mr. BRYAN. Mr. President, I rise today to pledge my support for preserving a sound Social Security policy.

At issue is the relationship between Social Security and the Federal budget. Social Security is unique among Federal programs because it is funded by its own tax on employees and employers. Because of the way it is funded, for years Social Security was not part of the Federal budget. It was considered to be off-budget, meaning that Social Security receipts and benefit payments were not included in the Federal budget process. Consequently there was no temptation to use the Social Security Trust Fund for anything other than Social Security benefits. And, that is the way it should be.

Congress has prohibited the use of Social Security funds for any other purpose. This has been the law since 1935 and must remain the law. After the threat of a collapse of the Social Security system several years ago, the Social Security Amendments of 1983 restored the system to a healthy financial state that has resulted in building a healthy surplus.

However, contrary to popular belief, surplus Social Security taxes are not deposited into the Social Security Trust Fund. They flow into the General Treasury like all other Federal receipts, and in return the trust fund is given IOU's from the Government. Similarly, benefits are paid from the General Treasury. The trust fund itself does not hold cash, only these IOU's. Therefore, including the surplus in the Social Security Trust Fund when calculating the deficit targets set forth by Gramm-Rudman-Hollings we are creating the illusion that the budget deficit is being brought into balance, when in fact the operating deficit is continuing to grow.

This clever accounting method has allowed the Federal Government to use the savings in Social Security to hold down or hide the actual amount of the Federal deficit.

For fiscal year 1989, the deficit has been calculated at $215 billion. But, we have reported to the American people that it is only $159 billion. This is because we have used the $56 billion Social Security surplus to mask the true size of the deficit. To further illustrate the illusionary deficit, the Congressional Budget Office projects that in 1994 the Nation's deficit will be approximately $130 billion. What should be said is that the actual deficit—without using the Social Security surplus to reduce the true size of the imbalance—will be $247 billion. This is wrong and must stop.

Decisions about Social Security should be made on the basis of the condition of the trust fund, not the Federal budget as a whole. For this reason, today, I am introducing legislation to restore Social Security to its off-budget status entirely. I oppose lending the Social Security surpluses

to the Treasury to finance the operating budget deficit. Social Security funds should not be used for anything other than the payment of benefits.

It is our duty to reassure Americans that their Social Security benefits are safe in a separate account. Not just safe today, but also on the day they retire. Funds in the Social Security reserve are in no sense a surplus, in the sense of being unnecessary or up for grabs. Maintaining the reserve is absolutely essential if the baby boom generation is to enjoy economic security in its retirement years.

I call on my colleagues in the Congress to pass this legislation to separate Social Security from the Federal budget once and for all. It would be irresponsible to do otherwise.

By Mr. DODD:

S. 853. A bill to assist States in providing low- and middle-income housing to their residents, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

HOUSING GRANT ACTION PROGRAM ACT OF 1989

● Mr. DODD. Mr. President, today I'm reintroducing the Housing Grant Action Program, a bill that I introduced with Senator D'AMATO during the 100th Congress.

I must first commend my colleagues, Senators CRANSTON and D'AMATO for their recent introduction of the National Affordable Housing Act. It really is the culmination of the 2-year effort rallying our Nation's housing leaders and elected representatives around the common cause of creating better and more equitable solutions to the housing crisis in this country. I am proud to be an original cosponsor of the National Affordable Housing Act.

I view the Housing GAP Act as a complement to the National Affordable Housing Act, partner legislation, if you will, in seeing to it that housing regains its rightful place on the agenda of national priorities.

Like the National Affordable Housing Act, the GAP Act vows to help bridge the gap between the rhetoric and reality of our Nation's housing policies by beginning to link the resources of all levels of government and the private sector in the shared pursuit of providing safe and affordable housing for all Americans.

The GAP Act is based on four principles which: First, recognize the central role of State and local governments in the establishment of an effective national housing policy; second, use limited Federal resources to leverage substantial private investment; third, target limited Federal resources based on need, and fourth, better coordinate tax and spending policies.

In broad measure, the basic grant portion of the act is a block grant based on a State's housing need and comprises 70 percent of program funds. The challenge grant portion of the act comprises the remaining 30 percent of program funds, is also based on State housing need but additionally requires that a State provide at least 33 percent of the funds necessary to carry out each project specified in the State challenge grant application. Finally the Housing GAP Act establishes a council to coordinate tax and housing polices.

I am deeply committed to helping to forge a bipartisan solution to our Nation's housing crisis and believe that the principles embodied in the Housing GAP Act must be part of that solution. We must strive to create an America that understands that to be kinder and gentler, it must work to shelter all of its people.●

By Mr. ADAMS (for himself, Mr. GORTON, and Mr. INOUYE):

S. 854. A bill to expand eligibility for the Expert Witness Loan Fund; to the Select Committee on Indian Affairs.

EXPANDING ELIGIBILITY FOR THE EXPERT WITNESS LOAN FUND

● Mr. ADAMS. Mr. President, today I am reintroducing a bill regarding the expert witness loan fund. This legislation, introduced last year by Senator Evans, and cosponsored by Senator INOUYE and myself, passed the Senate without controversy last year, but died in the House for lack of time at the end of the session. I am pleased to have with me this year as cosponsors of this bill Senator INOUYE and Senator GORTON. In addition, Representative SWIFT will be introducing identical legislation this week in the House.

This legislation involves the Indian claims expert witness loan fund, which was established to help tribes pay for expert witnesses in litigation before the Indian Claims Commission. The Indian Claims Commission was terminated in 1978, but the fund is still being administered for those Indian Claims Commission cases that were transferred to the U.S. Claims Court.

This legislation extends the availability of the fund to cases filed by Indians in the U.S. Claims Court. Since this court is now the customary venue for cases brought by Indian tribes against the United States, extending the availability of the fund to cases brought before this court is consistent with the purposes for which the fund was established.

This legislation is intended to be of general application to all Indian tribes or groups bringing claims before the U.S. Claims Court. It is being introduced today, however, because of concerns about the status of a specific claim pending against the U.S. Government for mismanagement of timber contracts on the Quinault Reservation in Washington State.

Allegations regarding BIA mismanagement of these contracts were raised as early as 1956 and 1957, when Congress held hearings on this issue. Despite recommendations from Congress that the BIA institute reforms designed to ensure that the timber would be sold for prices equivalent to those available in the open market, there was little change in BIA policy. Finally, in 1971, the Quinault Tribe and other Indian timber allottees on the reservation joined forces and brought suit against the U.S. Government.

This litigation, Mitchell versus United States, has been lengthy and protracted. Since 1977, the Justice Department has raised a series of technical defenses, one of which was considered on two different occasions by the Supreme Court. The trial on the technical timber issues, initially scheduled for 1977 or 1978, has yet to occur.

The impact of these delays on the plaintiffs in this case has been substantial. Of the approximately 1,500 individual plaintiffs, approximately 200 have died since the case was filed. About half of the plaintiffs originally agreed to contribute 2 percent of their timber proceeds to pay for experts and other litigation costs, but those funds are now nearly exhausted.

Mr. President, I do not presume to take a position on the merits of this case. That is a matter for a court to decide. I am concerned, however, that the Justice Department may appear to have adopted a policy of delay designed to drain the plaintiffs of their resources, and force them to settle for much less than they might otherwise receive. I have communicated these concerns to the Justice Department, and have been told that the Department believes it is litigating this case in good faith.

While I hope that this is indeed the case, I do believe it is important to send a signal to the Justice Department that Congress feels strongly that pending Indian claims against the United States should be litigated promptly. The Federal Government has long held a trust responsibility toward Indian peoples. In terms of the management of valuable Indian resources, however, such as timber, fishing, and oil and gas, the Government has too often been a very poor trustee. When such mismanagement of Indian resources is alleged, Indian tribes and other groups should have the ability to have their claims heard in court in a timely manner. Legal strategies of obstruction and delay breach the spirit of the Federal trust responsibility toward Indian peoples.

Passage of this legislation will allow the plaintiffs in this case, and all other similar cases, access to the expert witness loan fund. Given that this fund was established for the express purpose of enabling tribes with claims against the Government to be able to pay for expert witnesses to assist them at trial, extension of these funds to these types of cases seems en-

tirely appropriate. I hope my colleagues will join me in supporting this legislation.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 854

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1 of the Act of November 4, 1963 (Public Law 88-168. 77 Stat. 301) as amended, is further amended—

(a) by striking "$2,700,000" and inserting in lieu thereof "$4,000,000"; and

(b) by adding at the end thereof "or the United States Claims Court."●

● Mr. GORTON. Mr. President, I am pleased to join Senator ADAMS today in introducing legislation extending the eligibility for the Indian Claims Commission expert witnesss loan fund. I commend Senator ADAMS for reintroducing this legislative effort initiated by himself and Senator Evans. This legislation will increase the authorization for the expert witness loan fund from $2.7 million to $4 million, and extend application to not only claimants before the Indian Claims Commission but also the U.S. Claims Court. I understand that this legislation almost passed in the final days of the 100th Congress, but did not, due solely to a number of unrelated amendments that were added during consideration in the House of Representatives.

The expert witness loan fund was established by act on November 1, 1963. The fund was intended to provide financial assistance to claimants before the Indian Claims Commission. The Commission was terminated on September 30, 1978, but the fund is still being administered for the benefit of Indian Claims Commission cases that were transferred to the U.S. Court of Claims in 1978, and further transferred to the U.S. Claims Court in 1982.

The usual beneficiaries of these loans are Indian tribes. However, the act also allows to any "identifiable group" of Indians even if they do not constitute a tribe in the formal sense. For example, the fund would be available for owners of individual trust allotments who may have virtually identical claims against the U.S. Government.

Historically the fund assisted Indians to obtain the expert representation required for fair consideration of their legal claims against the Government. Under the original act, loans bear interest and are repayable out of any judgment. Since passage of the original act in 1963 I understand that only $15,000 worth of loans have been defaulted.

This legislation would apply to some of my constituents. Allottees on the Quinault Indian Reservation are involved in a case known as United States versus Mitchell. I do not wish to debate the merits of the case and this legislation should have no bearing on its outcome. However, I would like to express my deep concern over the delay of several years in its resolution. One critical result of the delay—which is largely attributed to a series of technical defenses brought by the Justice Department—is that the funds provided for by the plaintiffs to pay for experts and other litigation costs are now nearly depleted. Passage of the extension of the expert witness loan fund will allow access to the fund to the plaintiffs in this case and all similar cases.

Mr. President, as a recently appointed member of the Senate Select Committee on Indian Affairs, I look forward to working with my colleague from Washington in assisting the progress of this legislation.●

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 855. A bill to direct the Secretary of the Interior to establish a Cave Research Institute at Carlsbad Caverns National Park; to the Committee on Energy and Natural Resources.

CAVE RESEARCH INSTITUTE ACT OF 1989

● Mr. BINGAMAN. Mr. President, I rise to introduce legislation to help advance our knowledge of caves—those underground caverns that hold so many mysteries.

New Mexico is famous for Carlsbad Caverns National Park, home to some of the finest caves in the world. Carlsbad has attracted millions of visitors to southeastern New Mexico to see the well-known caves. But Carlsbad is a dynamic place. As I speak cavers are undertaking one of the most exciting searchers in memory, the exploration of Lechuguilla Cave. The cave has brought visitors from the Soviet Union, China, Canada, France, Britain and Italy. Cavers, cave researchers, cave scientists and recreationalists all over the globe are interested in Carlsbad because of this wonderful discovery. Lechuguilla Cave travels through five different geologic formations and evidence there may change science's view of how caves were formed. The known cave has expanded rapidly and now has reached 30.8 miles long and 1,501 feet deep. It is a beautiful, delicate place, holding many secrets, as I learned on a visit to Carlsbad in February.

We can help unlock some of those secrets with this legislation—which would establish a Cave Research Institute at Carlsbad Caverns. Such an institute would be perfectly situated at Carlsbad to explore not only the fine caves, but the world's best exposed fossil reef, Capitan Reef. An institute also would produce educational materials and offer field trips to school-age children, college students, and researchers. It also would enhance tourism opportunities for the Carlsbad area and southeastern New Mexico and help draw deserved attention to one of the Nation's foremost natural treasures.

I have raised this idea with Secretary of the Interior Manuel Lujan and the National Park Service. Bob Crisman, management assistant at Carlsbad Caverns National Park, said the park has been working with university and oil company researchers for some time and that a research institute could enhance present activities. In addition to the scenic and scientific work, a research center could help develop oil reserves in the rich Permian basin. New information from Lechuguilla, for example, may contribute significantly to our knowledge of oil exploration.

This is an exciting proposal which would benefit both our knowledge of our natural history and our economic future. I urge my colleagues to join me in supporting this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 855

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Cave Research Institute Act of 1989".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The world's most exposed fossil reef, Capitan Reef, in southern New Mexico that includes Carlsbad Caverns contains over 300 caves, including 75 identified caves in Carlsbad Caverns National Part and 22 caves in Guadalupe Mountains National Park. Many of the known caves are on lands administered by the United States Forest Service and the Bureau of Land Management.

(2) Recent explorations of Lechuguilla Cave at Carlsbad Caverns National Park have provided much new information about the wonders of this cave including the fact that it is the second deepest cave in the United States and contains outstanding world-class cave features such as gypsum crystal "chandeliers" and gypsum "flowers".

(3) The Lechuguilla Cave has been described by cave researchers as possibly the finest cave in America.

(4) The interest and excitement of cave researchers throughout the world have been focused on Carlsbad Caverns National Park.

(5) A cave research institute at Carlsbad Caverns—

(A) would produce educational and interpretive materials vital to public understanding of cave geology;

(B) could assist students and researchers as an educational laboratory; and

(C) could enhance tourism opportunities for the Carlsbad area and Southeastern New Mexico.

(6) Cave reserchers could use this research institute as an operational base for study of caves in other regions and as a focal point for storage of data on cave geology and speleology.

(7) The Congress through its passage of Public Law 100-691, the Federal Cave Resources Protection Act of 1988, recognized that—

(A) "significant caves on Federal lands are an invaluable and irreplaceable part of the Nation's national heritage; and in some instances, these significant caves are threatened"; and

(B) "it is the policy of the United States that Federal lands be managed in a manner which protects and maintains, to the extent practicable, significant caves",

therefore, a cave research institute would provide for a comprehensive evaluation of cave resources, protection needs, and interpretive information.

SEC. 3. AUTHORIZATION.

In order to provide for orderly and systematic cave research in Carlsbad Caverns National Park, the Capitan Reef area, and on other Federal lands, there is hereby established the cave research institute. The cave research institute is established as an operational unit of Carlsbad Caverns National Park, New Mexico.

SEC. 4. RESEARCH INSTITUTE OPERATIONAL PLAN.

Not later than 1 year after the date that funds are made available under this Act, the Secretary of the Interior shall prepare and transmit to Congress an operational plan for the cave research institute to include—

(1) a research plan, staffing needs for the first 5 years of operations, proposed cooperative agreements with other agencies and institutions pursuant with existing authorities, and facility needs; and

(2) an analysis of operational costs including staffing for 5 years, cost of facilities, and other appropriate items.

SEC. 5. APPROPRIATION AUTHORIZATION.

These are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

● Mr. DOMENICI. Mr. President, I rise today to join my distinguished colleague from New Mexico [Mr. BINGAMAN] in introducing the Cave Research Act of 1989.

This act authorizes the establishment of a Cave Research Institute at Carlsbad Caverns National Park in New Mexico. The Institute would provide for the comprehensive evaluation of cave resources and methods for their protection and interpretation. The Institute would serve as a center for the study of caves throughout the Nation and as a resource for information on cave geology and speleology.

It is fitting that the Cave Research Institute be centered at Carlsbad Caverns National Park. Carlsbad Caverns, the only national park in New Mexico, is a truly world-class site. There are currently 75 known caves within the park, including Lechuguilla Cave, which recent explorations have disclosed is the second longest deep cave in the United States.

The new discoveries at Lechuguilla Cave are among the most remarkable exciting cave discoveries of this century. They have prompted the National Speleological Society to describe Lechuguilla Cave as possibly the finest cave in America.

The recent explorations of Lechuguilla Cave have established that the cave is over 1,500 feet deep, making it the second deepest cave in the United States.

At over 30 miles in length, Lechuguilla Cave is the 13th longest cave in the United States. However, it is the longest deep cave—greater than 1,000 feet deep—in the country and probably contains more passage below 800 feet than all the other deep caves in the country combined.

Recently, I introduced the Lechuguilla Cave Study Act of 1989, S. 701, which will authorize the Department of the Interior to conduct a study of methods to protect and interpret the internationally significant Lechuguilla Cave.

The study will focus on the feasibility of constructing facilities to provide public access to the cave and the feasibility of designating the cave as wilderness.

The bill that Senator BINGAMAN and I are introducing today complements the proposed Lechuguilla Cave study. These two bills will reaffirm Carlsbad Caverns as one of the premier sites in the world for the study, exploration, and enjoyment of caves.

Carlsbad Caverns National Park attracts visitors from around the world and is very important to the economy of the city of Carlsbad and the entire southeastern region of New Mexico. It is estimated that the park adds $40 million per year to the area economy. The Cave Research Institute will add to the attraction of the park.

I am pleased to join Senator BINGAMAN in introducing this bill today, and I commend him for his efforts on this measure.●

By Mr. MURKOWSKI:

S. 856. A bill to amend title 13 of the United States Code and the International Investment and Trade in Services Survey Act to improve the quality of data on foreign investment in the United States; to the Committee on Commerce, Science, and Transportation.

IMPROVING THE QUALITY OF DATA ON FOREIGN INVESTMENT IN THE UNITED STATES

Mr. MURKOWSKI. Mr. President, today I rise to introduce legislation intended to improve the quality of data on foreign direct investment in the United States. I want to state from the outset that this legislation does not discriminate against foreign investors, require public disclosure of proprietary business information, or seek to discourage legitimate foreign direct investment. This bill is intended to address some of the problems with data collection efforts that the ongoing review of foreign direct investment in the United States has brought to light. The bill addresses these problems by allowing for coordination and cooperation among agencies in the Federal Government which currently collect and analyze data related to foreign direct investment. In addition, the bill is intended to focus more of our resources on analysis of foreign direct investments which are controlled directly or indirectly by foreign governments. I believe that we must improve our analysis capabilities regarding government controlled investments because "official investors" may have different motivations than private investors for making direct investments.

WHAT DOES THE BILL DO

The bill will amend International Investment and Trade in Services Survey Act to codify the collection of data related to foreign direct investments that are controlled directly or indirectly by foreign governments. In addition, it will allow employees of the Bureau of Economic Analysis [BEA] to have access to data collected by the Census Bureau when BEA employees are performing functions under the International Investment Survey Act. I would point out that in utilizing Census data, BEA employees will still be subject to the same constraints that currently protect the confidentiality of proprietary business information. Finally, it will allow the Bureau of Economic Analysis to share the data it collects under the International Investment Survey Act with the Committee on Foreign Investment in the United States [CFIUS] or any other policymaking body designated by the President to monitor foreign direct investment in the United States and to coordinate U.S. policy on such investment. Again, CFIUS or any other entity designated by the President would still be subject to the confidentiality protections in existing law.

WHY THE NEED FOR DATA SHARING

Under the Foreign Investment Survey Act, BEA has been designated as the primary statistical agency responsible for collecting data on foreign direct investment. Through different BEA surveys, the Bureau currently collects extensive information regarding foreign direct investment in the United States. However, there are some problems with the BEA data which hinder effective analysis of certain public policy issues. According to the GAO:

With BEA's current data collection methods, data on specific industry sectors of undeniable national security and commercial interest, such as aerospace, semiconductors, and biotechnology, is unavailable. This is because in BEA reports, this data is folded into much larger industry classifications. Aerospace for example, is classified in BEA reports as part of "Other Transportation."

These problems with the data are in part due to the manner in which BEA collects data from foreign direct inves-

tors. BEA currently collects its information on an "enterprise" rather than an "establishment" level basis. This means that a parent corporation files a single report for the whole corporate enterprise—each affiliate of which is considered an establishment—even if the various establishments operate in businesses totally unrelated to the parent corporation's primary business enterprise. The report with consolidated data on the entire entity's research and development, taxes, employment and employee compensation, sources of external financing, and exports and imports is then classified by BEA reports under the primary business activity of the parent corporation. For example, if a multinational oil company, through one of its subsidiaries were to make a major real estate purchase, it would show up in BEA data as an investment in the petroleum sector rather than in the real estate sector. As you can see, this type of reporting can skew data in all sectors.

In contrast, the Census Bureau has a well-established statistical program collecting data on both an establishment and a company basis. Every 5 years they conduct complete censuses on manufacturing, distributive trades, services, construction, mining, and agricultural areas. Census also conducts a wide variety of monthly, quarterly, and annual surveys. The type of establishment level data which Census collects lends itself to far more detailed analysis by size of establishment, product/industry category, and State location. This type of data, which is extremely beneficial to understanding the impact of foreign direct investment, is generally lost in BEA's consolidated reporting.

BEA and Census both acknowledged that data sharing could be extremely beneficial to improving analysis of foreign direct investment without increasing paperwork for foreign investors. However Census is prohibited under current law from sharing its data. Recently, BEA agents were sworn in as Census Bureau agents to conduct a data matching pilot program. However, because none of the Census data can flow back to BEA for use in BEA reports, if in using Census data, BEA agents find errors in BEA data they cannot correct them.

Mr. President, BEA, not Census is charged with the responsibility for statistical analysis of foreign direct investment. Therefore, I strongly feel BEA should have access to Census information beneficial to analysis of foreign direct investment. This can be done in such a manner as to protect the confidentiality of Census' sources.

BETTER DATA ON FOREIGN GOVERNMENT INVESTMENTS

In codifying the collection of information on foreign government controlled investment, it is my intent that BEA would use its consolidated data base to improve analysis of direct investments that are controlled directly or indirectly by foreign governments. Of the estimated $257 billion in foreign direct investment in the United States, nonbank U.S. affiliates of foreign direct investors with 5 percent or more government ownership in their foreign ownership chains had assets of $113.8 billion at the end of 1986. A subset of these U.S. affiliates—those who had foreign governments as their ultimate beneficial owner [UBO]—had assets of $74.6 billion. To the extent that policies of a foreign government, whether they are political and diplomatic or economic and commercial may run counter to the commercial policies of their U.S. affiliate, it could be assumed that government investors could exercise their ability to materially influence the policy of the U.S. affiliate to promote the foreign government interests. Because of the unique nature of this type of investor, foreign government controlled investment should be subject to more careful analysis. In calling for improved data in this area I want to cite a recent example in Great Britain.

About a year ago, the Government of Great Britain decided to end Government ownership in BP and offered its share in the company in a public offering. Factors such as the October 1987 stock market crash severely limited participation in the offering, and when the sale was over, to the surprise of BP and the British Government the Kuwait Investment Office was the owner of 21.6 percent of BP, the third largest oil company in the world. While the Thatcher government strongly advocated an open foreign investment policy, the purchase of such a significant amount of BP by an investor that was controlled by a foreign government with major oil holdings, was a source of concern. After a very detailed and lengthy investigation by the British Monopolies and Mergers Commission, the Commission ruled that the potential for Kuwait, as an official investor, to materially influence the policies of BP so as to promote the national interest of Kuwait was too significant for the investment to be in the public interest. The Kuwait Investment Office was then asked by the Thatcher government to divest all but 9 percent of its shares in BP.

SHARING DATA WITH COMMITTEE ON FOREIGN INVESTMENT [CFIUS]

Under the Exon-Florio provision of the trade bill, investments such as this could come under review if they have major implications for our national security. CFIUS is the interagency body designated by the President at this time to monitor foreign investments in the United States, and to coordinate U.S. policy on such investment. However, it is interesting to note that even CFIUS does not have access to disaggregated BEA data. While I do not believe that data regarding individual investments should be made available to the general public, I believe that the interagency body designated by the President to monitor foreign investment should have access to the data under the same constraints as those imposed on BEA employees. This bill would give CFIUS access to BEA data under these conditions.

CONCLUSION

In drafting this legislation, I have sought the input from those in the executive branch that collect and analyze the data, with the U.S. Chamber of Commerce, the National Association of Manufacturers, and other interested parties. While they have not endorsed this legislation, I believe this bill effectively addresses the concerns that have been raised in these discussions, over balancing the need for improved data analysis and protecting the confidentiality of proprietary business information. This bill is a responsible approach to addressing problems in data collection and analysis regarding foreign investment and I hope my colleagues will join me in supporting this legislation.

I ask unanimous consent to print the bill in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 856

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ACCESS TO CENSUS DATA BY BUREAU OF ECONOMIC ANALYSIS.

(a) ACCESS TO DATA.—Section 9 of title 13, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) any officer or employee of the Bureau of Economic Analysis who swears to observe the limitations imposed by paragraphs (2) and (3) of subsection (a) and be subject to the provisions of section 214 of this title may use the information furnished under the provisions of this title for the purposes enumerated under the International Investment and Trade in Services Survey Act.".

(b) CONFORMING AMENDMENT.—Subsection (a) of section 9 of title 3, United States Code, is amended by inserting "or subsection (c) of this section" after "section 8 of this title".

SEC. 2. AMENDMENTS TO THE INTERNATIONAL INVESTMENT AND TRADE IN SERVICES SURVEY ACT.

(a) PURPOSE.—Section 2(b) of the International Investment and Trade in Services Survey Act (22 U.S.C. 3101(a)) is amended by inserting after "the impact of such investment and trade," in the first sentence the following: "to provide for the collection and use of information on direct investments owned or controlled directly or indirectly by foreign governments.".

(b) ACCESS TO INFORMATION.—Section 5 of the International Investment and Trade in Services Survey Act of 1976 (22 U.S.C. 3104) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

"(d) COMMITTEE REVIEWS AND REPORTS.—

"(1) Notwithstanding any other provision of this section restricting disclosure of or access to information submitted under subsection (b)(2), the President, or the President's designee responsible for monitoring the impact of foreign investment in the United States and coordinating implementation of United States policy on such investment, is authorized to review any such information in order to evaluate, analyze, compare, or verify the nature and extent of foreign investment in the United States.

"(2) Authorized officials and employees designated by the President to perform functions under this subsection shall have access to, and may obtain copies of, any information submitted pursuant to subsection (b)(2), including all records, documents, reports, books, papers, and other materials related thereto. Such access shall be granted promptly but not later than 5 days after a duly authorized official or employee has made a request therefor.

"(3) Except as provided in this subsection, an official or employee designated to perform functions under this subsection shall not disclose to any other person or organization any information, including any records, documents, reports, books, papers, and other materials related thereto, acquired during a review conducted pursuant to paragraph (1), that specifically identifies any person who furnished information pursuant to subsection (b)(2). The President shall establish such procedures and safeguards that are necessary to prevent the unauthorized disclosure of this information. An official or employee designated to perform functions under this subsection may discuss any matter relating to such information with officials or employees designated to perform functions under the data collection program.

"(4) The President or the President's designee may submit a report to the Congress on any review conducted pursuant to paragraph (1), except that any such report shall not specifically identify any person who furnished information pursuant shall prevent an official or employee designated to perform functions under this subsection from discussing the findings, conclusions, or recommendations of a draft or final report with a committee or subcommittee of the Congress.".

By Mr. GLENN:

S. 857. A bill to amend title 10, United States Code, to reduce the premium paid by retired members of the uniformed services for coverage for their survivors under the survivor benefit plan and to provide a new supplemental survivor benefit plan to offset the effect of the two-tier annuity computation under the survivor benefit plan for spouse and former spouse beneficiaries; to the Committee on Armed Services.

MILITARY SURVIVOR BENEFIT IMPROVEMENT ACT OF 1989

Mr. GLENN. Mr. President, today, on behalf of myself and Senator KENNEDY, I introduced the Survivor Benefit Improvement Act of 1989. This act will create a less costly and more attractive plan to allow members of the uniformed services to provide a percentage of their retired pay as an annuity for their designated survivors. In the case of spouses, this can be for life, subject to certain stipulations regarding remarriage.

Mr. President, military manpower programs, such as the survivor benefit plan are not very glamorous; they rarely make the front pages. Nonetheless, they are important. They are an investment in our men and women who serve proudly all over the world protecting our freedom. I think it is important for us to keep this in mind as we proceed in this very busy and challenging session.

Right now, only 53 percent of those military retirees who are eligible to participate have enrolled in the survivor benefit plan. This means that there are about 700,000 military retirees who are not covered. I expect that with the changes that I have proposed we can increase substantially the number enrolled to at least 75 percent of those eligible.

Importantly, I believe that the changes that I am proposing can be effected at no cost, and perhaps even at some savings, to the Government. Specifically, a modest increase in SBP participation of 5 to 7 percentage points would generate an overall increase in premiums collected sufficient to offset the reduced cost to individuals. I believe the improvements included in the bill will increase participation well beyond the 5 to 7 percentage points required for cost neutrality.

Mr. President, the Congress first authorized a survivor benefit program for the uniformed services in 1953. Over the years, the Congress has made a number of substantial changes to this benefit in order to improve its value consistent with changes in the value of similar programs in both the Federal civilian and in the private sectors.

The Maximum coverage for surviving spouses under the current survivor benefit plan is 55 percent of retired pay up until age 62. Thereafter, the annuity is reduced to 35 percent of retired pay. This two-tier benefit system implicitly recognizes that the surviving spouse has access to Social Security benefits at age 62.

Recently, the Office of the Actuary of the Department of Defense completed a cost-benefit review of the current plan. Their review indicated that there were certain changes that could be made in order to increase participation, to reduce costs to participants, and to improve efficiency in program administration. That's what our bill would do.

Specifically, the bill would make the following changes to the current plan:

First, it would simplify the method and reduce the overall percentage in calculating the premium cost to participating members, and thereby reduce premium costs.

The current formula for premiums is 2.5 percent of the first $300 of retired pay, plus 10 percent of the remaining amount. For example, a retiree drawing $1,000 of retired pay per month who designates the maximum allowable amount of 55 percent for SBP coverage would pay 2.5 percent of $300 plus 10 percent of $700, or a total of $77.50 out of his or her monthly retired pay for the coverage.

The formula in the bill applies a flat rate of 6.5 percent to the amount of retired pay. Using the previous example of a retiree drawing $1,000 per month in retired pay, the premium calculation under this formula would be 6.5 percent of $1,000 or $65 per month. This amounts to $12.50 per month less than under the current formula, an overall cost reduction to the individual of $150 per year in this example.

This reduced cost is a result of a recent change in the DOD actuarial calculation which indicates that a 6.5 percent flat rate is appropriate to preserve the design balance between member contribution and Government subsidy of benefits.

Second, additionally, the bill provides an option according a retiree the right to elect a supplement to the SBP that would provide level coverage of 55 percent of retired pay for life to the surviving spouse, subject to SBP stipulations regarding remarriage.

The current standard SBP coverage provides maximum payment to a surviving spouse of 55 percent of the participating member's retired pay until age 62. At that age, coverage drops to 35 percent of the participating member's retired pay. This two-tier feature recognizes that surviving spouses become eligible for Social Security at age 62. The two-tier system holds down premium costs while still providing for a stream of income to surviving spouses after age 62 typically equal to or more than the income they received before age 62.

The new supplemental option in the bill allows a retiree the choice of electing level coverage of 55 percent for life for the surviving spouse. This provision recognizes the need and the desire of certain SBP participants to provide for a higher income stream for surviving spouses after Social Security eligibility at age 62. Of course, there will be an added premium for this supplement—the amount of increase will depend upon actuarial determinations made by the Department of Defense based on the age of the participant at the time the participant elects the coverage.

Third, the bill also provides for a 1-year open enrollment period, subject to certain stipulations regarding participant eligibility and the effective date of coverage. Additionally it provides a save-pay provision to ensure

that no current participant in the program would be negatively affected by the change in the way premiums are calculated.

Mr. President, I believe these changes, which are definitively spelled out in the bill, will substantially improve participation in this program which is designed to protect the survivors of retirees of the uniformed services from abrupt loss of income in the event of the death of the retiree.

I look forward to hearing from the Department of Defense and from the various military associations that have an interest in the provisions of this bill. Some modifications to the bill may be appropriate, and I am open to considering proposals for such changes.

Mr. President, before I conclude, I want to recognize the efforts of several people who helped put this bill together. While the changes I have described are relatively simple to understand, putting them in bill form was difficult because the SBP law is very, very complicated. So the bill addressing the two basic improvements I've described is 30 pages long, and it took considerable research and effort to construct.

I want to thank Mr. Fred Pang of the Armed Services Committee staff for his work in leading and coordinating the effort that went into preparing this bill. I also want to thank Mr. Bob Cover and Mr. Hugh Evans of the House and Senate Legislative Counsel's offices respectively who worked together in crafting this bill. I additionally want to thank Mrs. Toni Hustead, the former Department of Defense Actuary, and Mr. Robert Emmerichs, a former staff member of the House Armed Services Committee who is now a Deputy Assistant Secretary of the Army, for their policy comments and technical advice. These people, working in concert, have put together a bill that will improve very substantially in important postservice benefit for our men and women in uniform and their survivors.

Mr. President, I would conclude by asking unanimous consent that both an outline of the bill and the entire bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OUTLINE OF PROPOSED CHANGES TO THE SURVIVOR BENEFIT PLAN

1. Modifications to the Current Plan

Change to a level premium

Current premium is 2.5% of the first $300 (as adjusted from time to time) plus 10% of the remaining amount of retired pay designated for SBP coverage.

Proposed premium is 6.5% of the amount of retired pay designated for SBP coverage.

Save pay provision

Permits computation of premiums under the current system if more favorable to current retirees.

2. New Supplemental Plan

Option for voluntary level coverage

Current basic benefit for survivors is 55% of retired pay until age 62 at which time the benefit is reduced to 35% of retired pay.

The proposed supplemental benefit would allow a member to elect level coverage for a surviving spouse of 55% of retired pay regardless of the age of the survivor.

Premium for supplemental plan

The premium for the supplemental option would be borne fully by the member (no cost sharing as under the basic plan).

The premium for the supplemental option of the plan would be based on the age of the retiree at the time of election of coverage.

The amount of premium for the supplemental option would be determined by the Secretary of Defense based on the recommendations of the Defense Board of Actuaries.

Premiums would cease when a beneficiary ceases to be eligible.

Elections for the supplemental option

Elections may be made only at the time of retirement or at other times when the retiree is permitted to elect coverage under the basic plan (such as upon remarriage).

Elections of supplemental coverage are irrevocable.

Elections of supplemental coverage are entirely voluntary; the retiree must make a positive election.

3. Open Season for Current Retirees

Current retirees may elect coverage under the basic plan and the supplemental plan during a one year period following the effective date of the proposed changes.

Elections made under the open season rule would be subject to a two year survival provision; i.e., the benefit is not effective until the person making the election has survived for 2 years.

If a person making an election under the open season rule dies before the 2 year gate, the premiums collected would be returned to designated beneficiaries.

S. 857

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Military Survivor Benefit Improvement Act of 1989".

SEC. 2. LEVEL PREMIUM FOR SURVIVOR BENEFIT PLAN ANNUITIES

Section 1452(a)(1) of title 10, United States Code, is amended by striking out "shall be reduced each month—" and all that follows and inserting in lieu thereof "shall be reduced each month as follows:

"(A) If the annuity being provided is a standard annuity—

"(i) in the case of a person who becomes a participant in the Plan on or after the effective date of the Military Survivor Benefit Improvement Act of 1989, the reduction shall be in an amount equal to 6 1/2 percent of the base amount; and

"(ii) in the case of a person who is a participant in the Plan before the effective date of the Military Survivor Benefit Improvement Act of 1989, the reduction shall be in whichever of the following amounts is more favorable to the person providing the annuity:

"(I) An amount equal to 6 1/2 percent of the base amount.

"(II) An amount equal to 2 1/2 percent of the first $300 (as adjusted with respect to that person under paragraph (4)) of the base amount plus 10 percent of the remainder of the base amount.

"(B) If the annuity being provided is a reserve-component annuity—

"(i) in the case of a person who becomes a participant in the Plan on or after the effective date of the Military Survivor Benefit Improvement Act of 1989, the reduction shall be in an amount equal to 6 1/2 percent of the base amount plus an amount determined in accordance with regulations prescribed by the Secretary of Defense as a premium for the additional coverage provided through reserve-component annuity coverage under the Plan; and

"(ii) in the case of a person who is a participant in the Plan before the effective date of the Military Survivor Benefit Improvement Act of 1989, the reduction shall be in whichever of the following is more favorable to the person providing the annuity:

"(I) The amount applicable to that person under clause (i).

"(II) An amount equal to 2 1/2 percent of the first $300 (as adjusted with respect to that person under paragraph (4)) of the base amount plus 10 percent of the remainder of the base amount plus an amount determined in accordance with regulations prescribed by the Secretary of Defense as a premium for the additional coverage provided through reserve-component annuity coverage under the Plan.".

SEC. 3. PROGRAM TO PROVIDE SUPPLEMENTAL SPOUSE ANNUITY FOR MILITARY RETIREES

(a) ESTABLISHMENT OF PROGRAM.—(1) Chapter 73 of title 10, United States Code, is amended by adding at the end the following new subchapter:

"SUBCHAPTER III—SUPPLEMENTAL SURVIVOR BENEFIT PLAN

"Sec.

"1456. Supplemental spouse coverage: establishment of plan; definitions.
"1457. Supplemental spouse coverage: payment of annuity; amount.
"1458. Supplemental spouse coverage: eligible participants; elections of coverage.
"1459. Former spouse coverage: special rules.
"1460. Supplemental spouse coverage: reductions in retired pay.
"1460a. Incorporation of certain administrative provisions.
"1460b. Regulations.

"§ 1456. Supplemental spouse coverage: establishment of plan; definitions

"(a) ESTABLISHMENT OF SUPPLEMENTAL SURVIVOR BENEFIT PLAN.—

"(1) PLAN.—The Secretary concerned shall carry out a program in accordance with this subchapter to enable participants in the Survivor Benefit Plan who are providing coverage for a spouse or former spouse beneficiary under that Plan to also provide a supplemental annuity for that spouse or former spouse beginning when the participant dies or when the spouse or former spouse becomes 62 years of age, whichever is later, in order to offset the effects of the two-tier annuity computation under the Survivor Benefit Plan.

"(2) NAME OF PLAN.—The program under this subchapter shall be known as the Supplemental Survivor Benefit Plan.

"(b) DEFINITIONS.—

"(1) INCORPORATION OF DEFINITIONS APPLICABLE TO SURVIVOR BENEFIT PLAN.—The definitions in section 1447 of this title apply in this subchapter.

"(2) SUPPLEMENTAL SPOUSE ANNUITY DEFINED.—In this subchapter, the term 'supple-

mental spouse annuity' means an annuity provided to a spouse or former spouse under this subchapter.

"§ 1457. Supplemental spouse coverage: payment of annuity; amount

"(a) COMMENCEMENT OF ANNUITY.—A supplemental spouse annuity commences on the latter of—

"(1) the day on which an annuity under the Survivor Benefit Plan becomes payable to the beneficiary; or

"(2) the first day of the first month after the month in which the beneficiary becomes 62 years of age.

"(b) AMOUNT OF ANNUITY FOR BENEFICIARY OF PERSON PROVIDING STANDARD ANNUITY UNDER SBP.—In the case of a person providing a standard annuity for a spouse or former spouse beneficiary under the Survivor Benefit Plan and providing a supplemental spouse annuity for that beneficiary under this subchapter, the monthly annuity payable to the beneficiary under this subchapter shall be the amount equal to 20 percent of the base amount under the Survivor Benefit Plan of the person providing the annuity. The annuity shall be computed as of the date of the death of the person providing the annuity, notwithstanding that the annuity is not payable at that time by reason of subsection (a).

"(c) AMOUNT OF ANNUITY FOR BENEFICIARY OF PERSON PROVIDING RESERVE-COMPONENT ANNUITY UNDER SBP.—In the case of a person providing a reserve-component annuity for a spouse or former spouse beneficiary under the Survivor Benefit Plan and providing a supplemental spouse annuity for that beneficiary under this subchapter, the monthly annuity payable to that beneficiary under this subchapter shall be determined as follows:

"(1) BENEFICIARY INITIALLY 62 YEARS OF AGE OR OLDER.—If the beneficiary is 62 years of age or older when the beneficiary becomes entitled to the reserve-component annuity under the Survivor Benefit Plan, the monthly amount of the supplemental spouse annuity is the difference between—

"(A) the amount of the reserve-component annuity under the Survivor Benefit Plan to which the beneficiary would be entitled if that beneficiary were under 62 years of age (as computed under section 1451(a)(2)(A) of this title); and

"(B) the amount of the reserve-component annuity to which the beneficiary is entitled (as computed under section 1451(a)(2)(B) of this title).

"(2) BENEFICIARY INITIALLY UNDER 62 YEARS OF AGE.—If the beneficiary is under 62 years of age when the beneficiary becomes entitled to the reserve-component annuity under the Survivor Benefit Plan, the monthly amount of the supplemental spouse annuity of that beneficiary (commencing on the date specified in subsection (a)(2)) is the amount by which the beneficiary's annuity under the Survivor Benefit Plan is reduced (on the same day) under section 1451(d) of this title.

(3) EXCLUSION OF DIC OFFSET.—Computations under paragraphs (1) and (2) shall be made without regard to any reduction required under section 1450(c) of this title (or any other provision of law) with respect to the receipt of dependency and indemnity compensation under section 411 of title 38.

"(d) ADJUSTMENTS IN ANNUITIES.—

"(1) PERIODIC ADJUSTMENTS (COLAS).—Whenever annuities under the Survivor Benefit Plan are increased under section 1451(g)(1) of this title (or any other provision of law) or recomputed under section 1451(i) of this title, each annuity under this subchapter shall be increased or recomputed at the same time. The increase shall, in the case of any such annuity, be by the same percent as the percent by which the annuity of that beneficiary is increased or recomputed under the Survivor Benefit Plan.

"(2) ROUNDING DOWN.—The monthly amount of an annuity payable under this subchapter, if not a multiple of $1, shall be rounded to the next lower multiple of $1.

"(e) TERMINATION OF ANNUITY.—A supplemental spouse annuity terminates effective as of the first day of the month in which the beneficiary dies or otherwise becomes ineligible to continue to receive an annuity under the Survivor Benefit Plan.

"§ 1458. Supplemental spouse coverage: eligible participants; elections of coverage

"(a) COVERAGE.—

"(1) IN GENERAL.—A person who provides an annuity for a spouse or former spouse under the Survivor Benefit Plan may elect in accordance with this section to provide a supplemental spouse annuity for that spouse or former spouse.

"(2) COVERAGE CONTINGENT ON CONCURRENT SBP COVERAGE.—When a person providing a supplemental spouse annuity under this subchapter ceases to be a participant under the Survivor Benefit Plan, that person's coverage under this subchapter automatically terminates.

"(3) ELECTIONS TO BE VOLUNTARY.—A person may not be ordered or required to elect (or to enter into an agreement to elect) to provide a spouse or former spouse with a supplemental spouse annuity under this subchapter. Except as provided in section 1459(b) of this title, in no case shall a person be deemed to have made an election to provide a supplemental annuity for a spouse or former spouse of such person.

"(b) LIMITATION ON ELIGIBILITY FOR CERTAIN SBP PARTICIPANTS NOT AFFECTED BY TWO-TIER ANNUITY COMPUTATION.—A person is not eligible to make an election under this section if (as determined by the Secretary concerned) the annuity of a spouse or former spouse beneficiary of that person under the Survivor Benefit Plan will be computed under section 1451(e) of this title. However, such a person may waive the right to have that annuity computed under section 1451(e) of this title. Any such election is irrevocable. A person making such a waiver may make an election under this section as in the case of any other participant in the Survivor Benefit Plan.

"(c) ELECTION OF SUPPLEMENTAL SPOUSE ANNUITY BEFORE BECOMING A PARTICIPANT IN SBP.—

"(1) IN GENERAL.—A person anticipating becoming a participant in the Survivor Benefit Plan who has a spouse or former spouse may elect to provide a supplemental spouse annuity under this subchapter for that spouse or former spouse.

"(2) CONDITIONS ON ELECTION.—An election under paragraph (1)—

"(A) must be made before the day on which the person making the election first becomes a participant in the Survivor Benefit Plan; and

"(B) shall be made in the same manner as an election under section 1448 of this title that is available to that person at the same time.

"(3) REQUIREMENT OF SPOUSE ANNUITY UNDER SBP.—If upon becoming a participant in the Survivor Benefit Plan under section 1448 of this title the person is not providing an annuity for the person's spouse or former spouse, an election under this section to provide a supplemental spouse annuity shall be void.

"(4) SPECIAL RULE FOR RCSBP PARTICIPANTS.—For the purposes of this subsection, a person providing a reserve-component annuity under the Survivor Benefit Plan shall not be considered to have become a participant in that Plan until the end of the 90-day period referred to in clause (iii) of section 1448(a)(2)(B) of this title.

"(d) ELECTION OF FORMER SPOUSE AFTER BECOMING ELIGIBLE FOR SURVIVOR BENEFIT PLAN.—

"(1) ELECTION OF COVERAGE.—A person who elects under section 1448(b)(3) of this title to provide coverage under the Survivor Benefit Plan for a former spouse may elect to provide a supplemental spouse annuity for that former spouse. Any such election must be signed by the person and received by the Secretary concerned within one year after the date of the decree of divorce, dissolution, or annulment.

"(2) EFFECTIVE DATE OF ELECTION.—An election under paragraph (1) is effective as of the same day as the election under section 1448(b)(3) of this title.

"(e) NOTICE TO SPOUSE OF FORMER SPOUSE COVERAGE.—If a married person who is eligible to provide an annuity under the Survivor Benefit Plan elects to provide an annuity under that Plan for a former spouse (or for a former spouse and dependent child) and elects under this section to provide a supplemental spouse annuity for that former spouse, the notification to the person's spouse under section 1448(a)(3)(E) or 1448(b)(3)(D) of this title shall include notice of the election under this section.

"(f) IRREVOCABILITY OF ELECTIONS.—

"(1) STANDARD ANNUITY.—An election under subsection (b) to provide a supplemental spouse annuity by a person providing a standard annuity under the Survivor Benefit Plan is irrevocable if not revoked on the day before the date on which the person first becomes a participant in that Plan.

"(2) RESERVE-COMPONENT ANNUITY.—An election under subsection (b) to provide a supplemental spouse annuity by a person providing a reserve-component annuity under the Survivor Benefit Plan is irrevocable if not revoked before the end of the 90-day period with respect to that person referred to in clause (iii) of section 1448(a)(2)(B) of this title.

"(3) FORMER SPOUSE ELECTIONS.—An election under subsection (c) may not be revoked except in accordance with subsection (h).

"(g) REMARRIAGE AFTER RETIREMENT.—

"(1) ELECTION UPON REMARRIAGE.—A person—

"(A) who is a participant in the Survivor Benefit Plan and is providing coverage under that Plan for a spouse (or a spouse and child) but is not a participant in the Supplemental Survivor Benefit Plan;

"(B) who does not have an eligible spouse beneficiary under that Plan; and

"(C) who remarries,

may (subject to paragraph (2)) elect to provide a supplemental spouse annuity under this subchapter for the person's spouse.

"(2) LIMITATIONS ON ELECTION.—A person may not make an election under paragraph (1) if the person elects under section 1448(a)(6)(A) of this title not to provide coverage under the Survivor Benefit Plan for the person's spouse.

"(3) CONDITIONS ON ELECTION.—An election under paragraph (1)—

"(A) is irrevocable;

"(B) shall be made within one year after the remarriage; and

"(C) shall be made in such form and manner as may be prescribed in regulations under section 1460a of this title.

"(h) CHANGE OF FORMER SPOUSE BENEFICIARY TO SPOUSE OR CHILD BENEFICIARY.—If a person who is providing an annuity for a former spouse under the Survivor Benefit Plan and a supplemental spouse annuity for that former spouse under this subchapter elects under section 1450(f)(1) of this title to change the beneficiary of the annuity under the Survivor Benefit Plan in order to provide an annuity under that Plan to that person's spouse or to a dependent child—

"(1) the beneficiary under the supplemental spouse annuity shall be deemed to be changed to that spouse also, if the change under section 1450(f)(1) was to provide the annuity for the person's spouse; and

"(2) participation in the supplemental spouse annuity program shall be terminated, if the change under section 1450(f)(1) of this title was to provide the annuity for a dependent child.

"(i) REINSTATEMENT OF DISCONTINUED ANNUITY UPON REINSTATEMENT OF SBP ANNUITY.—If a person who is providing an annuity for a former spouse under the Survivor Benefit Plan and a supplemental spouse annuity for that former spouse under this subchapter discontinues participation in the Survivor Benefit Plan under any provision of law and subsequently resumes participation in that Plan under any provision of law, the participation of that person in the Supplemental Survivor Benefit Plan under this chapter shall be reinstated effective on the day on which participation in the Survivor Benefit Plan resumes.

"§ 1459. Former spouse coverage: special rules

"(a) DISCLOSURE OF VOLUNTARY WRITTEN AGREEMENT WITH FORMER SPOUSE.—A person who elects under section 1458 of this title to provide a supplemental spouse annuity for a former spouse shall, at the time of making the election, provide the Secretary concerned with a written statement (in a form to be prescribed by that Secretary and signed by such person and former spouse) setting forth whether the election is being made pursuant to a written agreement previously entered into voluntarily by such person as a part of or incident to a proceeding of divorce, dissolution, or annulment and (if so) whether such voluntary written agreement has been incorporated in, or ratified or approved by, a court order.

"(b) ENFORCEMENT OF VOLUNTARY WRITTEN AGREEMENTS INCIDENT TO DIVORCE, ETC.—

"(1) ELECTIONS DEEMED TO HAVE BEEN MADE.—If a person who is eligible to elect under section 1458 of this title to provide a supplemental spouse annuity for a former spouse voluntarily enters, incident to a proceeding of divorce, dissolution, or annulment, into a written agreement to elect to provide a supplemental annuity for a former spouse and that agreement is incorporated in or ratified or approved by a court order or is filed with the court of appropriate jurisdiction in accordance with applicable State law, and such person then fails or refuses to make the election as set forth in the voluntary agreement, such person shall be deemed to have made the election if the Secretary concerned—

"(A) receives from the former spouse concerned a written request, in such manner as the Secretary shall prescribe, requesting that the election be deemed to have been made; and

"(B) receives (i) a copy of the court order, regular on its face, which incorporates, ratifies, or approves the written agreement of such person, or (ii) a statement from the clerk of the court (or other appropriate official) that such agreement has been filed with the court in accordance with applicable State law.

"(2) TIME LIMIT FOR REQUEST TO SECRETARY CONCERNED.—An election may not be deemed to have been made under paragraph (1) in the case of any person unless the Secretary concerned receives a request from the former spouse within one year after the date of the court order or filing involved.

"(3) EFFECTIVE DATE OF DEEMED ELECTION.—An election deemed to have been made under paragraph (1) shall become effective on the first day of the first month which begins after the date of the court order or filing involved.

"§ 1460. Supplemental spouse coverage: reductions in retired pay

"(a) REDUCTION REQUIRED.—The retired pay of a person who elects to provide a supplemental spouse annuity shall be reduced each month as required under regulations prescribed under subsection (b).

"(b) REGULATIONS DETERMINING AMOUNT OF REDUCTION.—Regulations for the purposes of subsection (a) shall be prescribed by the Secretary of Defense. Those regulations shall be based upon assumptions used by the Department of Defense Retirement Board of Actuaries in the valuation of military retirement and survivor benefit programs under chapter 74 of this title (including assumptions relating to mortality, interest rates, and inflation) and shall ensure the following:

"(1) That reductions in retired pay under this section are made in amounts sufficient to provide that the Supplemental Survivor Benefit Plan operates on an actuarially neutral basis.

"(2) That such reductions are stated, with respect to the base amount (under the Survivor Benefit Plan) of any person, as a constant percentage of that base amount.

"(3) That the amounts of such reductions in retired pay of persons participating in the Supplemental Survivor Benefit Plan (stated as a percentage of base amount)—

"(A) are based on the age of the participant at the time participation in that Plan is first effective under this subchapter; and

"(B) are not determined by any other demographic differentiation among participants in the Plan.

"(4) That such reductions are otherwise determined in accordance with generally accepted actuarial principles and practices.

"(c) SUSPENSION OF REDUCTION WHEN THERE IS NO SPOUSE BENEFICIARY.—A reduction in retired pay under this section shall not be made in the case of any person during any month in which there is no eligible spouse or former spouse beneficiary.

"(d) ADJUSTMENTS IN AMOUNT OF REDUCTION.—Whenever the amount of the reduction in retired pay of a participant in the Survivor Benefit Plan is increased under section 1452(h) of this title or recomputed under section 1452(i) of this title, the amount of the reduction in that retired pay under this section shall be increased or recomputed, as the case may be, at the same time and in the same manner as that increase or recomputation.

"(e) ADMINISTRATIVE PROVISIONS.—The provisions of subsections (d) and (f) of section 1452 of this title apply with respect to the participation of a person in the Supplemental Survivor Benefit Plan in the same manner that those provisions apply under the Survivor Benefit Plan.

"§ 1460a. Incorporation of certain administrative provisions

"(a) APPLICABILITY OF CERTAIN PROVISIONS OF SBP LAW.—The provisions of section 1449, 1452(g), 1453, and 1454 of title 10, United States Code, are applicable to a person eligible to make an election, and to an election, under this subchapter in the same manner as if made under subchapter II.

"(b) OTHER APPLICABLE PROVISIONS.—Except to the extent otherwise provided in regulations prescribed under section 1460b of this title, the provisions of subsections (h), (i), and (l) of section 1450 of this title apply to supplemental spouse annuities in the same manner that those provisions apply to annuities under the Survivor Benefit Plan.

"§ 1460b. Regulations

"The President shall prescribe regulations to carry out this subchapter. Those regulations shall, so far as practicable, be uniform for the uniformed services and shall, so far as practicable, incorporate provisions of the regulations in effect under section 1455 of this title.".

(2) The table of subchapters at the beginning of chapter 73 of such title is amended by adding at the end the following new item:

"III. Supplemental Spouse Coverage for Survivor Benefit Plan Participants..... 1456".

(b) CONFORMING AMENDMENTS.—(1) Section 1331(d) of title 10, United States Code, is amended by inserting "and the Supplemental Survivor Benefit Plan established under subchapter III of that chapter," after "this title".

(2) Section 3101(c)(1) of title 38, United States Code, is amended by striking out "subchapter I or II".

SEC. 4. CORRECTION OF ANNUITY COMPUTATION FOR SURVIVORS OF CERTAIN RETIREMENT-ELIGIBLE OFFICERS DYING WHILE ON ACTIVE DUTY

(a) ANNUITY COMPUTATION BASED ON FINAL BASIC PAY.—Section 1451(c) of title 10, United States Code, is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by inserting after paragraph (2) the following new paragraph (3):

"(3) In the case of an annuity provided by a member described in section 1448(d)(1)(B) of this title who first became a member of a uniformed service before September 8, 1980, the retired pay to which the member would have been entitled when he died shall be determined based upon the rate of basic pay in effect at the time of death for the grade in which the member was serving at the time of death, unless (as determined by the Secretary concerned) the member would have been entitled to be retired in a higher grade.".

(b) ADJUSTMENT OF ANNUITIES ALREADY IN EFFECT.—

(1) RECOMPUTATION.—The Secretary concerned shall recompute the annuity of any person who on the effective date specified in section 7 is entitled to an annuity under the Survivor Benefit Plan by reason of eligibility described in section 1448(d)(1)(B) of title 10, United States Code, and who is further described in subsection (c).

(2) AMOUNT OF RECOMPUTED ANNUITIES.—The amount of the annuity as so recomput-

ed shall be the amount that would be in effect for that annuity on the effective date specified in section 7 if the annuity had originally been computed subject to the provisions of paragraph (3) of section 1451(c) of title 10, United States Code, as added by subsection (a).

(3) EFFECTIVE DATE OF RECOMPUTATION.—An annuity recomputed under this subsection shall take effect as so recomputed on the effective date specified in section 7.

(c) PERSONS ELIGIBLE FOR RECOMPUTATION.—A person is eligible to have an annuity under the Survivor Benefit Plan recomputed under subsection (b) if—

(1) the annuity is based upon the service of a member of the uniformed services who died on active duty during the period beginning on September 21, 1972, and ending on the effective date specified in section 7; and

(2) the retired pay of that member for the purposes of determining the amount of the annuity under the Survivor Benefit Plan was computed using a rate of basic pay lower than the rate of basic pay in effect at the time of death for the grade in which the member was serving at the time of death.

SEC. 5. OPEN ENROLLMENT PERIOD

(a) PERSONS NOT CURRENTLY PARTICIPATING IN SURVIVOR BENEFIT PLAN.—

(1) ELECTION OF SBP COVERAGE.—An eligible retired or former member may elect to participate in the Survivor Benefit Plan during the open enrollment period specified in subsection (f).

(2) ELECTION OF SUPPLEMENTAL ANNUITY COVERAGE.—An eligible retired or former member who elects under paragraph (1) to participate in the Survivor Benefit Plan may also elect during the open enrollment period to participate in the Supplemental Survivor Benefit Plan established under subchapter III of chapter 73 of title 10, United States Code, as added by section 3.

(3) ELIGIBLE RETIRED OR FORMER MEMBER.—For purposes of paragraphs (1) and (2), an eligible retired or former member is a member or former member of the uniformed services who on the day before the first day of the open enrollment period is not a participant in the Survivor Benefit Plan and—

(A) is entitled to retired pay; or

(B) would be entitled to retired pay under chapter 67 of title 10, United States Code, but for the fact that such member or former member is under 60 years of age.

(4) STATUS UNDER SBP OF PERSONS MAKING ELECTIONS.—

(1) STANDARD ANNUITY.—A person making an election under this subsection by reason of eligibility under paragraph (3)(A) shall be treated for all purposes as providing a standard annuity under the Survivor Benefit Plan.

(2) RESERVE-COMPONENT ANNUITY.—A person making an election under this subsection by reason of eligibility under paragraph (3)(B) shall be treated for all purposes as providing a reserve-component annuity under the Survivor Benefit Plan.

(b) ELECTION TO INCREASE COVERAGE UNDER SBP.—A person who on the day before the first day of the open enrollment period is a participant in the Survivor Benefit Plan but is not participating at the maximum base amount or (in the case of an eligible member who is married) is providing coverage under the Plan for a dependent child and not for the person's spouse or former spouse may, during the open enrollment period—

(1) elect to participate in the Plan at a higher base amount; or

(2) elect to provide an annuity under the Plan for the person's spouse or former spouse at a base amount not less than the base amount provided for the dependent child.

(c) ELECTION FOR CURRENT SBP PARTICIPANTS TO PARTICIPATE IN SUPPLEMENTAL SBP.—

(1) ELECTION.—A person who is eligible to make an election under this paragraph may elect during the open enrollment period to participate in the Supplemental Survivor Benefit Plan established under subchapter III of chapter 73 of title 10, United States Code, as added by section 3.

(2) PERSONS ELIGIBLE.—Except as provided in paragraph (3), a person is eligible to make an election under paragraph (1) if on the day before the first day of the open enrollment period the person is a participant in the Survivor Benefit Plan and under that Plan is providing an annuity for the person's spouse or a former spouse.

(3) LIMITATION ON ELIGIBILITY FOR CERTAIN SBP PARTICIPANTS NOT AFFECTED BY TWO-TIER ANNUITY COMPUTATION.—A person is not eligible to make an election under this subsection if (as determined by the Secretary concerned) the annuity of a spouse or former spouse beneficiary of that person under the Survivor Benefit Plan will be computed under section 1451(e) of title 10, United States Code. However, such a person may during the open enrollment period waive the right to have that annuity computed under such section. Any such election is irrevocable. A person making such a waiver may make an election under this subsection during the open enrollment period as in the case of any other participant in the Survivor Benefit Plan.

(d) MANNER OF MAKING ELECTIONS.—An election under this section must be made in writing, signed by the person making the election, and received by the Secretary concerned before the end of the open enrollment period. Any such election shall be made subject to the same conditions, and with the same opportunities for designation of beneficiaries and specification of base amount, that apply under the Survivor Benefit Plan or the Supplemental Survivor Benefit Plan, as the case may be. A person making an election to provide a reserve-component annuity shall make a designation described in section 1448(e) of title 10, United States Code.

(e) EFFECTIVE DATE FOR ELECTIONS.—Any such election shall be effective as of the first day of the first calendar month following the month in which the election is received by the Secretary concerned.

(f) OPEN ENROLLMENT PERIOD DEFINED.—The open enrollment period is the one-year period beginning on the effective date specified in section 7.

(g) EFFECT OF DEATH OF PERSON MAKING ELECTION WITHIN TWO YEARS OF MAKING ELECTION.—If a person making an election under this section dies before the end of the two-year period beginning on the effective date of the election, the election is void and the amount of any reduction in retired pay of the person that is attributable to the election shall be paid in a lump sum to the person's beneficiary under the Survivor Benefit Plan.

(h) APPLICABILITY OF CERTAIN PROVISIONS OF LAW.—The provisions of sections 1449, 1453, and 1454 of title 10, United States Code, are applicable to a person making an election, and to an election, under this section in the same manner as if made under subchapter III of chapter 73 of title 10, United States Code.

(i) DEFINITIONS.—For the purpose of this section:

(1) The term "Survivor Benefit Plan" means the program established under subchapter II of chapter 73 of title 10, United States Code.

(2) The term "retired pay" includes retainer pay paid under section 6330 of title 10, United States Code.

(3) The terms "uniformed services" and "Secretary concerned" have the meanings given those terms in section 101 of title 37, United States Code.

SEC. 6. MISCELLANEOUS TECHNICAL AND CLERICAL AMENDMENTS

(a) IN GENERAL.—Chapter 73 of title 10, United States Code, is amended as follows:

(1) Section 1447 is amended—

(A) in paragraph (5), by striking out "this clause" both places it appears and inserting in lieu thereof "this paragraph"; and

(B) in paragraph (11), by inserting "paid under section 6330 of this title" after "retainer pay".

(2) Sections 1447(2)(C)(i), 1447(3), 1447(4), 1448(a)(4)(A), 1449, and 1450(l)(2) are amended by striking out "or retainer".

(3) Section 1450(f)(3)(B) is amended—

(A) by striking out "before October 1, 1985, or"; and

(B) by striking out ", whichever is later".

(4) Section 1451(c) is amended—

(A) in paragraph (4) (as redesignated by section 5(a)(1)), by inserting "who first became a member of a uniformed service before September 8, 1980" after "of this title"; and

(B) in paragraph (5) (as redesignated by section 5(a)(1)), by inserting "by reason of the service of a person who first became a member of a uniformed service before September 8, 1980" after "of this title".

(5) Section 1451(e)(1) is amended by striking out "plan" in the matter preceding subparagraph (A) and inserting in lieu thereof "Plan".

(6) Section 1451(e)(2) is amended by striking out "(as the base amount is adjusted from time to time under section 1401a of this title)" in subparagraphs (A) and (B).

(7) Section 1452(h) is amended—

(A) by inserting "(or any other provision of law)" after "of this title" the first place it appears; and

(B) by striking out "increased under section 1401a of this title" and inserting in lieu thereof "so increased".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 7. EFFECTIVE DATE

This Act and the amendments made by this Act (other than the amendments made by section 6) shall take effect on the later of—

(1) October 1, 1989; or

(2) the first day of the third month beginning after the date of the enactment of this Act.

By Mr. STEVENS:

S. 858. A bill to repeal a provision of the Department of Defense Appropriations Act of 1989, prohibiting the use of funds for the alteration of the command structure for military forces in Alaska; placed on the calendar.

REPEAL OF ALASKA COMMAND STRUCTURE LIMITATION

Mr. STEVENS. Mr. President, today I would like to introduce legislation to repeal a provision that has been car-

ried in the Department of Defense Appropriations Act for the past several years. The provision of the statute that I would like to repeal prohibited the military from changing the command structure responsible for military forces stationed in my home State, Alaska. I am happy to report that this limitation is no longer necessary. I am now convinced that our military leadership understands the strategic importance of Alaska, and this is reflected in a new command plan.

The modernization of Soviet military forces, and the proximity of Alaska to the Soviet Union has focused the attention of United States military planners on Alaska. Interceptions of Bear bombers on surveillance and cruise missile launch training flights have steadily increased in my State. The level of activity of Soviet naval forces in the North Pacific has also been on the rise.

Forces assigned to Alaska have been increased and provided with the most modern equipment to meet these and other threats. The F-15's and A-10 aircraft assigned to the Alaska Air Command and the Army's 6th Light Infantry Division constitute a significant portion of our defensive capability along the Pacific Rim.

Recognizing Alaska's crucial location in the northern Pacific, and the critical value of effective and efficient command and control of forces, a plan has been developed to incorporate forces located in Alaska into the Pacific Command.

In place of the existing command relationships which stretch back to the east coast of the United States for both the Army and Air Force units in Alaska, forces in my State will now report directly to CINCPAC in Honolulu.

This arrangement will provide significant benefits to both the wartime and peacetime activities of forces dedicated to our Nation's defense in the Pacific theater. Assets in Alaska will now be factored directly into the warfighting plans of CINCPAC. To meet peacetime requirements, the subunified commander in Alaska will have the authority to directly employ all DOD assets within his command. More importantly, the Alaskan commander will now participate in the decisions to employ the collective Pacific forces.

My colleagues have heard me at length over the past 2 weeks concerning the tragedy in Prince William Sound. No event could bring home more dramatically the importance of on the scene officials having control of resources to respond to peacetime emergencies. The Department of Defense has moved rapidly, after receiving the proper authority, to meet the challenges within their means to aid in the recovery from this disaster. This will be a long, drawn out involvement. Secretary Cheney has my deepest gratitude for his untiring and responsive efforts in this regard.

Lt. Gen. Tom McInerny activated Joint Task Force Alaska to respond to the intensive command, control, and manpower demands of coordinating the military role in the clean up campaign of this disaster. With the new command change, I believe the response to any future problems of this nature will also be coordinated efforts.

This joint command force, the subunified command, is at work right now as the joint task force to help us alleviate the affects of that great oil spill on my State.

The thorny command relationship problem could not have been settled without the contributions of the senior military commanders in Alaska and the Pacific Command. I wish to express my personal appreciation for the support and cooperation of Lt. Gen. Tom McInerny, commander of the Alaska Air Command, Maj. Gen. Tom Fields, commander of the 6th Infantry Division, and in particular Admiral Hardisty, commander in chief of the Pacific Command. Admiral Hardisty's sensitivity to my concerns and those of other Alaskans in this matter, and his strong commitment to doing the right thing for the military, deserve full credit for the agreement throughout the military that the DOD and Alaska on their new command structure. He has ably built upon the outstanding effort of his predecessor, Admiral Hays, to resolve this issue.

This measure has been closely coordinated with the leadership of the Armed Service Committee, Senator NUNN and Senator WARNER. They have been most helpful. While I am introducing this bill in the Senate today, it is my hope that the repeal will be included in a supplemental appropriations measure scheduled for markup soon in the House. The new chairman of the Defense Appropriations Subcommittee, Mr. MURTHA, and the ranking member, Mr. MCDADE, are supportive of my efforts to resolve this issue and have agreed to sponsor the repeal of the provision I mentioned in their bill as it leaves the House.

If successful in this repeal effort, the new command arrangements must be in place long before the end of this fiscal year and they must be. We need to ensure that funding for the Alaska military effort be shifted to CINCPAC before fiscal year 1991.

I believe the bill that I am introducing is good for the military forces of Alaska, good for the Pacific Command, and most of all, good for the security of the United States, and I hope the measure will be supported by the Senate since it was a provision that at my request the Senate placed in the existing law.

I am pleased to come before the Senate and thank Members of the Senate for supporting us in this effort, and to ask that this bill be passed.

By Mr. WILSON:

S. 859. A bill to amend title XVIII of the Social Security Act to establish a drug utilization review system to prevent adverse drug reactions, and for other purposes; to the Committee on Finance.

DRUG UTILIZATION REVIEW ACT OF 1989

● Mr. WILSON. Mr. President, today I am introducing legislation which I believe will lead to better quality health care for all Americans and which has the potential to save billions of health care dollars now reimbursed by the Federal Government, State governments, and third party payers.

This legislation will mandate the creation of a system of medication management throughout the Nation so that, in time, thousands of needless hospital and nursing home admissions caused by adverse reactions to drug interactions will be avoided.

Last year Congress passed the Medicare Catastrophic Coverage Act which, among other things, provided for prescription drug benefits. To accommodate the benefits Congress mandated the creation of a claims system so that pharmacists and dispensing physicians could be reimbursed for the drugs obtained by those who qualify. This bill would mandate that, at the same time, a medication management component be added to the claims capability.

Most Americans are familiar with advertising by chain drug stores which encourage customers to utilize prescription record safeguards. While the drug chains are, of course, motivated to ensure customer loyalty, they also provide a vital service in helping to avoid adverse reactions to drugs. Chain drug stores have pioneered the software necessary to provide the service. Recently, the Department of Defense has put on line a complete medication management system for those in uniform—which, incidentally, includes Members of Congress.

My legislation would take the chain drug store concept several giant steps further by creating a nationwide system. Customer loyalty to one store would no longer be a prerequisite. Also, we will bring in to the system thousands of pharmacies which are not part of the chains. And, eventually, I propose that all physicians in the Nation be given the opportunity to access the system 1 year after the pharmacies.

Last year the Senate Special Committee on Aging held hearings on medication management. We heard a parade of experts range in their predictions of the number of hospital admissions and institutionalizations that are due to adverse reactions to drug interactions. Recently, the Inspector General of the Department of Health

and Human Services issued a report, based on studies in the Northeast, that estimated millions in savings if such hospital admissions could be avoided.

While there is no empirical data to pinpoint the percentage of institutionalizations due to lack of medication management, the range of expert estimates indicates that, even if we assume the very lowest estimate, then arbitrarily cut it in half, and then halve it again, and if the Federal Government then pays for the entire medication management program I propose—hardware, software, and operating costs—the cost-benefit to the Government will be 4 to 1. That's the very lowest cost benefit; the mid-range estimate is 17 to 1. It may well go much higher.

The operational concept, designed by a group of private citizens and public servants in Seattle, WA, involves a somewhat sophisticated information retrieval technique. The method of informing the user is not unlike a stop light: red if the interaction will be seriously adverse, yellow if caution is indicated and green if the prescription is OK. Included in the language of the bill are safeguards that will protect against misuse of disclosure of personal prescription records. This language has been worked out with a group of attorneys whose specialty is privacy and civil rights.

The design of the system is to be piloted in Seattle, King County, WA, where a group of concerned citizens—experts in their fields—have formed a nonprofit organization for the purpose of conducting a demonstration of the system. It is my intention to seek private funding from a major foundation in order to provide to the Congress and the Department of Health and Human Services actual data from the pilot so that the cost benefit of this proposal can be tested and visible progressively ahead of the mandate of this legislation. The guiding force to the Seattle group is the HHS Regional Director of the Administration on Aging, Dr. Chisato Kawabori. Dr. Kawabori's son, Justin, a public policy student at Occidental College in Los Angeles, CA, did the research for this project while on my staff this past year.

Mr. President, the weight of evidence concerning medication management is almost overwhelming, causing experts to wonder why we have not moved faster to achieve what this bill proposes. Former Secretary of Health and Human Services, Dr. Otis Bowen, in directing the Health Care Financing Administration concerning the standards for the drug claims system of the Medicare Catastrophic Coverage Act, included in his instructions that systems designers should try to introduce medication management features. Now, it is clear that the technology exists to make a nationwide system possible and, indeed, mandatory.

In these days of an aging population which seeks more and better health care, we must do our very best to ensure that our people enjoy the full fruits of a life free of sickness and hospitalization. And, in these days of budget deficits, we must find creative ways to use our ever-expanding health care dollars wisely. With my bill on medication management, we get both—better health care and we save billions.

Mr. President, I am pleased that Senator JOHN HEINZ, ranking minority member of the Senate Special Committee on Aging, whose staff assisted measurably in the preparation of this legislation, is an original cosponsor of the bill and I ask unanimous consent that he be added as such.●

By Mr. DASCHLE:

S. 860. A bill to amend title 38, United States Code, to ensure adequate analysis of the budgetary needs of the Department of Veterans' Affairs for veterans health care programs; to the Committee on Veterans' Affairs.

ENSURING ADEQUATE ANALYSIS OF THE BUDGETARY NEEDS DEPARTMENT OF VETERANS' AFFAIRS FOR HEALTH CARE

● Mr. DASCHLE. Mr. President, America's veterans are currently experiencing a health care crisis of unprecedented proportions. Nationwide, thousands of veterans have been told that they can no longer receive health care at VA facilities. While efforts are underway to address this tragedy through the appropriations process, it is essential that the events that precipitated the VA's inability to provide health care to veterans are never repeated.

It is toward that end that I am today introducing the Veterans' Health Care Budget Guidelines Act. I am pleased to report that this proposal is supported by the Veterans of Foreign Wars, the American Legion, and the Disabled American Veterans.

This bill is a simple measure. It requires the Secretary of Veterans' Affairs, in presenting the administration's budget to Congress, to provide an analysis of how this budget will meet the full demand for health care by this Nation's veterans. Not only must the demands of the so-called Category A veterans be considered, but the anticipated medical demands on the system of all veterans are to be included in the Secretary's budget presentation to Congress under this legislation.

If a proposed budget is insufficient to meet these needs, then the Secretary must include estimates of how inadequate the requested funding is, and how many veterans will be denied access to the VA health care system under the administration's proposal. The Comptroller General of the United States will review the Secretary's estimates and report to Congress on the accuracy of those figures.

The need for this legislation comes as no surprise to my colleagues. Veterans' health care programs are experiencing a funding shortfall for this fiscal year of approximately $635 million. The accumulated lack of resources facing the new Department of Veterans' Affairs' medical programs has been estimated to exceed $1 billion.

There is little disagreement over the cause of this crisis—the previous administration misled congressional leaders as to the adequacy of its proposed budgets. Whether this deception was intentional, or whether someone was just asleep at the switch, a shortfall of this magnitude did not develop overnight. It did, however, develop during a period of time when the administration was assuring the Senate that adequate funding was being requested to respond to veterans' health care needs.

The extent of the crisis has been well documented. And although the previous VA Administrator, as recently as September, 1988, in referencing veterans' health care programs, told the Senate Veterans' Affairs Committee, "the system is not on the brink of collapse," reports from veterans, VA employees and veterans service organizations have removed any credence ever associated with that statement.

Every day I hear from veterans who have been advised they will no longer be provided health care. Those veterans suffer from both service-connected and non-service-connected disabilities. They served this Nation during war and during peace, whichever was required of them. They faced enemy fire and provided essential support outside combat zones. The bottom line remains that hundreds of veterans in my State alone—veterans who responded to their Nation's call to service—have been denied medical treatment at VA hospitals, treatment they have always received in the past.

As you look behind the statistics and see each individual veteran's circumstances, the situation becomes even more grim. Some of these veterans are indigent and cannot afford care from private providers. Some are elderly veterans living on fixed incomes and have been told the Department of Veterans' Affairs will no longer provide their prescribed medications. Some are veterans who never purchased health insurance, because they believed that the VA and their honorable service to this Nation was all the insurance they would ever need.

This matter is not unique to South Dakota. There is not a Member of this body who has not heard similar stories from back home. The situation re-

quires two immediate actions on our part.

The first is that of securing increased levels of funding for the current fiscal year, and fiscal year 1990, well beyond the administration's proposal. I urge my colleagues to join me in supporting the funding necessary to bring VA health care programs out of this crisis.

The second action we need to take is to prevent this crisis from ever recurring. I am hopeful the legislation I am introducing today will accomplish that task by requiring that the presentation of the Department of Veterans' Affairs health care budget include a precise review of the impact the budget will have on all veterans who may need VA care.

I want to stress that this measure is not intended to suggest a lack of confidence in, or a criticism of, our recently named Secretary of Veterans' Affairs. To the contrary, the new Secretary has demonstrated his intentions to work well with Congress and support veterans to the best of his ability. It is unfortunate that his first year as the veterans' representative on the President's Cabinet must be marred by the mistake of his predecessor. Nevertheless, this is a critical time for veterans' health care, and, in response to last year's tragedy, we must do everything possible to ensure the integrity of the VA health care system from this day forward.

Mr. President, those who have dedicated a portion of their lives to this Nation's security deserve better treatment from the Government that called them to service. I urge my colleagues to support this effort to establish reasonable guidelines to prevent future funding crises within the Department of Veterans' Affairs' health care programs, and ask that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 860

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BUDGET REQUESTS FOR VETERANS HEALTH CARE PROGRAMS.

(a) IN GENERAL.—Section 203 of title 38, United States Code, is amended by adding at the end the following new subsection:

"(c)(1) Each appropriation request for veterans health care submitted to the President by the Secretary of Veterans' Affairs for a fiscal year pursuant to section 1108 of title 31 shall include—

"(A) the Secretary's assessment of whether the amount requested for veterans health care is sufficient to fund a level of care that fully meets the anticipated demand for such care during such fiscal year; and

"(B) if such amount is not sufficient to fund that level of care for such fiscal year—

"(i) a statement specifying the amount needed to fund that level of care for such fiscal year; and

"(ii) a detailed discussion of the adverse effects for veterans health care that will result from funding such care in the amount requested.

"(2) At the same time as the President submits the budget for a fiscal year to Congress pursuant to section 1105 of title 31 the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives and the Comptroller General of the United States a report containing—

"(A) the Secretary's assessment of whether the amount specified in the budget for veterans health care is sufficient to fund a level of care that fully meets the anticipated demand for such care during such fiscal year; and

"(B) if such amount is not sufficient to fund that level of care for such fiscal year—

"(i) a statement specifying the amount needed to fund that level of care for such year; and

"(ii) a detailed discussion of the adverse effects for veterans health care that will result from funding such care in the amount specified in the budget.

"(3) Not later than 30 days after the date on which the Comptroller General receives the report under paragraph (2), the Comptroller General shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives (A) his assessment of the accuracy of the report, and (B) any other comments that the Comptroller General considers appropriate.

"(4) For the purposes of this subsection, the term 'veterans health care' includes hospital care, nursing home care, domiciliary care, and other medical care furnished by the Department of Veterans' Affairs under laws administered by the Secretary.".

(b) TECHNICAL AMENDMENTS.—(1) The section heading of such section is amended to read as follows:

"§ 203. Appropriations".

(2) The item relating to section 203 in the table of sections at the beginning of chapter 3 of such title is amended to read as follows:

"203. Appropriations.".●

By Mr. HARKIN:

S. 862. A bill to amend the Consolidated Farm and Rural Development Act to establish a grant program to assist the residents of rural areas and small communities to secure adequate quantities of safe water, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

EMERGENCY WATER ASSISTANCE ACT OF 1989

● Mr. HARKIN. Mr. President, in my State of Iowa and other parts of the country many rural areas and small communities lack adequate amounts of safe water, and many of them are just plain out of water. They do not have water to drink, or to bathe, or even to flush the toilet. There are many cases where older residents of these communities are entirely dependent upon neighbors to haul water for drinking and household use to them from other communities in plastic milk jugs. Livestock producers are being forced to liquidate their herds because they cannot afford to continue to haul water to them over long distances. It would be difficult to overemphasize just how serious this situation is.

The largest share of these water problems are due to continuing drought conditions. Even with normal rainfall, Iowa groundwater supplies will not be replenished before 2 years from now. The huge increase in applications to the Farmers Home Administration for water assistance readily illustrates just how serious this situation has become in the past year. For the last fiscal year in Iowa there were applications to FmHA for water and sewer grants and loans of somewhat more than $6.5 million. All of these applications were funded. So far this year there have been over $60 million in applications for such assistance. However, Iowa's allocation of FmHA grant and money for water and sewer projects now stands at only $10.8 million for this year. For the Nation as a whole, there are over $1 billion in such applications, much more than twice the available money.

The legislation I am introducing today would establish a national program to provide emergency grants to assist residents of rural areas and small communities to secure adequate quantities of safe water. Under the program, grants would be provided to remedy sudden and significant declines in the quantity or quality of available water or to perform repairs, partial replacement or maintenance on existing water systems that would remedy an acute shortage of quality water.

The program established under this bill would focus its efforts and resources on dealing with the most serious situations in rural areas and small communities that have limited resources to deal with water shortages. Traditional FmHA programs focus on the longer term and have requirements that some communities are unable to meet. The program established by this bill is designed to provide help on an emergency basis to rural areas and smaller communities with severe water problems. If we do not get water to these communities they are just going to wither away. Without water a community cannot survive let alone develop and attract business and industry.

Under the bill, grants may be made to public entities, such as cities or towns, or to private nonprofit entities, such as rural water associations. The grants may be used for water line extensions from existing water systems, laying new lines, repairs, maintenance, well digging, equipment replacement, and for other appropriate purposes associated with developing water sources, or treating, storing, or distributing water.

Grants are to be limited to areas that do not include any part of a city or town with a population greater than 3,000 inhabitants. Areas with median household income greater

than statewide nonmetropolitan median income are not eligible for grants.

The bill provides for grants of up to $500,000 to remedy sudden and significant declines in the quantity or quality of available water, and up to $75,000 for grants for repair, partial replacement, or maintenance of existing systems. Subject to these limits, grants shall be in amounts equal to 100 percent of the cost of funded projects. Up to $50 million may be appropriated to carry out the program in each fiscal year. For the first year the program is funded, 70 percent of the available funds shall be committed within 5 months of the date the funds are appropriated.

Mr. President, most of the assistance provided under this legislation will benefit communities that have been hit by a devastating natural disaster. As Americans we have a strong tradition of responding together as a Nation to help those who have been struck by such disasters. I hope that in fulfillment of that tradition we will soon pass this legislation to provide critically needed emergency water assistance in rural areas and small communities.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 862

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Emergency Water Assistance Act of 1989".

SEC. 2. EMERGENCY WATER ASSISTANCE PROJECTS.

Subtitle A of the Consolidated Farm and Rural Development Act is amended by inserting after section 306 (7 U.S.C. 1926) the following new section:

"SEC. 306A. EMERGENCY WATER ASSISTANCE PROJECTS.

"(a) IN GENERAL.—The Secretary shall provide grants in accordance with this section to assist the residents of rural areas and small communities to secure adequate quantities of safe water—

"(1) after a sudden and significant decline in the quantity or quality of water available from the water supplies of such rural areas and small communities; or

"(2) when repairs, partial replacement, or maintenance efforts on established water systems would remedy an acute shortage of quality water.

"(b) PRIORITY.—In carrying out subsection (a), the Secretary shall give priority to projects described in subsection (a)(1), and provide at least 70 percent of all such grants to such projects.

"(c) ELIGIBILITY.—To be eligible to obtain a grant under this section, an applicant shall—

"(1) be a public or private non-profit entity; and

"(2) in the case of a grant made under subsection (a)(1), demonstrate to the Secretary that the decline referred to in such subsection occurred within 2 years of the date the application was filed for such grant.

"(d) USES.—Grants made under this section may be used for water line extensions from existing systems, laying of new water lines, repairs, significant maintenance, digging of new wells, equipment replacement, hook and tap fees, and any other appropriate purpose associated with developing sources of treating, storing, or distributing water.

"(e) RESTRICTIONS.—No grant provided under this section shall be used to assist any rural area or community that—

"(1) includes any area in any city or town with a population in excess of 3,000 inhabitants according to the most recent decennial census of the United States; or

"(2) has a median household income in excess of the State nonmetropolitan median income according to the most recent decennial census of the United States.

"(f) MAXIMUM GRANTS.—Grants made under this section may not exceed—

"(1) in the case of each grant made under subsection (a)(1), $500,000; and

"(2) in the case of each grant made under subsection (a)(2), $75,000.

"(g) FULL FUNDING.—Subject to subsection (e), grants under this section shall be made in an amount equal to 100 percent of the costs of the projects conducted under this section.

"(h) APPLICATION.—The Secretary shall develop a nationally competitive application process to receive grants under this section. The process shall include criteria for evaluating applications, including population, median household income, and the severity of the decline in quantity or quality of water.

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $50,000,000 for each fiscal year.".

SEC. 3. IMPLEMENTATION.

"(A) REGULATIONS.—The Secretary of Agriculture shall publish—

(1) interim final regulations to carry out section 306A of the Consolidated Farm and Rural Development Act within 45 days after the date of enactment of this Act; and

(2) final regulations to carry out section 306A of such Act within 90 days after the date of enactment of this Act.

(b) FUNDS.—

"(1) OBLIGATION.—The Secretary of Agriculture shall designate 70 percent of the funds made available for the first fiscal year for which appropriations are made under section 306A(h) of such Act within 5 months of the date such funds are appropriated.

"(2) RELEASE.—The Secretary may release funds prior to the issuance of final regulations under subsection (a)(2) for grants under section 306A(a)(1) of such Act.●

By Mr. BAUCUS (for himself and Mr. BOSCHWITZ):

S. 863. A bill to create a rural partnership fund and a loan program to administer funds from such fund, to create a microbusiness loan fund and a microbusiness technical assistance fund and a program to administer funds from such funds, and for other purposes; to the Committee on Small Business.

RURAL ACCESS TO CAPITAL ACT OF 1989

● Mr. BAUCUS. Mr. President, there is an economic crisis in rural America today. In introducing the Rural Access to Telecommunications Act of 1989 last week, I spoke at length on the problems facing rural America and Montana in particular.

Rural businessmen face an uphill battle in competing for customers with their urban counterparts. In the same way that my telecommunications legislation will help rural businesses take greater advantage of modern phone technology. We need to provide rural America with access to additional tools of modern business—the kind of tools that urban businessmen take for granted.

One such necessary tool for small businesses is the formation of capital—capital that is rapidly disappearing from rural America.

Deregulation of the banking industry is draining capital from rural to urban centers, so that small town entrepreneurs can't get a loan to start up or fix up or expand their main street businesses.

For example, a company by the name of Woods' Power-Grip located in Wolf Point, MT, may be forced to leave that community for a more urban area because the owners can't find expansion capital. This company, which has been in Wolf Point since 1962, manufactures vacuum lifting equipment, which is sold throughout the world, and employs 56 people. The loss of this company would have a devastating impact on Wolf Point's economy.

Examples like Woods' Power-Grip can be found throughout rural America.

It's not fair. And we in Congress must act in a bipartisan fashion to turn this situation around. We have a responsibility to help keep businesses in rural America and create jobs—not force them out.

That is why I am introducing this legislation today—to help preserve, foster, and expand business development in rural areas.

My legislation, the Rural Access to Capital Act of 1989, will fill the gaps which currently exist in capital availability for small business development in rural areas.

The legislation takes a two-prong approach to the problem. It would establish a revolving loan public/private partnership fund for larger rural business loans; and a revolving microbusiness loan and technical assistance fund for small-scale loans.

PUBLIC/PRIVATE RURAL PARTNERSHIP FUND

The public/private rural partnership fund—partnership fund—would be used to encourage private financial institutions and non-Federal funding sources located in rural communities to invest in rural businesses in those communities by providing debt or equity capital, or guarantees in the first or subordinated positions. This

way, institutions located in rural areas will be actively involved in developing the economies of their own communities.

The Federal Government would appropriate $30 million to establish the partnership fund at the Small Business Administration [SBA]. A national competition would then be conducted whereby eligible applicants—public or private nonprofit institutions—would submit economic development plans to the SBA. The plans would include descriptions of businesses in which the applicant plans to invest, type of support to be provided—loan guarantees, loans, equity capital, technical assistance, the number of jobs to be created, and so forth. The SBA would choose winners and award them grants of up to $1 million. The grants would be used by the successful applicant to provide debt or equity capital to businesses on a revolving basis; package loans; provide technical assistance; and administration.

In order to apply for a grant, an applicant must have executed participation agreements from non-Federal sources including financial institutions, small business investment corporations, foundations, or State funds at a ratio of one non-Federal dollar for each partnership fund dollar.

The partnership fund's investment in each business involved would be limited to a maximum of 50 percent of total financing or $300,000, whichever is less.

Borrowers must demonstrate that they are unable to secure credit on appropriate terms elsewhere.

MICROBUSINESS LOAN AND TECHNICAL ASSISTANCE FUNDS

The microbusiness loan and technical assistance funds address the problem of unavailability of small-scale loans and technical assistance for small businesses located in rural areas.

Small-scale loans are generally unavailable due to high transaction costs. These funds would operate similarly to the partnership fund, but are designed to have the nonprofit winner of the grants make technical assistance and loans of up to $25,000, or 75 percent of the total financial package, whichever is less, available only to businesses employing 15 people or less. No private match is required.

Providing technical assistance to microbusinesses is often critical to help ensure their continued success as a business. Therefore, this legislation requires that each applicant which is awarded a grant from the microbusiness loan fund must also be awarded a grant from the technical assistance fund. Money from the technical assistance fund will be used by the successful applicant to help businesses prepare business plans, conduct financial analyses, service loans and program administration.

SBLC CERTIFICATE TRANSFER

In some rural communities, banks do not participate in the Small Business Administration's 7(a) program. Therefore, in an effort to make 7(a) loans more accessible to businesses located in rural areas, the legislation includes a provision which would require the Small Business Administration to approve the transfer of any existing inactive small business lending company [SBLC] certificate to a nonbank lender that will agree to make one-third of its loans in rural areas.

USDA STUDY

The legislation would also require the Department of Agriculture to examine the economic impact on small business and rural communities of all programs designed to influence or manage the supply of farm products, which are contained in future farm legislation.

CONCLUSION

This is one of a series of bills I am introducing to help provide rural America with the basic tools necessary to foster diversification.

Last week, I introduced legislation that provides another tool to bring rural America back into the economic mainstream and create jobs. S. 759, the Rural Access to Telecommunications Services Act of 1989, will close the distance gap between rural and urban America by bringing state-of-the-art telecommunications services to rural areas. This legislation is critical to enabling rural areas to fully participate in the increasing proportion of business activity related to, or dependent on, modern high capacity telecommunications services and facilities.

Next, I plan to introduce legislation that will correct the funding shortfall problem we had with the Essential Air Service Program this year. The legislation will make EAS an entitlement under the airport and airway trust fund. That way, funds will always be available for the program. Rural communities will be able to plan for the future and attract business investment without fear that air service may one day be eliminated.

I look forward to working with my colleagues to develop a comprehensive approach to help break down some of the other major barriers to economic prosperity in rural areas. Few issues are more important this Congress than accomplishing that task.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 863

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rural Access to Capital Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that—

(1) in almost every major economic respect, in this decade, rural areas have fallen behind urban areas;

(2) each year, in this Nation, more than 500,000 individuals are leaving rural areas;

(3) the unemployment rate in rural areas, which has historically been lower than the unemployment rate in urban areas, is now higher than such rate in urban areas;

(4) the gap between urban and rural income levels has widened;

(5) rural poverty rates are now substantially greater than urban poverty rates;

(6) there is a serious danger that rural communities will be increasingly isolated from the economic mainstream of the United States as a result of deregulation of banking, communications and transportation industries, and concomitant reductions in the services provided by such industries to rural areas;

(7) the fact that rural employment is disproportionately concentrated in industries such as agriculture, resource extraction and low-skill manufacturing also jeopardizes the economic strength of such areas, since such industries have experienced setbacks in this decade and are not likely to experience increases in employment and assets in the foreseeable future;

(8) access to capital is critical to rural areas to enable such areas to develop a diversified economic base, create jobs, and reenter the economic mainstream of this Nation;

(9) technical assistance should be provided whenever capital is made available to rural businesses with the help of the Federal Government; and

(10) rural communities should receive encouragement to become actively involved in economic development at the local level through partnerships between the Federal Government and the private sector, including nonprofit entities located in or near such rural communities.

SEC. 3. PURPOSE.

It is the purpose of this Act—

(1) to encourage private financial institutions and nonprofit entities to invest in rural businesses and create jobs in rural communities,

(2) to provide technical assistance to such rural businesses, and

(3) to make small scale loans and technical assistance available to microbusinesses.

TITLE I—PUBLIC AND PRIVATE RURAL PARTNERSHIP FUND

SEC. 101. DEFINITIONS.

For purposes of this title—

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Small Business Administration.

(2) ELIGIBLE APPLICANT.—The term "eligible applicant" means any public or nonprofit private entity, including—

(A) a State government or any political subdivision of such government,

(B) a nonprofit credit union,

(C) a rural electric or telephone cooperative,

(D) a nonprofit community development corporation,

(E) a chamber of commerce, and

(F) an economic development district which serves a rural community.

(3) ELIGIBLE BUSINESS.—The term "eligible business" means a business which is otherwise unable (using reasonable efforts) to secure credit and which meets the requirements of the economic development workplan submitted by the eligible applicant and which is located in the rural community in which the eligible applicant conducts loan-related activities.

(4) RURAL COMMUNITY.—The term "rural community" means—

(A) a county or other political subdivision of a State with a population not exceeding 50,000 which is not in a standard metropolitan statistical area, or contiguous to such an area, and has been designated by the Administrator as a rural community, and

(B) a county or other political subdivision of a State with a population greater than 50,000 which—

(i) is recommended for designation as a rural community by the District Director of the Administration for the district in which such county or subdivisions located, and

(ii) with respect to which such designation is approved by the Administrator.

SEC. 102. ESTABLISHMENT OF RURAL PARTNERSHIP FUND.

(a) IN GENERAL.—There is established in the Treasury a revolving fund to be known as the "Rural Partnership Fund". The capital of the Rural Partnership Fund shall remain available until expended. Any profits or income derived from the activities of the Fund less operating expenses incurred in administering such Fund shall be placed in such Fund.

(b) AUTHORIZATION.—There are authorized to be appropriated $30,000,000 for the purposes of establishing the Rural Partnership Fund.

(c) USE OF FUND.—Amounts in the Rural Partnership Fund may be used to fund loans to eligible applicants selected as loan recipients under section 103 of this Act.

SEC. 103. LOANS FROM RURAL PARTNERSHIP FUND.

(a) IN GENERAL.—The Administrator shall award loans from the Rural Partnership Fund to eligible applicants selected as loan recipients and such loans may be used—

(1) to provide debt or equity capital or loan guarantees to eligible businesses,

(2) to provide training or technical assistance (including the preparation of business plans, financial analysis, loan servicing and program administration) to eligible businesses, and

(3) to provide administrative costs to carry out the purposes described in paragraphs (1) and (2).

(b) LOAN SIZE LIMITS.—Not more than $1,000,000 per loan may be provided by the Administrator to fund a loan to an eligible applicant by the Rural Partnership Fund.

(c) LOAN COMPETITION.—(1) The Administrator shall conduct a nationwide competition through a loan application process. In order to be considered for a loan under this section, an eligible applicant shall submit an economic development workplan to the Administrator. Such economic development workplan shall include—

(A) a description of eligible businesses in which the eligible applicant plans to invest;

(B) a description of the type of support to be provided, including—

(i) loan guarantees,

(ii) loans,

(iii) equity capital, and

(iv) technical assistance; and

(C) an estimate of the number of jobs to be created or retained.

(2) No later than 90 days after the date of enactment of this Act, the Administrator shall issue regulations establishing criteria for such competition. Such criteria shall take into consideration—

(A) the amount of financial participation by private entities,

(B) the ratio of Federal to non-Federal contributions, and

(C) the quality of the economic development workplans submitted.

(d) FINANCIAL PARTNERSHIP AGREEMENTS REQUIRED FOR ELIGIBLE APPLICANTS.—Before submitting an application for a loan under this section, an eligible applicant shall demonstrate, through a partnership agreement or agreements with non-Federal entities (such as banks, other financial institutions, small business investment corporations, foundations, or local or State governments) that such entity or entities are prepared to participate in making loans to, or investments in, eligible businesses located in the rural community in which the eligible applicant intends to conduct loan-related activities, that, when totaled, equal the value of the amount of such loan.

(e) APPROVAL OF LOANS.—If the Administrator approves the economic development workplan of an eligible applicant selected under subsection (c) and the partnership agreement or agreements of such applicant under subsection (d), then the Administrator shall approve a loan for such eligible applicant and shall execute a contract stating the terms of such loan with the loan recipient, including conditions for repayment.

(f) MONITORING BY THE ADMINISTRATOR.—(1) The Administrator shall make such periodic onsite visits as may be necessary to a loan recipient and conduct an annual audit to ensure that any loan awarded under this section is administered in accordance with this section and any other applicable law.

(2) If the Administrator determines, upon review of the results of any oversight activities described under paragraph (1), that a loan recipient is in violation of the terms of a loan awarded under this section, the Administrator may recall such loan and require the loan recipient to repay any funds expended from such loan.

SEC. 104. DISBURSEMENT OF LOAN FUNDS BY LOAN RECIPIENTS.

(a) LOCAL REVOLVING FUNDS.—All funds received by a loan recipient shall be placed into a revolving fund to be administered by the loan recipient, and any profits or income derived from the activities of the revolving fund less operating expenses incurred in administering such fund shall be placed into such fund.

(b) INVESTMENT SIZE LIMITS.—The size of the amount to be provided to an eligible business from a loan revolving fund described in subsection (a) shall not exceed the lesser of—

(1) 50 percent of the amount of total financing for such investment, or

(2) $300,000.

TITLE II—MICROBUSINESS LOAN AND TECHNICAL ASSISTANCE FUND

SEC. 201. DEFINITIONS.

For purposes of this title—

(1) ADMINISTRATOR.—The term "Administrator" has the same meaning given such term under section 101(1) of this Act.

(2) ELIGIBLE APPLICANT.—The term "eligible applicant" has the same meaning given such term under section 101(2) of this Act.

(3) ELIGIBLE MICROBUSINESS.—The term "eligible microbusiness" means a microbusiness which is otherwise unable (using reasonable efforts) to secure credit and which meets the requirements of the economic development workplan submitted by the eligible applicant and which is located in the rural community in which the eligible applicant conducts loan-related activities.

(4) MICROBUSINESS.—The term "microbusiness" means a business which employs no more than 15 full-time (or the equivalent of 15 full-time) employees.

(5) RURAL COMMUNITY.—The term "rural community" has the same meaning given such term under section 101(4) of this Act.

SEC. 202. ESTABLISHMENT OF MICROBUSINESS LOAN AND TECHNICAL ASSISTANCE FUNDS.

(a) MICROBUSINESS LOAN FUND.—(1) There is established in the Treasury a revolving fund to be known as the "Microbusiness Loan Fund". The capital of the Microbusiness Loan Fund shall remain available until expended. Any profits or income derived from the activities of the Fund less operating expenses incurred in administering such Fund shall be placed in such Fund.

(2) There are authorized to be appropriated $15,000,000 for the purposes of establishing the Microbusiness Loan Fund.

(3) Amounts in the Microbusiness Loan Fund may be used to fund loans to eligible applicants selected as loan recipients under section 203 of this Act.

(b) MICROBUSINESS TECHNICAL ASSISTANCE FUND.—(1) There is established in the Treasury a fund known as the "Microbusiness Technical Assistance Fund". The capital of the Microbusiness Technical Assistance Fund shall remain available until expended.

(2) There are authorized to be appropriated $5,000,000 for the purposes of establishing the Microbusiness Technical Assistance Fund.

(3) Amounts in the Microbusiness Technical Assistance Fund may be used to fund grants to eligible applicants selected as recipients under section 203 of this Act.

SEC. 203. LOANS FROM THE MICROBUSINESS LOAN FUND AND GRANTS FROM THE TECHNICAL ASSISTANCE FUND.

(a) LOANS FROM THE MICROBUSINESS LOAN FUND.—The Administrator shall award loans from the Microbusiness Loan Fund to eligible applicants selected as loan recipients and such loans may be used—

(1) to provide loans or loan guarantees to eligible microbusinesses, and

(2) to provide administrative costs to carry out the purpose in paragraph (1).

(b) GRANTS FROM THE MICROBUSINESS TECHNICAL ASSISTANCE FUND.—The Administrator shall award grants from the Microbusiness Technical Assistance Fund to eligible applicants which have existing programs (or programs scheduled for concurrent funding) which provide technical assistance (including preparation of business plans, financial analysis, loan servicing, and program administration). Such grants may be used—

(1) to provide such technical assistance, and

(2) provide administrative costs to carry out the purpose in paragraph (1).

(c) LIMITS.—Not more than $300,000 per loan may be provided by the Administrator to fund a loan to an eligible applicant from the Microbusiness Loan Fund, and not more than $100,000 per grant may be used to fund a grant to an eligible applicant from the Microbusiness Technical Assistance Fund.

(d) COMPETITION.—(1) The Administrator shall conduct a nationwide competition through an application process. In order to be considered for a loan and grant under this section, an eligible applicant shall submit an economic development workplan to the Administrator.

(2) With respect to a loan application for a loan from the Microbusiness Loan Fund, the economic development workplan required under paragraph (1) shall include—

(A) description of eligible microbusiness to which the eligible applicant plans to provide loans or loan guarantees,

(B) the type of support to be provided, including loans or loan guarantees,

(C) an estimate of the number of jobs to be created or retained, and

(D) a description of the economic condition of the rural community in which the eligible applicant plans to provide loans or loan guarantees.

(3) With respect to a grant application for a grant from the Microbusiness Technical Assistance Fund an eligible applicant shall provide—

(A) a description of the existing program (or program schedules for concurrent program) which the eligible applicant provides (or is scheduled to provide),

(B) the type of technical assistance to be provided (including preparation of business plans, financial analysis, loan servicing, and program administration), and

(C) an estimate of the number of jobs to be created or retained.

(4) The Administrator shall select a total of 50 eligible applicants for loans and grants. Each eligible applicant selected under this paragraph shall receive loans and grants from both the Microbusiness Loan Fund and the Microbusiness Technical Assistance Fund.

(5) No later than 90 days after the date of enactment of this Act, the Administrator shall issue regulations establishing criteria for the competition for loans and grants under this section. Such criteria shall take into consideration the quality of the economic development workplans submitted.

(e) APPROVAL OF LOANS AND GRANTS.—If the Administrator approves the economic development workplan of an eligible applicant selected under subsection (d), then the Administrator shall approve a loan and grant for such eligible applicant and shall execute a contract stating the terms of such loans and grants with the recipient, including conditions for repayment of any Microbusiness Loan Fund loan.

(f) MONITORING BY THE ADMINISTRATOR.—(1) The Administrator shall make such periodic onsite visits as may be necessary to a recipient and conduct an annual audit to ensure that any loan or grant awarded under this section is administered in accordance with this section and any other applicable law.

(2) If the Administrator determines, upon review of the results of any oversight activities described under paragraph (1), that a recipient is in violation of the terms of a loan or grant awarded under this section, the Administrator may recall such loan or grant and require the recipient to repay any funds from such loan or grant.

SEC. 204. DISBURSEMENT OF LOAN FUND BY MICROBUSINESS LOAN FUND LOAN RECIPIENTS.

(a) LOCAL REVOLVING FUNDS.—All funds received by a loan recipient for a loan from the Microbusiness Loan Fund shall be placed into a revolving fund to be administered by the loan recipient, and any profits or income derived from the activities of the revolving fund less operating expenses incurred in administering such funds shall be placed in such fund.

(b) LOAN OR LOAN GUARANTEE SIZE LIMITS.—The size of the amount to be provided to an eligible microbusiness from a loan revolving fund described in subsection (a) shall not exceed the lesser of—

(1) 75 percent of the amount of total financing for the investment with respect to which such loan or loan guarantee relates, or

(2) $25,000.

TITLE III—TRANSFER OF SMALL BUSINESS LENDING COMPANY STATUS

SEC. 301. TRANSFER OF SMALL BUSINESS LENDING COMPANY STATUS.

(a) IN GENERAL.—Notwithstanding any other provision of the Small Business Act of 1958, the Administrator of the Small Business Administration shall, within 60 days after receiving an application from any qualified transferee, approve such qualified transferee as a Small Business Lending Company (as described under regulations issued under section 7(a) of the Small Business Act of 1958 immediately before January 4, 1982).

(b) QUALIFIED TRANSFEREE.—For purposes of this section, any lending institution which is not subject to continuing supervision and examination by any State or Federal regulatory authority shall be considered a qualified transferee if—

(1) a Small Business Lending Company which received such status before January 4, 1982, and which continues to meet the requirements for a Small Business Lending Company under 13 CFR 120.302-1 (in effect on the date of enactment of this Act) relinquishes such status and designates such transferee to receive such status; and

(2) such transferee—

(A) otherwise meets the financial requirements for a Small Business Lending Company under 13 CFR 120.302-1 (in effect on the date of enactment of this Act),

(B) conducts at least one-third of all loan transactions with entities doing business in rural communities, as defined under section 101(4) of this Act, and

(C) otherwise meets any reasonable standards, which are no more restrictive than the standards established for the Small Business Lending Company which relinquishes such status under paragraph (1).

(c) REGULATIONS.—The Administrator of the Small Business Administration shall, within 60 days after the date of enactment of this section, issue regulations to carry out the purposes of this section.

(d) EFFECTIVE DATE.—The provisions of this section shall take effect 60 days after the date of enactment of this Act, without regard to whether regulations to carry out any such section are promulgated by that date.

TITLE IV—REPORTS

SEC. 401. REPORTS ON IMPACT OF FARM PROGRAMS ON RURAL COMMUNITIES.

Not later than 1 year after the date of enactment of a provision of law that affects the supply of an agricultural commodity produced in the United States, the Secretary of Agriculture shall submit to the Committees on Small Business of the House of Representatives and the Senate a report that contains an analysis of the impact of such provision on rural communities, including a quantitative analysis of such impact on—

(1) farm structure;

(2) income and exports;

(3) land values;

(4) businesses that rely on agricultural producers, including input suppliers (such as lenders, fertilizer and implement dealers, and manufacturers);

(5) food and fiber marketing and processing industries;

(6) rural communities; and

(7) employment.●

By Mr. PRYOR (for himself, Mr. HEINZ, Mr. PRESSLER, and Mr. BURDICK):

S. 864. A bill to require that the Consumer Price Index for all urban consumers be utilized by a Federal officer or agency in determining certain cost of living increases in benefits and allowances, and for other purposes; to the Committee on Governmental Affairs.

CONSUMER PRICE INDEX LEGISLATION

Mr. PRYOR. Mr. President, as the chairman of the Special Committee on Aging, I am pleased to introduce a bill to ensure that Federal agencies use the broadest and most fair Consumer Price Index [CPI] available to calculate cost-of-living adjustments [COLA's] for Federal income security programs such as Social Security, Civil Service, Railroad Retirement, military retirement and veterans pensions. Joining me in introducing this bill is Senator HEINZ, the distinguished ranking minority member of the committee, as well as two other distinguished committee members, Senator PRESSLER and Senator BURDICK.

Americans across the country, including many Members of Congress, assume that the Federal Government is using the most accurate CPI available for indexing Federal retiree, survivor and disabled benefits to the rate of inflation. Unfortunately and surprisingly, we are not. In fact, the CPI used for COLA calculations (the CPI-W) does not survey a single retired person or severely disabled person.

Mr. President, because most older and disabled Americans live on a fixed income, a COLA that offsets the effects of inflation on the purchasing power of Social Security benefits and pensions under other Federal retirement, disability and survivor programs is of vital importance. However, because the CPI used for COLA calculations surveys only the working population, a great deal of doubt has been cast on its reliability for these inflation adjustments.

Clearly, there is no reason to assume that older and disabled Americans have the same buying patterns as the rest of the population. In fact, just the opposite is true. For example, few would dispute the fact that, on average, the medical needs of those 65 and older are far greater than for the rest of the population. If the inflation rate for these services paralleled the overall inflation rate, there would be less reason for concern. Unfortunately, the medical inflation rate each year has risen higher and faster than has the general inflation rate.

For example, while the general inflation rate from August 1987 to August 1988 was 4 percent, the medical infla-

tion rate was 6.6 percent—a difference of more than 60 percent. As a result, because the elderly are not sampled in the CPI-W, the CPI-based inflation rate may well not fully and accurately reflect the elderly's inflation rate.

The distinguished former chairman of the Aging Committee was deeply concerned about the shortcomings of the CPI currently used to adjust Federal retirement programs. In response to legislation he offered, the Bureau of Labor Statistics [BLS] undertook a study which showed that Americans 65 or older appear to have experienced higher inflation than has the rest of the Nation in the last 5 years. BLS also found that higher medical and housing costs appeared to be the primary factors at work.

At a 1988 Aging Committee hearing on the advisability of replacing the CPI-W with the CPI-U, BLS Commissioner Janet Norwood noted that "Social Security recipients have expenditure patterns most like older consumers and more similar to those of the CPI-U households than to those of the CPI-W." At the same hearing, as well as in 1982 report, the General Accounting Office recommended using the CPI-U for COLA calculations.

Furthermore, in 1980, OMB recommended that the CPI-U replace the CPI-W for COLA calculations. In the words of then-Director of OMB, James T. McIntyre:

The new "all urban" index [CPI-U], in doubling the population covered compared with the current index, will include retirees and other recipients of Federal program benefits that are adjusted by the CPI, but who are not represented by the current index. It will thus not only reflect more accurately the changes in prices experienced by a larger proportion of the population, but will be a more appropriate base of adjustment of Federal benefits than the much more limited "wage and clerical" index [CPI-W] in current use.

Mr. President, both CBO and OMB view this measure as budget neutral. On this issue, testimony submitted by former OMB Director Jim Miller at the 1988 hearing reads as follows:

Indeed, it is the practice of OMB, in preparing our budget estimates, to assume that the proportionate increases in the two indexes will be identical in future years. Under our normal forecasting practices, it would make no difference to projected outlays if CPI-U replaced CPI-W in the COLA formula for Social Security, or anywhere else in the Budget.

Contrary to its 1980 position on this issue, OMB did not support this legislation last year. This is because OMB felt that COLA's would be virtually unchanged under the CPI-U and that therefore this legislation is not needed. It is my hope that this year OMB will change its position.

COLA's may or may not change under this legislation. However, they will be more fair. In the 2 years that the Aging Committee has been looking into this matter, we have heard nothing to contradict this statement. Indeed, in the last hours of the 100th Congress, the Senate passed similar legislation offered by the former chairman as an amendment to the tax technical corrections bill. Unfortunately, the provision was dropped in conference as a result of procedural concerns.

Mr. President, I believe that the CPI-U provides a more accurate measure of the elderly's inflation rate than does the CPI-W. A number of organizations, including the American Association of Retired Persons, the National Council of Senior Citizens, the National Association of Retired Federal Employees, and the National Committee to Preserve Social Security and Medicare share this belief. The legislation we are introducing today would ensure that the millions of elderly and disabled Americans who depend on Social Security, veterans pensions, and other Federal income security programs are provided with the most accurate COLA possible. These Americans deserve no less, and I urge my colleagues to support this amendment.

I ask unanimous consent that a copy of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 864

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. USE OF CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS BY FEDERAL OFFICER OR AGENCY IN DETERMINING CERTAIN COST-OF-LIVING INCREASES REQUIRED.

(a) IN GENERAL—Effective January 1, 1991, in any case where the consumer price index (CPI-W) is specifically required or authorized to be utilized by a Federal officer or agency in determining cost-of-living increases in benefits or allowances, the consumer price index so utilized shall, notwithstanding any other provision of law, be the "Consumer Price Index for all Urban Consumers" (CPI-U).

(b) LIMITATION.—This Act shall not apply—

(1) to any use of any escalation formula, or the use of any index described in such formula, which has been, or may be, negotiated by any employer, including any public employer, and any labor union or association of employees; and

(2) to actions undertaken, or to be undertaken, or rights, benefits or obligations between individuals, businesses, or State and local governments, or each with the other.

(c) EFFECTIVE DATE.—The provisions of this section shall become effective upon the date of enactment of this Act.0

By Mr. METZENBAUM (for himself, Mr. RUDMAN, Mr. SIMON, Mr. WILSON, Mr. BRADLEY, Mr. SASSER, Mr. CRANSTON, Mr. BOSCHWITZ, Mr. GORTON, Mr. EXON, Mr. LAUTENBERG, Mr. KERRY, Mr. PELL, Mr. KENNEDY, Mr. LEVIN, Mr. MOYNIHAN, Mr. BINGAMAN, Mr. ADAMS, Mr. LIEBERMAN, and Mr. DODD):

S. 865. A bill to amend the Sherman Act regarding retail competition; to the Committee on the Judiciary.

CONSUMER PROTECTION AGAINST PRICE-FIXING ACT

Mr. METZENBAUM. Mr. President, I am pleased to rise today with a bipartisan group of my colleagues to introduce the Consumer Protection Against Price-Fixing Act of 1989. This legislation has three components. First, it would codify the well-established principle that resale price-fixing agreements are per se unlawful. Second, it would clarify the evidentiary standard for jury consideration of certain vertical price-fixing cases. Finally, it would make clear that an agreement between a manufacturer and a retailer to terminate another retailer in order to eliminate price competition is illegal, whether or not a specific price or price level is agreed upon. I am pleased to be joined by Senators RUDMAN, SIMON, WILSON, BRADLEY and many others from both sides of the aisle as original cosponsors.

This bill would promote retail competition and assure lower prices on products for the benefit of all American consumers. The basic question here is simple. Will the typical family, which is struggling to make ends meet, continue to be able to save money by buying at discount stores? All across this country people depend on discount pricing in order to buy products for a reasonable price. My Ohio staff conducted a survey last session that found that consumers pay on the average 18 to 30 percent less in discount stores than in full-price retail stores. The money saved over a year, over $500 for an average American household, can make a big difference to the quality of life for these consumers. But price fixing takes away these families' choices. It takes away healthy competition. It threatens discount stores and discount pricing. This bill would codify in the antitrust statutes a simple principle which has long been held by the courts and by Congress: Price fixing is harmful to competition.

In 1911, the Supreme Court held in *Dr. Miles Medical Co.* v. *John D. Park & Sons Co.*, 220 U.S. 373, that vertical price fixing is per se illegal. The Court has never refuted this principle. In fact, it has recently reaffirmed it in 324 *Liquor Corp.* v. *Duffy*, 107 S.Ct. 720, 724 (1987).

In 1975, Congress expressly sanctioned the national policy banning vertical price fixing when it passed the Consumer Goods Pricing Act. The statute repealed the antitrust exemptions for State fair trade laws. These laws had permitted manufacturers to mandate the minimum price at which a product could be sold. President Ford's Department of Justice actively supported outlawing the fair trade

laws. Former President Reagan, then a columnist, also supported elimination of the fair trade laws. In a column, he condemned the laws as stifling competition, adding to inflation, and harming consumers.

The reason the courts and Congress have so strongly affirmed the unlawfulness of vertical price fixing is because such agreements undermine vigorous competition by independent entrepreneurs. If manufacturers are able to control the price at which otherwise independent retailers are able to sell their products, consumer welfare will be directly harmed. Discount retailers would be subject to the control of their suppliers and would no longer have the independence to set prices and to engage in healthy competition. America lived in such an environment during the years when the fair trade laws were applied at the State level. We soon realized that curtailing of competition in the distribution chain was harmful to consumers and inflationary. We did away with those laws.

Today we are presented again with the prospect of a market subject to fair trade laws. Why is this so when Congress repudiated such laws?

It is so, in part, because the Justice Department has refused to enforce the antitrust laws against vertical price fixing. In fact, there has not been a single vertical price-fixing case brought by the Justice Department since President Carter's term. Instead the Justice Department has intervened in courts on behalf of defendants in such cases. It was the Department's attempt to argue for the abandonment of the per se rule before the Supreme Court in Monsanto Co. versus Spray-Rite Corp. That caused Congress to address this issue again. In the Department of Justice's appropriation bill for fiscal year 1984, Congress specifically prohibited the expenditure of funds to overrule the per se rule against vertical price fixing. Following the Department's promulgation of its vertical restraints guidelines which tried to narrow the per se rule for vertical price fixing, Congress again adopted appropriations restrictions for fiscal years 1986, 1987, and 1988. The Justice Department's intransigence has not stopped and they have continued to oppose the per se rule and to lobby against its codification. It is high time the Department did its job of enforcing the antitrust laws rather than use its efforts to undercut them.

A second threat to the longstanding ban against resale price fixing stems from recent Supreme Court decisions which have severely eroded the enforceability of the doctrine. Beginning with the decision in the Monsanto case, the Court has made it significantly more difficult for a victim of a price-fixing conspiracy to prove his or her case. Although the Court reaffirmed the per se rule for vertical price fixing in this case, its pronouncement concerning the evidence necessary to take a case to a jury has caused confusion in the lower courts and has, in practice, made it very difficult to litigate successfully meritorious cases.

The Court in Monsanto stated that "permitting an agreement to be inferred merely from the existence of complaints, or even from the fact that termination came about 'in response to' complaints, could deter or penalize perfectly legitimate conduct." 465 U.S. 763. Instead, "there must be evidence that tends to exclude the possibility that the manufacturer and nonterminated distributors were acting independently." Id. at 764. Lower courts have misapplied this test to grant summary judgment to defendants even if there is substantial, credible evidence of a conspiracy to eliminate price competition. Take, for example, the case of *Garment District, Inc.* v. *Belk Stores Services, Inc.*, 799 F.2d 905 (4th Cir. 1986) in which the manufacturer received repeated complaints from Belk, its full priced retailer, about Garment, a competing discount retailer. The court found that Belk in fact pressured the manufacturer in order to eliminate a discount competitor and that Garment was terminated because of the pressure exerted by Belk. There was even a letter from the manufacturer to Belk acknowledging the manufacturer's decision to terminate and thanking Belk for bringing this problem to my attention. The court, relying on Monsanto, held that this case should not go to a jury and upheld the directed verdict for the defendant.

It is hard to see how the court could prevent the jury from considering this case, but that case is a classic example of how lower courts are applying Monsanto. Even a letter acknowledging the manufacturer's acquiescence to the full priced retailer's demands is not enough to overcome Monsanto. Nor is this case unique. Courts are regularly dismissing such cases and depriving plaintiffs of the opportunity of having a jury consider the facts. This legislation would not dictate the result the jury must reach. It is intended to make sure that the jury is allowed to review all the facts and determine whether a conspiracy exists, once the evidentiary standards provided in the bill are met.

Clearly Monsanto has made proving a vertical price fixing cases very difficult. As a result, not only are the victims of price fixing not compensated for their losses, but price fixing is being encouraged as price fixers begin to rely on the difficulty of enforcing the law through private litigation.

In that regard, matters were significantly worsened last term when the Supreme Court handed down its decision in *Business Electronics Corp.* v. *Sharp Electronics Corp.*, 108 S. CT. 1515 (1988). Sharp so drastically limits the ability to bring a vertical price fixing case that it must be overruled outright. The facts of Sharp present a classic resale price maintenance case. In that case a high priced retailer complained repeatedly to its supplier, Sharp, about the prices of a competing discount retailer. Finally, the high priced retailer issued Sharp an ultimatum that it would end its relationship with Sharp unless the discounter was terminated. Sharp thereupon terminated the discounter. Incredibly, the Supreme Court held that an agreement to eliminate the discounter simply to stop price cutting was not per se illegal because there was no showing of an agreement between the manufacturer and the high price retailer as to the price the retailer must charge. The Court said an agreement to destroy another retailer simply to eliminate price cutting is not a restriction on price and therefore may be lawful. What is an agreement to destroy a discounter in a case like this if not a restriction on price? This decision means that one of the most harmful cases that occur in the marketplace—a high price retailer forcing his competition to stop discounting—is allowed to continue. It is quite clear to me that Congress has to act.

This bill would accomplish three things. First, it would codify the per se rule with respect to vertical price restraints. It would not change the law on nonprice vertical restraints as to which courts apply the rule of reason. For example, it would not limit the manufacturer's ability to require a dealer to comply with certain service, warranty, or other nonprice obligations or to terminate a dealer who failed to do so. In order to make clear that the rule of reason applies to territorial restraints as well as these other nonprice restraints, section 5 of the bill specifically states that vertical location clauses and vertical territorial restraints are to be reviewed under the rule of reason standard. The bill also makes clear that it would not apply to maximum resale price agreements. The bill also does nothing to change the holding in *United States* v. *Colgate & Co.*, 250 U.S. 300 (1919), that unilateral conduct by the manufacturer is not actionable. To make this clear, section 4 reiterates the law that a violation can only be found upon the determination that the defendant entered into an illegal contract, combination, or conspiracy.

Second, the bill would clarify the evidentiary standard which has been badly muddled following the Monsanto decision. It would do this by making clear what constitutes sufficient evidence of a conspiracy for the jury to be able to have the facts brought before it for their judgment. If the plaintiff can show that its supplier re-

ceived a request from one of plaintiff's competitors that the supplier eliminate price competition and because of such request the supplier terminated the plaintiff, there is sufficient evidence for a jury to get the case, provided that the request is the major contributing cause of such termination. This last clause was added to make it clear that where the supplier has other reasons for terminating the plaintiff, which are legitimate and not price related, that supplier will still be able to regulate his distribution network without fear of falling afoul of the law. The phrase originally required that the request to terminate be "a" major contributing cause, but Senators RUDMAN and WILSON proposed that it read "the" major contributing cause and that change is reflected in the bill in order to clarify the causation requirement. As a further protection against innocent defendants having to go to a jury, the bill includes another suggestion by Senators RUDMAN and WILSON which provides that a court can grant summary judgment where it determines that the trier of fact could only find a conspiracy by making inferences that are implausible. This provision emphasis the fact that the Court continues to have the role of applying the standards of the legislation in accordance with the Federal Rules of Civil Procedure.

The third part of the bill simply provides that an agreement between a supplier and one of his purchasers to terminate another competing purchaser because of his pricing policies is per se unlawful, whether or not a specific price or price level is agreed upon. This provision would stop high price retailers from conspiring with their suppliers to force competing retailers to stop discounting and would overrule the Sharp decision to the extent it is contrary.

This legislation is desperately needed and should have become law last session. I urge that we act quickly to pass this important protection for consumers into law.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 865

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Consumer Protection Against Price-Fixing Act of 1989."

SEC. 2. The Congress finds that—

(1) consumer welfare is greatly enhanced by an ability to purchase goods and services at lower prices as a result of vigorous price competition;

(2) vertical price restraints generally have an adverse impact on competition that results in higher consumer prices;

(3) recent court decisions have so narrowly construed the laws against vertical price restraints that consumer welfare has been put in jeopardy; and

(4) it is necessary to enact legislation that protects the interests of consumers in vigorous price competition while recognizing the needs of manufacturers and others to maintain reasonable service, quality, and safety standards.

SEC. 3. The Sherman Act is amended by redesignating section 8 and any references to section 8 as section 9 and by inserting between section 7 and section 9, as herein redesignatd, the following new section:

"SEC. 8. (a)(1)(A) In any civil action based on section 1 or 3 of this Act, including an action brought by the United States or by a State attorney general, or by the Federal Trade Commission under section 5 of the Federal Trade Commission Act, which alleges a contract, combination or conspiracy to set, change, or maintain prices, if pursuant to the Federal Rules of Civil Procedure the court finds that there is sufficient evidence, direct or circumstantial, from which a trier of fact could reasonably conclude that a person who sells a good or service to the claimant for resale entered into a contract, combination, or conspiracy with a competitor of such claimant to curtail or eliminate price competition by such claimant in the resale of such good or service, then the court shall permit the trier of fact to consider whether such person and such competitor engaged in concerted action to set, change, or maintain prices for such good or service in violation of such section.

"(B) For purposes of paragraph (1), the court shall find the existence of 'sufficient evidence' that a person who sells a good or service entered into a contract, combination, or conspiracy if the claimant presents sufficient evidence that such person—

"(i) received from a competitor of the claimant an express or implied request or demand, including a threat to discontinue an existing business arrangement, that the seller take steps to curtail or eliminate price competition by the claimant in the resale of such good or service, and

"(ii) because of such request, demand, or threat terminated the claimant as buyer of such good or service for resale or refused to supply to the claimant some or all of such goods or services requested by the claimant: *Provided,* That a termination or refusal to supply is made 'because of such request, demand, or threat' only if such request, demand or threat is the major contributing cause of such termination or refusal to supply.

"(2) The court shall not permit the trier of fact to consider whether such person and such competitor engaged in concerted action to set, change, or maintain prices for such good or service in violation of such section if the court determines that the trier of fact could only find that such person and such competitor engaged in concerted action by making inferences which are implausible.

"(b) In any civil action based on section 1 or 3 of this Act, including an action brought by the Federal Trade Commission under section 5 of the Federal Trade Commission Act, which alleges a contract, combination, or conspiracy to set, change or maintain prices, the fact that the seller of a good or service and the purchaser of a good or service entered into an agreement to set, change, or maintain the resale price of a good or service shall be sufficient to constitute a violation of such section, except that this section shall not apply when the agreement to set, change, or maintain the resale price of a good or service is an agreement to set, change, or maintain the maximum resale price of a good or service. An agreement between the seller of a good or service and the purchaser of a good or service to terminate another purchaser as a dealer or to refuse to supply such other purchaser because of that purchaser's pricing policies shall constitute a violation of this section, whether or not a specific price or price level is agreed upon.".

SEC. 4. Nothing in this Act shall be construed to change the requirement of the Sherman Act that a violation of section 1 or 3 of that Act may only be found upon a determination that the defendant entered into an illegal contract, combination, or conspiracy.

SEC. 5. Nothing in this Act shall affect the application of the rule of reason standard to vertical location clauses or vertical territorial restraints under the antitrust laws.

Mr. CRANSTON. Mr. President, I am pleased to join my good friend from Ohio [Senator METZENBAUM] in introducing the Consumer Protection Against Price-Fixing Act of 1989. I believe that this is important legislation which is necessary to assure that consumers receive the full benefit of competitive pricing.

The Sherman Act has traditionally protected discount retailers from vertical price-fixing agreements between manufacturers and full price retailers. However, those protections have been significantly eroded by recent Supreme Court decisions which have made it more difficult for terminated retailers to prove that their termination was the result of illegal price fixing. The Court's 1984 ruling in Monsanto Co. versus Spray-Rite Service Corp., and its 1988 ruling in Business Electronics Corp. versus Sharp Electronics Corp.—as well as the fact that the Department of Justice filed an amicus curiae brief with the Supreme Court in the Monsanto case urging abandonment of the rule which states that vertical price fixing is per se illegal—have made it necessary for us to act to clarify the law with respect to the illegality of vertical price-fixing agreements.

The bill which we are introducing today is a reasonable response to address the issues which have been raised by the Supreme Court rulings. As the Senator from Ohio has explained, it is similar to legislation that was originally introduced in the 100th Congress, but has been modified to address concerns which were raised that the bill would make it too easy for a price-fixing case to reach a jury, and that it would raise questions about the legality of territorial restrictions for dealers.

I urge my colleagues to support this legislation and I hope that the Senate will be able to act quickly on it.

● Mr. SIMON. Mr. President, I am pleased to join with a bipartisan group of my colleagues in introducing the Consumer Protection Against Price-

Fixing Act of 1989. The purpose of this important legislation is to ensure that consumers can continue to enjoy the benefits of a competitive marketplace and the savings that can be found at discount stores.

The record is clear that Americans achieve tremendous savings from shopping at discount stores. Studies conducted by the Department of Justice under President Nixon in 1975 indicated that consumers would be saved $1.2 billion by the elimination of State fair trade laws which permitted manufacturers to fix the price of goods. Subsequent to the study, Congress passed legislation to address this problem. In 1983, the former chairman of K-Mart, Bernard Fauber, testified before the House Government Operations Committee that discounting saved the American people approximately $23 billion per year. He further testified that at K-Mart alone, prices could rise $860 million if K-Mart adhered to fixed prices. Surveys by the consumer interest group, Public Citizen, in both the summer and fall of 1988, again demonstrated that there are substantial savings to be gleaned by consumers who do comparative shopping.

While there is no question that discounting is important to the majority of Americans who operate on a fixed budget, particularly low-income families and senior citizens, recent court cases and a lax antitrust division under President Reagan, threaten to undermine the competitive environment that allows discounting to exist. For example, for 7 years, the Reagan administration's antitrust division did not bring a single vertical price fixing case. More importantly, the Division actively campaigned to weaken the laws by advocating wholesale changes of the law of per se illegality.

Unfortunately, the Reagan Justice Department was successful in large measure in having the Supreme Court adopt some of its theories. In the 1984 Monsanto versus Spray Rite case, the Supreme Court adopted the Department's reasoning that special, heightened evidentiary requirements should apply in vertical price fixing cases. More recently, in the Business Electronics Corp. versus Sharp Electronics Corp. case, the Court again adopted the Department's view that an agreement between a competing retailer and a manufacturer to terminate a discounter because of its price cutting was not a price agreement. The Court held that the plaintiff had to show that there was an agreement between the manufacturer and the competing retailer about the price or price level it would charge. This ruling virtually defines the per se rule out of existence.

The bill being introduced today addresses these problems in several ways. First, it codifies the 77-year-old principle that vertical price fixing is illegal per se under the antitrust laws. Second, it creates a reasonable uniform evidentiary standard to be used in retail price fixing cases. Finally, it clearly states that an agreement between a manufacturer and a retailer to prevent price competition by another retailer is unlawful.

While there were some concerns expressed last year about the drafting of the bill, I am pleased to note that this year's legislation has been carefully crafted to include the helpful modifications suggested by Senators RUDMAN and WILSON.

There is no doubt this is a good bill that deserves to be passed expeditiously. Its primary beneficiaries will be the millions of Americans who choose to save their families hard earned dollars by getting the best possible price. The consumers of Illinois and the rest of the Nation deserve nothing less.●

● Mr. LEVIN. Mr. President, I rise today in support of the Consumer Protection Against Price Fixing Act and I am pleased to be a cosponsor of this bill again this year, as I was last year.

Millions of consumers benefit daily from healthy competition among stores and products. The Consumer Protection Against Price Fixing Act would preserve the consumers' choice and savings by clarifying the evidentiary standard required to bring a case to a jury in a price-fixing case, and by codifying the per se rule against vertical price fixing.

Throughout most of the 20th century the Supreme Court has held that any attempt by a supplier to influence the price charged by a retailer is automatically illegal. That is as it should be. To require that a dealer's conduct only constitutes a vertical price restraint if the dealer and supplier agree on a price or a price level makes no sense. The termination of a discounter will, in and of itself, artificially maintain a price level. The supplier and dealer need never discuss a specific price; simply forcing the discounter out of the market will have the effect of restraining prices.

This is an important piece of antitrust legislation which will preserve desirable and healthy competition in the retail marketplace.●

Mr. GORTON. Mr. President, I rise today as an original cosponsor to support the Consumer Protection Against Price Fixing Act of 1989. This legislation addresses vertical price fixing: The undesirable process whereby manufacturers dictate to retailers what prices they will charge consumers.

Price competition is the basis of our American retail economy as well as the underlying principle of antitrust laws. Free enterprise presupposes the independence of businesses to compete most especially on price.

Consumer welfare is promoted greatly by this vigorous competition which encourages lower prices, higher quality, and a greater variety of products and services.

Case law for almost eight decades has concluded consistently that the anticompetitive effects of vertical price fixing nearly always outweigh any occasional procompetitive effects. In recent years, however, U.S. Supreme Court decisions have threatened this long-held principle. With this legislation anti-price-fixing laws are maintained and citizens will continue to benefit from price competition.

I applaud the leadership of my colleagues in introducing this measure, and hard work by supportive businesses and consumer groups—on behalf of consumers.

By Mr. LEVIN (for himself and Mr. RIEGLE):

S. 866. A bill to establish the Calumet Copper Country National Historical Park in the State of Michigan, and for other purposes; to the Committee on Energy and Natural Resources.

CALUMET COPPER COUNTRY NATIONAL PARK ACT OF 1989

● Mr. LEVIN. Mr. President, today I am reintroducing legislation to establish the Calumet Copper Country National Historical Park in Michigan. This legislation is similar to legislation I introduced during the 100th Congress, with the exception of several technical changes. These technical changes are very important, however, because they are the result of the continuing process of consultation with the citizens in Copper Country. Over the past months, I and members of my staff have had frequent contact with the people of Copper Country regarding this legislation. We have also consulted with the National Park Service, and the Subcommittee on Public Lands, National Parks and Forests of the Senate Energy Committee.

The most obvious of these technical changes is the change in the name from the Calumet National Historical Park to the Calumet Copper Country National Historical Park. This change recognizes that the copper mining history of the Keweenaw Peninsula is not limited to the Calumet area, and is responsive to public input.

The expanded findings section of the bill is another example of a change that resulted from public input. Last year's bill had five findings on the historic background of Copper Country. The version I am introducing today has expanded that list to 10. For example, I have included in the findings the facts that from 1845 until the Civil War, 75 percent of the United States production of copper came from Copper Country, and that almost 90 percent of the copper used during the Civil War came from Copper Country, with 56 percent coming from the Quincy Mine alone.

The Calumet Copper Country bill also has provisions that have been retained as a result of the strong public support for them, which has been expressed since this legislation was first introduced. The prohibition on the use of condemnation for the acquisition of property is one such provision. The bill would allow the Secretary of the Interior to acquire property only with consent of the owner, which means that there would be no acquisition of property through condemnation. If this language was not included in the bill, then the Secretary would be able to acquire property through condemnation.

I owe a debt of gratitude to the people of Copper Country for the time they have spent considering these issues, and for providing this input to me. It is significant that the people of Copper Country have been so active in the development of the legislation to establish the park, because it is an indication of how important they believe it is to have a park that tells the story of the development of copper mining in the United States. This story is an important chapter in our industrial development, and it should be available in a tangible way not only to the citizens of Michigan, but to all the citizens of the United States.

Calumet is on the Keweenaw Peninsula, which is the northernmost point of Michigan. A copper range runs the length of the peninsula, and this range, where copper occurs in a pure metallic state, supported a copper mining industry for more than 100 years.

The remains of prehistoric mining efforts led French and British explorers to attempt to develop the resources on the Keweenaw. Significant development did not occur until the mid-1800's, however, when Michigan's first State geologist, Douglas Houghton, surveyed the area. His surveys sparked the copper boom.

The most productive and profitable copper deposits were found in the central portion of the peninsula, and were initially developed by the Quincy Mining Co. in the late 1850's. The Calumet and Hecla mines were developed in the 1860's a few miles to the north of the Quincy operations. Although over 400 companies were organized to try to exploit this resource, the Quincy and Calumet and Hecla companies were the only ones able to maintain their operations after the initial boom.

The development of the area saw the United States production of copper rise from 6 to 17 percent of world production, with Michigan supplying 12 percent of world production.

The Quincy Mining Co. ranked first in national production of copper from 1862 to 1868, and was able to make a significant contribution to the Northern effort during the Civil War by supplying the material for brass buttons, copper canteens, bronze cannons, and naval equipment. Quincy used some of the largest steam engines in the United States to hoist the ore from its mines, including one which was the largest steam hoisting engine in the world and was able to lift 10 tons of rock per trip. The company continued to develop its mines, and by 1931 the Quincy Mine Shaft No. 2 was the deepest mine in the United States at 9,009 feet in depth.

The Calumet and Hecla Mining Co. was developing its operations at about the same time as the Quincy company. Calumet and Hecla achieved high production figures and financial success by introducing methods to mine efficiently at great depths and exploit deposits with low mineral content. In 1868, its production outpaced the Quincy company.

In addition to the business acumen and fortitude that was necessary to make these copper mines successful another critical element was needed: people. Immigrant laborers worked the mines and established an ethnically diverse and rich community. That ethnic heritage is still prevalent in the Calumet area today.

Again, this legislation is the product of consultation with the citizens of Copper Country who have been very active in promoting the cause of establishing the park, and the bill would continue that local participation in the creation and management of the park.

I want to thank the staff of the Subcommittee on Public Lands for their help in drafting this bill. I discussed this measure with Senator BUMPERS, chairman of that subcommittee, when I introduced the bill last year, and I was encouraged by his interest. Senator BUMPERS told me that there would have been subcommittee deliberations on this bill in the last Congress if time had permitted. He also told me that he would press for speedy consideration of the legislation during the 101st Congress. I appreciate his continued interest and willingness to give this proposal thorough consideration. I look forward to working with him. I ask unanimous consent that the text of the bill be printed in the RECORD following this statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 866

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Calumet Copper Country National Historical Park Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that—

(1) The Keweenaw Peninsula in northern Michigan, known as "Copper Country", was the source of rich copper deposits that were mined beginning in prehistoric times and continuing through recent decades;

(2) between 1867 and 1884 this region in Michigan produced 12 percent of the world's copper;

(3) between the late 1880's and 1920, more than 400 companies were organized to mine copper in Copper Country;

(4) currently there are only limited historic remnants in the vicinity of Calumet, Michigan, of the mines, machinery, and technology that gave rise to the growth and development of the copper industry from its earliest years through 1920;

(5) from 1845 until the Civil War, 75 percent of the United States production of copper came from Copper Country;

(6) almost 90 percent of the copper used during the Civil War came from Copper Country, with 56 percent coming from the Quincy Mine alone;

(7) after the discovery of copper in the Calumet area in 1864, production from the mines grew so rapidly that in one year the Calumet & Hecla Mine produced 42,000,000 pounds of copper and the Quincy Mine produced 6,000,000 pounds;

(8) during World War I, Copper Country produced 270,000,000 pounds of copper;

(9) Copper Country also made a significant contribution to the World War II effort; and

(10) by 1949, the Calumet & Hecla Mine had produced 6,236,510,701 pounds of copper.

SEC. 3. PURPOSE.

It is the purpose of this Act to provide recognition of the nationally significant historic resources in the Calumet area associated with copper mining and to assist in the proper preservation and interpretation thereof for the benefit of the American people.

SEC. 4. ESTABLISHMENT OF CALUMET COPPER COUNTRY NATIONAL HISTORICAL PARK.

There is established the Calumet Copper Country National Historical Park (hereinafter referred to as "the park") in the State of Michigan. The park shall consist of the C and H Mining Company properties, the Quincy Mining Company Historic District and the Calumet Historic Preservation District, as depicted on the map entitled "Calumet Copper Country National Historical Park, Michigan," dated May 1988, and numbered "CALU-80,000". Such map shall be on file and available for inspection in the office of the National Park Service, Department of the Interior, and the office of the village council Calumet, Michigan.

SEC. 5. PROTECTION OF HISTORIC PROPERTIES.

(a) ACQUISITION OF PROPERTIES.—Within the boundaries of the park the Secretary of the Interior (referred to as the "Secretary" shall acquire, by donation, purchase with donated or appropriated funds, exchange, or transfer, historic structures, mine ruins, and other properties representing the copper industry and its association with the cultural development of Calumet, Michigan. Such property may not be acquired without the consent of the owner.

(b) COOPERATIVE AGREEMENTS.—(1) The Secretary is authorized to cooperate and enter into agreements with other Federal agencies, State and local public bodies, and private interests relating to planning, development, use, and interpretation of properties within the park in order to contribute to the use and management of such properties in a manner compatible with the purpose of the park.

(2) Such agreements shall provide for the preservation of historical sites and visitor appreciation and enjoyment to the fullest extent practicable.

(c) RESTORATION OF PROPERTIES.—Notwithstanding any other provision of law, the Secretary may restore and rehabilitate property within the park pursuant to cooperative agreements without regard as to whether title thereto is in the United States.

SEC. 6. ADMINISTRATION OF PARK.

The Secretary shall administer the park in accordance with the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (16 U.S.C. 1 et seq.) and the Act entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes", approved August 21, 1935 (16 U.S.C. 461 et seq.).

SEC. 7. HISTORIC PRESERVATION COMMISSION.

(a) ESTABLISHMENT.—There is established the Calumet Copper Country Historic Preservation Commission.

(b) MEMBERSHIP.—(1) The Commission shall consist of 9 members appointed by the Secretary as follows:

(1) two members appointed from recommendations made by the village council of Calumet, Michigan;

(2) two members appointed from recommendations made by the board of commissioners of Houghton County, Michigan;

(3) four members appointed from recommendations made by the Governor of the State of Michigan; and

(4) one member who is qualified to serve on the Commission because of his or her familiarity with programs of the Department of the Interior involving national parks and historic preservation and who is an employee of the Department of the Interior.

(2) Four members of the Commission shall be persons trained in professional disciplines of direct application to the Commission's purposes, such as history, architecture, park planning and economic development.

(c) TERMS.—(1) Subject to paragraph (2), members of the Commission shall be appointed for terms of 2 years and may be reappointed for no more than 3 additional terms.

(2) The initial appointments of 4 members of the Commission shall be made for terms of 1 year.

(3) A vacancy on the Commission shall be filled in the same manner in which the orignal appointment was made.

(d) CHAIRMAN.—The chairman of the Commission shall be elected by the members to serve a term of 2 years.

(e) MEETINGS.—The Commission shall meet at least once each month at the call of the chairman.

(f) COMPENSATION.—Members of the Commission shall serve without compensation, but while away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

(g) TERMINATION OF COMMISSION.—(1) Except as provided in paragraph (2), the Commission shall cease to exist 10 years from the date of enactment of this Act.

(2) The Commission may be extended for a period of not more than 10 years beginning on the termination date referred to in paragraph (1) if, not later than 180 days before such date—

(A) the Commission determines such extension is necessary in order to carry out the purposes of this Act;

(B) the Commission submits such proposed extension to the Committee on Interior and Insular Affairs of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate; and

(C) the Secretary approves such extension.

SEC. 8. PARK PRESERVATION PLAN.

(a) IN GENERAL.—Not later than 24 months after the date on which the Commission conducts its first meeting, the Secretary and the Commission shall jointly prepare and submit to Congress a park preservation plan that meets the requirements of subsection (c).

(b) FUNDS NOT TO BE AVAILABLE UNTIL PLAN IS SUBMITTED.—(1) Subject to paragraph (2), the Secretary shall not make any funds available to the Commission until a park preservation plan has been submitted to Congress pursuant to subsection (a).

(2) Prior to submission of a park preservation plan the Secretary may make funds available to the Commission—

(A) for the payment of travel expenses of the members of the Commission incurred in connection with preparation of the park preservation plan; and

(B) for the making of loans and grants pursuant to section 10 for emergency efforts for the preservation of properties that are in danger of suffering destruction or grave deterioration prior to submission of the plan.

(c) REQUIREMENTS OF PLAN.—The plan described in subsection (a) of this section shall—

(1) identify properties that should be preserved, restored, managed, developed, maintained or acquired within the park and preservation district;

(2) include standards and criteria applicable to the construction, preservation, restoration, alteration and use of all properties within the preservation district; and

(3) describe the manner in which the Commission proposes to implement sections 9 and 10.

(d) RECOMMENDATION FOR ADDITIONS TO AND DELETIONS FROM THE PARK.—Within 3 years after the date of submission of the park preservation plan the Secretary shall submit to Congress a report making recommendations for the addition of properties to and the deletion of properties from the park.

(e) TECHNICAL ASSISTANCE.—The Administrator of the Environmental Protection Agency shall assist in the preparation of the preservation plan by providing technical assistance regarding preservation of the historic structures at Torch Lake, Michigan.

SEC. 9. VISITOR FACILITY.

(a) ESTABLISHMENT.—The Secretary shall establish and operate in the vicinity of Calumet, Michigan, a visitor facility for the promotion and interpretation of the park.

(b) PURPOSE.—The visitor facility shall offer materials that identify areas and events of historic significance in Copper Country, explain the contribution that such areas and events made to copper mining, and suggest itineraries for visitors to Copper Country.

SEC. 10. LOANS, GRANTS, AND TECHNICAL ASSISTANCE.

(a) LOANS.—The Commission may make loans to any corporation chartered under the general laws of the State of Michigan to enable that corporation to provide low interest loans to property owners for the preservation, restoration, or development of any property described in section 8(c)(1), in a manner consistent with standards and criteria established pursuant to section 8(c)(2).

(b) GRANTS.—The Commission may make grants to owners of property described in section 8(c)(1) for the preservation, restoration, management, development, and maintenance of such property in a manner consistent with standards and criteria established pursuant to section 8(c)(2).

(c) LIMITATION.—A loan or grant made under subsection (a) or (b) shall be made in an amount not exceeding 75 percent of the cost of the project assisted by the loan or grant.

(d) TECHNICAL ASSISTANCE.—The Commission may provide technical assistance to owners of property within the park or any other person or public or private entity taking actions consistent with the purposes of this Act.

SEC. 11. POWERS OF COMMISSION.

(a) IN GENERAL.—The Commission may hold such hearings, sit and act of such times and places, take such testimony, and receive such evidence as the Commission deems advisable.

(b) DONATIONS.—Notwithstanding any other provision of law, the Commission may seek and accept donations of funds, property, and services from individuals, foundations, corporations, and other private entities and from public entities, for the purpose of carrying out its duties.

(c) USE OF APPROPRIATED AMOUNTS TO OBTAIN FEDERAL FUNDING.—Notwithstanding any other provision of law, for purposes of any law conditioning the receipt of Federal funding on a non-Federal contribution, any portion of the amounts appropriated pursuant to section 13 may, at the election of the Commission, be used as such non-Federal contribution.

(d) USE OF MAILS.—The Commission may use the United States mails in the same manner and upon the same conditions as departments and agencies of the United States.

(3) ACQUISITION OF PROPERTY AND SERVICES.—The Commission may obtain by purchase, rental, donation, or otherwise, such property, facilities, and services as may be needed to carry out its duties. Upon the termination of the Commission, all property, personal and real, and unexpended funds shall be transferred to the Department of the Interior.

SEC. 12. STAFF OF COMMISSION.

(a) DIRECTOR.—The Commission shall have a Director who shall be appointed by the Commission and who shall be paid at a rate not to exceed the rate of pay payable for grade GS-13 of the General Schedule.

(b) STAFF.—The Commission may appoint and fix the pay of such additional personnel, not to exceed 5 persons, as the Commission deems necessary to the performance of the Commission's duties.

(c) APPOINTMENT.—The Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

(d) PAY.—The Director and staff of the Commission may be paid without regard to

the provisions of chapter 51 and subchapter III of chapter 53, United States Code, title 5, relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of the Director of the Commission.

(e) EXPERTS AND CONSULTANTS.—Subject to such rules as may be adopted by the Commission, the Commission may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates determined by the Commission to be reasonable.

(f) STAFF OF FEDERAL AGENCIES.—Upon request of the Commission, the head of any Federal agency represented by a member on the Commission may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist it in carrying out its duties under this Act.

(g) ADMINISTRATIVE SUPPORT.—The Administrator of the General Services Administration shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

SEC. 13. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION.—There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(b) LIMITATION.—No more than $10,000,000 shall be made available by the Secretary to the Commission to carry out the purposes of section 8.●

By Mr. DANFORTH (for himself, Mr. BOND, and Mr. PELL):

S.J. Res. 106. Joint resolution to authorize a commemorative stamp to be issued on January 18, 1991, to honor Dr. Thomas Anthony Dooley III, and commemorate the 30th anniversary of his death; to the Committee on Governmental Affairs.

COMMEMORATIVE STAMP TO HONOR DR. THOMAS ANTHONY DOOLEY III

● Mr. DANFORTH. Mr. President, today I am pleased to introduce legislation with Senator BOND to honor a truly great Missourian, the late Dr. Thomas Anthony Dooley III. Many of us remember Dr. Dooley, whose valiant service in the refugee camps of Vietnam and Laos during the 1950's, chronicled in his book, "Deliver Us from Evil," led him to become known as "Dr. America." His belief in the infinite and absolute value of each human life illuminated in a unique and powerful way the difference between democracy and Communist totalitarianism.

Mr. President, given the current resurgence in enthusiasm for volunteer service, Dr. Dooley's faith in God, dedication to service, and personal courage should be a beacon to all those who would ease the suffering of men, women, and children in every part of the world. Indeed, the life and work of Dr. Dooley should serve as a model and an inspiration to Americans of every age, and, in particular, to young Americans.

Our legislation, which calls upon the Citizens Stamp Advisory Board to issue a commemorative stamp in honor of Dr. Dooley, would properly memorialize his good deeds and service to the citizens of the world. We urge our colleagues' cosponsorship of this joint resolution and ask the Citizens' Stamp Advisory Board for speedy action on this issue.

We ask unanimous consent that a short biographical sketch of Dr. Dooley, which appeared in the 1957 edition of Current Biography, be printed in the RECORD immediately following our remarks.

We also ask unanimous consent that the full text of the resolution be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S.J. RES. 106

Whereas Dr. Thomas Anthony Dooley III of St. Louis, Missouri, gave freely of himself to provide health care and humanitarian assistance to the people of Vietnam and Laos, coming to be known as Dr. America to millions of people around the world; and

Whereas Dr. Tom Dooley's faith in God, dedication to service, and personal courage should be a beacon to all those who would ease the suffering of men, women and children in every part of the world;

Whereas Dr. Dooley's faith, dedication, and courage should be a beacon to the friends of freedom in every part of the world;

Whereas, the life and work of Dr. Dooley should serve as a model and an inspiration to Americans of every age, and, particularly, to young Americans; and

Whereas, Dr. Tom Dooley's belief in the infinite and absolute value of each human life illuminated in a unique and powerful way the difference between democracy and Communist totalitarianism; and

Whereas, Dr. Dooley's book, Deliver Us From Evil, is a moving account of the ability of a single person to change lives and to capture the attention of the world; and

Whereas, the date January 18, 1991, will mark the 30th anniversary of Dr. Dooley's death from cancer: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) the United States Postal Service shall issue on January 18, 1991, a commemorative postage stamp to honor the public service of Doctor Thomas Anthony Dooley III; and

(2) such stamp shall be issued in the denomination applicable to first-class mail up to one ounce in weight and shall bear an appropriate portrait.

BIOGRAPHICAL SKETCH

(Dooley, Thomas Anthony January 17, 1927- Physician; author, address: B. c/o Farrrar Straus and Cudahy, 101 Fifth Ave., New York 3)

In the American struggle against Communism in the Far East one young U.S. Navy doctor has played an important and dramatic role. He is Dr. Thomas A. Dooley, who in the late summer of 1954 organized, built, and maintained the huge refugee camps through which passed some 600,000 Vietnamese who were fleeing the advancing Communist armies after the fall of Dienbienphu. Look magazine named him on January 22, 1957 one of the ten outstanding men of 1956.

When his work in this area was finished, Dr. Dooley came home to the United States and recorded his experiences in a book, Deliver Us from Evil (1956, Farrar, Straus, and Cudahy). A few months after the publication of the book, Dr. Dooley and three enlisted men who had served under him in Vietnam returned to the East to conduct a private medical missionary team in Laos. In his strictly non-official capacity, he represents what an editorial in the Washington Post and Times Herald (July 16, 1956) called "the ultimate example of effective person-to-person contact with a foreign people."

Senator Mike Mansfield (Democrat, Montana) introduced a statement on Deliver Us from Evil into the Congressional Record for April 8, 1956. He said in part: "If the United States had abroad more ambassadors like Dr. Thomas A. Dooley, I think it not only would be better off, but would be better understood in the countries which are underdeveloped and which need understanding at this time."

Thomas Anthony Dooley, III, was born in St. Louis, Missouri, on January 17, 1927, son of Thomas Anthony Dooley, Jr., and Agnes (Wise) Dooley. After graduating from St. Louis University High School in 1944, young Dooley entered the University of Notre Dame. His college work was interrupted in October 1944 when he enlisted in the U.S. Navy and was made a hospital corpsman.

In July 1946 Dooley was discharged from the service as a pharmacist's mate second class. He returned to Notre Dame and completed his pre-medical training. He then entered St. Louis University School of Medicine, from which he received his Doctor of Medicine degree in March 1953. He also studied briefly at the Sorbome in Paris, acquiring a knowledge of French which was to prove of great value to him later in his work in Indo-China.

Following his graduation from medical school, Dr. Dooley received a medical internship, with the rank of lieutenant (junior grade), in the Medical Corps of the U.S. Naval Reserve. He served for a year at the Naval Hospital in Camp Pendleton, California, and was then transferred to the Naval Hospital in Yokosuka, Japan.

Fighting had meanwhile broken out in the divided country of Vietnam (formerly French Indo-China), as the northern, Communist Viet Minh moved southward to conquer the nation. One month after his arrival in Japan, Dr. Dooley volunteered for duty aboard the USS Montague which had been converted into a passenger ship to transport northern Vietnamese refugees to safety in Saigon.

In August 1954 the Montague moved its first cargo of 2000 refugees to Saigon as part of operation "Passage to Freedom." As the only medical officer on the ship Dr. Dooley had to oversee the care and treatment of numerous cases of tropical diseases, malnutrition, and other ailments. The problems of feeding and providing sanitary facilities for such a large number are described by him in Deliver Us from Evil. Not the last of these problems was the matter of correcting and dispelling the prejudices which the natives, long exposed to Communist propaganda, had harbored against Americans. The success of the first expedition of the Montague thus became a victory in ideological warfare as well as a remarkable example of refugee evacuation.

In August 1954, Dr. Dooley was transferred from duty on the Montague to Commander Task Force 90, for duty as a French interpreter and medical officer for a Navy

Preventive Medicine Unit in the port city of Haiphong. His job was to build camps to shelter the diseased and frightened refugees until they could be transported to safety. In the eight months that Dr. Dooley served in Haiphong, before that city fell to the Communist Viet Minh, his camps served 600,000 refugees.

During these months Dr. Dooley and a small staff of medical corpsmen had the formidable problem of requisitioning supplies, caring for the constant influx of refugees, and preventing the spread of communicable diseases. To get needed drugs and medical equipment, he wrote to many American pharmaceutical companies who donated large quantities of vital materials. In addition to the physical care which Dr. Dooley and his staff provided, they made friends with the natives, gave parties for the children, distributed milk and clothing. "I was a doctor and an American," Dr. Dooley writes, "so I had a job to do, overcoming Communist propaganda."

For his work in this area, Dr. Dooley received the highest award of the nation of Vietnam and was made an officer of the Order National de Vietnam by President Ngo Dinh Diem. He was also awarded the Legion of Merit by the U.S. Navy for "extremely meritorious service."

In June 1955 Dr. Dooley returned to duty at the Naval Hospital in Yokosuka. From there he proceeded to Hawaii, and in September of the same year he was approved by the Bureau of Medicine and Surgery for Residency Training in Orthopedics at the U.S. Naval Hospital in Bethesda, Maryland.

"Deliver Us from Evil" was written in Hawaii in the summer of 1955 upon the advice of a naval doctor who felt that Dooley would rid himself of the tensions of his experience by writing it all down. The book was published with an introduction written by Admiral Arleigh Burke, Chief of U.S. Naval Operations. Of Dr. Dooley, Admiral Burke wrote: "His humanitarian actions are the kind of good deeds that will remain indelibly impressed in people's hearts—good deeds that neither propaganda nor brainwashing will ever stain. Through the tireless work of his small naval unit . . . he has won for America the love and admiration of thousands and thousands of refugees who passed through this camp on their historic march to freedom."

The book has sold more than 26,000 copies and has been distributed by the U.S. Government in information libraries throughout the world. Shortly after its publication it was purchased for motion pictures by Bryna Productions, which announced that Kirk Douglas would play Dr. Dooley in the motion picture version. It was chosen as the book condensation feature for the April 1956 issue of the Reader's Digest.

Reviewers of "Deliver Us from Evil" praised the simple, direct style of the book. The New Yorker wrote: "His story of how he and his assistants conquered the refugees' fears and restored them to something like well-being is a moving poem of the human spirit victorious" (May 6, 1956). Joseph McSorley wrote in Catholic World (June 1956): "The naive, straightforward account displays a rare union of intelligence and resourcefulness."

In January 1956 Dr. Dooley began a lecture tour under the sponsorship of the U.S. Navy. He traveled throughout the United States speaking to medical societies, military and State Department groups on the Navy's part in the vast Indo-Chinese evacuation operation.

Dr. Dooley resigned from the Navy in the spring of 1956 in order to organize a small private medical mobile unit which he took with him to Laos in August 1956. Under the terms of the Geneva agreement of 1954 military personnel would not be admitted to this country; accordingly, he entered as a civilian with a civilian unit. As reported in the New York Times (August 28, 1956), Dr. Dooley decided to volunteer his services to Laos because "right now Laos is the ripest plum for Communism." To a reporter for the Washington Post and Times Herald (November 24, 1956) he added that he chose Laos "because it's so backward medically. The country is loaded with malaria and congenital diseases. There's plenty of work to do."

Dr. Dooley's expedition, manned by himself and three men who served with him in Haiphong, is subsidized partly by the money he received from "Delivers Us from Evil." It is under the auspices of the International Rescue Committee, and approved by the U.S. Department of State, the International Cooperation Administration and the Laotian Government. Financial aid, medical and drug supplies have been donated by American pharmaceutical companies such as the Pfizer Laboratories Division of the Charles Pfizer Company and the Mead Johnson Company; the A. S. Aloe Company; the Chase Manhattan Bank's Waterman Foundation, and CARE.

In addition to medical supplies, Dr. Dooley took with him a generous supply of Walt Disney cartoons. For these the Laotian Ambassador in Washington, D.C., provided a sound track narration in the Laotian language. The aim of Dr. Dooley's expedition, he has said, is not to convert the people whom he visits. "Most of them are Buddhists and we will not be there long enough for such a task as that. We will give them a brief touch with democracy that can be built on later on a more permanent basis."

Dr. Dooley is six feet tall. His normal weight is 180 pounds, but he dropped to 120 during his eleven months in Haiphong. He is unmarried. Of Irish-American ancestry, he is of the Catholic faith.

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By Mr. HELMS (for himself and Mr. COATS):

S.J. Res. 107. Joint resolution designating the month of May as "National Duckling Month"; to the Committee on the Judiciary.

NATIONAL DUCKLING MONTH

Mr. HELMS. Mr. President, I am today offering Senate Joint Resolution 107 designating the month of May as "National Duckling Month." I ask that the joint resolution be appropriately referred.

The duckling industry in the United States is approximately 100 years old. It has grown from a small enterprise on Long Island to a $174 million a year business employing more than 1,000 U.S. citizens and contracts with more than 250 family farms. In addition, the duckling industry uses 150,000 tons of feed produced by U.S. farmers.

Mr. President, the demand for duckling has increased in restaurants by some nearly 500 percent during the last 4 or 5 years. Much of this rise in popularity has been due to the growing awareness of duckling's superb nutritional value. Nutritionally, duckling compares quite favorably with chicken and turkey; and from a cholesterol standpoint, duckling contains less than beef or pork because duckling fat is high in polyunsaturates. Duckling is also a good source of protein and is low in sodium.

The U.S. duckling industry produces over 130 million pounds of meat yearly. Many thousands of tons of duckling products are exported, duckling meat, tongues, feathers, and livers, to more than 40 countries—including those of the Far East—thus helping to reduce the U.S. trade deficit.

While these facts are well known by duckling producers, the average consumer is not aware of the role played by the duckling industry in the U.S. economy. Passage of this resolution will do much to inform the American people about one of our important and growing industries.

Mr. President, I ask unanimous consent that the text of Senate Joint Resolution 107 be printed in the RECORD at the conclusion of my remarks.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 107

Whereas the duckling industry in the United States is approximately one hundred years old, and with duck having historically been a delicacy for the Egyptians 5,000 years ago and more lately in the Far East, especially for the Chinese in the preparation of the famous Peking duckling;

Whereas duckling is rising in popularity in the United States among all people, and not just ethnic groups;

Whereas demand for duckling has increased at restaurants by 300 to 400 percent over the last 4 to 5 years;

Whereas there is a need to educate the consumer as to the nutritional value of duckling, which is an excellent source of protein as well as being low in sodium and saturated fats;

Whereas the duckling industry in this country produces over 130,000,000 pounds of duckling annually, generating over $176,000,000 in revenue;

Whereas the duckling industry employs over 1,000 U.S. citizens and contracts with over 250 family farms;

Whereas the duckling industry uses 150,000 tons of feed produced by local farmers;

Whereas breeding has increased the lean meat portion and reduced the fat content of duckling;

Whereas the U.S. duckling industry exports thousands of tons of duckling products (including duckling meat, tongues, feathers and liver) to over 40 countries—including those of the Far East—thus helping to reduce the national trade deficit: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress Assembled, That the month of May is designated as "National Duckling Month," and that the President is requested to issue a proclamation calling upon the people of the United States to observe such month with appropriate ceremonies and activities.

By Mr. HEFLIN:

S.J. Res. 108. Joint resoluton designating October 3, 1989, as "National Teacher Appreciation Day"; to the Committee on the Judiciary.

NATIONAL TEACHER APPRECIATION DAY

● Mr. HEFLIN. Mr. President, today I rise to introduce legislation designating October 3, 1989, as National Teacher Appreciation Day.

In the United States, over three million teachers strive to shape the life of each and every American. I am sure that each of us can recall the importance of a special teacher who influenced our thoughts and helped shape our career. These dedicated men and women strive to spur not only the academic growth of their students, but also their ethical, social, and emotional development.

It has been said that a teacher affects eternity. No one can tell where his or her influence stops. The foundation of America's future rests on our children and I can think of no group more influential in their development or more deserving of this recognition than our teachers. By enacting this legislation, we will be giving America's educators but a small token of our appreciation for the personal sacrifices they make while enabling us to build an even greater nation.

Our society depends upon its teachers to ensure a bright future for this Nation. Unfortunately, we often overlook the contributions of these teachers and fail to reward them with the recognition and respect which they deserve. This is our opportunity to shine the spotlight squarely on our teachers illuminating their many selfless deeds and outstanding devotion.

Please join me in supporting this joint resolution to name October 3, 1989, as National Teacher Appreciation Day.●

By Mr. THURMOND:

S.J. Res. 109. Joint resolution to designate the period commencing September 11, 1989, and ending on September 15, 1989, as "National Historically Black Colleges Week"; to the Committee on the Judiciary.

NATIONAL HISTORICALLY BLACK COLLEGES WEEK

Mr. THURMOND. Mr. President, I rise today to introduce a joint resolution which authorizes and requests the President to designate the week of September 11, 1989, through September 15, 1989, as "National Historically Black Colleges Week."

This is the seventh consecutive year that I have authored this legislation.

Six of the 107 historically black colleges, namely Allen University, Benedict College, Claflin College, South Carolina State College, Morris College, and Voorhees College, are located in my home State. These colleges are vital to the higher education system of South Carolina. They have provided thousands of economically disadvantaged young people with the opportunity to obtain a college education.

Mr. President, hundreds of thousands of young Americans have received quality educations at these 101 schools. These institutions have a long and distinguished history of providing the training necessary for participation in a rapidly changing society. Historically black colleges offer to our citizens a variety of curriculums and programs through which young people develop skills and talents, thereby expanding opportunities for continued social progress.

Recent statistics show that historically black colleges and universities have graduated 60 percent of the black pharmacists in the Nation, 40 percent of the black attorneys, 50 percent of the black engineers, 75 percent of the black military officers, and 80 percent of the black members of the Judiciary.

Mr. President, through passage of this joint resolution, Congress can reaffirm its support for historically black colleges, and appropriately recognize their important contributions to our Nation. I look forward to the speedy passage of this joint resolution, and I ask unanimous consent that a copy of the joint resolution appear in the RECORD following my remarks.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 109

Whereas there are 107 Historically Black Colleges and Universities in the United States;

Whereas such colleges and universities provide the quality education so essential to full participation in a complex, highly technological society;

Whereas black colleges and universities have a rich heritage and have played a prominent role in American history;

Whereas such institutions have allowed many underprivileged students to attain their full potential through higher education; and

Whereas the achievements and goals of the Historically Black Colleges are deserving of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period commencing September 11, 1989, and ending on September 15, 1989, is designated as "National Historically Black Colleges Week" and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States and interested groups to observe such week with appropriate ceremonies, activities, and programs, thereby demonstrating support for Historically Black Colleges and Universities in the United States.

By Mr. CRANSTON:

S.J. Res. 111. Joint resolution to designate the week of October 8 through 14, 1989, as "National Week of Commitment to Helping the Homeless"; to the Committee on the Judiciary.

NATIONAL WEEK OF COMMITMENT TO HELPING THE HOMELESS

Mr. CRANSTON. Mr. President, Americans have a strong tradition of voluntarism. Voluntary relief efforts not only help feed and shelter the homeless, they build a greater understanding of the problems confronted by homeless individuals and the solutions needed to rectify them.

The resolution printed below, which would designate the week of October 8 through 14, 1989, as National Week of Commitment to Helping the Homeless. This commemorative would bring further recognition of what Americans can do and are already doing to help end the tragedy of homelessness in the United States.

I urge my colleagues to support this resolution, and I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 111

Whereas although the United States is the wealthiest nation in the world, 32.5 million individuals in this Nation live below the poverty level as defined by the United States Government;

Whereas among such individuals in need are homeless men, women, children, and families;

Whereas homeless individuals often lack shelter, health services, and a consistent supply of food;

Whereas despite public funding for social service programs, the basic needs of homeless individuals remain unmet;

Whereas throughout its history, the United States has demonstrated that individual humanitarian efforts can improve the lives of poverty stricken persons;

Whereas the assistance of private citizens is needed to help meet the increasing demand for food, shelter, and other basic needs of the homeless;

Whereas the involvement of the people of the United States in efforts to assist the homeless would help poverty stricken individuals and help build understanding and awareness among such people of the problems faced by homeless individuals; and

Whereas a greater commitment by the people of the United States to helping those living in poverty would enhance the development of solutions to the problem of poverty in the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 8 through 14, 1989, is designated as "National Week of Commitment to Helping the Homeless", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ac-

tivities that assist homeless individuals and increase community awareness of the problems of homeless individuals.

ADDITIONAL COSPONSORS

S. 135

At the request of Mr. GLENN, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 135, a bill to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

S. 231

At the request of Mr. MOYNIHAN, the names of the Senator from Maryland [Mr. SARBANES] and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of S. 231, a bill to amend part A of title IV of the Social Security Act to improve quality control standards and procedures under the Aid to Families With Dependent Children Program, and for other purposes.

S. 253

At the request of Mr. BINGAMAN, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of S. 253, a bill to establish a coordinated National Nutrition Monitoring and Related Research Program, and a comprehensive plan for the assessment of the nutritional and dietary status of the U.S. population and the nutritional quality of food consumed in the United States, with the provision for the conduct of scientific research and development in support of such program and plan.

S. 342

At the request of Mr. DANFORTH, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 342, a bill to amend the Internal Revenue Code of 1986 to provide that certain credits will not be subject to the passive activity rules, and for other purposes.

S. 355

At the request of Mr. RIEGLE, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 355, a bill to amend the Internal Revenue Code of 1986 to extend through 1992 the period during which qualified mortgage bonds and mortgage credit certificates may be issued.

S. 370

At the request of Mr. CHAFEE, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 370, a bill to amend the Land and Water Conservation Fund Act and the National Historic Preservation Act, to establish the American Heritage Trust, for purposes of enhancing the protection of the Nation's natural, historical, cultural, and outdoor recreational heritage, and for other purposes.

S. 375

At the request of Mr. HOLLINGS, the names of the Senator from Indiana [Mr. COATS], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from California [Mr. WILSON], the Senator from Alabama [Mr. SHELBY], and the Senator from Texas [Mr. GRAMM] were added as cosponsors of S. 375, a bill to provide for the broadcasting of accurate information to the people of Cuba, and for other purposes.

S. 386

At the request of Mr. METZENBAUM, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 386, a bill to control the sale and use of assault weapons.

S. 416

At the request of Mr. DOMENICI, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 416, a bill to provide that all Federal civilian and military retirees shall receive the full cost of living adjustment in annuities payable under Federal retirement systems for fiscal years 1990 and 1991, and for other purposes.

S. 431

At the request of Mr. NUNN, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 431, a bill to authorize funding for the Martin Luther King, Jr., Federal Holiday Commission.

S. 435

At the request of Mr. REID, the names of the Senator from Maine [Mr. COHEN] and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of S. 435, a bill to amend section 118 of the Internal Revenue Code to provide for certain exceptions from certain rules determining contributions in aid of construction.

S. 448

At the request of Mr. SIMON, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 448, a bill to amend the Immigration and Nationality Act to change the level, and preference system for admission, of immigrants to the United States.

S. 461

At the request of Mr. GRASSLEY, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 461, a bill to amend title XVIII of the Social Security Act to permit payment for services of physician assistants outside institutional settings.

S. 494

At the request of Mr. DURENBERGER, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 494, a bill to amend the Internal Revenue Code of 1986 to extend for 5 years, and increase the amount of, the deduction for health insurance for self-employed individuals.

S. 507

At the request of Mr. SIMON, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 507, a bill to prohibit investments in, and certain other activities with respect to, South Africa, and for other purposes.

S. 533

At the request of Mr. REID, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 533, a bill to protect the rights of victims of crime and to establish a Federal victim's bill of rights for children.

S. 565

At the request of Mr. CRANSTON, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 565, a bill to authorize a new corporation to support State and local strategies for achieving more affordable housing; to increase homeownership; and for other purposes.

S. 566

At the request of Mr. CRANSTON, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 566, a bill to authorize a new corporation to support State and local strategies for achieving more affordable housing, to increase homeownership, and for other purposes.

S. 691

At the request of Mr. LAUTENBERG, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 691, a bill to require certain information in the National Driver Register to be made available in connection with an application for a license to be in control and direction of a commercial vessel.

S. 704

At the request of Mr. RIEGLE, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 704, a bill to increase the authorization under title XX of the Social Security Act for block grants to States for social services.

S. 732

At the request of Mr. BREAUX, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 732, a bill to implement the recommendations of the Interagency Committee and the Technical Study Group on Cigarette and Little Cigar Fire Safety, and for other purposes.

S. 759

At the request of Mr. BAUCUS, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 759, a bill to amend the Rural Electrification Act of 1936 to establish that it is a major mission of the Rural Electrification Administration to ensure that all rural residents, busi-

nesses, industries, and public facilities obtain affordable access, on an equal basis with urban areas, to telecommunications services, and for other purposes.

S. 762

At the request of Mr. EXON, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 762, a bill to amend chapter 32 of title 39, United States Code, to limit the number of congressional mass mailings, require public disclosure of the costs of such mass mailings, and for other purposes.

SENATE JOINT RESOLUTION 47

At the request of Mr. PRESSLER, the names of the Senator from Georgia [Mr. NUNN], the Senator from Connecticut [Mr. DODD], the Senator from Kansas [Mr. DOLE], the Senator from Oklahoma [Mr. BOREN], the Senator from Nebraska [Mr. EXON], the Senator from Arizona [Mr. DECONCINI], the Senator from Nebraska [Mr. KERREY], the Senator from South Carolina [Mr. THURMOND], the Senator from North Carolina [Mr. SANFORD], and the Senator from Louisiana [Mr. BREAUX] were added as cosponsors of Senate Joint Resolution 47, a joint resolution to recognize the 75th anniversary of the Smith-Lever Act of May 8, 1914, and its role in establishing our Nation's system of State Cooperative Extension Services.

SENATE JOINT RESOLUTION 55

At the request of Mr. SIMON, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of Senate Joint Resolution 55, a joint resolution to designate the week of October 1, 1989, through October 7, 1989, as "Mental Illness Awareness Week."

SENATE JOINT RESOLUTION 65

At the request of Mr. SIMON, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of Senate Joint Resolution 65, a joint resolution designating June 12, 1989, as "Anne Frank Day."

SENATE JOINT RESOLUTION 76

At the request of Mr. HELMS, the names of the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Delaware [Mr. ROTH], the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Florida [Mr. MACK] were added as cosponsors of Senate Joint Resolution 76, a joint resolution to designate the period commencing on June 21, 1989, and ending on June 28, 1989, as "Food Science and Technology Week."

SENATE JOINT RESOLUTION 81

At the request of Mr. DIXON, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Maine [Mr. MITCHELL], the Senator from Minnesota [Mr. DURENBERGER], the Senator from New Jersey [Mr. BRADLEY], the Senator from North Dakota [Mr. CONRAD], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Iowa [Mr. GRASSLEY], and the Senator from Nebraska [Mr. EXON] were added as cosponsors of Senate Joint Resolution 81, a joint resolution to designate the week of October 1 through 7, 1989, as "National Health Care Food Service Week."

SENATE JOINT RESOLUTION 84

At the request of Mr. HATCH, the names of the Senator from Utah [Mr. GARN], the Senator from West Virginia [Mr. BYRD], the Senator from North Dakota [Mr. BURDICK], the Senator from Minnesota [Mr. BOSCHWITZ], and the Senator from Kansas [Mr. DOLE] were added as cosponsors of Senate Joint Resolution 84, a joint resolution to designate April 30, 1989, as "National Society of the Sons of the American Revolution Centennial Day."

SENATE JOINT RESOLUTION 86

At the request of Mr. RIEGLE, the names of the Senator from Iowa [Mr. GRASSLEY], the Senator from Delaware [Mr. ROTH], and the Senator from Delaware [Mr. BIDEN] were added as cosponsors of Senate Joint Resolution 86, a joint resolution designating November 17, 1989, as "National Philanthropy Day."

SENATE JOINT RESOLUTION 93

At the request of Mr. SIMON, the names of the Senator from Michigan [Mr. RIEGLE], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Rhode Island [Mr. PELL], the Senator from New Jersey [Mr. BRADLEY], the Senator from Texas [Mr. BENTSEN], the Senator from Maryland [Mr. SARBANES], the Senator from Delaware [Mr. BIDEN], the Senator from Maine [Mr. MITCHELL], the Senator from North Dakota [Mr. BURDICK], the Senator from Connecticut [Mr. DODD], the Senator from Delaware [Mr. ROTH], the Senator from Indiana [Mr. LUGAR], the Senator from Indiana [Mr. COATS], and the Senator from Minnesota [Mr. DURENBERGER] were added as cosponsors of Senate Joint Resolution 93, a joint resolution to designate October 1989 as "Polish American Heritage Month."

SENATE JOINT RESOLUTION 104

At the request of Mr. MITCHELL, the names of the Senator from Washington [Mr. ADAMS], the Senator from Montana [Mr. BAUCUS], the Senator from Delaware [Mr. BIDEN], the Senator from New Mexico [Mr. BINGAMAN], the Senator from Oklahoma [Mr. BOREN], the Senator from New Jersey [Mr. BRADLEY], the Senator from North Dakota [Mr. BURDICK], the Senator from Montana [Mr. BURNS], the Senator from Indiana [Mr. COATS], the Senator from Missouri [Mr. DANFORTH], the Senator from Illinois [Mr. DIXON], the Senator from Georgia [Mr. FOWLER], the Senator from Hawaii [Mr. INOUYE], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Wisconsin [Mr. KASTEN], the Senator from Idaho [Mr. MCCLURE], the Senator from Ohio [Mr. METZENBAUM], the Senator from Maryland [Ms. MIKULSKI], the Senator from New York [Mr. MOYNIHAN], the Senator from South Carolina [Mr. THURMOND], and the Senator from Colorado [Mr. WIRTH] were added as cosponsors of Senate Joint Resolution 104, a joint resolution to express the sense of the Congress with respect to the health of the Nation's children.

SENATE CONCURRENT RESOLUTION 18

At the request of Mr. ROTH, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of Senate Concurrent Resolution 18, a concurrent resolution expressing the sense of Congress that Federal laws regarding the taxation of State and local government bonds should not be changed in order to increase Federal revenues.

SENATE CONCURRENT RESOLUTION 25

At the request of Mr. GRASSLEY, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of Senate Concurrent Resolution 25, a concurrent resolution expressing the sense of the Congress that the number of refugees admitted to the United States and the appropriation for programs for refugee migration and resettlement should be increased and that the Department of Justice should reestablish the presumption that Jews and members of other religious minorities emigrating from the Soviet Union qualify for refugee status for admission to the United States.

SENATE CONCURRENT RESOLUTION 26

At the request of Mr. HATFIELD, the names of the Senator from Wisconsin [Mr. KASTEN], the Senator from Rhode Island [Mr. PELL], the Senator from Massachusetts [Mr. KERRY], the Senator from Illinois [Mr. DIXON], the Senator from New York [Mr. D'AMATO], the Senator from California [Mr. WILSON], and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of Senate Concurrent Resolution 26, a concurrent resolution urging first asylum countries of the Association of Southeast Asia Nations [ASEAN] to reinstate the practice of providing refuge to all asylum-seekers from Vietnam, and for other purposes.

SENATE RESOLUTION 86

At the request of Mr. LAUTENBERG, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of Senate Resolution 86, a resolution to request the President of the United States to appoint a special commission to consider the destruction of Pan American World Airways Flight 103, and the security of air travel.

SENATE RESOLUTION 109—RECOGNIZING THE PATUXENT RIVER AS A DEMONSTRATION SITE FOR NATIONAL WATER QUALITY MANAGEMENT

Ms. MIKULSKI submitted the following resolution; which was referred to the Committee on Environment and Public Works:

S. RES. 109

Whereas, the Patuxent River is a natural laboratory for testing the effectiveness of strategies that may improve water quality in the Chesapeake Bay and other estuary systems;

Whereas, the Patuxent River has been the subject of scientific research for 64 years by the Cheaspeake Biological Laboratory of the Center for Environmental and Estuarine Studies of the University of Maryland, the longest continuous record of research on any estuary in the United States compiled by the oldest State-supported marine laboratory on the East Coast, and by the Academy of Natural Sciences of Philadelphia;

Whereas, both nitrogen and phosphorus, the 2 nutrients present in sewage effluent and major factors in the decline in water quality in the Patuxent River and in the Chesapeake Bay, are major factors in the decline of America's waterways;

Whereas, nutrient reduction and growth management are critical components of any strategy to restore and protect America's estuaries;

Whereas, the State of Maryland has developed, with the assistance of local officials, a strategy applicable to other river systems to reduce both nitrogen and phosphorus levels from point and nonpoint sources implementation of which is crucial to the future water quality of the Patuxent River;

Whereas, success in restoring water quality in America's rivers and estuaries will require a high degree of cooperation between all levels of government;

Whereas, the implementation of cooperative strategies by the local, State, and Federal governments and appropriate regional agencies to restore and protect the water quality of the Patuxent River will help demonstrate their effectiveness for other tributaries of the Chesapeake Bay and other coastal estuaries of the United States;

Whereas, the State of Maryland has acknowledged its responsibility to protect and restore water quality in its own waters by enacting landmark legislation, implementing effective strategies, and committing unprecedented financial resources to the Patuxent River and the Chesapeake Bay; and

Whereas, the Chesapeake Bay Agreement, which calls for development and implementation of a basin-wide strategy to reduce nitrogen and phosphorus entering the Chesapeake Bay and which was signed by representatives of the Federal Government and the States which surround the Bay, provides a framework for intergovernmental cooperation and partnership: Now, therefore, be it

Resolved, That the Senate recognizes the Patuxent River as a national demonstration river and declares that it is a highly appropriate site for water quality demonstration projects in the areas of nutrient control, nitrogen, and phosphorus removal, biological nutrient removal, sewage treatment, testing of alternative treatment systems, growth management, intergovernmental coordination, erosion and sedimentation control, agricultural land preservation, agricultural best management practices, open space acquisition and management, toxic chemical transport, and fisheries management.

SEC. 2. The Senate further declares that—

(1) agencies and departments of the United States Government reponsible for the administration of programs in these areas should coordinate activities with State and local governments and appropriate regional agencies on those projects which will facilitate the achievement of water quality goals established for the Patuxent River; and

(2) the Environmental Protection Agency should ensure that commitments to restore the Chesapeake Bay and its tributaries are fulfilled in the most cost-effective manner possible by demonstrating the effectiveness of specific water quality strategies in the Patuxent River whenever appropriate.

● Ms. MIKULSKI. Mr. President, today I am introducing a resolution recognizing Maryland's Patuxent River as a model for water quality management and as an appropriate national demonstration site for pollution management and control.

The Patuxent River runs for 110 miles through the Baltimore-Washington corridor and scenic southern Maryland before joining the Chesapeake Bay. For over 10 years the State of Maryland and the seven counties through which the Patuxent flows have worked together to reduce pollution in the river. Working together State and local officials have developed guidelines for reducing nitrogen and phosphorus levels, have established agricultural cost-share programs to reduce nonpoint source pollution, and have instituted a research and monitoring strategy for the river.

Last year the Federal Government joined the effort to clean up the Patuxent River by providing $10 million for a nitrogen removal demonstration project at the Washington Suburban Sanitary Commission's Western Branch Sewage Treatment Plant.

The people of Maryland have shown that they are ready, willing, and able to address water quality issues in the Patuxent River and the Chesapeake Bay. My resolution states that the Federal Government is ready, willing, and able to recognize a successful water quality program and lend a hand to demonstrate the program's value for other rivers and estuaries. The resolution encourages EPA to use the Patuxent River as a demonstration site for water quality control projects whenever appropriate.

The program to clean up the Patuxent River began a decade ago largely because of the efforts of Maryland State Senator Bernie Fowler. Senator Fowler got the ball rolling when he set a goal of restoring the river to the clarity and quality it had in the early 1950's. In 1981, Maryland State officials, scientists, and representatives of the seven counties along the river formally agreed on a strategy for improving water quality in the Patuxent River.

The agreement led to a 74-percent reduction in phosphorus discharges from sewage treatment plants along the river and a 13.5-percent reduction in nitrogen discharges within 4 years. One hundred and thirty-two agricultural conservation projects have been approved in the Patuxent watershed to reduce nonpoint source pollution and a network of monitoring sites and stations has been established along the length of the river to study the effects of nutrients on water quality and aquatic life. The knowledge gained from this research can be used in studying other river basins.

The effort to clean up the Patuxent River includes many other issues such as comprehensive wastewater manager, water conservation, oyster replenishment, and finfish stocking. It has been an extraordinary effort by legislators, government officials, regional agencies like the Southern Maryland Tri-County Council, watermen, farmers and research institutions like the Chesapeake Biological Laboratories; all of whom recognize their responsibility to water quality in the Patuxent River.

Mr. President, this coordinated effort and the success it has achieved deserves national recognition and Federal support to help see it through to completion. There is no question of the Patuxent River program's value in studying water quality management, but it takes time, patience, and persistence before lasting results are achieved. The people of Maryland have demonstrated their commitment and now the Federal Government should recognize the value of the Patuxent River program to water quality management studies and invest in projects that will demonstrate for the benefit of other river systems what can be done to restore water quality.●

SENATE RESOLUTION 110—SUPPORTING FREEDOM IN SOVIET-OCCUPIED GEORGIA

Mr. HELMS submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 110

Whereas the roots of Georgian national identity reach back to before the birth of Christ;

Whereas Georgia was an independent region up until tsarist Russia incorporated it into the Russian empire in the 19th century;

Whereas Georgian independence was reestablished on May 26, 1918, with the proclamation of the Republic of Georgia, with a parliamentary democratic government;

Whereas the independence of the Republic of Georgia was recognized by 22 countries, among them the Soviet Union on May 7, 1920;

Whereas the Soviet Union invaded the Republic of Georgia ten months later, on Feb-

ruary 16, 1921, occupied the capital city of Tbilisi, and established Soviet power in Georgia on March 18, 1921;

Whereas the Patriarch of the Georgian Orthodox Church, Katholikos Ambroyi appealed at the Genoa Conference in 1922 for support from the international community to force the occupying Soviet forces out of the Republic of Georgia, but no help was forthcoming;

Whereas in 1924, there was an uprising which started in the manganese mines of Tschiaturri and swept over the whole country, and although assistance came from France and Poland, Soviet troops brutally crushed the rebellion, and the three leaders of this uprising were Colonel Khaikhroso Cholokhashvili, Colonel Prince Elizbar Watschnadse, and Alexander Sulkhanashvili;

Whereas the people of Georgia have renewed their demands for self-determination, as evidenced by the creation of the National Democratic Party of Georgia;

Whereas the expression of these demands, over the past two years, by the people of Georgia has caused the expulsion of popular leaders such as Tengiz Gudava from the Soviet Union; and

Whereas Georgian human rights leaders both in Georgia itself and in the West have renewed their call for help from the United States by asking that the United States demand "that the Soviet Government grant to the people of Georgia and Armenia the right to free multi-party pluralistic institutions and self-determination": Now, therefore, be it

Resolved, That the Senate hereby—

(1) supports the demands of the people of Georgia in their efforts and demonstrations to regain national independence for their nation and land;

(2) supports the demands of the people of Georgia for self-determination, in the spirit of the Final Act of the Helsinki Conference on Security and Cooperation in Europe, of which the Soviet Union is a party;

(3) supports the demands of the people of Georgia for human rights, as guaranteed by the Universal Declaration of Human Rights, of which the Soviet Union is a party; and

(4) urges the Government of the Soviet Union to heed the demands of the people of Georgia and to guarantee the Georgian people their right to self-determination and human rights.

Mr. HELMS. Mr. President, today I am submitting a resolution expressing the United States support for freedom in Soviet-occupied Georgia.

Mr. President, the roots of the Georgian nationality reach back for thousands of years, predating the birth of Christ. The territory of Georgia was independent until Imperial Russia incorporated it into the empire in the 19th century. The Georgians were able, however, to reestablish their independence in 1918, with a government dedicated to democracy for Georgia, run by Georgians.

The independent Republic of Georgia was recognized by a total of 22 countries, including the Soviet Union. The Soviets, as usual, proved unfaithful to their word and invaded the Republic of Georgia in 1921, absorbing Georgia into the imperialistic Soviet empire. Although leading figures in Georgian society appealed to the free world for help in protecting the sovereignty of Georgia, none was forthcoming.

Mr. President, in 1924, there was an uprising which started in the manganese mines of Tschiaturri and swept over the whole country. Although assistance came from France and Poland, Soviet troops brutally crushed the rebellion. The three leaders of this uprising were Col. Khaikhroso Cholokhashvili, Col. Prince Elizbar Watschandse, and Alexander Sulkhanashvili. Their names are indelibly imprinted on the roster of Georgian heroes.

The situation in Georgia remains much the same today—the Georgian people asking for the basic national right of self-determination and the occupying Soviet regime refusing to listen.

Mr. President, we now have the opportunity to express our support for the people of Georgia, in their efforts to achieve self-determination, by passing this resolution to support the demands made by the people of Georgia in their efforts and demonstrations to regain national independence for their nation and their land. This resolution supports the demands that the Georgian people have made for self-determination and human rights, as guaranteed by international law, and urges the Government of the Soviet Union to listen to the voices of the Georgian people and thereby guarantee the Georgian people their right to self-determination and human rights.

Mr. President, the Georgian people have grown increasingly vocal in making their demands for national self-determination known to the world. In the past 3 weeks, the raised voices of the native Georgians have seemed to panic the Moscow-appointed officials of the Communist Party in Tbilisi, the capital of Soviet-occupied Georgia.

On April 8, 1989, a gathering of more than 10,000 people in the central square of Tbilisi, which was described by an eyewitness and press reports as extremely peaceful and orderly, ended when Communist Party officials called out the Soviet riot troops.

These riot troops, according to an eyewitness report received by the American Foundation for Resistance International, caused the deaths of well over 100 people. Radio Moscow claims the death toll was only 20. These deaths include at least six local Georgian policemen, who died while trying to protect unarmed demonstrators from the Soviet troops.

Mr. President, I ask unanimous consent that the AFRI report be printed in the RECORD at the conclusion of my remarks.

Mr. President, in this era of poison gas proliferation and its use by various nations, it is particularly distressing that, according to the Washington Times, on April 18, "(Soviet) troops attacked a peaceful crowd with clubs, shovels, and poison gas, chasing down women and teens to beat them to death." While foreign correspondents remain barred from the republic, Naira Gipashvili, a resident of the area is quoted as saying that "the Georgian health minister said on local television that many people were injured by the poison gas."

Mr. President, I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

Further evidence of the panic that the Communist Party leadership in Georgia experienced as a result of this demonstration is that Soviet troops confiscated 66,000 hunting rifles which were registered and in the custody of hunting clubs throughout Georgia. This feat, according to Cable News Network, was accomplished in 36 hours.

The Soviet Army also found it necessary to project its strength more than 1,000 miles from Georgia, in the occupied Baltic republics of Latvia and Estonia. According to an Associated Press report on April 14, between 10 and 20 tanks could be found Monday morning, April 10, rolling through the streets of Riga, the capital of Latvia. That same morning, several tanks were seen in Tartu, a university town in Estonia, and armored personnel carriers were spotted in an industrial area in the Estonian capital of Tallinn. Here, local Communist Party officials were caught by surprise by the sudden maneuvers, and expressed the opinion that, only 1 day after the tragedy in Georgia, such a display by army units was "unhealthy."

Mr. President, "unhealthy" is certainly a gross understatement. The measures taken by the Communist Party and by extension, the Government of the Soviet Union concerning the peaceful expression of the views of the Georgian people is, quite simply, reprehensible and patently unconstitutional, even by Soviet standards. Furthermore, it is completely unacceptable that the world community attend the upcoming International Conference on Human Rights in Moscow in 1991, when the Soviets are reportedly using poison gas to subdue their oppressed and rebellious population.

Mr. President, the people of Georgia need to know that their cause has been recognized by the free world, that the tragic loss of well over 100 innocent lives in Tbilisi will not go unnoticed.

Mr. President, I therefore urge my colleagues to join in supporting this resolution to let the people of Georgia know that their efforts to secure their right to self-determination, which have already proven so costly, have the support of this august body.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Times, Apr. 18, 1989]

SOVIET GEORGIA STABILIZING; 14 REPORTED MISSING

Moscow.—Local television in Soviet Georgia reported 14 persons are missing after last week's deadly clash between troops and pro-independence demonstrators, an official at the Georgian news agency said yesterday.

Zurab Lomidze, deputy director of Gruzinform, also said a midnight-5 a.m. curfew is being lifted this morning and that soldiers and tanks that have occupied the Georgian capital for 11 days will begin leaving.

Residents of Tbilisi have said 100 persons disappeared after the bloody clash April 9 and that many were killed in addition to the 19 in the official death toll. Radio Moscow said 20 were killed.

Rolad Beridze of the Georgian Foreign Ministry denied reports of a higher death toll, but he acknowledged that one of the 19 victims had been shot. He said soldiers fired on a car violating the curfew on April 9, the first night it was in effect, killing one man and wounding two companions.

In London, visiting Soviet Foreign Ministry spokesman Gennadi Gerasimov said authorities overreacted to the Georgian protest.

He also told Channel 4 television: "And the authorities, they accepted the blame, and the secretary of the party of Georgia stepped down; the prime minister stepped down; and the president stepped down. So they all accepted their responsibility."

Tbilisi residents dispute official reports that soldiers were ordered to clear the square because the demonstrators were threatening to seize power from the government. One resident branded as "an outrageous lie" an official statement that protesters were killed in a panicked crush.

"There was no crush of people; there were no extremist slogans," said resident Lasha Tabukashvili.

Witnesses say the troops attacked a peaceful crowd with clubs, shovels and poison gas, chasing down fleeing women and teens to beat them to death.

"It's a cover-up," charged Naira Gipashvili, who also was interviewed by telephone.

Foreign correspondents remain barred from the republic.

Gipashvili noted that the Georgian health minister said on local television that many people were injured by the poison gas. Activists and Tbilisi residents said a number of people died from poison gas, but the national media have said nothing about chemical attacks.

Foreign Minister Eduard Shevardnadze, a Georgian who has been leading the Moscow delegation to Tbilisi, said on national television last night that officials decided to lift the curfew after a series of meetings Sunday.

Mr. Shevardnadze said enforcing a curfew on a Soviet city "is not a mission for the Soviet army."

Three Georgian activists, two of them leaders of a committee calling for a general strike in Tbilisi, have been arrested, Moscow activist Alexander Podrabinek said yesterday.

Mr. Podrabinek, the editor of the dissident journal Express-Khron ika, identified the three as David Bardavelidze and Ucha Dzidzava, both students and leaders of a strike committee, and Irakli Batryashvili, member of one of the informal groups that organized the initial pro-independence demonstration.

Demonstrations in Georgia began April 4, when protesters criticized calls from members of the republic's ethnic Abkhazian minority to break away because of alleged discrimination by Georgians.

Other protesters have demanded that Georgia's secede from the Soviet Union because of alleged interference from the central government.

[From the Glasnost News Service: the following translated/unedited compilation news bulletin has been transmitted from our sources in Tbilisi Georgia U.S.S.R.]

THE EVENTS IN GEORGIA—APRIL 10, 1989

We have received additional information about the bloody events that took palce early in the morning on April 9th, when troops routed the hunger strikers and demonstrators outside the House of Government (the main government building) in Tbilisi, the capital of Soviet Georgia.

It has been ascertained that the authorities began their attempts to disperse the crowds outside the House of Government at 2:00 A.M. on April 9th. At that time there were 230 hunger strikers and approximately 10,000 sympathizers in the city's central Lenin Square. Massed squads of unarmed policemen penetrated the crowd through a path through the barricades that had been left unobstructed by the demonstrators so that ambulances could get to the hunger strikers in case of need. The police formed a corridor along this path so that troops could attempt to forcibly carry away the hunger strikers. The hunger strikers met the troops with passive resistance. The troops were unable to contend with the hunger strikers and the crowd. At 4:00 A.M. special military vehicles drove up to the Square and started to fire tear gas into the crowd. The Square was soon filled with clouds of gas and people scrambling all over the place. When the police and the troops tried to force the crowd back through the path, the troops, armed with riot sticks and shovels, fell on the people and started beating them. According to some sources, the police, for the most part Georgians, tried to defend the demonstrators from the soldiers, leaving six Georgian policemen dead and dozens wounded. All of the troops were wearing helmets and protective clothing.

As the troops who were beating the demonstrators advanced, they were followed by tanks smashing down the barricades. The crowd of demonstrators was broken up into groups that poured onto Rustaveli Prospect, trying to take cover in side streets. Demonstrators smashed store windows in attempts to take shelter indoors from the tear gas and blows from the troops. Several of the demonstrators, crazed by the brutality of the troops, started throwing stones at them and tried to stop the tanks by lying down in front of them. Fleeing groups of demonstrators were pursued by troops and tanks. Reliable sources report that troops then opened fire on the retreating demonstrators. Stanislav Manyukov and his family, who live in Tbilisi in an apartment facing Rustaveli Prospect, attest to seeing with their own eyes troops shoot two young men point blank.

Eyewitnesses claim that the number of demonstrators killed is nearly 300. Thus far only 16 bodies have been identified, 14 of which are women (one pregnant) and one little girl. The corpses are horribly mutilated, and many of them have cracked skulls. About 500 demonstrators were seriously wounded and are now in various hospitals in Tbilisi. Many of the wounded are in intensive care.

The violence against the demonstrators horrified the city, but has not frightened them. All day Sunday, groups of people gathered spontaneously throughout Tbilisi, voicing their anger over the actions of the troops. The targets of their anger were Dzhumber Patiashvli and Eduard Shevardnadze, current USSR Minister of Foreign Affairs and Patiashvili's predecessor as first party secretary of the Communist Party in Georgia. Shevardnadze, already famous for his cruelty as Minister of Internal Affairs in the republic, came to Tbilisi and allegedly related to Patiashvili instructions from Gorbachev to suppress the demonstration.

Signs declaring "Patiashvli Is a Murderer!" and "Patiashvli Is a Traitor!" have appeared on apartment building walls. The inhabitants of the city wear mourning clothes and black banners have been hung in many places.

On Saturday evening, several hours before the demonstrators were attacked, Patiashvili appeared on television urging the demonstrators to halt all acts of protest and to disperse. He reported the Georgian Communist Party Central Committee's decision to put an end to the demonstration outside the House of Government. However, witnesses stress that the authorities made no effort at direct dialogue with the demonstrators and that the attack on the demonstrators was begun immediately following Patiashvili's appearance on television, without giving them enough time to think it over.

Patiashvili appeared on television again on Sunday and tried to blame the "leaders of unofficial organizations" for the tragic events. He stated that there allegedly were "armed" people among the demonstrators outside the House of Government, and that these people attacked the troops. This statement, however, has not been at all substantiated and is refuted in its entirety by the testimony of eye witnesses.

It must be emphasized that the activities of the demonstrators were exclusively peaceful and orderly. Many times the leaders of unofficial organizations urged the people not to be provoked by the actions of the authorities. The demonstrators had one demand—that the right of the Georgian people to self-determination be upheld. This right is guaranteed by international treaties and the Constitution of the USSR itself. All of the anti-Abkhazian slogans that were part of the beginning of the demonstration were considered provocative and taken down by the demonstrators.

The authorities are also trying to pass off the fact that National Democratic Party activists called for the creation of an unofficial body of opposition—the National Council—as "a summons to overthrow Soviet power." The call for the creation of a National Council was made at a meeting outside the House of Government shortly before the troops attacked, and was not illegal inasmuch as unofficial organizations are allowed in the USSR today. There was no "summons to overthrow Soviet power" whatsoever from the demonstrators.

After the dispersal of the demonstration National Democratic Party activists called for the Georgian people to declare Georgia a "dead zone" and to begin a general strike. It is expected that the strike begun by enterprises last week will continue. Georgian television broadcast only sporadically on Sunday.

Zviad Gamsakhrudia, Merab Kostava, Georgy Chanturiya, Irina Sarishvili and Vano Khukhunaishvili, leaders of the National Democratic Party were arrested in the afternoon of Sunday, April 9th. Irakly Batisasvili, who was wounded during the dispersal of the demonstration and was in the hospital, was taken away to an undisclosed location by Ministry of Internal Affairs agents. The whereabouts of the others who were arrested is also unknown, as is the fate of Irakly Tsareteli.

A curfew has been imposed on Tbilisi. Troops patrol the city streets. Tanks move through the streets in groups of three to five.

According to the latest reports from Moscow's unofficial magazine "Glasnost" and Georgian emigre circles in Paris, 110 people were killed on the night of April 9th to the 10th when gunfire was heard throughout Tbilisi.

SENATE RESOLUTION 111—DIRECTING REPRESENTATION BY THE SENATE LEGAL COUNSEL

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 111

Whereas, in the case of *United States* v. *Eugene Robert Wallach, et al.*, Case No. S 87 Cr. 985 (RO), pending in the United States District Court for the Southern District of New York, one of the defendants, Eugene Robert Wallach, has obtained a subpoena, addressed to the Subcommittee on Oversight of Government Management of the Committee on Governmental Affairs, for the production of subcommittee documents;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(2)(1982), the Senate may direct its counsel to represent the committees, Members, officers or employees of the Senate with respect to subpoenas issued to them in their official capacities;

Whereas, by the privilege of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that documents in the possession of the Senate are or may be needed for use in any court for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges and rights of the Senate: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent the Subcommittee on Oversight of Governmental Management in the case of *United States* v. *Eugene Robert Wallach, et al.*

SEC. 2. That the Chairman and Ranking Minority Member of the Subcommittee on Oversight of Government Management, acting jointly, are authorized to produce documents in the case of *United States* v. *Eugene Robert Wallach, et al.*, to the extent they deem it necessary to promote the interests of justice consistent with the privileges of the Senate.

SENATE RESOLUTION 112—COMMENDING THE COURAGE OF ALBERT GORE III

Mr. DOLE (for himself and Mr. MITCHELL) submitted the following resolution; which was considered and agreed to:

S. RES. 112

Whereas, the Senate sends its prayers and wishes for a full recovery for Albert Gore III and that the members of this body offer their full support for Senator Gore and his family in this difficult time, be it,

Resolved, That the Senate wishes to commend the extradordinary courage with which Albert Gore III is fighting back from the serious injuries he sustained by being struck by an automobile as he and his father left Memorial Stadium in Baltimore on Opening Day of the baseball season, April 3, 1989; and be it further

Resolved, That the Senate understands the road to recovery can be long and frustrating, but that each and every member is ready to lend a helping hand as they stand with Senator Gore, his wife Tipper, and their children Karenna, Kristin, and Sarah, while young Albert is on the mend; and be it further

Resolved, That the Secretary transmit a copy of this Resolution to the Johns Hopkins Children's Center in Baltimore, where Albert is a patient in the pediatric intensive care unit.

SENATE RESOLUTION 113—DISCONTINUING THE USE OF POLYSTYRENE FOAM PRODUCTS IN THE SENATE FOOD SERVICES

Mr. HEINZ. (for himself, Mr. SASSER, and Mr. LEVIN) submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 113

Resolved, That the Director of Food Service is instructed immediately to discontinue procurement of polystyrene foam products for use in the Senate restaurant, snack bar and catering services, and to procure instead products of suitable materials that are biodegradable and less dangerous to the environment.

● Mr. HEINZ. Mr. President, this plate, cup, and tray, which I picked up in the Senate cafeteria, may look like a Senator's working lunch, but they are actually a solid waste nightmare.

They are made out of polystyrenefoam, better known as styrofoam. They are all nonbiodegradable and generally are not recycled. In the Senate cafeteria alone, we process almost 1.5 million individual styrofoam products into trash each year. The cafeteria assures me these particular items are made with butane. Most styrofoam products, however, are made with chlorofluorocarbons. Butane is highly flammable; but CFC's deplete the stratospheric ozone layer that shields the Earth from ultraviolet radiation. My tray probably won't combust, but any damage to the ozone layer increases the chances that the warm rays of the Sun will gives us skin cancer.

Mr. President, today I am introducing legislation that would ban the procurement of all polystyrene foam products by the Senate food service.

I don't mean to malign styrofoam over other forms of solid waste—although obviously styrofoam disposal presents certain unique problems of its own. But this tray and its contents speak to a bigger issue: the solid waste crisis in America. Each year, Americans generate billions of tons of municipal solid waste—more than 4 pounds per person per day. As landfills reach capacity, and incinerators are subjected to increasing criticism from the environmental community, we are hard pressed to find new ways to manage our trash problems.

Our No. 1 priority should be to reduce the sheer magnitude of the waste we produce. We should promote innovative approaches to packaging material. We should encourage education and research on the uses of recyclable products, and we should concentrate on reducing the distribution and use of nonrecyclables.

There are available alternatives to nonbiodegradable products like styrofoam. There are alternatives that can be easily recycled and that do not give cause for worry if they are incinerated. Mr. President, we should be using these alternatives in the Senate, just as we should be using them across the country. We should be able to say to the American people: "We have found ways to reduce our trash and they can work for us all." America has been called a throw-away society, the disposable society. Hopefully, through legislation such as I am introducing today, we can get the people of this country thinking about the environmental consequences of their daily, routine actions.

Indeed, lets hope that our country resolves its solid waste problems before it is too late. To do this, we need to overhaul the conventional system of waste disposal.

At present, whatever trash is not recycled—in other words more than 90 percent of our trash nationally—goes to one of two places: landfills or incinerators. The EPA has permitting guidelines designed to prevent landfills from leaking and contaminating our ground and surface water. Unfortunately, approximately 50 percent of the landfills in this country operate without permits. In my own State of Pennsylvania we continue to pile garbage on garbage in landfills without the protective linings or adequate drainage that are required under EPA guidelines. Further, landfills may soon go the way of the dinosaur, as they reach capacity and close. The EPA estimates that more than half will close in just the next 5 years.

Incineration has been heralded as the answer to our solid waste problems—so-called waste to energy plants reduce mountains of garbage to ash and create steam-generated electricity in the process. Properly controlled incinerators, with environmentally acceptable ash disposal procedures, will probably play a major part in future waste management strategies.

Nevertheless, there are substantial threats involved in incineration. Incinerators, if they are not very carefully controlled, emit dioxins and furans, a dangerous chemical family that has been shown to kill lab animals in concentrations as low as 50 parts per trillion. Styrofoam when incinerated is thought to be one of the contributors to dioxin emissions. Further, ash produced by the incineration process repeatedly has failed EPA tests for toxicity that determine what constitutes hazardous waste.

Mr. President, at the root of our solid waste problems, at the root of the world's environmental crises, is a dangerous attitude problem. We should do all in our power to see that the ethics of consumption are replaced by the ethics of conservation. We can begin right here in the Senate. This legislation won't end our solid waste problems—but when it comes to trash, every little bit less is better.

I hope that my colleagues will join me in supporting this legislation.●

SENATE RESOLUTION 114—RELATING TO THE RESTORATION OF EASTERN AIRLINES

Mr. GRAHAM (for himself, Mr. BURDICK, Mr. ADAMS, Mr. DODD, Mr. METZENBAUM, Mr. LEVIN, Mr. KENNEDY, Mr. KERRY, and Mr. SIMON) submitted the following resolution; which was referred to the Committee on the Judiciary.

S. RES. 114

Whereas the operations of Eastern Airlines have been substantially shut down since March 4, 1989, by a strike by the International Association of Machinists with the support of pilots and flight attendant unions; and

Whereas Eastern Airlines filed a petition under Chapter 11 of the United States Bankruptcy Code on March 9, 1989; and

Whereas Texas Air Corporation, which controls Eastern Airlines, had negotiated for the sale of Eastern; and

Whereas the organized employees of Eastern had agreed to provide a potential new owner with wage and work rule concessions totaling more than $200 million annually for five years in return for a 30 percent equity share in the new company; and

Whereas the sale agreement has expired for failure of the parties to agree on the management of Eastern until a new owner could assume control; and

Whereas the deregulation of the airline industry by Congress was predicated on the anticipated continued existence of strong, independent airlines, such as Eastern Airlines; and

Whereas the Bankruptcy Court has the power to appoint an independent Trustee to manage Eastern's return to operation during the interim period, leading up to the consummation of the sale agreement and transfer of control to a potential owner; and

Whereas the return of Eastern Airlines to full operation is in the public interest and in the best interest of the creditors, employees, and customers of Eastern as well as the economies of the communities, states and regions of the country that Eastern serves; Now, therefore, be it

Resolved, That it is the sense of the Senate that the Bankruptcy Court and all involved parties should facilitate the prompt and safe restoration of Eastern Airlines to full operations through all appropriate action which may include appointment of an independent Trustee, pending sale of the Company.

Mr. GRAHAM. Mr. President, I call your attention to a headline in the Washington Post of April 18: "Judge Delays Hearing on Eastern Sale." In the news story that followed, U.S. Bankruptcy Judge Burton Lifland said: Eastern "has remained too long in the emergency room and is hemorrhaging $1 million a day."

Mr. President, I could not agree more. The slow and painful deterioration of labor-management relations at Eastern Airlines has dragged on too long. Delay serves no one—not the flying public, not Eastern employees, not Eastern's investors, and certainly delay does not serve our aviation system.

Any further delay in the restoration of Eastern could render full return to operation impossible. This situation has been particularly troubling for me, because Eastern Airlines is one of the most important corporate citizens in Florida. It is difficult to imagine Florida without Eastern Airlines.

Every day that passes with Eastern basically grounded, passengers are inconvenienced, employees and their families suffer hardships, and a once-thriving company is weakened. We were disappointed, Mr. President, when negotiations to sell Eastern to former baseball commissioner Peter Ueberroth broke down. This proposed purchase—which featured an employee share of the company—temporarily restored hope to Eastern's employees, creditors, and passengers. Clearly the public wants Eastern Airlines back in operation.

Mr. President, I am proposing that the Senate take action to reflect public sentiment by expressing its sense that the Bankruptcy Court—and all involved parties—should facilitate the prompt and safe restoration of Eastern Airlines to full operation through all appropriate action. This action may include appointment of an independent trustee pending sale of the company.

Mr. President, I ask unanimous consent that the Washington Post, April 18, article on Eastern Airlines be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JUDGE DELAYS HEARING ON EASTERN SALE

(By Martha M. Hamilton and Frank Swoboda)

A federal bankruptcy judge yesterday reluctantly agreed to put off a hearing on whether Eastern Air Lines should be sold, warning that delay might ultimately leave the carrier so damaged that the only choice left would be to auction off its planes, routes and landing rights.

Eastern "has remained too long in the emergency room and is hemorrhaging $1 million a day," Judge Burton R. Lifland said before ruling on a request for the delay by Eastern's major unsecured creditors and the airline.

As a result of the delay, the creditors committee—which includes aerospace companies, banks, caterers and union representatives—this week becomes the major forum in which Eastern's future is being decided.

The creditors' power to control Eastern's fate was enhanced last week after negotiations to sell the airline to former baseball commissioner Peter V. Ueberroth broke down. The unions had agreed to make $200 million in contract concessions as part of the Ueberroth deal, essentially putting all their cards on the table.

The move also wounded Texas Air Chairman Frank Lorenzo, who appears to have lost the only serious bidder for the airline and now says he will keep it. Now, the next move is not apt to be up to either the unions or Lorenzo, but the creditors.

Joel Zweibel, who represents the creditors, asked for the delay, protesting that an auction of the airline's assets "is not the way to achieve the greatest result for the greatest number."

"We're not here selling a used car at a foreclosure sale," he said. He did not say whether the creditors wanted Eastern to be sold, only that an auction was not their preferred format.

Eastern will try to persuade the creditors this week to support a plan to reorganize the strike-crippled airline as a smaller company rather than to seek a buyer for it.

In addition to Ueberroth, at least three other potential bidders for the airline have surfaced, attorneys involved in the bankruptcy proceeding said yesterday. Besides Ueberroth, they include Trans World Airlines Chairman Carl Icahn, Hyatt Hotel owner Jay Pritzker and a fourth possible one, who they didn't identify. Last week Willy Censor, who runs a diamond business and has real estate interests, said he was prepared to make a bid for the airline.

Notwithstanding Lorenzo's resistance to selling the airline after the collapse of the Ueberroth deal, Eastern has agreed to provide information that would allow bidders for the company to make an offer, Zweibel said yesterday.

On Thursday Eastern will make a presentation to the creditors' group about its plans for running an airline radically reduced from its prestrike size. The airline's operations have been cut dramatically since a machinists union strike March 4 virtually grounded it.

Eastern pilots, who are honoring the machinists picket lines, yesterday packed the courtroon in Manhattan. "We wanted to be here. It's our lives.," said Skip Speth, a pilot with Eastern since 1972.

Also in the courtroom was former Pan American World Airways chairman and chief executive C. Edward Acker, who declined to discuss his interest in the case. Acker and former Pan Am president Martin Shugrue were ousted from Pan Am at the insistence of the unions there.

The motion leading to yesterday's hearing to show cause why Eastern should not be sold was made by an Atlanta attorney, Moreton Rolleston Jr. Rolleston has a son who is a pilot for Eastern and a daughter-in-law who is a flight attendant, but he said that he filed his motion without telling them. Rolleston said he was disappointed by the delay.

Mr. KENNEDY. Mr. President, I rise in strong support of the resolution introduced today by Senator GRAHAM regarding Eastern Airlines, and I am pleased to join him as an original cosponsor.

Last month this body had legislation before it which would have resolved this dispute by creating an emergency board, putting the employees back to work and Eastern's planes back in the air.

Opponents of this legislation objected to the Senate proceeding on this bill, claiming the market would solve this crisis and that the Government should not interfere.

As we all know, the market solution failed, and now the Government through the bankruptcy court has the fate of the airline and the fate of its 30,000 families in its hands.

The resolution introduced today urges the bankruptcy court to act expeditiously to return Eastern to full operation through all appropriate means, including the appointment of an independent trustee.

Mr. President, airline deregulation only can succeed if there continue to be viable, independent competitors, such as Eastern.

If Eastern is allowed to be broken up and sold for spare parts, the traveling public will be the big loser.

I urge the adoption of the resolution.

SENATE RESOLUTION 115—RELATIVE TO THE V-22 AIRCRAFT PROGRAM

Mr. STEVENS (for himself, Mr. GLENN, Mr. JOHNSTON, Mr. BREAUX, Mr. THURMOND, Mr. HEINZ, Mr. GORTON, and Mr. CHAFEE) submitted the following resolution; which was considered and agreed to:

S. RES. 115

Whereas the V-22 tilt-rotor aircraft design is on the leading edge of aerospace technology for short take-off and landing capability;

Whereas the United States Navy has contractually committed several billion dollars for the construction of LHD-1 class ships for the transportation of Marine Corps amphibious assault units equipped with the V-22 aircraft;

Whereas the V-22 aircraft is designed to be the primary asset of the newly constituted Special Operations Forces of the Department of Defense;

Whereas the V-22 aircraft is the United States Marine Corps' highest priority modernization program for replacement of the aging CH-46 helicopter fleet;

Whereas the primary inter-theater transportation means for United States ground combat forces is the V-22 aircraft;

Whereas the assessment of the Special Operations Forces Command is that, because of unique capabilities of the V-22 aircraft, use of that aircraft for transportation of such forces in the future could prevent a recurrence of the transportation events involved in the Desert One disaster in 1979; and

Whereas there is extensive potential for the technology used in the development and production of the V-22 aircraft to revolutionize the commercial aviation industry in the United States: Now, therefore, be it

Resolved, That it is the sense of the Senate—

(1) that the President should strongly support funding for the V-22 aircraft program included in the Department of Defense appropriation request for fiscal year 1990, and reject any initiatives to defer, cancel, or terminate the program; and

(2) that appropriations available to the Department of Defense for fiscal year 1989 be obligated to ensure the continued development and production of the V-22 aircraft.

AMENDMENTS SUBMITTED

FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT

GRAHAM AMENDMENT NO. 55

Mr. GRAHAM proposed an amendment to the bill (S. 774) to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes, as follows:

On page 166, strike lines 7 through 14.

DURENBERGER AMENDMENT NO. 56

Mr. DURENBERGER proposed an amendment to the bill S. 774, supra, as follows:

Insert at the end of the bill the following new section:

SEC. . REPEAL OF SPECIAL TAX RULES.

(1) The Senate Finds that special tax provisions which (a) determine the taxable status of payments made to financially troubled institutions by the FSLIC and the FDIC; (b) affect the tax-free reorganization status of troubled financial institutions, and (c) relax loss carryover rules of these institutions are inherently inefficient subsidies and do not permit for a full accounting of the costs of financing resolution of the financial institution crisis; and therefore,

It is the Sense of the Senate: That the House of Representatives should adopt and send to the Senate for consideration as part of the Financial Institutions Reform Act legislation to repeal special tax rules for financial institutions, including section 904(c) of the Tax Reform Act of 1986; the last sentence of section 382(1)(5)(F) of the Internal Revenue Code of 1986; and Subparagraph (B) of section 904(c)(2) of the Tax Reform Act of 1986 (as amended by section 4012(c)(2) of the Technical and Miscellaneous Revenue Act of 1988 and that repeal of such rules shall apply to transfers on or after the date of enactment of the Financial Institutions Reform, Recovery, and Enforcement Act.

WIRTH (AND OTHERS) AMENDMENT NO. 57

Mr. WIRTH (for himself, Mr. KASTEN, and Mr. GRAHAM) proposed an amendment to the bill S. 774, supra, as follows:

On page 342, line 21, after the period insert the following:

"The Corporation shall compile and maintain a list of properties with natural, cultural, recreational or scientific values of special significance. The Corporation from time to time shall provide the list to the Secretary of Interior, the Secretary of Agriculture, and appropriate state agencies."

MURKOWSKI (AND EXON) AMENDMENT NO. 58

Mr. MURKOWSKI (for himself and Mr. EXON) proposed an amendment, which was subsequently modified, to the bill S. 774, supra, as follows:

On page 157, between lines 14 and 15, insert the following:

SEC. 226. BROKERED DEPOSITS.

(a) DEFINITIONS.—Section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) is amended by adding at the end the following:

"(u)(1) The term 'deposit broker' means—

"(A) any person engaged in the business of placing funds, or facilitating the placement of funds, of third parties with insured banks or the business of placing funds with insured banks for the purpose of selling interests in those deposits to third parties; and

"(B) an agent or trustee who establishes a deposit account to facilitate a business arrangement with an insured bank to use the proceeds of the account to fund a prearranged loan.

"(2) The term 'deposit broker' does not include—

"(A) an insured bank, with respect to funds placed with that bank;

"(B) an employee of an insured bank, with respect to funds placed with the employing bank;

"(C) a trust department of an insured bank or of an institution insured by the Federal Savings and Loan Insurance Corporation, if the trust in question has not been established for the primary purpose of placing funds with insured depository institutions;

"(D) the trustee of a pension or other employee benefit plan, with respect to funds of the plan;

"(E) a person acting as a plan administrator or an investment adviser in connection with a pension plan or other employee benefit plan provided that that person is performing managerial functions with respect to the plan;

"(F) the trustee of a testamentary account;

"(G) the trustee of an irrevocable trust (other than one described in paragraph (1)(B)), as long as the trust in question has not been established for the primary purpose of placing funds with insured depository institutions;

"(H) a trustee or custodian of a pension or profit-sharing plan qualified under section 401(d) or 408(a) of the Internal Revenue Code of 1986; or

"(I) an agent or nominee whose primary purpose is not the placement of funds with depository institutions.

"(v) The term 'employee' includes only an employee—

"(1) who is employed exclusively by the insured bank for which he or she is soliciting deposits;

"(2) whose compensation is primarily in the form of a salary;

"(3) who does not share his or her compensation with a deposit broker; and

"(4) whose office space or place of business is used exclusively for the benefit of his or her insured bank/employer.

"(w) The term 'troubled institution' means an insured financial institution which is entitled to the benefits of insurance under this Act and which the Corporation has determined for the purpose of section 30 does not meet its minimum capital requirements.".

(b) APPLICABILITY OF LIMITATION.—The Federal Deposit Insurance Act is amended by adding at the end the following:

"SEC. 30. BROKERED DEPOSITS.

"(a) IN GENERAL.—A troubled institution may not accept funds deposited into one or more deposit accounts by or through a deposit broker.

"(b) GRANDFATHERED ACCOUNTS.—The prohibition contained in subsection (a) shall not apply to any account opened before the effective date of the FIRRE Act unless such account has been added to or renewed after the effective date of such Act.

"(c) WAIVER AUTHORITY.—The Corporation is authorized, on a case-by-case basis, and upon application by an insured financial institution, to waive the applicability of subsections (a) and (b) upon a finding that the acceptance of such deposits does not constitute an unsafe or unsound practice.".

BUMPERS AMENDMENT NO. 59

Mr. BUMPERS proposed an amendment, which was subsequently modified to the bill S. 774, supra, as follows:

At the end of title II, insert the following new section:

SEC. 226(a). CONTRACTS BETWEEN FINANCIAL INSTITUTIONS AND PERSONS PROVIDING GOODS, PRODUCTS, OR SERVICES.

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 30. CONTRACTS BETWEEN FINANCIAL INSTITUTIONS AND PERSONS PROVIDING GOODS, PRODUCTS, OR SERVICES.

"(a) IN GENERAL.—An insured financial institution shall not enter into a written or oral contract with any person related to the provision of goods, products, or services to or for the benefit of such financial institution if such contract contains any of the following:

"(1) A provision under which such person agrees to purchase any asset of such financial institution unless the asset is directly related to the provision of such goods, products, or services;

"(2) A provision under which the person providing such goods, products, or services agrees to purchase stock of, invest capital in, or make a deposit in such financial institution;

"If such a contract term or provision has an anti-competitive effect or would adversely affect the health or safety of such institution.

"(b) PROVISION TO APPLY TO HOLDING COMPANIES.—For purposes of this section, the term 'insured financial institution' includes a 'bank holding company' and a 'savings and loan holding company'.

"(c) REGULATIONS.—The Corporation shall promulgate regulations necessary to carry out the provisions of this section.".

SEC. 226(b). The General Accounting Office shall conduct a study of the contracting practices among third-party vendors and insured financial institutions and shall report on the extent to which such contracts include questionable provisions that may tend to erode financial integrity and soundness by among other things allowing an institution to artificially inflate its capital base or to divest itself of a troublesome asset. Such report shall be submitted not later than six months after the date of enactment of this act to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

SASSER AMENDMENT NO. 60

Mr. RIEGLE (for Mr. SASSER) proposed an amendment to the bill S. 774, supra, as follows:

SEC. . STATUS OF CERTAIN THRIFT INSTITUTION.

Section 306(h)(2) of the Federal Savings and Loan Recapitalization Act (12 U.S.C. 1730 note) is amended by inserting before the period at the end thereof the following: ", or an insured institution the board of directors of which determined prior to April 1, 1987, to terminate its status as an insured institution, as evidenced in sworn minutes of the board of directors meeting held prior to such date, which had insured deposits of less than $11,000,000 on such date, and the deposit insurance of which had been in effect for less than one year as of such date".

MACK AMENDMENT NO. 61

Mr. MACK proposed an amendment to the bill S. 774, supra, as follows:

On page 164, beginning with "by" on line 1, strike through line 15, and insert ". The Chairman shall establish rules governing the selection of independent auditors by savings associations and service corporations and the performance of auditing services. Not later than 90 days after the date of enactment of the FIRRE Act, the Chairman shall promulgate regulations establishing procedures for monitoring compliance with the rules established under this subsection. If the Chairman finds that any audit of a savings association under this subsection does not comply with such rules, the Chairman shall take appropriate action to assure compliance. Such appropriate action may, but shall not necessarily, include that an audit be performed again, at the expense of the auditor.".

RIEGLE (AND GARN) AMENDMENT NO. 62

Mr. RIEGLE (for himself and Mr. GARN) proposed an amendment to the bill S. 774, supra, as follows:

On page 6, line 6, strike "enhancing" and insert "strengthening".

On page 6, strike lines 13 and 14, and insert "by assuring an independent board of directors, adequate funding, and appropriate powers;".

On page 7, lines 4 and 5, strike "in an expeditious manner" and insert "expeditiously".

On page 7, line 6, strike "for".

Beginning with "In" on page 9, line 23, strike through page 10, line 4.

On page 16, line 3, before the period insert the following: ", but such term does include a former savings association that has—

"(A) converted from a savings association charter to a bank charter as determined by the Corporation; and

"(B) elected to remain a Savings Association Insurance Fund member".

On page 16, line 14, insert "(A)" before "a".

On page 16, line 14, before the period insert ", or (B) a financial institution chartered under the laws of a foreign country".

On page 23, line 1, after "to" insert "(A)".

On page 23, line 4, after the comma insert "(B) a Federal savings association resulting from the conversion of an insured State savings association or savings bank, or (C) a Federal savings association resulting from the merger or consolidation of insured savings associations or savings banks,".

On page 29, line 6, before the period insert ", except that the Secretary may authorize such fee to be paid to the Financing Corporation (as defined in section 21A of the Federal Home Loan Bank Act) for interest payments on its obligations if such Financing Corporation has exhausted all other sources of funding for such purposes".

On page 37, line 10, strike "affiliates of" and insert "controlled by".

On page 37, line 11, strike "or" and insert "(including".

On page 37, line 13, before the period, insert the following: ") or if one financial institution is controlled by another financial institution".

On page 52, line 23, strike "the value of".

On page 62, line 2, after "appointed" insert ", or was itself appointed as,".

On page 63, lines 1 and 2, after "Federal", strike "Savings Association" and insert "savings association".

On page 71, line 23, strike "or" and insert "of".

On page 72, line 14, insert ", other than those of a director's or officer's liability insurance contract or a financial institution bond," after "contract".

On page 72, line 18, insert "Nothing in this paragraph shall impair or affect any right, if any, of the Corporation that may have existed immediately prior to the enactment of the FIRRE Act to enforce or recover a director's or officer's insurance policy contract or financial institution bond issued or otherwise entered into prior to enactment of the FIRRE Act." after "conservator.".

On page 79, lines 6 and 7, 12, 14, and 17, strike "financial institution" and insert "savings association".

Begining with page 102, line 22, strike through page 105, line 3, and insert the following:

"(l) RULEMAKING AND CLAIMS DETERMINATION AUTHORIZED.—

"(1) IN GENERAL.—The Corporation shall have the exclusive power to make rules and regulations for the conduct of conservatorships and receiverships where it is so appointed and the Corporation may, by regulation or order, provide for the exercise of functions by members or stockholders, directors, or officers of a financial institution during conservatorship or receivership. The Corporation shall also have the power to determine claims in accordance with rules and regulations it shall prescribe and subject to judicial review as herein provided. No court shall have jurisdiction over any claim or action seeking payment from, or a determination of rights with respect to, the assets of any financial institution for which the Corporation has been appointed receiver or conservator, including assets which the Corporation may acquire from itself as such receiver or conservator, or with respect to any act or omission of the institution or the Corporation as receiver or conservator except as set out in paragraphs (2) and (3) of this subsection.

"(2) RULES AND REGULATIONS.—The authority to determine claims shall only be exercised after the Corporation has established rules or regulations governing the processing of claims, the accounting of estate funds, and the distributing of residual funds to shareholders. The rules and regulations if promulgated shall provide that—

"(A) the receiver shall make an initial determination of acceptance or rejection within a specified reasonable time period;

"(B) the claimant may reject or contest the receivers determination in whole or in part within a reasonable specified time period;

"(C) if the claimant rejects or contests the determination of the receiver, then the matter shall be referred to a certified administrative law judge;

"(D) the administrative law judge shall determine if the dispute involves a material question of fact. If the issues presented raise no material question of fact or if the claimant and the Corporation otherwise agrees, the judge may conduct the proceedings entirely by pleading and a hearing shall be unnecessary;

"(E) if a dispute as to a material fact is present and the material fact issue would preclude a summary judgment disposition order under the Federal Rules of Civil Procedure, then the judge shall conduct a full evidentiary hearing under rules of procedure and evidence promulgated by the Corporation for that purpose;

"(F) the administrative law judge's decision in any case shall be appealable only to the Circuit Court of Appeals for the District of Columbia or the Circuit in which the failed institution was located. Such an appeal must be filed within 60 days of the judge's final decision;

"(G) as to all legal issues the standard of review shall be the same as any review of a district court decision;

"(H) as to factual issues, the Court of Appeals shall uphold the findings of the administrative law judge provided there is substantial evidence to support the findings; and

"(I) the petitions for review of decisions under this subsection shall be upon the record of the pleadings before the administrative law judge.

"(3) ACTIONS IN THE ABSENCE OF RULES AND REGULATIONS.—In the absence of rules and regulations established by the Corporation for the resolution of claims against the estate of the financial institution, any action or proceeding against a financial institution for which the Corporation has been appointed receiver, or against the Corporation as receiver of such financial institution, shall be brought in the district or territorial court of the United States held within the district in which that financial institution's principal place of business is located, or, in the event any State, county, or municipal court has jurisdiction over such an action or proceeding, in such court in the county or city in which the financial institution's principal place of business is located.

"(4) AGREEMENTS AGAINST INTEREST.—No agreement which does not meet the requirements set forth in section 13(e) shall form the basis of, or substantially comprise, a claim against the Corporation or the estate of the financial institution in default.

"(5) NO EFFECT ON FINAL ADJUDICATION.—The Corporation may not by regulation or rule disturb the final adjudication of a court rendered prior to the appointment of the Corporation as receiver or conservator. In the event of such a judgment, the receiver shall have all the rights and remedies available to the institution prior to failure but shall not be required to post any bond in order to pursue such remedies.

"(6) ATTACHMENT OR EXECUTION.—No attachment or execution may issue by any court upon assets in the possession of the Corporation as receiver.

On page 105, line 9, strike "AND INDEMNIFICATION".

On page 105, beginning with line 10, strike all through "a" on line 11, and insert "A".

On page 106, beginning with line 3, strike all through line 24, and insert the following: for gross negligence or intentional tortious conduct, as those terms are defined and determined under applicable State law. Nothing in this paragraph shall impair or affect any right, if any, of the Corporation that may have existed immediately prior to the enactment of the FIRRE Act.

On page 132, line 7, insert "any" after "of".

On page 132, line 18, after "paragraph" insert "only by".

On page 138, line 4, strike "zero" and insert "15 percent of assets".

On page 140, line 17, after "Treasury" insert "and the Director of the Office of Management and Budget".

On page 140, lines 22 and 23, strike "in and of itself".

On page 141, after line 23, insert the following new paragraph:

(3) REPORT ON DIRECTORS AND OFFICERS LIABILITY INSURANCE.—

(A) STUDY.—The Federal Deposit Insurance Corporation shall, together with the Department of the Treasury and the Department of Justice, conduct a comprehensive study of directors and officers liability insurance and financial institution bonds, and the availability of such insurance for directors and officers of insured financial institutions. The study shall include—

(i) consideration of State laws limiting liability for directors and officers,

(ii) the effect of contractual provisions limiting insurance coverage when an institution is placed in receivership or conservatorship,

(iii) provisions limiting coverage when a claim is made by the Federal Deposit Insurance Corporation, and

(iv) provisions limiting claims made by one insured against another insured.

In addition, the study shall consider the need for such insurance or bonds and the effect any change in any of the above noted conditions or terms may have on the future availability of such insurance, and the ability of financial institutions to attract qualified officers and directors.

(B) REPORT.—Not later than 6 months after the date of enactment of the FIRRE Act, the Federal Deposit Insurance Corporation, together with the Department of the Treasury and the Department of Justice, shall report its findings from the study under subparagraph (A) to the Congress, together with legislative recommendations.

On page 143, line 20, strike the first semicolon.

On page 150, line 18, strike "subsidiary" and insert "service".

On page 156, line 10, before the comma insert "and the loan is not a loan to an active farming operation secured by agricultural land".

On page 158, strike lines 18 through 21, and insert the following: "man. The authority conferred by this section is intended to encourage savings associations to provide credit for housing safely and soundly.".

On page 166, lines 19 through 21, strike "Subject to the approval of the Secretary of the Treasury and title IV of the FIRRE Act, the" and insert "The".

On page 166, line 23, strike "he" and insert "the Chairman".

On page 166, line 24, before "without" insert "and report thereon to the Congress. Such compensation shall be determined solely by the Chairman and".

On page 166, line 25, after "provisions" insert "of any law or regulation, including the provisions".

On page 167, line 1, strike "governing" and insert "relating to".

On page 167, line 1, insert "Federal" before "officers".

On page 167, lines 1 and 2, strike ", and report thereon to the Congress".

On page 167, line 20, strike "5240" and insert "5234".

On page 168, line 19, after "to" insert "any officer or employee in the executive branch of the Government, including".

On page 172, line 16, after "which is not", insert "a".

On page 186, line 5, strike "thereafter".

On page 186, line 7, after "—", insert "Loans on the security of liens upon nonresidential real property.".

On page 194, line 13, strike "Federal Home Loan Bank System" and insert "Office of Savings Associations".

On page 195, lines 3 and 4, strike "Federal Home Loan Bank System" and insert "Office of Savings Associations".

Beginning with page 208, line 20, strike through page 210, line 10, and insert the following:

"(g) PREFERRED SHARES.—[Repealed.]

Beginning with page 215, line 1, strike through page 216, line 9, and insert the following:

"(j) SUBSCRIPTION FOR SHARES.—[Repealed.]

On page 217, line 8, strike "1954" and insert "1986".

On page 221, line 7, strike "$5,000, or" and insert "$50,000 or twice the amount of that person's gain from the loan, whichever is greater, or may be".

On page 236, lines 18 and 24, strike "(limited" and insert "limited".

On page 236, line 19, and page 237, line 3, strike "1989)" and insert "1989".

On page 237, lines 1 and 2, strike "definitive acquisition agreement was executed", and insert "application under section 408(e) of the National Housing Act (as then in effect) was filed".

On page 237, line 3, strike "April" and insert "March".

On page 237, strike lines 9 and 10, and insert the following:

"(3) SEPARATE CAPITALIZATION REQUIRED FOR CERTAIN SUBSIDIARIES.—".

On page 245, strike lines 4 through 25, and insert "[Repealed.]".

On page 278, line 10, after "fine of", insert "not more than".

On page 288, lines 11 and 12, strike ", as amended".

On page 288, line 17, after "assessed" insert the following: ", on the date of its change of status from a Savings Association Insurance Fund member,".

On page 288, line 19, after the period insert the following: "Such institution shall not be obligated to pay the assessments assessed on banks under the Federal Deposit Insurance Act until—

"(i) December 31, 1993, or

"(ii) the institution's change of status from a Savings Association Insurance Fund member to a Bank Insurance Fund member, whichever is later.".

On page 297, line 2, after "made to", strike "an" and insert "any".

On page 297, line 3, strike "(c)(2)(F)(i);" and insert in lieu thereof "10(c)(2)(F)(i);".

On page 297, strike lines 4 through 7, and insert in lieu thereof the following:

"(2) no savings association may enter into any transaction described in section 23A(b)(7)(B) of the Federal Reserve Act with any affiliate.".

On page 298, line 24, strike "Federal Home Loan Bank System" and insert in lieu thereof "Office of Savings Associations".

On page 299, lines 9 and 10, strike "Federal Home Loan Bank System" and insert in lieu thereof "Office of Savings Associations".

On page 304, line 21, after "assessed" insert the following: ", on the date of its change of status from a Savings Association Insurance Fund member,".

On page 304, line 23, after the period insert the following: "Such institution shall not be obligated to pay the assessments assessed on banks under the Federal Deposit Insurance Act until—

"(i) December 31, 1993, or

"(ii) the institution's change of status from a Savings Association Insurance Fund member to a Bank Insurance Fund member, whichever is later.".

On page 308, strike lines 3 through 7, and insert the following:

"(D) DEFINITION.—As used in this subsection, the term 'insured bank' means an insured bank (other than a savings bank), as defined in section 3 of the Federal Deposit Insurance Act.

On page 309, line 18, strike "amended" and insert in lieu thereof "added".

On page 314, strike lines 1 through 11 and insert the following:

SEC. 403. PERSONNEL.

(a) IN GENERAL.—The Chairman of the Office of Savings Associations and the Chairman of the Federal Deposit Insurance Corporation, acting jointly, shall in their sole discretion—

(1) identify which employees of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation were, on the day before the date of enactment of this Act, engaged in functions or activities transferred to the Federal Deposit Insurance Corporation; and

(2) determine which of the employees so identified shall be transferred to the Federal Deposit Insurance Corporation.

The employees so determined to be transferred shall be entitled to the rights described in subsection (b).

(b) RIGHTS OF IDENTIFIED EMPLOYEES.—The rights described in this subsection are the following:

On page 315, line 2, after the period, add the following: "For purposes of determining assignment rights after transfer, any transfer from the Board or the Federal Savings and Loan Insurance Corporation to the Federal Deposit Insurance Corporation shall be deemed a transfer of function consistent with Office of Personnel Management regulations promulgated pursuant to section 3503 of title 5, United States Code. After transfer to the Federal Deposit Insurance Corporation, transferring employees shall be placed consistent with section 351 of title 5, Code of Federal Regulations and shall receive notice of their assignment rights in a manner described to section 351 of title 5, Code of Federal Regulations, no later than 120 days after the effective date of their transfer to Federal Deposit Insurance Corporation.".

On page 315, line 8, before the period insert "for purposes of placement".

On page 321, strike lines 16 through 24, and insert the following:

"(2)(A) As of the date of enactment of the FIRRE Act, the Corporation shall replace the Federal Savings and Loan Insurance Corporation as receiver or conservator for any institution for which the Federal Savings and Loan Insurance Corporation was appointed conservator or receiver during the period beginning on January 1, 1989, and ending on the date of enactment of the FIRRE Act. Effective on the date of enactment of such Act and notwithstanding section 11A of the Federal Deposit Insurance Act, the Corporation shall assume the position and responsibilities of the Federal Savings and Loan Insurance Corporation in the management contract between the Federal Savings and Loan Insurance Corporation and the Federal Deposit Insurance Corporation, and such contract shall remain in full force effect for a period not to exceed 30 days during which the Oversight Board and the Federal Deposit Insurance Corporation may enter into a new contract.

On page 340, line 7, after the comma insert the following: "and the total amounts expended on private contractors,".

On page 350, line 20, after "Corporation" insert ", including custodian fees (as defined in subsection (k)(5) of this section),".

On page 351, strike lines 19 and 20, and insert "or".

On page 351, line 21, strike "(iii)" and insert "(ii)".

On page 353, line 16, before the period insert "up to a maximum of $2,995,800,000 less any amounts required to be invested in the capital stock of the Financing Corporation after December 31, 1988".

On page 354, lines 23 and 24, strike "and section 403 of the FIRRE Act".

On page 356, line 4, after "$300,000,000" insert "per year".

On page 358, line 24, strike "paragraphs (D) and (E)" and insert "paragraph (D)".

Beginning with "price" on page 360, line 5, strike through line 10.

Beginning with page 360, line 20, strike all through page 361, line 8.

On page 361, line 9, strike "(E)" and insert in lieu thereof "(D)".

On page 361, line 13, after "subparagraph (A)(i)" insert ", up to a maximum of 20 percent of such earnings".

On page 361, line 20, strike out "(F)" and insert in lieu thereof "(E)".

On page 361, line 24, strike "after" and insert "before".

On page 362, strike lines 1 through 3 and insert "to purchase capital stock under paragraph (4) or (5) or under subparagraph (A) or (C) of this paragraph.".

On page 363, line 12, after "from the" insert "receivership".

On page 363, lines 13 and 14, strike "(estimated under section 11A of the Federal Deposit Insurance Act)".

On page 365, beginning with "share" on line 10, strike through lines 11 and 12 and insert the following: "of any amounts required to be paid by the Federal Home Loan Banks under this subparagraph shall be determined as follows, subject to the procedures and limitations of paragraphs (3), (4), and (6) of subsection (e):

"(i) Each Federal Home Loan Bank shall pay an equal percentage of its net earnings for the year for which such amount is required to be paid, up to a maximum of 20 percent of net earnings.

"(ii) To the extent that the aggregate amount required to be paid by the Federal Home Loan Banks under this subparagraph for any year exceeds 20 percent of the aggregate net earnings of the Federal Home Loan Banks for such year, each bank shall pay 20 percent of its net earnings for such year as provided in clause (i), and each bank's individual share of the excess of the required amount over 20 percent of the aggregate net earnings of the Federal Home Loan Banks for such year shall be determined by dividing—".

On page 365, line 13, strike "aggregate" and strike "daily" and insert "month-end".

On page 365, line 15, before the semicolon insert "to Savings Association Insurance Fund members".

On page 365, line 16, strike "aggregate" and strike "daily" and insert "month-end".

On page 365, line 18, strike the semicolon and insert "to Savings Association Insurance Fund members.".

On page 365, line 18, delete all following "Banks" and insert ".".

On page 365, strike lines 19 through 21.

On page 367, line 11, strike "premiums)" and insert "premiums, and net of issuance costs)".

On page 381, line 3, strike out "amended by striking" and insert "amended—

"(1) by striking".

On page 381, line 12, strike the second period and insert "; and".

On page 381, between lines 12 and 13, insert the following:

(2) by inserting at the end of section 16(a) the following: "For the purpose of this section, net earnings shall be computed without reduction by any charge or expense incurred by a bank in connection with the bank's investment in the Funding Corporation under section 21(B).".

On page 381, line 14, after "(a)" insert "(1)".

On page 387, line 5, strike "The" and insert "Subject to title IV of the FIRRE Act, the".

On page 401, line 19, strike "and".

On page 401, line 21, strike all from "and" through "Corporation" and insert the following: ", Resolution Trust Corporation,

and Payments to the Resolution Funding Corporation".

On page 402, strike all from "; and" on line 12 through "Corporation;" on line 17.

On page 402, line 22, strike "202)," and insert "202)".

On page 420, lines 14 and 15, strike "appropriate Federal banking agency" and insert "Federal Deposit Insurance Corporation".

On page 423, line 23, strike "and (s)" and insert "(s), (t), (u), (w), and (y)".

On page 427, lines 19 and 20, strike "this subsection (e)(1) or (e)(2)" and inserting "subsection (e)(3)".

On page 430, line 10, after the first period insert the following: "This paragraph shall only apply to a person who is an individual, unless the appropriate Federal regulatory agency specifically finds that it should apply to a corporation, firm, or other business entity.".

On page 430, line 12, before "Section" insert the following:

(a) IN GENERAL.—

On page 431, line 6, strike "pecuniary" and insert "financial".

On page 431, between lines 14 and 15, insert the following:

(b) STANDARD FOR IMPOSITION OF CERTAIN PENALTIES.—Section 8(i)(2)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1818(i)(2)(B)) is amended by adding at the end the following: "Notwithstanding any other provision of law, an appropriate Federal banking agency may impose a civil penalty under a provision of Federal law on a financial institution or an institution-related party in an amount in excess of $2,500 per day only if such agency determines that—

"(i) the violation, breach, or practice has caused or is likely to cause a serious financial loss to the financial institution or to the holding company of which such institution is a subsidiary, to the Bank Insurance Fund, or to the Savings Association Insurance Fund;

"(ii) the violation, breach, or practice evidenced reckless disregard for the safety or soundness of the financial institution or resulted from gross negligence;

"(iii) the violation, breach, or practice was part of a pattern of violations, breaches, or practices by that financial institution or institution-related party; or

"(iv) the violation, breach, or practice resulted in the enrichment of the institution-related party charged with the violation, breach, or practice.".

On page 431, line 21, strike "any outstanding and effective" and insert "outstanding and effective any notice or".

On page 431, line 25, after "agency" insert "that issued such notice or order".

On page 433, line 22, strike "regulatory" and insert "banking".

On page 435, lines 6, 7, 14, and 18, after "employee" insert ", officer, or director".

On page 442, line 25, strike "or agent" and insert "agent, or other person participating in the conduct of the affairs".

On page 443, line 7, strike "or agent" and insert "agent, or other person participating in the conduct of the affairs".

On page 443, line 11, after "day" insert "that any".

On page 443, line 12, strike "not more than".

On page 444, lines 4 and 11, strike "or agent" and insert "agent, or other person participating in the conduct of the affairs".

On page 449, lines 4 and 5, strike "and for all other such failures, submissions, or publications a penalty" and insert ". A penalty imposed under this paragraph".

On page 451, line 18, strike "subsection (i)(6)" and insert "section 8(i)(2) of the Federal Deposit Insurance Act".

On page 452, line 10, strike "AUTHORITIES" and insert "AUTHORITY".

On page 452, line 19, before "or" insert "(m),".

On page 452, line 23, before "Any" insert "(1)".

On page 453, lines 4 and 5, insert the following:

(2) Any individual who has been prohibited by order of the Federal Savings and Loan Insurance Corporation or the Federal Home Loan Bank Board from voting for any director or serving, acting as a director, officer, or employee, or participating in the affairs of any institution the accounts of which were insured by the Federal Savings and Loan Insurance Corporation prior to the effective date of this Act or of any holding company, subsidiary, or service corporation of such institution may not serve or act in any of those capacities with respect to a financial institution that is a member of the Savings Association Insurance Fund, without the prior written approval of the Chairman of the Office of Savings Associations.

On page 454, line 22, after "years" insert "as determined in the discretion of the Board".

On page 455, line 16, after the semicolon insert "or".

On page 461, line 14, after "subsection" insert "or subsection (i)".

On page 461, line 17, strike "financial".

On page 462, line 9, after the first period insert the following: "This paragraph shall only apply to a person who is an individual, unless the appropriate Federal regulatory agency specifically finds that it should apply to a corporation, firm, or other business entity.".

On page 462, beginning with line 15, strike all through the period on line 25 and insert the following:

"(7) The jurisdiction and authority of the Board to proceed under this Act against any institution-related party shall not be affected by the resignation, termination of employment, or other separation of such person from an insured credit union, including separation caused by the failure of the credit union.".

On page 465, line 3, strike "National Housing Act" and insert "Home Owners' Loan Act of 1933".

On page 465, line 13, strike "$1,000,000,000" and insert "$1,000,000".

On page 468, between lines 17 and 18, insert the following:

SEC. 966. STANDARD FOR IMPOSITION OF CIVIL PENALTIES.

Section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended by adding at the end thereof the following:

"(t) STANDARD FOR IMPOSITION OF CIVIL PENALTIES.—Notwithstanding any other provision of law, the Board may impose a civil penalty under a provision of Federal law on a credit union or an institution-related party in an amount in excess of $2,500 per day only if the Board determines that—

"(1) the violation, breach, or practice has caused or is likely to cause a serious financial loss to the credit union or to the National Credit Union Share Insurance Fund;

"(2) the violation, breach, or practice evidenced reckless disregard for the safety or soundness of the credit union or resulted from gross negligence;

"(3) the violation, breach, or practice was part of a pattern of violations, breaches, or practices by that credit union or institution-related party; or

"(4) the violation, breach, or practice resulted in the enrichment of the institution-related party charged with the violation.".

On page 469, line 2, after "each" insert "knowing".

On page 472, line 8, strike "(b)".

On page 473, line 18, strike "1008,".

On page 474, line 16, before "$" insert "up to".

On page 477, lines 16 and 20, before "$" insert "up to".

On page 503, line 22, strike "paragraph (1) or (2) of".

On page 540, line 5, after "determined" insert "solely".

On page 540, line 6, after "Comptroller" insert "and".

On page 540, line 16, after "to" insert "any officer or employee in the executive branch of the Government, including".

Beginning with page 40, line 10, strike through page 44, line 10, and insert the following:

"(1) ASSESSMENT RATES.—

"(A) ANNUAL ASSESSMENT RATES PRESCRIBED.—The Corporation shall set assessment rates for insured financial institutions annually. The Corporation shall fix the annual assessment rate for Bank Insurance Fund members independently from the annual assessment rate for Savings Association Insurance Fund members. The Corporation shall by June 30 of each year announce the assessment rates for the succeeding calendar year.

"(B) DESIGNATED RESERVE RATIO DEFINED.—

"(i) The designated reserve ratio of the Bank Insurance Fund shall be—

"(I) 1.25 percent of insured accounts; or

"(II) such higher ratio, not exceeding 1.65 percent of insured accounts, that the Board of Directors by a majority vote determines to be justified by circumstances that raise a significant risk of substantial future losses to the Savings Association Insurance Fund, for a period of one year and for further periods not exceeding one year each and by a majority vote of the Board of Directors in each instance.

"(iii) The Board of Directors shall—

"(I) maintain reserves in the Bank Insurance Fund received pursuant to clause (i)(II) as Supplemental Reserves in the Bank Insurance Fund;

"(II) allocate each calendar quarter to an Earnings Participation Account in the Bank Insurance Fund the investment income earned by the Bank Insurance Fund on such Supplemental Reserves in the preceding calendar quarter;

"(III) distribute such Earnings Participation Account at the conclusion of each calendar year to Bank Insurance Fund members; and

"(IV) distribute such Supplemental Reserves to Bank Insurance Fund members if and to the extent such Supplemental Reserves are not needed to satisfy the designated reserve ratio.

"(iv) The Board of Directors shall—

"(I) maintain reserves in the Savings Association Insurance Fund received pursuant to clause (ii)(II) as Supplemental Reserves in the Savings Association Insurance Fund;

"(II) allocate each calendar quarter to an Earnings Participation Account in the Savings Association Insurance Fund the investment income earned by the Savings Association Insurance Fund on such Supplemental Reserves in the preceding calendar quarter;

"(III) distribute such Earnings Participation Account at the conclusion of each cal-

endar year to Savings Association Insurance Fund members; and

"(IV) distribute such Supplemental Reserves to Savings Association Insurance Fund members if and to the extent such Supplemental Reserves are not needed to satisfy the designated reserve ratio.

"(C) ASSESSMENT RATE FOR BANK INSURANCE FUND MEMBERS.—The annual assessment rate for Bank Insurance Fund members shall be—

"(i) until December 31, 1989, one-twelfth of 1 percent;

"(ii) from January 1, 1990, through December 31, 1990, twelve one-hundredths of 1 percent;

"(iii) on and after January 1, 1991, fifteen one-hundredths of 1 percent;

"(iv) on January 1 of a calendar year in which the reserve ratio of the Bank Insurance Fund is expected to be below the designated reserve ratio by determination of the Board of Directors, such rate determined by the Board of Directors to be appropriate to restore the reserve ratio to the designated reserve ratio within a reasonable period of time, after taking into consideration the expected operating expenses, case resolution expenditures, and investment income of the Bank Insurance Fund, and the impact on insured bank earnings and capitalization, except that—

"(I) from the date of enactment of the FIRRE Act and through 1994, so long as the Bank Insurance Fund reserve ratio is rising on a calendar year basis, the rate shall be as specified in clauses (i), (ii), and (iii), above;

"(II) the rate shall not exceed thirty one-hundredths of one percent; and

"(III) the increase in the rate shall not exceed five one-hundredths of one percent; and

"(v) at all times not less than $1,000 per annum.

"(D) ASSESSMENT RATE FOR SAVINGS ASSOCIATION INSURANCE FUND MEMBERS.—The annual assessment rate for Savings Association Insurance Fund members shall be—

"(i) until December 31, 1990, 20.8 one-hundredths of 1 percent;

"(ii) from January 1, 1991, through December 31, 1993, twenty-three one-hundredths of 1 percent;

"(iii) from January 1, 1994, through December 31, 1997, eighteen one-hundredths of 1 percent;

"(iv) on and after January 1, 1998, fifteen one-hundredths of 1 percent;

"(v) on January 1 of a calendar year in which the reserve ratio of the Savings Association Insurance Fund is expected to be below the designated reserve ratio by determination of the Board of Directors, such rate determined by the Board of Directors to be appropriate to restore the reserve ratio to the designated reserve ratio within a reasonable period of time, after taking into consideration the expected operating expenses, case resolution expenditures, and investment income of the Savings Association Insurance Fund, and the impact on insured savings association earnings and capitalization, except that—

"(I) from the date of enactment of this provision and through 1994, the rate shall be as specified in (i), (ii), and (iii) above;

"(II) from January 1, 1995 and until the calendar year in which the Savings Association Insurance Fund first attains a ratio of 1.20 percent of insured accounts, the rate shall be as specified in (iii) and (iv) above, unless the Savings Association Insurance Fund has experienced a net loss during any one of the prior 3 years, or in the opinion of the Board of Directors, extraordinary circumstances exist that raise a reasonable risk of serious future losses to the Savings Association Insurance Fund;

"(III) the rate shall not exceed thirty one-hundredths of one percent; and

"(IV) the increase in the rate shall not exceed five one-hundredths of one percent; and

"(vi) at all times not less than $1,000 per annum.

On page 44, line 11, strike "(F)" and insert "(E)".

Beginning with page 46, line 18, strike through page 50, line 20, and insert the following:

"(d) ASSESSMENT CREDITS.—

"(1) IN GENERAL.—

"(A) On June 30 of each calendar year, the Corporation shall prescribe and publish the aggregate amount to be credited to insured financial institutions in the succeeding calendar year; and

"(B) Each insured financial institution shall be invoiced by the Corporation in such succeeding calendar year for the net premium which shall be equal to the assessment less such prescribed assessment credit.

"(C) The Corporation shall deduct any outstanding obligations owed to the corporation by an individual insured financial institution from any assessment credit to be credited to such financial institution.

"(2) ASSESSMENT CREDIT FOR INSURED BANKS.—

"(A) CREDIT BARRED.—The Board of Directors shall not prescribe an assessment credit to Bank Insurance Fund members, when the Board of Directors determines that the Bank Insurance Fund reserve ratio is expected to be equal to or less than the designated reserve ratio after taking into consideration the Fund's expected operating expenses, case resolution expenditures, investment income, and assessment income.

"(B) CREDIT AUTHORIZED.—When the Board of Directors determines after taking into consideration the Fund's expected operating expenses, case resolution expenditures, investment income, and assessment income, that the Bank Insurance Fund reserve ratio is expected to exceed the designated reserve ratio in the succeeding year, the Board of Directors shall prescribe an assessment credit to Bank Insurance Fund members in such succeeding calendar year equal to the smaller of the following amounts—

"(i) the amount necessary to reduce the Bank Insurance Fund reserve ratio to the designated reserve ratio; or

"(ii) 100 percent of the net assessment income to be received from Bank Insurance Fund members in such succeeding year.

"(3) ASSESSMENT CREDIT FOR INSURED SAVINGS ASSOCIATIONS.—

"(A) CREDIT BARRED.—The Board of Directors shall not prescribe an assessment credit to Savings Association Insurance Fund members, when the Board of Directors determines that the Savings Association Insurance Fund reserve ratio is expected to be equal to or less than the designated reserve ratio after taking into consideration the fund's expected operating expenses, case resolution expenditures, investment income, and assessment income.

"(B) CREDIT AUTHORIZED.—When the Board of Directors determines after taking into consideration the fund's expected operating expenses, case resolution expenditures, investment income, and assessment income, that the Savings Association Insurance Fund reserve ratio is expected to exceed the designated reserve ratio in the succeeding year, the Board of Directors shall prescribe an assessment credit to Savings Association Insurance Fund members in such succeeding calendar year equal to the smaller of the following amounts—

"(i) the amount necessary to reduce the Savings Association Insurance Fund reserve ratio to the designated reserve ratio; or

"(ii) 100 percent of the net assessment income to be received from Savings Association Insurance Fund members in such succeeding year.

"(4) NET ASSESSMENT INCOME DEFINED.—The term 'net assessment income' as used herein means—

"(A) for the Bank Insurance Fund, the total assessments which become due during the calendar year less operating costs and expenses described in clause (i), further reduced by the amount by which the Bank Insurance Fund's insurance costs described in clause (ii), exceed its investment income for the calendar year, as follows:

"(i) for the purposes of this subparagraph, the operating costs and expenses to be deducted from assessments include the operating costs and expenses of—

"(I) the Corporation for the calendar year directly attributable to the Bank Insurance Fund; and

"(II) the Bank Insurance Fund; and

"(ii) for the purposes of this subparagraph, the insurance costs shall include—

"(I) additions to the Bank Insurance Fund's reserve to provide for insurance losses during the calendar year, except that any adjustments to reserve which result in a reduction of such reserve shall be added; and

"(II) the insurance losses sustained in said calendar year; and

"(B) for the Savings Association Insurance Fund, the total assessments which become due during the calendar year less operating costs and expenses described in clause (i), further reduced by the amount by which the Savings Association Insurance Fund's insurance costs described in clause (ii), exceed its investment income for the calendar year, as follows:

"(i) for the purposes of this subparagraph, the operating costs and expenses to be deducted from assessments include the operating costs and expenses of—

"(I) the Corporation for the calendar year directly attributable to the Savings Association Insurance Fund; and

"(II) the Savings Association Insurance Fund; and

"(ii) for the purposes of this subparagraph, the insurance costs shall include—

"(I) additions to the Savings Association Insurance Fund's reserve to provide for insurance losses during the calendar year, except that any adjustments to reserve which result in a reduction of such reserve shall be added; and

"(II) the insurance losses sustained in said calendar year.

"(5) INVESTMENT INCOME DEFINED.—The term 'investment income' as used herein means—

"(A) for the Bank Insurance Fund, interest, dividends, and net market gains earned on investments of the Bank Insurance Fund; and

"(B) for the Savings Association Insurance Fund, interest, dividends, and net market gains earned on investments of the Savings Insurance Fund.";

On page 61, line 4, strike the quotation marks and the second period.

On page 61, between lines 4 and 5, insert the following:

"(C) A personnel, administrative, or other overhead expense of the Corporation shall be allocated—

"(i) fully to the Bank Insurance Fund, if the expense was incurred directly as a result of the corporation's responsibilities solely with respect to insured banks;

"(ii) fully to the Savings Association Insurance Fund, if—

"(I) the expense was incurred directly as a result of the Corporation's responsibilities solely with respect to insured savings associations; or

"(II) the expense is associated with a bridge bank established to assume liabilities and receive assets of an institution under the jurisdiction of the Resolution Trust Corporation or insured by the Savings Association Insurance Fund;

"(iii) between the Bank Insurance Fund and the Savings Association Insurance Fund, in amounts reflecting the relative degree to which the expense was incurred as a result of the activities of insured banks and insured savings associations; or

"(iv) between the Bank Insurance Fund and the Savings Association Insurance Fund, in amounts reflecting the relative total assets as of the end of the preceding calendar year of insured banks and insured savings associations, if the Board of Directors is unable to make a determination under (i), (ii), or (iii) above.".

On page 67, line 13, insert ", and, in the case of contracts and agreements referred to in subparagraph (F) of this paragraph, shall be measured as of the date of disaffirmance or repudiation," after "damages".

On page 67, line 19, after the period, insert the following: "With respect to contracts and agreements under subparagraph (F) of this paragraph, lost profits and opportunity shall not be deemed to include normal costs of cover or other reasonable measures of damages utilized in the industries for such contracts and agreements.".

Beginning with page 70, line 12, strike through the period on page 71, line 2, and insert the following:

"(F) CERTAIN MARKET-SENSITIVE CONTRACTS.—

"(i) Subject to subparagraph (L) of this paragraph, but notwithstanding any other provision of this Act (other than subsections (i)(4)(I) and (l)(4) of this section and section 13(e) of this Act) or any other provision of Federal or State law, no person shall be stayed or prohibited from exercising any rights such person has to cause the termination or liquidation of a securities contract, commodity contract, forward contract, repurchase agreement, or swap agreement with a financial institution in receivership or liquidating conservatorship based upon the appointment of the Corporation as receiver or conservator for the purpose of liquidation, or any rights under any security arrangement relating to the foregoing, or any rights to set off or net out any termination values, payment amounts or other transfer obligations arising under or in connection with one or more such contracts and agreements, including any master agreement for such contracts or agreements. If any party to such a contract or agreement shall bring any judicial action or proceeding against the receiver or the financial institution in default, the provisions of subsection (c)(7) of this section shall be applicable.

"(ii) Notwithstanding subparagraph (G) of this paragraph, the Corporation, in its corporate, receivership and conservatorship capacities, shall have no authority to avoid any transfer of money or other property made in connection with a contract or agreement referred to in the foregoing clause (i) except upon a showing of actual intent by such party to hinder, delay, or defraud such financial institution's creditors.

"(iii) For purposes of clauses (i) and (ii), the following terms shall have the following meanings:

"(I) 'Securities contract' has the meaning ascribed to such term in section 741(7) of title 11, United States Code, for purposes of section 555 of title 11, United States Code. For purposes of this subparagraph, the term 'security' as used in such section 741(7) shall have the meaning given to such term in section 101(43) of title 11, United States Code, and shall include 'mortgage-related securities' (as such term is defined in section 3(a)(41) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(41)), mortgage loans, and interests therein. A participation in a commercial mortgage loan does not itself constitute a 'securities contract', unless the Corporation determines by regulation, rule, resolution or order to include a participation in a commercial mortgage loan itself within such term.

"(II) 'Commodity contract' and 'forward contract' have the meanings ascribed to such terms for purposes of section 556 of title 11, United States Code.

"(III) 'Repurchase agreement' has the meaning given to such term in section 101(41) of title 11, United States Code, for purposes of section 559 of title 11, United States Code, except that for the purpose of this subparagraph the phrase ' "mortgage-related securities" (as such term is defined in section 3(a)(41) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(41)), mortgage loans, and interests therein' shall be deemed to be inserted after the word 'States' the second time the word 'States' appears in such definition, inserted before the word 'with' in such definition, and inserted before the word 'as' the second time the word 'as' appears in such definition. A participation in a commercial mortgage loan does not itself constitute a 'repurchase agreement', unless the Corporation determines by regulation, rule, resolution, or order to include a participation in a commercial mortgage loan itself within such term.

"(IV) 'Swap agreement' means an agreement, including terms and conditions incorporated by reference therein, which is a rate swap agreement, basis swap, forward rate agreement, interest rate future, interest rate option purchased, forward foreign exchange agreement, rate cap agreement, rate floor agreement, rate collar agreement, currency swap agreement, cross-currency rate swap agreement, currency future, currency option purchased or any other similar agreement or combination thereof (including any option to enter into any of the foregoing), and a master agreement for any of the foregoing together with all supplements shall be considered one swap agreement.

"(V) 'Transfer' has the meaning given to such term in section 101(5) of title 11, United States Code.

On page 72, between lines 12 and 13, insert the following:

"(K) TRANSFERS.—In effecting any transfer of assets or liabilities of a financial institution in default, the Corporation as receiver or conservator shall either—

"(i) transfer to a single financial institution (other than a financial institution in default) all Financial Contracts (as defined in subparagraph (L)) of a party and its affiliates with such financial institution in default, all claims of a party and its affiliates under Financial Contracts against such financial institution in default (other than claims subordinated by any such Financial Contracts to the claims of general unsecured creditors), all claims of such financial institution in default against such party and its affiliates under all Financial Contracts, and all property securing claims under all such Financial Contracts; or

"(ii) transfer no Financial Contracts of a party and its affiliates with a financial institution in default, no claims of a party and its affiliates under Financial Contracts against such financial institution in default, no claims of such financial institution in default against such party and its affiliates under Financial Contracts, and no property securing claims under such Financial Contracts.

"(L) NOTICE.—If a party to a contract or agreement specified in subparagraph (F) of this paragraph is notified by the Corporation as receiver or conservator by the close of business on the Business Day following its first appointment as such that it has transferred to a single financial institution (other than a financial institution in default) all Financial Contracts of a party and its affiliates with the financial institution for which it has been appointed as receiver or conservator, all claims of a party and its affiliates under Financial Contracts against such financial institution in default (other than claims subordinated by any such Financial Contracts to the claims of general unsecured creditors), all claims of such financial institution in default against such party and its affiliates under all Financial Contracts, and all property securing claims under all such Financial Contracts, then the provisions of subparagraph (F)(i) shall not apply. For purposes of this subparagraph (L), the Corporation as receiver or conservator shall be deemed to have notified a party if it has taken steps reasonably calculated to provide notice to such party. The Corporation as receiver or conservator shall use its best efforts to notify a party whether it has effected a transfer of assets and liabilities of a financial institution in default in accordance with subparagraph (K)(i) prior to 12:00 a.m. local time on the Business Day following its first appointment. As used in this subparagraph (L), 'Business Day' means a day other than a Saturday, Sunday, or day on which either the New York Stock Exchange or the Federal Reserve Bank of New York is closed. As used in this subparagraph (L), in subparagraph (K), and in subparagraph (N), 'Financial Contract' means a contract or agreement referred to in subparagraph (F) of this subsection and any other similar contract or agreement (including contracts or agreements relating to hedging, risk management, funding or capital markets transactions).

"(M) PREEXISTING PROTECTIONS FOR SAVINGS ASSOCIATIONS.—

"(i) The following resolutions of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation shall be binding, with respect to savings associations, on the Corporation in its corporate, receivership, and conservatorship capacities, to the same extent they were binding on the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation, in its corporate, receivership, and conservatorship capacities and may only be rescinded or otherwise amended in accordance with the terms thereof:

"(I) Resolutions relating to the treatment of 'Repos', 'Financial Contracts' and 'special accounts' (including security arrangements in connection with special accounts) of American Savings and Loan Association, Stockton, California, American Savings, a Federal Savings and Loan Association, Stockton, California, New West Federal Savings and Loan Association, Stockton, California, Western Federal Savings and Loan Association, Phoenix, Arizona, and Gibraltar Savings, Beverly Hills, California; and

"(II) Resolution, dated August 31, 1988, regarding the treatment of certain subsidiaries of savings associations;

"(ii) The following letters of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation, general counsels thereto and representatives thereof, shall be and remain binding, with respect to savings associations, on the Corporation in its corporate, receivership and conservatorship capacities, to the same extent they were binding on the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation, in its corporate, receivership and conservatorship capacities, in respect of any party that, on or prior to the date of enactment of the FIRRE Act, relied in good faith on one or more of such letters in entering into any transaction described therein or in incurring or purchasing any obligation or otherwise extending any credit in connection with any such transaction:

"(I) Letters relating to the treatment of security arrangements in connection with 'special accounts' of American Savings and Loan Association, Stockton, California, American Savings, a Federal Savings and Loan Association, Stockton, California, New West Federal Savings and Loan Association, Stockton, California, Western Federal Savings and Loan Association, Phoenix, Arizona, and Gibraltar Savings, Beverly Hills, California;

"(II) Letters of March 23, 1984, January 18, and May 29, 1985, from Norman H. Raiden, Esq., General Counsel to the Federal Home Loan Bank Board, regarding the substantive consolidation of subsidiaries of savings associations;

"(III) Letters of February 22 and March 1, 1988, from Jordan Luke, Esq., General Counsel to the Federal Home Loan Bank Board, regarding the characterization of certain asset sales; and

"(IV) Letter of November 19, 1987, from Stuart D. Root, Esq., Executive Director of the Federal Savings and Loan Insurance Corporation and Jordan Luke, Esq., General Counsel to the Federal Home Loan Bank Board, clarifying a letter of October 13, 1987 from the Securities Industry Association to Messrs. Root and Luke, in each case regarding documentation supporting payment of insured deposits of savings associations.

No such letter shall be binding on the Corporation in respect of any such transaction entered into, or in respect of, any obligations incurred or purchased or credit extended in connection therewith, after the date of enactment of the FIRRE Act.

"(N) CERTAIN PROTECTIONS IN EVENT OF APPOINTMENT OF CONSERVATOR NOT FOR THE PURPOSE OF LIQUIDATION.—Notwithstanding any other provision of this Act (other than subsections (c)(9), (i)(4)(I), and (l)(4) of this section and section 13(e) of this Act) or any other provision of Federal or State law, no person shall be stayed or prohibited from exercising any rights such person has to cause the termination, liquidation or acceleration of Financial Contracts with a financial institution in a nonliquidating conservatorship based upon a default under such Financial Contracts enforceable under applicable noninsolvency law, or any rights under any security arrangement relating to such Financial Contracts, or any rights to setoff or net out any termination values, payment amounts or other transfer obligations arising under or in connection with such Financial Contracts. If any party to a Financial Contract shall bring any judicial action or proceeding against the financial institution in default, the provisions of section 11(c)(7) of this Act shall apply.".

On page 66, line 21, strike "may become" and insert "becomes".

On page 72, line 17, insert "solely" before "by".

On page 499, lines 12 thorough 14, strike "shall be assigned an offense level under chapter 2 of the sentencing guidelines that is not less than level 24" and insert "shall be sentenced to a substantial period of incarceration in addition to the period generally imposable for the underlying offense".

On page 474, line 12, strike "20" and insert "15".

On page 477, line 13, strike "20" and insert "15".

On page 480, line 6, strike "twenty" and insert "15".

On page 483, line 15, strike "20" and insert "15".

On page 486, line 9, strike "20" and insert "15".

On page 489, line 25, strike "20" and insert "15".

On page 493, line 2, strike "20" and insert "15".

On page 495, line 19, strike "20" and insert "15".

On page 477, lines 11 and 12, strike "or twice the amount authorized by section 3571(d) of this title, whichever is greater,".

On page 480, lines 4 and 5, strike "or twice the amount authorized by section 3571(d) of this title, whichever is greater,".

On page 483, lines 13 and 14, strike "or twice the amount authorized by section 3571(d) of this title, whichever is greater,".

On page 486, lines 7 and 8, strike "or twice the amount authorized by section 3571(d) of this title, whichever is greater,".

On page 489, lines 23 and 24, strike "or twice the amount authorized by section 3571(d) of this title, whichever is greater,".

On page 492, line 24 and page 493, line 1, strike "or twice the amount authorized by section 3571(d) of this title, whichever is greater,".

On page 495, lines 17 and 18, strike "or twice the amount authorized by section 3571(d) of this title, whichever is greater".

On page 498, line 10, before "Chapter" insert "(A)".

At the bottom of page 498, add the following:

(B) Effective on the first day of January of the year beginning 5 years after the date of enactment of this Act, section 3293 of title 18, United States Code, shall be amended by striking "10 years" and inserting "7 years".

On page 502, line 1, strike "not more than $5,000" and insert "under this title".

On page 142, strike lines 5 through 9, and insert the following:

(1) by striking "(a)" and the first two sentences of subsection (a) and inserting the following:

"(a) INSURANCE LOGO.—

"(1) INSURED SAVINGS ASSOCIATIONS.—Each insured savings association shall display at each place of business maintained by such association a sign containing only the following items:

"(A) a statement that insured deposits are 'backed by the full faith and credit of the United States Government';

"(B) a statement that each account is 'federally insured to $100,000'; and

"(C) the symbol of the American eagle.

The sign shall not contain any reference to a Government agency and shall accord each item substantially equal prominence.

"(2) INSURED BANKS.—Each insured bank shall display at each place of business maintained by such bank a sign that conforms to one or the other of the following:

"(A) the sign required to be displayed by insured banks under regulations prescribed by the Corporation in effect on January 1, 1989, or

"(B) the sign prescribed under paragraph (1).

"(3) REGULATIONS.—The Corporation shall have the authority to prescribe regulations to carry out the purposes of this subsection, including regulations governing the manner of display or use of such signs, except that the size of the sign prescribed under paragraph (1) shall be the same as that prescribed under paragraph (2)(A).";

Insert at the end of Title XIV the following new section:

SEC. . PASSIVE INVESTMENTS BY COMPANIES CONTROLLING GRANDFATHERED NONBANK BANKS.

(a) IN GENERAL.—Section 4(f)(2)(A)(ii) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)(2)(A)(ii)) is amended to read as follows:

(ii) acquires control of more than 5 percent of the shares or assets of an additional bank or a savings association other than—

(I) shares held as a bona fide fiduciary (whether with or without the sole discretion to vote such shares.);

(II) shares held by an independent party as a bona fide fiduciary solely for the benefit of employees of either the company described in paragraph (1) or any subsidiary of that company and the beneficiaries of those employees.

(III) shares held temporarily pursuant to an underwriting commitment in the normal course of an underwriting business;

(IV) shares held in an account solely for trading purposes or shares over which no control is held other than control of voting rights acquired in the normal course of a proxy solicitation;

(V) loans or other accounts receivable acquired in the normal course of business;

(VI) shares or assets acquired in securing or collecting a debt previously contracted in good faith, for two years after the date of acquisition or for such additional item (not exceeding 3 years) as the Board may permit if, in the Board's judgment, such an extension would not be detrimental to the public interest;

(VII) shares of assets of a savings association described in paragraph (10) of this subsection; and

(VIII) shares held by insurance companies as defined in section 2(a)(17) of the Investment Company Act of 1940, so long as all shares held under this subclause do not in the aggregate exceed 1 percent of any class of such shares; or".

(b) TECHNICAL AMENDMENT.—Section 4(f)(10) of the Bank Holding Company of 1956 (12 U.S.C. 1843(f)(10)) is amended by striking "408(m) of the National Housing Act" and inserting in lieu thereof "section 13(k)(1)(A)(i) of the Federal Deposit Insurance Act".

On page 383, strike the portion of line 7 following the period and lines 8-12, and insert the following:

"This subparagraph shall not apply to shares of a savings association or of a savings association holding company—

(I) held as a bona fide fiduciary (whether with or without the sole discretion to vote such shares);

(II) held temporarily pursuant to an underwriting commitment in the normal course of an underwriting business;

(III) held in an account solely for trading purposes or over which no control is held other than control of voting rights acquired in the normal course of a proxy solicitation;

(IV) acquired in securing or collecting a debt previously contracted in good faith, for two years after the date of acquisition or for such additional time (not exceeding 3 years) as the Chairman may permit if, in the Chairman's judgment, such an extension would not be detrimental to the public interest;

(V) acquired under section 13(k)(1)(A)(i) of the Federal Deposit Insurance Act; or

(VI) shares held by insurance companies as defined in section 2(a)(17) of the Investment Company Act of 1940, so long as all shares held under this subclause do not in the aggregate exceed 1 percent of any class of such shares".

On page 236, line 6, insert before the period "; and in no event shall be less than 3 percent of total assets."

On page 236, line 15, after "-", insert "A".

On page 236, line 18, strike "(A)", and insert "(i)".

On page 236, line 21, strike "(i)", and insert "(I)".

On page 236, line 22, strike "(ii)", and insert "(II)".

On page 236, line 24, strike "(B)", and insert "(ii)".

On page 237, line 5, strike "(i)", and insert "(I)".

On page 237, line 6, strike "(ii)", and insert "(II)".

On page 237, between lines 8 and 9, insert the following:

"(B) notwithstanding subparagraph (A), a savings association shall maintain tangible capital (excluding goodwill) equal to 1.5 percent of the association's total assets.".

Beginning on page 328, line 8, strike all through page 329, line 2.

On page 329, line 3, strike "(D)" and insert "(C)".

On page 330, line 1, strike "(E)" and insert "(D)".

On page 331, between lines 12 and 13, insert the following new paragraph:

"(3) REVIEW OF 1988 RESOLUTION CASES.—The Corporation shall—

"(A) review and analyze (with the assistance of the Federal Deposit Insurance Corporation) all insolvent institution cases resolved by the Federal Savings and Loan Insurance Corporation between January 1, 1988, and the date of enactment of the FIRRE Act, and actively review all means by which it can reduce costs under existing Federal Savings and Loan Insurance Corporation agreements relating to such cases, including restructuring such agreements;

"(B) evaluate the costs under existing Federal Savings and Loan Insurance Corporation agreements with regard to the following:

"(i) capital loss coverage,

"(ii) yield maintenance guarantees,

"(iii) forbearances,

"(iv) tax consequences, and

"(v) any other relevant cost consideration;

"(C) review the bidding procedures used in resolving these cases in order to determine whether the bidding and negotiating processes were sufficiently competitive;

"(D) report to the Oversight Board the results and conclusions of its review. The Corporation, with the concurrence of the Oversight Board, shall exercise any and all existing legal rights to modify, renegotiate, or restructure such agreements where savings would be realized by such actions. The costs or income of any modifications shall be a liability or an asset of the Corporation or the Federal Savings and Loan Insurance Corporation Resolution Fund as determined by the Corporation.

"(4) nothing in this section shall be construed as granting or denying the Corporation any legal rights to modify, renegotiate, or restructure agreements between the Federal Savings and Loan Insurance Corporation and any other party, which did not exist prior to the enactment of the FIRRE Act."

EDUCATION AND TRAINING FOR COMPETITIVE AMERICA ACT AMENDMENTS

PELL (AND OTHERS) AMENDMENT NO. 63

Mr. MITCHELL (for himself, Mr. PELL, Mrs. KASSEBAUM, Mr. KENNEDY, Mr. HATCH, Ms. MIKULSKI, Mr. THURMOND, Mr. BAUCUS, Mr. COCHRAN, Mr. ADAMS, Mr. LAUTENBERG, Mr. BRADLEY, Mr. PRESSLER, Mr. COATS, Mr. JEFFORDS, and Mr. BENTSEN) proposed an amendment to the bill (H.R. 678) to make a correction in the Education and Training for a Competitive America Act of 1988, as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. AMENDMENT TO THE EDUCATION AND TRAINING FOR A COMPETITIVE AMERICA ACT OF 1988.

Section 6142(b) of the Education and Training for a Competitive America Act of 1988 is amended by striking "fiscal year 1988" and inserting "fiscal year 1989 and such sums as may be necessary for fiscal years 1990, 1991, and 1992".

SEC. 2. IMPACT AID.

(a) FEDERAL ACQUISITION OF REAL PROPERTY.—Section 2 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) (hereafter in this section referred to as the "Act") is amended by adding at the end thereof the following new subsection (d):

"(d) Any payment made to a local educational agency for any fiscal year prior to 1987 that is attributable to an incorrect determination under subsection (a)(1)(C) shall be deemed to have been made in accordance with such subsection.".

(b) AMOUNT OF PAYMENTS.—(1) Section 3(d)(2) of the Act is amended by inserting before subparagraph (B) a new subparagraph (A) to read as follows:

"(A) For any fiscal year after September 30, 1988, the total amount of payments under subparagraph (B) may not exceed $20,000,000.".

(2) Section 3(d)(2)(B) of the Act is amended—

(A) in the third sentence by striking "80" and inserting "95"; and

(B) by striking the seventh sentence.

(c) PAYMENT PRORATION AUTHORITY.—Section 5(c)(4) of the Act is amended by striking "under clause (ii) or (iii) of paragraph (2)(B), or clause (ii) or (iii) of paragraph (3)(B), respectively, the full amount which local educational agencies are entitled to receive under such clauses" and inserting in lieu thereof "under paragraph (2)(B) or paragraph (3)(B), respectively, the full amounts that local educational agencies are entitled to receive under such paragraphs".

(d) PAYMENTS TO LOCAL EDUCATIONAL AGENCIES.—Section 5(e)(1)(A) is amended to read as follows:

"(A) For any fiscal year after September 30, 1988, the Secretary shall allocate, to any local educational agency eligible for a payment under section (3)(a), not less than the product of—

"(i) the number of children in average daily attendance for the fiscal year for which the determination is made under section 3(a); and

"(ii)(I) if such agency received a payment under section 3(a) in fiscal year 1987, the per pupil amount paid to that agency in fiscal year 1987; or

"(II) if such agency did not receive such a payment in fiscal year 1987, the per pupil amount such agency would have been paid in fiscal year 1987 if such agency had been eligible for payments under section 3(a) and the average daily attendance for such agency for fiscal year 1987 had been equal to the average daily attendance for such agency for the first fiscal year succeeding fiscal year 1988 for which a determination is made under section 3(a).".

(e) DISCRETIONARY ALLOCATIONS.—Paragraph (3) of section 5(e) of the Act is amended by inserting the words "subparagraph (B) of" after "under".

(f) APPLICATION DEADLINE.—The Secretary shall consider as timely filed, and shall process for payment, an application from a local educational agency that is eligible for fiscal year 1989 funds under section 2 or 3 of the Act, if such application has been certified by the State educational agency, was received by the Secretary by March 15, 1989, and is otherwise approvable.".

SEC. 3. AMENDMENTS TO THE ADULT EDUCATION ACT.

(a) IN GENERAL.—Section 312(7) of the Adult Education Act is amended by striking "and except for the purposes of section 313,".

(b) EFFECTIVE DATE.—The provisions of this section shall take effect on the date of enactment of this Act.

Public Health Service Act Amendments

KENNEDY (AND OTHERS) AMENDMENT NO. 64

Mr. MITCHELL (for himself, Mr. KENNEDY, Mr. HOLLINGS, Mr. BUMPERS, Mr. NUNN, Mr. SANFORD, Mrs. KASSEBAUM, Mr. DECONCINI, Mr. FOWLER, Mr. PACKWOOD, Mr. HELMS, Mr. HARKIN, Mr. BIDEN, Mr. HATFIELD, and Mr. DOLE) proposed an amendment to the bill (H.R. 1426) to amend the Public Health Service Act to make technical corrections relating to subtitles A and G of title II of the Anti-Drug Abuse Act of 1988, and for other purposes, as follows:

On page 6, strike out lines 14 through 16.

On page 6, line 17, strike out "(D)" and insert in lieu thereof "(C)".

On page 7, strike out lines 3 through 5, and insert in lieu thereof the following new subparagraph:

(D) in subsection (f), to read as follows:

"(f) For purposes of subsection (e), the applicable amount for each fiscal year is $330,000,000.".

On page 8, between lines 10 and 11, insert the following new paragraphs:

(6) MODIFICATION OF GENERAL FORMULA.—Section 1912A(a)(4)(B) of the Public Health Service Act (42 U.S.C. 300x-1(a)(4)(B)) (as amended in paragraphs (1) through (5)) is amended—

(A) in clause (i)—

(i) by striking out "0.4" in subclause (I), and inserting in lieu thereof "0.2"; and

(ii) by striking out "indicated by the most recent data collected by the Bureau of the Census" in subclause (II), and inserting in lieu thereof "determined by multiplying the percentage of the State's population that resides in urbanized areas of the State (as indicated by the most recent dicennial census compiled by the Bureau of the Census) by the most recent estimate of the total population of the State";

(P) in clause (ii)(I), by striking out "0.2" and inserting in lieu thereof "0.266";

(C) in clause (iii)(I), by striking out "0.2" and inserting in lieu thereof "0.266"; and

(D) in clause (i)(I), by striking out "0.2" and inserting in lieu thereof "0.267".

(7) MODIFICATION OF SMALL STATE MINIMUM.—Section 1912A(b) of the Public Health Service Act (42 U.S.C. 300x-1a(b)(1) (as amended in paragraphs (1) through (5)) is amended to read as follows—

"(b)(1) In fiscal year 1988, each State shall receive a minimum allotment under this subpart of the lesser of—

"(A) $8,000,000; and

"(B) an amount equal to 105 percent of the sum of—

"(i) the amount the State received under section 1913 for fiscal year 1988 (as such section was in effect for such fiscal year); and

"(ii) the amount the State received part C for fiscal year 1988.

"(2) In subsequent fiscal years, each State shall receive a minimum allotment under this subpart that is equal to the amount that such State received in fiscal year 1989 under paragraph (1) (or the minimum amount that such State was entitled to under such paragraph) plus an amount equal to such minimum multiplied by the percentage increase in the amount appropriated under section 1911(a) in such subsequent fiscal year above the amount appropriated for the immediately preceding fiscal year.".

On page 18, between lines 16 and 17, insert the following new paragraph:

"(4) EXTENSION OF DEVELOPMENT GRANTS PROGRAM.—Section 1924(c) of the Public Health Service Act (42 U.S.C. 300x-10(c)) is amended by striking out "and 1989" and inserting in lieu thereof "through 1991".

On page 19, between lines 4 and 5, insert the following new subsection:

"(q) SERIOUSLY MENTALLY ILL.—

"(1) MENTAL HEALTH SERVICES PLANNING COUNCIL.—Section 1916(e)(3)(iii) of the Public Health Service Act (42 U.S.C. 300x-4(e)(3)(iii)) is amended by striking out "chronically" and inserting in lieu thereof "seriously".

"(2) COMMUNITY-BASED MENTAL HEALTH TREATMENT.—Section 1923(c)(1) of such Act (42 U.S.C. 300x-9b(c)(1)) is amended by striking out "chronically" and inserting in lieu thereof "seriously" each place that such occurs.".

On page 23, between lines 6 and 7, insert the following new subsection:

"(g) SERIOUSLY MENTALLY ILL.—Section 520A of the Public Health Service Act (42 U.S.C. 290cc-13) is amended by striking out "chronically" and inserting in lieu thereof "seriously" each place that such occurs.".

At the appropriate place, insert the following new section:

SEC. . MENTAL HEALTH DEMONSTRATION PROJECTS.

Section 520A(e)(1)) of the Public Health Service Act (42 U.S.C. 290cc-13(e)(1) is amended by striking out "1990" and inserting in lieu thereof "1991".

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

(RESCHEDULING OF HEARINGS ON URANIUM REVITALIZATION AND RECLAMATION)

Mr. FORD. Mr. President, I would like to announce for the Senate and the public that the hearing originally scheduled before the Subcommittee on Energy Research and Development on May 2, 1989, concerning S. 83 and proposed amendment No. 10 has been rescheduled.

The hearing will take place on May 11, 1989 at 2 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to hear testimony on S. 83, a bill to establish the amount of costs of the Department of Energy's Uranium Enrichment Program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers, and proposed Senate amendment No. 10, to provide for uranium revitalization and tailings reclamation.

Those wishing to submit written testimony for the printed hearing record should send it to the Committee on Energy and Natural Resources, Subcommittee on Energy Research and Development, U.S. Senate, Washington, DC 20510. Written comments must be received by May 17, 1989.

For further information, please contact Cheryl Moss or Ben Cooper at (202) 224-7569.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the public that a hearing has been scheduled before the committee on Energy and Natural Resources.

The hearing will take place on May 8, 1989, beginning at 10 a.m. in room 366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on S. 783, S. 625, and H.R. 1722. All three bills amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas and make certain technical and conforming amendments to the act.

Those wishing to submit written testimony should address it to the Committee on Energy and Natural Resources, room 364, Dirksen Senate Office Building, Washington, DC 20510.

For further information, please contact Don Santa of the committee staff at (202) 224-4820.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, April 19, 1989, at 10 a.m. to conduct an executive session on pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENVIRONMENTAL PROTECTION

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Protection, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Wednesday, April 19, beginning at 9 a.m., to conduct a hearing on the recent oil spill in Prince William Sound and the adequacy of efforts to prevent air and water pollution at the trans-Alaska pipeline's Valdez terminal.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SURFACE TRANSPORTATION

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Subcommittee on Surface Transportation, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on April 19, 1989, at 9:30 a.m. to continue hearings on motor carrier safety.

The PRESIDING OFFICER. Without objection, it is so ordered.

CAUCUS ON INTERNATIONAL NARCOTICS CONTROLS

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Caucus on International Narcotics Control be authorized to meet during the session of the Senate on April 19, 1989, at 10:30 a.m., to hold a hearing on U.S. International Drug Policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PATENTS, TRADEMARKS, AND COPYRIGHT

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Wednesday, April 19, 1989, at 2 p.m.,

to hold a hearing on computer software rental.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Wednesday, April 19, 1989, at 10 a.m., to hold a hearing on the 1990 farm bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Wednesday, April 19, 1989, at 3:30 p.m., in open session to consider the nomination of Paul D. Wolfowitz to be Under Secretary of Defense for Policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Wednesday, April 19, 1989, at 9 a.m., in open session with the possibility of an executive session following, to receive testimony on the military strategy and operational requirements of the maritime oriented unified commands and U.S. forces, Korea.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Wednesday, April 19, 1989, at 10 a.m., to hold a hearing to review and evaluate the numerous child care proposals under the committee's jurisdiction.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, April 19, 1989, at 2 p.m., to receive testimony on S. 83, a bill to establish the amount of costs of the Department of Energy's Uranium Enrichment Program that have not been previously been recovered from enrichment customers in the charges of the Department of Energy to its customers, and proposed Senate Amendment No. 6, to establish a wholly owned Government corporation to manage the Nation's uranium enrichment enterprise, operating as a continuing commercial enterprise on a profitable and efficient basis.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, April 19 at 1 p.m., to continue a series of hearings on United States-Soviet relations entitled Soviet Foreign Policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, April 19 at 10 a.m., to hold hearings on Unesco.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SAVE THE PEOPLE POWER REVOLUTION

● Mr. COATS. Mr. President, I would like to call attention to an article by my esteemed colleague, the senior Senator from Indiana, RICHARD LUGAR, which appeared in the April 18 edition of the Washington Post. Given the knowledge and expertise in matters of foreign affairs demonstrated by my fellow Senator from Indiana, I would like to point out the article to my colleagues in the Senate.

I ask that the article be printed in the RECORD.

The article follows:

[From the Washington Post, Apr. 18, 1989]

SAVE THE PEOPLE POWER REVOLUTION

(By Richard G. Lugar)

President Corazon Aquino recently celebrated the third anniversary of the People Power Revolution, which restored democracy to the Philippines.

Leaders in South Korea, Pakistan, Chile and elsewhere cite this successful nonviolent challenge to Ferdinand Marcos as the catalyst for their own democratic progress.

But the fate of Mrs. Aquino's efforts to advance democracy now depends on her ability to bring economic benefits to the Filipino people. Seventy percent of them live in severe poverty. The nation owes $29 billion and debt service of $3.1 billion runs more than double foreign aid. The government is fighting a protracted insurgency fed by the chronic poverty.

In January, I met with Mrs. Aquino and others in Manila to discuss a Multilateral Assistance Initiative, which I believe can jump-start the Philippine economy. It would include a substantial increase in aid over five years from several donors, increased private investments, an opening of markets and privatization of the economy.

For the plan to work, the Philippine government must develop a credible economic plan with clearcut priorities for creating capital, new jobs and broadly shared prosperity. The plan must include steps Mrs. Aquino has outlined for reducing funds in the international aid pipeline. Without such a comprehensive economic plan and sound management, few countries or private firms will have the confidence to invest.

Such a program could help make the Philippines the next economic "tiger," following South Korea and Taiwan.

Although it stands on its own, the MAI has security implications for the United States. Last October, we signed a two-year base-review agreement providing for short-term stability in our security ties and additional resources to the Philippines. Progress in the MAI will build on this agreement. Improved economic performance in 1989-90 will create a promising atmosphere for discussions on the future of U.S.-Philippine security relations.

The success of the plan rests with the United States and its friends, particularly the Japanese and the Europeans. Our diplomats have been successful in generating interest among them for the MAI, but the key is in the American contribution.

President Bush has asked Congress for an initial $200 million for fiscal year 1990—a move which would supply the requisite American leadership. While in Manila, I cautioned my hosts that the MAI was not a "done deal," that it should not be viewed as an entitlement based on our long-standing ties and that securing the funds would be an uphill battle as pressures grow to reduce federal spending. Nonetheless, the decision on the $200 million increment will breathe life into the MAI and convince other contributing nations that we are serious.

The Philippines is now at a point where steady improvement in the economy will provide more room for democratic institutions. Slow growth or decline will weaken confidence in the political system. If Philippine democracy fails, it will be an awesome setback for American foreign policy, for our security interests in the Pacific and for the forces of democracy around the world.●

HEALTH EFFECTS OF ACID RAIN

● Mr. LIEBERMAN. Mr. President, last week I focused on the devastating effects which we all may suffer from ozone. Today, I want to focus on the potential health crisis we face resulting from the consequences of acid rain.

In recent years, the scientific community has become increasingly concerned about the dangerous health effects resulting from one of the precursors of acid rain, known as acid aerosals. These are particles of acid which result from the transformation in the atmosphere of two other pollutants, sulfur dioxide and nitrogen dioxide. Despite mounting evidence of the dangers to human health posed by these particles, they are currently unregulated by the Government.

Recently, a subcommittee of the Clean Air Science Advisory Committee, which serves as a public advisory group to the Administrator of the Environmental Protection Agency, recommended that the Agency act to protect against the health risks posed by acid aerosols. Although the full committee took a somewhat more cautionary approach, the scientific findings presented to EPA provide an extremely important warning.

The scientists examined evidence from animal toxicology and conducted

laboratory experiments involving human beings. They also examined studies of the general population over time.

One key finding by these scientists is that chronic daily exposures of animals to acid aerosols produce changes in the animals similar to the changes in humans resulting from chronic exposure to cigarette smoke. The scientists also concluded that chronic bronchitis could result from prolonged exposure to acid aerosols.

The results of the six-city study released in the last 2 years by teams of scientists from the Harvard University School of Public Health, led by Frank E. Speizer, showed that acid aerosols are linked to bronchitis in 10- to 12 year-old children. Two researchers at Harvard, J.D. Spengler and Haluk Ozkaynak, have collected death and pollution data from throughout the United States and compared them. They concluded that acid and fine particles cause approximately 5 percent of the premature deaths in the United States—approximately 1 out of every 20 deaths. A 1984 report by the Congressional Office of Technology Assessment estimated that the possible health risks posed by sulfates and other particles could amount to 50,000 premature deaths per year in the United States and Canada.

Scientists also have been placing increasing emphasis on the combined effects of acid aerosols and ozone. The human health effects when persons are exposed to both pollutants are greater than the effects from either pollutant alone. The president of the American Lung Association, Dr. Godar, recently testified before Congress about the harmful effects of this interaction, stating:

> As a physician I am very concerned about a mixture of * * * ozone and acid aerosol in the same air. I don't believe that pure pollution research includes the synergistic actions that occur in the real world when you combine two potentially harmful agents like acid aerosols and ozone together * * * A combination (of these two) makes for trouble. It is very inflammatory, very reactive.

The same fear has been expressed by one of Canada's most eminent environmental scientists, Dr. David Bates of the University of British Columbia. For the past 14 years, Dr. Bates has been conducting a study of the correlation between acid pollution and hospital admissions for respiratory diseases. He found a consistent relationship between acid particles and ozone and respiratory admissions to hospitals.

Some may argue that proof of the adverse health effects of acid aerosols has not been established conclusively. But the evidence is clearly mounting, and the skeptics miss one of the fundamental premises of the Clean Air Act—to protect human beings from adverse health effects within an adequate margin of safety, whether or not final conclusive evidence is complete.

This principle, that we should err on the side of public health, makes common sense and is sound public policy. I hope we will act in the upcoming Clean Air Act reauthorization to demonstrate our commitment to its enforcement.●

HONORING BOY SCOUT TROOP 60

● Mr. BOND. Mr. President, I rise today to honor Kansas City's oldest Boy Scout Troop on the occasion of its 75th anniversary. On April 22, 1989, Boy Scout Troop 60 will celebrate 75 years of brotherhood and service.

Founded on February 8, 1910, here in Washington, DC, the Boy Scouts of America continues as an organization dedicated to citizenship, character building and physical fitness. Chartered by Congress in 1915, its goals today remain the same as then:

> To promote, through organization, and cooperation with other agencies, the ability of boys to do things for themselves and others, to train them in Scout ways, and to teach them patriotism, courage, self reliance and kindered virtues.

Troop 60 was founded 4 years later, with the first activity being a Saturday morning hike by five young men. Meeting in the gymnasium of the Westport Avenue Presbyterian Church of Kansas City, Troop 60 soon grew and prospered. Today, 75 years later, there have been hundreds of Scouts that have hiked, camped, and learned under the Troop 60 banner.

Mr. President, it is my privilege to commend Troop 60 and honor them on the occasion of their 75th anniversary.●

ARIZONA REPUBLIC EDITORIAL: "THE LIMITS OF GLASNOST"

● Mr. DECONCINI. Mr. President, I would like to draw the attention of my Senate colleagues to an important editorial, "The Limits of Glasnost" which appeared in the Arizona Republic on April 16, 1989. This editorial, which criticizes a restrictive new law passed by the Supreme Soviet Presidium on April 8, focuses on what seems to be a major move away from Gorbachev's policy of greater openness known as glasnost.

As the chairman of the Helsinki Commission, I have long been concerned about the sincerity of Mr. Gorbachev's reforms. I believe the following editorial raises serious questions about the true nature of legal reform in the Soviet Union. I respectfully request that the Arizona Republic editorial be printed in the RECORD at this point.

The editorial follows:

[From the Arizona Republic, Apr. 16, 1989]

THE LIMITS OF "GLASNOST"

The day after Mikhail Gorbachev returned to Moscow from his successful visit to Great Britain, a decree was adopted by the Presidium of the Supreme Soviet that introduced sweeping new additions to the criminal code on "anti-state activities."

The decree, published last week in Pravda, is aimed squarely at the recent nationalistic uprisings in some of the non-Russian republics, the most recent of which took place in Soviet Georgia where a peaceful demonstration in the capital of Tbilisi was broken up by shovel-wielding police. As many as 50 Georgians may have died in the clash. Tanks and Red Army troops now patrol Tbilisi.

Mr. Gorbachev signed the decree that makes it a crime to criticize the government or the Communist Party, as these excerpts reveal:

"Public appeal for the overthrow of the Soviet political and social order, or its alteration by means which are inconsistent with the Constitution of the USSR, or are inconsistent with the implementation of Soviet laws with the aim to disrupt the political and economic system of the USSR, as well as the preparation and dissemination of materials of this nature—is punishable by the deprivation of freedom for a term of up to three (3) years or a fine of up to 2,000 rubles.

"Such activity, carried on continuously or organized by a group of persons, utilizing technical means adapted for mass publication is punishable by the deprivation of freedom for a term of up to seven (7) years or a fine of up to 5,000 rubles."

The decree does not, however, stop at such subversive activities as appealing for the "alteration" of the Soviet political order. Even criticism of the party bosses is a crime:

"A public defamation or the slander of highest organs of state power and the government of the USSR, other state organs, formed or elected by the Congress of People's Deputies of the USSR, officials appointed, elected or ratified by the Congress . . . or the Supreme Soviet of the USSR, as well as social or public organizations and their all-Union organs—is punishable by the deprivation of freedom for a term of up to three (3) years and a fine of up to 2,000 rubles."

Some Western monitors of the Helsinki accords on human rights have dismissed the April 11 decree, alleging that the Soviet Union has always had such laws. Coming as it does, however, in the midst of the nationalistic uprisings in Armenia, the Baltic republics, the Ukraine and now Georgia, the decree clearly signals Moscow's intention to crack down in those ethnic regions forcibly annexed to the Soviet Union in the past.

Unlike Mr. Gorbachev's admirers in the West, the Ukrainian Helsinki Union had no difficulty understanding his intention. The group said the decree "signifies a total reversal to anti-democratic methods" and charged that Mr. Gorbachev's warm welcome in London encouraged him to sign the measure.

"If the West would have been more critical and careful in noting violations of legality and international legal statutes, which were effectuated during the period of so-called democratization, glasnost and perestroika . . . then perhaps this decree would not have appeared," the Ukrainian statement said.

The criminal code revisions establish that glasnost clearly has its limits, and that Mr. Gorbachev will tolerate greater openness only where it serves his ends.●

DANGERS OF OUR CONTINUING TRADE DEFICIT

● Mr. BINGAMAN. Mr. President, one of the major economic dangers facing the United States is our continuing trade deficit. Last Friday we received another reminder of the stubborn persistence of this problem. The deficit for February increased by $1.8 billion. This is the result of continued strong growth in imports combined with very slow growth in exports. It appears that the export boom of early 1988, which lessened the deficit somewhat, has faltered. At the current rate, we will see little improvement in the trade deficit this year, with the deficit remaining at approximately $120 billion. This is an intolerably high and economically unsustainable level.

In a recent article in the Washington Post entitled "Fixing the Trade Deficit Will Hurt, But It Beats the Alternative: A Major Crash," Jodie T. Allen succinctly points out the dangers we face. As the article points out, neither a reduction in the budget deficit, as important as that is, nor further playing with exchange rates can be expected to eliminate the trade deficit. We must do more. If we don't, we face dire consequences. I hope all my colleagues will read Ms. Allen's article and ask that the article be printed in the RECORD.

The article follows:

[From the Washington Post, Apr. 12, 1989]

FIXING THE TRADE DEFICIT WILL HURT, BUT IT BEATS THE ALTERNATIVE: A MAJOR CRASH

(By Jodie T. Allen)

Here's the dirty little truth about our trade deficit: Fixing it is going to hurt. Maybe just a little—maybe more if we keep fighting it. Stands to reason that producing more and consuming less is going to cause a little pain. But from the way most politicians, and even many economists, usually talk about the yawning gap between what this country buys from abroad and what it manages to sell, you might have guessed that further progress in closing the gap would barely inconvenience the average person if only the government, the banks and industry would stop fooling around and fix things.

The fact is, the only way that we can put our overseas books in order anytime soon is for the U.S. consumer to stop buying so much stuff (especially imported stuff) and use the money instead to pay off debt and add to savings.

Doing that will hurt, of course, especially after we've all gotten used to the notion that nothing should stand between us and the best and newest that the world's producers and workers have to offer. But there is really no choice.

Wait a minute, you may say, why do I have to get involved? Isn't the whole thing the Federal Government's fault—the "twin deficits" and all that? Wouldn't the trade gap go away if the budget were finally balanced?

Yes, that should help some. If the government didn't borrow so much money, interest rates would be lower and borrowing cheaper for companies expanding production for home consumption and export. But a balanced budget is no sure cure for a trade deficit—Britain's budget is now in substantial surplus, but its trade gap is burgeoning because Brits have gone on a borrow-and-buy spree.

Well then, what about the lower dollar? Wasn't the whole thing going to be fixed once the U.S. dollar got down off its high horse and back into a more reasonable relationship with its fellow currencies? The dollar has fallen by roughly 40 percent on foreign exchanges since its peak in 1985. Why didn't that fix things?

Simply because you and I and all the other buyers in this country, aided and abetted by the sellers in other countries, refused to make the adjustments—the painful, or at least annoying, adjustments—that the dollar's fall was supposed to produce. Even though those Hondas and Sonys got more expensive, we didn't stop buying them.

And here it must be pointed out that economists and pundits, who pushed hard for currency adjustments as a less harmful alternative to more direct trade interferences, were rarely completely candid about just how that exchange rate magic is supposed to work. When a country's currency falls in value, imported goods are supposed to get more expensive in that country—enough more expensive, and here's the key part, that consumers cut back purchases of imports drastically. So drastically that even though each imported item they still buy costs much more, the total import bill declines sharply.

Meanwhile, exporters find it easier to compete overseas because their goods carry lower price tags in foreign countries. So both sides of the ledger improve.

In other words, the consumer over here tightens his or her belt and the producers overseas do likewise or find other markets. Ouch. Ouch.

And to some extent this did happen. The trade balance narrowed over the last year or two before leveling off. Moreover, part of the benefit is hidden: If the dollar hadn't fallen, our external balance sheet would be in the red by more than $400 billion, according to calculations of economist William Cline.

But, Cline said at a recent meeting at the Institute for International Economics, that's as much kick from the lower dollar as we can expect under current conditions. U.S. consumers are simply too wedded to imported goods. And U.S. exporters, having shut down plants when foreign competition soared in the early '80s, are operating at near capacity already.

Moreover, some major foreign producers were able to avoid the price hikes implied by the dollar's fall by streamlining production, shifting to suppliers in countries with cheaper labor, squeezing or redirecting profit and even, in the case of some Japanese firms, selling goods at higher prices in their captive home market while offering bargains over here to keep the loyalty of American consumers.

So instead of tightening our belts, we're borrowing abroad to maintain our life style—swapping our land, farms, factories and future for the world's latest fads. And we're trading away a good deal of control over our vital interests even now. ("What's the matter with us?" asked former Federal Reserve chairman Paul Volcker at a recent meeting at The Washington Post. "Here we are the richest nation in the world and we have to go begging the Germans and Japanese to support debt initiatives in Latin America that are primarily in our own interests, just because we won't save more and buy less.")

The way things are going, even with the recent uptick in the U.S. savings rate, Cline projects that our foreign account imbalance will worsen again, to a level of about $150 billion by 1992. Even getting our current account deficit down to $50 billion by 1992, Cline estimates, would require another drop of 10 percent or so in the dollar's average overseas purchasing power (assuming that translates into correspondingly fewer U.S. imports).

It would also require relatively slow economic growth here while the big surplus countries stimulate their own economies so as to buy more of their own and our output. Again no magic, just belt-tightening for us. And if you don't like that, there is another alternative: A major crash brought on by a loss of confidence in the dollar or even a more gradual slide into recession, as Institute economist John Williamson pointed out, would force sharp cutbacks in domestic demand and prompt U.S. firms to look harder for overseas markets.

Of course, it's conceivable that the president could push things along in more direct ways—perhaps even urge consumers to increase their savings at the expense of imports rather than domestic production, so as to minimize job losses at home. Or it could lean a little harder on our trading partners to abandon predatory pricing policies and give U.S. exports a better chance in their home markets.

Nothing noisy or overt, mind you. Something more like the way the Europeans quietly keep Japanese autos and electronics from swamping their producers—without a lot of either apologies or xenophobic chest-thumping. At the very least, our political leaders might start talking to us as if we were grownups.●

AUTHORIZATION FOR CHANGE TO COMMITTEE RULES

● Mr. DECONCINI. Mr. President, I would like to submit for the RECORD the "Authorization for Change to Rules and Procedure of the Special Committee on Investigations of the Select Committee on Indian Affairs." I request that the full change in the rules be printed at this point in the RECORD.

The change follows:

AUTHORIZATION FOR CHANGE TO RULES AND PROCEDURE OF THE SPECIAL COMMITTEE ON INVESTIGATIONS OF THE SELECT COMMITTEE ON INDIAN AFFAIRS

Pursuant to Rule 9 of the Rules and Procedure of the Special Committee on Investigations of the Select Committee on Indian Affairs, the following change is hereby approved by the Special Committee:

RULE 7. SENSITIVE OR CONFIDENTIAL MATERIALS

7.1 Nondisclosure. No member of the committee or its staff shall disclose, in whole or in part or by way of summary, to any person outside the committee and its staff, for any purpose or in connection with any proceeding, judicial or otherwise, any testimony

taken, including the names of witnesses testifying, or material presented, in closed depositions or at closed hearings, or any confidential materials or information, unless authorized by the committee or the chairman.

The Special Committee directs that this change be effective as of April 1, 1989 and further directs that the Chief Counsel provide any witnesses who may be affected by the change in rules with a copy of them. Notice of this change is directed to be published in the CONGRESSIONAL RECORD.

Dated: April 17, 1989

DENNIS DECONCINI,
Chairman.
JOHN MCCAIN,
Cochairman.●

BELLCORE'S FIFTH ANNIVERSARY

● Mr. BRADLEY. Mr. President, 1989 marks the fifth anniversary of a Bellcore of New Jersey and I would like to take this opportunity to pay tribute to their accomplishments. Bellcore, which stands for Bell Communications Research, has an outstanding record in the field of communications industry. Since its inception, it has been the point of contact for coordination of all the telephone operating companies to meet our important national security and emergency preparedness needs. Bellcore has also provided the operating companies with research and engineering support and an organization for the provision of engineering, administrative, and other services.

Mr. President, Bellcore has grown to one of New Jersey's largest companies and employs nearly 8,000 people. I commend the employees of Bellcore for their dedication and hard work. I am pleased to have this opportunity to recognize the 8,000 employees of Bellcore for the successful company they have built and the contributions they have made to New Jersey.●

TERRY ANDERSON

● Mr. MOYNIHAN. Mr. President, today marks the 1,495th day of captivity for Terry Anderson in Beirut.

On March 13, 1988, the Buffalo News printed an article marking the third anniversary of Anderson's kidnaping. I ask that it be printed in the RECORD.

The article follows:

[From the Buffalo News, Mar. 13, 1988]

ANDERSON MARKING HIS THIRD YEAR AS LEBANON HOSTAGE—FOR IMPRISONED JOURNALIST WORLD IS WINDOWLESS ROOM

(By Mike Vogel)

Terry A. Anderson woke up this morning in a windowless room dripping with the condensation of a late-winter day in Lebanon, on a foam pad that soaks up the moisture and turns it into the smell of rotting hay.

He will slide slowly from sleep to boredom—a routine that has been his life, now, for nearly three years.

Anderson's eyes will stare at a world about 10 feet in diameter, as the morning unwinds. Sitting in his underwear, he will wait for a simple vegetarian meal much like the one consumed by his guards; he will hope that the foam pad will be taken outside for an airing.

And his sense of hearing will strain to expand his tiny world, to gain some contact with the outside—the sounds of children, of calls to the mosque, of the stirrings of the guards.

If he has access to a calendar, or has devised one, he may ponder the approach of an anniversary. He may relive, in memory, the day terrorists pulled him off a Beirut street and into a car, to begin the longest ordeal faced by an American hostage held in Lebanon, by any hostage family back home in the States.

On March 16, 1985—three years ago Wednesday—the Associated Press bureau chief in the Middle East was seized by the Islamic Jihad and became a pawn in an international power struggle. His captivity would play a part in the Iran-contra arms scandal, and would catapult his sister, Peggy Say, into the forefront of hostage family efforts to win the freedom of their loved ones.

Nine Americans are now held by Lebanese terrorists. Terry Anderson, formerly of Batavia, has been gone the longest.

This week, candlelight services around the world will mark the third anniversary of his captivity. Yellow ribbons will adorn the streets of Batavia, his hometown; in Washington and Rochester and Buffalo and scores of other communities across the United States, prayers will be said for Anderson and his fellow hostages.

Terry Anderson, 40, will mark his painful milestone alone. There's no guarantee he will learn of the ceremonies, because his captors keep him in isolation—but if he does, he will be given the most precious gift of all, the gift of hope.

"Once you lose hope, you're dead," said David Jacobsen, who once shared captivity with Anderson.

Anderson, said the former fellow Islamic Jihad hostage, is being kept today "like a rabbit in a box—not like a dog, because a dog can bark. Like a rabbit."

"His life is one of absolute boredom. I don't think he's seen the sun more than once or the moon more than once in his three years," he said in a telephone interview from his Southern California home.

Jacobsen was released on Nov. 2, 1986, after 17 months of captivity—months that included time shared with Anderson, and a jointly taped video appeal to President Reagan released that October.

"For 17 months, I never saw anything farther than 10 feet away," said Jacobsen, who added he believes Anderson's life remains much the same as it did in the days of captivity they shared.

"He's dressed in his underwear. He's always blindfolded in the presence of his captors or the guards. He's kept in a sealed, isolated room either above ground or below ground. He's probably being fed a basic vegetarian diet—he's not being starved, he's getting three meals a day that are similar to the meals of the Shiite Moslems in that area," he said.

"At one time we had newspapers, but then they were taken from us as punishment after Father Jenco was released."

The Rev. Lawrence M. Jenco, released in July 1986, spent 19 months in captivity—including more than a year with Anderson. His release, too, seemed to hold some hope for Anderson—but each time the hopes of Anderson's family were dashed, and he remained a hostage.

While there is a possibility that a Korean hostage may have shared some time with Anderson in recent months, it seems more likely that Anderson's captivity is now one of isolation.

For Mrs. Say, it has been three years of frustration. Twice, with Father Jenco and then with Jacobsen, she thought it might be her brother who would be set free. Twice, hope turned to heartbreak.

The pain of each of those moments has eased with time, and with both ex-hostages' friendship and continued efforts for Anderson. Bittersweet as those days were, Mrs. Say added, there have been days that are worse.

There was a period when there was no word concerning Anderson for more than a year. The "nothingness" was worse than the emotional roller-coaster of other hostage releases, Mrs. Say said.

"It's kind of a shot in the arm every once in a while, proof that something is happening," she added in an interview here. "You've got to have hope."

Hope will be the theme of Wednesday's anniversary observances.

In Buffalo, there will be an "Interfaith Vigil of Hope" at 5 p.m. Wednesday in St. Paul's Episcopal Cathedral downtown. In Washington, the humanitarian organization No Greater Love and the Journalists Committee to Free Terry Anderson will use candles and hundreds of olive branches in a special 1 p.m. service at Holy Trinity Church in Georgetown. NBC-TV anchorman Tom Brokaw and former ABC-TV Middle East correspondent Charles Glass, himself held 42 days as a hostage in Lebanon, will speak. The Catholic Church has declared Wednesday a national day of prayer.

In Batavia, the ringing of church bells throughout the city will mark the anniversary and St. James Episcopal Church will open its doors in what Mrs. Say describes as "an all-day kind of thing."

Thousands of yards of yellow ribbons are being readied by Burton Florists for symbolic decorations, and a rally at the Genesee Country Mall will be followed by a candlelight procession to St. James for a 7:30 p.m. service.

"This is the first time the whole community has really come together for this," said Mrs. Say, who moved back to Batavia after Terry's abduction interrupted her social work with migrant workers in Florida.

"There seems to be a real sort of grassroots movement. I've been getting calls from people all over the country, people are having church services of their own, everywhere."●

RETIREMENT OF DR. JEROME J. VALLEN, UNIVERSITY OF NEVADA LAS VEGAS

● Mr. BRYAN. Mr. President, today I rise to commend Dr. Jerome J. Vallen, who is retiring from his post as dean of the College of Hotel Administration at the University of Nevada Las Vegas. For almost 23 years, Dr. Vallen has been the driving force behind the growth of the hotel school. It has been Dr. Vallen's determination, dedication, and commitment to achieving excellence that have made the College of Hotel Administration at UNLV one of the finest institutions of its kind in

the country. Dean Vallen's presence will certainly be missed by his colleagues and students alike.

Jerome Vallen received his B.S. at Cornell University in 1950, and shortly thereafter was sent to Korea, where he served in the U.S. Army of occupation in 1951 and 1952. After returning home, Dr. Vallen returned to school and earned his M.Ed. in 1959 at St. Lawrence University. He later completed his Ph.D. in hotel administration at Cornell University.

Dean Vallen has been vice president of University Associates, Inc.; consultants to the hospitality industry, editorial consultant to William Brown, publishers; and chairman and professor at the Department of Hotel and Food Service Administration, State University of New York in Canton, NY. In addition, Dr. Vallen has held a number of positions in the food and beverage service industry.

Dean Vallen has also been widely published, including three text books, "Art and Science of Modern Innkeeping," "Organization and Administration in Innkeeping," and "Check-In, Check-Out." With over 10 major articles to his credit, he has delivered papers and addresses to dozens of major hospitality conventions and other gatherings.

Shortly after his first visit to Las Vegas at Christmas, 1966 with his wife, Florence, Dr. Vallen accepted the job of director of the then-fledgling hotel school. Vallen went on to build a solid foundation for the new hotel program. One of his first tasks was to institute an internship program in which students were placed at the major Las Vegas hotels. In his first semester at UNLV, Dr. Vallen taught in the Business College, offering such classes as hotel accounting and hotel marketing. He continued to nurture the hotel program and was uniquely responsible for developing the successful program we have now.

Today, on the eve of Dr. Jerome Vallen's retirement, I am pleased to honor him for his outstanding dedication and his adherence to an unequivocal standard of excellence.●

CHARLES KENNY McCLATCHY

● Mr. WILSON. Mr. President, I rise today to pay respect to a great son of California, Charles Kenny McClatchy.

C.K., as he was known among his friends and family, was a family man, political activist, journalist, editor, and publisher. Of his many accomplishments, he will be remembered as the salient force that shaped the McClatchy newspaper chain into a nationally recognized and respected voice in journalism.

To fully understand the character of C.K. McClatchy, it is necessary to understand the history of his family, which dates back in California to the days of the gold rush. It was his great-grandfather James McClatchy who in 1857 convinced four local businessmen to join him in launching the Sacramento Bee. Stewardship of the paper passed down through four generations until C.K. was handed the helm by his aunt Eleanor in 1978.

The son of Carlos and Phebe Briggs McClatchy, C.K. was born on March 25, 1927 in Fresno, CA. He attended grade school in California, after which he attended the Deerfield Academy in Massachusetts, where he earned a high school diploma.

It was during his summers away from school, while living with his grandparents C.K. and Ella McClatchy in Sacramento, that young McClatchy prowled the Bee's newsroom, receiving his first exposure to the world of journalism.

The budding newspaperman continued his association with the Bee by working summers as a reporter while earning his undergraduate degree at Stanford. After graduation, he enlisted in the U.S. Army, where he served 2 years, reaching the rank of first lieutenant.

Rather than return to California to work for the Bee, C.K. landed a job with the Washington Post, covering local affairs in Arlington County.

When Adlai Stevenson made a bid for the Presidency, McClatchy left the Post and joined the campaign staff as an assistant press secretary. Following the election, McClatchy worked a year as a reporter for the ABC News bureau in Washington, DC, then decided to return to the family newspaper business.

Beginning as a reporter, C.K. worked up the company ladder. In 1962, he became the associate editor, and, in 1974, following the death of Walter P. Jones, was named editor of McClatchy Newspapers. After 20 years of hard work and service to the company, C.K. McClatchy realized his dream when he was elected president, a position he served with distinction until his untimely death last Sunday.

Under McClatchy's careful eye, the family newspaper matured to become a world-class publication. He made the decision to liquidate some of the radio and television holdings owned by the family company and concentrate on making the McClatchy newspaper chain a great set of papers. He pressed for expanded coverage of international events. Upon his return from a trip abroad, he would often pen a personal account of the most pressing issues facing other governments.

Last January, C.K. explained to a gathering of fellow publishers the reason behind his success. He denounced the tendency in journalism to follow a formula purely for its profitability and instead urged his colleagues to pursue excellence. "Quality newspapers," he offered simply, "will achieve greater financial success than inferior newspapers."

C.K.'s desire to provide readers the finest newspaper possible won him the respect of all who worked with him. Said Gregory Favre, executive director of the Bee, "C.K. represents everything that was good about journalism and newspapering. His values, his concerns, his integrity, his gentleness and his toughness, his generosity, his intellect, his curiosity, and his caring created an environment which inspired all around him."

In addition to his responsibilities with the family newspaper chain, McClatchy served on the Pulitzer Board, was a director of the Newspaper Advertising Bureau, a trustee of the Washington Journalism Center, and a member of the American Press Institute's board of director's executive committee.

On the debt of gratitude we owe C.K. for his contributions in life, Ralph Waldo Emerson's words are most appropriate. "Not he is great who can alter matter, but he who can alter my state of mind."

C.K. McClatchy altered the state of journalism and, in doing so, the way we see and experience the world.●

DESIGNATION OF THE FEDERAL COURTHOUSE IN CHARLESTON, SC, AS THE "ERNEST FREDERICK HOLLINGS JUDICIAL CENTER."

● Mr. THURMOND. Mr. President, on November 18, 1987, I introduced an amendment designating the building located at 83 Meeting Street in Charleston, SC, as the "Ernest Frederick Hollings Judicial Center." On November 11, 1988, the building was officially dedicated in Senator HOLLINGS' honor.

I rise now to pay tribute to this outstanding South Carolinian who has done so much for our State and Nation. I have served as a colleague of Senator HOLLINGS since 1966, and have also enjoyed a long friendship with him.

Senator HOLLINGS has had a lengthy and distinguished career of public service. After graduating from the Citadel and the University of South Carolina School of Law, he served as a trial attorney in his native city of Charleston. In 1948 he was elected to the South Carolina Legislature. In 1952 he was elected Lieutenant Governor of the State, and in 1956, at the remarkably young age of 36, became Govenor of South Carolina. This alone personifies ERNEST HOLLINGS' great dedication, ambition, perseverance and ability.

Senator HOLLINGS has dedicated his life to serving the people of our State and the entire Nation, and has done a

great deal to improve the lives of South Carolinians.

As a graduate of the University of South Carolina School of Law, a member of the South Carolina and American Bar and a well known trial attorney in our State, Senator HOLLINGS' contribution to the judicial branch of our Government is almost as impressive as his legislative achievements.

The naming of the Charleston courthouse as the "Ernest Frederick Hollings Judicial Center" is an appropriate and fitting tribute to one of the U.S. Senate's most distinguished Members, and a gesture that my colleagues in the Senate and I were honored to make.

Mr. President, I ask that the transcript of the Dedication of the "Ernest Frederick Hollings Judicial Center" be inserted in the RECORD directly following my remarks.

HOLLINGS LAW CENTER DEDICATION, NOVEMBER 11, 1988

Judge BLATT. Now the invocation by the Reverend Edward L. Counts, Pastor of St. John's Lutheran Church in Charleston.

Pastor COUNTS. The Lord be with you. Let us pray. Eternal Father, God, Sovereign Lord of all creation, we pause at the beginning of this momentous occasion to offer our praise and thanksgiving for the United States of America, for the inalienable rights and freedoms guaranteed under its Constitution, and for the free electoral process that strong, capable God-fearing persons might be chosen from among the people, by the people, for the people. And on this Veterans Day, we are reminded that these freedoms and rights are protected and secured at great sacrifice and we offer our sincere gratitude for the valor and bravery of those men and women who have served our armed forces in the past and who serve now in the present, that this nation might remain the land of the free and the home of the brave.

Oh Lord God, Ruler of Nations, we ask Your most favorable blessings upon the President of the United States and the President-elect, upon the Congress upon the Justices of the Supreme Court, upon the Governor of this state, upon the Mayor of this city and upon all public servants elected and appointed for the benefit of a good and just society. And as we stand before this magnificent structure today to be dedicated to the glory of your name and to the service of liberty and justice for all, we offer our special petition of gratitude and thanksgiving for your servant, Ernest F. Hollings, whose name this Judicial Center will bear. We thank you for the blessings of his exemplary life and dedicated service that have been and are today to this nation, to this state, to this city, to his family, to his church and to his friends. On Righteous God of Truth, grant that within the halls of this Hollings Judicial Center, justice may reign supreme, that offenders may be justly punished, that the innocent may be rightly protected, that the rights of the weak and the helpless may always be defended. Yet even so as we pray, oh Lord God of all Wisdom, we confess our human limitations and weaknesses and we acknowledge that our judgment is always imperfect and that You alone sit in judgment to declare what is truly right and truly just. And so we pray for all courts of justice and all magistrates of our land, give to them Your spirit of wisdom and understanding that they may perceive the truth and administer the laws impartially as instruments of Your divine will until that time shall come when perfect justice shall reign as each one stands before the throne of justice and grace and before the Supreme Judge, the Son of Righteousness, face to face in Whose Name we pray, Amen.

Judge BLATT. Thank you ladies and gentlemen, please be seated. I want to say this in the beginning. Those of us who know this fellow we honor today so well know he's kind of hard-headed and he doesn't really listen to any of us, he only listens to the Lord. Apparently, he got turn-about, fair play, I guess he got up this morning about six o'clock and had a conversation with the Lord and look what we got, a beautiful day. Thank you so much for coming.

You know, there may be a better Mayor somewhere in some city in America but I don't know where that is. The Mayor of Charleston has done miraculous things for this city, he just doesn't believe it when somebody tells him that something can't be done, if it takes him a year or ten, he completes the great projects and great things that he has done for Charleston. He has been a superb Mayor. A great Mayor of a great city, the Honorable Joseph P. Riley, Jr.

Mayor RILEY. Thank you very much, Judge Blatt, for your typically very generous remarks. Governor Campbell, Chief Justice Rehnquist, Senator Thurmond, Senator Hollings, Judge Blatt, members of the Federal Judiciary, members of our Congressional delegation, members of the proud Hollings family, distinguished guests, ladies and gentlemen, today we mark a historic city's furthering of its heritage and proud city seeing appropriate honor being paid a native son. Living in a time of too much plastic and often a throw-away or disposable mentality, today we celebrate a collective decision not to follow a path of least resistance and find an ordinary or disposable solution to the placement of the Federal Courthouse. Rather, with great respect to our history and acknowledging our responsibility to those who follow us to present that history and heritage to them unmarred, we have achieved a solution worthy of this great and historic city. We have preserved this unique Four Corners of Law, its beauty, its scale and a wonderful synchronization of a judge's gavel and the two hundred year old chimes of St. Michael's. That this decision was not easy to achieve is of little moment. Building and maintaining great cities is no easy job. To all of those who made this wonderful, collective decision possible, they have our City's unending thanks and gratitude. And if I may add parenthetically, at the time that we celebrate this wonderful decision, we must collectively urge our county government not to leave the Four Corners of Law and pay to it the same respect that our Federal government is paying to it today.

Had not the call to public service pulled Fritz Hollings from the full-time practice of law, we could reasonably be dedicating this building to him today as a lawyer with over forty years of distinguished practice in his community. I remember as a Citadel cadet, I once called him when, between being Governor and Senator he was practicing full-time here about speaking to our group at The Citadel and I reached him at eight o'clock in his law office one Friday night working hard. In Charleston on Broad Street, no lawyer could outwork Fritz Hollings and no lawyers could outwit him either. He was the kind of lawyer that left in his path or wake people who would want to stop and tell you how he saved their business, saved their home and saved their life. He represented little people and big people with equal fervor. To those who would ignore Shakespeare's often-quoted admonition to kill all the lawyers and rather see the law in this country dedicated to the concept of being a government of laws not a government of men, to those the practice of law is a majestic and wonderfully fulfilling calling, to serve people in this wonderful democratic society. Fritz Hollings as a lawyer represented that to the fullest.

But today we honor him chiefly as a public servant as well and in that he was too the best we ever saw. He has been an inspiration to me and this generation of public servants in our state. He has given to this community and to our state and to our country his wisdom and his intellect and his courage and it is so wonderfully appropriate that today this building is named in his honor. Thank you very much.

Judge BLATT. To all of you, everyone here is a special guest and I know you hold a special place in Fritz' heart for being present today. I know you didn't come to hear me introduce people and have them stand and applaud for them so we're not going to do that. I do want to acknowledge the presence of a number of people, not for you to applaud for them and not for them to stand. In the Federal judiciary on the District Court there are nine of us. Judge Simons and Judge Joe Anderson were not able to come. Judge Perry is here, Judge Ross Anderson, Judge Hamilton and Judge Henderson are here so we have ten of our 13. We have four of our magistrates here.

And let me also speak about Congressman Butler Derrick. This project has been going on eight years and there's no telling how many times I went to Washington to see Senator Thurmond and Fritz, primarily money, again and again. But when you get through with the Senate, you've got to go over to the House and we didn't have that in Charleston so I went to my Congressman. I still vote in Barnwell so I can vote for him, we went to my Congressman, he shepherded all our projects through the House and we appreciate what he did for us.

We have four former Governors, the Bar Committee, Ben Moore the Chairman and his committee, he appointed Joe McGhee, Wade Logan, Bo Morrison, Morris Rosen and Robert Wallace. Mr. Culpepper who's our expert in this and he's had a great part of play. I just want to recognize four people whom you've never heard of, probably. We got it in the House, Butler got it in, we lost it because of something that happened, got over to the Senate, Fritz put it in. Warren Kane, the senior staff person on the Appropriations Committee said we could get just as easy as $250,000. I said I can't believe it but Warren said we're going to do it. Warren Kane put it in and he's done so much for us. Stand up, Warren, I want people to see you. Thank you so much for what you did. One other person in Washington is a fellow named Bob Aldeseri, he works with the Administrative Office in their space and planning division. He's devoted thousands of hours to this and it didn't mean anything to him. Susan Cree, where's Susan Cree, took this building over, they finally got the contractor out of here and she took it over about three months ago, it was a mess. When you see it today,

and I hope you'll visit it, you'll see the miraculous job she's done. She's got to be the greatest representative that General Services has in America, where's Betty White?

Somebody mentioned Peatsy Hollings' name and said Fritz couldn't function without her which is certainly true because she's a super, super person too. Peatsy, stand up, please so we can acknowledge you.

(Judge Blatt then introduces regional administrator of GSA)

GSA REGIONAL ADMINISTRATOR. Thank you, Judge Blatt, and I'm glad we do have a change of attitude. Senator Hollings, honored platform guests and other distinguished visitors, as the Regional Administrator of the General Services Administration, it is indeed an honor and a privilege for me to be here. The Hollings Judicial Center represents one of our finest achievements. I must confess, however, we did have some able assistance along the way. A member of my staff recently while talking to Judge Blatt right after the landscaping had been, remarked to Judge Blatt that he liked the St. Augustine grass and thought it was very pretty. As you might expect, Judge Blatt quickly pointed out it was Charleston grass. (remainder of remarks not recorded)

Judge BLATT. I have had an opportunity to observe various Governors for many, many years, some of whom are my dearest friends, I've never known a Governor who has worked more diligently and tried harder to promote the general welfare of the citizens of South Carolina than our present Governor. He brings great credit and dignity and honor to his Administration and in addition to that, he's just a super fellow. I'm certainly pleased to present to you, ladies and gentlemen, the Governor of South Carolina, Carroll Campbell.

Governor CAMPBELL. Thank you very much. Judge Blatt, Mayor Riley, Mr. Chief Justice, Senator Thurmond, Senator Hollings, distinguished members of the judiciary, members of the Congressional delegation, members of the Hollings family, ladies and gentlemen, it's a pleasure for me to be here today to participate in these ceremonies to dedicate this new judicial center, especially to dedicate itself in honor of a distinguished South Carolinian, a man who has made his mark in this country. The fact that there's such an outstanding array of guests assembled is an indication of the respect and admiration that Senator Hollings commands. I have to tell you though that another outstanding South Carolinian has benefited in an indirect way from this new facility. Judge Blatt spent so much time on airplanes between Charleston and Washington making sure this facility was built that he earned enough frequent flyer points for a round-trip to the moon. Seriously though Judge Blatt put a lot of time and effort in seeing that this new facility exists for the benefit of all South Carolinians and we do thank you for your work, Sol. I remember well when I served on a subcommittee of the Appropriations Committee when that center was before that Committee and Butler was working very hard on that in the House. It seemed that every day Judge Blatt was there and I didn't know what it was for each time but it didn't take me long to find out. He had one agenda, one item and he did a wonderful job.

While this new facility will bear the name of Ernest F. Hollings, it is so named not for any one single accomplishment that he has to his credit but in recognition of a forty year record of service, a record of service to the people of South Carolina and to the people of this country and it's quite fitting that he should be honored here in Charleston, for it is the people of this area who first shared him with the state. As a young man, Fritz Hollings recognized the importance of defending the rights of the public and thus dedicated himself to the practice of law. Later, as a member of the South Carolina House, as Lieutenant Governor, as Governor of this State and now as United States Senator, his dedication to the rights of every individual involved in our judicial process can be found in the pages of his legislative record. It was Fritz Hollings who stepped forward and joined forces with Senator Gramm and Senator Rudman to establish a mechanism to try to get the Federal deficit under control. Just this year, he worked to increase the number of Federal prisons and has earmarked money for a Federal minimum security facility to be located in South Carolina. He also worked to earmark money for a death penalty resource center to provide assistance to prosecutors and attorneys involved in death penalty cases. All South Carolinians can be proud of the fact that Senator Hollings works diligently and he works intelligently and he works for the future.

He worked all summer as a Democratic member of the working group writing the bill and then as Chairman of the Appropriations Subcommittee he has supported an additional $205 million in funds for increased enforcement in the area of drugs. Along with this funding, he provided 300 new U.S. Attorney positions which will be created to provide an additional force to prosecute drug cases.

President Grover Cleveland once noted that a truly American sentiment recognizes the dignity of labor and the fact that honor lies in honest toil. I can think of no finer way to recognize the dignity of Fritz Hollings' labor than by placing his name on the face of this judicial center. Just as this judicial center now stands as a symbol of fairness and a symbol of justice in the city of Charleston, Fritz Hollings' name has come to represent fairness and justice to the citizens of South Carolina. Thank you.

Judge BLATT. Ladies and gentlemen, we are particularly pleased to have with us the First Lady of South Carolina, Iris Campbell. Please stand, Iris. Thank you so much for coming.

I hate to say how many times I went to Washington to see our next guest about some matter connected with this project. I want to say for him, he was always there, he was always glad to see me and he always told those people in Washington to do what we wanted. Most of the time that I was coming, he was President Pro Tempore of the Senate and you should see those bureaucrats react when they walk in the President Pro Tempore's office, it's something, they start to cooperate the minute they open that door. He's been such a tremendous help to us. He's an institution in this state and he's certainly an institution in our hearts. Ladies and gentlemen, the senior Senator from South Carolina, the Honorable Strom Thurmond.

Senator THURMOND. Thank you very much. Mr. Chief Justice Rehnquist, Judge Blatt, Judge Hawkins, Judge Houck, Senator Hollings, Governor Campbell, Mr. Davis, Reverend Counts and other members of the clergy, distinguished Federal circuit judges Russell, Chapman and Wilkins, distinguished South Carolina Judges, other distinguished guests, ladies and gentlemen:

This is a beautiful annex to a prestigious Federal Court House. (comments untaped until resumption with . . .)

. . . and I did not know Senator Hollings was such a good architect. The design they came up with at that time was not so good. It did not preserve the environment here and there were other objections to it. Senator Hollings came up with another design. I don't know who did it for him it was a good one. . ..

I told Senator Heflin of Alabama I intended to prepare a bill to name this courthouse for Senator Hollings but said I am going to put your name first on it so we will be sure to have a Bipartisan support. I said we have got to get this done, there has to be some way to do it. I learned about an appropriations bill coming over from the House so we amended it.

I want to say that I have served with many men in the Senate, several from South Carolina, and Fritz Hollings is one of the most dynamic and effective men I have served with. We are in different parties—he is a Democrat and I am a Republican, we don't always vote together, you have noticed that in the papers, haven't you? But at the same time he has done a fine job representing our state and nation.

He had a good background, he served in the State Legislature for six years, was Lieutenant Governor for four years, was Governor for four years and has been in the Senate since 1966.

In the Senate he is Chairman of the Committee on Commerce, Science, and Transportation and is a member of the Senate Appropriations Committee, a very powerful committee. He is a member of the Senate Budget Committee. On some issues, we have taken different views, but Fritz Hollings has been sound on the two biggest matters before our country. One is defense, he is a strong believer in defense. We have got to preserve a strong defense, if we are going to retain our freedom. I commend him for the spunk he has shown in appropriating the money that we have authorized in the Armed Services Committee. There are two processes in this matter. Our Committee on Armed Services authorizes the amount, but the Appropriations Committee has the final say-so. Fritz Hollings has stood strong for all facets of defense, a subject that is really important, and that alone, to me, makes him a valuable asset to the Senate. We have the greatest country in the world, but if we are going to keep it great, we must maintain a strong defense. As long as we have dictators in the world, we have to keep a strong defense.

Another area in which Fritz has done such a good job is in fiscal matters, especially as one author of the Gramm-Rudman-Hollings bill. If Congress adheres to it, we will balance the budget. Once we get it balanced, we can keep it balanced if we do two things: pass a Constitutional amendment to mandate a balanced budget, and give the President the power to veto single-items. Governors of 43 states have that power. Why not the President? Billions of dollars could be saved by such action.

I was proud to sponsor this measure to honor Senator Hollings and his many achievements, and I am pleased to be here today for the dedication of the Hollings Judicial Center.

Chief Justice REHNQUIST. Distinguished platform guests, ladies and gentlemen, it's a great pleasure to be with you today on the occasion of the dedication of the Hollings Judicial Center in Charleston. I had the

pleasure of visiting my good friend Clement Haynsworth in Greenville some years ago but this is my first trip to the Low Country. I know from history about Francis Marion, the Swamp Fox, from literature about Rhett Butler, now from Senator Thurmond about Southern oratory. It's a great treat to be on the scene of their exploits, I'm looking forward to a tour of Fort Sumter and some other sightseeing while I'm here.

I think there's a certain historical irony to the fact that this afternoon I will be touring Fort Sumter and exactly a week from tomorrow, I will be riding in a parade at Gettysburg, Pennsylvania to commemorate the 125th anniversary of Abraham Lincoln's Gettysburg Address. But it is surely a sign of how far we have come from the dark and bloody days of that conflict that the irony is only historical. I didn't have to come to South Carolina, however, to learn about South Carolinians who have made contributions to the American legal system. In the Surpreme Court building where I work, there are busts in our great hall of the 15 Chief Justices who have preceded me in that position. One of them is of John Rutledge of South Carolina. In the building there are also portraits of each of the 104 Associate Justices who have served on the Court and one of them is of James F. Byrnes of South Carolina. John Rutledge served as a South Carolina delegate to the Constitutional Convention of 1787 and he was one of President George Washington's original six appointees to the Supreme Court in 1789. He resigned after only two years in the position but three years later Washington nominated him to be Chief Justice when John Jay resigned from that position. Rutledge, unfortunately, had made a speech denouncing the Jay Treaty and the Senate consisting mostly of Federalists who favored the treaty refused to confirm him. But since he did serve as Chief Justice under an interin appointment, his bust is there in the great hall along with those of 14 other Chief Justices. A century and a half later, President Franklin Roosevelt appointed another South Carolinian, Senator James F. Byrnes, to be Associate Justice of the Supreme Court. He resigned after only a year's service at the importuning of President Roosevelt who wished Byrnes to be his right-hand man in the effort to mobilize the United States for its role in the Second World War. Perhaps we may deduce from the very short tenures of Justice Rutledge and Justice Byrnes either that service on the Supreme Court of the United States is not particularly congenial to South Carolinians or else that they much prefer Charleston to Washington—perhaps both!

Most Americans view the Supreme Court of the United States as a distant body sitting in faraway Washington and their actual contacts with the American justice system are on a much more immediate level. The courtrooms and chambers of the Federal District judges which will be housed in the Hollings Judicial Center are much closer to the average man and woman than is the Supreme Court in Washington. Indeed, the cornerstone of the American system of justice is surely in the trial courts, state and Federal, in which witnesses testify and juries deliberate. Our American system of justice is far from perfect. All of you have heard and perhaps experienced complaints about delay and expense in our system of justice but when we think that after all, it is a substitute for physical combat of some sort, our goal should be constructive criticism to improve our system of justice. We can't do without it. The Hollings Judicial Center will be a real and immediate symbol of the American justice system to the people of South Carolina, far more real and far more immediate than any far-away court in Washington.

I first became acquainted with Fritz Hollings almost twenty years ago when I was serving as an Assistant Attorney General in the Justice Department and was working for the Administration to secure the confirmation by the Senate of another great South Carolina jurist, Clement F. Haynsworth, as Associate Justice of the Supreme Court of the United States. I remember working back to his office with Senator Hollings after a long and somewhat discouraging day on the Hill and being buoyed up by his firm determination to leave no stone unturned in this effort. Fritz Hollings was one of those who had suggested Judge Haynsworth to the President as a candidate for the high court and he worked diligently in the unsuccessful battle for confirmation in the Senate.

Before being elected to the United States Senate, Fritz Hollings was, as you all know, Governor of this state. He was Governor during the troubled time of school integration following the Supreme Court decision in the case of Brown v. Board of Education in 1954. In January 1963, as Governor Hollings approached the end of his term, he decided to pave the way for the peaceful integration of Harvey Gantt into Clemson University which occurred shortly after he left office. In his Farewell Address as Governor, he told his fellow South Carolinians what many of them may not have wanted to hear, that all of the efforts to resist the 1954 decision had failed, that South Carolina must now move forward with dignity and within the framework of laws to accept that decision. South Carolina had to make clear, he said, that its choice was a government of laws rather than government of men. The failure to clear the hurdle of racial integration, he cautioned, would do South Carolinians irreparable harm.

In more recent years, Senator Hollings has served as the Chairman of the Senate Subcommittee which reviews budget requests of the Supreme Court and other Federal courts. While no one will ever accuse Fritz of being an easy touch for public money, he has consistently treated us fairly and has acted in a manner which reflects the sensitive appreciation of the needs of the Federal judicial system. And while the Gramm-Rudman-Hollings Act has made life financially more difficult for those on the government payroll, including those in the judicial branch, it was undoubtedly a major effort to try to get a handle on the tremendously difficult problems of the huge Federal budget deficit.

Fritz Hollings is a great South Carolinian, indeed he is a great American, who has contributed mightily to the American legal tradition. Many years ago, Daniel Webster said that justice is the great interest of men on earth. I cannot think of a better tribute to Fritz Hollings than the dedication of this temple of justice in his honor today. Thank you.

Judge BLATT. Mr. Chief Justice, for the City of Charleston and for the State of South Carolina and particularly for the Federal judiciary, we are deeply grateful for you being here today to make this such a momentous occasion.

I guess because all of us here today are his dear friends and we love him so much, we've saved what might be called the best for the last. Fritz Hollings has given all of his adult life to the service of the people of South Carolina and he has done it with dignity and he has done it with honor and has exhibited character and integrity. He has handled himself in such a manner that every friend has been proud of what he has done in his various public offices. When we started this building, Fritz never asked us why we wanted something, he only asked us what we wanted and he set about to get what we wanted. I can think of no more deserving tribute possible than having this building given his name. I certainly, as I know Falcon and Weston and all of the judiciary who will work in that building, will work in it with great pride. In that building too as you'll see when you go in it, some of Fritz' friends commissioned an artist, Robert Bruce Williams, to paint his portrait, it hangs on the courtroom floor of the building and I hope you'll get a chance to see it. It's a super portrait, a super portrait of a super person and I'm just as pleased and happy as I can be to introduce to you our guest of honor today, my friend of almost 50 years, Fritz Hollings.

Senator HOLLINGS. I came into my headquarters running for reelection year before last and my Campaign Manager says you're going to have to get on up to Anderson, they're telling a pack of lies about you up there. I said, heck, man, I got to get down to Charleston first where they're telling the truth about me! Now Anderson has been juxtaposed and I'm absolutely delighted. Butler, no honeymoon could be any more pleasurable than to be buried alive like we're doing here today, I can tell you that right now. But we congratulate you on it anyway, very, very much.

Mr. Chief Justice, Governor Campbell, Judge Blatt, Mayor Riley, distinguished members of the judiciary, Mr. Davis, on down the list, most of all, Senator Thurmond. Now, Strom, I learned a lot from you, I learned not only to carve that thing up there but not to try to rename Charleston Harbor! I can tell you now I've always been second (it always worried me, not really) to the senior Senator but I stopped worrying when I heard, Strom that the Father of our Country, George Washington, first in war, first in peace, first in the hearts of his countrymen, he married a widow, so you can't be first all the time!

I can tell you here and now that there's no greater privilege in all sincerity than to serve as the Junior Senator under Strom. He is the most respected on both sides of the aisle. You can tell by his talk here today, he knows how to make friends for this state and he is absolutely convicted and convinced in his belief and strengths of belief. No one works harder at the people's business than Strom Thurmond of South Carolina and, Strom, I can't thank you enough.

Butler, over on the House side, I look forward to serving many, many years as the Junior Senator, I hope I never have to come back and appear in this courtroom but I'll be working at it. I can tell you otherwise that Chief Justice Rehnquist brings to mind that historically this is the Speaker's Corner. The Speaker's Corner, if you read Rutledge's history by Barry, you'll find it was here on this corner that he delivered his famous address against the Jay Treaty, looking right over the graveyard here at St. Michael's. That did bring the wrath of Alexander Hamilton and the Federalists and he was not confirmed but he was the second

Chief Justice, Acting Chief Justice of the Supreme Court.

Now today we have the Chief Justice and rather than bringing wrath, he brings charm, he brings wisdom and he brings friendship. He has been our friend. Bill Rehnquist referred to those stormy days and we did work hard, around the clock, because there is no one more deserved of service on our United States Supreme Court than South Carolina's own Clement Haynsworth. Mr. Chief Justice, I can't thank you enough for being here. We are all really honored at your presence.

With respect to the historic nature, if this was the Speaker's Corner for freedom, the Chief has also brought to mind that it is the law's corner for freedom. Free at last, free at last, thank God almighty, free at last—that was Martin Luther King. Substance of equal justice under law started right here on this corner in that courtroom under Judge Waites Waring in Brown vs. Bascom and then in his dissenting opinion in Briggs vs. Elliott, that's when I was admitted to practice. I see Judge Matthew Perry. He was leading the way at that time and there's no question in my mind that for modern day history of America, it began not just here at the Four Corners of Law but right here in this judicial center.

And we'll always keep in mind the sensitivity and wisdom, too, of Waites Waring. The fact of the matter is, you can see his house right after this house that's on the corner, he was the most reviled, vilified, despised judge at the time but not with the young lawyers, I'm going back to that 40 years ago. Judge Waring looked out for the young lawyers when we came in that courtroom. We were nervous, we didn't want to be embarrassed in front of our client and he looked out for us. And that brings me informally to the man who really should be honored, our own Judge Solomon Blatt. Sol is not only the lover of the law but he is the lover of the citizen and citizen rights and as a result he has become, no question, the most popular Federal District judge I have known in my forty years of practice here at the Charleston Bar.

I know where the money came from, Sol, you're right, we went over, the last act of Jimmy Carter, we took that Treasury, Post Office, Independent Offices appropriation, we walked it over the six and a half million and he signed it into law. Then later it was a struggle with my former Congressman friend saying he was going to stand on the corner with a shotgun to make sure it didn't go, we had the North Charleston move, we had the misgivings of our preservationists and everything else. But Judge Solomon Blatt led the way, working with Mayor Riley, the preservationists, the civic community and as has been indicated, working on Strom and Butler and myself. That's why we're here today and we'll be forever indebted to him for his leadership and dedication, we don't even include him anymore in the Barnwell Ring, he's in the Charleston Ring, he's taken over down here and, Sol, we are your greatest admirers, we're grateful to you.

I want to thank my wife, my family, my friends, those who contributed to the portrait inside, my friends for their support, Mayor Riley and Governor Campbell for their laudatory remarks.

On an occasion of this kind, I want to express my particular gratitude to the Charleston Bar. You know, as the pen makes its mark on the parchment, it's the hand that guides the pen and if I've made any mark, it's been the hand of the Charleston Bar, the early days of friendships, the sustenance, the strength, the guidance of the lawyers here. You don't find the real truths in a political poll, in fact it was Winston Churchill who said that nothing is more dangerous than to live in the temperamental atmosphere of a Gallup poll constantly feeling one's pulse, taking one's temperature, he said the only safe duty, the only safe course is to try to do what's right and you come to practice here and you'll immediately learn to work and do what's right. Many a time, we've lost a good hunting trip, a good football week-end and otherwise to searching down the witnesses or staying up in that library all Saturday night, all Sunday night trying to get ready for Monday morning. And that habit has put me half-way in comparison to my senior Senator because no one can outwork him. But if I hadn't gained that habit here, I would have never kept up to some extent with Strom, I can tell you that.

I can also tell you that you learn the habits of persistence and perseverance. I saw in the newspaper last week that Henry Guy was retiring and Henry said come around and get your papers. To get my papers in Tannery against Knight would take a 2½ ton truck. That rascal motioned me three times before the Magistrates Court, twice before Judge McMillan in Civil and Criminal, twice before Judge Grimball and finally before the State Supreme Court a year and a half later.

But we have learned to persist. Like in our textile case where I started back 30 years ago as a witness and your Governor in the International Tariff Commission and we still try that case today. Then the difficult task, of course, of being a counselor. They always have on the letterhead attorney and counselor and that reminds us that sometimes perhaps they don't need a lawyer, they need Dr. Counts there, a minister or some other distinguished clergyman because the simple reason is that the client comes in with venom and wrath, all they need is a lawyer to say we'll file, we'll sue and start the clock running and start charging them. But that might not be the better course, it may be that if recoil is going to kill the gun crew, you'd better not fire it.

And finally, the conviction and commitment that is so necessary in your cause. You're not going to ever convince the court and the jury unless you are absolutely convinced yourself. I learned that right here at the hands of the members of the Charleston Bar and particularly one of the last cases Falcon and I tried up here. We had prepared for two years to get it to court, we had tried it for two weeks, we were never offered a dime and after the final argument and the jury went out, they offered us a substantial settlement. And came to mind, the famous saying and rule of Thomas Porcher Stoney, "He either fears his fate too much or his dessert is small who fails to put it to the touch and win or lose it all." Morris, you remember that. Falcon and I put it to the touch and we won it all.

And I could go to the United States Senate—I could afford it. So the very procedures and the trial work and the habits learned here at the Charleston Bar is the same as in the United States Senate, we have the adversary proceeding, we bring in the best of witnesses, we make the final argument to the jury and even better yet, we go in the jury room and help decide the case.

As we present the facts in Washington, we try to change those facts in South Carolina. Known years back as bigoted and backward, lacking of skills, lacking in health care, we have made tremendous advancements in the past several years but we've got a lot of work to do.

Mr. Chief Justice, you mentioned Gettysburg and I think of Dwight Eisenhower when he was President of Columbia University. He bought a tract of land at Gettysburg and the neighboring farmer said, "General, why did you buy this farm down here in Gettysburg?" And Dwight Eisenhower said, "All my life I've been wanting to take a piece of ground and return it to God better than I found it." South Carolina has been my life's case and you, my friends and supporters, have been the best support and the best friendship and the best encouragement anyone could ever have. I'll be forever grateful to you.

I should acknowledge on occasions like this that I agree absolutely with Senator Thurmond, we have the most outstanding judiciary of any in the 50 states, we are extremely proud of them, we are proud of our community and working together, we'll return South Carolina back to God better than we found it. Thank you very much.●

THE ABERDEEN FOSTER GRANDPARENT PROGRAM

● Mr. PRESSLER. Mr. President, April 9 to 15 was National Volunteer Week. I would like to share with my colleagues just one example of the good volunteer work done by my fellow South Dakotans.

I commend the 77 members of the Aberdeen Area Foster Grandparent Program for the time and energy they have given to help those in need. Each year, these senior citizens dedicate over 80,388 hours to help children with special and exceptional needs. Children who are handicapped, neglected, abused, or addicted to alcohol and drugs, or are runaways and slow learners are fortunate to be taken under the wing of some special grandparent. I have visited the Aberdeen Foster Grandparent Center and have seen the marvelous work they do. Many children have benefited from their unconditional love and attention.

The Aberdeen Foster Grandparents are fine examples of the hard-working and caring citizens that have made South Dakota the great State it is today. From the early pioneers to the present volunteers, South Dakota carries on the tradition of neighbor helping neighbor. I am very proud of the Aberdeen Foster Grandparents and their efforts on behalf of their fellow South Dakotans.●

DR. EUGENE E. STARK

● Mr. DOMENICI. Mr. President, I have long viewed our Federal laboratory system as a major contributor to the U.S. technology base and an important, but relatively untapped, resource to U.S. industry.

An organization that has played an increasingly significant role as catalyst between our Government research

community and other sectors of our economy is the Federal Laboratory Consortium for Technology Transfer [FLC]. From 1980 to 1988 Dr. Eugene E. Stark, Jr. served as Chairman of the FLC.

Dr. Stark has been a senior member of the technical staff at Los Alamos National Laboratory in my State of New Mexico, and recently stepped down from chairmanship of the FLC. I wanted to wish him my best and recognize him for his sustained and extraordinary leadership to the Nation as FLC Chairman.

Under Dr. Stark's leadership the FLC has grown from a voluntary group of governmental laboratory employees to a formal organization established under the Federal Technology Transfer Act of 1986. The establishment of the FLC under this act was due in large part to Dr. Stark's visions of ways to enhance the flow of technologies from the Federal laboratories and his determined efforts to realize these visions.

Dr. Stark, elected chairman only days following passage of the Stevenson-Wydler Act, was faced with the requirement of steering the FLC through previously uncharted waters. The law required new activities of the FLC and the Federal research and development laboratories. Dr. Stark brought to the assignment his exceptional skill in determining and putting into perspective what is possible and, based on needs, create expectations consistent with available resources.

Dr. Stark has exercised a style of leadership that focused on results as the basic measure of value in technology transfer. He was open to growth and change in the composition and organization of the FLC, and was aware of the potential significance of the FLC and its members' activities as instruments of national policy. Because of his broad-based understanding of the Federal laboratory system he was sensitive to the interrelationships between the primary missions and the technology transfer responsibilities of the Federal laboratories and agencies.

He proved particularly adept at recognizing needs and opportunities for transferring technology and was skillful at creating innovative means to effect transfers. His leadership skills made it possible to incorporate a wider range of laboratories and agencies as participants in FLC, resulting in a more diversified and stronger organization which has increased capabilities to continue making significant contributions.

Because of his experience and insights into areas of needs and sensitivities, Dr. Stark provided an invaluable service to our Government through counsel and advice to members of the legislative and executive branches. Through his efforts, Federal technology transfer has become a visable and important tool in helping to improve U.S. industrial competitiveness.●

THE CITY-POLY GAME, BALTIMORE'S OLDEST FOOTBALL RIVALRY

● Mr. SARBANES. Mr. President, this past Thanksgiving, thousands of Baltimoreans came out to cheer for the 100th playing of the annual City-Poly game, one of the Nation's oldest high school football rivalries. This Baltimore sports institution pits teams from a Baltimore City College and Baltimore Polytechnic Institute, two of the city's oldest and proudest public high schools, against one another in an athletic tradition stretching back to 1888.

A recent book by Mr. Kyriakos P. Marudas, a graduate of Baltimore City College, ably captures the proud histories of these two schools and the many contributions of the young men who wore their colors on the playing field, I ask that excerpts of Mr. Marudas' book be entered into the RECORD at this time.

THE CITY-POLY GAME

(By Kyriakos P. Marudas)

The City-Poly football game started on an unknown fall date in 1888, when the two schools played each other at Clifton Park. Athletics at the time were not emphasized or developed very much at the schools. Indeed, Poly's faculty openly discouraged athletics until 1899, when William King became Poly's President. For its part, City had few athletic teams and, in football, consistently endured losing seasons to college teams. Nonetheless, City enjoyed victories over Poly all the way up to 1908. City's players referred to their Poly rivals as "scrubs," as they were often younger and not as experienced in football skills.

Yet, after twenty years of City victories, the inevitable happened. Poly defeated City in 1908, 11-0, in front of 2,000 spectators at Oriole Park. The win gave Poly the Interscholastic Championship of the East. Since then, the City-Poly game has seen a number of winning streaks, with one team victorious for a number of years until an opposite trend emerges.

Strong, if not excessive, school spirit has been displayed by the schools over the years. The traditional snake dance on Charles Street used to snag traffic for hours in the 1940's. The crowds at the games were consistently over 20,000 and games have been regularly televised since 1947. Finally, the Evening Sun gave a trophy, depicting a runner with his arm outstretched to block a tackler, to the team winning a series of five games. There have been several attempts to steal these trophies from the respective schools over the years.

Yet fundamentally, the City-Poly game reflects a positive tradition. It solidified school spirit and contributed to greater pride and respect for the schools by their students. This pride and respect, in turn, encouraged the students to work more diligently in their classes. Perhaps this is a reason why City and Poly graduates have gone onto successful careers.

Indeed, much of the Baltimore metropolitan area's development has been directly affected by the leadership of Poly and City alumni. Poly graduates have played a major role in creating high technology industries in the region. Meanwhile, Baltimore's political direction has been led by City graduates who collectively have held virtually every important elected office in the area. Finally, graduates of both schools have held key positions in the business field, directing large financial and commercial firms. Clearly then, these schools have exerted a constructive influence on the entire spectrum of Baltimore's growth and progress.●

PACIFIC BASIN FORUM

● Mr. LUGAR. Mr. President, last week on April 13, Senator CRANSTON and others submitted Senate Concurrent Resolution 27, a concurrent resolution calling for the establishment of a Pacific Basin Forum. I am pleased to be an original cosponsor, along with Senators DODD, MURKOWSKI, and BRADLEY. I encourage my colleagues to give this concurrent resolution urgent and serious consideration.

Too often in the history of international politics nations have established new diplomatic forums only in the aftermath of a crisis. We created the League of Nations and the United Nations after suffering from the horrors of world war. We began the practice of holding annual economic summits for the leaders of the seven major democratic nations in response to the OPEC shocks of the early 1970's. Today we would be shortsighted and irresponsible if we waited for some new conflict or economic dislocation before beginning the practice of regular and high level consultation with the nations that increasingly hold the key to economic progress and military security in and around the basin of the world's largest ocean.

The importance of the countries occupying the Pacific rim for American economic, military and political interests is beyond dispute. Some of our largest and fastest growing trading partners are Pacific Ocean nations. Between 1980 and 1987, trade between the United States and Japan grew by 116 percent while the total American involvement in international commerce grew by only 41 percent. Forty American States, including Indiana, now maintain permanent trade offices in Tokyo; and it has become common place for Governors and mayors, as well as cabinet officers and trade representatives, to fly to Pacific capitals to promote new markets for trade and tourism.

Some of our largest overseas military deployments and some of our most important overseas bases are found in Pacific Basin nations. Forty-three thousand American troops now serve in South Korea and facilities vital to American and regional security are located in the Philippines and in other Asian nations. Changes in any of these deployments or base arrangements cannot be considered as issues

affecting only the United States and the individual countries in which our troops and facilities are currently located. The defense of the region depends on American soldiers, sailors and airmen and the United States depends on the cooperation of many nations in order to maintain those forces. Just as our trade is mutually dependent, so too is our military security.

Critical issues of economic development and regional security for the Pacific Basin cannot be effectively discussed or resolved in a complicated web of splintered bilateral negotiations and agreements. Regional issues need a regional forum. In the case of our important dealings with Europe, regional security and economic organizations—NATO and the European Community—are already in place. In the Pacific Basin existing alliance structures and economic organizations do not have the widespread membership or the broad perspective necessary for effective regional deliberations.

Make no mistake. Creation of a new and regular series of international meetings does not, in and of itself, solve serious economic or strategic problems. But the failure to create effective forums for regional diplomacy, or the failure to use them wisely, leaves us vulnerable to crisis situations and without any instruments for long range policymaking beyond crisis management. In an age of complicated international economic, political, and military relations we can, and must, do better than that.

The Pacific Basin Forum is a sensible step toward improved relations with nations bound to play an important role in the economic health and national security of our country. It deserves our support and encouragement.●

MARKING THE 50TH ANNIVERSARY OF BLUE CROSS AND BLUE SHIELD OF RHODE ISLAND

● Mr. CHAFEE. Mr. President, I rise today to recognize one of the Rhode Island's foremost nonprofit corporations, Blue Cross and Blue Shield of Rhode Island. This year Rhode Island Blue Cross and Blue Shield celebrates its 50th anniversary of providing health care coverage to the citizens of our State. To mark this anniversary the employees of Blue Cross and Blue Shield plan on sponsoring a series of civic and charitable activities throughout the State.

Blue Cross and Blue Shield of Rhode Island opened its doors on September 1, 1939, just days before the outbreak of World War II. The Rhode Island Legislature and Gov. William H. Vanderbilt led the way for the incorporation of the Hospital Service Corp.—later known as Blue Cross. Its goal was to provide comprehensive protection against the costs of health care to the largest number of people at the lowest possible cost.

Like other Blue Cross plans sprouting up across the country, Blue Cross of Rhode Island protected people and their families against financial ruin resulting from the cost of a serious illness or injury. From its inception, this new health coverage concept was well received by the public. By 1942, membership had reached 100,000. Today, more than three-quarters of all Rhode Islanders are covered by Blue Cross and Blue Shield of Rhode Island.

Blue Cross and Blue Shield of Rhode Island has progressed dramatically from its first days in the old Rhode Island Hospital Trust Building, in Providence's financial district. It has grown from a corporation of 8 people to one of the State's major employers, with 1,800 employees.

As the job of providing health care coverage has grown, so have the responsibilities of Blue Cross and Blue Shield. By 1966, Blue Cross was responsible for administering the Federal Medicare Program and the newly created Plan 65 Program.

It is my honor to call attention to the fine tradition of service the employees of Blue Cross and Blue Shield have provided to the people of Rhode Island over the past 50 years. I join with all Rhode Islanders in congratulating Blue Cross and Blue Shield of Rhode Island on its 50th anniversary. Thank you for your efforts of the past 50 years, and best wishes for even greater accomplishments in the years ahead.●

SECURITY ASSISTANCE FOR BANGLADESH

● Mr. HATCH. Mr. President, as the United States examines closely its defense priorities against ever-constricting budgetary resources, I am happy to bring to the attention of this body an example of allied defense cooperation that holds great promise. I refer to the Pacific Area Senior Officer Logistics Seminar.

PASOLS IS PAVING THE ROAD TO A BRIGHTER FUTURE IN THE PACIFIC

PASOLS, as it is referred to, may provide a model for future forms of cooperation between like-minded nations committed to both security and the nation-building process in the Pacific region. This little known consortium of nations takes the notion of mutual security several steps forward. PASOLS is the only multinational, multi (military) service, and ministerial or cabinet-level forum for grassroots cooperation in the Pacific region. It takes cooperation out of the arm-chair strategist level, placing it in the hands of the implementers. The environment is apolitical and dedicated to mutual cooperation.

You may be surprised to learn, Mr. President, the PASOLS has been operating for nearly 18 years, with uninterrupted meetings annually hosted by its member nations. While 10 of these meetings were hosted by the United States, which provides a permanent secretariat, in either Honolulu or Okinawa, the past two were held in Australia and, this year, in Dacca, Bangladesh—a rather remarkable and applaudable achievement in light of the unprecedented series of crippling disasters managed by the nation, and about which I intend to say much more.

The member nations include Australia, Bangladesh, Canada, Indonesia, Japan, Korea, Kiribati, Malaysia, Maldives, New Zealand, New Guinea, the Philippines, Singapore, Sri Lanka, Thailand, Tonga, the United States, Vanuatu, the Solomons, and West Samoa.

With so vast a region to cover, PASOLS has become one of the most effective forum for development of self-sufficiency and self-reliance among individual states, while providing the basis for mutual cooperation leading to regional stability. More importantly, Mr. President, is the framework that PASOLS provides for confidence building among the member nations, and especially those that are emerging in this vibrant, rapidly growing region of the world.

I do not have to tell this distinguished body much about confidence building from a mutual defense perspective. We have seen such measures contribute meaningfully to the arms control process in Europe. However, in this region, as manifest from the purposes of PASOLS, national building is given a new and mighty thrust through participation in PASOLS' confidence-building framework. In this sense, PASOLS goes far beyond even its own charter; please allow me to elaborate.

The five thrusts of PASOLS' efforts fulfill an objective that the United States, as well as every other nation, regardless of its rank in the international community, seek: the development of a sound economic base from which self-confidence, commercial and economic sufficiency, an adequate and self-reliant defense capability, and even pride can emerge. Interestingly, PASOLS' objectives, although defense-oriented, promote these more basic goals, as does NATO. For example, cooperation on transportation development includes better distribution networking, bulk and containerization shipping methods, and freight forwarding, without which any export program is stillborn.

Supply management methodologies are also developed. Here, inventory management, warehousing, and shipment preparation information are

shared. Maintenance concepts emphasize good equipment handling and cost savings through better asset usage. Logistics technologies are explored with heavy emphasis on computer-based management systems that are very much tailored to a country's economic capability. Finally, and impressively, extensive discussions are conducted on procurement management, which includes concepts from which our own sophisticated economy would very much benefit.

PASOLS IS SERVING U.S. INTERESTS IN DEFENSE ECONOMIES

Mr. President, we wring our hands over our foreign commitments. In addition to our NATO and other European-related arrangements, we are committed by treaty or bilateral pacts to the defense of Japan, South Korea, the Philippines, and Australia. In the interest of regional stability, we have made other commitments in the region, which include those to Pakistan.

Historically, we have deployed forces and provided military assistance as the most tangible evidence of our commitments. As the economic priorities of the United States have undergone a wrenching change since Vietnam, we have searched vigorously for alternatives: whereas troop and other force deployments have diminished or are likely to in the near future, our commitments, both moral and legal, need to be reexamined in a very creative manner. In this sense, PASOLS may have been ahead of its time.

For one thing, security assistance is no longer justified for many in the Pacific region. Accordingly, Korea has seen itself removed from the list of grant recipients. If the fiscal year 1989 debate on security assistance is any guide, other nations are likely to face diminished material support from the United States as their economies become robust, as evident from the trade surpluses that many have with the United States. For these nations, U.S. assistance in the form of the type of cooperation provided through the PASOLS framework may offer the best way for the United States to maintain a working relationship in a changing security and budgetary climate. In fact, PASOLS itself reflects a deep understanding of this change. This can be witnessed from the types of presentations made in the Dacca meeting this year. For example, Singapore delivered a sophisticated sketch of life-cycle equipment management. This involved emphasis on smart procurement followed by equally wise maintenance and support of such assets. New Zealand presented a computer-based model for inventory management and equipment use ratings during military exercises or other times of extraordinary use. The Philippines outlined a series of plans that highlight an important goal of U.S. security assistance policy: self-reliance. The Filipino plan included long-range development of spare parts manufacturing capability for various types of transport vehicles provide by the United States.

But perhaps the most dramatic event of the entire conference was the series of presentations made by the Bangladesh hosts on the use of military organizations in Third World nation building. This topic reached to the very heart of the fiscal year 1989 debate in the Senate that covered the new focus of security assistance policy.

BANGLADESH: A CASE HISTORY OF ENLIGHTENED DISASTER MANAGEMENT IN THE THIRD WORLD

Mr. President, Third World nations are characterized, if not defined, by difficulties in institution building. With few exceptions, unstable political conditions, faltering economies, mixed societies, and, often, ill-defined territorial boundaries defy even the best efforts to organize the policymaking machinery of the state.

Bangladesh fits into a few of these categories. On the positive side, its elected civilian Government and highly pluralistic political party structure legitimatize whatever policy efforts the Government makes in the domestic and international arena. However, as in all democracies, policy success is defined by popular acceptability—the obvious key to electoral survival, as we in this body know and share with all other democracies, regardless of their level of development.

Bangladesh is a nation with a rich history. Having struggled for its independence, it entered the international state system with built-in pride rooted in its own language and culture of ancient origins. Key to its independence, of course, was its military organization. Trained by the British and later the Pakistanis, it stands beside the noble institution of the civil service where, as in India, the creme de la creme joined its ranks.

In a state with an underdeveloped economy, and beset by natural disasters of such unimaginable magnitude that even foreign witnesses believe themselves to be fantasizing, it is not surprising that the military organization survives as a remedy of first choices as well as last resort. There is simply nothing in between.

But the situation in Bangladesh is not to be confused with many other Third World nations where military regimes determine public policy priorities. Rather, their role is little different from even the early American experience when West Point served as the institution responsible for training the Army's Corps of Engineers that was to guide the opening of the continent to the West. Indeed, even today, the corps remains responsible for much of our public works.

Many scholars have written on the useful role of military organizations in nation building. In more modern history, Lucien Pye's classic work on postwar Burma has become a guide for responsible military participation in institution development as part of the nation-building process.

BANGLADESH: MARSHALLING RESOURCES TO DEAL WITH DISASTERS

Bangladesh's experience with the notorious floods of 1954, 1955, 1974, 1987, and 1988 fully tested its institutions. The confluence of three great rivers, the Ganges, the Manghnna, and the Brahmaputra caused 16 floods over a period of 45 years. Most troublesome were 2 successive years of floods in 1987 and 1988, the latter year causing 50 percent more devastation than 1987 in terms of the land area that became submerged.

Since there is little reliable and complete information on the more recent 1988 flood, we must reply on 1987 statistics, and they are awesome: 40 million persons were displaced, nearly 90,000 square kilometers of territory were under water, and most crops planted in the preflood cycle were essentially destroyed. The lines of communication, such as airports, roadways, canals, and rivers were denied to assistance efforts at a time when they were needed most. By way of comparison, it is as if 30 of our 50 U.S. States were under water, and 100 million Americans without their homes.

The Bangladeshi turned to the only existing organized relief force in its state: the military services. In this country, unlike our own, much of the armed forces budget is devoted to, or indirectly or directly related to civil efforts to mitigate the effects of natural disasters.

The Bangladesh Army responds in three stages. Pre-disaster plans are put in place. Alert orders are designed, mobilization standby procedures exercised, and disaster control teams designated along with reserve capabilities to back up early force commitments. Civil authorities participate fully in the planning as well as execution phases.

It is important to note that the army is the only major indigenous institution that recruits members from provinces according to quotas. People in rural districts trust the army, as evidenced by their choice of the institution in dealing with such problems. Whereas politicians will usually favor their own constituents, and administrators will favor those on whom their careers depend, the Bangladeshi military organization is national in scope and purpose.

During the onset of an actual disaster, good prior planning shows. Transports have been set aside for deployment, communication networks have been organized and monitoring cells are in place. Responsiveness, not unlike military readiness, becomes key

to effective disaster management in the face of the overwhelming odds that only nature can deliver. Medical aid can be provided; on another lesser known scale, good population management can diminish further disasters by avoiding panic. Indeed, repeated numbers of foreign observers commented on the surprising cheerfulness and resilience that they found among flood survivors, evidence of the peoples' self-confidence.

In the final, post-disaster stage, administration can be handed to civil authorities in an orderly manner, construction efforts begun, and relief goods equitably distributed along with medical services until a sense of normalcy returns.

Perhaps most importantly, Mr. President, is the ability of the Bangladesh Army to commence and continue flood control efforts. These include embankments, catchments, dredging artery diversions, and other major water management and artwork projects. In addition, communications and transportation infrastructure often has to be totally restored in many areas.

Mr. President, I have engaged in this long discourse on PASOLS, on our security assistance and cooperation policies, and, especially, on Bangladesh for one pointed purpose: While I share all Americans' determination to help Bangladesh deal with its disaster-prone setting, I want to do still more.

It is for this reason that I urge more International Military Education Training [IMET] assistance for Bangladesh. This initiative is entirely consonant with the guidance provided by the Senate Appropriations Committee to the President on the subject of "nation-building training." Please allow me to cite one particular passage from the fiscal year 1989 report's text that I find most poignant:

[SAC reported its belief] "* * * that military training professionals in many developing countries would benefit from the training which enhances their ability to construct public works and to engage in other activities helpful to the economic and social development of their countries. * * * (T)he Committee encourages the Department of State and DOD to allocate a portion of the funds made available each year for IMET for training of foreign military personnel in nation-building activities including engineering, communications, electronics, maintenance, medicine, logistics, management, and jurisprudence."

Mr. President, I thank you and the other Members of the Senate for taking the time to listen to this history; I know that I can depend on my colleagues to support, at least a five-fold increase of IMET training allocations to Bangladesh, an increase which, I hasten to add, will cost about $1 million, but which will bring many times that return to our inherent sense of humanitarian purpose.●

HONORING DOMINIC OLEJNICZAK

● Mr. KASTEN. Mr. President, I rise today to commemorate the passing of a great American, Mr. Dominic Olejniczak of Green Bay.

Olejniczak was well known to generations of football fans as the driving force behind the great Green Bay Packers team of the 1960's. But his life achievement far transcended the boundaries of the gridiron.

What we remember most about Dominic Olejniczak is how he turned around a team with a 1-10-1 record into the most talented team in professional football history. How he discovered Vince Lombardi, whose genius was languishing in obscurity, and gave hin the coaching opportunity of a lifetime. And how he helped save the Packers from financial ruin back in the 1950's.

But these achievements, impressive though they are, don't paint a full portrait of Dominic Olejniczak. He was also a dedicated public servant and member of the Green Bay community.

Throughout his 80 years, Olejniczak never lost sight of the needs of his neighbors and of the community at large. He served with distinction as mayor of Green Bay from 1945 to 1955, worked to build a new city stadium—and thus made Green Bay the biggest little town in America.

Olejniczak tapped into the spirit of the people of Green Bay, and brought out the deepest potential that lay within them. One might say he did for his community what he did for his football players—called on them to be as successful as their God-given talents would allow.

Olejniczak didn't just discover Vince Lombardi. He discovered Green Bay. And he shared them both with all Americans, a gift for which we must all remain grateful as we honor his memory.

I join the whole Green Bay family in expressing my best wishes and condolences to Mrs. Regina Olejniczak and their sons Thomas and Mark.●

MIDDLE EASTERN REALITIES

● Mr. BOSCHWITZ. Mr. President, an editorial, entitled "Middle Eastern Realities," appeared recently in the Wall Street Journal. It details some of the very daunting security concerns facing any Israeli leader trying to advance the peace process. Anyone who has visited Israel has seen firsthand how narrow and exposed pre-1967 Israeli territory was. At one point, the distance between Israel's former border with Jordan and the Mediterranean Sea was only 9 miles—shorter than the distance from downtown Minneapolis to downtown St. Paul.

For Israel, the question is one of its own national survival: how to protect its own security from a host of Arab armies that greatly outnumber—and outspend—Israel's defense forces while resolving the Palestinian problem. I believe the editorial in the Wall Street Journal illustrates well this Middle Eastern reality. I ask that it be printed in the RECORD and commend it to the attention of my colleagues.

The editorial follows:

MIDDLE EASTERN REALITIES

The Middle East, its problems normally far away, is on America's doorstep this week. Israel's Yitzhak Shamir and Egypt's Hosni Mubarak are both making separate visits to talk with President Bush. With Secretary of State Baker in the lead, Mr. Bush is talking about an international peace conference and the need for "a new atmosphere." Over the years, Washington probably has spent more time sitting in rooms in Washington talking about the Middle East than any other foreign-policy problem. We suspect the quality of that talk would benefit greatly if both George Bush and Jim Baker personally toured those portions of the old Palestine Mandate that sit at the heart of this matter.

We did so recently, particularly the hills of Samaria. The United Nations had allotted these hills to the Jordanians in 1947. They would still have them but for the fact that in 1967 during the Six Day War, when it looked as if Israel would be destroyed by Syria and Egypt, Jordan belatedly joined the fray, only to lose Judea as well as Samaria. Arab attacks in 1973 failed to destroy Israel, and Jordan abandoned its claim to the lands last year.

We entered by car northeast of Tel Aviv, at a point where according to the old lines of 1949, Israel was but nine miles wide. The rocky hills rise sharply (some, but not all, have enough grass to graze goats, and in the valleys there is increasing agriculture by Arabs and Jews). In 1977 in Judea and Samaria there were 25 Jewish settlements and two more under construction; today there are 138. Our guide—Ariel Sharon, who was a minister involved in the development of this region when much of the expansion was planned—routed us near or through a dozen of these towns, neat concrete and stucco housing, some with factories, university or agricultural buildings.

To the Israelis, the most striking thing about this area is its military significance by three important measures: depth (from the Samarian hills one can scan with the naked eye the Israeli coast and its main population centers); the eastern front (a quick drive inland and one is looking at the Jordan River and the potential invasion routes of Jordan, Syria and Iraq); and Jerusalem (these hills feed to the approaches of Israel's capital). Jewish towns now overlook the most important military vantage points, intersections and roads.

It is sobering to stand in the Samarian hills with General Sharon, to listen to his explication of their military significance and to be reminded by him that Czechoslovakia's key defensive positions lay in the Sudetenland, which was lost through peace negotiations at Munich. One thing the visitor notices is how small the perspectives are in this region, which is why global strategists worry about a conflict today escalating out of control. Imagine, for instance, the implications of Iraqi chemical weapons being launched indiscriminately aboard inaccurate missiles. Israel would no doubt take what

measures it thought necessary to end an assault by such weapons.

It is difficult to find in Israel a responsible official who doubts that the Arab riots and the current peace overtures are part of a broader military strategy. While the PLO's chairman, Yasser Arafat, is talking peace to the Americans and the Western press, his PLO colleagues are reminding the Arabs of the "phased plan" adopted in 1974 by the Palestine National Council in Cario. The plan eyes the destruction of Israel in phases, starting with the declaration of a PLO state on any land that can be gained and operating from there.

As recently as November of last year the PLO journal Al-Yom Al-Sabah quoted Abu Iyad, Mr. Arafat's key deputy, as saying that the PNC decisions last year in Algiers, which set the stage for the current peace overtures, "are a refinement of the Palestinian position as adopted in the Phased Plan in Cario 14 years ago. . . .The PNC session in Algiers in 1988 was meant to revitalize this program and to create a mechanism to get it moving."

In January, the Agence France Press quoted Nayif Hawatmeh, chairman of the Democratic Front for the Liberation of Palestine, a PLO constituent, as saying, "The Palestine struggle should now be aimed at creating a state in the West Bank and Gaza. This will not prevent us from achieving our final aim of liberating all of Palestine." Mr. Bush's State Department Arabists undoubtedly can provide him with reams of this documentary material.

Even in the volatile politics of the Middle East it's important to note gradations of responsibility among the players. Egypt concluded and has honored a peace with its Israeli neighbor. In resolving the Taba dispute recently, Egypt showed an ability to negotiate responsibly toward a goal, rather than bluster for the world media. Jordan obviously wants out of this conflict. It is harder to gauge precisely the intentions of a Saudi Arabia that is embarking on a $30 billion arms-buying binge.

But can Israel assume that any of these could stand aside in a war provoked by Arab hotheads such as Iraq and Syria? Israel faces on its eastern front more combat divisions than the 21 active divisions that exist in the U.S. Army; Iraq's army alone has ballooned since 1979 to 47 divisions from seven. Israeli analysts have little doubt that were a Palestinian state to be set up on the West Bank the region's forces would gradually (or suddenly) be brought forward and, without a buffer, the Jewish state would be in mortal peril.

To put it plainly, what is at stake in any "new" political arrangement is Israel's survival. And in turn what is at stake for the United States is the credibility of this country's commitment to an embattled nation that has remained a democratic outpost for 40 years. Rather than see Israel destroyed in any war, the U.S. almost certainly would feel forced to intervene, politically and perhaps militarily. If, however, it remains the goal of U.S. policy to prevent war in this region, it is no doubt easier to do so by making its loyalties clear now, rather than when the armies are moving.●

THE CHALLENGE FACING DENG

● Mr. LOTT. Mr. President, I would like to bring to the attention of my colleagues an article I recently read in the Journal of Commerce, written by Mr. Eric Hotung. I believe this gentleman's perspective and comments regarding the actions of China's Chairman Deng Xiaoping are certainly worthy of our attention, and I ask that the text of the article be inserted in the RECORD.

The article follows:

THE CHALLENGE FACING DENG

(By Eric Hotung)

Ten years after he helped open a new era in Sino-American relations by normalizing diplomatic relations with the United States, China's Chairman Deng Xiaoping has sent an unmistakeable signal that he intends to continue his relentless drive to modernize the economy of the world's most populous nation and transform China into a 21st century economic superpower.

The recent announcement that he will unleash an all-out campaign against official corruption offers convincing evidence that the aging Chinese leader is firmly committed to ending profiteering and illegal speculation by privileged members of the Communist Party. If there were any doubt about his resolve, it was removed when Mr. Deng singled out a state-owned corporation linked to his eldest son as one of the first targets of the anti-corruption campaign.

While prudence dictates a "wait and see" attitude as to the outcome, one must admire Mr. Deng's courage and tenacity in selecting the China Kanghua Development Corp. as the first target of his crackdown on official corruption. The company, founded in June 1987 and given special tax treatment because of its donations to a charity for handicapped Chinese, was successful in part because of its connections with the Deng family.

Mr. Deng's firm action, which was underscored by the tough rhetoric of his colleague Zhao Ziyang in a speech at the Third Plenary Session of the Communist Party Central Committee in September, makes it clear that Mr. Deng wants to halt the rampant corruption and financial mischief that threatens to strangle the Chinese economy.

However, there are signs that, in seeking economic reforms, China's leadership is once again being challenged by internal opposition. How severe this challenge is and to what extent Mr. Deng and his allies may require—or want—outside help is not yet clear.

It should not be surprising that Mr. Deng's hoped-for economic reforms have not, except in the coastal provinces and treaty ports, made significant progress. One cannot expect that a country as large and diverse and as steeped in feudalism as China could be turned into a smoothly functioning economic system overnight.

Admittedly, widespread corruption and waste, along with other excesses, have been growing in recent years and now threatening to get out of hand. But rarely can bureaucratic machinery move without the lubricating effect of such excesses, even in Western nations.

Certainly, money has been spent on nonproductive ventures. But this, too, was to be expected in an embryonic giant rediscovering new strength and vitality in its age-old entrepreneurial tradition.

Obviously, there was bound to be some dislocation as China emerged from the self-imposed isolation. But no visitor to China can fail to see and be impressed by the pulsating energy and ambition of its people.

The ultimate fate of the reforms is still in doubt, but their failure would give Mr. Deng's enemies considerable political capital and perhaps enable them to succeed in portraying him, not as a national hero who struck off the shackles of feudalism, but as a reviled reformer who betrayed the fiduciary trust laid down by his companions of the Long March.

If Mr. Deng fails to "regulate the economic environment" (i.e., control inflation) or to "rectify the economic order" (i.e., stamp out corruption) and thus fails to unite private and national interest, he undoubtedly will be treated harshly by Chinese history—and perhaps by his contemporaries as well.

In plotting Mr. Deng's downfall and putting party politics and ideology before national welfare, the leftist conservatives may well pause to consider that Mr. Deng and Mr. Zhao represent the best and most credible leadership in Western eyes. It is to the West, after all, that China has turned time and again for the technology needed to realize its economic and industrial aspirations—not withstanding the recent overtures of Moscow. If they leave without having influenced the picking of their successors, the next era of Chinese history will be fraught with dangerous uncertainty.

The re-emergence of the leftist conservatives could have an even more unwelcome and disabling effect. It would resurrect the bureaucratic stagnation of the Mao-Stalin era, an unworkable system that the Soviets themselves have now consigned to the scrapheap of history. The Chinese then would be forced to consider, as the Russians are doing while they dig through the rubble of their financial Chernobyl, whether it was worth putting party doctrine and personal enmity above national interest.

Before long, the Chinese will celebrate the coming of the Spring Festival. But this festive season also will usher in a period of uncertainty as the West watches and waits for political signals to decipher and decode. This time may serve a useful purpose for China's friends in the United States and elsewhere ponder what Mr. Deng really has accomplished and what he represents in terms of stronger Sino-American relations.

While these relations have not always been smooth or productive, nevertheless they have allowed realistic forces in both countries to establish a foundation for building even more stable relations in the future. Mr. Deng's friends and enemies alike should consider whether this edifice, whose cornerstone was so carefully laid by President Nixon and Chou En-lai, who probably will go down as one of the greatest statesmen of the 20th century, is worth preserving. No reasonable person could seriously suggest otherwise.

(Eric Hotung, a Hong Kong business executive, is chairman and founder of the Hotung Institute for International Studies.)●

THE MARTIN LUTHER KING FEDERAL HOLIDAY COMMISSION REAUTHORIZATION ACT

● Mr. D'AMATO. Mr. President, it is a pleasure to join Senator NUNN and many others in cosponsoring S. 431, an act to reauthorize the Martin Luther King Federal Holiday Commission.

The need for reauthorization is clear; the Commission's work is simply not done. Although the Commission has met with great success since its inception nearly 5 years ago, six States to date do not legally recognize the

King holiday. Moreover, there is still much to be done in promoting the celebration of King's work, disseminating his teachings, and establishing events to commemorate his legacy.

The King holiday serves as a time of national reflection on democratic values, equal opportunity, and individual freedom and dignity. Work toward the ultimate realization of King's dream will be greatly furthered with the adoption of this measure.

I urge my colleagues to join our efforts.●

MEDICARE PART B REIMBURSEMENT FOR PHYSICIAN ASSISTANTS

● Mr. LEVIN of Michigan. Mr. President, for over 10 years, Congress has wrestled with the role of physician assistants [PA's] under the Medicare Program. Since 1977, a series of changes have been enacted which have resulted in the expansion of the Medicare Program to cover the physician services provided by physician assistants.

The first such change occurred when Congress enacted the Rural Health Clinics Act in 1977. This law approved Medicare coverage of PA and nurse practitioner [NP] services provided in federally certified rural health clinics. Later, as part of the creation of the Medicare HMO Program, Congress authorized coverage of PA and NP services in federally certified HMO's and competitive medical plans [CMP's].

Then in 1986, we expanded coverage to include the physician services PA's provide in hospitals, nursing homes, and surgery. Finally, in 1987 Congress authorized Medicare part B reimbursement for all services of physician assistants rendered in rural health manpower shortage areas, regardless of the institutional setting, at 85 percent of the physicians' charge.

But as one might imagine, this complex quilt of coverage has proven confusing to practices which employ PA's and has left some truly needy communities and populations without adequate access to health care.

We are presently having just such an experience in a rural community in Michigan. Cedar Springs, MI, is a small rural community in Kent County with a population of approximately 2,500, located approximately 20 to 25 miles away is Kent County's largest city, Grand Rapids. According to the Public Health Service, Cedar Springs is considered a health manpower shortage area. Despite its obvious rural character, Cedar Springs does not meet the Federal definition of rural because of its proximity to Grand Rapids.

Nearly 65 percent of the patients seen at the Cedar Springs Medical Clinic are either elderly or poor. Consequently, a disproportionate share of the patients have their health care paid for by either Medicare or Medicaid, or they have no insurance at all.

For the past 12 years, the majority of Cedar Springs' residents have received their health care from a PA/physician team. The physician holds office hours in Cedar Springs 1 day per week with the PA covering the community the remainder of the time.

Recently, the Health Care Financing Administration [HCFA] has come into this community and questioned the validity of 3 years worth of claims for services provided by the PA.

During a recent audit, HCFA officials informed the clinic that they must repay over $50,000 in back payments for charges for the PA's services. Now there are two reasons why this had happened. First, Cedar Springs, despite its obvious rural character, does not meet the Federal definition of rural because of its proximity to Grand Rapids. However, the distance presents a formidable obstacle for the elderly and the poor in need of medical services. Second, Medicare's definition of "supervision" and the State law definition of "supervision," as they pertain to PA's, are often in conflict. More specifically, there are differences in the interpretation of what is commonly referred to as the "incident to" clause under Medicare.

Quite simply, Medicare will cover the services of nonphysician providers when those services are provided "incident to" the physician's professional service. In order to meet the "incident to" test, the services must be:

> Furnished as an integral, although incidental part of the physician's personal professional services in the course of diagnosis or treatment of an injury or illness. In addition, the service of nonphysicians must be rendered under the physician's direct supervision by employees of the physician.

The important issue in this case is the degree of supervision under Michigan law. In every State law governing the practice of physician assistants, PA's must be under the supervision of a physician. This is a fundamental principal of the physician assistant profession. Unfortunately, there is often a big difference between how States define "direct supervision" and what Medicare requires in order for the clinic to receive reimbursement.

The PA in Cedar Springs was always under the supervision of a physician in accordance with State regulations. If he had not been, he would have been in violation of the State Medical Practice Act and subject to severe fines, loss of his license to practice, and possible imprisonment. Michigan law provides for physician supervision from a site remote from that of the practicing PA.

Medicare is seeking repayment only for those services rendered when the physician was not on site in Cedar Springs. This is important. If the physician had been on site, full time, there would be no problem. I want to emphasize this point because it is what distinguishes a PA from all other nonphysician providers. HCFA's only quarrel with Cedar Springs is the level of supervision.

Cedar Springs should not be penalized because their community is not of sufficient size to sustain a physician in the community on a full-time basis. More importantly, we must finally recognize that physician assistants are fully valued health care providers under the Medicare Program and are legitimately providing services which Congress has encouraged them to provide.

In this regard, I would point out that for the past 15 years the Federal Government has appropriated funds specifically for the training of physician assistants. More importantly, one of the principal criteria for a PA program to receive Federal assistance has been that they train PA's to work in rural medically underserved communities such as Cedar Springs.

It strikes me as just a bit ironic that on the one hand the Federal Government encourages PA's to practice in medically underserved communities and then turns right around and penalizes them when they do.

What then can be done for the residents of Cedar Springs and similar communities? Fortunately, there is an answer, and it lies in the enactment of legislation introduced by our distinguished colleague from Iowa [Mr. GRASSLEY].

The Grassley bill (S. 475) would clarify the Medicare law and authorize coverage of PA services as long as the PA was acting in accordance with State law. In other words, the PA would still be required to work under the supervision of a physician, but the degree of supervision would be determined by State law, not the Medicare statute or regulations. In addition, payment would continue to be made to the clinic, as it is now, and the clinic would be required to accept assignment for the services provided by the PA.

Finally, Medicare would achieve some savings if we enact the Grassley bill. As was previously mentioned, Medicare is paying for PA services when practices can meet the more restrictive supervision requirements. But we are paying for those services at the physician's rate. The Grassley bill establishes payment for PA services at a PA rate which is pegged to 85 percent of the physician's prevailing charge.

Mr. President, the Grassley approach is a wiser and more compassionate approach to this very serious issue than the present of carrier interpretations. Practices which employ PA's should have a simple, easily un-

derstood policy with respect to Medicare coverage of PA services.

For these reasons, I am today cosponsoring the legislation proposed by my good friend and colleague from Iowa. I have no doubt that there is a Cedar Springs in every State and it is only a matter of time before this issue catches up with those rural communities that fall between the cracks.

Under current law, there are two types of Medicare beneficiaries—those who live in communities of sufficient size to support a full-time physician only practice, and those who live in smaller, more rural communities that are served by a physician/PA team. I submit, Mr. President, that Medicare beneficiaries should not be discriminated against because they do not have direct access to a physician.

I would note that the Grassley bill would only correct the Cedar Springs situation with respect to the future. The problem of the $50,000 reimbursement HCFA officials are seeking, represents a very serious threat to the very existence of the Cedar Springs Clinic. And frankly, Mr. President, nothing is gained by attempting to seek repayment of these funds.

If HCFA pursues this matter, the clinic, in all likelihood, will be forced to close. If the clinic closes, the residents of Cedar Springs lose any access to health care. I don't think this is in anyone's best interest and I therefore am working with officials from the Health Care Financing Administration to seek a waiver of the repayment.

Finally, I would point out that the Senate Finance Committee will be looking at the whole issue of physician payment reform over the next several months. I would strongly encourage the committee to address this most pressing issue.●

SUPREME COURT RULES ON SECRECY PLEDGE

● Mr. PRYOR. Mr. President, I would like to add several comments to a statement I made yesterday regarding the Supreme Court's action on a case involving a Governmentwide secrecy pledge.

Mr. President, yesterday the Supreme Court reaffirmed Congress' constitutional right to legislate in the area of national security matters, including the control of national security information.

In their ruling, the Court struck down a U.S. district court ruling that granted broad power to the White House on national security policy in a case regarding the use of a controversial secrecy pledge for Federal employees.

In 1987, Congress passed legislation to ban for 1 year the use of a secrecy agreement that had been forced on roughly 1.7 million Federal employees. The secrecy pledge was vague and far reaching and it was feared that the pledge would be used to silence whistleblowers who would otherwise report fraud and abuse in government to their representatives in Congress.

Several of us in Congress and the American Foreign Service Association filed suit in Federal district court in 1988 after it became apparent that the CIA, the State Department, and certain military services were continuing to use the secrecy form in violation of the congressional ban.

We were deeply concerned by the district court's very broad decision in the case in favor of the executive branch's action. We believed that the decision ignored Congress' constitutional power and appealed the case to the Supreme Court.

Others in Congress were concerned by the decision and both the Senate and the House filed amicus briefs with the Court.

Yesterday the Supreme Court vacated the lower court's ruling and remanded several issues to the lower court for action and appropriate remedy.

Mr. President, the Supreme Court's action is a relief to many of us. It reaffirms important aspects of the balance of power in Government and Congress' role in protecting Federal employee rights. It also provides a good context in which the executive and Congress can work together to establish effective and legal methods to protect sensitive and classified information.

Finally, Mr. President, I would like to recognize the hard work of the Public Citizen Litigation Group which represented concerned Members of Congress in this case and the efforts of other Members of Congress on the issue, including Senator GRASSLEY, former Senator Proxmire, and Representatives BROOKS, BOXER, SCHROEDER, and SIKORSKI.●

OFFICER C.D. CODER AND JAMES VAN COOK, OUTSTANDING STAFF MEMBERS

● Mr. BOREN. Mr. President, I am proud to be associated with many exceptional persons here in the U.S. Senate. I would like to take this opportunity to recognize the diligence and hard work of Officer C.D. Coder, a member of the U.S. Capitol Police, and James Van Cook, our office manager on the Select Committee on Intelligence. These outstanding men have contributed so much to their respective jobs, and I am honored to say publicly "thank you".

Mr. President, I ask that the text of two letters be printed in the RECORD.

The letters follow:

U.S. SENATE,
SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC, March 31, 1989.

Officer C.D. CODER,
U.S. Capitol Police, Washington, DC.

DEAR OFFICER CODER: I have somewhat mixed emotions on learning recently of your pending retirement. First and selfishly, we will miss the efficient and professional service that you have rendered for so many years to the United States Senate Select Committee on Intelligence. Because of the rigid security requirements of our office space, you have had to be the tough security person and still the pleasant, first person to greet our visitors. You have always set the example for others with your positive manner in performing such a strict, demanding task. We shall all miss your dedicated performance and friendly demeanor.

Secondly, I am proud to congratulate you on reaching this milestone in your career. I know that you look forward to the many years of "enjoying the fruits of your labor" with your beautiful wife Linda, your four children and those four wonderful grandchildren. My wishes for you and yours are for many happy, healthy years of joy and pleasure as only a partial reward for your many years of dedicated service to the United States Senate. Your exemplary service is but another reason for my pride in the United States Capitol Police.

Sincerely

DAVID L. BOREN,
Chairman.

APRIL 18, 1989.

HON. DAVID L. BOREN,
Chairman, Senate Select Committee on Intelligence, Washington, DC.

DEAR SENATOR BOREN: For the past six years, I have had the distinct pleasure of being assigned by the Capitol Police to the Senate Select Committee on Intelligence for the purpose of security. During this tenure I had an opportunity to work with and observe the excellent job performance by all of the staff members who have constantly exhibited a high degree of initiative, comprehensive knowledge, and intelligence far beyond my expectancy.

As I leave this assignment for retirement, I wish to single out and officially express my appreciation and admiration for the outstanding performance rendered by James Van Cook, Office Manager. During the period of our close association, I have grown to rely on his professional competence with each new and difficult task he has completed. While operating under extreme tension and diversity, his unfailing good humor and extraordinary leadership ability were two especially pronounced traits.

When called upon by Kathleen McGhee, Chief Clerk, to assume the added duties of the GPO Detailed Printer who recently departed, Mr. Van Cook performed these extra duties with a vigor and cheerfulness that made him an outstanding example to his associates. He met each assignment with enthusiasm, accomplishing them with the utmost efficiency. His loyalty and constant desire to do his best is greatly appreciated by the Committee Staff.

I am fully aware that this job performance is expected of Mr. Van Cook; however, he always strives conscientiously to do his utmost to assist others beyond the maximum job requirements. His composure, friendliness, and easy-going manner make the seemingly impossible requests seem probable, even before they are carried out.

Realizing that some of the mail your office receives may not always be of a complimentary nature, as is the case in all responsible positions, I hope that my simple letter of commendation to Mr. Van Cook will in some way offset those criticisms. I only wish I were able to do more for the unselfish way Mr. Van Cook gives of himself to the Intelligence Committee, as well as the United States Senate. I also wish to convey my heartfelt thanks to the Committee Staff for all their assistance during the past six years.

Finally, Senator, may I commend you for the wise and delicate way you handle the chairmanship. I know you must be very proud to chair what I consider to be the most difficult and challenging committee on Capitol Hill. You are "OK".

Thanking you in advance for your kind consideration given this matter, I remain,

Sincerely,

CLIFFORD D. CODER,
U.S. Capitol Police.●

THE LOCKERBIE LESSON

● Mr. SIMON. Mr. President, a few weeks ago I spoke in this Chamber about the need to put more resources immediately into aviation security research and development. Among the lessons of the tragic bombing of Pan Am 103, one surely stands out: The terrorist threat is growing more sophisticated, and our response needs to grow as well.

I indicated then my intention to offer an $8 million amendment to the FAA supplemental for fiscal year 1989, nearly doubling the present program. Incredibly, FAA is not asking for one additional penny in this area for this current year, and their request for fiscal year 1990 is frozen in place at the $9 million level.

Well, Mr. President, the terrorist threat to air safety is not frozen in place. Terrorists are making bombs smaller and more difficult to detect. There is an urgent need for more money to pay for an effective counterterrorism program. At the heart of this program lie new technologies and skilled people. We, in Government, must assure the traveling public that we are doing everything in our power to keep the skies as safe as possible.

In the past few months there have been a number of congressional hearings into aviation security issues. But the debate has not been joined, particularly from FAA. We need to discuss Government's proper role, and the airline industry's proper role, and we ought to sort out who should pay for research, new security measures, and other aviation security issues.

Along these lines, I commend to the attention of my colleagues a recent oped in the Washington Post by Noel Koch, formerly the Pentagon's chief counterterrorism official. Mr. Koch suggests that the security dilemma has grown well beyond the capacity of the airlines to handle it in all its dimensions. The airlines need "a stronger assist from the Federal Government," especially in the area of funding new technologies and replacing obsolete equipment. The best place to get this new money, says Mr. Koch, is the aviation trust fund, which now has a surplus of $5.8 billion.

When the FAA supplemental comes to the Senate floor, it is my hope that we can include this additional money for aviation security. Additional resources are essential. Withholding the $8 million now would be penny wise and pound foolish.

Mr. President, I ask that Mr. Koch's article, "The Lockerbie Lesson," be printed in the RECORD.

The article follows:

[From the Washington Post, Apr. 2, 1989]

THE LOCKERBIE LESSON

(By Noel Koch)

The destruction of Pan American Flight 103 over Scotland was incidental to the purposes of those who arranged and executed the deed. Their real target was on the tail of the aircraft: the American flag.

The United States is the leading target of international terrorism today, and our airlines are both powerful and accessible symbols of America herself. But the U.S. government does next to nothing to protect air travelers—dumping the burden on the airlines. It's time that changed.

Confronted with similar circumstances in the past, our government took responsibility for the safety of American lives and exacted a price when they were threatened. (What finally brought the United States into World War I was the sinking of three U.S. merchant vessels, with less loss of life than occurred over Lockerbie last Christmas.)

Yet the most significant debate over the destruction of Flight 103 is not about which country caused it and what to do about it, but about how far the airline is responsible for allowing it to happen. Some members of Congress are joined with the families of the victims in the effort to apportion blame. In truth, Congress need look no further than itself and its partners in government at the other end of Pennsylvania Avenue. By federal statute, however, the airline appears most at fault.

More than other scheduled airlines in the world, U.S. carriers are naked to our enemies and responsible for their own security. This is codified in Part 108 of the Federal Air Regulation, Federal Aviation Act, 49 U.S.C. 1354 *et seq.* and summarized as follows: Maintain Response Security Programs; Screen Passengers, Carry-On Items; Secure Baggage, Cargo Procedures; Protect Aircraft.

To put the burden in perspective, consider that the combined might of the United States—its vast military, its far-flung intelligence resources, its political leverage and its economic muscle—have not been able to keep our citizens from being murdered on the whims of the leaders of Syria, Libya and Iran. Yet what this vast federal apparatus cannot do itself, it requires our national airlines to do—and condemns them when they fail!

Our airlines are brought to this dilemma by a process of regulatory accretion. It was reasonable to hold the airlines responsible for the safety of their passengers when this meant assuring the machine had gas in it, that it wasn't overloaded and that one of the pilots was sober.

These and similar flight-related obligations must remain with the airlines. But they cannot be expected to confront singlehandedly the combined forces of hostile foreign intelligence organizations, advanced conventional explosive technologies, foreign arsenals, unlimited funds and the ability of terrorists to move equipment undetected into and out of other countries in protected diplomatic pouches. For this, our air carriers need much greater assistance from the federal government.

Regrettably, even those who agree with this usually construe it to mean giving the airlines financial assistance. Not that they don't need it. Deregulation aimed at making the industry more competitive has led to intensive cost-cutting, and the savings don't all come from the strict rationing of honey-roasted nuts. They are also realized by an absolutely minimal approach to spending where security is concerned.

But what the airlines really need from the federal government is more direct assistance, and less responsibility for matters beyond their competence. They need help. The agency most capable of providing it is the Federal Aviation Administration. The FAA has the ability and the dedication; its parent Department of Transportation needs increased authority, and the FAA needs increased funding.

Nor are the funds lacking. They are simply caught up in one of those games of political chicken that so often characterize relations between the Congress and the executive branch.

The Aviation Trust Fund, from which resources for improved aviation security could come, has a current surplus of $5.8 billion. Revenues for this fund come from the air traveler through user fees and other taxes that will contribute about $3.6 billion this year.

If the FAA took over a greater share of aviation security, the Aviation Trust Fund could finance much of the replacement of obsolete equipment and procurement of new technologies as well as much needed air terminal architectural and engineering retrofits. This still would not come close to exhausting the current surplus.

America invented aviation, and nobody is better at it than we are. But it is time to recognize that our airlines are in the transportation business and not in the business of combatting terrorism. They shouldn't be penalized for doing poorly what they ought not to have to do at all. We can protect our airlines and their passengers from terrorism and at reasonable cost. But it will require a stronger assist from the federal government.●

IN MEMORY OF STEVEN MARTIN SCHAEFER

● Mr. SIMON. Mr. President, a few weeks ago tragedy struck the campus of Southern Illinois University in Carbondale. Steve Schaefer, a junior at SIU-C, was killed in a house fire after alerting several housemates and guests of the danger.

Apparently, the fire occurred in the early morning hours and Steve was the first to detect it. He went through the house waking his roommates and houseguests, pounding on doors and urging them out of the building. Steve saved the lives of the 11 friends who

were in the house, but was unable to make it to safety. He apparently died of smoke inhalation, just 1 week before his 21st birthday.

Steve is survived by his parents, two sisters, and a number of other relatives and friends. At SIU-C he was involved in the campus radio station. He also enjoyed working with the Boy Scouts.

I ask my colleagues to pause for a moment to recognize the life and the heroism of Steven Schaefer. We want to remember him, and wish his family well in their time of need.●

A GREAT AND WONDERFUL LADY

● Mr. SIMON. Mr. President, today is the birthday of one of Illinois' most-valued-native daughters, Emily Taft Douglas—actress, politician, writer, and widow of former Senator Paul Douglas.

Emily turns 90 today—a young, vibrant, irascible 90. I have been lucky—I had the opportunity to know, work, and travel with Emily and Paul since my own early days in Illinois politics. Emily is a woman full of warmth, intelligence, courage, and commitment, who never wavered in her belief in her husband, in her daughter Jean and the rest of her family, and in the rightness of our Government.

Born and raised in Chicago, a graduate of the University of Chicago, Emily was elected to the House of Representatives, from Illinois, in 1944. Emily still has the distinction of being the only woman in U.S. history to be elected to Congress before her husband's election. Emily served on the House Foreign Affairs Committee, actively participating in the development of U.S. policies that helped rebuild war-torn Europe.

Emily was, and is, a woman of many talents and capabilities. She was an actress, a writer—of both adult and children's books—one of the original organizers and president of the Illinois League of Women Voters. Following her marriage to Paul Douglas, Emily continued her involvement and leadership on civil rights and issues affecting women. Emily was in the vanguard of both of these movements, prodding our consciences and our actions long before these issues hit the center stage. She was present with Dr. Martin Luther King at the march on Selma, typical of her practical as well as intellectual commitment to volatile issues.

Paul and Emily played an important role in may own political development. While Paul Douglas may be well known, that may not be true of Emily. Paul Douglas, however, was fond of saying on the campaign trail that the only reason he had been elected to the Senate was that people confused him with Emily. And Emily was a real political force in the life of many other people besides her husband.

They were both always available for those of us just starting out, offering advice, insight, a platform. Their commitment to each other was inspiring; Emily never flagged in her devotion to Paul, nursing him, often by herself, after his stroke. And he relied on her intelligence, political instinct, and advice in his work in the Senate. Once, while traveling with Paul in Illinios, we received word that Emily had been in an accident. In the end, it turned out to be a minor accident, with no serious injury. But the look on Paul Douglas' face told it all—that this was a woman without whom life would be sadder, emptier, less fun, and less important. That would be true for many of us; Emily continues to touch us all in special ways.

So, today, on your 90th birthday, let me thank you, Emily, for all you gave to the Congress, to the State of Illinois, to Paul and to many of us who have been lucky enough to be part of your life. And let me also recognize two other spectacular Illinois women who share your birthday: Judy Wagner and Amy Zisook. Their lives, and those of many other young women in this country, are richer and a bit easier, because of the many contributions you have made, to Illinois and to this country.●

PROFESSOR GALBRAITH'S INSTRUCTION

● Mr. KERRY. Mr. President, for half a century, many Americans have had the opportunity to receive instruction at one time or another from Prof. John Kenneth Galbraith. While Professor Galbraith's academic chair has been in the area of economics, his interests have extended to provocative excursions into literature, diplomacy, social history, and public policy.

Accordingly, it should be no surprise that when the Republican Party recently decided to create the Republican Senatorial Inner Circle, that Professor Galbraith's name should be placed in nomination. Nor would we be surprised that he was immediately accepted to become a member of such a distinguished group.—

Vice President QUAYLE signed the letter advising Professor Galbraith of the invitation. Professor Galbraith accepted the honor in the spirit in which it was offered, and in so doing, found the opportunity to conduct a brief seminar. In slightly more than one page, Professor Galbraith reviewed principles of economics—"the level playing field,"—public ethics, and English grammar.

We who toil in the vineyards of fundraising know how few of those to whom we write ever read our appeals, let alone respond to them. So I especially appreciated Professor Galbraith's correspondence with the Republicans, and wanted to share it with the Nation.

I ask that the correspondence between Professor Galbraith and Vice President QUAYLE on behalf of the Republican Senatorial Inner Circle be printed in the RECORD.

The correspondence follows:

VICE PRESIDENT DAN QUAYLE,
February 28, 1989.

Mr. JOHN K. GALBRAITH,
30 Francis Ave., Cambridge, MA

DEAR MR. GALBRAITH: It gives me great pleasure to inform you that at the last membership meeting of the Republican Senatorial Inner Circle, your name was placed in nomination by Senator John Chafee and you were accepted for membership.

To welcome you to the Inner Circle, Marilyn and I would like to personally invite you to the Vice President's residence on Monday, April 10th, for a private cocktail party during our upcoming Spring Briefing.

Our official business meetings open the morning of April 10th when you'll be participating in closed-door strategy sessions that will give you an insider's look at the Bush Administration's legislative game plan and the 1990 Senate elections. You'll also be invited to take part in something truly unique to the Inner Circle. After a day of briefings you'll be the honored guest at a VIP dinner hosted by a Republican Senator, Cabinet member or Administration official.

Distinguished Americans who have already joined the Inner Circle include Bob Hope, Arnold Schwarzenegger, Stephanie Zimbalist, George Shultz and Mario Andretti. Not all of our members are this well known. But like you, every one of them has demonstrated a truly exemplary commitment to our nation's ideals and principles.

My close friend, former Senate Majority Leader Howard Baker, will be mailing your formal invitation to join the Inner Circle in a few days. I urge you to respond as soon as possible.

I look forward to meeting you on April 10th!

Sincerely,

DAN QUAYLE,
Vice President.

MARCH 21, 1989.

Hon. DAN QUAYLE,
Republican Senatorial Inner Circle, Washington, DC

DEAR MR. VICE PRESIDENT: It was very nice, indeed, of Senator John Chafee to nominate me for membership in the "Republican Senatorial Inner Circle." I make haste to accept. I also note with pleasure your invitation to dinner on April 10.

There are one or two things that do trouble me about this invitation which I'm sure you will clear up. You mention that there will be "closed door" briefings of the members of the Republican Inner Circle. This could mean that I will be the recipient of privileged information not available to the public at large. That does not trouble me, a retired professor. It does raise the serious possibility that some business participants will be getting information for their own privileged enrichment. Not a level playing field. This I am sure you will think distressing. Again, thinking of that reference to the "closed door", I wonder if some of those so selected may be paying money for this privilege, even though you have no intention of

offering it. Doesn't this put you in a no-win situation? You are either offering information for money-making purposes that is not available in the public at large or you are guilty of a certain fraud in giving the impression that there will be such advantage. I do hasten to assure you again that this does not trouble me in a personal way. I am not in business and will, of course, avoid making a contribution.

It is my hope, however, that as a member of the Republican Senatorial Inner Circle I can make a wholesome contribution. Specifically, I would like to offer you editorial guidance in your literary activities, however modest, as Vice-President. Thus, in your letter you say that Marilyn and I "would like to personally invite you to the Vice President's residence." I will counsel you as a leader in a great English-speaking country against so ungracious a use of the split infinitive. Additionally, in your letter you write of "something truly unique to the Inner Circle." I will urge you to avoid so modifying the word "unique": something is either unique or it is not. There is no need for an enhancing adjective. Further, you use the word "host" as a verb, as in "a V.I.P. dinner hosted by a Republican Senator, Cabinet member or Administration official." Again, I will urge you to avoid any usage, even one in somewhat frequent use, that is at all questionable. "Host" is a noun; it must not be used as a verb or part of a verb form.

Let me speak again of my pleasure in my membership in the Republican Senatorial Inner Circle and my desire to be helpful. I especially appreciate your admirably expressed belief that I am qualified by my long years of expression on political matters.

Yours faithfully,

JOHN KENNETH GALBRAITH.●

INADEQUACY OF DRUG TREATMENT IN THE DISTRICT OF COLUMBIA

● Mr. MOYNIHAN. Mr. President, last week I expressed strong reservations over William J. Bennett's program to deal with drug abuse in the District of Columbia. Mr. Bennett's plan consisted almost entirely of law enforcement measures. And yet the drug legislation enacted at the closing hours of the 100th Congress, the legislation which gave Mr. Bennett his charge, made clear that substance abuse treatment was an indispensable element of any program, plan, or strategy that has any hope of success in curbing drug use.

Today, an article in the Washington Post entitled "Lack of Training, Low Morale Seen in District Drug Treatment Clinics," demonstrates that when we neglect drug treatment services we abandon the people they serve. The article describes a report recently prepared for the District's Alcohol and Drug Abuse Services Administration. The report was not released; the Post had to use the Freedom of Information Act to obtain it. It reveals unacceptable inadequacies in training, equipment, and counseling in the District of Columbia's treatment clinics. Three out of four clinic employees, the report states, are considered by senior staff to lack commitment to their jobs.

The District is pursuing a model of treatment better suited to the heroin epidemic of the 1960's than the crack epidemic of the 1980's. Most city clinics, according to the report, are little more than methadone dispensing stations. Yet most of the city's addicts, even most of the city's heroin users, use cocaine and PCP. Though we do not have an effective pharmacological block for cocaine, several new drugs, including desipamine and carbemazapine, are beginning to show promise. And residential treatment still offers hope to addicts who have decided to hold on to life.

Surely, it is less expensive to build an 800-bed residential treatment facility than it is to build an 800-bed prison. And surely, breaking addiction is an effective means of fighting the crime that necessitates the building of prisons.

Undoubtedly, the prisons Mr. Bennett envisions will take time to build. In the meantime, that proportion of the city's cocaine addicts who do what we wish them to do by seeking help will be placed on a waiting list. And when they get off it they will be confronted by counselors who can have no more commitment to their work than the government that pays their salary, and offered treatment not suited to their affliction. Though they are nearly invisible, they will not go away. They will prick our consciences each time we read of a child abused by a parent high on crack, each time we read of a life lost to drug related AIDS.

Domestic law enforcement is necessary. Make no mistake about it. Prisons are necessary. There can be no waiting list for a prison cell. But to depend on law enforcement to the exclusion of all else is to ask for failure. Mr. President, I ask that the text of the Washington Post article be printed in the RECORD.

The article follows:

[From the Washington Post, Apr. 19, 1989]

D.C. DRUG TREATMENT CLINICS BEHIND THE TIMES, STUDY SAYS

(By Michael Abramowitz and Sharon LaFraniere)

The District's network of drug clinics is better suited to treat the heroin junkies of the 1960s and 1970s than the crack and PCP addicts of the 1980s, a highly critical report on the city's treatment programs indicates.

While the drug of choice on D.C. streets is crack cocaine, addicts using the system perceive that the city's drug treatment clinics are nothing more than medication stations for receiving methadone, a treatment for heroin abuse, according to the report, which was prepared for the city government by a consulting firm.

The report said that managers at the city's Alcohol and Drug Abuse Services Administration also believe that little progress is being made in increasing the agency's attention to PCP and cocaine abusers, even though nearly all of them agree that this should be a priority.

Patients at the city's drug treatment clinics told the consultants that the focus of treatment at the clinics is one of "get your meth and go," the study said.

"Treatment and rehabilitation services for both drugs and alcohol, other than . . . [methadone] are left wanting either because of the absence of personnel, or because of the perception of many clients that the staff are both unconcerned about and incapable of providing these services," the report stated.

The lack of emphasis on cocaine and PCP treatment was one of many problems cited in the report, a wide-ranging critique of the management of the agency that was based on extensive interviews with the agency's administrators, senior staff members and people who use the agency's services. The study also cited poor morale among staff members, a lack of equipment and personnel, inadequate training of counselors, no formal mechanism for drug education and a wide-spread perception among senior staff members that the agency's employees lack commitment to their jobs.

The study was prepared under a $54,000 contract by a private consultant, Michael V. Bonner, who used to work for the Commission of Public Health. It was delivered to city officials several weeks ago and released this week in response to a Freedom of Information Act request by The Washingon Post.

Public Health Commissioner Reed V. Tuckson, who oversees the agency, said the city hired Bonner's firm to identify problems in the agency, which he said has a long history of bureaucratic troubles.

"I was looking for what was wrong," Tuckson said: "We are going to have to bcome better managed as an organization."

He said the agency is using the report as a blueprint for organizational changes, such as a recent effort to enlist the National Institute of Drug Abuse in improving training for managers in the treatment of cocaine abusers.

"Our staff is very well trained about the issues of heroin," Tuckson said. "There are not that many people around the country who are well trained in dealing with cocaine . . . . This is a new area."

The agency, which has an annual budget of $31 million, was started two decades ago during an epidemic of heroin abuse and continues to maintain hundreds of heroin addicts on daily doses of methadone, a medicine that can reduce the desire for the opiate.

As recently as five years ago, roughly three-quarters of the agency's patients were on methadone, but that proportion has dropped dramatically in the wake of the surge in crack and PCP abuse.

The report said that "the demographics, including drug abuse history of clients, have changed, but these changes have had no impact on the goals, objectives and structure" of the agency.

Tuckson said the city remains committed to methadone because of its role in the fight against AIDS, which can be contracted through needle sharing by addicts.

In addition to its methadone program, the city agency offers abstinence counseling at its outpatient clinics, detoxification services and long-term residential treatment. At any one time, roughly 4,500 people are using agency services.

The agency has long been plagued by allegations of waste and ineffectiveness.

In one revealing indication of the widespread problems at the agency, the report found that the agency's senior staff members believe that only one out of four employees is "serious and committed" to the jobs.

The rest are disillusioned, were never serious in the first place or are engaged in behavior that is actively destructive of the agency, in the opinion of senior staff members interviewed for the study.

KEY FINDINGS

Agency patients say clinics are little more than methadone-dispensing stations.

Agency managers believe the agency suffers from staffing and equipment shortages, low staff morale and the lack of an effective management system.

Agency doesn't have a formal or ongoing mechanism for educating the public about drug and alcohol abuse.

Only 25 percent of agency personnel can be classified as "serious and committed" to their jobs.

18 percent of clients don't show up for treatment, according to managers.●

EDITORIALS AGREE: THE BUDGET AGREEMENT ISN'T ENOUGH

● Mr. KOHL. Mr. President, recently I shared with my colleagues the editorial comments of the Washington Post and the New York Times relative to the budget agreement announced by the President last Friday. I recently ran across editorials from the Philadelphia Inquirer, the Chicago Tribune, and USA Today on this subject.

To the extent that editorials reflect public opinion, it seems pretty clear that the agreement isn't wildly popular. That is worth emphasizing since at least a part of the justification for not doing more to reduce the deficit this year is that public opinion and politics make it impossible.

Mr. President, as legislators we all recognize that we have to live in the world of the possible. In that context, I certainly understand why leaders in the House and Senate were willing to settle for less than they wanted in order to make sure that they got at least part of what we need. But in this particular case, I just don't think that the agreement represents all that is possible. I know that we should do more to reduce the deficit. And I think we can. I think it is possible to do more. And that, Mr. President, is the point made by these editorials which I ask to have printed in the RECORD at this point.

The editorials follow:

[From the Philadelphia Inquirer, Apr. 16, 1989]

A ROSE GARDEN RUSE

For some strange reason, it took negotiators for Congress and the White House more than a month to script the vague, $1.2 trillion budget plan that they unveiled Friday. Any good PR firm or fiction writer could have produced it overnight. This gimmicky, cowardly package has virtually no chance of meeting its basic goal: to make next year's deficit less than $100 billion.

To their credit, the budgeteers honored the tradition of doing little but dressing it up nicely. The plan promises a super-low deficit—just $99 billion—but by way of changes you'll hardly feel. These include the sale of federal assets, accounting gimmicks galore and nips and tucks in spending and taxes.

The plan's greatest act of legerdemain was simply to use the administration's giddy forecast of an economy so strong and interest rates so low that the deficit will drop by more than $36 billion next year even if Congress does nothing. Since the plan teeters on incredibly rosy assumptions, it was only right to unveil it in the Rose Garden. It's worth noting, however, that Sen. Lloyd Bentsen (D., Texas), who dutifully attended the final budget meeting, declined to join his colleagues in the garden for the happy-faced announcement.

In all fairness, some of the plan's parts are real. It includes $2.7 billion in higher fees for government services and a $2.7 billion cut in Medicare reimbursements to hospitals and doctors. Defense spending would rise by less than the inflation rate. These are sensible ideas, but they can't do more than dent a federal deficit that should exceed $160 billion this year.

Much of the purported deficit-cutting is phony. On the spending side, the plan includes more than $4 billion worth of accounting gimmicks, such as putting the postal service outside of the budget. One whopper is to take more than $1 billion that farmers expect to receive next year and to pay it this year instead. (What the heck, this year's deficit will miss the Gramm-Rudman target by about $25 billion anyway.)

As for any new "revenue" (none dare call it taxes), the only genuine item is to raise fees for such things as entrance to national parks. The package promises $5.7 billion from selling off federal assets such as loan portfolios, a one-year gimmick that simply delays fiscal discipline for another year. And it includes more than $5 billion in "tax measures" with no further explanation of what those measures might be.

What makes this mediocre budget plan particularly dispiriting is the realization that bolder action is unlikely to come in the future. A bipartisan commission can't be counted on to save the day, because that approach collapsed last winter. With the next congressional election one year and seven months away—and the next presidential election three years and seven months away—this was the ideal time for politicians to show some backbone.

Last week every cabinet secretary and agency head was sent a memo, signed by Mr. Bush, about the need to ignore minutiae focus on priorities and achieve them. That's exactly what Mr. Bush and Congress have so far failed to do about the deficit.

[From the Chicago Tribune, Apr. 17, 1989]

A "FEEL-GOOD" BUDGET AGREEMENT

President Bush summoned reporters to the Rose Garden Friday to announce an agreement with Congress to shrink the budget deficit for the next fiscal year. He called it a "first manageable step," but it was more like a tiptoe, hurting no one and leaving no visible footprint.

The best thing about the plan, said Senate Majority Leader George Mitchell, was "its existence," referring to the fact that a Democratic-controlled Congress and a Republican administration could agree on anything at all. But any display of bipartisan support was a little thin. Sen. Lloyd Bentsen, the Democratic chairman of the Senate Finance Committee, was so upset he refused to participate in the Rose Garden ceremony and left for Texas.

The pact, which Budget Director Richard Darman and congressional leaders worked on for two months in secret, offers an outline for reducing the fiscal 1990 deficit by about $28 billion. The idea is to get the deficit down to about $99 billion next year, with half the reduction coming from increased revenues and the rest from lower spending. Without a budget accord, the deficit next year was expected to reach about $127 billion, down from an estimated $163 billion this fiscal year and $155 billion in 1988.

Unfortunately, the negotiators left the difficult decisions to congressional committees. For example, on the revenue side, after selling government assets and hiking user fees for government services, there's still almost $6 billion in additional new revenues needed. Darman insists there are no tax hikes in the plan and that there are many ways to raise the money through tougher tax-code enforcement and changes in the tax laws that still won't violate George Bush's read-my-lips campaign pledge of "No New Taxes!"

In return for being allowed to play the "quacks-like-a-duck" game on taxes, Bush gave ground in defense spending, agreeing to freeze Pentagon outlays at about $299 billion instead of letting them keep pace with inflation. That concession and some bookkeeping gimmicks, such as moving the postal service off budget, will add up to enough savings so Congress won't have to squeeze some of its favorite domestic programs.

The Bush administration's first effort at deficit reduction is disappointing at best and seems to be the same old gamesmanship practiced by the previous White House bunch. As a result, Congress will keep on spending and no new taxes will be proposed to help pay the bills. Meantime, Bush can say he kept his tax promise, Congress can say it isn't cutting domestic programs and most Americans can say it didn't hurt a bit. Everyone can feel good about our fiscal mess—at least for a little while longer. But the mess remains.

[From USA Today, Apr. 17, 1989]

FACE UP HONESTLY TO DEFICIT PROBLEM

While last-minute filers were busy paying their taxes this weekend, our political leaders in Washington were busy cooking up a recipe for fiscal misery.

President Bush and congressional leaders from both parties gathered in the White House Rose Garden to announce an agreement they said would cut the federal deficit by $27 billion next year. They know their numbers are phony, and they know they will waste your tax money in the long run.

In 1982, President Reagan's first budget, they said the deficit—the difference between what the government spends and what it takes in—would be $38 billion. It turned out to be $111 billion.

This year, they said it would be $136 billion. It's closer to $160 billion.

Now they're saying in public that it will be below $100 billion next year. But some are already admitting it will be billions more.

Some people, like the columnist across the page, tell you the red ink isn't so bad as long as we don't raise any taxes.

That's wrong. Our politicians in Washington have been bragging for years about not

raising taxes. But they're borrowing money instead. That means you pay even more.

For every $1,000 you paid in taxes this year, $150 will be wasted just on interest on the debt.

You pay in higher interest rates on your mortgage, your credit cards, your car loans.

You pay in higher inflation. You pay at the department store, at the gasoline pump.

Worst of all, you pay because our leaders refuse to face facts and give those facts to the taxpayers. That lack of candor prevents us from solving our problems.

Schools decay in Chicago and Detroit because we "can't afford" good education.

Smog builds up over Los Angeles and Denver because we "can't afford" to fight pollution.

People live on the streets of New York and Philadelphia and Washington, D.C., because we "can't afford" sufficient housing for the poor.

President Bush and our congressional leaders should stop playing games.

Surely they can find ways to cut a $1.2 trillion budget to produce genuine savings, not just accounting gimmicks.

And surely they can consider raising taxes so that we can tame the deficit and get on with solving our problems.

One of the biggest myths around is that any politician who votes for a tax increase will be kicked out of office. Voters in South Carolina, Indiana, Virginia, Tennessee and Arkansas have shown they will support tax increases—if they are shown the money will be carefully spent on problems that matter and not just squandered.

Voters are not children. They are not selfish people who will spend and spend on VCRs and color TVs and other fancy toys while bridges crumble, rivers and lakes are poisoned and drug lords take over the streets.

They know it takes money to solve problems. But they want honesty and leadership from Washington.

Honesty and leadership. That would be a real return on our taxes.●

GREEK INDEPENDENCE DAY

● Mr. RIEGLE. Mr. President, on March 25, 1821, 168 years ago, Alexander Ypsilantis defied the Ottoman Turkish Empire, which had oppressively ruled his nation for over 400 years, and declared Greece an independent nation. This event is only one in the history of the Greek people who, with both courage and fortitude, have struggled to defend those democratic ideals that their ancestors fostered and upon which our Constitution is based. The history of Greece represents a nation dedicated to the preservation of the dignity of man. Our government and culture have benefited greatly from the contributions of Greece. Plato, Aristotle, and Socrates served as philosophical mentors for our Founding Fathers while Hippocrates and Pythagoras laid the foundations for modern science. Greek society throughout history has provided the groundwork upon which American culture and Western society as a whole have reaped enormous benefits.

There has always been a strong affinity between both the nations and peoples of the United States and Greece. Greece embarked upon its war for independence following the example set by the American Revolution. Greek intellectuals translated the American Declaration of Independence and adopted it as their own. Together American and Greek forces valiantly fought against the Nazi and Fascist invasions of World War II. When the Greek Peninsula was once again threatened by the Communist insurgencies of 1946 and 1947, the Greek people responded by rallying around their democratic values. They organized a resistance that with American economic and military assistance defeated the Communists and restored democracy. In the following years, the United States under the Marshall plan provided needed economic aid, which was a critical factor in preventing the Communists from ever regaining a foothold in Greece.

Shortly after the Greek War of Independence, Greek immigrants began arriving on American shores. Destitute, they came to our Nation seeking economic opportunity. Through hard work and honest intentions, Greek communities grew in size and prospered well. The United States is a better nation because of the large contributions made by Greek-Americans.

The continuing Turkish occupation of Cyprus stands in stark contrast to the independence Greece has enjoyed for the past 162 years. Fifteen years after the invasion, Greek-Cypriots continue to struggle for sovereignty and the restoration of a democratic society that protects individual freedoms and equality under the law.

Positive steps have been taken toward bringing closer the day when a resolution of the Cypriot problem is ultimately achieved. George Vassiliou, the President of Cyprus, has pledged to work toward a settlement of the Cyprus problem with the Turkish-Cypriots. Also, last January Greek Prime Minister Andreas Papandreou and Turkish Prime Minister Turgut Ozal initiated the first direct communications between their respective nations in 10 years. They reached a historic agreement in which both nations pledged to work together toward resolving their differences. The reconciliation included an agreement to meet at least once a year, set up a joint economic council to promote trade and tourism, and to create a direct hotline for crisis communication. Although neither the Aegean dispute nor the future of Cyprus were formally discussed in January or at the subsequent meeting in September, a number of confidence building measures have been initiated and represent an important first step in the peace process.

I find these recent developments encouraging and hope that additional efforts by both the Greek and Turkish Governments are as positive. The United States has an important political and spiritual ally in the nation of Greece, and is committed to working to help resolve the longstanding Greek-Turkish conflicts, so that all Greek citizens will once again live according to those democratic principles set forth by their ancestors.●

ELECTION IN PANAMA

● Mr. DURENBERGER. Mr. President, I rise today to comment on recent events in Panama. For too long, the United States media have not focused on the upcoming elections in Panama, preferring to report alleged "disarray" in United States policy. In the last week, however, we are finally beginning to see good reporting of events in Panama.

I spent a day in Panama last February and met with the opposition candidates for President. Guillermo Endara, Ricardo Arias Calderone, and Guillermo Ford are committed to campaigning hard and winning the May 7 election. Few observers doubt that Noriega's "three stooges" are far behind in the campaign. The problem is, however, that Noriega may steal this election as he stole that 1984 election. I have no illusions about the chances of ADOC winning the election and winning power. As recent media accounts make clear, the preparation for fraud is well underway.

Since I returned from Panama, I have argued that international observers need to travel to Panama well in advance of the election to document advance fraud—at the retail and wholesale level. There have been a number of positive efforts, especially by the international delegation sponsored by the Council of Freely Elected Heads of Government. I will ask that the executive summary of their report be printed in the RECORD at the conclusion of my remarks.

Noriega and his henchmen have continued their campaign of harassment of American citizens. I do not know, Mr. President, how much longer the U.S. Government is prepared to accept indignities we would not accept from any other nation.

Recently, the Noriega regime has gone beyond preparing a fraudulent election—it has acted to deny international observers the possibility of conducting the kind of work they have been able to do even in the darkest of dictatorships. The actions make it crystally clear that Noriega plans to steal the elections and steal in a manner that will not be observed by credible international figures.

The democratic opposition in Panama has wisely made its attitudes toward the military very clear: Only "minimum changes" would be implemented after the dismissal of Noriega. It has become increasingly clear over

the last 2 years that real Panamanians know that Noriega is the problem. The Panama Defense Forces cannot support Noriega forever.

Mr. President, I ask that a number of articles from the Washington Post and the Miami Herald be printed in the RECORD.

The material follows:

THE MAY 7, 1989 PANAMANIAN ELECTIONS: PRE-ELECTION REPORT BASED ON THE FINDINGS OF AN INTERNATIONAL DELEGATION

EXECUTIVE SUMMARY

A seven-member delegation, sponsored by the Council of freely-Elected Heads of Government, visited Panama from March 12-16. The primary purpose of the visit was to assess the prospects for free and fair elections in that country on May 7, 1989.

During the course of its visit, the delegation met with government, military and electoral officials; candidates for president, vice president and the Legislative Assembly; representatives of civil organizations and the church; journalists and owners of television and radio stations; and other leading Panamanians. Based on these meetings and other information, the following are the delegation's summary findings and conclusions:

1. Significance of elections—Virtually all sectors agree that the May 7 elections are critical for Panama's future. There is considerable disagreement, however, concerning the likelihood that they will be conducted in a fair manner. If they are not conducted fairly, there is fear that serious violent unrest may develop, and the prospects for economic recovery would be dim.

2. Conditions in Panama—The environment in which these elections are occurring is far from ideal. The press is restricted,the fear of exile is a real one, and the government and Panamanian Defense Forces (PDF) allegedly are assisting the pro-government coalition and harassing the anti-government coalition. At the same time, there is a meaningful political campaign underway. Large and small rallies have been held and candidates travel throughout the country mobilizing supporters. The operating media, while often partisan and practicing self-censorship, provides the contesting parties opportunities to communicate their respective messages to prospective voters.

3. The Electoral Tribunal—The most serious impediment to the elections' securing the acceptance of a large majority of Panamanians is lack of confidence in the independence and impartiality of the Electoral Tribunal. The Tribunal allegedly has demonstrated partisanship in its formal recognition of small pro-government factions that split from larger opposition parties, and in its refusal to address electoral complaints presented by the opposition. Without addressing the specifics of these charges, it appears necessary that the Tribunal act quickly and creatively to demonstrate it is indeed committed to administering free and fair elections.

4. The Electoral Registry—One area where Tribunal action would alleviate a major source of complaint involves the electoral registry. Specifically, the Tribunal should investigate the reasons for the large increase in registered voters towards these elections and charges that opposition supporters are being systematically disenfranchised through such mechanisms as assigning voters to polling sites far from their homes.

5. Panamanian Monitoring Efforts—Given the deep suspicions surrounding the elections, it is incumbent that Panamanian political parties and civic organizations mount an effective monitoring effort for these elections. This will require a large-scale mobilization of the population for election day duty. An independent vote count and the freedom of the media to report election results also will be critical to the monitoring efforts.

6. International Observers—Government officials and representatives of the PDF, while ambivalent about the presence of international observers, indicated that observers would be able to visit Panama without hindrance; opposition sectors actively encouraged the presence of observers. Given the profound political divisions in Panama and the contemporary practice, particularly in Latin America, of sending observers, the international community should ensure that observers are present in large numbers for the elections. The observers, as is true in all instances, should adhere to the local law, refrain from intervening in the process, and act in an objective and independent manner in reporting their observations.

7. National Reconciliation—Panamanians recognize that the current political and economic crises facing the country will not be resolved by elections alone. Ultimately, national reconciliation must be achieved through dialogue and negotiations between Panama's politically active sectors.

[From the Washington Post, April 19, 1989]

OPPONENTS OF NORIEGA WARN OF ELECTORAL FRAUD

(By William Branigin)

PANAMA CITY.—As campaigning for Panama's May 7 elections heats up, opponents of Gen. Manuel Antonio Noriega are charging that the government he controls is preparing to commit massive fraud and install his handpicked presidential candidate, Carlos Duque, for a five-year term.

Independent observers also have been alarmed lately over what the opposition says is a plan by Noriega's ruling political coalition to pad its own vote in the general elections while lowering that of the opposition.

Noriega's opponents nevertheless say they are determined to participate. They say that even though the vote may be rigged, the election process itself should revitalize the nearly two-year-old campaign to oust Noriega as commander of the Panama Defense Forces and de facto ruler of Panama's 2.2 million people.

"The fraud is going to have to be great for them to win," opposition presidential candidate Guillermo Endara said in an interview. "If there is massive fraud, people will be sufficiently motivated to make a protest never before seen in Panama, and we want to be at the forefront of it."

Noriega's Coalition of National Liberation, an eight-party grouping known as Colina, denies any intention to rig the vote. "We wish to win a free, fair and honest election," said Aquillino Boyd, a Colina candidate for vice president.

However, diplomats and independent foreign observers say the deck already is stacked so heavily against the opposition that there is little chance of a fair vote.

In a report issued April 11, the Inter-American Commission on Human Rights expressed "concern to the government of Panama as regards the current electoral process, in which serious irregularities are occurring.'

The commission, an arm of the Organization of American States, said that during a visit to Panama from Feb. 27 to March 3, its delegation received complaints of "massive alterations" of voter lists, "pressures on public functionaries" to follow the government line, "retention and/or premature perforation" of opposition supporters' identity cards to prevent them from voting, government funding and support for Colina rallies, progovernment bias in electoral institutions and a lack of "sufficient guarantees" to prevent multiple voting, especially by members of the military.

The opposition, citing polls, asserts that Noriega's candidates cannot win a fair election. According to a survey conducted for the Christian Democratic Party last month by a Venezuelan polling firm, Doxa C.A., Endara was leading Duque 57 percent to 20 percent, with 2 percent for a third candidate, Hildebrando Nicosia.

At stake in the elections are 575 posts, including those of president, two vice presidents, 67 national legislators and 505 local representatives. Besides a presidential candidate Duque, a longtime business associate of Noriega's, Colina is fielding Ramon Sieiro, a brother-in-law of Noriega, for first vice president and Boyd, a former foreign minister and ambassador to Washington and the United Nations, for second vice president.

Opposing Colina is the Democratic Alliance of Civic Opposition, a three-party coalition known as ADOC. It is headed by Endara, the presidential candidate and a former aide to late opposition leader Arnulfo Arias, ADOC's vice presidential candidates are Ricardo Arias Calderon, the head of the Christian Democratic Party, and Guillermo Ford, the leader of the Molirena party.

Also running for president is Nicosia, who bills himself as an opposition candidate but who essentially owes his candidacy to Noriega's move last year to split Arnulfo Arias' Authentic Panamanian Party after Arias died.

Panama's Electoral Tribunal officially recognized Nicosia's minority faction of the party, allowing it exclusive use of the party's symbols and facilities and forcing the majority wing, headed by Endara, to move to another party. The rights commission criticized this development—the fourth opposition party split that Noriega has engineered—as tending to confuse the votes.

Besides ruling on party disputes, the Electoral Tribunal governs the election process, issues identity cards, registers voters, settles electoral challenges not resolved at lower levels and officially declares the winning candidates.

Like all other branches and institutions of the government, the three-member Electoral Tribunal is controlled by Noriega. Its president, Yolanda Pulice de Rodriguez, is a close ally frequently seen in the general's entourage at public functions. According to a recently published book by former colonel Roberto Diaz Herrera, Pulice participated in rigging the results of Panama's 1984 elections at Diaz Herrera's house.

Raul A. Lopez of the tribunal is charged with prosecuting electoral abuses. He worked for the Panamanian military as a legal adviser for 17 years before assuming his post last year.

Although the Defense Forces and the civilian government, nominally headed by "acting president" Manuel Solis Palma, are barred by law from participating in partisan electoral politics, they have been openly campaigning for Colina. They also have made it clear that, whatever the results of

the elections, Noriega plans to remain in power.

In a recent rally at a military base with Solis Palma, Colina candidates and members of his general staff, Noriega warned, "We will not stand idly by before the victory of somebody other than Colina." Since taking over as military commander in 1983, Noriega has deposed three civilian presidents.

Solis Palma, installed by Noriega following the February 1988 ouster of president Eric Arturo Delvalle, declared at the same rally that Panamanians next month must choose between "the triumph of Colina or the disappearance of the republic—and [the latter] we cannot permit." In this struggle, he said, "he who is against us must be liquidated." He added, "There is no possibility of losing."

At least 200 independent foreign observers, including members of several U.S. groups, are expected to try to monitor the elections. The government has said they will not be barred, but has made it clear they will not be officially accredited and are not welcome.

One observer group, the Washington-based Center for Democracy headed by Allen Weinstein, suspended plans to open an "election information center" Monday in a Panama City hotel after government and military officials said it was unauthorized. The government earlier had indicated it would accept the center.

After votes in the polling places are counted, the ballots are promptly burned, making any recount impossible. At each voting table, any protests are decided by majority vote of the 15 officials entitled to be present—three Electoral Tribunal appointees and one representative of each political party. Since Colina consists of eight parties, it is always assured of the majority.

[From the Miami Herald, Apr. 18, 1989]

GENERAL NORIEGA REGIME PLOTS VOTE FRAUD, FOES SAY

(By Andres Oppenheimer)

CAPIRA, PANAMA.—Oreste Vasquez Gonzalez, 36, a butcher in this mountain-ringed agricultural town of 7,000 people, was excited about voting in May 7 national elections. He is a staunch critic of strongman Gen. Manuel Antonio Noriega's regime.

But when Vasquez Gonzalez began campaigning for the opposition Christian Democratic Party, his name mysteriously disappeared from the voter registry. He signed up four times at the electoral tribunal offices—the last time in late January—but could not get his name back on the electoral list.

"I've lived in this place for 18 years, and I have all my documents in order," the robust butcher told two visiting reporters last week. "Yet my name has disappeared from all records."

Opponents of Noriega's military-controlled government charge that Vasquez Gonzalez's case is an example of widespread nationwide tampering with election records. They say Noriega, whose official title is commander of the Defense Forces, is preparing a massive fraud to place his hand-picked candidate, Carlos Duque, as Panama's new figurehead president.

Government officials say the opposition coalition is fabricating claims of fraud to protect itself from what they contend will be a comfortable electoral victory for the regime.

But in this small town 33 miles west of the capital, there are indications that opposition charges of electoral irregularities are not entirely baseless.

Several residents who oppose the government complain they will not be able to vote because their names are not appearing on electoral records.

Capira's Christian Democratic Party leaders say they recently submitted to the Panama City-based electoral tribunal the names of 220 local party members to act as opposition poll watchers, and that 65 of them were rejected because they were not listed in the electoral register.

Other residents complain they are being reassigned to vote far away from their homes. The government, which is hoping to win the elections with the votes of Panama's estimated 165,000 public employees and Defense Forces members plus their families, wants to discourage the general population from going to the polls, critics say.

"People will line up for several hours in one voting place and will then find out that they have to vote somewhere else," said Capira's Christian Democratic party leader, Antonio Jaen. "The government hopes that a lot of people will get bored with the whole thing, and that they will turn around and go home."

Word of military intimidation of selected opposition collaborators travels fast in Capira, where almost everybody knows everybody else from way back. There are only two schools, one hospital and one public telephone in town, and merchants on the main road can identify by name the handful of prisoners who clean up the streets.

In at least two instances, military officers have threatened Capira bus drivers who rented their vehicles for opposition demonstrations, residents say. The threats included revocation of the buses' operational licenses, which are issued annually by the transit police—a Panama Defense Force agency.

Juan Jose Yangnez, 39, who owns a 70-seat bus that operates the Capira-Panama City route, had his vehicle confiscated several weeks ago when it was rented to transport opposition supporters to a rally in the capital. The military in the nearby town of La Chorrera held the bus for two days.

"When I went to pick up my bus, they told me they would cancel my license if I continued carrying opposition people," Yangnez said. "Since then, I've stopped taking oppositionists to rallies. This is my livelihood. I can't risk losing my license."

Opposition leaders are not denied the right to campaign in Capira, however.

There are signs and flags of the Democratic Opposition Alliance (ADD), the coalition of anti-Noriega forces, on most streets in town. Anti-Noriega parties are allowed to maintain brightly painted campaign headquarters, where militants can meet without much police harassment. Opposition candidates campaign door to door, and hold periodic rallies in the town's main square.

But government candidates have the advantage of having massive state resources, including official cars—often clumsily painted over to disguise their origin—and the help of dozens of public employees.

A huge government truck with a water drill has recently made its appearance in Capira, which suffers from chronic water shortages. The truck is covered with campaign signs of Cynthia Garcia, the government party's candidate for legislator from the Capira district.

Three new Land-Rovers and a station wagon of the government's Water and Sewer Institute were parked in front of Garcia's election headquarters on a recent morning. The words "For Official Use" could be read on the doors of one of the Land-Rovers under a fresh coat of gray paint.

"The cars belong to my brothers," Garcia said, when asked about the vehicles. "The Water and Sewer car is not working for my campaign, but belongs to a friend of mine who works there and came this morning to bring me a message."

In Panama City, opposition leaders say official plans for election fraud go far beyond denial of voting rights or official help to pro-Noriega candidates.

The government-dominated electoral tribunal's voting records have been inflated with thousands of real or imagined Noriega supporters, they say. The tribunal's latest voters' registry contains nearly 1.2 million names, or 29 percent more than during the last elections five years ago—an increase critics say goes far beyond the growth in Panama's voting population during that period.

"There's going to be fraud wherever you look," said the opposition coalition's vice presidential candidate Ricardo Arias Calderon. "But we feel the anti-Noriega vote will be so overwhelming that they won't be able to get away with it."

Iris Suarez de Castillero, a top official of Panama's Electoral Tribunal, said the increase in the electoral registry matches the voting population growth. A similar increase took place in the cycle that ended with the 1984 elections, she said.

Asked about the people won don't appear on voting lists or are assigned to voting places far away from their homes, she said opposition parties have failed to report such cases to the tribunal.

"We have given them updated lists every year so they could make their observations and demand revisions, but they rarely made any." she said. "Now that we are only four weeks away from the elections, they are raising hell."

If Capira is an indication of what is happening in other towns in the Panamanian countryside, fears of massive fraud are not keeping opposition forces from campaigning enthusiastically for the elections. Most Noriega critics are convinced there will be an unstoppable avalanche of anti-government votes, although few seem to have given much thought to what they would do if the elections are rigged.

"Of every 25 people who come here, only two vote for the government," said Vasquez Gonzalez, the Capira butcher. "If a dog were to head the opposition ticket against the government, the dog would win."

[From the Miami Herald, Apr. 19, 1989]

PANAMA PUTS LIMITS ON ENTRY

VISAS TO BE REQUIRED FOR MOST U.S. CITIZENS

(By Andres Oppenheimer)

In a move that could restrict U.S. travel to Panama, the Panamanian government's tourism agency announced Tuesday that it will require most U.S. citizens to obtain visas to travel to that country.

The new rule goes into effect Friday, it could create a bureaucratic nightmare for U.S. citizens planning to visit Panama for business or pleasure, because most Panamanian consulates in the United States are not recognized by the military-run regime of Gen. Manuel Antonio Noriega.

Most Panamanian diplomatic offices in the United States remain loyal to ousted President Eric A. Delvalic, and are thus not recognized by the Panamanian government.

Only one small Panamanian Consulate in the United States—in Tampa—is recognized by the Noriega regime, Panamanian officials said Tuesday.

If the Panamanian government sticks to the now regulation—on occasions it has withdrawn drastic measures after they were announced—it would mark a new deterioration of U.S.-Panamanian relations. The U.S. government last year announced it would no longer grant U.S. entry visas to Panamanian officials or Noriega associates.

A communique sent to airlines and travel agencies this week by the government run Panamanian Tourism Institute says U.S. citizens must have visas stamped "by Panamanian consulates recognized by our government." Until now, U.S. citizens could enter Panama by simply filling out a source card that was given to them at the airport of their point of departure.

The new regulation comes at a time when Panama's opposition is inviting hundreds of foreign observers to visit Panama for the May 7 elections, which anti-Noriega politicians charge will be rigged by the government.

"We see this as part of an effort to keep election observers out of Panama," one U.S. official said late Tuesday. "It is clear that the Panamanian government does not want the world to know how these elections will really take place."

Only the U.S. military and U.S. Panama Canal employees will be exempt from the new measure, because they are covered by the Panama Canal treaties, Panamanian officials said.

Bernardo Dominguez, head of Panama's Tourism Institute, said in a telephone interview late Tuesday that Panamanian consulates usually charge $10 per visa. The new measure was announced simultaneously by the Institute, an agency of Panama's Commerce Department, and Panama's Foreign Ministry, he said.

U.S. MAY STEP UP PANAMA SANCTIONS

(By Andres Oppenheimer)

U.S. officials are considering new measures against Panama if military leader Gen. Manuel Antonio Noriega rigs the May 7 national election to perpetuate his regime, sources close to U.S. policy planners say.

After months of remaining silent on the Panama crisis, U.S. officials in Washington and Panama are beginning to step up their rhetoric against Noriega's military-run regime.

While most U.S. officials rule out dramatic actions such as a military intervention, many say the U.S. government is likely to impose new sanctions on Panama if the election is fraudulent and these officials say Noriega is almost certain to rig the election to favor his hand-picked presidential candidate Carlos Duque.

One of the measures under consideration is a trade embargo, although U.S. government sources say that is unlikely because of resistance in key corners of Washington's bureaucracy.

Measures more likely to be implemented are a drastic downgrading of the U.S. Embassy in Panama, and the relocation or repatriation of thousands of U.S. military and civilian personnel and their families who live in downtown Panama City and pour millions of dollars a year into the Panamanian economy.

Some sources warn that these ideas have not yet been subject to a formal interagency review within the administration. Bush recently agreed to set up a Panama policy planning group that would meet once a week, but the group has only met once so far, one congressional source said.

"These measures [against Panama] are being kicked around by officials here and there, but the administration as such has not focused on Panama yet," the source said. "They will probably begin doing it soon, under pressure from Congress."

One thing is sure, U.S. officials say: There will be no U.S. deal with Panama until Noriega steps down. Noriega was indicted by two U.S. grand juries last year on drug-trafficking charges.

"We do not have the option of accommodating with Noriega," one U.S. official said. "That option has been discarded."

The administration recently renewed financial sanctions against Panama, including a freeze of Panamanian government funds in U.S. banks and the withholding of taxes U.S. companies normally pay in Panama.

Some analysts say the stepped-up U.S. rhetoric is mainly aimed at countering Noriega's domestic propaganda machine.

Panama's pro-government media, in an effort to dispel fears that the crisis will worsen if Noriega's candidate becomes president, have been saying that a Duque victory would force the United States to lift financial sanctions.

The sanctions were imposed by the Reagan administration in March 1988 at the request of ousted President Eric A. Delvalle. Delvalle is still recognized by Washington as Panama's legitimate head of state, but his term expires in August.

Several interviews with U.S. officials and other sources in Washington and Panama revealed that administration officials are considering, among others, the following measures in the event of a sham election:

Reducing the U.S. Embassy to a skeleton staff, and perhaps turning it into an interests section like the one in Cuba.

The U.S. Embassy, which had about 180 employees when the crisis began last year, would be cut down to about 50 people, according to a senior U.S. official.

The measure would have a strong psychological impact on Panama, which has long had the heaviest U.S. presence in any Latin American country.

Relocating an estimated 5,700 U.S. military personnel and civilian U.S. armed forces employees and their families into U.S. military bases, or out of the country.

These military and civilian personnel live downtown, and pour into the Panamanian economy a sizable portion of the estimated $62 million spent annually by all U.S. armed forces personnel in the country. Moving them away would further drain the Panamanian economy of badly needed dollars.

In addition, it would step up the war of nerves against Noriega: U.S. officials have long cited the possible danger to Americans living in downtown Panama as a major reason behind the decision not to stage a military strike on Noriega's military barracks.

Closing the U.S. Consulate in Panama, or halting the issuance of U.S. visas.

The U.S. Embassy last year received about 39,600 non-immigrant visa applications from Panamanians wanting to travel to the United States. A halt of visa operations could increase discontent against Panama's state of affairs, since thousands of Panamanians travel to the United States regularly for business or pleasure.

Imposing a trade embargo.

Panama, a service-oriented economy, relies heavily on the United States for virtually all consumer goods. U.S. exports to Panama amount to about $588 million a year, according to the U.S. Department of Commerce.

Analysts say a trade enbargo on Panama would destroy the economy—perhaps more effectively than similar measures did in Nicaragua or Cuba—because Panama has very few domestic industries.

Maintaining the states quo indefinitely, without relaxing current financial sanctions. Panama's economy shrank by 17.2 percent last year, according to Panama's comptroller general. Most economists predict another 5 percent drop in the gross domestic product this year if the U.S. financial sanctions remain as they are.

Part of the problem confronting U.S. policymakers is that there is little appetite within Panama's largely pro-American middle class for tougher economic sanctions. Most business people and opposition politicians say Washington should keep current sanctions in place, but not expand them.

In recent months, the Bush administration has taken small steps to respond to what U.S. officials describe as continued harassment of U.S. diplomats in Panama.

Several Noriega associates and their relatives have been denied visas to travel to the United States, following a presidential directive inherited from the Reagan administration. Among the Panamanians who were denied visas are National Assembly President Celso Carrizo, Foreign Ministry Director of Policy Oscar Vargas and Justice Minister Rodolfo Chiari, U.S. and Panamanian sources said.

In addition, the Bush administration has started procedures to revoke the U.S. citizenship of Panamanian Finance Minister Orville Goodia who is a citizen of both Panama and the United States, sources close to the case said. U.S. law prohibits U.S. citizens from taking jobs with foreign governments.

Goodia did not answer repeated phone calls form a reporter. A U.S. Embassy official in Panama said he could not comment on Goodia's case because "all U.S. citizens are protected by the [U.S.] Privacy Act."●

AUTHORITY FOR RECORD TO REMAIN OPEN

Mr. MITCHELL. Mr. President, I ask unanimous consent that the RECORD remain open until 6 p.m. today for statements and introduction of bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

CORRECTION IN THE EDUCATION AND TRAINING FOR A COMPETITIVE AMERICA ACT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 24, H.R. 678, a bill to make a correction in the Education and Training for a Competitive America Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 678) to make a correction in the Education and Training for a Competitive America Act of 1988.

The Senate proceeded to consider the bill.

AMENDMENT NO. 63

(Purpose: To amend the Education and Training for a Competitive America Act of 1988 and to amend the Impact Aid Program)

Mr. MITCHELL. Mr. President, on behalf of Senator PELL and others, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maine [Mr. MITCHELL], for Mr. PELL for himself, Mrs. KASSEBAUM, Mr. KENNEDY, Mr. HATCH, Ms. MIKULSKI, Mr. THURMOND, Mr. BAUCUS, Mr. COCHRAN, Mr. ADAMS, Mr. LAUTENBERG, Mr. BRADLEY, Mr. PRESSLER, Mr. COATS, Mr. JEFFORDS, and Mr. BENTSEN proposes an amendment numbered 63.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. AMENDMENT TO THE EDUCATION AND TRAINING FOR A COMPETITIVE AMERICA ACT OF 1988.

Section 6142(b) of the Education and Training for a Competitive America Act of 1988 is amended by striking "fiscal year 1988" and inserting "fiscal year 1989 and such sums as may be necessary for fiscal years 1990, 1991, and 1992".

SEC. 2. IMPACT AID.

(a) FEDERAL ACQUISITION OF REAL PROPERTY.—Section 2 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) (hereafter in this section referred to as the "Act") is amended by adding at the end thereof the following new subsection (d):

"(d) Any payment made to a local educational agency for any fiscal year prior to 1987 that is attributable to an incorrect determination under subsection (a)(1)(C) shall be deemed to have been made in accordance with such subsection.".

(b) AMOUNT OF PAYMENTS.—(1) Section 3(d)(2) of the Act is amended by inserting before subparagraph (B) a new subparagraph (A) to read as follows:

"(A) For any fiscal year after September 30, 1988, the total amount of payments under subparagraph (B) may not exceed $20,000,000.".

(2) Section 3(d)(2)(B) of the Act is amended—

(A) in the third sentence by striking "80" and inserting "95"; and

(B) by striking the seventh sentence.

(c) PAYMENT PRORATION AUTHORITY.—Section 5(c)(4) of the Act is amended by striking "under clause (ii) or (iii) of paragraph (2)(B), or clause (ii) or (iii) of paragraph (3)(B), respectively, the full amount which local educational agencies are entitled to receive under such clauses" and inserting in lieu thereof "under paragraph (2)(B) or paragraph (3)(B), respectively, the full amounts that local educational agencies are entitled to receive under such paragraphs".

(d) PAYMENTS TO LOCAL EDUCATIONAL AGENCIES.—Section 5(e)(1)(A) is amended to read as follows:

"(A) For any fiscal year after September 30, 1988, the Secretary shall allocate, to any local educational agency eligible for a payment under section (3)(a), not less than the products of—

"(i) the number of children in average daily attendance for the fiscal year for which the determination is made under section 3(a); and

"(ii)(I) if such agency received a payment under section 3(a) in fiscal year 1987, the per pupil amount paid to that agency in fiscal year 1987; or

"(II) if such agency did not receive such a payment in fiscal year 1987, the per pupil amount such agency would have been paid in fiscal year 1987 if such agency had been eligible for payments under section 3(a) and the average daily attendance for such agency for fiscal year 1987 had been equal to the average daily attendance for such agency for the first fiscal year succeeding fiscal year 1988 for which a determination is made under section 3(a).".

(e) DISCRETIONARY ALLOCATIONS.—Paragraph (3) of section 5(e) of the Act is amended by inserting the words "subparagraph (B) of" after "under".

(f) APPLICATION DEADLINE.—The Secretary shall consider as timely filed, and shall process for payment, any application from a local educational agency that is eligible for fiscal year 1989 funds under section 2 or 3 of the Act, if such application has been certified by the State educational agency, was received by the Secretary by March 15, 1989, and is otherwise approvable."

SEC. 3. AMENDMENTS TO THE ADULT EDUCATION ACT.

(a) IN GENERAL.—Section 312(7) of the Adult Education Act is amended by striking "and except for the purposes of section 313,".

(b) EFFECTIVE DATE.—The provisions of this section shall take effect on the date of enactment of this Act.

Mr. PELL. Mr. President, today we have before us a small but important bill that will make necessary changes in several education programs. The majority of these changes are in the Impact Aid Program.

First, this proposal will give the Secretary of Education authority to ratably reduce payments to B districts when appropriations levels necessitate such action. Without this authority, there will be no B payments made this year. The Impact Aid Program is further amended to assure that there will be enough money in the program to fund A districts at their 1987 payment rate and to provide moneys for new students.

The bill also makes a technical change to restore adult education funding in the territories to its previous level. This is a necessary change to enable those served through the Adult Education Program to continue to receive this essential instruction.

Mr. President, while these changes are small, they are critical. Many of our colleagues represent school districts that will face severe budget shortfalls without these impact aid changes. The technical changes for the U.S. territories is equally vital. I am delighted that the leadership of both the Senate and House education committees—Democrats and Republicans alike—have worked so closely on these amendments.

Mr. BAUCUS. Mr. President, I would like to thank my colleagues—Mr. PELL, Mrs. KASSEBAUM, and Mr. KENNEDY—for their efforts in bringing this bill to the floor. I know they and their staff members have spent many hours working on this bill and I appreciate their assistance.

H.R. 678 contains an amendment that will allow 14 school districts across the country to receive money to which they are entitled but have been denied due to bureaucratic rules that won't budge.

These school districts, including St. Ignatius in Montana, were late in filing their applications for Federal impact aid. Their penalty for being late was a flat denial of any aid at all. The Department of Education allows no grace period for these schools—aid is simply denied if the applications are not received by January 31. No excuses, no help, no money.

A few weeks ago, Mr. BURNS and I introduced legislation to extend the application deadline from January 31, 1989, to March 15 of this year. Applications received by the Department by March 15 would be considered valid and eligible for funding. This legislation was added to H.R. 678 as an amendment.

The Impact Aid Program is an entitlement—there is no competition for funding. Because of this, this legislation costs the Government nothing. The money has already been appropriated and should be given to all the schools that are eligible for it.

St. Ignatius is located on the Flathead Indian Reservation and has a population of 822. Six hundred of those people are between the ages of 5 and 18. The district is eligible to receive $400,000 in impact aid, about a quarter of the school district budget. Without the aid, the district will probably be forced to lay off teachers, cut back on services and the schools may risk losing their accreditation.

The per capita income of St. Ignatius is $5,260. They can't come up with $400,000 to keep their schools going. And they shouldn't have to. They are entitled to this money and should receive it.

With the passage of this legislation St. Ignatius and the other districts across the country will receive their money. Their schools will stay open and their teachers will continue working. Everyone will benefit.

Once again, I extend my appreciation to Senator PELL, Senator KASSEBAUM, and Senator KENNEDY for their assistance. Their actions will benefit many people and I'm sure they have

the gratitude of the citizens of St. Ignatius and others across the country.

Mr. LAUTENBERG. Mr. President, I am pleased to join Senator PELL as an original cosponsor of this amendment on impact aid. The amendment addresses the needs of school districts nationwide that are in need of impact aid dollars, especially those that are receiving new students.

Impact aid is an important program. It helps to fill some of the revenue gap for school districts that educate children of parents who work and live at Federal facilities, such as a military base, as well as children that live in federally assisted housing or on an Indian reservation.

The amendment would eliminate a provision in the Elementary and Secondary School Improvement Act of 1988 that caps the amount of impact aid dollars certain school districts can receive to a level no greater than what it received in 1987. This cap has created a problem for many school districts nationwide—such as the Tinton Falls School District in Monmouth County, NJ—that are expecting an influx of new children. As long as the cap is in place, these school districts will not be able to receive additional funds under the Impact Aid Program for new students.

For example, as a result of the Navy's expansion at Earle Naval Weapons Station in Monmouth County, NJ, the Tinton Falls School District is expecting an influx of approximately 400 new students during the next 2 years. In 1987, Tinton Falls received $2,928 to cover the enrollment of 84 students. Because of the cap, the school district will receive the same amount to cover the enrollment of 400 new students in the next 2 years as it did to cover the enrollment of 84 students. This amendment would remove the cap and make a minor adjustment that affects only the Tinton Falls School District, enabling it to receive greatly needed funds to cover the cost of new students.

The cap is also a problem for the North Hanover School District in New Jersey, which educates children whose parents work at McGuire Air Force Base. Of 17,000 students in the school district, some 13,000 are military dependents. The school district receives approximately $3 million of its $7 million budget from impact aid dollars. Enrollment has increased by 100 students since September 1, 1988, and the school district anticipates that it will receive additional students in the future. However, as long as the cap is in place, the school district cannot expect to receive additional funds for these new students.

Compounding the problem is the fact that Congress appropriated $708 million for the Impact Aid Program in fiscal year 1989, $27 million below the authorized level of $735 million. And of the $708 million appropriated, $50 million was automatically set aside for super highly impacted districts, otherwise known as the 3(d)2(B) program. Since this program which covers a handful of districts nationwide is paid off the top, there is a financial shortfall in the rest of the Impact Aid Program, especially for what the Impact Aid Program refers to as category A districts. These are school districts with children who reside and whose parents work on Federal property or are on active duty. As a result, category A school districts that receive impact aid dollars cannot be funded at 1987 levels and there is no money at all for new children.

This amendment would cap the 3(d)2(B) program and shift needed money to other parts of the Impact Aid Program to provide more funding for category A districts. Shifting funds from one part of the Impact Aid Program to another would enable the Department of Education to fund category A school, districts at 1987 levels. And it would free up money that the Department of Education needs for category A school districts—like Tinton Falls and North Hanover—that need additional funds to cover the costs of new students.

The amendment would also free up money for category B school districts in the Impact Aid Program. Category B school districts are those that service children who reside or whose parents work on Federal property or are on active duty in the uniformed services. This category would include children who live in federally assisted housing.

During authorization last year, Congress omitted authority for the Department of Education to prorate payments for category B districts so that the Department of Education is unable to make payments to category B districts. Currently, in my own State of New Jersey, no payments are being made to category B school districts including Jersey City, Newark, Paterson, Pemberton, Trenton, Union City, Vineland, and West New York. This amendment includes the prorate language that was omitted, and will enable the Department of Education to release category B payments to numerous school districts in New Jersey and nationwide.

Mr. President, this amendment will free up a considerable amount of greatly needed money for our Nation's school districts and will enable the Impact Aid Program to operate more smoothly and efficiently. I urge my colleagues to approve this amendment.

Mr. ADAMS. Mr. President, I am pleased to join Senator PELL in offering this legislation to make changes in our Impact Aid Program. There changes will correct several serious problems being faced by public school districts around the country who are dependent on payments from the U.S. Government to adequately educate their federally connected students.

This amendment will place a $20 million cap on 3(d)2(B) payments and remove the hold harmless cap on the A Program. It will also correct an inadvertent omission from last year's authorization bill so that payments to B districts can be prorated under step I.

These changes are very important to my State of Washington. The need to enact the 3(d)2(B) change grows out of a miscalculation of the cost of that segment during the reauthorization process of the Impact Aid Program during the last Congress. Because the 3(d)2(B) money is allocated before that which other impact aid districts receive, and because appropriations for the programs are limited, if this change is not made, many A and B districts are in danger of receiving no money at all for their new children. The prorata language for the B payments is necessary if these districts are to receive their intended funds.

I met with over 50 school officials from impact aid districts in my State last month and they identified these changes as a top priority for their future health and well-being. I appreciate the speed and competence with which my colleague, Senator PELL, has moved on this matter after my expressing those concerns to him. It will mean a great deal to the quality of education in many school districts throughout Washington State who are dependent on this program.

I urge passage of this bill and its enactment into law.

Mr. BRADLEY. Mr. President, I rise in support of the amendment from the chairman of the Education Subcommittee. I particularly am indebted to my colleague from Rhode Island on his sensitivity to the need to correct several serious and unanticipated problems that disadvantaged many school districts in my State.

Last year, when the Senate reauthorized funds for the Impact Aid Program, an amendment was adopted which changed the formula for 3(d)2(B) funding. This change cost $36 million more than anticipated, which resulted in a serious shortfall for the rest of the Impact Aid Program. As a consequence, funding for impacted districts was threatened in New Jersey, including Cape May City, Eatontown, Lakehurst, Monmouth Regional High School, Northern Burlington High School, Pemberton, Tinton Falls, and North Hanover.

The bill we adopted last year set the overall funding at 1987 levels, which itself is inadequate to cover the costs of education faced by impacted districts. The unanticipated extra cost of the 3(d)2(B) program—if left unchanged—would have threatened most districts with receiving considerably

less than their 1987 levels. For example, under current law, the Eatontown School District, which serves students from Fort Monmouth Army Base, will lose a significant share of the $1.7 million in Federal impact aid for its 748 A students. Mr. President, such severe and unanticipated funding cuts are unfair and unacceptable, particularly when we are talking about the education of our children.

The way the formula was written last year was found to operate schools which have an increase in students eligible for assistance would be hardest hit because there would be no funds for new students.

The Tinton Falls School District in New Jersey faces an even more dramatic problem. The Navy has plans to homeport two new fast combat support ships at Earle Naval Weapons Station in Monmouth County. As a result of the new homeporting at Earle, 400 new children will move to the base between 1989 and 1990. The Tinton Falls School District has agreed to accommodate the Navy students, ending a 2-year impasse between Navy officials and the local schools. Tinton Falls High School will need an addition to the building in order to provide classroom space for the new students from Earle.

It was a shock to Tinton Falls to learn that the unanticipated cost of the 3(d)2(B) program makes them ineligible for any impact aid for the new students. This would mean roughly a half million dollar cut in aid to Tinton Falls.

North Hanover, the school district which serves McGuire Air Force Base, would also be in trouble since they will likely not be funded for an anticipated 100 new students. For North Hanover, this will mean a shortfall of at least $200,000 in impact aid.

Mr. President, I have described only three of the many school districts in New Jersey which are suffering as a result of the current operation of the Impact Aid Program. We have a responsibility to schools that are impacted by Federal activities and which have been led to believe that they will receive help to accommodate their students. It would be irresponsible for us to continue to allow the 3(d)2(B) program to benefit a few districts at the expense of most other districts. I therefore support the amendment proposed by the Education Subcommittee.

The proposed amendment would limit the 3(d)2(B) program to cover its needs, rather than expanding it. This will free $30 million for additional funding to the rest of the Impact Aid Program. The amendment will also remove the hold harmless cap on the A Program so payments can be provided for new students. A section of the amendment will ensure that schools like Tinton Falls, which have new A students, but had only B students in 1987, will still be eligible for funding to accommodate their new students.

While the funding for impacted schools will still be less than adequate, this amendment will improve the situation for New Jersey schools from what it is currently. Tinton Falls will receive roughly $.5 million for 400 students. Without this amendment, it will receive no funds for these students. North Hanover will receive at least $200,00 more as a result of this amendment. Other federally impacted schools in New Jersey and elsewhere will receive significantly more impact aid than they would in the absence of this amendment.

Mr. President, this amendment represents a fair resolution of the variety of problems encountered in implementing last year's legislation. I urge my colleagues to support this important amendment.

Mrs. KASSEBAUM. Mr. President, I am pleased to join a number of my colleagues on the Education Subcommittee in proposing this package of technical amendments to the Impact Aid Program.

This package of legislation is very important if we are to continue our support for the Impact Aid Program, which provides money to school districts who have been federally impacted through a military installation or by land acquisition by the Federal Government.

These amendments are technical corrections to the Impact Aid Program incorporated into Public Law 100-297, the Hawkins-Stafford Act. This law rewrote the impact aid formula in an attempt to bring greater equity to the program. This new formula was worked out under the advice of the school districts and the National Association of Federally Impacted Schools.

Unfortunately, some problems arose with the new language that the original drafters could not predict. It is essential that we pass this technical package, otherwise school districts throughout this country will face shortfalls in their funding because impact aid payments will not be able to be made.

Without these technical amendments, the Department of Education will not be able to make B payments to school districts. During the reauthorization of the Impact Aid Program, the power to prorate B payments was inadvertently omitted. If there is a shortfall in appropriations, the Department of Education does not have the legal authority to reduce the payments to these B districts. A shortfall occurred this year and has unfortunately caused a standstill in the program. Districts that depend on this money to operate are facing the possibility of closing their school house doors if they do not receive this money.

Another unfortunate problem that arose because of the shortfall in appropriations was districts who had an increase in the number of Federally connected children could not be compensated for this increase. These technical amendments remove the hold-harmless cap on the A program so payments can be made for these new students. In order to remove the cap and allow a flow of funds for new students to these A districts, we also had to place a cap on the 3(d)2(B) section.

One of the unintended results of the new formula was the increase in the 3(d)2(B) reserves. Although the cost runs about $10 million annually, $50 million was reserved for this section as required by the new law. In order to release funds for the new children in the A districts, a cap of $20 million was placed on the 3(d)2(B) section to release the extra $30 million. The $20 million is well above the amount that has ever been paid for the 3(d)2(B) payments and the remaining $30 million will flow into the A section providing relief to districts with larger increases of new children. If we do not release these funds, we will be asking school districts to educate more children with less money.

This package has bipartisan support and I hope that the Senate will act quickly to pass these necessary and very important technical amendments.

Mr. COCHRAN. Mr. President, when the Impact Aid Program was reauthorized last year in the Hawkins/Stafford elementary and secondary education improvement amendments, a hold-harmless provision was imposed to guarantee districts the fiscal year 1987 per pupil payments. Unfortunately, a cap was added to the hold-harmless section which limited the amount of money a district could receive to no more than it did in fiscal year 1987 regardless of the increase in student population.

Today, I join many of my Education Subcommittee colleagues in submitting an amendment to change this. The amendment would remove the hold harmless cap on the A program so that the Department of Education may provide payments for new students.

A few weeks ago, the superintendent of the Biloxi, MS, public schools visited with me here in Washington about this problem. Because of Keesler Air Force Base, Biloxi schools educate many students from military families. Biloxi's enrollment is increasing, but their Federal allotment, under the hold-harmless cap, was not. For this year alone, Biloxi city school officials had projected a deficit of $786,000.

I am pleased that our Education Subcommittee has addressed the problems of the Biloxi city school system and others like it across the country. I

thank the chairman of the subcommittee, Mr. PELL, and the ranking member, Mrs. KASSEBAUM, for their concern and their willingness to take this action. I hope that the Senate will support us in this effort.

Mr. PRESSLER. Mr. President, I rise today as a cosponsor and strong supporter of the impact aid technical amendments. This amendment makes important changes in the Impact Aid Program authorized in Public Law 100-297. The amendment would remove the hold-harmless cap on category A payments, allow the Department of Education to prorate category B payments, and cap payments for 3(d)2(B) at $20 million. I commend the members of the Senate Subcommittee on Education, Arts, and Humanities and Labor and Human Resources Committee for bringing this essential proposal to the Senate floor.

Over the last 7 months, I have met with many school superintendents from South Dakota who are deeply concerned about the proposed funding formula levels for impact aid. One major concern is a provision to cap fiscal year 1989 impact aid payments to school districts at a level no higher than the fiscal year 1987 payments. Unfortunately, those districts experiencing an increase in enrollment would not receive funds for any new students. Any district with considerable growth would be devastated by this provision. For example, in my State, Todd County School District enrollment has increased by 147 students. This district estimates that the cap will cause a shortfall of $665,000 in fiscal year 1989 funding for them. To alleviate this problem, the impact aid technical amendments would remove the cap on category A payments.

The current impact aid formula also has caused another unintended problem. Because of a shortfall in impact aid funding, the Department currently is unable to prorate category B payments. This amendment would correct this oversight and allow the Department to prorate B payments. Without this provision, districts would receive no B payments this year.

In order to offset the cost of lifting the enrollment cap on A payments, this proposal would cap funding for 3(d)2(B) payments at $20 million. I have received assurances that it is highly unlikely this program will cost more than $20 million. Mr. President, 3(d)2(B) payments are very important to the Douglas School District at Ellsworth Air Force Base in South Dakota. I will continue to monitor this program to ensure that districts such as Douglas are protected.

Mr. President, it is imperative that the Senate act quickly on this amendment. The Department of Education will be making impact aid payments in the next few weeks. Important technical changes must be made in the amendment to ensure adequate compensation of districts for the education of our Nation's federally connected children. I urge adoption of the amendment.

Mr. DASCHLE. Mr. President, I rise to express my views on the package of amendments offered by the distinguished Senator from Rhode Island. The amendments attempt to address a serious situation faced by many school districts who rely on funding from the Impact Aid Program.

The primary intent of this package of amendments is to provide school districts that have been precluded from collecting taxes because of a Federal presence with the resources to which they are entitled. Impact aid plays an essential role in the education of the children of South Dakota, and I want to do all I can to ensure that these school districts receive adequate compensation.

Several changes were made in the distribution formulas when impact aid was reauthorized in Public Law 100-297. A hold-harmless provision was established in order to protect districts from adverse effects by guaranteeing the fiscal year 1987 per pupil payments for all A and super B district. Inadvertently, a paragraph was also added to the hold-harmless provision that limits or caps the amount of money a district may receive under the hold-harmless provision. Thus, a school district with an increase in its federally connected students would receive no funding for the increase in students since 1987.

I believe this represents a major inequity for those school districts that have experienced a growth in federally connected students. Todd County School District in South Dakota, for example, will lose $700,000 in compensation for the 147 new students that the school has admitted and educated since 1987. In order to address this significant shortfall in Federal dollars, the district has been forced to reduce the teaching staff and aide staff, suspend capital outlay expenditures of the year, and cut back on text books and other supplies. The package being considered today will address this critical situtation, and I support those provisions.

While I praise the Senator from Rhode Island's efforts to address this injustice, I want to express my strong reservations with another provision in the package that would place a $20-million cap on the section 3(d)(2)(B) payments. Section 3(d)(2)(b) payments enable severely impoverished districts to provide a level of education equivalent to that provided by comparable school districts. I am concerned that in future years this level of funding may not be sufficient to cover all the schools eligible for section 3(d)(2)(B) payments, and I believe it is essential that the $20 million level of funding reserved for 3(d)(2)(B) schools be revisited in the days ahead, for these heavily impacted schools are entitled to these payments.

Finally, I would like to add that all of the problems addressed today are caused by the inadequate funding of the Impact Aid Program. The fiscal year 1989 appropriation of $708 million, $27 million below the $735 million authorization level, is simply insufficient to cover the costs of the Impact Aid Program. Impact aid was designed to ensure that federally connected children receive a basic public education. It is imperative that the Federal Government follow through on this promise, and I pledge my efforts to work with the Senator from Rhode Island and other interested Senators toward full funding of the Impact Aid Program. Our children deserve nothing less.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Rhode Island.

The amendment (No. 63) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed for a third reading, and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

So the bill (H.R. 678), as amended, was passed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDING THE PUBLIC HEALTH SERVICE ACT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 37, H.R. 1426, a bill to amend the Public Health Service Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 1426) to amend the Public Health Service Act to make technical corrections relating to subtitles A and G of title II of the Anti-Drug Abuse Act of 1988, and for other purposes.

The Senate proceeded to consider the bill.

AMENDMENT NO. 64

(Purpose: To make various technical corrections in titles V and XIX of the Public Health Service Act relating to certain mental health demonstration projects and block grants.)

Mr. MITCHELL. Mr. President, on behalf of Senator KENNEDY and others I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maine [Mr. MITCHELL] for Mr. KENNEDY, for himself, Mr. BUMPERS, Mr. NUNN, Mr. SANFORD, Mrs. KASSEBAUM, Mr. DECONCINI, Mr. HOLLINGS, Mr. FOWLER, Mr. PACKWOOD, Mr. HELMS, Mr. HARKIN, Mr. BIDEN, Mr. HATFIELD, and Mr. DOLE proposes an amendment numbered 64.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, strike out lines 14 through 16.

On page 6, line 17, strike out "(D)" and insert in lieu thereof "(C)".

On page 7, strike out lines 3 through 5, and insert in lieu thereof the following new subparagraph:

(D) in subsection (f), to read as follows:

"(f) For purposes of subsection (e), the applicable amount for each fiscal year is $330,000,000.".

On page 8, between lines 10 and 11, insert the following new paragraphs:

(6) MODIFICATION OF GENERAL FORMULA.—Section 1912A(a)(4)(B) of the Public Health Service Act (42 U.S.C. 300x-1a(a)(4)(B)) (as amended in paragraphs (1) through (5)) is amended—

(A) in clause (I)—

(i) by striking out "0.4" in subclause (I), and inserting in lieu thereof "0.2"; and

(ii) by striking out "indicated by the most recent data collected by the Bureau of the Census" in subclause (II), and inserting in lieu thereof "determined by multiplying the percentage of the State's population that resides in urbanized areas of the State (as indicated by the most recent dicennial census compiled by the Bureau of the Census) by the most recent estimate of the total population of the State";

(B) in clause (ii)(I), by striking out "0.2" and inserting in lieu thereof "0.266";

(C) in clause (iii)(I), by striking out "0.2" and inserting in lieu thereof "0.266"; and

(D) in clause (i)(I), by striking out "0.2" and inserting in lieu thereof "0.267".

(7) MODIFICATION OF SMALL STATE MINIMUM.—Section 1912A(b) of the Public Health Service Act (42 U.S.C. 300x-1a(b)(1)) (as amended in paragraphs (1) through (5)) is amended to read as follows—

"(b)(1) In fiscal year 1989, each State shall receive a minimum allotment under this subpart of the lesser of—

"(A) $8,000,000; and

"(B) an amount equal to 105 percent of the sum of—

"(i) the amount the State received under section 1913 for fiscal year 1988 (as such section was in effect for such fiscal year); and

"(ii) the amount the State received under part C for fiscal year 1988.

"(2) In subsequent fiscal years, each State shall receive a minimum allotment under this subpart that is equal to the amount that such State received in fiscal year 1989 under paragraph (1) (or the minimum amount that such State was entitled to under such paragraph) plus an amount equal to such minimum multiplied by the percentage increase in the amount appropriated under section 1911(a) in such subsequent fiscal year above the amount appropriated for the immediately preceding fiscal year.".

On page 18, between lines 16 and 17, insert the following new paragraph:

"(4) EXTENSION OF DEVELOPMENT GRANTS PROGRAM.—Section 1924(c) of the Public Health Service Act (42 U.S.C. 300x-10(c)) is amended by striking out "and 1989" and inserting in lieu thereof "through 1991".

On page 19, between lines 4 and 5, insert the following new subsection:

"(q) SERIOUSLY MENTALLY ILL.—

"(1) MENTAL HEALTH SERVICES PLANNING COUNCIL.—Section 1916(e)(3)(iii) of the Public Health Service Act (42 U.S.C. 300x-4(e)(3)(iii)) is amended by striking out "chronically" and inserting in lieu thereof "seriously".

"(2) COMMUNITY-BASED MENTAL HEALTH TREATMENT.—Section 1923(c)(1) of such Act (42 U.S.C. 300x-9b(c)(1)) is amended by striking out "chronically" and inserting in lieu thereof "seriously" each place that such occurs.".

On page 23, between lines 6 and 7, insert the following new subsection:

"(g) SERIOUSLY MENTALLY ILL.—Section 520A of the Public Health Service Act (42 U.S.C. 290cc-13) is amended by striking out "chronically" and inserting in lieu thereof "seriously" each place that such occurs.".

At the appropriate place, insert the following new section:

SEC. . MENTAL HEALTH DEMONSTRATION PROJECTS.

Section 520A(e)(1) of the Public Health Service Act (42 U.S.C. 290cc-13(e)(1)) is amended by striking out "1990" and inserting in lieu thereof "1991".

Mr. KENNEDY. Mr. President, I am pleased to offer this bipartisan amendment to the technical correction bill. The legislation as passed by the House makes some necessary corrections to the anti-drug abuse bill. This amendment makes some additional needed changes.

Some of the more important changes in the House-passed bill include modifications of the block grant distribution formula as it affects the territories and the District of Columbia, relaxation of the provision requiring obligation of all 1989 block grant funds by the States in fiscal year 1989, and making permanent the ability of the Secretary to waive the requirement that 50 percent of all block grant funds for drug abuse be used to treat IV drug abusers.

Through a technical oversight, the funding provisions for the territories would have resulted in excessive increases or decreases in funding for some territories and would have applied an inappropriate standard for fiscal resources to the District of Columbia. The Congress wished to expedite spending of treatment funds by the States to meet the drug crisis; accordingly, States were required to obligate funds in the year appropriated. In view of the late date for passage of the drug supplemental, application of this standard to fiscal year 1989 would not have been practical; and the bill corrects the oversight through which a waiver of this standard was not allowed for the current fiscal year. Finally, the bill requires at least 50 percent of drug abuse funds to be used to treat IV drug abusers. The Congress recognized that there might be some States that would not have a sufficient number of IV drug abusers for this to be an appropriate requirement, but the original bill failed to allow a waiver beyond the first year.

The amendment I am proposing today makes some additional correction to the drug bill passed last year. First, the authorization for mental health demonstration programs is extended for an additional year, so that it will expire at the same time as the other authorities in the bill. Second, the legislation substitutes for the term "chronically mentally ill" the term "seriously mentally ill." This change had inadvertently been omitted from the conference agreement.

The most significant change included in this amendment is a revision of the new distribution formula for the ADMS block grant included in last year's drug bill. Both House and Senate versions of last year's bill recognized that a change in the old formula was long overdue. Under the then-current formula, ADMS block grant funds were distributed primarily on the basis of the distribution of categorical grant funds in 1980, when the ADMS block grant was created. This distribution did not reflect the need for services and resulted in tremendous inequities among States in per capita funding.

Because of the time pressure attendent on the drug bill conference, the formula included in the conference report had to be agreed to without benefit of a computer analysis of the impact of the compromise formula on State-by-State allocations. Now that these allocations are available, the formula seems to have produced undesirable and unintended consequences. Specifically, in 1989, many States with severe drug problems received no significant increase in funding, despite the dramatic increase in the overall funding level. Second, by 1993, eight States actually had their funding reduced.

The sponsors of this amendment believe that such a result is indefensible at a time when the drug problem has reached epidemic proportions in all States and when there has been a Federal commitment to expand funding significantly to deal with this problem.

The sponsors believe that, under such circumstances, to the degree feasible, all States should receive some increase in funding, with the largest increases going to States with the most severe problems.

In order to achieve this objective, the proposed amendment makes four changes in the current formula. First, the weight given to urbanization in determining need for funds is reduced from 40 to 20 percent. Second, the first $330 million in funding under the ADMS block is distributed on the basis of the old formula on a permanent basis rather than having the old formula entirely phased out after 3 years. Third, the small State minimum is raised from $7 to $8 million. Fourth, the small State minimum is raised each year in proportion to the overall increase in appropriations, if any, rather than being frozen at 105 percent of the 1988 level.

These changes preserve the principle that funding should be allocated based on need, but they also assure that all States are given additional assistance in dealing with this national crisis. Under the revised formula, no State loses money in any year, and States with the greatest need receive the highest increases.

Because it is vital to make these technical changes before States have already made commitments based on the old allocations, I urge prompt adoption of this amendment and of the underlying bill.

VICTORY FOR RURAL DRUG, ALCOHOL ABUSE, AND MENTAL HEALTH EFFORTS

Mr. HOLLINGS. Mr. President, I rise to commend a compromise that has no losers. I am speaking of the Alcohol, Drug Abuse, and Mental Health Act block grant formula, which is revised in H.R. 1426.

Historically, Congress has struggled to apportion this block grant fairly. Two independent studies and commentary by the GAO have suggested major changes in the funding structure, and some of those changes were incorporated in the drug bill which passed last October. Unfortunately, that bill inadvertently slighted rural States like South Carolina by including a heavy, 40 percent urban factor. Even though the overall funding for the Alcohol, Drug Abuse, and Mental Health block grant rose 18 percent under the drug bill, South Carolina lost money as a result of the revised formula. Eight other States lost money in absolute terms, and 35 States received less than the average increase. The need to correct this injustice is the reason I and my colleagues are before this body today.

The funding changes were made with good intentions—to fight drug abuse in urban areas; but we must remember that this grant also provides funding for critical alcohol and mental health services in all areas. We all have rising drug problems in our States, drugs seeping into our towns and rural areas, but that does not mean that the alcohol problem is going away. In fact, the South Carolina Commission on Alcohol and Drug Abuse calls alcohol "the most destructive drug of all." Alcohol accounted for over 80 percent of all admissions to our State treatment system. Alcohol problems are estimated to affect more than four times as many South Carolinians as all other drugs combined, even though treatment for cocaine surpassed that for marijuana for the first time last year.

The ugent need for alcohol treatment programs is not unique to South Carolina. Rural States suffer some of the greatest alcohol problems, and they are not helped by a 40 percent urban weight. While the national average mortality rate due to alcoholism is 3.2, South Carolina's is 5.0. It's 6.0 in Georgia, which would have gained a measley .2 percent under the drug bill's formula. It's 5.7 in Wyoming, 16.2 in New Mexico, 6.8 in Nevada, 7.1 in North Carolina, and 9.9 in Alaska. I am pleased that this committee amendment before us now will correct the most obvious inequities in the formula passed last October. Nonurban States are given modest increases or at least are not cut by our companies. My colleagues from rural States will agree with me that urbanized States have no monopoly on the alcohol abuse problem, and certainly none on mental health.

As for the drug problem, I-95, which is possibly the most important trunk line for drugs, runs north through Florida, Georgia, South Carolina, and North Carolina. South Carolina also suffers an influx of drugs through her sea islands, which are out of reach of the Florida drug task force. We know that urban areas have a lot of drugs—many of them come through our States first and not all of them leave. Furthermore, many nonurban States are less able to generate the financial resources needed to combat these problems. Even without considering the ability of States to pay to fight these problems, consider that overall illicit drug use has a prevalence in nonmetropolitan areas only 6 percent that in America's 12 largest metropolitan areas—this disparity, documented by the U.S. Alcohol, Drug Abuse, and Mental Health Administration, does not justify the 40 percent urban weighting included in last year's drug bill. The message from myself and my fellow cosponsors is that we cannot let our zeal in combating drugs in urban areas blind us to the rising drug problems in rural areas, and to the huge, perrenial alcohol and mental health problems we all share.

Mr. President, with so much at stake, I and my cosponsors were anxious to find a solution—not just to haggle over small gains for individual States. The spirit of compromise paid off. Now no State will lose money. We reduced the urban weighting to 20 percent and retained a small hold-harmless provision to protect States that would otherwise have taken losses. We also took the commonsense step of requiring that the most current populaton data available be used. It is not a perfect bill for my State, nor for any of the cosponsors, nor for Chairman KENNEDY—we fight for perfection during the full evaluation that will come at reauthorization.

Meanwhile, South Carolina and other rural States have won the first battle for fair funding. Coming into this fight, South Carolina lost 9 percent of her funds—now she gains 10 percent—that's $862,000 in fiscal year 1989. The improved formula will, of course, yield even greater gains in future years. South Carolina's public servants will be relieved to know that the rug will no longer be pulled out from under them in their efforts to save us from the costly, pernicious effects of substance abuse and mental disorders, and to improve thousands of lives.

Mr. BUMPERS. Mr. President, I am pleased to cosponsor the committee amendment to H.R. 1426, which makes technical corrections in the 1988 Anti-Drug Abuse Act. The committee amendment corrects a serious flaw in the formula for distributing the alcohol, drug abuse, and mental health block services [ADMS] block grant. I want to thank my colleague from Massachusetts for his willingness to revise the ADMS formula that was enacted as part of the 1988 Anti-Drug Abuse Act.

When the Senate passed the anti-drug abuse bill of 1988, it expressed its intention that 60 percent of the funds appropriated for the drug bill be spent on drug treatment and prevention and all other efforts to reduce the demand for drugs and 40 percent be spent on efforts to stem the flow of drugs into the country. I spoke out strongly in favor of this position. As a matter of fact, I would recommend spending an even greater share of our Federal anti-drug resources on reducing the demand for drugs. At the same time Congress set priorities for spending anti-drug abuse funds, it also tried to correct inequities in the formula for distributing funds for alcohol, drug abuse and mental health prevention, treatment, and rehabilitation services. However, after the anti-drug abuse bill had been considered by the House and Senate and differences between the two bills resolved, the ADMS formula was less equitable, not more equitable.

I fought hard for the 16-percent increase in funding for the block grant for treatment and rehabilitation services that Congress approved for fiscal

year 1989. Despite that funding increase, however, the State of Arkansas will lose 9 percent of its ADMS block grant funding from fiscal year 1988 to fiscal year 1989 because of the new formula. A number of other States are losers in 1989 and still more will be losers by 1993 unless we change the formula. At a time when overall funding is increasing, a number of States are losing alcohol and drug abuse treatment funds and are being put in the position of closing treatment and prevention programs. This was hardly what the Congress intended when it passed the 1988 Anti-Drug Abuse Act.

I am pleased that the Senate has corrected this flaw in the 1988 bill. The revised formula will protect existing programs and target additional funds to areas of special need. The revised formula recognizes that while there are overwhelming drug problems in large urban areas, there are also serious substance abuse problems in rural areas and in small cities and towns. The revised formula also raises the minimum State grant level and thereby takes care of the particular funding problem facing Arkansas.

I am pleased to cosponsor the committee amendment to H.R. 1426. I will continue to fight for additional Federal funds for programs to reduce the demand for drugs, and I am pleased that these funds will be fairly distributed by the revised ADMS formula.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment (No. 64) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third regarding of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

So the bill (H.R. 1426), as amended, was passed.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BUSINESS OPPORTUNITY DEVELOPMENT REFORM ACT AMENDMENTS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 42, S. 767, a bill to make technical corrections to the Business Opportunity Development Reform Act of 1988.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 767) to make technical corrections to the Business Opportunity Development Reform Act of 1988.

There being no objection, the Senate proceeded to consider the bill.

Mr. BUMPERS. Mr. President, I would like to share with my colleagues some background on this bill and then briefly summarize what it does.

On November 15, 1988, President Reagan signed H.R. 1807, the Business Opportunity Development Reform Act of 1988, which became Public Law 100-656. This was the House companion measure to S. 1993, which was considered on this floor last summer. This legislation makes a series of important improvements to the Minority Small Business and Capital Ownership Development [MSB/COD] Program, which provides small business concerns owned and controlled by socially and economically disadvantaged individuals with an array of special assistance. The overall objective of this assistance is to foster the development of minority firms, increasing the likelihood of their success in the Nation's economic mainstream. The MSB/COD Program is better known by the provision of the Small Business Act which provides the statutory authority for contract assistance, section 8(a).

During the 100th Congress, both the House and Senate sought to address the program's persistent shortcomings and especially the most recent scandal known as Wedtech through comprehensive reform legislation. H.R. 1807, the Capital Ownership Development Reform Act of 1987, passed the House on December 1, 1987. The Senate companion, S. 1993, the Minority Business Development Program Reform Act of 1988, passed the Senate on July 7, 1988.

The conference committee convened on August 10, 1988. The conference was protracted since substantial differences between the two bills had to be resolved. Key policy issues had to be hammered out. The process continued into the very last days of the 100th Congress. The conference report was filed on October 7, 1988. The House unanimously approved the conference report by voice vote on October 12, 1988, followed by the Senate on October 18, 1988.

Upon review, it was found that the bill text contained a number of errors and omissions. Most of these problems can be traced to the fact that the filed bill had not been reviewed by the House Legislative Counsel and contained substantially more handwritten text than was desirable. To correct some of the more significant omissions and errors, Senator WEICKER and I introduced Senate Concurrent Resolution 167, which was passed by the Senate on October 21, 1988. Unfortunately, it was not considered by the House before adjournment.

Subsequent review of the enrolled bill and the text of the public law demonstrated a need for more extensive corrective action. A detailed review of the text was conducted by the staffs of the House and Senate Small Business Committees, the Senate Legislative Counsel, and various staff offices within the Small Business Administration, led by the Office of General Counsel. A draft bill reflecting all of these contributions was then prepared by the Senate Small Business Committee staff with the valuable assistance of the Senate Office of Legislative Counsel.

The bill addressed several types of problems identified in the enacted text of the Business Opportunity Development Reform Act of 1988. First, the bill corrected a number of errors in spelling, capitalization, punctuation, cross-references, and citations to the United States Code. Second, other provisions of the technical corrections bill insert omitted words or citations to the United States Code, or delete duplicative and extraneous text. Next, provisions of the bill add text or rewrite text to attain additional clarity. Finally, provisions of the bill address substantive matters.

Mr. President, I will subsequently seek unanimous consent to insert in the RECORD a detailed section-by-section analysis. At ths point, however, I would like to summarize the three substantive changes made to the enacted bill by S. 767.

Section 4 of the bill restores a provision requiring SBA to complete its reveiw of an application for admission to the MSB/COD Program within 90 days of receiving a complete application, thus correcting the chronic and common problem of intolerably lengthy delays in the application process. This provision was inadvertently omitted from the text of the conference report, although it was thoroughly described in the joint explanatory statement of managers.

Section 20 of the bill adds a new subsection to section 505 of the enacted bill, which created a Commission on Minority Business Development. As enacted, section 505 failed to explicitly assign SBA any role to assist the Commission during its formative stages, al-

though this was clearly the intent of the conferees. The new subsection converts that intent into explicit statutory language.

Section 30 of the bill extends the deadline for the promulgation of final implementing regulations. As enacted, section 801 requires SBA to publish final regulations implementing the statutory changes to the MSB/COD Program within 210 days of the date of enactment, or June 15, 1989. The same provision also specified very tight deadlines for the conduct of public meetings and the publication of proposed regulations. Given the magnitude of the program changes mandated by the legislation, SBA Administrator Abdnor wrote to me requesting an extension of the deadline. Proposed regulations were published on March 23, 1989. They provided only a 30-day comment period because of the statutory deadline for the final regulations. Section 30 of S. 767 modifies section 801, extending the deadline for final regulations an additional 60 days, or until 15 August 1989. This will provide additional time for public comments and for SBA to consider those comments.

A corresponding change to section 803(b) of the act extends the effective date for a broad group of the act's provisions from June 1 to August 15, so that the statutory changes do not take effect before the implementing regulations are available.

Mr. President, the Committee on Small Business unanimously ordered the technical corrections bill reported as an original bill during its organizational meeting on January 31, 1989. Subsequently, concerns were expressed by representatives of certain members of the House Committee on Small Business with respect to the text of the bill ordered reported. First, they maintained that some of the bill's provisions, designed to clarify text of Public Law 100-656, actually effected substantive changes. Second, one key member of the House Small Business Committee opposed extending the deadline for the final regulations.

After a series of staff discussions, modifications to the bill, as ordered reported by the committee, were agreed to. Principally, they eliminate most of the bill's provisions clarifying text in the act. An amendment in the nature of a substitute embodying these changes was prepared and filed concurrently with the reported bill on April 12.

Mr. President, I ask unanimous consent that a section-by-section analysis of the substitute appear in the RECORD following the text of the amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 767, THE BUSINESS OPPORTUNITY DEVELOPMENT REFORM ACT TECHNICAL CORRECTIONS ACT AMENDMENT IN THE NATURE OF A SUBSTITUTE

SECTION-BY-SECTION ANALYSIS

Section 1. Short Title.

This section establishes the short title of the bill as the "Business Opportunity Development Reform Act Technical Corrections Act".

Section 2. Table of Contents.

This section corrects two grammatical errors in the Act's Table of Contents.

Section 3. Definitions.

This section establishes a definition of the term "Business Opportunity Specialist", which is used throughout the Act to describe the Small Business Administration employee who is most directly responsible for providing business development assistance to participants in the Minority Small Business and Capital Ownership Development Program.

The section also inserts an omitted word, "Minority", in the definition of the word "Program", which means the Minority Small Business and Capital Ownership Development (MSB/COD) Program. Given that the term "Program" is a common word, the definition was specified further by adding the phrase "unless otherwise indicated".

Section 4. Program Eligibility.

This section of the bill makes a series of corrections, clarifications, and modifications to Section 201(a) of the Act, which added a series of new subparagraphs to Section 7(j)(11) of the Small Business Act (15 U.S.C. 636(j)(11)).

Paragraph (1) of the section rewrites new Subparagraph (B) (15 U.S.C. 636(j)(11)(B)) to clarify its text and to codify a special provision relating to the eligibility of small business concerns owned by socially and economically disadvantaged Indian tribes which was enacted as a free standing provision, Section 602(d) of the Act.

Paragraph (2) of the section corrects the reference to the SBA office charged with the management of the MSB/COD Program.

Paragraph (3) of the section corrects the reference to the SBA official responsible for the management of the MSB/COD Program.

Paragraph (4) of the section corrects a grammatical error.

Paragraph (5) of the section makes a clarification to Subparagraph (F)(vi) (15 U.S.C. 636(j)(11)(F)(vi)) regarding the authority of the Director of the Division of Program Certification to make recommendations to the Associate Administrator for Minority Small Business and Capital Ownership Development relating to the decisions by that officer on protests from applicants to the MSB/COD Program who have been denied admission.

Paragraphs (6), (7), and (8) of the section corrects two citations and a capitalization error.

Paragraph (9) restores a provision, which was inadvertently omitted from the text of the bill in the Conference Report, but was described in the Joint Explanatory Statement of Managers. This provision requires SBA to complete its review of an application for the MSB/COD Program within 90 days of receipt of a complete application. Delays in the processing of applications, frequently between 12 and 18 months, has been a chronic problem with SBA's management of the Program. Other provisions of the Act specify organizational changes and authorize additional resources to make possible the attainment of this new requirement.

Section 5. Business Plans.

This section corrects a series of errors in Section 7(j)(10) of the Small Business Act (15 U.S.C. 636(j)(10)), as amended by Section 205 of the Act, relating to capitalization, use of the plural when the singular was intended, and various misspelled words. It also adds a parenthetical phrase after a cross-reference, which captures the substance of the matter contained in the referenced provision.

Section 6. Eligibility Reviews and Eligibility of Native Hawaiians.

Subsection (a) of this section strikes an extraneous phrase from Section 7(j)(10)(J)(i) of the Small Business Act (15 U.S.C. 636(j)(10)(J)(i)), as added by Section 207 of the Act. The referenced provision of the Federal Acquisition Regulation, relating to suspension and debarment of prospective government contractors, only provides for the suspension of a firm's eligibility for the award of new Federal contracts for a fixed period of time. It does not impose a permanent ineligibility, nor does it authorize the termination on any existing contract awarded to such a firm, if it is being properly performed in accordance with the contract's specifications, terms and conditions.

Subsections (b), (c), and (d), of this section correct a series of errors relating to capitalization and United States Code citations.

Subsection (d) of this section inserts a twice omitted word, "unconditional", which is critical to Congressional intent regarding ownership of a firm participating in the MSB/COD Program by eligible individuals or entities.

Section 7. Termination and Graduation Standards.

Subsection (a) of this section clarifies to provisions of Section 7(j)(10) of the Small Business Act (15 U.S.C. 636(j)(10)), as amended by Section 208 of the Act. It also eliminates text which appears twice.

Subsection (b) of this section corrects a US Code citation.

Section 8. Stages of Program Participation.

Subsection (a) of this section makes two corrections to improve the syntax of the provisions.

Subsection (b) of this section clarifies the portion of Section 7(j)(13)(E) of the Small Business Act (15 U.S.C. 636(j)(13)(E)), as added by Section 301(b) of the Act, relating to the payment of firm's providing training to participants in the MSB/COD Program under the authority of this provision.

Section 9. Loans.

This section inserts a grammatically necessary word.

Section 10. Contractual Assistance.

Subsections (a) thru (d) of this section correct citational and capitalization errors, and insert an omitted word.

Subsection (e) inserts language that makes clear that any firm availing itself of the authority specified must meet the applicable standards for a "small business concern".

Section 11. Status of the Associate Administrator for Minority Small Business and Capital Ownership Development.

This section strikes an extraneous word and clarifies a reference to the Small Business Act.

Section 12. Prohibited Actions and Employees Responsibilities.

This section strikes an extraneous word.

Section 13. Politically Motivated Activities.

This section strikes an extraneous phrase.

Section 14. Reports by Program Participants.

This section corrects errors relating to capitalization.

Section 15. Congressionally Requested Investigations.

This section substitutes a phrase that more accurately captures the intent of the Conferees regarding this provision. The provision requires that the SBA Inspector General reply, within 30 days of a request for an investigation made by the Committee on Small Business of either the Senate or the House of Representatives, regarding the disposition of the request, but not the final disposition of the subject matter covered by the requested investigation.

Section 16. Contract Performance.

This section clarifies Section 8(a) (21) of the Small Busiess Act (15 U.S.C. 637(a)(21)), as amended by Section 407 of the Act. The amendment requires the termination of contracts held by a participant of the MSB/COD Program, if the owners of the firm providing eligibility relinquish ownership or control of the firm. The provision permits the Administrator of the Small Business Administration to waive the termination requirement under specified circumstances, provided prior notice is furnished to the SBA. One of the listed circumstances is the incapacity or death of the owners upon whom eligibility is based. The clarification permits after-the-fact notification under such circumstances.

Section 17. Due Process Rights.

This section substitutes the word "Administration" for "Administrator" in two places and corrects a US Code citation.

Section 18. Employee Training and Evaluation.

This section inserts an omitted word and corrects a cross-reference.

Section 19. Presidential Report on Contracting Goals.

This section inserts an omitted word.

Section 20. Commission on Minority Business Development.

Paragraphs (1) thru (6) of this section of the bill correct a series of errors in Section 505 of the Act, including capitalization, cross-references, and citations.

Paragraph (7) adds a new Subsection (d) to Section 505 clarifies the Conferees' intent that SBA discharge the responsibility to provide support to the Commission during its formative stage. As enacted, Section 505 fails to explicitly assign SBA such a role, and this subsection is intended to make explicit what had been implicit.

Paragraph (8) provides additional time to administratively close out the Commission after the submission of its final report to the President and Congress.

Paragraph (9) substitutes the word "this" for the word "the" in subsection (g) of Section 505 of the Act.

Section 21. Relationship With Other Procurement Programs.

This section of the bill changes to the plural a word that was enacted in the singular.

Section 22. Indian Tribe Exemptions.

Paragraph (1) of this section of the bill corrects a United States Code citation.

Paragraphs (2) and (3) modify Section 602(b)(2) of the Act to make clear the intent of the Conferees that the provision also covers "former reservations" of certain tribes whose lands are now held in trust by the Secretary of the Interior.

Paragraph (4) strikes the provision relating to the special eligibility of small business concerns owned by socially and economically disadvantaged Indian tribes to participate in the MSB/COD Program, which is codified in Section 4 of the bill.

Section 23. Small Business Competitiveness Demonstration Program.

This section of the bill specifies the designation of the program's title by inserting the phrase "in the title".

Section 24. Enhanced Small Business Participation Goals.

This section of the bill corrects a cross-reference.

Section 25. Procurement Procedures and Reporting.

Subsection (a) of this section clarifies that the provision applies to contracting opportunities above the "small purchase" threshold, which is currently set at $25,000. Hence, the provision applies only to contracts whose anticipated award value is "more than $25,000".

Subsection (b) of this section corrects a cross-reference.

Section 26. Designated Industry Groups.

This section of the bill substitutes the correct title for Major Group 16 as reflected in the revised edition of Standard Industrial Classification Manual, issued by the Office of Management and Budget in late 1987.

Section 27. Definition of Participating Agency.

Paragraph (1) of this section inserts a department inadvertently omitted.

Paragraph (2) inserts an omitted word.

Section 28. Alternative Program for Clothing and Textiles.

Paragraph (1) of this section inserts a US Code citation.

Paragraph (2) of the section adds a provision specifying a term for the program reflecting the intent of the Conferees, and moves to Section 721 (Alternative Program for Clothing and Textiles) a reporting requirement pertaining to the alternative program that was enacted as part of Section 722 (Expanding Small Business Participation in Dredging).

Section 29. Expanding Small Business Participation in Dredging.

Paragraph (1) of this section adds a phrase specifying the starting point for the program, reflecting the intent of the Conferees.

Paragraphs (2) and (3) of the section correct syntax by adding an omitted verb to two of the paragraphs of Section 722(b) of the Act.

Paragraph (4) adds a phrase to the end of Section 722(f)(1) to enhance the specificity of the reporting requirement, and deletes the reporting requirement pertaining to the Alternative Program for Clothing and Textiles which was moved to Section 721(d) of the Act by Section 28 of the bill.

Section 30. Regulations.

As enacted, Section 801 (Regulations) requires SBA to publish final regulations implementing the statutory changes within 210 days of the date of enactment (November 15, 1988), or June 15, 1989. The same section also specified very tight deadlines for the conduct of public meetings and the publication of proposed regulations. Given the magnitude of the program changes mandated by the Act, SBA requested an extension of the deadlines. This section of the bill, amending Section 801 of the Act, extends the deadline for the publication of the final regulations an additional sixty days, until August 15, 1989. The purpose of this extension is to provide additional time for public comment and to afford SBA some additional time to more thoroughly consider the comments received. A corresponding change to Section 803 (Effective Dates), made by Section 31 of the bill, extends the effective date for a broad group of the Act's provisions from June 1st to August 15th, so that these statutory changes do not become effective before the implementing regulations are available.

Section 31. Amendments to Effective Dates.

Paragraphs (1) and (2) correct an error which delayed the effective date for Section 302 (Loans), until October 1, 1989. The Conferees intended Section 302 of the Act to become effective on June 1, 1989.

Paragraph (3) delays the effective date of the sections of the Act listed in Section 801(b) from June 1, 1989 to August 15, 1989.

Section 32. Effective Dates of the This Act.

The amendments made by the provisions of the bill shall apply as if included in the "Business Opportunity Development Reform Act of 1988", Public Law 100-656, at the time of enactment.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed as follows:

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Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Business Opportunity Development Reform Act Technical Corrections Act".

SEC. 2. TABLE OF CONTENTS.

The table of contents of the Business Opportunity Development Reform Act of 1988 (hereinafter referred to as "the Act") is amended—

(1) in item 713, by striking "Procurements" and inserting "Procurement"; and

(2) in item 722, by striking "participating" and inserting "participation".

SEC. 3. DEFINITIONS.

Section 2 of the Act is amended—

(1) by redesignating paragraphs (3) through (7) as paragraphs (4) through (8), respectively;

(2) by inserting after paragraph (2) the following new paragraph:

"(3) the term 'Business Opportunity Specialist' means the Administration field office employee responsible for providing business development assistance to Program Participants pursuant to sections 7(j) and 8(a) of the Small Business Act (15 U.S.C. 636(j), 637(a));"; and

(3) in paragraph (6), as redesignated—

(A) by striking "Small Business" and inserting "Minority Small Business", and

(B) by inserting before the semicolon the following: ", unless otherwise indicated".

SEC. 4. PROGRAM ELIGIBILITY.

Section 7(j)(11) of the Small Business Act (15 U.S.C. 636(j)(11)) is amended—

(1) by striking subparagraph (B) and inserting the following:

"(B)(i) Except as provided in paragraph (10)(D), no individual who was determined pursuant to section 8(a) to be socially and economically disadvantaged before the effective date of this subparagraph shall be permitted to assert such disadvantage with

respect to any other concern making application for certification after such effective date.

"(ii) Except as provided in clause (iii), any individual upon whom eligibility is based pursuant to section 8(a)(4) shall be permitted to assert such eligibility for only one small business concern.

"(iii) A socially and economically disadvantaged Indian tribe may own more than one small business concern eligible for assistance pursuant to section 7(j)(10) and section 8(a) if—

"(I) the Indian tribe does not own another firm in the same industry which has been determined to be eligible to receive contracts under this program, and

"(II) the individuals responsible for the management and daily operations of the concern do not manage more than two Program Participants.";

(2) in the first sentence of subparagraph (E), by striking "Office of the Associate Administrator for Minority Small Business" and inserting "Office of Minority Small Business";

(3) in the second sentence of subparagraph (E), by striking "such Associate Administrator" and inserting "the Associate Administrator for Minority Small Business and Capital Ownership Development";

(4) in subparagraph (F)(v), by striking "with the Associate Administrator" and inserting "to the Associate Administrator";

(5) in subparagraph (F), by striking clause (vi) and inserting:

"(vi) make recommendations to the Associate Administrator for Minority Small Business and Capital Ownership Development concerning protests from applicants that have been denied program admission;";

(6) in subparagraph (F)(viii), by striking "subparagraph (H)" and inserting "subparagraph (I)";

(7) in subparagraph (G)(ii), by striking "participants" and inserting "Participants";

(8) by redesignating subparagraph (H) as subparagraph (I); and

(9) by inserting after subparagraph (G) the following:

"(H) Not later than 90 days after receipt of a completed application for Program certification, the Associate Administrator for Minority Small Business and Capital Ownership Development shall issue a certificate as a Program Participant to a small business concern which is owned and controlled by socially and economically disadvantaged individuals as determined in accordance with paragraphs (4), (5), (6), and (7) of section 8(a), or shall deny such application.".

SEC. 5. TIME LIMITATIONS.

Section 7(j)(15) of the Small Business Act (15 U.S.C. 636(j)(15)) is amended—

(1) by striking "Subject to the provisions of paragraph (10)(C)," and inserting "Except as provided in paragraph (10)(D),"; and

(2) by striking "period of not longer than" and inserting "period of".

SEC. 6. BUSINESS PLANS.

(a) IN GENERAL.—Section 7(j)(10)(A)(i) of the Small Business Act (15 U.S.C. 636(j)(10)(A)(i)) is amended by striking "which sets forth" and inserting "which set forth".

(b) CONTENTS OF PLAN.—Section 7(j)(10)(D) of the Small Business Act (15 U.S.C. 636(j)(10)(D)) is amended—

(1) in the first sentence of clause (i), by striking "business opportunity specialist" and inserting "Business Opportunity Specialist";

(2) in clause (ii)(II), by striking "small business concerns" and inserting "the small business concern";

(3) in clause (iii), by inserting before the end period the following: "relating to attaining business activity from sources other than contracts awarded pursuant to section 8(a)";

(4) in clause (iv), by striking "contact awards" and inserting "contract awards"; and

(5) in clause (iv)(I), by inserting before the second comma the following: "relating to attaining business activity from sources other than contracts awarded pursuant to section 8(a)".

SEC. 7. ELIGIBILITY REVIEWS AND ELIGIBILITY OF NATIVE HAWAIIANS.

(a) ELIGIBILITY REVIEW.—Section 7(j)(10)(J)(i) of the Small Business Act (15 U.S.C. 636(j)(10)(J)(i)) is amended by striking "suspended or terminated" and inserting "suspended".

(b) ELIGIBILITY OF NATIVE HAWAIIANS.—Section 8(a)(15) of the Small Business Act (15 U.S.C. 637(a)(15)) is amended by striking "organizations" and inserting "Organization".

(c) DEFINITION OF "SOCIALLY AND ECONOMICALLY DISADVANTAGED SMALL BUSINESS CONCERN".—Section 8(a)(4)(A) of the Small Business Act (15 U.S.C. 637(a)(4)(A)) is amended—

(1) in clause (i), by inserting "unconditionally" after "per centum";

(2) by striking subclause (III) of clause (i) and inserting:

"(III) a Native Hawaiian Organization, or";

(3) in clause (ii), by inserting "unconditionally" before "owned by"; and

(4) by striking subclause (III) of clause (ii) and inserting:

"(III) a Native Hawaiian Organization.".

SEC. 8. TERMINATION AND GRADUATION STANDARDS.

(a) IN GENERAL.—Section 7(j)(10) of the Small Business Act (15 U.S.C. 636(j)(10)) is amended—

(1) by striking subparagraph (E)(ii) and inserting:

"(ii) completes the period of Program participation as prescribed by paragraph (15);";

(2) by striking the first subparagraph (F);

(3) in subparagraph (F), by striking the first sentence and inserting the following: "For purposes of this section and section 8(a), the term 'terminated' and the term 'termination' means the total denial of assistance under this paragraph or under section 8(a) prior to the graduation of the participating small business concern or prior to the expiration of the maximum program participation term.";

(4) by redesignating subparagraph (H) as subparagraph (G);

(5) by redesignating subparagraph (G) as subparagraph (H); and

(6) in subparagraph (H), as redesignated, by striking "subparagraph (F)" and inserting "subparagraph (F) or (G)".

(b) ECONOMIC DISADVANTAGE.—Section 8(a)(6)(C)(iii) of the Small Business Act (15 U.S.C. 637(a)(6)(C)(iii)) is amended by striking out "section 7(g)(10)(H)" and inserting "section 7(g)(10)(G)".

SEC. 9. STAGES OF PROGRAM PARTICIPATION.

(a) IN GENERAL.—Section 7(j)(12) of the Small Business Act (15 U.S.C. 636(j)(12)) is amended—

(1) in subparagraph (A), by striking "development" and inserting "developmental"; and

(2) in subparagraph (B), by inserting "in its effort" after "to assist the concern".

(b) DEVELOPMENTAL STAGE.—Section 7(j)(13)(E) of the Small Business Act (15 U.S.C. 636(j)(13)(E)) is amended by striking the second sentence and inserting the following: "Such assistance may be made without regard to section 18(a). Assistance may be made by direct payment to the training provider or by reimbursing the Program Participant or the Participant's employee.".

SEC. 10. LOANS.

Section 7(a)(20) of the Small Business Act (15 U.S.C. 636(a)(20)) is amended in subparagraph (C)(iv), by inserting "is" before "amortized".

SEC. 11. CONTRACTUAL ASSISTANCE.

(a) CITATION.—Section 303(a) of the Act is amended by striking "15 U.S.C. 363(j)(10)" and inserting "15 U.S.C. 636(j)(10)".

(b) COMPETITIVE BUSINESS MIX.—Section 7(j)(10) of the Small Business Act (15 U.S.C. 636(j)(10)) is amended by striking "(i) During the developmental stage" and inserting "(I)(i) During the developmental stage".

(c) COMPETITIVE THRESHOLDS.—Section 8(a)(1)(D)(i) of the Small Business Act (15 U.S.C. 637(a)(1)(D)(i)) is amended by striking "program participants" and inserting "Program Participants".

(d) OPTIONS.—Section 303(f)(2) of the Act is amended by inserting "active" before "contracts previously awarded".

(e) NON-MANUFACTURER RULE.—Section 8(a)(17)(B) of the Small Business Act (15 U.S.C. 637(a)(17)(B)) is amended—

(1) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively, and

(2) by inserting after clause (i) the following:

"(ii) be a small business concern under the numerical size standard for the Standard Industrial Classification Code assigned to the contract solicitation on which the offer is being made;".

SEC. 12. STATUS OF THE ASSOCIATE ADMINISTRATOR FOR MINORITY SMALL BUSINESS AND CAPITAL OWNERSHIP DEVELOPMENT.

Section 401(b) of the Act is amended by striking "of the Act" and inserting "of the Small Business Act".

SEC. 13. PROHIBITED ACTIONS AND EMPLOYEE RESPONSIBILITIES.

Section 8(a)(18)(A) of the Small Business Act (15 U.S.C. 637(a)(18)(A)) is amended by striking "certified".

SEC. 14. POLITICALLY MOTIVATED ACTIVITIES.

Section 8(a)(19)(B) of the Small Business Act (15 U.S.C. 637(a)(19)(B)) is amended by striking ", imposed by the Administrator,".

SEC. 15. REPORTS BY PROGRAM PARTICIPANTS.

Section 8(a)(20)(A) of the Small Business Act (15 U.S.C. 637(a)(20)(A)) is amended by striking "business opportunity specialist" and inserting "Business Opportunity Specialist".

SEC. 16. FALSE REPRESENTATIONS.

Section 16(d) of the Small Business Act (15 U.S.C. 645(d)) is amended—

(1) in paragraph (2), by striking "shall" and inserting "shall be subject to one or more of the following";

(2) in paragraph (2)(A), by striking "be punished by a fine of not more than $500,000 or by" and inserting "a fine of not more than $500,000 or";

(3) in paragraph (2)(B), by striking "be subject to";

(4) in paragraph (2)(C), by striking "be subject to"; and

(5) in paragraph (2)(D), by striking "be ineligible" and inserting "ineligibility".

SEC. 17. CONGRESSIONALLY REQUESTED INVESTIGATIONS.

Section 10(e)(2) of the Small Business Act (15 U.S.C. 639(e)(2)) is amended by striking "of the disposition of the matter" and inserting ", of the disposition of the request".

SEC. 18. CONTRACT PERFORMANCE.

Section 8(a)(21) of the Small Business Act (15 U.S.C. 637(a)(21)) is amended—

(1) in subparagraph (B), by striking "The Administrator may, as a matter of discretion and on a nondelegable basis, waive the requirements of subparagraph (A) if requested to do so prior to the actual relinquishment of ownership or control. In addition to the requirement of the preceding sentence, a waiver may be given only if any of the following conditions exist:" and inserting the following: "The Administrator may, on a nondelegable basis, waive the requirements of subparagraph (A) only if one of the following conditions exist:";

(2) in subparagraph (B), by striking clause (i) and redesignating clauses (ii) through (v) as clauses (i) through (iv), respectively; and

(3) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively, and by inserting after subparagraph (B) the following:

"(C) The Administrator may waive the requirements of subparagraph (A) if—

"(i) in the case of subparagraph (B) (i), (ii) and (iv), he is requested to do so prior to the actual relinquishment of ownership or control; and

"(ii) in the case of subparagraph (B)(iii), he is requested to do so as soon as possible after the incapacity or death occurs.".

SEC. 19. DUE PROCESS RIGHTS.

Section 8(a)(9) of the Small Business Act (15 U.S.C. 637(a)(9)) is amended—

(1) in subparagraph (A), by striking "Administrator" and inserting "Administration";

(2) in subparagraph (B)(iii), by striking "section 7(j)(10)(H)" and inserting "section 7(j)(10)(G)"; and

(3) in subparagraph (C), by striking "Administrator's" and inserting "Administration's".

SEC. 20. EMPLOYEE TRAINING AND EVALUATION.

Section 410 of the Act is amended—

(1) in subsection (a), by striking "Training Requirements for Business Specialists" and inserting "Training Requirements for Business Opportunity Specialists"; and

(2) in subsection (c)(2), by striking "subsection (a)" and inserting "subsection (b)".

SEC. 21. PRESIDENTIAL REPORT ON CONTRACTING GOALS.

Section 15(h)(2)(A) of the Small Business Act (15 U.S.C. 644(h)(2)(A)) is amended by inserting "individuals" after "economically disadvantaged".

SEC. 22. COMMISSION ON MINORITY BUSINESS DEVELOPMENT.

Section 505 of the Act is amended—

(1) in subsection (b)(1)(B)(ii), by striking "program participants" each place it appears and inserting "Program Participants";

(2) in subsection (b)(1)(C), by striking "subparagraph (B)" and inserting "subparagraph (A)";

(3) in subsection (b)(2)(C), by striking "each such subparagraph" and inserting "paragraph (1)";

(4) in subsection (c)(3), by striking "such subparagraphs" and inserting "subparagraphs (B), (C), and (D)";

(5) in subsection (c)(6)(B), by striking "paragraph 2" and inserting "subsection (b)(2)";

(6) in subsection (d)(1)(B), by striking "531(b)" and inserting "5311(b)";

(7) by adding at the end of subsection (d) the following:

"(C) To facilitate the expeditious initiation of the Commission's activities, the Administrator of the Small Business Administration shall designate an Executive Secretary and provide such additional interim staff and support services as the Administrator deems appropriate until the time of the Commission's organizational meeting and the designation of its Executive Director, or such longer time as may be agreed upon by the Administrator and the Chairperson of the Commission.";

(8) in subsection (f), by striking "cease to exist on" and inserting "cease to exist within 90 days after"; and

(9) in subsection (g), by striking "authorized in the section" and inserting "authorized in this section".

SEC. 23. RELATIONSHIP WITH OTHER PROCUREMENT PROGRAMS.

Section 15(m)(1)(A) of the Small Business Act (15 U.S.C. 644(m)(1)(A)) is amended by striking "procedure" and inserting "procedures".

SEC. 24. INDIAN TRIBE EXEMPTIONS.

Section 602 of the Act is amended—

(1) in subsection (a), by striking "Section 8(a)(16) of the Small Business Act" and inserting "Section 8(a)(1)(D) of the Small Business Act,";

(2) in subsection (b)(2)(B), by striking "reservation of such tribe" and inserting "tribe's reservation, former reservation, or other tribal land";

(3) in subsection (b)(2)(C), by inserting ", former reservation, or tribal land" before the semicolon; and

(4) by striking subsection (d) and redesignating subsection (e) accordingly.

SEC. 25. SMALL BUSINESS COMPETITIVENESS DEMONSTRATION PROGRAM.

Section 711(a) of the Act is amended by inserting "in this title" after "referred to".

SEC. 26. ENHANCED SMALL BUSINESS PARTICIPATION GOALS.

Section 712(b)(1) of the Act is amended by striking "section 718" and inserting "section 717".

SEC. 27. PROCUREMENT PROCEDURES AND REPORTING.

(a) PROCUREMENT PROCEDURES.—Section 713(a) of the Act is amended by striking "$25,000 or more" and inserting "more than $25,000".

(b) REPORTING.—Section 714(c)(2) of the Act is amended by striking "section 712(d)" and inserting "section 712(c)".

SEC. 28. DESIGNATED INDUSTRY GROUPS.

Section 717(b)(2) of the Act is amended to read as follows:

"(2) Major Group 16 (Heavy Construction Other Than Building Construction—Contractors) (excluding dredging);".

SEC. 29. DEFINITION OF PARTICIPATING AGENCY.

Section 718(c)(7) of the Act is amended by inserting "with" before "the Public Building Service".

SEC. 30. ALTERNATIVE PROGRAM FOR CLOTHING AND TEXTILES.

Section 721 of the Act is amended—

(1) by inserting "(10 U.S.C. 2301 note)" after "Fiscal Year 1987" in subsection (a)(2)(B); and

(2) by adding at the end thereof the following:

"(c) PROGRAM TERM.—The Program shall commence on January 1, 1989, and terminate on September 30, 1992.

"(d) REPORT.—The Secretary of Defense shall issue reports to the Congress on the operations of the program established pursuant to this section. Such reports shall detail the effects of the program on the mobilization base and on small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals. Interim reports shall be submitted every 6 months during the term of the program to the Committees on Armed Services and Small Business of the House of Representatives and the Senate.".

SEC. 31. EXPANDING SMALL BUSINESS PARTICIPATION IN DREDGING.

Section 722 of the Act is amended—

(1) in subsection (a), by adding before the end period the following: "solicited on or after January 1, 1989";

(2) in subsection (d)(1)(B), by inserting "foster" before "joint ventures";

(3) in subsection (d)(1)(C), by inserting "foster" before "subcontracting through"; and

(4) in subsection (f), by inserting ", regarding compliance with this section" at the end of paragraph (1), and by striking paragraph (3).

SEC. 32. REGULATIONS.

Section 801(3) of the Act is amended by striking "two hundred and ten days" and inserting "270 days".

SEC. 33. AMENDMENTS TO EFFECTIVE DATES.

Section 803 of the Act is amended—

(1) in subsection (b)(3)(B), by striking "Sections 302 and" and inserting "Section";

(2) in subsection (b), by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

"(2) Section 302 shall take effect on June 1, 1989."; and

(3) in paragraph (1) of subsection (b), by striking "June 1, 1989" and inserting "August 15, 1989".

SEC. 34. EFFECTIVE DATES OF THIS ACT.

The amendments made by this Act shall apply as if included in the Business Opportunity Development Act of 1988.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE SITUATION IN LEBANON

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order 46, Senate Resolution 108, a resolution concerning the situation in Lebanon.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 108) expressing the sense of the Senate concerning the situation in Lebanon.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution.

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 108) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 108

Whereas the recent artillery exchanges between Syrian and Lebanese forces and militias have resulted in the death or injury of nearly one thousand Lebanese;

Whereas in the last several weeks tens of thousands of shells and rockets have fallen in residential areas in and around Beirut;

Whereas the deterioration of conditions in Lebanon further undermines its territorial integrity and sovereignty;

Whereas the presence of paramilitary forces and foreign, particularly Syrian, military forces undermines efforts to reestablish a central government in Lebanon;

Whereas a restoration of central government authority is the only effective means of stopping the use of Lebanese territory controlled by Syrian and militia forces as centers for international terrorism and international narcotics trafficking;

Whereas the League of Arab States has been asked to mediate the dispute and has called for a cease-fire between the forces fighting in Lebanon; and

Whereas the United States supports the restoration of the unity, sovereignty and territorial integrity of Lebanon, the restoration of a central government in Lebanon, and the removal of all foreign forces from, and the eventual abolition of militias in, Lebanon: Now, therefore, be it

Resolved, That the Senate hereby—

(1) commends the Bush administration's call for an immediate cease-fire in Lebanon and condemns those parties unwilling to heed this call;

(2) calls on the President to renew, on an urgent basis, his efforts to obtain an immediate halt to the fighting in Lebanon and his support for international efforts, including those of the United Nations, to secure it;

(3) calls for the withdrawal of all foreign forces, including Syrian forces, from Lebanon and, in the context of a reconstituted central government, for the abolition of all militias within Lebanon; and

(4) calls upon the Lebanese parties to commit themselves to a process of internal reconciliation and free elections, and supports international efforts toward this end.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DESIGNATING APRIL 30, 1989 AS NATIONAL SOCIETY OF THE SONS OF THE AMERICAN REVOLUTION CENTENNIAL DAY

Mr. MITCHELL, Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Joint Resolution 84 which designates April 30, 1989, as National Society of the Sons of the American Revolution Centennial Day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Joint Resolution 84.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 84) to designate April 30, 1989, as "National Society of the Sons of the American Revolution Centennial Day."

There being no objection, the Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. RES. 84

Whereas the National Society of the Sons of the American Revolution was established on April 30, 1889;

Whereas through patriotic, historical, and educational activities, the National Society of the Sons of the American Revolution perpetuates the memory of the patriots of the American Revolutionary War who achieved the independence of the United States;

Whereas the activities of the National Society of the Sons of the American Revolution are designed to inspire the descendants of the patriots of the American Revolution and the people of the United States with respect and reverence for the principles of government that were established by the patriots; and

Whereas the National Society of the Sons of the American Revolution celebrates its centennial in 1989: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 30, 1989, is designated as "National Society of the Sons of the American Revolution Centennial Day", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the day with appropriate ceremonies and activities.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FLIGHT ATTENDANT SAFETY PROFESSIONALS' DAY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Joint Resolution 91 to designate April 28, 1989 as "Flight Attendant Safety Professionals' Day."

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Joint Resolution 91.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 91) to designate April 28, 1989 as "Flight Attendant Safety Professionals' Day."

The Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. RES. 91

Whereas Federal aviation regulations, since 1952, have required flight attendants on board all commercial airlines to safeguard the well-being of passengers;

Whereas flight attendants are trained to respond to medical emergencies and have assisted in saving passengers' lives in emergencies caused by strokes, heart attacks, and so forth;

Whereas flight attendants' professionalism and calmness in evacuations of crashed airplane have saved thousands of lives that otherwise would have been lost;

Whereas flight attendants have given their lives to save passengers in emergency evacuations, sustaining an on-the-job fatality rate higher than that of police officers;

Whereas flight attendants have assisted in hundreds of in-flight emergencies due to hijackings, terrorist acts, decompressions, and severe turbulence; and

Whereas flight attendants have vigorously strived for safety improvements at their airlines and the Federal Aviation Administration and have worked diligently to educate the flying public of safety procedures: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 28, 1989, is designated as "Flight Attendant Safety Professionals' Day", and the President is requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECOGNIZING THE 75TH ANNIVERSARY OF THE SMITH-LEVER ACT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of House Joint Resolution 124 which recognizes the 75th anniversary of the Smith-Lever Act and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 124) to recognize the 75th anniversary of the Smith-Lever Act of May 8, 1914, and its role in establishing our Nation's system of State Cooperation Extension Services.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the joint resolution passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ACTIONS WITH RESPECT TO PASSAGE OF SENATE JOINT RESOLUTION 104

Mr. MITCHELL. Mr. President, I ask unanimous consent that all actions taken by the Senate with respect to the passage of Senate Joint Resolution 104 be vitiated and that the joint resolution be referred to the appropriate committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZING THE SENATE LEGAL COUNSEL TO TAKE CERTAIN ACTIONS

Mr. MITCHELL. Mr. President, on behalf of myself and Senator DOLE, I send to the desk a resolution to authorize Senate Legal Counsel representation, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 111) to direct the Senate Legal Counsel to represent, and to authorize the production of documents by, a subcommittee of the Committee on Governmental Affairs in the case of the United States v. Eugene Robert Wallach, et al.

The PRESIDING OFFICER. Is there objection to the immediate consideration of resolution?

There being no objection, the Senate proceeded to consider the resolution.

The question is on agreeing to the resolution.

The resolution (S. Res. 111) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 111

Whereas in the case of *United States* v. *Eugene Robert Wallach, et al.*, Case No. S. 87 Cr. 985 (RO), pending in the United States District Court for the Southern District of New York, one of the defendants, Eugene Robert Wallach, has obtained a subpoena, addressed to the Subcommittee on Oversight of Government Management of the Committee on Governmental Affairs, for the production of subcommittee documents;

Whereas pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(2)(1982), the Senate may direct its counsel to represent the committees Members, officers or employees of the Senate with respect to subpoenas issued to them in their official capacities;

Whereas by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judical process, be taken from such control or possession but by permission of the Senate;

Whereas when it appears that documents in the possession of the Senate are or may be needed for use in any court for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges and rights of the Senate: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent the Subcommittee on Oversight of Government Management in the case of *United States* v. *Eugene Robert Wallach, et al.*

SEC. 2. That the Chairman and Ranking Minority Member of the Subcommittee on Oversight of Government Management, acting jointly, are authorized to produce documents in the case of *United States* v. *Eugene Robert Wallach, et al.*, to the extent they deem it necessary to promote the interests of justice consistent with the privileges of the Senate.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the following nominations:

Calendar Order No. 56, Susan S. Engeleiter, to be Administrator of the Small Business Administration; Calendar Order No. 64, Donald J. Atwood, to be Deputy Secretary of Defense; Calendar Order Nos. 65, 66, 67, 68, 69, and 70, Air Force promotions; Calendar Order Nos. 71, 72, and 73, Army promotions; Calendar Order Nos. 74 and 75, Marine Corps promotions; Calendar Order Nos. 76, 77, 78, 79, 80, 81, 82, 83, and 84, Navy promotions; Calendar Order No. 85, Elaine L. Chao to be Deputy Secretary of Transportation; Calendar Order No. 86, Wendell Lewis Willkie II, to be general counsel of the Department of Commerce; Calendar Order Nos. 87 and 88, Coast Guard promotions; Calendar Order No. 90, James R. Lilley to be Ambassador to the People's Republic of China; Calendar Order No. 91, Terence A. Todman to be Ambassador to Argentina; Calendar Order No. 92, Reginald Bartholomew to be Under Secretary of State for Coordinating Security Assistance Programs; Calendar Order No. 93, Paul D. Coverdell to be Director of the Peace Corps; Calendar Order No. 94, Jack C. Parnell to be Deputy Secretary of Agriculture; Calendar Order No. 95, Richard T. Crowder to be Under Secretary of Agriculture for International Affairs and Commodity Programs; and all nominations placed on the Secretary's desk in the Air Force, Army, Coast Guard, and Navy.

I further ask unanimous consent that these nominations be confirmed en bloc; that any statements appear in the RECORD as if read; that the motions to reconsider be laid on the table, en bloc; that the President be immediately notified of the Senate's actions.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations are considered and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

SMALL BUSINESS ADMINISTRATION

Susan S. Engelieter, of Wisconsin, to be Administrator of the Small Business Administration.

DEPARTMENT OF DEFENSE

Donald J. Atwood, of Massachusetts, to be Deputy Secretary of Defense, vice William H. Taft IV.

IN THE AIR FORCE

The following officers for appointment in the U.S. Air Force to the grade of brigadier general under the provisions of section 624, title 10 of the United States Code:

Col. George K. Anderson, [redacted] FR, Regular Air Force.

Col. William J. Ball, [redacted] FR, Regular Air Force.

Col. Charles C. Barnhill, Jr., [redacted] FR, Regular Air Force.

Col. Billy J. Bingham, [redacted] FR, Regular Air Force.

Col. Jay D. Blume, Jr. [redacted] FR, Regular Air Force.

Col. Fredric N. Buckingham, [redacted] FR, Regular Air Force.

Col. Hiram H. Burr, Jr. [redacted] FR, Regular Air Force.

Col. Patrick P. Caruana, [redacted] FR, Regular Air Force.

Col. James L. Cole, Jr. [redacted] FR, Regular Air Force.

Col. Stephen P. Condon, xxx-xx-xxxx FR, Regular Air Force.
Col. Roscoe M. Cougill, xxx-xx-xxxx FR, Regular Air Force.
Col. Gary L. Curtin, xxx-xx-xxxx FR, Regular Air Force.
Col. William B. Davitte, xxx-xx-xxxx FR, Regular Air Force.
Col. William M. Douglas, xxx-xx-xxxx FR, Regular Air Force.
Col. Robert W. Drewes, xxx-xx-xxxx FR, Regular Air Force.
Col. Lawrence P. Farrell, Jr., xxx-xx-xxxx xxx-... FR, Regular Air Force.
Col. Phillip J. Ford, xxx-xx-xxxx FR, Regular Air Force.
Col. Carl E. Franklin xxx-xx-xxxx FR, Regular Air Force.
Col. Ralph H. Graham xxx-xx-xxxx FR, Regular Air Force.
Col. Ronald D. Gray, xxx-xx-xxxx FR, Regular Air Force.
Col. John C. Griffith xxx-xx-xxxx FR, Regular Air Force.
Col. Thomas R. Griffith, xxx-xx-xxxx FR, Regular Air Force.
Col. Otto K. Habedank xxx-xx-xxxx FR, Regular Air Force.
Col. Gerald E. Hahn, xxx-xx-xxxx FR, Regular Air Force.
Col. Travis E. Harrell xxx-xx-xxxx FR, Regular Air Force.
Col. James F. Hinkel xxx-xx-xxxx FR, Regular Air Force.
Col. Patricia A. Hinneburg, xxx-xx-xxxx xxx-... FR, Regular Air Force.
Col. James L. Hobson, Jr., xxx-xx-xxxx FR, Regular Air Force.
Col. C. Jerome Jones xxx-xx-xxxx FR, Regular Air Force.
Col. John J. Kelley, Jr. xxx-xx-xxxx FR, Regular Air Force.
Col. Robert E. Linhard xxx-xx-xxxx FR, Regular Air Force.
Col. John G. Lorber, xxx-xx-xxxx FR, Regular Air Force.
Col. James E. McCarthy, xxx-xx-xxxx FR, Regular Air Force.
Col. Lawrence A. Mitchell, xxx-xx-xxxx FR, Regular Air Force.
Col. Richard B. Myers xxx-xx-xxxx FR, Regular Air Force.
Col. John M. Nauseef xxx-xx-xxxx FR, Regular Air Force.
Col. Everett H. Pratt, Jr. xxx-xx-xxxx FR, Regular Air Force.
Col. Glenn A. Profitt II xxx-xx-xxxx FR, Regular Air Force.
Col. Harold H. Rhoden, xxx-xx-xxxx FR, Regular Air Force.
Col. Teddy E. Rinebarger, xxx-xx-xxxx FR, Regular Air Force.
Col. Donald B. Smith xxx-xx-xxxx FR, Regular Air Force.
Col. Paul E. Stein, xxx-xx-xxxx FR, Regular Air Force.
Col. Edwin E. Tenoso xxx-xx-xxxx FR, Regular Air Force.
Col. Michael J. Torma xxx-xx-xxxx FR, Regular Air Force.
Col. Robin G. Tornow xxx-xx-xxxx FR, Regular Air Force.
Col. Ralph G. Tourino xxx-xx-xxxx FR, Regular Air Force.
Col. Michael G. Vergamini, xxx-xx-xxxx xxx-... FR, Regular Air Force.
Col. James L. Vick, xxx-xx-xxxx FR, Regular Air Force.
Col. Donald R. Walker xxx-xx-xxxx FR, Regular Air Force.
Col. John D. Wood, xxx-xx-xxxx FR, Regular Air Force.
Col. Frederick A. Zehrer III, xxx-xx-xxxx xxx-... FR, Regular Air Force.

The following-named officer, under the provisions of title 10, United States Code, Section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. George L. Butler, xxx-xx-xxxx xxx-... FR, U.S. Air Force.

The following officer for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of section 307, title 32, United States Code, and sections 8351, 8363, and 8496, title 10 of the United States Code:

To be major general

Brig Gen. Philip G. Killey xxx-xx-xxxx FG, Air National Guard of the United States.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Henry Viccellio, Jr., xxx-xx-xxxx xxx-... FR, U.S. Air Force.

The following officer for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of section 307, title 32, United States Code, and sections 8351 and 8496, title 10 of the United States Code:

To be brigadier general

Col. Donald W. Shepperd, xxx-xx-xxxx FG, Air National Guard of the United States.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. James S. Cassity, Jr., xxx-xx-xxxx xxx-... FR, U.S. Air Force.

IN THE ARMY

The following-named officer for appointment in the Regular Army of the United States to the grade indicated, under the provisions of title 10, United States Code, section 611(a) and 624:

To be permanent brigadier general

Col. Robert E. Brady, xxx-xx-xxxx, U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. John L. Ballantyne III, xxx-xx-xxxx xxx-... U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Edward Honor, xxx-xx-xxxx, U.S. Army.

IN THE MARINE CORPS

The following-named colonels of the Marine Corps for promotion to the permanent grade of brigadier general, under the provisions of title 10, United States Code, section 624:

Wayne T. Adams.
Arthur C. Blades.
James A. Brabham, Jr.
Gary E. Brown.
Michael J. Byron.
Thomas V. Draude.
Jefferson D. Howell, Jr.
Charles C. Krulak.
Jeffrey W. Oster.
Paul K. Van Riper.
Charles E. Wilhelm.
Peter D. Williams.

The following-named colonels of the Marine Corps Reserve for promotion to the permanent grade of brigadier general, under the provisions of title 10, United States Code, section 5912:

John Thomas Coyne.
Michael Ira Neil.

IN THE NAVY

The following-named rear admirals (lower half) in the line of the U.S. Navy for promotion to the permanent grade of rear admiral, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

UNRESTRICTED LINE OFFICER

Ralph Whitaker West, Jr.
Jimmy Pappas.
Larry Gene Vogt.
Edward Bigelow Baker, Jr.
Jesse Jiminez Hernandez.
Thomas Alexander Mercer.
Richard Chester Macke.
Kenneth Leroy Carlsen.
George Washington Davis VI.
James Bernard Greene, Jr.
James Edward Taylor.
Roland George Guilbault.
Phillip Don Smith.
George Henry Strohsahl, Jr.
David Michael Bennett.
Leighton Warren Smith, Jr.
Henry Clayton McKinney.
David Brooks Robinson.
Jerome Frost Smith, Jr.
Joseph Paul Reason.

ENGINEERING DUTY OFFICER

Walter H. Cantrell.

SPECIAL DUTY OFFICER (CRYPTOLOGY)

James Stephen McFarland.

The following-named rear admirals (lower half) of the Reserve of the U.S. Navy for permanent promotion to the grade of rear admiral in the line and staff corps, as indicated, pursuant to the provisions of title 10, United States Code, section 5912:

UNRESTRICTED LINE OFFICER

Stephen Gordon Yusem.
Richard Kenenth Maughlin.
David Anthony Janes.
Wallace Nessler Guthrie. Jr.

UNRESTRICTED LINE OFFICER (TAR)

Richard Kenner Chambers.

MEDICAL CORPS OFFICER

Robert Conrad Nuss.

SUPPLY CORPS OFFICER

James Hock Mayer.

The following-named captains of the Reserve of the U.S. Navy for permanent promotion to the grade of rear admiral (lower half) in the line and staff corps, as indicated, pursuant to the provisions of title 10, United States Code, section 5912:

UNRESTRICTED LINE OFFICERS

Thomas Christopher Irwin.
John Twohey Natter.
Ronald Rhys Morgan.
Kenneth William Pettigrew.

AERONAUTICAL ENGINEERING DUTY OFFICER

Kenneth Paul Manning.

MEDICAL CORPS OFFICER

Morris Daniel Kerstein.

SUPPLY CORPS OFFICER

Douglas Matthew Moore, Jr.

CHAPLAIN CORPS OFFICER

William Andrew Stewart, Jr.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370.

To be vice admiral

Vice Adm. Robert F. Dunn, [redacted]/1310, U.S. Navy.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370.

To be vice admiral

Vice Adm. Edward H. Martin, [redacted]/1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. Stanley R. Arthur, [redacted]/1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of impcrtance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. (Selectee) John K. Ready, [redacted]/1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be admiral

Vice Adm. Jonathan T. Howe, [redacted]/1110, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. John A. Baldwin, Jr., [redacted]/1110, U.S. Navy.

DEPARTMENT OF TRANSPORTATION

Elaine L. Chao, of California, to be Deputy Secretary of Transportation, vice Mary Ann Weyforth Dawson, resigned.

DEPARTMENT OF COMMERCE

Wendell Lewis Willkie, II, of the District of Columbia, to be general counsel of the Department of Commerce, vice Robert H. Brumley II, resigned.

IN THE COAST GUARD

Rear Adm. Howard B. Thorsen, USCG as commander, Atlantic Area, U.S. Coast Guard with the grade of vice admiral while so serving.

The following officers of the U.S. Coast Guard for appointment to the grade of rear admiral:

Joseph E. Vorbach.
George D. Passmore, Jr.
Ernest B. Acklin, Jr.

The following officers of the U.S. Coast Guard for appointment to the grade of rear admiral (lower half):

John N. Faigle.
Peter A. Bunch.
David F. Ciancaglini.
William J. Ecker.

DEPARTMENT OF STATE

James Roderick Lilley, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of China.

Terence A. Todman, of the Virgin Islands, a career member of the Senior Foreign Service, class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Argentina.

Reginald Bartholomew, of Virginia, a career member of the Senior Foreign Service, class of career minister, to be Under Secretary of State for Coordinating Security Assistance Programs. vice Edward J. Derwinski, resigned.

PEACE CORPS

Paul D. Coverdell, of Georgia, to be Director of the Peace Corps, vice Loret M. Ruppe, resigned.

DEPARTMENT OF AGRICULTURE

Jack Callihan Parnell, of California, to be Deputy Secretary of Agriculture, vice Peter C. Myers, resigned.

Richard Thomas Crowder, of Minnesota, to be Under Secretary of Agriculture for International Affairs and Commodity Programs, vice Daniel G. Amstutz, resigned.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, COAST GUARD, NAVY

Air Force nominations beginning Linda L. Boyle, and ending Charles F. Bethell, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 6, 1989.

Air Force nominations beginning Maj. Elmer D. Ballard, [redacted] and ending Maj. Michael R. Conger, [redacted] which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 9, 1989.

Air Force nominations beginning Darrell L. Cook, ending Gary L. Carlson, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 17, 1989.

Army nominations beginning Michael D. Benner, and ending Darlene R. Zuber, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 3, 1989.

Army nominations beginning Ralph P. Aaron, and ending John G. Zodrow, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 3, 1989.

Army nominations beginning E. Abodeely, and ending Rosen J. Lawsin, which nominations were received by the Senate on February 21, 1989, and appeared in the CONGRESSIONAL RECORD of February 22, 1989.

Army nominations beginning Howard M. Bowe, and ending John I. Lauridsen, which nominations were received by the Senate on March 1, 1989, and appeared in the CONGRESSIONAL RECORD of March 2, 1989.

Army nominations beginning Naman X. Barnes, and ending Thomas R. Southard, which nominations were received by the Senate on March 1, 1989, and appeared in the CONGRESSIONAL RECORD of March 2, 1989.

Army nominations beginning Charles W. Ackerman, and ending Mushtag H. Kahn, which nominations were received by the Senate on March 1, 1989, and appeared in the CONGRESSIONAL RECORD of March 2, 1989.

Army nominations beginning Merritt J. Aldrich, and ending Bruce E. Wilson, which nominations were received by the Senate on March 1, 1989, and appeared in the CONGRESSIONAL RECORD of March 2, 1989.

Army nominations beginning Jose Aguirre, and ending Michael L. Wyatt, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 7, 1989.

Army nominations beginning George W. Abbott, and ending 4120a, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 17, 1989.

Coast Guard nominations beginning Kenneth F. Solomon, and ending Daniel J. Zedan, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of February 8, 1989.

Coast Guard nominations beginning John C. Griggs, and ending Frederick Gonzales, which nominations were received by the Senate on February 21, 1989, and appeared in the CONGRESSIONAL RECORD of February 22, 1989.

Coast Guard nominations beginning Paul A. Wolf, and ending Charles J. Honorowski, which nominations were received by the Senate on February 21, 1989, and appeared in the CONGRESSIONAL RECORD of February 22, 1989.

Navy nominations beginning Randall Otto Abshier, and ending Jack Eugene Turner, which nominations were received by the Senate on February 21, 1989, and appeared in the CONGRESSIONAL RECORD of February 22, 1989.

Navy nominations beginning Bruce Charles Adams, and ending George Washington Heburn, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 7, 1989.

STATEMENTS ON THE SUSAN S. ENGELEITER NOMINATION

Mr. KOHL. Mr. President, I appreciate, probably much more than Ms. Engeleiter does, the fact that I am in a position to support her nomination to head the Small Business Administration. As many of my colleagues know, Susan and I both sought this seat last fall. It was a hard campaign and from time to time things got a little rough. But overall, we were able to have what I hope was a relatively useful debate about the future of our State and Nation.

I certainly came out of that experience with a good deal of respect for Susan's ability, her toughness, and her commitment to the ideals she believes in. She is clean, she is honest, and I think she will do an excellent job at the Small Business Administration.

Wisconsin is a very progressive State. We have had some great success in testing innovative ideas for developing small business. I'm sure that Susan will bring some of the tradition for innovation and experimentation with her. I look forward to working with her in the years ahead.

Mr. KASTEN. Mr. President, it is with great pleasure that I rise today to express my strong support for Susan Engeleiter, President Bush's nominee to be Administrator of the Small Business Administration.

Mrs. Engeleiter and I have been friends and colleagues for a long time.

We both have our roots in southeast Wisconsin; we both served in the Wisconsin State Senate; and we both have made support for small business a State and national priority.

When I first learned that President Bush had asked Susan to serve as Administrator of the SBA, I was thrilled. I have been following Susan's career for a long time, and I recognize the depth of her commitment to small business growth and job creation.

Throughout her distinguished tenure as a State lawmaker, and especially as minority leader of the Wisconsin State Senate, she has worked singlemindedly to promote the interests of small businessmen and women.

I am very glad that the excellent service Susan has been giving her constituents since 1974 will now be offered to a truly national constituency—all the Nation's small businesses, as well as the many women, minority group members, veterans and other Americans who want the opportunity to start their own enterprises.

Confirming Susan Engeleiter as Administrator of the SBA will open a new chapter in the SBA's history. She is talented, bright, and energetic, and I am confident that under her leadership the SBA will become one of the most powerful forces in the Federal Government for the creation of new and better jobs, and the opening up of unprecedented new avenues of economic opportunity.

Mrs. Engeleiter's challenge will be a considerable one. It is well known that small businesses are the chief engine of job creation in this country. If we do not keep this engine going, a lot of innocent families will pay the price.

Mrs. Engeleiter knows this. It has been the guiding principle of her actions on both the State and the national levels from the very outset of her career. And I have every confidence that in Susan Engeleiter, these small businesses will have the best advocate they have ever had over at the SBA.

I personally feel great pride that the President has nominated Susan. In fact, her nomination is a source of pride to all of Wisconsin. I encourage all my colleagues to do right by America's small businesses and the employees who depend on them—and vote "aye" on the nomination of Susan Engeleiter.

STATEMENT ON THE NOMINATION OF DONALD J. ATWOOD

Mr. NUNN. Mr. President, I am pleased to bring before the Senate for its consideration the nomination of Mr. Donald J. Atwood to be Deputy Secretary of Defense.

It is the unanimous opinion, Mr. President, of the Committee on Armed Services that Mr. Atwood is qualified to be Deputy Secretary of Defense and that his nomination should be confirmed by the Senate.

Mr. Atwood has had a distinguished career in private enterprise, primarily with the General Motors Corp. Most recently, he served as vice chairman of General Motors' board of directors—the third most senior position in the entire corporation—and concurrently served as President of two subsidiaries: GM Hughes Electronics Corp. and Delco Electronics Corp.

Mr. Atwood's extensive corporate management experience has been cited as one of the principal reasons for his selection by President Bush for this important defense position. Mr. Atwood's management background will be extremely useful because the Deputy Secretary of Defense has traditionally been assigned responsibility for the internal management and operation of the Department of Defense.

During the 100th Congress, the Armed Services Committee initiated new procedures for consideration of nominations for civilian appointed positions in the Department of Defense. In addition, the committee adopted standards to guide its consideration of the qualifications of nominees for such positions. The committee applied these procedures and standards during consideration of Mr. Atwood's nomination.

In this regard, Mr. President, the committee received all required documents from Mr. Atwood, including those relating to conflicts of interest. After appropriate review of these documents, the committee has concluded that Mr. Atwood has taken the necessary steps to ensure that he does not have a conflict of interest or the appearance of a conflict of interest for the position of Deputy Secretary of Defense.

The committee also received, Mr. President, the required letter from the counsel to the President detailing the scope of the background investigation by the Federal Bureau of Investigation. Senator WARNER and I have reviewed the FBI materials, and we have concluded that there is nothing in Mr. Atwood's background, as reflected in the FBI materials, that would render Mr. Atwood unfit to serve as Deputy Secretary of Defense.

The Department of Defense faces formidable management challenges. There is a critical need, Mr. President, for our senior defense leaders to have strong management skills. Mr. Atwood possesses those skills. He has been a senior executive in the largest U.S. industrial corporation. Moreover, Mr. Atwood has experience in the defense acquisition process from the contractor perspective. This perspective should help reform acquisition procedures in a manner that not only will increase efficiency and effectiveness, but also will bring necessary harmony to Government-industry relations.

The Committee on Armed Services has been giving increased emphasis, Mr. President, to the concept of a defense management team, which in the aggregate would possess substantial experience and expertise across the spectrum of national security issues. In this regard, Mr. Atwood's strong management skills will meet a critical need of Secretary Cheney's team. Moreover, the experience and expertise of Secretary Cheney and Mr. Atwood are extremely complementary. That means that the two most senior leaders of the Department of Defense will bring to their duties a wide range of perspectives and skills.

I believe, Mr. President, that President Bush has made an excellent choice in nominating Mr. Atwood for the position of Deputy Secretary of Defense, and I urge my colleagues to support the nomination.

STATEMENT ON THE NOMINATION OF PAUL COVERDELL

Mr. CRANSTON. Mr. President, as long-time advocate and supporter of the Peace Corps, I have a great interest in the nomination of Georgia State Senator Paul Coverdell to serve as Director of the Peace Corps. I firmly believe that, of all the international efforts we make to achieve world peace and understanding, there is no greater contribution than that which the American people make through the Peace Corps.

Since the Peace Corps' inception in 1961, over 130,000 volunteers have served in 95 nations around the world, promoting international peace and friendship by helping persons in many nations overcome the often harsh circumstances of their lives—including poverty, illiteracy, disease, malnutrition, and lack of clean water. Of this total, I am terribly proud that 16,800 have come from California and returned so much wiser and more effective in their chosen fields of endeavor.

Before commenting specifically on Senator Coverdell's nomination, I would like to acknowledge the great job done over the last 8 years by Peace Corps Director Loret Ruppe. Her hard work, dedication, and inspiring leadership during this important period of revitalization and expansion have been invaluable. Her energy, care, and creativity will be hard to replace.

Mr. President, I would now like to address three issues which Senator Coverdell, if confirmed, will be addressing as Director of the Peace Corps.

First, one of the most important developments in recent years affecting the Peace Corps was the enactment in 1985 in Public Law 99-83 of a provision, which I was pleased to author in the Senate, establishing a goal of a Peace Corps volunteer strength of 10,000. That measure demonstrated our national commitment to continuing, expanding, and strengthening this unique program. Following the establishment of the 10,000-volunteer goal

in 1985, what had been a regrettable decline in the number of volunteers has become an upswing. Currently, there are about 6,600 men and women serving in the Peace Corps—compared to 5,000 in 1984—and the prospects for continuing growth are good.

A plan developed by Director Loret Ruppe in March 1986, at the request of several of us in the Congress, mapped out a realistic and practical schedule to achieve that growth. Subsequently, along with many of my colleagues who are strong supporters of the Peace Corps, I have each year worked to secure the appropriations called for in the plan to sustain Peace Corps growth toward that goal—including the introduction last month of S. 683 which authorizes appropriations for fiscal year 1990 and 1991 of the amounts stated in that plan.

Thus, I was very pleased that Senator Coverdell, in his confirmation hearing testimony last Friday, expressed this commitment to achieving the 10,000-volunteer goal as soon as possible. We need his efforts to help defeat continuing attempts by the Office of Management and Budget to cut or restrict Peace Corps funding and, thus, to slow progress toward the goal at this critical juncture. For example, this fall the Peace Corps is sending its first 19 volunteers into China—a very exciting and promising venture; restricted funding for the agency could jeopardize such new projects.

Mr. President, the over 130,000 volunteers who have served in developing nations around the world truly represent the very finest aspects of the American spirit. However, despite the remarkable achievements of volunteers in the field and of returned volunteers in so many areas of public service here at home—including two who became U.S. Senators and six who have served as Members of the House of Representatives—none has ever been selected for either of the top two positions at the Peace Corps, Director or Deputy Director.

I would note that Congress has long intended former volunteers to play a major role in Peace Corps administrative and managerial positions. Under legislation enacted in 1965 and modified by provisions I authored in 1985, Peace Corps employees are generally precluded from serving for more than 5 years, with very limited authorities available for extensions of 2½ years and 1 year in special circumstances. A major purpose of these limits on length of employment is to ensure that turnover in employment provides a substantial number of openings for returned volunteers in order to enable the Peace Corps to gain the benefit of their fresh perspective and invaluable firsthand experience as volunteers.

It is time—long past time—for that experience to be reflected in the very top levels of Peace Corps management.

I have conveyed to Senator Coverdell, as well as to President Bush, my strong feelings that a returned volunteer should be nominated as Deputy. This would be a historic and appropriate step for the new Director to urge and our new President to take. It would evidence their recognition of the tremendous pool of talent that exists among returned volunteers and the importance of the knowledge and experience they gained during their Peace Corps service.

Mr. President, I ask unanimous consent that my March 24, 1989, letter to the President on this point be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, March 24, 1989.

Hon. GEORGE BUSH,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: As a long-time advocate and supporter of the Peace Corps, I am writing to urge that you take the historic step of selecting a returned Peace Corps volunteer as your nominee for Deputy Director of the Peace Corps.

Last month, I met with Peace Corps Director-designate Senator Paul Coverdell, and we had a very productive discussion regarding the future of the Peace Corps. One aspect of our discussion focused on the greater involvement of returned Peace Corps volunteers in the agency and, along those lines, the importance and urgency of naming a returned Peace Corps volunteer as the Deputy Director.

Since the Peace Corps' inception in 1961, over 130,000 volunteers have served in 95 nations around the world, promoting international peace and friendship by helping persons in many nations overcome the often harsh circumstances of their lives—including poverty, malnutrition, contaminated water, disease, and illiteracy.

However, despite the remarkable achievements of volunteers in the field and of returned volunteers in so many areas of public service here at home—including two who became United States Senators and six who have served as members of the House of Representatives—none has ever been selected for either of the top two positions at the Peace Corps. I am very concerned that any further continuation of this pattern would give the impression of a lack of appreciation for the talents and special qualifications of returned volunteers.

I would note that Congress has long intended former volunteers to play a major role in Peace Corps administrative and managerial positions. Under legislation enacted in 1965 and modified in 1985, Peace Corps employees are generally precluded from serving for more than 5 years, with very limited authorities available for extensions of 2 and a half years and one year in special circumstances. A major purpose of these limits on length of employment is to ensure that turnover in employment provides a substantial number of openings for returned volunteers in order to enable the Peace Corps to gain the benefit of their fresh perspectives and invaluable field experience.

Mr. President, I hope you will agree that there should be no further delay in naming a returned Peace Corps volunteer to one of the top two posts in the agency and that you will nominate a qualified returned volunteer as Deputy Director of the Peace Corps.

With warm regards.

Cordially,

ALAN CRANSTON.

Mr. CRANSTON. Mr. President, I wish to note another important set of issues in connection with the Peace Corps' functioning in a new administration—the longstanding policies relating to the separation of the Peace Corps from the day-to-day conduct and concerns of foreign policy and the strict and absolute separation of the Peace Corps from intelligence agencies and activities.

The strict intelligence-separation policy is designed to protect the integrity and mission of the Peace Corps as well as to protect Peace Corps volunteers themselves from harm that could befall any who were suspected—no matter how unfairly—of intelligence activities. For each Peace Corps nomination requiring Senate confirmation, I believe the Senate must uphold and reinforce this policy through a careful examination of the background of the candidate aimed at making certain that the nominee would be eligible to serve as a Peace Corps volunteer or staff member. Based on independent review of Senator Coverdell's background and military and other records, I have reached the conclusion that his appointment meets that test fully.

Successive administrations of both parties, from Kennedy through Reagan, have reiterated both of these vitally important policies for preserving the independence and integrity of the Peace Corps. This was done most recently through a telegram from the Secretary of State to all overseas posts on June 25, 1983. I have urged Senator Coverdell to seek a reiteration of these policies from the new administration and he has agreed to do so and to report back on the results.

Mr. President, I ask that the June 25, 1983, cable be printed in the RECORD.

There being no objection, the cable was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE

To: All Diplomatic and Consular Posts.
Subject: Peace Corps-State Department Relations.
For Ambassadors and Peace Corps Directors From Secretary of State and Director, Peace Corps.

1. This message restates and reaffirms the basic principles of the Peace Corps Act which guides Peace Corps relations with the State Department and the relationship between the Peace Corps and U.S. foreign policy. These principles have not changed since the establishment of the Peace Corps in 1961, but it is important that all addressees recall them, emphasize their importance, and ensure that U.S. mission and

Peace Corps staff abroad observe their spirit.

2. The essential role of the Peace Corps is to build links between the U.S. and the peoples of developing countries at the grassroots level, to provide practical and humanitarian assistance on a voluntary basis, and to demonstrate through the personal commitment of the volunteers the interest and involvement of American citizens in the welfare of individuals in developing countries distinct and separate from the official relations and policies of governments. The Peace Corps and the thousands of volunteers it has sent abroad over the last 20 years have been exceptionally successful in this role. The President and we strongly support those objectives and purposes of the Peace Corps and wish to strengthen its capabilities for effective service in the years ahead.

3. Such a role for the Peace Corps represents an intrinsic and important element of the broad foreign policy goals of the U.S., even though to be effective it must remain substantially separate from the formal day-to-day conduct and concerns of foreign policy because of its unique people-to-people character. As former Secretary Rusk wrote to the chiefs of U.S. missions: "To make the Peace Corps an instrument of foreign policy would be to rob it of its contribution to foreign policy. * * * The Peace Corps is an opportunity for the nations of the world to learn what America is all about." By developing friendship, cooperation, assistance and humanitarian associations between Peace Corps volunteers and the individual citizens of their host countries, the Peace Corps contributes significantly to that building of international understanding and sympathy between people which is an integral long-term objective of American foreign policy.

4. Peace Corps volunteers are not U.S. Government officials. They should not be treated as officials, nor asked to perform official duties other than Peace Corps function. To the maximum feasible extent consistent with the basic U.S.G. policy objectives of each mission, the Peace Corps will operate autonomously. Autonomous activity which is under guidance from Peace Corps/Washington includes preparation of budgets, development of programming for the volunteers, travel both within country and outside of country except in sensitive areas, receiving of individual Peace Corps staff from Washington and other countries, except when subject to ambassadorial or NSC concurrence, normal purchasing of equipment and supplies, meetings with host country government officials at levels appropriate for program decisions to be made, preparation of cables to conduct normal business, and preservation of confidentiality, particularly on medical issues. Peace Corps country directors and staff are U.S. officials and a part of the U.S. mission in the country in which they are based. The Ambassador thus has an oversight role in assuring that Peace Corps employment practices incountry are consistent with U.S. and host government regulations, policies, and agreements. Further, the Peace Corps will seek the Ambassador's concurrence before effecting any proposed change(s) in the number of permanent Peace Corps staff assigned to the country. The Peace Corps is responsible for the review and evaluation of the performance of its employees; in this regard, the Ambassador's assessment of a Peace Corps Country Director's or other staff member's performance is encouraged for incorporation into the annual Peace Corps performance evaluation and/or ongoing decision-making processes affecting its employees. As U.S.G. officials, Peace Corps Country Directors will normally participate in country team meetings.

5. As in the past, separation between the Peace Corps and intelligence activities must be complete and absolute. There should not be any contact whatsoever between anyone in the intelligence community and any Peace Corps volunteer or trainee. Peace Corps staff should not be included in meeting where defense or intelligence issues are discussed, unless volunteer safety is at issue.

6. The Secretary of State is responsible by law for providing "continuous supervision and general direction" of the Peace Corps programs to ensure that they are effectively integrated both at home and abroad, and to ensure that they best serve the broad objectives of U.S. foreign policy. This authority is interpreted broadly to leave the Peace Corps with as much flexibility as possible in its operations so long as these do not conflict with U.S. objectives and policies. This authority is uniquely separate from that of other official U.S.G. agencies such as UNSAID and USIA. It is the responsibility of the Chief of Mission and the Peace Corps Director to ensure that this policy and operations framework is maintained in the field under the broad authority provided the Chief of Mission by section 207 of the Foreign Service Act of 1980 (22 U.S.C. 3927). Any differences which cannot be resolved in the field should, of course, be reported by you to the Department and the Peace Corps.

7. The Secretary of State is responsible for "negotiation, conclusion, termination" of the Peace Corps country agreements. The State Department's advice and approval will be obtained prior to establishing programs or negotiating country agreements with new countries. Thereafter, the Peace Corps will ordinarily make direct contact with the foreign governments themselves and arrange for the implementation of agreements, with the understanding that the U.S. Chief of Mission in the country concerned be kept fully informed and be appropriately consulted by the Peace Corps representative regarding the state of negotiations, the programs being planned, and the number of volunteers involved. Before making a decision about terminating activity in a given country, Peace Corps will conduct a thorough programmatic review in consultation with the U.S., Chief of Mission and the Department of State.

8. The Peace Corps Director will notify the Ambassador of the selection of the Peace Corps Country Director to be assigned to the post.

9. The U.S. Mission in the host country will provide the Peace Corps with necessary administrative support assistance such as that spelled out in the FAAS Agreement.

Mr. CRANSTON. Mr. President, I have received many very positive words of support for Paul Coverdell's nomination, especially from his fellow Georgians, including some of the State's most prominent Democrats. In the productive discussion I had with Senator Coverdell in my office on February 2, and his thoughtful comments during the April 14 confirmation hearing, I have found him to be understanding, committed, sensitive, and intensely interested in learning everything he could about the Peace Corps. I believe he has the temperament, character, integrity, and talent for success.

Mr. President, I also believe that Senator Coverdell has a very strong commitment to maintaining a strong and effective Peace Corps while making steady progress toward the 10,000-volunteer goal.

I am pleased to support this confirmation whileheartedly and to urge my colleagues to do so as well.

DEPARTMENT OF EDUCATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to consider the following nominations, reported today by the Committee on Labor and Human Resources:

Nancy Mohr Kennedy to be Assistant Secretary for Legislation, Department of Education; James T. Sanders to be Under Secretary of Education; and James O. Mason to be Assistant Secretary of Health and Human Services.

I further ask unanimous consent that these nominations be confirmed en bloc; that any statements appear in the RECORD as if read; that the motions to reconsider be laid upon the table en bloc; that the President be immediately notified of Senate's action, and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations are considered and confirmed en bloc.

The nominations and confirmed en bloc are as follows:

Nancy Mohr Kennedy to be Assistant Secretary for Legislation, Department of Education.

John T. Sanders to be Under Secretary of Education.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

James O. Mason to be Assistant Secretary of Health and Human Services.

STATEMENTS ON THE NOMINATIONS OF JOHN T. SANDERS AND NANCY MOHR KENNEDY

Mr. HATCH. Mr. President, I am very pleased to support the President's nominees for the position of Under Secretary of Education, Dr. Ted Sanders, and for the position of Assistant Secretary of Education for Legislation, Nancy Mohr Kennedy.

First, a word about Dr. Sanders. Since January 1985, he has been State superintendent of education in Springfield, IL. During that time, he demonstrated his abilities as a leader and effective communicator in working with the legislature and Governor, and as chief spokesperson for a coalition of State education organizations striving for school improvement. Many leaders in education, including the chairman of the Illinois State Board of Education, have said that Dr. Sanders deserves much of the credit for bringing dramatic improvements to the Illinois educational system.

Dr. Sanders, a native of Texas, has taught in elementary and secondary schools, has chaired departments of math and science, and has held positions in the New Mexico Department of Education. From there he became Nevada's Superintendent of Public Instruction from 1979 to 1985. There he received nationwide recognition for his contributions to education at the State and national levels.

An activist in education, Dr. Sanders has served as president of the Council of Chief State School Officers, president of the North Central Regional Educational Laboratory, and vice president of the executive committee on the National Council for Accrediting Teacher Education. He has been a member of the board of directors for the Educational Testing Service, the Mathematical Sciences Education Board, the Advisory Board to the Kohl Foundation Awards for Exemplary Teaching, the Board of Trustees for the Foundation for Excellence in Teaching, and the Adler Planetarium.

Mr. President, I am also pleased to support the nomination of Nancy Mohr Kennedy to be Assistant Secretary of Education for Legislation. I came to respect and admire Nancy during President Reagan's administration where she served for the part 5 years as a special assistant to the President for legislative affairs. She was particularly helpful to the Senate Committee on Labor and Human Resources, where she was deeply involved in education issues.

Nancy Kennedy began her public service career 26 years ago on the staff of the late Senator Everett McKinley Dirksen and she subsequently served three administrations, those of Presidents Nixon, Ford, and Reagan. She has also spent a number of years at the Federal Election Commission and on the Senate Republican Policy Committee. So, as Assistant Secretary of Education for Legislation she would bring to the Bush administration more than 25 years of Washington experience and a reputation for friendly and effective relations with Members of this body and with their staffs on both sides of the aisle.

Dr. Sanders and Mrs. Kennedy exemplify the leadership qualities so necessary to bring about the major restructuring of American education that President Bush intends to pressure. Reform is overdue when the dropout rate among high school student approaches 50 percent in some communities and when American businesses must themselves teach a growing number of entry-level workers to perform such basic skills as reading and computation.

I am convinced that both Dr. Sanders and Mrs. Kennedy can bring a great deal of knowledge and dedication to these reform initiatives.

I am looking forward to the leadership of Ted Sanders as Under Secretary of Education. His demonstrated success as an educator and administrator—his commitment to improvement through reform—his dedication to children and parents. These qualities mark him as an outstanding educator and justify President Bush's confidence in him as someone who will help this administration revitalize our schools.

I am also looking forward to the leadership of Nancy Mohr Kennedy as assistant Secretary of Education for Legislation. Her knowledge and experience will add immeasurably to the effectiveness of the administration's legislative programs.

Together Dr. Sanders and Mrs. Kennedy will be invaluable members of Secretary Cavazos' management team. Dr. Sanders and Mrs. Kennedy serve as evidence that George Bush intends to be "the education President." I commend them both and urge the Senate to confirm them.

Mr. SIMON. Mr. President, it is a great joy and an honor to support the nomination of Dr. Ted Sanders to be Under Secretary of the Department of Education. I have known Ted Sanders for a number of years and I have always been impressed by his commitment to education, his concern with ensuring educational opportunities for the disadvantaged, and his courage in fighting for what he believes is the right thing to do in support of education.

In his capacity as State superintendent of education, Ted has served Illinois with distinction and grace since 1985. He has been a leading voice to improve educational services for students statewide. I fully anticipate that he will bring the same dynamic leadership, insight and wealth of practical experience to the Federal level in his capacity as Under Secretary for Education.

Ted Sanders is exactly the right person to help implement Federal educational policies at a time when we must redouble our efforts to bring about educational excellence and improve educational access. For far too long, we have not invested the resources necessary to strengthen the Nation's educational system, restore meaning to a high school diploma, provide every student with guaranteed resources to pursue postsecondary education, and ensure that every citizen has the basic ability to read and to write.

President Bush and Secretary Cavazos could not have picked a better person to help the Federal Government address these essential goals. With Secretary Cavazos and Under Secretary Ted Sanders, we have the talent and the commitment needed to make this administration the education administration. Now we need the resources.

I am delighted that the Senate has confirmed unanimously Dr. Sanders' appointment to the Department of Education.

STATEMENT ON THE NOMINATION OF JAMES O. MASON

Mr. KENNEDY. Mr. President, let me take this opportunity to express my personal congratulations to Dr. James Mason on his confirmation today as Assistant Secretary of Health. Dr. Mason will bring to the Office of the Assistant Secretary a wealth of experience and expertise, as well as a strong personal commitment to improve the health status of all Americans.

Dr. Mason has a long and distinguished career in medicine and public health. He received his M.D. from the University of Utah and his Ph.D. from the Harvard School of Public Health. He has served as the executive director of the Utah Department of Public Health and, at one point, as the acting assistant secretary of health.

Since 1983, he has served, most capably, as the Director of the Centers for Disease Control in Atlanta. During those 6 years, the CDC grew tremendously as Dr. Mason presided over a major portion of the Federal Government's response to the HIV epidemic.

I welcome Dr. Mason to Washington and I look forward to working closely with him on the many crucial health matters that top our country's agenda.

Mr. HATCH. Mr. President, I rise in support of the nomination of Dr. James Mason, a fellow Utahan, to the position of Assistant Secretary for Health, our Nation's top public health officer. Dr. Mason has distinguished himself throughout his career. Most of us on this committee are familiar with the job Dr. Mason has done as Director of the Centers for Disease Control.

Throughout his tenure at CDC, he has quietly done the job that needed to be done. He has fought to expand our efforts to prevent diseases before they occur; he has directed much of our Nation's AIDS policy; and he has supported the programs which train many of our State public health officials. There is no question that Dr. Mason has earned recognition with his work at CDC, and I am glad to see that recognition has come in the form of a promotion.

Not only will Dr. Mason still be responsible for overseeing our prevention efforts at the CDC, but he will now be responsible for overseeing our national biomedical research efforts, the training of our health care professionals, the safety of our food and drugs, and many of our health care service delivery programs.

Dr. Sullivan could not have picked a better person for this job of Assistant Secretary, and I look forward to work-

ing with him in that capacity for the next 4 years.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

COMMENDING THE COURAGE OF ALBERT GORE III

Mr. DOLE. Mr. President, I send a resolution to the desk on behalf of myself and the distinguished majority leader and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 112) to commend the courage of Albert Gore III, the 6-year-old son of Senator Albert Gore, Jr.

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, the Senate family was saddened to hear the news from Baltimore 16 days ago that Senator AL GORE's young son, Albert the Third, had been struck by an automobile.

The accident occurred as the Gores were leaving Memorial Stadium after attending the opening game of the 1989 baseball season.

Young Albert sustained very serious injuries, including a broken leg, broken ribs, a punctured lung, a ruptured spleen and a concussion.

Mr. President, the Members of this body want the GORE family to know that we are thinking of them, that we stand ready to help, and that we send our best wishes and prayers.

Mr. President, on behalf of the distinguished majority leader and the Senator from Kansas, and the entire Senate, I am pleased to submit this resolution.

Mr. MITCHELL. Mr. President, I am pleased to join with my colleague Senator DOLE, in the submission of a Senate resolution commending the courage of Albert Gore III, the 6-year-old son of Senator ALBERT GORE, JR.

We are all aware of the tragic accident that occurred on April 3, 1989, as young Albert Gore was leaving Memorial Stadium in Baltimore with his parents on opening day of the baseball season. Albert was struck by a car and sustained serious injuries.

I share the sentiments of my colleagues in sending my prayers and best wishes for a speedy recovery to Albert. I also join others in offering my support to Albert's parents and sisters as they continue to lend their love and help to the youngest member of their family during his recuperation.

I am pleased that Albert is receiving specialized pediatric intensive care at one of the nation's finest hospitals, Johns Hopkins. Albert was indeed fortunate to have the facilities of this leading medical facility at his disposal after the accident.

It is important for those of us in this body who sometimes find ourselves criticizing the shortcomings in health care in our Nation to be reminded of the outstanding quality of health care available to us. In this case, modern medicine has made a significant difference to one of our own colleagues and his family.

We will continue to pray for the speedy recovery of Albert Gore III, and look forward to the day he returns to his family and schoolmates.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 112) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 112

Whereas, the Senate sends its prayers and wishes for a full recovery for Albert Gore III and that the members of this body offer their full support for Senator Gore and his family in this difficult time, be it,

Resolved, That the Senate wishes to commend the extraordinary courage with which Albert Gore III is fighting back from the serious injuries he sustained by being struck by an automobile as he and his father left Memorial Stadium in Baltimore on Opening day of the baseball season, April 3, 1989: Be it further

Resolved, That the Senate understands the road to recovery can be long and frustrating, but that each and every member is ready to lend a helping hand as they stand with Senator Gore, his wife Tipper, and their children Karenna, Kristin, and Sarah, while young Albert is on the mend: Be it further

Resolved, That the Secretary transmit a copy of this Resolution to the John Hopkins Children's Center in Baltimore, where Albert is a patient in the pediatric intensive care unit.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. MITCHELL. I move to lay that motion on the table.

DESIGNATIONS AND APPOINTMENTS TO THE SENATE ARMS CONTROL OBSERVER GROUP

Mr. MITCHELL. Mr. President, pursuant to Senate Resolution 105, adopted April 13, 1989, I hereby make the following designation and appointments:

I hereby designate Senator ROBERT C. BYRD to serve as majority administrative cochairman of the Senate Arms Control Observer Group. I further designate Senators CLAIBORNE PELL and SAM NUNN to serve as cochairmen for the majority.

I hereby appoint the following Senators in addition to the above-named Senators, to serve as members of the Senate Arms Control Observer Group:

Senators KENNEDY, MOYNIHAN, GORE, LEVIN, SARBANES, and BUMPERS.

Mr. DOLE. Mr. President, in accordance with Senate Resolution 105, I make the following appointments to the Senate Arms Control Observer Group:

As administrative cochairman, the Senator from Alaska, Mr. STEVENS;

As cochairman, the Senator from Indiana, Mr. LUGAR;

As members, the Senator from Wyoming, Mr. WALLOP;

The Senator from Virginia, Mr. WARNER;

The Senator from Oklahoma, Mr. NICKLES;

The Senator from New Hampshire, Mr. RUDMAN;

The Senator from Rhode Island, Mr. CHAFEE;

The Senator from Utah, Mr. GARN; and

The Senator from Mississippi, Mr. LOTT.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The chair, on behalf of the Vice President, pursuant to Public Law 86-380, appoints the Senator from Virginia, Mr. ROBB, to the Advisory Commission on Intergovernmental Relations, vice the Senator from Tennessee, Mr. SASSER.

The PRESIDING OFFICER. The chair, on behalf of the Vice President, pursuant to 22 U.S.C. 276h-276k, as amended, appoints the Senator from Georgia, Mr. FOWLER, as a member of the Senate delegation to the Mexico-United States Interparliamentary Group during the first session of the 101st Congress, to be held in Ixtapa, Mexico, April 27 through May 1, 1989.

The PRESIDING OFFICER. The chair, on behalf of the Vice President, pursuant to 22 U.S.C. 276h-276k, as amended, appoints the Senator from Alaska, Mr. MURKOWSKI, as a member of the Senate's delegation to the Mexico-United States Interparliamentary Group during the first session of the 101st Congress, to be held in Ixtapa, Mexico, April 27 through May 1, 1989.

AUTHORITY FOR COMMITTEES TO FILE REPORTS

Mr. MITCHELL. Mr. President, I ask unanimous consent that committees may file reported Legislative and Executive Calendar business on Thursday, April 27, from 12 noon to 3 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the period for morning business be extended until 6 p.m. under the same

terms and conditions as under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

WHERE HAS ALL THE HOUSING GONE?

Mr. DANFORTH. Mr. President, recently a highly esteemed organization known as the Greater Kansas City Community Foundation and Affiliated Trusts issued a report entitled "Where Has All the Housing Gone?"

The report covers the years 1980 through 1988 for that portion of the city of Kansas City which has the largest concentration of affordable housing.

The report states that during those years between 1980 and 1988, 6,200 housing units were lost mainly due to demolition, but also because of boarding up, vandalism, water service shutoffs, and other reasons.

The report further points out that during this period of time when 6,200 housing units went out of existence, only 27 percent of those units were replaced through new construction. And of those 27 percent or 1,695 units, approximately 43 percent of them were not for low-income individuals.

Now, Mr. President, the absence of a sufficient quantity of low- and moderate-income housing has been pointed out a number of times by a number of people. The distinguished majority leader, Senator MITCHELL, and I have addressed this issue in one bill that we have introduced together S. 342, and we are going to introduce a second bill probably next month. The questions that we have raised and attempted to address in this legislation have to do with the effect of the Tax Reform Act of 1986 on low-income housing.

What happened in 1986 is that the Congress of the United States in drafting new tax legislation removed most of the economic incentives for people wanting to invest in low- and moderate-income housing. A lot of people do not particularly want to get involved in low- and moderate-income housing unless there is some tax incentive for doing so. And until 1986 those tax incentives existed. But in 1986 we applied the new passive loss rules to the rehabilitation tax credit and to the new low-income housing tax credit. The effect of those passive loss rules was to make investment in low- and moderate-income housing a fairly undersirable economic investment.

This report indicates that the loss of affordable housing is being felt. As a matter of fact, the 2 years when Kansas City was holding its own were the 2 years immediately before the enactment of the 1986 Tax Reform Act. For those years after the 1986 Tax Act, the effect was felt on the housing stock in the Kansas City area.

I call this to the attention of the Senate, Mr. President, because, hopefully we will have the opportunity to deal with tax legislation in the foreseeable future and, hopefully, at that time we will be able to remove the low-income housing credit and the rehab credit from the coverage of the passive loss rules. I also hope that we will be able to deal with the proposals that Senator MITCHELL and I will be making to correct certain technical and practical problems that were inadvertently created in 1986 with the establishment of the new low-income housing credit and to permanently extend this credit.

Mr. President, there is a shortage of affordable housing. The problem is getting worse. The primary victims are individuals and, increasingly, families with low and moderate incomes. These are the key conclusions of a recent study of housing in Kansas City, MO. The study was conducted by the Greater Kansas City Community Foundation and Affiliated Trusts, which has provided philanthropic and charitable leadership in Kansas City for 40 years.

The findings in Kansas City are consistent with reports by social service agencies and charitable organizations across the Nation. The findings also are consistent with reports I have received from the housing community, local and State officials, and organizations concerned about the plight of the homeless.

The Kansas City study is valuable because it looked at the area where most rental housing for low- and moderate-income individuals is located: between the Missouri River and 63d Street, from the Missouri-Kansas border east to the Blue River. The study focuses on facts: The number of housing units that have disappeared, why they have been lost, and how many new units have been created.

In a letter transmitting the report, Janice Kreamer, the president of the foundation, said:

> What (the study) indicates is a large and steady decline in available housing units through demolition, boarding, and neglect. * * * The increasing numbers of homeless families and decreasing supplies of central city housing raise substantial public policy issues for our community. These include issues of public safety, neighborhood revitalization, and increasing demands for social services. Frankly, the most important is whether we can afford to deal with the consequences of neglect.

Between 1980 and 1988, more than 6,200 units of housing were taken off the market in the study area. Demolition was the principal reason; other causes were boarding up of buildings; losses to fire and vandalism; and cutoff in water service. In the same period, fewer than 1,700 new residential units were constructed.

In other words, the heart of Kansas City has lost 4,500 housing units since 1980. The loss is even more severe than it appears; more than 40 percent of the 1,700 new units were built with rents well beyond the reach of low- and moderate-income renters.

The deterioration in the supply of affordable housing has been accompanied by a dramatic increase in reports that families are joining the ranks of the homeless. The relationship is painful and obvious. Because of their responsibility to their children, single parents and couples held onto shelter as long as possible. Clearly, they squeezed the household budget for food, utilities, health care and other necessities as hard as they could, in order to pay the rent. Now, many courageous and hard-pressed families are being overtaken by events totally beyond their control. Rents are higher; the number of affordable units is down. And families are coming into emergency shelters in search of a roof.

Let me say this: It is true that increasing the supply of affordable housing is no panacea for the complex problem of homelessness. By itself, more housing will not reverse the decline of older cities. But it is also true that we cannot meet these problems without more housing. Affordable housing is fundamental to any policy for reducing homelessness. Affordable housing is critical to giving urban neighborhoods a chance at restoring themselves as functioning centers of community and family life.

In an effort to address these issues, Senator MITCHELL and I have introduced S. 342, a bill to help revitalize our American cities and to provide affordable housing for the low-income. The Community Revitalization Tax Act would provide access to the investment capital required by both the low-income housing and rehabilitation credit required by both the low-income housing and rehabilitation credit programs, enabling these programs to more effectively meet the needs that prompted Congress to create them. Specifically, this bill would shift the credit use limitations for these programs from the passive activity rules into the general business credit use rules.

Currently, there are 26 cosponsors for this legislation. The Community Revitalization Tax Act of 1989 is an important first step in our efforts to ensure that the credits work and that low-income housing is available. We must endorse this legislation if we are to preserve our Nation's cities as decent, safe places to live.

In addition to introducing S. 342, Senator MITCHELL and I assembled a distinguished panel to assess the current progress of the low-income housing tax credit, define its role in the overall housing policy framework, and propose improvements needed to create an optimum program. The

Mitchell-Danforth Task Force Report on the low-income housing tax credit confirms that the credit has an important role to play in a reinvigorated national housing policy in the years ahead. However, in order to fulfill this role, the credit must be in such demand as to use fully the volume allocated, achieve an extended duration of low-income use, work efficiently with tax-exempt bonds and other subsidies, be responsive to the development process, be viable in all types of markets, and meet the critical housing needs of each State.

The task force addressed these concerns, and on January 19, 1989, submitted its findings to Senator MITCHELL and me. Based on these recommendations, we plan to introduce legislation in early May which calls for the credit to be made permanent. In addition, our bill will make modifications and improvements to the credit. A permanent low-income housing tax credit coupled with the tax force's recommended changes will enable the development community, tenants and the administering States to implement the low-income housing tax credit program more effectively.

People do not choose to be homeless, except in cases of serious mental or emotional disturbances. Certainly, families do not chose to live on the streets or in emergency shelters. Neighborhoods do not choose squalor and decay. These terrible things happen because of complex social and economic forces that are beyond the control of any single individual.

But homelessness and urban decay can be fought and, I believe, reversed. Communities in Missouri and other States are seeking ways to address these problems; in some cases, we are seeing success. One way to increase the number of success stories is to inject vigor into the two provisions of Federal law that stimulate the construction of housing: the low-income housing tax credit and the historic rehabilitation tax credit.

Mr. President, I ask unanimous consent that the report of the Greater Kansas City Foundation and Affiliated Trusts be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE GREATER KANSAS CITY COMMUNITY FOUNDATION AND AFFILIATED TRUSTS

APRIL 5, 1989.

Senator JOHN DANFORTH,
811 Grand, Room 943,
Kansas City, MO.

DEAR SENATOR DANFORTH: Enclosed is a report produced by the staff of the Community Foundation which presents a statistical portrait of the state of the housing stock in Kansas City's central city. What it indicates is a large and steady decline in available housing units through demolition, boarding, and neglect.

For the past two years, homelessness and affordable housing have been major priorities of the Community Foundation. Through the Joint Committee on Homelessness, co-sponsored by the Heart of America United Way, grants have been made to support shelters, case managers, and new transitional living facilities. The Joint Committee also helped develop the Take Part program which aims to build and rehabilitate 500 units of affordable housing over the next five years for low-income, working families.

The increasing numbers of homeless families and decreasing supplies of central city housing raise substantial public policy issues for our community. These include issues of public safety, neighborhood revitalization, and increasing demands for social services. Frankly, the most important is whether we can afford to deal with the consequences of inaction.

Sincerely,

JANICE C. KREAMER.

WHERE HAS ALL THE HOUSING GONE?

(A Report on the Shrinking Inventory of Central City Housing, March 1989)

ABOUT THE SPONSOR

The Greater Kansas City Community Foundation and Affiliated Trusts has provided charitable assistance and philanthropic leadership in the Kansas City area for the past 40 years. In 1986, the Community Foundation joined with The Heart of America United Way to create the Joint Committee on Homelessness. With the guidance of local experts, the committee examined the metropolitan homelessness situation, raised financial support from the philanthropic community, and provided grants to shelters and social service agencies. Those grants have expanded and renovated shelters, hired social workers, provided emergency assistance funds, and supported transitional housing programs. The programs of the Joint Committee on Homelessness entered their third year in February, 1989. A major focus is now the Take Part program whose goal is to create 500 units of affordable housing over the next five years for low-income, working families.

ACKNOWLEDGEMENTS

Much of the windshield survey work for this study was conducted by volunteers from the Housing for the Homeless Committee of the American Institute of Architects Kansas City. The committee was formed in response to the Search for Shelter program which represents a major national commitment by the American Institute of Architects towards the alleviation of homelessness and the provision of affordable housing.

The preparation of this report was greatly assisted by the staff cooperation of the Kansas City, Missouri Neighborhood Development Department and City Development Department.

EXECUTIVE SUMMARY

While social service agencies have been unanimous in their perception that not enough affordable housing exists to meet the demand in Kansas City, Missouri, they have been unable to point to any local statistics that verify a decrease in the supply of central city housing. This study was conceived as a means of gauging such changes in the area bounded by the Missouri River and 63rd Street, state line to the Blue River.

Following an analysis of city permit records and a windshield survey of every street within the study area, the following statistics have been generated;

From 1980 through 1988, 4,010 housing units were demolished in the study area. 88% of all residential demolition in the entire city of Kansas City took place within the area.

During the same period, 1,695 housing units were constructed in the study area. 43% of those units were built in Quality Hill, Union Hill, Westport, and the Plaza area. Of the 19,403 housing units built in the entire city of Kansas City during the same period, less than 9% were located within the study area.

As of mid-March, 1989, there were 993 boarded, fire damaged, and vacant and vandalized buildings within the study area containing 2,269 living units.

An additional 899 buildings within the study area were presumably unavailable for occupancy because they had no water service during all of 1988.

The two zip codes which had the highest number of demolished and boarded buildings were 64127 and 64109.

These findings hold policy implications for the city in the areas of available housing, public safety, and neighborhood improvement. They focus attention on the need to apply community resources to the critical tasks of building affordable housing and rebuilding central city neighborhoods.

INTRODUCTION

In recent years, homeless people have become a pervasive and visible fixture in our society. Last year, for example, Kansas City's centralized Homeless Hotline logged 6,210 unduplicated requests for emergency shelter space on behalf of family units totaling 12,654 people. While mental illness, drug and alcohol addiction, and anti-social attitudes may have characterized the homeless in years past, a rapidly growing number of people now seeking shelter, especially families with children, have lost a permanent roof over their heads because of economic factors.

More and more individuals either do not have enough income to afford what housing is available or they cannot find decent housing that they can afford. The head of a family working full-time at minimum wage brings home about $580 per month before taxes or less than $7,000 per year. If a two or three bedroom apartment can be found for $300 per month, that leaves a barely manageable amount to pay for utilities, transportation, food, and all other household expenses.

The State of the Nation's Housing—1988, a report issued by Harvard University, states that "the median income of young single-parent renter households with children fell 34% from $10,965 in 1974 to $7,271 in 1987. With shrinking incomes and growing rents, the increase in rent burden for this type of family is inevitable." Such families now pay 58.5% of their income for rent, far above the federal guideline of 30%. They face a growing squeeze from decreasing real incomes, increasing rents, and a shrinking supply of affordable housing.

From Urban Renewal through Model Cities to Community Development Block Grants, the federal government has been the primary funder of housing and neighborhood development activity. The past eight years have witnessed a steady withdrawal of a federal presence in these areas which has not been replaced at the local level. As reported in the January, 1989 issue of Social Work magazine, "Since 1981, federal funding for new activity in low-income housing has been cut by 76 percent, from

more than $33 billion to under $8 billion. During this same period, the number of new federally assisted housing units has dropped from more than 200,000 to approximately 25,000."

The primary federal initiative to involve the private sector in the production of affordable housing is a low-income housing tax credit enacted in 1986. That legislation is scheduled to expire at the end of 1989. The only other significant contributor to the stock of affordable housing has been the non-profit sector. Community development corporations have built and rehabilitated housing nationwide but have been hamstrung by the meager amounts of public and private funding at their disposal.

In this community, the largest concentration of housing affordable to low-income families is located in the central portion of Kansas City, Missouri. The housing stock is old and often less expensive; there are large numbers of older apartment buildings, and it is commonplace for single-family homes to have been converted into apartments over the years. Some central city neighborhoods have housed generations of low-income families. For others, the dynamics of social and economic change are a more recent phenomenon.

At a time when the overall local rental housing market is exactly the opposite. Social service agencies are finding it increasingly difficult to locate housing for their clients, even in traditionally affordable central city neighborhoods. What is apparent is that too many low-income families are competing for too few affordable housing units. Like a game of musical chairs, some families are left standing when the music stops.

This study attempts to fill a gap in information about the central city housing market by counting the number of living units that have been permanently or temporarily removed from the available inventory since 1980. The format of this report allows the findings to speak for themselves. It is hoped that the report will now encourage diverse interest groups to speak to each other about the implications for the entire community of the shrinking housing inventory at its core.

METHODOLOGY

Study area

For purposes of this study, the central city was defined as that area bounded by the Missouri River on the north, 63rd Street on the south, the state line on the west, and the Blue River on the east. This area covers a broad economic and cultural cross section including some of the poorest neighborhoods in the city and, in the 64112 and 64113 zip codes, some of the most affluent.

Four zip codes were split by the eastern and southern boundaries. In those cases, only housing west of the Blue River and north of 63rd Street were included. Data was collected and analyzed for four types of housing conditions: demolished buildings; boarded, fire damaged, and vacant and vandalized buildings; buildings with discontinued water service, and newly constructed units. The approach for each type is described below:

Demolished housing units

The City Development Department of Kansas City provided a record of demolition permits for residential structures issued from 1980 through 1988. These figures were then sorted by zip code and year. There is no distinction in the figures for demolitions initiated by the city and those undertaken by private owners. Although it was assumed that all buildings for which demolition permits had been issued were, in fact, demolished, this was not verified on-site.

Boarded, fire damaged, and vacant and vandalized units

Between February 10 and March 16, 1989, volunteers drove all streets within the central city study area. They noted residential buildings that were either boarded, fire damaged, or vacant and vandalized. Indicators of vandalism were, at a minimum, broken or missing windows and doors and no evidence of occupancy. The prospects for buildings in this category are bleak, and it is assumed that most of them will be boarded or demolished in the near future. The status of boarded and vandalized buildings is constantly changing. During the five week period of windshield surveys for this study, it was noted that some previously vacant and vandalized buildings had been boarded up and some boarded buildings had been demolished.

Water shut-offs

The City Development Department provided addresses of buildings that had not had water service for four consecutive quarters during calendar year 1988. This list was verified through windshield surveys. Boarded and vacant and vandalized buildings were not counted in this category. The result is a list of buildings that appear outwardly "normal" but, by common definition, are uninhabitable. Most of those buildings did appear to be vacant, but the volunteer surveyors also found a few instances of structures that lacked water service and were obviously occupied.

New construction

The City Development Department provided addresses of new residential building permits within the study area for the period 1980 through 1988. These permits were sorted by year and zip code. No on-site survey was made of the completed units.

Inclusions/exclusions

The large public housing projects owned by the Kansas City Housing Authority were not included in the windshield surveys. However, the demolition figures do include 420 units removed from the Wayne Minor public housing project in 1987. The figures for boarded and vacant and vandalized buildings as well as those for buildings without water service do not include structures that contain mixed commerical/residential uses. Thus, buildings commonly found throughout the central city with first floor store fronts and second floor apartments were not counted since the availability of upstairs units for residential purposes could not be verified.

The demolition figures do not include the 119 residential structures cleared since 1982 in that portion of the Bruce R. Watkins Drive right-of-way that lies within the study area, because the state is not required to obtain city demolition permits. This long-planned roadway project will eventually connect the downtown freeway loop with U.S. 71 highway near 87th street. In total, 2,061 residential units have been removed in the roadway corridor.

Finally, an accurate count of units within a building to be demolished is not a critical ingredient of a demolition permit. Single-family houses that have been subdivided into apartments are often counted on demolition permits as one unit. It is thus probable that the totals for demolished housing units are understated.

[Graphs and charts not reproducible in the RECORD.]

DEMOLISHED RESIDENTIAL BUILDINGS, 1980–88

Within the study area during the period 1980–1988, demolition permits were issued for 2,540 buildings containing 4,010 units. For the same period in the entire city of Kansas City, Missouri, demolition permits were issued for 3,062 buildings holding 4,550 living units. Over the last nine years, 88% of all demolished housing units in the city of Kansas City have been located within the study area.

DEMOLITION BY ZIP CODE

ZIP Code	Buildings	Percent of total	Units	Percent of total
64105	17	.7	52	1.3
64106	77	3.0	175	4.4
64108	225	10.0	347	8.7
64109	405	15.9	638	15.9
64110	158	6.2	192	4.8
64111	204	8.0	285	7.1
64112	90	3.5	318	7.9
64113	2	.1	2	0
64120	26	1.0	27	.7
64123	33	1.3	50	1.2
64124	126	5.0	202	5.0
64125	22	.9	22	.5
64126	27	1.1	27	.7
64127	511	20.1	1,032	25.7
64128	252	9.9	301	7.5
64129	16	.6	16	.4
64130	319	12.6	324	8.1
Total	2,540	99.9	4,010	99.9

DEMOLITION BY YEAR

Year	Buildings	Units
1980	337	378
1981	430	592
1982	304	458
1983	284	386
1984	217	261
1985	186	233
1986	247	347
1987	246	760
1988	289	595
Average	[1] 282	[1] 446

[1] per year.

BOARDED, FIRE DAMAGED, VACANT & VANDALIZED BUILDINGS

The figures for two zip codes are substantially affected by several large concentrations of boarded housing units. In the 64127 zip code, 696 units are contained in 19 boarded buildings on Linwood and Armour Boulevards. Most of these are mid-rise structures, four to ten stories high, that have been closed by their owners following fires or continued periods of high-vacancy.

The figures for the 64111 zip code include 14 boarded buildings with 168 units in the Warner Plaza complex near Linwood & Main. The recent failure of a community group to obtain renovation financing for these buildings leaves their future in doubt.

ZIP Code	Buildings	Percent of total	Units	Percent of total
64105	21	2.1	70	3.1
64106	15	1.5	93	4.1
64108	55	5.5	82	3.6
64109	179	18.0	1,019	44.9
64110	60	6.0	101	4.5
64111	39	3.9	211	9.3
64112	3	.3	24	1.1
64113	0	0	0	0
64120	9	.9	9	.4
64123	6	.6	7	.3
64124	43	4.3	53	2.3
64125	2	0.2	2	.1
64126	14	1.4	17	.7
64127	241	24.3	263	11.6
64128	122	12.3	130	5.7
64129	12	1.2	12	0.5
64130	172	17.3	176	7.8

ZIP Code	Buildings	Percent of total	Units	Percent of total
Total	993	99.8	2,269	100

BUILDINGS WITHOUT WATER SERVICE IN 1988

The windshield surveys found so few examples of buildings in this category containing more than one living unit that no separate housing unit total has been generated. The reasons why an apparently sound building would have no water service for one year are open to conjecture. Such buildings may have been offered for sale without success, in the midst of an extended rehabilitation, involved in probate or other legal proceedings, in need of interior renovation in order to be rented, or simply taken off the market by discouraged or distracted owners.

ZIP Code	Percent of buildings	Percent of total
64105	0	0
64106	5	.6
64108	68	7.6
64109	78	8.7
64110	58	6.5
64111	41	4.6
64112	6	.7
64113	0	0
64120	21	2.3
64123	45	5.0
64124	59	6.6
64125	5	.6
64126	33	3.7
64127	174	19.4
64128	125	13.9
64129	11	1.2
64130	170	18.9
Total	899	100.3

NEW RESIDENTIAL CONSTRUCTION, 1980–88

1,695 single family homes and apartments were constructed within the study area during the period 1980–1988. A total of 725 of those units, or 43%, were built in the resurgent Quality Hill, Union Hill, and Westport areas and in the vicinity of the Country Club Plaza. For the same period, 19,403 new housing units were constructed in the entire city of Kansas City. Over the last nine years, less than 9% of all housing units constructed in the city of Kansas City have been located within the study area.

NEW CONSTRUCTION BY ZIP CODE

ZIP Code	Permits	Percent of total	Units	Percent of total
64105	9	1.7	108	6.4
64106	15	2.8	72	4.2
64108	67	12.5	198	11.7
64109	74	13.9	185	10.9
64110	16	3.0	16	.9
64111	44	8.2	290	17.1
64112	46	8.6	251	14.8
64113	5	.9	5	.3
64120	0	0	0	0
64123	3	.6	3	.2
64124	8	1.5	10	.6
64125	2	.4	2	.1
64126	4	.7	126	7.4
64127	97	18.2	116	6.8
64128	20	3.7	119	7.0
64129	0	0	0	0
64130	127	23.2	194	11.4
Total	534	99.9	1,695	99.8

NEW CONSTRUCTION BY YEAR

Year	Permits	Units
1980	26	155
1981	32	203
1982	70	138
1983	51	74
1984	61	200
1985	59	321
1986	67	205
1987	104	212
1988	64	187
Average	[1] 59	[1] 188

[1] Per year.

DEMOLITION VS. NEW CONSTRUCTION BY YEAR

Year	Units demolished	Units constructed	Gain/(loss)
1980	378	155	(223)
1981	592	203	(389)
1982	458	138	(320)
1983	386	74	(312)
1984	261	200	(61)
1985	233	321	88
1986	347	205	(142)
1987	760	212	(548)
1988	595	187	(408)
Total	4,010	1,695	(2,315)

SUMMARY OF ALL HOUSING CONDITIONS

ZIP Code	Demolished [1]		Boarded/vandalized [2]		Water shutoff [3]	New construction [1]	
	Buildings	Units	Buildings	Units	buildings	Permits	Units
64105	17	52	21	70	0	9	108
64106	77	175	15	93	5	15	72
64108	255	347	55	82	68	67	198
64109	405	638	179	1,019	78	74	185
64110	158	192	60	101	58	16	16
64111	204	285	39	211	41	44	290
64112	90	318	3	24	6	46	251
64113 [4]	2	2	0	0	0	5	5
64120	26	27	9	9	21	0	0
64123	33	50	6	7	45	3	3
64124	126	202	43	53	59	8	10
64125 [5]	22	22	2	2	5	2	2
64126 [5]	27	27	14	17	33	4	126
64127	511	1,032	241	263	174	97	116
64128	252	301	122	130	125	20	119
64129 [5]	16	6	12	2	11	0	0
64130	319	324	172	176	170	127	194
Total	2,540	4,010	993	2,269	899	534	1,695

[1] From 1980 through 1988. [2] As of March 1989. [3] No water service during all of calendar year 1988. [4] Excluding that portion south of 63d Street. [5] Excluding that portion east of the Blue River.

CONCLUSIONS

To some degree, the removal of older central city housing stock is part of the natural evolution of a city. It is the result of new development in older areas, the migration of city residents to the suburbs, the wearing out of buildings over long periods of service without substantial maintenance, changes in local and federal tax codes affecting rental property, and changes in ownership and income patterns within a neighborhood.

The physical appearance of many of Kansas City's older neighborhoods is changing in ways that are both visible and damaging to their residents. Whether such changes in central city neighborhoods are strictly the result of "normal" urban dynamics or have been accelerated by other social and economic factors is outside the scope of this report.

What this study has made clear is that over 6,200 housing units have been removed from the market over the past nine years and only 27% of that number have been "replaced" through new construction. An additional 900 units have been made basically uninhabitable through shut-off of water service. We would suggest that there are three significant implications arising from this situation:

1. Availability of Affordable Housing.—The first issue is so obvious that it is frequently overlooked. If a building has been demolished, no one can live in it. If it has been boarded or left vacant and vandalized, no one should be living in it. Since the bulk of lower-priced rental housing can be found in the central city, removal of units in those neighborhoods dramatically reduces the options for lower-income renters.

2. Public Safety.—Vacant lots and boarded or vandalized houses are frequently cited in conjunction with criminal activity, from personal assaults to drug sales. Their presence can speed the exodus from a neighborhood of those persons who are able to leave and can directly cause the deterioration of adjacent property.

3. Neighborhood Improvement.—Housing demolition and deterioration pose major policy questions about the need for and nature of intervention to maintain central city neighborhoods. Should boarded and vandalized buildings be demolished or should they be rehabilitated and put back on the market? Should resources be directed away from the neighborhoods with the greatest loss of housing stock or specifically to them?

In years past, neighborhood and housing policy has been the exclusive domain of the

public sector because it controlled the bulk of the resources brought to bear on these issues. Today that situation is changing. Local and federal funding has dropped dramatically. The local philanthropic sector is playing a larger role as evidenced by its financial support to the Joint Committee on Homelessness and the Take Part affordable housing initiative. Take Part, which is coordinated by the Kansas City Neighborhood Alliance, aims to build and rehabilitate affordable rental housing for low-income, working families.

The decline in public funding has also meant that private developers are being replaced by non-profit developers as the primary suppliers of new affordable housing. Such non-profit organizations play a unique and little-noticed role in both neighborhood improvement and housing production. They have shown a unique ability to combine grass-roots sensitivity with bottom line sophistication in rejuvenating central city neighborhoods.

However competent these organizations may be, they cannot carry the load alone. We believe that, at a minimum, the findings of this study call for a concerted community effort to build affordable housing and rebuild central city neighborhoods. The Take Part program and the non-profit organizations that are implementing it provide a ready base for action. What is needed is the continued and expanded participation of the public and private sectors along with the support of charitable donors.

The housing conditions described in this report have occurred in the absence of any coherent central city housing policy for Kansas City. Lacking such a blueprint, the community will find itself drifting into a future filled with unexpected consequences and the increasing alienation of all segments of its citizens.

[From the Kansas City Times, Apr. 6, 1989]

TOO MANY FAMILIES, TOO FEW HOMES

(By Melissa Berg)

Throughout the 1980s, agencies that help the poor in Kansas City have decried the shrinking pool of low-cost housing as a major cause of homelessness.

Now—for the first time—they have some figures to back up their complaints.

More than 6,200 units of central city housing have been demolished or become uninhabitable since 1980, according to a study to be released today by the Greater Kansas City Community Foundation and Affiliated Trusts.

Moreover, construction to replace the eliminated units has been sparse.

"What is apparent is that too many low-income families are competing for too few affordable housing units," the report says. "Like a game of musical chairs, some families are left standing when the music stops."

As a result, poor Kansas Citians have fewer choices for shelter. Some have had to double up with relatives and friends. And others sleep in city's shelters for the homeless.

The foundation report urges "a concerted community effort to build affordable housing and rebuild central city neighborhoods."

Mark Shapiro, a community foundation consultant, wrote the report with the help of volunteers from the Housing for the Homeless Committee of the American Institute of Architects in Kansas City. The foundation oversees and channels money to various charitable organizations and community projects.

Based on a review of demolition and building permits and visual surveys of the study area, they found:

From 1980 through 1988, more than 4,000 dwellings were demolished in an area that stretches from the Missouri River to 63rd Street, from the state line to the Blue River. Most of the city's lower-priced rental units are within those boundaries.

As of last month, more than 2,200 living units in that same area were uninhabitable. They were boarded up, fire damaged or vacant and vandalized, becoming possible havens for criminal activity.

Though Kansas City's public housing units were not included in the survey, scores of those units have been vacant because they, too, have been uninhabitable.

About 900 other buildings were presumably unavailable for occupancy because they had no water service all of last year.

Only 1,695 housing units were constructed in that part of the city from 1980 through last year. But 43 percent of those were built in areas of higher-cost housing, such as Quality Hill, Union Hill, Westport and near the Country Club Plaza.

Last year the City's homeless hot line logged unduplicated requests for emergency shelter space from family units totaling more than 12,000 persons. Assuming an average of 2.5 people in each household, more than 15,000 people could be housed if the more than 6,200 demolished or vacated units were replaced with low-income dwellings, Shapiro said.

"Affordable housing is the biggest key to stabilizing low-income families because it's the largest bill they pay every month," he said.

But since 1981, the federal government has cut back drastically on construction of new low-income housing. Shapiro said, and federal tax code changes have discouraged private investment in rental property. Nonprofit groups are struggling to replace some of the lost units, but are hurt by meager public and private financing.

The report concludes that the dwindling of the housing stock has taken place "in the absence of any coherent central city housing policy for Kansas City."

Instead of long-term solutions, there have been too many Brand-Aid approaches; shoving federal dollars, for example, at creating emergency shelters.

"We need to look beyond emergency services," Said Gina Pulliam, a group vice president of the Heart of America United Way and a member of the Joint Committee on Homelessness. United Way and the community foundation created the joint committee.

William H. Dunn Sr., a construction company executive and co-chairman of the Joint Committee of Homelessness, said government needs "to take a hard look at what has happened in the central cities."

"I think it's going to take a massive effort," he said.

Programs such as Take Part, a program to build or renovate 500 apartments for the working poor over the next five years, must be supported to help ease the problem, Shapiro said. The Take Part program, which is using public and private money, is being coordinated by the Kansas City Neighborhood Alliance.

The report, and Shapiro in an interview, attributed the disappearance of low-income housing to several factors:

Acquisition of land for construction of Bruce R. Watkins Drive, the long-proposed northsouth freeway that will slice through the central city.

New development of older areas.

Migration of city residents to the suburbs.

Buildings' wearing out because of lack of maintenance.

Changes in ownership and income patterns within a neighborhood.

Three areas have lost significantly more housing than other areas: the area bounded by Ninth and 27th Streets, Woodland and Topping Avenue; 27th to 39th Streets, Oak Street, to Wabash Avenue; and 39th to 63rd Streets, from Woodland Avenue to the Big Blue River.

The study does not address the cost of the housing that has been eliminated from the market. But what is needed, social service agency officials say, are more units renting for less than $200 a month,

A growing number of people, the report said, "do not have enough income to afford what housing is available or they cannot find decent housing that they can afford."

A Harvard University study last year found that the median income of young single-parent renters with children fell 34 percent, from $10,965 in 1974 to $7,271 in 1987, the community foundation report says. Such families now pay 58.5 percent of their income for rent, far above the federal guideline of 30 percent.

Shapiro's study has been distributed to public officials and housing and social service agencies in the hope that some action can be generated to help resolve the problem.

REAR ADM. THOMAS C. LYNCH, USN

Mr. COHEN. Mr. President, one of the finest pleasures all of us have in serving this body is the opportunity to publicly acknowledge some of the outstanding citizens of our Nation. I take the floor this evening to announce that a very good friend of mine and many Members of this body, Rear Adm. Thomas Lynch, known as the key man on Capitol Hill for the Navy, is about to be assigned to a very important position.

Over the past 2½ years Tom has displayed extraordinary leadership in his role as chief of legislative affairs for the Navy. He and his staff have assisted me and many of my colleagues and their staffs in matters dealing with both Navy and Marine Corps issues. In May, Tom is going to be back at sea as commander of Cruiser-Destroyer Group 12, and although it is going to be a great loss to us, the officers and sailors of this battle group he will command, which is being build around the powerful nuclear carrier U.S.S. *Dwight Eisenhower,* are going to gain a superb leader and gracious mentor and a sailor's sailor.

I might point out that he began his illustrious career in June 1960 when he entered the U.S. Naval Academy. He received very early recognition as a leader while playing center and linebacker and serving as captain of one of the most powerful teams in collegiate history which went on to win the Cotton Bowl in 1963. He served on the gridiron with other famous Americans

like Roger Staubach, the Heisman Trophy winner. Tom's hard physical play, intensity, and his enthusiasm played a very significant role on this great Navy team. I personally witnessed Tom's team-player attitude time and time again.

Tom received his commission as an ensign upon graduation in June 1964. His first sea duty tour was as an assistant engineer on board the destroyer U.S.S. *Stribling* (DD-867). He followed that tour with another tour below decks as the engineer officer on board the destroyer U.S.S. *Dickson* (DD-708). He then rotated to duty at the U.S. Naval Academy, where he excelled in the Candidate Guidance Office, grooming hundreds of midshipmen for their leadership roles as young naval officers. He also helped coach another strong Navy football team into the victory circle. In September 1972, Tom returned to sea, where he longed to be, this time as the second in command, the executive officer, on the combatant U.S.S. *Jesse L. Brown* (FF-1089). His role as executive officer set a steady course for that ship's commissioning in February 1973. He continued his distinguished career with his first assignment in the Nation's Capital, assigned to the Office of the Chief of Naval Operations, where he served in the Surface Warfare Plans and Program Division. From August 1977 through August 1980, Tom distinguished himself as commander of the frigate U.S.S. *Truett* (FF-1095). While under his command, *Truett* deployed to the Mediterranean Sea and the Middle East, conducting operations in the Red Sea and Gulf of Aden. He then returned to Washington as the administrative assistant and naval aide to the Secretary of the Navy. He is honored by then Navy Secretary John Lehman as one of the brightest operational leaders in the Navy in Lehman's recently published book, "Command of the Seas." Many of my colleagues will recall that Tom first appeared here on the Hill in his very visible role as principal deputy to the Secretary of the Navy for Senate Liaison. Tom then successfully commanded Destroyer Squadron 26 from October 1985 through January 1987. Under this command, the squadron deployed on a UNITAS cruise, operating in South American waters. After completing this major command tour, Tom was promoted to flag rank and returned to Washington in his current position.

Over the years, Tom has earned the respect, gratitude and friendship of my distinguished colleagues. He has performed his many demanding duties in a loyal, professional and spirited manner at all times, whether it was accompanying Senators on fact-finding missions or providing information on critical issues of the day relating to the Navy/Marine Corps. I believe he provided the very best in the way of service to each and every one of us. I believe I speak for this entire body when I say that I will miss the conscientious approach that Tom brings to all his duties.

It has truly been an honor and a privilege for me to know and work closely with this great American. I thank him for his tremendous dedication, and I want him to know that his contributions have made a significant difference for the Armed Forces of the United States.

Earlier today, Mr. President, I had occasion to attend a meeting at the White House with a number of my colleagues from both the House and the Senate. At that time President Bush brought us up to date on another very serious matter, the explosion that occurred on the U.S.S. *Iowa*. It had been reported earlier today that an explosion occurred on turret No. 2 of the *Iowa* and that as many as 15 sailors had been killed and possibly 40 injured. According to a more recent report since that meeting this afternoon, there may be as many as 47 sailors who died during that explosion. It is a great tragedy that affects all of us and our heartfelt concerns go out to the families who have lost their sons in this very tragic incident. But it did call to mind, as Tom Lynch is about to take command of a battle group, that while this Nation is at peace the men and women in our armed services are always on call and they are always in danger. We do not think about this often enough in terms of the great sacrifice they make and the great services they provide to this Nation.

So I say to my friend Tom Lynch as he takes his new command I am going to miss him. The country could not have a greater patriot, the Navy could not have a better officer, and I could not have a better friend.

I wish him fair winds and following seas.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

CONTINUATION OF THE V-22 AIRCRAFT PROGRAM

Mr. STEVENS. Mr. President, I see my good friend from Ohio here now.

I do not think there is any new development that has come along to my attention in the Department of Defense that has had so much interest and excitement in the civil aviation portion of our national economy than the V-22. This is the new technology, vertical takeoff and landing aircraft. It is capable of taking off and landing like a helicopter, but in flight it shifts to a fixed-wing aircraft. The V-22 will operate at greater ranges and at faster speeds than any transport helicopter. It allows for air-to-air refueling which further extends the total range of this new asset.

The Marine Corps must replace aging CH-46 helicopters by the mid-1990's, and there is no alternative other than the V-22 for this mission. Congress has appropriated $2.2 billion to date for the V-22. This program is critical to our Marine Corps modernization plan. In recent testimony, General Lindsay, Commander in Chief of the Special Operation Forces, identified the V-22 as his No. 1 procurement priority.

The V-22 provides the only way to get the Marine Corps and Special Operation Force units in and out of missions, where no other alternatives are available. It is the only way that we are going to deliver those Special Operations Forces. The V-22 has the potential to meet naval carrier base antisubmarine warfare missions. But the V-22 will also be capable of operating off vessels smaller than aircraft carriers. For joint-service missions, we feel this is the most unique technology coming out of the Department of Defense Research and Development Program.

Now, we have been told that the V-22 may be terminated in the budget amendment to be proposed by the Department of Defense next week. This is a nearsighted decision.

Aviation leaders in private industry and Government have hailed the civilian version of the V-22 as a potential solution for overcrowded airspace and airports in the next century. The military application is justified and the civilian uses are revolutionary.

Mr. President, just think what it would do if we could have helicopter-type multiengine aircraft take off vertically and travel in inner-city travel within this country, without the cost of building and maintaining these enormous runways that we must maintain now.

The application of this new technology in the civilian area will save us more money, in terms of our national efforts in the field of aviation than anything I know of.

I have had long talks with my friend, Senator GLENN, and he and I have both been concerned with this.

I would be happy to yield to him for any conversation and any comments he would like to make right now. I would be happy to follow his lead or to join with him in this matter, because I want to emphasize one thing: Not one portion of this aircraft is made in my State. It has no application to my State in terms of research, procurement, or any employment at all. This is an entity that, 20 years from now, may come to Alaska, but when it does, it will revolutionize civil aviation.

I may not be here then, but I know, as a pilot now, and I have been a pilot for a long time, longer than I would

like to admit right now, that this aircraft is going to lead us into a new century of different application of air transportation on the civilian bases within this country. It is starting out in the military area, because that is where the research and development started and where the near-term need for the V-22 is most urgent. If the military cancels now, terminates it now, the advances may not come back to us for another 30 to 40 years. It should not be terminated, particularly after spending $2.2 billion on this endeavor.

Mr. President, I understand we do have the consent of the leadership to proceed with this matter. I yield to my good friend for any comments he might have at this time.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I am very glad to cooperate with my good friend, the senior Senator from Alaska, in this regard. We heard today that the V-22 tiltrotor aircraft program was slated for termination; that such a recommendation had been made to the White House, perhaps even last evening. I really could not believe we were going to do this without letting the Senate, without letting the Congress, take part in this decision-making process, because we have worked so long and so hard on this.

I could not believe that we really were going to take a chance at terminating this joint service program that has such a tremendous potential for the future of military and civilian aviation. If there is one thing that is paramount with military commanders, it is that you have flexibility, that you have maneuverability.

Now, that has been the mode of warfare ever since the Greek phalanx went down the tube as a way to conduct warfare. The ability to go farther and faster in delivering a combat punch is an elementary need in warfare.

In ancient times to modern day, the capability of armed forces to project troops and equipment over ever-increasing distances at faster speeds has been one of the primary goals of the military commander.

Now, it is in this vein that the Marine Corps, in particular, must replace its aging helicopter fleet, the CH-46 fleet, if it is to ensure the continued effectiveness of a major part of its combat assault power. The last CH-46, was delivered to the Marine Corps over 14 years ago. It is dated technology. What the V-22, the Osprey, will do, is provide roughly twice the range that any helicopter has to project troops rapidly, to converge on a target area, not only rapidly, but do it from twice the distance, twice the speed of the best helicopters that we have today. That is a tremendous increase in combat capability.

The Marine Corps is planning on the increased capability of the V-22. They are planning tactics for the future, and to just preemptorily say that we are going to whack it out and present that to the White House, without considering the views of the Congress, without taking into consideration the reduced combat capability that decision will bring upon us, I just cannot agree with that at all.

The Pentagon has recommended, and I have agreed, and I have talked in the Armed Services Committee for the last couple of years, about the need for increasing our conventional warfare fighting capability. Yet, here is one of the greatest advances we have for conventional warfare enhancement for all four services, and we are about to cancel it. That is the rumor, at least, that we have, that this program is going to be put on the chopping block for termination were the words that were used today; not set it back some or stretch the program out, but that it was going to be terminated. If that is correct, it would mean that, as I understand the word "termination," over across the river, that would mean that not another dollar can be spent on this program.

I think that would be a tragic mistake. As my distinguished colleague from Alaska said, there has already been a tremendous amount of money invested on this revolutionary airplane and working out the details of it.

It has been a joint service requirement for a long time, to provide this kind of flexibility, maneuverability, and speed, with a new aircraft. For the Marine Corps, each one of these planes, once it is in use, will be able to carry 24 fully loaded combat troops, for great distances at greater speeds, and the airplane can be refueled in flight, as Senator STEVENS said. It is just a tremendous asset that I do not think should be let go, if we can possibly prevent it. That is the reason we are on the floor today, to bring this to the attention of the Pentagon.

Now, quite apart from the military, one of the reasons that Senator Barry Goldwater, who was a big, big proponent of this program, one of the main reasons that he supported this program and was very vocal in his support for it, both in the Armed Services Committee that he chaired and also on the floor of the Senate, was because of the spinoff potential it has for civilian aviation.

Because of its unique tiltrotor capability, this can be the commuter aircraft of the future. Three hundred knots it will travel, faster than most of our commuter aircraft today while being able to take off and land like a helicopter. As a commuter aircraft, it can tie together the major airlines from our major hubs and do it in a way that we cannot possibly do today. So the potential civilian use for this airplane is huge.

I recall back in the days when we developed, within the military, an airplane that was a tanker airplane, and that tanker airplane, the old KC-135 was basically what became the Boeing 707. It started out in the military. It became the standard airliner for the world and was our biggest single balance-of-payment factor in those days and opened up the lines of the world for jet use.

I believe that the Osprey, the V-22, may have as much potential for revolutionizing civilian aviation as the Boeing 707 had back in those days. That is one of the many reasons that we rise today to call upon the President and the Secretary of Defense to consult with us. Let us talk about this. Let us go through the pluses and minuses of this program before we make a sudden decision to completely terminate the program—not just delay—the operational word is "terminate." This means that it would take away any opportunity for keeping the program going, and for realizing the benefit that it would have especially from a combat standpoint—combat capability, not just that we would like to have, but that expands the joint service combat potential in the conventional arms area that we have all said for several years was so important in our military balance with the Soviets.

Mr. President, as I understand it, this resolution has now been cleared on both sides of the aisle, and I will yield the floor so that I can provide the opportunity for my distinguished colleague from Alaska to present this on behalf of both of us.

He took the initiative in putting together this sense-of-the-Senate resolution, and I will yield the floor so he can go through it.

It has been cleared on both sides of the aisle, which shows the importance that the Senate of the United States attaches to this decision.

You do not get a unanimous-consent resolution through when you phone every office, every office has been contacted on both sides of the aisle, Republicans and Democrats, to see whether they will agree with this, and they have no objection to this resolution passing on the floor of the U.S. Senate, and that shows how important it is in the eyes of the U.S. Senate.

So, Mr. President, I yield the floor to my distinguished colleague.

The PRESIDING OFFICER (Mr. GRAHAM). The Senator from Alaska.

Mr. STEVENS. Mr. President, I yield quickly to my friend from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey.

PRIVILEGE OF THE FLOOR

Mr. BRADLEY. I thank the Senator from Alaska.

Mr. President, I ask unanimous consent that a member of my staff, Peter Chase, be given the privilege of the floor throughout this session on a case-by-case basis.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I have a resolution at the desk on behalf of myself, Mr. GLENN, Mr. JOHNSTON, Mr. BREAUX, Mr. THURMOND, Mr. HEINZ, Mr. GORTON, and Mr. CHAFEE, and I have secured the approval of the distinguished majority leader to present it to the Senate at this time for immediate consideration.

I ask unanimous consent that we proceed with this resolution immediately.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 115) expressing the sense of the Senate regarding continuation of the V-22 aircraft program of the Department of Defense.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alaska?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. STEVENS. Mr. President, let me reiterate just one thing that my good friend from Ohio has said.

The Senate has to be able to envision going to the Union Station to catch an Osprey, a civilian V-22 derivative, one flying to New York. We can go to a parking lot over by Maine Avenue and take one to Chicago.

This is going to eliminate the necessity of maintaining vast airport networks and will bring civilian aviation for intercity travel to the point of real convenience to meet the necessity of the traveling public.

To have it dropped now would be a total travesty, and I urge that Members who are not here now join with us in sending word to the President that this recommendation should not be approved.

I do ask for its immediate consideration.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution [S. Res. 115] was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 115

Whereas the V-22 tilt-rotor aircraft design is on the leading edge of aerospace technology for short take-off and landing capability;

Whereas the United States Navy has contractually committed several billion dollars for the construction of LHD-1 class ships for the transportation of Marine Corps amphibious assault units equipped with the V-22 aircraft;

Whereas the V-22 aircraft is designed to be the primary asset of the newly constituted Special Operations Forces of the Department of Defense;

Whereas the V-22 aircraft is the United States Marine Corps' highest priority modernization program for replacement of the aging CH-46 helicopter fleet;

Whereas the primary inter-theater transportation means for United States ground combat forces is the V-22 aircraft;

Whereas the assessment of the Special Operations Forces Command is that, because of unique capabilities of the V-22 aircraft, use of that aircraft for transportation of such forces in the future could prevent a recurrence of the transportation events involved in the Desert One disaster in 1979; and

Whereas there is extensive potential for the technology used in the development and production of the V-22 aircraft to revolutionize the commercial aviation industry in the United States: Now, therefore, be it

Resolved, That it is the sense of the Senate—

(1) that the President should strongly support funding for the V-22 aircraft program included in the Department of Defense appropriation request for fiscal year 1990, and reject any initiatives to defer, cancel, or terminate the program; and

(2) that appropriations available to the Department of Defense for fiscal year 1989 be obligated to ensure the continued development and production of the V-22 aircraft.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GLENN. Mr. President, will the distinguished Senator yield for one correction?

Mr. STEVENS. I am happy to yield to my friend.

The PRESIDING OFFICER. The Senator from Alaska has yielded to the Senator from Ohio.

The Senator from Ohio.

Mr. GLENN. Mr. President, I ask unanimous consent that there be one correction on the resolution just passed and that is, I believe, where it says "aging CH-53 helicopter fleet." It was intended to be CH-46.

That is in the fourth whereas.

Mr. STEVENS. Mr. President, I changed that. It does say 46.

Mr. GLENN. It does. OK. My copy still had 53. I withdraw that correction.

The PRESIDING OFFICER. The President confirms that the resolution at the desk is as the Senator from Ohio wishes it to be.

Mr. GLENN. The copy I was given in error.

I thank the Senator.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I take occasion to thank the leaders and the staff who have helped us to clear this matter.

We leave this evening, my friend and I, going in different directions. The Secretary of Defense, I understand, is out of the country. I will be out of touch examining the area of my State that is so devastated by the oil spill and not be able to come back to a conference with either him or the President until next week sometime at the earliest. We were informed that this contract for the V-22 was in the process of literally being considered for termination now.

It is hard to believe that report, but it was substantial enough that both the Senator from Ohio and I felt that we had to register the feeling of the Senate, that we ought to be involved in this process.

The V-22 has almost dropped off the screen several times and it has been the Marines and the Special Operation Forces that have come to us time and time again, to support this important initiative. I want to emphasize the civilian, the general aviation, and the commercial aviation interests of this country want this to be pursued, and I think that it is an overwhelming item for the aviation future of our country.

I would hate to see it terminated without appropriate consultations and deliberation in Congress.

As the Senator from Ohio said, we stand ready because of the budget problem to figure out a way to reduce its cost, but it is a new system that we cannot do without in the years ahead now that we know the technology is there and it has been proven.

MEASURE PLACED ON CALENDAR

Mr. STEVENS. Mr. President, I now understand that I do have the authority to ask unanimous consent to place the bill that I indroduced concerning the Department of Defense military structure in Alaska on the calendar.

I ask unanimous consent that bill be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR THE MAJORITY LEADER

Mr. STEVENS. Mr. President, I ask unanimous consent that the majority leader have authority to sign enrolled bills during the upcoming recess of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

DEPARTMENT OF STATE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the following nomination, Calendar Order No. 89, Michael Hayden Armacost to be Ambassador to Japan.

I further ask unanimous consent that the nomination be confirmed, that any statements appear in the RECORD as if read, that the motion to reconsider be laid on the table, and that the President be immediately notified of the Senate's action.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination considered and confirmed is as follows:

DEPARTMENT OF STATE

Michael Hayden Armacost, of Maryland, a career member of the Senior Foreign Service, class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan.

LEGISLATIVE SESSION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 4355(a), appoints the following Senators to the Board of Visitors to the U.S. Military Academy: the Senator from Nevada, Mr. REID (Appropriations) and the Senator from Alabama, Mr. SHELBY (Armed Services).

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 9355(a), appoints the following Senators to the Board of Visitors to the U.S. Air Force Academy: the Senator from Colorado, Mr. WIRTH (Armed Services) and the Senator from Arizona, Mr. DECONCINI (at large).

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 6968(a), appoints the following Senators to the Board of Visitors to the U.S. Naval Academy: the Senator from Maryland, Ms. MIKULSKI (Appropriations) and the Senator from Maryland, Mr. SARBANES (at large).

The Chair, on behalf of the Vice President, pursuant to title 14, section 194(a) of the United States Code, appoints the following Senators to the Board of Visitors of the U.S. Coast Guard Academy: the Senator from South Carolina, Mr. HOLLINGS (Committee on Commerce, Science, and Transportation) and the Senator from Connecticut, Mr. DODD (at large).

The Chair, on behalf of the Vice President, pursuant to title 46, section 1295(b) of the United States Code, appoints the following Senators to the Board of Visitors of the U.S. Merchant Marine Academy: the Senator from South Carolina, Mr. HOLLINGS (Committee on Commerce, Science, and Transportation) and the Senator from Hawaii, Mr. INOUYE (at large).

THE SENATE'S SCHEDULE

Mr. MITCHELL. Mr. President, for the benefit of Senators who have inquired about the Senate's schedule upon return a week from Monday, when we return at 1 p.m. on Monday, May 1, 1989, it is my intention, as I have stated previously on several occasions, to proceed to the Martin Luther King reauthorization.

I have discussed this with the principal sponsor, Senator NUNN; with my distinguished colleague, the Republican leader, Senator DOLE; and with Senator HELMS. It is my understanding that will be meeting on Monday, May 1, in an effort to expedite the disposition of this matter.

I believe that there should be prompt action on this matter by the Senate. I know my colleague, the distinguished Republican leader, shares my view and it is our hope to act promptly upon our return on such legislation. I look forward to discussion with my collegaue, as I previously indicated.

Mr. DOLE. Mr. President, I share the views of the majority leader on this issue. There are, I guess, three Members on this side that have some reservations about proceeding. But it would be my hope that we could proceed to the legislation on Monday and dispose of it.

There will be amendments. Some of the amendments may be adopted. There are differences of opinion on the amount and the length, whether it be 3 years, 5 years, 1 year, the length of the annual grant in this case. But I hope that we can dispose of this legislation.

I know we have had inquiries from Mrs. King. I spoke with Mr. Sununu, the President's chief of staff. He talked to Mrs. King on yesterday. The White House supports a 5-year program of $300,000 per year.

It is my hope that we can move quickly on this legislation, as the majority leader said, commencing on May 1, I will be making every effort I can to cooperate with the majority leader.

Mr. MITCHELL. Following the disposition of the legislation involving the Martin Luther King, Jr. Federal Holiday Commission, it is my hope that we will be ready to move to the budget resolution. That was intended to be ordered reported by the budget committee today. I hope it will be ready for action by the Senate early in the week of May 1. I look forward to taking that up.

Senators should be aware that there will be important activity and, when we get to the budget resolution, undoubtedly many votes during that week. So Senators should be prepared for lengthy and what I hope will be productive sessions during the week of May 1.

Mr. DOLE. But there will not be any votes on Monday, May 1.

Mr. MITCHELL. That is correct. There will be no votes on Monday, May 1. What we will do is resolve any differences that might exist with respect to the Martin Luther King, Jr., Commission and have that in order shortly. Senators should be prepared for rollcall votes on Tuesday, May 2.

RECESS UNTIL MONDAY, MAY 1, 1989, AT 1 P.M.

Mr. MITCHELL. Mr. President, if the Republican leader has no further business, and if no Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess in accordance with the provisions of House Concurrent Resolution 97 until 1 p.m. on Monday, May 1.

There being no objection, the Senate, at 6:17 p.m., recessed until Monday, May 1, 1989, at 1 p.m.

NOMINATIONS

Executive nominations received by the Senate April 19, 1989:

DEPARTMENT OF LABOR

RODERICK ALLEN DEARMENT, OF VIRGINIA, TO BE DEPUTY SECRETARY OF LABOR, VICE DENNIS EUGENE WHITFIELD, RESIGNED.

DEPARTMENT OF DEFENSE

H. LAWRENCE GARRETT III, OF VIRGINIA, TO BE SECRETARY OF THE NAVY, VICE WILLIAM LOCKHART BALL III, RESIGNED.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 19, 1989:

SMALL BUSINESS ADMINISTRATION

SUSAN S. ENGELEITER, OF WISCONSIN, TO BE ADMINISTRATOR OF THE SMALL BUSINESS ADMINISTRATION.

DEPARTMENT OF DEFENSE

DONALD J. ATWOOD, OF MASSACHUSETTS, TO BE DEPUTY SECRETARY OF DEFENSE.

DEPARTMENT OF TRANSPORTATION

ELAINE L. CHAO, OF CALIFORNIA, TO BE DEPUTY SECRETARY OF TRANSPORTATION.

DEPARTMENT OF COMMERCE

WENDELL LEWIS WILLKIE II, OF THE DISTRICT OF COLUMBIA, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF COMMERCE.

DEPARTMENT OF STATE

MICHAEL HAYDEN ARMACOST, OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO JAPAN.

JAMES RODERICK LILLEY, OF MARYLAND, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE PEOPLE'S REPUBLIC OF CHINA.

TERENCE A. TODMAN, OF THE VIRGIN ISLANDS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR

EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO ARGENTINA.

REGINALD BARTHOLOMEW, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE UNDER SECRETARY OF STATE FOR COORDINATING SECURITY ASSISTANCE PROGRAMS.

PEACE CORPS

PAUL D. COVERDELL, OF GEORGIA, TO BE DIRECTOR OF THE PEACE CORPS.

DEPARTMENT OF AGRICULTURE

JACK CALLIHAN PARNELL, OF CALIFORNIA, TO BE DEPUTY SECRETARY OF AGRICULTURE.

RICHARD THOMAS CROWDER, OF MINNESOTA, TO BE UNDER SECRETARY OF AGRICULTURE FOR INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS.

DEPARTMENT OF EDUCATION

JOHN THEODORE SANDERS, OF ILLINOIS, TO BE UNDER SECRETARY OF EDUCATION.

NANCY MOHR KENNEDY, OF MARYLAND, TO BE ASSISTANT SECRETARY FOR LEGISLATION, DEPARTMENT OF EDUCATION.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

JAMES O. MASON, OF GEORGIA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

IN THE COAST GUARD

REAR ADM. HOWARD B. THORSEN, USCG AS COMMANDER, ATLANTIC AREA, U.S. COAST GUARD WITH THE GRADE OF VICE ADMIRAL WHILE SO SERVING.

THE FOLLOWING OFFICERS OF THE U.S. COAST GUARD FOR APPOINTMENT TO THE GRADE OF REAR ADMIRAL:

JOSEPH E. VORBACH.
GEORGE D. PASSMORE, JR.
ERNEST B. ACKLIN, JR.

THE FOLLOWING OFFICERS OF THE UNITED STATES COAST GUARD FOR APPOINTMENT TO THE GRADE OF REAR ADMIRAL (LOWER HALF):

JOHN N. FAIGLE.
PETER A. BUNCH.
DAVID F. CIANCAGLINI.
WILLIAM J. ECKER.

IN THE AIR FORCE

THE FOLLOWING OFFICERS FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE OF BRIGADIER GENERAL UNDER THE PROVISIONS OF SECTION 624, TITLE 10 OF THE UNITED STATES CODE.

COL. GEORGE K. ANDERSON, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. WILLIAM J. BALL, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. CHARLES C. BARNHILL, JR., xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. BILLY J. BINGHAM, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. JAY D. BLUME, JR., xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. FREDRIC N. BUCKINGHAM, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. HIRMAN H. BURR, JR., xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. PATRICK P. CARUANA, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. JAMES L. COLE, JR., xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. STEPHEN P. CONDON, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. ROSCOE M. COUGILL, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. GARY L. CURTIN, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. WILLIAM B. DAVITTE, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. WILLIAM M. DOUGLASS, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. ROBERT W. DREWES, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. LAWRENCE P. FARRELL, JR., xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. PHILLIP, J. FORD, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. CARL E. FRANKLIN, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. RALPH H. GRAHAM, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. RONALD D. GRAY, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. JOHN C. GRIFFITH, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. THOMAS R. GRIFFITH, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. OTTO K. HABEDANK, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. GERALD E. HAHN, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. TRAVIS E. HARRELL, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. JAMES F. HINKEL, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. PATRICIA A. HINNEBURG, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. JAMES L. HOBSON, JR., xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. C. JEROME JONES, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. JOHN J. KELLY, JR., xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. ROBERT E. LINHARD, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. JOHN G. LORBER, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. JAMES E. MCCARTHY, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. LAWRENCE A. MITCHELL, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. RICHARD B. MYERS, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. JOHN M. NAUSEEF, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. EVERETT H. PRATT, JR., xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. GLENN A. PROFITT, II, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. HAROLD H. RHODEN, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. TEDDY E. RINEBARGER, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. DONALD B. SMITH, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. PAUL E. STEIN, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. EDWIN E. TENOSO, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. MICHAEL J. TORMA, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. ROBIN G. TORNOW, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. RALPH G. TOURINO, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. MICHAEL G. VERGAMINI, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. JAMES L. VICK, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. DONALD R. WALKER, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. JOHN D. WOOD, xxx-xx-xxxx FR, REGULAR AIR FORCE.
COL. FREDERICK A. ZEHRER III, xxx-xx-xxxx FR, REGULAR AIR FORCE.

THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, TO BE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. GEORGE L. BUTLER, xxx-xx-xxxx FR, U.S. AIR FORCE.

THE FOLLOWING OFFICER FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE TO THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 307, TITLE 32, UNITED STATES CODE, AND SECTIONS 8351, 8363, AND 8496, TITLE 10 OF THE UNITED STATES CODE:

To be major general

BRIG. GEN. PHILIP G. KILLEY, xxx-xx-xxxx FG, AIR NATIONAL GUARD OF THE UNITED STATES.

THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, TO BE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. HENRY VICCELLIO, JR., xxx-xx-xxxx FR, U.S. AIR FORCE.

THE FOLLOWING OFFICER FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE TO THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 307, TITLE 32, UNITED STATES CODE, AND SECTIONS 8351 AND 8496, TITLE 10 OF THE UNITED STATES CODE:

To be brigadier general

COL. DONALD W. SHEPPERD, xxx-xx-xxxx FG, AIR NATIONAL GUARD OF THE UNITED STATES.

THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, TO BE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. JAMES S. CASSITY, JR., xxx-xx-xxxx FR, U.S. AIR FORCE.

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 611(A) AND 624:

To be permanent brigadier general

COL. ROBERT E. BRADY, xxx-xx-xxxx, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. JOHN L. BALLANTYN III, xxx-xx-xxxx U.S. ARMY.

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. EDWARD HONOR, xxx-xx-xxxx, U.S. ARMY.

IN THE MARINE CORPS

THE FOLLOWING-NAMED COLONELS OF THE MARINE CORPS FOR PROMOTION TO THE PERMANENT GRADE OF BRIGADIER GENERAL, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 624:

WAYNE T. ADAMS.
ARTHUR C. BLADES.
JAMES A. BRABHAM, JR.
GARY E. BROWN.
MICHAEL J. BYRON.
THOMAS V. DRAUDE.
JEFFERSON D. HOWELL, JR.
CHARLES C. KRULAK.
JEFFREY W. OSTER.
PAUL K. VAN RIPER.
CHARLES E. WILHELM.
PETER D. WILLIAMS.

THE FOLLOWING-NAMED COLONELS OF THE MARINE CORPS RESERVE FOR PROMOTION TO THE PERMANENT GRADE OF BRIGADIER GENERAL, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 5912:

JOHN THOMAS COYNE.
MICHAEL IRA NEIL.

IN THE NAVY

THE FOLLOWING-NAMED REAR ADMIRALS (LOWER HALF) IN THE LINE OF THE UNITED STATES NAVY FOR PROMOTION TO THE PERMANENT GRADE OF REAR ADMIRAL, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW:

UNRESTRICTED LINE OFFICER

RALPH WHITAKER WEST, JR.
JIMMY PAPPAS.
LARRY GENE VOGT.
EDWARD BIGELOW BAKER, JR.
JESSE JIMINEZ HERNANDEZ.
THOMAS ALEXANDER MERCER.
RICHARD CHESTER MACKE.
KENNETH LEROY CARLSEN.
GEORGE WASHINGTON DAVIS VI.
JAMES EDWARD TAYLOR.
ROLAND GEORGE GUILBAULT.
PHILLIP DON SMITH.
GEORGE HENRY STROHSAHL, JR.
DAVID MICHAEL BENNETT.
LEIGHTON WARREN SMITH, JR.
HENRY CLAYTON MCKINNEY.
DAVID BROOKS ROBINSON.
JEROME FROST SMITH, JR.
JAMES BERNARD GREENE, JR.
JOSEPH PAUL REASON.

ENGINEERING DUTY OFFICER

WALTER H. CANTRELL.

SPECIAL DUTY OFFICER (CRYPTOLOGY)

JAMES STEPHEN MCFARLAND.

THE FOLLOWING-NAMED REAR ADMIRALS (LOWER HALF) OF THE RESERVE OF THE U.S. NAVY FOR PERMANENT PROMOTION TO THE GRADE OF REAR ADMIRAL IN THE LINE AND STAFF CORPS, AS INDICATED, PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 5912:

UNRESTRICTED LINE OFFICERS

STEPHEN GORDON YUSEM.
RICHARD KENNETH MAUGHLIN.
DAVID ANTHONY JANES.
WALLACE NESSLER GUTHRIE, JR.

UNRESTRICTED LINE OFFICER (TAR)

RICHARD KENNER CHAMBERS.

MEDICAL CORPS OFFICER

ROBERT CONRAD NUSS.

SUPPLY CORPS OFFICER

JAMES HOCK MAYER.

THE FOLLOWING NAMED CAPTAINS OF THE RESERVE OF THE U.S. NAVY FOR PERMANENT PROMOTION TO THE GRADE OF REAR ADMIRAL (LOWER HALF) IN THE LINE AND STAFF CORPS, AS INDICATED, PURSUANT TO THE PROVISIONS OF TITLE 10. UNITED STATES CODE, SECTION 5912:

UNRESTRICTED LINE OFFICERS

THOMAS CHRISTOPHER IRWIN.
JOHN TWOHEY NATTER.
RONALD RHYS MORGAN.
KENNETH WILLIAM PETTIGREW.

AERONAUTICAL ENGINEERING DUTY OFFICER

KENNETH PAUL MANNING.

MEDICAL CORPS OFFICER

MORRIS DANIEL KERSTEIN.

SUPPLY CORPS OFFICER

DOUGLAS MATTHEW MOORE, JR.

CHAPLAIN CORPS OFFICER

WILLIAM ANDREW STEWART, JR.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370.

To be vice admiral

VICE ADM. ROBERT F. DUNN, xxx-xx-xxxx/1310, U.S. NAVY.

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370.

To be vice admiral

VICE ADM. EDWARD H. MARTIN, xxx-xx-xxxx/1310, U.S. NAVY.

THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, TO BE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

VICE ADM. STANLEY R. ARTHUR, xxx-xx-xxxx/1310, U.S. NAVY.

THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, TO BE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. (SELECTEE) JOHN K. READY, xxx-xx-xxxx/1310. U.S. NAVY.

THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, TO BE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be admiral

VICE ADM. JONATHAN T. HOWE, xxx-xx-xxxx/1110. U.S. NAVY.

THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, TO BE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

VICE ADM. JOHN A. BALDWIN, JR., xxx-xx-xxxx/1110. U.S. NAVY.

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING LINDA L. BOYLE, AND ENDING CHARLES F. BETHELL, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 6, 1989.

AIR FORCE NOMINATIONS BEGINNING MAJOR ELMER D. BALLARD, xxx-xx-xxxx AND ENDING MAJOR MICHAEL R. CONGER, xxx-xx-xxxx, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 9, 1989.

AIR FORCE NOMINATIONS BEGINNING DARRELL L. COOK, AND ENDING GARY L. CARLSON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 17, 1989.

IN THE ARMY

ARMY NOMINATIONS BEGINNING MICHAEL D. BENNER, AND ENDING DARLENE R. ZUBER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 3, 1989.

ARMY NOMINATIONS BEGINNING RALPH P. AARON, AND ENDING JOHN G. ZADROW, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 3, 1989.

ARMY NOMINATIONS BEGINNING JOSEPH E. ABODEELY, AND ENDING ROSEN J. LAWSIN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE ON FEBRUARY 21, 1989, AND APPEARED IN THE CONGRESSIONAL RECORD OF FEBRUARY 22, 1989.

ARMY NOMINATIONS BEGINNING HOWARD M. BOWE, AND ENDING JOHN I LAURIDSEN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE ON MARCH 1, 1989, AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 2, 1989.

ARMY NOMINATIONS BEGINNING NAMAN X. BARNES, AND ENDING THOMAS R. SOUTHARD, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE ON MARCH 1, 1989, AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 2, 1989.

ARMY NOMINATIONS BEGINNING CHARLES W ACKERMAN, AND ENDING MUSHTAG H. KAHN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE ON MARCH 1, 1989, AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 2, 1989.

ARMY NOMINATIONS BEGINNING MERRITT J. ALDRICH, AND ENDING BRUCE E. WILSON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE ON MARCH 1, 1989, AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 2, 1989.

ARMY NOMINATIONS BEGINNING JOSE AGUIRRE, AND ENDING MICHAEL L. WYATT, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 7, 1989.

ARMY NOMINATIONS BEGINNING GEORGE W. ABBOTT, AND ENDING 4120A, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 17, 1989.

IN THE COAST GUARD .

COAST GUARD NOMINATIONS BEGINNING KENNETH F. SOLOMON, AND ENDING DANIEL J. ZEDAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF FEBRUARY 8, 1989.

COAST GUARD NOMINATIONS BEGINNING JOHN C. GRIGGS, AND ENDING FREDERICK GONZALES, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE ON FEBRUARY 21, 1989, AND APPEARED IN THE CONGRESSIONAL RECORD OF FEBRUARY 22, 1989.

COAST GUARD NOMINATIONS BEGINNING PAUL A. WOLF, AND ENDING CHARLES J. HONOROWSKI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE ON FEBRUARY 21, 1989, AND APPEARED IN THE CONGRESSIONAL RECORD OF FEBRUARY 22, 1989.

IN THE NAVY

NAVY NOMINATIONS BEGINNING RANDALL OTTO ABSHIER, AND ENDING JACK EUGENE TURNER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE ON FEBRUARY 21, 1989, AND APPEARED IN THE CONGRESSIONAL RECORD OF FEBRUARY 22, 1989.

NAVY NOMINATIONS BEGINNING BRUCE CHARLES ADAMS, AND ENDING GEORGE WASHINGTON HEBURN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 7, 1989.

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, April 20, 1989, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 21

10:00 a.m.
Finance
To hear and consider the nominations of Constance Horner, of the District of Columbia, to be Under Secretary of Health and Human Services and Mary Sheila Gall, of Virginia, to be Assistant Secretary for Human Development Services.
SD-215

Governmental Affairs
To hold hearings on the nomination of Michael W. Farrell, of the District of Columbia, to be an Associate Judge of the District of Columbia Court of Appeals.
SD-342

Labor and Human Resources
To hold hearings on proposed legislation to promote and encourage national and community service, including S. 3, S. 232, S. 322, S. 382, S. 408, S. 539, S. 540, S. 541, S. 576, and S. 650.
SD-430

MAY 1

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

MAY 2

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on global warming and Corporate Average Fuel Economy [CAFE] standards.
SR-253

Governmental Affairs
To hold hearings on export controls over chemical biological materials.
SD-342

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for Legal Services Corporation, and the Small Business Administration.
S-146, Capitol

Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of the Treasury.
SD-116

Finance
To hold hearings on the European Community's (EC) program to complete its internal market by 1992.
SD-215

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Middle East, Pakistan, and Afghanistan.
SD-138

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for activities of the Secretary of the Interior and the Secretary of Energy.
S-128, Capitol

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on S. 247, to increase the efficiency and effectiveness of State energy and conservation programs.
SD-366

Foreign Relations
To hold hearings on the nominations of John R. Bolton, of Maryland, to be an Assistant Secretary of State for International Organizations Affairs, Douglas P. Mulholland, of Maryland, to be an Assistant Secretary of State for Intelligence and Research, and Morris Berthold Abram, of New York, to be the U.S. Representative to the European Office of the United Nations.
SD-419

MAY 3

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continued hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

Finance
To resume oversight hearings on the implementation of the Omnibus Trade and Competitiveness Act of 1988.
SD-215

Foreign Relations
To hold hearings on the future of U.S.-Soviet relations.
SD-419

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Army Corps of Engineers.
SD-192

Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings on risk retention.
SR-253

2:30 p.m.
Foreign Relations
To hold hearings on the nomination of Herman Jay Cohen, of New York, to be an Assistant Secretary of State for African Affairs.
SD-419

MAY 4

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Labor, Health and Human Services, Education and Related Agencies.
SD-116

Energy and Natural Resources
To hold hearings on S. 694, to extend the authority for the Strategic Petroleum Reserve.
SD-366

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Aviation Administration.
SD-138

Finance
To hold hearings to examine the financial condition of rural hospitals and their ability to deliver health care to Medicare recipients.
SD-215

Foreign Relations
To hold hearings on S. 809, authorizing funds for fiscal year 1990 and 1991 for the United States Information Agency.
SD-419

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on Central America.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Bureau of Reclamation, Department of the Interior.
SD-192

MAY 5

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

Finance
International Trade Subcommittee
To hold hearings to explore the problem of industrialized countries manipulating the value of their currencies to maintain a trade surplus, and to discuss the U.S. response to this practice.
SD-215

Foreign Relations
To hold hearings on the nominations of Ronald Frank Lehman II, of Virginia, to be Director of the U.S. Arms Control and Disarmament Agency and Richard Reeves Burt, of Arizona, for the rank of Ambassador during his tenure of service as Head of Delegation on Nuclear and Space Talks and Chief Negotiator on Strategic Nuclear Arms.
SD-419

MAY 8

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on space transportation.
SD-253

MAY 9

10:00 a.m.
Finance
To hold hearings on the impact of Section 89, of the Tax Reform Act of 1986, nondiscrimination rules applicable to employer-provided fringe benefits.
SD-215

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on international narcotics.
SD-192

MAY 10

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-192

MAY 11

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development and Rural Electrification Subcommittee
To hold hearings on rural development.
SD-332

Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on space commercialization.
SR-253

Governmental Affairs
To resume hearings on export controls over chemical biological materials.
SD-342

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for transportation trust funds.
SD-138

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

MAY 12

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

Foreign Relations
To hold hearings on the nominations of Donald Phinney Gregg, of Maryland, to be Ambassador to the Republic of Korea and John Cameron Monjo, of Maryland, to be Ambassador to the Republic of Indonesia.
SD-419

Rules and Administration
To hold joint hearings with the Select Committee on Indian Affairs on legislation to establish a National Museum of the American Indian within the Smithsonian Institution.
SR-301

Select on Indian Affairs
To hold joint hearings with the Committee on Rules and Administration on legislation to establish a National Museum of the American Indian within the Smithsonian Institution.
SR-301

MAY 15

10:00 a.m.
Environment and Public Works
Toxic Substances, Environmental Oversight, Research and Development Subcommittee
To hold hearings to review procedures relating to the use of chemicals in food crops.
SD-406

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

MAY 16

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development and Rural Electrification Subcommittee
To resume hearings on rural development.
SR-332

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Office of the Inspector General, Office of Disaster Assistance, and American Schools and Hospitals Abroad.
SD-116

MAY 17

9:30 a.m.
Governmental Affairs
To hold hearings on biological weapons proliferation.
SD-342

10:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on trading practices in the commodity futures markets.
SR-332

MAY 18

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Peace Corps, African Development Foundation, Inter-American Foundation, Overseas Private Investment Corporation, and Export-Import Bank.
S-126, Capitol

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

Governmental Affairs
To hold hearings on nuclear and missile proliferation.
SD-342

MAY 19

9:30 a.m.
Select on Indian Affairs
To hold hearings on the U.S. Civil Rights Commission's effects on the White Mountain Apache Tribe.
SR-485

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

JUNE 1

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-106

1:30 p.m.
Governmental Affairs
To hold hearings on alcohol abuse prevention.
SD-342

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on refugees and migration.
SD-138

Energy and Natural Resources
To continue hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-106

JUNE 2

9:30 a.m.
Energy and Natural Resources
To continue hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-106

2:00 p.m.
Energy and Natural Resources
To continue hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SD-106

JUNE 6

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-138

JUNE 7

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253

Governmental Affairs
To resume hearings on alcohol abuse prevention.
SD-342

JUNE 8

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253

JUNE 13

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-138

CANCELLATIONS

APRIL 20

9:30 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Technology Assessment, and the General Accounting Office.
SD-116

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Emergency Management Agency.
SD-192

2:00 p.m.
Select on Intelligence
To resume closed hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the intelligence community.
SH-219

APRIL 21

10:00 a.m.
Finance
Social Security and Family Policy Subcommittee
To hold hearings on independent agency status for the Social Security Administration.
SD-215

POSTPONEMENTS

APRIL 20

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on global climate change and efforts to predict greenhouse warming.
SR-253

HOUSE OF REPRESENTATIVES—*Tuesday, April 25, 1989*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, as You have promised to hear the prayers and petitions of our hearts, we ask that You will bless us with the refreshment of Your Spirit, and give us Your peace that passes all human understanding. When we have missed the mark, we have been forgiven. When we have sought to do the good works of justice, Your word has pointed the way. Continue to be with us, O God, this day and every day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. The gentleman from Ohio [Mr. APPLEGATE] will kindly come forward and lead our colleagues in the Pledge of Allegiance.

Mr. APPLEGATE led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 124. Joint resolution to recognize the seventy-fifth anniversary of the Smith-Lever Act of May 8, 1914, and its role in establishing our Nation's system of State Cooperative Extension Services.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 678. An act to make a correction in the Education and Training for a Competitive America Act of 1988.

The message also announced that the Senate had passed joint resolutions and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S.J. Res. 84. Joint resolution to designate April 30, 1989, as "National Society of the Sons of the American Revolution Centennial Day";

S.J. Res. 91. Joint resolution designating April 28, 1989, as "Flight Attendant Safety Professionals' Day"; and

S. Con. Res. 28. Concurrent resolution to commemorate the 50th anniversary of the Airborne units of the United States Armed Forces.

The message also announced that pursuant to Public Law 85-874, the Chair on behalf of the President of the Senate appoints Mr. MITCHELL to the Board of Trustees of the John F. Kennedy Center for the Performing Arts, vice Mr. HATFIELD.

The message also announced that pursuant to Public Law 85-874, the President of the Senate appoints Mr. HATFIELD to the Board of Trustees of the John F. Kennedy Center for the Performing Arts, vice Mr. WEICKER.

The message also announced that pursuant to House Concurrent Resolution 96, agreed to April 18, 1989, the Chair on behalf of the Vice President, appoints Mr. MOYNIHAN, Mr. D'AMATO, and Mr. LAUTENBERG, as members of the Senate delegation to ceremonies in New York City on April 29-30, 1989, commemorating the 200th anniversary of George Washington's inauguration.

The message also announced that pursuant to Public Law 93-29, as amended by Public Law 98-459, the Chair on behalf of the President pro tempore, appoints Mrs. Mary J. Majors of Iowa, to the Federal Council on the Aging, vice Dr. Russell Mills, effective March 22, 1989.

The message also announced, that pursuant to Public Law 86-380, the Chair on behalf of the Vice President, appoints Mr. ROBB to the Advisory Commission on Intergovernmental Relations, vice Mr. SASSER.

The message also announced, that pursuant to sections 276h-276k, of title 22, United States Code, as amended, the Chair on behalf of the Vice President, appoints Mr. FOWLER, as a member of the Senate delegation to the Mexico-United States Interparliamentary Group during the 1st session of the 101st Congress, to be held in Ixtapa, Mexico, April 27-May 1, 1989.

The message also announced, that pursuant to section 1295(b) of title 46, United States Code, the Chair on behalf of the Vice President appoints Mr. HOLLINGS from the Committee on Commerce, Science, and Transportation and Mr. INOUYE at large, to the Board of Visitors of the U.S. Merchant Marine Academy.

The message also announced, that pursuant to section 194(a) of title 14, United States Code, the Chair on behalf of the Vice President appoints Mr. HOLLINGS from the Committee on Commerce, Science, and Transportation and Mr. DODD at large, to the Board of Visitors of the U.S. Coast Guard Academy.

The message also announced, that pursuant to section 6968(a) of title 10, United States Code, the Chair on behalf of the Vice President appoints Ms. MIKULSKI from the Committee on Appropriations and Mr. SARBANES at large, to the Board of Visitors of the U.S. Naval Academy.

The message also announced, that pursuant to section 9355(a) of title 10, United States Code, the Chair on behalf of the Vice President appoints Mr. WIRTH from the Committee on Armed Services and Mr. DECONCINI at large, to the Board of Visitors of the U.S. Air Force Academy.

The message also announced, that pursuant to section 4355(a) of title 10, United States Code, the Chair on behalf of the Vice President appoints Mr. REID from the Committee on Appropriations and Mr. SHELBY from the Committee on Armed Services, to the Board of Visitors to the U.S. Military Academy.

APPOINTMENT AS ADDITIONAL MINORITY MEMBER TO SELECT COMMITTEE ON AGING

The SPEAKER. Pursuant to the provisions of clauses 6 (f) and (i) of rule X, the Chair appoints the gentleman from Florida [Mr. JAMES] as an additional minority member to the Select Committee on Aging.

APPOINTMENT AS ADDITIONAL MINORITY MEMBER TO SELECT COMMITTEE ON HUNGER

The SPEAKER. Pursuant to the provisions of section 103, House Resolution 84, 101st Congress, the Chair appoints the gentleman from New Jersey [Mr. SMITH] as an additional minority member to the Select Committee on Hunger.

PRAYER FOR THE VICTIMS ON THE U.S.S. "IOWA"

(Mr. SKELTON asked and was given permission to address the House for 1 minute.)

Mr. SKELTON. Mr. Speaker, yesterday I attended the memorial service in Norfolk, VA, for the 47 U.S.S. *Iowa* sailors who were tragically lost on April 19. All Americans join us in mourning this great loss, and we extend our heartfelt sympathy to the

families and shipmates who grieve for those who died.

A special word of condolence is for Capt. Fred Moosally, who many of my colleagues remember as Chief of the House Navy Liaison. This loss is personal to me, as I sailed aboard the U.S.S. *Iowa* this past December.

The sacrifice made by these men is a jolting reminder of the dangers faced by those who choose to serve at sea. Too often we forget that military service is an occupation filled with danger. It is sad that it takes a misfortune such as this to remind us that sometimes the ultimate sacrifice must be paid so that the rest of us Americans can enjoy the benefits of liberty.

Our prayer at this sad time can be found in these words from the Navy hymn:

Of all the souls that in her sailed
Let not one life in thee have failed;
But hear from heaven our sailor's cry,
And grant eternal life on high!

RESOLUTION CONDEMNING EXCESSIVE AND LETHAL USE OF FORCE BY SOVIET TROOPS IN SOVIET GEORGIA

(Mr. McEWEN asked and was given permission to address the House for 1 minute.)

Mr. McEWEN. Mr. Speaker, I associate myself with the remarks of the gentleman from Missouri [Mr. SKELTON], and specifically his references to the eminent captain of the *Iowa*, Capt. Fred Moosally.

Mr. Speaker, I deplore the excessive and lethal actions taken by Soviet troops on April 9, in responding to the thousands demonstrating peacefully for greater freedom and the restoration of their basic human rights, in Tbilisi, the capital of the Republic of Georgia in the Soviet Union.

Certainly every nation has a right to maintain peace within its borders. However, security cannot serve as an excuse for crack Moscow forces to attack thousands of peaceful demonstrators with clubs, sharpened spades, and, as reported by the Georgian Health Ministry, with toxic chemical agents that cause nerve paralysis, delirium, and death. From the actions of the Soviet troops on that sad day, there were scores of fatalities, and over 200 injuries.

The Soviet Union is a signatory of every major human rights agreement from the Universal Declaration on Human Rights to the Helsinki accords. They must be held accountable for the actions as it responds to the legitimately expressed voice of its people.

Mr. Speaker, I will be introducing a House resolution tomorrow, which condemns the excessive and lethal use of force by the Soviet troops responding to the April 9 demonstration in Tbilisi. It also calls upon the Soviet Government to investigate the allegations that toxic chemical agents were used by the Soviet troops, and if the allegations prove true, to take steps to assure that they will not be used again. Finally, my resolution will call upon the Soviet Union to abide by its commitment made in signing the various human rights agreements, and to heed the demands of the people of the Republic of Georgia for the exercise of their basic human rights and fundamental freedoms.

This is an important message to send to both the Soviet Government, and to all who are standing up to tyranny and calling for greater freedom and change. I urge my colleagues to join me when I introduce my resolution regarding Soviet Georgia tomorrow.

DVA, DOD, AND SSA RESPONDING TO "IOWA" TRAGEDY

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, I would like to follow up on what my colleague, the gentleman from Missouri [Mr. SKELTON] said, as well as my colleague, the gentleman from Ohio [Mr. McEWEN].

Mr. Speaker, we were all saddened by the news last week of the tragic explosion on the battleship *Iowa* which cost the lives of 47 servicemen.

I'm sure that many of us will receive inquiries about what the Government will do for the families of those killed.

The Department of Veterans' Affairs, the Department of Defense and the Social Security Administration are providing casualty assistance to the families to help them apply for their benefits.

Social Security death benefits will be paid in some of these cases.

The Department of Defense provides a death payment of 6 months salary, funeral costs, and medical benefits to survivors under CHAMPUS.

The widows and children of the victims may receive any or all of the following benefits from the Department of Veterans' Affairs: Dependency and Indemnity Compensation each month, College Education for the Children of the deceased, and Servicemen's Group Life Insurance of up to $50,000. I am advised that all 47 servicemembers carried the maximum coverage. Furthermore, survivors of those who were participating in the Montgomery GI bill education assistance program will generally be eligible for a death benefit—$1,200.

Mr. Speaker, I have been told that about six of the families live in the Norfolk area and the rest are located throughout the country. I can assure my colleagues that all benefits claims will be processed quickly by all agencies of the Federal Government.

INTRODUCTION OF RESOLUTION TO DESIGNATE MAY 29, 1989 AS NATIONAL DAY OF REMEMBRANCE FOR THE VICTIMS OF THE U.S.S. "IOWA"

(Mr. GRANDY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRANDY. Mr. Speaker, since the first observances of what we now know as Memorial Day, the ranks of those we honor have swelled with the men and women who have made the ultimate sacrifice while defending this great country. Last week, 47 crewmembers of the U.S.S. *Iowa* joined these ranks when an explosion in their gun turret ended their lives.

On the 29th of next month, the citizens of cities and towns across the country will pause to honor those who have died in uniform, but for some of these cities and towns, this Memorial Day will have added significance—for these are the cities and towns that these sailors called home.

I am confident that I speak for all the citizens of this land when I extend to their families and loved ones our heartfelt sympathies and our deepest appreciation for the sacrifice that has been thrust upon them. It is for this reason that I have along with my colleagues in the Iowa Congressional delegation introduced a resolution today to designate May 29, 1989, as the "National Day of Remembrance for the Victims of the U.S.S. *Iowa*."

We have asked everything of these men and, in return, we can offer comparatively little. But we owe them and their families the simple debt of remembrance—and that we will eagerly give.

We will not soon forget the tragedy of the *Iowa*. A soldier's death is always a tragedy, but the death of the 47 men on the U.S.S. *Iowa* last week is a reminder that freedom and liberty do not come cheaply, be it in peacetime or in war. These men have indeed served their country courageously. We will miss them.

□ 1210

THE PACIFIC NORTHWEST CANNOT WAIT 3 YEARS TO SETTLE THIS MATTER

(Mr. DeFAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DeFAZIO. Mr. Speaker, far from these halls a controversy rages in my district. Today the press reports that the U.S. Fish and Wildlife Service has decided to list the spotted owl as threatened throughout its range.

If these press reports are accurate, this settles nothing. Both sides in this dispute are now faced with up to 3

years of uncertainty as the bureaucracy proposes and prepares management plans as to how to handle the management of the spotted owl in our forests into the future.

The people of my district and the people of the Pacific Northwest cannot wait 3 years to settle this issue. It is too important. Perhaps for once the industry who needs the certainty of timber supplies and the environmentalists who want certainty for the protection of old growth have something in common.

I believe they need to get together, sit down at the settlement table, and we in Congress need to urge that these management plans be greatly accelerated and they be put in place as soon as possible so that we can have certainty, both as to the protection of the old growth that the environmentalists want, and the certainty of the protection of the timber supply which is so vital to the industry in the Northwest.

In addition, I renew my request to the President and ask for the support of this body in immediate restrictions on the export of raw logs to Japan. We cannot keep exporting our logs while our mills fall silent for lack of supply.

Finally, I urge the Chief of the Forest Service and the Secretary of the Department of the Interior to expedite my request to develop alternate harvest plans and sale plans throughout the Northwest so that we can have some timber harvested this summer. I will not stand idly by.

These are our forests, these are our future. If it requires congressional intervention, I am ready to make those tough decisions, too.

DEMOCRACY IN NICARAGUA ACT

(Mr. CHANDLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHANDLER. Mr. Speaker, today I join the gentlewoman from Maryland [Mrs. BYRON] in introducing the Democracy in Nicaragua Act.

This bill was introduced in the last Congress and had 86 cosponsors, including 39 Democrats and 9 chairmen.

With the signing of the Tesoro Beach Accord by the Central American Presidents and the bipartisan policy on Central America agreed to by our leadership and the President, we need to come together and state clearly the reforms needed to ensure free and fair elections in Nicaragua next year.

Today marks the first deadline of the Tesoro Beach Accord. Once again, the Sandinistas have promised full democracy, and once again we wait for action without result.

We in Congress need a clear, definitive scorecard for Sandinista compliance with the promises they have made. As the bipartisan accord makes clear: "To be successful, the Central American peace process cannot be based on promises alone. It must be based on credible standards of compliance [and] strict timetables for enforcement."

This bill codifies these commitments, and I urge all of my colleagues to support it.

THE FORGOTTEN PEOPLE OF LEBANON

(Mr. JONES of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Georgia. Mr. Speaker, I wish to speak on behalf of the forgotten people of Lebanon. As we gather here today, Syrian gunners supplied by the Soviets are attacking the civilian population of Beirut, shelling hospitals and schools, killing women, children, and the elderly.

These attacks are an act of brutality that is barbaric and inhumane, an uncivilized strike at the spirit of a people who wish to throw off the yoke of the Syrian occupiers.

The shelling is a cowardly attack on the defenseless, a shameful act that deserves the condemnation of the decent, freedom-loving peoples of the world. I ask that President Bush take action in response to this unspeakable terror, that the moral position of the United States be clearly stated, and that we denounce in the strongest possible manner this Syrian aggression.

Our friends are calling out to us for help, Mr. President. Deaf ears are not our style. Speak out, sir, please speak out.

WHAT IS GOING ON IN PANAMA?

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, today we vote on funding for the Panama Canal which raises an important question: What is going on down there?

In February of last year, Federal courts indicted General Noriega on drug trafficking charges. Within 2 months, the United States imposed economic sanctions on that generally friendly nation.

What has been the result? Let me tell you:

General Noriega is stronger than ever. He has imprisoned his enemies, consolidated his control over the military, and suspended basic freedoms.

The Panamanian economy is plummeting. People are suffering. The poor segment of the population has increased dramatically, and the GNP declined almost 50 percent last year.

All of this has served to create an increasingly tense and unstable situation. The Soviets and Cubans are smacking their lips in anticipation of another opening for Communist expansion in the Western Hemisphere.

My friends, our policy toward Panama has failed. Our sanctions are starving the Panamanian people, and our "wait and see" attitude fails to do anything about Noriega. The problem is growing worse by the day, and those folks don't know who their friends are anymore.

I don't like the idea of bargaining with drug runners, but even less do I like the thought of another Nicaragua in Central America, and even less do I like the thought of allowing many years of friendship and cooperation between our two nations to go down the drain.

President Bush and Secretary Baker must work out and implement a realistic plan for weaning Noriega from his role as dictator and rebuilding the economy of our beleaguered friends.

IT IS TIME WE STAND UP FOR OUR POLICEMEN AND STRAIGHTEN THIS MESS OUT IN THE "KILLING FIELDS" OF AMERICA

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the murder rate in America is an indictment on Congress. We had 20,000 murders in America last year, and over 185 policemen were gunned down alone.

The sad fact is 50 percent of all cop killers are back on the street in less than 6 years in America. Think about it. That is ridiculous.

What is next? Will judges in America like in Central America, will they be targets? Will they start killing our court officials?

Today I am introducing a bill that would create a Federal death penalty for anyone who murders a policeman or an official of the court. It would also apply to serial killers and mass murderers, and to any criminal enterprise who has a contract murder to further their particular illegal enterprise.

I am asking Congress to go beyond the lip service, and I am asking Congress today to straighten out what has become the killing fields of America, our streets. I think it is time the taxpayers should not be feeding people like Richard Speck, Charles Manson, Son-of-Sam, Donald Harvey, and I think it is time we look at the victims' rights in this country. The criminals seem to have all the rights.

It is time we stand up for our policemen and straighten this mess out in the killing fields of America.

COMMENDING PRESIDENT BUSH ON FORMING A WORKING GROUP ON RURAL DEVELOPMENT

(Mr. COLEMAN of Missouri asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN of Missouri. Mr. Speaker, I want to commend President Bush on forming a Working Group on Rural Development within his administration. Agriculture Secretary Yeutter along with many members of the President's Cabinet will be part of this Working Group on Rural Development which will ensure that the needs of rural areas are better served by a more efficient coordination of Federal services.

Chaired by Secretary Yeutter and reporting to the White House Economic Policy Council, the working group will assume a great deal of the responsiblity I have been urging the executive branch to take on rural development in the last several years.

More than 2 years ago, I requested the General Accounting Office to review all Federal programs to determine those that are essentially rural, and to recommend which of those programs could be made more productive by being located in a new Rural Development Administration. That report was delivered to me early this year.

Generally, GAO found that the Federal Government does not have a good idea of how many Federal programs are meant for rural America. Nor does the Government know how many Federal dollars actually get to the more than 2,000 rural counties in the United States.

This is why I believe the President's Working Group on Rural Development is vital to rural America. Evaluating existing programs, developing policy options for Federal, State, and local involvement, and determining how to best leverage the Federal Government's expertise are absolutely necessary steps for rural development initiatives.

In addition to the USDA, the working groups membership will include representatives from the Departments of Treasury, Commerce, Labor, Health and Human Services, Housing and Urban Development, Transportation, and the Department of Education as well as the Office of the Vice President, the Office of Management and Budget, the Council of Economic Advisers, the Small Business Administration and the White House Office of Policy Development.

The makeup of the working group accurately reflects the fact that the challenges of rural development are more than just the problems of agriculture; that a governmentwide initiative is needed to improve the lives of the 60 million people who live in rural America.

□ 1220

LESS PROFITS FOR EXXON

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. APPLEGATE. Mr. Speaker, the American people are mad as hell and they are not going to take it any more. They do not want the Exxons of the world to screw up the environment and be paid for it.

Today I am introducing legislation that will deny Exxon that right to be able to pass those costs off to the American people. The costs will exceed $600 million of your taxpayers' money. We have already allowed them to be able to increase the cost of gasoline from 10 to 15 cents, and if that is added up over a year's time, that is a billion dollars, for every penny, that is $10 to $15 billion that they are taking from the consumers.

We cannot continue to see the oil leeches, their partners in crime, continue to raise these prices. They are on the backs of the American consumers and they are sucking the lifeblood from them. They can afford it. Let us take that money from their profits, not our pockets.

Join me in cosponsoring this legislation.

CATASTROPHIC SURTAX IS DISCRIMINATORY

(Mr. ARCHER asked and was given permission to address the House for 1 minute.)

Mr. ARCHER. Mr. Speaker, recently Senator LLOYD BENTSEN suggested that the Treasury Department concurs in the revised estimates of the Joint Committee on Taxation which indicate that revenues from Medicare catastrophic surtax exceed original projections by nearly $5 billion, the amount the tax should be reduced.

Senior citizens should not be deluded by this temporary relief. Costs of the program will escalate over time and the surtax will go up again. There is only one way to eliminate discrimination against the elderly and that is to abolish the surtax as the method of funding.

The Tax Reform Act of 1986 promised a maximum tax rate for Americans of 28 percent. Now, as a result of the catastrophic illness legislation, we have broken that promise to the elderly by increasing their tax rates to a maximum of 38 percent, the highest level paid by any group of Americans. With the interaction of Social Security earnings limitation and the tax on 50 percent of Social Security benefits, many older Americans will pay marginal tax rates as high as 110 percent.

I urge my colleagues to avoid falling into the trap created by the suggestion that all we need to do is reduce temporarily the surtax. Let us focus instead on the real problem and find an acceptable alternative to the discriminatory catastrophic surtax. I continue to lead the effort in that regard.

NUCLEAR STANDARDIZATION BILL

(Mr. CLEMENT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLEMENT. Mr. Speaker, today I am introducing legislation that amends the Atomic Energy Act of 1954 to encourage the development and use of standardized plant designs and to improve the nuclear licensing and regulatory process.

As many of my colleagues know, utilities have not ordered new nuclear powerplants for 10 years and are not expected to until conditions affecting the nuclear power industry improve.

Our Nation is presently over 40 percent dependent on foreign oil. If current trends continue, that figure will rise to an alarming 60 percent or more by the turn of the century. Oil imports for electric generation could rise by a million barrels per day by 1990, and by three million barrels per day by 1995. Standardization will reduce the capital cost of a facility by 55 percent.

It is time that the United States reexamine its policies on nuclear power. The severe drought last summer forced our Nation and the world to consider ways to prevent further ozone depletion, global warming and the greenhouse effect.

Mr. Speaker, I urge my colleagues to cosponsor my legislation and push for its quick passage.

EXCLUSIONARY RULE

(Mr. DOUGLAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOUGLAS. Mr. Speaker, it is clear that the rule of evidence called the exclusionary rule imposes a single, inflexible, and drastic sanction without regard to the nature, circumstances, or degree of police misconduct. Whether an honest mistake or outrageous misconduct, the result is always the same—exclude the evidence even if it means immunity from prosecution. Indeed, in those cases where a police officer, in a good faith effort to comply with the law, conducts a search or seizure which is later found to be technically insufficient, the drug evidence is excluded and the accused goes free.

As a former judge it seems clear to me there can be no rational basis for applying the same sanction to an honest mistake and to outrageous mis-

conduct. As former Chief Justice Burger stated:

> I submit that society has at least as much right to expect rationally graded responses from judges in place of the universal "capital punishment" we inflict on all evidence when police error is shown in its acquisition.

The exclusionary rule has needlessly contributed to the problem of delay in our courts. Time-consuming hearings on motions to suppress often consume as much court time as the trial itself.

That is why Congressman JIM COURTER, of New Jersey, and I have introduced H.R. 1239, to permit evidence seized in good faith to once again be used in our courts. I urge your support for the Law Enforcement Assistance Act of 1989.

ANOTHER HOSTILE TAKEOVER

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, the hostile takeover wars in America have now taken flight. The big shot speculators' latest target is Northwest Airlines, and it's the same old game, they use a lot of debt, they buy the assets, take them over, take them apart, sell them and make money quick.

The problem with it is a few people make a lot of money, and everyone else gets hurt.

Northwest Airlines is being pursued by a speculator who will borrow nearly $3 billion to buy it. Saddled with this debt, the company will have an annual interest cost of $300 to $400 million a year.

This is a good company, a healthy company, but it has never had profits over $200 million a year.

If we don't stop this hostile takeover binge at some point, it will threaten airline service in the northern Great Plains and it will certainly increase airline ticket costs.

I think it is time for Members to tell the Department of Transportation to, "Stop shivering in your boots; stand up and be counted on these issues." It's time for Congress to understand we better do something to stop the proliferation of junk bonds and hostile takeover to take apart our corporate structure.

The attack on Northwest Airlines is an attack on a healthy company and threatening airline service in an important region of this country.

□ 1230

LESSONS FROM THE "IOWA" TRAGEDY

(Mr. PICKETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKETT. Mr. Speaker, yesterday, President Bush joined the crew of the battleship *Iowa*, their families, the families of those who were lost, and many others for a memorial service at Norfolk in honor of the 47 young sailors who perished aboard that vessel last week.

Being there, seeing the grief on the faces of children and young widows, was a vivid reminder of the high price this Nation pays for freedom. Even at peace, when it is easy to think of the world as safe, America's soldiers and sailors live in danger. The sacrifices which they and their families make are enormous, and this we must never forget.

The tragedy aboard the *Iowa* has again tested the character of Navy families. Grief has been a shared emotion in Norfolk this week. But beneath the compassion and sorrow, there is a quiet determination to carry on, to fulfill and maintain their duty to the U.S. Navy, and perhaps most important right now, to fulfill and maintain their duty to care for one another. The Navy has displayed great sensitivity and compassion in getting its people through this ordeal. Community help and support for the families of *Iowa* crewmembers has been no less impressive.

But I am convinced, Mr. Speaker, that all of this would not have been possible without the prayers and support of the American people.

LET US ENCOURAGE MARRIAGE

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, it is not every day that a marriage inspires me to introduce a bill in Congress but that's exactly what I am going to do today. Albert Quintanar and his wife Bernadette of Clarmont, CA, both disabled adults, have discovered that marriage is not cheap—in fact they discovered that our Government actually penalizes people with disabilities from marriage.

Current law holds that a Social Security adult disabled child can retain their childhold disability benefits if they marry another adult disabled child. If they marry a supplemental security beneficiary, a means tested program, they forfeit their Social Security benefits.

To end this inequity, the legislation which I am introducing will allow a Social Security disabled child to continue receiving their Social Security benefits upon marriage to a supplemental security income beneficiary.

Let us stop discouraging marriage. I urge all Members to cosponsor my bill.

BUDGET FAKERY

(Mr. MOODY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOODY. Mr. Speaker, the Congress enacted Gramm-Rudman to force the White House and the legislative branch to make tough choices, bite the bullet, and get serious about deficit reduction. I argued at the time that there was no institutional substitute for political courage and that if instead we showed political cowardice, Gramm-Rudman would only spawn bookkeeping gimmicks to avoid sequestration.

Nowhere is that more evident than in the recent budget summit agreement for fiscal year 1990. It pretends to meet the Gramm-Rudman deficit target of $100 billion for fiscal 1990.

But it is a sham. A hoax. This is the most disingenuous budget I've seen since coming to Congress.

The summit blandly accepts the economic assumptions of the earlier Bush budget which are so rosy as to be ridiculous: 3.4 percent real growth in GNP, a drop in inflation all the way down to 1.5 percent by 1994, short-term interest rates down from 9 percent now to 5.5 percent in 1990.

The Congressional Budget Office—who we in Congress are supposed to believe—is projecting totally different numbers: Real GNP growth at barely 2 percent, inflation at nearly 5 percent and interest rates at realistic levels.

With the save of the magic wand of economic assumptions the summit agreement cuts the CBO deficit projection by $19 billion.

Even the few "hard numbers" in the summit agreement are suspect. Its $13.8 billion in spending "cuts" include $2 billion by taking the Postal Service off budget. Another billion dollars is "saved" in agriculture payments by pushing them into fiscal 1989. Another $4 or $5 billion is produced by sale of public assets—all done in order to avoid raising real revenues.

This is blue smoke and mirrors carried to a new height. But why should the Congress be a willing accomplice to this kind of budget fakery? If it does, it should come as no surprise when the actual 1990 deficit turns out to be much higher than we promised the people it would be.

Let's get on with real budget deficit reduction. It's the only way we can do our jobs and be honest with the country.

INTRODUCTION OF THE STRATOSPHERIC OZONE LAYER PROTECTION ACT OF 1989

(Mr. BATES asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. BATES. Mr. Speaker, the first thing I would like to do is to endorse the statements of the gentleman from Wisconsin [Mr. MOODY]. I completely agree with his comments on the budget.

Mr. Speaker, I will soon be introducing legislation to address the serious damage being done to the world's stratospheric ozone layer by chlorofluorocarbons and halons.

My legislation, the Stratospheric Ozone Layer Protection Act of 1989, would freeze the production of nine major chemicals that deplete the ozone layer at 1986 levels, followed by a phaseout schedule that would prohibit the production of these chemicals by 1995.

The bill also prohibits the importation of major chemicals from nations that have not established a phaseout schedule at least as stringent as ours. Finally, the legislation encourages reclamation and recycling of CFC's, promotes safe alternatives, and requires the use of approved recycling equipment and properly trained employees in the maintenance of automobile airconditioners.

Mr. Speaker, the Stratospheric Ozone Protection Act does many other things. I hope my colleagues will take a serious look at the bill and consider becoming a cosponsor.

INTRODUCTION OF BYRON/CHANDLER BILL—DEMOCRATIZATION IN NICARAGUA

(Mrs. BYRON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BYRON. Mr. Speaker, I rise today to introduce with my colleague from the State of Washington [Mr. CHANDLER], legislation that specifies several important standards for evaluating democratization in Nicaragua under the Guatamala Peace accord.

We all applaud the House leadership's role for initiating the recent Bipartisan Accord on Central America that passed the House last week and we are encouraged by the signing of the Tesoro Beach accord by the Central American Presidents. However, it is extremely important that we state clearly the reforms needed to ensure free and fair elections in Nicaragua next year.

Among the standards we believe necessary are separations of the party from the State security forces and Army, the rights of opposition parties to meet and organize, full freedom of the press, and equal rights for Atlantic coast and Indian peoples. It makes achieving these steps in Nicaragua the policy of the United States and the legislation states that these principles should be adopted by all countries in the region.

I urge my colleagues to support this important legislation so we can ensure fair and free elections in Nicaragua. We have seen democracy move forward in the neighboring countries and now is the time for Nicaragua.

REPORT ON RESOLUTION PROVIDING FOR IMPEACHMENT OF WALTER L. NIXON, JR., JUDGE OF THE U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF MISSISSIPPI

Mr. BROOKS, from the Committee on the Judiciary, submitted a privileged report (Rept. No. 101-36) on the resolution (H. Res. 87) impeaching Walter L. Nixon, Jr., judge of the U.S. district court for the Southern District of Mississippi, for high crimes and misdemeanors, which was referred to the House Calendar and ordered to be printed.

FIRE CHIEFS ENDORSE FIRE SAFE CIGARETTE ACT OF 1989

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOAKLEY. Mr. Speaker, I rise today to express my sincerest thanks to the National Fire Protection Association and the International Association of Fire Chiefs for their endorsement of the Fire Safe Cigarette Act of 1989.

The NFPA is the leading fire service organization dedicated to promoting fire safety, through research and the development of standards and the IAFC has long been concerned over the problem of fires resulting from a carelessly discarded cigarette. I commend both organizations for taking a lead on the issue and lending their support to the effort to develop a cigarette that would not ignite furniture.

Each year thousands of people are killed, maimed, or permanently disfigured from fires caused by a discarded cigarette, according to a recent publication by the NFPA. In 1986, 231,200 cigarette-initiated fires resulted in 1,506 civilian deaths, 3,559 civilian injuries, and $402 million in property damage. The statistics are quite alarming. As a result I, along with Senator CRANSTON and Senator HEINZ introduced legislation which would direct the Consumer Product Safety Commission to promulgate fire safety standards.

I am delighted that the NFPA and the IAFC have demonstrated their full support for H.R. 293, the Fire Safe Cigarette Act of 1989 by wholeheartedly endorsing the bill. I would like to thank all members of both organizations, their dedication and hard work is truly appreciated.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BATES). Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has been concluded on all motions to suspend the rules.

□ 1240

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO FILE REPORT ON H.R. 1486, MARITIME ADMINISTRATION AUTHORIZATION, FISCAL YEAR 1990

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries have until 5 p.m. today, April 25, 1989, to file the report on H.R. 1486, the fiscal year 1990 Maritime Administration authorization, as amended.

The SPEAKER pro tempore (Mr. BATES). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

FEDERAL MARITIME COMMISSION AUTHORIZATION, 1990

Mr. JONES of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 840) to authorize appropriations for fiscal year 1990 for the Federal Maritime Commission, as amended.

The Clerk read as follows:

H.R. 840

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. In fiscal year 1990, $16,350,000 is authorized to be appropriated for the use of the Federal Maritime Commission.

SEC. 2. (a) The Federal Maritime Commission shall require that complete and updated electronic copies of the Automated Tariff Filing and Information data base are made available (in bulk) in a timely and nondiscriminatory fashion, and the Commission shall assess reasonable fees for this service consistent with Section 552 of Title 5, United States Code.

(b) The Commission shall impose reasonable controls on the system to limit access usage by any one person.

(c) The Commission shall provide that any information from the Automated Tariff Filing and Information System that is made available to the public may be used, resold, or disseminated by any person without restriction and without payment of additional fees or royalties.

SEC. 3. The first paragraph of section 2 of the Intercoastal Shipping Act, 1933 (46 App. U.S.C. 844) is amended—

(1) by inserting in the third sentence after "on board each vessel", the words "that carries passengers";

(2) by striking in the seventh sentence ", if filed as permitted by this section and framed under glass and posted in a conspicuous place on board each vessel where they may be seen by passengers and others at all times,"; and

(3) by striking in the seventh sentence "on board each vessel" the second time it appears.

The SPEAKER pro tempore. Is a second demanded?

Mr. LENT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. JONES] will be recognized for 20 minutes, and the gentleman from New York [Mr. LENT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. JONES].

Mr. JONES of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. JONES of North Carolina. Mr. Speaker, I rise in strong support of H.R. 840, as amended, a bill to authorize appropriations for the Federal Maritime Commission, and other purposes. The small amount that we are authorizing here will allow the Federal Maritime Commission, an independent agency, to carry out its regulatory responsibilities to enforce various shipping statutes affecting ocean commerce.

The Commission continued to work on establishing an automated tariff filing and information system to facilitate the receipt, retrieval, and publication of tariffs. A computerized system will provide a remote retrieval function which will permit the public to dial into the system—by modem—and obtain a particular carrier's rates on a requested commodity in a given trade.

H.R. 840 authorizes appropriations of $16,350,000 for the regulatory programs on the Federal Maritime Commission for fiscal year 1990. The bill is identical to the President's budget request.

The Merchant Maritime Subcommittee held a hearing on the bill on February 9, 1989, and it was reported unanimously out of full committee with an amendment by Representative SHUMWAY, and with an amendment I offered.

My amendment requires the Commission to:

First, make electronic copies of the data base—in bulk—available in a timely and nondiscriminatory fashion, and at a price related to the value of the service;

Second, impose reasonable controls on the system to limit remote access usage by any person; and

Third, provide that any information obtained from the automated system may be used, resold, or disseminated by any person without restriction or payment of additional fees or royalties.

Mr. SHUMWAY's amendment eliminated a meaningless and outdated requirement in the 1933 Intercoastal Shipping Act that bills of lading and contracts of affreightment be framed under glass aboard nonpassenger vessels.

Finally, let me commend Elaine Chao for her excellent work as Chairman of the Federal Maritime Commission. Her leadership has been outstanding, and it has been a pleasure for our committee to work with her. I wish her well in her new capacity as Deputy Secretary of Transportation.

With the President's designation of Jim Carey as Acting Chairman, the leadership of the FMC remains in hands with which we are most comfortable. It pleases me to congratulate Commissioner Carey on his appointment, with the knowledge that the spirit of cooperation between the FMC and the committee will continue.

Mr. Speaker, we have crafted a fair, bipartisan bill that deserves the support of the entire House of Representatives. The administration supports the funding levels in H.R. 840 and does not object to the proposed limits on the remote retrieval system. I urge the bill's passage.

Mr. LENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 840, the annual authorization bill for fiscal year 1990 for the Federal Maritime Commission [FMC].

The FMC is an independent regulatory agency whose primary function is to regulate the practices of international and domestic ocean common carriers. While it does not establish tariff rates in international transportation, it does enforce laws that prohibit discrimination and unfair pricing.

H.R. 840 authorizes $16,350,000 for the FMC—an increase of $2,765,000 over the appropriation for fiscal year 1989. The authorization for fiscal year 1990 is the same amount as requested by the President in his budget.

The Merchant Marine Subcommittee, of the Committee on Merchant Marine and Fisheries, held a hearing in early February on this authorization request. We received testimony from the Chairman of the FMC, the Honorable Elaine L. Chao, recently sworn in as Deputy Secretary of Transportation, as well as from representatives from the domestic shipping industry and other interested public witnesses.

The subcommittee had an extended discussion at the hearing on the FMC's proposed Automated Tariff Filing and Information System which has been under development for the last several years. This new system will put all of the tariff filing information currently required under the Shipping Act of 1984, as well as other statutes, into a single computerized operation. We received testimony from a vendor of private tariff information who expressed concern that the FMC's remote retrieval system might unfairly compete with his private services. The FMC is well aware of this concern and took steps in its proposal to minimize any unfair competition. Neither the FMC nor any of the Members of the Committee want to see the agency directly competing with private companies.

As a result of information obtained during the hearing, the committee modified H.R. 840 during the markup process and added a provision that clarifies the way in which the FMC will implement the remote retrieval aspect of the Automated Tariff Filing and Information System. All parties affected by this new computerized operation have agreed to the additional language and I believe this bill addresses the concerns of the private vendor and meets the needs of the FMC to develop a workable automated system.

In addition, when the bill was approved by our committee, we added another minor amendment offered by the gentleman from California (Mr. SHUMWAY) that eliminated an outdated requirement that merchant vessel owners post their bills of lading under a glass in a conspicuous place aboard their vessel. Due to modern methods of handling cargo, this requirement is no longer needed, and, in fact, is meaningless because individuals are no longer permitted to walk through the container handling areas in order to climb aboard a vessel to look at the bill of lading. These documents are maintained in the corporate offices of the shipping companies and are, of course, available for public review at those locations.

Mr. Speaker, I believe the Merchant Marine and Fisheries Committee has crafted a good piece of legislation that will fund the programs of the Federal Maritime Commission and enable it to implement its statutory requirements. I urge my colleagues to join with the Members of our committee and approve this legislation.

Mr. DAVIS. Mr. Speaker, I want to express my appreciation to Chairman JONES for the excellent job he has done in moving this bill to the floor so early in the session.

With respect to the budget request, the largest single item of increase is for the funding of the Automated Tariff Filing and Information System. While this started out as a con-

troversial issue, I am confident that with the amendment offered at the full committee, which was supported by the Federal Maritime Commission, we have resolved the problems presented to us by the private sector. Our goal is to assure that we do not have a Federal agency competing with the private sector to provide a particular service—a service which the private sector is fully capable of performing. Elaine Chao, Chairman of the FMC at the time of the hearing and now Deputy Secretary of Transportation, assures us of support for the approach we have taken.

With this issue resolved, I am hopeful the FMC can move to implement this automation project without further delay.

Mr. JONES of North Carolina. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LENT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WEISS). The question is on the motion offered by the gentleman from North Carolina [Mr. JONES] that the House suspend the rules and pass the bill, H.R. 840, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to authorize appropriations for fiscal year 1990 for the Federal Maritime Commission, and for other purposes".

A motion to reconsider was laid on the table.

□ 1250

GENERAL LEAVE

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 840, the bill just passed.

The SPEAKER pro tempore (Mr. WEISS). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION MARINE FISHERIES PROGRAM ACT AUTHORIZATION THROUGH FISCAL YEAR 1992

Mr. STUDDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1223) to authorize appropriations to carry out the National Oceanic and Atmospheric Administration Marine Fisheries Program Act through fiscal year 1992.

The Clerk read as follows:

H.R. 1223

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National Oceanic and Atmospheric Administration Marine Fisheries Program Act (Public Law 98-210; 97 Stat. 1409) is amended—

(1) in section 2(a) by striking "$26,500,000" and all that follows through "fiscal year 1988, and" and by inserting "and $30,000,000 for each of the fiscal years 1990, 1991, and 1992" immediately after "1989";

(2) in section 3(a) by striking "$35,000,000" and all that follows through "fiscal year 1988, and" and by inserting "and $30,000,000 for each of the fiscal years 1990, 1991, and 1992" immediately after "1989"; and

(3) in section 4(a) by striking "$10,000,000" and all that follows through "fiscal year 1988, and" and by inserting "and $15,000,000 for each of the fiscal years 1990, 1991, and 1992" immediately after "1989".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Massachusetts [Mr. STUDDS] will be recognized for 20 minutes, and the gentleman from Alaska [Mr. YOUNG] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1223 authorizes appropriations for the next 3 years for the National Marine Fisheries Service to carry out a broad array of not otherwise authorized programs related to fisheries research, enforcement, conservation, and management. The activities covered by the bill include the collection and scientific analysis of information needed for the management of sport and commercial fisheries and for the protection of marine mammals, endangered species, and their habitats.

The bill is, to my knowledge, without controversy. It is supported by commerical and recreational fishing organizations, the administration testified in support of the bill, and it was approved within our committee by unanimous voice vote. I urge my colleagues to support it.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1223 and urge its adoption. This bill is a simple authorization of those NOAA fisheries programs which are not authorized under the law. Passage of this legislation will enable the National Marine Fisheries Service to continue its excellent work in conserving and managing our nation's marine resources.

This bill was unanimously reported by both the subcommittee and the full committee and is supported by the administration. With this lack of opposition, I urge its speedy adoption.

Mr. JONES of North Carolina. Mr. Speaker, I rise today to urge my colleagues to support H.R. 1223, a bill to reauthorize the NOAA Marine Fisheries Program Act at current levels. H.R. 1223 reauthorizes a wide range of existing NOAA fisheries activities that deal with fisheries data and conservation. These activities are of great importance to the stewardship of our Nation's fishery resources and enjoyed unanimous bipartisan support within the Committee on Merchant Marine and Fisheries.

I urge my colleagues to support passage of H.R. 1223.

Mr. YOUNG of Alaska. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. STUDDS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. STUDDS] that the House suspend the rules and pass the bill, H.R. 1223.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

ANADROMOUS FISH CONSERVATION ACT AUTHORIZATION THROUGH FISCAL YEAR 1992

Mr. STUDDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1224) to authorize appropriations to carry out the Anadromous Fish Conservation Act through fiscal year 1992.

The Clerk read as follows:

H.R. 1224

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4(a) of the Anadromous Fish Conservation Act (16 U.S.C. 757d(a)) is amended—

(1) by striking paragraphs (1), (2), (3), (4), (5), and (6);

(2) by redesignating paragraph (7) as paragraph (1); and

(3) by adding at the end the following:

"(2) $8,000,000 for each of the fiscal years 1990, 1991, and 1992.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Massachusetts [Mr. STUDDS] will be recognized for 20 minutes, and the gentleman from Alaska [Mr. YOUNG] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1224 authorizes appropriations for the next 3 years to carry out the provisions of the Anadromous Fish Conservation Act of 1965.

For almost a quarter century, this act has helped to conserve and enhance our Nation's anadromous fishery resources, including salmon, striped bass, walleye, shad, sturgeon and steelhead trout. As I'm sure all Members know, anadromous species

are those that ascend rivers and streams for the purpose of creating more anadromous species. These fisheries are found in the waters of 32 coastal and Great Lakes States as well as in the Federal Exclusive Economic Zone.

In recent decades, most anadromous species have been heavily and adversely affected by human activities in and around coastal areas. Freshwater and estuarine habitats have been degraded. Physical barriers have been created that impede the ability of some species in some areas to complete their upstream journey to spawn.

H.R. 1224 authorizes funds to continue Federal-State cooperation in efforts to conduct research and fisheries enhancement projects for anadromous species. Funds are provided to States on a matching basis. The amount authorized to each of the next 3 years is $8,000,000, approximately the current level.

This legislation was strongly supported before our committee by representatives of the regional marine fisheries commissions and by representatives of the recreational and commercial fishing industries. The bill was reported from our committee by a unanimous vote and I urge Members to support it.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 1224, a bill to reauthorize the Anadromous Fish Conservation Act and urge its adoption.

Mr. Speaker, this bill provides an authorization for a State grant program that enables States to work cooperatively with the Federal Government in conserving and managing anadromous fisheries. Anadromous fish species can be found in most of our coastal States, including the Great Lakes States, and provide significant benefits to the commercial fishing industry and to recreational fishermen.

This bill was unanimously reported by both the subcommittee and the full committee and is supported by fisheries and resource management organizations throughout the country. I urge its adoption by the House.

Mr. JONES of North Carolina. Mr. Speaker, I rise today to urge my colleagues to support H.R. 1224, a bill to reauthorize the Anadromous Fish Conservation Act through fiscal year 1992.

This act has more than a 20-year record of valuable contribution to the management, conservation, and enhancement of the Nation's important resources of striped bass, salmon, shad, steelhead, and other migratory species of great economic and social importance.

I have long been convinced that this program makes a uniquely valuable contribution to our Nation's fisheries, and I urge my colleagues to support passage of this reauthorization.

Mr. CONTE. Mr. Speaker, I rise in support of H.R. 1224, a bill to authorize appropriations for the Anadromous Fish Conservation Act.

At the outset, I want to commend Chairman JONES, and subcommittee Chairman STUDDS, my colleague from Massachusetts, for their leadership in bringing this legislation to the floor early in the session. I also want to acknowledge the hard work and leadership of my colleagues on this side of the aisle, Congressman BOB DAVIS, the ranking member of the full committee and DON YOUNG, our leader on the Fish and Wildlife Subcommittee. It's always a pleasure to work with the leadership of the Merchant Marine Committee on conservation issues, especially those affecting fisheries.

Mr. Speaker, this bill authorizes $8 million for the anadromous fish conservation programs administered by the Fish and Wildlife Service and the National Marine Fisheries Service. These funds are used to finance cooperative agreements and grants to the States for the restoration, enhancement, and conservation of anadromous fishery resources. The program is designed to encourage interstate cooperation in the management of anadromous fish that migrate through and fall under the jurisdiction of two or more States.

One of the most ambitious multi-State programs is the restoration of Atlantic salmon to the Connecticut River. For 20 years, I have worked with Federal, State, and local agencies to piece together a regional effort to restore the mightly salmon to the Connecticut. Once abundant and plentiful, the salmon population was forced out of the river system in the last century by the Industrial Revolution. The river was dammed all along the main stem, and the water was polluted beyond recognition. In fact, in the early 1960's, the Connecticut was often called the most beautifully landscaped sewer in the Nation.

Today, however, things have changed. The water is cleaned. The fish passage is opened for hundreds of miles up stream, and stocking efforts are underway. It's a major environmental rebirth for New England.

Although this program is a massive undertaking by the Federal Government, the Anadromous Fish Grant Program allows States and other entities to supplement this and similar efforts on a smaller scale. It's a great bang for the Federal buck. Between one-third and 10 percent of the project costs are shared with the States.

Mr. Speaker, this is a cost-effective program with enormous environmental benefits. I join with my colleagues in supporting this reauthorization, and I hope that they will assist me in securing adequate funding for the program when the fiscal year 1990 appropriations process begins.

Mr. DAVIS. Mr. Speaker, as our chairman has mentioned, H.R. 1224 would reauthorize the Anadromous Fish Conservation Act, which was first passed by Congress in 1965. In the ensuing 23 years, over $50 million has been provided to coastal and Great Lakes States to support projects on anadromous species. These Federal funds, matched by funds from States and other non-Federal entities, have been directed largely at resources experiencing the most severe problems. In the Great Lakes, lake sturgeon have been reestablished along with spawning runs of steelhead trout. In Michigan, these funds have been used to enhance fish passage facilities to allow salmon upstream migration.

Mr. Speaker, I support reauthorizing this act. It has stimulated State activity, increased interstate cooperation, and has shown significant accomplishments with our anadromous fishery resources.

Thank you, Mr. Speaker.

Mr. HERGER. Mr. Speaker, twenty-four years ago Congress enacted the first Anadromous Fish Conservation Act as an effort to combat the serious fishery problems facing our Nation at the time.

In spite of the program's success, many areas of the country, including my district in northern California, still confront serious challenges to the natural habitat of our valuable fisheries resources. The winter run of the Chinook Salmon in the Sacramento River is on the verge of being listed as an endangered species, which could seriously damage not only our fishing industry, but our recreational sportfishing community.

Most importantly, however, it points to the need that we have to continue to ensure that our rivers, lakes, and streams, are managed to the best of our ability. This legislation would do just that. Its stated purpose is to manage, conserve, and enhance the Nation's Anadromous fishery resources, helping endangered species recover, and keeping healthy populations viable.

The bill is a needed tool in our effort to protect our fisheries, and I urge my colleagues to support it this afternoon.

Mr. STUDDS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. STUDDS] that the House suspend the rules and pass the bill, H.R. 1224.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

INTERJURISDICTIONAL FISHERIES ACT AUTHORIZATION THROUGH FISCAL YEAR 1992

Mr. STUDDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1225) to authorize appropriations to carry out the Interjurisdictional Fisheries Act of 1986 through fiscal year 1992, as amended.

The Clerk read as follows:

H.R. 1225

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CLARIFICATION OF APPORTIONMENT LIMITATION.

Section 304(c)(3)(B) of the Interjurisdictional Fisheries Act of 1986 (16 U.S.C 4103(c)(3)(B)), hereinafter in this Act referred to as the "Act", is amended by inserting "which are managed under an interstate fishery management plan" after "fishery resources".

SEC. 2. FEDERAL SHARE OF ACTIVITIES CARRIED OUT WITH ADDITIONAL APPROPRIATIONS.

Section 308(b) of the Act (16 U.S.C. 4107(b)) is amended—

(1) in paragraph (1) by striking "; and" and inserting a semicolon;

(2) in paragraph (2) by striking the period at the end and inserting "; and"; and

(3) by inserting after paragraph (2) the following:

"(3) the Federal share of the cost of any activity carried out with an amount appropriated under the authority of this subsection shall be 75 percent of the cost of that activity.".

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

Section 308 of the Act (16 U.S.C. 4107) is amended—

(1) in subsection (a) by striking "fiscal years 1987, 1988, and 1989." and inserting "the fiscal years 1989, 1990, 1991, and 1992.";

(2) in subsection (b) by striking "fiscal years 1988 and 1989," and inserting "the fiscal years 1989, 1990, 1991, and 1992,"; and

(3) in subsection (c) by striking "fiscal years 1988 and 1989" and inserting "the fiscal years 1989, 1990, 1991, and 1992".

The SPEAKER pro tempore. Is a second demanded?

Mr. YOUNG of Alaska. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. STUDDS] will be recognized for 20 minutes, and the gentleman from Alaska [Mr. YOUNG] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1225 authorizes appropriations to implement the Interjurisdictional Fisheries Act for the next 3 years.

This act was originally approved in 1986 to insure the protection of the Federal interest in interjurisdictional fishery resources. These resources include nearshore fisheries which occur both in State and Federal waters; fisheries that migrate within the waters of the various Great Lakes States; and fisheries for which an interstate management plan exists.

The purpose of the program is to encourage the effective conservation and management of species for which that is impossible without cooperation among States, or between the States and the Federal Government. The program provides grants to carry out interstate agreements and to conduct research necessary for the management of interjurisdictional fisheries. It also provides funds for the three regional fisheries commissions on the Atlantic, gulf, and Pacific coasts.

Finally, the act authorizes a small amount of money to help States respond to marine resource emergencies. Under H.R. 1225, these funds would be provided on a matching basis.

H.R. 1225 is strongly supported by the Representatives of coastal States, and by the commercial and recreational fishing industries. It was reported unanimously by our committee and I urge my colleagues to support it.

Mr. Speaker, may I take this time to congratulate the gentleman from Alaska [Mr. YOUNG] for his extraordinary contribution to this debate.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1225, a bill to reauthorize the Interjurisdictional Fisheries Act and urge its adoption by the House.

Mr. Speaker, this bill authorizes grants to States and interstate fisheries commissions to conserve and manage stocks of fish which are present in both State and Federal waters. Grants made under this program have been highly successful in managing a number of fisheries on both the east and west coasts. Preservation of the program is especially important now that we are concerned over the long-term effects of the recent Prince William Sound oil spill on fish stocks on the west coast. Programs such as this will help provide the scientific data we need to ensure that those fisheries can continue to operate.

Mr. Speaker, this is a noncontroversial bill which was supported by both the subcommittee and the full committee and I believe it should be passed.

Mr. JONES of North Carolina. Mr. Speaker, I rise today to urge my colleagues to support H.R. 1225, a bill to reauthorize the Interjurisdictional Fisheries Act of 1986. This act provides a major underpinning of national fishery conservation and management through cooperative State and Federal research and statistics programs. I am aware of very few programs that enjoy such widespread support from the States and management bodies. This support was reflected in the unanimous bipartisan support for H.R. 1225 in the Committee on Merchant Marine and Fisheries.

I urge my colleagues to support this important bill.

Mr. STUDDS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. STUDDS] that the House suspend the rules and pass the bill, H.R. 1225, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to authorize appropriations to carry out the Interjurisdictional Fisheries Act of 1986 through fiscal year 1992, and for other purposes."

A motion to reconsider was laid on the table.

PANAMA CANAL COMMISSION AUTHORIZATION ACT, FISCAL YEAR 1990

Mr. DYSON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1763) to authorize expenditures for fiscal year 1990 for the operation and maintenance of the Panama Canal, and for other purposes.

The Clerk read as follows:

H.R. 1763

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Panama Canal Commission Authorization Act, Fiscal Year 1990."

SEC. 2. AUTHORIZATION OF EXPENDITURES.

(a) IN GENERAL.—The Panama Canal Commission is authorized to make such expenditures within the limits of funds and borrowing authority available to it and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations as may be necessary under the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) for the operation, maintenance, and improvement of the Panama Canal for fiscal year 1990, except that not more than $52,000 for fiscal year 1990 may be made available for official reception and representation expenses, of which—

(1) not more than $12,000 may be made available for such expenses of the supervisory board of the Commission,

(2) not more than $6,000 may be made available for such expenses of the Secretary of the Commission, and

(3) not more than $34,000 may be made available for such expenses of the Administrator of the Commission.

(b) PURCHASE OF PASSENGER MOTOR VEHICLES.—Funds available to the Panama Canal Commission for obligations shall be available for the purchase of passenger motor vehicles (including large heavy-duty vehicles) used to transport Commission personnel across the Isthmus of Panama, which may be purchased without regard to price limitations set forth in applicable regulations of any department or agency of the United States or by other law.

SEC. 3. REPORTING REQUIREMENTS.

The Panama Canal Commission shall provide written advance notification to the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Armed Services of the Senate regarding—

(1) any proposed change in the rates of tolls for use of the Panama Canal;

(2) any payment estimated to be due Panama under paragraph 4(c) of Article XIII of the Panama Canal Treaty of 1977, as provided by section 1341(a) of the Panama Canal Act of 1979 (22 U.S.C. 3751(a)); and

(3) the initiation of any major capital acquisition or construction project exceeding $10,000,000, which was not specified in the budget estimates submitted to the Congress for the fiscal year in which the project will commence.

SEC. 4. GENERAL PROVISIONS.

(a) PAY INCREASES.—Funds for the Panama Canal Commission may be apportioned notwithstanding section 1341 of title 31, United States Code, to the extent necessary to permit payment of such pay increases for officers or employees as may be authorized by administrative action pursuant to law which are not in excess of statutory increases granted for the same period in corresponding rates of compensation for other employees of the Government in comparable positions.

(b) EXPENSES IN ACCORDANCE WITH LAW.—None of the funds authorized in this Act for the Panama Canal Commission may be expended unless in conformance with the Panama Canal Treaties of 1977 and any law implementing those treaties.

SEC. 5. EFFECTIVE DATE.

This Act is effective on October 1, 1989.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Maryland [Mr. DYSON] will be recognized for 20 minutes, and the gentlewoman from Maryland [Mrs. BENTLEY] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Maryland [Mr. DYSON].

Mr. DYSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1763 provides a single year authorization for the Panama Canal Commission. Under this authority, the Commission is allowed to spend revenues from the canal's revolving fund for the purpose of maintaining and operating the Panama Canal.

The Canal Commission anticipates collecting $486 million in tolls and related fees in fiscal year 1990. During this same year, the Canal Commission will expend $481 million on operations, administration, and improvements. The remaining $5 million will be used to recover losses accrued over the past 2 years.

The reauthorization runs for a single year. It carries no budgetary impact on the Treasury and makes no changes in Canal Commission policies. It is being cosponsored by all members of the subcommittee and has the support of the Canal Commission and the administration.

Mr. Speaker, I want to take a moment to point out that the Subcommittee on the Panama Canal has serious concerns about the ability of the Canal Commission to continue operations given the deteriorating conditions in Panama. I know that other Members of this House share these concerns, and I will take only a minute to address them here today.

U.S. nationals working for the Commission, and their dependents, have been subjected to an often brutal campaign of harassment and intimidation launched by General Noriega as retaliation against U.S. economic sanctions. These were imposed last year, in part at the request of the legitimate Government of Panama and in part as a consequence of General Noriega's indictment on drug trafficking and money laundering charges.

In addition to the campaign of personal assaults and intimidation, General Noriega has initiated legal action against all Panamanian employees who are delinquent in their taxes.

He knows full well that every Panamanian employee of the Canal Commission is tax delinquent and has been for the past year. This too is a blunt effort to coerce the United States into dropping the economic sanctions.

The tax issue is particularly troublesome. Under the sanctions, the Canal Commission is prohibited from turning over to Panama the taxes it withholds from the earnings of its Panamanian employees. Even though the employees may be making their own individual tax payments to Panama, the Canal Commission can't turn over the "employer's share" of those taxes, nor that portion that reflects the employee's withholding. That makes every Panamanian employee of the Commission tax delinquent, and puts them at the direct mercy of General Noriega.

I have given my assurance to the members of the Panama Canal/OCS Subcommittee that we would begin to investigate this issue and develop an appropriate response at the earliest opportunity. It may be that the Commission will require new authority in order to cope with the situation. That remains to be seen.

What is certain is that the Commission must be authorized to collect tolls and spend revenue for the canal's operations and maintenance, and this is accomplished by H.R. 1763.

Before reclaiming the balance of my time, Mr. Speaker, I would like to take a minute more to say a few words about William Gianelli, the Chairman of the canal's Board of Directors. Bill Gianelli has held this post for the past 8 years, first in tandem with his position as Assistant Secretary of the Army for Civil Works, and on a full-time basis for the past 4 years.

Bill Gianelli is a truly dedicated public servant. He has managed the near impossible feat of keeping the canal running despite Noriega's harassment. He has done a remarkable job of keeping the canal out of Panama's domestic political turmoil. He has worked valiantly to minimize the canal's role in United States-Panamanian bilateral relations. And during this entire affair, he has had to respond to the difficulties his work force faces and reassure the international shipping community that the canal would always be open and running.

Bill Gianelli submitted his resignation earlier this month and will relinquish his position as Chairman of the Canal Commission on May 1, his absence from the Canal Commission will be sorely felt. His leadership is well known and widely respected. I had looked forward to working through this difficult period in the canal's history with Chairman Gianelli. In the coming months I will see to it that Bill has the chance to share his insights and experience with the subcommittee as we continue to deal with the changing situation in Panama.

□ 1300

Mr. Speaker, I reserve the balance of my time.

Mrs. BENTLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank Chairman JONES; ranking minority member, Mr. DAVIS, as well as Mr. DYSON, chairman of the Panama Canal-Outer Continental Shelf Subcommittee, and its ranking minority member, Mr. FIELDS, for their outstanding leadership in bringing H.R. 1763 to the floor today.

This bill authorizes the continued operation and maintenance of the Panama Canal for fiscal year 1990. The Panama Canal is a strategic waterway for the movement of U.S. and international cargo, in addition to its national defense importance.

Operations of that waterway have been placed under extreme stress during the past year due to the strained relations between our Government and the illegal government of Gen. Manuel Noriega.

I want to commend William Gianelli, the outgoing chairman of the Board of Directors of the Panama Canal Commission and Gen. Dennis McAuliffe, Administrator, Panama Canal Commission, and all of the men and women employed by the Commission—Americans and Panamanians—who have continued to maintain the canal and keep it functioning efficiently, while having to endure extreme hardships at the hands of General Noriega.

We have heard that there are some quarters who would like to have the Panama Canal Treaty abrogated, and in his statement, the ranking minority member, the gentleman from Texas [Mr. FIELDS], says that he does not agree with this approach. Mr. Speaker, I want the RECORD to show that I am one of those who feels strongly that turning the canal over to Panama in view of what is happening in that country today is the wrong thing to do, and we should take it back.

Mr. Speaker, H.R. 1763 is a very important piece of authorizing legislation, and I strongly urge my colleagues to support it.

Mr. Speaker, I yield 7 minutes to the gentleman from Indiana [Mr. BURTON], who has some questions on the Panama Canal.

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentlewoman from Maryland for yielding time to me, and would like to echo her comments and her sentiments about control of the Panama Canal. Many of my colleagues who have been down there are concerned that our interests in that part of the world will not be well served if General Noriega and his ilk takes over the canal in 1999.

Toward that end, I would like to suggest that my colleagues look at legislation which is jointly sponsored by myself and the gentleman from Illinois [Mr. CRANE], which would regain control of the canal and keep control of it, at least militarily, in perpetuity because of the risk involved down there.

I would like to ask the gentleman from Maryland [Mr. DYSON], chairman of the subcommittee, a couple of questions, if I might.

On page 2 of the legislation at line 17 it says:

(b) PURCHASE OF PASSENGER MOTOR VEHICLES.—Funds available to the Panama Canal Commission for obligations shall be available for the purchase of passenger motor vehicles (including large heavy-duty vehicles) used to transport Commission personnel across the Isthmus of Panama, which may be purchased without regard to price limitations set forth in applicable regulations of any department or agency of the United States or by other law.

Why is there no price limitation, and why is it circumventing other U.S. law? Is there some reason, that there is an extraordinarily high price to be paid for this kind of use?

Mr. DYSON. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Maryland.

Mr. DYSON. Mr. Speaker, this language is required so that the Canal Commission can purchase larger types of vehicles equipped to transport pilots through the Canal Zone.

Mr. BURTON of Indiana. I understand that, but it says it will be without regard to price limitations. So there are no parameters set forth whatsoever on the price of these vehicles. That is kind of unusual, I think, and I was just wondering if there was a reason.

Mr. DYSON. This is traditional language that the administration has always asked for.

Mr. BURTON of Indiana. This is language that administrations have asked for?

Mr. DYSON. The gentleman is correct.

Mr. BURTON of Indiana. If the staff would do me a favor, I would like for them to find out from the administration why they are not giving us parameters on these things. I would like to know for my own personal information.

Mr. DYSON. Both the administration and also the Congress have accepted this language in past years as a traditional way of enabling the Commission to purchase transport vehicles.

Mr. BURTON of Indiana. I understand, but when we are talking about budget constraints and trying to reduce the deficit, when we have open-ended costs, it concerns me when there is no price limitation set forth and that this kind of circumvents other laws that we have. It concerns me.

Mr. DYSON. If the gentleman will yield further, as he knows, there are not appropriated funds. Perhaps the reason why the administration has requested this language is because the Canal Commission would be spending only its own toll revenue income for the purchase of these vehicles.

Mr. BURTON of Indiana. These funds are appropriated by our Government to run the Panama Canal.

Mr. DYSON. No. These funds come exclusively from toll receipts or other user fees. These funds are not appropriated.

Mr. BURTON of Indiana. These funds come from toll receipts?

Mr. DYSON. The gentleman is correct. This has no budgetary impact on our budget.

Mr. BURTON of Indiana. So these trucks are purchased with toll receipts from the canal?

Mr. DYSON. Exactly.

Mrs. BENTLEY. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentlewoman from Maryland.

Mrs. BENTLEY. Mr. Speaker, I also understand that there are certain GSA and Department of Transportation regulations that have to be followed in the purchase of these vehicles.

Mr. BURTON of Indiana. The next question I have is on page 3, line 2, where it says:

The Panama Canal Commission shall provide written advance notification to the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Armed Services of the Senate regarding—

Then going down to section 3 it says:

(3) the initiation of any major capital acquisition or construction project exceeding $10,000,000, which was not specified in the budget estimates submitted to the Congress for the fiscal year in which the project will commence.

I do not understand that. What if the project is $9.5 million?

Mr. DYSON. If the gentleman will yield, that still is not from appropriated money that we are talking about. We are still talking about revenues that the Commission generates through the operation of the canal.

Mr. BURTON of Indiana. I understand the gentleman is saying we should not be concerned about that, but this country appropriates an awful lot of money to the Panama Canal in addition to the tolls they get. It seems to me if we have open-ended legislation, and it is being paid for by the tolls, maybe we could reduce the amounts of money we are spending down there for other purposes if those tolls can be utilized in a more favorable way.

□ 1310

Mr. DYSON. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Maryland.

Mr. DYSON. I thank the gentleman for yielding.

Mr. Speaker, no taxpayers' funding goes into the canal or the Commission's capital budget. What we are doing here, and what has been traditional, is we are asking to require the Canal Commission to notify the Congress before initiating any capital improvement that costs more than $10 million.

Mr. BURTON of Indiana. But it is only about $10 million. I cannot envision a project being higher than $10 million down there without review. That kind of surprises me since we have control over the canal until 1999.

Mrs. BENTLEY. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentlewoman from Maryland.

Mrs. BENTLEY. I thank the gentleman for yielding.

Mr. Speaker, on that $10 million I have been informed that up to last year there was no cap at all. The $10 million was inserted last year as a cap on the amount that could be spent on capital expenditures without approval.

Mr. BURTON of Indiana. Without approval.

Mrs. BENTLEY. Without approval. Prior to that there was no cap at all.

Mr. BURTON of Indiana. I understand but it does concern me that there is no approval process.

The last question I have is on section 4 where it says:

(a) Funds for the Panama Canal Commission may be apportioned notwithstanding section 1341 of title 31, United States Code, to the extent necessary to permit payment of such pay increases for officers or employees as may be authorized by administrative action pursuant to law which are not in excess of statutory increases granted for the same period in corresponding rates of compensation for other employees of the Government in comparable positions.

Does that mean that they are going to allow them to give pay increases? What does this mean, "notwithstand-

ing section 1341 of title 31, United States Code"?

Mr. DYSON. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Maryland.

Mr. DYSON. I thank the gentleman for yielding.

Mr. Speaker, that still has to be approved. Again that language is pretty standard language that we have here in the bill.

Mr. BURTON of Indiana. It says "notwithstanding." There must be some exclusion in section 1341 of title 31. I did not get a chance to read it. This money can be spent notwithstanding that section. I just wondered why there was an exclusion.

Mr. DYSON. Section 1341 sets guidelines for overall compensation. If there is any change in Commission salaries, section 4 will guide how that comes about.

Mr. DAVIS. Mr. Speaker, I support H.R. 1763, the Panama Canal Commission authorization for fiscal year 1990. This legislation authorizes expenditues for the smooth and continued operation of the Panama Canal.

As I am sure Members know, the Panama Canal Commission is an agency of the U.S. Government. The Commission has had a difficult mission in Panama in the last 2 years. Conditions for the operation of any business in the Republic of Panama have been made more difficult by the Panamanian Government and the internal strife within the country. Conditions for the operations of the canal have been even more difficult. The unrest which began almost 2 years ago continues today, and the conditions in Panama have made travel hazardous for employees who must travel across Panama to get to work. This continuing unrest has caused many American employees of the Commission to leave or consider leaving Panama.

Despite the hardships that the employees have endured, the Commission has maintained a high degree of professionalism and has kept the canal running smoothly and efficiently. The Commission deserves our high regard for their dedication to their mission even in the worst of times.

The legislation we are considering would authorize the continued operation of the canal through fiscal year 1990. It is important that we send the world's shippers and the government of the Republic of Panama the clear message that the United States Congress supports the continued business-like operation of the canal despite the internal problems that continue in Panama.

Mr. Speaker, the Merchant Marine and Fisheries Committee will continue to keep an eye on the situation in Panama and its effects on the Panama Canal. The upcoming elections in Panama may or may not change the outlook for the future of the smooth operations of the canal; however, this legislation is vital to the continued operation of the canal and should not be viewed by Members as a chance to send a message to Panama. The only message sent by defeating this legislation would be that Congress does not want the canal to be operated in a professional business-like manner or to remain open to the world's shippers.

Mr. Speaker, I support this legislation and urge my colleagues to join me in support of the Panama Canal Commission and their mission in Panama.

Mr. FIELDS. Mr. Speaker, as a cosponsor of H.R. 1763, I rise in strong support of this legislation and compliment our subcommittee chairman, Mr. DYSON, for his leadership in moving this authorization bill in such an expeditious fashion.

H.R. 1763 is a simple, straightforward, noncontroversial authorization bill which will allow the Panama Canal Commission to spend its own self-generated revenues to operate the canal during the next fiscal year.

While the bill does provide a number of category limitations for such things as the Supervisory Board, the Secretary of the Commission, and the Administrator, H.R. 1763 does provide the Commission with sufficient flexibility to meet its financial needs. The bill does not, however, make any permanent changes in U.S. law.

As my colleagues well know, the Panama Canal Commission is a unique Federal agency which is required to pay its own way and is prohibited from making a profit. In addition, the Panama Canal Act of 1979 (P.L. 96–70) is a law that requires that Canal tolls and other revenues cover all operating and capital expenses of the Commission.

During the past 10 years, the Commission has done an outstanding job of complying with both the letter and spirit of that law. This legislation is a continuation of that extraordinary record and, like prior year authorization bills, this one allocates no U.S. taxpayer money.

While I know there are Members of this body who would like to renegotiate some, if not all, of the Panama Canal treaties of 1977, this authorization bill is not the proper vehicle for that debate.

I am, however, confident that our subcommittee will be holding a series of oversight hearings on the problems facing the canal and its work force caused by the prolonged political crisis in the Republic of Panama.

I am sure any interested Member will be given an opportunity to articulate their views on the canal, the Panama Canal treaties, and the Panama Canal Act of 1979.

I would hope, however, that we would approve this legislation which I view as a simple housekeeping measure and that we would resist the temptation of sending a message to General Noriega. I can assure you there will be plenty of future opportunities to send such a message.

As Chairman DYSON has indicated, this bill was the subject of an extensive hearing on Thursday, March 16, and it was approved without dissent by both the subcommittee and the full Merchant Marine and Fisheries Committee. It is an essential bill which should be overwhelmingly adopted.

Mr. Speaker, before concluding, I would like to pay tribute to the Chairman of the Board of the Panama Canal Commission, Bill Gianelli, and the Administrator of that agency, Phil McAuliffe.

Despite constant threats and harassment from the illegal Noriega regime, they have succeeded in keeping the canal operating safely and efficiently. The American people and the world shipping community owe them and the more than 8,500 employees of the Panama Canal Commission—who have my great admiration—a tremendous debt of gratitude.

While regrettably Bill Gianelli is resigning as Chairman of the Board of the Commission at the end of this month, he will leave a legacy of accomplishments. During his 8 years as Chairman, Bill Gianelli has not only worked tirelessly to ensure that the Canal remains one of the world's most efficient waterways but he has been instrumental in improving the operation of the Panama Canal. For instance, the Congress has enacted, with Bill Gianelli's strong leadership, a fundamental change in the financial structure of the Panama Canal Commission. As a result of this change from an appropriated fund agency to that of a revolving fund account, the Commission simplified its accounting procedures and is now able to respond more quickly to changing business and shipping conditions. By so doing, this change has also helped to prevent the payment of millions of dollars to the illegal government of General Noriega.

In addition, during Bill Gianelli's stewardship, the Congress improved the Commission's vessel accident claim procedures, established a fund to compensate injured PCC workers in the post-2000 era, and we reformed the interest payment provisions in Public Law 96–70 so that the taxpayers of this Nation now receive a more equitable return on our original investment in the Panama Canal.

Mr. Speaker, Bill Gianelli has been a superb Chairman. He will be solely missed by all of us who have been privileged to work with him during the past 8 years.

Finally, Mr. Chairman, I am hopeful that with the enactment of this bill, we can begin to work with the Bush administration in an effort to improve the quality of life for both American and Panamanian employees of the Panama Canal Commission.

In my judgment, these employees are being held hostage in a dangerous and escalating game of tensions between the United States and General Noriega.

It is time for our Government to resolve the issue of employee tax payments, educational fees, automobile registration, and a host of other matters which have caused such concern for thousands of PCC employees and their families.

Mr. Speaker, there is much to be done but we must start this process by overwhelmingly approving this legislation. I urge by colleagues to vote aye on H.R. 1763.

Mrs. BENTLEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. DYSON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WEISS). The question is on the motion offered by the gentleman from Maryland [Mr. DYSON] that the House suspend the rules and pass the bill, H.R. 1763.

The question was taken; and (two-thirds having voted in favor thereof)

the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DYSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1763, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

CELEBRATING BICENTENNIAL OF INAUGURATION OF GEORGE WASHINGTON, FIRST PRESIDENT OF THE UNITED STATES

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 92) to invite the houses of worship of this Nation to celebrate the bicentennial of the inauguration of George Washington, the first President of the United States, by ringing bells at 12 noon on Sunday, April 30, 1989, and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The Speaker pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I do not object but I ask the gentleman from Ohio if he would be kind enough to explain his measure.

Mr. SAWYER. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Ohio.

Mr. SAWYER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the spokesman on behalf of this measure, the distinguished majority leader, is approaching the microphone at this point.

Mr. GILMAN. Mr. Speaker, I yield to the distinguished majority leader.

(By unanimous consent Mr. FOLEY was allowed to speak out of order.)

HOUR OF MEETING ON TOMORROW

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 a.m. on Wednesday, April 26, 1989.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE A PRIVILEGED REPORT PROVIDING FOR CONSIDERATION OF H.R. 2072, DIRE EMERGENCY SUPPLEMENTAL APPROPRIATION BILL

Mr. FOLEY. Mr. Speaker, after consultation with the Republican leadership, I ask unanimous consent that the Committee on Rules have until midnight tonight to file a privileged report providing for the consideration of H.R. 2072, dire emergency supplemental appropriation bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. WALKER. Mr. Speaker, reserving the right to object, I shall not object, but as I understand, the rule that would be filed would allow for an hour of debate on the supplemental appropriation, an hour on both amendments, one being offered by Mr. CONTE and one being offered by the distinguished majority leader, and that normal motions to strike are regularly in order under the appropriations procedures and would be permitted under this rule; is that the procedure?

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the distinguished majority leader.

Mr. FOLEY. I thank the gentleman for yielding.

Mr. Speaker, the gentleman is correct.

Mr. WALKER. This is essentially the rule that will be filed later on today?

Mr. FOLEY. The gentleman is correct.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. FOLEY. I thank the gentleman for yielding.

Mr. Speaker, I also take this time to thank the gentleman from Ohio for yielding and to applaud the committee for bringing this matter to the attention of the House in an expedited way.

We are undertaking an important recognition of the bicentennial of the Presidency of the United States, and the prompt and expeditious action of the committee is, I know, a matter that will be approved by the House and have the gratitude of the House to the committee on both sides.

This is an important year in our country's history, not only because of the bicentennial of the Congress of the United States but because of the bicentennial of the Presidency.

As as been explained here, the date of April 30 is particularly important because it will signal that national recognition.

So, again, Mr. Speaker, I fully support this resolution and I applaud the committee for bringing it to the attention of the House.

Mr. GILMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 92

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) the houses of worship of this Nation are invited to celebrate the 200th anniversary of the inauguration of George Washington as the first President of the United States,

(2) such houses of worship are requested to ring bells at 12 noon (12 o'clock antemeridiem eastern daylight saving time) on Sunday, April 30, 1989, the date of such anniversary, and to continue, as a tribute to the first President of this Nation, such simultaneous ringing of bells for two full minutes, and

(3) the President is authorized and requested to issue a proclamation acknowledging such celebration.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JEWISH HERITAGE WEEK

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 25) to designate the week of May 7, 1989, through May 14, 1989, as "Jewish Heritage Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I do not object, but I rise in strong support of the measure pending before us. House Joint Resolution 136, designating May 7-14, 1989, as "Jewish Heritage Week," is the annual commemoration by Congress of a number of events of major significance to the Jewish community.

As our colleagues may know, the months of April, May, and June contain among them, passover, the Jewish holiday of redemption from Slavery in Egypt, the anniversary of the Warsaw ghetto uprising, Holocaust Memorial Day, and Jerusalem Day. Also, this year on May 10, the State of Israel will celebrate the 41st anniversary of its independence.

I am pleased to once again sponsor this legislation, which has been spearheaded each year by the Jewish Community Relations Council of New York City. And I am most pleased at the

outpouring of cosponsorship by our colleagues.

House Joint Resolution 136 requests the president to issue a proclamation calling upon the people of the United States, State and local government agencies, and interested organizations to observe the week with appropriate ceremonies, activities, and programs. Mr. Speaker, accordingly, I urge prompt adoption of the pending legislation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. WEISS). Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 25

Whereas May 10, 1989, marks the forty-first anniversary of the founding of the State of Israel;

Whereas the months of April, May, and June contain events of major significance in the Jewish calendar—Passover, the anniversary of the Warsaw Ghetto Uprising, Holocaust Memorial Day, and Jerusalem Day;

Whereas the Congress recognizes that an understanding of the heritage of all American ethnic groups contributes to the unity of our country; and

Whereas intergroup understanding can be further fostered through an appreciation of the culture, history and traditions of the Jewish community and the contributions of Jews to our country and society: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of May 7, 1989, through May 14, 1989, is designated as "Jewish Heritage Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States, State and local government agencies, and interested organizations to observe the week with appropriate ceremonies, activities and programs.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAW DAY U.S.A.

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 52) to express gratitude for law enforcement personnel and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I commend the gentleman from South Carolina [Mr. DERRICK] for sponsoring this resolution and for his concern that all Americans are reminded of the importance of respect for the law.

Mr. Speaker, our Nation is based upon a foundation of law. Our Founding Fathers were wise students of politics and history. They knew that since the beginning of recorded time, society broke down when rule was put into the hands of individuals instead of upon a codified system of laws.

Accordingly, our Republic is one in which the laws themselves are supreme. No elected or appointed public official can ever circumvent or preclude the written law of the land.

On Law Day, we especially honor those brave men and women who, throughout the years, ascertain that our laws are enforced. It is a sad but true fact that many Americans do not truly appreciate the sacrifices made by our law enforcement officials. Do we really appreciate the fact that our law enforcement officials—policemen, policewomen, sheriffs, constables, security guards, and others—place their lives on the line every day, so that we can remain a society of laws?

Do Americans recognize that a law enforcement official is killed in the line of duty somewhere in our Nation on an average of once every 57 hours?

Mr. Speaker, I submit that this staggering statistic is evidence that our society is in a state of war with the criminal elements.

Therefore, it is all the more fitting that we adopt this resolution declaring May 1, 1989, to be "Law Day U.S.A." It is imperative that the American people be reminded that only under a system of law and order can we maintain the level of justice we have enjoyed in the past, and only through such a system can we continue to aspire to the even more perfect society envisioned by our Founding Fathers.

Mr. SAWYER. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Ohio.

Mr. SAWYER. I thank the gentleman for yielding.

I know my distinguished colleague from New York was asking rhetorical questions about the appreciation that the Nation has for the policy and level, the kinds of sacrifice that law enforcement officers all over the United States are called upon to make day in and dry out, whether we ever actually have to have that sacrifice or not.

It is clear, that appreciation is one of the reasons that we as a nation set aside Law Day every year to encourage that kind of support for law enforcement and law observance across the United States. We respect that most special privilege of all that we enjoy as a nation, the rule of law under which we live. No privilege is held more dear. None is more fundamental to all of the rights that we hold as American citizens, and I am pleased to join in these comments today.

Mr. GILMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 52

Whereas the first day of May of each year has been designated as "Law Day U.S.A." and set aside as a special day to advance equality and justice under law, to encourage citizen support for law enforcement and law observance, and to foster respect for law and an understanding of the essential place of law in the life of every citizen of the United States;

Whereas each day police officers and other law enforcement personnel perform their duties unflinchingly and without hesitation;

Whereas each year tens of thousands of law enforcement personnel are injured or assaulted in the course of duty and many are killed;

Whereas law enforcement personnel are devoted to their jobs, are underpaid for their efforts, and are tireless in their work; and

Whereas law enforcement personnel perform their duties without adequate recognition; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in celebration of "Law Day, U.S.A.", May 1, 1989, the grateful people of this Nation give special emphasis to all law enforcement personnel of the United States, and acknowledge the unflinching and devoted service law enforcement personnel perform as such personnel help preserve domestic tranquillity and guarantee the legal rights of all individuals of this Nation.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL DRINKING WATER WEEK

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 60) to designate the period commencing on May 1, 1989, and ending on May 7, 1989, as "National Drinking Water Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I do not object, but would like to inform the House the minority has no objection to the Senate joint resolution before the Members.

Mr. ROE. Mr. Speaker, I want first of all to thank the distinguished gentleman from Ohio [Mr. SAWYER], the chairman of the Subcommittee on Census and Population and its ranking minority member, Mr. RIDGE, also my good friend BILL FORD, who is chairman of the full Post Office and Civil Service Committee. They have been very generous with their assistance in the passage of this legislation, and I appreciate their efforts and support.

As sponsor of House Joint Resolution 134 the House companion legislation, I am here today to support the passage of Senate Joint Resolution 60, which declares the week of May 1 through 7, 1989, as "National Drinking Water Week." Last year with broad bipartisan support, this measure was passed and signed into law by the President and was a tremendous success. This year the measure has already passed the other body and with the dates marking the celebration fast approaching, we have the opportunity today to reaffirm our commitment to the protection of something we have all grown to take for granted, safe, clean water we can drink.

With the extreme drought experienced last summer and the expectation of yet another long dry season, this measure is vitally important to highlight how fragile our water supply is. Drought warnings are already pending in my own State of New Jersey and New York City has just declared a drought emergency. Spring has just begun and already water has become a restricted commodity, and not just in the East, but throughout the West and Midwest. Not only are water supplies threatened by drought, but the contamination which was highlighted when the Superfund legislation was introduced still remains as a serious problem.

Thousands of toxic sites still threaten aquifers and rivers. Pesticides, dioxin, and radon have been found in our ground water and lead has raised concern in several of our cities. We are not merely talking about water to drink. What we are talking about is water that is safe to use. Water that is free of contaminants, free of carcinogens, water which we may drink free of fear. The name of this resolution should actually be "National Safe Drinking Water Week." That is what we are really talking about.

We have made gigantic leaps in building an infrastructure which makes water available virtually anywhere people live or travel to, but maintaining a water supply and the means to transport it is a continual process. Unfortunately it is easy to take water from the tap for granted, but this was not always so, and it is a simple task for an act of nature or man to shock us into the horrible realization that safe drinking water remains so only with wise planning and cautious vigilance.

Several national groups including the American Water Works Association and the National Water Alliance have been very supportive of this legislation and hope to use the event to educate the public in water conservation and to highlight the need to continue efforts begun under the Federal Safe Drinking Water Act. The EPA and OMB are also fully supportive of the legislation and have already drafted language for a Presidential proclamation.

Every year our demand for water increases and the available supply becomes more restricted. Pollution taints much of that supply and in the last several years nature has been increasingly stingy in replenishing our reserves. This week has been set aside for 2 years in the hope of making people more aware and more appreciative of this vital commodity which is essential to life. I want to thank all my colleagues who supported this measure and who realize the significance of our water resources. We must continue to work to ensure their preservation.

Mr. GILMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 60

Whereas water itself is God-given, and the drinking water that flows dependably through our household taps results from the dedication of men and women who operate the public water systems of collection, storage, treatment, testing, and distribution that insures that drinking water is available, affordable, and of unquestionable quality;

Whereas the advances in health effects research and water analysis and treatment technologies, in conjunction with the Safe Drinking Water Act Amendments of 1986 (Public Law 99-339), could create major changes in the production and distribution of drinking water;

Whereas this substance, when the public uses with confidence in so many productive ways, is without doubt the single most important product in the world and a significant issue of the future;

Whereas the public expects high quality drinking water to always be there when needed; and

Whereas the public continues to increase its demand for drinking water of unquestionable quality: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period commencing on May 1, 1989, is designated as "National Drinking Water Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such period with appropriate ceremonies, activities, and programs designed to enhance public awareness of drinking water issues and public recognition of the difference that drinking water makes to the health, safety, and quality of the life we enjoy.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL SOCIETY OF THE SONS OF THE AMERICAN REVOLUTION CENTENNIAL DAY

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 84) to designate April 30, 1989, as "National Society of the Sons of the American Revolution Centennial Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I yield to the distinguished gentleman from New York [Mr. SOLOMON], the ranking minority member of the Committee on Veterans' Affairs who is the chief sponsor of Senate Joint Resolution 84, designating April 30, 1989, as National Society of the Sons of the American Revolution Centennial Day.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding.

I would like to thank the gentleman from Ohio [Mr. SAWYER] for allowing this resolution to come to the floor today, and also the ranking member from New York, the ranking member of the full committee.

This resolution before Members today does commemorate the centennial of the Sons of the American Revolution, and I urge all Members to support the legislation.

The Sons of the American Revolution is the counterpart to the Daughters of the American Revolution, probably better known than this organization. But this organization is the largest and one of the oldest societies in America and was organized on April 30, 1889, and incorporated by joint action of the House and the Senate under Public Law 59-214.

The objectives are patriotism, historical and educational, and include activities intended to perpetuate the memories of those who by their service during the American Revolution achieved the independence of this Nation.

Much of that was fought in the Battle of Saratoga in my congressional district, next to the gentleman from New York, and we certainly appreciate the committee allowing this resolution to come to the floor today.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, I would like to commend the gentleman from New York for bringing this resolution to the floor at this time.

Throughout the Hudson Valley of New York, we have had a great portion of the revolutionary history enacted, and the Sons of the American Revolution have helped to focus attention on that aspect, that important chapter of our history.

They are, indeed, a very patriotic society and has helped to remind our Nation of the ideals that our Founding Fathers had when they first brought about the bringing about of our great democracy, and I thank the gentleman for his remarks.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 84

Whereas the National Society of the Sons of the American Revolution was established on April 30, 1889;

Whereas through patriotic, historical, and educational activities, the National Society of the Sons of the American Revolution perpetuates the memory of the patriots of the American Revolutionary War who achieved the independence of the United States;

Whereas the activities of the National Society of the Sons of the American Revolution are designed to inspire the descendants of the patriots of the American Revolution and the people of the United States with respect and reverence for the principles of government that were established by the patriots; and

Whereas the National Society of the Sons of the American Revolution celebrates its centennial in 1989: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 30, 1989, is designated as "National Society of the Sons of the American Revolution Centennial Day", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the day with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on the several joint resolutions just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COMMUNISM HAS AN EVIL EMPEROR, HE IS NICOLAE CEAUSESCU

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WOLF. Mr. Speaker, I rise to share with you the plight of the people of Romania, where glasnost is not just absent but, in fact, the voices of suffering people are increasingly stifled.

This week's issue of The Economist tells the reason for Romania's present darkness. The headline says, "If communism has an evil emperor, he is Nicolae Ceausescu."

Many people are now aware of the wholesale destruction of villages and systematic human rights violations of the Ceausescu regime. We know that as many as 30,000 Romanians, mostly ethnic Hungarians, have now fled into neighboring Hungary—the first mass exodus from one Communist country to another.

And the Hungarian minority in Romania are not alone in their misery. Thousands of ethnic Romanians have fled into both Hungary and neighboring Yugoslavia.

The United States needs to join its European allies in taking concrete action to protest Romania's continued repression. We should consider further diplomatic actions or further economic sanctions from which the Ceausescu regime is, in fact, not immune. It is clear from recent private United States-Romanian business meetings that Ceausescu seeks renewed favorable trade treatment from the United States.

We must send clear signals to the contrary. The Romanian Government will not receive favorable treatment of any kind as long as Romanian journalists remain locked up and gagged, former high officials of the regime are suppressed, and individual Romanians are threatened and punished for exercising their recognized rights to free expression, freedom of worship, and a right to make fundamental choices about their lives.

ROMANIA'S DARKNESS—IF COMMUNISM HAS AN EVIL EMPEROR, HE IS NICOLAE CEAUSESCU

It has taken the West far too long to recognise that its once-favourite communist leader is Europe's nastiest dictator. Romania's President Nicolae Ceausescu drew western admiration for such mild shows of independence as his defiance of the Soviet boycott of the Los Angeles Olympics. But in the Gorbachev world, whatever Russia-snubbing value Mr. Ceausescu once had is gone, so western leaders now see him for what he is: a mad despot. What can be done about him?

The quarter-century of Ceausescu rule is officially called the "era of light", yet Romania is a land of darkness caused by power cuts and rationing. The economy is in ruins. So is the heart of Bucharest (including about 30 of its old churches), which Mr. Ceausescu has torn down so that he can build a grotesque monument to his own glory. Not content with destroying the capital, Mr. Ceausescu has started to send his bulldozers into the countryside, where the idea of his so-called "systematisation" programme is to flatten half of Romania's villages and move peasants into tower blocks.

For all this—and the empty shops, the petrol rationing, the pollution, the campaign to make women have more children—Romanians are told to thank their "enlightened strategist of happiness". The Ceausescu personality cult extends to his appalling wife, Elena, and to other members of the clan: socialism in one family. The ubiquitous secret police make sure that any sign of protest (a miners' strike in 1977, a riot in Brasov in 1987, a handful of "open letters" from intellectuals this year) is quickly suppressed. The few Romanians who dare curse the big boss out loud accuse him of building Africa-in-Europe. It is an insult to Africa.

It may be too late for the West to force Mr. Ceausescu to change his ways. Economic pressure will not work: he now claims to have paid back all Romania's debts and this week followed the Albanian example of outlawing any foreign borrowing. He may be immune to political pressure too. True, in January Romania signed the human-rights agreement negotiated in Vienna as part of the Conference on Security and Cooperation in Europe (CSCE), but Mr. Ceausescu immediately said he would ignore the bits he didn't like.

At last, a fuss—The best hope is that international criticism will hurt Mr. Ceausescu's immense vanity—or, failing that, so upset influential Romanians who care about their country's prestige that they contemplate deposing him. At last, the condemnation has started. France and West Germany recently recalled their ambassadors for consultation; Britain is speaking up.

The "Information Forum" that opened in London this week as part of the CSCE effort is a chance to do more. Western delegates should point out loudly that, because contacts with foreigners have to be reported to the police, most Romanians are too frightened to talk to the few western journalists allowed into the country. The westerners should also insist that Russians and East Europeans join the criticism. So far only Hungary—worried about the treatment of Hungarian-speakers in Transylvania—is making a fuss. It is time for Mr. Gorbachev to extend *glasnost* to the Romanian tragedy.

The SPEAKER pro tempore (Mr. LELAND). Under a previous order of the House, the gentleman from Virgin Islands [Mr. DE LUGO] is recognized for 5 minutes.

[Mr. DE LUGO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

THE ECONOMIC GROWTH ZONE ACT OF 1989

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. COYNE] is recognized for 5 minutes.

Mr. COYNE. Mr. Speaker, today I am introducing the Economic Growth Zone Act of 1989. This legislation is identical to legislation I introduced in the 100th Congress. It would target Federal assistance, in the form of low-interest loans and seed money grants, to locally designated zones of economic distress.

The Economic Growth Zone Act complements the current Enterprise Zone Program that became law as Title VII of the Housing and Community Development Act of 1987. It also complements H.R. 6, a valuable extension of the Enterprise Zone Program, that has been introduced by my colleagues, Congressman RANGEL and Congressman GARCIA. All three programs use similar criteria for determining zone eligibility. In each program, the local government must propose to redevelop an area of persistent poverty, unemployment, and economic distress, as defined in section 102 of the Economic Growth Zone Act. The

goals of each program are to create new jobs and revitalize local economies in distressed areas through a public-private partnership.

My legislation proposes using a modest amount of up-front funds to stimulate the creation or expansion of businesses in an area targeted for economic growth. In addition, the bill would modify certain existing Federal programs to meet the special needs of the zones which could total up to 250 over a period of years.

Decades of experience with Federal urban programs have taught us one thing for certain: successful urban development requires a balanced approach. Too heavy a reliance on a single approach, whether it be the bulldozer of urban renewal or the tax haven of enterprise zones, is unwise.

The Economic Growth Zone Act of 1989 was drafted with an eye toward a comprehensive Federal, State, and local government approach to redevelopment of a designated zone. Consultation with a wide variety of labor, business, neighborhood, and government experts helped me to determine exactly what type of assistance is needed to aid very depressed areas.

The seed capital fund for business start-up and expansion is among the most important tools included in the Economic Growth Zone Act. As most small business persons are aware, cash flow is often more of a problem than taxes in the critical early years of a business. This is especially true for those fledgling enterprises now located, or likely to locate, in zones designated for development. My legislation would establish a locally administered fund, a combination of Federal and local dollars, which would provide loans to businesses which seek to locate or expand in a zone. The decisions on where to put the money, would be made at the local level, not in Washington, and would be based in part on the prospect that new jobs will be created for zone residents as a result of the loan. The bill provides seed money to promote the startup and expansion of businesses which locate in the zone. The bill authorizes $70 million for each of fiscal years 1990–1994 to match local government set-asides of CDBG allocations for the purposes of providing loans or loan guarantees for initial or working capital to small businesses for the purchase, rehabilitation or expansion of facilities and equipment, contingent on the firm satisfying certain job hire conditions.

In addition, the legislation provides for broad citizens participation in decisionmaking and includes a protection against the relocation of a facility from one area to another solely to take advantage of the zone benefits.

Loan guarantees to cities would support the repair and development of infrastructure in a zone—a prerequisite, in my mind, to any effort aimed at business retention or attraction. HUD may guarantee an aggregate amount of loans not exceeding 5 percent of the appropriations for the DCBG program for each of the fiscal years 1990 to 1994. According to a survey conducted by the Census Bureau in the late 1970's, the availability of adequate infrastructure was either of critical or significant importance to business engaged in making location decisions. Infrastructure was often cited as a more important factor than the existence of local tax incentives or local industrial revenue bond financing to those surveyed.

Cities which become involved in the economic growth zone effort would be required by the legislation to plan and carry out a comprehensive rehabilitation of public streets, lights, water systems, and other facilities in a designated area. Working in tandem with State agencies, cities would qualify for a long-term, low-interest loan from HUD for the repair of public infrastructure. The repair of public infrastructure, under the Economic Growth Zone Act, is a condition for development, not the spinoff result of development activity.

The Economic Growth Zone Act also builds on existing urban development programs by requiring that preference be given in several HUD programs for projects initiated within a zone. It requires, for example, that 5 percent of urban development action grant funds be earmarked for zone projects.

To increase the involvement of private lenders in zone activities, the legislation authorizes additional funds to the Neighborhood Reinvestment Corporation for projects within the designated areas. This federally backed initiative, as I am sure many Members are aware, brings together private lenders, community groups, and local government leaders in cooperative efforts to construct and rehabilitate low-cost housing. This bill authorizes $7 million for each of the fiscal years 1990–94 for these projects.

The Economic Growth Zone Act builds on the old but breaks new grounds as well. Section 307 of the act provides grants to local governments for the development of business incubator facilities within the zone. These facilities enable small, growing businesses to keep costs down by sharing expenses for such things as office space and management services with similar enterprises housed in a shared structure. Innovative businesses are thus allowed to incubate in the critical early years of operation. The bill authorizes $10 million for each of the fiscal years 1990 through 1994 for grants by HUD to local governments and nonprofit organizations for the development of these business-creation facilities.

The revitalization of neighborhood commercial strips is essential for an improved business climate in any distressed area. Recognizing this need, the Economic Growth Zone Act provides for low-interest loans for concentrated physical development, including facade improvement, of commercial strips located within the economic growth zone. This bill authorizes $13 million for each of the fiscal years 1990 through 1994 in addition to the current authorization for the section 312 Rehabilitation Loan Fund, for loans to local governments to rehabilitate commercial strips located within designated zones.

This legislation, a combination of the old and the new, a mix of Washington resources with local initiative, stresses planning, citizen participation, and economic growth as factors which will produce positive economic change.

I would hope that this House will consider this approach to urban development as it reviews tax-based proposals for urban enterprise zones. As one among many tools, tax incentives can contribute to urban development. But to assure success, they should be used in a coordinated effort to improve the physical appearance, and thereby the business environment, of a distressed area. Without such a community-based effort to make a neighborhood vital, a lot of enterprise may yield minimal results.

At this point, I would like to include in the RECORD a section-by-section description of the legislation:

SECTION-BY-SECTION SUMMARY OF THE ECONOMIC GROWTH ZONE ACT OF 1989

TITLE I: DESIGNATION OF ECONOMIC GROWTH ZONES

Section 101: Designation by the Secretary.

Would require the Department of Housing and Urban Development (HUD), within 2 months after the Economic Growth Zone Act of 1989 (EGZA) is enacted, to issue regulations detailing the procedures for State and local government nomination of an area as a Federal Economic Growth Zone (zone). HUD must designate at least 200, but no more than 250, areas as zones. As a prerequisite for designation, a State must pass enabling legislation granting the State and local government the authority to make federally prescribed State and local commitments as required under Section 102 of EGZA. Designation of an area as a zone would be for a period of 5 years. HUD may terminate designation as a result of State or local government noncompliance with Section 102 of EGZA. In such instance, HUD will specify the termination date.

Section 102: Eligibility requirements.

States that HUD may designate an area as a zone only if: (1) the area designated has a population of 4,000, as determined by the most recent available census data; (2) such area is one of pervasive poverty, unemployment and general distress; (3) such area is within a metropolitan city or urban county eligible for Urban Development Action Grants, and (4) such area meets any one of the following criteria: (a) the area has an unemployment rate of not less than 1.5 times the national unemployment rate; or (b) not less than 20 percent of the population of the area have incomes at or below poverty level; or (c) not less than 70 percent of the households in the area have incomes that are at or below the median income of the local jurisdiction; or (d) the population of the area declined by 20 percent or more during the period 1970 to 1980.

To qualify an area for designation as a zone, the State and local governments must agree to follow a specific course of action which would address the infrastructure repair needs of the proposed zone and provide incentives that would create permanent private sector jobs and stimulate economic development. The course of action shall include: (1) a commitment by the State and the local government to conduct a comprehensive review of the infrastructure needs of the proposed zones; (2) a commitment by the local government to finance infrastructure repairs through a guaranteed loan, as provided in Sec. 302; (3) a commitment by the State of such funds as may be necessary to assist in the repair of infrastructure in the area and (4) a commitment by the State to coordinate existing community and economic development plans in the area proposed for designation, and to list components for plans to encourage acquisition by the State from firms located, or which intend to locate, in the proposed zone. The course of action may also include, but is not limited to, an increase in the level of efficiency of such services as crime prevention within the area proposed for designation,

and may involve private entities, such as neighborhood development organizations.

Section 103: Preliminary approval of designation.

Provides that HUD may give preliminary approval for designation of an area as an economic growth zone only if the local government, in cooperation with the State government, and in consultation with area businesses, residents and neighborhood development organizations, prepares an Economic Growth Zone Development Plan. The plan must be consistent with the overall economic development plan of the unit of general local government, and shall include: (1) an assessment of the economic and social conditions of the proposed zone; (2) specific development objectives for the zone; (3) advisory guidelines for making investment and development decisions in the area, and for monitoring the effectiveness of the economic growth zone plan; (4) evaluations of employment opportunities, job skills and training needs of area residents; (5) evaluations of existing jobs training, business development and management assistance resources available to zone residents and businesses including any commitments for training assistance from neighborhood development organizations or educational institutions; (6) an evaluation of energy conservation efforts within the zone; (7) a strategy to incorporate the Job Training and Partnership Act in activities within the zone. Zone approval may be granted by HUD only when the local government, in cooperation with the State, prepares a preliminary plan for infrastructure improvement in the zone.

Section 104: Approval of designation.

In accordance with this section, HUD's approval of zone designation requires that: (1) HUD must have given preliminary approval of the area for zone designation; and (2) the unit of general local government involved must pledge to set aside for two consecutive years 5 per cent of its annual community development block grant allocation, or $1 million, whichever is the less for an Economic Growth Zone Development Fund (fund) as authorized under Section 301 of EGZA. Further, the local government must apply for an infrastructure repair loan guarantee and pledge to use local manpower agencies as the first source in employment for repairs.

This section further states that when a local government designates an area as a proposed zone, that local government shall file an application to HUD which shall include a map of the area and a certification by the local government that public hearings have been held on the proposed designation and that a plan has been developed to minimize displacement of low and moderate income residents of the area. The local government must also assess the infrastructure condition in the area and prepare a preliminary repair and maintenance schedule for such infrastructure, including cost estimates. In addition, the local government must agree to offer various incentives to create permanent private sector jobs and stimulate economic development. Such incentives may include, but are not limited to: (1) an increase in the level of local government services, such as police protection, transportation or road improvement; (2) a business and industrial development program which provides for payment of property liability and property loss insurance premiums, and for payment of payroll taxes, if participating businesses agree (a) to locate or expand in the zone and (b) to allow employees to organize, to form unions and to bargain collectively.

In addition, the local government must agree to commit to nonprofit entities engaged in zone activities economic development and land use planning resources, and to provide temporary space free of charge and telephone and other services at cost.

Business incentives are available only to those businesses certified under Section 301(f).

Section 105: Final approval of designation.

States that when an application is submitted by a State and local government for a zone designation, HUD shall consider the following: 1) the extent of poverty, unemployment and general distress in the proposed zone; 2) the extent of State and local government financial commitment to promote community and economic development within the zone; 3) the extent of resident, business and private organization support for the development of the zone; 4) the need for widespread geographical distribution of zones throughout the nation; and 5) the extent to which State and local government can provide guarantees that commitments made in the economic growth zone development plan can be enforced.

Section 106: Data used.

Specifies that HUD may use data supplied by federal agencies or data supplied by the State and local government, when the Secretary determines such data to be accurate, in determining eligibility of an area for zone designation.

TITLE II: ADVISORY NEIGHBORHOOD COUNCILS

Section 201: Establishment.

Requires the establishment by the State and the unit of general local government of an advisory neighborhood council in the zone within 90 days after zone designation under Title I.

Section 202: Membership.

Provides that members of the council, who shall be representative of business, labor, neighborhood residents and local government, shall be appointed by the chief executive office of the local government in which the zone is located.

Section 203: Duties.

Requires the advisory neighborhood council to act in an advisory capacity to the local government in which the zone is located on economic activities relating to the zone. In addition, the council shall: (1) prepare analyses of economic changes taking place within the zone; (2) act as an advocate for the promotion and development of businesses in the zone; (3) consult with the local government and appropriate departments of the State involved on the incentives offered for business development in the zone. The council shall coordinate the local needs of employers and assist, on the request of an employer, in the recruitment of employees for existing or future jobs.

Section 204: Meetings and records.

Provides for procedures for meetings of the council and sets a policy for public access to records of the decisionmaking of the council.

Section 205: General provisions.

Requires that the local government shall provide the council with such offices and staff as shall be necessary. The council is required to make a detailed report of its activities to the state and local government each year, with such report being forwarded to the Secretary, together with additional comments by the units of government involved.

TITLE III: ASSISTANCE FOR ECONOMIC GROWTH ZONES

Section 301: Economic Growth Zone development funds.

Requires each unit of general local government in which there is a designated zone to establish an economic growth zone development fund. The fund shall provide loans and loan guarantees to small business for working capital or equipment and facilities expansion.

Loans may be used to fund business and industrial development programs if the participating businesses agree in writing to: (1) locate or expand operations in the zone and (2) allow employees to organize, to form trade unions and to bargain collectively.

The local government would set aside for each of not less than 2 consecutive years 5 percent of each annual Community Development Block Grant allocation, or $1 million each year, whichever is the lesser amount, to the Economic Growth Zone Development Fund. There is authorized to be appropriated $70 million each year, FY 1990-1994, to match the set-asides. At least one Federal dollar for every community development block grant dollar, and not more than three dollars, shall be matched by HUD. A fund may also include amounts from any other source, including grants, gifts and loans.

The fund shall make or guarantee loans for initial or working capital to small businesses for the purchase, rehabilitation or expansion of facilities and equipment and shall make grants to neighborhood development organizations within the zone for activities designed to promote job creation and economic development.

An existing business located in the zone may qualify for assistance under this section if 50 percent of its present workforce are residents of the local jurisdiction, and if the business pledges that 75 percent of its new hires will be residents of the local jurisdiction, with special preference given to hiring residents of the zone.

A business seeking to locate in the zone would qualify for assistance under this section if the business pledges that 75 percent of its new hires will be residents of the local jurisdiction, with special preference given to hiring residents of the zone.

In addition, both classes of business must be willing to set aside 25 percent of the new jobs for one or more of the following: (1) persons unemployed 6 months or longer; (2) recipients of general assistance or aid to families with dependent children; (3) heads of households with family incomes at or below the statewide poverty level; or (4) residents of the zone.

Furthermore, in order to receive assistance, a business cannot be found by the local government to have been assessed civil penalties for, or convicted of, substantial violations of the Occupational Safety and Health Act of 1970.

The local government, with approval from HUD, may waive one or more of the business qualification requirements if it determines that, despite a good faith effort, a business is unable to hire employees who meet conditions described in EGZA.

The local government shall enter into a written agreement with the business receiving assistance which shall explain how the business will meet the conditions for certification described in this section.

In administering the Economic Growth Zone Development Fund, the local government shall review periodically employer records to ensure that a business continues to qualify for assistance.

Section 302: Economic growth zone infrastructure loan guarantees.

Under this provision, notes and other public obligations issued by the local government and guaranteed by HUD would be used to finance public works and site improvement in the zone. The aggregate amount of loans guaranteed by HUD may not exceed 5 percent of the amount appropriated by the Community Development Block Grant program for each of the fiscal years 1990 through 1994. Loan terms shall be for not less than 20 years, and not more than 40 years, and may not exceed 3 times the local government's CDBG allocation for one year. The local government shall pledge to repay the note with increments of local tax receipts generated by the activities under EGZA, or from the local government's CDBG allocation or by proceeds from the sale of real property. The rate and maturity of notes shall be determined by the Secretary of the Treasury.

Section 303: Economic growth zone urban development action grants.

Provides that HUD set aside 5 percent of the amount appropriated for Urban Development Action Grants for allocation to zone areas in each of the fiscal years 1990 through 1994. Applications for grants shall compete only with applications involving other zone projects. The leveraging ratio may be as low as 2 private dollars for every UDAG dollar.

Section 304: Preference in Department of Housing and Urban Development programs.

Directs HUD to give preferential treatment to projects in designated zones for other HUD programs, including Section 312 Rehabilitation Loans, Section 810 Urban Homesteading, Section 202 Handicapped and Elderly Housing and the Solar Energy and Energy Conservation Bank.

Section 305: Rehabilitation and neighborhood conservation housing insurance in economic growth zones.

Directs HUD to make available Section 220 mortgage insurance in designated zones.

Section 306: Use of Department of Housing and Urban Development property in economic growth zones.

Under this provision, HUD is directed to offer for sale to the local government such vacant and underdeveloped property within the zone owned by HUD, if the local government has a detailed plan for use of the property. Such land or property shall be sold for nominal consideration.

Section 307: Development of facilities for new businesses.

Provides $10 million for each of the fiscal years 1990 through 1994 for grants by HUD to local governments and nonprofit organizations for the development of facilities within the zone designed to promote the creation of new businesses. The grants may be used to acquire, rehabilitate or pay for certain expenses of structures located within the zone which are designed to lower costs for startup businesses through sharing several fixed and management expenses, and which promote access by the new businesses to local educational resources.

Section 308: Neighborhood reinvestment.

Authorizes $7 million for each of the fiscal years 1990 through 1994, in addition to the current authorization for the Neighborhood Reinvestment Corporation, to attempt where feasible, to replicate successful Corporation projects in designated zones. To the extent practicable, the Corporation shall attempt to establish Neighborhood Housing Services in the zones, drawing together local residents, businesses, and lenders to increase the number of housing-related loans made in the zone. In addition, the Corporation shall develop such programs for the zones which emphasize the improvement of low and moderate income housing, promote homeownership by persons of low and moderate income, and generally improve the climate for private lending within the zone.

Section 309: Neighborhood commercial revitalization.

Provides $13 million for each of the fiscal years 1990 through 1994 in addition to the current authorization for the Section 312 Rehabilitation Loan Fund, for loans to local governments to rehabilitate commercial strips located within designated zones. Such activities, as part of an effort to upgrade the commercial areas of a zone, would be eligible for the low interest loans.

Section 310: Prohibition of assistance for facility relocation.

This section would forbid any activity under EGZA which would promote the relocation of any industrial or commercial plant or facility from one location to the other, unless it is determined by HUD that such relocation will not be harmful to the employment or economic base of the location from which the plant or facility is to be relocated.

TITLE IV: GENERAL PROVISIONS

Section 401: Coordination with other Federal programs.

Directs HUD to promote the coordination of existing federal housing, community and economic development, small business, banking, financial assistance and employment training programs carried out within the zone, and to expedite application for programs through the consolidation of forms and periodic reports.

Section 402: Regulations.

Requires HUD, within 120 days of passage of EGZA, to issue program regulations which include application deadlines and which prescribe the form and manner in which applications are to be submitted.

Section 403: Annual Report of the Secretary.

Requires HUD to submit to Congress an annual report detailing the impact of zone designation.

ACKNOWLEDGMENT OF THE ARMENIAN GENOCIDE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. PASHAYAN] is recognized for 60 minutes.

Mr. PASHAYAN. Mr. Speaker, during the month of April, Armenians all over the world observed the 73d anniversary of the Armenian genocide. It is my privilege once again to sponsor a special order so that Members of this body can join in this commemoration.

In the latter half of the 19th century the Ottoman Turkish government began a policy of persecution against its Armenian population. The persecution was brutal and ferocious. It resulted in the deaths of many Armenians in 1894 and 1895, and in 1909. The pattern of persecution and destruction culminated in the great massacre of 1915 through 1923. At least 1.5 million Armenian men, women, and children perished. Those who survived became homeless refugees, whose descendants, with their painful memories, can be found in many countries all over the world today.

This terrible fact of history has been documented by eyewitnesses and media accounts, including those of the United States Ambassador to the Ottoman Turkish Empire, Henry A. Morgenthau. The 45th and 66th Congresses adopted resolutions deploring the massacres. President Reagan and seven Presidents before him have spoken out against the treatment of the Armenians. In spite of the overwhelming evidence and recognition, the debate still rages over whether or not these events of history should be remembered.

The debate appears most pronounced in this body and during this Congress, where on August 7, 1987, we considered and rejected a procedural motion to vote on House Joint Resolution 132, a measure to commemorate the Armenian genocide. We therefore failed to take action to remember the first genocide of the 20th century. We submitted to the threats of our valued NATO ally, Turkey, and to the appeals of our State Department. We emboldened those who refuse to face history to press even more diligently against all levels of government and all institutions who would commemorate or otherwise remember the treatment of the Armenians. The Turkish Government has even gone so far as to advise this body that it shall not tolerate the introduction of any resolution on the Armenian genocide in the future. Our Government has been advised that the President of the Republic of Turkey will cancel his visit to the United States scheduled for this summer if a resolution on this question is presented to this body for consideration. We now have a foreign government telling what we can discuss. This should be intolerable.

Mr. Speaker, our failure to act and resolve this so-called controversy was not, to my great satisfaction, repeated elsewhere in our Nation. Within the past year and despite an intense campaign of denial orchestrated by the Republic of Turkey, the United States Holocaust Memorial Council affirmed the inclusion of the Armenian genocide in its museum and educational programs. The States of California, Connecticut, Massachusetts, New Jersey, and New York remembered April 24, 1988, Armenian Martyr's Day, with commemorative events as well as resolutions passed by their legislative bodies. Similar successes can be reported on the growing movement to provide holocaust, genocide, and human-rights curricula in our Nation's secondary schools. In my State of California, the State legislature adopted a model curriculum on these topics for public schools, which included the Armenian experience. This took place over the strenuous objection of Tur-

key's friends, who once again attempted to deny that the genocide even took place. I am also pleased to report that an exemplary educational curriculum entitled "Facing History and Ourselves" expanded its Armenian genocide component. The Massachusetts-based "Facing Histories" case study approach to the Holocaust and the Armenian genocide, underscores the crucial importance of remembering and facing history. I am proud of the efforts in California, Massachusetts, and other States where educators who are committed to genocide prevention and human rights are providing an opportunity for our students to learn from the past—an opportunity that our misguided ally Turkey would like very much to deny.

Mr. Speaker, while millions of our citizens were called upon by their State governments to reflect upon the Armenian tragedy, and while tens of thousands of students were presented with the Armenian genocide as a case study, we in the Congress failed to participate. The Republic of Turkey was able to accomplish with us what they failed to accomplish anywhere else in this great nation. This body must address the growing gap between the trend in our society to remember all instances of genocide in this century and our indecisiveness. The time is overdue for this body to do what is right and pass a resolution on the Armenian genocide.

Mr. Speaker, I should like to call attention to the recently approved legislation on the Genocide Convention. On April 25, this body passed such a measure. In testimony submitted to the Judiciary Committee, the examples of genocide in this century were frequently invoked, including of course the genocide of the Armenians. I am delighted that this body approved this legislation making genocide a crime under U.S. law. I should also like to share the relevance of the Armenian experience to the convention. Raphael Lemkin, the man who coined the word "genocide," and began the movement to make genocide a crime under international law, coined the word to apply to the Armenians.

From Raphael Lemkin's papers, now housed in the New York Public Library, we learned that:

A bold plan was formulated in my mind. This consisted of obtaining the ratification by Turkey among the first 20 founding nations. This would be an atonement for the genocide of the Armenians. But how could this be achieved? The Turks are proud of their republican form of government and of progressive concepts, which helped them in replacing the rule of the Ottoman Empire. The Genocide Convention must be put within the framework of social and international progress. I knew however that in this conversation both sides will have to avoid speaking about one thing, although it would be constantly in their minds.

Mr. Speaker, placed within context, how can this body on one hand support the Genocide Convention and on the other refuse to commemorate the Armenian genocide?

Mr. Speaker, I urge this body on the next possible opportunity to affirm this fact of history once and for all.

Mr. MOORHEAD. Mr. Speaker, will the gentleman yield?

Mr. PASHAYAN. I am delighted to yield to my friend and colleague the gentleman from California.

Mr. MOORHEAD. Mr. Speaker, I wish to congratulate and thank the gentleman from California [Mr. PASHAYAN] for taking this special order honoring the Armenian martyrs, who became the victims of one of the worst genocides of this century. During the month of April, Armenians all over the world will be observing the 74th anniversary of the Armenian genocide. Armenia became the first nation to accept Christianity as a state religion. It has been invaded and conquered many times during the course of its long history. Its people have defended their religion and have been persecuted, massacred, and driven from their land. In the latter half of the 19th century, the Ottoman Turkish government began a policy of persecution against its Armenian population. This persecution was brutal and ferocious. It resulted in many deaths of Armenians in 1894 through 1896, and in 1909. The pattern of persecution and destruction culminated in the great messacre of 1915 through 1923. At least 1.5 million Armenian men, women, and children perished in this holocaust. Those who survived became homeless refugees, whose descendants, with their painful memories, can be found in many countries today.

There is still considerable debate over whether or not these events of history should be remembered. As a free and democratic nation, I believe we must continue to acknowledge and deplore the events surrounding the Armenian genocide as vigorously as we deplored modern acts of terrorism.

Today, Armenians flourish and are prominent and successful citizens of our Nation. Many of my Armenian friends have related horrible stories of how the genocide affected their families and loved ones. I know how important this tribute is to them and to the memories of those who lost their lives in the slaughter.

Cruelty, murder, and genocide are terrible, terrible examples of man's inhumanity to man. We commemorate Armenian Martyrs' Day to remember this and to recognize the suffering and pain that the Armenian world community has endured. To diminish in any way the events of 1915 and succeedings years to not only a great injustice in itself, but a great disservice to the memories of those who were killed and to their survivors and descendants.

We recognize April 24 as the day of man's inhumanity to man because we must remember that in modern times, acts or barbarism have continued unchecked. It is indeed a tragedy that many such acts have taken place. However, we must never become cynical or lose hope. We must never again permit such atrocities. As we join with Armenians all over the world in remembering Martyrs' Day, we will give encouragement to Armenians everwhere to continue their struggle for recognition and justice. The maryrdom of their people must never be forgotten and should serve as a warning signal that our nation will not tolerate similar atrocities against another people.

Let us commit ourselves today to a course in the future that prevents us from ever permitting such a honorable occurrence again anywhere in the world. Again, I thank the gentleman from California and commend him for his continuous efforts to commemorate this historic and tragic event.

□ 1340

Mr. PASHAYAN. Mr. Speaker, I thank the gentleman from California [Mr. MOORHEAD] for all his years of laboring in the vineyards on this issue. It is much appreciated by everybody.

Mr. Speaker, I yield to the gentleman from California [Mr. LEHMAN], my friend and colleague from the district next to mine.

Mr. LEHMAN of California. Mr. Speaker, I rise today to recognize and support Armenian Martyr's Day. This day is to commemorate the period from 1915 to 1923 during which history records the tragic loss of two of every three Armenians then living in their homeland.

I believe that it is very important that we recognize one of the most horrendous and despicable displays of violence in the 20th century, because it is tantamount to disavowing the values and ideals that this great country has always held so dear. While this is an issue of great importance to the Armenian people it should also be an issue of great importance to all Americans. The American people have always been known throughout the world as a leading moral force. Not to officially recognize one of the most atrocious crimes against mankind runs counter to this very tradition.

Under a United Nations Treaty adopted in 1950, genocide is a crime under international law whether committed in time of peace or time of war. History has a way of repeating itself and unless we acknowledge past mistakes, we have not provided the precedent to avert tragedies for others in future generations. As Walter Karabian said in a 1982 address to the World Affairs Council, quote:

To allow genocidal actions to go unrecognized or unpunished flaunts the most basic principles of civilized countries and encourages those who could perpetrate future cultural or religious massacres.

There is no statute of limitations on genocide. As long as we gather together and remember, the past will not go away. The martyrs of Armenia will live as proof to all the world that the spirit of a Christian people could not be stilled and that those who perpetrate genocide will always receive their just due in the pages in history.

To not recognize the Armenian genocide is to ignore history. The historical record of the Armenian genocide is clear and irrefutable. It is our moral responsibility to acknowledge it. So as we commemorate Armenian Martyr's Day and remember the 1½ million Armenians that were brutally murdered, let us keep alive the memory of those who were killed and try to gain insights and learn lessons from this experience so that a similar episode may never be repeated again.

Mr. PASHAYAN. Mr. Speaker, I thank the gentleman from California [Mr. LEHMAN] for his very appropriate remarks.

Mr. Speaker, I yield to the gentleman from California [Mr. COELHO], my friend and colleague also from the neighboring district.

Mr. COELHO. Mr. Speaker, on April 24 of each year, the Armenian community around the world pauses on Martyrs' Day in remembrance of the 1½ million Armenians who were systematically killed during the tragic genocide carried out against them by the Ottoman Turks from 1915 to 1923.

The anniversary of this atrocity is particularly poignant this year, as the Armenian people were dealt its second crushing blow of the century. An earthquake last December nearly destroyed their country and devastated their economy. As the leader of a congressional delegation that journeyed to Soviet Armenia following the quake, we pledged our assistance to the Armenian people—be it public or private—to help rebuild their country and rescue a generation of injured and orphaned children. We have another opportunity to revive the Armenian spirit in the form of the passage of Armenian Genocide Resolution During the 101st Congress.

For several years, my colleagues and I have been trying to win congressional approval and administration support for legislation commemorating the Armenian genocide. When I first introduced this legislation, I was sure that an administration which so often raised its voice against the human rights violations of the present, would join us in remembering a tragedy of epic size from the past. I was naive. The Reagan administration had made a sordid pact to look at history with its eyes clamped firmly shut. And, in doing so, we cheapened our diplomacy and undermined America's moral leadership by refusing to acknowledge that something evil happened. Silence ill-befits a nation like America.

One and half million Armenians perished from the persecution and massacre by the Ottoman Government. More than 500,000 Armenians were exiled from their homeland which their ancestors had occupied for over 3,000 years. As a result of the killings and deportations, the Armenian population in the Ottoman Empire was reduced from 2½ million to fewer than 100,000. House Joint Resolution 36 does not attempt to hold today's Turkish Republic responsible for the atrocities committed by the Ottoman Empire over 70 years ago. It does reaffirm our indignation at the genocide of this century, and implore us to remember and acknowledge the mistakes of the past, so as to not repeat them or ignore them in the future.

I am hopeful that the current administration is more cognizant of the past and more sensitive to the surviving Armenians and their families who are pained at every defeated attempt to achieve the recognition they deserve. Last year the House and Senate passed and President Reagan signed S. 1851, a bill to implement the International Convention on the Prevention and Punishment of the Crime of Genocide. This bill allows our Nation to join with all the other civilized countries who have previously ratified the convention in formally denouncing this heinous crime and pledging to cooperate against future perpetrators of genocide. Surely the first step toward achieving these important and long-overdue goals, is the recognition of events of the past. The enduring tragedy of this particular instance of genocide is that to this day the government of the modern Turkish State and our own Government refuse to acknowledge that this crime ever took place. The historical evidence surrounding this instance of genocide, however, is as clear and compelling as the evidence surrounding the Jewish Holocaust.

Soon after the earthquake in Soviet Armenia, President-elect George Bush asked his son Jeb and his grandson George to visit the victims of the tragedy and to offer their support. The younger George Bush captured the hearts of the Soviet people. His grandfather and this Congress have the opportunity to show further support to the Armenian people this year by reversing the Reagan administration's nonrecognition of the Armenian genocide and by passing this resolution during this session.

Only through these actions will the United States be able to reclaim its rightful place at the forefront of the international community as the defender of justice and human rights for all people throughout the world. If we are vigilant, if we give substance to our commitment to justice through deeds as well as words, we can truly end this century, and this era of suffering, with dignity and with some sense of confidence in the future, not just for the Armenian people, but for all of us.

□ 1350

Mr. PASHAYAN. Mr. Speaker, I thank my colleague, the gentleman from California [Mr. COELHO] for his remarks, and take it that they were given in a spirit of nonpartisanship, and that whatever observations he made on various administrations were done in that spirit.

I might also add that in the same spirit the gentleman, I know is aware that one of the reasons his bill which was so aptly introduced in the last Congress failed was because there were delays in bringing it to the floor, and I make that observation in the same nonpartisan spirit that I know my colleague made on his observations on the administration.

Mr. BONIOR. Mr. Speaker, the following is a speech I delivered at Boston's City Hall Plaza yesterday before a rally commemorating the 74th anniversary of the Armenian Genocide:

It is a great honor to be here with you today. Since I returned from Soviet Armenia earlier this year, I have spoken with a great many groups throughout the Nation. But, I have never spoken to a group with more enthusiasm. And, I have never spoken on an occasion as significant as this.

Your gathering here, in such large numbers, with such a profound rallying cry, bears witness to the proud heritage of the Armenian people, and to your noble efforts to heal the wounds of Armenia's suffering—past and present.

Today, we commemorate the 74th anniversary of the Armenian Genocide—a horror that took the lives of 1½ million people.

For too long, the world has closed its eyes and tried to pretend it never happened.

But, you have not let the world forget. Generation after generation, you have struggled to keep the memory alive. You have held high the cause of the Armenian people. And you have reminded people in every land of the history of man's inhumanity to man.

In gathering here today and in the countless similar rallies around the globe, we acknowledge the genocide, we mourn the victims, and we renew our cry—never again!

In 1987, we in Congress tried unsuccessfully against a massive lobbying effort to bring a genocide resolution to the floor for a vote. This resolution is still needed. We must never stop this effort as long as there are those who try to deny the genocide or as long as there are those who would fight it under the guise of political expediency.

As long as thousands of people gather in rallies such as this one, we will not forget! Those who would like to cover up the Armenian Genocide have not succeeded, and they never will!

My first involvement in issues of Armenian culture came with the genocide resolution. And since that time I have deepened my knowledge and respect for the Armenian people. The earthquake has been a turning point for us all.

It was 11:41 a.m. on December 7. Children were in school, adults were at work, and Soviet President Mikhail Gorbachev was in New York City when the ground began to move. First one shock, then another, and when the Earth stopped trembling, much of Soviet Armenia was in ruins.

More than 25,000 people were killed; 130,000 were injured; 500,000 were left homeless. In Armenia's second largest city, Leninakan, two-thirds of the structures collapsed. Towns near the epicenter were even harder hit. That afternoon, one Soviet news commentator announced, "The population of Spitak is gone."

In January of this year I went to Armenia as a member of the first congressional delegation to visit that devastated region. Four Members of Congress from both parties were asked to travel to the earthquake region as a gesture of support and to determine how the United States could best continue to help the victims.

We were encouraged to make the trip by the State Department, and we received extensive briefings on the damage before we left. Yet, there was no way to prepare oneself for the shock of witnessing such devastation.

The survivors spoke of their terror and grief. We visited a children's hospital in Yerevan, where the young victims could no longer smile. We met with a government official from Spitak who had lost his wife and 10 children.

The mayor of Leninakan, while briefing us on the damage to his city, broke down in tears and could not finish. He had lost his mother, his wife, and a son.

The psychological scars will be slow to heal. We heard the story of one child who was told to leave class for misbehaving. While he was out, the earthquake struck and the school crumbled, crushing his classmates. We asked ourselves, How does a child learn to look forward again with such a memory?

The one bright spot on the Armenian landscape has been the tremendous outpouring of international concern and support for the earthquake victims.

Over 50 countries and countless international organizations sent help. The U.S. Government sent rescue teams and relief flights. Private groups in this country have sent millions of dollars in aid as well as dozens of relief flights.

Armenians in the United States contributed over $20 million. But, of all the groups in this country, you, the Armenian community in Boston, were the most generous. You raised the most money in the United States for relief efforts. And aid continues to come in many forms.

Americans all over the country have opened their homes and hearts to victims of the earthquake in need of care not available in the Soviet Union. I was moved by the story of 37 Armenian children who have been brought to the United States by Project Hope so they could receive medical treatment in hospitals here.

Just last week, NASA set up what is called a "spacebridge" that will allow United States medical personnel to consult directly with their counterparts in Armenia to aid victims of the earthquake.

The Christmas visit of President-elect Bush's son and grandson profoundly touched the people of Armenia. Everywhere we went, people told us how deeply they appreciated the new President sending his family to be with them in their time of suffering.

But, despite the spirit of openness and glasnost that characterized our visit and the relief efforts, signs of tension remained. Soviet soldiers were posted on street corners. Tanks were stationed throughout the capital. The officials who accompanied us on our tour of the quake area often felt the ire of the local population.

There is a strong residue of distrust of the Soviets and of Mikhail Gorbachev as a result of the history of conflict in the region. Indeed, it seemed to us to be a tragic symbol of Soviet rule in Armenia that the Soviet-built structures collapsed in the earthquake while the older buildings withstood the tremors.

It was if the years of mismanagement and neglect were taking their bitter toll, while the ending of Armenian culture prevailed.

The rebuilding offers new challenges and opportunities for Gorbachev. The fact that, for the first time since World War II, the Soviet Union accepted disaster relief from the United States is in itself important. The Soviets expressed deep gratitude for American help, and the Prime Minister of Soviet Armenia told us that he hoped the visit of our delegation would be part of a broader normalizing of relations between our countries.

But, as we all painfully know, political problems and the scourge of injustice are still very much existent in Armenia. We can point out to the imprisonment of the Karabagh Committee by Soviet authorities as a glaring example.

Members of that committee have worked peacefully, and within their civil rights, to reunify the Nagorno-Karabagh region with Armenia. Under Azerbaijani control, the Armenian minority in the Karabagh has suffered ethnic discrimination, economic oppression and political repression at the hands of Azerbaijani officials.

The Karabagh Committee is in a Moscow prison awaiting trial on trumped-up charges. No evidence has been produced by anyone to show that members of this group are guilty of the charges leveled against them.

I have joined other Members of Congress in demanding that Gorbachev release the Karabagh Committee. There is no need for a trial. The Karabagh Committee must be set free.

I have contacted international human rights organizations to ask that this important matter be monitored, and I will continue to work to bring the glare of international attention on the plight of these brave activists. It is their courage that has in effect put the Soviet Government's policy of glasnost on trial.

As we continue our fight for justice in Soviet Armenia, as we work to rebuild the devastation wrought by nature, it is all the more important that we pause together at this time and in this place and remember.

I hope and believe the most recent tragedy for the Armenian people will be a new beginning. Already the world has opened its heart as never before.

This time, once the headlines have faded, and the rebuilding has progressed, we must continue to stand firm. And we must not forget the people whose grief we have shared, whose tragedy has brought the world so much closer together.

It is my great honor to stand with you today. To share your triumphs and your struggles for a better tomorrow. Thank you.

Mr. FAZIO. Mr. Speaker, I would like to take this opportunity to join my colleagues in remembering the hundreds of thousands of Armenians who died at the hands of the Ottoman Empire in Turkey during the early part of this century.

The start of the persecution of the Armenians in eastern Turkey began in 1915 and continued for several years. The Armenian Christian people vanished from their traditional homeland in Turkey's eastern province of Anatolia through forced deportation. This deportation was carried out through death marches conducted in the ghastly conditions of plague, starvation, and sheer exhaustion. The men were often taken away to be killed immediately while the women and children suffered for months before death finally freed them. Some Armenians survived this period of persecution and they settled in Soviet Armenia in the Caucasus or relocated throughout Europe, the Middle East, and the United States. It has been estimated that anywhere from 700,000 to 1.5 million Armenians died during this tragic period of history.

There can be no doubt that the events that occurred from 1915 through 1923 constitute a tragedy of historic proportions. Today, we remember the suffering of the Armenian people at the hands of the Ottoman Empire of Turkey. The Armenians are a strong group of people who have endured many years without a homeland of their own.

American Armenians have greatly contributed to the culture of the United States and serve as active citizens in our political system. I encourage all my colleagues to join me today in remembering the suffering this group has endured and acknowledging the strong contribution that Armenians make to our Nation today.

Mr. ANNUNZIO. Mr. Speaker, I rise today to call attention to the 74th anniversary of the Armenian Genocide which took place on April 24, 1915 when more than 1 million Armenians lost their lives at the hands of the Ottoman Empire.

It is more important now, than ever before, that we continue to focus attention on this sad anniversary, because as the years pass, so, too, are more and more survivors of the Armenian Genocide passing away. This means that there are fewer and fewer Armenians alive who actually suffered through those terrible times and can relate to succeeding generations the events of the genocide which took place. Only by continuing to remember the disastrous events of 1915 can we hope to prevent a tragedy of this magnitude occurring again.

I was pleased to learn from an article which appeared in the Washington Post today that at long last and for the first time the Soviet

Government is permitting an official commemoration of the Armenian Genocide in Soviet Armenia. An article about that commemoration which appeared in the April 25 Washington Post and the text of that article follows:

[By the Washington Post, Apr. 25, 1989]

ARMENIANS COMMEMORATE AND PROTEST—MARCHERS DENOUNCE EVENTS OF 1915, 1988

(Reuter)

Moscow, April 24.—Hundreds of thousands of Armenians today combined the commemoration of a 1915 massacre in Turkey with protests against the arrest last December of leaders of a national movement in the Soviet Republic of Armenia.

Local journalists said vast throngs from all over Armenia filed through the streets of the capital, Yerevan, in the first officially approved commemoration of what Armenians describe as "the victims of the genocide."

Journalists at the scene said many also carried portraits of jailed leaders of an unofficial mass movement seeking broader rights for their republic.

Thousands gathered outside the headquarters of the Armenian Communist Party chanting "Liberation" as they watched 14 people wearing symbolic prison clothes parade around it and government buildings nearby to protest the arrest of the 14 leaders, who are awaiting trial in a Moscow jail.

The Armenian journalists said huge crowds carrying wreaths walked to a monument to those who died in 1915, when many historians say up to 2 million people were killed.

Successive Turkish governments have denied there was any massacre of civilians, saying troops only took action against Armenians living in Turkey involved in an insurrection.

Although there have been unofficial ceremonies in Yerevan marking the anniversary in the past, an official holiday was declared this year in a decision many Armenians believe was linked to mass protests in the republic throughout last year.

The protests, halted by the imposition of a military-supervised curfew and a devastating earthquake last December—which killed about 25,000 people—were part of an upsurge of national feeling throughout the Soviet Union's 15 republics.

Mr. Speaker, as we recall and mourn the loss of the Armenian martyrs earlier in this century, so, too, should we now pledge ourselves to continue to remember those innocent martyrs and to continue to fight against violence and destruction so that humanity may survive in a world where genocide can never recur.

Mr. BLILEY. Mr. Speaker, this past winter the world looked on with horror as film footage documented the tragedy suffered by the Armenians due to the earthquake in Soviet Armenia. Cities were razed, entire communities were destroyed, tens of thousands of Armenians were killed. Observers found it hard to fathom that one people could absorb such death and destruction. Yet the Armenians in their long history have suffered worse, much worse.

In the shadow of World War I, the Ottoman Turk Government embarked on a plan to systematically eliminate the Armenian people from their ancestral homeland.

The Armenian men who had answered the call to join their country's armed forces were isolated and shot. On orders from the central government, Turkish soldiers rampaged from town to town, brutalizing and butchering the remaining Armenian population. Women and children were then forced on a death-march into the Syrian Desert. By the end of the war, the Ottoman Turks had been successful in exterminating two out of every three Armenians. A million and a half Armenians had perished at the hands of the Ottoman Turks.

Henry Morgenthau, Sr., then U.S. Ambassador to Turkey, wrote:

I am confident that the whole history of the human race contains no such horrible episode as this. The great massacres and persecutions of the past seem almost insignificant when compared to the sufferings of the Armenian race in 1915.

Only 20 years later, Adolph Hitler asked rhetorically, "Who remembers the Armenians?" as he began his master plan to annihilate the Jews. Those who fail to remember history are condemned to repeat it.

The years cannot mute the voice of those Armenian survivors whose individual accounts of savagery combine to form a bedrock of irrefutable evidence. Despite the attempts to hide the records and to distort the facts; despite the world's preoccupation with politics and strategy, the truth of the Armenian Genocide remains.

We commemorate April 24 as the National Day of Remembrance of the Armenian Genocide of 1915-23, and pledge that their deaths were not in vain, that their suffering will not be forgotten. We must use the truth of the Armenian Genocide to help prevent such a tragic event from ever occurring again.

But we also use this day to rejoice in the continued survival of the Armenian people, for while the Turks crushed the fruit, the seed remained. I am reminded of a passage that William Saroyan wrote:

I should like to see any power in this world destroy this race, this small tribe of unimportant people whose history has ended, whose wars have been fought and lost, whose structures have crumbled, whose literature is unread, and whose prayers are no more answered. Go ahead, destroy this race! Destroy Armenia! See if you can do it. Send them from their homes into the desert. Let them have neither bread nor water. Burn their home and churches. Then, see if they will not laugh again, see if they will not sing and pray again. For, when two of them meet anywhere in the world, see if they will not create a new Armenia.

Mr. Speaker, thank you for allowing me the opportunity to honor both the victims and the survivors of the Armenian Genocide.

Mr. PALLONE. Mr. Speaker, today, here in the galleries of this great Chamber, in the Halls of Congress, and on the steps and grounds of the Capitol, there are joined with us the spirits of 1½ million Armenians massacred during the Genocide of 1915. One and a half million souls stand witness today to our every word and our every action, and they ask of us one thing—to remember them. Simply remember them.

Remember, only for a moment, that 74 years ago over 1 million mothers, fathers, children, and grandparents were slaughtered because they were Christians in a Moslem country and Armenians in an Ottoman Turkish nation. Only for one moment today remember these fellow human beings so their spirits may rest a little more at peace in their unmarked and forgotten graves.

Eyewitness accounts of these atrocities are preserved among other places in the records of the American State Department and in the memoirs of the United States Ambassador to Turkey, from 1913 to 1916, Henry Morgenthau. All the accounts from all the sources come together to form one tragic horrific scene. The young Armenian men who had been drafted into the Turkish Army had fought valiantly on Turkey's behalf. But in 1915, these men were disarmed and put to work as laborers and pack animals so they would starve to death or be shot outright. In April 1915, Armenian clergymen and village leaders were systematically rounded up and shot. These groups are considered to be fortunate because a much worse fate awaited the women, children, and elderly.

Under the pretext of deportation, they were marched into the desert. Rapes, mutilations, beatings, starvation, slavery, and drownings are only some of the things of which eyewitnesses speak. When bored, the Turkish gendarmes would slash stomachs of pregnant mothers to stab the unborn children or behead someone so they would have a ball to play with and kick around. Ambassador Morgenthau writes:

I have by no means told the most terrible details, for a complete narration of the sadistic orgies of which these Armenian men and women were the victims can never be printed in an American publication. Whatever crimes the most perverted instincts of the human mind can devise, and whatever refinement of persecution and injustice the most debased imagination can conceive, became the daily misfortunes of this devoted people.

American, Canadian, and German missionaries along with American consuls appealed to the United States Embassy that the moral power of the United States was the only hope of saving nearly 2 million people from massacre, starvation, and worse. But when Ambassador Morgenthau protested the atrocities, Talaat Pasha, ex-Grand Vizer and Turkish Minister of the Interior in 1915, responded:

It is no use for you to argue, we have already disposed of three quarters of the Armenians; there are none at all left in Bitlis, Van, and Erzeroum—we have got to finish them. We will not have the Armenians anywhere in Anatolia. They can live in the desert but nowhere else.

Today, we appropriate foreign aid for Turkey and they, in turn, hire high-powered lobbying firms to, among other things, convince us not to commemorate the deaths of these brave souls and to enlist our support for their entry into the European community. At the same time that Turkey is wining and dining United States congressional delegations in Istanbul, Amnesty International is collecting long lists of gross human rights violations in modern day Turkey. My colleagues, I warn you not to capitulate and fall prey to well-financed self-interest lobbies. If we are to truly uphold the U.S. national interest, we would stand up for human rights wherever it may be threatened.

It is only befitting the moral power and decency of the United States to commemorate "man's inhumanity to man."

To quibble over numbers and grasp for excuses not to support a genocide commemorative resolution lessens the value placed on life. Once opened, revisionist history is a Pandora's box which may present surprising results. If after 74 years, we place less importance on the remembrance of the Armenian genocide, then in a few short years from now some scholars may suggest revising the facts of the Jewish Holocaust. Moving down such a dangerous road someone may offer justifications for the Khmer Rouge massacres. Still further someone may wish to retract America's statements on Japanese internments or renege on hard-fought civil rights victories. Only by remembering can we attempt to learn from history.

In his memoirs, Ambassador Henry Morgenthau quotes an Armenian woman before she was deported: "Pray for us. We shall not see you in this world again, but sometime we shall meet. Pray for us!"

My colleagues, let us pray for that one lone martyred Armenian. Let us remember her so that her death and ours will not be an end.

Ms. PELOSI. Mr. Speaker, I am pleased to participate in this special order to commemorate Armenian Martyr's Day in memory of the senseless murder of almost 1.5 million Armenians by the Ottoman Empire and its successors in the years during and after the First World War. I wish to thank my colleagues, Representatives COELHO and PASHAYAN, for allowing me the opportunity to pay tribute to the sacrifices borne by the Armenian people in these years of struggle to preserve their race and culture from extinction.

Armenian Americans traditionally observe the genocide committed against their ancestors on April 24. It is a time to remember and acknowledge the crimes perpetrated against their people, and a time for all Americans to recall the various instances in which genocide has blackened the record of human achievement in the 20th century. If we are to have any hope of preventing future incidents of genocide, it is vital that we remember the victims of the past. House Joint Resolution 36, a bill to designate April 24, 1989, as National Day of Rememberance of the Armenian Genocide of 1915–23, is one method for maintaining the memories and lessons of the Armenian massacres in the present day. I am proud to support House Joint Resolution 36.

This bill is not intended to offend the present Government of Turkey, which is a valued ally of the United States. Turkey's contribution to the Western alliance, however, does not justify a rewriting of the facts. The circumstances surrounding the Armenian massacres are clear. One and a half million Armenians were killed through a systematic program of persecution and genocide by the Ottoman government.

Today is an important day of rememberance for people of Armenian descent. I join them in recalling the pain and suffering experienced by their ancestors more than 60 years ago in the hope that such tragedies will not again be repeated.

Mr. ACKERMAN. Mr. Speaker I raise my voice today to commemorate the 74th anniversary of the Armenian genocide by the Ottoman empire. Seventy-four years ago the first genocide of the 20th century began. It nearly extinguished the Armenian population that had lived in its ancestral homeland for over 3,000 years of recorded history. Two-thirds of a nation of people perished by the sword, induced hunger and disease during the period of 1915 to 1923 as a result of the deportation of the Armenian population into the deserts of Syria.

We know that the world kept silent during this mass murder. The world kept silent even though at least 1½ million people were killed. Their only crime was that they practiced the wrong religion and that they were a minority.

Since then, millions of other people have died in genocides in many different countries. Armenia set an example that many other reckless and immoral governments followed. And the example of Armenia also showed how easily nations may get away with genocide and mass murder. The perpetrators faced no judicial inquiry; no ministers resigned in disgrace.

But Armenia did not only set a negative example. We must learn from this experience by taking to heart the past mistakes of mankind. This is why our remembrance is so important and this is why the world must acknowledge what has happened in Armenia. Only by this knowledge of the past we can prepare for the future, a better future for ourselves and our children.

Mr. MANTON. Mr. Speaker, I would like to thank Congressman COELHO and Congressman PASHAYAN for reserving this special order to commemorate the tragic events that took place in the Ottoman empire from 1915–23. I am honored to join my colleagues today to remember and honor the 1½ million victims of the Armenian genocide and their survivors.

Mr. Speaker, as we mark Armenian Martyr's Day, we must acknowledge there are people who would deny the genocide ever occurred. We know they are wrong. We cannot allow time to obscure or fade the truth in the genocide. We must remember the painful facts in detail in keeping the truth alive. We must remember that in 1915 the Armenian members of the Ottoman Turkish Army were segregated, disarmed and either forced to work themselves to death, or massacred. We must remember the villages whose entire populations were murdered. We must remember the Armenian religious, political, and intellectual leaders who were systematically killed. And finally we must remember the mass deportations and deaths of thousands of Armenians.

The past year has been a difficult one for Armenians and their friends everywhere. Early last year, many Soviet Armenians engaged in nationalist protests were killed or wounded when Soviet forces violently tried to stop the demonstrations. Unfortunately, an even greater challenge lay ahead for the Armenian people. The devastating earthquake which shook Armenia on December 7, 1988, and claimed nearly 25,000 lives was perhaps the greatest natural disaster to strike mankind in this century. My prayers are with the families of the Armenians whose lives were lost in the earthquake as they struggle to overcome this tragedy.

Although the trials ot the Armenian people have been great, their spirit has not been broken. Yesterday, in Soviet Armenia, hundreds of thousands of Armenians gathered in the capital city of Yerevan to commemorate the genocide. This year was the first year Armenians were legally allowed to do so.

Mr. Speaker, on this solemn occasion, Americans pause to remember a terrible chapter in this history of mankind. Today, Armenian-Americans will remember their brothers, sisters, parents and friends who perished more than 70 years ago. These survivors and their families have helped to build the United States into a strong, prosperous, and free Nation.

Mr. Speaker, the events of the Armenian genocide must never be repeated. I personally pledge to continue my efforts to ensure the world never forgets the horrible truth of the Armenian genocide, so that such a tragedy never happens again.

Mr. HOYER. Mr. Speaker, April 24 marked the 74th anniversary of the genocide of the 1.5 million Armenians in the Ottoman Empire. We continue to remember and we will never forget the atrocities committed against the people of Armenia.

On April 24, hundreds of thousands of Armenians marched in Yerevan to commemorate those who are were systematically killed during and after the First World War. Unfortunately, the marchers were not only mourning and commemorating Armenians killed decades ago. In the last 2 years, both man and nature have combined to take a particularly horrifying toll of the Armenian nation. It is estimated that 25,000 people lost their lives as a result of the earthquake last December, a tragedy that resounded around the world. The hearts of Americans and people everywhere went out to the victims and the survivors, and shared their pain and loss.

Natural disasters, however, are not in our ability to control. In the case of Armenia, the destruction caused by the earthquake was exacerbated and compounded by the loss of life brought about by people. We all know that for over a year, Armenians have been campaigning for the incorporation of the Nagorno-Karabakh Autonomous Oblast, 75 percent of whose inhabitants are Armenians, from the neighboring republic of Azerbaidjan to Armenia. According to official Soviet statistics, the antagonism between Armenians and Azerbaidjanis over this issue has cost over 90 lives, almost all of them Armenians. The name of Sumgait, where at least scores of Armenians were massacred, will always live in our memory as a symbol of the horrors to which the combination of nationalism and violence can lead.

In 1989, the Soviet authorities in Moscow decided to put Nagorno-Karabakh under Moscow's special control, rather than leave it under Azerbaidjani rule or give it to Armenia. Tensions have cooled somewhat as a result, but the issue remains a sore point. Without a calm, nonviolent approach, this—and other—nationality problems cannot be successfully addressed in the U.S.S.R.

It is all the more worrisome, therefore, that the members of the Karabakh Committee, a nonviolent group composed of intellectuals

and artists whose primary goal is the peaceful incorporation of Nagorno-Karabakh into Armenia, were arrested in December and January. They have since been moved to Moscow, where they are being held in detention in KGB prisons. They are not allowed to see lawyers or their relatives and the Soviet authorities have released almost no information about their fate and prospects.

Mr. Speaker, as cochairman for the Commission on Security and Cooperation in Europe, I can assure you that the Commission is carefully following the situation of the Karabakh Committee and in Armenia generally. Along with the Department of State, we are making use of new mechanisms and opportunities afforded by the Vienna concluding document to make known our concerns to the Soviet authorities.

It has been a difficult and trying year for the Armenian nation. As we commemorate the deaths of those killed in 1915, we hope that wisdom and kindness will prevent any recurrence of man-made disasters.

GENERAL LEAVE

Mr. PASHAYAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore (Mr. LELAND). Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 60 minutes.

[Mr. FEIGHAN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BYRON] is recognized for 30 minutes.

[Mrs. BYRON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

EXPRESSING SOLIDARITY WITH THE SUFFERING PEOPLE OF LEBANON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. MICHEL] is recognized for 60 minutes.

Mr. MICHEL. Mr. Speaker, I yield to my friend, the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman from Illinois for bringing this special order to the floor at this time. I think this issue is especially critical, and I am pleased to support the gentleman's effort.

Mr. Speaker, I rise in support of the special order on Lebanon requested by the gentleman from Ohio [Mr. FEIGHAN] and the distinguished minority leader, the gentleman from Illinois [Mr. MICHEL].

During the last several weeks, more than 20,000 shells and rockets have fallen on residential areas in Lebanon. Vital sources of food, water, and electricity have been destroyed. The senseless destruction of this nation brings feelings of remorse to those of us who respect and admire the many contributions of Lebanese-Americans to our own society.

Lebanon has played a critical role in the geopolitical stability of the Middle East. The reinstitution of democratic government and the removal of all foreign military and paramilitary forces are essential to the preservation of Lebanon's territorial integrity and sovereignty.

Mr. Speaker, the failure of the Presidential elections of September 1988 in Lebanon has deepened the divisions within Lebanese society. It is essential that the international community calls to all parties to end the strife between Moslems and Christians and respond to the international call for a cease-fire. The process of internal reconciliation must begin.

Mr. MICHEL. Mr. Speaker, I had intended to be a participant with our colleague, the gentleman from Ohio [Mr. FEIGHAN] in this special order, but in his absence at the moment, I have taken this time hoping that others who have expressed some interest in joining in the special order would also participate or at least extend their remarks during the course of this special order.

We are here to express our solidarity with the suffering people of Lebanon. They are victims of a savage and seemingly unending war that recently flared up in unprecedented violence.

For over 30 years I have gotten to know the Lebanese-Americans of my community in the 18th Congressional District of Illinois. I have benefited from their counsel. Our district has benefited from their commitment to family values and hard work.

For many years, one of my chief legislative aides was Tom McMurray, of Lebanese ancestry. Today, my chief aide in our Peoria office Ray LaHood, the mayor of Peoria Jim Maloof, and our sheriff, George Shadid, are all three of Lebanese ancestry.

So my interest in the fate of Lebanon and its people is more than merely academic or pro forma. I have known these people for many years, and I want to do all that I can to help their relatives in Lebanon. One way is by bringing their plight to the attention of the world.

Lebanon has become a symbol of the madness of our times, of ruthless invasion and foreign occupation, and the savage brutality with which strong nations badger weaker nations.

But the geopolitical realities are not as important as the individual human tragedies.

By now the statistics are known—well over 300 dead, and over 20,000 shells fired within the last week or so; innocent victims have been killed in a barrage that resulted in the destruction of homes and the loss of electricity and of water for thousands of men, women, and children.

At the heart of this tragedy is the hope of the people of Lebanon for territorial integrity, freedom, independence, peace and justice—exactly what we take so for granted in the United States.

Only a relatively few years ago, Lebanon was an example of peace and prosperity in the Middle East. But in recent years it has become a killing ground.

Last week, the newspaper of the Roman Catholic Diocese of Peoria, The Catholic Post, carried the following headline on its front page: "War Threatens Survival of Lebanese Maronites."

The story went on to say:

> The artillery duel that has battered the Lebanese capital of Beirut for more than a month is seen by many Maronite Catholics as a final assault on the last bastion of Christianity in the Middle East.

That same newspaper carried another front-page story on the effect of this violence on residents of the 18th Congressional District. The story stated:

> The fighting in war-torn Lebanon deeply affects the hundreds of people of Lebanese descent who live in the Peoria area, and U.S. leaders need to intervene, according to Father Faouzi Elia of Peoria.
>
> Father Elia, pastor of St. Sharbel Maronite Rite Catholic Church, with a congregation of 450 families, spoke to the Catholic Post this week about the plight of his parishioners, almost all of whom have relatives in Lebanon.
>
> Father Elia himself has 50 family members still living in Lebanon, and recently his cousin was killed in the fighting.

I happen to know Father Elia very well. Last week he visited my office to express his sorrow and his desire to have our Government help in some way.

I have written a letter to Secretary of State Jim Baker expressing my concern. I have spoken to President Bush's Chief of Staff, John Sununu, himself of Lebanese ancestry, and to the President himself about this tragedy. I know they all share our concern.

One week ago, while the shelling was going on in all its fury, the White House issued a statement which said, in part:

> President Bush is deeply concerned about the growing violence in Lebanon and the escalating suffering of the Lebanese people. The President calls for all internal parties and Syria to cease shelling and to step back from confrontation. The President strongly supports efforts currently underway, such as the one by the Arab league to bring about a cease-fire and an end to the violence.

That is a good start. But we need to keep on directing the attention of the world to Lebanon. Last week there was a demonstration of several thousand people in Washington from around the country to demonstrate. As is their given right to do. Unfortunately it was on page 20, a small two-column story about that demonstration, as distinguished, of course, from some much larger having taken place in recent weeks. But grateful we are the Washington Post in its lead editorial had the editorial "Under Syrian Guns." Maybe a little attention that we may be able to draw again to the plight of the Lebanese might be helpful.

We in America know all too well what the violence in Lebanon means. We lost 265 American servicemen in Lebanon, 241 of them in the terrorist attack on the Marine barracks. We have nine American hostages even now being held in that country.

I am fully aware of the bitter memory of the loss of our servicemen and of our hostages. So I want to make clear that I am not calling for any kind of American military intervention. I am calling for recognition of the ongoing tragedy and for the attention of the world toward that tragedy.

The difficulty in a situation like this one is that the United States has very little leverage over the Syrians. The very nature of the internecine warfare makes diplomacy very difficult. Even the best intentions of those who want to help can't be put into practice easily or quickly.

I believe, however, that our country can be doing more in acting as a source of humanitarian aid and in trying to stop the violence. At the very least we should be launching a diplomatic offensive against the violence calling upon all the nations of the region and the world to do all they can to help Lebanon.

One of the best known maxims is that the squeaky wheel gets the grease. And it is true. People and nations who shout the most, complain the most and bring their needs to the attention of others with persistence and anger, get attention, and they get real action.

The Lebanese people have never been like that. They are self-reliant, hard-working people. They are not the proverbial squeaky wheels who get a large share of the benefits. They have been content, when other nations leave them alone to simply lead their own lives. The various religious and ethnic differences in that country have never made things easy for the Lebanese people. But until recently, there was at least the knowledge that if they could get the peace among themselves they would make their own destiny.

But now, when their very existence as a nation is being threatened by violence, their virtue of not asking for help has become detrimental to their future. They do need our help, and quite frankly, they are not used to being dependent upon the kindness of strangers.

They have suffered too long. Their suffering cries out to us in eloquent and undeniable urgency.

So today, in the special order, we speak for those who cannot speak for themselves, certainly in this forum. We speak to the President, to use all available diplomatic and humanitarian means to help them. We speak to the American media to report the facts of this recent devastation.

□ 1400

As a matter of fact, I think I recall one of the news anchormen last week in reporting on some of the goings on there made the point that it was such a war zone that there was a difficulty in actually dispatching the kinds of on-the-scene reporters that we would normally expect to have covering such an incident. And we speak to the American people to help them be aware of what is taking place in Lebanon.

Mr. Speaker, Lebanon is dying before our eyes. We have to do what we can to save its people from a fate they do not deserve—a fate no one deserves.

Mr. Speaker, I add for the RECORD editorial comments and stories on the situation in Lebanon.

The articles referred to follow:

[From the Washington Post, Apr. 24, 1989]

UNDER SYRIAN GUNS

In a convulsion like the one Lebanon is experiencing now, it becomes not merely helpful but urgent to distinguish between two orders of problem. One is political root causes. These, in Lebanon, have long resisted treatment. That is not a reason to ignore them, but it is a reason not to let a search for political solutions get in the way of treating the other problem in Lebanon, which is people dying. That is what must be addressed in Lebanon right now.

The Syrians have had a complex role in Lebanon, but their current role is easy to comprehend. To assert their authority against a political challenge launched by Gen. Michel Aoun, the Christian president, they are conducting massive bombardments of civilian areas in Beirut. The death toll is into the hundreds. By the standard Syria applies when a political challenge comes within its own closed society from some of its own people, this may not be much, but by any ordinary standard it is criminal and it must stop.

How? No conceivable political change can come fast enough to save the lives of a Beirut populace living under Syrian guns. Possibly Damascus can be given pause, however, if enough people outside Lebanon pay attention to what is going on. Syria's President Assad has shown he has no scruples about taking civilian life, but he has also shown a certain shrewd appreciation of the political costs. It is at least a fair bet that as the international spotlight comes to shine on Lebanon, fewer Lebanese are going to die. This is essentially the theory behind the initiative the French launched to get other nations involved in the Lebanon crisis. It was a ringing of diplomatic bells to attract attention. To an extent, it worked.

It is painful to report that the U.S. government has failed to get the full message. The Bush administration has reacted to French and other appeals to get involved by making a plaintive public recital of its inability to bring influence to bear in Damascus. Perhaps American officials are thinking—and they are right to—that Washington is not going to send back the Marines. But why make such a big display of American detachment and incapacity? That translates into an assurance to Syria that it won't have to pay much of a price for its barbarity. Why mumble? Why not keep trying to embarrass Syria into lowering its guns? The French sent a hospital ship, which took aboard both Moslem and Christian victims of Syrian fire. Could not the United States summon up the diplomatic wit to make a similar gesture? It could save lives.

LEBANESE WAR PROTESTED AT RALLY HERE

(By Karlyn Barker and David Ottaway)

A delegation of Lebanese leaders met with President Bush yesterday and more than 4,000 Lebanese and Lebanese Americans held a peaceful protest in Lafayette Park in hopes of getting the United States to intervene with Syria to stop its bombing of Beirut and withdraw troops from Lebanon.

The Lebanese delegation, led by Lebanese Ambassador Abdullah Bouhabib and the Maronite archbishop in the United States, Francis Zayek, met with Bush for a half hour and received assurances of his personal interest in helping to bring about an end to the current crisis, according to Lebanese sources.

The president said he will wait for the results of an Arab League peace mission before making any decisions.

Bouhabib said later that Bush showed "a lot of understanding on Lebanon and a willingness to help."

In Lafayette Park, demonstrators carried red and white flags, chanted "Syria Out of Lebanon" and talked about the danger to relatives and friends because of the shelling there. Before the rally, more than 700 protesters marched through the downtown area and gathered outside The Washington Post, denouncing Syria and urging greater media coverage of the situation in Lebanon. U.S. Park Police estimated the crowd in Lafayette Park at more than 4,000.

Robert Y. Farah, executive director of the Lebanese Information and Research Center, representing the Lebanese resistance, said the protest was organized by a variety of Lebanese American groups.

"The intent was to make the public aware of the plight of Lebanon—to get across through the media and to the administration that the American Lebanese from Maine to California are really angry about the intensity of the shelling * * * and the slow action of the U.S. administration."

Farah, who also participated in the meeting with Bush, said the president expressed concern about the shelling of Lebanon and "the suffering of the Lebanese."

A senior administration official reported that the State Department is now "actively exploring" possible actions the United States might take if the president decides to increase U.S. involvement in a search for a solution to the crisis.

Mr. BROOMFIELD. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the distinguished gentleman from Michigan [Mr. BROOMFIELD], the ranking member of the Committee on Foreign Affairs.

Mr. BROOMFIELD. Mr. Speaker, I would like to compliment the gentleman from Illinois [Mr. MICHEL], our Republican leader, for his fine statements about the importance of the Lebanese people.

Mr. Speaker, I would like to offer my support to House Resolution 128, expressing this House's concern over the recent events in Lebanon.

While the plight of two whales trapped in Arctic waters attracted international concern, the fate of the Lebanese people is going unnoticed and unmourned.

After all, there has been so much killing in Lebanon in recent years that these recent atrocities are nothing new. They are not news.

Many of us in Congress are deeply concerned about events in Lebanon, and we want an end to the suffering of the Lebanese people.

It would help if Syria would stop its murderous shelling of Lebanese civilians, and to end its occupation of Lebanese territory.

Also if other paramilitary groups in Lebanon would disband, and to recognize the authority of the central government.

The United States has repeatedly expressed its support for a strong central government in Lebanon, and a withdrawal of all foreign forces from that country. It is time for us to take concrete steps to implement this policy.

We should give our full support to international efforts to end this crisis, to effect a cease-fire.

We ought to encourage the Lebanese to come together to fulfill the constitutional mandate to elect a new President in Lebanon.

Our Nation has historic ties with the people of Lebanon. Many Lebanese have emigrated to this country, bringing their talents and skills to make this a stronger nation. The United States ought to stand by Lebanon in this hour of crisis.

I strongly urge my colleagues to support House Resolution 128.

Again, Mr. Speaker, I strongly commend the gentleman from Illinois [Mr. MICHEL] for his fine statement on this very important issue.

Mr. MICHEL. Mr. Speaker, I thank the gentleman from Michigan and know that in his committee deliberations with his colleagues he will do everything he possibly can to keep the fires lit so that we might be continually kept up to date on this tragedy, and hopefully to be able to be of some help and assistance to these poor Lebanese people who are weathering so much.

Mr. Speaker, I ask unanimous consent to yield the balance of my time and control thereof to the distinguished gentleman from Ohio [Mr. FEIGHAN] with whom I originally thought we would be sharing this special order. Now that he is available on the floor, I am happy to yield the time to him.

The SPEAKER pro tempore (Mr. PRICE). Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, I want to thank very much the distinguished gentleman from Illinois [Mr. MICHEL], the minority leader, for joining us in this special order this afternoon, but particularly to thank him for his extraordinary leadership on this issue. He has been a real friend of Lebanese Americans, and he has certainly been a leader in this institution and in the country in helping to fashion the appropriate American foreign policy in that region. His participation this afternoon in this special order helps to focus the American debate on sharpening that foreign policy to ensure that we can do all that we possibly can in these critical days that lie ahead for that important and beleaguered country.

Mr. Speaker, I yield to the gentleman from Michigan [Mr. BONIOR], who has been of enormous assistance in preparing for this special order as well as having joined in a resolution that has been introduced just this week in the Congress calling for very specific action to be taken in order to provide assistance to the Lebanese people.

Mr. BONIOR. Mr. Speaker, I thank my colleague for yielding and would like to commend him for his initiative as well as that of the distinguished gentleman from Illinois [Mr. MICHEL], the minority leader, as well as my colleague, the gentleman from Michigan [Mr. BROOMFIELD], for raising the issue of Lebanon again before the American people.

The problem we have with focusing on Lebanon today is quite frankly the fatigue that we suffer as a people and that the world communities suffer because of the everlasting spectacle of Lebanon's agony, an agony which has gone on unchecked for 15 years. We are seeing slowly but surely the devastation, the uprooting, the brutal partitioning, of that beautiful country.

I want to commend my colleagues, as I stated, for bringing this again to the attention of the American people, the international community and the community of nations.

Recently President Bush spoke of his concern for the incredible suffering endured by the Lebanese people, and he vowed that he would try to make a difference. That is important, and, Mr. President, I commend you for that. But more importantly, I urge you to carry out that commitment that you made recently to a group of distinguished Lebanese Americans.

We can make a difference. We can make a difference by raising our voices. And by taking bold initiatives.

The Syrian question is a serious one. We can deal with Syria in one of two ways. We can ignore Syria, but that is not the way to deal with the problem, because Assad is committed, he is strong, and he plays the Lebanese card very skillfully. We have to deal with Syria seriously in this situation, and we have failed to do that. We have to raise our voice in one of two ways. We have to at least try to engage Syria in a discussion of what is happening in Lebanon or, on the other hand, take a more firm stand against Syria. But we cannot ignore Syria.

So, Mr. Speaker, the pain has gone on too long. For 15 years we have seen literally the destruction of a country and the suffering of tens of thousands of innocent people, of indivudals who have undergone the most brutal suffering and inhumanity that one can imagine. It is time for the international community to come together, as has been suggested in the resolution offered by the gentleman from Ohio [Mr. FEIGHAN], and others which I have cosponsored. It is time for the Arab League, the United Nations, Perez de Cuellar, and other world leaders including President Bush to get intimately involved in trying to do something to move this issue forward on the international agenda.

We must help bring about an immediate ceasefire among the parties. It is time to demand the removal of all foreign military forces and the dismantling of all paramilitary forces in Lebanon.

We, as responsible legislators, can make a difference. The majority leader in the Senate, Senator MITCHEL, has taken a positive, a forceful and an important lead. The gentleman from Illinois [Mr. MICHEL], has taken an important lead. The Democratic leadership on our side of the aisle is deeply concerned about this issue.

We have, Mr. Speaker, hundreds of thousands of Lebanese Americans in this country who remember with deep foundness their time spent and the time of their relatives spent in their homeland. It seems to me incumbent upon us as leaders of a peaceful, free world that we show leadership in this terrible, terrible situation that has befallen the people of Lebanon.

□ 1410

So again let me just conclude by commending my colleague, the gentleman from Ohio [Mr. FEIGHAN], for taking this special order and asking those in my party to raise their voices and be heard, because we can if we want to, and if we are willing to work in a serious way, stop this insane bom-

bardment and killing and maiming and homelessness that has befallen the Lebanese people.

Mr. FEIGHAN. I thank the gentleman from Michigan.

Mr. Speaker, I would like at this point to yield to the gentleman from West Virginia [Mr. RAHALL], who feels, I am sure, as a Lebanese-American, a special grief watching events unfold in Lebanon and has expressed to all of us in this Chamber a special sense of urgency about the fashioning of American foreign policy to assist the Lebanese people in their struggle to maintain their independence and their national integrity.

Mr. RAHALL. Mr. Speaker, I thank the gentleman for yielding, my colleague from Ohio, and thank him and our minority leader, the gentleman from Illinois [Mr. MICHEL] for taking this special order today to bring to the attention of our colleagues in Congress the special situation in Lebanon.

Mr. Speaker, I have been on the floor for this entire special order and I want particularly to commend the minority leader, the gentleman from Illinois [Mr. MICHEL] for his very powerful statement this afternoon. I shall not repeat those statistics. We have seen them on the national news and in the print media day after day for the last several weeks.

The Lebanese have been through this carnage, have been through this killing for 15 years now.

As my colleague from Michigan so well put it, there have been changing coalitions within the country of Lebanon; there are Moslems fighting Moslems, Christians fighting Christians, Moslems fighting Christians, and various militia of all natures who have formed in that country over 15 years and have fought each other often in changing circumstances and changing roles.

It has been said that there are more sides to the fighting in Lebanon than there are sides to a Rubic cube. That describes the situation very accurately.

It is a complex situation in the country of Lebanon. Outside forces, outside powers all have their game to play and they use the small country of Lebanon as its playing field.

Lebanon, only about 120 miles north to south, 35 miles from the Mediterranean Sea to the border of Syria, has found itself to be the playing field for various super powers, for various forces from around the Middle East to play their games for selfish purposes on the soil of Lebanon.

There has been in recent weeks an escalation in the fighting. As the minority leader so well put it, the Lebanese are a strong people, they are a caring people. They have a determination to rebuild and have rebuilt on a number of occasions over the last 15 years. But the recent fighting is indeed perhaps the worst in these 15 years. Some 80 percent of the population for the first time is being knocked out of water, power, electricity. There are Christians, there are Moslems, all manner of people who are fleeing the country of Lebanon trying to reach other countries.

Indeed I have spent numerous amounts of time on the phone in the past couple of weeks with our consul in Cyprus trying to help Lebanese reach the United States so that they can spend time with their loved ones here since they are unable to continue living in the home of their birth, Lebanon.

Last Friday here in our Nation's Capital there was an outpouring of some 4,000 Lebanese, Americans of Lebanese descent, who demonstrated peacefully in LaFayette Park in order to bring to the attention of President Bush and this country the plight of the Lebanese today.

The President, much to his credit, met with the leadership of this group, the American Task Force for Lebanon, in the Oval Office with Chief of Staff John Sununu on last Friday.

Mr. Speaker, I had the honor of being on the podium at the St. Jude's Children's Research Hospital dinner that honored Chief of Staff John Sununu last March 18 at which time President Bush made an unscheduled appearance and talked about the situation in Lebanon and how he wanted to make a difference.

I certainly commend President Bush for his interest and for his concern about the people of Lebanon.

Secretary of State Baker, with whom our colleague MARY ROSE OAKAR and I have written in the past week, has expressed his desire to work with the Arab League to seek a solution of the Lebanese situation. That is commendable, the interest expressed by the Secretary is commendable. But it is going to take a little more than just pinning our hopes on the Arab League for resolution of this conflict.

There are those who say the Syrians were invited into Lebanon and that they are not wanted today. Those people will put the sole blame on Syria. That cannot be a solution to the problem. The Syrians were invited into Lebanon in 1975 by the Arab League, not the Lebanese Government. They did play a role at that time in fighting side by side with the Christian forces in an effort to quell the Palestinian PLO birth that was beginning at that time within the country of Lebanon.

Rolls have changed, as I mentioned earlier. Today the Syrians find as their main allies in the country of Lebanon, Moslems to whom they lend support, and find as their ally in the fightings that are taking place.

Syria has legitimate gripes in the Middle East, Mr. Speaker. They feel frozen out of every peace proposal that comes down the pike. They have lost what they feel are their legitimate lands in the Golan Heights. Yet they see no involvement of their country in peace process after peace process.

They feel they were invited into Lebanon as peacekeepers and now they are being painted as the bad boy on the block.

Suffice to say, Mr. Speaker, there is enough blame to pass around to all sides in the fighting in Lebanon. There is no one faction, no one group that can claim that they are innocent in this 15-year struggle of the Lebanese people.

All outside forces must leave the country of Lebanon. I refer specifically to Israeli troops in the southern part of Lebanon, who must leave that country as much as any Syrian troops in the northern part or the southern part of that country.

All Iranian forces and Iranian power that goes into that country must be frozen out of the country of Lebanon.

The Iraqis, the Libyans, we could go on and on and list the various countries that are fighting in Lebanon for their own selfish reasons. Suffice to say that all foreign forces must leave the country of Lebanon.

Will there then be peace? That is a difficult question to answer. The Lebanese must have a reconciliation among themselves. They are now in a constitutional crisis having not selected a President succeeding the former President Amin Gemayel. There must be reform within the power process in that country if there is to be true peace in Lebanon.

There must also, Mr. Speaker, very importantly and linked to the peace in Lebanon, be a resolution of the overall Israeli-Arab conflict. That means that the Palestinians must have a homeland. That means that the Palestinians must have a place to which they can go and raise their flag and to call their home, instead of using the country of Lebanon as a place of refuge, instead of building a state within the state of Lebanon as the PLO has been guilty of doing in the past, thus wreaking further havoc on that country.

So there are a number of complex issues, Mr. Speaker.

In conclusion, I do want to say that our Secretary of State is aware of these problems. His efforts in the overall solution to the Arab-Israeli conflict, while some would say are too slow, I think are proceeding at the proper pace and should be allowed to stay on track. I salute him for that.

There is an opportunity that exists today in that overall resolution that perhaps has not existed before and we must not let that opportunity go by. At the same time we must not allow that conflict to divert our attentions any longer from the problem of the

Lebanese people, a people that love Western democracy, a people that love Americans, a people that are not terrorists, a people that are no more responsible for the holding of our hostages than any Member of this body in the Congress of the United States. The Lebanese are not of that nature. They are not responsible for our hostage taking. They are not responsible in general for the overall image that the American people perhaps have of the country of Lebanon.

□ 1420

Indeed, it is the outside forces that have brought about that perception and brought about the problem within that country. So I say that it is time that all outside forces leave the country of Lebanon, that Lebanon's territorial sovereignty be recognized, and their internationally recognized borders be recognized, and that the Lebanese have a reconciliation among themselves as to their problems and as to a peace in that country and the Middle East.

Again, Mr. Speaker, I thank my dear colleague from Ohio [Mr. FEIGHAN] for taking this special order and for yielding the time to me. He has been gracious in yielding this afternoon.

Mr. FEIGHAN. Mr. Speaker, I very much appreciate the participation this afternoon and the comments of the gentleman from West Virginia [Mr. RAHALL], who obviously, as could be seen from his presentation, follows these issues very closely over a period of many years.

Mr. Speaker, the tragedy of Lebanon continues. On the eve of the 14th anniversary of the outbreak of civil strife, more than 150,000 people have died. Since March 8, the heaviest bombardments in 4 years have killed more than 300 people and wounded more than 1,000 persons in the beleaguered city of Beirut. Equally devastating are the numbers of men, women, and children suffering physical and mental breakdowns from the protracted, indiscriminate terror that surrounds this city of 1.2 million people.

The Syrian shelling of Beirut came in response to the Lebanese Government's attempt to close and secure illegally operating ports under Syrian control. According to the Lebanese Government, these ports allow safe harbor for terrorist and drug smuggling activities and to import arms as well.

Three million Lebanese are embroiled in a struggle to exercise control over their own destinies. They hope for nothing more than to be left alone by their neighbors and outside forces. Syria—Lebanon's neighbor to the east—occupies 70 percent of Lebanese soil with 40,000 troops and Syria is now determined to extend its hegemony over Lebanon's capital city—a city that once prided itself as being the "Paris of the Middle East."

Mr. Speaker, we cannot allow Syria and its surrogates to continue the carnage and destruction of Beirut. The Syrians are continuing the shelling and have hurled hundreds of thousands of Soviet produced 240 millimeter mortars and rockets against Beirut. More men, women and children have been killed and hospitals, schools, and homes are still being destroyed. The carnage continues.

Mr. Speaker, the Lebanese Ambassador to the United States, His Excellency Abdallah Bouhabib, in a letter to President Bush made an urgent appeal for help and asked the President to act and to reaffirm his commitment to make a difference in Lebanon. In recent days numerous articles have appeared in the New York Times, the Washington Post, and respected periodicals concerning the tragedy of Lebanon. In all of these articles there is universal condemnation of Syria, its allies in Lebanon, and the bloodshed and devastation against that troubled country. The French are trying to help the Lebanese but there is only so much that one country can do by itself.

The United States has a responsible role to play in Lebanon. I have introduced a resolution calling for the President to push for an immediate cease-fire among the parties in Lebanon, urge the removal of all foreign military and paramilitary forces, and calling upon the Lebanese people to begin a process of internal reconciliation. The resolution recognizes the efforts of the League of Arab States and calls for the United States to support this and other international efforts. Finally, it urges the Government of Lebanon to fulfill the constitutional mandate to elect a new President. At this point I would like to include this material as part of the RECORD:

EMBASSY OF LEBANON,
Washington, March 30, 1989.

Hon. GEORGE BUSH,
President of the United States of America, the White House, Washington, DC.

MR. PRESIDENT: Less than two weeks ago you declared to the world that the Lebanese have suffered for too long and that you wanted them "to know that this President is going to find a way" to make a difference in Lebanon.

Since then, over one hundred Lebanese have been killed, and three hundred have been wounded. Scores of buildings, cars, and vital sources of civilian food, water, fuel, and electricity are being destroyed with the most sophisticated weaponry. Over the last four days some 20,000 shells and rockets have fallen in residential areas.

Two days ago, an Arab League Committee on Lebanon meeting in Tunis appealed for a halt to the fighting in Lebanon. While the Government of Lebanon immediately agreed, Syrian aggression, in its worst form of mass-destruction, continued. Taking advantage of the unilaterally declared ceasefire, the Syrian Army targeted and destroyed a power plant and two large fuel tanks causing blackouts and massive conflagrations forcing thousands of civilians to evacuate. Critical supplies of grains and fuel for bakeries and hospitals have been destroyed, gravely effecting all Lebanon.

Mr. President, we are concerned that although the U.S. Embassy in Lebanon stated that the residence of the U.S. Ambassador in Beirut "was struck by a Syrian shell", Administration officials continue to ignore Syria's destructive role in Lebanon, and thus unintentionally but implicitly and indirectly encourage the Syrians to continue their strangulation of Lebanon.

Mr. President, like the Nicaraguans, Angolans, Afghans, and all beleaguered and suffering peoples around the globe, the Lebanese have the inalienable right to live in peace with self-determination.

Mr. President, in the name of these cherished American values which you have so eloquently brought to your Administration, I appeal to you, not for military or financial assistance, but rather for peace—by calling for an immediate halt to the fighting in Lebanon. I urge you to take measures to help bring about the withdrawal of all non-Lebanese military forces in Lebanon. The free world, and the Lebanese in particular, hold you in highest esteem as a champion of human rights and dignity. We plead with you to act now to make a difference.

With my fullest appreciation of your support.

Sincerely,

ABDALLAH BOUHABIB.

H. RES. 128

Whereas the recent artillery exchanges between Syrian and Lebanese forces and militias have resulted in the death or injury of hundreds of Lebanese civilians;

Whereas such exchanges have destroyed vital sources of civilian food, water, and electricity;

Whereas in the last several weeks, more than 20,000 shells and rockets have fallen in residential areas in Lebanon;

Whereas the deterioraton of conditions in Lebanon threatens its territorial integrity and sovereignty;

Whereas the presence of foreign military and paramilitary forces undermines efforts to establish the authority of a central government in Lebanon;

Whereas the League of Arab States has been asked to mediate the dispute and has called for a cease-fire by the forces fighting in Lebanon;

Whereas the process of reconciliation among the Lebanese is increasingly difficult in the absence of a cease-fire;

Whereas the failure of the presidential elections of September 1988 in Lebanon has deepened the division within Lebanese society;

Whereas the United States supports the restoration of the unity, sovereignty, and territorial integrity of Lebanon, the restoration of a central government in Lebanon, and the removal of all foreign forces from and the disbandment of militias in Lebanon;

Whereas the United Nations has demonstrated a historic commitment to working for peace in Lebanon through the presence of the United Nations Interim Force in Lebanon;

Whereas Article 34 of the United Nations Charter empowers the United Nations Council to investigate any situation which might lead to international friction to determine whether the situation is likely to en-

danger the maintenance of international peace and security: Now, therefore, be it

Resolved, That it is the sense of the House that the President should—

(1) call for an immediate cease-fire among the parties in Lebanon and the removal of all foreign military forces and disbandment of all paramilitary forces in Lebanon,

(2) urge all parties in Lebanon to respond to the international call for an immediate cease-fire and to undertake immediate discussions regarding internal reconciliation,

(3) support international efforts, including appointment of special emissaries by the United Nations Secretary General and the League of Arab States, to work with the parties in Lebanon to implement a cease-fire and start a process of internal reconciliation in Lebanon, and

(4) support actions to encourage the fulfillment of the constitutional mandate to elect a new president in Lebanon.

Mr. Speaker, the Lebanese are strong, enterprising, and resilient people who are committed to a united, sovereign, and independent Lebanon with a central government capable of governing. Recently, President Bush declared that he was going to find a way to make a difference in Lebanon. This resolution demonstrates our intent to strongly support that commitment.

Mr. Speaker, I am very grateful, particularly to my colleague, the gentleman from Illinois [Mr. MICHEL], the gentleman from West Virginia [Mr. RAHALL], the gentleman from Michigan [Mr. BONIOR], and the other Members of the House who have joined in this special order this afternoon. I hope that from this special order goes a very direct, very compelling message. We believe that there is a responsible and important role in American foreign policy to help end the bloodshed in Lebanon in the short term, and in the long term to help restore the integrity of the international boundaries of this very important nation. The people of Lebanon, as allies of this country, deserve that help. They deserve that assistance, and we have the power and the obligation to provide it.

Ms. OAKAR. Mr. Speaker, I would like to thank the gentleman from Ohio [Mr. FEIGHAN] and the gentleman from Illinois for sponsoring this special order on Lebanon. I have also been deeply troubled by the tragic situation there.

Until 1975, Lebanon was renowned throughout the world for its role as the financial and trade center of the Middle East. Lebanon's unique economic and social structure made it a model of coexistence in a troubled region of the world. Our country has played an important leadership role there through our efforts to support democracy in Lebanon and to preserve her unity, freedom, sovereignty, and independence. Despite these and many other efforts for reconciliation, the situation has steadily grown worse, and last September the delay in elections brought the country to the brink of a constitutional crisis.

Since the hostilities escalated last month, almost 300 people have been killed and nearly 1,000 have been wounded. Indiscriminate heavy shelling has cost the lives of many innocent civilians, including the dean of the European delegation, the Spanish Ambassador Pedro Manuel de Aristegui.

America must not turn away from the tremendous suffering of the people there.

President Bush has expressed his concern for the people of Lebanon and his desire for an end to their suffering. I urge the President to use all due influence on all parties involved to lay down their arms and return to the table. Only then will the Lebanese people be able to start down the path toward reconciliation.

President Bush should actively work with the Arab League, France, the United Nations and other parties to mediate this tragic crisis, and U.S. Ambassador to the U.N. Thomas Pickering should speak against the hostilities that are destroying more lives each day. Without these efforts, the sovereignty and unity of our ally Lebanon are gravely threatened.

America must remain committed to Lebanon's survival as a democratic nation at this critical hour. Only by preserving democracy can Lebanon hope to return to her former prosperity.

I have attached the letter which Congressman RAHALL and I sent to Secretary of State Baker:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, April 20, 1989.

Hon. James A. Baker III,
Secretary of State,
Washington, DC.

DEAR SECRETARY BAKER: Until 1975, Lebanon was renowned througout the world for its role as the financial and trade center of the Middle East. Lebanon's unique economic and social structure made it a model of coexistence in a troubled region of the world. Our country has played an important leadership role there through our efforts to support democracy in Lebanon and to preserve her unity, freedom, sovereignty and independence. Despite these and many other efforts for reconciliation, the situation has steadily grown worse, and last September the delay in elections brought the country to the brink of a constitutional crisis.

Since the hostilities escalated last month, almost three hundred people have been killed and hundreds more have been wounded. Indiscriminate heavy shelling has cost the lives of many innocent civilians, including the dean of the European delegation, the Spanish Ambassador Pedro Manuel de Aristegui. The United States must play a stronger role to bring an end to the tremendous bloodshed there.

President Bush has expressed his concern for the people of Lebanon and his desire for an end to their suffering. We urge the President to use all due influence on all parties involved to lay down their arms and return to the table to undertake immediate discussions toward reconciliation. We call upon United States Ambassador to the United Nations Thomas R. Pickering to actively speak against the hostilities that are destroying more lives each day. We also urge the President to actively work with the Arab League, France, the United Nations and other parties to mediate this tragic crisis. Without these efforts, the sovereignty and unity of our ally Lebanon are gravely threatened.

America must remain committed to Lebanon's survival as a democratic nation at this crtical hour. Only by preserving democracy can Lebanon hope to return to her former prosperity.

Thank you for your consideration.

Sincerely,

MARY ROSE OAKAR,
NICK JOE RAHALL II,
Members of Congress.

Mr. MACHTLEY. Mr. Speaker, the last 14 years in Lebanon have been ones of intermittent storm and calm. Again, we have hit upon storm.

The optimism of the 1976 cease-fire between domestic political groups is now long faded, and the rising death toll—reaching over 300 in just the last few weeks, is a sharp reminder of the devastation and sorrow which are the immediate byproducts of this continued fighting.

Most unsetting is the indiscriminacy of the attacks. Shell-shocked residential areas, bombed-out homes and stores, a lack of electricity and water in many areas, the tragic death of the Spanish Ambassador to Lebanon in his home—these are the images which the Lebanese children carry with them every day.

Over 40,000 Syrian troops continue to occupy Lebanon, as well as surrogates of Iraq, Iran, and the PLO. The outside involvement complicates and adds further tension to the internal situation.

Today, we stand on the floor of the House of Representatives to make a humanitarian plea for the people of Lebanon—to call for an end of the violence and the achievement of national reconciliation.

The Lebanese people deserve justice and peace. As Americans, we must support efforts which advance a cease-fire, which disengage foreign troops, and which broaden peace by encouraging multilateral discussions among the involved factions.

A combination of internal conflict and external assaults have debilitated one of the most productive nations in the Middle East. Today, we call for a healing of these wounds, and we offer our U.S. support for the full recuperation of this war-torn land.

Mr. CONTE. Mr. Speaker, I'd like to thank my good friend and colleague, BOB MICHEL, for taking this special order calling attention to the brutal and savage agony of warfare that is occurring in the country of Lebanon. This small country wedged between Syria and Israel is undergoing one of the most ferocious bombardments since World War II.

I still remember a time not so long ago, when BOB and I visited the beautiful city of Beirut. Back in the early sixties, Beirut was known throughout the world as the Jewel of the Mediterranean. BOB with his wonderful voice would serenade the Lebanese. In those days we could safely traverse the countryside visiting with the friends and relatives of our constituents.

I have many friends and constituents in western Massachusetts of Lebanese descent who exhibit the industrious tradition that once so typified all of Lebanon. But today, this spirit in Lebanon is being crushed by those forces that would destroy rather than build.

When we look at what remains of Lebanon today, it is hard to imagine that this battlefield was once one of the most productive, peaceful and forward-looking countries of the Middle East. The coalition Government of Lebanon

once served as a model for other nations that sought to unite peoples of diverse cultures and religions under one flag. This flag of Lebanon was a symbol of a precious but tenuous peace that existed among its people. But in this decade, this fragile peace has been torn asunder by the forces of radicalism that now threaten much of the Middle East.

Since early April, in the exchange of shellfire from opposing forces in Beirut, well over 300 people have been killed. The population is suffering intense and prolonged devastation, as entire sections of the city have been left without water and electricity.

Syrian forces especially have been responsible for the latest violence that has pushed the country closer to the edge. We must demand that such forces stop the carnage and allow the voices of moderation and reason to rise again.

Mr. Speaker, amidst all the agony and suffering, now is the time to demand an end to the violence that has scarred this war-torn country.

Mr. BILIRAKIS. Mr. Speaker, I would like to thank Mr. FEIGHAN and the minority leader, Mr. MICHEL, for taking this special order today. I rise to join them in calling attention to one of the world's most tragic crises.

Lebanon, not so long ago, one of the true garden spots of the Middle East, an economic an cultural crossroads, has been torn by religious strife and factional violence on an unprecedented scale. Now, Lebanon is being tortured again, this time in the name of expansionist hegemony.

While the television news cameras have focused our attention on Palestinian youths throwing stones at Israeli soldiers in the West Bank, Syrian artillery shells and rockets have been falling—and continue to fall—on Lebanon.

Already having overrun the majority of the country, Syria's occupation troops are intent on spreading Syria's Hafez Assad's cruel dream of a greater Syria to the sea. This dream is being bought with lives by the hundreds—the lives of the peace-loving yet helpless Lebanese citizens.

The fact that the world regards this madness with seeming disinterest makes it all the more horrifying. There have been no protests, no outrage, no condemnations from the United Nations.

It is time for all of us to express our solidarity with the Lebanese people, to call for an end to the shelling and for Syria to withdraw from Lebanese soil. However, more than that, we must call for an end to the repeated depradations Lebanon has suffered at so many hands. We must urge the international community to unite and do all it can to see the promise of Lebanon—once so bright and inspiring—restored.

Mr. Speaker, again, I commend my colleagues for their concern and commitment in taking this special order and for their leadership in focusing the attention of the Congress and the world on the dark and dismal tragedy in Lebanon today.

Mr. BERMAN. Mr. Speaker, it is a well-known fact that Lebanon has been wracked by its 14-year-old civil war. What is less known—or at least less often spoken of—is the degree to which the carnage has spread in recent months.

The most disturbing facet of these developments is the relative timidity with which the United States and other governments have criticized the country most responsible for the recent hailstorm of attacks against the civilian population of Beirut. Syria, far from exercising its purported role as peacekeeper, has, for over 40 days, mercilessly shelled residential neighborhoods of east Beirut. Hundreds have died; thousands lie wounded in overcrowded and underequipped hospitals; and most of Beirut is dangerously without electricity, water, and fuel and is on the brink of running out of bread and other basic food supplies. Syria has even fought off French rescue ships attempting to evacuate the wounded.

How long will the international community stand in silence as Syrian gunners wipe our entire city blocks and the Damascus regime carves out its power niche with deadly impunity?

The United States has an abiding interest in peace in the Middle East. It is wrong that our efforts to promote peace and security in the region seem so often to be limited to the Arab-Israeli conflict. The taking of Arab life by an Arab should be of no less consequence than the taking of an Arab life by anyone else. The world's silence condones, by oversight or by indifference, the brutal power grab Syria now prosecutes in Lebanon.

The muted response of the international community can be understood by Syrian President Hafez Al-Assad only as tacit acceptance of Syria's attacks on the defenseless citizenry of Beirut. The United States, the Soviet Union, and other regional players must denounce, in the strongest terms, the Syrian aggression in Lebanon and work to bring about a crease-fire that will bring an end to the needless loss of innocent life in that tragic country. It is to our shame that the world community has tolerated this outrage thus far. It is time for concrete practical measures.

Mr. LAGOMARSINO. Mr. Speaker, I thank my colleagues, Republican Leader BOB MICHEL and Congressman ED FEIGHAN for scheduling this timely special order. While the little country of Lebanon has suffered through 14 consecutive years of civil war and foreign military intervention, the brutal fighting of the past month has raised the levels of carnage and suffering to greatest yet. As a longtime friend of Lebanon with many historical and cultural ties, it is imperative for the United States to play an active role in halting the bloody fighting and promoting a negotiated settlement.

The United States has long played an active and constructive role in the development of Lebanon. From the time Lebanon was part of the Ottoman Empire we have promoted education, health, and better standards of living. Some of Lebanon's best known and best respected institutions, like the American University of Beirut and International College, are American. Today, like the much of the rest of Lebanon, they face daily shellings and uncertain futures.

The United States sent in the Marines twice, once in 1958 and then again as part of the multinational peacekeeping forces in 1982, in an effort to help stop war and promote peace. The price we have paid for our humanitarian efforts is very high. Hundreds of Americans, like our brave marines at the Embassy compounds and airport station who were killed by terrorist bombs, and like Ambassador Malloy who was murdered in 1976 while brokering a cease-fire have died trying to make Lebanon a better place. Others have been kidnaped and are still being held hostage for their efforts. Despite these tragedies, we should not give up. Just as others supported us in our time of need some 200 years ago, we should help our friends today, like the Lebanese, in their time of crisis.

The underlying causes behind the breakdown of Lebanon into civil war in 1975 were complex and difficult enough to begin with. The subsequent 14 years of war and intervention have only worsened the crisis and further complicated the already confounding situation. However, the bloodshed of the past month dictates that we not dwell upon the past, but focus on stopping today's heavy fighting and promoting an environment conducive for negotiating a peaceful future for Lebanon.

This latest round of fighting finds its origins in the inability to elect a successor to former President Amin Gemayel upon the expiration of his term in office last September. The result of this constitutional crisis was the establishment of two governments both vying for control and legitimacy. The crisis reached its present violent stage when the appointed interim caretaker government of General Aoun, utilizing its relative advantage of air and sea power, closed the illegal ports up and down the Lebanese coastline. These militia operated ports were denying the central government of critical tariff revenues and allowed the myriad of militias to have easy access to foreign arms. These ports were also a major transshipping point for illegal drugs like heroin and hashish—drugs which find their way from the Syrian controlled Bekaa Valley to the streets of the United States. It is in our direct interest to keep these ports closed.

While many debate the real motives and intentions behind the closing of these ports, the result has been a brutal power struggle over the future of Lebanon. There have been no winners and only the innocent civilian population caught in the middle and Lebanese nation have been the losers. The mass destruction of civilian population centers, like Beirut, has caused hundreds of deaths and thousands of casualties. Shelling is a very discriminate form of warfare—it targets the old, the infirm, families, and children. The cruel decision by the leftist Lebanese militia leaders and Syria to prevent French humanitarian supplies from reaching both sides of Beirut and from evacuating civilian wounded to French hospital ships must be condemned. Clearly, many of the combatants in Lebanon who claim to speak for the people do not care at all about the Lebanese people.

Playing a leading role in this recent carnage has been Syria. First invited in as part of an Arab League Peacekeeping Force in 1976, Syria, especially after the withdrawal of all other Arab Peacekeeping Forces, soon became one of the factions vying for power and control. Clearly, the Syrians have overstayed their welcome. They are a central part

of the current crisis and their occupation of much of Lebanon must end.

I think it is very telling that the Syrian Army is engaging the Lebanese Army in Lebanon! The world was quick to criticize the Israeli invasion of Lebanon. We correctly joined in demanding Israeli withdrawals. Yet, today, the Syrians are engaged in a far more brutal and violent occupation of Lebanon. Our standards have not changed and therefore we must continue to demand the immediate withdrawal of the Syrian Army. Syria has never relinquished its claim to Lebanon as part of greater Syria. I am very concerned that the longer Syria remains in Lebanon, the greater the chances for de facto Syrian annexation of Lebanon.

I fully recognize that the withdrawal of all foreign forces, including the Syrians and Israelis, will not solve the intricate problems facing Lebanon. In fact, fighting could escalate for a short time as the various militias and the central government vie for power and control. However, the removal of the principal occupying power—and troublemaker, Syria, would be an important step in creating an environment in which the Lebanese, free from Syrian arm twisting, could begin the process of rebuilding a free and independent Lebanon. However, for these efforts to be successful, compromise is necessary. The valid concerns of all of the different communities in Lebanon must be accommodated. Real political and societal reforms are necessary if reconciliation and reunification are to succeed.

While I believe we must be more vocal and increase the pressure on the warring parties in order to stop the current fighting, I strongly support President Bush and his commitment to Lebanon. As a senior member of the House Foreign Affairs Committee, I stand ready to assist the President in any way I can with his efforts for peace in this troubled land. Additionally, I urge the Arab League Committee presently examining this crisis and brokering a cease-fire to do what is best for the future of a free and independent Lebanon, a founding member of the League.

Mr. DWYER of New Jersey. Mr. Speaker, for the past 14 years, Lebanon has been a country at war. We are all too familiar with the demise of this country which was once one of the most productive and vital countries in the Middle East.

However, during the past month, Lebanon—and the people of Beirut—have been subjected to an unrelenting state of siege. Not only are they living amidst the day-to-day battle for control being waged between the Christian-Muslim factions but their city is being shelled, almost continuously, by Syria.

This latest round of violence began when General Aoun ordered a blockade of Moslem militia-run ports, which quickly escalated into a struggle to drive Syrian troops from Lebanon. The Syrians were initially asked to serve as peacekeepers in Lebanon and now number over 40,000 troops. While the Christian militia sees the Syrians as an occupying force, the Moslem factions view them as a presence and there is no unity between the Lebanese people as to the role Syria should play—if any at all—in Lebanon .

Now, after a month of shelling, Beirut and the people who have not left the city are in a most desperate situation. There are no services left. Stores which are still open are depleted of their wares. The city has been without electricty for weeks and there is no water available to city residents. The American University Hospital estimates that it may run out of antibiotics and other medicines within the month. And, unfortunately, it does not seem possible that a resolution can be found in that amount of time.

In the middle of this destruction, the people of Beirut are trying to survive. Although they realize that normal living is impossible, they struggle to maintain that normalcy in any way they can, ever conscious of the threat of death. They have lost loved ones and they are now watching their city and country being further ravaged.

The spirit of these people should be a testament to all of us. We have no concept of the adversity which they live with on a daily basis. They need and deserve peace; and, should peace come, they will need an international relief effort to help them rebuild their country. We should stand among those in support of them.

Mr. PEPPER. Mr. Speaker, Lebanon is in one of the bloodiest, most costly phases of their 14-year-old civil war. According to conservative estimates, more than 150,000 have lost their lives since the fighting between the Christians and the Moslems began in 1975. Fighting resumed on March 14 when Christian leader Gen. Michel Aoun imposed a naval blockade on illegal ports run by Muslim militia. To date, the latest round of this endless battle has claimed more than 300 lives and left almost 1,000 wounded. The relentless, horrific shelling of the Christian enclave in East Beirut by Syrian backed Muslim forces is bloody, even by the Syrian standards, and shows little signs of residing.

As staggering as these numbers may be, they fall pitifully short of telling the entire story. These numbers fail to tell us that the majority of those who have died are not soldiers. Instead, they are ordinary citizens who finally fall prey to the countless bombs and bullets that are part of their daily lives. The shells exchanged between the Christians and Moslems are often aimed not at armed positions, but are targeted at school buses, homes, and markets. The civil war itself began April 13, 1975 when Christian gunmen killed 29 Palestinians in a bus ambush after an activist of the rightist Christian Phalange Party was assassinated. Furthermore, these statistics do not begin to consider the countless people who have watched as their homes have been destroyed, their children mutilated, their lives ruined. And, the numbers exclude the 15 Western hostages being held by pro-Iranian Shiite extremists.

The temporary repairs and restraints, regularly issued in an attempt to end the fighting, treat only the symptoms of this intricate problem. These efforts fail to address the illness which cripples all attempts to resolve the strife. Lebanon has become the battleground for regional powers. The civil war is no longer a division between opposing Lebanese factions. It is now a complex web of overlapping conflicts between rival regional factions that defies all attempts to find peace. The ill-fated intervention of the U.S.-led Multinational Force in 1982 which claimed the lives of more than 240 Marines servicemen still remains fresh on the mind of many Americans.

The ideal solution for this problem is to give Lebanon the chance to independently solve its internal divisions. Once conflicting outside interests are removed, the Lebanese could work toward a national reconciliation and an easing of the tension between Christians and Muslims. Hopefully, presidential elections could be held, solving the crisis which began this newest round of fighting. Before Lebanon can be given this vital opportunity, other countries must be willing to sacrifice their interests. Only a few hundred square miles in the East Beirut areas are free of foreign troops. The price they pay to maintain their independence is the bloodshed we hear about on a daily basis. With more than 40,000 troops stationed in Lebanon and control of 65 percent of the country, Syria is certainly the most prominent of the outside interests. Peace will not come to Lebanon until foreign powers such as Syria loosen their grip on the nation and seek other arenas to settle their disputes with rival nations. One of the proudest traditions of America is our efforts to help those countries struggling to embrace their democratic rights. Certainly, people deserve the right to decide the fate of their nation and to choose their leaders free from the oppressive presence of other nations.

I commend the efforts of international peace forces which continually work to explore new possibilities for securing peace. Initiatives by the Arab League have not produced a working solution, but they have certainly laid the groundwork for future efforts. The efforts of France should also be honored. Their work to ease the suffering of those involved in the Lebanese dispute—regardless of race or religion—should serve as an example to other nations.

I urge President Bush and Secretary of State James Baker to assert our influence in this region and make efforts to help return the future of Lebanon to its citizens. More importantly, I urge us to consider the peace which we could help to bring to the war-weary innocent victims whose lives are being repeatedly assaulted by the endless fighting.

In the future there will hopefully be a healing of the fractures which divide Lebanon, as well as the rest of this turbulent region. Until that day we must continue to provide hope and not falter in our efforts to weave through the intricate maze of countless turmoils which allow the carnage of Lebanon to persist.

GENERAL LEAVE

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on this special order.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BATEMAN (at the request of Mr. MICHEL) for today until further notice on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. DUNCAN) to revise and extend their remarks and include extraneous material:)

Mrs. BENTLEY, for 60 minutes, on April 26 and 27.

(The following Members (at the request of Mr. DYSON) to revise and extend their remarks and include extraneous material:)

Mr. DE LUGO, for 5 minutes, today and April 26.

Mr. COYNE, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. HARRIS, for 5 minutes, today.

Mr. STAGGERS, for 5 minutes, on April 27.

Mr. FEIGHAN, for 60 minutes, today.

Mrs. BYRON, for 30 minutes, today.

Mr. LELAND, for 60 minutes, today.

Mr. ENGLISH, for 60 minutes, on May 10.

Mr. ESPY, for 60 minutes, on May 10.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. MICHEL, for 60 minutes, today.

(The following Member (at the request of Mr. FEIGHAN) to revise and extend his remarks and include extraneous material:)

Mr. TALLON, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DUNCAN) and to include extraneous matter:)

Mr. COUGHLIN.

Mr. BROOMFIELD in two instances.

Mr. GEKAS.

Mr. MICHEL.

Mr. BUECHNER.

Mr. GREEN.

Mr. GILMAN in seven instances.

Mr. HANSEN.

Mr. YOUNG of Alaska.

Mr. GUNDERSON.

Mr. SOLOMON.

Mrs. BENTLEY.

Mr. MARLENEE.

(The following Members (at the request of Mr. DYSON) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. BEVILL.

Mr. OWENS of Utah.

Mr. DYSON.

Mr. COLEMAN of Texas.

Mr. RAY.

Mr. TRAFICANT in five instances.

Mr. KANJORSKI.

Mr. SKELTON in two instances.

Mr. STARK in four instances.

Mr. BEILENSON.

Mr. MFUME in two instances.

Mr. ROE.

Mr. LAFALCE.

Mr. PEPPER in two instances.

Mr. RAHALL in two instances.

Mr. JONES of Georgia.

Mr. THOMAS A. LUKEN.

Mr. MATSUI.

Mr. FAZIO in two instances.

Mr. RICHARDSON.

Mr. DORGAN of North Dakota.

Mr. LANTOS in two instances.

Mr. UDALL.

Mr. DARDEN.

Mr. CLEMENT.

Mr. SMITH of Florida.

Mr. RANGEL.

Mr. WYDEN.

SENATE JOINT RESOLUTIONS REFERRED

Joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 84. Joint resolution to designate April 30, 1989, as "National Society of the Sons of the American Revolution Centennial Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 91. Joint resolution designating April 28, 1989, as "Flight Attendant Safety Professionals' Day"; to the Committee on Post Office and Civil Service.

ENROLLED JOINT RESOLUTION SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 124. Joint resolution to recognize the 75th anniversary of the Smith-Lever Act of May 8, 1914, and its role in establishing our Nation's system of State Cooperative Extension Services.

ADJOURNMENT

Mr. RAHALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 27 minutes p.m.) under its previous order, the House adjourned until tomorrow, Wednesday, April 26, 1989, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1010. A letter from the Chairman, Board of Governors, Chicago Mercantile Exchange, transmitting a copy of the report of the Chicago Mercantile Exchange to review trading practices; to the Committee on Agriculture.

1011. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to repeal the mandatory timetable for implementation of marketwide service payments under Federal milk marketing orders; to the Committee on Agriculture.

1012. A letter from the Deputy Assistant Secretary (Logistics), Department of the Air Force, transmitting notification of the decision to convert to contractor performance the commissary shelf stocking, custodial service, and resale warehouse function at Los Angeles Air Force Base, CA, pursuant to Public Law 99-190, section 8089 (99 Stat. 1216); Public Law 100-202, section 8074 (101 Stat. 1329-75); Public Law 100-463, title VIII, section 8061; to the Committee on Appropriations.

1013. A letter from the Director, the Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals of budget authority as of April 1, 1989, pursuant to 2 U.S.C. 685(e) (H. Doc. No. 101-51); to the Committee on Appropriations and ordered to be printed.

1014. A letter from the Director, Contracts Policy, Department of the Navy, transmitting notification of the decision that the construction of family housing units at Clark AB, Philippines, shall be restricted to joint ventures which include a minimum of one company each from the United States and the Philippines, pursuant to 10 U.S.C. 2304 nt.; to the Committee on Armed Services.

1015. A letter from the Secretary of the Navy, transmitting notification of the intent to give a dummy MK-14 torpedo shell to the town of Albany, Australia, pursuant to 10 U.S.C. 7545(c); to the Committee on Armed Services.

1016. A letter from the Acting Administrator, Department of Agriculture, transmitting the first annual report summarizing the Agency's Housing Preservation Grant Program activities during fiscal years 1986 through 1988, pursuant to 42 U.S.C. 1490 m(j); to the Committee on Banking, Finance and Urban Affairs.

1017. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-17, "District of Columbia Business Corporation Act Amendment Act of 1989," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1018. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-23, "Commission on Mental Health Services Employees Retention Temporary Amendment Act of 1989," pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1019. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-22, "Law Enforcement Temporary Amendment Act of 1989," pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1020. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 8-21, "Guardianship and Protective Proceedings Implementation Date Amendment Temporary Act of 1989," pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1021. A letter from the Auditor, District of Columbia, transmitting a copy of the report entitled, "Fiscal Year 1988 Annual Report on Advisory Neighborhood Commissions," pursuant to D.C. Code section 47-117(d); to the Committee on the District of Columbia.

1022. A letter from the Auditor, District of Columbia, transmitting a copy of the report entitled, "Annual Audit of the Boxing and Wrestling Commission for Fiscal Year 1988,"; pursuant to D.C. Code section 47-117(d); to the Committee on the District of Columbia.

1023. A letter from the Secretary of Education, transmitting a notice of final funding priority under the educational media research, production, distribution and training governmental subsidization for the manufacture and distribution of a Line 21 Decoder, pursuant to 20 U.S.C.; to the Committee on Education and Labor.

1024. A letter from the Secretary of Education, transmitting a copy of final regulations for services for deaf-blind children and youth, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

1025. A letter from the Secretary of Energy, transmitting notice of the delay of the national energy policy plan, pursuant to 42 U.S.C. 7321 (b), (c); to the Committee on Energy and Commerce.

1026. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Medical Assistance Program under title XIX of the Social Security Act to increase coverage for pregnant women and infants and for childhood immunizations, and for other purposes; to the Committee on Energy and Commerce.

1027. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification that the Department provided the defense articles and services and training to Jamaica under the authority of P.D. B9-6, pursuant to 22 U.S.C. 2318(b)(2); to the Committee on Foreign Affairs.

1028. A letter from the Director, Defense Security Assistance Agency, transmitting a report that on April 21, 1989, Col. James Rowe was murdered while driving to work in Quezon City, Philippines, pursuant to 22 U.S.C. 2761(c)(2); to the Committee on Foreign Affairs.

1029. A communication from the President of the United States, transmitting notification that the Nicaraguan emergency is to continue in effect beyond May 1, 1989, pursuant to 50 U.S.C. 1622(d) (H. Doc. No. 101-50); to the Committee on Foreign Affairs and ordered to be printed.

1030. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions by Peter F. Secchia, of Michigan, Ambassador Extraordinary and Plenipotentiary of the U.S.-designate to Italy, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1031. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions by Walter J.P. Curley, of New York, Ambassador Extraordinary and Plenipotentiary of the U.S.-designate to France, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1032. A letter from the Comptroller General, General Accounting Office, transmitting a list of all reports issued or released by GAO in March 1989, pursuant to 31 U.S.C. 719(h); to the Committee on Government Operations.

1033. A letter from the Assistant Attorney General, transmitting a report on activities under the Freedom of Information Act during the calendar year 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1034. A letter from the Inspector General, Department of Health and Human Services, transmitting notice of a proposed new Federal records system, pursuant to 5 U.S.C. 552a(r); to the Committee on Government Operations.

1035. A letter from the Executive Director, Securities and Exchange Commission, transmitting a report on activities under the Freedom of Information Act during the calendar year 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1036. A letter from the Chairman, Federal Election Commission, transmitting a report to alert Congress that the Presidential Election Campaign Fund is running out of money, pursuant to 26 U.S.C. 9009(a)(5)(A); to the Committee on House Administration.

1037. A letter from the Director for Collection and Disbursements, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1038. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1039. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1040. A letter from the Chairman, Pennsylvania Avenue Development Corporation, transmitting the 1988 annual report of the Corporation, pursuant to 40 U.S.C. 880(a); to the Committee on Interior and Insular Affairs.

1041. A letter from the Secretary of Health and Human Services, transmitting the 22d in a series of reports on refugee resettlement in the United States covering the period October 1, 1987, through September 30, 1988, pursuant to 8 U.S.C. 1523(a); to the Committee on the Judiciary.

1042. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the National Oceanic and Atmospheric Administration Marine Fisheries Program Authorization Act to authorize appropriations for fiscal years 1990, 1991, 1992, and 1993, to the Committee on Merchant Marine and Fisheries.

1043. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for the fiscal years 1990 and 1991 for certain maritime programs of the Department of Transportation, and for other purposes, pursuant to 31 U.S.C. 1110; to the Committee on Merchant Marine and Fisheries.

1044. A letter from the Secretary of Commerce, transmitting the annual report on ocean pollution, monitoring, and research for fiscal year 1987, pursuant to 33 U.S.C. 1703(a); to the Committee on Science, Space, and Technology.

1045. A letter from the Secretary of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, and other provisions of law, to provide technical and conforming amendments to implement the Department of Veterans Affairs Act of 1988, Public Law 100-527; to the Committee on Veterans' Affairs.

1046. A letter from the Secretary of Agriculture, transmitting the third quarterly country and commodity allocation table showing current programming plans for food assistance under title II of Public Law 480 for fiscal year 1989, pursuant to 7 U.S.C. 1736b(a); jointly, to the Committees on Agriculture and Foreign Affairs.

1047. A letter from the Acting General Counsel, Department of Energy, transmitting a draft of proposed legislation to authorize appropriations for exploration, prospecting, conservation, development, use, and operation of the naval petroleum reserves for fiscal year 1990 and fiscal year 1991, pursuant to 31 U.S.C. 1110; jointly, to the Committees on Armed Services and Energy and Commerce.

1048. A communication from the President of the United States, transmitting a report on the activities of countries within the United Nations and its specialized agencies, pursuant to Public Law 98-473, section 530a (98 Stat. 1900); Public Law 100-461, title II (102 Stat. 2268-26) (H. Doc. No. 101-52); jointly, to the Committees on Foreign Affairs and Appropriations and ordered to be printed.

1049. A letter from the Acting Assistant Attorney General for Legislative Affairs, transmitting a draft of proposed legislation to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1990 and for other purposes, pursuant to 31 U.S.C. 1110; jointly, to the Committees on the Judiciary and Energy and Commerce.

1050. A letter from the Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation to restore lost compensation and establish the procedure for adjusting future compensation of justices and judges of the United States; jointly, to the Committees on Post Office and Civil Service and the Judiciary.

1051. A letter from the Administrator, Federal Aviation Administration, transmitting the report of progress on developing and certifying the traffic alert and collision avoidance system [ICAS], pursuant to Public Law 100-223, section 203(b) (101 Stat. 1518); jointly, to the Committees on Public Works and Transportation and Science, Space, and Technology.

1052. A letter from the Attorney General, transmitting the 1988 annual report on the number of applications that were made for orders and extension of orders approving electronic suveillance under the Foreign Intelligence Surveillance Act, pursuant to 50 U.S.C. 1807; jointly, to the Permament Select Committee on Intelligence and the Committee on the Judiciary.

1053. A letter from the Acting General Counsel, Department of Energy, transmitting a draft of proposed legislation to authorize appropriations to the Department of Energy for civilian energy programs for fiscal year 1990 and fiscal year 1991, and for other purposes, pursuant to 31 U.S.C. 1110; jointly, to the Committees on Energy and Commerce; Interior and Insular Affairs; and Science, Space, and Technology.

1054. A letter from the Secretary of Energy, transmitting a draft of proposed legislation to maintain a competitive, financially strong, and secure uranium enrichment capability in the United States by reorganizing the uranium enrichment enterprise, and for other purposes; jointly, to the Committees on Energy and Commerce; Interior and Insular Affairs; and Science, Space, and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 840. A bill to authorize appropriations for fiscal year 1990 for the Federal Maritime Commission; with amendments (Rept. 101-31). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1223. A bill to authorize appropriations to carry out the National Oceanic and Atmospheric Administration Marine Fisheries Program Act through fiscal year 1992 (Rept. 101-32). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1224. A bill to authorize appropriations to carry out the Anadromous Fish Conservation Act through fiscal year 1992 (Rept. 101-33). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1225. A bill to authorize appropriations to carry out the Interjurisdictional Fisheries Act of 1986 through fiscal year 1992; with amendments (Rept. 101-34). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1763. A bill to authorize expenditures for fiscal year 1990 for the operation and maintenance of the Panama Canal, and for other purposes (Rept. 101-35). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on the Judiciary. House Resolution 87. Resolution impeaching Walter L. Nixon, Jr., judge of the U.S. District Court for the Southern District of Mississippi for high crimes and misdemeanors; with an amendment (Rept. 101-36). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 135. Resolution waiving certain points of order against consideration of H.R. 2072, a bill making dire emergency supplemental appropriations and transfers, urgent supplementals, and correcting enrollment errors for the fiscal year ending September 30, 1989, and for other purposes (Rept. 101-37). Referred to the House Calendar.

Mr. FORD of Michigan: Committee on Post Office and Civil Service. H.R. 1149. A bill to allow Members of Congress to use the franking privilege to disseminate copies of the Constitution of the United States (Rept. 101-38). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1486. A bill to authorize appropriations for fiscal year 1990 for the Maritime Administration, and for other purposes; with an amendment (Rept. 101-39). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. APPLEGATE:

H.R. 2073. A bill to amend the Internal Revenue Code of 1986 to deny any deduction for cleanup and damage costs attributable to certain oil spills in navigable waters; to the Committee on Ways and Means.

By Mr. BILIRAKIS:

H.R. 2074. A bill to correct the tariff treatment accorded zinc printing type; to the Committee on Ways and Means.

By Mrs. BOXER (for herself and Mr. MATSUI):

H.R. 2075. A bill to amend the Internal Revenue Code of 1986 to deny the deduction for certain expenses incurred outside the United States to repair or maintain certain commercial aircraft; to the Committee on Ways and Means.

By Mrs. BOXER (for herself, Mr. LEVINE of California, Mr. STUDDS, Mr. MARKEY, Mr. BROWN of California, Mr. WEISS, Mr. BLAZ, and Mr. LIPINSKI):

H.R. 2076. A bill to amend the Motor Vehicle Information and Cost Savings Act to improve consumer information and fuel efficiency with respect to passenger automobiles, light trucks, and tires, to amend the Internal Revenue Code of 1986 to impose a tax on noncomplying manufacturers (in lieu of the penalty), and for other purposes; jointly to the Committees on Energy and Commerce and Ways and Means.

By Mr. BROWN of Colorado:

H.R. 2077. A bill to suspend for a 3-year period the duty on certain fiberglass yarns; to the Committee on Ways and Means.

By Mr. CLEMENT (for himself, Mr. COOPER, Mr. DARDEN, Mrs. LLOYD, Mr. TANNER, Mr. GORDON, Mr. DUNCAN, and Mr. DE LUGO):

H.R. 2078. A bill to amend the Atomic Energy Act of 1954 to encourage the development and use of standardized plant designs and improve the nuclear licensing and regulatory process; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. COYNE (for himself, Mr. MURPHY, Mr. KOLTER, Mr. ACKERMAN, and Mr. WISE):

H.R. 2079. A bill to provide for the designation of, and provision of assistance to, economic growth zones for purposes of promoting economic growth within economically distressed communities; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DREIER of California:

H.R. 2080. A bill to amend title II of the Social Security Act to provide that the child's insurance benefits of a disabled individual who has attained age 18 will not terminate solely by reason of marriage to an individual eligible for supplemental security income benefits under title XVI of such act so long as the individual's eligibility under title XVI continues; to the Committee on Ways and Means.

By Mr. GAYDOS:

H.R. 2081. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. GEKAS:

H.R. 2082. A bill to amend title 18, United States Code, to permit the disclosure to governmental authorities by electronic communication providers of the names and addresses associated with phone numbers supplied by such authorities, and for other purposes; to the Committee on the Judiciary.

H.R. 2083. A bill to amend title 18 of the United States Code to punish corruption; to the Committee on the Judiciary.

By Mrs. KENNELLY:

H.R. 2084. A bill to establish a corporation to administer a program of voluntary national service, and for other purposes; jointly, to the Committees on Education and Labor, Armed Services, Veterans' Affairs, and Foreign Affairs.

By Mr. LAFALCE:

H.R. 2085. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to limit the liability under that act of commercial lending institutions acquiring facilities through foreclosure or similar means and corporate fiduciaries administering estates or trusts; to the Committee on Energy and Commerce.

By Mr. LOWERY of California (for himself, Mr. HUNTER, Mr. LAGOMARSINO, and Mr. DORNAN of California):

H.R. 2086. A bill to amend title 18, United States Code, to modify the penalties for certain kidnappings of children; to the Committee on the Judiciary.

By Mr. OWENS of New York:

H.R. 2087. A bill to transfer a certain program with respect to child abuse from title IV of Public Law 98-473 to the Child Abuse Prevention and Treatment Act, and for other purposes; to the Committee on Education and Labor.

By Mr. OWENS of New York (for himself and Mr. BARTLETT):

H.R. 2088. A bill to revise and extend the programs established in the Temporary Child Care for Handicapped Children and Crisis Nurseries Act of 1986; to the Committee on Education and Labor.

By Mr. PEPPER:

H.R. 2089. A bill to amend the Federal Food, Drug, and Cosmetic Act to limit the compensation of investigators who use medical devices under an exemption for investigational use; to the Committee on Energy and Commerce.

H.R. 2090. A bill to amend title 18, United States Code, to provide civil and criminal forfeitures for mail and wire fraud, and to compensate victims of those offenses; to the Committee on the Judiciary.

H.R. 2091. A bill to amend title XVIII of the Social Security Act to require an annual report from the Director of the Congressional Office of Technology Assessment on changes in payment amounts for certain

surgical transplantation procedures; to the Committee on Ways and Means.

H.R. 2092. A bill to make it unlawful for an individual to obtain a position as a physician or resident in a hospital receiving Federal funds if the individual's license to practice medicine was obtained through intentional misrepresentations; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 2093. A bill to amend title XVIII of the Social Security Act with respect to requiring institutions to have residency training and fellowship programs in geriatric medicine as a condition for payment of direct medical education costs under the Medicare Program; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 2094. A bill to authorize the Secretary of Health and Human Services to conduct a clinical trial to determine the efficiency and economic feasibility of providing Medicare coverage for personal emergency response systems; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. RAHALL:

H.R. 2095. A bill to amend the Surface Mining Control and Reclamation Act of 1977 to reauthorize the collection of reclamation fees, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RANGEL:

H.R. 2096. A bill to designate an Assistant Secretary of the Department of Veterans' Affairs as the Chief Minority Affairs and to provide for the appointment of Deputy Officers of Minority Affairs of the Department; to the Committee on Veterans' Affairs.

By Mr. RANGEL (for himself, Mr. COUGHLIN, Mrs. COLLINS, Mr. AKAKA, Mr. GUARINI, Mr. FAUNTROY, Mr. SMITH of Florida, Mr. TRAFICANT, Mr. MFUME, Mr. GILMAN, Mr. PARRIS, Mr. DORNAN of California, Mr. LEWIS of Florida, Mr. HERGER, Mr. SHAYS, and Mr. PAXON):

H.R. 2097. A bill to establish certain prohibitions with respect to the provision of sterile hypodermic needles or bleach to intravenous drug abusers and with respect to the medical treatment of narcotics addiction; to the Committee on Energy and Commerce.

By Mr. RANGEL (for himself, Mr. VANDER JAGT, Mr. STARK, Mr. JACOBS, Mr. FORD of Tennessee, Mr. DOWNEY, Mr. GUARINI, Mr. RUSSO, Mr. MATSUI, Mr. DONNELLY, Mr. MOODY, Mr. SHAW, Mrs. JOHNSON of Connecticut, and Mr. SHAYS):

H.R. 2098. A bill to amend the Internal Revenue Code of 1986 to extend the targeted jobs credit through 1992 and to expand the targeted groups with respect to whom such credit is allowed; to the Committee on Ways and Means.

By Mr. RICHARDSON:

H.R. 2099. A bill to prohibit the disposal of solid waste in any State other than the State in which the waste was generated; to the Committee on Energy and Commerce.

By Mr. STARK:

H.R. 2100. A bill relating to the tariff treatment of certain paper products and synthetic detergents; to the Committee on Ways and Means.

H.R. 2101. A bill to amend titles 5 and 10, United States Code, to provide that any child who is ineligible for survivor annuity, life insurance, or health benefits coverage under such titles because of being married may qualify for such coverage if that marriage is terminated by reason of death, annulment, or divorce; jointly, to the Committees on Post Office and Civil Service and Armed Services.

By Mr. TRAFICANT (for himself and Mr. JONES of Georgia):

H.R. 2102. A bill to amend title 18, United States Code, to provide the penalty of death for certain murders; to the Committee on the Judiciary.

By Mr. VANDER JAGT:

H.R. 2103. A bill to establish the national dividend plan by reforming the budget process, and by amending the Internal Revenue Code of 1986 to eliminate the double tax on dividends, to allocate corporate income tax revenues for payments to qualified registered voters, and for other purposes; jointly, to the Committees on Ways and Means and Rules.

By Mr. WYDEN (for himself, Ms. SCHNEIDER, Mr. GLICKMAN, Mr. FAZIO, and Mr. AKAKA):

H.R. 2104. A bill to amend and enhance existing renewable energy programs and Federal trade and export promotion programs in order to promote the United States renewable energy industry, improve the trade balance of the United States, and maintain the competitive and technical leadership of the United States in renewable energy development and trade; jointly, to the Committtees on Ways and Means Foreign Affairs; Banking, Finance and Urban Affairs; Energy and Commerce; and Small Business.

By Mr. YOUNG of Alaska:

H.R. 2105. A bill to amend the Fur Seal Act to provide continued access to certain fisheries in the Bering Sea; to the Committee on Merchant Marine and Fisheries.

By Mr. BEILENSON (for himself, Mr. BEREUTER, Mr. BOEHLERT, Mrs. BOXER, Mrs. COLLINS, Mr. DE LUGO, Mr. DWYER of New Jersey, Mr. FAUNTROY, Mr. ATKINS, Mr. FOGLIETTA, Mr. GARCIA, Mr. GLICKMAN, Mr. HANSEN, Mr. HUGHES, Mr. LEVIN of Michigan, Mr. THOMAS A. LUKEN, Mr. LEHMAN of Florida, Mr. MINETA, Mr. MRAZEK, Mr. MORRISON of Connecticut, Mr. OWENS of New York, Mr. PEASE, Mr. LIPINSKI, Ms. PELOSI, Mr. SCHEUER, Mr. SMITH of Florida, Mr. SYNAR, Mr. WHEAT, Mr. LEWIS of Georgia, Mr. WILSON, and Mr. WOLPE):

H.J. Res. 245. Joint resolution authorizing and directing the President to call upon radio and television broadcasters, in cooperation with public health organizations, to educate the public about the dangers of cigarette smoking; to the Committee on Energy and Commerce.

By Mr. CHANDLER (for himself and Mrs. BYRON):

H.J. Res. 246. Joint resolution expressing United States policy regarding reforms which should be taken by the Government of Nicaragua in order to bring about lasting peace, pluralism, and democracy in Nicaragua; to the Committee on Foreign Affairs.

By Mr. GRANDY (for himself, Mr. SMITH of Iowa, Mr. TAUKE, Mr. LEACH of Iowa, Mr. LIGHTFOOT, Mr. NAGLE, Mrs. BYRON, Mr. MICHEL, Mr. WALSH, Mr. KOLTER, Mr. DONALD E. LUKENS, Mr. IRELAND, Mr. FUSTER, Mr. PERKINS, Mr. TORRES, Mr. DORNAN of California, Mr. TRAFICANT, Mr. WALGREN, Mr. BLILEY, Mr. MURPHY, Mr. BEVILL, Mr. LAGOMARSINO, Ms. OAKAR, Mr. RAVENEL, Mr. HUNTER, Mr. HANCOCK, Mr. NEAL of North Carolina, Mr. MARTINEZ, Mr. SOLOMON, Mr. PARRIS, Mr. ANNUNZIO, Mr. HEFNER, Mr. BUNNING, Mr. EMERSON, Mr. FEIGHAN, Mr. ERDREICH, Mr. HARRIS, Mr. BENNETT, Mr. ROYBAL, Mr. SMITH of Mississippi, Mr. ECKART, Mr. WOLF, Mr. HORTON, Mr. PAXON, Mr. SKELTON, Mr. FAWELL, Mr. APPLEGATE, Mr. GILLMOR, Mr. VALENTINE, Mr. PACKARD, Mr. MCNULTY, Mr. MONTGOMERY, Mr. WEBER, Mrs. JOHNSON of Connecticut, Mr. MOLINARI, Mr. DE LA GARZA, and Mr. AKAKA):

H.J. Res. 247. Joint resolution designating May 29, 1989, as the "National Day of Remembrance for the Victims of the U.S.S. *Iowa*"; to the Committee on Post Office and Civil Service.

By Mr. MOODY (for himself, Mr. PORTER, Mr. ACKERMAN, Mr. ATKINS, Mr. AUCOIN, Mr. BEILENSON, Mr. BENNETT, Mr. BERMAN, Mrs. BOXER, Mr. BROWN of California, Mr. CARPER, Mr. CONTE, Mr. DYMALLY, Mr. EVANS, Mr. FAZIO, Mr. FASCELL, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mr. FROST, Mr. HAYES of Illinois, Mr. GILMAN, Mr. GREEN, Mr. GUNDERSON, Mr. HEFNER, Mr. HORTON, Mr. HUGHES, Mrs. JOHNSON of Connecticut, Mr. KASTENMEIER, Mr. KENNEDY, Mr. KOSTMAYER, Mr. LAGOMARSINO, Mr. LEACH of Iowa, Mr. LEHMAN of Florida, Mr. LEVIN of Michigan, Mr. MCHUGH, Mr. MARTINEZ, Mr. MATSUI, Mr. MFUME, Mrs. MORELLA, Mr. MRAZEK, Mr. NEAL of North Carolina, Mr. OLIN, Mr. PANETTA, Mr. PEPPER, Mr. PRICE, Mr. RAVENEL, Mrs. SAIKI, Mr. SAWYER, Mr. SCHEUER, Mr. SMITH of Vermont, Mr. TORRICELLI, Mr. WAXMAN, Mr. WEISS, Mr. WILSON, and Mr. WOLPE):

H.J. Res. 248. Joint resolution designating October 22 through 28, 1989, as "World Population Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. STARK:

H.J. Res. 249. Joint resolution entitled: "Special Trade Management Act of 1989"; to the Committee on Ways and Means.

By Mr. COURTER:

H. Con. Res. 101. Concurrent resolution expressing the sense of the Congress that proposals to distribute needles to drug addicts in order to curb the spread of Acquired Immune Deficiency Syndrome should be rejected; to the Committee on Energy and Commerce.

By Mr. LEWIS of Florida (for himself, Mr. HUTTO, Mr. BILIRAKIS, Mr. NELSON of Florida, Mr. GRANT, Mr. LEHMAN of Florida, Mr. CALLAHAN, Mr. LIVINGSTON, Mr. BAKER, Mr. ANDREWS, Mr. SMITH of Florida, Mr. SCHEUER, and Mr. JOHNSTON of Florida):

H. Con. Res. 102. Concurrent resolution expressing the sense of the Congress that the Air Force should continue to utilize the weather reconnaissance aircraft, WC-130, in coordination with National Oceanic and Atmospheric Administration operated satellite technologies, for tracking hurricanes and collecting research data to enable scientists to predict and understand hurricane behavior; jointly, to the Committees on Armed Services and Science, Space, and Technology.

By Mr. RANGEL (for himself and Mr. COUGHLIN):

H. Res. 136. Resolution authorizing the printing of the committee print entitled "The Anti-Drug Abuse Act of 1988: A Guide to Programs for State and Local Anti-Drug Assistance" as a House document; to the Committee on House Administration.

By Mr. SOLOMON (for himself, Mr. MURPHY, Mr. GILMAN, Mr. SUNDQUIST, Mr. LIGHTFOOT, Mr. LEHMAN of Florida, Mr. CHAPMAN, Mr. MFUME, Mr. MOLLOHAN, Mr. RITTER, Mr. HARRIS, Mr. GALLEGLY, Mr. BURTON of Indiana, Mr. WELDON, Mr. WILLIAMS, Mr. MARLENEE, Mr. LEWIS of Florida, Mr. WEBER, Mr. MORRISON of Connecticut, Mr. MCEWEN, Mr. HALL of Texas, Ms. KAPTUR, Mr. LENT, Mrs. PATTERSON, Mr. AUCOIN, Mr. CLARKE, Mr. GIBBONS, Mr. GALLO, Mr. PAXON, Mr. BEREUTER, Mr. KOLTER, Mr. FUSTER, Mr. SCHAEFER, Mr. LEATH of Texas, Mr. FOGLIETTA, Mr. CRANE, Mr. BUECHNER, Mr. HERGER, Mr. GREEN, Mr. FROST, Mr. GARCIA, Mr. HORTON, Mr. DARDEN, Mr. ROE, Mr. BALLENGER, Mr. ORTIZ, and Mr. ENGLISH):

H. Res. 137. Resolution amending the Rules of the House of Representatives with respect to the duties of the Sergeant-at-Arms, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

70. The SPEAKER presented a memorial of the Legislature of the Commonwealth of Massachusetts, relative to shipments of hazardous waste; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FISH:

H.R. 2106. A bill to transfer a parcel of land in Hyde Park, NY; to the Committee on Interior and Insular Affairs.

By Mr. MOORHEAD:

H.R. 2107. A bill for the relief of Pablo Cruz Patag; to the Committee on the Judiciary.

By Mr. SANGMEISTER:

H.R. 2108. A bill to extend the patent numbered 3,586,911 for a period of 10 years; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 3: Mr. KILDEE, Mr. AKAKA, Mr. ATKINS, Mr. BATES, Mr. BORSKI, Mrs. BOXER, Mr. BUSTAMANTE, Mr. CARPER, Mr. CLAY, Mrs. COLLINS, Mr. CROCKETT, Mr. DELLUMS, Mr. DE LUGO, Mr. DIXON, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. ENGEL, Mr. ESPY, Mr. FEIGHAN, Mr. FLORIO, Mr. FORD of Michigan, Mr. FUSTER, Mr. GILMAN, Mr. GONZALEZ, Mr. HAYES of Illinois, Mr. JONTZ, Mr. KENNEDY, Mr. LANTOS, Mr. LAUGHLIN, Mr. LEHMAN of California, Mr. LEHMAN of Florida, Mr. LELAND, Mr. LEWIS of Georgia, Mrs. LOWEY of New York, Mr. MCDERMOTT, Mr. MCMILLEN of Maryland, Mr. MANTON, Mr. MARKEY, Mr. MARTINEZ, Mr. MAVROULES, Mr. MFUME, Mr. MILLER of California, Mr. MINETA, Mrs. MORELLA, Mr. MRAZEK, Mr. MURPHY, Mr. NEAL of Massachusetts, Ms. OAKAR, Mr. OWENS of New York, Mr. OWENS of Utah, Mr. PAYNE of New Jersey, Ms. PELOSI, Mr. PEPPER, Mr. PERKINS, Mr. POSHARD, Mr. RAHALL, Mr. RANGEL, Mr. RICHARDSON, Mr. ROE, Mr. ROYBAL, Mrs. SAIKI, Mr. SAWYER, Mr. SCHEUER, Mrs. SCHROEDER, Mr. SHAYS, Mr. SIKORSKI, Mr. SKAGGS, Mr. SOLARZ, Mr. STAGGERS, Mr. STARK, Mr. TOWNS, Mrs. UNSOELD, Mr. VISCLOSKY, Mr. WEISS, Mr. WILSON, and Mr. WOLPE.

H.R. 5: Mr. ROTH, Mr. FAUNTROY, and Mr. ROE.

H.R. 7: Mr. FALEOMAVAEGA, Mr. MURPHY, Mr. STOKES, and Mr. EVANS.

H.R. 17: Mrs. UNSOELD and Mr. WALGREN.

H.R. 22: Mr. JAMES, Mr. IRELAND, Mr. SYNAR, Mrs. LOWEY of New York, Mr. SAWYER, Mr. MURPHY, Mr. DAVIS, Mr. PAYNE of New Jersey, Mr. VISCLOSKY, and Mr. JONTZ.

H.R. 29: Mr. MAZZOLI.

H.R. 70: Mr. YOUNG of Florida, Mr. SHUMWAY, Mr. WELDON, Mr. PURSELL, Mrs. MARTIN of Illinois, and Mr. COBLE.

H.R. 82: Mr. MADIGAN, Mr. RAHALL, Mr. BLILEY, Mr. AUCOIN, Mr. PANETTA, Mr. ANNUNZIO, Mr. SPENCE, Mr. JONES of North Carolina, Mr. RANGEL, Mr. SKEEN, and Mrs. LLOYD.

H.R. 110: Mr. KILDEE, Mrs. BOXER, and Mr. CHAPMAN.

H.R. 118: Mr. BURTON of Indiana, Mr. MCDADE, Mr. MCHUGH, Mrs. JOHNSON of Connecticut, Mr. COYNE, Mr. TRAFICANT, Mr. LEWIS of California, and Mr. MINETA.

H.R. 156: Mr. FAZIO, Mrs. MARTIN of Illinois, and Mr. ROE.

H.R. 159: Mr. COX.

H.R. 378: Mr. STANGELAND, Mrs. VUCANOVICH, Mr. MACHTLEY, and Mr. COX.

H.R. 393: Mr. STANGELAND.

H.R. 394: Mr. DENNY SMITH.

H.R. 422: Mr. ENGLISH.

H.R. 446: Mr. MCGRATH, Mr. WALSH, Mr. SLAUGHTER of Virginia, Mr. GORDON, and Mr. RHODES.

H.R. 488: Mr. ROBINSON.

H.R. 500: Mr. GEPHARDT, Mr. GARCIA, Mr. LEWIS of Georgia, Mrs. COLLINS, Mr. RANGEL, and Mr. SKAGGS.

H.R. 520: Mr. STANGELAND, Mr. GONZALEZ, and Ms. SNOWE.

H.R. 521: Mr. STANGELAND and Mr. GONZALEZ.

H.R. 522: Mr. STANGELAND and Mr. GONZALEZ.

H.R. 523: Mr. STANGELAND, Mr. GONZALEZ, and Ms. SNOWE.

H.R. 529: Mr. OBERSTAR, Mr. CLEMENT, Mr. DARDEN, and Mr. FLORIO.

H.R. 530: Mr. FLORIO and Mr. CLEMENT.

H.R. 546: Mr. PALLONE.

H.R. 563: Mr. ENGEL, Mr. HOAGLAND, Mr. PRICE, Mr. DWYER of New Jersey, and Mr. BUNNING.

H.R. 586: Mr. EDWARDS of California.

H.R. 594: Ms. SCHNEIDER and Mr. LEWIS of Georgia.

H.R. 598: Mr. JOHNSTON of Florida and Mr. FALEOMAVAEGA.

H.R. 682: Mr. FRANK.

H.R. 711: Mr. MORRISON of Connecticut, Mr. SWIFT, Mr. MCDERMOTT, Mr. RICHARDSON, Mrs. LOWEY of New York, and Mr. COOPER.

H.R. 736: Mr. DOWNEY, Mr. FAZIO, Mr. FOGLIETTA, Mr. GORDON, Mr. JONTZ, Mr. MRAZEK, Mr. SOLARZ, Mr. TORRICELLI, Mr. HAYES of Illinois, Mr. ECKART, and Mr. MAVROULES.

H.R. 857: Mr. SCHUMER.

H.R. 874: Mr. BARTLETT.

H.R. 875: Mr. PAYNE of Virginia, Mr. ANDREWS, Mr. RANGEL, Mrs. BENTLEY, Mr. NEAL of North Carolina, Mr. MCDERMOTT, and Mr. LEWIS of Georgia.

H.R. 970: Mr. CLEMENT.

H.R. 984: Mr. HAYES of Illinois.

H.R. 995: Mrs. MARTIN of Illinois, Mr. RINALDO, Mr. ROE, and Mr. BRYANT.

H.R. 1004: Mr. GOSS.

H.R. 1080: Mr. STANGELAND and Mr. BILIRAKIS.

H.R. 1083: Mr. TORRICELLI, Mrs. SAIKI, Mr. PAYNE of New Jersey, Mr. MARKEY, Mr. SLATTERY, Mr. CALLAHAN, Mr. LENT, Mr. GEJDENSON, Mr. COELHO, Mr. LANCASTER, Mr. OBERSTAR, Mrs. LLOYD, and Mr. ORTIZ.

H.R. 1087: Mr. LEHMAN of Florida, Mr. DYMALLY, Mr. SIKORSKI, Mr. WILSON, Mr. BENNETT, Mr. CONTE, Mrs. COLLINS, Mr. SHAW, Mr. BILBRAY, and Mr. VALENTINE.

H.R. 1095: Mr. BONIOR, Mr. BRUCE, Mr. HAMILTON, Mr. RICHARDSON, and Mr. SKELTON.

H.R. 1112: Mr. HAYES of Illinois, Mr. BOSCO, and Mr. MURPHY.

H.R. 1128: Mr. BRYANT.

H.R. 1129: Mr. ROE, Mr. CHAPMAN, Mr. PENNY, and Mr. MFUME.

H.R. 1134: Mr. BLAZ.

H.R. 1181: Mr. WELDON, Mr. BARTON of Texas, Mr. LAGOMARSINO, Mr. MACHTLEY, Mr. COURTER, Mr. UPTON, Mr. HASTERT, and Mr. HANCOCK.

H.R. 1190: Mr. ROE, Mr. CROCKETT, and Mr. RUSSO.

H.R. 1200: Mr. HOUGHTON, Mr. APPLEGATE, Mr. PURSELL, Mr. WYLIE, Mr. CARPER, Mr. MARKEY, Mr. DICKINSON, Mr. SMITH of New Jersey, Mr. MCHUGH, Mr. WYDEN, Mr. FISH, Mr. MURPHY, Mr. CROCKETT, Mr. STUMP, Mr. KANJORSKI, Mrs. LOWEY of New York, Mr. ROE, Mr. VENTO, Mr. OBERSTAR, Mr. GEKAS, Mr. CONTE, and Mr. YATRON.

H.R. 1216: Mr. VENTO, Mr. MINETA, Mr. GARCIA, Mr. NIELSON of Utah, Mr. MCDERMOTT, Mr. GEJDENSON, Mr. BROWN of California, Mr. WYDEN, Mr. WALGREN, Mr. BRYANT, Mr. BRUCE, Mr. RICHARDSON, and Mr. COOPER.

H.R. 1221: Mr. FISH, Mrs. MARTIN of Illinois, and Mr. STENHOLM.

H.R. 1248: Mr. MORRISON of Connecticut.

H.R. 1250: Mr. ANDREWS.

H.R. 1260: Mr. BATES.

H.R. 1262: Mr. COX.

H.R. 1276: Mrs. BENTLEY and Mr. MACHTLEY.

H.R. 1287: Mr. HYDE, Mr. GUNDERSON, Mr. PORTER, and Mr. ROBINSON.

H.R. 1292: Mr. KILDEE.

H.R. 1295: Mr. GALLEGLY.

H.R. 1304: Mr. NEAL of Massachusetts.

H.R. 1317: Mrs. MARTIN of Illinois, Mr. DYMALLY, Mr. SOLOMON, Mr. FAWELL, and Mr. BOEHLERT.

H.R. 1365: Mr. COX.

H.R. 1388: Mr. PAYNE of Virginia.

H.R. 1401: Mr. LAFALCE, Mr. OWENS of Utah, and Mr. BILBRAY.

H.R. 1416: Mrs. MORELLA, Mr. BOEHLERT, Mr. AUCOIN, and Mr. MCHUGH.

H.R. 1486: Mr. HOCHBRUECKNER.

H.R. 1505: Mr. SKELTON, Mr. PARKER, Mr. RANGEL, and Mr. OWENS of New York.

H.R. 1515: Mr. MORRISON of Connecticut, Mr. LEWIS of Georgia, and Mr. WEBER.

H.R. 1525: Mr. FRANK, Mr. STANGELAND, Mr. FLORIO, Mr. LEWIS of Georgia, Mr. BERMAN, Mrs. JOHNSON of Connecticut, Mr. RANGEL, Mr. FOGLIETTA, and Mr. WYDEN.

H.R. 1561: Mr. LIPINSKI, Mr. FRANK, Mr. RANGEL, Mr. MORRISON of Connecticut, and Mr. MARTINEZ.

H.R. 1574: Mr. KILDEE, Mr. STUDDS, Mr. MARKEY, Mr. ANDREWS, Mr. AKAKA, Mr. DYMALLY, and Mr. BARNARD.

H.R. 1578: Mrs. COLLINS and Mr. LAGOMARSINO.

H.R. 1587: Mr. BOUCHER, Mr. LEWIS of Georgia, Mr. ROYBAL, and Mr. COLEMAN of Texas.

H.R. 1588: Mr. BOEHLERT, Mr. TAUZIN, Mr. MARLENEE, Mr. COMBEST, Mr. SMITH of Texas, and Mr. LIGHTFOOT.

H.R. 1598: Mr. FUSTER.

H.R. 1613: Mr. PAXON, Mr. MCEWEN, Mr. HASTERT, Mr. UPTON, Mr. LAFALCE, Mr. COMBEST, Mr. BLILEY, Mr. DONALD E. LUKENS, and Mr. SCHUETTE.

H.R. 1636: Mr. RAVENEL.

H.R. 1638: Mr. BARNARD, Mrs. BENTLEY, Mr. CHAPMAN, Mr. COMBEST, Mr. DORGAN of North Dakota, MORRISON of Washington, and Mr. SMITH of Texas.

H.R. 1652: Mr. GEPHARDT.

H.R. 1656: Mr. DARDEN.

H.R. 1666: Mr. ESPY.

H.R. 1703: Mr. LAGOMARSINO, Mrs. PATTERSON, and Mr. GINGRICH.

H.R. 1704: Mr. LAFALCE, Mr. SKAGGS, Mr. SCHEUER, Mr. PENNY, Mr. BENNETT, Mr. SIKORSKI, Mr. DONNELLY, Mrs. COLLINS, Mr. FOGLIETTA, Mr. FORD of Michigan, Mrs. MEYERS of Kansas, Mr. BEREUTER, Mr. FISH, Mr. GUNDERSON, and Mr. FUSTER.

H.R. 1710: Mr. RAHALL, Mr. SMITH of New Jersey, Mr. DYMALLY, Mrs. SAIKI, Mr. ATKINS, Mr. RAY, Mr. TOWNS, Mr. RAVENEL, Mr. HATCHER, Mr. PENNY, Ms. KAPTUR, Mr. MOAKLEY, Mr. TALLON, and Mr. CAMPBELL of Colorado.

H.R. 1836: Mr. ATKINS.

H.R. 1870: Mr. COURTER, Mr. BARTLETT, and Mr. LEWIS of Florida.

H.R. 2015: Mr. DEFAZIO.

H.R. 2041: Mr. MCCOLLUM.

H.J. Res. 1: Mr. DICKS, Mr. MCDERMOTT, Mr. MACHTLEY, Mr. SAVAGE, Mr. SMITH of Vermont, and Mr. TRAFICANT.

H.J. Res. 26: Mr. DORNAN of California, Mrs. SCHROEDER, Mr. NIELSON of Utah, Mr. HANSEN, Mr. COBLE, Mr. ROWLAND of Georgia, Mr. WALKER, Mr. HERGER, Mr. HILER, Mr. LAGOMARSINO, Mr. LEWIS of Florida, Mr. TAUZIN, Mr. CAMPBELL of California, Mr. MOORHEAD, Mrs. MEYERS of Kansas, Mr. PETRI, Mr. EMERSON, Mr. AUCOIN, and Mr. COX.

H.J. Res. 28: Mr. LIVINGSTON.

H.J. Res. 31: Mr. HORTON, Mr. UPTON, Mr. FALEOMAVAEGA, Mr. ENGEL, and Mr. SLATTERY.

H.J. Res. 34: Mr. HANCOCK.

H.J. Res. 67: Mr. DUNCAN, Mr. BURTON of Indiana, Mr. BERMAN, Mr. PORTER, Mr. SARPALIUS, Mr. FLORIO, Mr. CHANDLER, Mr. PRICE, Mr. THOMAS A. LUKEN, Mrs. MARTIN of Illinois, Mr. MORRISON of Connecticut, Mr. MCDERMOTT, Mr. FAWELL, Mr. SAXTON, Mr. THOMAS of Georgia, Mr. FORD of Michigan, Mr. ANTHONY, and Mr. VALENTINE.

H.J. Res. 68: Mr. NATCHER, Mr. OWENS of Utah, Mrs. BOXER, Mr. MOORHEAD, Mr. TAUKE, Mr. SAVAGE, Mr. STAGGERS, Mr. LIPINSKI, Mr. SPENCE, Mr. VOLKMER, Mr. ROBERTS, Mr. RAVENEL, Mr. ROHRABACHER, Mr. AKAKA, Mr. APPLEGATE, Mr. STUDDS, Mr. ROYBAL, Mr. SKELTON, Mr. PEPPER, Mr. RICHARDSON, Mr. IRELAND, Mr. LAGOMARSINO, Mr. JONES of North Carolina, Mr. JONTZ, Mr. RAHALL, Mr. MARTINEZ, Mr. TRAXLER, Mr. HAYES of Illinois, Mr. FRENZEL, Mr. EVANS, Mr. WOLPE, Mr. COBLE, Mr. WEBER, Mr. WALGREN, Mrs. MEYERS of Kansas, Mr. VALENTINE, Mr. CROCKETT, Mr. DARDEN, Mr. DYSON, Mr. TOWNS, Mr. TRAFICANT, Mr. SARPALIUS, Mr. SAXTON, Mr. EMERSON, Mr. WYLIE, Mr. HANCOCK, Mr. ESPY, Mr. SCHEUER, Mr. HOAGLAND, Mr. WHITTEN, Mr. HOPKINS, Ms. KAPTUR, Mr. NEAL of Massachusetts, Mr. ORTIZ, Mr. MCCOLLUM, Mr. LEVINE of California, Mr. ENGEL, Ms. PELOSI, Mr. PALLONE, and Mr. NEAL of North Carolina.

H.J. Res. 74: Mr. BATES, Mrs. BOXER, Mr. CLAY, Mr. CONYERS, Mr. ESPY, Mr. FALEOMAVAEGA, Mr. FAZIO, Mr. FLAKE, Mr. FRANK, Mr. GUARINI, Mr. LENT, Mr. LEWIS of Georgia, Mr. MFUME, Mr. MILLER of California, Mr. ORTIZ, Mr. SHAYS, Mr. TRAFICANT, Mr. VOLKMER, Mr. WAXMAN, and Mr. WHEAT.

H.J. Res. 84: Mr. STANGELAND and Mr. MORRISON of Connecticut.

H.J. Res. 94: Mr. COX, Mrs. LOWEY of New York, and Mr. THOMAS of California.

H.J. Res. 120: Mr. BOSCO, Mr. COOPER, Mr. DIXON, Mr. FAWELL, Mr. FRENZEL, Mr. GRANT, Mr. HAMILTON, Mr. HARRIS, Mr. HATCHER, Mr. HAYES of Illinois, Mr. HENRY, Mr. HOCHBRUECKNER, Mr. KASICH, Mr. LEWIS of Florida, Mr. LIPINSKI, Mr. MCCOLLUM, Mr. NELSON of Florida, and Mr. PEPPER.

H.J. Res. 134: Mr. YATRON, Mr. SLATTERY, Mr. VALENTINE, Mr. RAHALL, Mr. KOSTMAYER, Mr. GORDON, Mr. ANDERSON, Mr. BERMAN, Mr. DORNAN of California, Mr. LENT, Mr. SCHAEFER, Mr. CROCKETT, Mr. MAVROULES, Mr. ROWLAND of Georgia, Mr. LEWIS of California, Mr. SMITH of New Jersey, Mr. LEWIS of Georgia, Mr. GINGRICH, Mr. HASTERT, Mr. NOWAK, Mr. FASCELL, Mr. PURSELL, Mr. PEPPER, Mr. LIPINSKI, Mr. WALGREN, Mr. BOSCO, Mrs. JOHNSON of Connecticut, Mr. PAYNE of New Jersey, Mr. PRICE, Mr. JOHNSON of South Dakota, Mr. DIXON, Mr. PARRIS, Mr. WEISS, Mr. GOSS, Mr. BUECHNER, Mr. SMITH of New Hampshire, Mr. ACKERMAN, Mr. CHANDLER, Mr. CLARKE, Mr. DAVIS, Mr. DONNELLY, Mr. DUNCAN, Mr. EMERSON, Mr. ESPY, Mr. FUSTER, Mr. GARCIA, Mr. GILMAN, Mr. HANSEN, Mr. HAWKINS, Mr. RAY, Mr. INHOFE, Mr. LIVINGSTON, Mr. MARTIN of New York, Mr. MORRISON of Connecticut, Mr. MFUME, Mr. MRAZEK, Mr. MURPHY, Mr. ORTIZ, Mr. OWENS of Utah, Mr. PACKARD, Mr. PASHAYAN, Mr. RANGEL, Mr. ROBERTS, Mr. SABO, Mr. SARPALIUS, Mr. SCHEUER, Mr. SCHUETTE, Mr. SHARP, Mr. SKEEN, Mr. SMITH of Iowa, Mr. SPRATT, Mr. WISE, Mr. WYDEN, Mr. BROOKS, Mr. SHAYS, Mr. OBERSTAR, Mr. SANGMEISTER, Mr. DORGAN of North Dakota, Mr. OBEY, Mr. STOKES, and Mr. KLECZKA.

H.J. Res. 136: Ms. SLAUGHTER of New York, Mr. PANETTA, Mr. REGULA, Mr. LEHMAN of California, Mr. AUCOIN, Mr. SHAW, Mr. JONTZ, Mrs. UNSOELD, Mr. SCHUETTE, Mr. BROWN of Colorado, Mr. MORRISON of Connecticut, Mr. WILSON, Mr. DYSON, Mr. WALGREN, Mr. GARCIA, Mr. UDALL, Mr. IRELAND, and Mr. WEBER.

H.J. Res 150: Mr. DE LA GARZA, Mrs. LOWEY of New York, Mr. WATKINS, Mr. HOYER, Mr. JOHNSON of South Dakota, Mr. LEACH of Iowa, Mr. HUBBARD, Mr. TAUKE, Mr. PURSELL, and Mr. NELSON of Florida.

H.J. Res. 183: Mr. WHITTAKER, Mr. TOWNS, Mr. BUECHNER, and Mr. FISH.

H.J. Res. 186: Mr. DEFAZIO, Mr. PALLONE, Mr. LEHMAN of Florida, Mr. BEVILL, Mr. FUSTER, Mr. BONIOR, Mr. RAY, Mr. STAGGERS, Mrs. SAIKI, Mr. GRANT, Mr. LANCASTER, Mr. BATES, Mr. PAYNE of Virginia, Mr. DURBIN, Mr. WAXMAN, Mr. PARKER, Mr. RANGEL, Mr. MRAZEK, Mr. BROWN of California, Mr. BORSKI, Mr. HAMMERSCHMIDT, Mr. REGULA, Mr. BROWDER, Mr. RINALDO, Mr. GREEN, Ms. SLAUGHTER of New York, Mr. BURTON of Indiana, Mr. ANNUNZIO, Ms. OAKAR, Mr. MAVROULES, Mr. WHEAT, Mr. PETRI, Mr. CARPER, Mr. VENTO, Mr. LAUGHLIN, Mrs. UNSOELD, Mr. KILDEE, Mr. TOWNS, Mr. DWYER of New Jersey, Mr. CLARKE, Mr. ACKERMAN, Mr. TAUKE, Mrs. BYRON, Mr. MCMILLEN of Maryland, Mr. CONYERS, Mr. SHAYS, Mr. PACKARD, Mrs. MEYERS of Kansas, Mr. BLILEY, Mr. MCCLOSKEY, and Mr. HOCHBRUECKNER.

H.J. Res. 212: Mr. KOLTER, Mr. LEWIS of California, Mr. LEHMAN of Florida, Mr. LAGOMARSINO, Mr. HUGHES, Mr. FUSTER, Mr. LIGHTFOOT, Mr. CARR, Mr. LEWIS of Georgia, Mr. VALENTINE, Mr. FAUNTROY, Mr. HORTON, Mr. BARNARD, Mr. TOWNS, and Mr. TAUKE.

H.J. Res. 215: Mr. FOGLIETTA, Mr. UDALL, Mr. WAXMAN, Mr. DORGAN of North Dakota, and Mr. Gejdenson.

H.J. Res. 221: Mr. BUSTAMANTE, Mrs. COLLINS, Mr. FASCELL, Mr. FAUNTROY, Mr. GALLEGLY, Mr. HANCOCK, Mr. HORTON, Mr. HUGHES, Mr. HUTTO, Mr. JOHNSON of South Dakota, Ms. KAPTUR, Mr. LEWIS of Florida, Mr. MCNULTY, Mr. OWENS of New York, Mr. PEPPER, Mr. PICKETT, Mr. RANGEL, Mr. SPENCE, and Mr. WALSH.

H.J. Res. 223: Mr. WALSH, Mr. FAZIO, Ms. PELOSI, Mr. DWYER of New Jersey, Mr. LEWIS of Georgia, Mr. RANGEL, Mr. OWENS of Utah, and Mr. Engel.

H.J. Res. 231: Mr. Neal of North Carolina, Mr. HAMMERSCHMIDT, Mr. GOODLING, Mr. RANGEL, Mr. GEKAS, Mr. DYSON, Mr. SOLOMON, Mr. NIELSON of Utah, Mr. THOMAS of Georgia, Mr. HOCHBRUECKNER, and Mr. OWENS of Utah.

H.J. Res. 237: Mr. DENNY SMITH.

H.Con. Res. 70: Mr. HASTERT.

H. Con. Res. 74: Mrs. MARTIN of Illinois.

H. Con. Res. 77: Ms. KAPTUR.

H. Con. Res. 78 Mr. SCHAEFER, Mr. DORNAN of California, Mr. AUCOIN, Mr. DANNEMEYER, Mrs. BENTLEY, Mr. PENNY, Mr. BROWN of Colorado, Mr. FROST, and Mr. LAGOMARSINO.

H. Con. Res. 93: Mr. BLAZ.

H. Res. 122: Mr. MOLLOHAN, Mr. HATCHER, Mr. DONALD E. LUKENS, and Mr. ROE.

H. Res. 125: Mr. GALLO.

PETITIONS, ETC.

Under clause 1 of rule XXII,

32. The Speaker presented a petition of city/borough of Juneau, AK, relative to Alaska salmon and steelhead; which was referred to the Committee on Merchant Marine and Fisheries.

EXTENSIONS OF REMARKS

HOW CANADA DEALS WITH PHYSICIAN COSTS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. STARK. Mr. Speaker, one of life's mysteries is how Canada does so well in the health sector, and the United States does so poorly: on average, they live a year longer than we do, they insure all their people, and spend only 8.5 percent of their GNP on health. In the United States, on the other hand, one out of six of our people have no health insurance, another one out of six have very deficient health insurance policies, and we spend about 11.2 percent of our GNP on health.

The following material from the New England Journal of Medicine of March 2, 1989, entitled "Controlling Health Expenditures—The Canadian Reality," describes how the Canadian program impacts on physicians:

CONTROLLING HEALTH EXPENDITURES—THE CANADIAN REALITY

THE EFFECT ON PHYSICIANS

From 1971 to 1985, the share of the American GNP going to physicians has risen by over 40 percent. By contrast, Canadian physicians had an increase of only 10 percent. The stories that U.S. physicians hear about disaffected Canadian physicians, outmigration, underfunding, and occasional strikes correspond to an underlying reality of less generous funding. Despite the rhetoric, however, there has been no mass bailout of physicians from Canada. The supply of physicians per capita has risen throughout the period, is currently growing at between 1.5 and 2 percent per year, and is projected to continue its growth for the foreseeable future. At the end of 1985 there were about 490 people per physician in Canada—very similar to the U.S. ratio. As in the United States, the policy concern is with surpluses, not shortages. There may be some loss of superstars to the United States, but that is hard to document—individual anecdotes do not make a trend. In any case, there is always some leakage of stars in any field from countries with small populations to populous neighbors (the Gretzky effect).

The main explanation for the difference in outlays to physicians is that real fees have increased much faster in the United States than in Canada. This difference, in turn, has resulted from the effect of universal public coverage on the process of fee determination. Increases in the general levels of fees and rules of payment are negotiated periodically between provincial medical associations and Ministries of Health. Over the long term, this complex negotiation process has had a major impact on the overall rate of escalation of fees. Ironically, for a society that believes in the influence of competitive markets, the increasing supply of physicians in the United States seems to be associated with an acceleration in fee increases. In 1986, the rise in fees relative to the overall Consumer Price Index was one of the largest on record.

Two other related issues have been particularly contentious for Canadian physicians—billing at rates above those reimbursed by the provincial plans ("extra billing") and the growth in the use of services per physician. Since 1971 these factors have become increasingly prominent in the political negotiating process, although the first one may at last have been pushed off center stage.

With the passage of the Canada Health Act in 1984, the right to "extra bill" was removed in all provinces in which such billing had previously occurred. This act, passed unanimously by the House of Commons, was a response to public perceptions that extra billing was undermining the fundamental principle of universal access on uniform terms and conditions. The termination of extra billing was met with intense opposition from physicians in some provinces, however, culminating in a lengthy strike in Ontario. Physicians argued that the threat of widespread extra billing was a safety valve, protecting them against overly aggressive bargaining by the Ministries of Health and helping to push up public reimbursement rates. Although relatively few physicians engaged in extra billing, the majority strongly supported the option. They were unable to mobilize any sizable public support, however.

The extreme distress among physicians in Ontario appears to have been based largely on symbolic considerations. The right of ultimate access to the patient's economic resources seems to have had a meaning difficult for nonphysicians to understand. In fact, no change has occurred in the prevailing pattern of private, fee-for-service practice with reimbursement at uniform, negotiated rates. But Canadian physicians do have real concerns about the future, which have been linked to the extra-billing issue.

Once governments have achieved control over fee levels by ensuring that the public reimbursement rates represent payment in full, it is feared that the next step in cost control will be to restrict the amount or type of care provided, or at least the number and mix of services for which reimbursement will be made. This is particularly likely if physicians increase their delivery of services to compensate for the loss of extra billing, for a stagnant fee structure, or both.

The latter possibility has been an important consideration in recent American discussions of physicians' reimbursement under Medicare. Analyses of the U.S. experience with fee freezes in the early 1970s clearly demonstrated that increased billing occurred as a response. Billing activity per physician has risen faster in Canada than in the United States since 1971, in a manner consistent with this concern, although in Canada fee controls have clearly moderated the rate of escalation of expenditures for physicians' services, not just that of fees. Until recently, the provincial governments have been willing to accept an additional rise in expenditures (increases in physicians' productivity or more creative billing, depending on one's point of view) over and above increases in fees and numbers of physicians. Nationally, this has averaged 1 to 2 percent per year since 1971.

The exception was Quebec, where over a four-year period of unchanged fees (1971 to 1975) the increase became so large as to create a fiscal problem. Starting in 1976, Quebec introduced modifications to the reimbursement process that limited its liability for increases in services, billings, or both (per practitioner and in the aggregate) that exceeded preset target levels. From a billing standpoint, 26 office-based diagnostic and therapeutic procedures were bundled into the office visit. These procedures had been billable separately, in addition to the basic visit fee, and during the early 1970s their number and cost per office visit had risen rapidly. Their consolidation into the office-visit fee removed one of the principal mechanisms by which Quebec physicians had been able to stem some of the erosion in their real incomes during the period of unchanged fees.

In addition, there are ceilings on the quarterly gross billings of individual practitioners, above which physicians are reimbursed at only 25 percent of the allowable fee. For the profession as a whole, negotiated fee increases are implemented in steps, conditional on the rate of increase in use. If the rate of use per physician (i.e., average gross receipts) rises faster than a predetermined percentage, subsequent fee increases are scaled down or eliminated.

None of these measures impinge directly on the autonomy of individual physicians in their practices, however. Specific clinical decisions are not reviewed by the reimbursement agency, nor are therapeutic protocols established. If the aggregated bill for all clinical decisions exceeds the limits, then fees to either the individual or the group as a whole will be scaled down, but physicians remain free to determine their own practice patterns.

Committees to review patterns of practice have existed for years in each province, under various names. But they were established to monitor a very small number of practitioners whose patterns deviated radically from those of their peers, and to look for fraud or incompetence. Such committees have neither the mandate nor the resources to go beyond statistical outliers in their investigations; even in this role, a recent commentary suggests that they are not very aggressive or effective.

Since 1985, British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario have all negotiated contracts setting limits on aggregate billings. British Columbia attempted to go further, by restricting the numbers of new physicians entitled to reimbursement by the provincial plan and controlling their locations of practice. This policy, however, was successfully challenged on constitutional grounds. It was sustained at the provincial court, but overturned on appeal, and leave to appeal further was denied by the Supreme Court of Canada.

The absence of intrusion by any of these measures into the autonomy of individual practice contrasts markedly with the situation in the United States, where managed care systems and prospective payment, designed to alter individual physicians' care of

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

individual patients, have become the principal tools for the control of expenditures for physicians' services. In the absence of a centralized bargaining mechanism between physicians and payers—a single-source payer—there is no way to limit the overall levels of billings. Hence the leap from constraints on capacity (as by a certificate of need) straight to the level of minute scrutiny of the behavior of individual physicians or the treatment of specific diseases.

Thus, many Americans already feel the threats to clinical freedom that Canadian physicians fear for the future. Whether such fears actually materialize will probably depend in large part on whether the provincial governments can continue to contain overall expenditures. What is disturbing, however, is that the current aggregate approaches to control of the use of services leave unexplored the cost-effectiveness, and even the efficacy, of the actual services provided. Such concerns, if left unaddressed by the profession itself, may become the catalysts for more detailed scrutiny of the use of services within the fee-negotiation process in Canada. To date, we see little evidence of this, but a decade ago there was little sign of the now widespread practice of bargaining over aggregate use along with fees. The context of policy decisions changes more slowly in Canada than in the United States, but it does move forward.

ORCHESTRATED OUTRAGE VERSUS DIFFUSE DISTRESS

Thus, the major difference between the two countries with respect to health expenditures lies in the degree of centralization of the cost-control process. In the United States the battles are fought in a myriad of private struggles between physicians and their employers, or their hospitals (or their competitors). When the struggle becomes public, as in the call by Minnesota physicians for unionization, it takes the form of a series of isolated and localized incidents. The general pattern is obscured. In Canada, by contrast, the struggle over shares of income between physicians and the rest of the society is played out as large-scale public theater with all the rhetorical threats and flourishes that political clashes require. Physicians in Canada, and perhaps also in the United States, may perceive the Canadian conflicts as more severe and as arising from the presence of a universal public-payment system. That system serves to focus and channel such conflicts and to bring them into the headlines, but it has also afforded Canadian physicians a greater degree of professional autonomy.

Whatever the liabilities of such an overt and at times rancorous process, the Canadian approach has controlled health care costs more effectively. In the end, this may be the root of the sense of unease among Canadian physicians, who face a problem common to physicians in every country with a rapidly rising supply, including the United States. In such circumstances, every community of physicians must struggle for an ever-increasing share of national income or accept falling personal incomes. In the process, they must urge on the rest of society the benefits of buying the additional services that the additional numbers of physicians make possible (some would say inevitable)—and of doing so at fees that will sustain their own incomes. Whether such benefits are real or illusory is important from the standpoint of health policy, but irrelevant to the needs of the medical community.

The rest of society, or at least a sector of it, attempts to resist this expansion under the banner of cost control. When such resistance is organized collectively through public insurance, it is relatively successful. When it is disorganized and fragmented, an inconsistent and contradictory mix of strategies, as in the United States, it has so far been unsuccessful. Again, that observation is logically independent of whether the lack of success in the United States reflects waste, or whether the Canadian success leads to "underfunding."

In such an environment the pressure on physicians can only grow. To the extent that they resist such pressures successfully and continue to expand their share of the national income, as in the United States, the public and private responses to cost escalation will become increasingly radical. Major institutional changes are already transforming the American health care system to an extent much greater than has been the case in the more conservative Canadian environment. Fears and anecdotes about the erosion of professional autonomy, and even of incomes, are becoming increasingly widespread. In the United States, corporate competitors or employers may turn out to be more ruthless than public regulators.

Such are the costs of economic success. The Canadian environment is more stable and predictable precisely because its cost-control processes work relatively well. But in Canada, whatever has happened or may happen can be blamed on government and on the evils of "socialized medicine." Anxiety and dissatisfaction are easily, if not always accurately, focused and channeled collectively through the process of public negotiation. In the United States, it is harder for individual practitioners to find the villains, and still harder to identify an effective response. At the same time, it is easier to misinterpret the experience of other countries with more visible bargaining processes.

PAPUA, NEW GUINEA

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. BROOMFIELD. Mr. Speaker, Papua, New Guinea, located 500 miles north of Australia, is a strategically important nation in the Pacific Basin. Many who served in the Pacific during World War II are familiar with the area, especially Port Moresby in the southern part of the country which was an important allied base that the Japanese repeatedly sought to capture.

Representing the United States in Papua, New Guinea is Everett E. Bierman. As many of my colleagues will recall, he served as the minority staff director of the Foreign Affairs Committee for almost 20 years. During this time, he earned a reputation as the consummate professional respected by both Members of Congress and the committee staff. On October 17, 1986, he was sworn in as Ambassador to Papua, New Guinea, the Solomon Islands, and Vanuatu.

In the April 16, 1989, issue of the Washington Post an article appeared describing Papua, New Guinea, its culture, and customs. From this perspective, I would like to share excerpts with my colleagues.

[From the Washington Post, Apr. 16, 1989]

FORBIDDINGLY RUGGED, OFTEN DANGEROUS—AND THE ULTIMATE IN EXOTIC

(By Phil McCombs)

As the plane began its descent, far out over the Coral Sea, the deep green mountain ranges of Papua, New Guinea slowly took shape in the distance—dark, forbidding lines of cloud-misty jaggedness rising from a vast sparkling ocean.

I'd been out to New Zealand and Tahiti the previous year, but this would be nothing like those polished destinations. In the fastnesses of the Papuan cordillera, I knew, people continued to live much as they had tens of thousands of years ago. Only in the past two decades have tourists regularly penetrated many of these areas, where traditions of tribal warfare continue and where, despite government denials, it's by no means certain that ritualistic cannibalism has been eliminated.

PNG, an independent island nation 500 miles north of Australia, is familiar to many Americans who served or passed through during the Second World War. Consisting of the eastern half of the huge island of New Guinea (Indonesia owns the other half), plus a 1,000-mile necklace of tropical islands flung out in archipelagos to the north and east, it is today one of the globe's most fascinating, exotic and least-visited destinations.

"Land of the unexpected," proclaims a typical Air Nuigini poster under a colorful drawing of a bird of paradise—and this is indeed an understatement.

Port Moresby—a dusty combination of the Old Tropics that you might find in a W. Somerset Maugham story, along with an overlay of modern hotels and government buildings—may be one of the few national capitals in the world where "Crocodile Farms" is a substantial listing in the yellow pages (the grilled meat tastes like a combination of chicken and pork), where you can buy half a dozen beautiful primitive art objects for the equivalent of $200, and where, when somebody points to the sky and says "bigpella mixmaster bilong Jesu Christ," you know he's talking in pidgin about a helicopter.

The Trobriands, Port Moresby—an important Allied base during the war that the Japanese repeatedly sought to capture—and the highlands with their exotic tribal customs and perennial gold-rush fewer (U.S. officials think the country could become the world's third largest gold producer) are only a few of PNG's unique travel opportunities.

You can go by jungle steamer up the savage Sepik River, which twists for 700 miles out of the highlands and across the malarial swamps of the northern New Guinea coast, where beautiful artworks may be purchased directly from the people; or climb some of the roughest and highest mountains in the world (yep, it snows up there!). You can walk the rugged Kokoda Trail north of Port Moresby, where Australian troops—plus some Papuans and Americans—narrowly held the Japanese at bay in one of the Pacific war's more desperate and memorable campaigns. You can check into a luxury hotel in the relaxed north-coast city of Madang, lie around the pool and eat a fabulous array of seafood specialties, taking off when you feel like it to go diving nearby on stunning coral reefs and war wrecks in some of the most beautiful waters in the

world. Or, if you really want to rough it, you can even sign up for a guided "adventure tour" by foot and canoe into truly uncharted territory.

The official language of Papua, New Guinea is English, and that, at least, makes things nice and manageable for Americans. You can get around easily and quickly get the flavor of the country's culture—particularly the wild political gyrations that the Papuans not only tolerate but seem to relish. The government is, as an American official delicately phrased it for me recently, "a vigorous democratic system with free press and free speech." The catch is that the politics are so volatile that the government just might rise or fall overnight—"sort of like Italy in the '50s," according to my official friend, "although that may be unfair to Italy."

All this is partly explained, in a strange way, by PNG's unique geography. Tribal groups were kept so isolated by the rugged terrain that 700 or more separate languages are spoken in the country—perhaps a quarter of the world's tongues. Fierce loyalties developed among those in the same "wontak" (literally "one talk" or linguistic group), and when people moved out of the mountains into the cities this translated into a intensively fought coalition-building style of national politics. . . .

Before independence in 1975 the country was run, at various times, by the Germans, English and Australians—and these influences have hung on. Much of the civil service is still dominated by the Australian "expats" who ran the place before independence, although now they're being gradually phased out. There's an enduring missionary tradition, and you get glimpses of it in some charming ways: You're likely to go into a supermarket, as I did to buy necessities such as peanut butter and Ritz Crackers, and find they're playing "When the Saints Come Marching In" as background music.

The country's educated community is relatively small—including an indigenous elite, ex-pats, university professors, and foreign diplomats and businessmen. I found these types interesting—you can easily strike up conversations in the hotels and restaurants—and was equally charmed to receive detailed analyses of the country's culture and the various insanities of the political situation, delivered cheerfully in flawless English by taxi drivers, office workers and other everyday folks I bumped into while shopping, stopping for an ice-cream cone downtown or just roaming around.

Another regular at the Islander, journalist Biga Lebasi of the lively Nuigini Nius, had some irreverent advice for travelers. "Tell the Americans not to visit here because it's too expensive!" he exclaimed with a hearty laugh. Unfortunately, he's got a point. Air fares, hotels and food are all expensive.

In addition, PNG can be dangerous. The State Department's current travel advisory warns of "a continuing crime problem" throughout the country and advises people "not to travel alone into rural areas. Tourists are urged to book in-country tours only through established agencies." Just last month there was a riot in Moresby that somehow grew out of what had begun as a peaceful demonstration against increasing criminal violence. The good news is that foreigners didn't seem to be a target in the general melee.

"These are a violent people we're talking about," said my official friend, "so be careful. The major travel destinations are okay, but with that proviso." Actually, I doubt that Papuans are more violent at heart than anyone else, but what has happened is this: Rapid modernization and economic development since independence have brought highlanders flooding into Moresby and other urban centers. Many of them haven't found the jobs they wanted, and their housing needs haven't been met. Thus many thousands of poor and idle "squatters" are located on the fringes of the city, and some of them pose a danger.

Robbery and rape—particularly in the form of anger directed against "rich" foreigners and expats—were constant topics of discussion during my visit. The newspapers were full of reports of criminal violence. On the other hand, I went all over the Moresby area—visiting the facinating National Museum, Gen. Douglas MacArthur's former headquarters downtown, the war museum, the university and the open-air farmers' market in suburban Gordon, among other points of interest—without any problems. At night I took cabs, although during the day I often took the bus or walked from my hotel to nearby shopping areas.

It's also important to bear in mind that PNG is a disease-ridden country. The first thing you see as you walk into the fetid airline terminal outside Moresby is a sign warning of malaria. In fact, the whole country is malarial—urban areas included—and you would be well advised to start taking your pills before you arrive. On the Sepik River, I noticed that the mosquitoes started swarming well before sundown—and they meant business; repellent is an absolute necessity. . . .

My Australian civil servant friend and his wife picked me up on a bright Sunday morning in their car. With the kids laughing and playing in the back, we wended our way out of the Moresby area to the east, heading toward the village of Sogeri 25 miles away in the mountains—"really the only place you can drive from Moresby," as my friend said.

That's not strictly true. You can drive—renting a car in Moresby—along the coast of the Gulf of Papua in two directions, and there are beaches, but "you're likely to get attacked and robbed at the beach," according to my friend. Apparently thieves not infrequently lie in wait at likely bathing locations, although if you can find a populated beach—Idler's Bay is said to be a good bet—you ought to be all right. At some beaches there are private entrepreneurs who will guard you for a fee.

Up and up we went, alongside the Laloki River, past the copper mine where Errol Flynn once worked, arriving finally at the beginning of the Kokoda Trail. We got out to stretch and read the dedication on the monument there "in memory of the officers, NCOs and men of the Australian military forces who gave their lives on the Kokoda Track. July-November 1942. To strive, to seek, to find and not to yield."

It was hot even at that altitude (about 4,500 feet) and I imagined the hell that fighting must have been. It's volcanic terrain, forested but rocky. Pacific Expeditions' adventure travel brochure describes the trail as "a challenge to test the fittest bushwalker. The trail cuts across knife-edged ridges and over teasing mountains. We trek through rainforest, jungles of ferns, orchids and towering trees. . . . In case of an emergency it is comforting to know that . . . airstrips are handy. . . . We take an extensive medical kit with us."

You get the idea.

We piled back into the car and continued to the Kokoda Trail Motel, run by a towering giant of an Australian ex-pat named Phillip Wilcock who left Melbourne 20 years ago, as he put it, over some trouble with a neighbor's wife; he hasn't looked back since.

And what a place he has! On his 30 acres there's a park with deer, goats, wallabies, Guinea fowl, turkeys and other creatures. "And I'm setting up a sanctuary for birds of paradise," he said proudly. The kids petted some of the animals and then made straight for the large outdoor pool, while Wilcock popped some beers for us and we sat around talking on the shaded stone patio with other luncheon guests.

I had the marinated crocodile shish kebab, and my friends had sausages and venison steaks—all grilled outdoors, along with vegetables. Around us the sunlight splashed off the green jungled hills and the orchids on the trees, colorful parrots talked in the rafters, and the day seemed relaxing and heavenly. Lunch for three adults and three children was about $70—not outrageous, but not exactly cheap, either.

TRIBUTE TO THE NATIONAL ASSOCIATION OF INSURANCE WOMEN

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. TRAFICANT. Mr. Speaker, I stand today to ask my colleagues to join me in honoring the National Association of Insurance Women who have proclaimed May 21 through May 27 as "National Insurance Women's Week."

Insurance women are dedicated, devoted, diligent professionals who have made and continue to make a significant contribution to the risk and insurance industry. They have become extremely effective on a local and State level in promoting public awareness of several important issues such as: tort reform, automobile safety, and the problem of drinking and driving.

The Insurance Women of Trumbull County is an organization in my 17th District of Ohio that best exemplifies the standards of professionalism and excellence that have been set by women in the risk and insurance industry.

Mr. Speaker, professional insurance women should be granted recognition for their untiring efforts and outstanding accomplishments in the insurance field. Today I ask the citizens of the United States as well as my colleagues to honor these women on May 21 through May 27 as they celebrate "National Insurance Women's Week."

CHARLES BACON

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. SKELTON. Mr. Speaker, an outstanding Missouri lawyer and former national commander of the American Legion, Charles L. Bacon, died in Kansas City at the age of 79. I knew him well through the years, beginning back in the mid 1940's when he was a prac-

ticing lawyer in Marshall, MO. He was a good friend and will be missed by so many.

The Kansas City Star editorial of April 5, 1989, is an excellent reflection of the life of Charles Bacon, and I include it herewith.

CHARLES BACON

The highlight list of accomplishments of Charles L. Bacon tells a lot about his varied interests and loyalty to those causes. The long-time Kansas City lawyer was an honor graduate at Missouri Valley College in Marshall, Mo., where he served as a trustee for more than half a century. He was national commander of the American Legion, a veterans organization of 2.7 million members when he headed the group in 1961-62. He was president of the Board of Governors of the Liberty Memorial Association. The Kansas City chapter of the Sons of the Revolution named him Patriot of the Year. The Marshall native headed the re-election campaigns of former Sen. Stuart Symington in 1958 and 1964.

Beneath the titles was an individual genuinely dedicated to enhancing his college, his country and a deeper understanding of our system of politics and government. On a personal basis Bacon, easy-going and considerate of others, was a wellspring of energy and, and as one admirer said, "practical wisdom." Professionally, he was for years the focal point and spokesman for Shook Hardy & Bacon, the law firm where he was a senior partner. Charlie Bacon, who is gone at age 79, will be remembered, not only for his public achievements but for his abiding interest in the persons whose lives he touched through a lifetime of achievement.

THE PRESIDENT'S EDUCATIONAL EXCELLENCE ACT OF 1989

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. RAHALL. Mr. Speaker, I was pleased to have been a guest of the President in the White House Rose Garden recently as he graciously honored the National Teacher of the Year, and also unveiled his Educational Excellence Act of 1989.

I have gone on record from the beginning of President Bush's term stating that I wanted to help him become the education President. I mean that in the spirit of cooperation and comity necessary for the White House and the Congress to come to terms with each other. Only through diplomacy and negotiation on what can and should be done to improve education, and how to fund it adequately, will we assure that the necessary educational opportunities accrue to children in our schools. If we negotiate with the courage of our collective convictions, we will achieve our mutual goal of educating America's children for the 21st century, and protect our national security at the same time.

But, Mr. Speaker, I also am compelled to comment on two outstanding misconceptions—that could lead to confusion—about the President's educational excellence package.

First, nearly every one of his proposals are duplicative of programs in existing law—some of which are funded and some not. The second misconception is that funding for his "excellence" programs will be in addition to funds which would be needed for existing education programs, when in fact budget analysis shows massive cuts would be made if the President's flexible freeze proposal is adopted.

Following are examples of his educational excellence programs that are duplicative. His emergency teacher certification proposal could be carried out, at least as demonstration projects, under the existing Mid-Career Teacher Training Program contained in title V of the Higher Education Act which has never been funded. The funding level of $25 million is $20 million higher than that authorized for the mid-career program in law, but when you consider 50 State and territorial needs, $25 million will not go very far toward meeting the probable demand nationwide. The Mid-Career Teacher Training Demonstration Program is designed to develop and demonstrate exemplary programs to provide State higher education institutions with the information they would need to set up and finance their own efforts toward bringing mid-career professionals into the teaching force. Teacher certification, in my view, is not something the Federal Government ought to interfere with, since it is historically a State responsibility. But if the Federal Government proposes to supply funds for the national demand for qualified teachers, particularly math and science teachers, the demand will far exceed the $25 million proposed by the President.

Another duplicative effort, even though it would be a welcome add-on of funds for education programs, is the Presidential Merit School Awards Program. Under the Hawkins-Stafford School Improvement Act Amendments of 1988, just signed into law last year, Congress authorized the Blue Ribbon Schools Program to achieve the same goal of rewarding excellence in schools. This program is more modestly funded than that proposed by the President, because of the scarcity of education dollars and the need to drive available dollars down to the local schools for direct services to children. By using scarce dollars in this way, we bring up achievement levels and test scores of children, which we expect to have a ripple effect of bringing the schools involved into the ranks of excellence at the same time. In other words, if we improve the quality of education, we improve the quality and effectiveness of schools as well.

The Magnet School of Excellence is a good idea, but it is not new either, and it is certainly controversial. During the last Congress, under the Hawkins-Stafford School Improvement Act, a new program was authorized patterned after the highly successful Magnet School Program—called the Alternative Curriculum Schools Program. The President's new initiative calls for $100 million in new funds. Yet the existing Magnet School Program, which was originally enacted to replace school desegregation funds lost under the consolidation of categorical education programs in 1981's famous Gramm-Latta reconciliation bill, has not yet been fully funded at its newly authorized funding level of $165 million. Funds had previously been available under the Emergency Education Assistance Act, but were no longer available under the block grant in amounts sufficient to continue many desegregation programs. Magnet schools programs, reauthorized last year under the Hawkins-Stafford School Improvement Act were previously fully funded at $75 million. But the real issue here is that the new Alternative Curriculum Schools Program is strikingly similar to the President's proposal in that it does not have a mandate for serving desegregation needs and would be available to parents of children in school districts that would not be eligible for a magnet schools program. The new program was adopted only after a hold-harmless provision was included prohibiting funding for the new program until and unless the magnet schools program reached its maximum funding level of $165 million.

Current year funding for magnet schools, regrettably, has reached only $115 million—leaving a funding gap of $50 million before the new, competing program can be triggered. The question then becomes: Does the President's proposal mean that he expects Congress not to fund the existing, highly visible, popular and successful magnet school program, thus deliberately precluding funding for the alternative curriculum schools program? And if this is what is expected of Congress, is it just in order that his initiative can be funded so that he will look as though he has made good his promise to provide for educational excellence? We need to put first things first—and the first is to fully fund the magnet schools program so that necessary desegregation efforts can continue, and especially for those States who have either voluntary or court-ordered desegregation plans in effect. It is crucial to assuring the civil rights of those intended to be served. By doing so, we automatically enable the Appropriations Committees to fund the new alternative curriculum schools program, an action that would and should preclude any need to enact or fund the President's duplicative proposal.

The Presidential Awards for Excellence in Education, intended for model teachers, is again a great idea, but it is not a new idea. Already in law is the Christa McAuliffe Talented Teacher Fellowship Program, which is modestly funded. The better part of wisdom might be to add to the funding for this popular program, rather than pretending to be doing something new and innovative by creating a duplicative program that will unfairly compete with the Christa McAuliffe program for scarce dollars.

His "Urban Emergency Grants" for areas having the most severe drug problems among schoolchildren, funded at $25 million, has several things wrong with it. First the money, if intended to really assist these school districts, is a pittance compared with the need out there. Second, we are currently providing anti-drug abuse funding for schools and communities under the Drug Free Schools and Communities Act reauthorized just last year. And third, as a Member from a State and district predominantly rural—63 percent of West Virginia is rural—and one which has its own drug abuse problems, I wonder why the President left out rural needs in his emergency package?

Mr. Speaker, I raise these issues only because the need for full funding for existing programs of grave concern to Congress, to parents, teachers, and communities, such as

chapter 1 remedial education, Even Start, meeting children's nutritional needs, training and retraining America's work force, and strengthening higher education, to name only a few.

I believe the President has been ill-served by his so-called advisers who allowed him to announce, with apparent pride and belief in what he was doing, his so-called Educational Excellence bill, which has nothing in it that is new or richly innovative for education.

I believe the President meant it when he said he wanted to be a leader in education—and I believe that the Congress and the Nation would have been perfectly willing to wait until the President and his advisers could work out an education package that truly is innovative in terms of educating our young. Instead, the President was rushed into the fray with duplicative programs costing $441 million in new dollars which, according to his own education budget proposal, would be funded at the expense of existing education programs mentioned above.

With all due respect, Mr. Speaker, I believe the President can do better than to place those of us who welcomed his promise to become the education President in a position of having to oppose his proposals because most of them address problems already being addressed by Congress in existing law, and because he would offer us $441 million in exchange for massive cutbacks in other educational excellence programs—cuts which could total as much as $3 billion between fiscal year 1990 and fiscal year 1993.

Finally, I believe that the most urgent item on the congressional agenda right now is to fully implement the Hawkins-Stafford Schools Improvement Act. If the President wants my advice, his educational excellence package needs only to be called Full Funding for Educational Excellence in fiscal year 1990 and beyond.

FAIRNESS FOR LENDING INSTITUTIONS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. LAFALCE. Mr. Speaker, today I am introducing legislation which would first, clarify the limitation upon the liability of financial institutions under the Comprehensive Environment Response, Compensation and Liability Act of 1980 [CERCLA], 42 U.S.C. 9601, et seq., and second, add an express exemption so that financial institutions administering trusts or estates would not be exposed to personal liability under CERCLA for liabilities incurred or assumed by the particular trust or estate they were administering.

The existing exemption afforded by CERCLA 42 U.S.C. 9601 (20)(A) provides that an "owner or operator * * * does not include a person who, without participating in the management of a vessel or facility, holds indicia of ownership primarily to protect his security interest in the vessel or facility." This provision was inserted to recognize that in certain States which have the "title" theory of mortgages, actual title to a facility is deeded by a borrower via a deed of trust to either the financial institution making the loan or to a trustee for the financial institution lending the money. In other States where the "lien" theory prevails, the borrower grants a mortgage lien to the lender.

The practical problem created by this limited exemption is that despite all the precautionary testing, evaluation, representations and warranties which may be required of a borrower by a lender prior to the closing of the loan, and despite any monitoring and inspection of the facility once the loan is made, there is no assurance for the lender that contamination of a vessel or facility may either be overlooked or deliberately concealed. Furthermore, one of the practical realities of secured asset lending is that ultimately the lender must have the ability to realize upon its collateral, partly because absent a legal or procedural threat to initiating foreclosure proceedings, there is a possibility that the borrower will not take demands, requests or claims by the lender seriously.

Sometimes in a foreclosure no bidders other than the foreclosing mortgagee are willing to step forward and bid on a particular property, regardless of how much advertising or other publicity surrounding the sale has been made. In that instance, if the mortgagee fails to bid anything, there is a realistic possibility that the borrower might itself or through a nominee bid a nominal or token sum, such as $1, and claim the property, free and clear from the mortgage. In many States it is thereafter almost practically impossible for the lender to secure a deficiency judgment against the borrower without meeting an extremely high level of proof. Thus, effectively, the lender is left with letting security interest vanish for a nominal sum, or risk the possibility that—particularly with respect to industrial and commerical properties—notwithstanding how diligent it has been, it is either saddled with the potential environmental burdens of ownership, or at the least subject to a very difficult standard for which there is minimal guidance at this time of the requirements for an "innocent landowner" under provisions of CERCLA 42 U.S.C. 9607(b).

There is no question that the backbone of our economy is small and growing businesses. These startup or relatively small businesses which do not have substantial capital resources or direct access to equity markets, are by their very nature highly dependent upon lines of credit and other borrowings from commercial banks. Unfortunately, because of the problems mentioned above, a recent survey which my staff undertook in the Rochester, New York area indicates that because of the concerns of lenders, small businesses face the following problems:

First, inability to obtain financing for construction of new or expanded facilities;

Second, inability to refinance existing mortgages with balloon payments coming due;

Third, inability to refinance existing mortgages to reduce debt service or generate working capital;

Fourth, inability to use real estate as security for working capital loans; and

Fifth, inability to sell properties not needed for current operations or vacated because of relocation.

Furthermore, it has been brought to my attention that many lenders may be unwilling to provide financing to businesses located generally in an area where a possibility of hazardous waste contamination exists, even if there is absolutely no showing that the specific property owned by a prospective borrower—or any adjacent properties—are contaminated. My staff has discussed this problem at length with the Small Business Administration office in Buffalo in connection with an approved development company financing which fell apart because the proposed site was near another site which was still under investigation by the State Environmental Conservation Department for potential contamination.

The need for protection for corporate trustees is even more pressing. As set forth in an article that appeared in the November/December 1988 Probate and Property publication of the American Bar Association entitled "The Fouled Fiduciary: Seeking Relief From Toxic Waste Liability," there are virtually no cases construing criteria which would be used to conclusively judge the liability of fiduciaries. Moreover, it would appear that even in the routine performance of fiduciary obligations, the fiduciary may be personally liable for what previously would have been seen as solely the liability of the particular trust or estate—in effect representing a virtual windfall for CERCLA claimants in the sense that the assets of the fiduciary are added to the already exposed assets of the owner/operator who passed away or established the trust in the first place.

In many instances bank trust departments are not advised of their appointment under an estate until shortly before the will is offered for probate in the surrogate's court. Thus, the fiduciary may not have any time in which to take those steps which are described for purposes of the "innocent landowner defense" in 42 U.S.C. 9607(b). Although it is possible that, upon learning of specific problems, the trustee may decide to renounce its position, such renunciation does nothing for any liability that may have already been incurred under existing law. Also, if the trustee or executor is not replaced, it could leave the trust or estate without any guidance. In effect, the trust or the estate would be set adrift like a ship without a rudder, thereby compounding the problem, and realistically exposing any employees of a business owned by the trust of the estate to a loss of their jobs.

My bill would solve these problems by permitting commercial lending institutions to foreclose on their security without subjecting themselves as innocent parties to the liability under CERCLA. In effect it perfects the policy decision we already made in exempting a mortgagee from liability by virtue of its loan. Unless it can realize on its security, the encouragement to lenders we have already enacted is severely limited.

The second provision would exempt the fiduciary that administers an estate or trust from its own assets being exposed to liability. The beneficial owners—through the assets of the estate or trust—would remain subject to

CERCLA's provisions. Since the fiduciary is really a manager, there is no policy reason to expose its own assets.

Mr. Speaker, this legislation will encourage sound business financing and administration without impairment of CERCLA's objectives.

The text of the bill follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENT TO COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT OF 1980.

(a) AMENDMENT TO DEFINITION OF OWNER OR OPERATOR.—

(1) EXCLUSION.—Subparagraph (D) of section 101(20) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(20)(D)) is amended as follows:

(A) After the first sentence insert: "Such term also does not include any of the following:

"(i) A commercial lending institution which acquires ownership or control of a property to realize on a security interest held by the person in that property.

"(ii) A corporate fiduciary which has legal title to any property for purposes of administering an estate or trust of which such property is a part.".

(B) In the existing second sentence strike out "State or local government" and insert "person" in both places it appears and strike out "nongovernmental entity" and insert "other person".

(2) CONFORMING AMENDMENT.—Clause (iii) of section 101(20)(A) of such Act is amended by inserting after "to a unit of State or local government" the following: "or to any other person covered by subparagraph (D)".

(3) DEFINITION OF COMMERCIAL LENDING INSTITUTION.—Section 101 of such Act is amended by adding the following at the end thereof:

"(39) The term 'commercial lending institution' means a person that is a commercial or savings bank, industrial savings bank, savings and loan association, or trust company."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

THE BLACK REVOLUTIONARY WAR PATRIOTS MEMORIAL

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. MFUME. Mr. Speaker, today I'd like to take a moment to share with my colleagues the remarks of Maurice A. Barboza, president and founder of the Patriots Foundation's National Advisory Council, concerning the Black Revolutionary War Patriots Memorial.

AT LAST, A MEMORIAL FOR US ON THE NATIONAL MALL

(By Maurice A. Barboza)

There is a long stretch of Earth in Washington, D.C., known as the Mall. It is the most important land in America. On either end are the U.S. Capitol and the Lincoln Memorial. In the center, the Washington Monument eclipses the White House, the Jefferson Memorial and the entire city. This hallowed ground was set-aside to honor the Nation's most revered men and events. Tourists come to the Mall from all over the country to confirm their American roots. But they leave unaware that the trip was partly a failure.

Marble columns, sculpted bronze, manicured lawns and reflecting pools convey a picture of American history much like the one taught for generations in our schools. With the exception of the Vietnam Veterans Memorial, few could ever discern from this traditional depiction that real American history is the combined history of the American people, whose roots are black, brown, red, yellow, white and every hue and color in between.

However, this could change soon. If contributions are forthcoming, this "history gap" will be closed when the Black Revolutionary War Patriots Memorial rises on the Mall. All that is left to be done is to raise about $4 million by October 1991.

The Patriots Memorial will honor the 5,000 black soldiers of the American Revolution, as well as the countless men, women and children who fled slavery or petitioned courts and legislatures to set them free. It will be a monument to their fight for freedom and a symbol in our search for identity and true equality. It will illuminate the subsequent 200 year history of struggle and military service.

This first memorial for us on the National Mall will stand midway between the Lincoln Memorial and the Washington Monument—just two blocks from the popular Vietnam Veterans Memorial. There, in its proximity to those symbols, the Patriots Memorial will tell how we, too, helped give birth to America and helped mold her history and laws for the common good.

Predictably, the battle for this extraordinary site raged long and hard for nearly four years. There was substantial media coverage and public praise. At one point, a congressional committee considered seriously a ban on the construction of any new memorial on the Mall.

The crusade in Congress was led by Rep. Nancy L. Johnson (R-CT), Sen. Albert Gore, Jr. (D-TN) and Rep. Charles B. Rangel (D-NY). Spearheaded by the Black Revolutionary War Patriots Foundation, an unusual and inspired coalition backed the effort. It includes the National Urban League, Daughters of the American Revolution (DAR), Prince Hall Masons, American Jewish Congress, American Bar Association, Vietnam Veterans of America, AFL-CIO, National Education Association, Sons of the American Revolution and the U.S. Conference of Mayors.

A question commonly asked is, "Why a memorial to Revolutionary era blacks?" The answer is simple. The Revolutionary era is the Nation's most sacred history. It is where much of the Nation's greatness and many of its greatest mistakes may be traced. If the Nation were a person, it would be where a psychiatrist would begin to probe for answers that could free us from our confining and confounding ignorance and prejudice.

The replacement of stereotypes, ignominy and years thought to be without content with true facts about patriotism, struggle and perseverance would close the "history gap" and give us common ground on which to build understanding and tolerance between our diverse people.

The American Revolution sent hope soaring in black people and gave some of them a viable, although risky, alternative for gaining freedom. The words of the Declaration of Independence, ". . . all men are created equal" and "unalienable rights", gave voice to salves' natural feelings about whom they really were and what they, their children and America could be. Building the Patriots Memorial will make us hear those voices again.

Historians say that 5,000 blacks (an estimated 1 in 60, according to historian Robert Ewell Greene) fought in the Continental Army and Navy, largely as substitutes for their masters, in exchange for promises of freedom. Free blacks served also in the hopes of winning equal rights. They were engaged in all of the major battles, from Lexington and Concord to Yorktown.

These invisible soldiers left tens of thousands of descendants, most of whom are sadly unaware of their ancestry and of this history. It is an awful irony that a master would send a slave to fight for the master's freedom and historians would relegate the slave's contribution to obscurity. But thanks to the prodding of Lena Santos Ferguson, who waged a successful four year fight for membership in the DAR, the organization is now identifying those soldiers in publication.

When the army was being formed in 1775, blacks were barred from service for fear that they might be understandably inclined to use their weapons against their former masters. Free blacks of Boston, who had already been in the Army, protested. The order was partially reversed with respect to them. However, recruiters, hard-pressed to fill quotas, continued to ignore the order and accepted runaway slaves, free blacks and others.

In the face of successful British attempts to entice slaves to run away to their side (in exchange for promises of freedom), the States began to reverse these exclusionary policies. By 1778, blacks were being officially welcomed, and efforts were initiated, particularly in the South (but without much success), to raise all-black regiments.

Black soldiers hailed from all of the States, however, a majority were from the North, as were the bulk of the fighting men. For the most part, they served in integrated units, although Rhode Island and a few other States fielded notable all-black units. Black soldiers performed a variety of military tasks on an equal basis and suffered all of the war's horrors and hardships.

Zechery Prince was freed posthumously. Gad Asher was blinded. Thomas Lively lost his right eye at Monmounth. Richard Primes was wounded in the head at Camden. Cuff Slade's feet were frozen. Robert Greene was wounded in the face. Ephraim Hearn was a prisoner for 9 months. Hundreds of blacks were at Valley Forge in the winter of 1777-1778. Prince Whipple, who was born in Africa, helped row Washington's boat across the Delware on Christmas Eve 1776; Oliver Cromwell was at the ensuing battles.

In addition to them, the Patriots Memorial will honor men like Edward Hector, a hero of the Battle of Brandywine; Austin Dabney, a hero of the Battle of Kettle Creek; and Lambert Lathan, who was executed by the British for his heroics at the Battle of Groton Heights. It will honor James Lafayette, a spy, who secured from Gen. Cornwallis crucial information that led to the victory at Yorktown. Besides well-known names like Salem Poor and Peter Salem, it will honor hundreds of anonymous black soldiers, who are identified on muster roles simply by the word "Negro" or by assumed names without racial designation.

The Patriots Memorial will not be a war memorial and not just a symbol for men. Besides Richard Allen, who paid the last installment on his freedom in 1783, the memorial would honor women and men who provided civilian assistance and those like Elizabeth Freeman, whose freedom suit ended slavery in Massachusetts. It will honor a group of Connecticut slaves, who in 1779 petitioned for freedom, saying that they did not want their children "training up * * * for a like state of bondage." More than 100,000 nameless runaway slaves will be honored.

While the spirit of the Revolution proved to be the death knell for slavery in the North, the promise of universal freedom was dashed with the adoption of the Constitution. But black patriots carried on the fight. In the Spring of 1787, while the framers debated the Constitution, other Founding Fathers were laying the foundation of another America—black America.

Richard Allen and Absalom Jones organized Philadelphia's Free African Society. This led to the founding of the African Methodist and Episcopal Church. Prince Hall, a war veteran, received a charter for the first black Masonic lodge in America and petitioned for equal school facilities in Boston.

Paul Cuffe and James Forten became wealthy black entrepreneurs who established schools and petitioned for equal treatment of blacks. Cuffe had been a blockade runner and Forten a sailor who had been imprisoned. These patriots built institutions that continued the American Revolution long after the Revolutionary War ended, and their legacy is the rock upon which the modern civil rights movement sits.

This powerful story will echo in the Capital's sweeping vistas through the interrelationship of the Patriots Memorial with other landmarks that are nearby and within view of the site. The view to the Lincoln Memorial will tell how thousands of blacks had successfully sought freedom decades before the Emancipation Proclamation of 1863 and how 180,000 of us served in the Civil War. It will link the freedom struggles of the Revolution to the contemporary civil rights movement and show us how that movement was born of more than 180 years of unheralded toil. It will evoke the memory of the dream Dr. Martin Luther King, Jr., revealed there in 1963, which he said was "deeply rooted in the American dream."

The view to the Washington Monument will tell how Washington recruited black soldiers and how they served bravely. The view from the nearby Memorial to the Signers of the Declaration of Independence will remind us of how blacks kept the spirit of that document alive long after America had turned its back on it. Its connection to the Vietnam Veterans Memorial will tell how blacks have served in all of America's wars, from the Revolution to Vietnam. The view from DAR Constitution Hall, where black contralto Marian Anderson was barred from performing in 1939, will link forever the deeds of black patriots with their long-honored and deserving white compatriots.

The axial view to the White House, the Capitol and the Supreme Court will be a reminder of how our leaders squandered opportunities at the end of the 18th and 19th centuries to end slavery and assure the triumph of equality. It will keep us vigilant as we approach the 21st century. The memorial will tell black and white Americans that the greatest barrier to the fulfillment of the Pledge of Allegiance, "one Nation, under God, indivisible," is our collective state of mind, which can change only with knowledge and understanding. Clearly, this memorial for Revolutionary era blacks will be a memorial for the future and for us all. If we resolve to make it so, it could even usher in a new age of national unity and pride in our lifetimes.

But the Patriots Memorial cannot be built without a concerted nation-wide campaign. No government funds may be used. Every American has a stake in seeing the memorial built, especially blacks. The estimated $4 million must be raised by no later than October, 1991, or the grant of land on the Mall will lapse. A series of idea/design forums will be conducted in early 1989. The goal is to construct the memorial before the end of 1991.

(For further information, direct inquiries to The Patriots Foundation, 1000 Connecticut Avenue, N.W., Suite 9, Washington, DC 20036.)

A CONGRESSIONAL SALUTE TO TIMOTHY L. AND SUSAN M. STRADER, RECIPIENTS OF THE 1989 MARDEN CENTER OF EDUCATIONAL THERAPY AWARD

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. ANDERSON. Mr. Speaker, it is with deep pride in which I rise today to pay tribute to Timothy L. and Susan M. Strader, recipients of the 1989 Marden Center of Educational Therapy Award.

Marden Center, located in Orange County, CA, is a private, not-for-profit school for children with normal or above intelligence who have learned disabilities sometimes coupled with behavior or emotional problems. The Marden Award is presented annually to persons who are actively involved with the Marden Center and who are of high integrity, extraordinary leadership, great dignity, compassion, and a commitment to the community. Tim and Susan Strader have an abundance of these required qualities which explains why they are the first couple ever to be selected as corecipients of this prestigious award.

Growing up in a large family in the steelmaking town of Warren, OH, I would guess that Tim never could imagine all the contributions he would one day make as an attorney, a developer, an educational philanthropist, and a patron of the performing arts in southern California.

Determined never to be limited by the lack of education, Tim worked his way through John Carroll University and later graduated from the UCLA School of Law. Tim's strong support for UCLA continues today in the form of a scholarship he and Susan established in 1987. As a partner in the Koll Co., Tim was involved in some of Orange County's finest developments. He then formed his own business, the Legacy Co., which continues the quality development with which he has always been associated.

Susan Strader was born in California, the middle daughter in a family of four children who lost their father when Susan was 12 years old. Committed to pursuing a Catholic education, Susan received a scholarship to Marymount High School where the nuns describe her as "a woman with presence, loyalty, and commitment." In appreciation for her opportunity at Marymount, Susan has since established a 4-year scholarship for a needy student from a single parent home. Ever the one to focus on strong family values, Susan knew early that children were important to her and she attended UCLA in order to prepare for her career as a kindergarten teacher.

Mr. Speaker, Tim and Susan have always shared a sense of purpose. Tim, as he helped Irvine citizens form the new city of Irvine; as he helped found the Industrial League of Orange County; as he led the Orange County Performing Arts Center through the successful capital campaign to its opening in 1986; and, as he participates on the board of the UCLA Foundation. Susan, as she helped found the Performing Arts Juniors and three Performing Arts Center chapters; as she serves on the Center's Education Committee which formulates youth programs for Orange County; as she chaired the Imagination Celebration; as she served with Tim to raise the funds which made Santa Margarita Catholic High School a reality; and, as she worked with Children's Home Society, the House Ear Institute, Red Ribbon 100, Founders Guild of Casa Teresa, Concern of Orange, Inc., UCLA Chancellors, and UC Irvine Chancellors Club.

My wife, Lee, joins me in honoring Tim and Susan Strader who have made a positive difference in the community. On this special occasion, we commend them for their selfless dedication and know that the Legacy of Learning they helped make possible will continue for years to come. We wish them and their children, Tim, Jr., Stephanie, Patrick, and Megan continued success and happiness in all their future endeavors.

ALLIANCE FOR AGING RESEARCH ON PUBLIC OPINION

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. PEPPER. Mr. Speaker, today I wish to introduce into the RECORD the results of a nationwide survey recently conducted for the Alliance for Aging Research. This study reveals that three out of every four Americans think the Federal Government should make the same kind of effort to ensure the health and independence of older Americans as it did to put a man on the Moon. In addition, it shows that 59 percent of Americans say that despite the current deficit more money should be spent for health care research to help reduce health care costs in the future.

I hope my colleagues in the House will take a moment to read the following summary, which makes a convincing case for greater funding for health care and medical research, especially into the prevention and cure of the diseases of old age:

REPORT TO THE ALLIANCE FOR AGING RESEARCH ON PUBLIC OPINION

(Prepared by Penn + Schoen Associates, Inc.)

EXECUTIVE SUMMARY

Americans strongly support additional expenditures for health care and medical research, especially research into the prevention and cure of the diseases of old age. Large majorities of Americans regardless of race, region, income, or age favor an increase in monies spent on medical research intended to ensure the independence of senior citizens. In fact, better than three in four say the Federal government should make a NASA-like commitment to a research effort aimed to restrict or eliminate the diseases associated with old age.

The public believes there is a linkage between raising research expenditures to prevent and cure the afflictions of old age and reducing health care costs. And the degree of support for a major research effort in aging remains strong even when measured against other pressing medical research concerns and the need to reduce the federal deficit. Our results indicate:

Sixty-one percent of Americans favor increasing federal support to find cures or ways to prevent diseases closely associated with old age—such as arthritis, Alzheimer's, hearing loss, and osteoporosis—over increasing other critical areas of health care research, such as AIDS.

Fifty-nine percent of Americans say that despite the current deficit more money should be spent for health care research to help reduce health care costs in the future.

Seventy-six percent of all Americans favor a NASA-like government project intended to ensure the health and independence of our older citizens.

While Americans of every age favor increasing research into the prevention and cure of aging diseases, support is greatest among younger Americans. Fully 63 percent of the people between the ages of 25-34 say we need to spend more on research as a means to control health care costs, compared to 58 percent of those between the ages of 35-64, and 45 percent of those 65 years or older.

In fact, the more Americans know the more they favor increased funding to spur research, rather than decreasing funding. For example, once respondents learned that aging disease research represents less than one-half of one percent of health care costs incurred by older Americans, the 67 percent of all Americans who want a change in spending say it should increase by a 20-1 margin.

In addition, better than three in four Americans support two proposals to address the need for a better funded and more comprehensive research effort. A 76 percent majority say the government should make a significant and concerted effort, much like the original NASA program, to ensure the health and independence of older Americans. An identical 76 percent majority say Congress should support an amendment to long-term care legislation to provide that up to one percent of the money for such a program should be set aside for research into the diseases associated with old age.

Finally, better than eight in ten (82%) of Americans favor one or the other proposed changes in the health care delivery system in order to reduce health care costs. The two most popular choices for change were mandating health benefits for all Americans or increasing research into diseases associated with aging. Less than 10 percent of Americans favor either reducing health care benefits or services to the elderly as a means to control health care costs.

FEDERAL SPENDING AND RESEARCH

Seven in ten Americans believe health care and medical research is the single most worthy candidate for additional funding. A 71 percent majority say health care/medical research is the most critical area for more funding. NASA research was a distant second at 8 percent.

While support is strong among all demographic groups, more women favor old age research than men by an 81%-62% margin. Among the various age groups, support for medical/health care research is the very greatest (78%) among older Americans.

TABLE 1.—AREA OF RESEARCH MOST WORTHY OF ADDITIONAL FUNDING

[In percent]

	NASA/space	Health/ medical	Don't know
All	8	71	2
Men	12	62	3
Women	5	81	2
65+	7	78	3

SPEND MORE ON RESEARCH TO REDUCE LONG-TERM COSTS

Americans say there is a need to spend more on research meant to reduce long-term health care costs, even though health care costs are high now and the need to reduce the Federal deficit is great. By a 59 percent-30 percent margin, most people say that more resources must be devoted to long-term health care research.

Perhaps not surprisingly, support for more funding of health care research is greatest among younger Americans who see the most value for themselves in additional long-term research. Sixty-three percent of 25-34 year-old Americans say we need to spend more. By a 45 percent-36 percent margin, senior citizens are significantly less likely to endorse this view, though they do remain generally supportive of more research. Liberals, too, are more supportive (70%) than conservatives (52%), though Americans of every ideological persuasion support more research despite deficit concerns.

TABLE 2.—SPEND MORE ON RESEARCH OR KEEP THE SAME

[In percent]

	Spend more	Keep the same	Don't know
All	59	30	11
25 to 34	63	32	5
65+	45	36	18
Liberals	70	26	4
Conservative	52	35	13

SPEND MORE ON RESEARCH INTO DISEASES OF OLD AGE

Americans also believe that more money needs to be spent on specific research into the cure and prevention of the afflictions of old age, such as Alzheimer's, arthritis, hearing loss, and osteoporosis.

By a better than 2-1 margin, Americans say we must increase research funding into the diseases of old age, despite other critical health care needs such as AIDS. Sixty-one percent support increased funding, while 28 percent say that funding will need to stay the same given the pressing needs of other diseases.

While majority support for increased funding is consistent across all major demographic sub-groups, there is slightly more support in the Northeast (65%) and South (65%) than there is in the Midwest (57%) and West (55%).

TABLE 3.—INCREASE FUNDING FOR DISEASES OF OLD AGE OR LEAVE IT THE SAME GIVEN OTHER MEDICAL RESEARCH NEEDS

[In percent]

	Yes	No	Stop funding	Don't know
All	61	28	1	10
North	65	24	0	10
South	65	25	1	9
Midwest	57	29	2	12
West	55	36	2	7

PERCENT OF TOTAL MEDICAL COSTS SPENT ON OLD AGE MEDICAL RESEARCH

Even though most Americans assume we need to spend more on research, most remain optimistically uninformed about current funding levels. We asked the public to give their best estimate of the percent of the total cost of old age health care that is now being spent on research. Only 26 percent chose the correct percentage range (0%-2%), while 55 percent chose higher percentages than most current figures indicate is being spent on research.

SHOULD FUNDING BE INCREASED GIVEN THE COSTS OF DISEASES OF OLD AGE?

Once Americans are aware of current funding levels, and the health care costs of Americans over 65, they are especially likely to favor increased funding into research. By a 20-1 margin, people say Federal funding for research should be increased rather than decreased. Sixty-four percent say funding should be increased, while only 3 percent disagree.

TABLE 4.—GIVEN CURRENT RESEARCH SPENDING SHOULD FEDERAL FUNDING BE INCREASED OR DECREASED?

	Increased	Decreased	Same	Don't know
All	64	3	29	4

THE 80TH ANNIVERSARY OF NINTH DISTRICT DENTAL SOCIETY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. GILMAN. Mr. Speaker, I have been advised that the Ninth District Dental Society in New York State is about to mark its 80th anniversary with a luncheon in Tarrytown.

It was 1868 when New York State Gov. Reuben E. Fenton signed the bill creating the Dental Society of the State of New York. However, it was not until April 29, 1909, that the Ninth District Dental Society was formed, after five counties were split off from an older district to form the ninth district.

At the first organizational meeting, held on April 29, 1909, a decision was made to notify all ethical dentists in the five affected counties

establishing a deadline of July 1, 1909, to join as a charter member. By that date, 35 dentists were found desiring charter membership: 23 from Orange County, 9 from Dutchess County, 2 from Westchester, and 1 from Rockland.

By the time of United States entry into World War I, the membership had grown to 126 dentists, of which 18 served in the armed services. By the time of the Second World War, the society totaled approximately 375 with 180 in the military, and from 1945 until 1959 the membership more than doubled to better than 850. Today, in 1989, the Ninth District Dental Society numbers about 1,500.

The increase in the dental society membership can be attributed both to the greater number of dentists practicing in the area and the wide range of benefits and services the society has offered. For example, educational opportunities, insurance benefits, public relations, a relief program, public health measures, guidance about professional behavior, and communications from the administration concerning all of these advantages are provided to its members.

Mr. Speaker, I invite our colleagues to join with me in congratulating the Ninth District Dental Society of New York State upon their 80th anniversary celebration, and extending best wishes for many more years of professional excellence.

DISAPPROVING RECOMMENDATIONS OF COMMISSION ON BASE REALIGNMENT AND CLOSURE

SPEECH OF

HON. DENNY SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

The House in Committee of the Whole House on the State of the Union had under consideration the joint resolution (H.J. Res. 165), disapproving the recommendations of the Committee on Base Realignment and Closure, pursuant to Public Law 100-526.

Mr. DENNY SMITH. Mr. Chairman, I rise today to express my opposition to the passage of House Resolution 165, to disapprove the recommendations of the Commission on Base Realignment and Closure. I fully support the work of the Commission, have faith in the accuracy of its findings, and applaud this rare exhibition of good sense by Congress to deal with a sensitive issue.

As most people know, I am a strong believer in responsible military reform. Thanks principally to a well-established record of opposition to wasteful and ineffective weapons systems such as the Sergeant York antiaircraft gun and the Aegis missile system, I have earned the title of "Cheap Hawk." Critics may have intended the comment in a derogatory manner, but I am proud to think that I have so distinguished myself. As a veteran of the Vietnam war and former Air Force pilot, I am firmly committed to ensuring that the U.S. Armed Forces remain strong and soundly able to carry out their constitutional duty to defend this country and their moral duty to defend the free world. At the same time, however, I believe we must recognize the limits to our resources and make a concerted effort to use what we have in the most effective manner possible.

Thus I support the Commission's efforts and oppose this resolution to disapprove its recommendations for the same reasons that I have occasionally found myself battling the Pentagon and the military-industrial complex. If America wants a strong military, she cannot fill her arsenals with guns that don't shoot, planes that don't fly and bombs that don't explode. I am not ashamed to be known as a "Cheap Hawk," and I challenge any Member of Congress to tell me why we should spend billions of dollars on weapons we don't need or that don't work.

Similarly, I have long advocated a reexamination of our military bases as a necessary step for military reform. As far back as the 98th Congress, I introduced the Military Real Property Disposal Act of 1982 to initiate the base closure process. I felt then—and still believe—that in times of mounting pressure on the Federal budget, we cannot as a nation afford to keep military bases operating for any reasons other than purely military ones. Given these budgetary constraints, I believe more than ever that we must spend taxpayers, dollars wisely: On weapons we need, on military facilities with the maximum amount of value, and on domestic programs which meet the legitimate needs of our population.

Some people who are unhappy with the results of the Commission have criticized the rationale behind its creation. And I agree that establishing a commission to decide which bases are needed and which are not is in some respects an abdication of responsibility by Congress. I certainly regret the fact that we are unable to sit down as a legislative body to make the tough choices that need to be made. Congress' handling of the budget deficit is a perfect example of the inability on the part of a great many in this body to say "no" to anybody for anything.

Nevertheless, the business of government must continue. One way or another, we must cut the fat out of the budget, from both military and domestic spending, in order to reduce a deficit of truly scandalous proportions. In an attempt to do just that, the Commission on Base Realignment and Closure was created to carefully, thoughtfully, and objectively examine our Nation's military bases and to make a rational, apolitical judgment about them. The Commission has effectively accomplished the job it was intended to do. While I heartily sympathize with those communities losing a substantial source of income because of the closures, I do not sympathize with those wishing to overturn the results of this exhaustive review, which represents Congress' best effort to begin the process of facing up to fiscal reality.

For these reasons, I applaud the Commission's hard work and wish to go on record in support of its recommendations. Issues like these must be frankly and honestly faced—and overcome—if we are to begin to responsibly govern this Nation.

DRUG ABUSE TREATMENT POLICY ACT OF 1989

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. RANGEL. Mr. Speaker, today I introduced the Drug Abuse Treatment Policy Act of 1989. Joining me as cosponsors of this measure were the following 15 members of the Select Committee on Narcotics Abuse and Control, which I chair: Mr. COUGHLIN, the committee's ranking minority member, Mrs. COLLINS, Mr. AKAKA, Mr. GUARINI, Mr. FAUNTROY, Mr. SMITH of Florida, Mr. TRAFICANT, Mr. MFUME, Mr. GILMAN, Mr. PARRIS, Mr. DORNAN of California, Mr. LEWIS of Florida, Mr. HERGER, Mr. SHAYS, and Mr. PAXON.

This bill would ban the use of Federal funds for, and bar Federal activities in support of, programs to distribute needles or bleach to intravenous drug users. The bill also would stop the Department of Health and Human Services from implementing proposed regulations authorizing "interim" or "minimum" methadone maintenance which would allow the distribution of methadone to drug addicts without any counseling or rehabilitative services.

In the Anti-Drug Abuse Act of 1988, Congress specifically prohibited States from using Federal funds under the Alcohol, Drug Abuse and Mental Health Services [ADMS] block grant, "to carry out any program of distributing sterile needles for the hypodermic injection of any illegal drug or distributing bleach for the purpose of cleansing needles for such hypodermic injection"—section 2025, Public Law 100-690. The ADMS block grant program is the primary vehicle for Federal assistance to community-based drug abuse treatment programs. By including this very specific prohibition in the ADMS block grant, Congress made clear that Federal policy should not support or condone needle exchange and bleach distribution programs.

Despite this specific ban and the strong statement of congressional intent it made, Dr. Louis Sullivan, in one of his first public interviews as Secretary of Health and Human Services, encouraged local needle exchange programs to help stop the spread of AIDS by drug addicts. He said the Federal Government would be supportive of such efforts and could help by providing information, trained personnel and funding to set up local programs. Apparently, the Federal funds he would make available for these local efforts would not be ADMS block grant moneys since last year's drug bill specifically bans use of ADMS funds for needle exchange programs.

Dr. Sullivan's proposal is a sad indictment of our national drug policy. Before the Federal Government has even developed a national drug treatment strategy, the Nation's chief health official proposes the distribution of free needles to halt the spread of the AIDS virus without regard to the impact of such a proposal on our antidrug policy.

In my view, the only thing free needles would accomplish would be to continue addiction. It would sweep addicts under the rug, keep them out of sight and out of mind. It

would put public authorities in the business of death on the installment plan, rather than developing the comprehensive treatment options needed to help addicts regain their dignity and give them a chance to lead productive, drug-free lives. It would do little, if anything, to halt the spread of AIDS.

My bill expands the prohibition contained in the Anti-Drug Abuse Act of 1988. It would bar the use of any Federal funds for needle and bleach distribution programs, and it would prohibit any other Federal activities in support of such programs. By establishing a total ban on Federal support for such efforts, the bill would clarify the congressional intent of last year's omnibus drug legislation.

In addition to banning Federal support for needle exchange and bleach distribution programs, my bill bars the Department of Health and Human Services from implementing a proposal that would allow treatment programs to give addicts methadone without providing drug counseling or comprehensive rehabilitative services.

On March 2, 1989, the Food and Drug Administration and the National Institute on Drug Abuse published a proposed rule in the Federal Register to allow minimum service, or interim, methadone maintenance. According to the FDA and NIDA, this proposal was made in response to the AIDS epidemic and is intended to get more addicts into treatment more quickly, thereby decreasing intravenous drug use, needle sharing and AIDS transmission. Public comments on this proposal originally were due by April 3, 1989, but the deadline has since been extended to May 3, 1989.

This "no frills" methadone maintenance proposal falls into the same category of "quick fix" responses to the AIDS/IV drug problem as needle exchange and bleach programs. It is not drug treatment, and it will not reduce the spread of AIDS. Recent research shows that comprehensive counseling and support services are essential to effective methadone treatment.

There are no short cuts around the AIDS/IV drug problem. The sooner we accept that, the sooner we can begin to address the need for comprehensive drug abuse treatment programs.

I have outlined my objections to "no frills" methadone in a letter to FDA and NIDA. A copy of my letter appears at the end of my remarks. A number of treatment professionals and organizations representing both methadone maintenance and drug free service providers also are opposed to the HHS proposal, including: the Northeast Regional Methadone Treatment Coalition, Inc.; the New York State Committee of Methadone Program Administrators; the New York Regional Chapter of the Therapeutic Communities of America; the State of Connecticut Alcohol and Drug Abuse Commission; and Beny J. Primm, M.D., executive director of the Addiction Research and Treatment Corporation, Brooklyn, NY, and a former member of President Reagan's AIDS Commission.

My bill would prohibit methadone maintenance and long term—up to 180 days—detoxification treatment with methadone unless a treatment program provides a comprehensive range of rehabilitative services, including counseling, to each client. The bill's requirements would not apply to short-term detoxification—30 days or less. This exception is consistent with existing law which does not require comprehensive services for short-term detoxification.

Federal drug abuse treatment policy should not offer drug addicts a choice between free needles to continue injecting drugs or addiction to methadone without supportive services that can give addicts hope of becoming drug free. My bill would emphatically reject these options. I urge Members to join me as a cosponsors.

The text of the bill and my letter commenting on the minimum maintenance proposal follow.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Drug Abuse Treatment Policy Act of 1989".

SEC. 2. ESTABLISHMENT OF PROHIBITION AGAINST FEDERAL INVOLVEMENT IN NEEDLE-EXCHANGE OR BLEACH PROGRAMS WITH RESPECT TO INTRAVENOUS DRUG ABUSE.

(a) USE OF FEDERAL FUNDS.—None of the amounts made available in any Federal appropriations Act for any fiscal year may be expended to assist in carrying out any program of distributing sterile needles for the hypodermic injection of any illegal drug or distributing bleach for the purpose of cleansing needles for such hypodermic injection.

(b) FEDERAL ACTIVITIES.—Officers and employees of the Federal Government may not, in carrying out their duties as such officers or employees, provide advice with respect to carrying out any program described in subsection (a) or otherwise assist in carrying out any such program.

SEC. 3. ESTABLISHMENT OF PROHIBITION AGAINST CERTAIN TREATMENT OF NARCOTICS ADDICTION WITHOUT REHABILITATIVE SERVICES.

(a) REHABILITATIVE SERVICES IN LONG-TERM DETOXIFICATION AND OTHER MAINTENANCE PROGRAMS.—

(1) IN GENERAL.—With respect to any program providing for the medical treatment of the narcotic addiction of various classes of narcotic addicts, which program is authorized under any of the provisions of law specified in paragraph (3), the program may not, subject to paragraph (2), provide any narcotic drug to an individual for purposes of treating the individual for dependence on heroin (or any similar drug) unless the program, throughout each stage of the program, provides a comprehensive range of rehabilitative services to the individual, including counseling services.

(2) INAPPLICABILITY TO SHORT-TERM DETOXIFICATION PROGRAMS.—Paragraph (1) shall not apply to any program described in such paragraph in which, as a method of bringing an individual to a narcotic drug-free state, a narcotic drug is provided to the individual in decreasing doses over a period not in excess of 30 days in order to alleviate adverse physiological or psychological effects incident to withdrawal from the continuous or sustained use of a narcotic drug.

(3) RELEVANT ACTS.—The provisions of law referred to in paragraph (1) are the Federal Food, Drug, and Cosmetic Act, the Controlled Substances Act, the Comprehensive Drug Abuse Prevention and Control Act of 1970, the Public Health Service Act, and any other provision of Federal law relating to the regulation of the availability or use of drugs.

(b) CLARIFICATION WITH RESPECT TO PROPOSED RULE FOR USE OF METHADONE IN INTERIM MAINTENANCE PROGRAMS.—With respect to the provision of methadone to any individual under a program of medical treatment described in subsection (a)(1), the Secretary of Health and Human Services or the Attorney General may not authorize the program to be carried out under the terms and conditions proposed on March 2, 1989, through publication in the Federal Register (54 Fed. Reg. 8973 et seq.).

U.S. HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL,
Washington, DC, March 23, 1989.

Re: Docket No. 88N-0444.

DOCKETS MANAGEMENT BRANCH [HFA-305],
Food and Drug Administration, 5600 Fishers Lane, Rockville, MD.

To Whom It May Concern:

I am writing to express my strong objections—indeed, my outrage—at the proposed rule to allow minimum service, or interim, methadone maintenance to patients on drug treatment waiting lists. This proposed rule was published in the March 2, 1989, Federal Register.

First, on a procedural note, the justification for requiring comments on this proposal within 30 days, instead of the customary 60 days, is insulting to this Member of Congress. For years, I have been urging the executive branch to propose a comprehensive response to the AIDS/IV drug epidemic that is ravaging inner city minority communities like the district I represent. For years, the Reagan Administration's silence on this issue was deafening. Now, after years of neglect, the Department of Health and Human Services is proposing to unleash "no-frills" methadone addiction on these same communities, citing "the imminent threat to the public health posed by the HIV epidemic" as justification for curtailing comment and debate on this controversial proposal. Minimum maintenance is unlikely to succeed in its goals, but it could have devastating consequences for drug addicts and the communities in which they live. I strongly urge the Department to take minimum maintenance off the fast track and avoid a tragic mistake.

Substantively, the concept of minimum maintenance is seriously, if not fatally, flawed. The basis for this proposal is the assumption that minimum maintenance will allow more addicts into treatment more quickly, thereby decreasing intravenous drug use, needle sharing and HIV transmission. But, apparently, no one has stopped to ask what kind of treatment.

There is little reason to believe that doling out methadone to addicts, without providing a full range of counseling and rehabilitative services, will be effective in curtailing drug use and needle sharing. In fact, a recently published study cited by NIDA and FDA as supporting the minimum maintenance approach actually draws much different conclusions. This intensive, three-year project studied six large, stable methadone maintenance programs in the northeastern United States, where the majority of IV heroin users are concentrated. Even though great care was taken to exclude "transitory or grossly inadequate programs," the study found marked variations in treatment effectiveness with respect to

reduction of IV drug use and needle sharing. Program differences, not patient characteristics, were of "paramount importance" in reducing IV drug usage, the researchers found. They concluded that the most effective treatment programs were those that provided consistent long-term counseling and other support services. Long-term rehabilitation, not just methadone, was the critical factor for successful methadone maintenance treatment, the studied showed.

The minimum maintenance treatment proposal flies in the face of these findings. It is a prescription for failure. It will allow methadone to be distributed to addicts without any requirements for counseling or rehabilitative services. It will also permit this "no frills" methadone distribution without random testing to see if clients are staying off drugs. This is foolhardy. If an addict's methadone dose is too low, he will continue to cop heroin to relieve withdrawal symptoms. Moreover, most addicts today are polydrug abusers. In addition to heroin, they often use other drugs which are not blocked by methadone, such as cocaine or methamphetamine, and they use needles to shoot these drug intravenously. Under minimum maintenance, methadone will be passed out merely in the hope that addicts will stay off drugs and needles without ever checking to see if they are.

In explaining the need for this proposal, NIDA and FDA say that minimum maintenance is not intended to become an alternative to comprehensive treatment. Several aspects of this so-called "interim" maintenance, however, appear destined to ensure that this "treatment" becomes the norm and not just an intermediate step to comprehensive treatment. Stand-alone minimum maintenance programs would not be permitted, but there is nothing in the proposal to prevent programs from reducing or holding down the number of full-service slots just to get more bodies into "interim" maintenance. In fact, minimum maintenance will encourage such choices. Since funding for drug abuse treatment is already grossly inadequate, programs will see minimum maintenance as a way to "maximize" their resources. Minimum maintenance will be a disaster to the expansion of comprehensive treatment services needed to rehabilitate drug addicts and give them a chance to lead decent lives.

This proposal also sets no timetable for the transfer of patients to comprehensive treatment, and it does not require addicts to move out on interim maintenance into comprehensive treatment even when a slot becomes available. Rather, it would allow addicts to linger indefinitely in the limbo of interim maintenance, with only a perfunctory review of the patient's status at 6-month intervals.

Minimum maintenance is the wrong policy at the wrong time. There has been no demonstration that this approach is effective. Only one experiment in minimum maintenance has been conducted—in my district—and this program has not been adequately evaluated. As noted above, however, there is substantial evidence to indicate that "no frills" methadone will fail miserably.

Why are NIDA and FDA proposing a major, nationwide change in methadone regulations to meet a problem that is heavily concentrated in New York City, northern New Jersey, southern Florida and a few other localities? There is no indication that NIDA and FDA have explored any other alternatives that would better target the problem. For example, even in those cities that have treatment programs with long waiting lists, there may be other programs that are under utilized. NIDA and FDA could provide technical assistance to establish central intake procedures in these areas. By keeping track of available slots, where they are located and the treatment modality offered, a central intake system could help assure the most efficient use of existing resources. For addicts, getting treatment and the type of treatment received would not depend on whose door they happened to walk through. They could find out where help is available the quickest and also be made aware of options other than methadone.

Minimum maintenance is being proposed before any effort is made to see what can be done to alleviate treatment shortages with new funds recently earmarked by Congress for this purpose. The Anti-Drug Abuse Act of 1988 authorized $100 million for the Secretary of Health and Human Services to make discretionary grants to treatment programs to reduce waiting lists. For fiscal year 1989, Congress appropriated $75 million for this new program, and the President's 1990 budget requests the remainder. These funds should be allocated to expand comprehensive treatment services for intravenous drug abusers in those areas of the country where the need for additional treatment capacity is the greatest and the AIDS/IV drug problem is most severe. The 1989 omnibus drug Act also increased funding available for IV drug treatment under the Alcohol, Drug Abuse and Mental Health Services Block Grant. If the additional resources for these programs are not enough to provide quality drug abuse services to IV drug users, the Administration should come to Congress with a realistic proposal of what is needed. It makes no sense to waste these scarce treatment dollars on minimum maintenance.

Finally, in the Anti-Drug Abuse Act of 1988, Congress established a new Director of National Drug Control Policy and directed him to develop a comprehensive national strategy to fight drug trafficking and abuse. Congress intended that the "drug czar" would work in concern with HHS and other affected agencies in developing a national drug treatment strategy that would include a plan to deal with the AIDS/IV drug abuse problem.

Unfortunately, before the new administration and new drug czar have even had a chance to put together a coherent treatment policy, NIDA and FDA are pursuing a piecemeal approach to the AIDS/IV drug problem that holds little promise of success. The minimum maintenance proposal should be withdrawn.

"No frills" methadone maintenance is not drug treatment, and it will not reduce the transmission of AIDS. It is wishful thinking that will waste scarce public resources without producing any measurable public health benefit. It substitutes methadone addiction for heroin addiction without giving addicts any hope of becoming productive, drug-free members of society.

What we need are comprehensive drug treatment programs that address not only heroin addiction but an addict's dependence on other drugs as well and provide a full range of counseling and rehabilitative services. There are no shortcuts around the AIDS/IV drug problem, and the sooner we accept that, the sooner we can begin doing what needs to be done.

Sincerely,

CHARLES B. RANGEL,
Chairman.

IT'S TIME TO CHANGE THE 1872 MINING LAW

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. MILLER of California. Mr. Speaker, I urge each and every Member to read the March 1989, GAO report entitled "Federal Land Management: The Mining Law of 1872 Needs Revision." To some of you, this may sound a little dull or arcane. I can assure you, it is not.

This is a story of multimillion—perhaps billion—dollar Federal giveaways.

This is a story of the Federal Government transferring title to lands and mineral rights under an antiquated mining law at 1872 prices.

Let me give you some real world examples of what is happening:

First, a 310-acre site near Las Vegas was patented under the mining law in 1983 for $775. Under the mining law, this land can now be sold or leased by the patent holder. This land now has an estimated market value of $1.2 million.

Second, a 160-acre site near Keystone, CO, was patented for $400 in 1983; 44 acres of this site, near the ski area, were recently put on the market for $484,000. The estimated value of the entire 160 acres is now $1.8 million.

Third, two sites, comprising 449 acres, again near Las Vegas, were patented for $1.124 million in 1981. The estimated value now is over $2 million.

Fourth, in western Colorado, patent holders sold 17,000 acres of oil shale land to major oil companies for $37 million. These lands had been acquired for $42,500 from the Government only weeks before the sale.

It is unconscionable that this outrageous profiteering can and is taking place at the expense of the Federal Treasury and our public resources. We have a responsibility to take steps to stop this practice.

The chart that appears below details the findings of the sites investigated by the GAO. Keep in mind that these patents were acquired for either $2.50 or $5 an acre. With a little arithmetic, you can quickly see the huge disparity between the cost to the patent holder and the potential fair market value. Of the 20 sites reviewed by the GAO, the Government received less than $4,500. Present value is estimated between $13.8 million and $47.9 million.

Also, keep in mind that what you are seeing is the tip of the iceberg. Some 611 patent applications were approved in the past decade. GAO investigated 20. What other horror stories would an investigation of all of the patents reveal?

The GAO came to a number of conclusions, several of which I wish to share with you:

First, the Federal Government stands to lose between $14.4 million and $47.1 million if 12 pending applications are patented, and tens of millions more if the patent provision of the mining law of 1872 is not amended.

Second, patenting does not ensure that a mineral claim will be developed * * * escalating land prices in certain areas have made the act's patent provision an attractive means to acquiring title to land for purposes other than mining.

Third, * * * the patent provision of the mining law of 1872 clearly runs counter to other national natural resources policies and legislation relating to Federal stewardship and multiple-use management of public lands. Patenting is not essential for mineral exploration and development.

It is clear to me that changes must be made in the 1872 mining law so that it will reflect present day realities and values. I am pleased that my colleague from West Virginia, Mr. RAHALL, plans to take a hard look at the mining law this year with a view to making much needed changes. I will be pleased to work with him on this most important issue. I'm sure you will too when you read the GAO report.

APPENDIX II.—PATENT AND PATENT APPLICATION SITES GAO VISITED

Name	Nearest town/city	Date patented	Acres	Type of claim	Mineral	Status	Estimated value	
							Low	High
Phelps Dodge Corp	Prescott, AZ	May 1982	7.0	Lode	Copper	Inactive	$3,150	$3,150
Johnson & Johnson	Mesa, AZ	Fiscal year 1983	40.0	Placer	Sand and gravel	Active	400,000	400,000
Melluzzo & Nichols	Phoenix, AZ	October 1987	18.8	do	Granite	do	376,000	3,832,493
Phoenix Sand & Rock	do	September 1985	15.0	do	Sand and gravel	do	272,445	272,445
Melluzzo	do	November 1970	61.3	do	Building stone	Inactive	6,130,000	6,130,000
M. Batesel	Carson City, NV	July 1974	140.0	do	Cinder	do	56,000	70,000
H. Bunkowski	do	April 1978	80.0	do	Gypsite	do	125,000	135,000
Do.	do	do	20.0	do	do	do	400,000	500,000
Do.	do	do	20.0	do	do	do	40,000	40,000
Gornowich Sand & Gravel	Boulder City, NV	October 1981	120.0	do	Sand	do	38,400	38,400
Yeager	Searchlight, NV	January 1983	25.7	Lode and mill	Gold	do	5,132	7,698
Paul Brawer	Las Vegas, NV	September 1983	310.0	Placer	Gypsum	do	1,240,000	1,240,000
Stocks Mill & Supply Co	do	December 1981	200.0	do	Sand and gravel	Active	1,000,000	1,000,000
Do.	do	do	249.4	do	do	do	1,196,971	1,196,971
Pitkin Iron Corp	Aspen, CO	March 1983	15.0	Mill	None	Inactive	225,000	525,000
Webster	Leadville, CO	March 1986	140.0	Placer	Sand and garvel	Active	420,000	1,400,000
Hinton-Keystone Co	Keystone, CO	December 1983	160.0	do	Gold	Inacative	1,600,000	30,400,000
Paul Graham	Tuttletown, CA	August 1985	34.0	Lode	do	do	49,300	510,000
Paul & Judith Ramm	Jackson, CA	Fiscal year 1983	9.0	do	do	Active	90,000	90,000
J&D Marquis	West Point, CA	November 1982	12.3	do	do	Inactive	125,005	125,005
Total			1,677.0				13,792,403	47,916,162

A TRIBUTE TO FRANK AND ANN LATELL

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. TRAFICANT. Mr. Speaker, it is with great pleasure that I stand today to congratulate Frank and Ann Latell, two wonderful people in my 17th District of Ohio, who will be celebrating their 50th wedding anniversary on April 29, 1989.

Frank and Ann were married in St. Rose Church on April 29, 1939. Frank is a very skillful electrical inspector for the city of Girard and is also a member of the Knights of Columbus. He also spent 4 years in the Navy where he served on the *Lexington* aircraft carrier. Ann previously worked as a beautician. She is very active in the community. She served 2 years with Help Hotline, was a member of the Girard Parent Drug Awareness League, is active in Mount Carmel Society and her church, and is a member of the Girard Federated Democratic Women.

Ann and Frank have three wonderful children: Genevieve Hartman, who lives in Cozumel, Mexico; Mary Teresa Vivona of Flagstaff, AZ; and a son, Frank, who currently resides in North Carolina.

Mr. Speaker, these children are the product of the special love Ann and Frank have for one another. I personally know Frank and Ann and can attest to the beautiful relationship that they share. In a society where divorce is so common, it is refreshing to know that the institution of marriage can and does last. April 29, 1989, marks a very special occasion as well as a great accomplishment for both Ann and Frank. And, I stand here today not only to congratulate them, but to wish them happiness, joy and many more years together.

ETHNIC HARMONY, NOT HATRED, IS NEEDED IN YUGOSLAVIA

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. BROOMFIELD. Mr. Speaker, I want to share with my colleagues a thoughtful and insightful editorial from the New York Times concerning the rise of ethnic tensions in Yugoslavia. Now is the time to work for peace and cooperation in that multiethnic country. This is not the time to inflame the ancient ethnic passions which will only rekindle violence and separatist causes in Yugoslavia.

I am deeply concerned about the goals and ambitions of Slobodan Milosevic, the current head of the Communist Party in Serbia. He appears to be determined to reshape Yugoslavia and, in the process, promote himself and Serbia in positions of domination and control in a politically fragile nation.

The autonomous Provinces of Kosovo and Vosvodina were Milosevic's first targets and he succeeded in taking away some of the legal autonomy that they had maintained over the years. Deaths, violence, and deep resentment among the ethnic Albanians in the Kosovo region are the results of his efforts against that province.

Mr. Milosevic's efforts are disturbing the fine balance established in the 1974 constitution for that country. At that time, eight provinces and two autonomous regions were created. The current efforts to upset that finely tuned balance can quickly destabilize that country and cruelly divide Yugoslavia into a collection of small and weak ethnic states. The people of Yugoslavia do not want this to happen and will not benefit from the dissolution of their country.

I commend the following article to my colleagues in the Congress who share my concern about the future of Yugoslavia.

[From the New York Times, Apr. 10, 1989]

BULLYING IN THE BALKANS

Only a cynical demagogue would recklessly inflame ancient ethnic hatreds for the sake of his own political ambitions. Solbodan Milosevic, Serbia's Communist Party chief and thus the leader of Yugoslavia's largest component republic, has done just that.

Most recently he magnified his dangerous mischief. Backed by troops and armed police, he suppressed local resistance to his drive against the legal autonomy of Kosovo, an ethnic Albanian enclave within Serbia. At least 24 people, including two policemen were killed.

Yugoslavia's survival as a federal republic depends on the peaceful coexistence of historically hostile ethnic groups. The quarrelsome collection of mini-states that preceded modern Yugoslavia made "Balkanization" synonymous with chronic division and conflict. Their feuds also became a flashpoint for wider European war.

Mr. Milosevic, 47 years old, started out as an industrial and financial executive and only became Serbia's Communist Party boss in 1987. Since then he has pressed a relentless political campaign, complete with mass rallies, fiery rhetoric and bureaucratic purges, all aimed at making Serbia, and its party leader, supreme in a reshaped Yugoslavia.

Already he has forced changes in the leadership of Kosovo and Vojvodina, another autonomous province within Serbia, and in the neighboring republic of Montenegro. But thus far Mr. Milosevic's efforts to impose his will at the national level have been rebuffed.

His willingness to play to ethnic and sectarian feelings has caused considerable uneasiness in Yugoslavia's Roman Catholic republics, Croatia and Slovenia. The latter is also the country's most economically advanced and politically enlightened region.

Critics fear that Mr. Milosevic and his allies could build a bloc combining Serbia, Kosovo, Vojvodina and the two other Orthodox Christian republics, Montenegro and Macedonia, and then, with backing from the armed forces, become Yugoslavia's unchallenged master.

Past reports of Yugoslavia's imminent breakdown have proved premature. The forces now arrayed against Mr. Milosevic's pretensions are themselves considerable. Yet his course is worrisome, for Yugoslavia and for its neighbors—none of whom are eager to see the Balkans turned into The Balkans once again.

SUPPORT MINORITY BUSINESS ENTERPRISE

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. MFUME. Mr. Speaker, during the 100th Congress, I introduced legislation to establish the Minority Business Development Administration within the Department of Commerce and to clarify the relationship between such Administration and the Small Business Administration [SBA]. Thanks to the assistance of members of the Small Business Committee and my colleagues in the House of Representatives, the legislation made it through the committee process and was passed on the floor of the House of Representatives. However, the Senate companion legislation was not considered further than the appropriate Senate committee, and I have therefore reintroduced the legislation as H.R. 1769 in the 101st Congress.

Administration proposals to transfer the Minority Business Development Agency [MBDA], which now exist in the Department of Commerce pursuant to a 1969 Executive order, to the SBA are what led to my initial effort to codify the Agency. Transfer proposals had been a part of administration budget proposals since 1987, and notwithstanding congressional action to the contrary, the outgoing President's fiscal year 1990 budget called for more of the same.

The new administration, however, has indicated an interest in reinvigorating the MBDA within the Department of Commerce. The first step in this task, Mr. Speaker, is the codification of this Agency. Once the MBDA is placed on solid ground and recognized as serving a separate and distinct business community, the commitment to aiding minority business will be on its way to becoming a fundamental, integrated part of the American economic system.

The MBDA was established to coordinate and implement specially designed programs for minority business enterprises. It serves as a means to contribute to the establishment, preservation, and strengthening of these enterprises by arranging loan packages, contract agreements, and other resources for minority businesses in need of assistance. The Agency seeks to protect the fundamental rights of minority businesses to fully participate in this Nation's economic structure. Yet, the potential of this Agency has yet to be fully realized because of decreases in funding and shortsightedness in terms of the Agency's proper place.

Mr. Speaker, I am inspired that the current administration may be ready to realize the necessity and purpose of an agency such as the MBDA. I hope my colleagues today will, as well, join me in riding the MBDA of its vulnerable status by cosponsoring the Minority Business Development Act of 1989. Now is the time to bring control of this Agency within greater reach of the Congress and provide ourselves with the chance to play a direct role in the furthering and strengthening of the Agency's goals and objectives. I strongly urge my colleagues to lend their support to this effort. This minority business community deserves nothing less.

A CONGRESSIONAL SALUTE TO HON. KENNETH J. CLEVELAND, MAYOR OF THE CITY OF BELLFLOWER, CA

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. ANDERSON. Mr. Speaker, it gives me great pleasure today to rise and pay tribute to Kenneth Cleveland, a constituent and friend of mine, who has just ended his tenure as mayor of the city of Bellflower.

Although he wrapped up his term as mayor on April 10, a position he has occupied since 1988, Ken has been serving on the Bellflower city council since 1986, and will continue to do so until his term expires in 1990. This is not, however, Ken's first round of service to the people of Bellflower.

Ken first took a seat on the city council in 1970. He occupied that position until 1978. During that period, he served twice as mayor, the first time from 1972 to 1973, and the second time from 1977 until 1978. And in addition to his service in city government, the people of Bellflower have been served by Ken Cleveland in other ways as well.

As a private businessman, Ken Cleveland is familiar to anyone who has had dealings with Hammond Lumber and Cleveland Development, Inc. Some know him through his membership and presidency at the Bellflower Chamber of Commerce. Others may know his wife, Judy, or their four children. And after 44 years as a resident of Bellflower, a good many people know Ken Cleveland as neighbor.

Ken has also served the people of the area in other ways as well. He has been a delegate to California Contract Cities Association, the Central Water Basin Water Association, the County Sanitation District No. 2, the California League of Cities, and the Private Industry Council, southeast Los Angeles County service delivery area.

If everything I have just mentioned is not enough, Ken Cleveland has had the honor to serve as president of the Bellflower Kiwanis Club, and as past member in the Bellflower Little League and Bellflower Pony League. I think that all of my colleagues who reflect upon what I have said with recognize a record of distinction when they look at the accomplishments of this man.

My wife Lee joins me in extending our most sincere thanks and congratulations to Mayor Ken Cleveland, for his years of dedication and commitment to the citizens of Bellflower. We also wish Ken, his wife Judy, and their children, all the best in the years to come.

ASSISTANCE TO CIVILIAN AND MILITARY DISABLED DEPENDENTS DISQUALIFIED FROM BENEFITS DUE TO BRIEF MARRIAGES

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. STARK. Mr. Speaker, I am today introducing a bill to provide help to the disabled dependents of civilian and military employees of the Federal Government in the case where the disabled dependent is temporarily married and thus loses entitlement to the needed benefits.

This is a generic bill. The need for it was brought to my attention by a constituent whose son suffered a severe mental trauma and was determined by Navy doctors to be disabled before reaching the age of 18. The son then married for a brief time when he was about 21; the marriage ended shortly thereafter. But under the current law, the disabled son's benefits have ended forever. As the mother wrote me:

> I've spent sleepless nights for several years worrying over what will become of my disabled son after I pass on (I am 73). My husband had been with the Navy over 25 years. I toss and turn every night wondering how my son can survive on his "below poverty level" disability check.

I hope that this legislation can be considered favorably.

FLAG DESERVES RESPECT OF ALL AMERICANS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. SKELTON. Mr. Speaker, in recent weeks, much attention has been focused on two incidents involving the desecration of our most precious national symbol. At the Art Institute of Chicago, a student drew outrage from veterans, politicians, and others by displaying an American flag stretched on the floor. On March 21, the Supreme Court heard arguments in Texas against Johnson, a case in which the defendants challenged the constitutionality of a Texas law that prohibits the desecration, mutilation, and destruction of our flag.

It is my hope that these unfortunate events will remind us of the respect we owe to our flag and the men and women who have de-

fended it. In an address on Flag Day in 1915, President Woodrow Wilson said:

The flag is the embodiment, not of sentiment, but of history. It represents the experiences made by men and women, the experiences of those who do and live under that flag.

Indeed, the unfurling of the Stars and Stripes has marked significant events in American history. From Mount Suribachi on Iwo Jima on March 16, 1945, to the *Apollo 11* landing on the Moon on July 20, 1969, the flag has been a symbol of achievement as well as hope for the future.

The sight of the flag rippling in the wind has also served as encouragement for other important events in our history. The vision of this symbol fluttering in the early morning breeze at Fort McHenry inspired a young Washington attorney named Francis Scott Key to pen the poem that became our national anthem.

For more than 200 years, millions of Americans have risked their lives so that we might remain free under this flag. Veterans know best the price of peace and freedom that we enjoy today. They have carried the torch of democracy for our country, putting their lives on the line for the preservation and protection of our Nation, under the flag.

Our fallen American heroes, those who have made the ultimate sacrifice, also reflect the fact that democracy is not a gift, but a constant challenge.

Of our flag, Massachusetts Senator Charles Sumner wrote in 1867:

He must be cold indeed, who can look upon its folds rippling in the breeze without pride of country. If in a foreign land, the flag is companionship, and country itself, with all its endearments.

The flag is indeed companionship to our servicemen stationed around the world. It represents the land, government, people and ideals of our great Nation. It is a constant remainder of the freedoms for which our veterans and fallen American heroes have fought during our wars.

Our flag is also the embodiment of our American heritage. In 1777, the Continental Congress passed a resolution stating that the new American flag should have 13 stars and stripes representing the Original Colonies. After adding two stars and stripes in 1794, Congress decided that a 15-stripe flag would be used after May 1, 1795.

After more States were added to the Union, Navy Capt. Samuel Chester Reid suggested maintaining a flag of 13 stripes and adding a star for each State. Congress accepted this proposal in 1818, and the current design was established when the 50th star was added in 1960.

Each June 14, we Americans formally take the time to honor the foundation, tradition, and ideals of this country by paying tribute to our flag. Although we set aside this day to pay homage to this national symbol, we cannot limit our tribute to only one day of the year.

In schools across our Nation, many students recite the Pledge of Allegiance before classes each morning. The House of Representatives commences business each day by pledging allegiance to our flag.

Our children must be taught to respect the flag not only in our schools, but by our example. We must instruct them to allow proper methods by which to display and salute our flag. Just as important, we must stress the appropriate uses of our national colors. Veterans groups, Scouting organizations, and other groups are to be commended for their efforts in this fundamental endeavor.

Both Houses of Congress have responded to these incidents with legislation denouncing flag desecration. The Senate unanimously passed a measure that would make it a crime to display the American flag on the floor or ground. I have cosponsored legislation expressing the sense of Congress that flag desecration is not speech protected by the first amendment to the Constitution.

The Texas law challenged by Mr. Johnson is similar to other State and Federal laws punishing those who desecrate this most precious national symbol. It is my sincere belief that laws expressing penalties for willful and knowing desecration of the flag should be strictly enforced.

We must encourage our children and every future generation to value the freedoms we enjoy and the pride of being an American. We must instill in them a strong sense of the heritage embodied in this flag. Finally, we must ensure that they continue to recognize and honor the great sacrifices made by previous generations of Americans, Americans who gave their lives so we could live free.

TRIBUTE TO REV. RICHARD J. ONDREYKA

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. TRAFICANT. Mr. Speaker, it is with great honor that I stand today to pay tribute to Rev. Richard J. Ondreyka, the Slovak Community of Greater Cleveland's choice for Slovak Man of the Year 1989.

Reverend Ondreyka first attended St. Gregory Seminary in Cincinnati and St. Mary Seminary in Cleveland. He then attended Ashland College in Ashland and St. John College in Cleveland. On December 18, 1954, he was ordained to the priesthood by Archibishop Edward F. Hoban. Since then he has been most admirably serving the religious needs of the people in several communities throughout Ohio. Currently, he is pastor of SS. Cyril and Methodius Church in Lakewood, Ohio.

Mr. Speaker, it is a true honor to pay tribute to Reverend Ondreyka. He is a fine man and a truly magnificent religious leader. Please join me today in extending to Rev. Richard J. Ondreyka our congratulations for receiving the 1989 Slovak Man of the Year Award and our deepest appreciation for the lifetime he has dedicated to serving the people of our communities.

GRADUATE MEDICAL EDUCATION: MEDICARE FUNDS MUST BE TIED TO GERIATRIC TRAINING

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. PEPPER. Mr. Speaker, today I am introducing legislation which I believe will greatly enhance this Nation's ability to provide for the special medical care needs of our large and ever growing older population. It will establish the proper prominent position of geriatrics, the field of medicine dealing with the problems and diseases of older people, in graduate medical education supported by the Medicare Program.

In 1965, by amending the Social Security Act, we established Medicare, the health insurance program for the aged. This vitally important program, which celebrates its 20th anniversary this summer, has been instrumental in improving the quality of health care offered our Nation's senior citizens. Medicare has also contributed significantly to a most important function in our society—the training of those who provide medical care to all Americans. Medicare support of graduate medical education has helped our Nation to strengthen what is and has been the best medical education system in the world. It has offered opportunities to thousands of young doctors to learn specialized skills so that they might go on to offer Americans the best medical care available.

There is, however, a sad irony to the success enjoyed by Medicare's support for graduate medical education. Medicare is the health insurance program for the elderly. Yet, not $1 of what this year will be some $3.6 billion in Medicare money paid in support of medical education is required to go toward training in geriatrics. In fact, most institutions receiving reimbursement from Medicare for GME offer little or nothing in the way of graduate training in the field of geriatric medicine. The number of graduate fellowships in geriatrics pales in comparison to those in other medical specialties. For example, in 1983 while there were some 800 doctors beginning graduate fellowships in cardiology, there were a mere 50 beginning the like in geriatrics.

A recent report by the Department of Health and Human Services projected a need of up to 10,000 physician faculty members to meet the educational responsibilities of medical schools in aging. The same report indicates current staffing levels are woefully short of these needs. Currently only 250 to 300 full-time physicians are involved in teaching some aspect of geriatric medicine, one-fortieth of the projected need. It is truly a sad commentary that, despite the population served by Medicare and the critical shortage of geriatricians, there is today so little graduate training in geriatrics supported by Medicare.

To begin to address this clear shortcoming, the legislation I am introducing today will make Medicare reimbursement for reasonable direct costs associated with graduate medical education conditional upon a hospital or

skilled nursing facility having in place within 3 years a residency training program in the field of geriatric medicine as well as a certain number of fellowships in geriatrics. It mandates that our graduate medical education system recognize and respond to the large and growing need for physicians specially trained in the needs of our skyrocketing elderly population. Recognizing the overwhelming need for increased attention to the special needs of the thousands of mentally, retarded, developmentally disabled, and mentally retarded elderly Americans, this legislation also requires the Secretary of Health and Human Services to encourage an emphasis in these areas within the residency programs and fellowships to be established.

I urge my colleagues to join me in supporting this timely and important legislation which will place the study of aging in its proper prominent place in this Nation's health insurance program for the aged at no additional cost to the American taxpayer.

CENTENNIAL OF MAXWELL ANDERSON

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. GILMAN. Mr. Speaker, this year marks the 100th anniversary of the birth of Maxwell Anderson, the most American of our playwrights. It is indeed appropriate that as we celebrate the 200th anniversary of Congress, we honor a dramatist born at the halfway point in our history. For Maxwell Anderson's works personified the fears, the hopes, and the aspirations of the America people.

We in New York's mid-Hudson Valley take special pride in Maxwell Anderson, for he lived and worked among us in Rockland County and we are proud to have had him as a neighbor. He borrowed $500 from a Nyack, NY, bank in 1922 to purchase 3 acres and a waterfall in New City. By 1953, "Current Biography" reported, "he owns 60 acres and the same waterfall."

In Rockland County, Maxwell Anderson wrote his plays, in a 10 by 12 foot shack in back of his home. His first drafts, always written in longhand in a ledger book, required very little rewriting. According to "Twentieth Century Authors," "he has never written a play that has failed to entertain and to stimulate some portion of the theatergoing public."

Maxwell Anderson's first play, "White Desert," did not do very well with either the critics or the public. His second play, "What Price Glory?," cowritten with Laurence Stallings, was an instant sensation. It is remembered today, 65 years after its first presentation, as one of the most searing and realistic depictions of war ever produced on the American stage.

For over three decades after that initial success, Maxwell Anderson's plays again and again touched the nerve of theatergoers. A partial list recalls the glory which was the stage from the 1920's through the 1950's: "Elizabeth the Queen," "Mary of Scotland," "Knickerbocker Holiday," "Candle in the Wind," "The Eve of St. Mark," "Joan of Lorraine," and "The Bad Seed."

"Both Your Houses," produced in 1933, was awarded the Pulitzer Prize, and was quite critical of our Congress. The late Carl Carmer, a writer who also holds a special place in the hearts of the mid-Hudson Valley, wrote that "Both Your Houses," "uses expertly the devices of the theatre to say something forcibly."

The following year, Anderson's play "Valley Forge" prompted Time magazine to devote a cover story to the playwright. Time noted that "Mr. Anderson's feelings about historical plays is that the form is only useful when it is related to a problem of the present."

For "Winterset," Maxwell Anderson won the 1936 Drama Critics' Circle Award. He repeated that feat the following year, winning again for "High Tor," a play that is held in especially high esteem by Rockland residents, for it is set in our County. Current Biography wrote in 1942 that "High Tor," although a comedy, "has a warning message: The hero yields in his fight against the spiritless industrialism around him. In the end he sells the symbol of his struggle, High Tor—a mountain (in Haverstraw, New York) which he inherited—to the trap rock company * * *"

In his acceptance speech for "High Tor's" Critics' Circle Award, Mr. Anderson stated that, in the theater, "the better you think you are the harder the floor will seem to you when you hit it, as you surely will."

Another Anderson play, "Key Largo," has been immortalized for future generations by the motion picture version featuring Humphrey Bogart, Lauren Bacall, and Edward G. Robinson.

Maxwell Anderson was honored by the National Conference of Christians and Jews in 1950. On that occasion, he stated: "So long as weapons of war were comparatively inefficient men could afford to hate each other. But when we begin to use hydrogen bombs it's possible that the survivors will be few or none. If men have got to the point where they can achieve anything they can imagine, maybe they will begin to imagine the most difficult thing of all, a way to get along without wars."

Maxwell Anderson passed away on February 28, 1959, but his works live on. In a tribute this past Sunday, Washington Post theater critic Richard L. Coe wrote: "So though Maxwell Anderson's life ended 30 years ago, his plays live on with strangely contemporary themes." Mr. Coe calls Maxwell Anderson "a man with a mind and a vision in many ways ahead of his time."

Mr. Speaker, I am pleased to host a ceremony in the Library of Congress tomorrow evening honoring Maxwell Anderson. Mr. Anderson's widow will be there, as will his three sons, and as will the first lady of the American theater, Miss Helen Hayes. They will present Dr. James H. Billington, Librarian of Congress, with an original manuscript of "Both Your Houses," the prize-winning play that lampooned Congress. It is a tribute to our American way of life that Congress can now honor a man who pointed to our foibles.

Mr. Speaker, tomorrow's ceremony would not be possible were it not for the hard work of the Maxwell Anderson Centennial Celebration. Spearheaded by Miss Helen Hayes and by Dr. Martin F. Schwartz, the hard-driving chair of business at Rockland County Community College, the celebration has treated our region to a full year of events underscoring the remarkable career of Maxwell Anderson, Rockland County Community College, under the skilled leadership of Dr. F. Thomas Clark, has been the focal point of the Maxwell Anderson Centennial festivities.

Mr. Speaker, I invite all of our colleagues to join with us in celebrating the career of this outstanding dramatist, a man ahead of his own time.

TRIBUTE TO PRIME MINISTER MICHAEL NORMAN MANLEY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. RANGEL. Mr. Speaker, I would like to rise to pay honor and tribute to the new Prime Minister of Jamaica, Michael Norman Manley. Prime Minister Manley first achieved national recognition in the 1950's for his very skillful negotiation of labor disputes. In 1962 he was appointed to the Senate, the upper house in Jamaica's bicameral legislature and 7 years later was elected to the House of Representatives. It was here that he spoke out in favor of Caribbean regionalism. He felt that "national survival, like business survival, is a matter of margins. Regionalism can provide the framework in which international markets are increased, external bargaining power enhanced, and international recognition maximized."

Michael Manley first became Prime Minister in 1972 and now has returned, taking charge of one of the most richly endowed countries in the Caribbean with an economy that is steadily on the rise. He is a compassionate man who genuinely cares about the welfare of the people of Jamaica, especially that of the poor. He has a tremendous amount of good will and intelligence that I know will enable him to yield much success in this term as Prime Minister.

It is an honor and a pleasure to speak of a great leader such as Prime Minister Michael Manley and at this time, Mr. Speaker, I would like to share with you and my colleagues an article from the Carib News which speaks of the acknowledged leader of Jamaica. I commend this article to you and ask that it be reprinted in the CONGRESSIONAL RECORD.

[From the Carib News, N.Y. Week Ending Mar. 7, 1989]

MICHAEL MANLEY—ACKNOWLDGED LEADER OF DEVELOPING WORLD

(By Prof. Rex Nettleford)

Michael Manley, Prime Minister-designate of Jamaica, is described in various ways by the international press. This is done in the understandable effort to pigeon-hole him in a cubicle that can have him fit neatly into the North Atlantic's perception of the planet as a place divided between something called capitalism and that other thing called communism—between what used to be Mr. Reagan's (and now Mr. Bush's) Oval Office and Mr. Gorbachev's Kremlin with its reputed Caribbean outhouse in Havana.

Mr. Manley has always defined such simplistic categorization and has given to the

volcabulary of politics the notion of "the third path." But he has also been long tuned into a tradition of Jamaican and West Indian Politics which sets greater store by the indigenous discoveries of self and society rather than by hallowed imports which admittedly find fertile soil in these parts but which can just as easily get buried under the pragmatism collective wisdom of the mass of our population.

Mr. Manley's return may well be seen as a celebration of such common sense. How effectively he performs from here on is, however, the core of the challenge he faces. Despite his legendary popularity among the masses and the ancestral pedigree he enjoys as a member of Jamaica's leading political/cultural family, he is human enough to be insecure even with power. For he knows that he is the servant of the people, for all their submission to his charismatic powers, are never slow to remind him that they are also his employer.

He has always haunted us with his gift of contradictions. We will remember that although he lost an election in 1980 by an overwhelming defeat (i.e. if we count seats rather than popular votes), he has remained the most popular leader among his countrymen. How often have we heard people fulminating against him behind his back, even threatening to do him in for his acts of commission during the 70s, only to melt in admiration, if not uncontrollable adoration, the moment he appears? They hate themselves for being so vulnerable and love him for being such a "lovable rascal." Added to this is his tremendous gift of persuasion and advocacy honed not in a School of Law, but around the bargaining tables where for nearly two decades he performed as a shaper of the modern industrial relations system of Jamaica.

He was to develop, for many in the wider society and throughout the Commonwealth Caribbean, into a model representative of some of the finest things that have emerged in the expression of Caribbean life and development over the past 50 years at least. He represents, as well, much that has long been the hope of humanity wherever human beings have struggled against severance from decency and suffering in oppression.

For Michael Manley is an acknowledged leader of the developing world, and more specifically of the developing Caribbean (recently downgraded into a 'Basin'). He, after all, served as Prime Minister of one of the most challenging little countries which he inherited with all the concerns and problems faced by countries which belong to the so-called Third World.

Those concerns and problems have not disappeared in any significant way since he demitted office in 1980 which, in part, accounts for his return in 1989. His vision for humanity's future remains as relevant and immediate as they were in 1970 when he started to speak out, having spent long and arduous years of apprenticeship in trade unionism which deepened his insights into the human condition and fueled his convictions about the rightness of his objectives.

His efforts to improve the conditions for the people of his country were to be intimately linked with the wider struggle for improved conditions for the poor of the world, for the simple reason that he saw the problems as all forming a totality and the likely solutions as interdependent.

It is a view that came to be understood and appreciated by supporters and detractors alike much later than he and many others had hoped; but this merely confirmed the rightness of the vision and the determination and fixity of purpose of the warrior.

He can be untiring and exasperatingly stubborn in the pursuit of what he firmly believes in. It has been said that at all times he demonstrates an originality of expression and is often an inspiration to the faint-hearted. His commitment to that form of democracy which exalts cooperation and consultation, the right to dissent and peaceful co-existence over authoritarianism and violence in the resolution of conflict, is impatient of debate as he would put it.

His return to national leadership should be well served by what he has displayed in the past in negotiations with the powerful—namely, a flexibility and creativity of approach as well as a willingness to be innovative in order to maximize gains and to secure his real objective which remains the improved conditions for those he once termed "the victims of the world."

To this must be added his magnanimity and generosity of spirit and the civility he brings to his interaction with friends and foes alike. The tone and content of his acceptance speech on election night and his repeated calls for peace and consensus in tackling certain national issues are born of such a spirit.

Such are the qualities of leadership poor developing countries like ours in the Caribbean will need in order to cope in a world of faceless bureaucracies and hegemonic ambitions on the part of those among the powerful who are hostile to self-determination and the dignity of peoples they regard as less than whole.

Mr. Manley will be remembered in history, when it comes to be written, for his sterling contributions to the fight against apartheid, the liberation of Zimbabwe, the sharpening of the non-aligned movement as an instrument directed toward the world economic struggle, the revitalization of Caribbean regionalism in the form of CARICOM and other initiatives as the linking of bauxite workers in Guyana, Suriname, Haiti, Jamaica and Trinidad, and the giving to ordinary human beings (many of them the sons and daughters of ex-slaves) a sense of place and purpose in what is supposed to be their homeland—in short, the "smadditisation" of Jamaica.

Someone once said something significant (and very true) about Michael Manley. Let me repeat it: "More than any other man, he has articulated the fears, concerns and aspirations of the peoples of the Third World. He has been like the conscience of the developed world, calling them to the fact of their own responsibility for the fate of the peoples of the Third World. But even more than that, Michael Manley has awakened the people of Jamaica and much of the Third World to a sense of their own worth, their own dignity. And in so doing, he has set their feet firmly on the path to self-reliant development".

A great many, if not all, of the people of Jamaica seemingly share this view and have expressed their concurrence by giving him a second chance. It is to Mr. Manley's credit that he has grown even wiser to the fact that such expression of confidence has its price. The years ahead will be a time of testing and he knows by now that the passing of the tests set not by the IMF, but by the people of Jamaica will be the only justification for his return. Many have good reason to believe that he also knows that this requires hard work, good sense, political sanity and humility.

IMPLEMENTING THE BIPARTISAN ACCORD ON CENTRAL AMERICA

SPEECH OF

HON. DENNY SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 13, 1989

The House in Committee of the Whole House on the State of the Union has under consideration the bill (H.R. 1750) to implement the Bipartisan Accord on Central America of March 24, 1989.

Mr. DENNY SMITH. Mr. Chairman, I rise today to express both my support and my admiration for the brave young men and women fighting for freedom and democracy in Nicaragua against the repressive Soviet-backed Sandinista regime. I have consistently voted in favor of military and humanitarian aid to the freedom fighters to assist them in the struggle for democracy.

Consistent with this previous support, I stand in favor of passage of H.R. 1750, although I harbor grave doubts about the wisdom of many of the provisions contained therein.

Principally, I question both the advisability and the constitutionality of the gentlemen's agreement negotiated between Secretary Baker and congressional leaders of the Democratic Party. Several constitutional scholars, including Judge Robert Bork, contend that it is indeed unconstitutional, a violation of separation of powers. The agreement clearly sets a bad precedent for future legislative branch/executive branch foreign policy debates.

Furthermore, of the designated committee chairmen and Democratic leaders whose written approval is required in order for aid to the freedom fighters to continue after November 30, several have failed, throughout the entire history of the Nicaraguan conflict, to vote a single dime of aid money for the Nicaraguan resistance. What reasonable promise do we now have that this will possibly change by November? I believe that by granting powers to a few individual Members of Congress, powers traditionally belonging either solely to the President or solely to the whole Congress, this agreement circumvents the proper role of Congress in the legislative process, and diminishes the powers of the President.

Nevertheless, given little alternative, I support this measure of continued humanitarian aid to the freedom fighters, which will ensure their survival as a military force. This, in turn, is the only possible way to ensure that the Sandinistas honor their promises and treaty commitments. The future of democracy in Central America depends upon a fair vote next February. Let us help make sure this happens.

Because of the above stated reservations, however, let the record show that I favor Mr. DORNAN's motion to recommit H.R. 1750 with instructions to report the bill with two amendments. These amendments solidify the President's power to conduct foreign policy and clarify the intent of the legislation to rearm the Nicaraguan freedom fighters in the event the Sandinistas fail to hold free and fair elections

in February 1990. In the light of repeated Sandinista failures to keep promises in the past, this provision seems not only warranted, but indeed quite wise. Let us hope that we in Congress someday learn to listen to wisdom when given the chance.

EUNICE KENNEDY SHRIVER ON ABORTION

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. LAFALCE. Mr. Speaker, in a letter published yesterday by the Washington Post, Eunice Kennedy Shriver eloquently and forcefully made the case for a balanced view by which the rights of an unborn fetus must be weighed against the rights of the mother.

I personally found the logic of the article irrefutable and I commend its reading to all those who are trying to struggle with the moral, legal, medical, and political complexities of one of the most important issues facing our society: abortion.

This fundamental issue—like too many in recent years—has been reduced to buzzwords and slogans. The Shriver article, however, focuses on basic, fundamental values and decisions which define a society.

Eunice Kennedy Shriver makes a compelling call to life-affirming values, and I want to share her views with all of my colleagues.

Mr. Speaker, the full text of the letter follows:

[From the Washington Post, Apr. 24, 1989]

THE DANGEROUS IRONY OF THE ABORTION-RIGHTS MESSAGE

I watched the recent March for Women's Equality/Women's Lives with both pride and dismay; pride that so many thousands of women could come together to affirm significant issues affecting their lives; dismay at the sight of mothers and daughters parading together under the banner of "control of our bodies."

Whatever the arguments pro- or anti-abortion, the assertion of unlimited "control of our bodies" sends a dangerously confusing and ambiguous message to all women, but especially to our generation of teenagers.

For the fact is, our most often-repeated message to teens who would claim their right to control everything that involves their bodies is, "Just say no!" We challenge their right to take drugs, to smoke, to become addicted to alcohol, even to enhance their bodies' strength through steroids.

We say that "control of your body" must be limited to those actions and behaviors that are life-affirming. And this includes the ways in which we express and use our sexuality, and the way in which we treat the life that our sexuality creates.

When a pregnant teen-ager (or any pregnant woman) goes to see her obstetrician for prenatal care, the obstetrician tells her to eat correctly, stop smoking, stop drinking, don't do drugs, exercise and get proper rest. Is this advice just for her, or is the physician thinking beyond the mother to the fetus? Isn't it strange and confusing that we ask a physician to perform an abortion without regard for the life of the fetus, whereas at the same time, in other cases, we expend great medical resources to treat a fetus in the womb?

There is far more to this issue than control of one's body. There is the overwhelming principle of the affirmation of life; the absolute right for the fetus, as a life, to be considered in making a life-threatening decision.

In a rational and moral society, how can we expect the physician to be responsible both for the welfare of the fetus and for its destruction? Does this affirm the meaning of life or deny it? And what message does this send to our teen-age children concerning the proper "control over their bodies"?

Morality and law should protect the life of the fetus against the absolute "control" of anyone. Even the mother. I am not a lawyer, but if I were pursuing the legal arguments, I would take the position that the courts have already affirmed the civil right of the fetus.

If a product such as thalidomide damages the young fetus, that fetus at birth has legitimate basis for a claim of personal injury against the manufacturer, and large awards have been granted in such cases.

Similarly, if abortion is attempted but is incompleted, and the fetus is born later as a damaged baby, I believe that the fetus, now a baby, has cause for damages resulting from injury during the pregnancy. Certainly, being deprived of life—as guaranteed by the Constitution—should be even more a cause for action than being damaged.

Under the Constitution, and our traditions of ethics and morality, no one should exercise absolute control over another. What is missing from the easy acceptance of "control of our bodies" is due process by which the rights of the fetus must be weighed against the rights of the mother.

Such an application of due process would permit the weighing of circumstances and the legitimate claims of both the mother and the fetus. It would make the taking of the life a serious, even agonizing decision for the physician and the mother, not an easy, forgettable act. It would make getting pregnant or making another pregnant a serious, not a cavalier, act. And with hope, it would move us to a more responsible and more life-affirming citizenry in matters of sex.

If we are to be a life-affirming society, we must articulate the values that underlie both our private acts and our public policy: housing for the homeless, food for the hungry, quality education and health care for the poor, the disabled and the young. And then, reflecting on our values, shouldn't we also be a society that cares for and respects and protects life in the womb?

EUNICE KENNEDY SHRIVER.

TRIBUTE TO REV. RICHARD SPEICHER

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. TRAFICANT. Mr. Speaker, it is with the greatest admiration that I rise today to salute a truly outstanding religious leader and community servant, Rev. Richard Speicher.

Reverend Speicher has served the people of the Mahoning Valley for the last 28 years. He was instrumental in founding Volunteer Service to Seniors and Interfaith Home Maintenance Service. He has also served on various boards and committees such as: Citizens League of Youngstown, Cooperative Campus Ministry, CROP of Mahoning County, Interfaith Home Maintenance Service, Interracial Clergy Dialogue, Review Board for St. Elizabeth Hospital Medical Center, Mahoning County AIDS Task Force, Religious Koinonia, and the Private Industry Council.

In 1984, when tornadoes swept our valley, Reverend Speicher was there to lend a helping hand. He not only brought money into the community to ease the burdens of the victims, but more importantly he offered comfort and support to them.

Reverend Speicher has spent a lifetime serving others as a church pastor. He had a pastorate at Woodworth Church of the Brethern locally, in campus ministries at Youngstown State University and finally as executive director of the Mahoning Valley Association of Churches.

Mr. Speaker, it has been called to my attention that Reverend Speicher will be honored at a retirement banquet on May 2, 1989. I would at this time, like to congratulate and thank him for his service to the people of our community as well as to wish him happiness and success in the future.

HOLOCAUST MEMORIAL DAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. GILMAN. Mr. Speaker, this weekend organizations and synagogues throughout the Nation will be conducting services to remind us all of the barbaric tragedy that was the Nazi holocaust.

Over 6 million Jewish martyrs needlessly and senselessly gave their lives during this shocking 20th century brutality. Many of us do not appreciate the fact that 1½ million of these martyrs were innocent little children.

The Holocaust came about gradually, due as much to the apathy of disinterested persons as to the cruelty of inhumane leaders. If one must pinpoint the date the Holocaust began in earnest, that date would be November 9, 1938, the Night of Broken Glass [Kristallnacht]. That one tragic evening of violence resulted in 100 murdered Jews, the destruction of over 7,500 Jewish businesses, the obliteration of 275 synagogues, and the deportation of 30,000 Jewish men to the concentration camps of Dachau, Buchenwald, and Sachsenhausen.

The Holocaust may possibly have been halted in its tracks on that night, had only the world cared. The knowledge that the liquidation of the Jewish people in Europe had begun was acknowledged in the New York Times on November 13, 1938, when it stated: "Germany issued a new series of decrees yesterday to complete the liquidation of the Jews." Unbelievably, no one in the international community responded to this statement, which proved to be a horrifying prophecy. As a result of worldwide indifference, Hitler escalated his mad scheme to obliterate an entire people from the face of the Earth.

It is fitting that memorials of the Holocaust be held at this time of year. The Jewish people are currently celebrating the festival of Passover, in which we are reminded of our heritage by recalling our first flight to freedom from Egypt thousands of years ago.

This month is also the 46th anniversary of the ghetto uprising in Warsaw. After weeks of preparation, the Jews of Warsaw conducted a courageous, yet futile, uprising against their Nazi oppressors. A grave decision was made that the Jews of Warsaw would rather die on their feet fighting for freedom than live on their knees before a cruel oppressor. The Warsaw ghetto uprising was the first organized civilian opposition to Nazi rule. These martyrs held off the Nazis, giving the Red army valuable time to mount its counteroffensive across the Polish plains.

And yet, while this unprecedented display of human courage took place, the entire world looked on mutely, not lifting a finger to assist.

Next month, in May, the State of Israel celebrates its 41st anniversary of independence, a beacon of hope for those who were without hope all the years of the Holocaust. Israel remains a living monument to the inhumanity of which the human race is capable. Israel remains a constant reminder that nothing like this will ever happen again.

Some well-meaning people question why we continue to memoralize the Holocaust. Why, they ask, do we not simply allow the Holocaust to recede into the grey mists of history?

The answer is: we must not forget, because we must never allow this to happen again.

Just a few weeks ago, a Jewish center in Monroe, NY, in my own 22d Congressional District, was descecrated with painted-on swastikas. The horror of this event cannot be trivialized. It indicates, at best, an awesome ignorance of the horror that was the Holocaust. It is indication that, despite years of progress, hatred still continues to exist in the hearts of human beings.

In a recent Newsweek editorial, former U.S. Senator Birch Bayh listed a host of recent events, compiled by the National Institute Against Prejudice and Violence, of what the Senator calls "hate-filled acts" which, "when viewed from a national perspective, presents a truly alarming picture."

Among the incidents cited are: the desecration of a Community Holocaust Memorial in San Francisco; swastikas and Nazi slogans scrawled on Temple B'nai Abraham in Beverly, MA; the bombing of a Federal building, a business, and a home in Coeur d'Alene, ID; a black man shot to death, allegedly by "Skinhead" supporters, in Reno, NV; and the assassination of a State Trooper by a member of an extremist group in Ridgedale, MI.

Mr. Speaker, these—coupled with the recent incident in my own congressional district—only underscore why it is so important that we remember the millions of victims of the Holocaust. The Holocaust began with similar acts of hatred which did not attract the attention of the world.

Constant vigilance is the price we must pay to make certain that it will never happen again.

REAUTHORIZATION OF THE ABANDONED MINE RECLAMATION PROGRAM

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. RAHALL. Mr. Speaker, today I am introducing legislation aimed at continuing the commitment made by title IV of the Surface Mining Control and Reclamation Act of 1977 [SMCRA] to ensure the reclamation of abandoned coal mine lands.

The abandoned mine reclamation fund—often referred to as the AML Program—was established by SMCRA to address public health, safety, and environmental problems resulting from past surface and underground coal mining.

Financing for the AML Program is generated from a fee assessed on every ton of coal mined, with collections authorized until August 1992. The AML fund is divided into the State/tribal and secretarial shares with each State with an approved program entitled to 50 percent of the collections obtained from that State. The secretarial share of the fund is allocated among a number of Federal programs such as emergency projects, high-priority reclamation projects in States and tribes without approved programs, the Rural Abandoned Mine Program [RAMP] and the Small Operators Assistance Program [SOAP] with remaining funds distributed to the States under an allocation formula. At present, 23 States and 3 tribes have approved abandoned mine reclamation programs.

According to a recent report by the Office of Surface Mining [OSM], from the beginning of the program through September 1988, fee collections into the AML fund amounted to $2.3 billion. However, OSM estimates that when the current authorization expires, there will remain over 4 billion dollars' worth of high priority abandoned coal mine reclamation projects. For this reason, it is my intention to move forward with legislation to reauthorize this most important program.

The legislation I am introducing, entitled the "Abandoned Mine Reclamation Act of 1989," would reauthorize the collection of the current reclamation fees—35 cents per ton of surface mined coal and 15 cents per ton of deep mined coal—for an additional 15-year period, through September 30, 2007. The fees, however, would be reduced by approximately 50 percent—18 cents per ton of surface mined coal and 8 cents per ton of deep mined coal—when a State certifies it has completed all abandoned coal mine reclamation work. In addition, the bill would authorize interest to accrue to amounts deposited into the abandoned mine reclamation fund.

The legislation also would provide for the allocation of amounts deposited into the AML fund. While the bill generally tracts the current method used to distribute amounts in the fund, it would clarify certain aspects of the existing formula as well as make some significant modifications to it. First, 50 percent of the reclamation fees collected in a State or tribe with approved reclamation programs would be allocated to those States and tribes until completion of all eligible abandoned coal mine reclamation projects. Second, once a State certifies that it has completed all of its abandoned coal mine reclamation projects, it would continue to receive 50 percent of the reclamation fees collected in that State or tribe to address other abandoned mine reclamation projects. The Secretary would make annual grants to the States and tribes from the amounts allocated to them.

The balance of the AML fund, including interest, would be allocated, and expended, for the Rural Abandoned Mine Reclamation Program—20 percent of the fund's balance after the State 50 percent allocations—the Small Operators Assistance Program—not more than $10 million per year pursuant to current law—Federal emergency projects, Federal abandoned coal mine reclamation projects in States and tribes where the reclamation fees are collected but which do not have approved reclamation programs, and for the administration of the program.

Finally, the balance of the AML fund remaining after all of these allocations and expenditures would be allocated to States and tribes with approved reclamation programs, and which have not completed priority 1 and 2 abandoned coal mine reclamation projects, through a formula based on historical coal production. Further, the bill would provide a minimum allocation of not less than 1 percent—in no event less than $2 million per year—to States with approved reclamation programs.

This legislation does not purport to reflect a final product. Rather, I am introducing it for the consideration of the Subcommittee on Mining and Natural Resources during our May 16 legislative hearing. At that time, we will also receive testimony on any other bill that has been introduced dealing with abandoned mine reclamation, including H.R. 538 introduced by Representative FRANK MCCLOSKEY and H.R. 1315 sponsored by Representative CHRIS PERKINS.

CHALLENGE OF TOMORROW'S WORK FORCE

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. GUNDERSON. Mr. Speaker, we have within the Washington, DC, higher educational community one of America's finest institutions, the George Washington University. On April 16, the university inaugurated its 15th president, Stephen Joel Trachtenberg.

Mr. Trachtenberg came to GW last August after 11 years as president and professor of law and public administration at the University of Hartford, CT. His previous academic career includes 8 years at Boston University in successive administrative positions.

In the 1960's, Mr. Trachtenberg served as special assistant to the U.S. Education Commissioner, secretary for a White House Task Force on Education, and as an aid to former Congressman John Brademas.

As a member of the House Education and Labor Committee, with a keen interest in both

education and labor issues, I found an April 6, 1989, speech by Mr. Trachtenberg to the Baltimore-Washington Business Outlook 1989 conference to be particularly insightful.

In excerpts from the speech, which follows, President Trachtenberg asserts that the U.S. education system is "up for grabs." He says, "The system isn't successfully meeting our needs * * * and compares badly with those of other industrialized nations."

Mr. Trachtenberg challenges American business to become involved in changing the business education system so that it meets the realities of the work challenges that will surely face graduates.

President Trachtenberg's remarks are relevant to discussion of important higher education and labor issues today, and I recommend them to my colleagues for their consideration.

MAKING THE TRADE: THE CHALLENGE OF TOMORROW'S WORK FORCE

(By Stephen Joel Trachtenberg)

I've been asked to shed some light, from a higher education point of view, on the challenge of tomorrow's work force as it will be experienced in the 1990's.

Many critics focus in on one specific aspect of higher education—the study of business. They claim that if much of what's being taught in our universities bears a dubious relationship to actual practice, then the connection between what gets taught by business schools and what life is really like in the business world is in a state of total crisis.

In December 1988, to cite only one example, the magazine Business Month published an article by Michael McGill, a professor of organizational behavior at Southern Methodist University.

Corporate insistence on the MBA as the degree an applicant has to have to even be considered for a management-trainee position, McGill argued, and corporate willingness to pay very high salaries to recently minted MBAs, is luring into these degree programs the kinds of people whose ambition is concentrated on their paychecks rather than on developing needed skills or meeting the true challenges of a business career.

And McGill went on in his most pointed sentence—quote: "Significant numbers of business leaders are critical of MBAs' written-and-oral-presentation skills, their awareness of social and political events, their knowledge of sales and manufacturing (as opposed to marketing and strategy), their exposure to international business, and their business ethics."

What makes this situation even worse, he continued, is the fact that corporate leaders are making no real effort to change it by putting pressure on the universities themselves. How serious that may prove is suggested by a talk on the internationalization of the regional economy delivered last June to the Greater Washington Research Center by Robert R. Nathan. Nathan lamented the fact that Americans expect those from other nations to be able to communicate in English while making no concerted attempt to speak with them in their own tongues. Given the growing importance of the regional involvement in international trade, Nathan concluded, the Washington business and professional community "must build up a climate of knowledge, a climate of hospitality, and a climate of receptivity to foreign organizations and institutions that are now here, and to the many others that will emerge."

Clearly, therefore, those concerned about the future ought to be pressuring the nation's business schools right now to see to it that no student starts or ends an MBA program without mastering the language and culture of at least one major West European or Asian industrial power. But the problem of international awareness among business school graduates is only one of those now causing such concern among those who run America's major companies. Of even greater significance are the limitations of so many of those with MBAs when it comes to speaking and writing their own language. That, to me, is an even more serious fact, because the economy is faced by two facts that don't go terribly well together.

The first is the fact that the two manufacturing subsectors experiencing major expansion in the Common Market are, according to the Washington-Baltimore Regional Association, "directly related to the boom in information technology." One of the industries is electronics; the other is printing and publishing. And, frankly, I wouldn't want to be an executive in either one if communication problems were the ones that typically afflicted my subordinates. Indeed, I wouldn't even care to be an executive in other rising industries like commercial biotechnology, which are so deeply dependent on the electronic storing and transmission of information—some of it in the form of numbers, and a lot of it in the form of words.

To adapt an old American saying, America's business is business education. Our new definition of a manager is that he or she is a person who holds a B.A. and an MBA. In that case, our prevailing modes of business education had better be rock-solid. Instead, we are being assured that they more closely resemble an enormous bowl of jello, in which few can find their footing and none are, therefore, truly effective. What is typical of business schools today is that they are being forced, by student demand, to qualify for a type of accreditation that insists on a lot of Ph.D.'s—even for teachers of basic accounting—a lot of books in the library, and not much in the way of hands-on experience to accompany classroom learning.

That kind of an emphasis on abstract theory works best when students are trying for careers in fields like finance or marketing. It works badly if what we are trying to convey to a student is that corporate mergers and clever ad campaigns don't cut much ice with a world that is interested in superior products. It's especially ominous, therefore, that the allergy to manufacturing so evident among our MBAs has also been detected in our engineering schools, where the study of manufacturing engineering is still battling its way, not always very successfully, back into the curriculum.

Universities operating as coherent organized units—joining together the work of their business schools, their schools of education, their schools of public administration and their communication departments—must become very deeply and creatively involved with the education and training needs of the companies in their regions.

What we have learned since the 1960's is that where people are concerned, the ability to influence bears a direct ratio to the earliness of the influence. What we have started to recognize in a very serious way is that the educational deficits that afflict so many center-city residents often begin at the prenatal stage, when disadvantaged mothers receive markedly lower levels of care and attention than mothers in nearby suburbs. Those educational deficits are intensified in infancy and very early childhood, when the suburban child is receiving all kinds of educational support from parents who don't have to fear for their next meal, much less their lives. And those educational deficits don't receive much societal attention until the child has reached the so-called "preschool" age of three or four years. By that time, the suburban child has had so much physical care, so much bolstering of intellectual capacity, and so much dinnertable prepping that he or she is probably debating the relative merits of Harvard and Amherst, and wondering whether to major in biochemistry or computer science!

To an increasing extent in recent years, universities have declared their desire to get involved with the public education systems, at both the elementary and secondary levels, of their surrounding communities. Quite a few have tried mounting programs to accomplish that, with very uneven results. The whole effort has lacked any nationwide coherence or solid grounding, and is in danger of eventually fading away.

Those efforts by our schools of higher education need to be expanded and intensified—but in the right direction.

The question is whether our universities, working in cooperation with government and the business community, can actually make their influence felt when it comes to these early life stages and to the trainable workers they do or don't produce.

What I have been suggesting is that the higher education system of the United States, including those parts aiming to produce executives and engineers, is "up for grabs" to an extent that hasn't been seen since the years immediately following the Second World War. All we know at the moment is that the system isn't successfully meeting our national and regional needs, and that it compares badly with those of other industrialized nations—especially those of Western Europe and Japan, that mostly leave business education to be conducted by employers.

The key now is for American business to get deeply involved in the process of defining how our business education system needs to be changed—above all, how we can make it less theoretical, more attuned to the real work challenges that students will face after graduation, and much more effective in providing linguistic and cross-cultural skills to those who will soon be responsible for particular companies and the health of the American economy as a whole.

The fact that I am saying all these critical things about American business and engineering education is a direct result of the fact that I preside over a Washington-based university whose consciousness is a little ahead of that being manifested elsewhere in the academic world. For example, The George Washington University is one of only two in this region that offers degree programs in manufacturing. That's an accurate sign of the extent to which all of its schools and departments are becoming with my personal encouragement, ever more deeply involved with the realities of daily life in the actual world we occupy today.

A very large percentage of GW's undergraduates come to us because we offer them the chance to participate, as interns or cooperative education trainees, in actual government work—over and above their classroom experiences. In much the same way,

the many students who come to us from other countries are people destined to play important roles in guiding those nations through the stressful 1990's.

In related ways, our medical school and our law school play important hands-on roles in meeting the needs of our region. Our education school is becoming the focus for discussions of how we can reach young people early enough and sensitively enough to make a difference in their lives and in the contributions they can make to our region and our country.

In short, I have the pleasure of presiding over a university that's headed in the right direction, and is serving as a role model for other schools of higher education in the United States.

SHANNON KOCHENOUR WINS DAR FLAG ESSAY CONTEST

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. SOLOMON. Mr. Speaker, one of the reasons I go home every weekend is to be reminded that there is a great reservoir of patriotism and love of country in the small towns of villages of America.

That's why I was especially pleased to discover that the grandaughter of a friend of mine was singled out for her understanding of those virtues.

Shannon Kochenour is a student at W.B. Howard Elementary School in New Lebanon, Columbia County, N.Y. She recently took first place honors in the Hendrick Hudson Chapter, Daughters of the American Revolution flag essay contest. I'm proud to say that she is the granddaughter of Mr. Russell Terry, chairman of the Washington County Republican Committee.

Her essay, which I place in today's RECORD, advanced to the statewide DAR competition. If there are more young people like Miss Shannon Kochenour, the future of America is in good hands.

WHAT THE AMERICAN FLAG MEANS FOR ME BY SHANNON KOCHENOUR

Our American Flag means a lot of things to me.

Freedom: when the flag is waved high in the air it shouts out in a quiet way you are free!

When an immigrant has had a tough road to follow our beautiful flag is like their loving mother calling them home.

It is like a silky ribbon a queen would be honored to wear in her hair.

Every morning when I pledge my allegiance to our flag I put my hand on my heart and feel proud and grateful that I am free.

From the stars in the sky to the hill on the earth our flag represents a lot of what we have worked for and what we have earned.

For many people from so many lands have traveled so far to be free and to live under our flag. That is something we very often take for granted. We shouldn't do that. I'm sure a lot of people don't know what it is like in other countries. The people wait in long lines just for things like bread and even a pair of socks. But in our country under our flag that is very different.

The flag is like a big beautiful patchwork quilt with a lot of work put into it by everyone.

On the rainiest day when you see our flag waving high in the air it brings sunshine to our day.

In my essay I have written many times "our flag." That is because it is our flag. It is what we have worked for and it is what I hope will always stay the same.

TRIBUTE TO HON. BILL CHAPPELL

SPEECH OF

HON. JAMIE L. WHITTEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 10, 1989

Mr. WHITTEN. Mr. Speaker, I was deeply saddened by the recent death of former Congressman Bill Chappell. Throughout his distinguished life, Bill Chappell was a man of commitment—commitment to his country, commitment to duty and commitment to the Congress he loved so much.

Bill Chappell was a naval aviator in World War II. He served for years in the Naval Reserves and eventually retired as a captain. He fought long and hard for a strong national defense while serving in Congress. When Bill began his service on the Defense Appropriations Subcommittee in the late 1970's, the condition of our Armed Forces was mediocre—planes couldn't fly because of the lack of spare parts, a high percentage of recruits were not high school graduates, morale of the troops was at rock bottom, and the Soviets were expanding their empire into Afghanistan and other areas of the world.

When Bill Chappell ended his service in Congress as chairman of the Defense Appropriations Subcommittee, America was standing tall in the world. Morale of the troops was excellent, 96 percent of recruits were high school graduates, spare parts for aircraft were ample, the Soviets had withdrawn from Afghanistan, and the global balance of power had shifted in the favor of the free countries of the world.

These great historical achievements were in no small part due to the commitment, energy and influence of Congressman William Chappell, Jr., who fought so diligently for a strong national security.

Every aspect of Bill Chappell's life was a commitment to duty—his duty in World War II, his duty in the Naval Reserves, his duty in the Florida State Legislature where he became Speaker of the House, and his duty in the Congress where he so ably represented his constituents and his country.

But was not something that Bill Chappell consciously thought about. Duty was in the fiber of his soul. Duty was the most natural thing in the world to him. To Bill Chappell, duty was not something you considered doing, or you contemplated doing, duty was simply a way of life.

I extend my condolences to his wife and family. We all miss Bill Chappell and I commend him for his life of commitment to his country, to duty and to his constituents.

DISAPPROVING RECOMMENDATIONS OF COMMISSION ON BASE REALIGNMENT AND CLOSURE

SPEECH OF

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 18, 1989

The House in Committee of the Whole House on the State of the Union had under consideration the joint resolution (H.J. Res. 165), disapproving the recommendations of the Committee on Base Realignment and Closure, pursuant to Public Law 100-526.

Mr. COLEMAN of Texas. Mr. Chairman. I rise in opposition to this resolution of disapproval of the recommendations of the Commission on Base Closures and Realignments. I have thought over this question carefully. As a member of the Appropriations Subcommittee on Military Construction, I am aware of the administration's fiscal year 1990 funding request for the base closure account. That request is for $500 million.

As the representative of the 16th Congressional District of Texas, which includes Fort Bliss, I have looked at the Commission's recommendations from a second angle. I am not convinced that the proposed relocation of the Basic Combat Training mission component from Fort Bliss to Fort Jackson, SC, makes sense either in terms of cost savings or in terms of readiness. Fort Bliss is a mobilization post, and it appears to make good sense to have a basic training function at an installation where you want to call up the reserves and remote units in the event of a conflict. I have also heard and read about realignments and outright closures at a number of other installations around the country where the cost savings to U.S. taxpayers are far from evident and where the economies of local communities are certainly going to be damaged.

The difficulty lies in the bill we enacted last year. We made the package indivisible. The Congress prejudiced itself from being able to pick and choose among the recommendations once the report was submitted. I would have liked to have included overseas bases among those open to the Commission's recommendations. I would have preferred that the Commission had had more time and resources available to it—and I would have wished that the Commission had been able to testify before the Congress during its deliberations on issues such as force modernization. The point to consider in reference to the Resolution on the floor today is that we did not provide for these kinds of oversight in last year's bill—and we did not provide for them because of the demonstrated near-impossibility of passing a bill subject to being broken out and cannibalized in the future.

A substantial amount of evidence regarding realigned force structure, the regional medical needs of the active duty and retired military populations and community dependence on military installations has already been gathered during the 3½ months since Secretary Carlucci submitted the Commission's report. That evidence should be weighed in the con-

text of whether or not the Congress wants to implement the findings as they have been referred to us. The question of implementation lies within the jurisdiction of the Committee on Appropriations. We should be prepared to look at it there—and we should look at the report in the context of whether or not it does what the Congress originally intended it to do—achieve real and lasting budgetary savings. Like all the other legislation we will be considering this year, the first test ought to be the impact on the deficit. In my view, this is still an open question where base closure is concerned. But we cannot at this time cavalierly pretend that the question is moot—and that is what a yes vote here amounts to. I urge that you vote down this resolution of disapproval.

SLOVAK INDEPENDENCE DAY

HON. JAMES A TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. TRAFICANT. Mr. Speaker, on April 30, 1989, the Slovak Community of Greater Cleveland will be commemorating Slovak Independence Day with both joy and sorrow; joy in remembering that on March 14, 1939, the Slovak Parliament declared Slovakia's independence, and that these peoples desire for freedom was finally satisfied. The sorrow following when that independence was forcibly usurped after the end of World War II by the Soviet Union.

The Slovaks in Slovakia have spent the past 45 years fiercely resisting Communist tyranny. And in spite of brutal suppression and oppression, their hunger for freedom and independence grows stronger and stronger. They have fought and will continue to fight until their country is released from the grip of the Soviet Union.

Mr. Speaker, there are not many who cherish the principles of freedom and democracy to the extent in which the Slovakian people do. They are a people of passion, devotion, and great courage. It is with great honor that I stand today not only to salute the Slovakians who have struggled for their independence and freedom, but I would also like to wish the Slovak Community of Greater Cleveland a joyous celebration.

DR. GAETANO A. IANNACE: AN OUTSTANDING AMERICAN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. GILMAN. Mr. Speaker, I wish to call to the attention of our colleagues the outstanding public services performed by Prof. Gaetano A. Iannace. The brilliant career of this sterling individual has been called to my attention by our former colleague, the gentleman from New York, Mr. DioGuardi, who has had the honor of representing and working with Dr. Iannace.

Dr. Iannace has recently been awarded the Outstanding Teacher and Scholar Award at Fordham University, as a long-overdue recognition of his excellent teaching record at New York University, at Fordham, at Pace University, and at the Central Connecticut State University. In addition to being an inspirational teacher, Dr. Iannace has participated in a multitude of scholarly activities.

Professor Iannace's contributions to his profession are a constant credit to himself, to his field, and to all the institutions with which he has been associated. An internationally renowned scholar, he is a frequently invited lecturer at the most prestigious universities in our country, including Harvard, Yale, and Boston College. He has also served as lecturer at the University of Philology in Belgrade, Yugoslavia, and at centers of higher learning in Italy and Canada.

In addition to being a tireless researcher and writer, Dr. Iannace is a trusted adviser to several other leading editors and scholars.

His commitment to scholarship includes translations of Italian poetry and scholarly studies of Italian dialects. He has contributed to important professional journals—such as World Literature Today, Italica, and Osiris—and is active in the Italian Historical Society, UNICO, and other fraternal and intellectual organizations.

Professor Iannace's students can attest to the time and effort he spends with them, helping them achieve the excellence which he has come to personify. It is in great part due to his efforts that all of the institutions with which he has been associated now boast fine Italian programs.

Dr. Iannace has been active in the teacher's union struggle for dignity and excellence, as an organizer and president of his local chapter of the American Federation of Teachers.

Mr. Speaker, we in Congress are all aware of the significant contributions made by Italian-Americans to our culture. In good part, this awareness is due to Dr. Iannace, who has dedicated his life to shining the spotlight on these outstanding achievements. His scholarship has touched the consciousness of every major activity of Italian-American fraternal, civic, and cultural organizations. He also has made outstanding contributions to better relations between his university and the community at large, as well as between the United States and Italy.

Mr. Speaker, on the occasion of the honor being bestowed upon Dr. Iannace by Fordham University's Italian Honor Society, I invite our colleagues to join with me in congratulating Dr. Iannace, his loving wife Aldona, his devoted son Carmine, and the over 100 members of Dr. Iannace's family in southeastern New York and in Connecticut, for a job well done.

Although Dr. Iannace does not reside in my own 22d Congressional District of New York, I do have the privilege of representing many members of his family. We all share their pride in this recognition of an outstanding career.

Dr. Iannace is an inspiration to us all. His recent award is highly deserved.

REINTRODUCTION OF LEGISLATION TO END TRADE PROBLEMS WITH JAPAN AND TO MAINTAIN VITAL UNITED STATES-JAPAN RELATIONS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. STARK. Mr. Speaker, 4 years ago I introduced legislation to improve United States-Japan relations by ending trade frictions through trade management. The idea has been reraised by U.S. Trade Representative, Ambassador Carla Hills, as described in the March 2, 1989, Washington Post article that follows.

I would like to reprint my 1985 speech explaining the reasoning for this unusual trade approach. I think the speech is still quite accurate. Despite a massive decline in the value of the dollar and appreciation in the value of the yen, the only thing that has really changed in the past 4 years, is that we have piled up $223.6 billion in trade deficit with Japan. At least one-third of that deficit is due to the cultural barriers I cited in my speech. That means that $74.5 billion in foreign debt—the sale of American assets to Japan—is due to unfair trade practices.

I renew my call for a new trade approach to one of our best allies.

[From the Washington Post, Mar. 2, 1989]

U.S. EYES TARGETS FOR JAPANESE BUYING—HILLS SAYS TOUGHER APPROACH IS PART OF TRADE IMBALANCE REVIEW

(By Stuart Auerbach)

In a reversal of laissez-faire United States trade policy, the Bush administration is considering setting specific targets for Japanese purchases of U.S. products to force major reductions in the $52 billion trade imbalance between the two nations, U.S. Trade Representative Carla Hills revealed yesterday.

The proposal to move away from the free-trade, open-market approach that has been in place for nearly a decade is part of a wideranging review that Hills has ordered into U.S. trade policy toward Japan. The trade deficit with Japan—the largest shortfall the United States has with any country—accounted for 44 percent of the U.S. trade deficit last year.

Hills was vague over what form the new trade relationship might take, but, in a departure from the past policy of the Reagan administration, indicated she did not oppose setting specific targets on a product-by-product basis for U.S. sales in Japan.

An administration task force is considering recommendations by outside groups to limit Japanese sales in this country by mutually agreed amounts, though Hills did not say whether she favored this additional step.

The interagency review is the first admission by the new administration that the free-trade policies of former president Reagan may not work with a country such as Japan, where a variety of cultural and economic factors work against purchases of imported goods.

While the U.S. trade deficit with Japan fell last year, the 7 percent drop was far smaller than the decreases with other major

trading partners. The U.S. deficit with the 12-nation European Community, for instance, fell 56 percent in 1988.

Further, the U.S. trade deficit with Japan edged upward in the last three months of 1988, indicating this improvement is likely to stall this year.

"There is an accumulation of frustration in dealing with Japan," acknowledged Hills, who assumed her post just 30 days ago.

The task force she established as a result of this frustration is considering at least two reports from private business organizations that recommend a managed type of trade relationship with Japan.

The group also is looking at a suggestion by former secretaries of state Henry Kissinger and Cyrus Vance that the two countries negotiate an overall trade balance.

"Within that balance, Japan would have the choice of either reducing its exports or increasing its imports, thus removing the need for sector-by-sector industrial negotiations," Kissinger and Vance wrote in a recent issue of Foreign Affairs, a quarterly journal.

Conversely, a joint industry-labor advisory committee to Hills' agency suggested last month that the Bush administration take a position somewhere between free and managed trade, but said the government should "insist" that Japan buy an agreed amount of specified U.S. products to "properly reflect the international competitiveness of U.S. suppliers."

Another industry proposal, submitted in draft form by the Emergency Committee for American Trade (ECAT), made up of large exporting companies, recommended that the United States and Japan agree to cut the U.S. trade deficit in half, to about $25 billion within five years, leaving it to the government to decide how that can be accomplished.

In testimony before the Senate Finance Committee yesterday, Hills showed her clear distaste for managed trade, but recognized that it might be the best way to deal with Japan's seemingly intractable surpluses.

"The world community will be better off with open trade. Managed trade does not do as well," Hills said. "But if there is a country that we cannot deal with" through the preferred approach of trying to open markets through agreements to end trade barriers, "we have to look for other means."

That could be "a choice between managed trade"—where major imports and exports are held to overall targets—"or taking a course somewhat akin" to the recommendation of the labor-industry advisory group for sectoral targets, she continued.

Hills did not get into how she would enforce any agreement with Japan, which has been accused by U.S. industry groups and some lawmakers of backing away from trade commitments after they are reached and U.S. political pressure eases.

[From the Congressional Record, Apr. 4, 1985]

Introduction of Legislation To End Trade Problems With Japan And To Maintain Vital United States-Japan Relations

Mr. Stark. Mr. Speaker, I am today, reintroducing a resolution to cap our trade deficits with Japan. This bill is an effort to end the increasingly bitter trade dispute between our two nations, which is threatening the even more important political alliance.

The latest telecommunications agreements between our two nations announced this week are not going to solve the trade problem. We are going to be back, justifiably hammering at the Japanese on something else within a few days. We are going to continue to have $100 million a day trade deficits with Japan.

On paper, she is going to appear to be an open trading partner—and yet she is different. She is a poor importer. A people (some have used the word clan) who have lived by themselves on a set of islands for nearly 2,000 years of recorded time do not buy readily from outsiders. There is no GATT, there is no law, there is no treaty, there is no negotiation that is going to change that.

Time might change it. But we don't have time, not with our trade deficits and not with our high unemployment and not with the overvalued dollar which, even if it corrects itself overnight, will not provide trade relief for 1 year to 18 months.

We can all admit that much of the trade problem is America's fault: the high deficits and high interest rates have brought us an overvalued dollar that makes imports attractive and our exports less competitive. We let inflation and profit and salary and wage rates get out of hand in the 1960's and 1970's and lost competitiveness. Our business management styles are not always as good as the Japanese in dealing with workers. We got careless and sloppy and the quality of our products has not always been what it should. Even our Tax Code is not as good as the Japanese code (which we gave them and which they kept pure) and our laws have encouraged questionable investments.

Having said this, much of the trade deficit—perhaps a third of it—is not our fault but is the fault of legal and extra-legal, unspoken Japanese protectionism. Raw and processed foods, lumber, cigarettes (as long as the Japanese want to smoke, why not our cigarettes?), chemicals, some hi-tech items, military aircraft—in all these areas there have been denied sales and lost jobs for Americans. In hi-tech industries particularly, the Japanese are endlessly creative at blunting our competitive advantage. They are, to put it midly, screwing us on the industries of the future.

But more important than the trading relationship, is the political relationship. Japan is a democratic success story. She is a nation of incredibly hard-working, talented people who can bring progress to all of Asia. She is an important military ally. For example, we keep urging Japan to spend more on military, but she is one of the top 10 military powers in the world in terms of spending and talent.

But the trade wars—and that is a phrase one Senator used last week—are damaging the political relationship. It does sound like war; the Finance Committee Chairman has said, "an eye for an eye."

The United States-Japan Wisemen's Group offered many ideas for improving the relations between our two countries, and the most important recommendation for the American side was to start treating Japan as an equal nation.

We don't. To listen to many of my colleagues in the Congress in recent days, you would think that Japan is the same as Grenada.

Japan is not Grenada. Japan is a major world power. General MacArthur did not fade away. He is dead. The General Headquarters—to respond to one Japanese comment—has not been reopened in downtown Tokyo.

Can you imagine the reaction of Americans if a foreign nation wanted us to translate our telephone regulations—say Judge Green's opinions—into Japanese at our expense? Can you imagine if the Japanese insisted as a negotiating point that a foreigner or a foreign company sit on one of our Government Advisory Commissions? Can you imagine the reaction of American cattlemen or American dairymen if a foreign country insisted that we repeal the meat import quota and cheese quota acts? Can you imagine our reaction if Japanese politicians scorned meeting with top level American delegations? Can you imagine the reaction if the Diet passed a resolution 500 to zip threatening the United States with trade retaliation?

We'd go nuts.

Yet that is what we are demanding of the Japanese. As one of our chief negotiators said recently. "No American effort since the Occupation has dug into the guts of the Japanese system as we have done in the past year."

Let's stop it.

Let's stop tearing apart the gut of an ally.

Let's preserve the political and cultural relationship.

Let's admit that the Japanese are lousy importers and we can't make them buy from us. Let's admit that they make a good product and that our consumers want to buy from them. Let's admit that under any economic theory, it would be natural and normal for Japan—as a small, resource poor nation—to be running an export surplus with the world in capital and consumer goods.

Let's admit all that, and set a limit to it.

The bill I am proposing was inspired by MIT economics professor Lester Thurow and is the same as House Joint Resolution 195 of the 98th Congress. It would cap Japan's balance-of-trade surplus with the United States at $15 billion per year. The more Japan buys from us, the more she can sell. She just can't run a overdraft of more than $15 billion a year.

Under this approach, there will be no hassles or frustrating negotiations on specific products, on the interpretation of regulations, on goodwill and the keeping of one's commitments. The cap is substantially below today's Japanese trade surplus but does not require a balance. This recognizes the fact that with truly free trade, the deficit might be about one-third less; and Americans do want to buy a substantial number of Japanese products. Once the cap is reached, that is it for the year. No hassles. No pressure for negotiations. No bullying. No more screaming speeches from Congressmen.

When I first proposed this Thurow idea in legislative form, it was ridiculed as unwise protectionism. Two years have passed. I ask the critics: "Will you now admit that the economic tension is seriously threatening the political relationship? Will you admit that we have just been drifting in the bilateral trade area with no solutions in sight? Will you admit that Japan is different and that maybe—to save the political and friendship relations—we should apply new approaches to a unique problem?"

Anyone who gives thoughtful response to these questions will see the need for new approaches. Maybe my approach is not the right one. But current policy is a disaster that threatens much more than our pocketbooks.

I am trying to save the United States-Japan relationship. If you have a better idea, offer it now. Increasing the tension on

our bilateral relationship will only create contention.

TRIBUTE TO GLEN BROWDER

HON. TOM BEVILL

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. BEVILL. Mr. Speaker, it is my honor to rise today to salute our newest Member of Congress, the Honorable GLEN BROWDER of Alabama's Third Congressional District.

I am very pleased to offer for the RECORD, the following resolution by the trustees of Jacksonville State University in honor of GLEN BROWDER.

The resolution is as follows:

RESOLUTION

Whereas Professor Glen Browder distinguished himself during the sixteen years he taught political science on the graduate and undergraduate levels at Jacksonville State University, staying current with his research interests in scientific polling and other aspects of the discipline, and

Whereas Professor Browder was elected to the Alabama House of Representatives in 1982 and served Northeast Alabama well as an advocate of the state public school system, higher education, and the law enforcement profession, and

Whereas Professor Browder brought a new era of professionalism to the Office of Secretary of State when he took office in January, 1987, working diligently to assist local governments throughout Alabama in their efforts to update voter registration lists and modernize the election system, receiving major credit for the passage of the Fair Campaign Practices Act, and

Whereas a void was created by the untimely death of Congressman William F. "Bill" Nichols, leaving Northeast Alabama without a senior Congressman, and

Whereas Professor Browder was given a mandate by the voters with overwhelming victories in the primary and general elections, and

Whereas Professor Browder will begin representing the people of the Third Congressional District on April 18, 1989: Therefore be it

Resolved, That the Trustees of Jacksonville State University hereby salute and congratulate Professor Browder on his recent success and offer best wishes for continued success as he serves his district, state, and country.

FEDERAL FUNDING FOR CRITICAL PENINSULA TRANSPORTATION NEEDS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. LANTOS. Mr. Speaker, significant improvement of local transportation is the issue of greatest concern to residents of the San Francisco Peninsula. I am delighted to report to my colleagues here in the Congress that significant progress is being made in dealing with these urgent transportation needs.

Local officials in the bay area have put together a comprehensive rail extension program that addresses our urgent transportation needs. It is a model program that involves the close cooperation of local government and local transportation officials, and it has the strong support of the entire bay area congressional delegation.

I commend the local officials—board members of the Metropolitan Transportation Commission [MTC] and the Bay Area Rapid Transit District [BART]—for their hard work and dedicated efforts in reaching agreement on this most important initiative, which will substantially improve transportation throughout the entire bay area.

Mr. Speaker, I wish to call special attention to the efforts of officials of the San Mateo County Transportation Authority [SamTrans] and the leaders of San Mateo County, and particularly San Mateo County Supervisor Tom Nolan, who made a major effort to reach agreement and cooperate with other bay area jurisdictions.

Mr. Speaker, the financing of this program is significant because it involves a substantial local contribution. The people of the bay area, and particularly the San Francisco Peninsula, have indicated their serious interest in dealing with their transportation problems by making a substantial local financial commitment. Of the total $2.4 billion cost of these transportation improvements, the Federal Government is being asked to assume only 29 percent of the cost. State funds will cover about 9 percent of the total, and the rest will be paid by local government units.

I want to call the particular attention of my colleagues to the fact that San Mateo County, the area I represent in the Congress, is making a $600 million contribution to the mass transit project from new sales taxes that the citizens of the peninsula agreed to pay for better transportation. That contribution, Mr. Speaker, represents one-quarter of the total costs of this project.

As my fellow colleagues in the Congress can see, we are requesting Federal funding as only one element in this overall package. I would like to emphasize, however, that this is a critical portion. The funding for the entire package is complex and all pieces of the puzzle must be in place for it to proceed, and Federal funding must be committed in order to trigger the various local and State contributions. For this reason, Mr. Speaker, the Members of the bay area congressional delegation—both Democrats and Republicans—are asking that Federal funds be specifically earmarked for this package of projects. The entire bay area congressional delegation has endorsed the proposal.

Since the Congress will shortly consider the transportation appropriations legislation that will include earmarked funds for this project, Mr. Speaker, I ask that the testimony of the Metropolitan Transportation Commission of the San Francisco Bay Area be placed in the CONGRESSIONAL RECORD so that my colleagues can better understand the importance and background of this funding request.

TESTIMONY OF THE METROPOLITAN TRANSPORTATION COMMISSION OF THE SAN FRANCISCO BAY AREA

Chairman Lehman and members of the Committee, I am Rod Diridon, Chairperson of the Metropolitan Transportation Commission and the Santa Clara County Board of Supervisors. My fellow MTC Commissioner with me today is Tom Nolan, a member of the San Mateo Board of Supervisors and Chairman of SamTrans, the transit operator for the County. Together, we are joined by Keith Bernard, General Manager of the Bay Area Rapid Transit District—BART.

Thank you for providing the opportunity to present a status report on the development of our rail extension program in the San Francisco Bay Area.

MTC sponsors the overall rail improvement program which includes extensions for four separate but interconnected systems. The four systems run the gamut of rail service ranging from the Guadalupe light rail system in Santa Clara County to San Francisco's metro-rail, the CalTrain commuter rail and the BART heavy rail system. The MTC program, adopted in March, 1988, embodies improvements and extensions of all four systems.

The Santa Clara Guadalupe light rail line will be extended in the Tasman corridor to the east to Milpitas and to the west to Sunnyvale and Mountain View. The Muni Metro in San Francisco envisions short extensions that will link existing lines. CalTrain extensions to the north and south will improve service into downtown San Francisco and in San Jose. BART's extensions are planned from Daly City to the San Francisco International Airport with other extensions planned to West Pittsburg, Dublin, and Warm Springs in the East Bay.

The Muni Metro extension and CalTrain southern extension are financed by commitments predating MTC's current extension program. The remaining CalTrain, BART and Santa Clara extensions total 35 miles which are estimated to cost $2.4 billion in current dollars. The sources of funds proposed to finance the $2.4 billion are as summarized at the easel (Attachment 2). We are proud to report that over 60% of the total cost comes from local taxes, 10% from State grants and less than 30% from proposed federal grants. Secretary Skinner needs look no further than the Bay Area to find very strong local commitment.

Our FY 1990 request is for the BART Colma Station, which is the first of four new stations to be built on the way to the San Francisco Airport, and the Tasman Corridor extension of the Santa Clara light rail system. We seek $30 million for Colma Station construction and $4 million for Tasman preliminary engineering.

We seek also a Congressional push in support of planning for the next round of extensions in the form of report language which would encourage UMTA to permit an alternative analysis for a BART extension to San Jose. Given the long time needed to perform such work, it is not too soon to begin the next round of planning.

In a moment Tom and Keith will briefly discuss the BART extensions. The Tasman project is in my county, Santa Clara, where it will link the soon to be completed Guadalupe light rail line with the CalTrain service in the west and a future BART extension on the east. Your support made the Guadalupe project possible—the northern segment runs impressively now—and the planned extensions will fill out the network. Thanks so much for your help.

Permit me to return for a minute to the very strong local commitment that supports the MTC program. The program was first adopted in March, 1988, partly in response to admonition from our Congressional delegation and your Committee. We have made

surprising progress since then. First there was a historic agreement between BART and SamTrans which provides for a $200 million transfer of local funds from SamTrans to BART. Next there were two successful local elections which together with previously voted-on funds, provide $1.3 billion in local sales tax support. In further reaffirmation, the voters in 7 counties gave a 70 percent approval of a bridge toll increase which provides another $150 million. The California Transportation Commission (CTC) has pledged $200 million plus $48 million inflation allowance to the plan. And finally, UMTA Administrator, Al DelliBovi awarded a $10 million grant for environmental studies and preliminary engineering to get the ball rolling.

Despite our best efforts and the support of your committee, the federal share of our proposed rail extension program will be in jeopardy if the Administration's transit budget proposals prevail. The overall transit budget must be sustained in order for there to be a sufficient UMTA Section 3 new starts program to draw upon. We recognize we must work with our colleagues in the transit industry to help you preserve the larger transit program.

Now let me ask my colleagues here today to outline briefly the historic BART/SamTrans agreement which is central to the substantial local funding found in our proposal.

TESTIMONY OF TOM NOLAN, MEMBER OF THE BOARD OF THE MTC OF THE SAN FRANCISCO BAY AREA, MEMBER OF THE BOARD OF SUPERVISORS OF SAN MATEO COUNTY, AND CHAIRMAN OF SAMTRANS

I would like to emphasize the major local commitment made by this region as a whole and by my county in particular.

San Mateo County voters have passed a series of elections that are relevant to our claim to be a partner in this program. The first ½¢ sales tax for transit passed in 1974. Elections to authorize use of these revenues for BART were approved in 1985 and 1987. And finally, another ½¢ sales tax for improving CalTrain as part of a larger transportation package was adopted in June, 1988. Altogether, SamTrans pledges almost $600 million to the $2.4 billion rail extension program.

The June, 1988 vote came close on the heels of our agreement with BART regarding the terms and conditions associated with extending BART into our county and to the airport. The payment by San Mateo to BART in increments which will total $200 million, tied to development of the airport line, makes it possible for East Bay counties to realize longstanding rail extensions there. It also provides the key to East Bay support for federal funding of an extension in our county. The message is clear: all pieces of this puzzle, including federal funding, must fit in order for progress to be made.

TESTIMONY OF KEITH BERNARD, GENERAL MANAGER OF THE BAY AREA RAPID TRANSIT DISTRICT (BART)

I would like to briefly describe to you the Colma Station Project which is the subject of our request for funding.

The Colma Station will be located 1.5 miles south of the existing Daly City Station in unincorporated San Mateo County, adjacent to the town of Colma and next to our new yard facility. The Colma Station is the first of our stations planned for an extension of BART to the San Francisco International Airport. This extension is the key element in the Bay Area regional rail agreement which will deliver three BART extensions in the East Bay—from Concord to West Pittsburg in Contra Costa County, and San Leandro to Dublin and from Fremont to Warm Springs in Alameda County.

The Colma Station is expected to attract 15,000 trips a day and to cost ninety million dollars; 25% to be funded by SamTrans and 75% by the Federal Government. The station will be ideally located. It will be directly accessible from both an interstate freeway and a major arterial serving several San Mateo County cities. Plenty of parking is planned; approximately 2,200 spaces.

The station will serve two primary purposes. It will 1. relieve the heavily utilized and congested Daly City Station and 2. provide improved access to BART for Mateo County residents.

Over 80% of the current Daly City Station patrons reside in San Mateo County. Daly City is our most heavily utilized station outside of downtown San Francisco. It is expected that San Mateo County's demand for BART will continue to expand because of anticipated employment and population growth in Northern San Mateo County over the next decade.

The Colma Station project has also been the subject of a federally sponsored alternative analysis and environmental study completed last fall. In December, the BART Colma Station was selected as the locally preferred alternative.

The Colma project has a total cost per new rider which is below the federal cost effectiveness threshold. We expect to be ready to begin construction in the FY 1990.

Please support the program including Colma Station funding this year so we will all be able to get around the region in the future.

PAUL COVERDELL FOR DIRECTOR OF PEACE CORPS

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. RAY. Mr. Speaker, I would like to submit for the RECORD my testimony to the Senate Committee on Foreign Relations on behalf of the nomination of Georgia State Senator Paul Coverdell to be Director of the Peace Corps.

The testimony follows:

It is my pleasure to testify on behalf of Senator Paul Coverdell. Senator Coverdell has long been an influential Georgian. He has represented Georgia and his constituents in an admirable manner and I want to commend the administration for recognizing his qualifications and ability.

Senator Coverdell was first elected to the Georgia General Assembly in 1970, at the age of 31. In 4 short years he rose to his current rank of Republican leader of the Georgia State Senate, a position he has held since 1974. Although the Republicans control less than 20 percent of the State legislature, he has often been recognized as one of the most effective legislators in the general assembly. He was co-founder and president of the National Republican Legislators Association from 1979–1981, and chairman of the Georgia Republican Party from 1985–1987. He was chairman of the National State Legislators for Reagan/Bush in 1980 and 1984, and chairman of the National Legislators for Bush in 1988.

Senator Coverdell has been an active participant in bipartisan efforts to improve ethics laws, reform the State pension system, and rewrite senate rules to allow greater openness in government. He has also supported legislation which raised the drinking age, reformed drunk driving laws, and required seat belt use.

Senator Coverdell founded the Urban Studies Institute, which focuses on urban issues. His efforts in this area have helped to establish an increase in funding to Grady Hospital, the public hospital for the indigent. He is recognized for his successful effort to eliminate the double taxation of city residents.

Senator Coverdell has been a life-long conservationist and active supporter of urban neighborhoods. He has been an opponent of highways that threatened to destroy in-town parks and neighborhoods. In this regard, he has been a strong supporter of MARTA, Atlanta's rapid transit system.

Senator Coverdell is an excellent choice to head the Peace Corps. He has spent his life involved in humanitarian service and community activities. He has repeatedly shown his commitment and dedication to public service.

Senator Coverdell is a loyal and dedicated member of his political party, but he is known for his strong support as a nonpartisan when it comes down to supporting the best interest of our Nation and its citizens. As a Democrat, I have the highest respect for his integrity, credibility, and dependability.

The Peace Corps is an international development program which is respected throughout the world. Senator Coverdell would continue this fine tradition, and work to fulfill President Kennedy's belief that America has a crucial role to play in the betterment of humanity.

CONGRESSIONAL CALL TO CONSCIENCE VIGIL FOR SOVIET JEWS—"POOR RELATIVES"

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. GREEN. Mr. Speaker, I should like to take the opportunity today to join with my colleagues in support of the Conscience Vigil for Soviet Jews, sponsored by the Union of Councils for Soviet Jews.

It seems that almost daily there are new and surprising changes taking place in the Soviet Union under the leadership of President Mikhail Gorbachev. Certainly we in the West welcome any and all overtures from the Soviet Union which lead us toward a stronger sense of global peace and cooperation, and which contribute to greater economic and political security for the citizens of that vast nation. It remains, however, ever important that we continue to be vigilant in demanding that true freedom is achieved for all people of the Soviet Union. A prisoner who is taken from behind bars but who is prevented from practicing freedom of religion or freedom to return to the land of his or her people is still a prisoner.

To that end, I should like to appeal to my colleagues here in Congress to join with me in

calling on the Soviet Union to address an extremely important problem which has come to be described as that of the "poor relative." Poor relatives are people who are prevented from even applying to emigrate from the Soviet Union because they cannot obtain the necessary notarized waivers from their families.

Article 24 of the Soviet "Regulations on Entering and Leaving the U.S.S.R."—effective January 1, 1987—states:

Applications to travel abroad from the U.S.S.R. for family reunification shall be examined on presentation of . . . substantively certified statements from the family members remaining in the U.S.S.R. and from the former spouse (if there are children under the age of majority from this marriage) showing that the traveler has no outstanding obligations toward them under U.S.S.R. law.

That article has created a significant barrier to emigration. Jewish activists in the U.S.S.R. estimate that there are hundreds of poor relatives and thousands of Jews who have not even attempted to apply for emigration because of article 24. While the Soviets allege that article 24 is designed to protect the family, in effect, the law works to do just the opposite—it destroys families by coercing applicants' relatives to veto their applications. Many times relatives refuse to sign a waiver because they fear retribution from Soviet authorities, demand a ransom, or simply take revenge on the applicant. The requirement established by article 24 is unreasonable in the Soviet system where elderly parents receive pensions and divorced parents of minor children routinely tender child support payments. And since no effective appeals process currently exists, a would-be emigre can not apply to waive the requirement or ask the State to examine the grounds for the relatives' veto. Thus, the applicants' relative has unreasonable and complete control over the person's desire to emigrate.

While Soviet officials have promised to establish a legal process by which poor relatives can appeal the financial claims brought against them, to date they have not done so.

The Union of Councils for Soviet Jews has recommended a cessation of all family-related restrictions whatsoever. I should like to join them in support of that goal. Permission from a relative is not a legitimate cause for denying emigration.

THE CASE OF ALLA PRILUTSKAYA

Alla Prilutskaya is a poor relative who has twin daughters. Although her former husband left Alla when the twins were 5 years old, he will not give her the required affidavit. The girls, Masha and Vika, are now 14 years old and have had no contact with their father during all the years of his absence. He has been vindictive toward Alla and has tried to blackmail her. He is currently demanding 40,000 rubles in exchange for his signature on the required affidavit.

Alla goes to her place of work and talks to her colleagues, and the twins have written letters to their father and his boss, trying to persuade him to give them the required papers. Alla took part in the women's hunger strike March 8–10, as did the girls. Beginning on March 27, Alla and the girls have been demonstrating in front of their father's institute on Mondays and Thursdays from 5:44 p.m. until 6:25 p.m.—Moscow time. Alla was arrested and detained for several hours by the militia on two separate occasions since she and her daughters began this most recent protest.

Alla's case is compelling and I appeal to my colleagues to support her efforts to receive permission to emigrate. She is asking that telegrams be sent to her husband's place of work. His name is Edward Prilutskaya, and his work address is Znipi Energoprom, Semenoroskaya Nab. 2–1, Moscow (Attention: Vadim Semionovic, Director).

Tragically, the case of Alla and her daugthers is not unique, and we must continue to work with the Soviet Union to reverse this harmful practice. The poor relatives have organized an extremely active group, and had held weekly demonstrations for several months in front of the Lenin Library in Moscow which were often broken up even before they were started. They publish a poor relatives bulletin which is widely disseminated in the U.S.S.R. But they need our support. In the spirit of glasnost and in the spirit of peace, I appeal to the U.S.S.R. to repeal all family-related emigration restrictions, so that the plight of the poor relatives of the Soviet Union can be finally resolved.

VOICE OF DEMOCRACY CONTEST WINNER

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. DORGAN of North Dakota. Mr. Speaker, I am proud to announce that Troy James Nelson of Rugby, ND, received eighth place honors in the Voice of Democracy broadcast scriptwriting contest sponsored by the Veterans of Foreign Wars of the United States and its ladies auxiliary. The following speech, "Preparing for America's Future," was one of nine national winners selected from more than 250,000 entries.

PREPARING FOR AMERICA'S FUTURE

(By Troy James Nelson)

Ever since the beginning of this great nation by our founding forefathers, American leaders and citizens alike have been steadily planning for this country's future. The first President of the United States, George Washington, strongly believed we could become a great and powerful nation. He followed through with his belief for the future by becoming chairman of the Constitutional Committee and by ratifying what was to be this country's first big step toward democratic freedom, prosperity, and justice for all with the signing of the Constitution of the United States of America.

Echos of future prosperity and peace rang out as well with another great American legend and leader, Abraham Lincoln. Lincoln's resounding call for peace and loyalty between all men, no matter their religion, race, or color, was finally heard through the words of the Emancipation Proclamation.

John Fitzgerald Kennedy had another dream for America's future. His dream was to land an American on the surface of the moon and to explore that wide world of open darkness known as space. Although the dream finally came true in 1969, it was too late for one of America's greatest and most respected leaders ever. J.F.K., who was brutally assassinated in Dallas in 1963, had a dream for America's future—a dream that became a reality six years after his death.

Martin Luther King, Jr. had a dream for the future as well. His dream was one that involved that of public participation. Martin Luther King, Jr. dreamed that in the future, blacks could accept whites and whites could accept blacks as to who they were, men created equally. King's dream was stopped short as he became another fallen leader and part of America's past and history.

These days as we look toward the future, we can see many different goals, dreams, and ideas which need to be met and emphasized. I believe that blacks and whites should become of one, and realize who we really are—men and women created equally. I believe we should further our space explorations by reaching out into the unknown and learning what we can learn. I believe we should continue to work on world peace, not just between ourselves and the Union of Soviet Socialist Republics, but rather between ourselves and every other country on this planet. I believe that we can make our nation, the United States, strong again. We as citizens can out run crime, rid our cities and schools of drugs, and keep our country clean of all that is unjust and unright.

I finally believe that we can only make our future what we want it to be through today's young people. By continuing education in good public and private schools, we can educate today's young people to become the strong leaders we will need in the future. Leaders who will see that all of our dreams, goals, and ambitions as a country and as individuals come true. In preparing for America's future, it only makes sense that we enhance, extend, and encourage education to young and old alike. We need today's young people to become the leaders of tomorrow. Leaders who will lead in technical advances such as a cure for AIDS and leaders in political office to preserve and make peace in our country. Leaders who will reach beyond the limits of reality, and reach into tomorrow, the future. To make this nation great, we must begin now, to prepare for America's future?

FEDERAL ANTIDRUG HOUSING INITIATIVES GATHER SUPPORT

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. COUGHLIN. Mr. Speaker, only recently, National Drug Policy Director William J. Bennett announced an emergency plan to tackle the escalating drug and violence problems plaguing the metropolitan Washington area.

In addition to measures to create more jail space, reinvigorate law enforcement activities and promote education and prevention programs, the Federal plan includes new initiatives to clean up the public housing system in the District.

Housing and Urban Development Secretary Jack Kemp, a former colleague, is spearheading this effort to ferret our drug criminals from public housing units, heighten security throughout the projects and physically improve

the system. Secretary Kemp has indicated his desire to take this agenda of action nationwide.

As vice chairman of the House Select Committee on Narcotics Abuse and Control and a member of the Appropriations Subcommittee with jurisdiction over HUD, I applaud these efforts to make our public housing neighborhoods safe again for their residents.

The Kemp plan has also caught the attention of the Washington Post. I commend this commentary to my colleagues and ask that it be reprinted in the RECORD.

[From the Washington Post, Apr. 18, 1989]

MR. KEMP'S PLANS FOR D.C.

Like the plans of national drug policy director William J. Bennett for the District of Columbia, the measures announced by Secretary of Housing and Urban Development Jack Kemp will no doubt encounter their share of bureaucratic objections from city hall's corps of gift-horse diagnosticians. There's always the we're-doing-the-best-we-can faction and the only-with-federal-zillions-more school of apologists. But neither this city nor the new administration in the White House should squander a good shot at making a difference in housing conditions here. Secretary Kemp's proposals may well include some actions already being taken by the local government, but they represent more than just a commitment to a quick-fix plan for evicting drug pushers.

The federal plan for housing would repair public areas, restore and rent vacant apartments and beef up security. HUD officials have said the department will use federal modernization funds to help the District pay for changes. HUD will ease lease grievance procedures to hasten evictions of drug offenders from federally funded projects, try to evict drug users who receive rent subsidies, help set up antidrug hot lines and see to it that vacant apartments are inaccessible to drug users. Other changes may include improved tenant management systems, identification cards for residents and even organized sports and other recreational activities for children in public housing units.

The point is not to create even more repressive conditions than those that exist. D.C. housing director Roland Turpin is understandably cautious about embracing everything in the federal package but does say he welcomes the "technical and financial assistance from HUD" that is needed to restore order to the 57 projects in the system. Mr. Turpin says he hopes this is not an attempt by HUD "to make unilateral decisions about what should happen in this city . . . . We need to work with the residents in making those changes."

Fair enough. Public housing residents share the same hopes as others in the District of Columbia for safe and secure neighbors. Secretary Kemp, who comes to this subject with experience and understanding, surely shares these hopes too. If they can be realized, there will be more than enough credit for all who helped make it happen.

GENTLEMAN FARMER

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. DYSON. Mr. Speaker, I grew up in the heart of a rural Maryland farm community, where it was said that a gentleman farmer was the one who had enough spare time to read all the material the Federal Government prints about farming. I can testify that no one, gentleman farmer or not, has anywhere near enough time to read through the morass of technical reports, program regulations, and agency guidelines that surround our farm programs.

Mr. Speaker, as I stand before you today, farmers across our Nation are making financial management decisions which will have a direct impact on the survival of our family farms. In today's modern economy, a family farmer is required to make many of the same financial decisions that a large corporation does. He has to purchase supplies, make capital investments, obtain business loans, and market his product. The one decision the farmer has avoided making, however, is the purchase of crop insurance.

Unfortunately, in these times of climatic changes, fluctuating export levels and higher input costs, farmers cannot afford to play Russian roulette with their financial security. Therefore, it is imperative that farmers purchase crop insurance.

I know from speaking to my own farmers in the First Congressional District of Maryland there are many problems with crop insurance which serve as a disincentive to farmer participation. Fortunately, Congress has historically demonstrated a commitment to making the crop insurance system work. I share this commitment.

When Congress last attempted to reform the FCIC in 1980, three very important goals were established:

First, farm acreage participation should be increased from 11 to 50 percent.

Second, Federal disaster payments should be eliminated.

Third, Federal crop insurance should become an integral aspect of farm management practices.

Unfortunately, as we review the results of crop insurance over the last 8 years, the progress on these three objectives has been dismal. Only 26 percent of eligible farm acreage is now insured under the current crop insurance system. And while the 100th Congress passed the largest farm disaster bill in the history of the United States, totaling $3.6 billion in aid to farmers, crop insurance has not become an integral part of farm management. The 1987 acreage participation rates for the mid-Atlantic region reflect the failure of this goal. New Jersey and Pennsylvania have farm acreage participation rates of 2.1 and 1.6 percent respectively. And in my own State of Maryland only 2.9 percent of eligible farmland is insured against crop loss.

After a review of these numbers, it is obvious that we have a long way to go before crop insurance is the core of a farmer's financial management.

Congress reaffirmed a commitment to crop insurance in the 1988 Disaster Assistance Act. A provision in this bill established a Federal Crop Insurance Commission to review the current system and make recommendations on how to improve the program. This Commission will submit an interim report next week and make a final report on July 1, 1989.

In Maryland, a State task force recently completed a review of crop insurance to assist congressional efforts to reform the FCIC. These efforts, in conjunction with comments from Mr. Bob Wilson, president of the Maryland Farm Bureau; Mr. Wayne Cawley, Maryland Secretary of Agriculture; and First District farmers, enabled me to formulate a legislative proposal, H.R. 1388, to reform the crop insurance system. H.R. 1388 will improve farmer access to information, reduce Government bureaucracy, create a more equitable price election system, and eliminate unnecessary barriers to farmer participation.

A 1988 General Accounting Office [GAO] crop insurance study of 10 States, including my home State of Maryland, stated that one of the major reasons for low-farmer participation was that "many agents do not have the knowledge or training to explain the program accurately."

My bill addresses this problem by offering agents an incentive to improve their knowledge of crop insurance. The FCIC will be required to offer regular crop insurance training classes and tests to individual agents which upon successful completion will provide the agent with a certificate of competence. This certificate, which will be similar to a bank's FDIC label, will provide the agent with a 2-percent bonus on each sale. I believe these changes will assist in increasing the number and improving the quality of agents who elect to sell crop insurance.

Another critical area of concern addressed in my bill is the lack of detailed information currently available to farmers. H.R. 1388 addresses this problem by designating the Agricultural Stabilization and Conservation Service [ASCS] as the Federal Crop Insurance Information Center. This center will maintain current policy information and agent lists to assist farmers in the important decision of purchasing crop insurance.

Currently, the FCIC requires a farmer to provide actual production history records when establishing a yield to purchase crop insurance. For farmers who have kept complete records over the years, establishing their yield is not a problem. However, for many farmers this provision is a hindrance to program participation. My bill gives the farmer the option of choosing to use his ASCS records when establishing his yield, or, if he has them, his actual production records. By eliminating this potential barrier to participation, we are opening crop insurance up to many farmers who would otherwise not participate in the program.

In the area of the Price Election System, I think it's important that we establish a rate system based on projected State and local prices instead of a projected national average. A national projection distorts the premium charged to farmers and the insurable rates for a particular commodity. Two examples involving the soybean crop for the State of Maryland illustrate this point well.

In 1985, a farmer could purchase a maximum coverage of $6.50 on a bushel of soybeans. In the State of Maryland, however, the price of a bushel of soybeans was $5.01. Since premiums are based on the amount of coverage purchased, Maryland farmers paid a

higher premium for unnecessary additional insurance.

The opposite situation occurred in 1987, when the average price of soybeans in Maryland was $5.90 per bushel, whereas the maximum coverage that could be purchased was $5. Therefore, farmers choosing the maximum coverage of 75 percent—25 percent deductible—also had to accept an additional 18-percent deductible because of the price election/price discrepancy. This is not acceptable. Moving to a State/county projection system would establish an overall parity in determining the price of coverage for a commodity, thus making the program more sensible for farmers to invest in coverage.

H.R. 1388 also seeks to eliminate the 10-percent penalty charged by the FCIC to farmers wishing to insure their various county farms as separate units. Both the American Farm Bureau Federation and the Maryland Farm Bureau support this change.

Finally, the bill addresses the coverage of full season and double crop soybeans. Currently, the FCIC insures full season and double crop soybeans as a single policy, even though both have different risks. Any farmer will tell you that these are two different crops and should be insured separately. Therefore, it would make sense that FCIC offer two separate policies. I believe this change, along with the other provisions in my bill, will make crop insurance a better management tool for farmers.

Mr. Speaker, I introduced H.R. 1388 to reduce the Government bureaucracy, restrictive regulations, and high premiums which discourage farmers from purchasing crop insurance. By making the program more appealing to farmers, participation rates can be increased, premiums can be lowered and Government expenditures reduced. Farmers in Maryland's First District don't want a new Government program; they want a program that works. The American farmer deserves this protection. I want to urge my colleagues to support this bill.

RADIOVISION RECOGNIZES ITS VOLUNTEERS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. GILMAN. Mr. Speaker, I wish to call to the attention of our colleagues a fine organization that performs an outstanding service throughout southeastern New York.

RADIOVISION was founded 9 years ago to provide closed-circuit programming for the blind and the sight impaired. In many ways, RADIOVISION is a "window on the world" for the sightless and the sight impaired throughout the Hudson River Valley. News items, feature articles, and good literature are just a few of the programming services that RADIOVISION offers its subscribers.

Incredibly, this fantastic, 7-day-a-week service is provided solely through volunteers. This weekend, RADIOVISION is conducting its ninth annual Volunteer Recognition Day, paying tribute to the 106 volunteers who have contributed their time and talents in 1988-1989 to make this the most successful year ever for RADIOVISION.

Mr. Speaker, I invite my colleagues to join with us in congratulating the fine volunteers, and the excellent staff, that have maintained the excellent service that RADIOVISION subscribers have come to expect.

THE SUPPLEMENTAL APPROPRIATION

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. MARLENEE. Mr. Speaker, I stand with the minority leader as he testifies before the House Rules Committee today to roll back the excessive spending in the dire emergency supplemental appropriations bill.

President Bush requested a $2.1 billion supplemental appropriation to honor previous obligations mandated by law. The bulk of the President's request was targeted on veterans benefits, adequate funding for the Guaranteed Student Loan Program, and payments to States for foster care and adoption assistance.

Now, some have treated this supplemental as political football, to see how much the President will tolerate in lard and pork. Every Member in this body has talked about the need to control the Federal deficit. Yet, this supplemental is double the President's request! Where is all of the high-sounding rhetoric on the other side of the aisle to control the spending appetite of Congress?

It is simply outrageous to blackmail veterans health care funding by attaching $250 million for Japanese-American reparations to this supplemental bill. Last year, I promised my constituents that I would not support funding for reparations, especially when veterans have to beg and grovel to receive the Federal benefits they have earned with their blood and sacrifice.

I also will not stand for increasing the fire-fighting budget of the Forest Service by 140 percent over the President's request—until I receive some assurance that the let burn policy will be abolished and some of this money will be directed to private property owners who lost their livelihood because of this policy. These private landowners should receive priority in payment for damages from the Government rather than pay the bureaucrats who propagated this fallacious policy.

Mr. Speaker, let's put action behind our words and defeat attempts to add non-emergency spending to the supplemental appropriations bill.

THE SECRET CAMERA OF ANGELO SPINELLI

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. SMITH of Florida. Mr. Speaker, I would like to call to your attention to the bravery of Mr. Angelo Spinelli, a constituent from Hallandale, FL. While serving as an Army Signal Corps war photographer in World War II, he became a prisoner of war and was kept prisoner for 27 months. For 20 of those months, he was kept at Stalag III-B in Furstenburg, Germany.

Mr. Spinelli was able to use what little resources he had to barter for a camera and film. During the 27 months that he was a POW, he bravely cataloged POW life without ever being caught.

These photographs comprise the largest collection of its kind. Consequently, they have been used in many different magazines, books, and television series in an attempt to provide an accurate and comprehensive portrayal of the difficult life of an American POW during World War II.

At the end of my remarks, I am inserting an article from the April 1989 issue of Soldiers magazine, which used eight of Mr. Spinelli's photographs, entitled "Stalag III-B." The article also contains the story of "The Secret Camera of Angelo Spinelli."

As his Congressman, I ask you to join me in a long overdue salute to Angelo Spinelli, a man whose courage and dedication to his country deserves the admiration of us all.

[From Soldiers magazine, Apr. 1989]

THE SECRET CAMERA OF ANGELO SPINELLI

(By SFC Frank Cox)

TUNISIA, Nov. 19, 1943.—General Order No. 139 is published by Headquarters, North African Theater of Operations. It's an award, the Legion of Merit, for a young combat photographer reported missing in action. Unknown to Sgt. Angelo M. Spinelli, captured nine months earlier during a tank battle near Faid Pass, he'd been honored for reconnaissance work that helped the advancing allies.

Spinelli was one of 21,363 U.S. service members reported missing after the Tunisian phase of the Northwest Africa Campaign.

"My luck and film ran out," Spinelli's account of his capture reads in Yankee Kriegies, a YMCA publication printed after World War II. "Kriegies" is short for the German term "Kriegsgefangenen," or prisoners of war.

Loaded into a boat, he and other captives were shipped to Italy. There they were crammed into excrement- and urine-fouled railroad box cars and transported to Stalag III-B in Furstenburg, Germany. Spinelli was confined there for 20 months.

Hour by hour, day after day he and more than 25,000 U.S. and Allied soldiers were warehoused in camps separated by barbed wire. It didn't take him long to learn to barter with the guards. Soldiers traded cigarettes, chocolate and other small luxuries in Red Cross food parcels for German food, soap and other essentials in short supply. For months he worked on one guard, an older man who claimed he wasn't a Nazi.

Eight packs of cigarettes got the captive photographer a compact Voigtlander Besser 120mm folding-bellows camera. Later, two packs got him a folding tripod which opened to about 5 feet and collapsed to 8 inches. "One pack would buy a roll of film," Spinelli recalled in his Hallendale, Fla., condominium last December. "At one time I had as many as 30 rolls. I used to ask other prisoners to try to buy film from guards. If they could get it, I would pay them a couple of packs of cigarettes"—a pack each for the

POW and guard. He even bribed one guard for some cement, which he used to construct a hiding place for his new gear.

Because he couldn't read the German writing on the film, Spinelli had to guess lens settings and shutter speeds. When a roll was exposed, he'd bribe a guard to get the film developed.

When moving about, Spinelli hid the camera and tripod under a pair of baggy pants he'd gotten in a trade with a paratrooper. "If I had stopped to think about what I was doing in that POW camp—taking pictures of guards being bribed and other things—I wouldn't have done it," he said, referring to the routine shakedowns prisoners feared.

"There wasn't a day that went by that we didn't think we might die," he said. "Some of the 'goons' and camp officers used to tell us we'd never get out alive. I wanted to take the pictures so there'd be something left if I didn't make it out."

He did get out of Stalag III-B, only to end up in another camp where he remained—with his film—for another seven months. As he entered the new camp, Spinelli bribed a guard to avoid being searched. When liberated in May 1945 by Russian troops marching on Berlin, he had more than 1,200 negatives.

Spinelli secretly documented POW sporting events and musical productions. Through his illicit camera, he also captured day-to-day realities and grim reminders of how dire a situation the POWs were in. One photo shows men sleeping outdoors to avoid ticks, lice and other pests infesting the barracks. Another shows two men carrying an inadequate tub of potato soup rationed to feed 150 to 200 hungry prisoners. He even snapped a candid photo of a Russian prisoner in the adjacent compound who'd been shot dead for picking up a cigarette tossed to him by an American.

Spinelli wants people to see the photographs and understand how prisoners survived their ordeal. Fourteen of his pictures were published in the Time-Life book Prisoners of World War II, in magazines and newspapers. He exhibits his work, some 200 of the best photos, whenever possible. His next scheduled showing will be at an ex-POW convention in Niagara Falls, N.Y., in October.

MARTIN LUTHER KING, JR., FEDERAL HOLIDAY COMMISSION ACT

SPEECH OF

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 17, 1989

Mr. HOYER. Mr. Speaker, I rise today in support of the Martin Luther King, Jr., Federal Holiday Commission Act. I would like to thank and commend the chairman of the Post Office and Civil Service Subcommittee on Census and Population, Congressman THOMAS SAWYER, and Congressman JOHN CONYERS for their dedication and commitment to making the Commission permanent.

In 1984, the Martin Luther King, Jr., Holiday Commission was established to inspire nationwide activities in recognition of the first Federal legal holiday honoring Dr. King. At that time, 29 States observed the birthday of Reverend King. This year, 43 States and over 100 foreign countries recognize and celebrate his birthday. Clearly, a diversity of cultures, races, and nationalities embrace the legacy and ideology of Martin Luther King, Jr., expressed most significantly by his philosophy of nonviolence in the civil rights movement.

If legislation is not enacted to make the Commission permanent, the Commission's authorization is scheduled to expire this month. As a result of the dedication and commitment of the Commission, the dream of Martin Luther King, Jr., is being realized by a new generation of young people. The Commission provides a broad variety of services to almost every segment of our society including, but not limited to, voter registration, educational youth conferences, community hunger programs, and drug abuse assistance. In addition, the Commission provides assistance to various State, municipal, and international organizations promoting peace and goodwill throughout our Nation and across international boundaries.

I am convinced that the Martin Luther King, Jr., Federal Holiday Commission will ensure that the legacy of Dr. King will be respectfully remembered and that his dream for all Americans to be treated equally regardless of race, creed, color, gender or socioeconomic status will come to pass. Therefore, I urge all of my colleagues to support the Martin Luther King, Jr., Federal Holiday Commission Act.

THE VALDEZ CONNECTION

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. MILLER of California. Mr. Speaker, "fierce storms, treacherous winds, fog, icebergs—and an ill-placed rock—make Alaska's oilport hazardous beyond belief. * * *"

If I asked you who first made that statement, you would probably guess any one of the officials looking at the recent Prince William Sound disaster. You would be wrong. That statement was made by Philip Fradkin, an author, in an article he wrote on "The Valdez Connection" for Audubon Magazine * * * in 1977.

There is a great deal of food for thought in the article. I urge you to read it carefully in light of the present events in Prince William Sound.

Let me highlight some of the problems Mr. Fradkin predicted—with great clarity and accuracy—in 1977. It is a tragic story of political manipulation, incompetence, and arrogant overconfidence.

The environmental impact statement for the Trans-Alaska pipeline glossed over the sea leg portion of the oil transportation system.

The close bonds between the Coast Guard and oil companies that had formed—and the combined technical expertise of these two groups—made it difficult, if not impossible, for the States and environmental groups to effectively challenge tanker safety requirements and regulations.

Despite repeated assurances from Interior Secretary Rogers C.B. Morton to the Congress during the debate on the pipeline that the tankers would have double bottoms, no such requirement was forthcoming.

The 1975 Coast Guard regulations for tankers were protested by the Interior Department and the Environmental Protection Agency because they did not include a double bottom requirement for tankers used in Alaska oil trade. Environmental groups protested, as well, alleging that the regulations were written behind closed doors with the help of study group put together by the American Petroleum Institute.

Senator Warren Magnuson also vigorously objected to the regulations and the manner in which they were developed in a letter to the Secretary of Transportation. Magnuson stated, "I am also concerned that the rules were developed in a manner that relied too heavily on the input of special interests * * *." Magnuson further expressed concern that the Coast Guard "strained to stay within the letter of a treaty—concerning tanker requirements—which had not been sent to the Senate for advice and consent, which is not intended to be exclusive, and which does not cover completely the problem of accidental pollution for ships."

Little was said or done about training or licensing of the tanker crews, even though 50 percent of collision and grounding areas are due to human error. A 1975 OTA report looked at the difference between training for airline and ship's officers and found that the "* * * contrast with aviation in the area of licensing is striking. Marine license in themselves do not assure competency."

The list of concerns goes on and on. As it turns out, the issues raised some 12 years ago are all part of the backdrop of this massive oilspill in Prince William Sound. They include: lack of appreciation and understanding of the hazards of tanker travel through the sound; inadequate standards for tanker safety and pilot training; an unwillingness or inability of anyone to play the "tough cop" with the industry; and, the unwillingness of industry and the Coast Guard to recognize the potential magnitude of the damage that might be inflicted upon the environment should an accident occur.

I urge you to take the time to read this article. It is about warnings we should have heeded, but did not. As we proceed with our inquiries into the Prince William Sound tragedy, we should remember Mr. Fradkin's warnings and, this time, pay attention.

THE VALDEZ CONNECTION

(By Philip L. Fradkin)

("Fierce storms, treacherous winds, fog, icebergs—and an ill-placed rock—make Alaska's oilport hazardous beyond belief; incredibly, no tanker has ever sailed into Valdez, and simulated tests predict calamitous results.")

I have ridden on enough commercial airliners so that the thrill, if not the fear, of flight has worn off. But on occasion, if the flight is to be in clear weather over scenic landscapes, I will disregard my cardinal rule to sit in an aisle seat and have the computer select a window seat. If I am lucky, it will be a window seat with something more than a view of the wing. Under these conditions the loss of easy access to the bathroom, legroom, freedom from claustrophobia, and the chance to be early out of the airplane on

landing is more than a fair trade. From 30,000 feet, what the land is and its uses by man become an exercise is visual rationality, if not altogether reasonable.

This flight from Anchorage on a January morning was one of the best of such experiences for me. The ticket agent had given me a view of half a wing, but the seat was on the side of the plane facing the land, rather than the empty Gulf of Alaska. Up in the late-morning winter sunrise, ascending over Turnagain Arm, across the Kenai Peninsula, east over Prince William Sound, and then that massive corrugated sheet of ice—the Columbia Glacier—came into view, ending abruptly in Columbia Bay, an arm of the sound.

Because I had been studying charts and maps of the area for the previous week, I strained to make out additional landmarks. Yes, there was Valdez Arm funneling into Valdez Narrows, surrounded by snow-covered peaks rising abruptly from the rocky shoreline—a typical glacier-carved fjord. My seat companion, an oil tanker consultant to the State of Alaska, jabbed at the view with his finger. "There, you can see it. A black dot in the middle of the channel." I was tempted to pretend to see what I knew I should be seeing. I tried to imagine seeing it. Then, I believe I saw it—the potentially deadly black dot of Middle Rock in the center of Valdez Narrows.

I am not the only one who has had difficulty seeing Middle Rock, nor am I likely to be the last. Seven years after selection of Valdez as the port from where the trans-Alaska pipeline oil will be shipped, it is just dawning on a lot of government and oil industry experts that there may be serious problems in getting supermarkets in and out of Valdez. There is a chance the supermarkets will go aground on Middle Rock or, more likely, wind up on the opposite shoreline while attempting to avoid it. That is, if they can first miss the icebergs floating in Valdez Arm. Fog or a whiteout from one of the frequent blinding snowstorms (average snowfall is 245 inches a year) would not particularly help matters on the approach. Winds up to 120 miles per hour gusting from different points of the compass also can stir things up.

No pilot has yet been trained to bring supertankers into Valdez. Moreover, if such a vessel strayed from the narrow tanker lanes in Prince William Sound, it would find itself in waters last charted in 1860. This interchange took place last year between a federal official and a veteran barge captain. Official: "On the published chart there is no difference between the 1860 survey of Prince William Sound and what we did in 1973, 1974, and 1975. So if you're outside those traffic lanes, you're on old survey ground." Captain: "We've surveyed a lot of those waters with our keels, you know."

The waters of the sound and, outside, the Gulf of Alaska are the stormiest in the Northern Hemisphere. One hundred-foot-high waves were once recorded on an oil platform in the Gulf. This is what the environmental impact statement records: "Adverse navigational factors are thick fogs, sudden wind and rain squalls and snowstorms, as well as the uncommon occurrence of floating glacial ice, 'bergy bits,' and extreme waves . . . During the winter months the Gulf has the highest frequency of extratropical cyclones in the Northern Hemisphere."

Those are the dry statements contained in a tedious document. Here is what one barge captain said of the winds in and around Valdez: "There's actually no way of getting any idea of how or why or where that wind is going to come from. And it funnels there at the Narrows. You'll get 60- or 70-knot winds right outside the Narrows, and inside Valdez Harbor you'll get 20 or 30 knots."

Add to all this the fact that the supertankers are going to be considerably less safe than what the Nixon Administration promised at the time of the passage of the trans-Alaska pipeline act, and the possibility of oil spills along the southern coast of Alaska, already rated high, is guaranteed to increase.

The real dimensions of the problems are not known since no vessel larger than 28,000 deadweight tons (DWT) has ever entered the port of Valdez. The ships that will haul the oil vary in size from 70,000 DWT to 225,000 DWT. "The difference is like piloting a Cessna 150 and a 747," said one tanker expert. The oil industry did not think trial runs were needed, and it sees its recent acquiescence to demands by the state and Coast Guard to one month of trials with a 120,000 DWT tanker as a public relations gesture.

In fact, no one has taken anything near a comprehensive look at the problems involved in getting the vessels in and out of Valdez and to other West Coast ports. Already there are 6,000 vessel movements a year through the Santa Barbara Channel in southern California. With the additional tanker traffic, new offshore drilling in the channel where the massive 1969 spill took place, and the possibility of explosive-prone liquefied natural gas tankers using a nearby port, the congestion will become acute. The Coast Guard plans no vessel traffic system for the area and has kept the designated traffic lanes within the channel although oil companies have said they prefer the safer outside route for one lane of traffic. Vessels do stay from designated lanes. A collision was narrowly averted recently in the Santa Barbara Channel when two large vessels found themselves traveling straight at each other in the same lane on a clear day.

The environmental impact statement for the trans-Alaska pipeline glosses over the sea leg portion of the oil transportation system, and since its issuance in 1972, all energies have been focused on building the pipeline and terminal in Valdez. The fault is one omission. For the oil industry, it has been due to overconfidence. The industry's maritime experts cite similar narrow harbor entrances elsewhere, but neglect to add all the factors together. The federal regulatory agency—the Coast Guard—has lacked aggressiveness and has been extremely cozy with the industry it is supposed to regulate. The record of the Nixon and Ford administrations is one of broken promises. The only entity that is due credit is the State of Alaska, which has issued a host of warnings, along with Washington and Oregon, that have largely been ignored.

Granted the issues of sea transportation of Alaska oil are immense, as they have been for the entire $10 billion pipeline project. At no time have domestic shipping and oil firms been called upon to furnish such a large fleet for transportation of oil from an area about which so little is known. Nor has the Coast Guard ever regulated the movement of such large vessels in such a hostile environment. However, the tremendously rich waters of southern Alaska, through which a variety of whales and millions of birds pass, are a poor place to experiment on such a large scale.

But I am getting ahead of myself. The destination of the flight out of Anchorage was unknown. Nominally, it was headed for Juneau, but for the second day the airport at Alaska's capital city was closed. It took us three days to make it into Juneau, and while I was flying around at 30,000 feet above Washington, Alaska, and British Columbia, I learned something about the nature of a regulator and those regulated since Coast Guard brass, Alaska bureaucrats, and oil company executives were on the same Seattle, Ketchikan, Yakutat, Cordova, Anchorage, Ketchikan, Seattle, Ketchikan, Juneau merry-go round. At the end of it we felt like Yo-Yos on a 30,000-foot cord and shared a sense of camaraderie.

There was, for example, the five-hour wait starting at 4 a.m. for the departure of the flight from Anchorage. (The next day a Japan Air Lines cargo jet was to crash at this airport, forcing its closure. It was not a good week for commercial flying in Alaska.) The wait was at a time when the Senate Commerce Committee was holding hearings in Washington, D.C., on oil tanker safety and the Coast Guard was taking its lumps on the East Coast. A Coast Guard officer came back from a rack holding a newspaper whose front-page headline proclaimed, "State Raps Coast Guard." It was silently passed around the ranks of gold-braided dark-blue uniforms until one officer remarked with some vehemence, "We have got to establish that we have the same goal."

Another high-ranking officer, a former master of a commercial vessel, commented, "What problem? You have to establish there is a problem. Why I was down in Texas, and they have these bumper stickers, 'Let the bastards freeze in the dark.'" Not all the Coast Guard brass fit the same mold. There was a younger officer who sat mostly by himself. He had taken his chances and widely circulated a controversial proposal that pilots be certified according to vessel size, instead of the present blanket certification for all tankers over 20,000 tons. He was later to take his lumps from industry and pilot representatives.

It struck me later than there was little difference in outlook between Coast Guard officers and oil company shipping experts, most of whom have been ship's masters at one time. Both groups are essentially conservative. They are not trained to take chances or quantum leaps. They revere authority and have developed elaborate systems within the ranks and on board to perpetuate it. Along with airline pilots, ship's captains and the military are the most self-assured professional groups I have met. All these factors add up to a commonality of style, which can form the strongest of bonds. At the Juneau meeting on pipeline tanker traffic to which we were all headed, the Coast Guard officers addressed the oil men as "captain," and the civilians replied with the appropriate rank of the given officer.

Against these bonds and the combined expertise of the two groups it has been impossible for other federal agencies, coastal states, and environmental groups to assert themselves with any effect in the highly technical field of oil tanker safety. But if ever this time has come, it is now in the wake of all the groundings, explosions, and sinkings of oil tankers in recent months.

Indeed, the Coast Guard's record of decision-making on tanker regulations raises the question of whether a military organization should oversee such a civilian activity. Inherent in such an organization are specific tours of duty, then a change just when

knowledge is acquired. An officer who has developed expertise working on vessel traffic systems the last few years remarked, "I will spend three or four years on this and become an authority. Then I will go back to sea duty. Someone will come into this position with no knowledge and have to learn all over again. That is the gap. We just do not have within our ranks the people with expertise in supertankers, so we have to go outside for it."

A former Coast Guard officer who worked in Washington headquarters and retains close ties with his ex-comrades took this longer view: "The Coast Guard has always had the job to protect men and ships from the sea. The ocean has always been the enemy. Now the Ports and Waterways Safety Act comes along and they have to protect the sea from dumb crews and antiquated vessels. In the first instance you have the industry and unions on your side. In the second it is the state governments and environmentalists versus the others." And the Coast Guard has had difficulty in adjusting to the new realities.

The Ports and Waterways Safety Act of 1972 was signed by President Nixon with this statement: "Under this act the Coast Guard gains much needed new authority to protect against oil spills by controlling vessel traffic in our inland waters and territorial seas . . . and by setting standards for design, construction, maintenance, and operation of tank vessels . . . The legislation provides a firm basis for the safeguards we will need to handle increased tanker traffic with minimum environmental risk." Thus the Coast Guard, whose primary mission had been search and rescue, found itself squarely in the business of setting standards for design and operation of oil tankers for the first time.

The next ringing promise came from Interior Secretary Rogers C. B. Morton who testified at a hearing of the Joint Economic Committee in 1972, "I am convinced that we must seize this opportunity to set new and exacting standards to govern the marine transport of American oil. This goal is worth accomplishing by itself; but, if our standards can set an example for solving the broader problems of international oil movements, we will have accomplished a task of long-range significance for mankind." Referring specifically to transport of Alaska oil, Morton said, "Newly constructed American flag vessels carrying oil from Port Valdez to United States ports will be required to have segregated ballast systems, incorporating double bottoms." Morton repeated these assurances during the debate in Congress on the trans-Alaska pipeline act during the summer of 1973. Few noticed that the Coast Guard, the agency actually charged with making the decision, was saying very little.

In January 1973 the Coast Guard published in the Federal Register an advance notice of rule-making, asking public comment on proposed regulations for segregated ballast and double bottoms on supertankers. The notice stated that final action would be delayed until after the Intergovernmental Maritime Consultative Organization (IMCO) conference in London later that year. The position the U.S. delegation took to the IMCO conference was formulated by the Coast Guard. It called for segregated ballast in vessels over 20,000 DWT and double bottoms.

Some words of explanation about this complicated field. Segregated ballast consists of separate tanks for ballast water only. This eliminates the chance of discharge of oil ballast waters in the seas. Double bottoms are two separate watertight shells along the bottom of a ship which protect against grounding accidents. A double hull is the same type of construction, only carried on up the sides of a vessel. Such construction on the sides helps prevent a spill if a tanker collides with another vessel or rams an above-the-waterline object. To complete the definitions, a gas inerting system is a method of filling empty spaces in oil cargo tanks with an inert gas. Such a chemically inactive gas eliminates the potential for an explosion created by petroleum fumes mixing with air. The oil tanker *Sansinena*, which blew up in Los Angeles Harbor on December 17th killing eight and injuring scores of others, had no such system.

At the London conference the U.S. position was overwhelmingly defeated. One participant said, "We were defeated on just plain economics. Nobody wanted to go for double bottoms except the United States." Another member of the U.S. delegation had a different interpretation. An Exxon executive told him the oil firm lobbied 22 countries before the vote. One U.S. delegate felt the Coast Guard did not advance its position forcefully enough. "The speed with which they retreated indicates there may have been some lack of resolve in the first place that easily could have been communicated to their colleagues in other delegations."

Be that as it may, the Coast Guard position was to weaken considerably from this point on. What has maddened critics both inside and outside government is the Coast Guard's insistence it cannot impose tanker requirements for segregated ballasts and double hulls stricter than those agreed to at the IMCO conference, nor can tougher regulations be applied to domestic vessels than foreign tankers. (The Jones Act requires that only vessels constructed in the United States be used in the domestic trade. If it is decided to ship Alaska oil to a foreign country, namely Japan, foreign vessels could be used.)

The position agreed to at London is binding on no one since neither the U.S. Senate nor the IMCO member nations have ratified the treaty. It calls for segregated ballast on tankers of 70,000 DWT, but it is not retroactive for vessels whose construction was contracted prior to January 1, 1976, and that requirement subsequently was adopted by the Coast Guard in late 1975. It will have little effect on the tankers to be used in the Alaskan trade, however. The construction of most of these vessels was contracted before the effective date of the regulations, and with the current glut of oil tankers it is unlikely that many new tankers will be contracted for in the near future. Because the oil may be hauled farther than originally thought—through the Panama Canal to Gulf of Mexico ports or to Japan—a second fleet of older tankers is taking shape. They include the *Manhattan*, built 16 years ago and later converted to test the feasibility of an Arctic Ocean route east for Alaskan oil, and last leased to haul grain to India and Bangla Desh. In 1975 the Coast Guard adopted requirements for gas inerting systems, but they were not made retroactive and only apply to vessels larger than 100,000 DWT. These regulations also will have little effect on the Alaskan trade. No regulations have yet been adopted for double bottoms.

Of the 31 vessels now scheduled to haul Alaskan oil, 13 will not have segregated ballast, 17 will have no gas inerting system, and 20 will not have double bottoms or double hulls. The reason so many were fitted out with safety devices that were not required was because at the time they were ordered in the early 1970s, it was thought the tougher regulations would be adopted. Additionally, what makes a mockery out of the Coast Guard's timidity is that chemical tankers and liquefied flammable gas carriers are required by IMCO codes and Coast Guard regulations to have double bottoms. Double bottoms are found on passenger liners, Navy ships, Coast Guard vessels, container ships, and dry bulk carriers. The supervisor of salvage for the Navy has stated, "I view the probability of a major salvage or pollution incident growing out of the grounding of a large, single-bottom tanker on an order of magnitude greater than for a double-bottom tanker."

Not everyone within the administration was happy with the Coast Guard's position. In August 1974, Interior Secretary Morton wrote the Coast Guard, "The proposed regulations do not, however, require new tank carriers to be constructed with double bottoms, regardless of whether or not the vessels are constructed for, or employed in, the Alaska oil trade . . . The Department of Interior must strongly take issue with this position as it relates to oil transported from Alaska." The Environmental Protection Agency wrote, "We feel, however, that no valid case was made for not including double bottoms in the regulations." But the opposing view was not pushed hard because, as one official said, "The bureaucratic tendency is to accept the views of your sister agency, particularly when they have some kind of expertise."

Environmentalists as a minimum requirement favored double bottoms but preferred double hulls. They did not like the proposed regulations, and eight organizations, including the National Audubon Society, fired off a letter to the Coast Guard pointing out that the regulations had been put together with the help of a "study group" organized by the American Petroleum Institute. It consisted of six representatives from major oil companies, one from a shipping industry trade association, one an independent tanker operator, and three government officials. The group, formed without public notice, met behind closed doors after the public comment period on the regulations had ended. The chairman was a vocal opponent of double bottoms.

Senator Warren G. Magnuson, chairman of the Senate Commerce Committee which has jurisdiction over oil tanker safety, wrote Transportation Secretary William Coleman, "I am also concerned that the rules were developed in a manner that relied too heavily on the input of special interests . . . Heavy reliance on special interest input in a public rulemaking process can only erode public confidence in our government." In the letter the Washington senator added, "Instead, the Coast Guard has accepted—on a political rather than a technical basis—the provisions of the 1973 IMCO conference as the basis of its regulatory actions. The Coast Guard strained to stay within the letter of a treaty which had not been sent to the Senate for advice and consent, which is not intended to be exclusive, and which does not cover completely the problem of accidental pollution from ships." Despite these protests, the regulations were finalized.

While most of the debate has focused on construction of vessels and there have been limited gains in this field, little has been

said or done about training and licensing. Over 50 percent of collision and grounding incidents are attributable to human error. The Congressional Office of Technology Assessment pointed out the differences in training and licensing of airline pilots and ship's officers in a 1975 report. Candidates for commercial pilot jobs average four years of college and 1,500 hours of flying time. On this base the airlines pile on their own training schools. After graduation, there are annual retraining sessions. Maritime academies graduate ship's officers, and from there it is mostly on-the-job training. "Relatively few shipowners have any formalized in-house training programs," the report goes on to state. "The contrast with aviation in the area of licensing is striking. Marine licenses in themselves do not assure competency. Licenses of airline flight crewmen come much closer to doing so in light of the extensive formal training and proficiency testing required, coupled with the tough hiring practices of the airlines."

Back to the Juneau meeting. Its genesis was a study conducted by the state's Office of the Pipeline Coordinator on a supertanker simulator at the Netherlands Ship Model Basin. The 160 runs on the simulator did not result in any firm conclusions, but they pointed for the first time in some interesting directions. Although some runs were made under extreme conditions when shipping would normally be closed, certain predictable difficulties were excluded. For example, reduced visibility was not factored into the simulated runs, and it was assumed that all the captains and pilots had previous experience on large tankers. No tugs with barges or fishing boats were placed in the channel, as might be the case under real conditions. Using a 165,000 DWT tanker, the vessel was run in and out of Valdez Narrows under a variety of conditions. The variables were wind, placement and availability of tugs, ballast or loaded condition, and power and rudder failure. Few of the runs followed the specific track down the center of the channel. Most wobbled from side to side, and some wound up on the rocks. One tentative conclusion was that Middle Rock was more a psychological barrier than a physical hazard, because in trying to avoid the rock, and in trying to veer on a dogleg turn at the northern end of the track, most captains overcompensated the ungainly supertankers and wound up on the east side of the channel or on the rocks.

The next set of runs on the simulator probably will be with the rock taken out, the dogleg straightened, and under conditions of poor visibility. The official Coast Guard position is that the rock has not yet been proven to be a hazard to navigation. The Corps of Engineers has estimated it will cost between $12 and $18 million to remove the rock with conventional explosives. The lower figure is to remove it to a 60-foot depth, the higher to 75 feet. The job would take about two years. With the rock out, the channel would be widened from 900 to 1,200 yards.

When the State of Alaska released the report on the simulator tests, the results shook up a few people. The Coast Guard called a first meeting for December 14th in Juneau, and the Alyeska Marine Advisory Committee told those attending that they did not plan to bring a tanker to Valdez for trials prior to the start-up of the pipeline. Alyeska Pipeline Service Company is the consortium of oil companies building the pipeline, but, despite the existence of the marine advisory committee, when asked to comment spokesmen for the company say its jurisdiction ends when a tanker casts off its moorings at the Valdez terminal. From that point on, Alyeska officials say it is a matter for the individual oil companies.

The Coast Guard minutes of the December meeting note, "With regard to maneuverability and other operational data on the TAPS tankers operating specifically in Valdez, industry expressed their intention to rely on existing data from other vessels in other port areas, contending that such data was sufficient and adaptable to the Valdez area." The minutes don't mention it, but tempers began to boil at this point. Charles A. Champion, the hulking state pipeline coordinator, recalled, "In the hall afterward I frankly threatened to punch a few oil people out. I had one by the tie and six backed up in a corner. I was using basic oilfield language. I went back with the admiral [John B. Hayes, commander of the Coast Guard in Alaska] to the hotel room of Exxon. The result of that meeting was that they came out basically to pacify me and decided to bring up a 120,000 DWT tanker for the trials." The Coast Guard minutes end with a note, "The meeting adjourned at 3:30 p.m." Then there is this addendum, in all capital letters: "At an informal meeting later in the day, the Alyeska Marine Committee advised the Coast Guard and State that, after reconsideration, actual tanker trials and further simulation studies would be conducted."

The program for the tanker trials was worked out at the January 13–14 meetings. In addition to assessing the danger of Middle Rock for the first time with a real, live supertanker, the *ARCO Fairbanks* will be used to determine wake damage, train pilots and masters, test the Coast Guard's new vessel traffic system, docking, anchorages, maneuvering in port, and positioning of tugs. Maximum publicity will be sought for the trials. And all this for only $20,000 a day in operating costs.

While a start has been made in dealing with the problem of Middle Rock, little has been done about the icebergs disgorged by the Columbia Glacier. A report by the U.S. Geological Survey (USGS) in 1974 noted that although the glacier was presently in a stable condition, it showed signs of being on the verge of a massive retreat. Under stable conditions, the report stated, "icebergs occasionally drift into the shipping lanes in northern Prince William Sound and the approaches to Valdez. Drastic retreat of the glacier would vastly increase iceberg hazards to shipping, especially to large, unwieldy vessels such as oil tankers." One estimate is that the amount of floating ice would increase tenfold; another cites up to 50 cubic miles of ice over the next 30 to 50 years.

A Coast Guard officer read an account of the report in a West Coast newspaper, and a meeting was called in Washington, D.C. There was talk, but nothing happened. The problem is bureaucratic. Nobody can figure where the jurisdiction of the USGS ends and Coast Guard begins in the case of a tidewater glacier. Subsequent funding requests for studies to confirm whether the glacier is about to retreat have been turned down within USGS. The Coast Guard has done nothing but consider air and ship iceberg patrols and a wild scheme to stretch a three-mile cable between Glacier Island and the mainland to keep icebergs out of the shipping lanes. This has never been tried before. There are doubts whether the cable could withstand the massive pressures of wind-driven icebergs.

Records kept by a Valdez cruise boat and the state ferry show the number of icebergs have increased in the last two years. USGS scientists, after two days on the glacier last summer, felt they had found additional evidence to support the theory that the glacier is on the verge of drastic retreat. Of 27 tidewater glaciers in Alaska, 26 have gone through such periods of retreats in historic times. Columbia Glacier is the only one not to do so. "Glaciers just sit and look pretty most of the time. It is hard for people to envision periods of rapid change," said one scientist.

The heads of the maritime divisions of the oil companies tend to downplay the danger of icebergs, but recorded testimony reveals that they have closely questioned Coast Guard officers about the availability of iceberg patrols. What worries ship operators are not the massive, obvious icebergs but the smaller pieces, nicknamed "bergy bits" and "growlers." Along with those larger icebergs which have a high rock content, bergy bits and growlers float low in the water and are difficult to spot. With moderate to high waves in storm-tossed waters, radar can be rendered useless as an aid in iceberg detection.

Disregarding these new factors, by some calculations the number of ship accidents and the volume of oil spilled could be two to three times higher for Valdez than for the Los Angeles area. Moreover, the consequences of a spill at Valdez would be more severe. The draft environmental impact-statement for the proposed pipeline project to take Alaskan oil from the port of Long Beach and ship it east states, "It should be reemphasized that Port Valdez supports very rich and diverse intertidal and subtidal communities . . . Port Valdez waters have not been severely degraded biologically as have Long Beach port waters. The low temperatures result in much longer oil-degradation times than for Long Beach. The probability of a major spill in Port Valdez Harbor is considerably greater than Long Beach. One may reasonably assume that the biological impacts at Port Valdez would be significant, but these are beyond the scope of this statement." The same could be applied to the waters of Prince William Sound, which a University of Alaska publication has termed "a resource of unique dimension . . . as yet unassailed by unmanaged human use."

Under adverse weather conditions the Coast Guard says it has the authority to shut down Port Valdez. But the question arises, how long can it remain shut down, and under what adverse weather conditions would the Coast Guard act? There is a maximum of eight days of tank storage capacity at the Valdez terminal. A slowdown or stoppage in the flow of oil through the 800-mile-long pipeline from the North Slope could congeal the hot crude oil. At one time the Coast Guard estimated the port could be closed for two weeks. An officer who has studied the problem said. "Any conditions we lay on them could have an adverse economic impact. We cannot have unnecessary delays. The government could affect the private economy. We are going to make sure the operation is safe enough, but not too safe."

Outside the port, the vessels are on their own. One report states, "Prolonged periods of fog . . . play havoc with the economics and logistics of the entire tanker transport system for Alaskan crude. There may be strong motivation for a ship's master to proceed through the fog: such pressures might

well work to increase the risk of collision or grounding.

As Champion predicted on the flight into Juneau, the day and half meeting was conducted in an atmosphere of "sweetness and light." In the wood-paneled courtroom on the ninth floor of the Federal Building, Admiral Hayes summed up the results: "Out of each workshop we have gotten specific areas of agreement. We have gotten further than I thought we would. I am just delighted with the input of industry." Champion, representing the state, commended the Coast Guard and the oil industry but cautioned it was only "a temporary commendation." The chairman of the Alyeska Marine Advisory Committee declined to comment at the open session.

And the flight out of Juneau was made on the first attempt.

CONGRESSIONAL SALUTE TO OUTSTANDING LABOR LEADER SAMUEL F. KINSORA, OF WAYNE, NJ, ON HIS RETIREMENT

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. ROE. Mr. Speaker, it is with great pride that I rise today to salute a truly great man from my home State of New Jersey who, for more than four decades, has been one of our Nation's preeminent labor leaders fighting for the rights of working men and women everywhere.

I am speaking of Samuel F. Kinsora of Wayne, NJ, who, for the last 23 years has served as the president and guiding force of United Food & Commercial Workers Local 1262 [UFCW] of Clifton, NJ's largest local labor union, and who is now retiring. To celebrate his many outstanding achievements on behalf of all workers, Samuel F. Kinsora will be honored with a retirement dinner on Saturday, April 29, 1989, at the Aspen Hotel-Manor in Parsippany, NJ.

Mr. Speaker, it is expected that an overflow crowd of more than 700 people will attend this noteworthy event, a number which includes numerous family members, friends, colleagues, and distinguished government officials. Most certainly, this will be a proud evening for Sam Kinsora, as it will be for his loving family; his wife, Kathy; his son, Michael, executive assistant to the president at UFCW Local 1262; his daughter, Peggy; his grandchildren, Brittany and Amesio Kinsora and Andrea and Jeremy Joseph, and his brothers, John and Robert Kinsora.

Sam Kinsora came to New Jersey from Michigan, where he matriculated at the University of Michigan, earning a degree in labor economics, and where he graduated Detroit College of Law. A veteran of the U.S. Marine Corps, where he attained the rank of major, he learned about the U.S. labor movement at a young age. His father served for many years as president of the Movie Projectionists Union in Detroit. Sam Kinsora became directly involved in the labor movement in 1948, first as a union business agent in Michigan and later in the service of the Retail Clerks International Association in southern California.

Mr. Speaker, Samuel F. Kinsora has been a dedicated trade unionist with UFCW Local 1262 for more than 40 years, having served as its president since 1967, a period during which this outstanding union has, indeed, flourished, thanks to his foresight, guidance, and strong leadership. Today, UFCW Local 1262 represents nearly 30,000 supermarket and retail store employees in the New Jersey-New York-Connecticut metropolitan area. Along with being the largest local union in New Jersey, thanks to Sam Kinsora's guidance, it is also the nerve center of the 1.3-million member United Food & Commercial Workers International Union, AFL–CIO.

Mr. Speaker, it is widely recognized that under Sam Kinsora's bold and innovative leadership, local 1262 has consistently negotiated labor contracts in the retail store industry that have continuously provided the finest in wages, health, welfare, pension, and other pacesetting benefits programs for employees.

Because of his many professional achievements, Sam Kinsora's aid has been enlisted on numerous occasions by the State of New Jersey. Among his many assignments on behalf of the State, he has served as a member of the Governor's Task Force on Unemployment, and as a member of a special energy crisis committee that dealt with the many problems faced by New Jersey and the Nation during the energy and gas shortage. Most recently, he has developed a plan of action that not only met New Jersey's energy conservation needs, but also provided ways of preserving the jobs of thousands of UFCW local 1262 members, as well as the jobs of many other workers throughout the State of New Jersey.

On a national level, Sam Kinsora's education in law and his expertise in labor-management relations have earned him special assignments from the UFCW International Union, including serving as chairman of the union's constitution committee. In addition, as a frequent member of the UFCW Overseas Study Program, he has gained worldwide experience, having traveled extensively to countries such as Israel, Austria, Japan, Iceland, and Portugal, among others.

Mr. Speaker, along with his myriad of accomplishments, Samuel F. Kinsora has always maintained a strong interest in promoting a wide range of educational opportunities for the young people of New Jersey. Under his direction, local 1262 has developed its own Scholarship Awards Program which, in the past 19 years, has awarded more than $300,000 in college scholarships to more than 400 outstanding students who have either been members of his union or dependents of union members.

Mr. Speaker, it is clear that through his efforts as a labor leader, a civic activist, an innovator, a strong supporter of education, a family man and a human being, he has truly made his State and our Nation, a better place to live. Mr. Speaker, I invite you and our colleagues to join me in saluting a truly outstanding human being, Samuel F. Kinsora, president of United Food and Commercial Workers local 1262 of Clifton, NJ.

DANNEMEYER MOTION TO INSTRUCT CONFEREES

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. KOLBE. Mr. Speaker, I have heard from over 1,300 seniors from my district about the Catastrophic Protection Act, twice as many as wrote concerning the congressional pay raise. This issue has also been raised at every townhall I have held since the first of the year. Of all this outcry, I can count on one hand those that have favored the Catastrophic Protection Act. This is not a few displeased constituents, this is the public yelling its outrage.

When President Reagan and Secretary Bowen started the ball rolling on catastrophic protection they had some pretty sound ideas. They wanted to reduce the out-of-pocket expenses incurred by Medicare beneficiaries suffering from acute illnesses. This would have been paid for by an across-the-board Medicare Part B increase.

The final product that emerged was a completely different animal indeed. We ended up with a mandatory package of tax increases for middle income seniors, expensive benefits that only a few seniors would be able to take advantage of, and no mention of the true catastrophic costs to seniors—long-term care. When I showed this legislation to the Arizona Association of Retired Persons and other senior advocacy groups they all told me not to support this legislation because it would hurt seniors more than it would help them. I am glad I took them up on this advice.

We have before us a chance to correct a big mistake. By supporting the Dannemeyer motion, we can at the very least reopen this debate. I know there are many in this body who support outright repeal or modifications to the Catastrophic Act. Supporting the Dannemeyer motion will give us the chance to review the facts surrounding this new law, and the public outcry demands that we do so. We listened to the people when they demanded a vote on the congressional pay raise, we must listen again and vote for this motion.

THE SANDINISTA ELECTION LAWS ARE UNFAIR

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. MICHEL. Mr. Speaker, at the heart of the bipartisan accord on Central America, which was the basis of legislation providing humanitarian aid to the Nicaraguan resistance, there was a call for free and fair elections in Nicaragua.

The Sandinista government shows no signs of wanting to provide such elections.

I signed the bipartisan agreement with the belief that the United States would not stand by idly when the Sandinistas dragged their feet in the process of democratization. A news article in the Washington Times quotes a

State Department official as being critical about the so-called election reforms. I'm glad to hear this, but the big question is: what are the cosigners of the bipartisan accord going to do about this most recent example of Sandinista intransigence? We cannot simply say all the right words about free elections and then not do anything when—as has become evident in recent days—the Sandinistas are making an open mockery of the process.

At this point I wish to insert in the RECORD, U.S. Calls Sandinista Election Laws Unfair, from the Washington Times, April 21, 1989.

[From the Washington Times, Apr. 21, 1989]

U.S. CALLS SANDINISTA ELECTION LAWS UNFAIR

(By Peter LaBarbera)

A State Department spokesman criticized Nicaragua's democratic reforms yesterday, saying the new laws won't lead to fair elections next February.

"The structure that has been passed in this legislation is not one that can lead then to further steps that would ensure the legitimacy of the elections," said State Department spokesman Richard Boucher.

Criticism of the Sandinista election laws was echoed yesterday by a bipartisan panel of eight U.S. election specialists and from anti-Sandinista opposition parties who said the proposals "guaranteed electoral fraud."

"We believe the new law will not provide an adequate foundation for a free and fair election in Nicaragua on February 25, 1990," said Penn Kemble, an election expert with the Nicaraguan Election Project.

The project—sponsored by the human rights group Freedom House—is composed of five Democrats and three Republicans who will monitor the election campaign.

In Nicaragua, meanwhile, a coalition of 14 opposition parties publicly expressed its "total rejection" of the Sandinista election law, which was approved by the Marxist Sandinistas' national assembly Tuesday.

"The Civic Opposition . . . denounces, before the Nicaraguan people and international community, the farce being promoted by the Sandinista regime," read the statement.

The critics chiefly object to a portion of the Sandinista law guaranteeing the regime's domination of the Supreme Electoral Council, which will oversee the voting process.

The Sandinistas have awarded themselves three of the five seats on the national council, as well as majorities on all its district branches.

Two other members on the supreme body will be picked from nominations by "opposition" parties in the assembly, but the regime is free to pick a candidate from the several "collaborationist" parties favorable to the state.

"That council, in order to achieve legitimacy, has to fairly represent the people of Nicaragua," Mr. Boucher said.

The reforms also ease restrictions on foreign funding of political parties, grant opposition parties access to state-run television and set a formula for the distribution of state campaign funds.

The Sandinistas rejected the advice of Venezuelan and Costa Rican governments, which sent teams to Managua that produced reports on the needed reforms. Both have called for electoral councils with two members each from the Sandinistas and genuine opposition parties, plus a fifth independent member.

Danny Lee McDonald, chairman of the Federal Election Commission and a member of the Nicaraguan Election Project, said yesterday that "without a balanced Supreme Election Council, we are not going to have a free and fair election."

Mr. McDonald, Mr. Kemble, a senior associate at Freedom House, and other members of the project visited Nicaragua on a fact-finding trip April 9-13. The group issued a report yesterday detailing other recommendations for a fair election.

Roberto Ferrey, a director for the armed Nicaraguan Resistance, said in an interview that Managua is "lying, cheating and playing tricks," but the international community isn't paying attention.

"If this were [Chile's outgoing leader Gen. Augusto] Pinochet, the international media would be crying out by now," he said.

Rodrigo Madrigal Nieto, Costa Rica's foreign minister, said that he was distressed by the Sandinista proposals.

"I cannot be left unconcerned because we can see that [Nicaraguan leader] Daniel Ortega is not complying with promises of giving guarantees to the opposition," Mr. Madrigal said.

Mr. Boucher said Washington hoped that differences between the Sandinistas and the opposition could be worked out.

"If they [the Nicaraguan government] are willing to sit down and work on this with the opposition, there's always opportunity to amend that or pass new legislation," Mr. Boucher said.

NUCLEAR POWERPLANT STANDARDIZATION ACT OF 1989

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. CLEMENT. Mr. Speaker, today I am introducing legislation that would amend the Atomic Energy Act of 1954 to encourage the development and use of standardized plant designs and to improve the nuclear licensing and regulatory process.

Standardization, accompanied by licensing reform, is the most important step that can be taken to ensure the continued growth of U.S. nuclear energy. Nuclear energy already supplies the Nation with nearly 20 percent of its electricity, replacing 680 million barrels of imported oil a year. It can, and should, play an even greater role in energy generation in the future.

The electric utility industry is expected to turn sharply toward greater dependence on oil electric generation. In fact, oil imports for electric generation could rise by 1 million barrels per day by 1990 and 3 million barrels per day by 1995. I feel that it is detrimental to our Nation to increase our dependence on imported oil from unstable and volatile regions of the world. But, unfortunately, current regulatory and legal constraints have discouraged the construction of additional nuclear powerplants, forcing utilities to turn back to oil and natural gas in order to meet our insatiable appetite for low-cost electricity.

I believe that we must once again look to nuclear energy as an alternative to oil. And, in particular, I believe that standardization would sharply improve the economics of nuclear powerplants. Standardization could reduce the capital cost of a nuclear plant by 55 percent, making nuclear energy competitive with oil facilities at oil prices as low as $9 per barrel.

Standardized nuclear powerplants will operate more safely and efficiently than current plants. Standardized plants are safer because of the rapid improvements in training, plant operation and maintenance made possible by sharing common experience with similar plants. That would be a big change from the current situation, where virtually each nuclear plant is significantly different from all other plants. One of the problems associated with the Tennessee Valley Authority's Nuclear Program was that many of the plants were custom built thus exacerbating the complexity associated with training, maintenance, and operation. As a former member of the TVA Board of Directors, I feel that if standardized plants were available 20 years ago, some of TVA's problems with its Nuclear Program could have been prevented.

Continued growth of nuclear energy is vital to U.S. energy independence and economic stability. By offsetting oil imports, nuclear power contributes directly to lower inflation and an improved U.S. trade balance. In fact, oil imports account for the largest item in our bloated trade deficit: $50 billion per year. Standardization would enable the United States to cut oil imports and cut our trade deficit.

The current licensing process prevents the early resolution of critical siting and safety issues, leading to cost overruns and construction delays. The end result is that nuclear plant costs have skyrocketed and construction schedules have risen from 5 to 12 years. In fact, the current two-stage process in the Atomic Energy Act of 1954 was drawn almost verbatim from the Federal Communications Act of 1934, which was the basis for the licensing of radio stations. I believe that it is high time that the United States had a licensing process for nuclear plants that was designed for nuclear plants, not radio stations. There is no reason why nuclear energy technology, which was developed in the United States, must fail in the United States. The French have used our technology and build the same powerplants in less than half the time it takes us to build and begin operating a plant.

The legislation I introduced would require a final determination by the Nuclear Regulatory Commission that construction and operation of a preapproved standardized design provides reasonable assurance of adequate public health and safety. Utilities proposing a standardized plant would receive a combined construction and operating license. This new licensing process would ensure rigorous commitments to quality assurance programs, adherence to construction schedules, and avoidance of custom plants.

This new licensing process would also boost public participation, since hearings would be held on complete designs before construction. Currently, public hearings are held before plant design is complete and after the plant is already constructed. Clearly, hearings at either of these stages are ineffective, since plant designs are unknown prior to con-

struction and unchangeable once the plant is completed. In order to improve public participation, hearings should be held after design is complete, but before construction. In that way, design changes can be made, if necessary.

The United States must reexamine its policies on nuclear power. Now is the time. The severe drought last summer forced us to consider ways to prevent further ozone depletion, global warming, and to address the greenhouse effect. I have already read predictions that this summer may be just as hot as it was during the severe drought that we experienced last summer. Significantly, even opponents of nuclear power have acknowledged a linkage, stating that we need to invest in research and development of new nuclear energy technologies. There is an emerging consensus that there is no way to separate energy policy from global climatic change and the greenhouse effect. Clean and safe nuclear power is a step in the right direction.

Although the NRC recently issued a final rule improving the licensing process, there is still a need for legislation. The NRC rule allows for a second hearing after plant construction and before operation. The NRC rule does not force the resolution of issues before plant construction, and we may end up exactly where we are today. I therefore urge my colleagues to cosponsor my legislation and push for its quick passage so that our Nation will once again be able to look to nuclear energy as an economically viable option to meet our future energy needs.

THE ASBESTOS HAZARD EMERGENCY RESPONSE AMENDMENTS

HON. JAMES J. FLORIO
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. FLORIO. Mr. Speaker, I am today introducing legislation to carry forward our efforts to eliminate the health threat posed by asbestos in the buildings where we live and work. This legislation, the "asbestos hazard emergency response amendments," builds on the model Congress enacted in 1986 for cleaning up asbestos in our Nation's schools.

Scientists have linked inhalation of microscopic asbestos fibers to cancer and asbestosis. An estimated 10,000 people will die each year for the rest of the century from these diseases due to past exposures; 60,000 claims for asbestos-related diseases are now on file in courts across the country.

Studies indicate that even very slight exposures to asbestos can be life-threatening. Not only do asbestos workers have a significantly higher than average incidence of cancer and asbestosis, their families do also—even children born after their parents have ceased working with absestos. Some of the experts most familiar with absestos-related disease say there may be no safe level of exposure.

Unfortunately, because its fire-resistant charasteristics were known before its dangers to human health were publicly understood, it was used extensively in insulating schools and other buildings, where ten of millions of Americans are now subject to exposure to it on a daily basis. The Environmental Protection Agency estimates that asbestos is present in 30 percent of our Nation's 110,000 schools and in 20 percent of all commercial and Federal Government buildings.

As we have learned of the dangers of asbestos, it has become increasingly clear that we must deal with the asbestos in these buildings. Schools have been the first focus of concern because children are especially sensitive to exposure and because, due to their youth, disease has more time to develop.

But the same dangers are also present in Federal, State, and local Government buildings, and in commercial buildings. In its February 1988 report to Congress, the Environmental Protestion Agency estimated that friable asbestos-containing materials—materials which are brittle and danger of releasing asbestos dust—are present in 20 percent of the Nation's 3.6 million Government and commercial buildings. This estimate includes 39 percent of the 14,000 Federal buildings, 59 percent of the 350,000 apartments of 10 or more units, and 16 percent of the 3.2 million private nonresidential buildings. Half a million of these buildings are estimated to contain asbestos that is already damaged.

In its report, EPA recommended against taking action now to require cleanup of asbestos in public or commercial buildings, although it did recommend applying certain AHERA standards to clean up work now taking place, such as requiring that the work be performed by accredited personnel.

EPA's reluctance to go further is reminiscent of one of its first acts under the new Reagan administration in 1981, which was to shelve a pending school cleanup proposal. EPA's history with regard to asbestos has been to recommend inaction, forcing the Congress to require action.

Before 1986, Federal law required only that schools survey their premises for asbestos and post notices if they found it. When parents, teachers, and school employees saw these notices and became justifiably concerned, schools were left to fend for themselves. If they instituted asbestos abatement work, it was often performed by people who did not understand the dangers of asbestos or the proper manner of handling it.

The result was increased threat of asbestos exposure. A 1985 EPA survey estimated that as much as 75 percent of all school cleanup work was being done improperly, dangerously releasing asbestos into the air. I was particularly alarmed by a photograph showing teenage boys in cutoff jeans ripping asbestos off walls and pipes in a New Jersey school, releasing clouds of asbestos dust with nothing to protect them from breathing it or keep it from contaminating the entire building.

The 1986 law—AHERA—was a direct response to these concerns. It set a timetable for schools to inspect for asbestos and formulate an effective plan for dealing with any asbestos found. And it required that people performing inspections or clean up and prevention actions be State-certified after EPA-approved training. Work remains to be done in assuring that schools are informed as to their responsibilities and options. But AHERA is our best hope to see that the threat of asbestos in our Nation's schools is removed with the maximum efficiency, speed, and safety and the minimum confusion and cost.

Meanwhile, exposure to asbestos poses the same threat in public and commercial buildings. Cleanup is already underway in many commercial buildings, spurred not by Government prompting but by market forces which are sharply devaluing properties known to contain asbestos. These cleanup activities are often proceeding with virtually no regulatory guidance to assure that the work is done safely and effectively by competent, trained personnel. Many States have no requirement that workers be accredited, that a cleanup plan be developed in advance, or that asbestos be safely removed and disposed of. And States which do have such requirements vary widely in the standards they impose.

As in past years with the unregulated school clean up, there are reports of untrained workers ripping asbestos from buildings with primitive tools and improper ventilation, with no notice to building occupants. The homeless have reportedly been hired off the street to perform this work. Bags containing asbestos waste have been found abandoned in warehouses, dumped in the Lincoln Tunnel, left in a hangar at the Newark Airport. Effective standards are needed to prevent asbestos abatement in these buildings from becoming a health and environment nightmare.

The Asbestos Hazard Emergency Response Act of 1986 responded to concerns about asbestos cleanup work being conducted in our Nation's schools by untrained people who did not appreciate asbestos' dangers or its proper handling. Similarly, my new legislation extends Federal standards to asbestos cleanup in Government and commercial buildings.

The bill places Government buildings on an inspection and cleanup schedule, with Federal buildings taking the lead; the standards would apply to private commercial buildings as building owners elected to undertake activities affecting asbestos. The bill establishes strong accreditation requirements for consultants, laboratories, and contractors to assure that the people to whom we entrust this sensitive task are highly competent and conscientious; it also establishes safeguards to assure integrity to the entire abatement process.

The accreditation requirements cover prior academic training and experience for both those who teach accreditation courses and their students; student-teacher ratios; classroom and hands-on instruction; the standardized exam; postcourse supervised work experience; and continuing education and annual work experience. Only the new continuing education and annual work experience requirements will affect people already accredited under AHERA.

EPA would establish standards and procedures for terminating accreditation in cases of incompetence, gross negligence, and intentional violations—something not provided for under AHERA.

The bill requires that building owners who use the same asbestos abatement firm for all phases of a project get an independent assessment of the plan developed under which the project will be conducted. Independent review is essential to ensure integrity, as the

General Accounting Office has found in its audit of Superfund projects.

The bill also requires EPA to develop a secure system for tracking transportation and disposal of asbestos waste, in order to assure that it is safely and properly disposed of.

The bill would establish an Asbestos Abatement Scientific Commission, to bring our country's best scientific minds to the task of determining the safety and effectiveness of the various asbestos abatement methods. EPA noted in its February 1988 report that it lacked such information. The Commissioners would be selected on the basis of special scientific education, training, and experience, nominated by the National Academies of Science and Engineering and appointed by Congress and the President.

Cleaning up the asbestos in our Nation's buildings will be a major undertaking, and an expensive one. But an increase of asbestos-related disease because of inaction or incompetent cleanup now will mean greater suffering and higher costs in the future. We must once again take the lead to see that the cleanup proceeds promptly and properly.

HONORING JULENE MOHR

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. PURSELL. Mr. Speaker, I would like to take this opportunity to congratulate Julene Mohr of Hillsdale on her election as the president for the Michigan Association of the Future Farmers of America.

Julene is a constituent of my congressional district and I would like to enter into the RECORD an article about her which appeared in the March 30 edition of the Hillsdale Daily News:

MOHR IS ELECTED STATE FFA LEADER

(By Jim Lyons)

CAMDEN.—The Michigan Association of the FFA elected Julene Mohr, Camden-Frontier junior to be its president for the coming year.

Mohr, who will be leading 120 chapters and 5,000 to 6,000 members of the state FFA into 1990, hopes to eliminate some of the stereotypes associated with the organization and bring in more students interested in the future of agriculture.

"One of the goals is eliminating the stereotypes," she said, noting that the FFA is not just farming anymore. With wide-ranging education programs, the organization is preparing FFA members for a job in the huge industry of agriculture.

While farmers make up a small percent of the population, food industries employ one in six Americans, Mohr said. To project the new image of the organization, group members at the national level changed the name from Future Farmers of America to its shorter moniker and are currently revamping other aspects to the agricultural education group.

"A lot of the ideas are staying the same," she said, but the appeal is being changed. Instead of vocational agriculture program, she noted, the national FFA changed the name to agricultural education to make the title more appealing, an improvement that may wipe away some stereotypes and bring more members into the group.

"In the past 10 years, our membership has dropped from 10,000," Mohr noted, adding that she hopes to gain some of those members back. But, Mohr noted, students don't know what they're missing if they don't get involved in FFA.

"Agriculture is something that can't really be ignored," she said. "When you look at your future, when you say no to the FFA . . . you're closing doors."

Beside membership problems, FFA members are eyeing their future and, like Mohr, exploring some of the complexities of agriculture. With federal farm program cuts a possibility and other legal and international issues threatening to have a larger impact on the local farmer, FFA can help develop the skills needed to face agricultural issues.

For Mohr, who someday hopes to work in agricultural law, possibly on the international level, FFA has given her a wider range of experience to meet coming challenges.

"I'd like to think that the FFA has made me more well-rounded," she said. "There are a lot of positive advantages."

Mohr has also helped break down another kind of agriculture stereotype, becoming the third woman to lead the state organization in its 61 years of existence. Having grown up on a farm, she said her agricultural experience hasn't been any different than that of a young man.

"Today, anyways, if you're willing to get out there and work . . . whether you're male or female shouldn't make a difference," she said. "We can do the job just as well and come off just as strong."

The FFA is an important part of Mohr's high school years, but not the only part by a far shot. Her involvement includes being class secretary since junior high school, participating in as many sports as possible, staying active on the year-book staff, Students Against Drunk Driving, 4-H and band, plus serving as the president of the National Honor Society.

"I keep myself really busy," she said.

Beside state problems Mohr has to be concerned with, local concerns will keep her and her organization busy, she said.

"Camden-Frontier is having a lot of problems . . . with their millage," she said. "The FFA is one of the programs that could be dropped."

For the future, Mohr plans to attend one of the larger universities in the state and study pre-law, with an emphasis on agriculture.

Mr. Speaker, I ask my colleagues to join with me in wishing Julene the very best as she serves in this important position of leadership.

WILL CONGRESS SUPPORT A NEW KIND OF STATEHOOD FOR PUERTO RICO?

HON. JAIME B. FUSTER

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. FUSTER. Mr. Speaker, a few days ago, Senator J. BENNETT JOHNSTON, chairman of the Senate Energy and Natural Resources Committee, and the ranking minority member, Senator JAMES A. MCCLURE, jointly introduced legislation providing for a congressionally authorized plebiscite in Puerto Rico that would enable voters to decide on the island's future relationship with the United States.

The choices in the plebiscite are among federated statehood, full independence, or an enhancement of the existing commonwealth status.

President Bush and some congressional leaders are already supporting statehood for Puerto Rico. I hope we will soon have the opportunity to find out just how strong their statehood support really is. Because what they seem to support, perhaps innocently so at the encouragement of some statehooders in Puerto Rico itself, is a new kind of statehood which the other 50 States do not enjoy. Is the Congress really prepared to offer this new kind of statehood? My constituents in Puerto Rico have a right to know.

A few years ago, Puerto Rico's principal leader of the statehood movement addressed mainland audiences to propose an intriguing statehood-for-Puerto Rico scenario. His proposal has become the mind-set for most statehooders in Puerto Rico. Since this proposal has never been rejected or qualified by mainland leaders such as President Bush and Congressmen who support statehood for Puerto Rico, statehood sympathizers in Puerto Rico have been led to believe that such a new kind of statehood is possible and that in due time Congress will offer it.

Thus, statehood leaders in Puerto Rico need not necessarily be blamed for their rhetorical flourishes and pie-in-the-sky prophecies, but such proselityzing by their colleagues on the national level is another matter entirely. Would Congress and President Bush really be prepared to accept, as statehooders in Puerto Rico argue, that Puerto Rico be admitted to the Union with Spanish as our official language, with our own limited international personality preserved, paying no Federal income taxes during the first 20 or 30 years of Puerto Rican statehood while at the same time the Federal Government assumes Puerto Rico's current external debt of over $12 billion? Would they accept statehood to be portrayed as the panacea for the many complex and intractable social and economic problems that Puerto Rico has suffered for centuries?

I think this new kind of statehood is an illusion, but statehood leaders in Puerto Rico operate in this Alice-in-Wonderland milieu in part because their sympathizers on the national level, who should know better, not only do not contradict them but actually offer strong support to their efforts.

These questionable contentions by statehooders in Puerto Rico should be subject to close scrutiny by Congress. The people of Puerto Rico have a right to know in advance of the plebiscite whether statehood will in fact be granted with such unusual conditions.

I ask my colleagues to reflect upon this matter as they hear more and more about a referendum on Puerto Rico's political status options. And I particularly ask those who are sympathetic to statehood not to ratify by silence the more preposterous assertions about a new kind of statehood for Puerto Rico that bears little resemblance to that of the other 50 States, unless they believe that such statehood is possible.

WASTE TRANSFER

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. RICHARDSON. Mr. Speaker, today I am introducing legislation that would prohibit the transfer of solid waste from one State to another without prior consent from the State in which the waste is to be disposed.

The Nation is faced with ever increasing amounts of solid waste while available landfill space is rapidly decreasing. Since 1978 an estimated 14,000 solid waste landfills, or 70 percent of those operating at the time have closed. The Environmental Protection Agency predicts that of the 6,500 landfills operating today, more than 2,000 will close within 5 years. Without question a solid waste management crisis exists in the United States.

The acute shortage of landfill capacity in regions throughout the country has forced some States to search for alternatives outside their own borders. Obvious sites are those States with vast amounts of open terrain. Unless these States have strict regulations governing waste disposal they are attractive targets for those States wishing to transport waste across the borders.

New Mexico, with its weak waste management regulations, vast open space and sparse population, is a classic example. Private waste management firms from across the country are attempting to open new landfill sites in the State because they have to comply with few environmental regulations. As a result, fears are mounting within the State that New Mexico will soon become the Nation's dumping ground.

The New Mexico State Legislature attempted to address this problem by tightening the State's waste-management laws. Legislation was introduced and passed that would have established a comprehensive statewide waste-management program and required an increase in recycling, safer handling of hazardous wastes and careful monitoring and protection of groundwater. The regulation system was worked out by representatives of local governments, the environmental community and various industries. Despite 2 months of negotiation, the effort was blocked by the Governor's veto, leaving the State unprotected.

I am introducing legislation that would give New Mexico, and other States in a similar position, the right to refuse the interstate transfer of solid waste. Specifically, the legislation would prohibit the transfer of solid waste in excess of 100 pounds from one State to another State for disposal, unless the State in which the waste is to be disposed of has given prior consent. Any person who knowingly violates the prohibition will be subject to a fine of not more than $25,000.

I am very concerned by the prospect of New Mexico and similarly situated States receiving large quantities of solid waste from States that can no longer dispose of the waste they produce themselves. Huge new landfill sites could have a very damaging effect on New Mexico.

First, New Mexico, the "Land of Enchantment," is known for its inherent beauty and healthy living. New Mexicans should have every right to maintain this high quality of life. I want to make sure these standards are not diminished.

Second, the State does not have sufficient waste-management regulations to dispose of solid waste safely. The State has only two rules: First, a landfill must be at least 20 feet above the groundwater level; second, it must be located and operated so that it does not cause a public nuisance or create a hazard to public health or welfare. A mere 20 feet above the groundwater level will not prevent landfill seepage from contaminating the water. Furthermore, the State has no regulations to protect against emissions of methane and volatile organic compounds released from landfills. In order to assure public safety, comprehensive waste-management regulations must be put in place before New Mexico considers new landfill sites.

Finally, the business community is concerned that imports of solid waste will discourage new businesses from locating in New Mexico. Much of New Mexico's economy is based on tourism because of the State's natural attractions. This sector could be hampered by the site of huge new landfills across the State. While the waste-management firms argue that they will bring new jobs to New Mexico, many people are concerned that these are not the type of jobs New Mexico wants to attract.

I urge my colleagues to support this legislation as we consider the Resource Conservation Recovery Act in Congress.

A TRIBUTE TO COL. LINDA K. SINDT

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. FAZIO. Mr. Speaker, I rise today to pay tribute to Col. Linda K. Sindt who is retiring from the U.S. Air Force on May 31, 1989. Colonel Sindt serves as the director of personnel for McClellan Air Force Base in Sacramento, CA. McClellan AFB is the largest employer in northern California. For almost 24 years, Colonel Sindt has served her country with dedication and enthusiasm.

Supervising 220 employees and providing support for 14,000 civilian and 3,800 military requires commitment, intelligence, and great understanding. She has provided trained personnel to support the Sacramento Air Logistics Center's mission of keeping combat ready such aircraft as the F/EF/FB-111, A-10, F-4, and C-12 as well as surveillance and warning systems, radar sites, space systems—for example, the space shuttle—missile tracking stations, and airborne and ground generators. This mission reaches far beyond the confines of the base, with its geographical responsibilities encompassing the Western States and dozens of countries in the free world.

Colonel Sindt is a recognized authority on all aspects of military and civilian personnel management. She developed strategies to deal with the most drastic reductions in civilian personnel in this command in the past 10 years. Internally, she managed a severe cutback in assigned strength with minimum impact on morale and efficiency. She handled enlisted reductions, selective reenlistment bonus cuts, civilian personnel turmoil, and plans for the new Officer Professional Development Program and enlisted evaluation system with characteristic aplomb and efficiency. Under her direction, the consolidated base personnel office earned two unprecedented excellent ratings during the Air Force Logistics Command mobility capability inspection, and the civilian personnel office was selected as the best in the Air Force.

Colonel Sindt has received many awards and decorations during her tenure with the U.S. Air Force. She has been awarded the Defense Superior Service Medal, Defense Meritorious Service Medal, Meritorious Service Medal—fourth Oak Leaf Cluster; Air Force Commendation Medal—second Oak Leaf Cluster; National Defense Service Medal, Vietnam Service Medal—third Bronze Star devices; Air Force Overseas Short Tour Ribbon, Air Force Overseas Long Tour Ribbon—second Oak Leaf Cluster; Air Force Longevity Service Award—fourth Oak Leaf Cluster; Small Arms Expert Marksmanship Ribbon, Air Force Training Ribbon, Republic of Vietnam Gallantry Cross with Palm, and the Republic of Vietnam Campaign Medal.

Colonel Sindt's achievements go beyond her work at the base. She was highly praised for her work in representing the Sacramento Air Logistics Center Commander in coordinating military support for the Sacramento Camellia Festival. She was an active supporter of the Air Force Association, McClellan Management Society, and served as chairman of the Chapel Protestant Fund Council. In the face of a tremendous workload this talented leader made her mark at Sacramento and McClellan Air Force Base.

I would also like to mention the special relationship Colonel Sindt shares with my Sacramento office. She is always available, helpful, professional, and friendly. On behalf of my constituents, my staff and myself, I would like to thank her for the assistance and direction she has given to us all over the years.

I know my colleagues join me today in the sincere best wishes in Colonel Sindt's future endeavors. Colonel Sindt's devotion, skill and extraordinary contributions to the public sector and the military community are a shining example to individuals committed to a quality work force. I would like to extend my best to Colonel Sindt and her husband Duane.

RECOGNIZING WORLD POPULATION AWARENESS WEEK

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. MOODY. Mr. Speaker, we have a population crisis. Too many people live in places without the resources—economic, social, or natural—to support them while the rest of the world recklessly consumes more than its

share. This has devastating consequences. Witness the environmental problems covering our cities with smog, exacerbating killer droughts and floods across the globe, and making our water unsafe to drink or even swim in. Look at the diseases without known cures which quietly kill millions of people, and look at preventable and curable ills such as dehydration and diarrhea that kill millions more.

We need to take action on all these fronts now, and we can have visible success on some in the short term. For instance, about 50 percent of the 10 million infant deaths and 25 percent of the 500,000 maternal deaths each year could be prevented if voluntary means of child spacing and maternal health programs were expanded to meet minimal needs in developoing nations. It's an inexpensive, safe, and direct way of saving lives.

Last year the House passed House Joint Resolution 48 to designate the week of April 17, 1988, as World Population Awareness Week. Forty Governors proclaimed the week and every State held events urging citizens to consider the implications of rapid population growth throughout the developing world.

Today Representative JOHN PORTER and I, along with 53 of our colleagues, are introducing a similar resolution designating the week of October 22, 1989, as World Population Awareness Week. Congress can show its commitment to bettering the quality of life for people world wide by again passing this resolution.

Rapid population growth in countries unable to provide even basic services to their constituents has global implications. World population is now more than 5.1 billion, and it grew by an unprecedented 92 million last year. At current rates, our human numbers will reach 6 billion within 10 years and 10 billion in 40 years. Ninety Third World nations are expected to double their populations within 30 years, and with 50 percent of their citizens younger than 16 years old, it is obvious why. There is a clear link between rapid population growth, illness, resource depletion, and environmental deterioration.

This grave outlook calls for a renewed leadership by the United States and other industrialized countries. About 500 million women in the developing world want and need family planning but lack access to it. They only want to exercise their right to have the number of children they can support. Increasing access to voluntary family planning saves lives and improves the quality of life, and it is essential for those countries struggling with social, economic, and environmental problems.

I urge my colleagues to support this important resolution.

BRING BACK THE ANTISMOKING ADS

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. BEILENSON. Mr. Speaker, today I am introducing a resolution which calls upon the Nation's radio and television broadcasters to renew the antismoking campaign of 1967–1971 during which government and private health organizations were provided free air time for public service announcements depicting the health hazards of smoking.

In 1967, the Federal Communications Commission ordered radio and television stations to allow time for antismoking advertisements to counter cigarette ads. The decision was based on the fairness doctrine which requires that broadcasters give time for conflicting points of view on public issues.

Those ads were enormously successful in educating the public about the dangers of cigarette smoking. Memorable slogans such as "Like father, like son," and "Next time someone you love wants a cigarette, give them a kiss instead," encouraged millions of people to quit smoking, and essentially served to deglamorize the habit for a whole generation of young people. There is no doubt that tens of thousands of smoking-related deaths were prevented because of this counteradvertising campaign.

However, when Congress, at the urging of the tobacco companies, banned cigarette advertisements from radio and television in 1971, the antismoking messages were also dropped. As a result, in the years immediately after Congress instituted the ban on cigarette advertising in the electronic media, overall cigarette consumption went up, not down.

The reasons for devoting modest amounts of TV and radio air time to an effective antismoking campaign could not be stronger. Cigarette smoking caused more than 390,000 American deaths last year. It is, far and away, the single most preventable cause of death in the United States.

Cigarettes cause more deaths than heroin, cocaine, alcohol, fires, automobile accidents, murder, suicide, and AIDS combined. Surgeon General C. Everett Koop estimates that smoking is responsible for 30 percent of all heart disease, 30 percent of all cancer deaths, and 80 to 90 percent of all chronic lung disease. And smoking by pregnant women is a major cause of premature birth, fetal injury, and low birth weight.

Indeed, as the Surgeon General asserts, "There is no single more effective action a person can take to reduce the risk of cancer—and of dying from it—than to quit smoking, especially cigarette smoking."

Most disturbing is that while smoking among adults has decreased over the past two decades, smoking among young people is again on the rise. Studies done in 1985 show that one-third of high school seniors still believe that smoking a pack of cigarettes every day poses no serious health risk.

According to the Surgeon General's 1989 report, a majority of smokers pick up the habit during childhood and adolescence, and the average age of initiation is falling steadily. Studies show that smokers who begin in their teens are more likely to be heavier smokers as adults, and are less able to quit. To reverse this trend, the Surgeon General warns, smoking prevention education needs to begin in elementary school.

Clearly this trend can and should be reversed through an effective media-sponsored antismoking campaign, The best, most effective way to discourage cigarette smoking is to better inform the public, and especially young people, about the known dangers of smoking.

Mr. Speaker, the Nation's broadcasters, as users of scarce public airwaves, are required by law to serve the needs and interests of the community. They once played an extremely effective role in educating the public about the known and avoidable dangers of cigarette smoking. Bringing back those antismoking ads is an effective, positive, and noncontroversial way to discourage smoking, and it will help ensure that ignorance does not continue to play a role in the epidemic of disability, disease, and death caused by cigarette smoking.

I urge my colleagues to join me in supporting this important resolution.

KENNETH R. KELLER: NOMINEE FOR THE AFLC DISTINGUISHED CIVILIAN SERVICE AWARD

HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. HANSEN. Mr. Speaker, everyone involved at Hill Air Force Base knows Kenneth R. Keller, my constituent, and a nominee for the AFLC Distinguished Civilian Service Award, was involved in everything.

Mr. Keller has been more than a devoted public servant. For the past 25 years, his exceptional management of personnel and resources has placed him in the forefront of contracting at the Ogden Air Logistics Center. His dedication to improving and developing contract actions led to successful program execution initiatives and advances in automation. Mr. Keller has unique and special leadership abilities, but beyond that, I would say that he has shown he cares in a very special way for Government, its people and its future.

Mr. Keller's professional skills has helped shaped the Air Force financially. Millions of dollars have been saved by his early intervention in the ICBM motor refurbishment and maintenance program for the Minuteman and Peacekeeper missiles. He directed acquisition methodologies and maximized the positive impact of multiple year contracting while still achieving one of the major contracting goals—competition.

There are givers in this world and there are takers. Mr. Keller is a giver. Whenever the need would arise, Mr. Keller answered the call. He has never hesitated to change direction or to focus to meet mission demands. When someone had a problem in contracting, the first person they would call was Kenneth Keller. When the Air Force issued the Program Management Directive in 1985 phasing out an entire enlisted career field for simulator maintenance, Mr. Keller stepped right in and made certain there would be a smooth transition to contractor logistical support.

Mr. Speaker, many owe him much, but he is doing what comes naturally. What gives him joy is giving back. He is one of a kind, and his legacy of achievements will benefit the community and the Air Force well into the future. Mr. Keller will be retiring from the Air Force on April 28, 1989, after 37 years of distinguished

service. Truly, he is deserving of this most prestigious award. I am honored to mention his name inside the walls of this institution, which reflects the same values and qualities admired so much by Kenneth Keller.

A TRIBUTE TO BROADCASTERS CHARLOTTE PETERS AND BOB OSBORNE

HON. JACK BUECHNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. BUECHNER. Mr. Speaker, broadcasters from around the State of Missouri gathered this past weekend in Columbia for a regional meeting cosponsored by the Missouri Broadcasters Association and the Missouri Radio-Television News Directors Association.

When the conversation turned to those who have made great contributions to the industry but have now passed on, I'm certain that two venerable St. Louis area names surfaced—Charlotte Peters and Bob Osborne.

These are people who, by virtue of their personal strength, determination and dedication to the highest principles, created a standard by which future generations of broadcast professionals, whether in news or entertainment, will be judged. I'd like to take this opportunity to recall their careers and highlight their accomplishments.

Charlotte Peters, a pioneer who broke into television when the industry was in its infancy, began her career with a show titled "To the Ladies." It quickly became apparent, however, that the appeal of this flamboyant, energetic personality should not, and could not, fall within the sole province of only one segment of the viewing population. The show was soon retitled "The Charlotte Peters Show" and she was off on a 23-year love affair with the public marked by dashes of slapstick comedy, doses of pantomime, splashes of Ethel Merman-type songs and truckloads of opinion.

Over the years, Charlotte and a host of guests entertained St. Louis residents by zeroing in on the funny bone. More times than I can count, I found myself moving from smile, to chuckle, to loud laughter watching this one-woman tour de force.

Charlotte's roster of guests read like a Who's Who of the entertainment industry. I'm thinking of such people as Bob Hope, George Raft, Don Ameche, Robert Goulet, Guy Lombardo, Danny Thomas and, yes, even the Three Stooges. I'd also like to point out that in its last 2 years of existence, this was one of the few locally produced daytime shows anywhere in the country.

Given all this, I suppose it shouldn't surprise anyone to hear that even during a memorial service last December, Charlotte Peters managed to blaze a new trail.

A video tape of her old shows featuring some of her more outrageous bits was played in Memorial Hall and, true to form, Charlotte "left 'em laughin'." No one watching these treasures could resist a giggle or two, despite the surroundings. As her daughter, Patricia Schwarz said in an interview, "This is the way mom would've wanted it."

As much as Charlotte Peters made television her life, KMOX program director Bob Osborne was a fixture to St. Louis radio and his death, also in December, leaves a void that will be difficult to fill.

Bob, or "Ozzie" as he was known to his colleagues, first came to the attention of St. Louis listeners in 1960, after scoring professional successes in Hartford, CT.

Bob first took to the Missouri ether with station KWIL-FM, starting as an on-air talent, but eventually serving as both program director and station manager. He oversaw the transition from rock 'n' roll to a middle-of-the-road format.

In November 1968, he moved to station KMOX-FM—now KLOU—displaying the same front-office versatility, the same on-air capability that made him invaluable elsewhere.

The people of St. Louis will long remember Bob's comfortable style with the Saturday morning buy and swap show, the "Trading Station." And then there was his Friday evening popular music offering, "Compact Corner." Most recently, he was the familiar voice associated with the KMOX daily morning show featuring a combination of music, interviews, and feature reports.

For sheer depth of knowledge about music, few could rival Bob. As his longtime friend and fellow jazz lover Charlie Menees said, "He knew all types of music, and he was one of the first radio people to realize the value of the compact disc." He was also an early advocate of stereo sound for AM radio.

If you ask his coworkers for a description, there are two words that crop up repeatedly—kind and patient. He was a man who took time to talk and, perhaps more important, listen. Maybe that's why he was so well respected and, yes, loved.

There are some who say that he was responsible for making his station the "Voice of St. Louis." For many of us, however, Bob Osborne was the voice of St. Louis.

A BILL TO SUPPORT THE PRIBILOF ISLANDS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing legislation which will ensure that the Congress keeps a promise made to a group of Alaskans.

For those Members not familiar with the history of the Pribilof Islands, let me explain that they are the center of one of the darker parts of U.S. history. The two islands—St. Paul and St. George—are home to approximately 750 individuals, as well as millions of seabirds and marine mammals. These two volcanic rocks were settled in the 18th century when Russian fur traders forced a number of Alaskan Aleuts out of their homes and carried them to the islands so that they could supply seal pelts for the Russian fur market. The Aleuts were kept in slavery until Alaska was sold to the United States in 1867. Unfortunately, the term "land of the free" was not applied to the Aleuts; in fact, they continued to be kept in salvery by American merchants and later the U.S. Government until the 1960's. By this time, the Aleuts had become virtual wards of the U.S. Government, with their only livelihood being the harvest of fur seals, whose pelts were sold under a treaty between the United States, the U.S.S.R., Japan, and Canada.

In 1983 and 1984, the U.S. Government dealt the residents of the Pribilofs another near-fatal blow. First, the Congress passed the Fur Seal Act Amendments of 1983 (Public Law 98-129), which ended Federal support of the islands in exchange for a lump sum of money. Although this legislation did not ban the commercial seal harvest, it did seek to establish on the Pribilof Islands "a stable and diversified economy not dependent on commercial fur sealing." The Congress dropped the other shoe in 1984 when the Senate refused to extend the North Pacific Fur Seal Treaty, thus ending commercial sealing. Thus, in a 2-year period, Congress radically altered a way of life that had existed—for better or worse—for over 200 years and left a group of American citizens to fend for themselves in the middle of the Bering Sea.

Since that time, the people of St. Paul and St. George have made every effort to continue their lives and comply with the law. Since the Pribilofs are located in the middle of the rich commercial fishing grounds in the Bering Sea, they have worked hard to develop boat harbors and a commercial fishery. Unfortunately, that avenue may also be denied to them.

Recently, the North Pacific Fishery Management Council has begun considering a plan to limit fishing in the Bering Sea in order to conserve fish stocks and prevent what some view as a potential economic collapse of the fishery. If the Council adopts—and the Secretary of Commerce approves—a limited entry plan, then it is very likely that the Pribilof Islands will be excluded, as they have only a limited history in the fishery. Thus, further hopes of economic self-sufficiency may be crushed.

The bill I am introducing today will help to alleviate that problem by granting the Pribilofs a portion of that fishery if a limited entry program goes into effect. This special allocation will be made in recognition of the unique relationship between the Pribilofs and the U.S. Government. In order to allow the Aleuts time to become full partners in the fishery, it permits them to transfer the allocation, with certain restrictions, for the first 5 years that it is in effect. Subsequently, they will have to use the allocation themselves or it will go back into the common pool to be available to all fishermen in the Bering Sea. Again, the bill only applies if a limited entry program goes into effect.

The Government of the United States has treated these people cruelly, and they deserve our help. I hope that the Members of this body will join with me in correcting a great injustice.

A NATIONAL AWARD FOR SONORA UNION HIGH SCHOOL

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. LEHMAN of California. Mr. Speaker, I rise before my colleagues today to commend Sonora Union High School for receiving a national award given by Reader's Digest, and four of the largest education associations in America—the National Association of Secondary School Principals, National Education Association, National Association of Elementary School Principals, and the American Federation of Principals. The award recognizes principal Ed Duggan, student activities director Steve Southard, counselor Tod Prouty, physical education teacher Barbara Smith, drafting teacher Charlie Clyde, and music teacher Pat Sieben for their dedication, enthusiasm, and commitment to Sonora Union High School.

Mr. Speaker, it was only 2 years ago that Sonora Union High School was in serious trouble. The dropout rate was 30 percent, test scores averaged in the 30's on a 1 to 100 scale, students were selling drugs on school grounds, there were gang fights in the halls, and in 1 year, five students had committed suicide. However, with the leadership of Ed Duggan, the new principal, and with the support and commitment of the entire staff, Sonora Union High School has effectively combatted these problems through innovative and creative programs.

They have implemented many programs designed to challenge, encourage, and motivate the students in all facets of their lives. They have instituted a peer counseling program, suicide prevention and awareness classes, a drug diversion program that operates with the city, a community service club to encourage students to volunteer, and a weekly award that recognizes students who challenge their limits. Mr. Duggan, with the help of the entire staff, has involved all aspects of the community and has encouraged the participation of parents in their children's education. Not only does the curriculum include classes for students who wish to pursue a postsecondary education but it also offers elective vocational classes. These classes encourage students to obtain the technical training skills necessary to prepare them for entering the job market after graduation.

In this time of huge budget deficits, with not nearly enough money going to education programs, it is extremely gratifying for me to have a school in my district that has developed such innovative and effective programs to combat major social and academic problems. Their success is well documented; the dropout rate is 1 percent, the average test scores are up to 80 percent, and the school spirit has never been higher. Mr. Speaker, today I commend and congratulate Sonora Union High School. They are truly a model school for the entire Nation.

FOR THE RELIEF OF CATHERINE ANN BARDOLE

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. OWENS of Utah. Mr. Speaker, today I reintroduce a bill for the private relief of Catherine Ann Bardole, also known as Kathleen Bardole. Mrs. Bardole is originally from Ireland, where she legally separated from her husband in 1976, and obtained custody of her two daughters. Several years later, she married Dr. Frank Bardole, an American citizen, and subsequently obtained permanent resident status in the United States.

After her remarriage, Mrs. Bardole's former husband in Ireland retained a Utah attorney in an attempt to regain custody of his children. This attorney was successful in securing a protective service pickup order from the court, which is normally issued in cases where one parent fears the other will flee with the children. While there was no indication whatsoever that Mrs. Bardole intended to flee, her children were nevertheless taken into protective custody. Shortly after this, Dr. Bardole died tragically in his office, leaving her a widow.

To compound Mrs. Bardole's misfortune, the immigration agency which was responsible for filing her papers with the Immigration and Naturalization Services failed, out of sheer negligence, to submit her forms by the specified deadline. As a result, the Bardole family faced immediate deportation.

Mrs. Bardole is an excellent teacher and has made a new life in the United States, where she planned to live and work with her husband. The injustice of this situation has made her case the focus of a great deal of concern in Utah. She has been the subject of numerous newspaper articles and television reports, and my office has received countless letters and petitions on her behalf. Mrs. Bardole and her children are productive members of our society, who ask nothing more than to remain in their home. Her deportation would result in a grave injustice, and would deprive our community of a fine, productive family.

I urge my colleagues to join me in an effort to provide special relief to Kathleen Bardole. The bill I introduce today will allow her to attain permanent resident status and to continue her life without further disruption.

A TRIBUTE TO HON. DONNA T. MORRIS

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. SCHUETTE. Mr. Speaker, I rise today and ask my colleagues to join me in honoring the Honorable Donna T. Morris, judge of probate in Midland, MI, on the occasion of her name being added to the Book of Golden Deeds.

Each year, the Exchange Club of Midland, MI, honors an outstanding citizen of the community by adding their name to its Book of Golden Deeds. This year, on April 25, 1989, the Exchange Club is honoring the Honorable Donna T. Morris for her many contributions to the Midland community.

Donna's first husband, Mr. John C. Morris, served as the Midland County probate judge. Together, Donna and John were very active with the troubled youth of the area. With their support and leadership, the Morris' former house was converted into a home for abandoned, neglected, and abused children called Harbour House.

Despite many adverse circumstances in her personal life, Donna managed to go back to school and obtain her juris doctor in 1977. She then returned home and in 1979, was elected Midland County probate judge. In that office, she has earned an impeccable reputation for fairness and is widely admired throughout the Midland area.

Donna has managed to overcome the obstacles in her life and accomplish what few people are capable of. Donna is responsible for securing funding sources for community agencies to establish much needed programs and facilities. Results of her efforts include the following: Jefferson House and Mode House, which are residential and independent living programs for mentally ill persons; the Sexual Offenders Program, which is a program that offers in-depth counseling for sexual offenders; Northwood Drug Counseling, a program that provides confidential and affordable counseling to students; and the Children's In Home Intervention Program, which offers professional training and counseling in the family home of certain high risk cases.

Donna's youngest child, Patricia, spent 8 months at Sloan Kettering Hospital in New York fighting a life-threatening battle with a rare form of leukemia. This traumatic experience coupled with her love for the disadvantaged drove Donna to work tirelessly toward her present goal of having a local juvenile diagnostic treatment and detention center.

Mr. Speaker, I ask my colleagues to join me today in honoring Judge Donna T. Morris on the day of her much deserved recognition for her contributions to the community of Midland, MI. Her commitment to the people she serves knows no limits. She has touched so many lives and treats every individual with dignity and genuine concern. Her reputation is of fairness and honesty. I treasure Donna's advice and concern, but most of all, I treasure her friendship.

SIFTING FACT FROM BALONEY

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. OBEY. Mr. Speaker, the noted philosopher, Archie the Cockroach, once observed, "Did you ever notice that when a politician does get an idea, he gets it all wrong?" That tendency has certainly been exhibited lately by those who suggest that the legislative branch of Government does not have a better record in dealing with wrongdoing than does the executive branch of Government.

Certainly, corruption or ethical failings are serious matters wherever they are found. The record demonstrates that, painful though the process may be, the House of Representatives has done a better job reviewing the conduct of the people who run it than has the executive branch of Government.

A column written by Pulitzer Prize winner David Broder brings a welcome sense of balance to that question. I commend it to my colleagues.

[From the Washington Post, Apr. 23, 1989]

MALARKEY FROM NEWT GINGRICH

(By David S. Broder)

Having succeeded in bringing House Speaker Jim Wright (D-Tex.) to the bar of justice before the House Ethics Committee, Rep. Newt Gingrich (R-Ga), the voluble new House minority whip, is trying for bigger game. He now wants to indict the entire House for what he is pleased to call "institutional corruption." He is overreaching to a degree that calls his own judgment into question.

When Gingrich filed the ethics charges against Wright last year, based on newspaper accounts of the speaker's financial dealings, it appeared to be a bit of partisan mischief-making. No one is laughing now, least of all Wright.

The unanimous report of the House Ethics Committee that there is reason to believe Wright may have violated House rules with his book sales and business affairs would seem to be all the vindication Gingrich would need—or want.

But the fast-talking former history professor is not satisfied by the prospect of nailing Wright's hide to the wall. In a succession of press sessions, he has been arguing that the scandal that has enveloped the highest elected Democrat in the land is just the tip of the iceberg. It's merely a symbol, Gingrich argues, of the "institutional corruption" that is endemic wherever Democrats have been in control for years—whether in the House of Representatives or in city halls from New York City to East St. Louis, from Chicago to Jersey City.

It is all, says Gingrich, part of the "corrupt liberal welfare state," a phrase he pronounces like one word, as folks in his adopted state of Georgia once talked about "damn-yankees."

Like all conspiracy theories, this one works better as an outlet for frustration than it does as a tool of analysis. The same man who sees the Congress in which he serves as a cesspool of "institutional corruption and abuse of power" can find nothing "systemic" about the instances of illegality in the executive branch, whether it's the Pentagon procurement scandals or the Iran-contra affair.

But Gingrich has a problem in elementary logic. If the House has been as thoroughly debauched after 35 years of control by the same party as he asserts, it's hard to figure why the boss man of this corrupt institution is in such trouble. When Gingrich is asked how a complaint by a minority-party backbencher (as he was when he filed charges against Wright) could put the speaker in such jeopardy, he answers, a bit lamely, "The system works."

If you're examining the record without the partisan, ideological blinders that Gingrich wears, the evidence suggests that the House has done a far better job of dealing with its bad actors than the White House and the executive branch have done in cleaning up their breaches of conduct.

In the past 10 years, the House has moved to expel four members for misconduct. Three of them resigned to avoid that humiliation, and the fourth was, in fact, expelled.

It has formally censured four members. One resigned, two were defeated by the voters and one—Rep. Gerry Studds (D-Mass.)—remains in office, having been judged more leniently by his constituents than by his colleagues.

Reprimands or other forms of mild fault-finding were voted on another dozen members, most of whom have subsequently resigned from the House, been defeated or have removed themselves to less exacting and more permissible surroundings.

That is hardly a pattern suggesting a calculated, callous indifference to the rules of conduct. And of the 15 or more members who have felt the sting of ethics investigations, only three have been Republicans. If the Democrats in control of that "corrupt institution" are trying to punish their adversaries and protect their own, they need glasses.

While Wright is the most important figure to face this kind of peer review, he is far from the first congressional power broker to learn that he is not above the law. One committee chairman was censured and two others were facing that threat when the voters removed them from office.

At the height of the 1984 campaign, the House Ethics Committee announced it was beginning an investigation of possible financial disclosure violations by the Democratic vice presidential nominee, Rep. Geraldine A. Ferraro (D-N.Y.). Ultimately, the "technical violations" that were found were of no political significance, but her fellow partisans in the House did not spare her the burden of facing that inquiry even as she was seeking the second-highest office in the land.

Contrast that record, if you will, with the repeated instances of cover-ups, conflicts of interest and plain old-fashioned corruption that have come to light in the executive branch in the past decade. And think about the number of times that a president has rushed out to defend, rather than denounce, the culprit—to pronounce that, in his eyes, Charley the Chiseler is still a national hero or a good friend.

It's politically tempting to say, based on the charges facing Jim Wright, that the House is corrupt from top to bottom. But the record shows that the House has done a whole lot more to cleanse itself than the executive branch can claim. So spare us, please, this "institutional corruption" malarkey.

HONORING FRANKLIN K. LANE HIGH SCHOOL AND ITS GALA CELEBRATION

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. ACKERMAN. Mr. Speaker, I rise today to honor Franklin K. Lane High School located in the seventh district of New York. On April 29, 1989, the Franklin K. Lane High School Choir, along the Queensborough College Community Chorus and the Queens Symphonic Band, will be performing the Inauguration Cantata 1789.

These groups will be performing in honor of the 200th anniversary of the inauguration of George Washington as the first President of the United States. After participating in the Queenswide musicfest, the Franklin K. Lane High School Concert Choir was selected by the New York State Bicentennial Commission to perform the Inauguration Cantata 1789. This performance is one of only 20 authorized by the commission, a tribute to the choir's ability and reputation.

Acknowledgment goes to everyone involved in making this event a huge success. In particular I would like to recognize the following people: Mr. Morton Damesek, principal of Franklin K. Lane High School; Mr. Stanley Nussbaum, assistant principal, Franklin K. Lane High School; Mr. James Gedge, director of the 80 member Franklin Lane Concert Choir; Mr. Raoul S. Camus, conductor of the Queens Symphonic Band; and Mr. R. John Specht, director of the Queensborough Chorus.

Mr. Speaker, I would like all of my colleagues to pay tribute to the Franklin K. Lane High School Choir for all of its hard work in honor of one of this Nation's greatest moments—the inauguration of the first President.

TRIBUTE TO CLAIRE WETHERELL

HON. RICHARD H. STALLINGS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. STALLINGS. Mr. Speaker, it is with great pride that I take this opportunity to recognize one of Idaho's outstanding citizens, State Senator Claire Wetherell, who will be honored on Friday, April 28, 1989, as Idaho Catholic Woman of the Year. This most prestigious award will be presented to her during the Idaho Council of Catholic Women's Conference to be held in Boise.

Since 1951, when Bishop Kelly of the Boise Diocese first started this award, a number of deserving Idaho women have been honored for their outstanding service to the church and to the community. Every 2 years a woman is chosen who represents distinguished qualities of leadership in spiritual and community activities.

Idaho President Virginia Almquist has said:

Senator Wetherell is a marvelous choice. She exemplifies Catholic womanhood at its best—with concern for spiritual as well as secular interests.

On Sunday, April 30, 1989, Senator Wetherell will receive a papal blessing and a medal at Mass celebrated by Bishop Todd Brown at Sacred Heart Church in Boise.

I can think of no one who better exemplifies leadership and service to her church and her community than my very good friend, Claire, and I commend the Idaho Council of Catholic Women and Bishop Brown for making this excellent choice.

I have known Claire for nearly 15 years. As a candidate for office and as a Congressman, I have been welcomed in her home and the homes of her family. I have admired Claire and her willingness to serve her fellow Idahoans in so many different ways. She is a selfless and bright woman whose smile can

light up the room and whose wit can put anyone at ease.

Some time ago, the Idaho Statesman honored Claire as a distinguished citizen. In reviewing her many accomplishments, the newspaper noted that there was a time, before Mountain Home, ID, had a doctor, that the next best thing was Claire Wetherell. Claire really became the doctor of Mountain Home herself—going at any time of the day or night to minister to everyone. There are doctors in Mountain Home now—but she is still serving the community.

Claire was born and raised in Flandreau, SD. She attended the University of California at Berkeley and Mercy Hospital of Nursing in Council Bluffs, IA. She worked as a nurse and served as a nurse in the U.S. Navy during World War II.

She was supervisor of base supply at Mountain Home Air Force Base, assistant director of the USO, worked part time at Elmore Memorial Hospital and has been president of Guaranty Title, Inc., since the death of her husband in 1966.

Her service to Mountain Home and Idaho has ranged from political to voluntary. She served two terms on the Mountain Home City Council, including 2 years as president. She is currently serving her third term as State senator from District 12, which includes Elmore and Owyhee Counties. She is a member of the judiciary and rules, education and agriculture committees.

Claire has served as president of the American Legion Auxiliary, the Mountain Home Civic Club, Business and Professional Women, Catholic Ladies' Alter Society, Mountain Home Chamber of Commerce and the Mountain Home PTA.

She was the first president and one of the organizers of the Elmore Memorial Hospital Auxiliary and has been active in many community fundraising drives. In 1977, she was selected First Lady of the Year by the Elmore County chapters of Beta Sigma Phi and chosen Woman of Progress by the southwestern district of business and professional women. In 1988, she was honored as Outstanding Volunteer by the Easter Seal Society at their White Rose Luncheon.

Claire was vice chairman of the Idaho Democratic Central Committee for 10 years and also served as a State Democratic committeewoman and was a delegate to the 1980 Democratic Convention.

She serves on the Veterans' Affairs Commission and the district IV State department of health and welfare advisory board. She also served on the county board of health and board of education.

I congratulate Claire on this most distinguished award and I congratulate the Idaho Council of Catholic Women for its choice.

A TRIBUTE TO JANE RILEY

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. DARDEN. Mr. Speaker, I would like to take this opportunity today to recognize and honor Ms. Jane Riley, who is retiring as principal of Hickory Hills Elementary School after 15 years of dedicated service. Ms. Riley has touched the lives of so many children, including mine, and I know many parents throughout the community share my appreciation for her dedication to our children.

Prior to serving as principal of Hickory Hills, Ms. Riley worked in the Marietta Board of Education central office for 7 years. She also served 4 years as a first grade teacher at Hickory Hills Elementary School. During her career, Ms. Riley made many contributions to our school system, and any of our children's successes are in part due to her dedicated leadership.

Mr. Speaker, it is with great admiration and appreciation that I share with you the contributions and accomplishments of Ms. Riley. I invite you and our colleagues to join me in paying tribute to Ms. Riley, and in wishing her the best in her retirement.

HOOSAC VALLEY HIGH SCHOOL CHORUS

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. CONTE. Mr. Speaker, this Saturday, an estimated 10,000 to 15,000 young people across the United States will gather on the Mall here in Washington to perform the largest open-air concert ever staged. I am proud that at least 50 of those students will be coming from my district in western Massachusetts.

The students from Hoosac Valley High School in Adams, MA, not only will participate, but they will serve as a host school for this historic event. As some of my colleagues may know, this event will be the largest open-air concert ever staged.

More than 300 choral groups will join together in performing a series of continuous 30-minute concerts around the Washington Monument. At the conclusion of the day's events, the students will gather near the Lincoln Memorial for a group performance of music and dance, including the premiere of an original song composed especially for this event.

Mr. Speaker, events like this are truly no-lose propositions. Each of the choirs, which pay their own way to Washington, wins by seeing our Nation's Capitol, by meeting some of their peers from across the country, and by feeling the joy and the warmth of such a magnificent event. Those of us in Washington get to enjoy the vigor and enthusiasm of thousands of our young constituents. And, of course, the country is able to see the optimism and the boundless energy of its most recent generation, to renew a faith in our young.

Those of us who will be in town this Saturday will be in for a real treat, Mr. Speaker. At a time when we look out and see the problems of our young people strewn across the headlines of our local papers, a time when we see drug use and abuse run rampant through our streets, sometimes there is a sense of despair about the future of America and her young. Seeing a unified call of action, seeing the bright, shining faces of young people who truly care about their fellow man, puts a great deal into perspective.

Yes, Mr. Speaker, we have our problems. But we also have our bright spots. And Saturday, April 29, will be a bright spot that we all can share in.

Congratulations go out to the Hoosac Valley choral director, Mrs. Marianne Caproni. Although she wouldn't tell you herself, she initiated this program. That was the first step, and the kids took over from there. Hearing the enthusiasm of these young folks, and their efforts to raise money for the trip, really gives you a feel for the importance of the event.

My young constituents held bake sales, car washes, sold candy, did anything they could to raise their own funds for this trip. I understand that groups from nearly every State held fundraisers for this trip, and that a group from Mississippi even held a pig-kissing contest.

This should be a proud day for all of us, Mr. Speaker. And if any of you get a chance to visit Stage J, near the Ellipse, you will have the rare opportunity to see the best show of them all—the Hoosac Valley High School Chorus.

RENEWABLE ENERGY TRADE EQUITY AND PROMOTION ACT OF 1989

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. WYDEN. Mr. Speaker, today I am introducing the Renewable Energy Trade Equity and Promotion Act of 1989. This legislation, based on legislation Senator HATFIELD and I introduced last Congress, will use existing Federal programs to promote American exports to the potentially multibillion dollar renewable energy market.

Over 65 percent of renewable energy equipment is exported to Third World countries. The United States once had the lion's share of this market. But that share has declined due to aggressive export promotion programs by our international competitors. For example, Denmark is using concessionary financing to promote wind energy projects and the European Economic Community has offered $30 million in tied aid to promote European photovoltaic products in drought-stricken Saharan Africa.

In the 98th Congress, I introduced and we passed a bill (P.L. 98-370) creating an interagency board, the Committee on Renewable Energy Commerce and Trade [CORECT], to coordinate Federal export programs and establish a unified approach on renewable energy exports. CORECT has developed industry promotional materials, supported trade missions and market surveys, and is supporting a Caribbean Basin Trade Show and Conference in Miami next month. Yet with all this good work, the effort is dwarfed by our international competitors.

The bill I introduce today is designed to encourage the Government to work further in

concert with U.S. industry to boost exports of American renewable energy products. In brief, it does the following:

First, it requires the U.S. Trade Representative to report to Congress on the extent other countries impose protective tariffs or other restrictions on U.S. energy products or services.

Second, it reestablishes the feasibility program of the Overseas Private Investment Corporation allowing incentives, grants, and studies for small renewable energy businesses to help them market overseas.

Third, it directs both the Export/Import Bank and the Small Business Administration to set goals of awarding at least 5 percent of their energy industry export funding to renewable energy projects, and asks the agencies to report annually on their renewable expenditures.

Fourth, it calls for information exchanges and training to help link U.S. producers with assistance programs and potential foreign customers.

Fifth, it broadens the mission of the CORECT board and authorizes $2.5 million for fiscal year 1990 to encourage renewable energy marketing overseas.

Sixth, it has us to instruct international financing agencies receiving U.S. support, such as the World Bank, to promote renewable energy projects.

Seventh, it allows the Department of Defense to use renewable energy equipment in its overseas military assistance programs.

Solar, wind, geothermal, ocean thermal, biomass, hydropower, and other renewable energy sources will grow in importance as the world comes to appreciate the pollution, climate change, and economic costs associated with fossil fuels. The United States must be prepared to maintain its lead in these technologies, both as innovator and as producer for the world.

The Renewable Energy Trade Equity and Promotion Act of 1989 is an important legislative step toward maintaining our edge in the world renewable energy market. I am proud of the accomplishments of CORECT. We must now build upon the success of this initial effort.

The bill I introduce today will not add significantly to the Federal budget, yet it provides the tools American industry needs to respond to the international challenge. It could well be a model for export assistance for other high-technology industries composed primarily of small businesses. It urge my colleagues to support it.

IT'S TIME TO CONDUCT HEARINGS

HON. CLAUDE HARRIS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. HARRIS. Mr. Speaker, I rise today to ask the committees of jurisdiction in the House of Representatives to conduct hearings on the Catastrophic Health Care Act, Public Law 100-360. I have written both Chairman ROSTENKOWSKI and Chairman BENTSEN to answer questions about this complicated public law. Like many of you present today, I have heard many complaints from constituents about the financing mechanisms for this bill. Although I applaud the efforts of the Congress to improve Medicare, I am concerned about the cost of these new benefits.

Last week, on April 18, 1989, I was unavoidably detained by a group of constituents in my office. As a result of this meeting, I was unable to vote on rollcall 31. If I had been present, I most certainly would have voted "aye" to ask the Congress to reexamine the financing of this act.

I am pleased that both Houses of Congress have now voted to have these hearings. It is important that all interested parties be given a forum to express their views.

MICHAEL JAY SOLOMON HONORED

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to an extraordinary individual and outstanding member of the community, Mr. Michael Jay Solomon. He is this years recipient of Shaare Zedek's highest honor, the Jerusalem Award, and will be saluted by the Los Angeles Friends of Shaare Zedek Center, Jerusalem, for his efforts to sustain and strengthen the medical center's crucial life-saving and life-giving work.

Michael has worked tirelessly to uphold Shaare Zedek's more than 100-year tradition of administering the finest medical care to the people of Israel regardless of race, religion, color, age or ability to pay. This humanitarian commitment is most recently demonstrated by his request that all funds raised by this event be used to support and expand the hospital's pediatric department.

A pioneer in the entertainment industry, Michael began his career in film distribution at age 18 hoisting film reels onto trucks at loading docks. In 1959 he joined United Artist's International Division and a year later was assigned to Central America, where he sold theatrical films out of Panama and Bogotá, Colombia. Within 2 years, at age of 24, he became the youngest field manager in the history of the motion picture business, heading up the United Artist office in Lima, Peru, for 2 years.

Michael was asked by MCA to start their Latin American Television Division and soon became MCA's youngest vice president at age 30. In 1977, after assignments in Central America, South America and Mexico, Michael launched his own international film company, Michael Jay Solomon Films International. He also published "The Solomon International Television Newsletter," a weekly consolidation of worldwide programming information. Now in its 12th year, his newsletter is considered one of the most highly regarded resources on this subject. A year later, Mr. Solomon teamed with Michael Garin to form Telepictures Corp. Telepictures flourished and in 1985 the company merged with Lorimar to become Lorimar Telepictures Corp.

Michael is a member of Board of Directors of Continuing Care Association, International Radio and Television Foundation, New York University College of Business and Public Administration, and vice chairman of International Council of National Association of TV Arts and Sciences. He most recently was named founding chairman of the newly established west coast office of the Jerusalem Foundation, Inc., and chairman of the National Association of Television Program Executives International Committee.

Presently, Michael Jay Solomon is a member of the three-men office of the president of Lorimar Telepictures. He is a member of the company's board of directors and oversees international operations. He is a native New Yorker and was educated at Emerson in Boston. He also attended NYU Evening School of Commerce. He is happily married to Luciana Paluzzi and is the proud father of Lee Jay.

It is my distinct honor and pleasure to ask my colleagues to join me in saluting Mr. Michael Jay Solomon, a lifetime leader of the Jewish community who has built a record of commitment and excellence that is an inspiration to us all.

FRANK FAT'S 50TH ANNIVERSARY

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. MATSUI. Mr. Speaker, it is with great pleasure that I rise today to pay tribute to Mr. Frank Fat, the founder and host emeritus of Frank Fat's, a Sacramento landmark he established 50 years ago. Frank is the dean of Sacramento restaurants and I would like to extend my sincere congratulations to him on the occasion of Frank Fat's 50th anniversary.

Frank is a hardworking man with a wellspring of patience and indefatigable ambition. He has nurtured his business and relationships until they have blossomed into a leading restaurant frequented by those seeking both business and pleasure. Frank Fat's has been called the "third house" for it is said that there has been more legislation passed there than in the senate and assembly chambers of the capitol.

Frank Fat emulates integrity. He is a gentle, serene man who is said to prefer friends to money. While a millionaire in his own right, if wealth was based on friendships, Frank would be a multibillionaire.

Frank has given much back to the community. He has always promoted community service and has dedicated his life to improving the Chinese image, especially in the areas of politics and business. As the patriarch of the Fat family, he has lived by the philosophical principles of family, hard work, education, and kindness. "Honesty gets the reward" is said to be Frank Fat's proverb.

The Fat family is indeed a dynasty in our community. I offer my congratulations to Frank, his wife Mary, and the entire Fat family on the 50th anniversary of one of my favorite restaurants.

THE NAMING OF JUNIOR HIGH SCHOOL 101 IN MEMORY OF OFFICER EDWARD R. BYRNE

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. ENGEL. Mr. Speaker, on April 27 a school in my district, Junior High School 101 in the Bronx, will be renamed. Schools are named every day, for Presidents, community leaders, and national heroes.

This school is being named for a different type of hero, Police Officer Edward R. Byrne, who was killed in cold blood at the orders of a drug lord while guarding a witness.

The full horror of the drug epidemic that is sweeping our Nation was brought home very clearly that day. If a police officer is not safe from the drug dealer, how safe is the average citizen?

We in New York took Officer Byrne's death not as a defeat in the war against drugs, but rather as a challenge. We decided that we would not abondon our streets, our neighborhoods, our city to the drug pushers. Mr. Speaker, we are in a war and we must dedicate all our resources and energy if we are to be victorious.

The main battlegbround in this war is the hearts and minds of our youth. By naming this school after this young police officer, killed in the line of duty, not only the children who attend this school, but all children will learn what a real hero is. The term "drugs kill" will be driven home. Officer Byrne will not have died in vain.

A TRIBUTE TO MR. MANUEL MALOOF

HON. BEN JONES

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. JONES of Georgia. Mr. Speaker, I wish to recognize a truly outstanding business and civic leader from De Kalb County, GA, Mr. Manuel Maloof. Mr. Maloof is currently serving his second term as chief executive officer of De Kalb County.

Today, Mr. Speaker, Manuel is being recognized for his civic achievements by being honored with the Mr. De Kalb award by the De Kalb County Unit of the American Heart Association.

I know Manuel to be a man of commitment, compassion, and candor. He is a business man, an admirable public servant, and above all, a family man.

He brings to his job an old fashioned concern about people and their problems. He possesses a tough minded sense of fiscal responsibility. Through his able leadership, Manuel has guided De Kalb County into an unprecedented period of growth and prosperity. Manuel Maloof is a man of keen intelligence, uncommon wit, and rare courage.

Manuel has a simple formula for success. He believes in fair play, common sense, and hard work. These virtues describe Manuel, and they reflect the spirit of the county which he has served so well.

Mr. Speaker, I am proud to honor my friend, Manuel Maloof, as Mr. De Kalb.

WORKER'S MEMORIAL DAY

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Ms. OAKAR. Mr. Speaker, I rise today to honor those American workers who have given their lives or suffered disabling illness and injury while in the workplace. April 28 has been declared Worker's Memorial Day by the unions of the AFL-CIO as a time to remember those who have sacrificed to make American industry strong.

Every year more than 10,000 American workers are killed on the job; tens of thousands more are permanently disabled; and millions are injured. Another 100,000 workers die from cancer, lung disease and other diseases related to toxic chemical exposure at work.

Mr. Speaker, Worker's Memorial Day will provide not only a forum to remember these victims of workplace injuries and disease, but act as an incentive to renew our efforts to strengthen safety and health protections. These workers deserve better standards of enforcement and just and fair compensation for their injuries. We in the Congress must rededicate ourselves to improving safety and health in every American workplace.

CHRISTOPHER JONES EARNS EAGLE SCOUT AWARD

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. GEKAS. Mr. Speaker, it is with great admiration I call to the attention of my colleagues the achievement of Christopher Jones, a constituent of mine from Newport, PA. On Sunday, April 16, 1989, Christopher Jones received the Boy Scout's most coveted award—the Eagle Scout.

Christopher, the son of Dave and Cindy Jones, has demonstrated exemplary self-discipline as a member of Boy Scout Troop 222 and the Newport community. Under the guidance of Scoutmaster Dave Lenig, Christopher has honed his mental and physical skills to the form required for admittance into the ranks of the Eagle Scouts. This fine young man is also an active participant in his high school band and a member of St. Paul's Lutheran Church in Newport.

Mr. Speaker, I invite you and my colleagues in the U.S. Congress to join me in wishing congratulations to Eagle Scout Christopher Jones on this very special occasion. I wish him great success in his future endeavors.

A TRIBUTE TO ASBESTOS WORKERS LOCAL NO. 11

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mrs. BENTLEY. Mr. Speaker, this year Asbestos Workers Local No. 11—one of the most venerable union organizations in my district—is celebrating its 75th year of existence. Many of its members reside in my district—fine folks who have blessed me time and time again with their support. It is an honor to salute them here.

While Local 11 is a somewhat small organization, it has long been a big voice in Baltimore's building trade. Over the three-quarters of a century the union has existed its membership has been involved in projects involving ships and buildings throughout the Baltimore area. They labored on through times of war and depression, prosperity and peace. In addition, they also faced the health risks that accompany working so closely with asbestos and fought for the passage of legislation to make their jobs a bit safer. Despite all this, however, they endured.

Mr. Speaker, I urge you as well as all my colleagues to join me in saluting the past and present membership of Asbestos Local No. 11. Truly they represent all the great things that come to mind when we think of the American worker. Each of these special people has my best wishes upon this happy milestone.

REPRESENTATIVE WAYNE OWENS SPEAKING ON GLOBAL ENVIRONMENT

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 25, 1989

Mr. UDALL. Mr. Speaker, my colleague and good friend from Utah, Mr. OWENS, gave a speech on Saturday, April 15 in Salt Lake City to a Utah women's conference on the global environment. I am most impressed with Mr. OWENS' timely and provocative comments and would like to submit his speech for the RECORD so others can benefit from his insights. As more and more environmental issues take on a global aspect, I believe careful consideration of Mr. OWENS' comments will help us in Congress take prompt and appropriate actions to ensure the quality of the environment on our planet.

REMARKS BY REPRESENTATIVE WAYNE OWENS AT THE CONFERENCE "TO SAVE THE WORLD," HELD SATURDAY, APRIL 15, 1989 IN SALT LAKE CITY, UTAH

Thank you for your kind invitation to discuss the global environment, an exceedingly important subject. I welcome this opportunity.

John Donne wrote:

"No man is an island, entire of itself. Every man is a piece of the continent, a part of the main. If a clod be washed away by the sea, Europe is the less as well as if a promontory were, as well as if a manor of

thy friend's or of thine own were. Any man's death diminishes me, because I am involved in mankind, and therefore, never send to know for whom the bell tolls. It tolls for thee."

The bells are tolling, pealing, for the first time on a global environmental scale—and even Congress, occasionally hard of hearing, is slowly awakening to the sound of alarm. The metaphysics of transendentalism and the preaching of wilderness apostles like John Muir and Henry David Thoreau of the interconnectness of nature, is becoming popular wisdom. For the first time, the average citizen understands that what happens in Brazil affects the United States—and vice versa. Fortress America exists no longer. No fence, no law, no patrol can prevent the invasion of polluted air and water from around the globe to our borders and our shores. The Earth knows no boundaries beyond its own biosphere, and every time a chlorofluorocarbon escapes into the atmosphere in West Germany, every time a hectare of rain forest disappears in Zaire, every time a factory in Ohio belches hydrocarbons into the air, every time a ghost ship wends its unwanted way across the world's oceans in search of a port for its toxic waste, the bell tolls for all of us. "No country is an island," Donne might well have written, for such is the truth in the late 20th century.

The growing global environmental crisis is full of ironies. We have too much ozone in the troposphere, the zone closest to the Earth; too little in the stratosphere. We dread a nuclear winter; but now we also worry about a global warming. We fear increased flooding in areas like Bangladesh; we fear drought in the heartland of America. The question is not so much whether climate has begun changing—it clearly has—but what direction that change will take and whether we can predict and maybe even prevent some of these changes.

Perhaps the most pressing issue is ozone depletion. The growing ozone hole in Antarctica has prodded the international community into taking measures to reduce the number of chloroflurocarbons, or CFC's, released into the atmosphere. The Montreal Protocol of 1987, an international agreement among several CFC producing nations, was a good first step, but it will not by itself be enough.

The problem with ozone, like most things, is simply a matter of distribution. While the ozone in the stratosphere disappears around the poles, the ozone around urban areas increases. There's plenty of ozone. It's just in the wrong places—in the eyes and lungs of irritated Los Angelenos and in the stunted crops of the Central Valley, instead of the clean frigid reaches of the Antarctic stratosphere.

Science has attributed the blame for ozone depletion to CFC's. We cannot afford to wait for more conclusive proof of this theory before we take action, for this proof would be a systematic pattern of skin cancer and other human suffering. Nor can we simply take Don Hodel's infamous advice during the last Administration and protect ourselves with passive measures. Hats, sunscreen, and sunglasses are no solution to the depletion of our planet's protective layer of ozone. Only active measures will work to prevent further destruction of the best sunscreen imaginable, stratospheric ozone. In my mind, that means legislation, and now. Several bills are before the House and Senate which would reduce the production of ozone-depleting CFC's to zero by the year 2000. I support this effort and I am working for prompt passage of this legislation. The atmosphere needs to heal.

We would prefer that this be a multilateral commitment among all CFC producing nations in order not to competitively disadvantage our own industry, but there is not enough time for bickering. What we do, we must do quickly, and we will encourage other nations to do the same. My assignment on the Foreign Affairs Committee gives me the opportunity and the jurisdiction to be involved in this and other worldwide efforts at environmental cooperation.

Probably the most complex problem of all, and yet at the same time the most critical, is how to slow down and eventually eliminate the seemingly inexorable warming of the earth caused by increasing levels of carbon dioxide in our atmosphere. Trying to stall the greenhouse effect goes right to the heart of industrial society and demands a rethinking of our priorities.

The world's climate clearly appears to be warming, despite one of the coldest winters in Utah I can remember. Four of the ten hottest years on our planet were recorded in the 1980's—and we're not done yet; 1989 seems likely to continue this drying, warming trend in our region and over most of the United States and the world. A few years ago, as we sandbagged State Street, then fished for trout in it, we could hardly imagine worrying about whether Salt Lake City would be able to maintain its supply of freshwater in the coming decade. But we are worried now, as are residents in California, the urban Northeast, Arizona, and elsewhere. My firm support for the completion of the Central Utah Project is tied, in part, to my suspicion that this warming, drying phase is not over. Changing weather patterns have an all-encompassing and cumulative effect. The devastating fires of Yellowstone are related, the experts say, the loss of billions of dollars of crops last year in the prairie States is related, the continued desertification of much of northern Africa and the resulting starvation are related.

The evidence is insistent. We must do something to alleviate the warming trend. It sounds like something out of an apocalyptic science fiction novel: fire, drought, flood, glacial melting—but the process may have already begun.

Ideally, all nations would cooperate to reduce carbon dioxide emissions significantly by the year 2000. Certainly, the United States must. The debate is heating up in Congress—but so is the weather. We can't filibuster on this one; we cannot wait for the rest of the world to agree before we begin our own reductions. We produce about 25 percent of the world's carbon dioxide emissions ourselves and we must mitigate the damage we are causing. Energy conservation is an integral part of that effort, as is technical innovation and I am confident our technology is equal to the challenge. I support the national goal, written into several pieces of proposed legislation, of reducing carbon dioxide and other global warming gasses by 20 percent by the year 2000.

The greenhouse effect aside, pollution is still a major problem in much of the world. We are responsible for the acid rain killing lakes and streams in the northeast and in eastern Canada. The Clean Air Act, incredibly, has become a major political fight, although our new environmentalist President has publicly supported the tough standards our country needs. Eastern Europe is in difficult straits, a victim of its own uncontrolled heavy industry and acid rain from both east and west. The U.S.S.R. has pollution problems that make our own pale by comparison. Since acid rain and polluted air, like most environmental scourges, transcend national boundaries, this is another forum for international efforts and multilateral agreements.

The most exciting development in the field of cool, clean energy, of course, is only a few blocks away. If fusion power actually does become feasible, we will have taken a great step towards ending global warming. I support the research being done at the University for many reasons, and one of them is my fervent hope that the elusive, nonpolluting source of energy we've been looking for since man lit his first fire, might conceivably arise from this experiment. Acid rain, global warming, even the strategic importance of the Middle East and Persian Gulf would be transformed by this development. Alchemy in the Middle Ages had nothing on this. Turning lead to gold pales beside turning a gallon of sea water into enough electricity to light a city.

The most disturbing element in global warming is the near-impossibility of predicting all its effects. No computer model is up to the task of accurately plotting the future of weather. The only experiment which would prove conclusive would entail using our own planet as the test tube. It seems likely that certain farming areas would heat to the point of being nonproductive. Other farming areas might arise in more northerly climes as the weather warms. Washington, DC might disappear beneath the rising waters of Chesapeake Bay as the world's glacial load melts—a side effect some day we could endure. But man has adapted himself to an essentially predictable climate. Significant variation from that model would require changes and expense like the world has never seen before.

The growing problem of deforestation is another reason global warming continues to escalate. "Any fool can kill a tree," wrote John Muir. "It cannot fight or run away." We've always had an emotional attachment to trees. Now we know why. Besides providing shade, beauty, and lumber, trees protect us from an imbalance of carbon dioxide in the atmosphere. As any fourth-grade science student knows, they consume carbon dioxide and miraculously produce oxygen, the most precious gas in the solar system. As long as we have trees, plants, and algae, we will be able to breathe.

Obviously, the best solution to too much carbon dioxide in our atmosphere would simply be to plant more trees. Reforestation is what we need. Unfortunately, deforestation is what we are getting.

I want the United States to be more involved in preventing deforestation and promoting sustainable development in the developing world. Too often, programs in foreign lands run by our own Agency for International Development, or AID, have contributed to environmental degradation and exploitation. As we in the Foreign Affairs Committee rewrite and amend the Foriegn Assistance Act in the next few weeks, we will have the chance to emphasize sustainable development and environmental protection in our foreign assistance projects. Too often, the United States, within its own borders, in an effort to save money or prop up local economies, has given conflicting signals about the importance of environmental protection. I support a bill to trade off debt if debtor nations stop mining their forests. If we are going to encourage nations to reforest, not denude, we had better, for

our own credibility, end wasteful and destructive practices in our own forests, like the Tongass National Forest in Alaska. There, in the panhandle of southeast Alaska where I visited last summer, our last great rainforest is being ripped down at a prodigious, nonrenewable rate, and at the unbelievable cost to the American taxpayer of 97 cents of every dollar invested in the logging. Until we straighten out our own problems of overcutting and short-term exploitation, we are not credible in our efforts in Brazil and elsewhere.

Closely linked with endangered species and tropical forest preservation is the idea of biodiversity, since the great majority of the world's species live in the rainforests of our planet. Some scientists say we may only be familiar with less than 50 percent of the organisms which live in the rainforests. Every day, several new species are discovered. We are approaching tropical forests from a position of ignorance. We have an amazing amount to learn from them, if they will only be around long enough to teach us.

Obviously, we have some serious global environmental problems. But how can we solve them? Congress has proven itself gifted at expressing concern and forming committees for research, but sometimes less gifted at actually implementing effective programs. Even assuming we are successful in taking timely action within our own borders and in U.S. activities overseas, that will still not be enough.

The United States, to maintain its environmental leadership, must become a more active participant in multilateral efforts for the environment, particularly in the United Nations. The UN Environment Program was established in 1973, the first truly international attempt at environmental protection. It was designed to act as a catalyst, to encourage and teach nations how to properly care for their land and resources. We must strengthen UNEP and I am undertaking efforts to do just that, with an initial concentration on providing UNEP with more money and staff. With only 170 professional employees to cover the planet, UNEP is not exactly a bloated bureaucracy. The Administration's proposed budget for UNEP this year actually entails a decrease in funding. This seems counterproductive at a time when virtually all nations are beginning to understand that environmental protection is not nearly as important for aesthetics or recreation as it is for survival. I will fight in Congress not only to increase the funding and the power of this organization, but also to provide that a portion of our Peace Corps volunteers are offered to UNEP as an international conservation corps, for reforesting, for education, for sustainable, ecologically responsible development. I would like to see more opportunities for American professionals to work with UNEP through the UN Volunteers Program in order to truly catalyze the environmental consciousness of the Third World.

Bhopal. Chernoble, annual flooding off the deforested Himalaya into the Ganges plain, acid rain, the unconscionable spill at Valdez, the continuing deforestation of the tropics, starvation resulting from desertification—all these events have galvanized the feeling that environmental protection and the economics of development are not mutually exclusive. To the contrary, they are synergistic. Development will not properly occur without a healthy environment. Utah's major attraction for new business is the high quality of life we enjoy, our special ability to live and work with beauty and nature.

Along the same lines, we are reviewing the activities of multinational lenders like the World Bank and International Monetary Fund to determine how their policies affect the environment. Besides sponsoring numerous projects of questionable environmental value, the multilateral lenders are encouraging the developing world to pillage their land for short-term commodity extraction to pay interest on debt once intended for development, but now more likely to cause regression. Several bills, including those related to debt relief, are under discussion in Congress and address the issue of how to influence the multilateral lenders to be more responsive to environmental concerns.

As the traditional prime mover of environmental protection, the United States is in a unique position to lend a hand bilaterally, country to country, to nations who could use our experience. American foreign aid has been often primarily devoted to strategic military and geopolitical aims and has rarely been used as a tool to better environmental conditions. I am trying to help change that.

We have cooperative environmental agreements with many countries, including the Soviet Union. Secretary General Gorbachev's comments at the United Nations last December opened the door to cooperation and revealed, for the first time, a serious Soviet concern for the environment. As two of the world's greatest resource consumers and polluters, I believe we have a special responsibility to clean up not only our own nations, but to use our influence to promote environmentally sound practices in our spheres of influence around the world. I would like to see us extend our 1972 Agreement for Environmental Cooperation to encompass joint efforts in the developing world in reforestation and other environmental actions. I would also like to see AID's environmental budget greatly increased. Out of a Foreign Aid Assistance proposal of $14.7 billion, only $1.1 billion is actually available for country-to-country development aid. Only a tiny fraction of that will be used to encourage a sustainable environment. I find this approach inadequate.

By far the most controversial aspect of the international environmental effort is the apparent need to plan population growth, especially in the developing world. I am even hesitant to broach the topic in one of the most fertile congressional districts in America. May I simply say that all of the other efforts we make might be futile if we do not plan the growth on our planet—like Sisyphus pushing a stone uphill, for every step forward, we will roll back two and never reach the summit. There was, for many years, the assumption that population would stabilize as economic growth was achieved. After all, that had generally been the case in the Western World. The unfortunate reality, however, has been a Malthusian dilemma: High population growths have prevented the very economic development which would have controlled human increase. The poor get poorer and there are many more of them. Many nations will never reach an economic threshold which would create a leveling of population, unless they control their populations first.

In closing, I would like to ask one question: What has been our most meaningful export to the rest of the world?

Coca-Cola? Big Macs? Fords? F-16's?

I think we could make a good argument that environmentalism is our greatest export. I am sometimes surprised when I hear people speaking of environmentalism as though it were some foreign concept, somehow un-American. It is not. It is as American and homegrown as Mom, apple pie, free enterprise, the Bill of Rights. We invented it. We perfected it. We created the first national parks, national forests, and national regulatory systems for environmental protection. We even stopped completion of a major dam—for a time at least—to save a 2-inch fish we were afraid we could find nowhere else.

Environmentalism is quintessentially American. It is part of our heritage, a vestige of the frontier, a physical reminder of the kind of freedom embodied in our Constitution. The merit of the concept has been proven in practice and in the sincere flattery of imitation. Nations throughout the world have modeled their programs and agencies after our own. Even the Soviet Union has adopted the framework of our Clean Air and Clean Water Acts and recently embraced our concept of national parks for the people rather than nature reserves set aside strictly for science. We may have lost the edge in electronics, even perhaps in high-resolution TV, but we are still the leaders in environmental protection, and I hope we will use our unique position to encourage the world to solve the critical environmental problems I've mentioned tonight.

Sometime about 20 years ago, the world began to view itself as a coherent whole. We began to understand that national boundaries were nearly meaningless in the environmental context. I think we can trace that moment of epiphany to the day the world first saw the world, when one giant leap for mankind became one huge step in the world's environmental consciousness. No one could ever view our planet in the same sense again, having seen our bright, beautiful, blue orb drifting through the cold and charmless void of space. Our planet was our home, our unspeakably lovely home, and, like a college student leaving home for the first time, we began to appreciate our Mother. For a brief, timeless moment, looking through television cameras at the sterile sands of the moon, we earthlings were homesick and couldn't wait to get back.

Environmentalism is no longer a question of aesthetics; instead, our future hangs in the balance. Ecology is not the battle cry of impersonal science or impassioned romantics, but exactly what it means in Greek, the study of our home. We must be wise enough to meet the challenges of the global environment for we will surely never be clever enough to ignore them and survive. Voltaire once characterized humans as parasites on the body of the Earth. I would rather imagine a curious symbiosis, for, at this moment, our planet relies on us, just as much as we rely on it. And if we address the global environmental problems facing us and resolve them, perhaps we will have circumvented John Donne's tolling bell completely, simply by preventing it from ringing at all.

HOUSE OF REPRESENTATIVES—*Wednesday, April 26, 1989*

The House met at 10 a.m.

The Reverend Dr. Fred C. Lofton, pastor, Metropolitan Baptist Church, Memphis, TN, offered the following prayer:

O, Thou who art pure spirit, in Thee all things have their being, and because of Thee, we are. We enter then, this moment of prayer with our spirits thirsting and seeking for Thee for divine guidance. Like the disciples, we hunger for Thee, and we say like they said, "Lord, teach us to pray; teach us Thy way."

With heads bowed and contrite hearts, grant unto us the freshness of Your forgiveness. Help us to learn to do justly, love mercy, and to walk humbly with Thee.

We pray this day for the families of those gallant young men who lost their lives on the U.S.S. *Iowa*.

Grant divine power to our leaders with courage, conviction, and charity. Give them wisdom and knowledge to make wise decisions which will guide this great Nation to new heights as the leader of the democracies of the West. In His name who has no name. Amen and amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. SOLOMON. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 288, nays 105, not voting 40, as follows:

[Roll No. 33]

YEAS—288

Ackerman	Anthony	Bartlett
Akaka	Applegate	Bates
Alexander	Archer	Bennett
Anderson	Atkins	Bereuter
Andrews	AuCoin	Berman
Annunzio	Barnard	Bevill
Bilbray	Hertel	Panetta
Boggs	Hoagland	Parker
Bonior	Hochbrueckner	Patterson
Borski	Hopkins	Payne (NJ)
Boucher	Horton	Payne (VA)
Boxer	Houghton	Pease
Brennan	Hoyer	Pelosi
Brooks	Hubbard	Penny
Browder	Huckaby	Perkins
Brown (CA)	Hughes	Pickett
Bruce	Hutto	Pickle
Bustamante	Johnson (CT)	Porter
Byron	Johnson (SD)	Poshard
Campbell (CA)	Johnston	Price
Campbell (CO)	Jones (GA)	Pursell
Cardin	Jones (NC)	Quillen
Carper	Jontz	Rahall
Clarke	Kanjorski	Rangel
Clement	Kaptur	Ravenel
Clinger	Kasich	Ray
Coelho	Kastenmeier	Regula
Coleman (MO)	Kennedy	Ritter
Coleman (TX)	Kennelly	Robinson
Combest	Kildee	Roe
Conte	Kleczka	Rostenkowski
Conyers	Kostmayer	Rowland (CT)
Costello	Lancaster	Rowland (GA)
Coyne	Lantos	Roybal
Darden	Laughlin	Russo
Davis	Leath (TX)	Sabo
de la Garza	Lehman (CA)	Saiki
DeFazio	Lehman (FL)	Sangmeister
Dellums	Leland	Sarpalius
Derrick	Lent	Savage
DeWine	Levin (MI)	Sawyer
Dicks	Levine (CA)	Saxton
Dingell	Lewis (GA)	Scheuer
Donnelly	Lipinski	Schiff
Dorgan (ND)	Livingston	Schneider
Downey	Lloyd	Schulze
Duncan	Long	Schumer
Durbin	Luken, Thomas	Sharp
Dwyer	Manton	Shaw
Dymally	Markey	Shumway
Dyson	Martinez	Shuster
Eckart	Matsui	Sisisky
Edwards (CA)	Mavroules	Skaggs
Engel	Mazzoli	Skeen
English	McCloskey	Skelton
Erdreich	McCollum	Slattery
Espy	McCurdy	Slaughter (NY)
Evans	McDade	Smith (FL)
Fascell	McDermott	Smith (IA)
Fazio	McEwen	Smith (NE)
Fish	McHugh	Smith (VT)
Flippo	McMillen (MD)	Solarz
Florio	McNulty	Spence
Foglietta	Meyers	Spratt
Foley	Mfume	Staggers
Ford (MI)	Miller (WA)	Stallings
Ford (TN)	Mineta	Stark
Frank	Moakley	Stenholm
Frost	Mollohan	Stokes
Gallo	Montgomery	Studds
Gaydos	Moody	Swift
Gejdenson	Morella	Synar
Gephardt	Morrison (CT)	Tallon
Gibbons	Morrison (WA)	Tanner
Gillmor	Mrazek	Tauzin
Gilman	Murtha	Thomas (GA)
Gingrich	Myers	Torres
Glickman	Nagle	Torricelli
Gonzalez	Natcher	Traficant
Gordon	Neal (MA)	Traxler
Gradison	Neal (NC)	Udall
Grant	Nelson	Unsoeld
Gray	Nielson	Valentine
Green	Nowak	Vander Jagt
Guarini	Oakar	Vento
Gunderson	Oberstar	Visclosky
Hamilton	Obey	Volkmer
Hammerschmidt	Olin	Walgren
Harris	Ortiz	Walsh
Hawkins	Owens (NY)	Watkins
Hayes (IL)	Owens (UT)	Waxman
Hayes (LA)	Packard	Weiss
Hefner	Pallone	Weldon
Whitten	Wise	Wylie
Williams	Wolpe	Yates
Wilson	Wyden	Yatron

NAYS—105

Armey	Henry	Rhodes
Baker	Hiler	Ridge
Ballenger	Holloway	Roberts
Barton	Hunter	Rogers
Bentley	Hyde	Rohrabacher
Bliley	Inhofe	Roth
Boehlert	Ireland	Roukema
Broomfield	Jacobs	Schaefer
Brown (CO)	James	Schroeder
Buechner	Kolbe	Schuette
Bunning	Kyl	Sensenbrenner
Burton	Lagomarsino	Shays
Chandler	Leach (IA)	Sikorski
Coble	Lewis (CA)	Slaughter (VA)
Coughlin	Lewis (FL)	Smith (MS)
Cox	Lightfoot	Smith (TX)
Craig	Lowery (CA)	Smith, Denny (OR)
Crane	Lukens, Donald	Smith, Robert (NH)
Dannemeyer	Machtley	Smith, Robert (OR)
DeLay	Marlenee	Snowe
Dickinson	Martin (IL)	Solomon
Douglas	Martin (NY)	Stangeland
Dreier	McCandless	Stearns
Edwards (OK)	McCrery	Stump
Emerson	McGrath	Sundquist
Fawell	McMillan (NC)	Tauke
Fields	Michel	Thomas (CA)
Frenzel	Miller (OH)	Upton
Gallegly	Molinari	Vucanovich
Gekas	Moorhead	Weber
Goss	Murphy	Whittaker
Grandy	Oxley	Wolf
Hancock	Parris	Young (AK)
Hansen	Pashayan	
Hastert	Paxon	
Hefley	Petri	

NOT VOTING—40

Aspin	Dixon	Lowey (NY)
Bateman	Dornan (CA)	Madigan
Beilenson	Early	Miller (CA)
Bilirakis	Feighan	Pepper
Bosco	Flake	Richardson
Bryant	Garcia	Rinaldo
Callahan	Goodling	Rose
Carr	Hall (OH)	Smith (NJ)
Chapman	Hall (TX)	Towns
Clay	Hatcher	Walker
Collins	Herger	Wheat
Cooper	Jenkins	Young (FL)
Courter	Kolter	
Crockett	LaFalce	

□ 1025

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER. The Chair will ask the gentlewoman from Maryland [Mrs. MORELLA] to come forward and lead us in the Pledge of Allegiance to the flag.

Mrs. MORELLA led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

THE REVEREND DR. FRED C. LOFTON

(Mr. FORD of Tennessee asked and was given permission to address the House for 1 minute.)

Mr. FORD of Tennessee. Mr. Speaker, it is a great honor for me to address the House today and I am very pleased to welcome to the House of Representatives Dr. Fred C. Lofton, pastor of the Metropolitan Baptist Church, Memphis, TN.

Dr. Lofton's accomplishments and scholarly activities have been impressive as he has shaped the thought and spurred the actions of the evangelical community.

The Reverend Lofton has been pastor of the Metropolitan Baptist Church for the past 17 years. He is presently president of the Progressive National Convention.

Dr. Lofton received his bachelors of arts degrees from Morehouse College in Atlanta, GA, a masters of divinity from the Morehouse School of Religion, and masters of education from the University of Southern California, and a doctor of sacred theology from Emory University.

He is the author of four books: "Help Me Somebody," "Our Help in Ages Past," "Teach Us To Pray," and "When We Pray."

I welcome Dr. Lofton to the House of Representatives today, and wish to say that he has been a pastor of the Metropolitan Baptist Church for the past 17 years. We all know him as a great leader and a great spiritual leader in our community. I welcome him here today.

GOOD NEWS FOR THE MERCHANT MARINE

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, this morning, we have some good news for the U.S. merchant marine, which soon should mean new business.

After some very hard battles waged by myself and the Federal Maritime Administration, the Department of Defense has come out with a proposed rule that lives up to the spirit of the Cargo Preference Act of 1904.

Under the proposed rule being promulgated, DOD will utilize U.S.-flag shipping for the ocean transportation of all purchased supplies and material, including components.

I want to take this opportunity to personally thank Mrs. Eleanor Spector, Deputy Assistant Secretary of Defense for Procurement and Mr. S. Thomas Romeo, Chief of the Federal Maritime Administration's Division of National Cargo, for their fine work in developing the Defense Federal acquisition regulations.

Mr. Speaker, these new regulations have the potential for generating $250 million in new annual revenues for the U.S.-flag fleet. Every dollar spent by DOD for U.S. ocean transportation requirements will return 75 cents to the U.S. economy, thus having a positive impact on our balance of payments.

On the other hand, 78 cents of every 1 dollar spent by our military when employing foreign-flag vessels benefits foreign economies.

Mr. Speaker, these new regulations culminates a 15-year effort by the Maritime Administration in its attempts to protect and promote U.S. shipping interests, and an effort that I have been personally waging for many years even before my election in the Congress in 1984.

□ 1030

MUNICIPAL FUNDING TO FIGHT DRUGS

(Mr. JONES of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Georgia. Mr. Speaker, of all the challenges faced by the American people in the late 20th century, none is more important than the battle against the drug epidemic which has infested every level of life in these United States.

We are awash in a devastating flood of dangerous drugs—from schoolyards to boardrooms, the cancer grows: the statistics are appalling. We are losing the war on drugs—and losing badly.

The sickness, the violence and the death which accompany the insanity of drug addiction is destroying the minds of our youth and the fiber of a sane and civilized society.

The American people are crying out for help, Mr. Speaker. We must provide it—at whatever sacrifice. We must meet this enemy at every level with our fullest commitment, and we must win. The alternative is intolerable.

I join my colleagues today in calling for real and adequate antidrug funding for our troubled communities.

INTRODUCTION OF COAST GUARD USER FEES AND FREE RIDE TERMINATION ACT OF 1989

(Mr. CONTE asked and was given permission to address the House for 1 minute and revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, it is that time of year again. Time for the covers to come off, the motors to rev up, and the sails to unfurl, because just as sure as the birds fly north every spring, the recreational boaters are making that annual migration to the sea. You can see them out on their yachts and cabin cruisers, practicing their nautical terms like "hard to port," "take the helm, mate," and "where's the gas gauge?"

In honor of this yearly exodus, I am introducing my Coast Guard User Fee and Free Ride Termination Act of 1989. The Coast Guard protects recreational boaters from the hazards of the waters, and each other. But who compensates the Coast Guard?

Not the recreational boaters, no sir. Two hundred and fifty million citizens subsidize the recreational pleasure of the 6 million boaters who benefit from the Coast Guard's services. That is not right.

It is time to ask those who benefit to shoulder some of the responsibility, and my bill does just that by assessing a modest, $25 user fee on those recreational boaters, with the proceeds going to the Coast Guard.

I urge my colleagues to stop tacking against the wind, and to join me in passing this bill.

VETERANS' ADMINISTRATION HOSPITALS NEED FUNDING

(Mr. BRENNAN asked and was given permission to address the House for 1 minute.)

Mr. BRENNAN. Mr. Speaker, today I rise to urge my colleagues to support the supplemental appropriations bill.

Among other things, this legislation will provide much-needed emergency funds to the health care account of the Veterans' Administration.

I am sure that all of my colleagues know of the serious shortfall of funds that has forced VA medical centers across the country to cutback on services to veterans.

The only VA hospital in my home State of Maine has been forced to close wards, shut down beds, and turn away veterans.

Mr. Speaker, the supplemental bill will take the first step toward restoring the necessary funding for our veterans' hospitals.

It will not solve all the problems, such as adequate pay for VA nurses, but it will be a start.

The funding made available will reopen surgical and psychiatric wards, reopen drug and alcohol abuse treatment facilities and, most important, give back to our veterans the peace of mind they enjoyed before this budget crisis.

Mr. Speaker, our veterans deserve the best medical care we can provide.

If we as a nation hope to call brave men and women to the service of their country in the future, we must not forget the brave men and women who answered that call in the past.

I urge support for H.R. 2072 and the supplemental funds for the VA that it provides.

UPHOLD ROE VERSUS WADE

(Mrs. MORELLA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MORELLA. Mr. Speaker, today the Supreme Court will hear arguments in the case of Webster versus Reproductive Health Services. This case could be used to overturn the Roe versus Wade decision which has stood since 1973 and has protected a women's right of reproductive choice.

One hundred and forty Members of Congress signed an amicus brief expressing our strong support for the upholding of Roe versus Wade in the case to be heard today. In the brief, we conclude:

> There is no precedent in the two hundred years of this Court's history for overruling a decision recognizing a fundamental right. Roe versus Wade recognized a fundamental right solidly based in constitutional principles and precedent. There are present here none of the reasons, such as changed circumstances or legal doctrine, relied on by this Court in the past for departing from the principles of stare decisis. We urge, therefore, that Roe versus Wade should be reaffirmed, as it was in 1983 and 1986, in Akron and Thronburgh, and that the debate over the continued validity of its core principles be put to rest.

Mr. Speaker, it is vital that a women's reproductive choice be preserved, and I urge my colleagues to join in efforts to protect this vital freedom.

URGING SUPPORT FOR SPEAKER WRIGHT

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, our Speaker wrote a book. Certain Republicans called it a "sham." The Speaker's wife happened to get a job. Certain Republicans called that a "sham."

Meanwhile, Mr. GINGRICH of Georgia wrote a book, his wife got $10,000 to cut the deal, and certain Republicans now call that "business."

Let us check this out. Twenty-two investors with legislative interests gave $5,000 each to promote Mr. GINGRICH's book. In addition, his wife got $10,000 to cut that deal, and Mr. GINGRICH said, "Well, that's not unusual." I say it stinks. It seems to me that Mr. GINGRICH's book, "The Window of Opportunity," appears more like "the closet full of cash," and with some skeletons in there as well.

I say the truth is that the Speaker is the subject of a Republican witch hunt and Democrats should stand their ground here in this House and let it be perfectly clear that there still is a Democratic Party. I say, "People who live in glass houses shouldn't throw stones."

LEGISLATION TO SPUR THE PRIVATE SECTOR LONG-TERM CARE INSURANCE MARKET

(Mr. SLAUGHTER of Virginia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SLAUGHTER of Virginia. Mr. Speaker, it is estimated that our Nation's nursing home population will double to 2.2 million within the next 10 years. As the need for nursing home care increases, the cost of financing such care, and the need to find new ways to afford it, will also increase dramatically.

I am introducing two bills today to help individuals finance long-term care, and to help expand the market for this insurance. The first bill would permit holders of individual life insurance policies to exchange or convert the cash value of these policies for long-term care insurance on a tax-free basis. Similarly, the second bill would permit tax-free withdrawals from individual retirement accounts [IRA's] when the funds are used to pay long-term care insurance premiums.

A recent survey concluded that almost three-quarters of Americans are willing and able to buy a long-term care insurance policy. Congress should give this market a push by providing incentives to individuals to purchase long-term care policies early.

DRUG FUNDING, 1989 SUPPLEMENTAL APPROPRIATIONS

(Mr. ENGLISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ENGLISH. Mr. Speaker, today, Congress is asking the administration to play a game of truth or consequences. As we consider the supplemental appropriations measure before us, we need to emphasize that avoiding the truth will lead to severe consequences.

In this measure, we are requesting $822 million to continue the fight against the drug menace facing our country. This is not new money, Mr. Speaker. It is funds authorized by the 1988 Omnibus Anti-Drug Act, which called for a total has been appropriated, and even if this supplemental is approved, we still will not have reached the halfway point in fulfilling our commitment.

But it is an indespensable first step. To effectively fight the war on drugs—both on the supply and demand fronts—we need resources; we need to breathe life into the outstanding blueprint crafted last year.

Keep in mind that the drug empire takes in roughly $150 billion a year. That is half what this country spends on its national defense. Given the fact that we spent only $3.6 billion explicitly on antidrug programs in 1988, it is pretty clear that we have much work to do.

The Bush administration, though, like its predecessor, thinks this war can be fought with smoke and mirrors—cheap ones at that. The consequences of that attitude will be devastating. We must pass this measure today and make the President tell the truth—does he want a drug war or not?

□ 1040

DRUG CRIME

(Mr. ORTIZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ORTIZ. Mr. Speaker, the issue of drug-related crime consistently ranks as the foremost domestic concern of many Americans in public opinion polls, and for good reason.

Not only does the use of drugs rob our society of its potential on the individual level, but the crime spawned by the drug trade takes a terrible toll in human terms as well.

Resources that could be better used elsewhere are diverted to apprehending, trying, and incarcerating drug offenders.

While we all recognize the ultimate importance of education and prevention, we must also remain committed to providing adequate resources for law enforcement.

Effective education and prevention programs offer the long-term key to a drug-free America, while sound law enforcement will send a clear message that the criminal activity which supports the drug trade will not be tolerated by our society.

We cannot allow our dedication to waver, for our ultimate potential as a people hangs in the balance.

TAKING MONEY AWAY FROM A SUCCESSFUL DRUG INTERDICTION PROGRAM

(Mr. HUNTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNTER. Mr. Speaker, the statement that was just made to the effect that we need to pass this supplemental for the purpose of carrying on the drug war is not accurate. The facts are that we have involved the military, we have passed the language that has been signed by the President that gives the Department of Defense the lead agency role in stopping drug planes and drug ships. General Olmstead just reported to the Committee on Armed Services that they are now turning back drug planes at the southern border of the United States, and they are doing that with operation and maintenance moneys.

Mr. Speaker, this supplemental, and particularly the Foley amendment, will cut into operations and maintenance of the Department of Defense, and it is going to hamper the very drug interdiction measures that this Congress has just mandated be started up. In particular military personnel are going to be cut $448 million under Foley. Operations and maintenance will be cut $490 million, so we are taking away from a successful interdiction drug program on the one hand to pass out money with the other hand.

OPPOSITION TO CUTTING FUNDING FOR OMNIBUS ANTIDRUG BILL

(Mr. LEVINE of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVINE of California. Mr. Speaker, I rise today to oppose efforts to cut funding for the omnibus antidrug bill and to urge the administration to declare Los Angeles a high-impact drug area.

Los Angeles has the unhappy distinction of being the Nation's drug and gang capital. Los Angeles gangs are now exporting drugs and violence to the rest of the country. According to the FBI, Los Angeles gangs are operating in over 40 cities throughout the United States.

Last session my colleague Mr. BERMAN and I introduced legislation to create a Los Angeles Drug Gang Task Force. We estimated that Los Angeles needed 699 new Federal law enforcement personnel, for the DEA, FBI, ATF, Customs, Coast Guard, U.S. Attorneys, and the INS.

In response the administration has agreed to provide 8 new DEA agents and 21 new Federal prosecutors. This is an important first step, but it is not enough. Much more needs to be done if we are to reclaim our homes and streets from crime and violence.

I urge my colleagues to provide law enforcement with the tools necessary to turn the tide in the war against drugs.

WE SHOULD PLACE THE EMPHASIS ON TREATMENT AND REHABILITATION

(Mr. SARPALIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SARPALIUS. Mr. Speaker, 14 years ago I received a phone call from a doctor who told me that my mother had just died as a result of an overdose of drugs. It hurt, but the sad thing was that I knew it was going to happen, and she knew it was going to happen. She wanted help, but there was no place to help her. I can remember hitchhiking to different treatment facilities with her, and nobody would take her because there was a waiting list of 3 to 5 years long, or it was necessary to have a large amount of money.

Mr. Speaker, the sad thing is that 90 percent of the drug addicts in this country who want help are turned away simply because we do not have enough facilities in this country. No one of us likes to see a child being abused, but 80 percent of the child abuse cases in this country are caused by a person who is intoxicated by either alcohol or drugs.

Mr. Speaker, we must address the supply and demand. If this country is every going to get serious about the drug problem, we must put emphasis on treatment and rehabilitation.

SUPPORTING OUR ANTIDRUG INITIATIVES

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, we will be considering the dire emergency supplemental appropriations bill for fiscal year 1989 today, and contained within the bill is an appropriation of national significance—funds to augment our antidrug initiatives.

H.R. 2072 includes $822 million to assist law enforcement efforts in reducing this menace. This money is imperative if we are to carry out the directives of the Anti-Drug Abuse Act of 1988, and support the efforts of the Select Committee on Narcotics Abuse and Control.

Congress made a commitment to fight this battle when it passed the omnibus drug bill last year. Mr. Speaker, let's not be accused of only political rhetoric in having declared a drug war. If Congress is to be taken seriously by drug criminals, we must flex some muscle and fund our plans of counterattack.

Illicit drug dealing is a $140 billion business in this country; and it costs our Nation $100 billion in higher health costs, drug-related crime and violence and lost productivity. Regular users of marijuana amount to 25 million people, while 15 million are occasional users; 30 million are occasional users of cocaine; and 7 million people abuse psychotropic substances.

The funds appropriated in today's bill will confirm our dedication in moving forward to arrest this dreaded disease.

President Bush pledged that the scourge of drugs would stop. I call on the President to show his commitment and my colleagues to show our commitment by supporting this appropriation.

Mr. Speaker, I intend to vote "no" on any initiative to reduce the drug funds in this bill. We cannot expect top-of-the-line drug enforcement with underfunded programs at bargain basement prices.

THIS IS A VERY SAD DAY

(Mrs. SCHROEDER asked and was given permission to address the House and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, when I was a student at Harvard Law School, my toes absolutely tingled at the thought of being able to work for the U.S. Justice Department. Those were the days of "Mississippi Burning," and the U.S. Justice Department was out front expanding rights for people and letting everyone be a player, making constitutional rights realities. Today I cringe as the U.S. Justice Department turns its back on that long tradition and the U.S. Attorney General goes to the Supreme Court asking to retrench on rights for American citizens.

Mr. Speaker, I think this is a very sad day, and I must say I am very upset that the U.S. Justice Department is moving in that direction.

I am proud of the many Justice attorneys who have asked the Attorney General not to do this, but I hope we reclaim where we were in the past and see ourselves as expanding rights, not asking to take people's rights away. I certainly regret the fact that they felt they had to get involved in the Roe versus Wade overturn decision.

TWO VERY IMPORTANT VOTES TODAY

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, make no mistake about it, the vote that we will be casting on the rule to the supplemental and on the supplemental itself will be two of the most important votes of this Congress. If my colleagues are serious about dealing with the drug problem in this country, they will vote yes on the rule and yes on the supplemental.

Mr. Speaker, the drug turf war has exploded throughout our Nation's cities, and this administration says it has a zero tolerance for drugs, but it is not willing to provide the weapons to fight the war on drugs. Anybody can talk tough on drugs, but are we willing to back up our local law enforcement to put the pushers behind bars and to provide treatment facilities to kick the habit? This is the bottom line.

Mr. Speaker, today Democrats in the House take the lead on the war on drugs by providing $820 million for law enforcement and antidrug initiatives in the emergency supplemental. My colleagues on the other side of the aisle will vote to cut that number in half.

If my colleagues want to be tough on drugs, if my colleagues want to put the criminals behind bars, where they belong, vote yes on the rule and vote yes on the supplemental.

IN ALL FAIRNESS THE GENTLEMAN FROM GEORGIA, MR. GINGRICH, SHOULD CLARIFY THESE COZY ARRANGEMENTS

(Mr. SMITH of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Florida. Mr. Speaker, yesterday we learned that the second highest ranking member of the leadership on the other side of the aisle, the gentleman from Georgia [Mr. GINGRICH], accepted cash payments, reimbursements, and in other ways was the recipient of largesse showered upon him by a group of friends, investors, and campaign supporters. We now know the identities of the members of the COS Limited Partnership which provided a $105,000 promotion fund for the gentleman from Georgia [Mr. GINGRICH] and which netted his wife nearly $10,000. We now know that members of the COS Partnership, who invested $5,000 each, also contributed directly to his Federal campaign fund. We now know that several of these investors and campaign contributors had direct interest in Federal legislation; he admitted it, as recipients of substantial Federal grants.

□ 1050

We now know there is some connection between individuals involved with Congressman GINGRICH's first book deal from the Nomanhan partnership which personally netted him $13,000 for a book that he never published.

I think it is time that he starts applying the same standards to himself that he seeks to apply to others. I believe the gentleman should himself in pursuit of such consistency request that the Ethics Committee currently considering the charges against him consider the appointment of an outside counsel to clarify at least these questions that surround these cozy arrangements, and if he does not do so, I hope the committee does it themselves, in all fairness.

THE INCREASE IN DRUG-RELATED CRIME

(Ms. PELOSI asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PELOSI. Mr. Speaker, I rise today to express my concern about the dramatic increase in drug-related crime that my district of San Francisco, and many other urban areas, are now experiencing. Our city streets have become the battleground for warring drug gangs.

Our mayor and local authorities are making a tremendous effort to contain the problem, and just last week churches, families and experts came together under the auspices of Cecil Williams and the Glide Memorial Church to make an assault on crack.

We cannot wait any longer, though, to fund and implement a national policy. I would like to remind President Bush and his drug czar, Mr. Bennett, that nationwide we lost 11,000 people to drugs and drug-related crime in 1987 alone. In that same year, Americans spent an estimated $140 billion to purchase illicit narcotics. These numbers continue to rise.

The waiting period to receive drug treatment can be as long as 6 months. People are being turned away as they seek help. Our hospitals are experiencing an alarming increase in the number of babies born with drug-related complications.

Please help us save our children, provide treatment, cut the supply, reduce the demand through education, and offer legitimate economic alternatives to our Nation's deserving urban poor.

Vote "yes" on the supplemental.

IN SUPPORT OF DRUG SUPPLEMENTAL FUNDING BILL

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, I rise today in support of H.R. 2072, the fiscal year 1989 supplemental appropriations bill. It contains much needed funding for the omnibus antidrug bill which Congress enacted last year.

I would like at this point to commend the gentleman from Iowa [Mr. SMITH], the chairman of the Subcommittee on Commerce, Justice, State, and Judiciary of the Appropriations Committee, and the full committee chairman, the gentleman from Mississippi [Mr. WHITTEN], as well as the ranking member, for expediting this bill and for their diligence in bringing this legislation to the floor.

Mr. Speaker, the drug scourge is laying waste to an entire generation of Americans. This is especially evident in the inner cities of our Nation, but drugs are a reality everywhere in America.

We need a coordinated national effort, such as that provided by the programs authorized under the omnibus antidrug bill of 1988 to help fight this battle, and to fight the battle we need the funds appropriated by this supplemental bill, so that the funds can flow to our law enforcement agencies around the Nation who today are fighting, at best, a rear guard action against drugs.

Mr. Speaker, they need these funds to go on the offensive against drugs. We need to pass the bill today and have it signed into law swiftly.

THE BASIC RIGHTS OF THE UNBORN

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, over 100 Members of Congress recently called on the Supreme Court in two amicus briefs to overturn Roe versus Wade and recognize the basic fact that unborn children are human, that unborn children are alive, and are entitled to the most basic of all human rights, the right to life.

Mr. Speaker, medical advances in recent years have eliminated any remaining doubt one might have regarding the humanity of the unborn. Abortion methods include literal dismemberment in D&C and D&E abortions, and chemical poisoning whereby salt solutions and other chemicals are introduced into the baby's embryonic sac, literally killing and poisoning that child, resulting in death.

Mr. Speaker, the court should vacate Roe versus Wade. It has reversed itself over 100 times on constitutional questions over the years; so stare decisis is not a defense.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 137

Mr. LEHMAN of Florida. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of House Joint Resolution 137.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

ACCESS DEMONSTRATION PROGRAMS CORRECTION

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 678) to make a correction in the Education and Training for a Competitive America Act of 1988, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. AMENDMENT TO THE EDUCATION AND TRAINING FOR A COMPETITIVE AMERICA ACT OF 1988.

Section 6142(b) of the Education and Training for a Competitive America Act of 1988 is amended by striking "fiscal year 1988" and inserting "fiscal year 1989 and

such sums as may be necessary for fiscal years 1990, 1991, and 1992".

SEC. 2. IMPACT AID.

(a) FEDERAL ACQUISITION OF REAL PROPERTY.—Section 2 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) (hereafter in this section referred to as the "Act") is amended by adding at the end thereof the following new subsection (d):

"(d) Any payment made to a local educational agency for any fiscal year prior to 1987 that is attributable to an incorrect determination under subsection (a)(1)(C) shall be deemed to have been made in accordance with such subsection.".

(b) AMOUNT OF PAYMENTS.—(1) Section 3(d)(2) of the Act is amended by inserting before subparagraph (B) a new subparagraph (A) to read as follows:

"(A) for any fiscal year after September 30, 1988, the total amount of payments under subparagraph (B) may not exceed $20,000,000.".

(2) Section 3(d)(2)(B) of the Act is amended—

(A) in the third sentence by striking "80" and inserting "95"; and

(B) by striking the seventh sentence.

(c) PAYMENT PRORATION AUTHORITY.—Section 5(c)(4) of the Act is amended by striking "under clause (ii) or (iii) of paragraph (2)(B), or clause (ii) or (iii) of paragraph (3)(B), respectively, the full amount which local educational agencies are entitled to receive under such clauses" and inserting in lieu thereof "under paragraph (2)(B) or paragraph (3)(B), respectively, the full amounts that local educational agencies are entitled to receive under such paragraphs".

(d) PAYMENTS TO LOCAL EDUCATIONAL AGENCIES.—Section 5(e)(1)(A) is amended to read as follows:

"(A) for any fiscal year after September 30, 1988, the Secretary shall allocate, to any local educational agency eligible for a payment under section (3)(a), not less than the product of—

"(i) the number of children in average daily attendance for the fiscal year for which the determination is made under section 3(a); and

"(ii)(I) if such agency received a payment under section 3(a) in fiscal year 1987, the per pupil amount paid to that agency in fiscal year 1987; or

"(II) if such agency did not receive such a payment in fiscal year 1987, the per pupil amount such agency would have been paid in fiscal year 1987 if such agency had been eligible for payments under section 3(a) and the average daily attendance for such agency for fiscal year 1987 had been equal to the average daily attendance for such agency for the first fiscal year succeeding fiscal year 1988 for which a determination is made under section 3(a).".

(e) DISCRETIONARY ALLOCATIONS.—Paragraph (3) of section 5(e) of the Act is amended by inserting the words "subparagraph (B) of" after "under".

(f) APPLICATION DEADLINE.—The Secretary shall consider as timely filed, and shall process for payment, an application from a local educational agency that is eligible for fiscal year 1989 funds under section 2 or 3 of the Act, if such application has been certified by the State educational agency, was received by the Secretary by March 15, 1989, and is otherwise approvable.".

SEC. 3. AMENDMENTS TO THE ADULT EDUCATION ACT.

(a) IN GENERAL.—Section 312(7) of the Adult Education Act is amended by striking "and except for the purposes of section 313,".

(b) EFFECTIVE DATE.—The provisions of this section shall take effect on the date of enactment of this Act.

Mr. WILLIAMS (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

Mr. COLEMAN of Missouri. Reserving the right to object, Mr. Speaker, I support the bill as it has come back from the Senate. H.R. 678 corrects a technical error that was made in the conference report on the trade bill last year. In the report, the Access Demonstration Programs were inadvertently authorized for only 1 year. This technical correction increases that to a 4-year authorization.

As indicated, the Senate has added two technical sections, amending the impact aid provisions of the Adult Education Act. Those are in fact technical in nature.

These Senate amendments correct unanticipated technical problems with the distribution of funds, resulting from changes in these programs in the last Congress.

The impact aid technical amendments gives the Secretary of Education authority to make ratable reductions to "B" districts when appropriations levels necessitate such action. Without this authority, there will be no "B" payments made this fiscal year. The impact aid program is further amended to protect heavily impacted 3(d)(2)(B) districts, by providing additional funding for newly enrolled students.

The amendments also make a technical change to restore adult education funding in the trust territories to its previous level, by providing a share of reallocated, excess funds to adult education programs in these territories. To prevent a significant reduction in funding for the territories, this restoration of previous law allows territories to be counted in the allocation of funds in the States distribution formula.

Mr. Speaker, I support the chairman and look forward to expeditious passage this morning on the floor of this important technical bill.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the gentleman from Montana.

(Mr. WILLIAMS asked and was given permission to revise and extend his remarks.)

Mr. WILLIAMS. Mr. Speaker, today we consider H.R. 678, with several amendments added to it by our colleagues in the Senate.

This body passed H.R. 678 by voice vote under suspension on March 7 of this year. Last week the Senate passed the bill and sent it back to us after adding several amendments to it. Today I urge my colleagues to pass the bill with these Senate amendments.

Let me give you a quick explanation of what H.R. 678 does, and what the Senate amendments do. First, H.R. 678 as passed by the House simply made a technical correction to last year's trade bill. It was a noncontroversial amendment that merely restored the authorization for the Access Demonstration Program of the trade bill through fiscal year 1992 as was intended by the Congress. This authorization had been mistakenly limited to fiscal year 1988 when the trade bill conference report was drafted.

When this bill reached the Senate, that body became aware of several technical problems with the impact aid program and with the adult education program. Those two programs were reauthorized last Congress, and in the implementation of those reauthorizations several previously unanticipated problems occurred. The amendments added by the Senate resolved those problems. These amendments have been developed by Members of the Senate and the appropriate House Members on both sides of the aisle, and I can assure my House colleagues that these amendments are necessary and that they are acceptable.

I urge my colleagues to pass H.R. 678 with the Senate amendments.

Mr. COUGHLIN. Mr. Speaker, will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Speaker, I have discussed with the distinguished chairman of the subcommittee and the distinguished ranking minority member the situation of a school district in my congresssional district which because of a bureaucratic interpretation has been denied receiving impact aid which it has been receiving since the early 1960's, some 29 years ago. I had been hoping to rectify this injustice in this bill, but I do not want to open the bill or delay the proceedings.

The distinguished chairman and the ranking minority member have assured me that they would be willing to work with me to try to rectify this injustice in this legislation. I just wanted to confirm that understanding.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the gentleman from Montana.

Mr. WILLIAMS. Mr. Speaker, I want to take just a minute to commend the gentleman from Pennsylvania for bringing this matter to our attention, an area in his district that is indeed troubled by what has every appear-

ance of being a bureaucratic snafu, and no more than that.

The gentleman is being very generous and patient in trying to work out this matter with the executive branch. Both the minority and I appreciate the willingness of the gentleman from Pennsylvania not to delay the legislation before us to take care of his problem, but rather to try to do it in another, although expeditious manner. I want to assure the gentleman that we are going to attempt to do everything we can to see that his problem is resolved.

□ 1100

Mr. COLEMAN of Missouri. Mr. Speaker, I thank the gentleman for bringing to our attention his concerns in his school districts, and I think I certainly support the chairman's attempt here to accommodate the gentleman. We appreciate his understanding and letting us pass this bill. We look forward to working with him to resolve this issue in his district.

Mr. COUGHLIN. Mr. Speaker, will the gentleman yield?

Mr. COLEMAN of Missouri. I am happy to yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Speaker, I want to thank the distinguished chairman and the distinguished minority member.

Mr. DE LUGO. Mr. Speaker, I rise to extend my appreciation to all those who assisted in passage of the adult education amendment that is being acted on today as part of H.R. 678.

This amendment is vitally important to the people of my district in the U.S. Virgin Islands, as well as the people of the other insular areas, who rely heavily on adult education programs to improve themselves and advance in life. Without this legislative correction we are enacting today, these people would have been hurt by an inadvertent cut in adult education funding.

Thanks to the timely passage of this amendment, the government of the Virgin Islands and other insular areas will retain the same basic level of adult education funding that they have received in past years, so they can continue to provide these important services to people who are striving to learn and improve themselves.

I want to extend special thanks to the gentleman from California, the chairman of the Education and Labor Committee, and the ranking minority member, the gentleman from Pennsylvania, who responded to my request for help to restore this funding. As always, the chairman took pains to be sure that the people of the insular areas have equitable access to educational programs. I also want to thank the subcommittee chairman, the gentleman from Montana, and the ranking minority member, the gentleman from Missouri, for their effort in handling this bill on the floor.

In the other body, I want to thank the gentleman from Massachusetts and the gentleman from Utah, of the full Labor and Human Services Committee, and the gentleman from Rhode Island and the gentlewoman from Kansas, of the Subcommittee on Education, Arts and Humanities, for their valuable cooperation in moving this amendment through their proceedings.

Mr. Speaker, I want briefly to reiterate how important this program is to the Virgin Islands, where more than 2,600 students are enrolled in adult education classes. The Virgin Islands commissioner of education, Dr. Linda Creque, and adult education director, Mrs. Anna Lewis, have done an excellent job of expanding this program and offering new adult education opportunities to an ever wider audience in our community.

These classes offer a second chance for adults who did not or could not get their high school degrees at a younger age. But now, with greater maturity, they are determined to learn and get their degree and get a better job to provide for themselves and their families. These students are some of the most determined and enthused people you can find in any classroom around this country. It gives me great pleasure to know that, thanks to this amendment we are passing today, they will be able to continue to study and advance in life.

Mr. COLEMAN of Missouri. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. BRUCE). Is there objection to the request of the gentleman from Montana?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Montana.

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendment just concurred in.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

PERMISSION FOR COMMITTEE ON EDUCATION AND LABOR TO HAVE UNTIL MIDNIGHT, FRIDAY, APRIL 28, 1989, TO FILE REPORT ON H.R. 7, APPLIED TECHNOLOGY EDUCATION AMENDMENTS OF 1989

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor have until midnight, Friday, April 28, 1989, to file a report on the bill, H.R. 7, the Applied Technology Education Amendments of 1989.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1486, MARITIME ADMINISTRATION AUTHORIZATION, FISCAL YEAR 1990

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 101-40) on the resolution (H. Res. 138) providing for the consideration of the bill (H.R. 1486) to authorize appropriations for fiscal year 1990 for the Maritime Administration, and for other purposes, which was referred to the House Calendar and ordered to be printed.

WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 2072, DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS AND TRANSFERS, URGENT SUPPLEMENTALS, AND CORRECTING ENROLLMENT ERRORS ACT OF 1989

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 135 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 135

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of bill (H.R. 2072) making dire emergency supplemental appropriations and transfers, urgent supplementals, and correcting enrollment errors for the fiscal year ending September 30, 1989, and for other purposes, and the first reading of the bill shall be dispensed with. All points of order against consideration of the bill for failure to comply with the provisions of sections 302(f) and 311(a) of the Congressional Budget Act of 1974 (Public Law 93-344, as amended by Public Law 99-177) are hereby waived. After general debate, which shall be confined to the bill and which shall not exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the bill shall be considered for amendment under the five-minute rule. During the consideration of the bill, all points of order against the bill for failure to comply with the provisions of clause 2 and 6 of rule XXI are hereby waived, except against the provisions beginning on page 20, line 19 through page 21, line 6; beginning on page 31, lines 5 through 12; and beginning on page 34, lines 19 through 25. It shall be in order to consider the amendments printed in the report of the Committee on Rules accompanying this resolution, said amendments shall be considered in the order specified in the report, may be offered only by the Member specified or his designee, shall be considered as having been read, shall be debatable for not to exceed one hour each, equally divided and controlled by the offeror and a Member opposed thereto, and shall not be subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole. All points of order against

said amendments are hereby waived, except for points of order under clause 2 of rule XXI against provisions identical to those provisions in the bill against which points of order were not waived by this resolution. Any such point of order may lie only against those specified portions of an amendment, and not against an entire amendment. If both of said amendments are adopted, only the latter amendment which is adopted shall be considered to have been finally adopted and reported back to the House.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 135 is the rule providing for the consideration of H.R. 2072, the emergency supplemental appropriations bill for fiscal year 1989.

The rule provides for 1 hour of general debate, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations.

Mr. Speaker, the rule waives points of order under two specified sections of the Congressional Budget Act against consideration of the bill, section 302(f) and section 311(a).

Section 302(f) of the Congressional Budget Act prohibits consideration of measures that would exceed the subcommittee allocations of new discretionary budget authority made pursuant to section 302(b) of the Budget Act. Since the bill provides new budget authority in excess of the Appropriations Committees 302(b) allocations the bill would violate section 302(f) of the Budget Act.

Mr. Speaker, the second budget act waiver against consideration of the bill is section 311(a). Section 311(a) of the Budget Act prohibits consideration of any measure which would cause the budget authority or outlay ceilings established by the concurrent resolution on the budget for such fiscal year to be breached. Since the budget authority and outlays set forth in House Concurrent Resolution 268, the concurrent resolution on the budget for fiscal year 1989, have already been exceeded, the bill would violate section 311(a) by causing the spending ceilings to be further exceeded.

Mr. Speaker, the Rules Committee was reluctant to waive the Budget Act on this bill. However, the rule makes in order two amendments that will reduce spending to the levels that the President requested in the budget summit. In order for the House to be able to vote on these amendments the Rules Committee granted the Budget Act waivers to allow for the consideration of the bill.

Mr. Speaker, the rule also waives clause 2 and 6 of rule 21, against the bill, except for certain provisions. Clause 2, of rule 21, prohibits the inclusion of legislation and unauthorized appropriations in any appropriation bill.

There are three provisions that are subject to points of order. The first two provisions deal with adjusting pay rates for certain health care occupations within the Defense and Veterans Departments, and a provision that directs the Federal Aviation Administration to initiate rule making procedures to require airlines to use a particular type of explosive detection equipment.

These sections Mr. Speaker, were left unprotected at the request of the committees that have legislative jurisdiction on these matters.

Clause 6 of rule 21 prohibits reappropriations in a general appropriations bill, because the bill contains transfers of previously appropriated funds the waiver is necessary.

Finally, Mr. Speaker, the rule makes in order two amendments that are printed in the report accompanying this resolution. The amendments are to be offered by the member named or his designee, and only in the order specified in the report.

They are, first, an amendment offered by Representative CONTE of Massachusetts, debatable for 1 hour, and, second, an amendment offered by Representative FOLEY of Washington, also debatable for 1 hour.

The Conte amendment contains a 0.67-percent cut of only nondefense items, eliminates homeless funding, and reduces drug interdiction money to $370 million.

The Foley amendment will cut all discretionary spending that is not in this supplemental bill by a total of 0.57 percent across the board.

The amendments are not subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole. The rule waives all points of order against the Foley amendment and all points of order against the Conte amendment, except against specified sections of the Conte amendment.

Mr. Speaker, if both amendments are adopted, only the last amendment adopted in the committee will be considered as having been finally adopted and reported back to the House.

Mr. Speaker, H.R. 2072 makes available additional funding for the remainder of the 1989 fiscal year to Government programs and agencies that are in danger of running out of money. The programs that would be directly funded from this bill vary from fighting the drug epidemic, providing decent assistance to the Nation's homeless, continuing medical care for our Nation's veterans, to the funding for the Guaranteed Student Loan Program.

The leadership on both sides of the aisle as well as the leadership of the House Budget and Appropriations Committee are to be commended for their bipartisanship cooperation that allows for this much needed bill to be brought before the House.

Mr. Speaker, I reserve the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Massachusetts [Mr. MOAKLEY] has ably described the provisions of the rule, but I would like to point out to the Members that when the Committee on Rules heard this measure yesterday, I offered a motion to send the bill back to the Committee on Appropriations, for further consideration in order to iron out the controversies in the bill.

□ 1110

I was voted down.

Mr. Speaker, this measure does have a considerable problem as it was finally reported by the Appropriations Committee. A lot of extra spending was loaded on which was not necessary to respond to real emergencies.

In some instances money which was budgeted for fiscal year 1990 was included in this bill so as to give more leeway for extra spending in 1990. It is this extra spending which makes this bill controversial, Mr. Speaker.

In the Rules Committee I offered a motion, as I said, to send the bill back to the Appropriations Committee, but that was turned down. Instead we have ended up with a rule which provides for the consideration of two major substitutes. The first is a proposal by the ranking Republican member of the Committee on Appropriations, the gentleman from Massachusetts [Mr. CONTE]. The Conte amendment takes the responsible approach of cutting out unnecessary spending while preserving spending for programs where the need is real, such as veterans health care.

The other amendment is to be offered by the majority leader, the gentleman from Washington [Mr. FOLEY]. The problem with the Foley amendment, Mr. Speaker, is that it will make cuts in defense programs which will then be used to fund domestic programs, most of which are not in need of "dire emergency" supplemental appropriations.

Mr. Speaker, the best solution at this point is to defeat this rule so that the Appropriations Committee can go back and take out the unnecessary extra spending which has been tacked onto the bill. We could then move quickly on a bill to provide funding for those areas where there is a real emergency, like veterans health care.

The administration has sent up their views on the Foley amendment, and they oppose it. If the Conte substitute passes, they will support it. Neither of

the substitutes changes what has been proposed for the Veterans' Administration.

I have a VA hospital in my district, and I know some of the beds badly need to be occupied by veterans, but the Veterans' Administration does not have the funds with which to operate all the functions of the hospital. That is true throughout the country. The veterans of this country have served their country well and honorably and they deserve the funds in this emergency appropriation bill. Both substitutes provide those funds.

But irrespective of the emergency for the Veterans' Administration, which must be corrected without any further delay, there are other problems affecting this Nation of ours. The bill violates the agreement on the budget reached in a bipartisan fashion. I think when we have negotiated and both sides of the aisle have agreed, along with the administration, on this proposal, then that agreement should be lived up to and not violated. That is the situation we are in today.

As I recommended in the Rules Committee, the bill should have gone back to the Appropriations Committee. I have faith in the chairman of the Appropriations Committee, and I know that he would have come out with another measure conforming to the bipartisan agreement reached on both sides of the aisle.

So today I would recommend highly that we defeat this rule so it can go back to the committee, and I urge my colleagues to do so.

Mr. Speaker, I yield 6 minutes to the gentleman from Illinois [Mr. MICHEL], our minority leader.

Mr. MICHEL. Mr. Speaker, I rise in strong opposition to this rule, and urge its rejection.

This is obviously not the first time the Rules Committee has granted a waiver to an appropriations bill that exceeds the budget resolution parameters. In fact, the committee has been making a practice of granting such waivers in recent years, which explains in part why the deficit is still where it is.

What is particularly onerous about this one, however, is that it applies to the first appropriations bill out of the box this year, and it specifically contradicts what was agreed to in the budget summit 2 years ago. In that summit, we agreed that there should be no supplementals except those providing for dire emergencies.

It is blatantly false for the Appropriations Committee to claim that the entire $4.9 billion in this supplemental represents "dire emergency" money. And it further stretches the truth for the Rules Committee to in essence buy that claim by granting this waiver.

Of course, the committee tells us that the waiver is justified because floor amendments will be offered offsetting a portion of the spending increases in the bill. This misses the point. First of all, we have no assurances any of those offset amendments will pass.

Second, this lets the Appropriations Committee off the hook. If the budget process is to mean anything, we must demand that the committees of this House adhere to the letter of the law. The 1987 budget summit agreement, as written into law, demands no tampering with those figures we agreed upon.

That was what those closed door arguments were all about.

Admittedly our big hangup at the time was over the defense figure. We argued for several days over one-half billion dollars.

Now in addition to the tremendous cuts that Secretary Cheney has to contend with in this next year's Defense budget, the Democratic majority want him to take another $1.7 billion hit by way of the across-the-board cuts as off-sets to their insatiable appetite to up the ante in this first appropriation bill to come before the House in this Congress.

If the Appropriations Committee cannot follow the law, we should deny floor consideration of their product until they do.

The floor amendment proposed by the majority is a violation of the budget summit agreement. That agreement was very specific in the division of spending between defense and domestic discretionary. This was painstakingly arrived at and was at the core of the agreement.

The majority amendment represents an out and out violation of that agreement by taking most of its offsets out of defense to fund higher domestic expenditures. So much for budget summit agreements. If that same standard is going to apply to the fiscal year 1990 budget agreement just reached a couple of weeks ago, then we probably have an agreement that isn't worth the paper it's written on.

I hope that's not going to be the case, and I hope the majority plans to stick to their commitments. But when we see, through this amendment, how they play fast and loose with the commitment of 2 years ago, I cannot feel very confident. And that in itself is very disappointing.

Mr. Speaker, the only effective way to deal with this bill is to send it back to the Appropriations Committee by defeating this rule and ask the committee to send back a bill with only the urgent items, such as the veterans health and disability benefits and the money for the deficiency in the fire fighters account spent during last year's devastating fires out West.

I urge defeat of the rule.

Mr. Speaker, I include with my remarks a letter from Secretary Cheney outlining some of the problems with this supplemental appropriation bill.

The letter referred to follows:

THE SECRETARY OF DEFENSE,
Washington, April 26, 1989.

Hon. BOB MICHEL,
Republican Leader of the House, House of Representatives, Washington, DC.

DEAR BOB: It has come to my attention that the Democratic leadership proposes to fund the supplemental for Fiscal Year 1989 by imposing a reduction of $1.7 billion on the defense budget for the current fiscal year. If such a measure passes, I will recommend to the President that he veto the Supplemental Appropriations Bill.

Attached is a memo explaining in some detail the impact of the proposed reduction. .57% sounds like a small number until you realize that we are in the final four months of the fiscal year and that it can only come out of certain accounts. The reduction would fall most severely on personnel O and M accounts, and research and development, where there is very little flexibility this late in the fiscal year.

In putting together the President's DoD budget proposal for FY 1990, I have been very careful to avoid cuts which would interfere with our ability to recruit and retain first-class people for the nation's armed forces. This proposal would do enormous damage before we even get to FY 90.

The cuts would force me to freeze permanent change of station moves disrupting plans of military families. I would have to stop payment of reenlistment bonuses which would seriously reduce our ability to obtain trained and skilled people, and I would have to provide for the early release of some 28,000 people scheduled to leave the service between now and the end of the fiscal year. This would have very serious consequencs for the manning of our forces.

I am also deeply disturbed as a former Member of the House of Representatives at the prospect that commitments made by the Congress in the fall of 1987 concerning funding measures for defense in FY 89 will not be kept. If we are to have a period of greater consultation and cooperation between the President and the Congress on matters of national security policy in the years ahead, I believe it is essential that Congress live up to its commitments.

I hope that this unwise proposal will be defeated. If it is not, I will urge the President in the strongest possible terms to veto the measure when it reaches his desk.

Best regards,

DICK CHENEY.

AMENDMENT PROVIDING ACROSS-THE-BOARD CUTS IMPACT ON DEFENSE

The proposed amendment to reduce FY 1989 accounts by .57 percent would have the following impact on DoD:

Reduce Defense funding by $1.7 billion, including the following Budget Title reductions:

	[In millions of dollars]
Military personnel	−448
Operation and maintenance	−490
Procurement	−452
Research and development	−214
Military construction/family housing	−50
Total	−1,654

The Defense budget base already weakened by 4 years of negative real growth

would be further damaged by the impact of another $1.7 billion of reduction in FY 1989.

Negative real growth in FY 1989 would increase from −1.3% to −1.8%.

Reductions would fail severely on Military Personnel, Operation and Maintenance and Research & Development appropriations where there is little flexibility to absorb reductions late in the fiscal year.

Reserve/Guard programs would be hard hit—almost 25% of school/special/mobilization training would be eliminated. Direct negative impact on readiness. Foregone training is that which would be used to develop skills for integration of reserve forces with the active force. Degrades the ability of reserves to fulfill missions.

Freeze PCS moves. Disrupts the proper staffing of critical positions as well as family plans such as movement to new schools and selection of new homes. Serious morale problem. Direct impact on retention.

Stop payment of reenlistment bonuses. Service lose significant number of key personnel. Will take years to replace loss of core technical/leader personnel in critical skills.

Early release all people scheduled to leave the Service through the end of the fiscal year (about 28,000 personnel). Causes serious undermanning of force and immediate adverse impact on readiness.

Would cause a reduction in Army ground operating tempos and ship steaming and flying hours needed to maintain training proficiency.

Reductions in real property maintenance and depot maintenance would have to be made in order to avoid personnel reductions.

Five to ten Military Construction projects would be eliminated and planned maintenance of family housing units would have to be curtailed. Morale would be adversely affected and operating costs would not be reduced.

Since two thirds of the year is gone, the reduction in RDT&E would have to be taken in technology and research programs at the laboratories and universities and by curtailing planned testing of weapons systems.

Scientists and engineers would be laid off until FY 1990 funds are available. With the highly competitive environment that exists in the technology field, it is likely that many people would not return. Programs could suffer long term negative impact.

Training equipment, support equipment, spare parts and logistic for major weapons systems would be cut back seriously impacting readiness.

Disrupt ongoing contract negotiations as procurement requests are withdrawn to accommodate lower dollar levels.

Communications equipment, munitions and special support equipment would be deleted. Adverse impact on readiness and sustainability.

□ 1120

Mr. MOAKLEY. Mr. Speaker, I yield 5 minutes to the chairman of the Committee on Appropriations, the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. I thank the gentleman for yielding.

My friends, you know our friend from Illinois, the minority leader, has a very convenient memory. Just 2 weeks ago we passed an appropriations bill providing $66 million for the Contras and he spoke for it. So that was the first appropriation bill of the session.

It is when we look after our own country that we hear so much opposition. That bill passed without any problem, $66 million to the Contras. That was the first appropriation bill this Congress.

He talked about what would be cut by the Foley amendment. Let us see what would be left for military spending. We would have $297 billion left for military spending if the Foley amendment is adopted. I do not know whether it will be or not.

Not only that but the estimates of DOD are that there will be unobligated balances of $41.2 billion at the end of this fiscal year, and unexpended balances would be $259 billion.

I have not supported similar provision as of now. But we have got to get this bill to the Senate. This is not a law, it is a bill. We have got to get to the Senate. We have to pass this bill in order to get to conference. Unless we pass this bill, none of the funds provided in this bill will become available.

Let me say this: I am proud of our Committee on Appropriations. We have held appropriation bills below the budget. Since 1945 we have cut $187 billion below the recommendations of the Presidents. Under President Reagan we have cut $16.1 billion below the budget. It is not your Committee on Appropriations that has brought about this situation.

Let me tell you about the bill that we have here.

I know most of us like things in this bill that we think are important.

We do have in this bill—listen to this now—we have in this bill the urgent supplemental, and everybody is talking about the great amount of money in here for drugs. Let me tell you what this is. It is available until expended which means it will be spent by agreement betweens the executive branch and the congressional branch. What more can you do to give us some control and some say about it?

We have some other things that are vital to the American people. What did we do? We cut back other expenditures solely so that we could include this. Then we have one thing, may I say, that is vital to us too.

Now I have been to conferences with the Senate, and they average about 300 amendments for supplementals. The provision in here which makes funds available subject only to raising the money in advance in addition to what we have, it never becomes available for obligation or expenditure. But I will tell you you will be begging us in our conference with the Senate to protect your interests. We put it in here to get it to conference.

May I repeat again: My friend from Tennessee says that we do not want a delay. If you vote this rule down you have got delay. You have brought it on yourself. Everybody here has three or four things that they put higher priority than others do. But when you have 435 Members and put them together we have done a great job, if I may say so.

Let me repeat again to all of you: Our Committee on Appropriations since 1945 has held the appropriation bills $187 billion below the Presidents' recommendations. Under the Reagan administration we held it $16 billion under.

It is going around our committee with entitlements and other back-door spending that has created the deficit problem.

I will tell you something else: The rules provide that when you make a mistake you can waive the requirement in order to correct that mistake, and that is what we have here. I have heard enough about the summit business. I was on the committee. I know what was agreed to down at the White House. Since then, all anyone has is ideas and interpretations because it is not in writing. But whatever it was the rules permit you to say that when you make a mistake or situations do change, you can correct the mistake or accommodate the situation. Again if you do not adopt this rule you have held up all these appropriations.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. SOLOMON], a member of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I rise in strong opposition to this rule and to this bill. Indeed, I would be opposed to granting this bill any rule at all in its present form. H.R. 2072 should be sent back to the Appropriations Committee, where it should stay until the members of that committee can agree among themselves to come up with a reputable bill which can command bipartisan support.

By granting this bill a rule, we are continuing to say to the financial markets and to everyone else in our country that this Congress couldn't make a tough decision to save its life. Here we are, right back to business as usual.

If the rule goes through, and we consider this bill in its present form, the House will find itself looking at what is essentially a political document. This bill represents a massive, politically motivated add-on to what started out as a very rudimentary and responsible supplemental request from the administration. Once again, it's Christmas in April! And the Appropriations Committee has produced a Christmas tree bill.

You know, Mr. Speaker, if it were not 65 or 70 degrees outside right now I would suggest the Members of the House join in singing a lusty rendition of "Deck the Halls." And may I say that decking the halls would be a more

constructive enterprise than wrecking the latest budget summit agreement—which is exactly what passage of H.R. 2072 will accomplish.

Before the bill ever saw the light of day, spending in fiscal year 1989 was already exceeding the ceilings on both budget authority and outlays by nearly $1 billion. And this bill adds at least another $2.7 billion in spending authority to this already-deteriorating budget scenario. Every agreement—or law—to which Congress has committed itself has been violated. The 1987 budget summit agreement, the fiscal year 1989 budget resolution, and Gramm-Rudman-Hollings.

H.R. 2072 has the additional feature of front-loading a lot of 1990 money into 1989—which makes it all the easier to load up on additional 1990 spending a year from now, or whenever the next "dire emergency" hits. If the bipartisan budget summit agreement reached last week isn't killed off by this bill altogether, clearly that agreement will be rendered comatose.

But what else can we expect when a senior member of the Appropriations Committee comes before the Rules Committee and candidly admits that all the budget summit agreement amounts to is a couple of Members running down to the White House to have their pictures taken? If that view is reflective of the one held by his fellow subcommittee chairmen on appropriations, it is no wonder the committee is out of control.

H.R. 2072 in its present form is so irresponsible that a poll of members of the Budget Committee revealed an overwhelming majority of them to be opposed to granting any waivers of the Budget Act. The rule would allow for those waivers—that's reason enough right there to defeat this rule. But, of course, the fall-back position is that the amendments to be offered by Mr. CONTE and Mr. FOLEY contain offsetting, across-the-board budget reductions. So, who is worried about waivers?

Mr. Speaker, I would just continue by making two last points. First, April 15 has come and gone for another year. Congress has missed its deadline again for passing a budget resolution. We were so busy decorating a Christmas tree we violated the law. Maybe we can pass a budget resolution before Arbor Day. Then again, maybe not.

Second, I would underscore the political nature of H.R. 2072 by focusing for a moment on the benefit package it has for veterans. Everybody knows a supplemental request from the administration for our veterans will be coming very shortly. But, in order to make this bill more palatable, veterans' benefits were placed in it—held hostage, in other words—in the hope that such popular and necessary programs would attract the votes requires to pass the rest of this package.

But I say enough is enough! Let's quit playing with the lives and livelihoods of people and start doing the right thing. If H.R. 2072 passes, we may as well unfurl a flag from the top of the dome which says Congress is back in session; the buck passes here; it's business as usual; and if you're looking for solutions to the problems of our country, keep right on looking—because the Congress has no answers.

□ 1130

Mr. MOAKLEY. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Speaker, I rise in support of the rule. I do so because it gives the House an opportunity to provide additional funding for critical programs while paying for discretionary spending that exceeds the limits set in the budget resolution. The pay-as-you-go approach embodied in this rule is one that protects the integrity of the budget process and demonstrates the ability of this body to exercise budget discipline.

The supplemental bill, as reported from the Appropriations Committee, violates the Budget Act by providing discretionary spending in fiscal year 1989 in excess of the spending ceilings set forth in the budget resolution. Specifically, the bill violates section 302(f)(1) of the Budget Act by providing spending in excess of the committee's appropriate subcommittee section 302(b) allocations. Also, since the overall budget authority and outlay ceilings for fiscal year 1989 have already been exceeded and since the Appropriations Committee has exceeded its 302(a) allocation of total discretionary spending, the reported bill violates section 311(a) by causing the ceilings to be further exceeded. The current level of budget authority is over the ceiling by $934 million and the current level of outlays exceeds the ceiling by $391 million.

Additionally, CBO estimates that $462 million in outlays will spill over into fiscal year 1990 as a result of this supplemental.

Title I of the bill provides mandatory supplementals of $2.288 billion in budget authority for fiscal year 1989. The additional funding for mandatory programs does not raise any Budget Act issues since full funding of mandatory programs was assumed in the fiscal year 1989 budget resolution.

The bill provides total discretionary spending of $2.718 billion in budget authority for fiscal year 1989. CBO estimates that the bill results in $1.443 billion in outlays in fiscal year 1989. Discretionary programs funded in titles I and II of the bill include FAA, refugee assistance, veterans medical care, farm income stabilization, emergency drug funding, homeless programs, peacekeeping activities, Japanese-American reparation payments, NOAA operations, agricultural credit insurance fund, and other programs.

I recognize that many of the programs in the supplemental bill require additional funding to prevent a disruption in services or benefits. I also recognize that most of this funding is intended to meet critical needs in our society.

However, the reported bill raises serious questions about the willingness or ability of the House to adhere to budgets and to budget agreements with the White House. The bill not only provides for spending beyond the levels set in the budget resolution but also challenges the provision of the 1987 summit agreement between Congress and the White House which specifically ruled out supplementals except for dire emergencies.

As my colleagues know, the bipartisan leadership of the House and Senate have reached a new budget agreement with the White House for fiscal year 1990. Frankly, if we do not adhere to the 1987 agreement, and if we take action that actually causes additional spending in fiscal year 1990, it will cause considerable doubt about the implementation of this agreement.

We have an uphill road to travel if we are going to make serious reductions in the deficit and meet the Gramm-Rudman deficit reduction targets. If we cannot stick to the budgets we enact and to agreements reached in good faith, it becomes that much more difficult to reach those targets.

The amendment by the majority leader made in order by the rule addresses these concerns. The amendment would reduce by approximately one-half of 1 percent all discretionary accounts across the board, except those in the supplemental. It is fair, it is simple, and it provides a pay-as-you-go approach that I believe makes sense.

If we are going to spend new money, we have to pay for it. The leadership amendment does that. I hope my colleagues will support this rule, and I hope they will support the majority leader's amendment later today.

Mr. QUILLEN. Mr. Speaker, I yield 10 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Speaker, I rise in strong opposition to the rule to grant a waiver of the Budget Act for consideration of H.R. 2072.

Mr. Speaker, if a satirist wanted the perfect lampoon about how the Congress of the United States makes economic policy, if a cartoonist was looking for the biggest blubbering whale in the ocean to harpoon, if they wanted a model for a real turkey they would need look no further than the spectacle which is about to unfold today.

We have, on many occasions, in the recent past, made statements, signed agreements, taken oaths, promised

and pledged to our constituents, our voters, that we would do our utmost to bring the Federal deficit under control.

Well, on April 26, 1989, at a time when we have breached every spending target we set, from the Budget Summit Agreement of 1987, to the budget resolution for fiscal year 1989, to Gramm-Rudman-Hollings, we bring our first major appropriations bill to the House floor this year.

At a time when we are celebrating the genius of our First Congress 200 years ago, when we are seeking to emulate their courage and leadership, when the future of our economy hangs in the balance, what is our first act of courage, our first signal of fiscal responsibility that we send as a beacon to the free world?

Here it is in this rule. We want to waive any provision of law that keeps us from spending more money and we want a waiver of the Budget Act to do it. A little more money? No! A lot more money; $5 billion more money. More than double the administration request. A 400-percent increase in discretionary "controllable" spending.

Mr. Speaker, within a week the House budget resolution for fiscal year 1990 is expected on the floor, containing an agreement to reduce the deficit by $70 billion. How in the world can we take up that agreement with a straight face knowing full well we have just voted to waive our last agreement? Who is going to believe us on the new agreement, when our first act of spending restraint in this Congress is to find a way to breach yet once again our last agreement?

In that last agreement, we vowed to propose supplementals only in the case of dire emergency, a promise that is restated in the recent budget agreement for 1990. And there are dire emergencies in this bill—medical care for our veterans for one.

But we don't stop with real emergencies in this bill. In antidrug programs, homelessness, and the internment funds, the bill takes hundreds of millions of dollars that are proposed to be spent in fiscal year 1990 and sticks them in this bill. It is being used as a gimmick to stuff 1990 money into 1989 so that there's room to spend even more in 1990.

Full funding for the homeless is coming in a month in the regular HUD bill. A billion increase for drugs is part of the administration request for 1990. But we just can't exercise one month's worth of restraint in shoveling this money out there.

So now, having created this mess, we've got to try to bail ourselves out. And that is what the comic opera planned for today is all about. So there will be the Conte plan and the Foley plan, neither one of them perfect, trying to clean our shoes after we've already stepped in it.

And after the script plays out, where will we be? Will we have a bill that the President will sign? I'll put money against it. Will the veterans be any closer to getting their medical care? Just you wait and see.

There is one way to avoid the mess. Don't step in it. There is too much unnecessary spending in here to offset, and even if you offset, it will cause pain and problems in the programs tapped for the money. The underlying bill is too large, too expensive, and too out of touch with fiscal reality.

The right thing to do is to send this bill back to committee. You shouldn't have to clean up their mess. Speak for fiscal responsibility. Speak for leadership and courage. But above all speak for yourself.

Don't let your first vote on fiscal policy in the 101st Congress be a vote to waive spending limits in the Budget Act. Your past resolve, and your future credibility to control spending and to limit the deficit are at stake.

This is a reality check, folks. This is not the fiscal policy of Brazil; we're deciding here. Though it may seem like it today, this is not a night at the opera or even a day at the races. This is one that will set the course for the rest of this Congress. Don't take up the bill until the committee gets it right. Vote the rule down.

□ 1140

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the minority leader.

Mr. MICHEL. Mr. Speaker, I appreciate the gentleman's yielding.

Mr. Speaker, I just want to compliment the gentleman from Massachusetts [Mr. CONTE] on the effort he made in the Appropriations Committee to pare this down to reasonable proportions, to a point where certainly it would have passed muster in the White House.

Admittedly, the gentleman's reputation over the years in this House has been as a moderate voice, one who has had compassion for those who need it, and certainly rallying in time of need for those who are in distress. I think what the gentleman said to us today, coming from that quarter, is something we ought to be listening to. He has been on the committee now for nearly 30 years and recognizes what is a valid expenditure, what is really an urgent expenditure and what is not.

Mr. Speaker, I certainly want to applaud the gentleman and compliment him for the effort he made. Although the amendment he offered in committee went down on a straight party line vote, he was on the right side of the issue, and I want to compliment him for it.

Mr. CONTE. Mr. Speaker, I want to thank my leader for those kind words.

Mr. MOAKLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. SMITH], a member of the committee.

Mr. SMITH of Iowa. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, if anyone here can wade through what we have been hearing this morning without stepping in it, they are indeed agile. Let me point out a few things.

All of these bills, the administration's bill, the Conte bill, and the bill we have before us, add to the deficit for mandatory spending. That is true of all of them. The gentleman does not even mention that. Only the bill with the Foley amendment completely offsets the additional discretionary spending in the bill. So what we have been hearing is mostly a lot of pettifogging.

The real question here is: What are the priorities of this country in a midyear revision? We have had midyear revisions on appropriations bills in the past, and that is what we have here today.

Back when we had plenty of money or when we thought we did, we would come up to a midyear revision, and we would call it a supplemental and we would let the agencies keep what they had, even if they had too much, and if we needed to add some to some agency, we just added it on. Now we are in a tight budget situation, and we are looking for ways to offset, to take from those agencies in the middle of the year that have a little more than what they need and give it to other agencies. There has got to be a mechanism for doing that. That is what this supplemental is all about. Everybody is in agreement that that is what we need to do.

The administration sent up a bill that only took from those accounts that were not poor to start with. We need their help to find where the offsets are.

The administration said that they would want $125 million for international affairs, and they said, "Oh, yes, we can find that in defense and we can just transfer the money." They did that in a hurry because they wanted it. What we want to do here is get this bill out of the House and over to the Senate. One way or another, by the time we get it out of the House, hopefully there will be an agreement to offset some of the items here so we will have a bill that is more agreeable to both the administration and the Congress.

Let me mention the things that the administration left out of its bill that we think ought to be in.

First of all, the administration did not request all of the funds that the committee believes are necessary to maintain the 194,000 FTE's currently

in the 172 VA hospitals. So we added $37 million for this purpose.

Second, the administration did not request any additional funds for the war on drugs. We just passed a drug bill last fall. We stayed here 3 extra weeks so we could pass a drug bill. Everybody came down on the floor and said, "What a great bill that is." Only 11 Members voted against it. The President signed it and said it was a great bill. He was all for it.

Now comes the time to fully fund that bill. If the administration does not want to fund it, and they do not think that is a high priority and there is no place in the trillion-dollar government where we can find that kind of money, then we can vote for the Conte amendment or we can vote to strike the drug part of the bill. That is our privilege.

On the other hand, there is the bill which authorizes compensation for those Japanese-Americans who were placed in relocation camps during World War II merely because of their race. It was passed here overwhelmingly. President Bush went out to California and said, "I am all for it, 100 percent"—not 90 percent, not 80 percent, not 50 percent, but 100 percent. The committee put $250 million in the bill for that program, although the Justice Department asked OMB for $500 million for fiscal year 1989 to get started on this program. So we have half as much as the Justice Department thought was necessary this year.

Then there is the homeless bill. Everybody votes for it, everybody talks about it back home, but when it comes time to fund it, they do not want to fund it.

So that is what we are talking about. We are in a midyear revision, and the way we want to revise the budget is the way it is in our bill. We will find offsets by the time it gets out of conference if the administration will help us, and the one way to get them to help us in good faith is to include defense along with other things where we are going to have a 0.57-percent cut. It was said up here that this violates some agreement we had back in 1987. To start with, there was not any agreement, but even if there was, does anybody believe we can tell within 0.57 percent what the Defense Department is going to need 2 years later? Of course not.

The reason the amount of the cut for defense is so big is because the total amount for defense is so big. It is $300 billion. That is all we are talking about, a revision of 0.57 percent, so we can cover some of the higher priorities in the Congress that I think are necessary instead of leaving them unfunded for the rest of the year.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, the bill as presented to us from the Appropriations Committee is the moral equivalent of banana republic fiscal policy. The bill violates not only the agreement of 1987 but it violates our own budget resolution of last year, and clearly it represents a profligacy of the worst order. Not only are we spending on nonemergency items, we are actually spending 1990 items, which to the casual observer would seem to be in the bill only to relieve the Appropriations Committee from distress and have nothing to do with an emergency situation.

Be that as it may, the rule should be defeated, it is a bad appropriations bill. Fixing it up with amendments of any kind is probably not the way we should go. Looking at the amendments, the Conte amendment, as a compromise, does not cover all the offsets and, therefore, violates at least the fiscal aspects of the summit agreement and the resolution. The Foley amendment, which is sounder fiscally, also violates the 1987 summit agreement and the budget resolution because the defense numbers, particularly VA, were supposed to be ceilings as floors, as well as floors, and so were the international amounts.

The ideal situation is to go back to the President's submission to the Appropriations Committee which offset everything and fulfills all of the obligations of the summit agreement and the provisions of the budget resolution of the last fiscal year.

□ 1150

For that reason, Mr. Speaker, I believe that the motion to recommit should go back to the President's submission, and that is the right thing, no extraneous spending, no nonemergency spending, no 1990 spending, no violating the military aspects or the fiscal aspects of the agreement.

Vote against the rule and for the motion to recommit.

Mr. MOAKLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, my favorite philosopher is Archie the Cockroach, and Archie observed once, "Did you ever notice when a politician gets an idea he gets it all wrong?"

Mr. Speaker, I would suggest that Archie had to have in mind the last three Republican speakers when he made that observation, and let me tell you why.

First of all, we hear this baloney peddled on that side of the aisle that somehow the Foley amendment violates the summit. Absolute nonsense. If my colleagues will take a look at the numbers, they will see that we promised, when that summit was adopted 2 years ago, that the outlay number for defense for 1990 was going to be $294 billion. The President's budget for the coming year told Congress that the administration was now going to be spending on the outlay side for defense in this fiscal year not $294 billion, but $298.3 billion.

Therefore, Mr. Speaker, if anybody is in violation of the summit, it is the administration on that defense number.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. OBEY. Mr. Speaker, I will not yield until I am finished.

Mr. FRENZEL. I thank the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. You're welcome.

Mr. Speaker, the second point that I would like to make is that with the Foley amendment, which reduces that excess spending on the outlay side by $1.2 billion for defense, we are still, we are still $3 billion above the amount on the outlay side that the administration promised we would be spending for defense in this fiscal year.

So, let us not have any holy picture stances over there about who is violating the summit on the defense side because clearly they are.

The second thing I would suggest, Mr. Speaker—

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. OBEY. Mr. Speaker, I will not yield until I am finished. I will not yield. I will ask the Chair to keep order on that point.

Mr. Speaker, the second point I would make is that, if we are going to talk about fealty to the spirit of Gramm-Rudman, we ought to be embarrassed to support that savings and loan turkey which the administration is recommending to the Congress. That is going to cost the taxpayers $4.5 billion more than it should cost in order to maintain a bookkeeping fiction. A $4.5 billion price tag is too high a price to pay for the fact that politicians do not have guts enough to admit the costs of their own actions.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. OBEY. Mr. Speaker, I ask for order.

The SPEAKER pro tempore (Mr. BRUCE). The gentleman from Wisconsin [Mr. OBEY] refuses to yield. The gentleman has the floor. The gentleman is recognized.

Mr. OBEY. Mr. Speaker, it is outrageous that we would stick the taxpayer with a $4.5 billion add-on in costs for that bill because politicians do not have the guts to admit the cost of their own actions.

Third, Mr. Speaker, we are told on the Republican side of the aisle that we cannot afford to absorb a half a percent cut on the Defense budget to pay for these items. I did not see the administration crying over the floor when they were proposing twice that cut on the domestic side because the

administration wanted to finance its goodies, but they wanted to finance them only by cutting on the domestic side. They wanted to exempt the Pentagon. Baloney.

The fourth thing I would point out is simply this, Mr. Speaker. It has been suggested that this is the first appropriation bill on the floor this year. Nonsense. The first appropriation bill on the floor this year was the Contra appropriation, and the administration did not want to fully pay for that out of defense in the first instance. We finally insisted on it.

They wanted us to vote for money for the Contras thousands of miles away. But, Mr. Speaker, they do not want us to meet our domestic responsibilities to the homeless. They do not want us to meet our responsibilities to fully fund the war against drugs.

Mr. Speaker, tell me what is the greater threat to an American family today: an invasion from the Russians or the threat they face from the drug warfare on our streets? We know the answer to that one. This bill is more responsible fiscally than the amendment offered by the gentleman from Massachusetts because it provides a spending offset for all discretionary spending, not just some of it. It meets its responsibility by asking all programs across the board to take the same amount of reduction rather than exempting the administration's pet, the Pentagon, which will still spend $3 billion more than the summit said they would spend on the outlay side.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. HANCOCK].

Mr. HANCOCK. Mr. Speaker, I rise in opposition to this rule which, in my opinion, represents one of the more pressing problems we in Congress face. This rule waives the Budget Act, waives House rules against unauthorized appropriations, and waives various other House rules. Now I realize that such waivers are not unheard of, but I do not think the Republic would fall if we did not waive the Budget Act for a bill which includes twice as much money as the administration requested and which has been termed a budget-buster by members from both sides of the aisle the on Budget Committee.

In fact, I would prefer that we never waive the Budget Act, because I believe that the American public is fed up with our disregard for the rules we make for ourselves. I strongly believe that we must draw a line of fiscal restraint at some point, and I think sending this bill back to the Appropriations Committee so that a more reasonable bill might be reported back is a step in that direction. Therefore, I would urge my colleagues to vote against this rule and to send this bill back to committee.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. Mr. Speaker, I thank the gentleman from Massachusetts [Mr. MOAKLEY] for yielding this time to me.

My colleagues, I think that it is very important for us to understand why we are here today, why this supplemental is on the floor in the first place. One of the main reasons is this is a midcourse correction, as the gentleman from Iowa has so eloquently stated. This is a course correction that we do almost every year to determine exactly what our spending priorities and needs are at this point in time as against the money that we have allocated.

Second, and as importantly, we are here because the President's budget failed to include money for some of the most important programs that the United States has in its budget process. Those programs are veterans, veterans' money that was authorized by the Congress of the United States and voted on not only by the Democrats, but by the Republicans, almost $1.2 billion worth not put in by the President. The war on drugs, that war that all of us in this Chamber have been talking about for years and funding for years, that has been given lip service only, or less, by succeeding administrations of Reagan and Bush, now has been put out in the open, refused funding, by the President of the United States.

The homeless fight; what we are talking about here is what the President himself on the campaign trail during the debate stood up and said, "I fully support the McKinney bill." We are putting the money in to fund this bill fully. This is the fight, right here on this floor, where the homeless will get what they are entitled to, what the President says he supported.

Finally, the Japanese-American reparations, which this House voted significantly to endorse and fund; it is a tragedy that this President chose not to fund that program.

This is what we are doing here, and with the Foley approach we will be doing it without adding any money other than what was either authorized or what ultimately does not cost a single penny in additional deficit for discretionary.

Mr. Speaker, I would urge my colleagues to support this bill.

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, I asked for this time so that I might respond to the distinguished, but unyielding, gentleman from Wisconsin [Mr. OBEY] whose attention I was not able to attract during the debate.

The 1987 summit and last year's budget resolution provided for $299.5 billion in BA. The Committee on Appropriations appropriates budget authority. They appropriated $298.8, within 700 million; not bad for government work I suggest. However, if my colleagues take into effect the Foley amendment, they will knock about $1.8 billion out of that.

Now I did not say that it was bad policy necessarily to make an offset from military or directly from domestic. What I said was the Congress is repudiating the agreement that it swore to uphold, and, if we are not going to keep our word and if the Committee on Appropriations is going to tell us we should not keep our word, the world may as well know about it right now.

□ 1200

Mr. QUILLEN. Mr. Speaker, as evidenced by the debate on this rule, it is controversial. There is no question but what the honorable gentleman from Mississippi, the chairman of the Appropriations Committee, has tried hard to work out a compromise, but there has been no compromise.

The bill constitutes a violation of the bipartisan agreement that was reached both with the Members and with the administration, and if the Foley substitute should pass, the administration is opposed to that.

I would recommend that we defeat the rule. In the event that the rule is passed, I suggest that we vote on the motion to recommit and vote for that motion. If the amendment of the gentleman from Massachusetts [Mr. CONTE] is voted upon, I would recommend support of that substitute.

Mr. Speaker, I urge defeat of the rule.

Mr. Speaker, I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 4 minutes to the majority leader, the honorable gentleman from Washington [Mr. FOLEY].

Mr. FOLEY. Mr. Speaker, the question before the House is whether it will approve this rule. I would ask the Members to consider what a rule is. It is a resolution providing for the terms of debate. Now, it is true that there are going to be issues of controversy when we consider the supplemental appropriations, but the rule fully provides for the House to resolve that controversy.

There is an amendment in order of the gentleman from Massachusetts [Mr. CONTE]. There is an amendment in order by me. There are opportunities for every Member of Congress to exercise their full rights with respect to any general appropriation bill, which includes motions to strike. If there are things in the supplemental that Members feel are inappropriate, move to strike them, and let the House decide.

If you prefer the Conte amendment to the Foley amendment, so-called, vote for the Conte amendment and try to defeat the Foley amendment. That is perfectly appropriate under the rules; but to defeat the rule is an untoward and destructive effort by those who oppose the rule to prevent the House from deciding this issue.

There are clearly, as everybody realizes, dire urgent supplemental requirements here in terms of taking care of the problems of our veterans and veterans' hospitals. There is a dire emergency. Everybody concedes that.

In terms of implementing the war on drugs, there is a dire emergency, and many others, including problems of law enforcement and other key areas in our economy and National Government.

So I would urge Members to look at this issue, and first of all a vote for the rule is a vote to let the House decide these issues, and on the question whether this bill or my amendment provides any sort of mechanism to breach the 1987 summit agreement, there are many in this House who participated in that summit agreement. I would certainly recognize the gentleman from Massachusetts [Mr. CONTE], the gentleman from Mississippi [Mr. WHITTEN], and others who were participants. I was a participant. I had the honor of being the chairman of that effort. I can assure the Members that in my opinion the amendment does not breach any of those agreements.

The 1987 reconciliation bill, Public Law 100-203, set military spending at $294 billion. The fiscal year 1990 budget shows 1989 military spending at $298,255,000,000, an increase of $4.255 billion.

Even if the Foley amendment is adopted, the resulting appropriation will be well within the summit agreement.

Mr. Speaker, I urge support for the rule.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, there is one other matter that I think is very important that has not been alluded too much in the debate that is included in the supplemental. As chairman of the Subcommittee on Forests, Family Farms, and Energy of the Committee on Agriculture, I am quite serious about and I think we need very much is the fact that there is almost no money in the Forest Service at the present time to fight forest fires, and we are getting near the season for fires.

Mr. FOLEY. I agree with the gentleman. There are urgent emergency needs here. Let us let the House decide this. Let us bring this bill before the House. Support the rule.

Mr. GREEN. Mr. Speaker, I oppose the rule. As a member of the Appropriations Committee, I do so reluctantly, yet I must because it authorizes us to take up a supplemental appropriations bill that violates the November 1987 summit agreement.

I believe that such summit agreements between the executive and legislative branches are very useful. They enable us to demonstrate to the world's financial markets that we do indeed have a plan to eliminate our budget deficits. They enable us to perform our appropriations work in a timely fashion. But they will work only so long as we honor them. Once it becomes clear that the Democratic leadership will enter into a summit agreement one day and violate it on a subsequent day, the useful device is destroyed. The appropriations proposed by the Democratic leadership are for worthy causes for which I am supportive, yet collectively they violate the aforementioned agreement.

If we wish to preserve the summit process, we must vote "no" on the rule. I believe that that is in the national interest.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 223, nays 198, not voting 12, as follows:

[Roll No. 34]

YEAS—223

Ackerman	DeFazio	Guarini
Akaka	Dellums	Hall (TX)
Alexander	Derrick	Harris
Anderson	Dicks	Hatcher
Andrews	Dingell	Hawkins
Anthony	Dixon	Hayes (IL)
Applegate	Donnelly	Hayes (LA)
Atkins	Dorgan (ND)	Hefner
AuCoin	Downey	Hertel
Barnard	Durbin	Hoagland
Beilenson	Dwyer	Hochbrueckner
Berman	Dymally	Hoyer
Bevill	Dyson	Hughes
Bilbray	Early	Jenkins
Boggs	Eckart	Johnson (SD)
Bonior	Edwards (CA)	Johnston
Borski	Engel	Jones (GA)
Bosco	Erdreich	Jones (NC)
Boucher	Espy	Jontz
Boxer	Evans	Kanjorski
Brennan	Fascell	Kaptur
Brooks	Fazio	Kastenmeier
Browder	Feighan	Kennedy
Brown (CA)	Flake	Kennelly
Bruce	Flippo	Kildee
Bryant	Florio	Kleczka
Bustamante	Foglietta	Kolter
Campbell (CO)	Foley	Kostmayer
Cardin	Ford (MI)	LaFalce
Carper	Ford (TN)	Lancaster
Carr	Frank	Lantos
Chapman	Frost	Laughlin
Clarke	Garcia	Leath (TX)
Clement	Gaydos	Lehman (CA)
Coelho	Gejdenson	Lehman (FL)
Coleman (TX)	Gephardt	Leland
Conyers	Gibbons	Levin (MI)
Costello	Glickman	Levine (CA)
Coyne	Gonzalez	Lewis (GA)
Crockett	Gordon	Lipinski
de la Garza	Gray	Long
Lowey (NY)	Owens (NY)	Solarz
Luken, Thomas	Owens (UT)	Staggers
Manton	Pallone	Stallings
Markey	Panetta	Stark
Martin (NY)	Patterson	Stokes
Martinez	Payne (NJ)	Studds
Matsui	Payne (VA)	Swift
Mavroules	Pease	Synar
Mazzoli	Pelosi	Tanner
McCloskey	Perkins	Tauzin
McDermott	Pickle	Thomas (GA)
McHugh	Poshard	Torres
McMillen (MD)	Price	Torricelli
McNulty	Rahall	Traficant
Mfume	Rangel	Traxler
Miller (CA)	Roe	Udall
Mineta	Rose	Unsoeld
Moakley	Rostenkowski	Valentine
Mollohan	Rowland (GA)	Vento
Montgomery	Roybal	Visclosky
Moody	Russo	Volkmer
Morrison (CT)	Sabo	Walgren
Mrazek	Sangmeister	Waxman
Murtha	Savage	Weiss
Nagle	Sawyer	Wheat
Natcher	Scheuer	Whitten
Neal (MA)	Schroeder	Williams
Neal (NC)	Schumer	Wise
Nowak	Sikorski	Wolpe
Oakar	Sisisky	Wyden
Oberstar	Skaggs	Yates
Obey	Slaughter (NY)	Yatron
Olin	Smith (FL)	
Ortiz	Smith (IA)	

NAYS—198

Archer	Grant	Myers
Armey	Green	Nelson
Aspin	Gunderson	Nielson
Baker	Hamilton	Oxley
Ballenger	Hammerschmidt	Packard
Bartlett	Hancock	Parker
Barton	Hansen	Parris
Bates	Hastert	Pashayan
Bennett	Hefley	Paxon
Bentley	Henry	Penny
Bereuter	Herger	Petri
Bliley	Hiler	Pickett
Boehlert	Holloway	Porter
Broomfield	Hopkins	Pursell
Brown (CO)	Horton	Quillen
Buechner	Houghton	Ravenel
Bunning	Hubbard	Ray
Burton	Huckaby	Regula
Byron	Hunter	Rhodes
Callahan	Hutto	Ridge
Campbell (CA)	Hyde	Rinaldo
Chandler	Inhofe	Ritter
Clinger	Ireland	Roberts
Coble	Jacobs	Robinson
Coleman (MO)	James	Rogers
Combest	Johnson (CT)	Rohrabacher
Conte	Kasich	Roth
Cooper	Kolbe	Roukema
Coughlin	Kyl	Rowland (CT)
Cox	Lagomarsino	Saiki
Craig	Leach (IA)	Sarpalius
Crane	Lent	Saxton
Dannemeyer	Lewis (CA)	Schaefer
Darden	Lewis (FL)	Schiff
Davis	Lightfoot	Schneider
DeLay	Livingston	Schuette
DeWine	Lloyd	Schulze
Dickinson	Lowery (CA)	Sensenbrenner
Dornan (CA)	Lukens, Donald	Sharp
Douglas	Machtley	Shaw
Dreier	Madigan	Shays
Duncan	Marlenee	Shumway
Edwards (OK)	Martin (IL)	Shuster
Emerson	McCollum	Skeen
English	McCrery	Skelton
Fawell	McCurdy	Slattery
Fields	McDade	Slaughter (VA)
Fish	McEwen	Smith (MS)
Frenzel	McGrath	Smith (NE)
Gallegly	McMillan (NC)	Smith (NJ)
Gallo	Meyers	Smith (TX)
Gekas	Michel	Smith (VT)
Gillmor	Miller (OH)	Smith, Denny (OR)
Gilman	Miller (WA)	Smith, Robert (NH)
Gingrich	Molinari	Smith, Robert (OR)
Goodling	Moorhead	Snowe
Goss	Morella	
Gradison	Morrison (WA)	
Grandy	Murphy	

Solomon	Tallon	Watkins
Spence	Tauke	Weber
Spratt	Thomas (CA)	Weldon
Stangeland	Upton	Whittaker
Stearns	Vander Jagt	Wilson
Stenholm	Vucanovich	Wolf
Stump	Walker	Wylie
Sundquist	Walsh	Young (AK)

NOT VOTING—12

Annunzio	Collins	Pepper
Bateman	Courter	Richardson
Bilirakis	Hall (OH)	Towns
Clay	McCandless	Young (FL)

□ 1226

The Clerk announced the following pairs:

On this vote:

Mr. Annunzio for, with Mr. McCandless against.

Mrs. Collins for, with Mr. Courter against.

Mr. Pepper for, with Mr. Bilirakis against.

Messrs. DELAY, DARDEN, and McCURDY changed their vote from "yea" to "nay."

Mr. DWYER of New Jersey changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO SIT TODAY AND TOMORROW DURING 5-MINUTE RULE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that on today and tomorrow the Committee on Banking, Finance and Urban Affairs be permitted to sit for the consideration of H.R. 1278 while the House is meeting under the 5-minute rule.

The SPEAKER pro tempore (Mr. BRUCE). Is there objection to the request of the gentleman from Texas?

There was no objection.

RESIGNATION AS FLOOR ASSISTANT TO THE MINORITY

The SPEAKER pro tempore laid before the House the following resignation as floor assistant to the minority:

OFFICE OF THE REPUBLICAN LEADER,
HOUSE OF REPRESENTATIVES,
Washington, DC, April 26, 1989.

Hon. JIM WRIGHT,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Please accept my resignation as Floor Assistant to the Minority, effective close of business, April 30, 1989.

When I left the White House in January to return to the House of Representatives, I genuinely felt that I was "coming home." While my tenure has been far shorter than I anticipated, my respect and affection for this institution and the men and women who serve in it will long endure. I consider my service in the House one of the highest honors and most esteemed privileges of my professional career.

With warmest thanks for the many kindnesses and courtesies which you, the Republican Leader and your colleagues have accorded me through the years, I remain,

Cordially,

ALAN M. KRANOWITZ.

RESIGNATION OF ALAN M. KRANOWITZ AS MINORITY FLOOR ASSISTANT

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I take this time because we have just laid down before the House the resignation of floor assistant to the minority, Mr. Alan Kranowitz, so well known to Members on both sides of the aisle.

Alan has had cumulatively 25 years of Federal service. He was in the Ford White House for 2 years, and 7 years as the assistant to one of our former Members, Tom Loeffler from Texas, 4 years at the White House under President Reagan, and 3 of those years in charge of the House legislative team, and 1 as assistant to the President in charge of the entire legislative affairs operation.

He is an individual who has acquitted himself in an exemplary fashion in all of his tenure of Federal service, capped, of course, now as one of our House floor assistants. These are the kind of people we are most anxious to attract to Government service to serve as our right hands in the service of our great country.

I just want to offer my personal thanks and appreciation and congratulations to Alan Kranowitz for a life well spent in Federal service, and wish him well in his retirement to the outside where, yes, maybe there is a little bit more money to be made. All our best to his wife, Carol, and his two sons, Jeremy and David.

Mr. LEWIS of California. Mr. Speaker, I rise to lament the House's loss. A friend of this institution, and a great public servant, Alan M. Kranowitz is leaving the Congress to join the majority of Americans who work in what we call the real world—the private sector. Alan has worked long and hard for his values and beliefs in two of our three branches of government.

After graduating from Yale University in 1963, Alan went to work for a distinguished Member of the other body, Senator THOMAS J. DODD as an executive assistant.

From 1971 to 1975, he served as Director of Legislative Affairs for the Department of Housing and Urban Development.

Following that, he served in the Ford administration as an assistant to the Director of the Office of Management and Budget from 1975 to 1977.

After serving two Republican Presidents with the utmost in professionalism and dedication, Alan returned to the other body from 1977 to 1978 as Director of Research for the Senate Republican Policy Committee.

Yet, Mr. Speaker, all this experience and service was merely a prelude for some of Alan's greatest work—work that began in 1978 here in the House. Alan served as administrative assistant to a friend of mine, and a friend of this House, the Honorable Tommy Loeffler of Texas from 1978 to 1984. During his time in the House, Alan distinguished himself as a fine political strategist and a hard-working Republican staffer.

So distinguished was his work that when he left the House, the Reagan administration quickly secured Alan's services. From 1985 to 1987 he was deputy assistant to the President for House liaison.

His work with the House was so effective that in 1988 Alan was promoted to Assistant to the President for Legislative Affairs. In this job Alan was responsible for the Reagan administration's relations with all of Congress. The nature of this job obviously required someone with great perception and sure political instincts. Alan was the right man for the job. He completed difficult assignments on issues ranging from the Nicaraguan Contras to the budget and a wide range of domestic concerns.

In 1989, Alan returned to the House as floor assistant to the then-Republican whip, Dick Cheney of Wyoming. The Republican Conference was happy to have Alan back in the House, working for our side of the aisle. Unfortunately, this arrangement was not to last.

Well, everyone knows what happened to Dick Cheney. He now serves his country as Secretary of Defense.

Our Republican leader, the Honorable BOB MICHEL asked Alan to stay on as his floor assistant. Alan has done so, and served the Republican leadership well during a period of transition.

Now, as I said, Alan is moving on to a world with normal hours, and undoubtedly a more normal clientele. He is joining the National Association of Wholesale Distributors here in Washington, DC.

Alan Kranowitz, you will be missed by your friends here in the Congress. I am sure, however, that we will not lose touch with you. We all look forward to a continuing relationship with one of the Congress' dearest friends and ablest servants.

Mr. HORTON. Mr. Speaker, I would like to add my name to the growing list of Members applauding the service of Alan Kranowitz. His presence will certainly be missed on this side of the aisle.

During the past 25 years, Alan has provided sage counsel and leadership to both the legislative and executive branches of our Government. He has taken on each new assignment with vigor and enthusiasm. I have mixed feelings about his leaving public life for on one hand, I am happy for him and his family, but on the other hand I feel that he will be hard to replace.

Mixed emotions aside, I am confident that he will be successful in the private sector. My only concern is that this is Alan's fourth new position in about as many months and I am not alone in wondering why he can't hold down a steady job. But I guess when we reflect on where he has worked over the past 25 years, it is not hard to see that none of his jobs have been steady.

Alan, good luck in the world of normal hours and better wages. Your work on our behalf will be missed here in the House, but I know

this is not the end of your long association with this body or the Federal Government.

Mr. MATSUI. Mr. Speaker, I take this time today to honor Mr. Alan Kranowitz, a great friend of this institution who is leaving Congress in order to join the private sector. After 25 years of public service, Alan will be greatly missed by Members of both parties.

The Members of this body came to know Alan very well in his 25 years of Federal service. His distinguished career includes 2 years in the Ford administration; 7 years as the assistant to one of our former Members, Tom Loeffler from Texas; and 4 years in the Reagan administration—2 years as deputy assistant to the President for House liaison and 1 year as assistant to the President for legislative affairs. In 1989, Alan returned to the House in his most recent position as floor assistant to the minority. Unfortunately, his tenure has been short lived.

Mr. Speaker, I would like to offer my personal appreciation to Alan Kranowitz for time well spent in Federal service and wish him the best in his new pursuits. It is not often that we find someone as dedicated to public service as Alan and his resignation is indeed a great loss for this institution.

Mr. SMITH of Texas. Mr. Speaker, I am pleased to place into the RECORD the following remarks made on behalf of Alan Kranowitz, a good friend of mine and my predecessor. Alan is a real asset to this country, and I wish him the best as he pursues his new career:

REMARKS BY FORMER REPRESENTATIVE TOM LOEFFLER ON ALAN KRANOWITZ

Mr. Speaker, one of the very best leadership aides in the House of Representatives, our own Alan M. Kranowitz, is leaving us to pursue a new career as senior vice president for government relations of the National Association of Wholesaler-Distributors. In association with my former colleagues, I want to congratulate him on a distinguished career in public service and wish him the best of luck in his new position.

For the past 25 years, Alan faithfully served our party and our government in a variety of roles. After graduating from Yale in 1963, Alan went to work for his home state senator, Thomas Dodd of Connecticut, where he spent six years as his executive assistant and administrative assistant.

From 1971-1975, Alan was director of Senate liaison for the Department of Housing and Urban Development and then spent two years as assistant director for legislative affairs at the Office of Management and Budget during the Ford Administration.

Alan was the director of the Senate Republican Policy Committee from 1977-1978 and joined my office as chief of staff in 1979. In 1985, President Reagan appointed Alan deputy assistant for legislative affairs in charge of the White House liaison team with the House of Representatives. In 1988, the President appointed him as his chief lobbyist with Congress.

Since leaving the White House earlier this year, Alan served in ranking leadership staff positions with former Republican Whip Dick Cheney and Republican Leader Bob Michel. President Reagan also appointed Alan to a five-year term on the U.S. Holocaust Memorial Council.

Alan's dedication to his work, his knowledge of House and Senate legislative procedures, his personal relationships with so many members of both parties here, made him truly a unique individual who's presence will be missed. Whether on Capitol Hill working in the Congress or on Pennsylvania Avenue working for the President, Alan always brought his high standards to the job at hand.

One of those standards was Alan's adamant refusal to seek publicity for himself. He was more interested in having the credit from the fruits of his labor go to his boss. That was his satisfaction. But everyone who worked with him knew his value and respected him for the professional manner in which he always conducted himself. No one knows this better or appreciates it more than me.

Alan Kranowitz epitomizes the best in American government—a bright, capable, untiring public servant. Now, after 25 years of service, we are sorry to see him leave public service yet pleased that we had the opportunity to work with him. Our best wishes extend to his lovely wife, Carol, and to his two sons, Jeremy and David.

Alan and I had an expression that we used with one another to indicate a job well done and as I bid farewell to his government career—at least for the moment—I want to say, "Alan, you sure looked good on that horse!"

Mr. BARTON of Texas. Mr. Speaker, I take this opportunity to recognize an individual who has given so much to Members through his service as floor assistant. I speak of Mr. Alan Kranowitz. His dedication and commitment in this capacity, as well as his history of Federal service, are to be commended.

Mr. Kranowitz resignation as floor assistant to the minority comes to me, and I am certain to my colleagues, as a loss inevitable with personnel of such professional aptitude, intellect, and dependability. It is in the normal course of one's life that one must move on to "bigger and better things." He has certainly proven this theory to be true.

I know I will, personally, miss Alan as I have counted on him so much in the past. He has given our Government many years of outstanding Federal service and I commend him for that. I give him my personal thanks and wish him and his family the best of luck in the future.

Mrs. MORELLA. Mr. Speaker, I would like to take this opportunity to join in warmly saluting Alan M. Kranowitz, a constituent in my Eighth Congressional District in Maryland, upon his retirement from the Federal Government.

Alan Kranowitz has worn many hats in his career. His quarter century of distinguished service includes 2 years in the Ford White House as Director of Legislative Affairs for the Department of Housing and Urban Development, 7 years as administrative assistant to former Representative Loeffler, and 4 years at the White House under President Reagan. During 3 of those years, Alan served as Deputy Assistant to the President for House Liaison, in charge of the House legislative team.

His work with the House was so effective that Alan was promoted in 1988 to Assistant to the President for Legislative Affairs. In this role, Alan was responsible for the Reagan administration's relations with all of Congress. Most recently, Alan served as minority floor assistant to Dick Cheney, Republican whip until his recent appointment as Secretary of Defense.

Alan's professionalism, competence, dedication, and integrity will be missed. I would like to wish Alan the best of luck with his future endeavors with the National Association of Wholesale Distributors. As Shakespeare noted: "The force of his own merit makes his way."

Mr. FIELDS. Mr. Speaker, upon the resignation and recent departure of Alan Kranowitz as minority floor assistant, I add to that of my colleagues my own praise and thanks for the years of fine service rendered. I am particularly grateful for those years of service which Alan so faithfully gave in various capacities to the House of Representatives.

I first met Alan when he worked for my friend and colleague, Tommy Loeffler. Alan always conducted himself with dignity, perception, and sure political instinct. His service to his party and country have been marked with integrity, devotion, and loyalty. He will be greatly missed by all who were privileged to know him and work with him. He remains as an example of the truly dedicated and decent public servant.

Again, I offer my personal thanks and appreciation, and wish Alan continued success in both his personal life and his new professional challenges with the National Association of Wholesale Distributors here in Washington, DC.

GENERAL LEAVE

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on behalf of the service of Alan Kranowitz.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2072, a bill making dire emergency supplemental appropriations and transfers, urgent supplementals, and correction enrollment errors for fiscal year 1989, and that I be permitted to include extraneous and tabular material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS AND TRANSFERS, URGENT SUPPLEMENTALS, AND CORRECTING ENROLLMENT ERRORS ACT OF 1989

The SPEAKER pro tempore (Mr. BRUCE). Pursuant to House Resolution 135 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the

Union for the consideration of the bill, H.R. 2072.

□ 1230

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2072) making dire emergency supplemental appropriations and tranfers, urgent supplementals, and correcting enrollment errors for the fiscal year ending September 30, 1989, and for other purposes, with Mr. GLICKMAN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Mississippi [Mr. WHITTEN] will be recognized for 30 minutes and the gentleman from Massachusetts [Mr. CONTE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, may I say that passage of this bill is essential or else we do not have any of the funds made available that are so vitally needed.

I would like to say to my colleagues that every effort was made to protect the House. All the debate on the other side of the aisle seemed to try to pull together things which are very, very different. There are three divisions which they group together, when that is not the case at all.

We do have the dire urgent supplemental items. We have others that are urgent and desirable where we cut back and transferred existing funds which does not increase the budget deficit whatsoever.

Then we have other items that will never be available unless increased income comes from taxes or otherwise. But it does let us have a chance to protect the House in conference.

Mr. Chairman, we are very proud of our record on the Committee on Appropriations.

We are $187.6 billion below the Presidential requests since 1945. We are $16.1 billion below President Reagan's requests since 1981.

At the same time we have seen to it that vital programs have gone forward. These accomplishments have not been based on assumptions or hallucinations. They are based on hearings from an average of 4,500 witnesses over an average of 150 hearing days and printed in 90,000 pages of hearings each year.

Mr. Chairman, your Committee on Appropriations was requested to approve a supplemental appropriations bill by the President in his message of April 3. The committee considered that other items also qualified as dire emergencies, and still others are deemed essential by the committee to meet urgent needs if offsets are made or if additional revenues are made available.

Thus on April 18, 1989, the Committee on Appropriations reported the bill, H.R. 2072, a bill of three parts. I call your attention again to the three parts of the bill which our friends on the other side tend to put together:

First, dire emergency supplemental appropriations and transfers; second, urgent supplementals only, one, upon agreement by House and Senate conferees to a reduction of existing funds to offset such expenditure or, two, additional receipts to the Treasury to offset such expenditures are made; and third, corrections of enrollment errors, which is necessary.

May I point out again, and I wish you would all listen to this, with regards to drugs, the language provides that the funds remain available until expended, which leaves this item open to agreement by Congress and the executive.

Any reduction in drugs here means you are lowering the ceiling on what is available.

May I say again that the language that is written here requires the executive branch and the Congress to agree on the expenditure of these funds. I think in the history of the United States we never have faced anything one-tenth as serious as the drug situation. It shows up in AIDS, it shows up in murders, it shows up in everywhere you look. What we want to be sure from this side is that there is a ceiling high enough to do that which the President and the executive branch and the Congress may agree is necessary. Any effort here to defeat this bill or defeat the provision for drugs would certainly be shortsighted and would again be just lowering the ceiling on what is possible at a time when you need everything in sight.

Attention has not been paid enough here to the funds in here for the Justice Department. That money is essential to their activity. There are certain things there as far as hiring prosecutors, paying jurors, all those things that go with justice, those funds are going to have to be available or you will be unable to carry out the laws that we have in place.

Mr. Chairman, this bill is in compliance with the fiscal year 1989 requirements which provide for supplementals in the event of a dire emergency.

Funds in title I of this bill are for: First, dire emergencies and therefore do not have to be offset; second, mandatory programs which do not require offsets; and, third, accounts which are offset by transfers.

So the bill is in three parts, despite the efforts of the press and others to try to group them together.

Funds in title II of the bill are provided only under the terms of the general provision found on page 36 of the bill which states:

Funds provided in this title shall become available for obligation or expenditure, only (1) upon agreement by House and Senate conferees to a reduction of existing funds to offset such expenditures, or (2) additional receipts to the Treasury to offset such expenditures are made.

This provision will cause title II to be deficit neutral and will protect the House in any conference.

Thus, the accounts funded in this bill, upon presentation to the President, will meet the guidelines we have previously agreed upon.

This bill was the product of extensive committee hearings and is designed to meet the dire emergencies caused by the epidemic of drug abuse and the problems facing the homeless. The bill provides funding to continued much-needed medical care for our Nation's veterans, firefighting funds to protect our national forests, funding for the Guaranteed Student Loan Program, and funds to address the Japanese-American internments during World War II.

The contents of the titles included in the bill follow:

Title I—Dire Emergency Supplementals and Transfers:
Chapter I—Emergency Drug Funding:
Subchapter A—Commerce-Justice-State.
Subchapter B—Treasury-Postal Service.
Chapter II—Judicial Retirement Fund.
Chapter III—Corps of Engineers, Civil Energy Programs.
Chapter IV—Migration and Refugee Assistance: International Peacekeeping Activities.
Chapter V—Forest Firefighting: Naval Petroleum Reserve Limitation.
Chapter VI—Trade Adjustment Assistance:
Foster Care and Adoption Assistance.
Rehabilitation Services and Handicapped Research.
Guaranteed Student Loans.
Prescription Drug Payment Review Commission.
Chapter VII—Payments to Widows and Heirs of Deceased Members of Congress.
Chapter VIII—Agricultural Marketing Service:
Agricultural Stabilization and Conservation Service.
Agricultural Credit Insurance Fund.
Chapter IX—Federal Aviation Administration:
Installation and Use of Explosive Detection Equipment.
Chapter X—Department of the Treasury:
IRS—Processing Tax Returns.
IRS—Investigation, Collection, and Taxpayer Service.
Chapter XI—VA Compensation and Pensions:
VA Readjustment Benefits.
VA Loan Guaranty Revolving Fund.
VA Medical Care.
Court of Veterans Appeals.
Homeless Programs.
EPA, Salaries and Expenses.
EPA, Abatement, Control and Compliance.
EPA, Hazardous Substance Superfund.

NASA, Research and Program Management.
Title II—Urgent Supplemental Appropriations:
Chapter I—NOAA, Operations, Research, and Facilities:
Dept. of Justice, Legal Activities.
U.S. Attorneys, Salaries and Expenses.
Japanese Interment Fund.
FBI, Salaries and Expenses.
Courts of Appeals, District Courts, and Other Judicial Services, Salaries and Expenses.
Defender Services.
Administrative Office of U.S. Courts.
Federal Judicial Center, Salaries and Expenses.
Maritime Administration, Federal Ship Financing Fund.
FCC, Salaries and Expenses.
SEC, Salaries and Expenses.
Chapter II—Department of Defense, Administrative Provisions.
Chapter III—Department of the Interior and Related Agencies—General Provisions.
Chapter IV—FAA, Aircraft Purchase Loan Guarantee.
Chapter V—OPM, Salaries and Expenses.
Chapter VI—Housing Programs, Rental Assistance:
Community Development Grants.
NSF, Research and Related Activities.
Title III—Technical Enrollment Corrections.
Title IV—General Provisions.

May I say that unless this bill passes, none of these funds will be available.

I also call your attention to the fact that the rules of the Committee on Appropriations do not require germaneness. There is no way to have gotten through the Committee on Appropriations the one or two items that each person is for. Our rules provide that all amendments are available, are recognizable in the committee, can be entertained without germaneness. That is on the theory that everybody is entitled to be heard some place, somewhere, somehow.

Your Committee on Appropriations, I repeat again, worked hard to bring you those things it absolutely must, which are accepted under the agreement we had between the House and the Senate and the President.

We have those other funds made possible by transferring existing funds for their use.

May I say this has to do with trying to protect us in the Senate conference.

I put in the RECORD here just how many amendments we have had to face in meetings with the Senate on supplementals.

Senate amendment to major supplemental appropriations bills

	Senate amendments
97th Congress, 1st Session; H.R. 3512—Making supplemental and further continuing appropriations for fiscal year 1981	432
97th Congress, 2d Session; H.R. 6863—Making supplemental appropriations for fiscal year 1982	183

Senate amendment to major supplemental appropriations bills—Continued

	Senate amendments
98th Congress, 1st Session; H.R. 3069—Making supplemental appropriations for fiscal year 1983	254
98th Congress, 2d Session; H.R. 6040—Making supplemental appropriations for fiscal year 1984	216
99th Congress, 1st Session; H.R. 2577—Making supplemental appropriations for fiscal year 1985	341
99th Congress, 2d Session; H.R. 4515—Making supplemental appropriations for fiscal year 1986	224
100th Congress, 1st Session; H.R. 1827—Making supplemental appropriations for fiscal year 1987	437
100th Congress, 2d Session; H.R. 5026—Making dire emergency supplemental appropriations for fiscal year 1988	25

Unless we make reference to those here and then in the conference, it is doubtful whether we will be able to protect your interests.

Again this bill is in three parts. We have lived within the limits despite the efforts of our colleagues on the other side and the press to try to group them together.

We have a good bill and I hope we will have your support.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Mississippi [Mr. WHITTEN] has consumed 8 minutes.

Mr. CONTE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first let me say what a great honor it is to serve on the Appropriations Committee, and to have the privilege of working with the chairman of the committee, the dean of the House, JAMIE WHITTEN.

Let me also say how much I enjoy working with the members of the committee, and how much I value their friendship and cooperation. The Appropriations Committee is the hardest working, most dedicated, committee there is, in my opinion. It's a rare situation and an unpleasant one for me that involves conflict with the chairman and other members. I look forward to moving quickly to more pleasant issues than this supplemental.

Mr. Chairman, H.R. 2072 is a bill the excitement of which is only hinted at by its title, the Dire Emergency Supplemental Appropriations and Transfers, Urgent Supplementals, and Correcting Enrollment Errors Act, 1989. The title has everything in it but the kitchen sink, and so does the bill.

Under the budget summit agreement of 1987, the only supplementals that we are supposed to propose are for dire emergencies. And the administration submitted a pretty slim list of requests. First, some big mandatory items like: $892 million for guaranteed student loans; $854 million for veterans compensation and benefits; $423 million for foster care and adoption assistance, and $126 million for trade adjustment assistance. No one disputes those.

Second, the administration asked for a few discretionary items: $303 million for VA medical care; $250 million for the cost of last year's forest fires; $100 million for Soviet and other refugees; $125 million by transfer for peacekeeping in southwest Africa, and some smaller items. All would have been offset by reductions in 1989 spending levels in certain domestic programs.

The committee took that $2.3 billion in mandatory items, it took the $700 million, rejected the offsets, and proceeded to add an additional $2 billion in spending. It more than doubled the total cost of the bill and quadrupled the level of discretionary spending.

The largest item added was for additional antidrug programs, $823 million, primarily in the Commerce, Justice, State area. It's important to realize that this amount goes well beyond even what was called for in last fall's drug bill authorization. It includes $148 million in fiscal year 1990 requests, $50 million that would otherwise have been added in 1990, and $85 million that Congress decided not to fund in its regular bill last year. In this sense, the bill is clearly a gimmick to move 1990 budget authority into 1989, to provide room for more spending in 1990. But beyond that there was no judgment exercised. It was just—stick in whatever you can; not what is needed or what programs are running short of.

Also added was $350 million in additional firefighting costs; $250 million for Japanese-American internment payments, another item requested for 1990; $153 million for the McKinney Homeless Act, programs for which the President requested full funding in 1990; $88 million for public housing authority subsidies; $75 million for the Federal Aviation Administration; and an additional $45 million for VA medical care.

Imagine, all these items coming at a time supposedly of fiscal restraint. This was Christmas in April. And no offsets; $5 billion in new spending. What happened to the concept of dire emergency?

If sticking 1990 funding into the 1989 supplemental to free up funding in other areas is dire, then I light my cigars with four alarm fires, you're all millionaires, and the end is near.

I remember the budgeteers, hearing about what we were up to, speaking out—No SILVIO, don't let it happen.

Why are we sitting in these endless budget meetings if there's no fiscal discipline exercised in carrying out the budget agreements.

And in this case, they were right.

We had spent all the money allocated under the 302 process last fall, when we provided nearly $1 billion to

provide a supplemental, as part of last fall's continuing resolution substitute, the antidrug bill. In spending that money we also exceeded the totals in the budget summit agreement. And the projected deficit was well above the Gramm-Rudman target for 1989.

So here we came with a mammoth new spending measure, to break the bank that was already broke, making a mockery of the budget deficit reduction negotiations underway.

Something had to be done. I tried making suggestions for specific cuts that could be used to offset the increases—like $515 million for the space station that was sitting there fenced off until May 15. Beyond making specific offsets, there are only two other alternatives—you either cut some of the fat out or you cut across the board.

None of those are particularly attractive if you've got too much spending in the bill to start with—the cuts or offsets will be large and painful. But the Republicans on the committee, God bless them, dug in and went to work. We spent 2 hours at the White House last week, trying to come up with a compromise that preserves the dire supplementals, postpones spending on programs slated for an increase next year, and has as small an offset as possible.

We got the President to agree that the veterans medical care was such an emergency that it justified spending new money without an offset. This was and is a tough fought compromise.

We were right. This bill was, and is, too big to swallow. The leadership on the other side finally admitted it.

And so they've come up with their own proposal, the Foley amendment. There's no big showdown here. This isn't Conte versus Foley. We've won 90 percent of the battle, which is to get people to realize you can't shovel all this money out there at this time and in this place. It's got to come from somewhere.

So then you've got to figure out where the money comes from. It's one of those questions with multiple options where none of the options are particularly appealing. Foley keeps the whole bloated thing and takes it out of Defense, which is one of the reasons they lost the White House last time around, I think. Conte tries to pare it down, gets the White House OK to spend some new money without offset, and tries to keep the offset on domestic discretionary as small as possible. It has one advantage that Foley doesn't. It will be signed. Which means the veterans will get their medical care.

But we've gotten ourselves into a mess here. And we've now got to dig our way out. With a little more cooperation between the Republicans and Democrats on the committee, this could have been worked out. I'm sorry that the House has gotten caught up in this. I hope the committee has learned something from this experience.

But I think the Republicans have won a victory with the realization that there is no free lunch. Now we've just got to come up with a credit card to pay for this banquet, one that will obtain the approval of the credit manager.

And meanwhile, the veteran out there is still waiting for health care. It's a shame.

COMMERCE, JUSTICE, STATE, AND THE JUDICIARY

The bill includes $725,579,000 for emergency drug funding, compared to $350 million in the Conte substitute. The main difference between the two approaches is that the Conte substitute concentrates on funding as much of the unfunded portions of the Anti-Drug Abuse Act of 1988 as fiscally and programatically possible, while the committee bill reaches into every possible nook and cranny in the Department of Justice bureaucracy for places to spend money on drugs.

The Conte substitute funds nearly 80 percent of the unfunded parts of last fall's drug bill. Funds are included for personnel for the FBI, the DEA, the Immigration and Naturalization Service, U.S. Marshals, the Bureau of Prisons, and State and local drug grants.

The committee bill not only funds the drug bill, it drags out $85 million for 1989 requests that Congress, in its widsom, declined to fund last year, it brings forward into 1989 $148 million worth of 1990 requests in order to circumvent the budget summit and Gramm-Rudman-Hollings, and finally, it funds nearly $50 million for programs not even requested in 1990. It's a grab bag.

It is time for us to get serious and sensible about drug funds. We cannot afford, nor is it wise, to continue to duck this national crisis by throwing money at it indiscriminately. We are now spending 500 percent more on Federal drugs law enforcement and abuse than we did in 1981. We haven't been pikers; we have provided the dough.

Has the situation improved? Are drugs harder to get? Are the streets safer? Are there fewer addicts today?

One thing we may have accomplished is that we are lowering the unemployment rate by creating thousands of new law enforcement positions at the Federal, State, and local levels. What are we doing here?

As part of the drug bill, we charged the drug czar with taking a good and thorough look at what we are doing. We gave him 6 months to come back and tell us what is working and what is not. I suspect that more weight is going to be given to the latter part of that question.

But the point is that we are going to dump more millions into programs which are not working in the committee bill before we even get the report of the drug czar. That makes no sense. That's just lock-step spending.

You are not fooling anyone. Your constituents know what is happening on their streets and to their kids. They want some new ideas, not just more of the same, which hasn't worked.

As of the end of March, halfway through the fiscal year, more than 60 percent of the funds we appropriated for antidrug programs remained unobligated in the Departments of Justice and Treasury, which would receive the vast bulk of the funds in the committee bill. There is no funding emergency, there is a drug emergency. Altogether, these agencies have more than $4 billion in unobligated funds. They can't absorb all of this money.

The Conte substitute is a more moderate, more sensible approach. It doesn't scatter the money around just because some bureaucrat wants more to play with. It concentrates the funding on the drug bill programs, just as your constituents and press have called for, while we reserve the difference of nearly a half billion dollars until we get the report from the drug czar.

In title II of the bill and the Conte substitute, funds are provided to expand investigations and prosecutions of financial institution fraud cases and to enable the courts to meet the requirements of recommendations of the Sentencing Commission.

Funds are also included in both versions to avoid furloughs at the Federal Communications Commission and to enhance the resources of the Securities and Exchange Commission, in part to attack the backlog of utilities holding companies cases. And funds are provided to ensure the continued operations of essential weather services, including geostationary satellites.

Aside from the question of drug funding, the major difference between the committee bill and the Conte substitute within the Commerce, Justice, State, and Judiciary Subcommittee is the elimination in the Conte bill of $250 million for the Civil Liberties Public Education Fund—the payments to Japanese-Americans related to their internment during World War II. The Department of Justice, which has the responsibility for locating the recipients of this program, states that they will not be ready to make any substantial payments during this fiscal year. This is due in part to the directive in the authorizing legislation that the eldest recipients are to be paid first. The first payments will be made in fiscal 1990, so funds are not needed at this time.

CHAPTER SUMMARIES FOR DEFENSE IN THE FISCAL YEAR 1989 SUPPLEMENTAL

Mr. Chairman, chapter II of title II of this bill, the Defense Department, provides no new budget authority but does put forth several language provisions:

First, we lift a ceiling imposed in the fiscal year 1989 bill on morale, welfare, and recreation funds.

Second, we remove restrictions on the Alaskan Command.

Third, we allow the Secretary of Defense to conduct a 15-month test program in recruiting incentives provided by the Defense College Funds.

Fourth, we put a provision in that will allow the Secretary of Defense to adjust wage rates for health professionals as authorized for the Veterans' Administration.

Fifth, and we charged the Defense Department to use the correct reprogramming procedures for moving funds into the mid-infra-red advanced chemical laser or miracle.

Mr. Chairman, in title III, section 301 is simply a technical enrollment correction. In last year's Defense bill we put $60 million in two places instead of one and this provision corrects that situation.

Section 573 prohibits funds in the supplemental to assist in solving the Japanese beetle problem in the Azores and registers the sense of Congress that the Defense Department should help correct the situation.

ENERGY AND WATER

TITLE I, CHAPTER III, DEPARTMENT OF DEFENSE, CIVIL: DEPARTMENT OF THE ARMY, CORPS OF ENGINEERS, CIVIL

Provision: (Transfer of Funds).

For additional amounts for appropriations for the fical year 1989, for increased pay costs authorized by or pursuant to law as follows:

"General regulatory functions", $1,100,000, to be derived by transfer from "Operation and maintenance, general."

"General expenses," $2,600,000, to be derived by transfer from "Construction, general."

Description:

These transfers are to fund the congressionally approved 4.1 percent pay increase that went into effect on January 1, 1989. All other corps accounts absorbed the increase, but "general expenses" and "general regulatory functions" were unable to do so. They are the corps' most labor intensive accounts, and the administration agrees that they cannot absorb further reductions. The "general expenses" account funds Washington and Division management staff. "General regulatory functions" funds regulatory programs, such as dredge and fill permit processing.

The provision will have minimal impacts on the accounts from which funds are being transferred: "General construction" and "Operation and maintenance." These are the corps' largest accounts. These accounts have low labor costs, and they can easily absorb the transfers by briefly deferring the execution of construction and maintenance contracts.

This supplemental request was included in President Reagan's fiscal year 1990 budget and has been endorsed by President Bush. Its enactment will increase fiscal year 1989 outlays by $1.2 million.

No charges in Conte substitute, revenue neutral.

TITLE I, CHAPTER III, DEPARTMENT OF ENERGY, ENERGY PROGRAMS

Provision: Uranium Supply and Enrichment Activities.

For an additional amount for uranium supply and enrichment activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), $55,000,000, to remain available until expended:

Provided, That revenues received by the Department for the enrichment of uranium and estimated to total $1,429,000,000 in fiscal year 1989, shall be retained and used for the specific purpose of offsetting costs incurred by the Department in providing uranium enrichment service activities as authorized by section 201 of Public Law 95-238, notwithstanding the provisions of section 3302(b) of section 484 of title 31, United States Code: *Provided further,* that the sum herein appropriated shall be reduced as uranium enrichment revenues are received during fiscal year 1989 so as to result in a final fiscal year 1989 appropriation estimated at not more than $0.

Description:

The Department of Energy is the only domestic supplier of enriched uranium. The purpose of this request is to provide funds for the purchase of additional power to be used in the production of enriched uranium, The Department has additional power requirements that were not anticipated when the fiscal year 1989 Energy and Water Development appropriation was enacted. Enactment of this provision would be revenue neutral, because the increase will be more than offset by receipts generated by sales of uranium enrichment services.

All of DOE's commerical deliveries can be made on schedule in fiscal year 1989 by using the remaining inventory of enriched uranium. Delayed or missed deliveries will be threatened in fiscal year 1990 and fiscal year 1991 without increased production because of the lead time required for producing the enriched uranium prouduct.

This provision was included in the President's supplemental request. It has been adopted by the committee without change.

No changes in Conte substitute, revenue neutral.

TITLE I, CHAPTER III, GENERAL PROVISIONS

Provision: Section 301. Sunset Harbor, CA: Section 1119(a) of the Water Resources Development Act of 1986 is amended by adding at the end thereof the following:

The total cost referred to in the preceding sentence may be increased by the Secretary by any amount contributed by non-Federal interests which is in excess of amount contributed by non-Federal interests under the preceding sentence.

Description: The Water Resources Development Act of 1986 authorized a feasibility study of Sunset Harbor, CA. The act imposed a limitation of $900,000 on the total cost of the feasibility study. That ceiling has been reached, and the corps is not empowered to accept non-Federal contributions to complete the study. This provision of the bill will permit the corps to accept contributions from the non-Federal sponsors of the project to complete the study.

The provision was drafted by Public Works Committee staff, which originally proposed the cost ceiling. Enactment of the provision would have no Federal budget impact.

No changes in Conte substitute. No new budget authority or outlays.

Provision: Section 302. Exchange of Federal Land: Subsection 1. Exchange of Federal Public Land.

(a) EXCHANGE OF LAND.— * * * [A]t such time as the Blue Tee Corporation transfers all right, title, and interest in and to [35.03 acres of land located in Madison County, Illinois] to the Secretary of the Army, the Secretary shall transfer all right, title, and interest in and to [58.64 acres situated in Madison County, Illinois, * * * and administered by the United States Army Corp (sic) of Engineers, which is constructing the Melvin Price Lock and Dam Project on this land] to the Blue Tee Corporation.

[Subsection 1(b) through subsection 2 omitted.]

Description: This provision permits a Federal land exchange with a private corporation in Illinois. The exchange must be executed within 2 years of the provision's enactment. Congressman COSTELLO is behind this proposal. The provision offers no particular gain or loss to the corps.

The land currently owned by the Government was acquired in connection with construction of the Melvin Price Lock and Dam. The land to be acquired by the corps would become available for lease to the city of Alton, IL, for development of a public marina.

The administration has proposed the addition of language to ensure that the exchange is equitable. The administration contends that, without such language, the Congress will establish a dangerous precedent by which major windfall profits or losses could be realized by either party in such exchanges. The administration's proposed language follows:

The values of the lands exchanged by the Secretary under this Act either shall be equal, or if they are not equal, the values shall be equalized by the payment of money to the grantor or to the Secretary as the cir-

cumstances require so long as the payment does not exceed 5 per centum of the total value of the lands or interests transferred out of Federal ownership. The Secretary shall try to reduce the amount of the payment of money to as small an amount as possible.

No changes in Conte substitute, revenue neutral.

Provision:

Section 303. Saylorville Lake, IA: From Construction, General funds heretofore or hereafter appropriated, the Secretary of the Army is directed to construct Highway 415, segment "C" at the Saylorville Lake, IA, project in accordance with terms of the relocations contract executed on June 21, 1984, between the Rock Island Distict Engineer and the State of Iowa.

Description:

This provision directs the corps to complete the last segment of construction at a recreational project in NEAL SMITH's district in Iowa. This segment involves the development of road improvements.

The existing LCA, which predates the cost-sharing requirements of the Water Resources Development Act of 1986, makes construction of the road a federal expense. The corps has indicated that it will not complete the project without explicit direction from Congress to do so, lest it run afoul of the provisions of the 1986 act. The road feature is a "separable element" of the project which would require cost-sharing under current law. If the corps requires a local contribution, then the question of whether the Federal Government is in breach of the 1984 LCA comes into play. The administration suggested its opposition to the provision on the grounds that: First, current law requires that the project costs should be shared equally between the Federal and non-Federal parties; and second, projects designed primarily for recreational purposes are not consistent with budgetary priorities.

The provision would increase neither budget authority nor outlays, as the corps is directed to complete the project with funds otherwise appropriated for the purpose.

No change in Conte substitute.

Provision:

Section 304. Sims Park, OH: The Secretary of the Army, acting through the Chief of Engineers, shall undertake a beach erosion control project at Sims Park, Euclid, OH, using funds appropriated under the heading "Construction, general" in title I of the Energy and Water Development Appropriation, 1988 (Public Law 100-202; 101 Stat. 107).

Description:

This provision directs the corps to proceed with a previously appropriated beach erosion control project in Mr. FEIGHAN's district in Ohio.

The corps has declined to undertake this work because Sims Park is a recreational facility. The administration supports, "using our scarce Federal resources for high-priority projects; for example, commercial navigation and flood control." The administration has suggested its opposition to this provision of the bill because of the facility's recreational nature.

The provision would not increase budget authority or outlays, as the project has already been appropriated.

No changes in Conte substitute.

FOREIGN OPERATIONS

The bill and the Conte substitute both include provisions in the Dire Emergency title for additional refugee assistance, the United States share of new U.N. peacekeeping activities, and support for the electoral process in Poland.

For emergency refugee admissions and assistance, $100 million is included, to be derived at the President's discretion either from new budget authority or by transfer from fiscal year 1989 foreign assistance appropriations. Of the $100 million, $85 million is for admission expenses for increased numbers of refugees from the Soviet Union, Eastern Europe, and other regions and $15 million is for relief efforts for refugees in Africa and Asia.

Probably the most positive result so far from glasnost and peristroika is the dramatic increase in the number of refugees given exit permits to leave the Soviet Union. That number of human beings has risen from less than a thousand in 1986 to somewhere in the neighborhood of 50,000 this year. While we heartily welcome this development—and many of us have personally urged the Soviet Government to do this—the fact is that our refugee admissions operations are swamped. They need help to process this increase, and this bill, and the Conte substitute, will alleviate this situation.

The bill and the Conte substitute also provide $125 million, by transfer from defense and foreign assistance funds, for the United States share of United Nations Peacekeeping Forces' expenses in Namibia, Angola, the Persian Gulf, and Afghanistan.

The current cessation of hostilities in each of these areas have come as a direct result of U.S. leadership. The Angola-Namibia agreement was an 8-year, single-minded crusade by our Assistant Secretary of State, Chester Crocker. We pumped hundreds of millions of dollars into the Afghan war against the Soviet invasion until the Russians finally pulled out. And I shouldn't have to remind anyone of the sacrifices we made in the Persian Gulf. It would be downright dishonorable to disengage ourselves at this point in the peace process. Peace doesn't come cheap, but the funding provided here is nothing compared to the costs of renewed conflict.

And finally in the foreign assistance chapter, the bill and the Conte substitute earmark $200,000 from previously appropriated funds to support the historic electoral breakthrough in Poland. These funds will be transferred to the National Endowment for Democracy to carry out civic education and international observer missions and other activities.

The United States has been at the forefront in supporting Solidarity and other dissident groups in Poland, and our efforts are being rewarded. After long and difficult negotiations with the government, opposition groups have obtained the promise of free elections this coming June for Parliament. We must do what we can to ensure that those elections are indeed free and fair. This bill provides a modest contribution toward that end.

INTERIOR AND RELATED AGENCIES

Chapter V of title I and chapter III of title II include provision under the jurisdiction of the Interior Subcommittee. The Conte substitute includes identical provisions.

Chapter V provides $600 million for reimbursement of 1988 and 1989 firefighting costs by agencies of the Interior and Agriculture Department. The bill provides $30 million to the Bureau of Land Management; $2.9 million to the U.S. Fish and Wildlife Service; $25 million to the National Park Service; $33.6 million to the Bureau of Indian Affairs, and $508 million to the U.S. Forest Service. These amounts were transferred from other accounts within these departments to pay for firefighting costs which exceeded the amounts provided in the regular appropriation bill. An unexpectedly serious fire season accounted for this cost overrun.

The President requested only $250 million for the Forest Service to cover firefighting costs.

Bill language is included restricting the use of funds to study the sale of the naval petroleum reserves.

Bill language is included which would allow Interior Department appropriations accounts to be reimbursed directly by any party for expenses related to any discharge of oil into the environment. The provision also expands the Department's emergency transfer authority to include activities related to oil spills.

Chapter III includes a provision—section 301—which prevents the Interior Department from listing the Al Capone house on the National Register of Historic Places. Section 302 authorizes the King Center and the National Park Service to use funds to construct a parking lot at the Martin Luther King National Historic Site.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES

In the Department of Labor, the bill provides $126,648,000 in supplemental

funds for training and benefits authorized by the Trade Adjustment Assistance Act, as amended by the Omnibus Trade and Competiveness Act of 1988. Last year's Trade Act expanded coverage and eligibility for workers adversely affected by increased imports. Of the funds provided, $92,000,000 is for weekly benefits which, together with what we provided last year, will bring the total to $224,000,000, and $34,648,000 is for training, job search, and relocation allowances, bringing the total to $80,000,000 for the program in 1989.

In the Department of Health and Human Services, the bill includes language requested by the President regarding the administrative budget of the Social Security Administration. The language included will delete a proviso included in the fiscal year 1989 appropriations act which limited the amount which the Social Security Administration can spend on data processing and telecommunications costs to $170 million.

The bill also provides an additional $423,345,000 in fiscal year 1989 to cover the Federal share of foster care and adoption assistance services that have already been provided by States. This is the amount requested by the President. This amount, in addition to the $108,930,000 already provided for this purpose in the fiscal year 1989 appropriations act, will fully reimburse States for the Federal share of services provided in prior years. This will satisfy the Federal obligation required under this entitlement program.

Through report language, the committee has reprogrammed $3.3 million within the Older Americans Act programs. This reprogramming will hold harmless the original Native American Indian tribes funded in fiscal year 1988, so that their grants are not reduced by virtue of the additional tribes made eligible for funding in fiscal year 1989.

In the Department of Education, H.R. 2072 contains bill language to clarify our intent on how much we appropriated for the Vocational Rehabilitation State Grant Program for fiscal year 1989. The program is scored as a mandatory account by the Congressional Budget Office, and should be exempt from the general across-the-board cut applied to discretionary programs in the fiscal year 1989 Labor/HHS/Education bill. Our intent was and remains that $1,450,000 be available for these grants.

The bill also provides $892,482,000 requested by the President for mandatory costs under the Guaranteed Student Loan Program, bringing the total for GSL to over $4 billion in fiscal year 1989. Unfortunately, interest rates have increased since we passed last year's bill, and most of this increase is to meet the new costs associated with the increased rates. This is an entitlement program.

The bill provides $250,000 for start-up funding for the Prescription Drug Payment Review Commission which was created in the Medicare Catastrophic Coverage Act of 1988. This funding will not increase fiscal year 1989 outlays, because it will be funded through transfers of $125,000 each from the Prospective Payment Assessment Commission and the Physician Payment Review Commission.

TREASURY-POSTAL SERVICE-GENERAL GOVERNMENT

Chapters I and X of title I and chapter V of title II include provisions under the jurisdiction of the Treasury Subcommittee.

Chapter I, the so-called Emergency Drug Supplemental, includes $4 million for the Bureau of Alcohol, Tobacco and Firearms; $35 million for Customs Service salaries and expenses; $51 million for the Customs Service air interdiction program, and $6 million for the Federal Law Enforcement Training Center.

In contrast, the Conte substitute provides reduced but adequate resources for these agencies to continue the war on drugs. Specifically, $1.75 million was added for the BATF; $16.25 million for Customs Service salaries and expenses, and $2 million for the Federal Law Enforcement Training Center. This amount is appropriate considering the ability of these agencies to absorb this funding before the end of the fiscal year and considering the drug czar's ongoing review of these programs. No funds were provided for the Customs Air Program. The committee bill would provide funds for the P-3 retrofit program, and that program is under review by the drug czar's office. No decision has been made to continue the program, and funds spent here could be premature or a waste of scarce Federal resources.

Chapter X includes transfers totaling $81.5 million for three Treasury Department offices as requested by the President; $2 million within the Office of the Secretary; $5.5 million from unspecified Treasury Bureaus to the Financial Management Service; $74 million within accounts of the Internal Revenue Service. There is no budget impact because of these transfers, and they are needed to meet unanticipated, uncontrollable costs.

Chapter V of title II includes bill language which would allow the U.S. Secret Service to extend the availability of $2 million beyond fiscal year 1989 for the construction of security barriers around the south portion of the White House. Bill language requested by the administration was also included which would authorize the Office of Personnel Management to obligate until expended $7 million already authorized for 1989 for costs to be incurred in implementing the recordkeeping system of the FERS system. This proposal would not affect outlays.

Bill language was included to give the Office of Personnel Management authority for setting wage rates for certain health care personnel. The committee claims that "this authority will allow OPM to maintain parity among Federal agencies regarding pay rates for health care personnel."

VETERANS' AFFAIRS AND HUD

TITLE I, CHAPTER XI, DEPARTMENT OF VETERANS' AFFAIRS, VETERANS' HEALTH RESEARCH ADMINISTRATION

Provision: Medical care.

For an additional amount for "Medical care," $340,125,000: *Provided*, That of the sums appropriated under this heading in fiscal year 1989, not less than $6,800,000,000 shall be available only for expenses in the personnel compensation and benefits object classifications.

Description:

A perceived crisis in the funding of VA medical care programs is driving H.R. 2072. As a result of underfunding, VA medical facilities are understaffed, and veterans with non-service-connected disabilities or ailments have been systematically denied treatments. Reports of prescriptions going unfiled and doctors' appointments being delayed for weeks are well documented.

The administration requested a supplemental appropriation of $303,000,000 plus restrictions on veterans travel benefits that would have made an additional $11,000,000 available for VA medical care in fiscal year 1989. This level of funding was considered adequate to keep FTEE at or above its current level of 191,000.

The committee has raised the request to $340,000,000, an amount sufficient to bring staffing levels up to 194,700, the level specified in the fiscal year 1989 report, by year's end. The VA would then be in a position to maintain employment at that level going into fiscal year 1990. The committee also deleted the proposed restrictions on beneficiary travel.

To adequately address the needs of veterans, the Conte substitute adopts the committee-recommended level of $340,000,000.

TITLE I, CHAPTER XI, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, HOUSING PROGRAMS

Provision: Payments for operation of low-income housing projects.

For an additional amount for "Payments for operation of low-income housing projects," $88,000,000, to remain available until September 30, 1990: *Provided*, That from the foregoing amount, $8,000,000 shall be made available, notwithstanding section 9(d) of the United States Housing Act of 1937, for increased security assistance.

Description:

HUD provides direct subsidies to public housing authorities for the op-

eration of public housing projects. The subsidy amount is determined by application of the Performance Funding System [PFS]. PFS establishes subsidy formulas calculated to yield the difference between the operating costs and income of efficiently operated projects.

During fiscal year 1988 and fiscal year 1989, there has been a shortfall of approximately $70 million in funding for subsidies authorized under PFS; that is, 1 to 2 percent of calculated subsidies. In addition, the escalated costs of public housing insurance have not been built into the PFS formulas.

The $88 million provided for operating subsidies in H.R. 2072 will be principally available to make up the shortfall. Any amounts remaining, after deduction of the $8 million earmarked for enhanced security at housing projects, will be made available for "costs beyond control."

The $8 million earmarked for enhanced security may be used for an array of activities, such as training of security personnel or installation of security devices.

PUBLIC HOUSING AUTHORITY OPERATING SUBSIDIES

H.R. 2072 provides $80 million for the payment of supplemental operating subsidies to public housing authorities. These payments are intended to cover a shortfall in subsidy funding in fiscal years 1988 and 1989. The provision also includes $8 million for enhanced security at public housing projects.

In fact, the payments would amount to a windfall gain for the housing authorities. These payments are not entitlements under law, and PHA's have already adjusted to any past shortfalls by reducing staff or other one-time costs or by using operating reserves where costs could not be saved or deferred.

The shortfall does not constitute an emergency. There is neither a dire nor urgent need to provide additional subsidies. In fact, the provision was added as an amendment to the bill only after other nonemergency items were included.

The provision adds $88 million in new budget authority in fiscal year 1989 and $40 million in fiscal year 1989 outlays. Its inclusion violates the spirit of recent budget agreements, and it should be considered during the course of the regular appropriations process.

The $8 million in funding for security measures can be made available through the public housing modernization program—which was funded at $1.65 billion in fiscal year 1989—and through the regular public housing subsidies provided by PHA's.

STEWART B. McKINNEY PROGRAMS FUNDED IN H.R. 2072

Program	Amount	Description
Annual Contributions for Assisted Housing	$5,000,000	Adds money to HUD's moderate rehabilitation program. Money is earmarked for rehabilitation of single room occupancy units for use by the homeless.
Emergency Shelter Grants Program	$73,000,000	Funds grants to localities, states and nonprofit organizations for the rehabilitation or development of homeless shelters. Operating costs are not included.
Transitional and Supportive Housing Demonstration Program	$20,000,000	Provides funds to units of local governments, tribes and nonprofit organizations for the development of special group housing (for example, permanent housing for the handicapped and mentally disabled). This money can be used for operating costs.
Supplemental Assistance for Facilities to Assist the Homeless	$10,000,000	Augments existing grants for innovative programs to assist the homeless.
V.A. Health Care	$30,000,000	Provides additional money for V.A. Domiciliary Care and care for Chronically Mentally Ill veterans.
Emergency Food and Shelter Program	$15,000,000	FEMA program providing emergency relief assistance in the form of food and shelter.

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Mr. WHITTEN. Mr. Chairman, I reserve the balance of my time.

Mr. CONTE. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I just want to reiterate a point that I made earlier, and that point is that the distributions that are contemplated under the Foley amendment are going to cut into the very drug interdiction programs that the military has initiated upon direction by the Congress.

We had a briefing just a few days ago in the Armed Services Committee by General Olmsted, and the U.S. military, since we in the Congress gave them a lead agency role over Customs and over the Coast Guard in interdicting drug planes and drug ships, has gone out and started to work the southern border of the United States. They have turned drug planes back at the border that have gone down into the interior of Mexico. We have verified that some of those planes were carrying narcotics, and they have initiated a program that is slowing down this stream of cocaine into the United States. Yet under the Foley amendment we are cutting almost half a billion dollars in operation and maintenance moneys from the Department of Defense, much of which is being used for the drug interdiction operation right now.

They have finally gotten their act together. The U.S. military, per our direction, is moving forward, and this action we are taking is cutting them. It makes no sense to take money away from them in the drug interdiction program with one hand so we can posture and say we are spending drug program moneys with the other hand.

Mr. Chairman, that is precisely what we are doing, and I urge all my colleagues to vote against the Foley amendment.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I thank the gentleman very much for yielding this time to me.

Mr. Chairman, I rise in support of the supplemental, and also, of course, in support of the Foley amendment.

I would like to bring to the attention of all the Members something that the chairman of the committee was kind enough to put in the bill. We have a big problem in public housing with drug users. We have hard-working people and honest people in public housing, and there can be 300 of them in a highrise, but if we get one family or one person there that is dealing with drugs, they can ruin the whole highrise. Yet in the past, public housing authorities have had to go through the most cumbersome, convoluted, and tortured procedures to get this family out and to deal with them.

So what this proposal does—and there is $8.2 million in there for this purpose—is it authorizes HUD to make grants to do any or all of the following: To provide training, communication equipment, supplies, and voluntary tenant patrols, to fund security and drug abuse prevention programs, to fund innovative programs designed to reduce drugs in public housing, to employ additional security personnel in public housing, and to employ individuals to investigate drug-related crime. This empowers public housing tenants to take care of their own lives, to fight drugs, and it will promote community pride.

There are many, many things in the supplemental agreement of which I am supportive, but I was particularly glad that this proposal, which some of us have worked on long and hard, was added. So I thank the chairman of the committee and the chairman of the subcommittee, the gentleman from Michigan [Mr. TRAXLER], for helping us with this proposal.

Mr. CONTE. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, the Budget Committee and the House leadership sat down together to address our fiscal year 1990 budget and

our deficit problem and produced still another dud.

Evident in their budget plan is more overoptimistic economic assumptions, more accounting gimmicks, more unspecified solutions, more cooking of the books. Not evident is any progress whatsoever on the deficit.

The sad thing about all this is that the Budget Committee and the Members of Congress who end up supporting it know the numbers are fraudulent. If we are making any progress at all, it is coming solely from growth in the social security trust fund which has become the guarantor of irresponsible spending. Social Security ought to come off budget for Gramm-Rudman purposes and everybody knows it. And the irresponsible spending must stop and everybody knows that as well. This bill is more of the same, without any relation to budgetary constraints or solving the deficit problem.

Mr. Chairman, we are undermining our economic future, destroying our children's and grandchildren's economic opportunity and setting generation against generation.

The markets will not be fooled forever. When the realization comes that we are going nowhere, when the crisis hits, the pain will be infinitely greater for everyone than if we addressed this problem directly, honestly, and courageously now.

Our leadership, Mr. Chairman, is failing us. I urge a no vote on the supplemental. Send us back to work to do it responsibly and to do it right.

Mr. WHITTEN. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I thank the chairman of the committee for yielding this time to me, and I want to commend him and the members of the subcommittee, especially the gentleman from Michigan [Mr. TRAXLER], with whom we worked in terms of the housing provisions that are in this bill.

I, of course, rise in support of the dire emergency supplemental bill. I know it will provide funding for many important programs, especially for the VA hospitals. We have one in our area. It is a brand new hospital, but many of the beds are closed, and veterans are precluded from of health care they need.

There are the provisions for the fire fighting funds that are so necessary for our Forest Service to replace the KV funds and the Interior Department dollars that are necessary. Most importantly, from my perspective, though, this provides more of full funding for the McKinney Act. I would hope that all of my colleagues would want funding for this. Earlier this year I introduced a resolution asking for full funding in fiscal year 1989 for McKinney, and over 150 Members of the House cosponsored that bill. Well, here it is. We have President Bush in the campaign and after the campaign in his inauguration address right in this Chamber asking for full funding for the McKinney Act. Vice President QUAYLE asked for full funding. Mr. Kemp, when he looked at the HUD funding, asked for full funding. He asked for those particular dollars because he needs them. The fact is that for many Americans, their only bedroom is a blanket and a grate in the street. Congress authorized the dollar, but we will not meet our promise unless we rise today to act and vote positively for this legislation.

There will be some amendments coming before us. I know that the Members have good intentions, and they want to try to fund this by cutting other things like defense discretional funding. I intend to support the Foley amendment. I would ask the Members to oppose the Conte amendment because the Conte amendment cuts out all of the dollars in this legislation for the homeless.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, the gentleman was not in the Chamber when I said I am not going to offer my amendment.

Mr. VENTO. I am sorry, Mr. Chairman, I missed that. We are grateful that the gentleman is not going to offer that amendment, because I think the gentleman has been a good advocate for many of these programs. I know the basis on which he brought that amendment forward was not necessarily aimed specifically at this group, and I appreciate the gentleman's not offering that particular amendment. I wanted to underline for all the Members the importance of all this. We have won a convert, I guess, in the gentleman from Massachusetts [Mr. CONTE].

Mr. Chairman, I hope that today we can work together and pass the bill. I know we have tough budget problems. I know there are many who would argue with the nature of the way we have tried to resolve our budget problems, but in a body of 435 Members no one Member or even a small group of Members is able to prevail in terms of a single view. We have to accommodate many different programs and many interests, but surely one of our number one priorities should be, and it is, providing for those who cannot help themselves. I think the homeless certainly fall within this category, and I think as Americans, as we look at the polls and the support of our constituents, we should certainly do all we can to fund these programs, The McKinney Act is not just a shelter program but one that deals with the broad base of personal services to these people in our society who are homeless.

Mr. Chairman, I rise in support of H.R. 2072, the dire emergency supplemental appropriations bill and in opposition to the Conte substitute. H.R. 2072 will provide much needed supplemental moneys across the field of Federal Government programs. Most importantly, this legislation provides $241.5 million for homeless assistance programs authorized in the Stewart B. McKinney Act and homeless prevention in the form of public housing operating assistance.

Additionally, there are many other significant funding proposals in the supplemental including an essential $600 million for the forest fire fighting expenses incurred by the Interior Department and the U.S. Forest Service because of the fires in Yellowstone National Park and other areas. I also strongly support this bill because of the $340 million in funding it provides for the Veterans' Administration health care system. This funding is needed to cover the shortfall in fiscal year 1989 funding for critical health care services for our Nation's veterans. The shortfall has resulted in severe cutbacks in health care services for veterans in Minnesota and other States. These reductions include reducing inpatient and outpatient visits for some veterans and limiting the dispensing of medications. As a Member of Congress, I have consistently supported adequate funding for veterans health care. Congress has made a commitment to veterans and that commitment must be honored. This is especially true as our veteran population ages and the demand for extended and geriatric care grows.

Mr. Chairman, as my colleagues know, that we have worked hard for many years to provide assistance to the millions of Americans whose bedroom is no more than a blanket or a steel grate. Congress was successful in passing comprehensive homeless assistance authorization legislation 2 years ago in the form of the McKinney Homeless Assistance Act. This law, however, can only function with full funding of proven McKinney programs. While we stand and debate, albeit with the best of intentions, hundreds of thousands of children—the hope of our great Nation—are growing up on the street.

The funding sought here is modest. The need is documented. In its 1989 report on Hunger and Homelessness in America's Cities, the U.S. Conference of Mayors found an average increase of 13 percent in requests for emergency shelter. Requests for shelter by homeles families increased by an average of 18 percent. More telling are the statistics representing the unmet needs: 19 percent of the requests for emergency shelter in the survey cities were unmet. For homeless families, the figure was an average of 23 percent. Our shelters are turning away families with children when of the $120 million authorized for emergency shelter grants, we have only appropriated $46.5 million.

This scenario of underfunding can be replayed across the gamut of McKinney programs. In the Transitional Housing Program, for example, HUD has received about 400 applications requesting approximately $270 million in funds. Only $92 million is available. In the section 8 Single Room Occupancy Program, HUD has received applications for

11,500 units when there is only enough funding for 1,025 units. 91 percent of these units will not be funded at all.

Mr. Chairman, on the first day of the 101st Congress I introduced a resolution that called for the full funding of the McKinney Act. Over 150 Members of Congress joined me in cosponsoring House Joint Resolution 31. Our former colleague and current Secretary of HUD, Jack Kemp, supports the full funding of McKinney. President Bush formally brought the kinder and gentler proposal to fully fund McKinney into the campaign of 1988. We must not allow the administration's "lip reading" rhetoric to remain mere lip service for real funding for homeless assistance. The $241 million in the supplemental for McKinney programs and public housing operating assistance will make good on that promise by continuing to help the millions of homeless Americans while preventing thousands more from becoming homeless.

I urge my colleagues to support passage of the supplemental.

Mr. CONTE. Mr. Chairman, I yield 2 minutes to my dear friend, the gentleman from Alabama [Mr. DICKINSON].

Mr. DICKINSON. Mr. Chairman, let me point out to the members of the committee that we have an unusual situation here, and I am not sure I fully understand it. It had been my understanding initially that there would be a king of the mountain arrangement, that the Foley amendment would be offered and then the Conte amendment would be offered, and then that we might or might not have a motion to recommit. So now it is difficult to know wherein to speak on the bill. So let me speak very briefly at this time, and hopefully I can come back later and amplify a few of my remarks.

□ 1300

Mr. Chairman, the original supplemental, as was requested, was $2.1 billion. As was pointed out, the House Committee on Appropriations raised this to $4.7 billion. Now, all of the addons, over $2 billion, are all in the domestic sector. The rule waives the Budget Act, so why do we have a Budget Act if every time when we get in a tough bind, all we have got to do is just waive it and do not have to make it conform to the budget?

If the full amendment passes, the 1987 bipartisan summit amendment on defense funding for fiscal year 1989 of $229.5 will be totally violated. It means nothing. We will go through a Budget Act, we get our figures, we go to committee to try to mark up, and this totally vitiates it.

In effect what we are doing here is saying we do not pay half of all the bills out of the defense. We are paying two-thirds out of defense.

So, we go into serious negotiations. We deal in good faith, and, as has been pointed out when my leader, the gentleman from Illinois [Mr. MICHEL] spoke, what does this mean now? What does it mean to the defense, if nothing else, if these cuts are put in this late in the year?

Mr. Chairman, according to Secretary Cheney the cuts would force him to freeze permanent changing stations disrupting plans of families and military families. He would have to stop payment on reenlistment bonuses which would seriously reduce our ability to retain any skilled people, and he would have to provide for the early release of 28,000 people scheduled to leave the service between now and the end of the fiscal year.

Mr. Chairman, this would have very serious consequences. It is not fair. It is abrogating agreements. It is taking out of what we thought would be the funding level of defense, putting it over into the domestic sector when the domestic sector is adding all of the add-ons.

So, it is not fair, equitable. It is unwarranted intrusion onto the agreement and onto the defense budget, and I would certainly vote against the Foley amendment, and, if it passes, vote against the bill.

Mr. CONTE. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New Jersey [Mrs. ROUKEMA] for the purposes of a colloquy.

Mrs. ROUKEMA. Mr. Chairman, I would like to address the distinguished ranking member, the gentleman from Massachusetts [Mr. CONTE]. I would hope that he will be able to clarify a somewhat vague provision of this bill. At least it is vague in terms of my reading, and I would like to have it clarified because I think there are potential fiscal consequences here. It concerns the provision of the bill relating to the Alaska oilspill.

Mr. Chairman, the provision, as I understand it, would ensure that the Interior Department is directly reimbursed for costs it specifically has incurred in the cleanup. My concern is that the provision does not require Exxon, or any other outside group, to reimburse Interior. In my opinion the provision as stated leaves open the possibility that taxpayers may at some time in the future be put in the position of reimbursing Exxon or some other entry for the cleanup once it is concluded.

Mr. Chairman, we all know that the final bill for this cleanup could be monumental whether to Exxon or to other parties, and I realize that this provision only concerns the Interior Department, which is only one of the 14 agencies involved. However, I think most of my colleagues would agree with me that Interior, the Coast Guard, EPA, and other agencies involved should be reimbursed by those liable, whether criminally or civilly liable, for damages. In no way do I believe that the taxpayers should possibly be put in the position where they should have to subsidize what I consider to be Exxon's reckless disregard for the environment.

Moreover, Mr. Chairman, let us not forget in a related issue that Exxon under current law will have the luxury of writing off its cleanup costs anyway, but that is not at issue here. Right now I would like a clarification on the provision.

Mr. YATES. Mr. Chairman, will the gentlewoman yield?

Mrs. ROUKEMA. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, this provision was inserted upon the request of the subcommittee which I chair, and the purpose of the amendment is not to change the existing law in any respect. If Exxon is liable for the spill, Exxon remains liable for the spill, and this language does not purport to deal with that at all.

Mr. Chairman, the only purpose of this language is to assure that the Department of the Interior agencies, which are advancing money for the purpose of dealing with the oil spill, are reimbursed for the funds they have advanced rather than having the reimbursement funds go back to the general Treasury, which would be the case in the event that this language was not placed in the bill.

I repeat that whatever liability Exxon had before remains with Exxon. I would agree with the gentlewoman from New Jersey [Mrs. ROUKEMA] that Exxon ought to pay all the costs. It was a reprehensible act that Exxon perpetrated, but trying to go into the question of the liabilities that are involved here is something beyond the jurisdiction and purvey of our subcommittee, and we did not deal with that. Our only purpose was to make sure that adequate funds were replaced for those that were used to deal with the spill.

Mr. Chairman, does that satisfy the gentlewoman from New Jersey [Mrs. ROUKEMA]?

Mrs. ROUKEMA. Mr. Chairman, I thank the gentleman from Illinois [Mr. YATES]. I believe it does. Certainly it is my understanding that we cannot determine liabilities here, but we can be certain on the legislative record that there is no implication here that the taxpayers are going to foot this bill.

Mr. CONTE. Mr. Chairman, as I understand this provision, it simply allows the Interior Department to be reimbursed directly for expenses incurred as a result of an oil spill cleanup effort in Alaska. The provision also expands the Department's emergency transfer authority to include activities related to the oil spills.

Simply put, this language set up a mechanism for the Interior Department to receive reimbursements from any nonfederal party, but it does not

preclude or address any determination with respect to liability for the oil spill in Alaska, and we are in total agreement, myself and the gentleman from Illinois [Mr. YATES], the chairman of the committee and my good friend, with the gentlewoman from New Jersey [Mrs. ROUKEMA]. We feel, both of us, that the Exxon incident in Valdez was an environmental nightmare. Exxon should not be left off the hook for one nickel. It was mentioned that they are going to have writeoffs of a lot of the expenses from their Federal taxes. More so than that, they are now going out there, and they and other oil companies are raising the price of gas at the pump, which is unconscionable for what they have done to the environment in Alaska in not only making the taxpayers pay for it, but making the consumers of gasoline pay for it.

Do not worry about this committee. We are with the Interior Department and against Exxon.

Mrs. ROUKEMA. Mr. Chairman, I thank the gentleman from Massachusetts [Mr. CONTE], the ranking member, and the author of the language, the gentleman from Illinois [Mr. YATES].

Mr. Chairman, I understand that we cannot right all the wrongs in this bill, but I am reasonably assured that we are of one mind, and there is no loophole here whereby the taxpayers are going to be taking this bill.

Mr. CONTE. Not at all, not at all.

Mrs. ROUKEMA. OK; I thank the gentleman from Massachusetts [Mr. CONTE].

Mr. WHITTEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. TRAXLER].

Mr. TRAXLER. Mr. Chairman, I thank the gentleman from Mississippi [Mr. WHITTEN], the full committee chairman, for offering me this time, and I extend my appreciation to all members of the Committee on Appropriations for the courtesies that they have extended to me in the past week or two in my first efforts of bringing this subcommittee's part of the bill to the floor.

I would say to the gentleman from Massachusetts [Mr. CONTE], my good friend, that I am pleased he is not offering his amendment. I would like to tell him that I think his efforts in acting as a mediator between the supplemental appropriation bill's supporters and the White House were to be commended, and I think he was going in the right direction, and with, perhaps, a little more support from all concerned we could have resolved our problem here. I want him to know that he is a terrific negotiator.

I like that preliminary agreement that he had. It could have served as a basis for a more comprehensive resolution of our problem.

Mr. Chairman, what I am going to try to do is give my colleagues the justification for what my responsibility, the subcommittee's responsibility, is for the portion of the bill that we are involved in. I hope this will not bore my colleagues.

□ 1310

Let me tell you that the bill provides $1,438,418,000 in new budget authority for Departments and Agencies under the VA, HUD, and Independent Agencies Subcommittee. That is a lot of money.

Now, nearly 60 percent of that total, or $843,793,000 is provided for the VA's mandatory accounts, and every one of you will vote for it. There will not be one of you who will not. That is the money that goes for compensation and pensions, readjustment benefits, and the VA loan guarantee revolving fund. Every penny of that money—now get this—every penny of that money was requested by the President.

Now, the major discretionary item in the bill is the VA medical care account. We have provided a total of $340,125,000 there, again a substantial sum. That is a very modest increase above the President's request of $303 million which he believes to be adequate. We disagree with him on that point. I think you would, too.

I want you to know that the VA medical care account has already cut medical personnel from what we consider to be the bare minimum number—from 194,720 to 191,000. The fact is even to maintain that inadequate number of personnel, the VA has had to borrow money from supplies, from drugs, from equipment, and so on.

Ask any veteran who has recently gone to the medical services of the Veterans' Administration and looked for medical help.

It is not the fault of the agency. They are simply and plainly understaffed in view of the demand for services. Our veterans population is aging. We are not going to have less services. We are going to have more.

Let me say something else in connection with that. All of you have participated in the last 5 years in making every effort to adequately fund the VA medical care account. You have voted for each year in the appropriation bills some $200 million over the President's request for VA medical care each year, for a total of $1 billion over the last 5 years more than what the President of the United States had requested for that purpose.

What you did do was to maintain and fulfill the contract between this Nation and its veterans. For that you are to be commended. I am sure every veteran and his family in this country appreciates that effort on your part. That was over and above what the President requested. That was not a budget buster. That was taken from other accounts within the budget so as not to exceed the President's total.

Now, if we do not get this money, the VA cannot go on much longer without cutting personnel. I want to tell you, they will have to begin to reduce staff. They are draining their resources now. As long as we are making progress, they will cooperate.

My judgment is you are looking at nothing later than the end of this month when they are going to have to begin reductions.

We have got to get this bill to the President as soon as possible. You all agree that this supplemental is necessary in this regard. I want to pledge my cooperation to speed it along and do anything I can to expedite.

There is another aspect of the bill that I think is important, and that has to do with the question of the additions, besides the VA medical care they are an important portion of the bill.

The bill contains $153.5 million for homeless programs, and $88 million for public housing operating subsidies, including $8 million for increased security measures in public housing projects.

Now, the President on a number of occasions, you remember this, you were all in this room when he talked to us. Remember the State of the Union Address? Those were not hollow insincere words.

You remember his inaugural address, gentler and kinder. He meant it. I took him at his word. I will bet that you did, too. Is there anybody here who thought that the President of the United States was a liar? Raise your hands. Let me see it. Not one of you. We took him at his word and all America did, too. We felt better for it and for what he represents and for what he stood for on those occasions.

We are going to help him fulfill those commitments to the American people. This bill contains some of the fulfillment of those commitments. What are they?

Well, I will tell you exactly what they are in my portion of the bill. This portion of the bill that I am speaking of, the VA-HUD-independent agencies portion, $30 million for the VA medical care account for homeless veterans who need that. I bet you are all for that.

There is $73 million for HUD's Emergency Shelter Grants Program, $5 million for the HUD Single Room Occupancy Homeless Program; $20 million for the HUD Transitional and Supportive Housing Demonstration Programs; $10 million for HUD's Supplemental Assistance for Facilities to Assist the Homeless; and $15 million for FEMA in their Emergency Food and Shelter Program, an ongoing pro-

gram, an excellent program. No one would disagree with that $15 million.

I want to tell you, when we had our hearing, the Secretary of HUD—I want you to pay attention to this, hear this now—the Secretary of HUD, a former distinguished Member of this body and a former member of the Appropriations Committee, a very fine gentleman, commended the Congress for those additions to the supplemental appropriations bill. His name is Jack Kemp. He is now the Secretary of HUD and he is committed to keeping hope alive. His statements to us were that this was needed, important, and he thanked us for it. It is on the hearing record.

I recognize, Mr. Chairman, that OMB is not in support of this additional funding for the homeless and the drug programs.

We are taking care of the offsets in the Foley amendment. That is agony. That is pain. We do not like to make these kinds of choices.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WHITTEN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Michigan.

Mr. TRAXLER. I just want to say, Mr. Chairman, that I think given our budget constraint problems, our efforts in that regard, that the Foley amendment will fully take care of the issue of the budgetary concerns here.

I know that some of my friends on the other side of the aisle have problems with defense offsets or cuts.

Think about this. In Monday's New York Times, the German Government just reversed a decision to extend compulsory military service from 15 months to 18 months. The consequences of that are this. The German Armed Forces will be reduced 20 percent—get this, reduced by 20 percent by the year 1993.

Now, think about that. They are on the front lines with the "Evil Empire," and that is what they are doing. Why should we spend billions, to defend them when they are reducing their armed forces by 20 percent. I think we can stand half a percent cut in defense and so do the American people.

I hope you will support the Foley amendment and then endorse the initiatives that President Bush has challenged us to be for.

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, I thank the gentleman for yielding me this time.

As the former ranking Republican on the Veterans' Affairs Committee, let me just say to my good friend, the gentleman from Michigan [Mr. TRAXLER], I certainly appreciate as a veteran all that the gentleman is doing on the Appropriations Committee for the veterans of this Nation.

As I have said to the gentleman from Mississippi [Mr. WHITTEN], I have a great deal of respect for him.

The truth of the matter is, if you really want to help the veterans of this Nation, you will not do it by voting for the Foley amendment. You will not do it by voting for this supplemental.

President Bush is going to veto the supplemental as it stands now. If the Foley substitute prevails, he is going to veto that. That means that we are going to go back to the drawing board, and that means that the veterans in the hospitals throughout this Nation, all 172 of them, are not going to get the moneys they need right today in this dire supplemental.

□ 1320

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I am happy to yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I think the fault is not that of the Congress providing the funds. The fault would be that of the President in vetoing the bill.

Mr. SOLOMON. It will not be the fault of the President for vetoing the bill. It will be our fault for being irresponsible.

Let me just read the Members a letter from a very distinguished gentleman.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I am happy to yield to the gentleman.

Mr. YATES. Mr. Chairman, does the gentleman believe that the Congress is irresponsible for putting in the money for the veterans?

Mr. SOLOMON. No. I believe the Congress is irresponsible for putting in all of these other add-ons in the Christmas tree that I spoke about earlier. That is with no disrespect to the chairman. He is a very good chairman.

Mr. Chairman, let me read a letter from another distinguished former Member of this House whom we all love and respect and admire, and have said so on this floor, Ed Derwinski. Let me read the last paragraph of his letter which says: "The President is clearly committed to a supplemental funding request for veterans' health care programs." This section of the bill is not a part of the legislative dispute.

Mr. Chairman, we are not disputing at all. We want it. We want it today. We would like to vote for it today.

The truth of the matter is that we had 30 Democrats on this side of the aisle vote against the rule. We had a 100-percent vote on our side against the rule. If Members stick with that and if we have to sustain the veto, we will come back immediately with the veterans' programs that we need so badly, so those of the Members who support a strong national defense, please vote against the Foley amendment; please vote against the supplemental, and let us send the gentleman from Mississippi [Mr. WHITTEN], and our good friend, the gentleman from Massachusetts [Mr. CONTE], back to the drawing board with all of the subcommittee chairmen, and let us do it right, right for the veterans.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. OBEY], a member of the committee.

Mr. OBEY. Mr. Chairman, I would simply like to bring to the attention of the House a number of items in the Foreign Operations section of the bill. That section provides $100 million for refugees, very largely for Soviet refugees because we have about twice the number of Soviet refugees being let out of the Soviet Union than the administration had expected at the beginning of the fiscal year. We also provide the peacekeeping money which the administration requested for a number of regions of the world, and we provide assistance to the democratic forces who are trying to now participate in the new Polish elections under that remarkable changed situation which is occurring in Poland.

Mr. Chairman, I would urge Members not to vote against this bill with the Foley amendment, because anyone who does will greatly delay our ability to deal with all three of those problems, and those Polish elections, for instance, are not going to wait until we solve a parliamentary debate on the floor of the House of Representatives; neither will the need of Soviet refugees and neither will the need to have our peacekeeping forces in place to assure that we can prevent some serious problems in a number of areas around the world.

I understand what the game plan is by some people in the House. The game plan is that since they did not win the vote on the rule they plan to vote against the Foley amendment, which will fully pay for every item in this bill, and then having voted against the amendment that would have made this bill fiscally neutral, they will then have an excuse, I guess, to vote against the bill. I guess that means they think that it is OK to pay for funding the Contras but it is not OK to meet our needs to the homeless, it is not OK to fully fund the war on drugs that we said we were going to fight a year ago.

It is so ironic, and it is so cynical, to see this House year after year through the same device: What we see people doing in this House is during the election year they say, "Oh, are we against drugs, oh, oh, do we want to fight drugs," but then the minute the election passes, they say, "Well, gee whiz, we cannot afford it. The budget

summit is more important than the drug war," and then they suggest that we cut at least in half Mr. SMITH's subcommittee's effort to fully fund the war on drugs.

The administration had no objection whatsoever in suggesting that in order to fund their priorities we cut across the board on the domestic side of the budget, that we cut previous domestic appropriations by 1 full percent, but somehow they suggest that it is not fair if we are going to require the Pentagon to share in that reduction. I would simply point out, as I did a few moments earlier, that the summit which we agreed to 2 years ago provided for defense spending of $294 billion on the outlay side. The President's budget today provides for that same fiscal year for defense outlays of $298.3 billion, which is a $4.3 billion overrun.

Mr. Chairman, all the Foley amendment does is to reduce that overrun by $1.2 billion in outlays. That still leaves us $3 billion over the target of the summit for outlays.

I would suggest that if Members vote "no" on Foley today they will delay the needed help for veterans, they will delay the needed help for Soviet refugees, they will delay the crucial help in assisting democratic forces in Poland. And I guess what we will be told then is that unless we are kinder and gentler to the Pentagon, we have to skip meeting everybody else's needs. I do not happen to agree with that.

The Foley amendment fully pays for all programs in this bill including veterans' health care, refugees, all of it. It pays for all of the discretionary increases in spending in the supplemental. It is fiscally responsible. It is balanced, because it asks the Pentagon to share in the squeeze along with everybody else in this society.

Unless Members support Foley in support of this bill, they are voting against the homeless, they are voting against a full-fledged war on drugs, they are voting against dealing with the problems of the Soviet refugees, and they are voting against assisting our democratic allies in Poland at the only time that it matters.

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the gentleman from New Mexico [Mr. SKEEN], a member of the committee.

Mr. SKEEN. Mr. Chairman, I thank my distinguished colleague for giving me this opportunity to discuss the dire consequences of this bill (H.R. 2072) to the people of my district in New Mexico and to all Americans.

White Sands Missile Range—located in southern New Mexico—is home to one of the finest technology centers in the United States. Americans are far more secure today because of the many defense technologies researched, tested, and developed at White Sands for over 40 years.

One such program is seriously affected by the legislation we are deliberating today. I speak of the midinfrared advanced chemical laser—also known as the MIRACL laser.

The MIRACL laser was built 6 years ago as part of the high energy laser systems test facility. When coupled to a telescopelike beam director called Skylite, it can be aimed at moving targets. In tests, the laser has shot down missiles and drone aircraft. The U.S. Space Command recently announced plans to upgrade the laser so that it can be tested as an antisatellite weapon for star wars applications.

Section 205, if enacted into law, would have the effect of putting the MIRACL Program—as some have already stated—in mothballs.

This legislation addressed in this section is hardly classified as a dire emergency. However, if it's passed, it will create a dire emergency in New Mexico and to the future of America's defense technology.

While I can understand the concerns expressed by some of my colleagues over hesitations to produce and deploy Asat weaponry, the research and testing of such programs must continue. MIRACL has already proven a success in its early stages.

Congress can make decisions on production and deployment at a later time, but let us give MIRACL's testing a chance.

This Chamber should have the opportunity to devise a supplemental appropriations bill that addresses America's true dire emergencies, nothing more, nothing less.

Even though this bill contains many important provisions for our veterans, our homeless and others, I cannot support this bill because of the severe implications of section 205 to New Mexico and this Nation.

The CHAIRMAN. The gentleman from Massachusetts [Mr. CONTE] has 4 minutes remaining, and the gentleman from Mississippi [Mr. WHITTEN] has 2 minutes remaining.

Mr. CONTE. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. JAMES].

Mr. JAMES. Mr. Chairman, here we are again, yet another underhanded, irresponsible effort to avoid fiscal accountability.

Yes, Virginia, there is a Christmas and it comes every day in Congress.

What started out as a dire emergency measure has eroded into a Christmas tree, with so many unnecessary and abusive ornaments that the tree now looks remarkably like some of my colleagues' favorite brand of tree, the much talked about continuing resolution.

Where is this all going to end?

When is this body going to stop abusing the legislative process and abusing the American people and restore honesty and integrity to the process?

We have dire and urgent needs to address.

We woefully need immediate supplemental funding for veterans' medical care and for nationwide firefighting costs, but the Democratic leadership has endangered the well-being of 27 million American veterans, millions of acres of American property, and the lives of thousands of firefighters by loading up this measure to conform to their own private political needs.

The administration requested $2.2 billion in emergency funding. The Appropriations Committee unilaterally inflated it to $5 billion.

The administration asked for $627 million in emergency discretionary funding. The committee fattened that request up to $2.2 billion.

Included in that total is $250 million for Japanese internment payments. That is a emergency need? Those payments cannot even be made in this year. They have thrown in $800 million for drugs and $88 million for public housing subsidies, most of which cannot be spent this year.

This is a vulgar abuse of the system.

Through chicanery, they are trying to bypass the budgeting process by frontloading next year's budget in order to avoid spending limits.

When will this gimmickry and deceit end?

Let us stop it right now.

□ 1330

Mr. OBEY. Mr. Chairman, I was going to ask that the gentleman's words be taken down, but on the assumption he does not understand the rules, I will not.

Mr. WHITTEN. Mr. Chairman, how much time remains on each side?

The CHAIRMAN. Currently there are 2 minutes remaining on each side.

Mr. WHITTEN. Mr. Chairman, I reserve my time to close debate.

Mr. CONTE. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. COUGHLIN].

Mr. COUGHLIN. Mr. Chairman, I cannot believe that the first crack out of the box, the first bill that involves fiscal responsibility that we have on the floor of this House that we are going to go out and break the summit agreement and be fiscally irresponsible. The worst thing that we as a body can do is to send a message by breaking the summit agreement the first time out of the box. No one will ever believe it, no one will ever believe we have the intestinal fortitude to control our propensity to spend money. The financial markets will not believe it, our trading partners will not believe it, no one will believe we have the intestinal fortitude to do something about our spending.

A lot is being said about drugs here. Let me talk about that for a moment from the standpoint of the ranking member on the Select Committee on Narcotics Abuse and Control.

First, we have not been stingy in fighting the drug war. In 1986 we provided $2.2 billion for fighting the drug war. In 1988 we provided $3.8 billion to fight the drug war, and in 1989 we intended a total of $5.3 billion to fight the drug war, and in 1990 the President has asked for $5.9 billion to fight the drug war. We are not being stingy in fighting the drug war.

Let me say second that we do not solve the drug problem just by throwing money at it. We solve it by doing something that is tough, and by taking tough measures to apprehend, to try and to incarcerate criminals, to punish the purchasers as well as the pushers, to have drug testing, to do what Secretary Kemp and Director Bennett are going to try to get tough in our housing projects. We just do not throw money at it, and the American people do not want us to just throw money at it. They want us to get tough.

What the President has proposed are those things that have a dire need for additional money. We should go with the President. We should go with what the President has proposed and not simply load everything into the bill and be fiscally irresponsible again.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Chairman, I rise in strong support of this bill, and especially the provision providing for funding for the Japanese-Americans interned during the Second World War.

Mr. Chairman, I would like to express my strong support for the provision in this measure which helps to redress the wrongs perpetrated by our Government against American citizens of Japanese descent during World War II. The bill appropriates $250 million to fund the program authorized by the Civil Liberties Act of 1988, which was passed by both Houses of Congress last year.

The internment policy undertaken by the U.S. Government during World War II was a tragic error. The policy authorized U.S. Army troops to round up thousands of Japanese-Americans on the west coast and force them into relocation camps. This disgraceful program was not motivated by reason, it was driven by wartime hysteria and racial prejudice.

During my assignment as a member of the United States Army to Japan in 1946–47, I met a number of Japanese-Americans who had fled the United States and returned to Japan because of their mistreatment here. That people should emigrate from the United States to flee persecution demonstrates how far the United States Government had strayed from the principles upon which this Nation was founded.

Mr. Chairman, there is no adequate financial compensation for the fundamental violation of civil liberties and the humiliation that these individuals suffered. However, the payments to the surviving internees funded by this legislation are a symbol of the strong affirmation by this Government that a terrible mistake was made which will never be repeated.

Mr. WHITTEN. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, may I say to my colleagues that we did everything that we could to help the President justify signing this bill. He was unaware, and the debate has not called attention to this, but after talking to him I pointed out to him that the money for drugs remains available until expended, which means that any expenditure will be worked out between the White House and the Congress. I do not know how we can protect anybody more than that.

The second thing we have here is transfer of money between accounts.

The third one that we have in here is to protect the House, when we go to conference on supplementals. In the 97th Congress, 1st session, we had 432 Senate amendments; in the 97th Congress, 2d session, 183 amendments; in the 98th Congress, 1st session, 254 amendments and in the second session of the 98th Congress 216 amendments, and so on. If we had not put urgent supplemental items in here, and they are not in here unless additional money is made available, then we have no way to protect our position in the conference with the Senate.

I repeat again, the President is right in the middle of handling this drug money because we keep it available until expended. The other thing is we transfer funds from existing authority to these purposes, and the other thing we put in here is more money so that we can protect the House in the conference with the Senate. I do not believe any Member could do better than that, and no one on the other side of the aisle has offered anything nearly as good.

Ms. LONG. Mr. Chairman, I rise in opposition to the bill H.R. 2072, the Supplemental Appropriations Act for fiscal year 1989. The legislation totals $4.7 billion, a full $2.6 billion more than what was requested by the administration. There is much that has been added to the request that I support. I favor the appropriations for antidrug programs, for guaranteed student loans, for veterans' benefits, trade adjustment assistance, and the Federal Aviation Administration operations. I would be pleased to support these items as contained in the bill. However, this measure goes far beyond just those increases.

Mr. Chairman, the people of the Fourth Congressional District of Indiana did not send me to Washington to vote for large spending bills. Every day, thousands of people in my district and across this Nation get their pay checks and pay their bills, all without running a deficit. The Federal Government should do no less than average working men and women.

Mr. Chairman, while I have only been a Member of Congress for a short time, I think I already know when we are living beyond our means. In the final analysis this supplemental appropriations bill just won't help our Nation balance our books. It is just too rich for me and for the people I represent in the Fourth Congressional District of Indiana.

Mr. ROSTENKOWSKI. Mr. Chairman, I am aware that the major issues of today's debate concern broad questions of budget limits, offsets, defense versus domestic programs—all measured in billions of dollars. I am very interested in those questions and what my colleagues have to say about them, of course.

But in the context of those macroissues, we are also engaged in a weighing of priorities for Federal funding, and I have asked for a few moments of the House's time to offer my views on one program in particular—the air traffic controllers' incentive pay demonstration project.

If ever there was a case for the creation of a new program on short order, this is it. I don't care if you call it "dire," "emergency," "urgent," or even "technical correction"—we need this program and we need it now.

Late last year, after a frightening number of near misses in the Chicago airspace, the Federal Aviation Administration issued an action plan for air safety in Chicago. A major part of that plan was the drafting of a pay demonstration project to help the FAA attract the best people to the hardest posts.

As sent up by the administration, the FAA's project would have provided up to 20 percent in bonus pay for controllers at facilities at four facilities for 5 years. The airspaces involved would have been Chicago, New York, Los Angeles, and Oakland. The price tag for the FAA proposal was $7 million.

As amended by the Appropriations Committee, the project was reduced to 10 percent incentive pay for one airspace for 2 years. The new price tag: $2 million.

The only good thing about this change was that the committee picked the airspace with the greatest need—Chicago—for which I am grateful. Nevertheless, Mr. Chairman, I think the project has been reduced to the point where it will not help in recruiting or retention.

A report released today by the General Accounting Office states that the "FAA believes the key to further improvement [in air traffic control problems] rests with the success of FAA's project to increase pay at O'Hare and other facilities."

The GAO report goes on to say that "the FAA anticipates that the project will result in 'full and stable employment * * *; more experienced employees occupying safety-related positions; higher levels of full-performance-level employees; and the reduced use of overtime.' "

These are the very goals of the FAA action plan to meet an emergency understaffing need but the cut in the project will deny that need.

Slashing the scope of the program like this has, in my opinion, created a token project—it appears that we're trying to do something about the air traffic control problem. In reality, cutting the incentive differential in half, and shortening the guarantee of its availability to 2

years, simply will not attract the topnotch ATC's we need to apply for—or remain at—our most stressful airports.

What we need to do is sweeten the pot to make it worthwhile for these highly skilled public servants to move themselves and their families to the very jobs they have worked hard to avoid or escape.

The mere rumor that we might enact a meaningful demonstration project resulted in an amazing increase in applications for the O'Hare TRACON, for example. However, as doubts have spread about our commitment and our will to help, transfer applications have dropped out of sight. And who can blame them.

The arguments in favor of cutting the FAA's proposal are in the committee report accompanying this bill, and I find them wholly inadequate.

One argument is that, with a 20-percent differential, the pay of air traffic controllers will be equal or close to that of other, more senior public officials.

I don't want to drag us back to January's pay raise debate, but the fact that Assistant Secretaries are underpaid is a direct result of our failure to do the right thing. How many times do we have to shoot ourselves in the foot?

Another committee argument is that it does not take 5 years to assess a pilot project, so let's cut it to 2. The 5 years is probably not necessary to see if the project helps in recruitment and retention; but that's not why the project should be 5 years long. If the guaranteed availability of the incentive pay does not extend for some meaningful period of time, then nobody is going to bite.

Mr. Chairman, I do believe that the committee's action is well-intentioned. I am sure it sees the cuts it has made to this proposal to be a much-needed part of the overall congressional effort to control spending.

Yet, even with that in mind, we cannot lose sight of the consequences of misjudgment at this critical time in air safety. And we all know how unforgiving mistakes in matters of air safety can be.

In conclusion, let me express out loud my hope that the administration's proposal fares better in the Senate and that the House managers in the conference will take that opportunity to let the air traffic controller incentive pay project work.

Mr. ANDERSON. Mr. Chairman, I rise to express my strong concern over the cutbacks in the Federal Aviation Administration's proposed pay demonstration program made by the Committee on Appropriations.

The administration had requested a $7 million fiscal year 1989 supplemental to begin providing a 20-percent pay differential to air traffic controllers and other important safety personnel at certain critically understaffed facilities in New York, Chicago, and California. This 20-percent differential is very much needed to attract experienced controllers to the FAA air traffic facilities that handle the most traffic and are coincidentally in high-cost-of-living areas.

FAA has had a longstanding problem attracting experienced controllers to these facilities and the impact on our air transportation system has been significant. Simply put, not as much traffic can be moved without more people. The results are delays, inconvenience, and, from time to time, safety problems.

The committee bill limits the pay project to the Chicago facilities and limits the differential to 10 percent, thereby leaving critical New York and California facilities without any relief to the ongoing staffing problems. Air traffic delays on the east and west coast will continue to be neglected and will grow worse as traffic demand goes up.

This lack of funding is a major shortcoming in the bill before us, and I hope it can be remedied.

Mr. LEVINE of California. Mr. Chairman, I rise in strong support of H.R. 2072, the emergency supplemental. I am particularly pleased that H.R. 2072 includes $250 million for redress to Japanese-Americans who were interned during World War II.

The internment of Japanese-Americans during the Second World War is one of the most reprehensible episodes in our Nation's history. I was very proud to join my colleagues last session when we voted to provide redress to victim's of this terrrible injustice.

Unfortunately, despite the broad bipartisan support demonstrated for this legislation last session, the Reagan and Bush administrations have been reluctant to fund the redress program. The Civil Liberties Act authorizes $500 million in fiscal year 1990 for compensation for Americans of Japanese ancestry who were forcibly interned during World War II. I was deeply disappointed when President Reagan included only $20 million for redress in his final budget, and President Bush did not correct this in his subsequent budget refinements. However, I was very pleased when the Appropriations Committee acted to include $250 million for redress in the emergency supplemental.

It is urgent that the redress program be promptly and fully funded. It is an overdue gesture of apology to the thousands of men, women, and children whose lives were disrupted and who lost their homes, jobs, and possessions as a result of their internment. Many of the internees are now elderly, and as Congress delays funding, fewer of the internees will survive to benefit from the redress program. As a result, in this case justice delayed may truly be justice denied.

I urge my colleagues to join me in supporting H.R. 2072.

Mr. MONTGOMERY. Mr. Chairman, I rise in support of this bill as it relates to veterans health care. I want to thank the chairman of the full committee, Mr. WHITTEN, and the able ranking minority member, Mr. CONTE, for the action they have taken to meet the pressing needs of the Department of Veterans Affairs.

I also want to commend the new chairman of the Subcommittee on VA-HUD-Independent Agencies, my good friend BOB TRAXLER, of Michigan, and the ranking minority member, Mr. GREEN, for the speedy action they have taken to help move this legislation to the floor of the House. The first hearing Mr. TRAXLER held as chairman was on the need for the VA supplemental, and I was privileged to join him at that hearing. The gentleman from Michigan has been a friend of veterans for many, many years, and I speak for all of my colleagues in expressing our pleasure that he is the chairman of the subcommittee handling the new Department's appropriations.

This measure includes $701 million in funds to pay compensation and pension benefits to millions of veterans with service-connected disabilities and to surviving spouses of veterans who died while serving their country or of a service-connected disability. It also includes $22 million in supplemental funding for veterans readjustment benefits and $120 million for the loan guaranty revolving fund, which pays claims to lenders on defaulted housing loans. I am also pleased that the committee included $24.9 million for the general operating expenses account, which will be used to avoid further cutbacks in employment in the Veterans' Benefits Administration [VBA] and to restore to the National Cemetery System funds which were reprogrammed earlier this year to VBA.

This amount will also permit increased staffing in the Office of General Counsel to accommodate workload generated by the creation of a new court of veterans appeals. Funds of $3.1 million are included in the bill to allow the court to begin its operations by September 1, 1989. The $370 million for veterans health care will serve to replenish equipment and nonrecurring maintenance accounts, provide additional personnel to medical centers to support additional outpatient workload, allow the activation of recently refurbished or constructed treatment facilities, and permit an increase in the community nursing home patient census, which has fallen by more than 25 percent.

It was less than 2 months ago that members of the House and Senate Committees on Veterans' Affairs and members of the Appropriations Subcommittee on VA-HUD-Independent Agencies met with OMB Director Darman and Secretary Derwinski to talk about the urgent need for a supplemental appropriation for veterans health care. This supplemental goes a long way to resolve the crisis we discussed at that meeting. Although it will not allow the VA to restore all of the service cutbacks which have taken place since the beginning of this fiscal year, it will prevent further cutbacks in employment and services for the remainder of this year. Without this supplemental, even more drastic action would have to be taken and such action would adversely affect thousands of our Nation's deserving veterans.

I support the supplemental appropriation that is proposed for veterans health care, and I urge my colleagues to support it. We need to act now. The longer we delay action, the more veterans that will be denied health care.

I want to remind my colleagues that the funds contained in this supplemental for veterans health care will only be available until the end of this fiscal year. The Department of Veterans Affairs will be forced to make another round of health care cutbacks affecting hundreds of thousands of veterans if the Congress does not provide sufficient funds in the budget resolution for veterans health care for fiscal year 1990, which we will be considering next week.

According to a recent Congressional Budget Office [CBO] estimate, the annual cost of the health care services we are funding in this

supplemental is $500 million. Thus, we need to add this amount in fiscal year 1990 to continue providing the health care services which the funds included in this bill will cover in 1989. I hope the budget summit agreement will not restrict the House from raising the level of health care funds to the amount needed during the next fiscal year. I say this because it makes no sense to vote for this supplemental, and then to approve a budget resolution which will require further cutbacks in veterans health care 5 months from now.

We cannot expect the Department to wisely and efficiently spend the scarce resources which we provide to it if its spending authority is in a constant state of uncertainty. I call this matter to your attention since the Budget Committee is meeting this week to agree on a funding level for all programs in fiscal year 1990. I urge my colleagues to get in touch with the Budget Committee and encourage the committee to bring the funding level up to the level CBO estimates will be required to continue a current services budget for the next fiscal year. At this point, Mr. Chairman, I ask that the estimate the committee received from the Congressional Budget Office be inserted in the CONGRESSIONAL RECORD.

Subject: Medical Care Estimate.

This morning you asked me to estimate what the 1990 baseline would be for VA Medical Care if a supplemental of $462 million were included in the 1989 base. The $462 million assumed supplemental level is the sum of $432 million, which the VA says would be the annualized amount associated with the $340 million supplemental ordered reported by House Appropriations, plus the $30 million McKinney supplemental, also ordered reported. The estimate is shown below:

	1989 current baseline	1989 assumed supplemental	1989 revised estimate	1990 revised estimate
Budget authority	10,542,546	462,000	11,004,546	11,803,476
Outlays, prior	1,283,480	0	1,283,480	1,525,942
Outlays, new	9,006,590	397,320	9,463,910	10,150,989
Total outlays	10,350,070	397,320	10,747,390	11,676,931

To my knowledge, the veterans' health care system has not faced a situation like the one it now faces since the end of World War II. We have been talking for more than 10 years now about the impending surge of veterans from that war who will increasingly turn to the Department of Veterans Affairs for health care. Well, as we speak, that increase in demand has occurred. Monthly application for medical care reached a new high in January 1989. But the funds to provide the care being demanded were not requested by the previous administration.

Mr. Chairman, we're way behind the curve on this problem and I'm not sure we'll ever catch up. In the past four budgets, the administration has requested funds to build a total of 120 nursing home beds. That's 30 beds a year to meet the needs of over 6 million veterans who are now over the age of 65. Instead of converting underutilized hospital beds to meet the demand for nursing home beds, the Department of Veterans Affairs is simply shutting these beds down. Since the beginning of this fiscal year, the Department has reduced the number of veterans being cared for in community nursing homes at VA expense by over 25 percent. This is a reduction of 3,300 veterans. Across the country, nursing home beds are being closed. Veterans who previously were provided nursing home care at Department expense are simply told that someone else will have to pay for their care. In addition, the Department has told thousands of eligible veterans that they should seek medical care from other providers. If this isn't a crisis, I don't know what is.

Recently, Dr. Donald Custis, the former Chief Medical Director of the Department's Veterans' Health Service and Research Administration and Mr. Frank Morrone, a former budget officer, furnished me with their thoughts and analysis on the impending crisis. I believe that they are a very accurate description of what is going on with regard to the Federal budget for health care. There follows excerpts from their excellent analysis:

THE FEDERAL HEALTH BUDGET AND HEALTH CARE FOR VETERANS—FISCAL YEAR 1990

INTRODUCTION

This paper is an update of an article with the same title that appeared in the January 1989 issue of Paraplegia News. Much of the new information included has its basis in the FY 1990 President's Budget.

It is clear that the national budget deficit problems are driving health policy as well as policy in many other major domestic program areas. The efforts to reduce the federal deficit force reductions in funding necessary to support operating programs at their current levels. Since these reductions are usually arbitrary they are made irrespective of the direct and indirect impact on the ultimate beneficiary. Because of the lack of necessary funds the major issues of healthcare in the U.S. have been inadequately addressed in the FY 1990 budget proposals presented to Congress. The result is disjointed health policy where decisions are influenced most by the mechanisms that would be most effective in contributing to cost reduction—shortrun solutions rather that longer term strategies for change.

COMPONENTS OF FEDERAL HEALTH BUDGET

Medicare

The Administration budget proposes $5 billion in savings in Medicare outlays for FY 1990. The savings can be categorized as follows:

DRG update factor would be limited to the hospital market basket increase less 2.5 percent.

Capital payments would be limited to 18 percent below cost.

The indirect medical education payment would be reduced by almost half the current rate.

Savings of $1 billion in Part B physician payments.

The continuing annual effort to control costs by reducing the prospective medicare budget requirements by billions of dollars has had a profound effect on the private health care economy. Hospitals continue to close or reduce services in growing numbers (81 hospitals affected in 1988 in 27 states). Many of the hospitals that cannot continue to operate are found in small towns and rural areas and are of 200 bed size or smaller. Such facilities are in locales where alternatives for hospital care may not exist in or near the community.

The principal factor in these closures are the numbers of patients hospitalized, the level of third party reimbursement for episodes of care, length of stay and the ability of the hospital to control or reduce its operating costs. Smaller hospitals have a more difficult time controlling costs because many are built in and cannot be reduced further and, with dropping patient census and fewer patients, the income, which must be spread over fewer patient days is inadequate under the medicare payment system. Further aggravating this situation are a variety of other factors such as the competition for nurses and their increased costs to hospitals, a problem that is national in scope and beyond the control of hospitals.

The impact of the medicare reductions over the past several years has forced major changes on the health care scene making medical care much less accessible to larger segments of the population. A preliminary analysis by the Prospective Payment Assessment Commission (PROPAC) indicates that more than 50% of all hospitals will lose money treating medicare patients in FY 1989 further aggravating an environment of decreasing amounts of uncompensated care availability.

During the past several years Part B (physicians services) costs have risen dramatically—15 percent growth in Part B costs last year. Although the shift from inpatient to outpatient care forced by the prospective payment system (DRG's) might seem to be an underlying cause, this is apparently only a minor factor. The 400 percent increase in physician costs between 1976 and 1986 is primarily due to volume growth of 6 percent/year—9 percent/year recently. The reasons for this volume growth are:

The aging of the population which brings about higher utilization because of more frequent episodes of acute illness and more chronic illness.

The growth in the number of physicians—making physician care more accessible.

Increased income of a sizeable portion of the elderly.

Technological advances—more technology available for use in diagnosis and treatment.

Shift from inpatient care to outpatient care.

Part B premiums that the elderly must pay will be increased further in FY 1990 and future years if proposals are enacted to move them to a level designed to cover 28% or 29% of costs rather than the 25% of costs covered currently. This is becoming more of a burden to the many who already are experiencing enormous annual out of pocket costs for health care.

Medicaid

The inadequate funding of this program continues in the FY 1990 budget proposals. The new administration is proposing to cover children and pregnant women under a medicaid expansion. The program, however, does not address the real problem of the one million people who are denied care each year because they cannot pay for medical care nor does it address the 14 million individuals who need health care but do not seek it because they know they cannot afford it.

In this context it should be noted that:

The percentage of individuals who did not visit a doctor in the past year increased from 19% in 1982 to 33% in 1986.

30 percent of low income pregnant women received no health care during their first trimester.

30 percent of black and hispanic hypertensive had not had a blood pressure check within one year.

Most recent estimates indicate that 16 percent of the population of the U.S. is uninsured—or 37 million individuals and the number is growing as more individuals fail to meet the increasingly stringent medicaid criteria for eligibility.

Of the 37 million 75 percent are workers and their families who are not provided medical care insurance by their employers and who are not eligible for medicaid. It is further estimated that one out of five children in the U.S. are not covered by health care insurance.

Veterans medical care

The FY 1990 budget proposal for the Department of Veterans Affairs (DVA) falls far below the funding level necessary to provide quality health care to eligible needy veterans. Veterans will be denied care in increasing numbers and those veterans who are least able to help themselves will lose access to care that is essential to their well being. The safety net for medically indigent veterans is disappearing and the Department of Veterans Affairs is no longer able to assure that all needy veterans can or will receive medical care. The following summarizes the impact of the FY 1990 funding proposal for the Department of Veterans Affairs medical programs:

Medical care

By all accounts, the DVA medical care program has suffered a severe shortfall of funding in FY 1989 that has been documented at about $620 million for health care and an additional deficiency for the medical equipment purchase backlog that approximates $1 billion. This shortfall is not addressed in the FY 1990 budget but at this writing is being addressed as an FY 1989 supplemental appropriation issue. The new Secretary of the Department of Veterans Affairs has requested supplemental support for FY 1989 and additional funding for FY 1990—but at levels far below that which could be considered adequate. The details of this Department of Veterans Affairs admitted shortfall were extensively documented in hearings held by the House [1] and Senate Veterans Affairs committees on September 7 and 9, 1988 respectively.

The budget proposes reductions in Community Nursing Home Care for veterans. A reduction of 3449 average daily census (ADC) which will result in 11,862 fewer patients treated in FY 1990 than in FY 1989. This is primarily offset by a proposed increase in VA Nursing Homes or State Nursing Home program but results in a net decrease of 1575 in ADC and 7983 fewer patients treated. This reduction targets the older World War I and II veterans who currently present the greatest need for nursing home care.

The DVA domiciliary program is proposed to be reduced by 2441 ADC and 6371 patients treated. There is no offsetting proposal for the accommodation of these veterans who usually have difficulty resocializing, are suffering medical and psychiatric problems and may have no home to go to and inadequate income. This is grossly inconsistent with the Administration's professed desire to address the medically indigent homeless problem.

The DVA workload for hospital inpatients treated will be reduced below the FY 1988 level in spite of evidence which indicates that numbers of patients needing treatment will increase substantially as a result of the aging of the veteran population. Although it might be reasonable to expect some of this decrease to shift to outpatient care, the projected workload for FY 1990 outpatient visits has been established as a level below that for FY 1988 thus limiting the opportunity for such shifts to occur. This limiting of access to health care for veterans is proposed in defiance of an increasing demand for health care on the part of veterans.

As in previous years, the Administration is proposing a 1% productivity improvement that imposes a reduction of approximately 2000 heath care personnel.

Although PROPAC has predicted that there will be a 5% cost of living adjustment in FY 1990—this is not anticipated in the budget and will result in a shortfall of over $200 million in FY 1990 which will likely have to be absorbed causing further reductions in personnel.

Employees automatic within grade increases were not included in the budget—an amount that is estimated to be in excess of $50 million which must be absorbed by the medical care personnel account.

No provision has been made for predictable increases in other employee benefits for FY 1990 (e.g. health benefits).

Decentralized Hospital Computer Program initiatives in mental health are required to be offset by decreases of $27 million and 659 employees—in advance of demonstrated savings.

There is recognition of the role of the VA in the treatment of AIDS patients where increases in the funds and personnel for AIDS clinical programs are $55 million and 625 employees.

Education and training activities which are a part of the major mission of the VA are being curtailed—reductions are proposed as follows:—175 medical residents;—25 dental resident;—60 Psychology residents;—37 Administrative trainers; and—67 Instructional support personnel. There will be no increases in the funding of or opportunities for continuing education of VA staff.

There is a legislative proposal for copayments for medical care for category B and C patients as follows:

Veterans will be required to pay $5 (B) and $10 (C) for out-patient visits;

Veterans will be required to pay $3 (B) and $5 (C) for prescriptions;

Veterans will be required to pay $9 per day for hospital in-patient care (both B and C).

In addition, Category C in-patients are required to make the same copayments as medicare beneficiaries.

Medical and prosthetic research

The budget reduces the appropriation request for medical and prosthetic research $13 million below FY 1989 and reduces employment by 616.

The $13 million reduction is proposed for investigator initiated research—the backbone of research in the VA. This will result in a reduction in new proposals that can be funded as well as a cut back in commitments already made to investigators who have ongoing projects.

Health Services Research, which would help the VA improve and become more efficient in service delivery, is not to be increased in FY 1990. Because of past absorptions, this is, in reality, a reduction.

Rehabilitation Research—crucial to the care of veterans and their unique problems remains constant in FY 1990. In reality, this is a reduction because the costs for operating the program will have increased.

Since no cost of living adjustment is anticipated for FY 1990 the likelihood is that any such increase would also have to be absorbed, further reducing medical and prosthetic research capability.

Medical administration

A further reduction of six employees will further inhibit the management capability of the Department of Medicine and Surgery.

Since an employee cost of living adjustment is not anticipated in the budget further reductions in personnel can be anticipated at a time when the medical care program is being severely stressed.

Health Professions Scholarships will increase by $653 thousand. These programs will support 310 nursing, 40 physical therapists and 30 pharmacy students.

[1] Hearing before the subcommittee on Hospitals and Health Care of the Committee on Veterans' Affairs. House of Representatives, 100th Congress, second session, September 7, 1988, Serial No. 100-58.

FEDERAL HEALTH CARE BUDGET BY FUNCTION

[Outlays in millions of dollars]

Category of health care budget	1985	1986	1987	1988	1989	1990 proposals	Percent change 1989-90	Percent change 1985-90	Average annual percent change
Medicare	65,822	70,164	75,120	78,878	86,778	94,918	9.4	44.2	8.84
Medicaid	22,655	24,995	27,435	30,462	34,301	[2] 37,616	9.7	66.0	13.21
Other health care service	4,329	3,855	5,181	5,557	6,257	6,396	2.2	47.7	9.55
Education and training	468	529	556	541	536	459	−14.4	−1.9	−.38
Research [1]	5,433	5,894	6,138	7,173	7,887	8,594	9.0	58.2	11.64
(VA)	(215)	(181)	(195)	(197)	(206)	(199)	−3.4	−7.4	−1.49
(DOD)	[2] (310)	(320)	(344)	(331)	(349)	[3] (350)			
Consumer and occupational health and safety	1,182	1,165	1,197	1,285	1,345	1,316	−2.2	11.3	2.27
Veterans and medical care	9,547	9,872	10,266	10,755	11,155	11,313	1.4	18.5	3.70
Department of Defense: Health	8,950	10,080	11,152	12,053	12,619	[3] 13,212	4.7	47.6	9.52
Total	118,386	126,554	137,045	146,704	160,878	173,824	8.0	46.8	9.37

[1] Details for DOD and VA included in this line is shown in parentheses. [2] Bush proposal for Medicaid coverage for pregnant women and children included. [3] Estimate.

Medicare and medicaid combined, continue to consume increasing proportions of the federal health dollar and, since these programs are placing the greatest strains on the health care budget, all other health functions are experiencing a decline in their share of the budget available and actual dollar reductions in some instances. Even though other components of the federal health sector are experiencing declines or stabilization, proposals for funding do not allow adequate increases for medicare and medicaid. An exception occurs in the research component where the Department of Health and Human Services has received increased funding for AIDS related research programs.

It is distressing to follow the funding experience of the veterans medical care program which has experienced a constant uninterrupted decline in the share of the federal health care budget since 1985 a trend that began in the late 1970's. This program, an integral part of the health care system designed to meet a commitment made by the federal government to veterans, continues to be squeezed to the point where health care access for needy veterans is increasingly difficult and quality of service is seriously eroding.

Using data from a recent DVA analysis it is possible to gain perspective on the efforts of funding policy on the medical care programs. It is apparent that the DVA has become considerably more cost efficient over the time period and that although the nominal dollars available for care have grown, deflated dollars have remained relatively constant. Workload continues to increase in all programs with insufficient funding to meet the calculated requirement to assure access and quality care for needy veterans.

If the DVA medical programs were to receive the same share of the federal health budget in FY 1990 as it received in FY 1985 its proposed budget would be $2.7 billion higher than that proposed by the Administration. If it were to receive the same increase as that proposed for Medicare for FY 1990 (9.4%) the program budget would have been $5.0 billion higher than the President's Budget. It would seem that the obligation of the federal government to veterans is at least equal to, if not higher, than that to the general population.

Clearly, the funding philosophy does not consider the medical need of veterans nor does it reflect an understanding of the roles of the DVA in the larger health care system. This is evidenced in FY 1989 by a demonstrated shortfall in veterans medical care programs alone that approaches $1 billion, a back-log of equipment needs and an irreversible shortfall in the need for construction, repair and maintenance of the DVA medical care system. The accumulated deficits can be indisputably documented. The federal health budget is being artificially constrained and the inadequate funding for federal health programs in general is apparent from cursory study of tables 2 and 4.

CONCLUSIONS

It was clear in FY 1989 that the inadequate fiscal support policy as reflected in the President's Budget was having a severe negative impact on the VA medical care delivery system that was characterized as follows:

1. A continuing growing aging veteran population requiring increasing amounts of health care;

2. Continuing increases in inpatient workload;

3. Large increments in outpatient workload;

4. Increasing long-term care workload (the DVA being the only long-term care refuge for veterans, especially those over 65), since Medicare does not provide such coverage and Medicaid serves only a third of those who have exhausted their financial resources;

5. Increasing evidence of denial of care to veterans who need outpatient care but are being screened out, legitimately, utilizing more subjective interpretations of existing law;

6. Increasing evidence of rationing of high-cost inpatient care;

7. Queues for elective surgery and for long-term care beds, especially nursing home care;

8. Unfunded medical equipment needs that approach the one billion dollar level (see 12 below);

9. Outmoded technology and physical plant;

10. The growing AIDS epidemic imposing new burdens of caring from 7 percent of the AIDS victims in the U.S.; and

11. Deteriorating staff morale.

12. Increasing use of nonrecurring funds to meet recurring obligations. This will have a devastating long-run impact on the VA health care system since recurring obligations will accrue without a budget base to support them. There is clear evidence that in FY 1988 numerous medical centers used all of their equipment funds and maintenance and repair funds to pay salaries that were inadequately funded. It is not possible for the VA health care system to be required to maintain a personnel ceiling of 194,720 and not be provided funding to support that employment ceiling and the special pay rates that must be established for the Veterans Administration to remain competitive—especially in the area of nursing care.

These are among the most obvious effects of the inadequate budget that have been identified through our independent survey efforts have now been substantiated by hearings held by the House and Senate Veterans Affairs Committees. There is now evidence in FY 1989 of curtailment of care in the VA system with medical centers closing clinics to new appointments and some medical centers closing inpatient care to Category B and C veterans.

The budget inadequacies will force major structural changes in the location and availability of veterans health care in the short run. The unfortunate consequence is the forcing of change in this large component of the health care system in the absence of a long run strategy for the entire health care system. Such indirect action threatens the viability of the veterans health care system in terms of its ability to meet its primary obligation to eligible veterans while the gaps created in the system by such action are not adequately addressed. This is taking place in an environment where the role of the DVA medical care system is not understood with respect to how its programs fit into the larger health care system.

To demonstrate this latter point consider four general program areas that have been given explicit recognition by the new administration: AIDS, research, substance abuse and the homeless. The Veterans Health Services and Research Administration (VHS&RA) has large programs and years of experience in each of these four areas, yet it has not been funded as necessary to meet these high priority program areas. A brief review of these four VHS&RA programs is instructive:

AIDS

The DVA has provided care to over 6% of all AIDS patients in the U.S. Since beginning of the AIDS epidemic, over 5800 veterans have been treated, 2161 in 1988 alone. It is expected that approximately 2800 new patients with AIDS will be seen in 1989 and 3600 in 1990, in addition to two to three times as many patients with ARC and HIV infection. Medical centers in the epicenters of the disease (east, west and gulf coasts) are the hardest hit. However, all medical centers will need resources to implement universal blood and body fluid precautions as a result of the epidemic.

Based on data from the VHS&RA the FY 1988 cost of AIDS program was $131 million—$23 million was appropriated and $108 million had to be taken from other items in the health care budget to cover the costs. The increasing epidemic will cost $165 million in FY 1990 and the amount that will have to be absorbed with current funding proposals is $80 million.

RESEARCH

AIDS research, would be increased if additional resources became available. Medical research has developed a critical mass of investigators in AIDS-related research via the Special Solicitation for AIDS projects and the request for establishment of AIDS centers. In addition, Health Services Research and Development will initiate a multi-medical center project on the delivery of health care to AIDS patients costing approximately $400,000 in 1990. The investigators at the AIDS centers will be initiating approximately 15 new research projects in 1990 and would increase those new starts to approximately 25 with additional funding of $900,000.

As mentioned above the FY 1990 budget for research in VHS&RA has been decreased by $13 million thus compromising the ability and capacity to carry out a role for which it has a unique capacity and opportunity. In FY 1990 $7.5 million will be spent on AIDS research by DVA. Six percent of the $1.6 billion appropriated to the secretary of Health and Human Services for the research and prevention of AIDS would amount to $112 million if VHS&RA were to be considered in a reallocation of such funds in FY 1990.

SUBSTANCE ABUSE PROGRAMS

As of the end of 1988, approximately 150 of the VA's 172 medical centers and outpatient clinics had drug, alcohol or combined substance treatment programs in operation. Modalities involved include inpatient treatment, outpatient care, methadone maintenance in 35 settings, and the contract halfway house program under which approximately 90 VA medical centers contract with approximately 400 community halfway houses for ongoing residential treatment of alcohol and other substance abusers. Of particular relevance in understanding VA programming in drug and alcohol abuse is the fact that the typical patient being treated within the VA in this sector is a multiple substance abuser. Drugs of abuse usually include alcohol, and one or more other drugs, with cocaine and marijuana being the primary associated drugs of abuse. As a result of this phenomenon, most VA treatment programs, whether they are identified as drug or alcohol programs, actually treat combined substance abusers. Indeed, many programs have begun to define themselves

as substance abuse programs rather than as alcohol treatment or drug treatment. Thus, fiscal differentiation of alcohol and drug abuse treatment programs is becoming less relevant in view of clinical reality.

The budget estimate for alcohol and drug abuse treatment is $340,481,000 in 1989 and $349,913,000 in 1990. The 1989 figure does not include the $1 million authorized by section 2501 of PL 100-690 which provides for conducting an evaluation of drug and alcohol programs in 1989. To date, no authorized amounts included in this public law have been appropriated for the DVA.

HOMELESS PROGRAMS

The VHS&RA has developed a comprehensive network of health care services for our Nation's veterans. Many of these services and programs, although not specifically designed for the homeless, have assisted homeless veterans. In addition to the array of general VA services, two programs are authorized through legislation with specific mandates to provide health care services to homeless veterans: the pilot Homeless Chronically Mentally Ill (HCMI) program and the Domiciliary Care for Homeless Veterans (DCHV) program. The 1990 request includes $13,872,000 for HCMI and $10,852,000 for the DCHV program.

The HCMI Program, was initially activated under the authority of P.L. 100-6. The authorization for this program was recently extended by P.L. 100-322. Through these public laws, the DVA is authorized to contract with community-based psychiatric residential treatment programs to provide treatment and rehabilitation for homeless veterans that suffer from chronic mental illness. The DCHV program was established as a specialized treatment component within the DVA Domiciliary care program. Authorized by P.L. 100-71, the DCHV program provides rehabilitation and treatment to veterans in need of clinical services who are homeless or whose living situation is so tenuous that they are at serious risk for homelessness. The focus of the program is to provide treatment that will prepare the veterans to return to independent living. The FY 1990 budget is proposing a reduction of 2440 in domiciliary census and 6370 patients treated at a time when such programs have been given priority.

Total funding levels for these two programs are $23,619,000 in 1989 and $24,724,000 in 1990. No appropriation has been provided and program costs have been absorbed. The resource levels will support 43 HCMI programs and an estimated 446 additional domiciliary average census. The authorized funding level provided in the McKinney Act Amendments of 1988 is $30 million, $15 million for each program.

With funding additional therapeutic components would be established within the HCMI programs and the DCHV programs would activate new sites and expand existing programs. Based on proposed legislation recently introduced by the Congress, HCMI program officials could link Compensated Work Therapy Programs with Therapeutic Residences for up to 15 new components which would allow VHS&RA to care for approximately 150-200 additional veterans. The average daily census in the DCHV program would increase by approximately 210 if the program was funded at the level authorized in the McKinney Act. It should be noted that approximately one third of the homeless are veterans—but one third of the funds to be allocated to the homeless programs are not available for the Department of Veterans Affairs.

It is not unreasonable to suggest that portions of federal funds appropriated these national priorities be made available to the Department of Veterans Affairs to address the veteran components of the problem areas. This would place badly needed resources in ongoing programs to address these pressing problems in the veteran population. The federal budget would not be increased overall if such a reallocation could be achieved.

It is timely to consider the entire health care system in terms of meeting the challenge of increasing costs and increasing needs of the growing elderly population. All of the quick fixes are but temporary solutions to a complex medical care problem. And, in the case of programs of the Department of Veterans Affairs results in denial of needed care to those who have been given a government promise to care for him who has borne the battle.

Mr. COMBEST. Mr. Chairman, as we consider this emergency supplemental appropriations bill I feel it is unfortunate that the House has been put into a situation of voting on a supplemental appropriations with some emergency funding. Granted, most of the programs included in this supplemental are worthy of funds, but I question the emergency in some areas.

I do applaud the committee on several items that need immediate assistance. One specific example is the transfer of funds within the Farmers Home Administration from guaranteed loans to direct operating loans. Without this transfer, many States will continue to turn away farmers during this critical time of planting because no money is available for operating costs.

In addition, the committee has included some important report language regarding the Disaster Assistance Program. The language brings to attention the neglect shown by the Department of Agriculture in administering the 1988 Disaster Act and policies regarding nonprogram crops. Many good items are included in this legislation which cost no additional money, such as the two I have already mentioned. Undoubtably, many programs need emergency assistance such as veterans medical programs, foster care and adoption assistance, guaranteed student loans, and the requested amount for firefighting which has now been doubled. There is no question that the emergency funds are needed, however, let's keep it just that, emergency.

Mr. EDWARDS of California. Mr. Chairman, I rise in opposition to the Conte amendment.

The supplemental includes $250 million to begin implementation of the Civil Liberties Act of 1988. The Conte amendment strips this starting payment from the bill.

It was in the considered judgment of NEAL SMITH, chairman of the Appropriations Subcommittee on Commerce, Justice, State and Judiciary to begin redress payments with the supplemental. I salute Chairman SMITH for his leadership to include this amount in the subcommittee and full committee bills.

It was a proud day for me personally and for our country when Congress enacted the Civil Liberties Act last year. We stood very tall in the eyes of the world. Our Nation admitted that a terrible mistake was made over 45 years ago when the civil and constitutional rights of persons of Japanese ancestry were violated. And we made a promise to make redress to those still alive.

Mr. Chairman, this is a promise we must keep. We have the first real opportunity with the supplemental to begin to keep out promise.

Each day we delay payments, more and more survivors of the incarceration will die. The youngest of these loyal Americans is now approaching 50, and the oldest located survivor is 106. To delay any further would take from the quality of what we did, and would show the world that this was only an empty gesture.

The Judiciary Subcommittee on Civil Constitutional Rights, which I chair, conducted hearings in March on the authorization request of the Civil Rights Division of the Department of Justice. The Civil Rights Division, through its Office of Redress Administration [ORA], is responsible for carrying out the implementation of the act.

According to testimony at the hearing, we learned that the ORA, working on a shoestring budget, has done an excellent job thus far. The supplemental, as passed by the committee, will give ORA $6.4 million needed to begin full implementation of the Civil Liberties Act.

ORA has been in contact with over 54,000 potentially eligible persons thus far, well over 80 percent of the estimated 60,000 eligible persons. The road to payment for most of these claims will be straightforward, verifying the identity of the person and that the person was incarcerated during the war.

ORA testified that the Justice Department asked the Office of Management and Budget for $500 million for payments for 1989. ORA will be able to make the 12,500 payments the $250 million represents.

On the day the House passed H.R. 442 in 1987, our Nation celebrated the bicentennial of the Constitution. There was no more fitting tribute to the strength of our Constitution than to attempt to remove this infamous blot on our history by formally acknowledging the wrong done to Japanese-Americans and to provide token monetary redress. We have the opportunity to begin this promise with the supplemental. Let us not walk away from that opportunity.

Mr. Chairman, nearly 50 years is delay enough. I urge a no vote on the Conte amendment.

Mr. WYDEN. Mr. Chairman, today I rise in support of the American veterans. I strongly endorse this legislation for the proposed $1.2 billion appropriation for the Veterans' Affairs Department. I particularly would like to stress the need for the $370 million which would provide a necessary—although temporary—lifeline to an ailing veterans' health care system.

Last year, I began hearing an increasing number of complaints from patients and caregivers alike regarding the quality of care at the Portland VAMC and cutbacks in many VA health care programs. Last September, in a response to these complaints, I testified in front of the House Veterans' Affairs Committee to detail the wholly unacceptable conditions to which Oregon veterans and their caregivers were being subjected.

Unfortunately, budget shortfalls have required additional cuts in services at the Portland VAMC, and veterans who expect—and who deserve—to receive VA medical treatment are being turned away.

Last month, in response to these continued complaints, I met with Portland VAMC Director Barry Bell. What I learned in that meeting, and from subsequent information provided to me by Mr. Bell, shocked and disturbed me:

When the new VA Medical Center was opened in February 1988, one 39-bed ward was not opened because of the funding shortages. Since then, an additional 40 beds have been closed due to funding shortages.

During just the month of February 1989, an estimated 39 ambulances that normally would have come to the VAMC were turned away because of funding shortages. Veterans turned away must then pay for the medical care they receive at these other facilities.

Hours of nursing care per patient at the Portland VAMC are substantially below VA standards.

Because of the budget shortfalls, the Portland, VA is slated to cease treating 1,552 nonpriority veterans.

Budget shortfalls have limited the number of joint replacement surgeries and open heart surgeries at the Portland Center.

The roots of the problem go back several years, when the Reagan administration said it could adequately care for the veterans' needs with fewer dollars. The cuts we are seeing today clearly show that the Reagan administration was not straight with the Congress.

Mr. Chairman, we must take immediate action to correct these past mistakes. That is why I am supporting this supplemental appropriations bill which provides short-term emergency funding for VA medical centers nationwide. Also, I have written to the House Budget Committee to urge that it set appropriate budget levels to meet veterans' health care needs for fiscal year 1990 and beyond.

What is happening in Portland, OR, and at VA facilities around this country is not right. It is not fair. And it is not moral. Our Nation should not subject its veterans—in their greatest hours of need—to substandard health care. Nor should it be turning away veterans who by serving their country earned the right to receive that medical care.

Mr. Chairman, veterans need our assistance immediately. Consequently, I urge my colleagues to show their support by passing this critical legislation today.

Ms. PELOSI. Mr. Chairman, I rise today in strong support of H.R. 2072, the supplemental appropriations bill for fiscal year 1989. This measure contains urgently needed funding for a number of important national programs, including guaranteed student loans, foster care, redress payments for Japanese-Americans who were interned during World War II, and initiatives to address two of our most serious national problems, the drug crisis and the housing shortage.

Last year Congress took agressive action to counter the rising drug epidemic by passing the Omnibus Drug Initiatives Act of 1988. Now that we have established a framework for a national drug intervention strategy, we must act to ensure that the necessary programs are adequately funded.

This supplemental appropriations bill includes $822 million to fund antidrug law enforcement programs. This funding is essential. Nationwide we lost 11,000 people to drugs and drug related crime in 1987 alone. In that same year Americans spent an estimated $140 billion to purchase illicit narcotics. In San Francisco in 1988, police recorded 55 drug gang shooting incidents, leaving 64 injured and 3 dead.

We now must pursue increased funding for programs for prevention, education, treatment, and rehabilitation. In my district of San Francisco, the wait to receive treatment can be 6 months. People are being turned away when they seek out help. Our hospitals are experiencing an alarming increase in the number of babies born with drug-related complications. In addition to funding antidrug law-enforcement efforts, we must work to address the human costs of this crisis.

This supplemental appropriations bill takes important steps to address the human costs of homelessness. The $153.5 million for homeless programs will give a much-needed boost to homeless people and to advocates struggling to provide services to the homeless. The programs receiving funding through this bill—including VA medical care for homeless veterans, HUD's Single-Room Occupancy Program, the Emergency Shelter Grants Program, the Transitional and Supportive Housing Demonstration Program, and the Emergency Food and Shelter Program—all play vital roles in addressing the Nation's tragic homelessness problem. They are all programs with a record of success, and they are all in desperate need of funding.

While none of us would dispute the necessity of addressing the budget deficit, it is time that we took action to address the social action deficit which has done so much damage to programs assisting the less fortunate among us. I urge my colleagues to support H.R. 2072.

Mr. SMITH of Texas. Mr. Chairman, I rise today in opposition to H.R. 2072, the dire emergency supplemental appropriations bill for fiscal year 1989. Except for the funding needs of veterans programs and drug interdiction efforts, there is no dire emergency, and this bill will only put us into dire straits as we attempt to reduce our persistent budget deficits.

This bill violates the letter and spirit of the 1987 budget summit agreement, where congressional leaders agreed not to pursue supplemental bills except in the case of dire emergencies.

Unfortunately, the Appropriations Committee could not resist decorating this bill with expensive ornaments, which resulted in more than doubling the administration's request by adding on additional money for a host of Government agencies. The committee also refused to offset these increases with reductions in other areas, as Congress also agreed to do in the 1987 budget agreement.

Some of the proposed additions may well represent legitimate spending needs, but they should be considered under the normal appropriations process, not given a free ride on legislation that is needed to respond to true emergencies. In this regard, the much-needed and overdue funding of veterans health care, pensions and disability assistance is being held hostage to the profligate spending habits of the big spenders. We owe our veterans better treatment than this.

In summary, Mr. Chairman, the bill produced by the Appropriations Committee violates the Gramm-Rudman deficit reduction plan, breaks our commitment to avoid unnecessary supplemental bills, and flies in the face of the bipartisan budget agreement worked out between the administration and congressional leaders just last week. Because these violations threaten the legitimate needs of veterans and drug interdiction, the bill is highly irresponsible. We must get our budgetary house in order, but this bill simply increases the mess.

Ms. SCHNEIDER. Mr. Chairman, the supplemental appropriations bill we are considering today contains needed additions to a number of very important Federal programs. As a strong supporter of housing, veterans, refugee assistance—indeed, the majority of the programs included in this package—I am distressed at the manner in which this debate has developed. At the last minute, we are faced with an across-the-board funding cut to pay for additions to these programs. By taking this route, we indiscriminately rob Peter to pay Paul. An across-the-board cut gives us no opportunity to examine the impact on the individual programs. We place education, science funding, transportation, defense, and health care in the same basket. We abdicate the responsibility that is central to making a budget—setting priorities.

The original supplemental proposed by the administration represents a restrained package of funding that is absolutely needed. The committee package added a number of additional categories for funding, but it failed to provide a way to pay for these. If we cannot decide on a funding mechanism, then we cannot afford the spending.

Mr. Chairman, the package before us is an irresponsible approach to providing additional funding for very important programs. I support the programs, but I must vote against the irresponsible manner in which this supplemental appropriation has been brought to the floor. This bill should be sent back to the committee so that priorities can be set and we can consider a carefully deliberated package of funding increases and how we will pay for them. I rise today in strong support of H.R. 2072, supplemental appropriations for fiscal year 1989.

Mr. Chairman, I want to call my colleagues' attention to one important and timely aspect of this bill, which is the additional $100 million funding to be provided for migration and refugee assistance. This money will allow a substantially greater number of Soviet, East European, American, and Asian refugees to emigrate to this country.

As many of us know, the Soviet emigration movement—spurred by both outside pressure on the Soviets as well as by internal Soviet reforms—has been so successful that we have been facing problems which would have seemed inconceivable even 2 years ago: How to deal with the ever-increasing influx of Soviet emigres into this country.

Certainly, the thousands of Soviet Jews who have already emigrated and who will likely emigrate in the months ahead are reason for

celebration. And yet, as we have seen, the U.S. Government was—and is—unprepared for these numbers.

The Soviet Jewish refugee backlog in Rome is the most obvious manifestation of our Government's inability to cope with this problem. It is certainly ironic, Mr. Chairman, that at a time when the gates in the U.S.S.R. are finally opening, those in the United States are tightening.

What is most disturbing is that the INS has reportedly denied Soviet emigres refugee status because they supposedly lack "a well-founded fear of persecution." And yet, all Jews in the U.S.S.R. suffer anti-Semitic harassment. Regrettably, the entire episode has given the Soviets a public relations bonanza.

Apparently, one of the reasons for the denial of refugee status has been the simply unavailability of funds to resettle these Soviet Jews in America—as refugees—with all the benefits such status entails. Today's appropriation, when added to amounts already appropriated, will allow 24,500 more Soviet refugees to enter the United States than are presently provided for in fiscal year 1989 funding.

Such a step is long overdue, and underscores that the United States—true to its proud history—remains a haven for the oppressed and a shining example of freedom.

I urge my colleagues to support this bill.

Mr. BOSCO. Mr. Chairman, I rise in support of H.R. 2072, supplemental appropriations for fiscal year 1989, and in opposition to Mr. CONTE'S amendment. As an original cosponsor of H.R. 442 in the 100th Congress, the Civil Liberties Act of 1987, I want to emphasize my strong support for the $250 million provided in H.R. 2072 for payments to World War II Japanese-American internees.

In February 1942, 2 months after the bombing of Pearl Harbor, some 120,000 persons of Japanese ancestry were evacuated from the west coast of the United States, without trial by jury or due process of law, and confined to detention camps in desolate areas. Undertaken ostensibly for reasons of military security, this policy of evacuation and internment was carried out despite the fact that no American of Japanese ancestry was ever charged or convicted of any acts of treason or disloyalty.

The financial and emotional losses suffered by these individuals and their families were staggering. The $250 million provided for in H.R. 2072 is essential toward fulfilling the goal of the Civil Liberties Act to compensate in a very belated manner for one of the darker periods of our Nation's history. I urge my colleagues to support this essential funding for the Civil Liberties Act of 1987.

Mr. LIGHTFOOT. Mr. Chairman, I rise today to voice my deep concern over the legislation before us. I continue to be amazed at the type of spending measures this body puts forward. While I am not a member of the Budget or Appropriations Committees, I can see clearly how much money this legislation is spending beyond last year's budget agreement. The bill clearly violates that agreement.

With a public debt approaching $3 trillion, and annual deficits still hovering around $100 million—even within the Gramm-Rudman-Hollings targets—we cannot continue to spend beyond our means in such a way. In passing this legislation, the House is saying that we can afford to spend an additional $1.3 billion beyond our deficit limit for 1989 alone, not to mention the additional millions being spent over the budget in the outyears.

It is not easy for me to oppose this measure as a whole. There are provisions of this legislation I am supportive of. For example, I would very much like to see the additional funds for veterans services enacted. I know how badly this money is needed. Due to shortfalls in funding and higher than anticipated caseloads, many veterans are either receiving care that is less than adequate or no care at all.

This is a sad and disgraceful way to repay the millions of men and women who risked their safety and lives, endured extreme stress, pain and anguish in the name of duty. Veterans across the country are feeling confused, angry, and betrayed and I can't blame them. I truly regret that the legitimate and worthy needs of veterans are held hostage to a few bloated, unnecessary and unbudgeted requests. If we had the best interests of America's veterans in mind we would be considering a clean piece of legislation that was not loaded down with over $4.7 billion in funds.

In a similar vein, there are other programs included in this measure of which I am very supportive. An example of this is increased funding for antidrug programs. The evidence is abundant that drugs are quite possibly the worst and most pervasive social ill of our time. I am prepared to do what I can to combat drugs and help America's young people on the road to thoughtful and clear-headed leadership for the future. However, I cannot support the many other budget-busting provisions which are wrapped around these initiatives. Therefore, it is my view that while I do so with regret for the veterans and antidrug programs, I cannot support H.R. 2072. I hope this body will act wisely by rejecting this bill and bringing us back a more realistic measure.

Mr. MARLENEE. Mr. Chairman, it is an outrage that veterans are held hostage to an attempt by Democrats to front-load 1990 spending in this supplemental appropriations bill. What even gets my temper up even higher is the underhanded attempt to sneak Japanese-American reparations in a bill designed, in part, to provide relief for United States veterans.

President Bush requested a $2.1 billion supplemental appropriation to honor previous obligations mandated by law. The bulk of the President's request was targeted on veteran's benefits, adequate funding for the Guaranteed Student Loan Program, and payments to States for foster care and adoption assistance.

The big spenders are now treating this supplemental as a political football, to see how much the President will tolerate in lard and pork. Every Member in this body has talked about the need to control the Federal deficit. Yet, this supplemental is double the President's request. The Democrats have ballooned the administration's supplemental request to $4.7 billion.

My anger is up. When the hell are we going to control spending and rising interest rates? If this bill passes the House, it should be good for another point or two increase in interest rates.

What kind of signal does this send to the Nation if Congress can't even control its voracious appetite for spending? Fears of renewed inflation rock this Nation. Fears of increasing interest rates and job loss are pressing on the minds of many Americans. Simply put, Mr. Chairman, this bill is destablizing for our economic future.

It is also simply outrageous to blackmail veteran's health care funding by attaching $250 million for Japanese-American reparations to this supplemental bill. Last year, I told my constituents that I would not support funding for reparations, especially when veterans have to beg and grovel to receive the Federal benefits they have earned with their blood and sacrifice.

Mr Chairman, let's put action behind our words and defeat attempts to add nonemergency spending to the supplemental appropriations bill. Let's put an end to pork, and vote on a real emergency supplemental that will resolve the funding crisis in the Veteran's Administration.

The CHAIRMAN. All time has expired.

Pursuant to the rule, it shall be in order to consider the amendments printed in House Report 101-37, which shall be considered in the order specified, shall be offered only by the Member specified, or his designee, and shall be considered as having been read. Said amendments are debatable for 60 minutes each, equally divided and controlled by the proponent of the amendment, or his designee, and a Member opposed thereto, and shall not be subject to amendment or to a demand for a division of the question.

The Clerk will read.

The Clerk read as follows:

H.R. 2072

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to provide dire emergency supplemental appropriations for the fiscal year ending September 30, 1989, and for other purposes, namely:

CONTENTS OF BILL

Title I—Dire Emergency Supplementals and Transfers:

Chapter I—Emergency Drug Funding:
Subchapter A—Commerce-Justice-State.
Subchapter B—Treasury-Postal Service.
Chapter II—Judicial Retirement Fund.
Chapter III—Corps of Engineers, Civil.
Energy Programs.
Chapter IV—Migration and Refugee Assistance.
International Peacekeeping Activities.
Chapter V—Forest Firefighting.
Naval Petroleum Reserve Limitation.
Chapter VI—Trade Adjustment Assistance.
Foster Care and Adoption Assistance.
Rehabilitation Services and Handicapped Research.
Guaranteed Student Loans.
Prescription Drug Payment Review Commission.
Chapter VII—Payments to Widows and Heirs of Deceased Members of Congress.

Chapter VIII—Agricultural Marketing Service.
Agricultural Stabilization and Conservation Service.
Agricultural Credit Insurance Fund.
Chapter IX—Federal Aviation Administration.
Installation and Use of Explosive Detection Equipment.
Chapter X—Department of the Treasury.
IRS—Processing Tax Returns.
IRS—Investigation, Collection, and Taxpayer Service.
Chapter XI—VA Compensation and Pensions.
VA Readjustment Benefits.
VA Loan Guaranty Revolving Fund.
VA Medical Care.
Court of Veterans Appeals.
Homeless Programs.
EPA, Salaries and Expenses.
EPA, Abatement, Control, and Compliance.
EPA, Hazardous Substance Superfund.
NASA, Research and Program Management.
Title II—Urgent Supplemental Appropriations:
Chapter I—NOAA, Operations, Research, and Facilities.
Department of Justice, Legal Activities.
United States Attorneys Salaries and Expenses.
Japanese Internment Fund.
FBI, Salaries and Expenses.
Courts of Appeals, District Courts, and Other Judicial Services, Salaries and Expenses.
Defender Services.
Administrative Office of United States Courts.
Federal Judicial Center, Salaries and Expenses.
Maritime Administration, Federal Ship Financing Fund.
FCC, Salaries and Expenses.
SEC, Salaries and Expenses.
Chapter II—Department of Defense, Administrative Provisions.
Chapter III—Department of the Interior and Related Agencies—General Provisions.
Chapter IV—FAA, Aircraft Purchase Loan Guarantee.
Chapter V—OPM, Salaries and Expenses.
Chapter VI—Housing Programs, Rental Assistance.
Community Development Grants.
NSF, Research and Related Activities.
Title III—Technical Enrollment Corrections.
Title IV—General Provisions.

TITLE I—DIRE EMERGENCY SUPPLEMENTALS AND TRANSFERS

CHAPTER I—EMERGENCY DRUG FUNDING

SUBCHAPTER A

DEPARTMENT OF JUSTICE

For an additional amount for the Department of Justice, $588,139,000, to remain available until expended, notwithstanding any designations contained in titles I through IX of Public Law 100-690: *Provided*, That of the amount appropriated, $125,000,000 shall be made available only for the drug-related projects of the Drug Control and System Improvement Grant Program authorized in section 6091 of Public Law 100-690.

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $4,000,000, to remain available until expended, for expenses authorized by the Anti-Drug Abuse Act of 1988 for development, procurement, and implementation of a machine-readable travel and identity document border security program.

THE JUDICIARY

For an additional amount for the Judiciary, $129,420,000, to remain available until expended, notwithstanding any designations contained in titles I through IX of Public Law 100-690.

RELATED AGENCY

STATE JUSTICE INSTITUTE

SALARIES AND EXPENSES

For an additional amount for the State Justice Institute, $4,020,000, to remain available until expended.

SUBCHAPTER B

DEPARTMENT OF THE TREASURY

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $4,000,000.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $35,000,000, of which $7,000,000 shall be available for development, procurement, and implementation of a machine-readable travel and identity document border security program.

OPERATIONS AND MAINTENANCE, AIR INTERDICTION PROGRAM

For an additional amount for "Operation and Maintenance, Air Interdiction Program", $51,000,000, to remain available until expended.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

For an additional amount for the Federal Law Enforcement Training Center, $6,000,000, of which $4,000,000 shall be available only to accommodate the advanced in-service training requirements of the Drug Enforcement Administration that cannot otherwise be met at the Department of Justice training facilities, and $2,000,000 shall be available to increase the level of drug enforcement training for Federal, State, and local law enforcement officers.

CHAPTER II

THE JUDICIARY

JUDICIAL RETIREMENT FUNDS

PAYMENT TO JUDICIAL OFFICERS' RETIREMENT FUND

For payment to the Judicial Officers' Retirement Fund, as authorized by Public Law 100-659, $2,300,000.

CHAPTER III

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

(TRANSFER OF FUNDS)

For additional amounts for appropriations for the fiscal year 1989, for increased pay costs authorized by or pursuant to law as follows:

"General regulatory functions", $1,100,000, to be derived by transfer from "Operation and maintenance, general".

"General expenses", $2,600,000, to be derived by transfer from "Construction, general".

DEPARTMENT OF ENERGY

ENERGY PROGRAMS

URANIUM SUPPLY AND ENRICHMENT ACTIVITIES

For an additional amount for uranium supply and enrichment activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), $55,000,000, to remain available until expended: *Provided*, That revenues received by the Department for the enrichment of uranium and estimated to total $1,429,000,000 in fiscal year 1989, shall be retained and used for the specific purpose of offsetting costs incurred by the Department in providing uranium enrichment service activities as authorized by section 201 of Public Law 95-238, notwithstanding the provisions of section 3302(b) of section 484 of title 31, United States Code: *Provided further*, That the sum herein appropriated shall be reduced as uranium enrichment revenues are received during fiscal year 1989 so as to result in a final fiscal year 1989 appropriation estimated at not more than $0.

GENERAL PROVISIONS

SEC. 301. Sunset Harbor, California: Section 1119(a) of the Water Resources Development Act of 1986 is amended by adding at the end thereof the following: "The total cost referred to in the preceding sentence may be increased by the Secretary by any amount contributed by non-Federal interests which is in excess of amounts contributed by non-Federal interests under the preceding sentence."

SEC. 302. Exchange of Federal Land: Subsection 1. Exchange of Federal Public Land.

(a) EXCHANGE OF LAND.—Subject to subsection 2, at such time as the Blue Tee Corporation transfers all right, title, and interest in and to the land described in subsection 1(b)(1) to the Secretary of the Army, the Secretary shall transfer all right, title, and interest in and to the land described in subsection 1(b)(2) to the Blue Tee Corporation.

(b) DESCRIPTION OF LANDS.—The lands referred to in subsection (a) are the following:

(1) NON-FEDERAL LAND.—35.03 acres of land located in Madison County, Illinois, known as Government Tract Number 121 and owned by the Blue Tee Corporation.

(2) FEDERAL LAND.—58.64 acres situated in Madison County, Illinois, known as Government Tract Number 122 and administered by the United States Army Corp of Engineers, which is constructing the Melvin Price Lock and Dam Project on this land.

Subsection 2. Conditions of exchange.

The exchange of land authorized by subsection 1 shall be subject to the following conditions:

(1) DEEDS.—

(A) FEDERAL LAND.—The instrument of conveyance used to convey the land described in subsection 1(b)(2) to the Blue Tee Corporation shall contain such reservations, terms, and conditions as the Secretary of the Army considers necessary to allow the United States to construct, operate, and maintain the Melvin Price Lock on that land.

(B) NON-FEDERAL LAND.—The conveyance of the land described in subsection 1(b)(1) to the Secretary of the Army shall be by a warranty deed acceptable to the Secretary.

(2) REMOVAL OF IMPROVEMENTS.—The Blue Tee Corporation may reserve the right to remove any improvements on the land described in subsection 1(b)(1) belonging to them. The terms of such reservation shall be subject to approval by the Secretary of

the Army. The Blue Tee Corporation shall hold the United States harmless from liability, and the United States shall not incur any cost, associated with the removal or relocation of such improvements.

(3) TIME LIMIT FOR EXCHANGE.—The land exchange authorized by subsection 1(a) must be completed within 2 years after the date of enactment of this Act.

(4) LEGAL DESCRIPTION.—The Secretary shall provide the legal description of the lands described in subsection 1(b). That legal description shall be used in the instruments of conveyance of such lands.

SEC. 303. Saylorville Lake, Iowa: From Construction, General funds heretofore or hereafter appropriated, the Secretary of the Army is directed to construct Highway 415, Segment "C" at the Saylorville Lake, Iowa, Project in accordance with terms of the Relocations Contract executed on June 21, 1984, between the Rock Island District Engineer and the State of Iowa.

SEC. 304. Sims Park, Ohio: The Secretary of the Army, acting through the Chief of Engineers, shall undertake a beach erosion control project at Sims Park, Euclid, Ohio, using funds appropriated under the heading "CONSTRUCTION GENERAL" in title I of the Energy and Water Development Appropriation, 1988 (Public Law 100-202; 101 Stat. 107).

CHAPTER IV

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

ECONOMIC SUPPORT FUND

Of the funds appropriated in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989, up to $200,000 of the unearmarked funds appropriated under the heading "Economic Support Fund" may be made available for the support of the electoral process in Poland, which may include, among other things, support for international observer missions and civic education programs: *Provided*, That, funds made available under this paragraph may be used without regard to any provision of law which would otherwise prohibit the use of foreign assistance funds with respect to Poland.

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

For an additional amount for "Migration and refugee assistance", $100,000,000, to support emergency refugee admissions and assistance: *Provided*, That this amount may be derived through new budget authority, or the President may transfer to such account for purposes of this paragraph any unobligated and unearmarked funds made available under Public Law 100-461, notwithstanding section 514 as amended by section 589 of Public Law 100-461: *Provided further*, That if the President transfers funds for this paragraph not more than 3.3 per centum of the unobligated and unearmarked funds available under any account in Public Law 100-461 may be transferred: *Provided further*, That any transfer of funds pursuant to this paragraph shall be subject to the regular reprogramming procedures of the Committees on Appropriations: *Provided further*, That not less than $85,000,000 of such amount shall be made available for Soviet and other Eastern European Refugee admissions and for admissions restored to other regions: *Provided further*, That funds provided under this paragraph are available until expended.

INTERNATIONAL PEACEKEEPING ACTIVITIES AND OPERATIONS

(TRANSFER OF FUNDS)

SEC. 1. In order to meet urgent requests that may arise during fiscal year 1989 for contributions and other assistance for new international peacekeeping activities, and to reimburse funds originally appropriated for prior international peacekeeping activities, which have been reprogrammed for new international peacekeeping activities, the President may transfer during fiscal year 1989 such of the funds described in section 2(a) as the President deems necessary, but not to exceed $125,000,000 to the "CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES" account or the "PEACEKEEPING OPERATIONS" account administered by the Department of State, notwithstanding section 15(a) of the Department of State Basic Authorities Act of 1956, section 10 of Public Law 91-672, or any other provision of law.

SEC. 2. (a) IN GENERAL.—The funds that may be transferred under the authority of this heading for use in accordance with section 1 are—

(1) any funds available to the Department of Defense during fiscal year 1989, other than funds appropriated by the Department of Defense Appropriations Act, 1989 (Public Law 100-463); and

(2) any funds appropriated by the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100-461) for the "MILITARY ASSISTANCE" account, for the "INTERNATIONAL MILITARY EDUCATION AND TRAINING" account, or for grants under the "FOREIGN MILITARY FINANCING PROGRAM" account.

(b) RELATIONSHIP TO CERTAIN OTHER PROVISIONS.—Funds described in subsection (a)(2) may be transferred and used for contributions or other assistance for new international peacekeeping activities in accordance with section 1 of this provision notwithstanding section 514 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (as amended by section 589 of that Act), relating to transfers between accounts.

SEC. 3. (a) REVIEW OF PROPOSED TRANSFERS.—Any transfer of funds pursuant to section 1 shall be subject to the regular reprogramming procedures of the following committees:

(1) The Committee on Appropriations of each House of Congress.

(2) The Committee on Armed Services of each House of Congress if funds described in paragraph (1) of section 2(a) are to be transferred.

(3) The Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate if funds described in paragraph (2) of section 2(a) are to be transferred.

(b) REVIEW OF PROPOSED OBLIGATIONS.—The regular reprogramming procedures of the following committees shall apply with respect to the obligation of any funds transferred pursuant to section 1:

(1) The Committee on Appropriations of each House of Congress.

(2) The Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

CHAPTER V

DEPARTMENT OF THE INTERIOR AND DEPARTMENT OF AGRICULTURE

For an additional amount for emergency rehabilitation, forest firefighting, fire severity presuppression, and other emergency costs on National Forest System lands and Department of Interior lands, $599,669,000 of which (1) $30,180,000 is for "Bureau of Land Management, Management of lands and resources"; (2) $2,895,000 is for "United States Fish and Wildlife Service, Resource management"; (3) $25,000,000 is for "National Park Service, Operation of the National Park System"; (4) $33,594,000 is for "Bureau of Indian Affairs, Operation of Indian Programs"; and (5) $508,000,000 is for "Forest Service, National Forest System": *Provided*, That such funds are to be available for repayment of advances to other appropriation accounts from which funds were transferred in fiscal year 1987 and fiscal year 1988 for such purposes.

GENERAL PROVISIONS

SEC. 501. No funds appropriated or made available, heretofore or hereafter, under this or any other Act may be used by the executive branch for soliciting proposals, or performing studies designed to aid in or achieve the transfer out of Federal ownership, management or control by sale, lease, or other disposition, in whole or in part, the facilities and functions of Naval Petroleum Reserve Numbered 1 (Elk Hills), located in Kern County, California, established by Executive order of the President, dated September 2, 1912, and Naval Petroleum Reserve Numbered 3 (Teapot Dome), located in Wyoming, established by Executive order of the President, dated April 30, 1915, unless and until legislation specifically authorizing such activities or such transfer out of Federal ownership of the aforesaid Naval Petroleum Reserves is enacted and specific provision for such activities is made in an appropriations Act.

SEC. 502. Notwithstanding any other provision of law, in fiscal year 1989 and thereafter, sums provided by any party, including sums provided in advance as (1) reimbursement for contingency planning, response or damage assessment or response activities conducted or to be conducted by any agency funded in the Department of the Interior and Related Agencies Appropriations Act as a result of any discharge of oil into the environment or (2) damages for injuries resulting from such a discharge to resources for which an agency funded in the Department of the Interior and Related Agencies Appropriations Act is a trustee, may be credited to the relevant appropriation for that agency then current and shall be available until expended: *Provided*, That section 102 of the Department of the Interior and Related Agencies Appropriations Act, 1989, is amended as follows: after the term "volcanoes"; insert "for contingency planning subsequent to actual oil spills, response and natural resource damage assessment activities related to oil spills."

CHAPTER VI

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

TRADE ADJUSTMENT ASSISTANCE

For an additional amount for "Federal Unemployment Benefits and Allowances", $126,648,000, of which $92,000,000 shall be for activities as provided by part 1, subchapter B, chapter 2, title II of the Trade Act of 1974, as amended, and $34,648,000 shall be for activities, including necessary related administrative expenses, as authorized by sections 236, 237, and 238 of the Trade Act of 1974, as amended.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

SOCIAL SECURITY ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

The last proviso under this heading in Public Law 100-436, related to automatic data processing and telecommunications expenditures, is deleted.

ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES

PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE

For an additional amount for "Payments to States for Foster Care and Adoption Assistance", $423,345,000 for title IV-E of the Social Security Act, which shall be available for prior years' claims.

DEPARTMENT OF EDUCATION

REHABILITATION SERVICES AND HANDICAPPED RESEARCH

Allotments under sections 100(b)(1) and 110(b)(3) of the Rehabilitation Act of 1973 in the amount of $1,450,000,000 shall be considered as funds mandated by law for purposes of applying section 517 of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1989.

GUARANTEED STUDENT LOANS

For payment of obligations under this heading incurred during fiscal year 1989, $892,428,000.

RELATED AGENCY

PRESCRIPTION DRUG PAYMENT REVIEW COMMISSION

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For the Prescription Drug Payment Review Commission, as authorized by section 1847 of title XVIII of the Social Security Act, $250,000, to be derived by transfer of $125,000 from the Physician Payment Review Commission and $125,000 from the Prospective Payment Assessment Commission, to remain available until expended.

CHAPTER VII

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Carolyn F. Nichols, widow of Bill Nichols, late a Representative from the State of Alabama, $89,500.

CHAPTER VIII

DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed an additional $2,500,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for necessary administrative expenses of the Agricultural Stabilization and Conservation Service incurred in carrying out fiscal year 1989 workload in connection with 1988 disaster assistance activities only, not to exceed $40,000,000, to be derived by transfer from the Commodity Credit Corporation.

FARMERS HOME ADMINISTRATION

AGRICULTURAL CREDIT INSURANCE FUND

OPERATING LOANS

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for insured operating loans, $75,000,000, to be derived by transfer from guaranteed operating loans.

CHAPTER IX

DEPARTMENT OF TRANSPORTATION

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

For an additional amount for "Operations", $70,700,000, to remain available until September 30, 1990, of which not to exceed $2,000,000 shall be available for a pay demonstration project in the Chicago area, and of which $35,000,000 shall be available only for the hiring of additional aviation security specialists, aviation safety inspectors, and air traffic controllers.

INSTALLATION AND USE OF EXPLOSIVE DETECTION EQUIPMENT

Not later than fifteen days after the date of the enactment of this Act, the Federal Aviation Administrator shall initiate action, including such rulemaking or other actions as necessary, to require air carriers to use explosive detection equipment that meets minimum performance standards requiring application of technology equivalent to or better than thermal neutron analysis technology at such airports (whether located within or outside the United States) as the Administrator determines that the installation and use of such equipment is necessary to ensure the safety of air carrier passengers. The Administrator shall complete these actions within ninety days of enactment of this Act.

STATE AND LOCAL ANTI-APARTHEID POLICIES

Notwithstanding any other provision of this or any other law, none of the funds provided by this or any previous Act to the Department of Transportation shall be withheld from State or local grantees for any reason related to the adoption by any such grantee of a policy prohibiting the procurement of products manufactured or fabricated in the Republic of South Africa.

CHAPTER X

DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "International affairs", not to exceed $2,063,000, to be derived by transfer from "Salaries and expenses".

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Under this heading in the Treasury Department Appropriations Act, 1989 (Public Law 100-440), and notwithstanding section 103 of such Act, an additional $5,500,000 may be transferred to the Financial Management Service, "Salaries and expenses" for the sole purpose of funding fiscal year 1989 postage costs that exceed the savings generated by administrative actions of the Financial Management Service.

INTERNAL REVENUE SERVICE

PROCESSING TAX RETURNS

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Processing tax returns", $32,229,000, to be derived by transfer from "Examinations and appeals".

INVESTIGATION, COLLECTION, AND TAXPAYER SERVICE

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Investigation, collection, and taxpayer service", $41,754,000, to be derived by transfer from "Examinations and appeals".

CHAPTER XI

DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

For an additional amount for "Compensation and pensions", $701,481,000, to remain available until expended.

READJUSTMENT BENEFITS

For an additional amount for "Readjustment benefits", $22,212,000, to remain available until expended.

LOAN GUARANTY REVOLVING FUND

For an additional amount for "Loan Guaranty Revolving Fund", $120,100,000, to remain available until expended.

VETERANS HEALTH SERVICE AND RESEARCH ADMINISTRATION

MEDICAL CARE

For an additional amount for "Medical care", $340,125,000: *Provided,* That of the sums appropriated under this heading in fiscal year 1989, not less than $6,800,000,000 shall be available only for expenses in the personnel compensation and benefits object classifications.

For an additional amount for "Medical care", as authorized by the Stewart B. McKinney Homeless Assistance Amendments Act of 1988, $30,000,000.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "General operating expenses", $24,900,000, of which $15,000,000 shall be derived by transfer from "Construction, minor projects": *Provided,* That in the appropriation language under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1989, insert a period after "$774,316,000" and delete the language that follows.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

For an additional amount for "Annual contributions for assisted housing", $5,000,000, to remain available until expended: *Provided,* That such amount of budget authority is to be used only to assist homeless individuals under section 441 of the Stewart B. McKinney Homeless Assistance Act.

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

For an additional amount for "Payments for operation of low-income housing projects", $88,000,000, to remain available until September 30, 1990: *Provided,* That from the foregoing amount, $8,000,000 shall be made available, notwithstanding section 9(d) of the United States Housing Act of 1937, for increased security assistance.

EMERGENCY SHELTER GRANTS PROGRAM

For an additional amount for "Emergency shelter grants program", $73,500,000, to remain available until expended.

TRANSITIONAL AND SUPPORTIVE HOUSING DEMONSTRATION PROGRAM

For an additional amount for "Transitional and supportive housing demonstration program", $20,000,000, to remain available until expended.

SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS

For grants for supplemental assistance for facilities to assist the homeless as authorized under subtitle D of title V of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), as amended, $10,000,000, to remain available until expended.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $3,490,000, to be derived by transfer from "Urban development action grants".

ADMINISTRATIVE PROVISION

Section 17(f) of the United States Housing Act of 1937 (42 U.S.C. 1437o(f)) is amended—

(1) by inserting after "State of New York" the following: "or City of New York"; and

(2) in clause (1), by inserting "or municipal" after "State".

INDEPENDENT AGENCIES

COURT OF VETERANS APPEALS

SALARIES AND EXPENSES

For necessary expenses for the initial startup costs and operation of the Court of Veterans Appeals as authorized by sections 4051-4091 of title 38, United States Code, $3,100,000, to remain available until September 30, 1990.

ENVIRONMENTAL PROTECTION AGENCY

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $6,000,000.

ABATEMENT, CONTROL, AND COMPLIANCE

For an additional amount for "Abatement, control, and compliance", $9,000,000, to remain available until September 30, 1990.

HAZARDOUS SUBSTANCE SUPERFUND

(RESCISSION)

Of available funds under this head, $15,000,000 are rescinded.

FEDERAL EMERGENCY MANAGEMENT AGENCY

EMERGENCY FOOD AND SHELTER PROGRAM

For an additional amount for the "Emergency food and shelter program", $15,000,000.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND PROGRAM MANAGEMENT

(TRANSFER OF FUNDS)

For an additional amount for "Research and program management", up to $15,000,000, of which up to $10,000,000 shall be derived by transfer from "Research and development" and up to $5,000,000 shall be derived by transfer from "Space flight, control and data communications".

TITLE II—URGENT SUPPLEMENTAL APPROPRIATIONS

CHAPTER I

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for "Operations, research, and facilities", $32,200,000, to remain available until expended.

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For an additional amount for "Salaries and expenses, General Legal Activities", $7,700,000, to remain available until expended.

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

For an additional amount for "Salaries and expenses, United States Attorneys", $12,476,000, to remain available until expended.

CIVIL LIBERTIES PUBLIC EDUCATION FUND

For payments to eligible individuals as authorized by sections 105 and 106 of the Civil Liberties Act of 1988 (Public Law 100-383), $250,000,000, to remain available until expended.

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $23,010,000, to remain available until expended.

THE JUDICIARY

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $9,000,000, to remain available until expended.

DEFENDER SERVICES

For an additional amount for "Defender services", $6,750,000, to remain available until expended.

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $50,000.

FEDERAL JUDICIAL CENTER

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $440,000, to remain available until expended.

RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

MARITIME ADMINISTRATION

FEDERAL SHIP FINANCING FUND

For payment to the Secretary of Treasury for debt reduction, $515,000,000, to remain available until expended.

FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $500,000.

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $18,285,000, to remain available until expended.

GENERAL PROVISION

Funds appropriated to the Commission for the Study of International Migration and Cooperative Economic Development and the Commission on Agricultural Workers in Public Law 100-459 shall remain available until expended.

CHAPTER II

DEPARTMENT OF DEFENSE—MILITARY

ADMINISTRATIVE PROVISIONS

SEC. 201. Section 8111 of the Department of Defense Appropriations Act, 1989 (Public Law 100-463; 102 Stat. 2270-38) is amended by striking out "$1,163,200,000" and inserting in lieu thereof "$1,258,600,000".

SEC. 202. Section 8119 of the Department of Defense Appropriations Act, 1989 (Public Law 100-463; 102 Stat.40) is repealed.

SEC. 203. Section 8080 of the Department of Defense Appropriations Act, 1989 (Public Law 100-463) is amended by inserting the following provision at the end of the paragraph, after "skills": ": *Provided further*, That these limitations shall not apply to members who enlist in the armed services on or after July 1, 1989, under a fifteen-month program established by the Secretary of Defense to test the cost-effective use of special recruiting incentives involving not more than nineteen noncombat arms skills approved in advance by the Secretary of Defense".

SEC. 204. Notwithstanding any other provision of law or regulation, the Secretary of Defense may adjust wage rates for civilian employees hired for certain health care occupations as authorized for the Administrator of the Veterans Affairs by section 4107(g) of title 38, United States Code: *Provided*, That only those occupations cited in the July 5, 1988, report submitted by the Assistant Secretary of Defense for Health Affairs shall be covered by this provision.

SEC. 205. (a) None of the funds available to the Department of Defense during the current fiscal year may be obligated or expended for research, development, test, evaluation, production, deployment, or operation of the Mid-Infrared Advanced Chemical Laser/SEALITE Beam Director.

(b) The limitation in subsection (a) shall not apply to the extent that (1) the Secretary of Defense submits to the Committees on Appropriations and on Armed Services of the Senate and House of Representatives a description of proposed funding during the current fiscal year for the Mid-Infrared Advanced Chemical Laser-SEALITE Beam Director (including the amount and the source of such funding), and (2) such funding is treated in accordance with procedures applicable to programs which have been designated as items of congressional interest.

(c) The limitation in subsection (a) does not apply with respect to the obligation or expenditure of funds for expenses required for the termination of a contract.

CHAPTER III

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

GENERAL PROVISIONS

SEC. 301. None of the funds available to the Department of the Interior may be used to place on the National Register of Historic Places the Al Capone House at 7244 South Prairie Avenue, Chicago, Illinois.

SEC. 302. The King Center and the National Park Service are authorized to locate an additional parking site for the Martin Luther King National Historic Site within the National Historic Site and Preservation District Boundary in accordance with Federal and State preservation regulations, in lieu of the vacant lot on the north side of Irwin between Jackson and Boulevard as specified in Public Law 100-202.

CHAPTER IV

DEPARTMENT OF TRANSPORTATION

FEDERAL AVIATION ADMINISTRATION

AIRCRAFT PURCHASE LOAN GUARANTEE PROGRAM

For the settlement of promissory notes issued to the Secretary of the Treasury, $10,770,941, to remain available until expended, together with such sums as may be necessary for the payment of interest due under the terms and conditions of such notes.

GENERAL PROVISIONS

SEC. 301. Section 312 of Public Law 100-457 is amended by deleting "$276,000" and inserting in lieu thereof "$300,000".

SEC. 302. Notwithstanding any other provision of law, the New York State Bridge Authority shall have the authority to collect tolls on the Newburgh-Beacon Bridge and to utilize the revenue therefrom for the construction and reconstruction of and for the costs necessary for the proper maintenance and operation of any bridges and facilities under the jurisdiction of such Authority and for the payment of debt service on any of the Authority's obligations issued in connection therewith.

CHAPTER V

DEPARTMENT OF THE TREASURY

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

Funds appropriated under this heading in the Treasury, Postal Service, and General Government Appropriations Act, fiscal year 1989, Public Law 100-440, for construction of barriers at the south end of the White House shall remain available until expended.

OTHER INDEPENDENT AGENCY

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

Amounts made available under this heading in the Independent Agencies Appropriations Act, 1989 (Public Law 100-440), which are to be transferred from the Trust Funds for implementing the recordkeeping system of the Federal Employees' Retirement System, shall remain available until expended.

ADMINISTRATIVE PROVISION

Notwithstanding any other provision of law or regulation, the Director of the Office of Personnel Management may adjust wage rates for civilian employees hired for certain health care occupations as authorized for the Administrator of the Veterans Affairs by section 4107(g) of title 38, United States Code.

CHAPTER VI

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

RENTAL HOUSING ASSISTANCE

Such sums as may be necessary are hereby approved to implement the authority conferred on the Secretary of Housing and Urban Development by section 236(r) of the National Housing Act to provide interest reductions and rental assistance payments: *Provided*, That notwithstanding the second sentence of such section 236(r), an application shall be eligible for assistance under such section if the mortgagee submits an application within five hundred and forty-eight days after the effective date of this Act.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT GRANTS

Funds under this head in the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1989 shall be made available for a special project under section 107 of the Housing and Community Development Act of 1974 (42 U.S.C. 5307) to the Hawaii State Department of Hawaiian Home Lands, for infrastructure development on Hawaiian Home Lands, notwithstanding the restrictions on alienation applicable to such lands.

INDEPENDENT AGENCIES

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

The limitation carried under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1989 on program development and management in fiscal year 1989 is increased by $750,000.

GENERAL PROVISION

Section 406 under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1989 (Public Law 100-404) is amended by striking out "the Secretary of the Department of Housing and Urban Development, who, under title 5, United States Code, section 101, is exempted from such limitation" and inserting in lieu thereof "any officer or employee authorized such transportation under title 31, United States Code, section 1344".

GENERAL PROVISION—TITLE II

Funds provided in this title shall become available for obligation or expenditure, only (1) upon agreement by House and Senate conferees to a reduction of existing funds to offset such expenditure, or (2) additional receipts to the Treasury to offset such expenditures are made.

TITLE III—TECHNICAL ENROLLMENT CORRECTIONS

SEC. 301. The appropriation Operation and Maintenance, Navy as contained in the Department of Defense Appropriations Act, 1989 (Public Law 100-463; 102 Stat. 2270-3) is amended by striking out ", of which $60,000,000 shall be transferred to the Coast Guard".

SEC. 302. In Public Law 100-461, "An Act making appropriations for Foreign Operations, Export Financing, and Related Programs for the fiscal year ending September 30, 1989, and for other purposes", in TITLE V—GENERAL PROVISIONS, following the last "." in section 572, insert the following:

"RESOLUTION OF JAPANESE BEETLE PROBLEM"

"SEC. 573. None of the funds appropriated by this Act may be used to fund any programs to assist in solving the Japanese beetle problem in the Azores. It is the sense of the Congress that this problem was created by the Department of Defense which should fund any program to resolve it.".

SEC. 303. In Public Law 100-446, "An Act making appropriations for the Department of the Interior and Related Agencies for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "Navajo and Hopi Indian Relocation Commission" delete the sum "$27,323,000" and insert in lieu thereof "$27,373,000".

SEC. 304. In Public Law 100-460, "An Act making appropriations for Rural Development, Agriculture, and Related Agencies for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "National Agricultural Library", delete the sum "$13,268,000" and insert in lieu thereof "$14,268,000".

SEC. 305. In Public Law 100-457, "An Act making appropriations for the Department of Transportation and Related Agencies for the fiscal year ending September 30, 1989, and for other purposes", in the account titled "Urban Mass Transportation Administration, Interstate Transfer Grants-Transit" delete the sum "$2,000,000,000" and insert in lieu thereof "$200,000,000".

TITLE IV—GENERAL PROVISIONS

SEC. 401. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 402. Notwithstanding section 1346 of title 31, United States Code, or section 608 of Public Law 100-440, funds made available for fiscal year 1989 by this or any other Act shall be available for the interagency funding of national security and emergency preparedness telecommunications initiatives which benefit multiple Federal departments, agencies, or entities, as provided by Executive Order Numbered 12472 (April 3, 1984).

This Act may be cited as the "Dire Emergency Supplemental Appropriations and Transfers, Urgent Supplementals, and Correcting Enrollment Errors Act of 1989".

Mr. CONTE (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. Are there any points of order against the bill?

POINTS OF ORDER

Mr. FORD of Michigan. Mr. Chairman, I wish to make a point of order against section 204 on page 31 of the bill, and also I rise to make a point of order against the language contained in lines 20 through 25 on page 34 of the bill.

The CHAIRMAN. The gentleman from Michigan may be heard on his point of order.

Mr. MURTHA. Mr. Chairman, will the gentleman reserve a point of order so that I can have a colloquy with him?

The CHAIRMAN. Points of order have to be made, and then the gentleman from Pennsylvania may discuss the point or order. Without objection, the gentleman is recognized.

Mr. MURTHA. Mr. Chairman, I wanted to ask the gentleman to explain the problems that we have in the military with nurses. I know we have talked about this a couple of times before. For 2 years I have been visiting the naval hospitals and they have a tremendous shortage of personnel, as the gentleman knows, not only in nurses, but in anesthetists, and in a number of other professions, not jobs, in the medical services of the Navy.

We put 800 people in 1 year ago and specified that they could only go to the medical services. We are spending

money for CHAMPUS right now, money that should go to the hospitals so that they could take care of the patient much more efficiently, in the way naval personnel expect them to be taken care of.

□ 1340

The dependents are the ones that are suffering because of the provision where they cannot get the nurses. There is such a competition for nurses and they are underpaid and what we have asked in this legislation is that the individual services would be able to contract at a higher price in individual cases at those hospitals to alleviate this shortage we have in the military.

The CHAIRMAN. The gentleman from Michigan [Mr. FORD] is recognized to state his point of order.

Mr. FORD of Michigan. Mr. Chairman, I make the point of order on the ground that the language in both instances constitutes legislation in an appropriation bill violating clause 2 of rule XXI.

I would like to say for the record in response to the gentleman that I understand and, to some degree, sympathize with what he is trying to do with his legislating in this appropriations bill. But frankly he is causing us a problem.

My committee has been working now for almost 3 years and the subcommittee, both Democrats and Republicans, have been trying to develop a comprehensive revision of the Federal pay system just because of instances as the gentleman is describing. He can talk about nurses in the military hospitals but I have to tell you that we get what is left over in our veterans hospitals. In most States our veterans hospitals are so understaffed in the nurse-patient ratio that if they were not operated by the Federal Government they would not be licensed by the States. It is a scandal waiting to explode in our face.

We spent a good part of 1988 negotiating with Mr. Reagan's Office of Personnel Management about some solutions for this. It came apart when we found they were interested only in dealing with the Defense Department and not with NASA, not with any of the other agencies where we have similar problems.

It is our hope that by not letting those cases that have come to people's attention and have become popular get away, that we will be able to do a comprehensive job of relating the Federal pay system more realistically to the kinds of skills that are required for the jobs and the kind of competition we face in the private sector in trying to find the people.

We not only cannot get nurses, we cannot get doctors.

As I stand here talking to you there is no director of research at the National Institutes of Health. If you read the paper yesterday, we lost more of the top people at NASA.

We had testimony last week from the Volcker Commission which has a comprehensive plan for taking care of this. We will hear testimony from the former director of NASA and other personnel directors in a few days.

Very shortly the Chief Justice of the United States for the first time in history will appear before our committee to talk about the judges. We are hoping to get all these people working together so there will be support for a comprehensive rewrite of our pay system.

Mr. MURTHA. Mr. Chairman, I appreciate the concern of the gentleman from Michigan. I do understand it. I know he has been working on it. I just wanted to say to him we do have an emergency and I hope his legislation will move quickly forward.

Mr. FORD of Michigan. To help the gentleman, Mr. Chairman, most of what he wants to do the Office of Personnel Management has the authority to do now. And for whatever reason the administration chooses not to agree with the Secretary of Defense on doing it. I think maybe if they could resolve their differences they could accomplish a good deal of what the gentleman is asking for.

The CHAIRMAN (Mr. GLICKMAN). Are there further Members who wish to be heard on this point of order? If not, the Chair is prepared to rule.

For the reasons stated by the gentleman from Michigan in connection with these two sections that a point of order is raised upon, the Chair finds that these sections are in fact legislation on an appropriations bill. The Chair sustains the point of order.

Mr. OBERSTAR. Mr. Chairman, I wish to make a point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. OBERSTAR. Mr. Chairman, I make a point of order reluctantly that the provision beginning on page 20, line 19 and ending on page 21, line 6 constitutes legislation in an appropriation bill and is a violation of clause 2, rule XXI of the rules of the House of Representatives.

I would like to be heard on the point of order.

Mr. Chairman, I said "reluctantly" because I fully concur with the language, and the intent of the Committee on Appropriations in directing action to be taken on installation of explosives detection devices at key domestic and overseas airports at which U.S. air carriers operate.

However, the Subcommitte on Aviation, which I chair, has concluded hearings and will tomorrow, I am confident, report out a bill to provide in an orderly fashion a legislative framework within which this work will be done and which will also provide a funding mechanism that will be within the ambit of the Approriations Committee.

We anticipate bringing such legislation through the full committee the following week and to the House floor as expeditiously as House leadership can do so.

We have reached a bipartisan agreement within our committee on the framework for this legislation.

The Transportation Appropriations Subcommittee has, in fact, taken the language from the pending bill before our committee and very commendably demonstrated its genuine concern and seized upon this opportunity to act quickly, demonstrate its commitment to protection of Americans traveling in air carriers vulnerable to terrorism.

So I commend the committee and commend the chairman for his desire to use the authority of the Subcommittee on Transportation Appropriations to deal with terrorism.

I merely am saying defer until our committee has created the legislative framework within which the appropriate funding may be provided.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. LEHMAN] for further debate on the point of order.

Mr. LEHMAN of Florida. I thank the Chair.

Mr. Chairman, I understand the position of my good friend from Minnesota [Mr. OBERSTAR]. Nevertheless, I am sorry that a point of order was made against this provision. The real reason that our subcommittee added this provision was to move as quickly as possible to give the manufacturers the strongest possible signal to gear up as fast as possible to mass produce these devices. This will allow them to produce 50 to 100 of these machines a year instead of the 5 or 6 that they now have scheduled.

As the gentleman said, our provision does not really conflict with the provision that I understand is being now legislated in his subcommittee and in the full Committee on Public Works and Transportation. But we are just trying to, you could say, double track through appropriations to insure the most rapid possible deployment of these devices.

As many of us know, even with the best of intentions and the best possible true legislation, sometimes you get weighted down with the consequences and then it dies. For instance, in this case there is a possible conflict as to who is going to pay for these devices, whether the Federal Government or the taxpayers are going to do it or whether the airline industry is going to do it. This controversy could possibly sink this legislation in the authorizing process. I would just urge the gentleman to perhaps withdraw his objection and let us get on with the

fastest possible improvement for the safety of air travel.

I am really sorry that a point of order is being made against the provision in this bill that deals with explosive detection equipment.

I just hope that the gentleman is not placing jurisdictional turf ahead of the goal we all share to fast track state of the art bomb detection equipment.

The reason our subcommittee added this provision was to, as fast as possible, give manufacturers the strongest possible signal to gear up for mass production now. This will allow them to produce 50 to 100 machines per year—instead of the 6 per year now programmed.

Our provision does not conflict with what I understand is the substance of the authorizing committee legislation. We are just double tracking through appropriations to insure rapid deployment.

Too often legislation—good legislation—gets weighed down with controversy and dies—for instance in this case a provision that mandates the Federal Government—taxpayers—not the airlines to fund this program could sink this legislation.

I would urge the gentleman to withdraw his objection and let us get on with the fastest possible improvement for the safety of air travel.

The CHAIRMAN. Is there further discussion on the point of order?

The gentleman from Pennsylvania [Mr. COUGHLIN] is recognized.

Mr. COUGHLIN. I thank the Chairman.

Mr. Chairman, I just want to support Chairman LEHMAN's request that my distinguished friend, the gentleman from Minnesota, withdraw his point of order.

This is a way to proceed expeditiously and try to get something done here that is important.

I know the gentleman from Minnesota feels the same way and I hope that he might consider withdrawing his request as well.

The CHAIRMAN. Is there any further discussion on the point of order?

Mr. OBERSTAR. Mr. Chairman, again I appreciate the desire of the members of the subcommittee to move expeditiously. We will do so within the context of the legislation pending in the Committee on Public Works and Transportation. We will provide a framework to do all of those things that Chairman LEHMAN just addressed in an expeditious fashion but within the proper legislative framework. I think having a bipartisan understanding as we do, we will be able to move that legislation without the appendages that would weigh it down.

□ 1350

The CHAIRMAN (Mr. GLICKMAN). The Chair is prepared to rule. For the reasons outlined by the gentleman from Minnesota [Mr. OBERSTAR], the Chair finds that this language is, in fact, legislation on an appropriations bill. Therefore, the point of order is sustained.

AMENDMENT OFFERED BY MR. MURTHA

Mr. MURTHA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURTHA: On page 38, after line 25 insert the following:

No funds appropriated under this act or any other act shall be available to the Bureau of Alcohol, Tobacco and Firearms for the enforcement of section 204 of the Alcoholic Beverage Labeling Act of 1988, title VIII of the Anti-Drug Abuse Act of 1988, (Pub. L. 100-690, 102 Stat. 481) and regulations issued thereunder, as it relates to malt beverage glass returnable bottles of 12 ounces or less to which labels have been permanently affixed by means of painting and heat treatment, which were ordered on or before April 21, 1989, provided the closure for such bottles contain the warning statement, and provided further, that any new returnable glass bottles ordered after April 21, 1989, will be in full compliance with section 204 and the regulations issued thereunder.

Mr. MURTHA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. WALKER. Reserving the right to object, Mr. Chairman, I am trying to find out what the amendment is about.

Mr. MURTHA. If the gentleman will yield, Mr. Chairman, let me explain the amendment. This amendment takes care of a brewery that has a labeling problem, and it will take care of it for a couple of years because there are 800,000 cases of bottles already filled and this keeps them from going out of business during the next couple of years. The label provisions goes into effect in November and may need a couple of years.

Mr. WALKER. Further reserving the right to object, Mr. Chairman, does this have any fiscal implications?

Mr. MURTHA. No.

Mr. WALKER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SKEEN. Mr. Chairman, will the gentleman yield?

Mr. MURTHA. I yield to the gentleman from New Mexico.

Mr. SKEEN. Mr. Chairman, I have reviewed the amendment and had a visit with the gentleman from Pennsylvania [Mr. MURTHA], and I have no objection to this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. MURTHA].

The amendment was agreed to.

Mr. CHANDLER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, while I have some serious reservations about H.R. 2072 because it does not comply with the budget accord, I would like to state my strong support for a program in chapter 4 of the bill, authorizing further migration and refugee assistance.

This chapter authorizes $100 million to support emergency refugee assistance for Soviet and East European refugees as well as African and Asian Refugees. The money would be available only if new budget authority is obtained, or the President elects to transfer unobligated and unearmarked funds made available in the Foreign Operations Appropriations Act of 1989.

This money would allow for the admission of 24,500 more Soviet refugees in addition to the 19,000 already funded for fiscal year 1989.

I just returned from a week in the Soviet Union. I was last there in 1971, and the changes that have taken place are remarkable.

But in the area of emigration, much needs to be done. While more Soviets are being allowed to emigrate than in recent years, those requesting exit visas are still persecuted.

I was approached by a large group of Armenian refuseniks who asked me to publicize their plight and support further funding for refugee assistance.

This petition, written in broken but very compelling English, tells their story more eloquently than I can, and I include it at this point in the record.

The petition follows:

We, a group of Soviet citizens, have for a long time to get rid of Soviet citizenship—citizenship of the country where a single-party system and lawlessness reign.

It is a common knowledge that prior to Helsinki Declaration on Human Rights of 1975 any Soviet citizen openly proclaiming his wish to emigrate from the USSR could get into a sanitarium or finally be in circumstances under which he could loose a human face. The Helsinki Declaration imbued us with a belief that our dreams of many years would be fulfilled despite artificial difficulties created by the Soviet party/only next of kin relatives were permitted to emigrate. However in 1980 Soviet citizens were deprived of even these limited emigration rights.

We, having the belief and a great wish to get become free, nevertheless had not lost hopes; and indeed in 1987 emigration that was diligently assisted up to summer of 1988 by the American government which granted refugee status to 4700 families, started again. Such rate of emigration was suitable for us, but—the saying is that "a rapid stream becomes dry soon"—the emigration slowed down again this time to a considerable degree owing to the actions undertaken by the American government. In July 1988 emigrants were told that entry to the USA was being slowed down as the Emigration Fund assigned for that Fiscal Year had been depleted; and also a promise was given that starting from the next FY /01.10.88/ the emigration would continue. The next year had come but utterly new regulations for Soviet emigrants followed; the new regula-

tions equalized the unfortunate Soviet citizens with emigrants entering the USA from democratic countries; besides, these regulations were also applied to a big group of Soviet emigrants who had filed their documents to the US Consulate before these regulations had become adopted /before 01.10.88/. It should be particularly noted that these people having addressed to the US Consulate before 01.10.88 /for this purpose only one member of each family went to Moscow/, got leaflets that said that in order to be inverviewed before going to the USA they are to be available having Soviet special passports issues to travel abroad. To get these passports they had to vacate their flats and homes, leave their jobs, take children out of educational institutions /including higher schools/, kindergartens, forgo medical service as they were to be excluded from patients lists at their polyclinics. The done so and afterwards together with their whole families including little children and old men and women went to Moscow and referred to the American Consulate where tidings about the altered emigration regulations were brought down on them.

As a result they instead of going to the USA in a week's time get stalled in Moscow for a period of uncertain duration and faced with a swarm of problems. It is impossible to get rooms in Moscow hotels, and private flats are leased by cooperatives at the price of 7 roubles per day for one person which is 7 times more expensive than in hotels, where previously rooms were booked by the US Consulate for Soviet emigrants. Now imagine a family of these emigrants consisting of 5 and more persons and staying in Moscow from October-November 1988.

In addition to the fact that they are harrassed by local authorities under the pretext that they have no Moscow residence permit, provocations against them are arranged with the help of hooligan elements; and when emigrants refer to bodies of maintenance of public order, those, instead of stopping hooliganism, cavil at lack of the residence permit. To get medical service emigrants have to address to commercial outpatients' clinics; and the quality of medical services can be judged by the fact that already there are cases of death among the emigrants.

Particularly worrying is the plight of children and youths who are deprived of opportunity to continue their education. The fact is that we are to leave this country because we have rather sceptical attitude to this country, and we wouldn't like that such an attitude concerning the rest of the world evolve in minds of our children.

Whereas according to new regulations the main reason of delaying the emigrants is a lack of their sponsors, it is strange that The Consulate is not able to become aware of the fact that Soviet emigrants unlike emigrants from other countries have not the opportunity to take away their money due to the unconvertible nature of Soviet rouble, and further delaying issuance of entry visas will soon these emigrants into beggared vagrants at all.

Concluding any valid labour contracts on behalf of emigrants by their relatives in absence of future employees themselves, as the American Consulate hints thereat, is hardly possible too.

In conclusion we make a request. Have mercy on our youths' souls, have mercy on health of our old men and women. Help us to go; we do not intend to sustain our lives by alms. There are specialists of various kinds amongst us, and we're able to work and to do good for the country where we shall live.

We are people living in the end of XXth century, when mankind struggles to save the Earth and to establish millenial ideals, we hope it will not be allowed that these 300 families become victims of the still going cold war.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wonder if I could have the attention of the distinguished chairman of the Committee on Appropriations.

Mr. Chairman, in H.R. 2072, the emergency supplemental appropriations bill, there is a provision providing for the transfer of up to $40 million from the Commodity Credit Corporation to the Agricultural Stabilization and Conservation Service for necessary administrative expenses incurred in carrying out fiscal year 1989 workload in connection with the 1988 disaster assistance activities. I would like to take this opportunity to commend the county office ASCS personnel for working long, hard hours in implementing the Disaster Assistance Act of 1988.

Mr. Chairman, as chairman of the committee responsible for this legislation, I would like to applaud my colleagues on the Committee on Appropriations for highlighting one of the problems encountered with USDA's implementation of the Emergency Assistance Act of 1988. In addition, I want to ensure that USDA understands that this is a problem not only with beans, edible beans, but a problem that has been encountered by farmers who produce pumpkins, peaches, apples, melons, onions, and cantaloupes, to name just a few.

It was not the intent of the Committee on Agriculture to include nonsalable commodities in determining the quantity of harvested commodities.

I would like to ask the distinguished chairman if it was the intent of the Committee on Appropriations to limit their concern over this problem just to dry beans, or whether it was their intent to merely highlight one of the commodities affected by the Department's faulty interpretation?

Mr. WHITTEN. Mr. Chairman, the gentleman is correct in that he repeats the problem that we have with regard to other commodities. We did not attempt to limit our concern to just dry beans, it applies to fruit and whatever.

Mr. DE LA GARZA. Mr. Chairman, I thank the distinguished gentleman and I appreciate his interest and all his work, and I am sure that by bringing out the fact that it was the intent of the authorizing committee and now the distinguished chairman agreeing, that was the intent of the Committee on Appropriations and the mention of beans is, but to quote, one of the items that can be encompassed as the total.

I appreciate my distinguished colleague speaking.

AMENDMENT OFFERED BY MR. FOLEY

Mr. FOLEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. FOLEY: At the end of the reading of the bill for amendment, on page 36, strike lines 19–24.

On page 38, after line 25, insert the following new section:

SEC. 403. From the funds made available in fiscal year 1989 for programs or activities not mandated by law, except for accounts receiving supplemental appropriations in this Act, 0.57 percent is canceled from each account, notwithstanding any other provision of law: *Provided*, That the fiscal year 1989 obligation limitation for each account with such a limitation is reduced by 0.57 percent.

The CHAIRMAN. Under the rule, the gentleman from Washington [Mr. FOLEY] will be recognized for 30 minutes, a Member opposed will be recognized for 30 minutes and the amendment shall not be subject to amendments.

The Chair recognizes the gentleman from Washington [Mr. FOLEY].

Mr. FOLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment which I am offering today is a very simple one, and although the reading is waived, I think it might be well to read it.

It says:

From the funds made available in fiscal year 1989, for programs or activities not mandated by law, except for accounts receiving supplemental appropriations under this act, 0.57 percent is cancelled from each account, notwithstanding any other provision of law: Provided, That the fiscal year 1989 obligation limitation for each account with such a limitation is reduced by 0.57 percent.

The supplemental appropriation bill today carries a cost, and although I agree with the distinguished chairman of the committee and members of the Committee on Appropriations that we have a dire emergency and that we do need funds, I also believe that Members of the House want to live within some fiscal constraint and want to achieve some fiscal balance with the passage of this bill.

This amendment will offset the amount of outlays for 1989 required by the supplemental appropriation bill. It is fair. It covers each account, other than mandated entitlement accounts, except for the accounts covered in the supplemental itself. It is a fiscally responsible amendment, and Members should be, I think, cognizant of the fact that this is the first opportunity we will have this year to indicate whether we are going to live within the budget restraints, whether we are going to establish some kind of

balance in dealing with the critical problems of the country, and whether we will stay within the budget resolutions and comply with the terms of our agreements.

□ 1400

Mr. Chairman, the fiscal year 1990 budget resolution has not come forward to the House yet, but it will be here in the next week or so.

I am of the opinion that both Democratic and Republican members of the Budget Committee would strongly endorse some action similar to what I am proposing. There were differences on exactly how this offset should be done.

The amendment I am offering cuts across discretionary accounts except those receiving supplemental appropriation in this bill. Some of these cuts are actually less than the unexpended balances remaining in the accounts for the various appropriations from last year. So, although this amendment does constitute a savings, we are not going to hamper existing programs.

Mr. Chairman, I think individual Members would like to ask:

Why isn't there an exemption for my program? We have an interest in this particular area that is vitally necessary for the national interest.

I think it is obvious, if we would care to go into every account, every program, and every activity of the Federal Government, that everybody would have some program for which they would be willing to defend against any cuts at all whether it is in the field of health, education, science, research, or defense.

This amendment cuts across all those programs except in entitlement accounts, and it provides an equal treatment of a fifty-seven hundredth of a percent cut.

This supplemental appropriation is badly needed. This amendment is important to the success of this supplemental appropriation, and in defense of it, I would point out that my amendment is fiscally responsible and consistent with what I believe to be the intent of the 1987 summit agreement.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Is there any Member who is opposed to the Foley amendment?

Mr. CONTE. Mr. Chairman, I am opposed to the amendment.

The CHAIRMAN. The gentleman from Massachusetts [Mr. CONTE] is recognized for 30 minutes.

Mr. CONTE. Mr. Chairman, I yield 6 minutes to my dear friend, the gentleman from Pennsylvania [Mr. MCDADE].

Mr. MCDADE. Mr. Chairman, I rise in strong opposition to the Foley amendment.

Mr. Chairman, I recognize the valid need for some of the new funding contained in this supplemental package. But I cannot agree to the offset proposal being offered by the majority leader, which mandates an across-the-board cut of $1.7 billion from the ongoing, current programs of the Defense Department.

With only 5 months left in the fiscal year—we are being asked to tell the managers at DOD that they will have $1.7 billion less with which to carry out our Nation's worldwide defense responsibilities.

We are being asked to tear up an agreement—reached a year and a half ago by the leadership on both sides of the Capitol and the President—which set a solid number that the President and the Pentagon were told over and over they could rely on in shaping our defense plans and responsibilities.

For that reason alone, if the Foley amendment passes, I believe the President will—as he should—veto what in my opinion is nothing more than a last second scheme.

But before we vote, all of us need to understand what a cut of this size, with less than half the fiscal year left, will force on the leadership at our DOD.

I can see some thinking—$1.7 billion, well we can get that if we delay contracts, or some other action. No matter if this would mean renegotiating contracts on the F-16, or the Bradley fighting vehicle, or our new Aegis destroyers. I can see Members thinking, Defense will find some way to manage the cut.

The key word is "manage." Under the Foley amendment, DOD doesn't get to manage the cut. The amendment tells them where the money comes from—from each and every Defense account. What the Foley amendment calls for is just like a Gramm-Rudman sequester—where all defense accounts are cut, without regard to impact or affect. In fact, the Foley amendment is worse than a sequester because even military personnel—our men and women in the field—are not spared. This isn't micromanagement—its management by meat cleaver.

Let me tell you what this means. In the military personnel accounts, DOD will have to slice $448 million. There's no discretion allowed. There will be almost half a billion cut from the accounts which support and pay our active duty, Guard and Reserve personnel.

This late in the year, a cut of this size spells disaster. Listen to what this means:

There will be an unplanned and irrational cut in force structure—the early retirement or release of 28,000 troops.

There won't be adequate funds for planned change of station moves, bringing our people home from their overseas duty, and these moves will have to be frozen. And so you understand this burden—because of the original summit agreement defense had to stretch these tours by 6 months to a year. And now we are asked to add more time to this service—even more time away from home and family.

Medical care for our service members and their dependents will be cut by $75 million. A $75 million cut, from an area where last year this Congress found a pressing need and we added money over the budget.

We do not want to do this.

What about readiness? No discretion there, either, because the operations and maintenance accounts would take a $490 million reduction.

This means a $160 million cut against pay for our civilian personnel. The only way to deal with this is furloughs, layoffs, and RIF's at our depots, and shipyards.

Readiness cuts also means cutting off flying and steaming hours. It means canceling exercises. And it means eliminating 25 percent—one quarter—of scheduled training for our Guard and Reserve forces.

For the past 5 years this House and the country has struggled with trying to do "more with less" as Defense spending has fallen. And if there's any consensus that's emerged, it is that if Defense has to come down we must make reasoned, sound decisions.

Our last two Secretaries of Defense—Frank Carlucci, and now our former colleague Dick Cheney—have put forward their priorities—good people; readiness; and smart, efficient acquisition. These simple goals have been saluted by this body and in the fiscal 1989 Defense bill we overwhelmingly endorsed them.

Today we are being asked to throw these priorities away. We're being asked to renege on our commitment and impose a senseless, slashing $1.7 billion cut on the Pentagon.

Here we are, just 1 day after Dick Cheney thoughtfully puts foward a plan to cancel or curtail major military programs, in order to protect people, readiness, and efficient acquisition and we are being asked to unravel those very pillars of our defense effort.

Mr. Chairman, I point out to the Members of the House that this is misguided and it is wrong. I strongly urge a "no" vote against the Foley amendment.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. MCDADE] has expired.

Mr. FOLEY. Mr. Chairman, I yield 2 additional minutes to the gentleman from Pennsylvania [Mr. MCDADE].

Mr. Chairman, will the gentleman yield?

Mr. MCDADE. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, let me ask, what does the gentleman propose we do here?

Mr. McDADE. Mr. Chairman, I have a very cogent suggestion. We had 195 votes against the rule when this bill came up because of the uneasiness in the Chamber. Let us go back to the appropriations committee and start over. Let us not send down to the President a bill that is going to be vetoed.

Mr. FOLEY. Mr. Chairman, the gentleman is a member of the Appropriations Committee.

Mr. McDADE. Yes, and I am proud of being a member of the Appropriations Committee.

Mr. FOLEY. The gentleman is a member of the committee, and we had an opportunity for one of the members of the committee, the ranking member of the committee, to offer an alternative. The Rules Committee made that in order, but the gentleman has chosen not to offer it.

Mr. McDADE. Let me say to my friend that the handwriting is on the wall here about what is going to happen.

Mr. FOLEY. What does the gentleman believe is going to happen?

Mr. McDADE. Mr. Chairman, let me say that we hope very strongly this amendment is defeated and this bill goes back to the Appropriations Committee. We did this last year. My friend remembers a supplemental that got loaded down and went down to the White House and got vetoed. Then it came back and we passed a smaller supplemental bill. We went through all that last year.

□ 1410

Mr. FOLEY. The gentleman from Pennsylvania [Mr. McDADE] knows, I think, that outlays for the Defense Department have risen over $4.5 billion since last year when we avoided sequester. If my amendment were adopted, there would be about $3 billion in outlays for the defense accounts over and above the terms of the 1987 summit agreement. My amendment is not unfair to Defense.

Mr. McDADE. Mr. Chairman, let me say to my friend, the gentleman from Washington [Mr. FOLEY], "You can use that figure. The outlays for the rest of the Government then have been up about $30 billion," and I think the gentleman knows that, and we do not control outlays. We are talking here about budget authority, and almost halfway through, more than halfway through the fiscal year, his amendment would impose unmanageable restrictions on the Department of Defense that I say in good conscience to the gentleman from Washington [Mr. FOLEY], my friend, they cannot execute.

Mr. FOLEY. Mr. Chairman, if the gentleman will yield, I know that is the gentleman's opinion. I am confident that the Department of Defense can execute the mandates presented by the Congress. They always have managed quite well as the gentleman from Pennsylvania [Mr. McDADE] knows.

Mr. McDADE. Mr. Chairman, I say to my friend, the gentleman from Washington [Mr. FOLEY], they do when we give them some time, but here we are in the last half of the ninth inning with an agreement that was reached by a group of people in the room, a number that nobody has had hearings on, and here we are going to impose it on them that far through the fiscal year. I say to the gentleman that they cannot manage it that they——

Mr. FOLEY. Mr. Chairman, I urge the gentleman from Pennsylvania [Mr. McDADE] and his colleagues to believe that, if we are going to spend money, let us pay for it. Let us not just run the deficit up.

Mr. McDADE. Oh, we have always believed in that, and I hope we can do that.

Mr. FOLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, may I say that I am normally opposed to percentage cuts. I want to say that, if we get in the habit of it, the committee will, as a matter of course, put money in there so it can be taken out.

However, Mr. Chairman, we need to get to conference because there are some very urgent things in this bill. I did not get to see the amendment earlier, but, having been on defense since 1943, with the exception of 2 years, I can see some of the problems that my colleague from Pennsylvania [Mr. McDADE] has pointed out.

However may I say that what we need to do is to get to conference, and I can assure the gentleman from Pennsylvania [Mr. McDADE] that, as a member of the subcommittee, we will work with the Department of Defense to work this thing out where they can handle it in a way and not have to deal with each item.

May I point out to all of my colleagues that I have supported the Defense Department far longer than any of them, I hope as well. But with such cuts, if we work it where they can adjust it to suit themselves, when we get through, they will have for this year $297,200 million, which is over $3 billion more than was agreed to in the summit. They will have at the end of this year $259.6 billion unspent. They will have at the end of this year $41.2 billion not even obligated.

So, we do need to give the relief that the gentleman from Pennsylvania [Mr. McDADE] points out by letting them work it out like they want to and not having to deal with individual items.

I did not get to see the amendment in advance. I agree with it. But I say that what we are trying to do here is to get to conference and get this behind us so these urgent supplementals will be available to the veterans and to all the others.

So, Mr. Chairman, I hope we will go along with this so we can get to conference, and I assure my colleagues that, as the chairman of the committee and a longtime member of the subcommittee, we will work it out where it will not require all the detail that has been pointed out by the gentleman from Pennsylvania [Mr. McDADE].

Mr. FOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, I thank the gentleman from Washington [Mr. FOLEY], my friend, the majority leader.

Mr. Chairman, chapter 6 of the supplemental that is now before the Committee, contains five items that are under the jurisdiction of the Subcommittee on the Departments of Labor, Health and Human Services and Education. Three of these items are money items. The total, as requested by President Bush for these items was $1,446 million. The subcommittee recommended to the full committee, and we have in this bill, the sum of $1,442 million. We have about a $4.4 million reduction below the amounts requested by the President. Chapter 6 does not include any increase in discretionary budget authority or outlays for activities under these Departments. The $1,442 million is call for entitlements.

Mr. Chairman, if the Foley amendment is adopted, $226 million will be cut out of the regular appropriation bill for fiscal year 1989 that was signed into law on September 20 of last year. Mr. Chairman, the Labor-HHS-Education Subcommittee stayed under the section 302(b) allocation that we received last year. We did everything possible to bring this bill to the House under the amount, keeping under Gramm-Rudman, which we did.

Despite this, if this amendment is adopted, as I said to my colleagues, $226 million will be cut out from these programs. Just let me give my colleagues a few examples.

In job training it would cut $21 million. As far as biomedical research, Mr. Chairman, —$40.7 million. As far as drug abuse, treatment and prevention, the Foley amendment would cut the bill $9 million. Social Security and Medicare, administrative costs, $32 million. Low-income energy assistance, $7 million. Head Start, $7 million. Chapter 1 compensatory education, $26 million. Education for the handi-

capped, $11 million. Student financial assistance, $33 million.

Mr. Chairman, I do not know of a Member in this House on either side of the aisle that is against the item in the bill pertaining to the Veterans' Administration. Any urgent emergency bill that passes in this House will contain the amount for the veterans. But why do they want to come in here at this time and say to the committee, "The reduction has to come out of those programs pertaining to health and education"?

Mr. Chairman, we brought out a good bill last year. It was under our 302(b) ceiling and it was signed into law. The question has arisen during this debate as to what we would do if we do not adopt the Foley amendment and the bill fails today, Mr. Chairman. All we have to do is bring out a clean bill. In that bill put in the money for Veterans' Administration. Put in the money for guaranteed student loans and other mandatory programs. Put in the trade adjustment money. All we have to do is to put in there only the essential items and the House will adopt it.

Mr. Chairman, the gentleman from Massachusetts [Mr. CONTE], my friend for years now, along with the other members of our subcommittee have said time after time, "If you take care of the health of your people and educate your children, you can continue living in the strongest country in the world."

The Foley amendment says, "In order to balance this out, we want to take $226 million out of health and education."

Mr. Chairman, this is a mistake. It is a serious mistake. The bill that should be before this committee today should be a bill that my friend, the gentleman from Washington [Mr. FOLEY], the majority leader, would approve of, one that takes care of the Veterans' Administration, and the other items that I called attention to. We should not come in here and say "Let us cut the AIDS Program back a little amount here to pay for the $7 million from research on a dread disease that is all around the world.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. NATCHER] has expired.

Mr. CONTE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, there is a way to bring this bill out and bring it out right. My colleagues know, and I know, and every member in this committee knows that, when this bill gets on the other side, if it stays in the current form, it will be turned into a Christmas tree if they have ever seen one.

□ 1420

In the conference we will be able to agree on them and then the bill that we send downtown to President Bush will be vetoed just as sure as I am standing on this floor today.

Now, why do we want to go through that? These items are important.

My friend, the gentleman from Washington [Mr. FOLEY] is a good majority leader, Mr. Chairman. Certainly, he is in favor of these items for the Veterans' Administration. So am I.

He is in favor of these items pertaining to guaranteed student loans, and so am I.

Mr. Chairman, he wants to pay back to the States, the 50 States, the amounts in the foster care and adoption assistance programs, and so do I.

But, Mr. Chairman, let us do it right. Let us turn down the Foley amendment.

Mr. CONTE. Mr. Chairman, I yield 6 minutes to the gentleman from Arizona [Mr. KYL].

Mr. KYL. Mr. Chairman, we all here I think recognize the problem that the majority leader was trying to address with his amendment, but I want our colleagues to know some of the problems that will be created by this amendment.

We have a new Secretary of Defense who is held, I suspect, in as high regard as the gentleman from Washington is held. Yesterday when new Defense Secretary Cheney came before the Armed Services Committee of this body to testify for the first time before this Congress, he was told of the proposed Foley amendment during the lunch break. He returned to the hearing to express great consternation at the prospect that the Foley amendment might be adopted by this body. He had just testified how he had to cut $10 billion from the budget offered earlier this year, how painful it was for him to do that, particularly with the Members of this body, many of us lobbying him for our favorite projects.

Most of the people on the committee expressed great concerns about specific projects that had to be cut, that they did not want cut. Many of these same programs will be impacted as much by the across-the-board cuts required by the Foley amendment.

I believe, my friends, that the law of unintended consequences will play here, and I would like to describe just a few of the unintended consequences that were not discussed by the gentleman from Pennsylvania earlier.

This program, which is not to be managed, as was pointed out by the gentleman from Pennsylvania, would reduce defense funding by $1.7 billion, including the following budget title reductions:

Military personnel, $448 million.

Operation and maintenance, $490 million.

Procurement, $452 million.

Research and development, $214 million.

Military construction and family housing, $50 million.

These are unmanaged cuts that Secretary of Defense Cheney does not know how he will be able to handle.

The Defense budget has already been weakened by 4 years of negative real growth and would be further damaged by the impact of this further $1.7 billion reduction.

It would provide an increase in negative real growth in fiscal year 1987 from 1.3 to 1.8 percent, and reductions would fall severely in key areas; for example, military personnel, operations and maintenance, research and development appropriations, where there is very little flexibility to absorb reductions at this late stage in the fiscal year. That is the real problem that we are talking about here.

Reserve and Guard programs would be hit hard. I know there are some people here who are very concerned about the Reserve and Guard.

Almost 25 percent of the schools, special mobilization training, would be eliminated. This would have a direct negative impact on our readiness.

It would freeze PCS moves. I know we are concerned about our constituents who are concerned about their families.

It disrupts the proper staffing of critical positions, as well as family plans, such as movement to new schools and selection of new homes. A serious morale problem would result.

It would stop the payment of reenlistment bonuses. It reduces real property maintenance, people maintenance that would have to be made in order to avoid personnel reductions.

Five to ten military construction projects would be eliminated and planned maintenance of family housing units would have to be curtailed. Morale would be obviously adversely affected by this, and operating costs would not be reduced.

Since two-thirds of the year is gone, the reduction in RDT&E would have to be taken, and technology and research programs at the laboratories and the universities, and by curtailing planned testing of weapons systems.

Scientists and engineers would be laid off until the fiscal year 1990 when funds are available.

The problem with this is that in this highly competitive environment that exists in the technology field, it is likely that many of these people would not return. Programs, in other words, will suffer a long-term negative impact from this short-term problem.

It also will have the effect of disrupting ongoing contract negotiations as procurement requests are withdrawn to accommodate the lower levels of spending in 1989.

Mr. Chairman, these are unacceptable consequences. We cannot continually ask Defense to cut and then cheat on the agreements which have been reached in good faith, and it brings into great doubt the efficacy of the 1990 agreement just announced by the President and the Congress.

As I said, it is not necessary, and it is not necessary to vote aye on the Foley amendment to be fiscally responsible. We can vote aye on the motion to recommit and achieve that objective.

Mr. Chairman, I urge my colleagues to vote no on the Foley amendment, to redo the bill to provide for the emergency funds that are necessary.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. KYL. I am happy to yield to my friend, the gentleman from California.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding to me.

I just want to remind my colleagues that we have worked for 4 years since 1986 to get the military involved in the war against drugs, and they are now doing something. They reported to the Armed Services Committee just a couple days ago that they are stopping planes on the southern border of the United States. These cuts in O&M will slow down that effort and will hurt the war against drugs by the military.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. KYL. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Chairman, I had asked for some time for myself, but I just heard the gentleman's remarks. I could not say it nearly as well as the gentleman has. I subscribe to everything that the gentleman said.

It will have a tremendous impact on morale. It is going to interrupt families. It is going to create more separation. It is going to impact reenlistments. It is going to put uncertainty and a pall over the entire military establishment if we break faith, and that is what this is, a breach of faith.

We start out with an agreement, a budget summit. We knew what the figure was. This not only impacts that, but it dips into it in order to pick up programs that are domestic in nature.

We have already taken our proportionate cut in defense. It is a breach of faith. It will have a particular effect for many years to come if we do not keep faith with our people, including the families of those who were just in the funeral of the men from the *Iowa*.

Mr. KYL. Mr. Chairman, the gentleman said it very well, and I thank him.

Mr. FOLEY. Mr. Chairman, I yield myself 2 minutes to comment that it is interesting to see the parade of Republican Members who have so much trouble with these across-the-board cuts. President Bush in his suggested alternative suggested almost twice this cut across the board in virtually every domestic account. I am sure that would produce a lot of pain as well, but our friends on the other side only see problems in the Defense account. They apparently do not see problems in any other.

Are we going to be fiscally responsible or not? Are we going to pay for these necessary expenditures or not?

I agree with the gentleman from Kentucky, my friend, the distinguished subcommittee chairman, and I do believe that this bill that is brought to the floor today by the Appropriations Committee is one of the best and one of the leanest and one of the most well-organized bills I have seen in a supplemental in the years I have been here.

I think that sometime along the line here we are going to have to ask ourselves the tough question, "Can we have these additional spending bills, urgent and dire and needed as they are, and yet avoid any method of paying for them?" That is the question that I think we have to ask and the question the House has to answer.

□ 1430

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I just wanted to make the point that there are a number of us on this side who are not just concerned about defense but also concerned about some other areas. For instance, I have some figures I will talk about in just a minute, but about what this does to the science programs in the Nation. Science programs in the Nation are going to be very, very heavily impacted.

Mr. FOLEY. Does the gentleman know that the President's proposal would take twice as much out of domestic discretionary programs?

Mr. WALKER. Mr. Chairman, I would say to the gentleman that I am prepared to oppose the President when he takes away the seed core of the science of this Nation, too. It does not make any sense to do it here on the floor when we are in dire straits.

Mr. FOLEY. Mr. Chairman, the gentleman knows that the NASA account was increased by 20 percent last year. We are not asking anyone to take more than a 0.57-percent reduction.

Mr. BROWN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I am happy to yield to the gentleman from Colorado.

Mr. BROWN of Colorado. Mr. Chairman, I would like to address an inquiry to the gentleman, the distinguished majority leader. If I understand his amendment, what he is suggesting is that supplementals should be revenue neutral?

Mr. FOLEY. The gentleman is correct. I think as much as possible we ought to make them deficit neutral.

Mr. BROWN of Colorado. From listening to the debate, I understand that the gentleman's amendment would utterly devastate a wide range of functions. What portion of spending cuts does the gentleman effect in these impacted areas? How much of the money is the gentleman going to take away from these other programs?

Mr. FOLEY. As I say, we are talking about 0.57 of 1 percent. The total amount of the offset is approximately the amount of the fiscal year 1989 discretionary domestic and defense outlays contained in this bill, or $1.44 billion.

Mr. BROWN of Colorado. Let me say to the gentleman that I believe the amendment that he has brought before the House establishes a very important principle. It says that we mean what we say when we pass a budget. It says that we are going to do the honorable thing in trying to allocate funding to the most important areas.

I must say that I am concerned about the debate that has been brought up, and I am going to have to weigh the alternatives if the gentleman's amendment passes. I do not intend to vote for the Supplemental Appropriation even if this amendment passes. I favor living within the budget, but I will not support transferring funds from defense programs to domestic spending. Defense spending currently is within the budget limit, while an increase in domestic spending would not be. It strikes me that the gentleman's amendment is a very responsible thing to do. It is an amendment that would have saved this country billions of dollars, and I intend to support it.

Mr. FOLEY. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, I do not like across-the-board amendments. I never have, and one of the reasons is because they cut those programs that got too little funding as well as those that got too much.

However, keep this in mind: At this time we are not passing an act. This is the first step in passing a bill; it has to pass here. It has to pass in the Senate. It will go to conference. There will have to be some kind of an agreement with the administration. This is not the final act today. This is the first step.

It has been said that we have got to have offsets for the discretionary accounts which receive additional funding in the bill. Then we hear all of these complaints that the Defense Department cannot share in the offsets. That is what this is all about.

Let me tell the Members that they did not have any trouble finding $66 million for the Contras; just as soon as the administration said, "You need an

offset for this," they found it overnight. They did not have any trouble finding $125 million in transfers for international affairs in this bill. They found an offset for that out of defense funds, but whenever we want them to find offsets for domestic programs the administration says that they cannot find it.

Mr. Chairman, we are in a mid-year revision. Whenever we have a trillion dollar budget for 12 months we often come to a place 6 months through the fiscal year where we know some account has too much money or more than they need and others do not have enough. We have to have a revision. In past years all we did was just add to the accounts that did not get enough and let the others keep their money. Some of them got as much as a 20-percent increase last year while others were held to an increase of less than inflation. Of course, there has to be some kind of revision. There has to be some adjustments provided in this bill to keep a couple of agencies from having furloughs right away, and so what we have here is a midyear revision.

What the gentleman from Washington has proposed is that to show good faith we have a 0.57-percent reduction in all discretionary programs which were funded in fiscal year 1989 except those for which additional appropriations are provided for in this bill. When we get over to the Senate, they will have a different idea probably, but the administration can help us if they want to find one-tenth of 1 percent out of the Federal budget that is not going to be needed in this fiscal year. That is all we are talking about. We can find these offsets with their help.

As the gentleman from Washington said, the administration proposed a 1.099-percent cut in certain domestic discretionary programs in order to fund their supplemental requests they proposed twice as big a cut. That is the administration's proposal. That is what they want. The gentleman from Massachusetts proposed 0.67-percent reduction in certain domestic discretionary programs. That is bigger than the one that is proposed here.

These things in all of these bills that we are talking about, there would be cuts at this stage in the game, but, as I said, in a midyear revision we have got to have a bill that cuts across all departments.

Up to now we could have reprogrammings, that is, within line items in a bill. We do that within committees without coming back to the floor, but to go and take some out of one department and give it to another, we have to have a bill.

Let us take, for example, a couple of things; take drugs. We have in here money only for the enforcement function. The enforcement function did not get enough money last year. On top of that, we stayed here 3 extra weeks to pass a bill that almost everybody voted for that said we needed to increase enforcement. At the same time down in HHS, they were given a huge increase, and they could not absorb it, and they will not be able to in this fiscal year.

It takes a bill to take a little out of those programs that they do not need, and they cannot spend this fiscal year, and put it where it is needed. That is a midyear revision. That is what we are talking about.

Mr. Chairman, we then talk about a clean bill. We talk about what it ought to be. If it happens to be what is called mandatory, nobody even raises a question. Student loans are going to cost us $892 million more than was anticipated at the beginning of the fiscal year, primarily because interest rates have gone up. Nobody even mentions that. That is OK. That does not mean anything. That is just pennies. But when we come to $725 million for drugs because crime has increased in the country, they say, "That is discretionary spending. We cannot do that."

What we have here is a midyear revision. I ask the Members to support the Foley amendment. When we get to conference, we will find a better way to handle the problem of offsets.

Mr. CONTE. Mr. Chairman, I yield 3 minutes to the gentlewoman from Maryland [Mrs. BYRON].

Mrs. BYRON. Mr. Chairman, as chairman of the Subcommittee on Military Personnel and Compensation, I want to alert my colleagues to the devastating impact that the proposed $1.7 billion Defense cut would have on our men and women in uniform. As the fastest spending account in the Defense budget, military personnel would take a major hit—a half billion dollars. Believe me, there is no way to find that level of funding this late in the fiscal year without substantial pain to a lot of service people.

I could raise the "red flag" of massive end strength cuts, but the level required would be absurd. At this point in the fiscal year, by the time we factor in moving and separation costs, you would save less than $2,000 per person. How many of this body are Marines? Look at it this way: It would mean an end strength cut larger than the total size of the Marine Corps. Obviously, that is ridiculous.

How then would the Department of Defense realistically achieve such cuts? Let me lay out one scenario. First, it could immediately stop a large portion of Reserve and National Guard training, seriously cutting the readiness capabilities of the Reserve Forces. Second, with the exception of those coming into or leaving the service, we could postpone all transfers until the next fiscal year. The personal disruption to the families involved—many of whom may have already sold their homes in anticipation of a summer move—would, of course, be devastating. In addition, delaying the cost of these moves until after October 1 could create a budgetary time bomb for fiscal year 1990. Third, we could achieve additional savings by stopping the reenlistment bonuses currently paid to retain those individuals in whom we have invested the greatest amount of specialized training. During that 4 or 5 month bonus moratorium, with unemployment at the lowest rate in 14 years, the services would likely lose the best and the brightest of their skilled enlisted force to private sector employers, at a time when we have the best All-Volunteer Service in years. Finally, to make up the rest of the shortfall, the services could immediately—as of June 1—force out all those individuals not planning to reenlist. With a minimum of 30,000 such "early outs," the impact of this one-shot undermanning on force readiness would be dramatic. Some jobs would simply go undone. More importantly, other service members would have to work even longer hours to pick up the slack. That may not sound bad to you when we are talking about Pentagon or headquarters staff. But, what about the sailors deployed on aircraft carriers who are already working 12 to 14 hours per day? Or those standing alert in the far reaches of the globe? How about the young men a week ago who saved the *Iowa*?

I have tried to lay out a realistic option for how DOD could make massive, short-term cuts in the military personnel account. There is no question that the price to the Government and the individual soldiers, sailors, airmen, and marines would be extraordinary. Clearly, we would be paying the bill in personnel turbulence and reduced readiness for a very long time to come. I urge Members' opposition to the amendment of the gentleman from Washington.

□ 1430

Mr. CONTE. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to my friend, the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I want to dispel the myth that Democrats and even some on our side are soft on defense simply because they feel that when domestic programs are being squeezed they should take it out of defense. I think that is a sincere belief that some Members have. I just disagree with it.

Second, I wish we would treat the man on active duty with as much concern as we do the veteran. About 40 percent of the Defense budget is personnel and personnel support. We certainly treat the veterans, and rightly so, with kid gloves, but somehow the man on duty does not get treated quite that way.

Last, the intelligence functions of this country are very important. I suggest there is a relationship between the Defense budget and how well we conduct our intelligence around the world. And while we are concerned about satellites and verifying treaties in a world consumed with terrorism, I think we ought to be very careful about where we slice, continually slice the Defense budget.

Again I thank the gentleman for yielding.

Mr. WALKER. I thank the gentleman from Illinois.

Mr. Chairman, let me build upon what the gentleman from Illinois is saying by just going into some of the concerns that I have about the Foley amendment as it relates to the science policy of this country.

The Foley language is going to take more than $96 million out of the science accounts of this Nation. That is between $52 million and $61 million out of NASA, $30 million to $35 million out of the Department of Energy research, $11 million to $13 million out of the National Science Foundation, the seedcorn agency of the Nation, $2 million to $3 million out of the Environmental Protection Agency for their research programs, and about $1 million out of the National Institute for Standards Technology, the place that we have to have funded to get good science commercialized. I suggest that that is not the right approach in a fiscally responsible society.

It seems to me that we are also doing something else which is just as devastating. By changing the base lines as this particular amendment would do, we not only aggravate the problem for this year, we roll it over into next year. Under this amendment, the base lines will change so that the Committee on Science, Space, and Technology allocations for science next year will be reduced by between $102 million and $120 million. That means that we will have less money for the research and development that this Nation needs to remain competitive. That is not a fiscally responsible approach, that is a fiscally irresponsible approach, and I think it is time to defeat the Foley amendment.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, the gentleman will admit then that the Conte amendment which was published in the rule was, by the same token, more fiscally irresponsible since it would have cut 0.67 percent from these accounts rather than 0.57 percent?

Mr. WALKER. I will say to the gentleman I have the same concerns about that amendment and expressed those concerns. But let me say to the gentleman that I have interpreted his amendment, though, as saying that the committee bill as it came out was fiscally irresponsible.

Mr. FOLEY. Mr. Chairman, I yield myself 1 minute to answer the gentleman.

The gentleman from Pennsylvania then is saying that President Bush's submission was fiscally irresponsible since it proposed to cut 1.099 percent from certain domestic discretionary accounts?

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I just say to the gentleman that I also have concerns about the Bush administration when they begin to cut out of the science accounts of this Nation and those research and development accounts, and I am opposed to the Bush administration doing it just as I am opposed to the gentleman from Washington doing it.

Mr. FOLEY. Is it fiscally irresponsible for the President to suggest that to the Nation?

Mr. WALKER. I did not say that it was. I think it is fiscally irresponsible to take away from the future.

Mr. FOLEY. I am giving the gentleman from Pennsylvania a simple proposition. If it is fiscally irresponsible to suggest a fifty-seven-one hundredths of a percent cut in science as well as every other area, then it must be fiscally irresponsible to cut 0.67 percent or 1.009 percent as the gentleman from Massachusetts [Mr. CONTE] and the President proposed for certain domestic discretionary programs?

Mr. WALKER. Let me say to the gentleman that his percentage amounts to $61 million out of NASA, and that means it impacts on the space station and on other programs for the future, and that is just not the right approach.

Mr. FOLEY. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. ROE].

Mr. CONTE. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. ROE].

The CHAIRMAN. The gentleman from New Jersey [Mr. ROE] is recognized for 4 minutes.

Mr. ROE. Mr. Chairman, I thank the distinguished majority leader and the distinguished ranking minority member for yielding this time to me.

Mr. Chairman, I debated speaking today. It is difficult for me to be opposed to the distinguished majority leader in what he is trying to do. But I think it is also important to give a little bit of information that may be helpful to Members.

I do not look at this particular action we are taking now, this across-the-board cut, as being the issue at all. I think we have to start dealing up front with what the issues are before the country.

Science, space, technology, and education are the future wealth and opportunity of this country. I want to just read a report that came out today and that was delivered in reference to what is happening in the United States on creating new wealth. I agree with the gentleman from Kentucky [Mr. NATCHER].

American scientists at Raytheon invented the microwave oven but today it is Korean and Japanese companies who produce 90% of the world's microwave ovens including well over two-thirds of those bought by Americans. American scientists at RCA invented the color television, but today European and East Asian companies produce over 97% of the world's color televisions including 85% of those bought by Americans. American scientists at Ampex invented the VCR, but today Japanese, Korean and European companies produce over 99% of the world's VCRs including virtually all of those bought by Americans. "Try this one on for size:" American scientists funded by DARPA invented the computer numerically controlled machine tool, but today European and Japanese companies produce over 75% of these machines, including over 60% of those bought by American companies.

American scientists at AT&T Bell Labs & Texas Instruments invented the base technology that produced the world's first memory chip, but today Japanese companies produce over 80% of the world's memory chips including over 50% of those bought by American companies. American scientists backed by NASA sent the first commercial communications satellites into space but today, it is a European company, Aerienne Espace, which has acquired well over half of the commercial space launching business.

So the list goes on. I would hope that we would look to the priorities in this country. We are talking about jobs for the future. We are talking about rebuilding the economic, dynamic foundation of this country. That is what is at stake. It is not a question of cuts across the board.

We in this House have to start making up our mind on a bipartisan basis what are the priorities of America. Either we are going to create new wealth, which we are going to need, through education, and the billions and hundreds of billions we are going to need as far as the health care of this country are concerned, or we are going to just sit and dawdle away on things that are dissipating the wealth of the Nation.

What are we doing, asking that we do this for me? No, we are saying think about the future productivity and the capability of this country to produce the resources we need and for

the education and other things that we need.

I hate to do this because I have the greatest respect for the gentleman from Washington [Mr. FOLEY], but I hope in some way after 21 years in this House I can get some of my colleagues to understand that we are not just talking about what is being taken from my committee. I do not represent my committee, I represent 600-some-odd thousand people in my district in New Jersey, and we are concerned about these decisions, and we are concerned about the future of this country and where the new wealth is going to come from.

□ 1450

The CHAIRMAN. The Chair would announce the gentleman from Massachusetts [Mr. CONTE] has 8 minutes remaining, the gentleman from Washington [Mr. FOLEY] has 6 minutes remaining, and the gentleman from Washington [Mr. FOLEY] will be entitled to close the debate.

Mr. CONTE. Mr. Chairman, I yield 4 minutes to my good friend, the gentleman from Georgia [Mr. GINGRICH].

Mr. GINGRICH. I thank the gentleman for yielding.

Mr. Chairman, I was really torn yesterday between admiration for the speed and skill with which the leadership came up with a new amendment meeting the fiscal concerns of some Members and the lack of detailed understanding of what that amendment would do.

I could not decide whether I thought that the Foley amendment was an act of genius or whether in fact its unintended consequences were extraordinarily disruptive.

I stand here today, I am not quite sure what the message is supposed to be in this amendment. It is the closest thing to Jimmy Carter's unilateral disarmament we have seen in a long time. It basically says we can get to a balanced budget if only we abolish the Defense Department.

I am sure that some of my antidefense friends will immediately start laughing. But let me read what the Secretary of Defense says. The Secretary of Defense is a former colleague of ours. He is a man who understands this building fairly well. He works for a President who has been reaching out, I think, trying to be biparitisan and who has tried to say to the leadership on both sides of the aisle: We truly can be different than the Reagan years if we can sit in a room and make agreements and work together. We truly can manage this Federal Government together in a bipartisan way if we are willing to keep our word and to be bipartisan.

This is what Dick Cheney, our former colleague, has to say in a letter to BOB MICHEL:

It has come to my attention that the Democratic leadership proposes to fund the supplemental for Fiscal Year 1989 by imposing a reduction of $1.7 billion on the defense budget for the current fiscal year. If such a measure passes, I will recommend to the President that he veto the Supplemental Appropriations Bill.

Attached is a memo explaining in some detail the impact of the proposed reduction. .57% sounds like a small number until you realize that we are in the final four months of the fiscal year and that it can only come out of certain accounts. The reduction would fall most severely on personnel, O and M accounts, and research and development, where there is very little flexibility this late in the fiscal year.

In putting together the President's DOD budget proposals for FY 1990, I have been very careful to avoid cuts which would interfere with our ability to recruit and retain first-class people for the nation's armed forces. This proposal would do enormous damage before we even get to FY 90.

The cuts would force me to freeze permanent change of station moves, disrupting plans of military families. I would have to stop payment of reenlistment bonuses which would seriously reduce our ability to retain trained and skilled people, and I would have to provide for the early release of some 28,000 people scheduled to leave the service between now and the end of the fiscal year. This would have very serious consequences for the manning of our forces.

I am also deeply disturbed as a former Member of the House of Representatives at the prospect that commitments made by the Congress in the fall of 1987 concerning funding measures for defense in FY 89 will not be kept. If we are to have a period of greater consultation and cooperation between the President and the Congress on matters of national security policy in the years ahead, I believe it is essential that Congress live up to its commitments.

I hope that this unwise proposal will be defeated. If it is not, I will urge the President in the strongest possible terms to veto the measure when it reaches his desk.

My final conclusion, Chairman WHITTEN, is simple: If you want a dire emergency supplemental signed, we must defeat the Foley amendment. If the Foley amendment passes, it will certainly be vetoed and that will in fact make it harder for the veterans and it will mean less money available for drug interdiction.

Mr. FOLEY. Mr. Chairman, I yield myself 30 seconds, just to say that the only difference between my amendment and the Conte amendment, which was not offered is three words: two figures of 0.67 percent rather than 0.57 percent—the higher cuts on the Conte side—than I am offering and the word "domestic." The Conte proposal was limited to only "domestic" discretionary programs.

Our Republican friends seem to understand the problem with across-the-board cuts when they apply to defense and all other accounts but not to understand them when they apply to domestic accounts.

Mr. Chairman, I yield 2 minutes to the gentleman from Mississippi [Mr. WHITTEN], the chairman of the Committee on Appropriations.

Mr. WHITTEN. Mr. Chairman, as chairman of the Committee on Appropriations, I have always recommended each subcommittee chairman as conferees. Let us go to conference. We are talking like you are cutting up a melon on the table, cutting it up.

If we do not get to conference, we do not get a bill and you do not get any of this and you will not get a bill.

We have been trusted in conference to take care of what we hear on the floor with respect to the various programs. I am all for it. I have brought you a bill as best I could with the support of the Committee. But let us get to conference so that we can work these things out.

Most of what I have heard here about programs and the need for them I agree with. Give us a chance to go to conference so we can get something. We will not get anything until we get there.

The CHAIRMAN. Does the gentleman from Washington yield back the remaining 1 minute?

Mr. FOLEY. Mr. Chairman, I reserve my remaining 1 minute.

Mr. CONTE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, a lot has been said about the Conte amendment, which I decided not to offer. I did offer it in committee, but I got beat, and I mean, beat tough. And I gave a lot of thought to whether to offer it. Instead I argued here in the well against adoption of the rule. I thought that was the proper thing to do—not give a waiver, of the Budget Act, send this bill back to the Committee on Appropriations, and let us bring out a lean bill. And if any chairman of any subcommittee, those great cardinals of the U.S. House of Representatives, wanted to beef up his chapter, let him take it out of his bill some other place. Pay as you go.

It is easy to put money in a bill. It is a cinch. I have done it myself. I might be one of the bigger culprits in the House of Representatives; I will admit it. It is easy to put it in. But it is darned tough to take it out.

Now my dear and beloved friend, Mr. FOLEY, mentioned what he said was the one difference between my amendment and his amendment—at least what was my amendment. I was glad to see him incorporate 90 percent of my amendment into his, and glad to see him go for a little fiscal responsibility on that side of the aisle. But there was another big difference in my amendment. My amendment cut $944 million of real money.

I cut out $453 million in drug programs; I cut $250 million in the Japanese-American internment repayment; I cut $241 million for homeless programs.

It was painful, painful for me to do that. But I served on the 1987 budget summit with our leader, and I complimented him after that. He was a great chairman, one of the best. We would have never had an agreement if it was not for the majority leader, Mr. FOLEY, one of the finest men I have ever met in my life. We signed in blood on that agreement, and we said "no more supplementals."

I used to get banged on the head here on the well every time we took up a supplemental. They said, "You guys on appropriations are a bunch of fakers. You always know how to get around the budget. You cut your bills and then you come around with a supplemental later on and put it all back in."

"No," we said, "no more of that, no more trickery here. We are going to play above the table." And we did. So this is the first bill, that tests us, the first real test.

A lot of remarks were made today about the Contra aid. I voted against the Contra aid. In full committee, I said, "Look, how in the heck can we vote for Contra aid and not vote money for the veterans? I don't know how you can go home and justify a thing like this."

I voted against the Contra aid, but I am standing here today saying vote against the Foley amendment. That hurts me to be opposed to Mr. FOLEY. I think I am with him 99 percent of the time. He is a beautiful human being and he is a great leader.

Today he is wrong.

We ought to vote against the Foley amendment, vote against the bill, and let us send this bill back to the committee and come out with a fiscally responsible bill. As BILL NATCHER said, take care of the veterans health care, take care of the firefighters, take care of the Soviet refugees, and peacekeeping.

□ 1500

Put in the guaranteed student loans, the trade adjustment assistance, the foster care money, all mandatory, not discretionary. Take care of all those things which are mandatory, and the discretionary spending I mentioned, and weed out the rest.

In the Labor/HHS/Education Subcommittee, we didn't add one penny in our section. When we marked it up, they tried, and our good chairman, the gentleman from Kentucky [Mr. NATCHER] said, "No, no, this is not the place to do it. Do it in the regular bill. Hold off on this amendment. Hold off on that amendment," and we did. We did not add one plug nickel.

So I think the proper way to go is to defeat the Foley amendment, defeat the bill, let us get back to committee tomorrow and bring out another bill, and it will go through here like a hot knife going through butter.

Mr. FOLEY. Mr. Chairman, I am tempted to believe that the gentleman from Massachusetts invented the phrase "Kill with kindness," and appreciate the generous remarks. If I had more time I would yield him some additional time.

I yield such time as he may consume to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, we are here today to consider a dire emergency supplemental appropriations bill which includes $100 million for refugees, most of it for Soviet refugees. I fully support this program which meets our moral obligation to those Soviet Jews and others whose cause we have long championed.

But there can be no more urgent dire emergency than the one presently unfolding in Dade County, FL—the sudden overcrowding and reduction of the quality of education of all the children in Dade County. The Dade County school system is the fourth largest in the country and it is in crisis because of decisions by the Federal Government over which it had no control. Five thousand Nicaraguan children who fled from Sandinista Nicaragua have enrolled in Dade schools since July. These children are refugees; our Government gave either explicit or tacit approval to their arrival. Federal Government policies encouraged them to immigrate.

Now we must educate them and all the other children in Dade County. It will cost over $100 million to build new schools to eliminate the overcrowding their arrival caused. All the children in Dade, not just the refugee children, suffer when there is not enough classroom space and the classes are too large to give each child the attention he or she needs. In addition to the $100 million needed for new schools, it is costing over $20 million a year to educate the newcomers.

The taxpayers of Dade County have been responsible with their school system. They approved a bond issue to build the schools needed before the Nicaraguan influx. Their taxes fund a school system which provides an excellent education to their children. Now, all the children in Dade County schools will suffer because of Federal policies over which they had no control.

There are other expenses which Dade County and the State of Florida must bear because of the Nicaraguan influx, including substantial medical and other social service expenses. As a matter of simple fairness, the Federal Government, and not Dade County, should cover these costs which are about $15 million a year.

We all recognize the Federal Government's responsibility for refugees, hence the $100 million in this bill. The Federal Government has accepted this responsibility in the past during the Cuban migrations of the 1960's and the early 1980's. But how can we discriminate between refugees from Nicaragua and those from the Soviet Union? It is simply unfair to force one community which, solely because of its geographical location, to continue to bear the brunt of the Central American influx without reimbursement from the Federal Government which encouraged the influx in the first place.

Mr. FOLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Chairman, I rise in support of the amendment offered by the majority leader. It is our only option to meet our responsibility to provide a means of offsetting the additional discretionary spending in the committee bill. But I support the amendment with no great enthusiasm.

I do not believe in across-the-board cuts. This bill does not include across-the-board increases. It proposed specific increases to support carefully identified, high priority policy goals. We should be setting priorities in spending, and I agree with the priorities in this bill.

What are the dire emergencies these funds are appropriated to meet? Principally two. The shame of homelessness and the plague of drug-related crime. These are two of the most pressing crises facing our country today.

But no matter how dire the emergency, no matter how many children have no place to call home, no matter how many young people destroy their lives through drugs, no matter how many neighborhoods are terrorized by drug wars, we are still unable to identify any lower priority programs that could be cut to provide the needed funds.

All programs are not created equal. We have no difficulty choosing those, like helping the homeless or fighting drugs, that are more equal. That's the easy part of this job. The hard part, the part we have failed to do, is to choose those that are less equal, and that, given the fiscal mess we face, must be reduced to make a greater commitment possible to meet the dire emergencies. Across-the-board cuts are not an appropriate substitute for deliberate, reasoned spending reductions.

If we are unable to identify specific cuts, of course, we do have another alternative. In the Constitution, in article I, section 8, clause 1, it says Congress has the power to lay and collect taxes. We could pay for these increases by challenging the commandment that haunts this House and paralyzes this Government. The commandment is "Thou shalt not raise taxes."

Mr. Chairman, it's a false commandment. We all agree that we should be devoting greater resources to fighting drug crime and housing the homeless. And we have a responsibility to provide the resources required to meet society's needs. Under this amendment, we provide those resources by nickel and diming the rest of the Government. Some time in this Congress, we will cease to heed the President's lips and get on with governing this Nation. I hope it's sooner rather than later.

Mr. FOLEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Chairman, I support the Foley amendment and am concerned about the cuts in the IRS section, but we must move this session forward.

I rise today to express my concern about the impact that the substitute we are considering will have on the Internal Revenue Service. The Ways and Means' Oversight Subcommit-

tee, which I chair, has held hearings this year to review the funding and staffing levels of the Internal Revenue Service. Based on our continuing review of IRS operations, I am very concerned about the proposed domestic spending reductions on the IRS examinations and appeals account and on our entire Federal tax system.

Thus far in fiscal year 1989, the IRS has absorbed over $350 million in unfunded cost increases, and this does not even include the costs associated with implementation of major legislation passed by the Congress in 1988. These costs are affecting the ability of the IRS to achieve the fiscal year 1989 goals outlined for programs in the examination and appeals account. For example: the audit rate is now approaching only 1 percent, far below the 1.27 percent originally estimated for fiscal year 1989; the ending case inventory for appeals is now expected to reach 61,200, 5,000 more cases than originally estimated; and the audit rate for tax exempt organizations is now estimated at 2.5 percent, almost half the original estimate. Mr. Chairman, it is absurd to make further cuts in these programs when the evidence of current funding shortfalls is staring us in the face.

In addition to the tax policy reasons just noted, I am troubled by the logic of these reductions. Cutting the IRS budget would actually cost the Federal Government more money than it will save. If the goal of these amendments is to help balance the budget, then why reduce the resources given to the IRS for revenue raising activities? Under the proposed amendments, the IRS budget would be reduced by $10 to $13 million, but there would be a gross revenue loss of $45 million and a net revenue loss of $32 million associated with this reduction.

Mr. Chairman, I strongly urge legislation be passed to make it deficit-neutral, and I know that means reducing spending which will have a negative impact on every Member of this House. However, the continued reduction in funding for the IRS is not in the best interests of our Federal tax system or of your constituents, the taxpayers. As this legislation moves forward, I hope we can restore full funding for IRS, as well as full funding for many of our defense-related projects.

Mr. FOLEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, the majority leader has taken a lot of heat because he is making cuts, $220 million, in programs that I care about a lot. I do not like that. But I would simply point out that the gentleman from Massachusetts' [Mr. CONTE] alternative, cuts $40 million more out of the same programs, and the administration's original request cut $425 million out of the same programs.

We are called "antidefense" by the gentleman from Georgia because we have the temerity to suggest that a portion of this budget which has been doubled over the last years, the Pentagon budget, ought to be cut by half of 1 percent along with everything else in the budget, in order to pay for our obligations to the homeless, and in order to pay for obligations to fight a full-fledged war on drugs.

I happen to disagree with that label. Life is full of choices and sometimes we are "damned if we do and damned if we don't," and this is one of those days.

The virtue of the Foley amendment is simply that it recognizes that fact and it tries to make those choices in the most fiscally and ideologically neutral way. That is about all Members can do in a situation like this, and I commend him for it.

Mr. FOLEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Michigan [Mr. TRAXLER].

Mr TRAXLER. Mr. Chairman, I thank the gentleman for his generosity, and let me say, as one of the small players in this science game, NASA and NSF, look, NASA had a 20-percent increase last year. NSF had a 10-percent increase. They are my favorite agencies. I will say with some agony and some pain, they can stand a reduction of half of 1 percent.

Let me address my friends on the Armed Services Committee, and from the New York Times article, dated April 24, 1989, I want Members to address this in your discussions and deliberations in your committee, and on the floor when we bring up the military bill.

In addition to his shifts on arms-control policies, Mr. Kohl has scrapped unpopular plans to extend mandatory military service from 15 to 18 months as of June and has asked the allies to sharply reduce low-level training flights in German airspace.

The extension had been ordered to offset a decline in the number of draft-age men, and Mr. Kohl had often pointed to it as proof of his commitment to a strong defense. Military experts said that without the extension, the West German armed forces would probably drop from its current strength of 495,000 to about 400,000 after 1993.

EXPLANATION IS REJECTED

In abandoning it, the Chancellor claimed that "new figures" made the extension no longer necessary. The explanation was widely rejected, most dramatically in a letter from Adm. Dieter Wellershoff, the inspector general of the armed forces, that was leaked to the press.

And Members are saying we cannot do this. They are on the front line with the evil empire. Why should we do for them what they will not do for us or for themselves? More importantly, the American public demand accountability, responsibility in military expenditures. When are we going to give it to them?

Mr. FOLEY. Mr Chairman, I think this is a most important vote, because I think we will be signaling by this vote whether we are serious about living within the constraints of fiscal reductions to meet those requirements that the Congress has virtually unanimously adopted.

Now it is easy to go around here and say this is going to do harm to this account or that account—0.57 percent is the limit of the reduction in outlays, and I do not think the American people believe that it is going to do irreparable harm to any account in the Federal Government when we reduce it by 0.57 percent.

I have heard gentlemen on the other side, and I might say, time after time after time when they have offered across-the-board cuts, that this Government is not so perfect, it is not so lean, that we cannot accommodate a 1- or 2- or 3- or 4-percent cut. Indeed, the President endorsed a provision of 1.099 percent in domestic cuts, with some exceptions, and endorsed the gentleman from Massachusetts, Mr. CONTE'S proposal to provide a 0.67 percent cut. If that could be done on all domestic cuts, certainly 0.57 percent can be absorbed across the board.

We are facing a watershed decision today, as much as I support the intentions of this supplemental appropriation bill, and I do, and I compliment the chairman and members of this committee for offering what I think is one of the best supplementals I have ever seen brought to this floor in terms of the straightforwardness and cleanness and hardness of the bill. The "dire emergency" provisions were included in the summit agreement of 1987, and I recognize the legitimacy of agreements that provisions of this bill should be considered as permitted under the summit agreement. Even so, I believe that we should offset these appropriations. I, therefore, urge Members to support the Foley amendment and the supplemental as amended. The time is now. The responsibility is ours.

Mr. PORTER. Mr. Chairman, this supplemental appropriations bill has turned into a nightmare.

It is easy to come to the floor and criticize an appropriations bill for being a budget buster, but its also just as easy to come to the floor and support a supplemental because it'll fight the war on drugs or help the homeless.

But now we have the Foley amendment which will cut defense, foreign aid, and domestic programs across the board to help pay for the supplemental.

I applaud this amendment for neutralizing the budgetary effect of the supplemental—I will not join those who complain that the Defense Department has been brought into the compromise. If we are going to take this Foley approach, we might as well cut everyone and everything equitably.

But I do want to make sure that everyone realizes that this across-the-board cut will hurt programs, vital programs we settled on last year as being important priorities.

If we pass the Foley amendment, we essentially rewrite all of last year's enacted appropriations bills—the 13 bills we passed separately and on time.

And that means that every dollar that is in this bill is a dollar that is coming out of some other account, some other program.

And that means that Members should think long and hard about whether everything that is in this bill—this bloated bill—is really necessary.

What we really need is a smaller supplemental—one that only funds truly necessary items. That smaller supplemental would be accompanied by a substantially smaller across the board cut.

But instead, the Democrats have to play politics; they have to try and embarrass the President.

And they just can't resist playing politics with drugs and homelessness.

So, yes, this bill will help the drugs and the homeless, but it will also cut NASA, NIH, cut maternal and child health, and many, many more accounts that were fully settled as priorities last year.

We need a smaller bill with a smaller across-the-board cut, something akin to what the President originally and responsibly proposed.

Ms. SNOWE. Mr. Chairman, if the Foley amendment currently before the House is adopted, the House will break a promise to America's 27 million veterans. By passing the supplemental funding bill before us, VA health care facilities will continue to wait for help and will be forced to continue to deny care to veterans.

This is unfair to these men and women, Mr. Chairman. A supplemental funding bill, by agreement, is adopted in order to provide additional funding for those programs facing a dire emergency. We all know that the VA health care program is in critical condition. But some of the programs funded in this measure are not, the administration is opposed to their inclusion, and they are, therefore, a direct threat to the survival of this health care system.

In 1988 the House Veterans' Affairs Committee discovered that more than 13,000 VA hospital beds had been taken out of service as each of the 172 medical facilities were facing an average budget shortfall of $1.4 million in unfunded operating requirements.

At the VA facility in my own State, they are working with a $1.5 million shortfall. I visited Togus on Friday and the men and women working there are doing an outstanding job in very trying circumstances. But they cannot continue without our immediate help.

By voting for the amendment before us, we are dooming our veterans' facilities to a minimum of 1 more month with no help. Another month in which they have to turn away veterans, close more wards, lose more staff. These men and women did not put us on hold when the country's security was at stake, and we do not have the right to put their health care on hold. Our veterans deserve better than this, Mr. Chairman. Far better.

I am going to vote against this amendment, because I understand the urgent need to provide additional funding for the veterans' health care system. I hope enough of my colleagues also understand the need so that we may defeat it. Then the committee can come back to us with a straightforward, no nonsense proposal.

The veterans of America need the funding provided in this bill, but they need it now, not in 2 months after haggling over conference reports, veto overrides, and a new proposal.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. FOLEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FOLEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 172, noes 252, not voting 9, as follows:

[Roll No. 35]

AYES—172

Ackerman	Gibbons	Owens (UT)
Akaka	Gordon	Pallone
Alexander	Gray	Panetta
Annunzio	Hamilton	Pease
Anthony	Hayes (IL)	Pelosi
Applegate	Hayes (LA)	Penny
Atkins	Hoagland	Pickle
Bates	Holloway	Poshard
Beilenson	Hoyer	Price
Berman	Huckaby	Rahall
Bonior	Hughes	Rangel
Borski	Jacobs	Rose
Bosco	Johnston	Rostenkowski
Boucher	Jones (NC)	Roukema
Boxer	Jontz	Roybal
Brennan	Kanjorski	Russo
Brooks	Kaptur	Sabo
Brown (CO)	Kastenmeier	Saiki
Bruce	Kennelly	Sangmeister
Bryant	Kildee	Savage
Campbell (CO)	Kleczka	Sawyer
Cardin	LaFalce	Scheuer
Carper	Lantos	Schroeder
Chapman	Leach (IA)	Schuette
Clarke	Lehman (CA)	Schumer
Coelho	Lehman (FL)	Sensenbrenner
Coleman (TX)	Leland	Sharp
Collins	Levin (MI)	Shays
Conyers	Levine (CA)	Sikorski
Cooper	Lewis (GA)	Skaggs
Costello	Lipinski	Slattery
Coyne	Long	Slaughter (NY)
Crockett	Lowey (NY)	Smith (FL)
DeFazio	Luken, Thomas	Smith (IA)
Dellums	Manton	Solarz
Dingell	Markey	Staggers
Dixon	Matsui	Stallings
Donnelly	Mazzoli	Stark
Downey	McCloskey	Swift
Dwyer	McDermott	Synar
Dymally	McHugh	Tanner
Eckart	Mfume	Tauzin
Edwards (CA)	Miller (CA)	Torres
English	Mineta	Towns
Espy	Moakley	Traficant
Evans	Moody	Traxler
Fascell	Morella	Udall
Fazio	Morrison (CT)	Unsoeld
Feighan	Mrazek	Vento
Flake	Murphy	Volkmer
Foley	Nagle	Walgren
Ford (MI)	Neal (MA)	Waxman
Ford (TN)	Neal (NC)	Wheat
Frank	Nowak	Whitten
Frost	Oberstar	Wise
Garcia	Obey	Wolpe
Gejdenson	Olin	
Gephardt	Owens (NY)	

NOES—252

Anderson	Bereuter	Byron
Andrews	Bevill	Callahan
Archer	Bilbray	Campbell (CA)
Armey	Bliley	Carr
Aspin	Boehlert	Chandler
AuCoin	Boggs	Clement
Baker	Broomfield	Clinger
Ballenger	Browder	Coble
Barnard	Brown (CA)	Coleman (MO)
Bartlett	Buechner	Combest
Barton	Bunning	Conte
Bennett	Burton	Coughlin
Bentley	Bustamante	Cox
Craig	Johnson (CT)	Richardson
Crane	Johnson (SD)	Ridge
Dannemeyer	Jones (GA)	Rinaldo
Darden	Kasich	Ritter
de la Garza	Kennedy	Roberts
DeLay	Kolbe	Robinson
Derrick	Kolter	Roe
DeWine	Kostmayer	Rogers
Dickinson	Kyl	Rohrabacher
Dicks	Lagomarsino	Roth
Dorgan (ND)	Lancaster	Rowland (CT)
Dornan (CA)	Laughlin	Rowland (GA)
Douglas	Leath (TX)	Sarpalius
Dreier	Lent	Saxton
Duncan	Lewis (CA)	Schaefer
Durbin	Lewis (FL)	Schiff
Dyson	Lightfoot	Schneider
Early	Livingston	Schulze
Edwards (OK)	Lloyd	Shaw
Emerson	Lowery (CA)	Shumway
Engel	Lukens, Donald	Shuster
Erdreich	Machtley	Sisisky
Fawell	Madigan	Skeen
Fields	Marlenee	Skelton
Fish	Martin (IL)	Slaughter (VA)
Flippo	Martin (NY)	Smith (MS)
Florio	Mavroules	Smith (NE)
Foglietta	McCandless	Smith (NJ)
Frenzel	McCollum	Smith (TX)
Gallegly	McCrery	Smith (VT)
Gallo	McCurdy	Smith, Denny (OR)
Gaydos	McDade	
Gekas	McEwen	Smith, Robert (NH)
Gillmor	McGrath	
Gilman	McMillan (NC)	Smith, Robert (OR)
Gingrich	McMillen (MD)	
Glickman	McNulty	Snowe
Gonzalez	Meyers	Solomon
Goodling	Michel	Spence
Goss	Miller (OH)	Spratt
Gradison	Miller (WA)	Stangeland
Grandy	Molinari	Stearns
Grant	Mollohan	Stenholm
Green	Montgomery	Stokes
Guarini	Moorhead	Studds
Gunderson	Morrison (WA)	Stump
Hall (TX)	Murtha	Sundquist
Hammerschmidt	Myers	Tallon
Hancock	Natcher	Tauke
Hansen	Nelson	Thomas (CA)
Harris	Nielson	Thomas (GA)
Hastert	Oakar	Torricelli
Hatcher	Ortiz	Upton
Hawkins	Oxley	Valentine
Hefley	Packard	Vander Jagt
Hefner	Parker	Visclosky
Henry	Parris	Vucanovich
Herger	Pashayan	Walker
Hertel	Patterson	Walsh
Hiler	Paxon	Watkins
Hochbrueckner	Payne (NJ)	Weber
Hopkins	Payne (VA)	Weiss
Horton	Perkins	Weldon
Houghton	Petri	Whittaker
Hubbard	Pickett	Williams
Hunter	Porter	Wilson
Hutto	Pursell	Wolf
Hyde	Quillen	Wyden
Inhofe	Ravenel	Wylie
Ireland	Ray	Yates
James	Regula	Yatron
Jenkins	Rhodes	Young (AK)

NOT VOTING—9

Bateman	Courter	Martinez
Bilirakis	Davis	Pepper
Clay	Hall (OH)	Young (FL)

□ 1527

Messrs. VISCLOSKY, DURBIN, ROWLAND of Georgia, and DERRICK changed their vote from "aye" to "no."

Messrs. BRYANT, WAXMAN, CONYERS, and GRAY changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GLICKMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2072) making dire emergency supplemental appropriations and transfers, urgent supplementals, and correcting enrollment errors for the fiscal year ending September 30, 1989, and for other purposes, had come to no resolution thereon.

□ 1530

PARLIAMENTARY INQUIRY

Mr. DANNEMEYER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DANNEMEYER. Mr. Speaker, we are a little puzzled as to what the status of the supplemental appropriation bill that we thought was pending before the House is. Has that gone somewhere?

The SPEAKER. The Chair will reply to the gentleman from California that the Committee rose without completing action on the bill. The Committee has risen. We are no longer in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2072.

It is the presumption of the Chair that the Committee intends to return that bill to the Committee and perform certain corrective surgery.

Mr. DANNEMEYER. Mr. Speaker, is it necessary that we send the Committee out to look for what happened to the bill?

The SPEAKER. Will the gentleman state his question again?

Mr. DANNEMEYER. Is it necessary that we send somebody out to find out where this bill went?

The SPEAKER. The Chair would respond to the gentleman that the bill is still on the Union Calendar.

The gentleman's question is not a proper parliamentary inquiry.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I have asked to proceed for 1 minute that I might inquire of the distinguished majority leader the program for the balance of the week.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the distinguished majority leader.

Mr. FOLEY. Mr. Speaker, we had announced previously that if we concluded the business of the week, we would have only a pro forma session tomorrow. That was not quite what I had in mind, but I think we have concluded the business of the week.

Accordingly, the House will be in a pro forma session tomorrow, Thursday. When the House adjourns tomorrow, we will ask that the House adjourn to meet on Monday next.

We will announce the program for next week tomorrow in consultation with the distinguished Republican leader.

Accordingly, Members should be confident of the fact that except for unexpected procedural votes, there will be no votes for the remainder of the week.

Mr. MICHEL. Mr. Speaker, I thank the distinguished gentleman. I imagine that any other pertinent questions with respect to maybe a little further scheduling would be more appropriate to ask tomorrow, rather than today.

I think there have been some Members who have inquired about Memorial Day, whether there was any change from our original agreement or whatnot, if the distinguished majority leader would be prepared to respond to that tomorrow.

Mr. FOLEY. We hope to be able to announce by tomorrow a schedule, not only for next week, but for the month of May, at least in terms of those days on which Members should expect that there will be votes on the floor. We will announce the program specifically for next week and we hope tomorrow to be able to provide all Members with notice about each of the session days in the month of May, whether there will be votes or not.

Mr. MICHEL. Mr. Speaker, I thank the majority leader, because that will be most helpful to all the Members, I am sure.

Mr. FOLEY. I might say, Mr. Speaker, if the gentleman will yield further, that we intend to do this throughout the year to provide Members before the beginning of the month with an indication of what votes will occur during that month, so far as is possible.

PERMITTING USE OF ROTUNDA OF THE CAPITOL TO COMMEMORATE DAYS OF REMEMBRANCE OF VICTIMS OF THE HOLOCAUST

Mr. FROST. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the concurrent resolution (H. Con. Res. 50) permitting the use of the rotunda of the Capitol for a ceremony to commemorate the days of remembrance of victims of the Holocaust and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore (Mr. COELHO). Is there objection to the request of the gentleman from Texas?

Mr. THOMAS of California. Reserving the right to object, Mr. Speaker, it is my understanding that this is for the use of the rotunda in two instances, is that correct?

Mr. FROST. Mr. Speaker, if the gentleman will yield, that is correct, in two instances.

Mr. THOMAS of California. Once is for the Holocaust that the gentleman from Illinois requested. What was the other purpose?

Mr. FROST. It is for two different years, but for the same purpose.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of California. I yield to the gentleman from Illinois.

□ 1540

Mr. YATES. Mr. Speaker, I, too, want to express my thanks to the gentleman for making no objection to this bill. It is a necessary bill. I think it does grace to both the Commission and to the Congress for permitting the ceremony to take place and, particularly, to the Speaker for having given his consent. I want to thank the gentleman from Texas for bringing the bill up today.

Mr. Speaker, on behalf of the Holocaust Council, I would like to take a moment to thank the Speaker of the House for the use of the rotunda of the U.S. Capitol for the purpose of commemorating the victims of the Holocaust. I also want to thank my colleagues, MARTIN FROST of Texas, BILL CLAY of Missouri, and BILL THOMAS of California for their assistance in moving House Concurrent Resolution 50 through the House.

Though it is difficult and painful to reflect upon the horrors associated with the Holocaust, it is important that we do so to prevent such a tragedy from occurring again. The "Days of Remembrance of Victims of the Holocaust" is an important part of the Holocaust Council's continuing effort to remind us all of the Holocaust and it is fitting that part of the ceremony associated with the "days of remembrance" should be held in the Capitol. I thank my colleagues in the House for their assistance and cooperation with this bill.

Mr. FROST. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of California. I am happy to yield to the gentleman from Texas.

Mr. FROST. Mr. Speaker, I commend my colleague, the gentleman from Illinois [Mr. YATES], for introducing this resolution and consider it a privilege to have been asked to manage the bill today.

The Capitol rotunda is generally used for ceremonies that commemorate events that have affected the lives of all Americans. It is, therefore, appropriate that the rotunda be used to commemorate the loss of the 6 million victims of the Holocaust. It serves

the interest of our Nation to periodically remind ourselves that the most heinous crime to humanity came to pass in our lifetime.

Mr. THOMAS of California. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 50

Whereas, pursuant to such Act, the United States Holocaust Memorial Council has designated April 30 through May 7, 1989, and April 22 through April 29, 1990, as "Days of Remembrance of Victims of the Holocaust"; and

Whereas, the United States Holocaust Memorial Council has recommended that a one-hour ceremony to be held at noon on May 2, 1989, and at noon on April 24, 1990, consisting of speeches, readings, and musical presentations as part of the days of remembrance activities: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the rotunda of the United States Capitol is hereby authorized to be used on May 2, 1989, from 8 o'clock ante meridian until 3 o'clock post meridian and on April 22, 1990, from 8 o'clock ante meridian until 3 o'clock post meridian for a ceremony as part of the commemoration of the days of remembrance of victims of the Holocaust. Physical preparations for the conduct of the ceremony shall be carried out in accordance with such conditions as may be prescribed by the Architect of the Capitol.

AMENDMENT OFFERED BY MR. FROST

Mr. FROST. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FROST: On line 2 of page 2 of the resolution, strike "22" and insert in lieu thereof "24".

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Texas [Mr. FROST].

The amendment was agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FROST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 293, H.R. 1233, and H.R. 1660

Mrs. BENTLEY. Mr. Speaker, I ask unanimous consent that my name be removed from the lists of cosponsors of H.R. 293, H.R. 1233, and H.R. 1660.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the Virgin Islands [Mr. DE LUGO] is recognized for 5 minutes.

[Mr. DE LUGO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

PALLONE ANNOUNCES HOUSE PASSAGE OF IMPACT AID AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, today the House of Representatives has approved an amendment to the Federal impact aid formula to provide needed funding to the Tinton Falls and Eatontown School Districts for the children of military personnel.

The amendment passed the U.S. Senate last week through the efforts of New Jersey Senators BILL BRADLEY and FRANK LAUTENBERG, and now goes to President Bush for his approval.

I would like to thank my colleagues for moving quickly to approve the amendment.

This legislation is vitally important to Tinton Falls and Eatontown, both located in the Third Congressional District.

Both towns are eligible for Federal impact aid because they serve a significant number of military children, but were penalized under changes in the impact aid formula enacted last year because less than 50 percent of their students are from military families.

The amendment caps Federal funds for school districts with over 50 percent military children at $20 million, and shifts the remaining $30 million in impact aid funds already appropriated to those districts with less than 50 percent military children.

Tinton Falls has an additional problem in that last year's changes to the impact aid formula froze funding for school districts at their previous level, regardless of the number of new military students.

Tinton Falls is faced with an influx of some 200 additional students next fall due to the expansion of the Earle Naval Weapons Station.

The amendment approved today will remove this freeze on funding and allow for additional aid if more children from military families enter the school district.

As a result of the amendment, Tinton Falls' needs of $500,000 for the next 2 school years will be met.

When Tinton Falls' impact aid funding shortfall became apparent earlier this year, I met with local officials to pursue a strategy that would entitle Tinton Falls to the needed funds. The Third District Congressman wrote to the chairman of the House Education and Labor Committee and the Subcommittee on Education of the House Appropriations Committee to urge their support for rectifying the inequity.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

[Mr. ANNUNZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

LEGISLATION TO ASSIST PROVIDING RUNNING WATER AND SEWAGE FACILITIES FOR COLONIAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. COLEMAN] is recognized for 5 minutes.

Mr. COLEMAN of Texas. Mr. Speaker, I rise today to introduce legislation to assist a number of communities along our southwestern border where residents live in housing so inadequate that they lack access to running water and sewage facilities.

In these communities, commonly known in those areas as "colonias," rates of diseases that have been eradicated in most other parts of the country are alarmingly high. Children in these communities look forward to physical education classes at school because they can bathe there, and families are forced to carry jugs of water from business establishments and nearby relatives for their use in cooking.

Mr. Speaker, I have visited these communities, and witnessed first-hand the deplorable conditions in which people must live because there is such a shortage of affordable housing in these areas. The Public Works Subcommittee on Water Resources also conducted field hearings in their communities last March, and the committee record reflects the personal stories of residents who moved their families to these communities because they sought to realize the American dream—to own a home. For some of these families, Federal housing projects posed too great a danger because of the environment they provided their children, and they chose instead to move to an area where they would have no running water but where their children could be raised in healthy neighborhoods.

Mr. Speaker, the bill I am introducing today would authorize a series of demonstration projects in six counties along the border under the Environmental Protection Agency for the installation of sewer and water supply facilities. In addition, my bill would establish a revolving loan fund to enable residents of these communities to connect their residences to such facilities. As drafted, my bill would appropriate a total of $9.8 million for Cameron, Hidalgo, Maverick, Presidio, and El Paso County, TX, as well as Dona Ana County, NM. With these funds, the more than 100,000 residents in these communities can improve their drinking water supply and sewer systems, and as a result, improve their lives.

The State and local governments where these communities are located are trying to provide some assistance to improve the living conditions in these areas, but the problems have proven too massive for them to adequately address. In the current legislative session, the Texas Legislature has before it a proposal to issue State bonds to cover some

of the costs of these improvements. Primarily, it is because of the dangerous public health conditions posed by these communities, which are in such close proximity to Mexico, that the Federal Government should provide assistance.

I ask my colleagues to support my bill, and I thank them for their consideration.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New Jersey [Mrs. ROUKEMA] is recognized for 60 minutes.

[Mrs. ROUKEMA addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. LANTOS] is recognized for 15 minutes.

[Mr. LANTOS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

MORE GREEN TEA AND DIRTY TRICKS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, from time to time I have read portions of Marvin Wolf's book, "The Japanese Conspiracy," which details how the Japanese businessman, working with the Government, have targeted American businesses.

I think of Marvin Wolf and his book everytime whenever I read news stories about United States-Japanese trade. He has shown us the road map on how we have lost our industries.

Today, I want to read the last of chapter 2 on the electronics industry. I think we can all understand better what has happened with Marvin's explanation.

Mr. Speaker, I think we can all understand better what has happened with our electronics and what is happening today in the HDTV field and others related to the electronics field. Where I had left off last time on this was talking about Stanford Ovshinsky, a brilliant inventor.

Standford Ovshinsky is a brilliant inventor whose work in optical electronics rates an entry in Webster's New Collegiate Dictionary under a newly coined word, Ovonics. In 1970 Ovshinsky patented a remarkable system for storing data on a computer memory disk. Using a laser, the Ovshinsky device can place 100 times as much information into the same space as conventional magnetic storage methods, and it can be erased or changed at will. Even though IBM was not sure what products might result from the process, in 1972 it bought a license from Ovshinsky's company, Energy Conversion Devices. ECD is a small firm based in Troy, Michigan, primarily devoted to R&D. It has fewer than 300 employees and less than $21 million in sales, but it has been very active in licensing Japanese companies and in forming joint ventures with them.

"We've had very good relationships in Japan up to now," explains Larry Norris, a senior VP with Ovshinsky's firm. "We have a joint venture with Sharp Corporation in the field of photovoltaics, which is now in production making solar electric cells from our amorphous silicon technology. And we're now going into calculators. We have several Japanese licensees with a chemical company and Fuji. We also have a Japanese subsidiary, and a wide range of business associates, partners, and licensees. In fact we have more business in Japan than we have in the U.S."

In April 1983, Ovshinsky was shaken to see an elegant press kit distributed by Matsushita, a $45-billion-a-year conglomerate which proudly claimed that it had produced "an erasable optical disk for the first time in the world." Ovshinsky's firm promptly filed suit. "IBM is a licensee under this patent which is being infringed by Matsushita," says Norris. "IBM did the right thing. In 1972 it took out an insurance policy and put it in the bank. "If we ever use the process, we'll pay you a royalty," they told us. In Norris's opinion, "Matsushita went ahead and just grabbed it without paying us a cent."

But why would a giant company like Matsushita just take someone's technology? Norris has no theory. "I can't understand this behavior. They've invested a lot of money in development, probably as much as $100 million. Then to go out and jeopardize the whole damn thing by just blatantly infringing somebody's patent—to me it doesn't represent rational business behavior. It's stupid."

But in Tokyo, Shigeki Hijino does have a theory to explain Matsushita's behavior. Hijino is the 42-year-old editor-in-chief of Britannica International Yearbook and a prominent social critic. "Matsushita is an octopus. Everybody knows it. It's just out to grab whatever it can," he says.

Norris of Energy Conversion Devices is still shaking his head. "We took a very aggressive stance. A small company like us could have written them a letter and gotten into their corporate bureaucracy, and we could have been there for ten years, and they would just put us on hold. Maybe that's what they were relying on," Norris says, "Stan wasn't going to be put in a position like that. That's why we filed our lawsuit, and held a big press conference. They were stunned."

A few weeks later, Ovshinsky and Norris went to Congress to testify about the case before the Dingell Committee. "We talked for an hour, and Matsushita got raked over the coals," recalls Norris. "I'm sure that they didn't think that a little company of two or three hundred people was going to give them that kind of anguish. Maybe they're in a mood to talk business, now that we have their attention."

They do seem to have captured Matsushita's attention. While Matsushita continues to publicly deny that it has done anything wrong, they have initiated talks with ECD, and Ovshinsky has gone to Japan to negotiate with the giant electronics firm. "We've got a patent infringement case and if they take a license from us on patent infringement case and if they take a license from us on reasonable terms, that should settle the matter," says Norris. If Matsushita does not agree to terms, however, it could take a long time for Ovshinsky's firm to get anything out of Matsushita. Japan has comparatively few courts and only 11,000 lawyers in the entire nation. Their judges have caseloads five or six times heavier than those of U.S. federal district judges, which makes litigation an impractical avenue for corporate redress.

One of the most popular components in home computers is a chip called the Z80, developed in 1976 by Federico Faggin, one of the maverick geniuses of America's Silicon Valley. Faggin founded Zilog to manufacture the chip, and after a few years sold his company to Exxon, returning to devote more time to his research. As personal computers rose in popularity, more and more manufacturers chose the Z80 as the CPU or "brain" of their computers. Zilog licensed three companies, including Sharp in Japan, to make the Z80 and collected a small royalty on each Z80 chip these companies sold. Several of the newest home computers are being produced by such Japanese companies as Nippon Electric Company (NEC), SORD, Fujitsu, Sony and Hitachi, and many of them have chosen to use the Z80. This chip allows software manufacturers to easily adapt many programs written for other, mostly American, computers.

In early 1983 Zilog came upon a new chip called the PD 780, produced by NEC, which was becoming a best-seller in Japan's awakening home computer markets. When Zilog took the chip apart and examined it carefully, it seemed to be an identical copy of the Z80. "There are three legitimate alternative sources—companies we licensed—for the Z80. But we are contending that NEC, which is now rivaling us for market share, is illegally producing our chip," says an angry Chuck Signor, spokesman for Zilog, which has sued NEC in the U.S. federal court. "They just went out and copied the chip and it's selling like crazy—mainly in the Japanese markets, but now also in the U.S.," Signor claims.

The Japanese are skilled, and noted, for "reverse engineering," taking someone else's product apart to see how it works, then building something that does virtually the same thing as the original. "They have their top engineers, maybe the best 5 percent of their force, working on nothing but reverse engineering," claims Ronald N. Billings, an American who has worked in the Japanese computer industry for 14 years and is now a consultant to Nihon Soft Bank, Japan's largest software company. Apparently the technique is legal or almost so. "It's a tricky business because historically reverse engineering has been considered a valid situation, even on patentable areas," says Zilog's Signor. "A person opens your chip and looks at it and tests it and tries it out. Then he goes to his R&D people and says, 'Can you put out a chip that does the same thing?' They start from scratch and they go do it. That's considered allowable in this business."

The problem, says Signor, is that he is convinced that the NEC chip is not a product of reverse engineering. "They photographed it, warts and all, the errors are still in there," he contends. "Federico Faggin, the guy who designed our chip, says it's all still in there. It's a direct copy and not an engineering development. Other companies we've licensed have paid several million dollars for the right to be a second source."

In addition to the lawsuit, Zilog has brought a complaint to the International Trade Commission, which has accepted the case. But in Japan, Zilog is powerless. "We can't prosecute them over there," says Signor. "But if we can get an TIC ruling in

our favor, the ITC will stop all imports of products with that chip in it. The ITC will settle it in nine months to a year. Unfortunately, the U.S. courts will take three to five years. That's why we went to the ITC."

□ 1550

I might inject at this point that one of the reasons some of us were fighting very hard to stop the sale of the Aegis missile cruiser to Japan last year, at least if they were going to buy it, they had to buy the entire ship from this country, but for us to do the technology part and then to send it over there while they build a ship part and assemble the two together, was because it would allow them to do the reverse engineering on the technology about 3 or 4 years ahead of time. And we lost that battle. We should not have. That is another reason why a group of us are fighting the FSX technology transfer.

I continue now with the book, "the Japanese Conspiracy," by Marvin Wolf. He points out:

This was a key reason behind the MITI campaign to match and pass the U.S. in semiconductor technology. But Japan's computer manufacturers found that competing with IBM was not easy. "We tried to sell our own machines," recalled Taiyu Kobayashi, chairman of Fujitsu, in 1982. "However, the installed base of IBM is so large and the users, quite naturally, want to use the software base they have built up over the years. The relative value of software in the computer system has risen to in excess of 70 percent of the cost of the system. Being compatible was the only way to get started in the computer business.

Kobayashi confirmed that the Japanese sales strategy—compatibility with IBM's hardware—was the keystone of an effort to cut into IBM's share of the market. But in the early years, plug-compatible Japanese-made computers were not received well, even in Japan. Despite the unpopularity of their products, the Japanese industry continued its efforts to improve them. "MITI put out R&D funds and brought together the various companies for joint development projects," confirmed Kobayashi. "When domestic makers began building products and it wasn't clear whether what we made would work or not, MITI went around to the industries that had benefited from its patronage—automobiles, steel, etc.—and said, 'Here, use these' "

□ 1600

In other words, what it amounted to was the government ordering the industry there to buy the domestic product, something that we do not do in the United States of America. As a matter of fact, our own Government does not insist that our agencies buy American products enough.

The book continues:

While they set about rationalizing the Japanese computer industry, MITI also restricted the import of foreign-made IBM computers. "There was considerable pushing and hauling about how to restructure the Japanese industry to compete with IBM," Kobayashi explained. Some in Japan wanted to merge all the companies into one giant computer corporation, but a decision was finally made to align the companies into three groups. Fujitsu was paired with Hitachi to pursue large computer development. And just about that time, someone important quit at IBM," and went over to Japanese industry.

Mr. Speaker, at this point I will relinquish the balance of my time and will continue my report on "the Japanese Conspiracy, Their Plot To Dominate Industry Worldwide and How To Deal with It," by Marvin Wolf, at a later date.

THE PRETTY BIG PICTURE

The SPEAKER pro tempore (Mr. MCCLOSKEY). Under previous order of the House, the gentleman from South Carolina [Mr. TALLON] is recognized for 5 minutes.

Mr. TALLON. Mr. Speaker, I want to talk today about foreign and defense policy and what impact they have on our Federal budget deficits.

First, the very big picture: The cold war is over, suggest many economists, and we have won. But what has this got to do with our money?

Everything. If true it means, for starters, that we may be able to shrink the deficit without big tax hikes.

It means the 1987 stock market crash may not have signaled a looming economic collapse. It means both sides can shift military resources to more productive things.

After all, the goal of the Reagan military buildup wasn't to become so strong that we could take over the world. The Japanese—in part because they don't spend much on the military—are already taking over the world. Rather, it was to become strong enough to make the Soviets see the futility of the competition and then, from that position of strength, to negotiate meaningful reductions. Say what you will about Ronald Reagan's budget deficits, the strategy seems to have worked.

Freer markets and greater personal incentives are busting out all over—in Russia—perestroika; in China—the Chinese are launching a stock market; in the historic United States-Canada Free Trade pact; in Europe's move toward economic unification; in lower personal income-tax rates—most recently in Japan. Free trade and low tax rates are the stuff of economic growth. Combined with today's awesome pace of technological progress, they add up to what could be a very bright future.

Of course there are a few problems: the greenhouse effect, melting icecaps that may sink my coastal congressional district, drugs and crime, debt piled upon debt, terrorism; the prospect that some crazed 14-year-old with an Apple II GS might wipe out a million bank accounts. As always, there is lots to lose sleep over. As always, we are dancing across the high wire. But we have made some encouraging progress.

Now for the pretty big picture.

For years, we've been consuming more than we've been producing. Given the first law of economics—that there's no free lunch—you have to wonder how we've pulled this off. We've done it by saving next to nothing, which imperils our future, and by going deep into hock, which imperils it further. We've been importing VCR's and, to pay for them, selling real estate and major corporations. After 5 or 10 years, when the VCR's break down, we won't get the buildings or businesses back. We'll just have to sell others.

We've been saying that it's better to borrow the money to buy a $45,000 German car than to buy a $12,000 American car and invest the remaining $33,000 in our future.

Sooner or later, to get things back in balance, America will have to consume less and/or produce more. Consuming less won't necessarily lead to recession, as it might have in the old days. With the dollar so low, and with the Japanese and others so flush, we'll be busily employed making things for them. Until we do consumer less or produce more, our wealth and competitive strength will just continue to drain off, like a big swimming pool with a slow leak.

How will America ever balance its budget? Continued economic growth, combined with modest revenue enhancement, modest cuts in the $300 billion defense budget, would head us in the right direction.

As for all those suddenly unemployed military men and women, redeploying 100,000 of them to civilian duty as high school teachers might help to get our toughest inner-city kids off crack and onto reading, writing, and arithmetic.

Actually, it's not necessary to try to wipe out the deficit entirely—at least not right away. The trick is to keep it trending down and keep the economy growing. Right now, our $2.5 trillion national debt equals 50 percent of our $5 trillion gross national product. At the end of World War II, our deficit was 127 percent of the GNP. If the economy should continue to expand at 7 percent a year, through real growth and inflation, it would reach $10 trillion in 1999. If, over that same decade, we ran annual $100 billion deficits, the total debt would have grown to $3.5 trillion—but it would have shrunk to just 35 percent of the GNP.

Maybe with a little common sacrifice and common sense we can get our fiscal house in order.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YOUNG of Florida (at the request of Mr. MICHEL), for today, on account of illness in the family.

Mr. BILIRAKIS (at the request of Mr. MICHEL), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. JONES of Georgia) to revise and extend their remarks and include extraneous material:)

Mr. PALLONE, for 5 minutes, today.

Mr. TALLON, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COLEMAN of Texas, for 5 minutes, today.

Mr. LELAND, for 60 minutes, on April 27.

Mr. OWENS of New York, for 60 minutes, each day on May 3 and 4.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. JAMES) and to include extraneous matter:)

Mr. FISH.
Mr. LENT.
Mr. BUECHNER.
Mr. LAGOMARSINO in two instances.
Mr. SMITH of New Hampshire.
Mr. CRAIG.
Mr. LOWERY of California.
Mr. MICHEL.
Mr. SPENCE.
Ms. SNOWE.
Mr. WHITTAKER.
Mr. RINALDO.
Mrs. MORELLA.
Mr. CRANE in two instances.
Mr. BILIRAKIS.
Mrs. ROUKEMA.
Mr. KYL.
Mr. DORNAN of California.
Mr. FIELDS in two instances.
Mr. HYDE in two instances.
Mr. MILLER of Washington.
Mr. WOLF.
Mr. CONTE.
Mr. DANNEMEYER.

The following Members (at the request of Mr. JONES of Georgia) and to include extraneous matter:)

Mr. DARDEN.
Mr. ACKERMAN.
Mr. DORGAN of North Dakota.
Mr. THOMAS A. LUKEN.
Mr. ERDREICH.
Mr. VENTO.
Mr. HAMILTON.
Mr. FAUNTROY.
Mr. CLEMENT.
Mr. PEPPER.
Mr. TORRES.
Mr. NOWAK.
Mr. STARK.
Mr. MILLER of California.
Mr. COELHO.
Mr. WYDEN.
Mr. MFUME in two instances.
Ms. PELOSI.
Mr. BRYANT.
Mr. DOWNEY.
Mr. KASTENMEIER.
Mr. GEPHARDT.
Mr. LEHMAN of Florida.
Mr. DIXON.
Mr. KANJORSKI.
Mr. BONIOR.
Mr. FEIGHAN.
Mr. FOLEY.

SENATE ENROLLED JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled joint resolutions of the Senate of the following titles:

S.J. Res. 25. Joint resolution to designate the week of May 7, 1989, through May 14, 1989, as "Jewish Heritage Week";

S.J. Res. 52. Joint resolution to express gratitude for law enforcement personnel;

S.J. Res. 84. Joint resolution to designate April 30, 1989, as "National Society of the Sons of the American Revolution Centennial Day"; and

S.J. Res. 92. Joint resolution to invite the houses of worship of this Nation to celebrate the bicentennial of the inauguration of George Washington, the first President of the United States, by ringing bells at 12 noon on Sunday, April 30, 1989.

ADJOURNMENT

Mr. TALLON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 10 minutes p.m.), the House adjourned until tomorrow, Thursday, April 27, 1989, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1055. A letter from the Secretary of Health and Human Services, transmitting the special report on services for older Indians prepared by the Administration on Aging, pursuant to 42 U.S.C. 3057b; to the Committee on Education and Labor.

1056. A letter from the Director, Information Security Oversight Office, transmitting a copy of the office's "Annual Report to the President FY 1988," and a copy of the President's letter in response to the report; to the Committee on Government Operations.

1057. A letter from the Chief Justice of the United States, transmitting amendments to the Federal Rules of Bankruptcy Procedure prescribed by the Court, pursuant to 28 U.S.C. 2075 (H. Doc. No. 101-54); to the Committee on the Judiciary and ordered to be printed.

1058. A letter from the Chief Justice of the United States, transmitting amendments to the Federal Rules of Appellate Procedure which have been adopted by the Supreme Court, pursuant to 28 U.S.C. 2075 (H. Doc. No. 53); to the Committee on the Judiciary and ordered to be printed.

1059. A letter from the Chief Justice of the United States, transmitting amendments to the Federal Rules of Criminal Procedure prescribed by the Supreme Court, pursuant to 28 U.S.C. 2075 (H. Doc. No. 55); to the Committee on the Judiciary and ordered to be printed.

1060. A letter from the Secretary of Health and Human Services, transmitting the annual report on children in foster care under voluntary placement agreements for fiscal year 1987, pursuant to 42 U.S.C. 672 note; to the Committee on Ways and Means.

1061. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to repeal the airport and airway tax reduction trigger; to the Committee on Ways and Means.

1062. A letter from the Board of Trustees, transmitting the 1989 annual report of the board of trustees of the Federal old-age and survivors insurance and the Federal disability insurance trust funds, pursuant to 42 U.S.C. 401(c)(2), 1395i(b)(2), 1395t(b)(2) (H. Doc. No. 56); to the Committee on Ways and Means and ordered to be printed.

1063. A letter from the Board of Trustees, the Federal Supplementary Medical Insurance Trust Fund, transmitting the 1989 annual report of the board of trustees of the Federal supplementary medical insurance trust fund, pursuant to 42 U.S.C. 401(c)(2), 1395i(b)(2), 1395t(b)(2) (H. Doc. No. 57); jointly, to the Committees on Ways and Means and Energy and Commerce, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DERRICK: Committee on Rules. House Resolution 138. Resolution providing for the consideration of H.R. 1486, a bill to authorize appropriations for fiscal year 1990 for the Maritime Administration, and for other purposes (Rep. 101-40). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FAUNTROY:

H.R. 2109. A bill to authorize the appropriation of funds to the District of Columbia for additional officers and members of the Metropolitan Police Department of the District of Columbia, to provide for the implementation in the District of Columbia of a community-oriented policing system, and for other purposes; jointly, to the Committees on the District of Columbia, and the Judiciary.

By Mr. SMITH of Texas:

H.R. 2110. A bill to provide for obtaining additional Federal prison facilities; to the Committee on the Judiciary.

By Mr. ACKERMAN (for himself, Mr. RANGEL, Mr. FAZIO, Mr. FAUNTROY, Mr. FOGLIETTA, Mr. DYMALLY, Mr. DE

LUGO, Mr. MANTON, Mr. YATES, Mr. MCGRATH, Mr. THOMAS A. LUKEN, Mr. MORRISON of Connecticut, Mr. DWYER of New Jersey, Mr. NEAL of Massachusetts, Mr. ENGEL, Mr. EVANS, Mr. BUSTAMANTE, Mr. FLORIO, Mr. LEWIS of Georgia, Mr. TORRES, Mr. KILDEE, Ms. KAPTUR, Mr. MRAZEK, Mr. ECKART, Mr. WEISS, and Mr. TOWNS):

H.R. 2111. A bill to amend the Public Health Service Act to establish programs to increase the supply of professional nurses and provide educational assistance to nurses and for other purposes; jointly, to the Committees on Energy and Commerce, Ways and Means, and the Judiciary.

By Mr. BENNETT:

H.R. 2112. A bill to amend the Real Estate Settlement Procedures Act of 1974 to prevent unwarranted accumulation of amounts in escrow accounts of home buyers with federally related mortgage loans; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BEREUTER:

H.R. 2113. A bill to amend the Consolidated Farm and Rural Development Act to ensure that farmland held by the Farmers Home Administration is sold at fair market value to qualified persons; to the Committee on Agriculture.

By Mr. BILIRAKIS:

H.R. 2114. A bill to amend title 38, United States Code, to ensure that all veterans eligible to receive educational assistance under the Veterans' Educational Assistance Program have 10 years after discharge or release from active duty in which to pursue a program of education with such assistance; to the Committee on Veterans' Affairs.

By Mr. BRENNAN:

H.R. 2115. A bill to prohibit the introduction of a plastic container into interstate commerce that is not labeled to indicate the type of plastic resin used to produce the container; to the Committee on Energy and Commerce.

By Mr. CAMPBELL of Colorado:

H.R. 2116. A bill to amend section 7 of the Mineral Leasing Act governing Federal coal lease royalty rates; to the Committee on Interior and Insular Affairs.

By Mr. COLEMAN of Texas (for himself, Mr. ORTIZ, Mr. BUSTAMANTE, Mr. SKEEN, and Mr. SMITH of Texas):

H.R. 2117. A bill to direct the Administrator of the Environmental Protection Agency to establish a demonstration program for installation of sewer and water supply facilities for certain colonias in the State of Texas and to establish a revolving loan fund to enable residents of such colonias to connect their residences to such facilities, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. CONTE:

H.R. 2118. A bill to benefit the U.S. Coast Guard by assessing a user fee on recreational vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. COSTELLO:

H.R. 2119. A bill to authorize the exchange of certain Federal public land in Madison County, IL; to the Committee on Public Works and Transportation.

By Mr. CRAIG (for himself and Mr. RAHALL):

H.R. 2120. A bill to amend the Deep Seabed Hard Mineral Resources Act to authorize appropriations to carry out the provisions of the act for fiscal years 1990, 1991, and 1992; jointly, to the Committees on Foreign Affairs, Interior and Insular Affairs, and Merchant Marine and Fisheries.

By Mr. DORGAN of North Dakota (for himself and Mr. BROWN of Colorado):

H.R. 2121. A bill to amend the Internal Revenue Code of 1986 to extend the deduction for health insurance costs of self-employed individuals for an indefinite period, and to increase the amount of such deduction; to the Committee on Ways and Means.

By Mr. EMERSON:

H.R. 2122. A bill to amend the Congressional Budget and Impoundment Control Act of 1974 to exclude receipts and disbursements of the Social Security trust funds from the calculation of Federal deficits and maximum deficit amounts under the Balanced Budget and Emergency Deficit Control Act of 1985; to the Committee on Government Operations.

By Mr. FLORIO (for himself, Mr. ROE, Mr. OWENS of New York, and Mr. SIKORSKI):

H.R. 2123. A bill to amend the Toxic Substances Control Act to extend coverage of certain requirements relating to asbestos in schools to include public and commercial buildings and to strengthen such requirements; to the Committee on Energy and Commerce.

By Mr. FLORIO (for himself, Mr. STARK, Mr. PALLONE, Mr. RANGEL, Mr. STUDDS, Mr. OWENS of New York, Mr. MCNULTY, Mr. DYMALLY, Mr. FRANK, Mr. WEISS, Mr. CONYERS, Mr. LEWIS of Georgia, Ms. PELOSI, Mr. FOGLIETTA, Mr. DE LUGO, Mr. ANDERSON, Mr. PAYNE of New Jersey, Mr. SCHEUER, and Mr. TOWNS):

H.R. 2124. A bill to establish minimum standards for health insurance coverage of drug and alcohol abuse treatment; to the Committee on Energy and Commerce.

By Mr. FRANK:

H.R. 2125. A bill to amend title 39, United States Code, to provide free insurance up to the value of $100 on mail items; to the Committee on Post Office and Civil Service.

By Ms. KAPTUR:

H.R. 2126. A bill to amend the act entitled "An Act to Provide Books for the Adult Blind" to provide clarification with respect to the individuals who may make diagnoses of dyslexia under such act, and for other purposes; to the Committee on House Administration.

By Mr. MACHTLEY (for himself, Mr. EARLY, and Mr. ATKINS):

H.R. 2127. A bill to amend Public Law 99-647, establishing the Blackstone River Valley National Heritage Corridor Commission, to authorize the Commission to take immediate action in furtherance of its purposes and to increase the authorization of appropriations for the Commission; to the Committee on Interior and Insular Affairs.

By Mr. PAYNE of Virginia:

H.R. 2128: A bill to amend the Communications Act of 1934 to require that substantial rate increases in rates charged by cable televison operators be subject to approval by local regulatory authorities; to the Committee on Energy and Commerce.

By Mr. RICHARDSON (for himself, Mr. WILLIAMS, Mr. FIELDS, Mr. FLORIO, Mr. HALL of Texas, Mr. YATRON, Mr. ECKART, Mrs. PATTERSON, Mr. SPRATT, Mr. TALLON, Mr. DORGAN of North Dakota, Mr. DERRICK, Mr. SPENCE, and Mr. LELAND):

H.R. 2129. A bill to establish a U.S. Boxing Corporation, and for other purposes; jointly, to the Committees on Education and Labor and Energy and Commerce.

By Mr. ROBINSON:

H.R. 2130. A bill to require that not less than 25 percent of amounts spent by the Department of Defense during fiscal year 1990 for advertising for military recruiting purposes be spent for advertising in newspapers; to the Committee on Armed Services.

By Mrs. ROUKEMA:

H.R. 2131. A bill to amend the Communications Act of 1934 to prohibit certain practices in the use of automatic dialing devices, and for other purposes; to the Committee on Energy and Commerce.

By Mr. SLAUGHTER of Virginia:

H.R. 2132. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income amounts otherwise includible on the surrender or cancellation of any life insurance policy which are used to pay long-term care insurance premiums; to the Committee on Ways and Means.

H.R. 2133. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income amounts withdrawn from individual retirement plans for payment of long-term care insurance premiums; to the Committee on Ways and Means.

By Mr. SMITH of Florida (for himself, Mr. LELAND, Mr. FASCELL, Mr. TOWNS, Mr. JOHNSON of South Dakota, Mr. KOSTMAYER, Mr. PENNY, Mr. BATEMAN, Mr. HENRY, Mr. FAUNTROY, Mr. ACKERMAN, Mr. AUCOIN, Mr. HUGHES, Mrs. COLLINS, Mr. MORRISON of Connecticut, Mr. ATKINS, Mr. DYMALLY, Ms. PELOSI, Mr. OWENS of Utah, Mr. COSTELLO, Mrs. UNSOELD, Mr. ROBERT F. SMITH, Mr. LAUGHLIN, Mr. MCCURDY, and Mrs. LLOYD):

H.R. 2134. A bill to amend the Federal Meat Inspection Act to authorize the distribution of wholesome meat for human consumption that has been condemned under that act to charity and public agencies; to the Committee on Agriculture.

By Mr. SWIFT (for himself, Mr. THOMAS A. LUKEN, Mr. WYDEN, Mr. ECKART, Mr. SIKORSKI, Mr. DEFAZIO, Mr. MILLER of Washington, Mr. MARKEY, Mr. AUCOIN, and Mr. SKAGGS):

H.R. 2135. A bill to amend the Solid Waste Disposal Act to improve compliance by Federal facilities with the requirements of subtitle C of that act; to the Committee on Energy and Commerce.

By Mr. WOLF (for himself, Mr. PARRIS, Mr. FAUNTROY, Mr. BLILEY, and Mrs. MORELLA):

H.R. 2136. A bill to amend the District of Columbia Code to limit the length of time for which an individual may be incarcerated for civil contempt in a child custody case in the Superior Court of the District of Columbia and to provide for expedited appeal procedures to the District of Columbia Court of Appeals for individuals found in civil contempt in such a case; to the Committee on the District of Columbia.

By Mr. FRANK:

H.J. Res. 250. Joint resolution designating July 4 of each year as the "Principal National Permanent Legal Holiday"; to the Committee on Post Office and Civil Service.

By Mr. HYDE (for himself, Mr. STOKES, Mr. GILMAN, and Mr. MCHUGH):

H.J. Res. 251. Joint resolution to designate the week of June 4, 1989, through June 10, 1989, as "National Intelligence Community Week"; to the Committee on Post Office and Civil Service.

By Mr. RHODES (for himself, Mr. BROWN of Colorado, Mr. MATSUI, Mr. FAWELL, Mr. LEHMAN of Florida, Mr. WOLF, Mr. FUSTER, Mr. CONTE, Mr. FAZIO, Mr. FLIPPO, Mr. HORTON, Mr. DYMALLY, Mrs. BOXER, Mr. DORNAN of California, Mr. BEVILL, Mr. MRAZEK, Mr. LANCASTER, Mr. MARTINEZ, Mrs. BENTLEY, Mr. SMITH of Florida, Mr. TOWNS, Mr. DEWINE, Mr. ATKINS, and Mr. FISH):

H.J. Res. 252. Joint resolution designating May 1989 as "National Water Recreation Safety Month"; to the Committee on Post Office and Civil Service.

By Mr. ATKINS:

H. Con. Res. 103. Concurrent resolution urging first asylum countries of the Association of Southeast Asia Nations [ASEAN] to reinstate the practice of providing refuge to all asylum seekers from Vietnam, and for other purposes; to the Committee on Foreign Affairs.

By Mr. DE LA GARZA:

H. Res. 139. Resolution expressing the sense of the House of Representatives that the future of America's family-owned farms and businesses would be jeopardized by any increase in estate taxes; to the Committee on Ways and Means.

By Mr. DORGAN of North Dakota (for himself, Mr. DURBIN, Mr. BATES, Mr. STALLINGS, Mr. DONNELLY, Mr. PENNY, Mr. JOHNSON of South Dakota, and Mr. EVANS):

H. Res. 140. Resolution expressing the sense of the House regarding the critical need to include the use of alternative fuels such as ethanol, produced from our abundant stocks of surplus grain, methanol, which can be produced from our vast coal reserves, and compressed natural gas which can be produced from abundant gas reserves in air pollution control strategies required by the Federal Environmental Protection Agency to achieve compliance with the Clean Air Act; to the Committee on Energy and Commerce.

By Mr. JOHNSTON of Florida (for himself, Mr. GOSS, Mr. BENNETT, Mr. NELSON of Florida, Mr. SMITH of Florida, Mr. PEPPER, and Mr. SHAW):

H. Res. 141. Resolution relating to the restoration of Eastern Airlines; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

71. By the SPEAKER: Memorial of the Legislature of the State of Alaska, relative to Alaska salmon and steelhead on the high seas; to the Committee on Merchant Marine and Fisheries.

72. Also, memorial of the Legislature of the State of Nevada, relative to the air service subsidy program; to the Committee on Public Works and Transportation.

73. Also, memorial of the Legislature of the State of Nevada, relative to the location of a repository for nuclear waste in Nevada; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

74. Also, memorial of the Legislature of the State of Nevada, relative to the placement of a repository for high-level radioactive waste in Nevada; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 5: Mr. FORD of Michigan and Mr. DONNELLY.

H.R. 19: Mr. DURBIN, Mr. MARTINEZ, Mr. RAHALL, Mr. MFUME, Mr. ROBINSON, Mr. LIGHTFOOT, Mr. JOHNSON of South Dakota, Mr. LIVINGSTON, and Mr. UPTON.

H.R. 21: Mr. GARCIA and Mr. CONTE.

H.R. 22: Mr. SANGMEISTER.

H.R. 41: Mr. AKAKA, Mr. CLAY, Mr. DWYER of New Jersey, Mr. MCHUGH, Mr. MAVROULES, Mr. OWENS of Utah, Mr. SAVAGE, Mr. SMITH of Florida, Mr. SMITH of Vermont, Ms. SNOWE, and Mr. WEISS.

H.R. 42: Mr. FUSTER.

H.R. 48: Mrs. COLLINS, Mr. ATKINS, Mr. LEWIS of Georgia, Mr. RANGEL, and Mr. SAVAGE.

H.R. 77: Mr. LEWIS of Georgia.

H.R. 82: Mr. REGULA, Mr. MOAKLEY, Mr. BROOKS, Mr. FUSTER, Mr. HAYES of Illinois, Mr. PARRIS, Mr. SMITH of Vermont, and Mr. SKAGGS.

H.R. 84: Mr. GUARINI, Mr. HAWKINS, Mr. MRAZEK, Mr. ANDERSON, Mr. EDWARDS of California, Mr. MFUME, Mr. RINALDO, and Mr. FISH.

H.R. 85: Mr. GORDON.

H.R. 88: Mr. BRYANT.

H.R. 89: Mr. OWENS of Utah.

H.R. 109: Mr. HAMILTON.

H.R. 118: Mr. JACOBS and Mr. HILER.

H.R. 182: Mr. FRANK, Ms. PELOSI, Mr. LENT, Mr. MILLER of California, Mr. BATES, Mr. ROE, Mr. MRAZEK, and Mr. DREIER of California.

H.R. 212: Mr. MCMILLEN of Maryland.

H.R. 214: Mr. ROWLAND of Georgia, Mr. STOKES, and Mr. SMITH of New Jersey.

H.R 215: Mr. HASTERT, Mr. BATES, Mr. ROBINSON, Mr. OBERSTAR, Mrs. LOWEY of New York, and Mr. EMERSON.

H.R. 220: Mr. BONIOR.

H.R. 222: Ms. LONG, Mrs. BENTLEY, and Mr. TALLON.

H.R. 245: Mr. DREIER of California.

H.R. 403: Mr. RINALDO.

H.R. 425: Mr. HUGHES, Mr. EDWARDS of Oklahoma, and Mr. GARCIA.

H.R. 458: Mr. HALL of Ohio.

H.R. 467: Mr. BONIOR.

H.R. 499: Mr. HEFLEY.

H.R. 501: Mr. OBEY.

H.R. 581: Mr. SCHEUER, Mr. FLORIO, Mr. FUSTER, Mr. SCHUMER, Mr. WALSH, Mr. LIPINSKI, Mr. PAXON, Mr. ROE, Mr. CLEMENT, Mr. HORTON, and Mr. BROOMFIELD.

H.R. 583: Mr. MORRISON of Connecticut and Mr. MAVROULES.

H.R. 615: Mr. COSTELLO, Mr. HUGHES, and Mr. SMITH of Florida.

H.R. 631: Mr. FORD of Michigan.

H.R. 670: Mr. WEISS, Mr. BONIOR, and Mr. CLEMENT.

H.R. 673: Mr. MANTON, Mr. HOPKINS, Mr. OLIN, Mr. RAHALL, and Mr. FISH.

H.R. 675: Mr. COX.

H.R. 711: Mr. SMITH of Vermont and Mr. WALGREN.

H.R. 725: Mr. DIXON.

H.R. 778: Mr. MARTINEZ, Mr. ESPY, Mr. DONALD E. LUKENS, and Mr. ROE.

H.R. 791: Mr. STANGELAND, Mr. HOCHBRUECKNER, Mr. MRAZEK, Mr. PENNY, Mr. ACKERMAN, Mr. FRANK, Mr. BATES, Mr. DYMALLY, Mr. FLORIO, Mr. BOEHLERT, Mr. VENTO, Mr. TOWNS, Mrs. COLLINS, Mr. BEVILL, Mr. SYNAR, Mr. CHAPMAN, and Ms. KAPTUR.

H.R. 795: Mr. MINETA.

H.R. 798: Mr. FISH.

H.R. 799: Mr. TAUKE.

H.R. 800: Mr. FUSTER, Mr. FLORIO, and Mr. DYMALLY.

H.R. 833: Mr. DURBIN.

H.R. 844: Mr. RAVENEL and Mr. GIBBONS.

H.R. 850: Mr. CRANE, Mr. MARTINEZ, Mr. BUECHNER, Mr. ROE, and Mr. RIDGE.

H.R. 901: Mr. OLIN.

H.R. 904: Mr. YOUNG of Alaska, Mr. WILLIAMS, Mr. YATES, Mrs. MORELLA, Mr. WHEAT, Mr. ASPIN, Mr. NAGLE, Mr. KENNEDY, Mr. RINALDO, Mr. HUNTER, Mr. JONES of Georgia, Mr. CARR, Mr. DARDEN, Mr. BALLENGER, Mr. PICKETT, Mr. BRENNAN, Mr. CROCKETT, Mr. SCHAEFER, Mr. HALL of Ohio, Mr. MCDERMOTT, Mr. BRYANT, Mr. WOLPE, Mr. PAXON, Mr. VENTO, Mr. STANGELAND, Mr. CARPER, Mr. LELAND, Mr. SMITH of Texas, Mr. HAYES of Louisiana, Mr. SCHUETTE, Mr. CLEMENT, Mr. BROWDER, Mrs. MARTIN of Illinois, Mr. SKAGGS, Mr. STERNS, Mr. CLARKE, Mr. BUNNING, Mr. DEFAZIO, Mr. HAMMERSCHMIDT, Mr. STALLINGS, and Mr. FLORIO.

H.R. 928: Mr. FORD of Michigan and Mr. RAHALL.

H.R. 1000: Mr. JONES of North Carolina.

H.R. 1025: Mr. COX and Mrs. MARTIN of Illinois.

H.R. 1046: Mr. HASTERT and Mr. COMBEST.

H.R. 1048: Mr. WALGREN, Mrs. UNSOELD, Mr. SCHEUER, and Mr. KILDEE.

H.R. 1074: Mr. ALEXANDER, Mr. BATEMAN, Mr. GUNDERSON, Mr. WISE, Mr. HERGER, Mr. SUNDQUIST, Mr. SMITH of Texas, Mr. GILMAN, Mr. MATSUI, Mr. ROSE, Mr. WALGREN, and Mr. PRICE.

H.R. 1078: Mr. NOWAK, Mr. RICHARDSON, Mr. OWENS of Utah, Mr. GRAY, and Mr. SAVAGE.

H.R. 1112: Mr. OLIN, Mr. DONNELLY, and Mr. KOLBE.

H.R. 1117: Mr. FUSTER.

H.R. 1124: Mr. SHAYS, Mr. APPLEGATE, Mr. OWENS of New York, Mr. MARTINEZ.

H.R. 1131: Mr. FRANK.

H.R. 1133: Mr. MOODY.

H.R. 1136: Mr. LEACH of Iowa, Mr. WISE, Mr. DICKINSON, Mr. BEVILL, Mr. BROOMFIELD, Mr. MAZZOLI, Mr. KASICH, Mr. HAMMERSCHMIDT, and Mr. VANDER JAGT.

H.R. 1142: Mr. LEATH of Texas, Mr. PENNY, Mr. KOLTER, Mr. DORNAN of California, Mr. DANNEMEYER, Mr. PICKETT, Mr. QUILLEN, Mr. MCCURDY, Mr. FUSTER, Mr. BEVILL, Mr. PARKER, Mr. BUSTAMANTE, Mr. SPENCE, Mr. JOHNSON of South Dakota, and Mr. HARRIS.

H.R. 1154: Mr. LEVINE of California and Mr. JOHNSTON of Florida.

H.R. 1180: Mr. KILDEE.

H.R. 1181: Mrs. MARTIN of Illinois.

H.R. 1199: Mrs. MORELLA, Mr. CARPER, Mr. RANGEL, Ms. SCHNEIDER, Mr. GLICKMAN, Mr. KASTENMEIER, Mr. BATES, Ms. SNOWE, and Mr. CLEMENT.

H.R. 1210: Mr. SISISKY, Mr. PAXON, Mr. GILMAN, Mr. MILLER of Ohio, Mr. HERGER, Mr. TRAXLER, Mr. PETRI, Mr. MADIGAN, Mr. SHUSTER, and Mr. SAXTON.

H.R. 1216: Mr. SMITH of Texas, Mr. LELAND, Mr. TRAXLER, Mr. NEAL of North Carolina, Mr. MCCURDY, Mr. SWIFT, Mr. VALENTINE, and Mr. NELSON of Florida.

H.R. 1243: Mr. DICKINSON, Mr. CALLAHAN, Mrs. BENTLEY, Mr. MCDADE, Mr. FRANK, and Mr. OLIN.

H.R. 1281: Mr. COURTER, Mr. OWENS of Utah, Mr. MFUME, Mrs. LOWEY of New York, Mr. KOSTMAYER, Mr. UPTON, and Mr. FISH.

H.R. 1295: Mr. HEFNER and Mr. ROE.

H.R. 1337: Mr. BRYANT, Mr. MARKEY, Mr. OBERSTAR, Mr. VENTO, Mr. TOWNS, Mr. BROWN of California, Mr. WEISS, Mr. GARCIA, Mr. MCDERMOTT, Mr. BROOKS, Mr. PORTER, Mr. KENNEDY, Mr. ATKINS, Mr.

JOHNSTON of Florida, Mr. HUGHES, and Mr. LEWIS of Georgia.

H.R. 1352: Mr. EMERSON and Mr. GARCIA.

H.R. 1371: Mr. MRAZEK, Mr. TORRICELLI, Mr. CHAPMAN, Mr. THOMAS of Georgia, Mr. LANCASTER, and Mr. SPRATT.

H.R. 1381: Mr. MCDERMOTT.

H.R. 1382: Mr. TOWNS and Mr. ROE.

H.R. 1383: Mr. PALLONE, Mr. MOAKLEY, Mr. WOLPE, Mr. FALEOMAVAEGA, and Mr. BORSKI.

H.R. 1387: Mr. GLICKMAN.

H.R. 1394: Mr. FRANK, Mr. FLORIO, Mr. SLAUGHTER of Virginia, Mr. DEFAZIO, and Mr. PARRIS.

H.R. 1441: Mr. PENNY, Mr. COOPER, Mr. MOAKLEY, Mr. TOWNS, Mr. WHITTAKER, Mr. RANGEL, Mr. MARTINEZ, Mr. OLIN, Mr. PEASE, Mr. OWENS of New York, Mr. KOSTMAYER, Mrs. LLOYD, Mr. MORRISON of Connecticut, Mr. ACKERMAN, Mr. CHAPMAN, Mr. LEHMAN of Florida, Mr. ATKINS, Mr. MOLLOHAN, Mr. DEFAZIO, Mr. WHEAT, Mrs. COLLINS, Mr. ROBINSON, Mr. FOGLIETTA, Mr. DERRICK, Mr. RICHARDSON, Mr. JONTZ, Mr. DORGAN of North Dakota, Mr. SHAYS, Mr. SMITH of Mississippi, Mr. GORDON, Mr. BILBRAY, Mrs. BOXER, Mr. CROCKETT, Mr. OWENS of Utah, Mr. UPTON, Mr. YATES, Mr. BEVILL, Mr. FUSTER, Mr. HATCHER, Mr. LANTOS, Mr. MILLER of California, and Mr. BURTON of Indiana.

H.R. 1465: Mr. SWIFT, Mr. FIELDS, and Mr. FORD of Michigan.

H.R. 1471: Mr. WILLIAMS, Mr. GREEN, Mr. MOAKLEY, Mr. MINETA, Mr. PURSELL, Mr. TAUKE, Mr. JACOBS, Mr. BONIOR, Mrs. LOWEY of New York, and Mr. JOHNSTON of Florida.

H.R. 1494: Mr. LEVINE of California.,

H.R. 1499: Mr. WALSH, Mr. HASTERT, Mr. HORTON, Mr. MACHTLEY, Mr. RAVENEL, Mr. WOLF, Mr. PARRIS, and Mr. GOSS.

H.R. 1504: Ms. PELOSI and Mr. SAVAGE.

H.R. 1526: Mr. NEAL of North Carolina.

H.R. 1553: Mr. STALLINGS, Mr. JOHNSON of South Dakota, Mr. SWIFT, Mr. DICKS, Mr. MORRISON of Washington, Mrs. VUCANOVICH, Mr. CHANDLER, Mr. STUMP, Mr. DORGAN of North Dakota, Mr. MILLER of Washington, Mr. MARLENEE, Mr. EMERSON, Mr. RHODES, and Mr. MCDERMOTT.

H.R. 1568: Mr. KENNEDY and Mr. ESPY.

H.R. 1573: Mr. KOSTMAYER, Mr. FAZIO, Mr. MCDERMOTT, Mr. FORD of Michigan, Mr. CARDIN, Mr. CHAPMAN, Mr. BERMAN, Mr. OWENS of New York, Mr. LANTOS, and Mr. POSHARD.

H.R. 1589: Mr. COMBEST and Mr. SMITH of Texas.

H.R. 1605: Mr. ANNUNZIO, Ms. PELOSI, Mr. COYNE, Mr. STUDDS, Mr. DORGAN of North Dakota, Mr. MOODY, Mr. YATES, Mr. UPTON, Mr. ROE, Mr. PENNY, Ms. KAPTUR, Mr. HAYES of Illinois, Mr. ASPIN, Mr. WEBER, Mr. MCNULTY, and Mr. ACKERMAN.

H.R. 1609: Mr. OXLEY.

H.R. 1610: Mr. RANGEL.

H.R. 1617: Mrs. MARTIN of Illinois, Mr. HYDE, Mr. COURTER, Mr. KOLBE, Mr. LAGOMARSINO, Mr. NIELSON of Utah, Mr. SCHUETTE, and Mr. FUSTER.

H.R. 1631: Mr. BENNETT and Mr. SMITH of Florida.

H.R. 1651: Mr. RANGEL.

H.R. 1654: Mrs. COLLINS, Mr. WOLPE, Mrs. UNSOELD, Mr. MORRISON of Connecticut, Mr. ATKINS, Mr. PANETTA, Mr. LEVINE of California, Mr. MRAZEK, and Mr. HOYER.

H.R. 1659: Mr. KOLTER and Mr. BOEHLERT.

H.R. 1676: Mr. BRYANT, Mr. ATKINS, Mr. MAVROULES, Mr. HUGHES, Mr. WILLIAMS, Mr. SOLARZ, Mr. RAVENEL, Mr. UPTON, Mr. ANDERSON, and Mr. FISH.

H.R. 1677: Mr. STARK, Mr. KASTENMEIER, Mr. OWENS of New York, Mr. COLEMAN of Texas, Mr. ROE, Mr. VOLKMER, Mr. STALLINGS, Mr. SHAYS, Mr. BERMAN, Mr. HENRY, and Mr. SAVAGE.

H.R. 1679: Mr. BERMAN, Mr. FAZIO, Mr. BATES, and Mr. WEISS.

H.R. 1691: Mr. OWENS of Utah, Mr. ATKINS, Mr. MINETA, Mr. KOSTMAYER, Mr. DWYER of New Jersey, and Mr. BONIOR.

H.R. 1693: Mrs. COLLINS, Mr. FOGLIETTA, Mr. BATES, Mr. RANGEL, Mr. LANTOS, Mr. ATKINS, Mr. MFUME, Mr. SMITH of Florida, and Mr. DONNELLY.

H.R. 1725: Mr. FUSTER, Mrs. UNSOLED, Mr. DWYER of New Jersey, and Mr. RICHARDSON.

H.R. 1730: Mrs. MARTIN of Illinois, Mr. FUSTER, and Mr. ROE.

H.R. 1845: Mr. DYMALLY and Mrs. COLLINS.

H.R. 1861: Mr. VENTO, Mr. ENGEL, Mr. FAWELL, Ms. PELOSI, Mr. ATKINS, Mr. FRANK, Mr. FLORIO, Mr. FAZIO, Mr. BERMAN, Mr. MCDERMOTT, and Mr. FOGLIETTA.

H.R. 1931: Mrs. COLLINS, Mr. TOWNS, Mr. LIPINSKI, Mr. FUSTER, Mr. OWENS of New York, Ms. KAPTUR, and Mr. BRYANT.

H.R. 1935: Mr. BENNETT, Mr. FORD of Michigan, Mr. DOWNEY, Mr. FRANK, Mr. LEWIS of Georgia, Mrs. COLLINS, Mr. SCHEUER, Mr. TRAFICANT, Mr. CONTE, Ms. KAPTUR, Mr. VENTO, Mrs. ROUKEMA, Mr. BILBRAY, Mr. SMITH of Florida, Mr. PALLONE, and Mr. STARK.

H.R. 2008: Mr. TOWNS, Mr. TALLON, Mr. BLILEY, Mrs. SAIKI, Mr. WALSH, Mr. BARTLETT, Mr. PURSELL, Mr. DELAY, Mr. MARLENEE, Mr. NIELSON of Utah, Mr. PARRIS, Mr. SMITH of New Jersey, Mr. DENNY SMITH, Mr. HAMMERSCHMIDT, Mr. INHOFE, Mr. CRAIG, Mr. BURTON of Indiana, and Mr. STANGELAND.

H.R. 2044: Mr. HORTON, Mr. SHUSTER, Mrs. UNSOELD, and Mr. MCNULTY.

HR. 2055: Mr. STANGELAND, Mr. SKEEN, Mr. SMITH of Mississippi, Mr. OLIN, Mr. SUNDQUIST, Mr. SOLOMON, and Mr. PAXON.

H.J. Res 8: Mr. UPTON, Mr. SHAW, Mr. BAKER, Mr. HUNTER, Mr. BLAZ, Mr. CALLAHAN, Mr. EDWARDS of Oklahoma, Mr. LIVINGSTON, Mr. GEKAS, Mr. LIPINSKI, Mr. DONNELLY, Mr. RIDGE, Mr. MOLINARI, Mr. GINGRICH, Mr. CRAIG, Mr. RITTER, Mr. WALKER, Mr. HANCOCK, Mr. DANNEMEYER, Mr. LEATH of Texas, Mr. GUNDERSON, Mr. COMBEST, Mr. ROBERTS, Mr. SCHULZE, Mr. LIGHTFOOT, Mr. WELDON, Mr. DUNCAN, Mr. KOLBE, Mr. MADIGAN, Mr. MCMILLAN of North Carolina, Mr. FRENZEL, Mr. HERGER, Mr. YOUNG of Florida, Mr. SMITH of New Hampshire, Mr. ROWLAND of Connecticut, and Mr. MACHTLEY.

H.J. Res. 31: Mr. PICKETT.

H.J. Res. 50: Mr. SCHUETTE.

H.J. Res. 54: Mr. WOLPE and Mr. SIKORSKI.

H.J. Res. 104: Mr. BEREUTER, Mr. SCHUETTE, Mr. GRADISON, Mr. KLECZKA, Mr. BUECHNER, Mr. VOLKMER, Mr. VENTO, Mr. HOCHBRUECKNER, Mr. LIPINSKI, Mrs. COLLINS, and Mr. GILLMOR.

H.J. Res. 107: Mr. FEIGHAN, Mr. APPLEGATE, and Mr. HALL of Ohio.

H.J. Res. 120: Mr. BRENNAN, Mr. CARDIN, Mr. COUGHLIN, Mr. JOHNSTON of Florida, Mr. MILLER of Ohio, Mr. SKELTON, Mr. SMITH of Florida, and Mr. STALLINGS.

H.J. Res. 131: Mr. FUSTER, Mr. SHAW, Mr. THOMAS A. LUKEN, Mr. CARDIN, Mr. ENGEL, and Mr. SAVAGE.

H.J. Res. 132: Mr. SABO, Mr. WALSH, Mr. GREEN, Mr. GILLMOR, Mrs. LOWEY of New York, Mrs. KENNELLY, Mr. JENKINS, Mr. SHARP, Mr. AUCOIN, Mr. BILBRAY, Mr. BUSTAMANTE, Mr. FEIGHAN, Ms. KAPTUR, Mr. LEWIS of Georgia, Mr. MARKEY, Mr. MORRISON of Connecticut, Mr. RICHARDSON, Mr. SAWYER, Mr. NEAL of Massachusetts, Mr. NEAL of North Carolina, Mr. LEWIS of Florida, Mrs. MARTIN of Illinois, Mr. DANNEMEYER, Mr. HAWKINS, Mrs. MORELLA, Mr. SMITH of Iowa, Mr. KASICH, Mr. DE LA GARZA, Mr. POSHARD, Mr. RAVENEL, Mr. PALLONE, Mr. PEPPER, Mr. MOODY, Mr. HASTERT, Mr. ENGEL, Mr. UDALL, Mr. CONYERS, Mr. FAWELL, Mr. GRAY, Mr. KOSTMAYER, Mr. STALLINGS, Mr. MCCOLLUM, Mr. HAMMERSCHMIDT, Mr. PICKETT, Mr. WEBER, Mr. SKEEN, Mr. ROYBAL, Mr. LOWERY of California, Mr. BLAZ, Mr. MURPHY, Mr. HAYES of Louisiana, Mr. MCDERMOTT, Mr. DYSON, Mr. FLORIO, Mr. FRANK, Mr. DWYER of New Jersey, Mr. MACHTLEY, Mr. PANETTA, and Mr. MCNULTY.

H.J. Res. 138: Mr. OLIN, Mr. BROWN of California, Mr. DYMALLY, Mr. MCNULTY, Mr. HOAGLAND, Mr. VENTO, Mrs. BOXER, Mr. WOLF, Mr. BORSKI, Mr. SAXTON, Mr. BATES, Mr. HORTON, and Mr. JOHNSON of South Dakota.

H.J. Res. 141: Mr. ALEXANDER, Mr. PORTER, Mr. FRENZEL, Mr. MCDADE, Mr. CARPER, Mr. WELDON, Mr. TALLON, Mr. ROSE, and Mr. BUNNING.

H.J. Res. 164: Mr. FRENZEL, Mr. GALLO, Mr. PARKER, Mr. NOWAK, Mr. ALEXANDER, Mr. ROWLAND of Connecticut, Mr. SLATTERY, Mr. RINALDO, Mr. LOWERY of California, Mr. SPENCE, Mr. DANNEMEYER, Mr. HASTERT, Mr. OWENS of Utah, Mr. TOWNS, Mrs. COLLINS, Mr. FASCELL, Mr. KOLTER, Mr. HOPKINS, Mr. BRUCE, Mr. SHAYS, and Mr. FAWELL.

H.J. Res. 186: Mr. BOSCO, Mr. FISH, Mr. GALLO, Mr. KLECZKA, Mr. RICHARDSON, Mr. DE LUGO, Mr. SABO, Mrs. BOXER, Mr. ESPY, Mr. VOLKMER, Mr. PICKETT, Mr. MCNULTY, Mr. GEPHARDT, Mr. PRICE, Mr. COLEMAN of Missouri, Mr. IRELAND, Mr. BLAZ, Mr. GONZALEZ, Mr. JACOBS, Mr. SCHAEFER, Mr. MARTINEZ, and Mr. APPLEGATE.

H.J. Res. 199: Mr. SLATTERY.

H.J. Res. 210: Mr. VOLKMER, Mr. MCDERMOTT, Mr. MRAZEK, Mr. LAFALCE, Mr. SPRATT, Mr. BOUCHER, Mr. GALLO, Mr. MARTINEZ, Mr. FRENZEL, Ms. PELOSI, Mr. HORTON, Mr. KAPTUR, Mr. HOAGLAND, Mr. WHITTEN, Mr. EVANS, Mr. WISE, Mr. MOORHEAD, Mr. STUMP, Mr. STUDDS, Mr. COBLE, Mr. MCHUGH, Mrs. MEYERS of Kansas, Mr. EARLY, Mr. UDALL, Mr. BILBRAY, Mr. FLORIO, Mr. QUILLEN, and Mr. ENGEL.

H.J. Res. 214: Mr. GARCIA, Mr. GUNDERSON, Mr. MATSUI, Mr. ANDERSON, Mr. SPRATT, and Mr. OWENS of New York.

H.J. Res. 216: Mr. ACKERMAN, Mr. AUCOIN, Mr. BAKER, Mr. BALLENGER, Mr. BATES, Mrs. BENTLEY, Mr. BEVILL, Mr. BLILEY, Mr. BORSKI, Mrs. BOXER, Mr. BROWN of California, Mr. BRUCE, Mr. BUNNING, Mr. BUSTAMANTE, Mr. CARR, Mr. CLEMENT, Mr. COELHO, Mrs. COLLINS, Mr. CONYERS, Mr. COUGHLIN, Mr. COURTER, Mr. COYNE, Mr. CROCKETT, Mr. DARDEN, Mr. DE LA GARZA, Mr. DELLUMS, Mr. DE LUGO, Mr. DEWINE, Mr. DICKS, Mr. DORNAN of California, Mr. DURBIN, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. ESPY, Mr. EVANS, Mr. FAWELL, Mr. FAZIO, Mr. FLORIO, Mr. FOGLIETTA, Mr. FRANK, Mr. FUSTER, Mr. GALLO, Mr. GARCIA, Mr. GILMAN, Mr. GRANDY, Mr. GRANT, Mr. GRAY, Mr. GREEN, Mr. GUARINI, Mr. GUNDERSON, Mr. HAWKINS, Mr. HAYES of Illinois, Mr. HEFNER, Mr. HERGER , Mr. HORTON, Mr. HUGHES, Mr. IRELAND, Mr. KILDEE, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEHMAN of California, Mr. LEHMAN of Florida, Mr. LELAND, Mr. LEVIN of Michigan, Mr. LEVINE of California, Mr. LEWIS of Georgia, Mr. LIPINSKI, Mr. LOWERY of California, Mr. MANTON, Mr. MARTIN of New York, Mr. MARTINEZ, Mr. MATSUI, Mr. MAZZOLI, Mr. MCDADE, Mr. MCGRATH, Mr. MCMILLEN of

Maryland, Mrs. MEYERS of Kansas, Mr. MFUME, Mr. MICHEL, Mr. MILLER of California, Mr. MINETA, Mr. MOLINARI, Mr. MOORHEAD, Mr. MRAZEK, Mr. NATCHER, Mr. NEAL of Massachusetts, Mr. NOWAK, Mr. OWENS of Utah, Mr. PANETTA, Mr. PARKER, Mr. PASHAYAN, Mrs. PATTERSON, Mr. PENNY, Mr. PICKETT, Mr. QUILLEN, Mr. RAVENEL, Mr. RAY, Mr. RITTER, Mr. ROE, Mr. ROGERS, Mr. ROWLAND of Connecticut, Mr. SAVAGE, Mr. SAXTON, Mr. SCHUMER, Mr. SHAYS, Mr. SLATTERY, Mr. SMITH of New Hampshire, Mr. ROBERT F. SMITH, Mr. SMITH of Mississippi, Mr. SOLARZ, Mr. SOLOMON, Mr. STAGGERS, Mr. STANGELAND, Mr. STARK, Mr. STOKES, Mr. TALLON, Mr. TRAXLER, Mrs. UNSOELD, Mr. VALENTINE, Mr. VANDER JAGT, Mr. ROTH, Mr. VENTO, Mr. WALSH, Mr. WATKINS, Mr. WAXMAN, Mr. WEBER, Mr. WILSON, Mr. WOLPE, and Mr. WYDEN.

H.J. Res. 221: Mr. LAGOMARSINO, Mr. LIPINSKI, Mrs. MARTIN of Illinois, Mr. PAYNE of Virginia, Mr. SKELTON, and Mr. SKEEN.

H.J. Res. 226: Mr. COLEMAN of Missouri, Mr. JACOBS, Mr. MORRISON of Connecticut, Mrs. MORELLA, Mr. MOLLOHAN, Mr. WISE, Mr. GILMAN, Mr. SCHUETTE, Mr. MOAKLEY, Mr. SPRATT, and Mr. SCHEUER.

H.J. Res. 240: Mr. BROOMFIELD, Mr. BURTON of Indiana, Mr. BUSTAMANTE, Mr. CAMPBELL of Colorado, Mr. CARDIN, Mr. CARPER, Mr. COSTELLO, Mr. DEFAZIO, Mr. DEWINE, Mr. FISH, Mr. FOGLIETTA, Mr. GEJDENSON, Mr. HAYES of Illinois, Mr. HOCHBRUECKNER, Mr. HYDE, Mr. JONES of Georgia, Ms. KAPTUR, Mr. KOLTER, Mr. KOSTMAYER, Mr. LANCASTER, Mr. MATSUI, Mr. MCNULTY, Mr. MORRISON of Connecticut, Ms. PELOSI, Mr. PENNY, Mr. RANGEL, Mr. RINALDO, Mr. ROHRABACHER, Mrs. SCHROEDER, Mr. SOLOMON, Mr. TRAFICANT, Mr. WYDEN, and Mr. YATRON.

H. Con. Res. 6: Mr. FLORIO.

H. Con. Res. 30: Mr. COX and Mr. CLEMENT.

H. Con. Res. 40: Mr. DREIER of California and Mr. LIVINGSTON.

H. Con. Res. 68: Mr. BOEHLERT, Mr. BATEMAN, Mr. LAGOMARSINO, Mr. BARTON of Texas, Mr. MOORHEAD, Mr. SAXTON, Mr. CAMPBELL of California, Mr. RAVENEL, Mr. PARRIS, Mr. BROOMFIELD, Mr. HOLLOWAY, Mr. MILLER of Ohio, Mr. NIELSON of Utah, Mr. BUNNING, Mr. HANCOCK, Mr. PORTER, Mr. BAKER, and Mr. BARTLETT.

H. Con. Res. 86: Mr. PEASE, Mr. FUSTER, Mr. RANGEL, Mr. ATKINS, Mr. KLECZKA, Mr. MCHUGH, and Mr. WEISS.

H. Res. 95: Mr. CLINGER, Mrs. BENTLEY, Mr. HATCHER, Mr. EMERSON, Mr. LAGOMARSINO, and Mr. FAWELL.

H. Res. 122: Mr. BUNNING.

H. Res. 128: Mr. FRANK, Mr. DORNAN of California, Mr. SKELTON, Mr. MORRISON of Connecticut, Mr. MACHTLEY, Mr. NEAL of Massachusetts, Mr. BROWN of California, Mr. KENNEDY, Mr. MCMILLEN of Maryland, Mr. APPLEGATE, Mr. ROYBAL, Mr. MICHEL, Mr. KOSTMAYER, Mr. LEVIN of Michigan, Mr. BILBRAY, Mr. CAMPBELL of Colorado, Mr. BERMAN, Mr. PANETTA, Mr. GEJDENSON, Mr. BONIOR, Mr. HOUGHTON, Mr. PEPPER, Mr. LAGOMARSINO, Mr. DONNELLY, and Mr. GILMAN.

H. Res. 129: Mr. FLORIO, Mr. SCHUETTE, Mr. TANNER, Mr. FOGLIETTA, and Mr. CONYERS.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 293: Mrs. BENTLEY.
H.R. 1233: Mrs. BENTLEY.
H.R. 1660: Mrs. BENTLEY.
H.J. Res. 137: Mr. LEHMAN of Florida.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

33. By the SPEAKER: Petition of city of Irving, TX, relative to the Dallas/Fort Worth International Airport; to the Committee on Public Works and Transportation.

34. Also, petition of Waller County, Hempstead, TX, relative to the Internal Revenue Code; to the Committee on Ways and Means.

35. Also, petition of Ray Sealy, Limestone County judge, Grosbeck, TX, relative to the Internal Revenue Code; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

BUSH BUDGET HURTS EDUCATION PROGRAMS

HON. JOLENE UNSOELD
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mrs. UNSOELD. Mr. Speaker, the education budget hearings held recently in various parts of the country were an eye opener on how local education programs would be hurt if the Bush budget were to become law.

Chapter 1, the largest and most successful Federal education program would be cut 46 percent under the Bush budget.

Vocational and adult education would suffer a 43-percent cut. That's half as much as is now available, and our current programs are inadequate.

The handicapped would see cuts of about 41 percent in their programs.

Frankly, it's hard to understand how President Bush justifies calling himself the education President, or how he plans to bring about a kinder and gentler America with a budget proposal like this one.

We should have learned by now that education is a good investment. When we educate our children well, we will reap social and economic benefits for generations to come.

Mr. Speaker, I ask that the testimony given by Ms. Judith Billings, Washington Superintendent of Public Instruction, be printed here in the RECORD. Ms. Billings and I were present at hearings held in Montana. Her testimony is an excellent statement on the importance of education programs in Washington, as well as the Nation.

TESTIMONY BY JUDITH A BILLINGS, SUPERINTENDENT OF PUBLIC INSTRUCTION, STATE OF WASHINGTON

Members of the committee, for the record, my name is Judith Billings and I am the Superintendent of Public Instruction for the State of Washington.

I am grateful to you for having had the foresight to hold hearings on the subject of federal education funding here in the Northwest. Even though we are a long distance from Washington, D.C., we rely on the education programs that the national government provides, especially for aid to children who are poor, who need special help or who come from minority cultures.

We in the State of Washington, like our counterparts around the country, are working very hard to provide the finest possible education for our children. We recognize that strong education programs help make us a creative society, add productivity to our economy and undergird our need for a strong national defense. More than anything else, however, our commitment to education is motivated by our love for our children and by the hope that their lives will be happy ones.

It is an unfortunate fact that, for many of our children, the prospects are not very good. A startling number of them are at-risk of educational failure. Our demographers estimate that, in 1990, 35.8% of our school aged population will come from either minority families, households headed by single women, poverty, or some combination of these three things. While there is nothing in these circumstances that requires these children to fail, we know that a large percentage of them will not do as well in school as their native potential permits.

We will face a grim future if the creativity, productivity and happiness of one third of our children is squandered by a lack of resources or by a lack of commitment to meeting their needs. Neither the State of Washington nor the nation can prosper if we perpetuate this neglect.

The statistics that I mentioned are drawn from the national census that was taken in 1980. We have known since that date that our children and our families were falling into these circumstances. Subsequent studies have shown that the incidences of single percentage, poverty among children and minority birth have increased throughout the decade.

Just as the need for assistance to children and families were rising dramatically, the commitment that once brought the federal government to their aid was reversed:

In 1980, 26 million children were participants in the school lunch program and now that number is 23 million.

In the late 1970's, when federal education funding was as good as it ever has been, only about 25% of the children eligible for Head Start were being served. That number is now about 18%. Programs are available to only about one in five of those eligible.

Chapter I, the most powerful hope for the poor ever invented by the society, has experienced a 12% relative funding decline since 1980. Less than half of those eligible for programs can now be served.

These programs are listed as illustrations that make the point: as needs rose, resources declined. The same point could be made by using a host of other federal programs intended for similar purposes. The federal government is running in the wrong direction and that is making the situation worse. More children are falling more deeply into distress because of this reversed federal commitment. If you expect America to retain its reputation as a nation that loves its children then this trend must be reversed immediately. If you expect our nation to continue to be powerful, productive and creative then the once illustrious federal defense of the helpless must be resumed.

For the last eight years we have heard a lot of rhetoric from the federal administration about just how important education really is. There were more education awards programs and essay contests instituted by the last administration than any in memory. There were visits to schools and there were children on the White House lawn. There were dramatic pronouncements about the need for good education programs. But these were public relations gimmicks, not commitments. The real program was what I have just described, declining resources and increasing need.

In this context, it is a nightmare to read an analysis of the education budget that seems to have been proposed by the administration. I use the term "seems to have been proposed," because we are still a little uncertain just what his budget does. There is some confusion about how a "flexibile freeze" will be implemented. Nevertheless, however it comes to be implemented, it still is running in the wrong direction.

Does the fact that the new President visited a school the other day, shortly after releasing what is perhaps the worst education budget in contemporary history, mean that we have another four years of publicity games ahead of us? As that great American orator, Yogi Berra once said, "it was *deja vu* all over again." We do not want any more essay contests. Please, we need an honest and caring commitment to children.

Assuming that the Director of the Office of Management and Budget knows what he is talking about when he says that there will be a freeze on outlays, this budget will be a disaster for America's children. In the education area alone we will sustain at least the following losses:

Chapter I programs will be cut by 46%;

Handicapped programs will be cut by 42%;

Vocational and adult education will be cut by 44%;

Bilingual and Immigrant Education will be reduced 21%;

Library programs will sustain a 22% reduction; and

Student financial aid will fall another 15%.

While education is your subject and my priority, I cannot fail to note that children also will be victimized by cuts in other programs. The Women, Infants and Children (WIC) program, Maternal and Child Health block grant, Migrant Health Centers and the National School Lunch program all are slated for cuts of varying magnitudes. We must have healthy children if we are to have good learners and these programs that can give them health already are under funded.

Anyone who has the slightest concern for the future of the nation and its children must look upon this proposal and weep. This budget must be rejected by the Congress and another passed in its place.

I implore you to join with me and with other concerned educators throughout the nation in support of the proposal recently advanced by the Chairman of the Education and Labor Committee, Representative Gus Hawkins. While I assume that you are familiar with that proposal, permit me to list here its most salient features. It includes the suggestion that appropriations be increased in the noted amounts for the following programs:

Cost in millions in budget authority, fiscal year 1990

Early childhood health, education and development	$2,950.00
Compensatory education for at-risk students	785.00
Fighting dropouts and drugs	405.00
Enhancing competitiveness	425.00
Strengthening higher education	900.00
Total	5,465.00

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

This is the sort of approach that I thought the President had in mind when he declared his intention to become the "Education President." This is the sort of approach that would reverse the negligent trend of the last decade. This is the sort of proposal that can bring some cheer to those of us who look upon the circumstances of our children and yearn for the day when we can at least offer them some small hope that their nation really cares about them.

Will the national deficit, once again, be thrown in the path of our children? I realize that this deficit is a huge problem for you. Yet, I also know that the Hawkins proposal would require the use of only 6.6% of the $81.5 billion of increased revenues that the Administration estimates will be available. Our nation cannot afford to use the deficit as reason to avoid this kind of investment in our future. It is a foolish economy to permit an entire generation of children to be pulled down into mediocrity. If we make this investment now we will avoid having to pay for the costs of delinquency and dependency later.

CLARENCE "CRIP" SMITH—"THANK YOU FOR BEING THERE"

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. MFUME. Mr. Speaker, Members of the House of Representatives are dutifully called upon to represent and assist constituents with a wide variety of legislative and private concerns. This is part of our responsibility as public servants, and we are thanked time and again by letters, awards, and citations.

However, there are those who remain behind the scenes back home and serve our communities when ever their services are requested or just plain needed. Mr. Speaker, I feel very fortunate to have an individual like this in my district. Clarence "Crip" Smith has given his all for his community and has gone the extra mile to share his experience and love for his fellow man.

Mr. Speaker, I have known Crip Smith for over a decade and during this time he has given me both inspiration and motivation to strive to do my best for others. Crip's family, friends, and associates can also affirm that his prosperity was always shared with others. He is forever looking for ways to include those around him into his design for achievement and progress.

Mr. Speaker, Crip Smith's entire adult life is a study in determination and discipline. Crip worked various jobs before he got the opportunity to employ himself. He discovered a market for paper corsages and ingeniously placed his product on consignment in local pharmacies and convenience stores in west Baltimore. During the holiday season and weekends, Crip and his associates sold his product directly to the public on street corners, all the while gaining invaluable business acumen.

In 1960, Crip made history as Baltimore's first African-American wholesale-retail florist. Now over 25 years later, Crip has opened another florist shop and he attributes the success in locating and opening his second shop to his friends and leading business persons, William and Roberta March.

Mr. Speaker, Crip Smith is one of those rare individuals who believes that "every customer and every order is special and should be viewed and treated as such." "Quality First—Profit Second," has been his motto for years.

With this in mind, it is no wonder that over the years Clarence "Crip" Smith has received recognition and accolades for his service from both his neighbors and community. Among these are Outstanding Service Award, Carik & Redbook Co.; Bigger, Better Business Award, Phi Beta Sigma Fraternity; Channel 13 Salute, WJZ-TV 13; Dedication Award, Mosher Street Housing Association; Vanguard Justice Society's Man of the Year Award; Humanitarian Man of the Year Award and many more. Perhaps Crip's most distinguished reward for his selfless efforts came recently when Mayor Kurt L. Schmoke named him the commissioner of Baltimore City's Urban Services Agency.

Mr. Speaker, Crip Smith's talent and zest for giving has made him a local celebrity among Baltimore officials. He has been the personal florist of three former Baltimore City police commissioners, and has been named an honorary member of the Baltimore City Police Department. Three mayoral administrations from then mayor, Gov. William Donald Schaefer, to Clarence "Du" Burns, and Kurt L. Schmoke have had the pleasure of having Crip's beautiful and unique arrangements embellish the corridors of city hall.

Equally, Members of the Baltimore City Council, the Maryland State Legislature and myself, have all enjoyed Crip's meticulous arrangements. Many Baltimore City high schools discovered Crip's special ability to create school emblems with splendid floral designs. These creations have earned Crip several citations for creativity and ingenuity.

Mr. Speaker, words fail to recognize the importance of having concerned citizens such as Clarence "Crip" Smith in the community. As Crip's business flourished, so did his desire to give to individuals and organizations who needed a caring and helping hand. I have often wondered how such a busy businessman, loving father and husband found the time to do all the things that Crip has done over the years.

This native Baltimorean should be held up as a positive role model for any young person who is searching for a person to emulate as they prepare to chart their future direction through the many pitfalls of inner city life. Crip has already shown many youngsters a zeal to strive to be the best they can be and continues to reach out and try to rescue other youths.

For his tireless efforts on behalf of others the Urban Services Agency's "Project Survival" is planning to honor Clarence "Crip" Smith at their 11th annual testimonial dinner on May 24, 1989, at 6 p.m.

In closing Mr. Speaker, any city would love to have a man like Clarence "Crip" Smith counted among its citizenry. Baltimore is truly blessed and very thankful.

"IS AMERICA FOR SALE?"—GETTING THE FACTS ABOUT FOREIGN OWNERSHIP

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. BRYANT. Mr. Speaker, "Is America for Sale?" Jack Anderson's special report in last weekend's Parade magazine is just the latest report about the pace and magnitude of foreign ownership of U.S. farms, banks, factories, businesses, and buildings—the most dramatic phenomenon now occurring in the American economy.

The article refers to my Foreign Ownership Disclosure Act—H.R. 5 in the 101st Congress—legislation twice passed by significant bipartisan majorities in the House in the last Congress which I have authored since 1985. The Anderson article once again calls attention to the need for my legislation and the accurate monitoring of foreign ownership here.

Every other country in the world tracks foreign investment better than the United States, and most have complicated preclearance procedures and elaborate restrictions.

H.R. 5, which I invite my colleagues to cosponsor, would establish the first systematic registry—accessible only to policymakers and legitimate researchers—of major foreign investment in the United States. It requires no preclearance and imposes no restrictions.

Most major foreign investors would report only who they are, where they live, the interest they hold and the value of their U.S. assets—information that could fit on a postcard. The largest investments would require less information than now required of every publicly traded U.S. corporation.

I invite my colleagues and the American people to examine the Jack Anderson article and the issue of foreign investment in the United States, and decide whether it is better to continue a policy of official ignorance about foreign ownership here or to get the facts necessary for intelligent decisionmaking.

The Foreign Ownership Disclosure Act, H.R. 5, would give us the facts we require without imposing undue hardship on anyone, without imposing the slightest restriction or preclearance procedure to in any way inhibit legitimate foreign investment here. America would continue to have the most open investment policy in the world.

[From Parade magazine, Apr. 16, 1989]

IS AMERICA FOR SALE?

(A Special Report by Jack Anderson)

In the westering hunger for land, America's pioneers conquered the wilderness, traversing mountains and rivers to settle the frontier. Now their descendants are selling off that hard-won heritage to foreigners with fat purses. Americans whose forebears cleared the wilderness are trading their birthright for unprecedented profits. And with each sale, they lose a little control of their destiny.

Eleven years ago, I sounded a national alarm that foreign millionaires were secretly buying up American farmland with devalued dollars. I dug out the disturbing details from land offices across the country. I

found that foreign investors, using dummy corporations, were acquiring title to land that American families had been tilling for generations.

An alarmed Congress investigated and called for action to keep ownership of U.S. property in U.S. hands. A law was duly passed requiring disclosure of foreign ownership of farmland—a law that incredibly didn't include urban property.

But while the new law increased the documentation of farm purchases, it didn't stop the sales. In recent years, the selling of America has continued remorselessly, except that it is no longer limited to farms in the heartland. Today, too, foreign investors no longer bother to conceal their identities; they have found Americans eager to sell their land and resources for a fistful of dollars.

These days, the Japanese own $9 billion worth of real estate in Hawaii. Japanese millionaires have sent up the market price of the housing in Honolulu by 50 percent in the last two years. "They're buying up our homes and our farmland," laments Honolulu's Mayor Frank Fasi. "Many Hawaiians can no longer afford to live here." He notes that the Japanese now own 10 of Oahu's 14 private golf courses and 40 percent of the hotel rooms in Waikiki.

And the towering buildings that form the skylines of many U.S. cities are owned, in increasing percentages, by people in London, Tokyo and Toronto. About 64 percent of the real estate in downtown Los Angeles and 39 percent of that in downtown Houston is foreign-owned. One-third of the office space in Minneapolis belongs to Canadians. Toronto's Reichman brothers own 8 percent of Manhattan's office space. Britons own at least a dozen of the office buildings in the high-rent triangle formed by Pennsylvania, Connecticut and New Hampshire Avenues in the nation's capital. Control of major U.S. corporations, from Purina Mills to Standard Oil of Ohio, also is falling into foreign hands.

The purchases are accelerating. In the last five years, foreign ownership of American farms, factories, banks, businesses, buildings and other assets has doubled. Last year alone, direct investments leaped by 16 percent. U.S. Commerce Department statisticians, who keep a loose account of the purchases, estimate that foreign investments now exceed a staggering $1.5 trillion.

While the Canadians and British still own more American assets than other foreigners, of late the most visible financial invasion has come from Japan. Japanese direct investments last year increased by 45 percent, and they continue to buy at the same rate. Shuwa Investment Co. paid $620 million for Arco Plaza in Los Angeles. "U.S. real estate is a bargain compared to Japan," said Yoshio Yamashita, vice chairman of Shuwa. Osamu Imai, information officer at the Japanese embassy, concurred. The slumping value of the dollar, he explained, has doubled the value of the yen in the United States since 1985 (as well as increasing the value of British, German and other currencies). Japanese investors are purchasing U.S. property, Imai said, "for purely economic reasons."

Yet these purchases also reflect a subtle change in Japanese-American relations. The Japanese, whose devastated homeland was rebuilt with American aid, now surpass the U.S. as the world's economic leader, while threatening to overtake us as the world's No. 1 technological power as well (see "Why Japan Can Buy Us Out").

Thus, as the U.S. runs up a massive public debt, the Japanese are piling up cash reserves—much of it spent on acquiring healthy businesses and real estate abroad. They, as well as other foreigners, are taking advantage of the economic climate and shocking lack of political vigilance to buy some of our most valuable resources. Consider these facts:

Foreign owners already control some U.S. industries, such as cement and consumer electronics. They own huge shares of other industries, including automobiles, chemicals and machine tools.

It is almost impossible for the public or Congress to evaluate information on who is purchasing what or to realize the magnitude of the buyout, because documentation is spread through at least 16 agencies. Even the Commerce Department has conceded that its latest estimates of aggregate foreign investments over the last 10 years contain a $200 billion discrepancy.

Here in our own backyard, Japanese-owned plants are producing better goods at lower prices than American-owned plants can manage. Plain and simply, Japanese management is more efficient. The Japanese also have their own way of doing business. They call it keiretsu. A fraternal network of companies with strong historical links forms around a major bank. The affiliated firms deal closely and quietly with one another, purchasing each other's supplies and services. Soon, American firms won't be able to compete; they will have to revamp their methods or go out of business.

The U.S. market is wide open to foreign investment. Yet some of the same countries that are investing heavily in America have raised barriers to U.S. investment in their own economies.

States actually bid against one another, offering incentives and subsidies, to attract foreign investors. More than 40 states maintain overseas offices to solicit investments.

Over the last decade, Americans have consumed more than they have earned. They are now selling off their assets to pay for their overindulgence. Foreign investors are lining up to pick up these properties at devalued prices. And, with few exceptions, they are buying established businesses, not building new ones. Eighty percent of their outlays in 1987, for example, were for existing companies. Already, foreign buyers have acquired such all-American companies as CBS Records, Purina Mills, Brooks Brothers, Celanese, Doubleday, Smith-Corona, Hardee's, Firestone, Pillsbury and Smith & Wesson. As Rep. John Bryant (D., Tex.) expressed it: "We are selling the family jewels to pay for a night out on the town."

Nearly one-fifth of all U.S. bank assets are now foreign-owned. The figure is higher in such banking centers as Los Angeles.

Nearly 3 million Americans already are employed by foreign-controlled companies, and the number is increasing. Thus more and more Americans are becoming economically dependent on foreign interests. For example: Foreign owners tend to use their U.S. plants as low-wage assembly lines and distribution facilities. Economic decisions affecting workers in Cincinnati and Milwaukee may now be made in London and Tokyo by owners far removed from the health, safety and welfare of their employees. Often, these faraway tycoons are able to negotiate concessions in return for situating in depressed areas—concessions that affect hiring practices, pay scales and promotions.

What are the implications of these facts? The CIA has warned that foreign investment can be a way to gain access to American high-tech secrets in the guise of commercial enterprise. Others argue that foreign ownership is leading to an alliance of American beneficiaries (business men and employees), politicians and foreign governments that could transform its own economic interests into U.S. policy—even when such policy goes against the best interests of this country. If foreign ownership of U.S. properties continues to expand at the present rate, foreigners will hold a mortgage on America by the late 1990s. This will give them virtual control over the U.S. economy. Already, for example, 155 Japanese firms, spending more than $50 million a year, employ lobbyists to promote Japan's interests in Washington.

Recommendations to appease foreign interests have been welcomed at the top. When legislation was introduced by Representative Bryant to tighten controls over foreign investments, Congress suddenly was overrun by lobbyists, Americans all, who pleaded that the investments were good for America. They credited foreign investments with creating 3 million jobs, rebuilding cities, reshaping rural areas and bolstering real estate prices. No less than James Baker, then Treasury Secretary, personally knocked on Senate doors to warn that the President would veto the measure.

Why are our political leaders abetting the buyout of America? I believe foreign investment has become a narcotic, and the politicians have become addicted. They have come to rely on foreign money to stimulate the economy, create new jobs and expand the tax base. Japanese investors finance 30 percent of the federal deficit. If they should stop their U.S. purchases, our economy would be plunged into a severe recession. The politicians have got this country so deeply in hock to foreign interests that they can't face the withdrawal pains—which might include risks to their own political futures.

It would be a grievous mistake to blame the Japanese, say, for our plight. We are responsible for our own destiny. But we need to understand why Japan is succeeding and why the United States is slipping. Most of all, however, we must tighten our belts, we must stop consuming more than we produce, and we must call a halt to the spending spree.

Here are some specific steps we can take: We must balance the federal budget and stabilize the government's finances. It won't do much good if our politicians engage in their usual sleight-of-hand—juggling figures and altering statistics until the budget merely appears to be balanced. Nor will it help much for them to raise taxes if they are going to continue squandering the revenue. They should stop the misspending and cut out the waste before they call for more taxes.

Foreign investments should be reported and policed. Every purchase of significant size should be screened to determine what effect it will have on America's security and commerce. And certainly Congress should adopt a policy of strict reciprocity: Foreign access to the U.S. market must be tied to American access to foreign markets. Finally, incentives and concessions to foreign investors should be restricted by law.

Eleven years ago, I blew the whistle when the gold rush began. Now I must blow the whistle again before it's too late. America with its vast resources and endless expenses, is still the land of opportunity—opportunity for those strong enough to seize it. We still

can avoid an irreversible erosion of our natural heritage. We must overcome our self-paralysis, revive the spirit of our forefathers, roll up our sleeves and reclaim our country.

HONORING THE LEAGUE OF UNITED LATIN AMERICAN CITIZENS PROFESSIONAL WOMEN'S COUNCIL 2873

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. TORRES. Mr. Speaker, I rise today in honor of Ms. Gloria Lee, director, Affirmative Action Programs, TRW Space and Defense Systems. Ms. Lee is to receive the Outstanding Community Service Award from the League of United Latin American Citizens, Professional Women's Council, 2873. Also being honored are two outstanding school principals: Ms. Corine Madrid of South Whittier and Ms. Guadalupe Sonnie of Lincoln Heights who will each receive the Educational Achievement Award.

Gloria Lee has 28 years experience in the field of personnel, with 19 years in personnel management. Ms. Lee has been employed by TRW Space and Defense in Redondo Beach for the past 13 years. As the director of Affirmative Action Programs, she oversees the development, implementation, and monitoring of its offsite facilities. These programs cover 28,000 employees located at facilities in the western, northeastern, and southeastern regions of the United States.

Prior to joining TRW, Ms. Lee was employed by the Systems Development Corp. [SDC] in Santa Monica. She held various positions within personnel before her appointment as manager of Affirmative Action Programs. She developed and implemented the company's first affirmative action program.

Ms. Lee has served as a consultant to other businesses, industries, and educational institutions relative to affirmative action programs. She has had extensive involvement in community-based and professional organizations concerned with equal employment opportunity for minorities and women. She has been very successful in establishing communication networks for women and minorities. Ms. Lee has served as a positive role model for her colleagues and new professionals with similar interests and concerns. She is past president of the Aerospace Industry Equal Opportunity Committee and the Los Angeles Chapter of the International Association for Personnel Women. She is currently a board member of the Career Planning Center.

Corine R. Madrid is principal of the Loma Vista Elementary School, South Whittier School District. She has 20 years of experience in elementary education and school administration in the New Mexico and California school systems. She is an expert in bilingual and special education. Currently, 75 percent of the students she serves are of Hispanic origin.

Ms. Madrid earned her undergraduate degree in elementary education from the University of Albuquerque, Albuquerque, NM, and her graduate degree in school administration from La Verne University, La Verne, CA. She has completed extensive course training in leadership, professional development, and management. Ms. Madrid holds California Administrative Services life-time multiple subjects teaching [K–8] and certificate of competence-Spanish credentials.

Ms. Madrid was coordinator of special programs and services at the ABC Unified School District from 1986 to 1988, and was responsible for the development and implementation of Federal and State funded programs designed to improve the academic performance of Spanish-speaking students at 19 elementary and two high schools.

Ms. Madrid has been an active advocate for bilingual education and has worked diligently to develop programs for students as well as staff. Ms. Madrid coauthored the State department handbook for "Cooperative Learning and Teacher Resource Book/Cooperative Learning."

Ms. Madrid is a member of the Association of California School Administrators, California Association of Bilingual Education, American Association of University Women, and the California Institute for School Improvement.

Lupe Lopez Sonnie is the principal of Abraham Lincoln High School in Los Angeles. She views her position as an opportunity to motivate and influence her students and their parents to the importance of education. Since becoming principal at Lincoln High School 6 years ago, there has been significant improvement in student achievement. Enrollment in advanced courses has climbed by 48 percent, the school's dropout rate has decreased, and the number of college-bound students has increased by 53 percent.

Ms. Sonnie's extensive teaching and administrative background spans 30 years. She taught business English and Spanish in San Fernando, Sylmar, and Francis Polytechnic High Schools for 10 years. She was a student counselor and assistant principal at Sylmar and Garfield Senior High Schools and Nightingale Junior High for 14 years. Prior to accepting her present position, she was principal of Francis Polytechnic High School.

Ms. Sonnie earned her B.A. from the California State University, Los Angeles and her M.A. from Loyola Marymount University, Los Angeles.

Ms. Sonnie has received a multitude of awards, commendations, and personal recognition for her achievements in education and her dedicated service to the community. Among those are, the 1988 California Association of Compensatory Education Award, the 1987 Outstanding Principal Recognition Award by the Los Angeles Area Chamber of Commerce, and the 1986 Commission for Sex Equity Certificate of Recognition for contributions to women's educational equity. She was presented the 1987–88 California School Recognition Program Outstanding Achievement Award by Bill Honig, California State Superintendent of Education for her success in implementing programs which helped the students of Lincoln High improve their academic performance and enhance their chances of acceptance to college. In addition, she has received numerous commendations from Los Angeles City and school board officials for her many contributions to students and her efforts to improve the quality of education.

Ms. Sonnie has remained active in several professional organizations. She is a member of the National Association of Principals, the Council of Mexican-American Administrators, and is currently Associate Administrator, Los Angeles Association of California Secondary Administrators. She is a member of the board of directors of the East Los Angeles Scholarship Foundation and is a member of the Lincoln Heights Chamber of Commerce. She is presently assessor of credential programs for Point Loma Nazarene College and new administrators at the school district's assessment center.

Ms. Sonnie has a long history of community involvement. She has volunteered many hours with the Girl Scouts, Campfire Girls, and has served as an adviser at Immaculate Heart College and Cal State, Los Angeles. She is currently chairperson for the Senior High Division, 1988–89 United Way Campaign.

Mr. Speaker, on Saturday, May 6, 1989, the Professional Women's Council, 2873, of the League of United Latin American Citizens will hold its Fourth Annual Installation and Awards Banquet. I ask my colleagues to join me in saluting the Professional Women's Council, 2873, for their commitment to increase educational opportunities, secure better jobs, and promote economic development for LULAC members, residents of the community, particularly women.

A PROUD LEGACY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. LAGOMARSINO. Mr. Speaker, I rise to call to the attention of the House the retirement—from professional duties—of a leading light in the community of Santa Barbara, B. Dale Davis, who stepped down last month from the helm of the Santa Barbara News-Press. Dale has been editor and publisher of the News-Press since 1984, when he came to Santa Barbara from a teaching post at the University of Alaska at Anchorage. In his long career, he has held leadership positions at the Detroit Free-Press and the Philadelphia Bulletin, but it was during his tenure at the News-Press that we came to know the brand of innovative and community-based journalism which was his hallmark.

He guided the paper through a major shift to morning publication and expanded its long tradition of community involvement and service by giving readers even greater access to its pages. The result, as the News-Press noted in an editorial marking his retirement was that: "Today, the News-Press is a well-edited, thoughtfully produced package of community, State, national and international news, information and entertainment. It is a proud legacy Dale Davis leaves to Santa Barbara County's citizens."

The new publisher, Joe Tarrer, has promised to carry the paper forward in the same style of excellence and fairness, which is as much as anyone could ask. I am confident

that the community will be as well-served under its new publisher, Joe Tarrer, as it was under Dale Davis' inspired leadership, and I ask unanimous consent to have reprinted the following editorial from the April 2, 1989, edition of the News-Press, as a tribute to B. Dale Davis for his benevolence and service to the community and the people of Santa Barbara. Our best wishes, Dale, in your new endeavors.

[From the Santa Barbara (CA) News-Press, Apr. 2, 1989]

A PROUD LEGACY—PUBLISHER B. DALE DAVIS GUIDED NEWS-PRESS TO EXCELLENCE

As the small box at the bottom of this page notes, there have been only three publishers of the News-Press since T.M. Storke bought the daily in 1901. Saturday, our fourth publisher, Joseph S. Tarrer III, stepped to the helm. Editor and Publisher B. Dale Davis retired Friday after guiding the News-Press through a period of great change and improvement.

In Dale Davis we saw the quick adjustment of an editor and publisher from big-city journalism to community activism. He came here in 1984, from a teaching position at the University of Alaska at Anchorage. Prior to Anchorage, he had spent many years as a leader in highly competitive newspaper work in Detroit and Philadelphia. In those two cities, first at the Free-Press and then at the Bulletin, professional standards were among the highest in the country, and his concentration was on his direction of large staffs of editors, reporters and photographers. His adaptation to the smaller community of Santa Barbara was remarkably fast and comprehensive.

From the beginning, while going about the work of making many improvements at the News-Press, he devoted much of his time and energy to his new city and county. One of the first projects he instituted was a series of meetings with citizens, getting acquainted, inviting criticisms and suggestions from residents who had never worked in journalism but who had sharp interests in their home-delivered newspaper as a community force.

Within a few months, such personal contacts did as much as anything else to make Dale Davis a civic leader, sensitive to Santa Barbara's needs and hopes.

Davis deftly steered the News-Press through a complete redesign and conversion back to a morning newspaper in March 1987. It was a time of excitement and a bit of anxiety for the News-Press and its readers, but Davis aplomb and gracious leadership smoothed the edges. Today, the News-Press is a well-edited, thoughtfully produced package of community, state, national and international news, information and entertainment. It is a proud legacy Dale Davis leaves to Santa Barbara County's citizens.

Under Publisher Joe Tarrer, the News-Press will continue to strive to serve you, our readers, at the same level of excellence. "We are in the communications business, and inherent in the task of reporting, packaging, printing and delivering the newspaper every morning is the responsibility to record community happenings objectively, with honesty and fairness," Tarrer says. "In this pursuit, there must be a preoccupation with accuracy.

"Editorially, we have no alliances, nor are we controlled by any special interests. As the community protector, we seek a balance between what we view as the right of the public to know and the right of the individual to privacy.

"We fully understand our responsibility and commit to working hard for the betterment of Santa Barbara County's communities."

WHEATON CENTRAL HIGH SCHOOL SHOW CHOIR

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. HYDE. Mr. Speaker, Washington has been graced by many diplomats, but none quite like the 36 singers and 7 instrumentalists who comprise the Wheaton Central High School Show Choir.

Chosen to represent the State of Illinois in the National Festival of States, this group of talented individuals is featured entertainment this weekend in the Capital City.

During four performances in 2 days dedicated to Illinois, Washington residents and tourists will hear their contemporary and patriotic music, putting Wheaton Central in the spotlight.

That spotlight provides the school and its students an important opportunity, suggested one choir member in a recent newspaper account of the adventure:

By performing a good show, we provide a link between the adult and high school communities, a good reflection that students are responsible, caring people.

Said another student:

We want not only to perform professionally. We want to act as professionals in public. The idea of perfection can't ever leave your mind.

The show choir is directed by Mr. Gordon Krauspe, a Wheaton Central teacher. His philosophy about learning and teaching provides strong positive impressions about the school and the choir. Says Mr. Krauspe, "I'm doing something that I love to do. When students of any age have a teacher that loves to be here 99.9 percent of the time, they love to be here too."

To all of the students, teachers, and parents of Wheaton Central, I say congratulations for a job well done! Come back again soon!

THE CARIBBEAN BASIN ECONOMIC RECOVERY EXPANSION ACT OF 1989

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. CRANE. Mr. Speaker, as we in the Congress proceed to consider H.R. 1233/S. 504, the Caribbean Basin Economic Recovery Expansion Act of 1989, it is important that we hear and consider all points of view.

To that end, I would like to share with my colleagues a letter I received from Mr. Abdul Yusuf, Charge d' Affaires of the Embassy of Fiji. Fiji has a long history of warm and friendly relations with the United States and Mr. Yusuf makes a number of important points that we should remember as we consider H.R. 1233.

Mr. Speaker, I am pleased to enter into the CONGRESSIONAL RECORD the letter of Charge d'Affaires Yusuf.

EMBASSY OF FIJI,
Washington, DC, March 14, 1989.

Hon. PHILIP M. CRANE,
Ranking Minority Member, Subcommittee on Trade, Committee on Ways and Means, House of Representatives, Washington, DC.

DEAR CONGRESSMAN CRANE: We are sure that it is an unintentional side effect, but there are seriously adverse consequences for a very good friend of the United States in section 8 of HR 1233/S 504, "The Caribbean Basin Economic Recovery Expansion Act of 1989," which is now before the Subcommittee on Trade.

The concern of the Government of Fiji about this bill is basic: Access to the U.S. sugar market for Fiji's sugar production is of great importance to our small island nation—and this bill, as it now stands, would unnecessarily and unfairly wreak havoc on one of America's allies. You may recall that back in 1987, Fiji, in concert with other non-CBI sugar exporting countries, brought to your attention our concerns on this proposal via a memorandum dated 1 December 1987.

We understand and applaud the intent of the sponsors to assist some small and friendly developing countries who happen to be sugar producers and who happen to be nearby, but we ask you to bear in mind that our small and friendly developing country (which also happens to produce sugar but which happens to be far away) would be hurt by the additional sugar quota accorded to CBI countries at the expense of other non-CBI sugar suppliers. We're sure you would not want to help one friend by hurting another—but that's what HR 1233/S 504 does.

Since our independence in 1970, Fiji has maintained exceptionally warm and friendly relations with the United States. When you urged us to do so, Fiji contributed troops to the UNIFIL peace-keeping operation in Lebanon. When the United States wanted a non-UN peace-keeping operation set up in the Sinai following the Camp David accords, again Fiji responded and committed troops to the Multi-National Force & Observers (MFO). When America intervened in Grenada, Fiji was one of the few allies to publicly stand by you—and virtually the only third world country to do so.

The United States is one of Fiji's most important markets for sugar. This has been so for decades. We can ill afford to lose access to your market. That would have severe negative consequences on our economy. From 1963 until the expiration of the US Sugar Act in 1974, Fiji supplied its yearly sugar quota to the USA. This averaged 46,000 tonnes per year. For the period of 1977-1981, our shipments to the U.S. averaged 58,000 tonnes per year, with a high of 130,000 tonnes supplied in 1979.

The imposition of quotas in 1981/82 effectively curtailed Fiji's sugar exports to the U.S. from the historical average of past years. With the enactment of the 1985 Farm Bill, Fiji's access to the U.S. Sugar market deteriorated further. From 1985, it further declined from 16,126 tonnes to 8,195 tonnes in 1988. As you can see, this amounts to a 50% reduction. As I am sure you understand, a decline of this magnitude in such a short time has been extremely difficult to absorb and any further deterioration could be even more damaging.

We are aware that HR 1233/S 504 contains language to the effect that non-CBI countries will under certain circumstances be compensated for losses to their sugar quotas, and we take note of this acknowledgement of concern for non-CBI countries. But we really must make this crucial point: If Fiji loses access to the U.S. sugar market it will have not just a short term highly negative impact, it could also have permanent very damaging consequences for which it would be extremely difficult to compensate.

We therefore submit to you the request of the Government of Fiji that you and your colleagues in the Congress work to develop an equitable sugar programme which is non-discriminatory and fair to all sugar exporting countries and we hereby offer to work with you in achieving this goal.

Sincerely,

ABDUL H. YUSUF,
Charge d' Affaires, Embassy of Fiji.

ALTERNATIVE FUELS CAN CLEAN UP THE AIR

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. DORGAN of North Dakota. Mr. Speaker, I am introducing today a joint resolution calling on the Environmental Protection Agency to strongly encourage cities in violation of the Clean Air Act to establish mandatory alternative fuels programs.

Over 80 cities are out of compliance with the Clean Air Act, and their residents are suffering from breathing dirty air. Some cities are finally starting to act. Starting in 1988, the Denver area has required the use of "oxygenated" fuels during the winter months, and the Phoenix area has not done the same. An "oxygenated fuel" is gasoline blended with ethanol or another additive that causes the fuel to burn much cleaner.

The Denver Alternative Fuels Program is already showing dramatic results. The area is expected to be in compliance with clean air standards for carbon monoxide by 1995.

Using ethanol as a fuel additive reduces our surpluses of farm commodities and strengthens farm prices, thereby lowering the cost of Government farm programs. Other alternative fuels, such as methanol or compressed natural gas, can also be made from abundant natural resources. The main point is that all of these alternative fuels have substantially lower emissions of carbon monoxide and other pollutants, and they reduce our reliance on imported oil.

Alternative fuels represent an available technology that we can use to help solve our air pollution problems with a minimum of disruption to current practices. My resolution simply states that EPA should strongly encourage nonattainment cities to implement mandatory alternative fuels programs as part of their pollution control strategies.

I also want to make it clear, Mr. Speaker, that when we enact clean air legislation, we should require cities to implement mandatory alternative fuels programs if they cannot attain the clean air standards in relatively short order without using alternative fuels. The technology is readily available to make substantial improvements in the quality of air that Americans breathe, and there is no excuse not to use that technology. The health of the American public depends on it.

I urge my colleagues to cosponsor this resolution, and to support strong provisions on alternative fuels in any clean air legislation we consider this year.

HONORING SPECAL OLYMPIANS IN HOUSTON, TX

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. FIELDS. Mr. Speaker, this Saturday, a very special group of young people will compete in a Special Olympics contest sponsored by the Aldine Optimist Club of Houston, TX.

The 103 Special Olympians who will gather at the Aldine High School football stadium to compete in these games are remarkable young boys and girls. They have overcome obstacles which might have limited less determined young people. The Special Olympics games scheduled for Saturday will provide young people from the Aldine, Klein, Katy, and Spring Branch independent school districts with new challenges—and new opportunities to succeed.

I want to salute the boys and girls who will participate on Saturday, and I also want to salute the members of the Aldine Optimist Club, and others, who have given so generously of their time and energy to make these games a reality. Local business and community volunteers who work with the Special Olympics Program know that only by allowing each young person to compete to the best of his or her ability can that young person learn just how much he or she can accomplish—regardless of the obstacles which confront him or her.

Each of the participants who compete on Saturday will, of course, want to win his or her event. But the Special Olympics Program really isn't about winning and losing—because everyone who participates in Special Olympics is already a winner. The Special Olympics creed, which each of the contestants will recite on Saturday, says it best: "Let me win, but if I cannot win, let me be brave in the attempt."

It is that spirit of friendly—but determined—competition which marks the Special Olympics Program, the young people who compete in it, and the parents and volunteers who work to ensure the program's success. They are proud, brave, determined Americans who will forever be changed by their involvement in the Special Olympics Program.

In his book "David Copperfield," Charles Dickens wrote: "Ride on. Rough-shod if need be, smooth-shod if that will do, but ride on! Ride on over all obstacles, and win the race."

The young people who will gather in Houston on Saturday for the Special Olympics games sponsored by the Aldine Optimist Club have already ridden over all obstacles and they have already won the race.

SLOVAK INDEPENDENCE DAY

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. McEWEN. Mr. Speaker, today I call upon my colleagues to join with me in commemorating Slovak Independence Day. Slovaks across the Nation and the world celebrate March 14, 1939, as their July 4th. On this date, 40 years ago, the Slovak Parliament declared independence.

Unfortunately, after only 6 years of freedom during the Second World War, the Slovak Republic was swallowed up with the rest of Eastern Europe by the Soviet Red Army, shut off from the rest of the free world by Stalin's Iron Curtain. Despite the many years as part of the Soviet Empire, Slovaks around the world keep their dream of a free and independent nation alive. On April 30, the Slovak community of Greater Cleveland will commemorate this day of independence and I call upon my colleagues to join me in recognizing this historical event.

THE PLIGHT OF THE NATION'S CHILDREN

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, April 26, 1989, into the CONGRESSIONAL RECORD:

THE PLIGHT OF THE NATION'S CHILDREN

The United States is growing richer, but its children are growing poorer. While children comprise 26% of the population, 40% of poor Americans are children. Along with poverty come bad health, malnutrition, homelessness, low eduational achievement, teen pregnancy, and poor employment. There is growing realization that we need to invest in the next generation, instead of leaving them behind.

CHILD POVERTY

Thirteen million children in the U.S., or one in five, live in poverty. The number is increasing for several reasons. Working is no longer a guarantee against poverty as more parents are earning wages below the poverty line. In fact, many rural and young families remain in poverty even with both parents working.

As fewer young men earn an adequate family wage, marriage rates have fallen, and the number of children living in single-parent households has soared. These children are particularly likely to be poor because single mothers rely on only one income, face high child care costs, and often receive no child support. In Indiana, most poor families are headed by single mothers, who earn just 30% of the income of two-parent families.

More families are falling through the welfare safety net as benefit levels and coverage have decreased. Aid to Families with Dependent Children reaches only 60% of poor children. Even combined with food

stamps, it leaves Hoosier recipients well below the poverty level.

CHILD CARE

Economic necessity is the main reason why two out of three mothers have jobs, leaving millions of children without full-time supervision. For others, the lack of child care prevents mothers from earning much-needed income. The problem is that families most in need of a mother's income cannot afford decent child care.

HEALTH

Improvements in maternal and child health during the 1960s and 70s faltered, or even reversed, in the 1980s. Infant mortality in the U.S. ranks 19th in the world, behind nearly every West European country. A baby born in Trinidad and Tobago has a better chance of survival than a black baby in Indianapolis.

Prenatal care is key to reducing infant mortality. Babies of mothers who receive no prenatal care are five times more likely to die than those whose mothers receive comprehensive care. Yet every year, more than a million women receive insufficient prenatal care. This costs money as well as lives, because intensive care for premature and low birthweight babies costs $1,000 a day, compared to a total of $600 for prenatal care.

One-fifth of children have no health insurance. The number has grown in recent years because more parents are working in jobs that bring no family health benefits, while many poor families are not eligible for Medicaid. Rising poverty and cuts in government programs have also led to more child malnutrition and less immunization.

HOMELESS CHILDREN

One-third of the homeless are families with children, and the number is rising as housing costs far outpace family incomes. Homeless children are likely to suffer severe educational, health, and social problems.

EDUCATION

Poor, unhealthy, and homeless children face learning disadvantages from the start. Poor youth are the least likely to attain strong academic skills, graduate from high school, or attend college. Poor and low-skilled girls are most likely to be teen parents and drop out of school. Early education programs, such as Head Start, improve the academic performance and high school graduation rates of disadvantaged children. But Head Start is only reaching 20% of eligible low-income preschoolers.

For the one million high school students who drop out each year, employment opportunities in today's high-skilled labor force are increasingly scarce. Fifteen years ago, dropouts could earn almost twice what they earn today.

Hoosier youth are less likely than the average American to quit school early, but more likely to stop at high school. In the past, this matched the local labor market in which good basic skills secured decent jobs. But today high school graduates find they lack the skills employers seek. These youth need opportunities to develop new vocational skills, but federal job-training programs serve only 20% of those in need. Others need encouragement to go to college, but soaring tuition costs and sinking federal grants are discouraging poor students.

The Congress is addressing some of these many challenges facing children. With government spending constrained and businesses facing tough competition, child poverty cannot be eradicated overnight. But we are learning that its worst effects on children can be alleviated successfully and cost-effectively; each dollar invested in prenatal care or nutrition for pregnant women saves an estimated $3 in medical costs during an infant's first year; $1 invested in Head Start saves $6 through lower costs of special education, public assistance, and crime. The Congress is considering expanding these programs, as well as supporting neighborhood efforts to reach at-risk mothers through health education and home services.

Educating a competitive workforce for the future will require new strategies that focus on improving youth skills at all levels, not just encouraging excellence at the top. Some states are already tackling the youth employment problem through out-of-school remedial education and school-to-work transition programs, but these should be complemented by measures to improve early educational development.

Children have not been a government priority in recent years: national defense and the elderly each receive over 30% of the federal budget, compared to just 5% for children and youth, and 5% for low-income families. But children can no longer be ignored. Poor children do not vote and their parents are rarely politically active, but parents, taxpayers, employers, and legislators are realizing that America's children have urgent needs—and enormous potential well worth investing in.

NUCLEAR WEAPONS KEEP US AT PEACE

HON. JON L. KYL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. KYL. Mr. Speaker, for over 40 years, the United States has relied on nuclear weapons to maintain our Nation's security and that of our allies. Unless and until we deploy an effective strategic defense, we will have to continue to rely solely on strategic offensive weapons as a deterrent to Soviet attack.

Our nuclear deterrent, and the testing needed to ensure its credibility, is responsible for avoiding what we fear most—a nuclear war. It is also responsible for avoiding conventional world war between the superpowers because of the fear that such a conflict might escalate beyond the nuclear threshold.

On this point, I commend to you an editorial from the March 26, 1989, edition of the Las Vegas Review Journal.

[From the Las Vegas Review Journal, Mar. 26, 1989]

NUCLEAR WEAPONS KEEP US AT PEACE

The usual crowd converged at the Nevada Test Site this Easter weekend to perform the usual, prosaic "peace" rituals.

"Give Peace a Chance" was your basic theme.

We're sure most of these folks are sincere in their beliefs, but in their calls for peace and disarmament they overlook one rather key fact; We are at peace.

We are at peace because those nuclear weapons the protesters want to beat into sushi platters have made general war unthinkable.

It wasn't always thus. During the Korean war, when the United States enjoyed a virtual monopoly on atomic weapons, there were voices in the Pentagon that urged President Truman (and later Eisenhower) not to distinguish between nuclear and conventional weapons and to use them like any other machine of war. Both Truman and Eisenhower mused about the use of nuclear bombs and nuclear artillery shells to punish China for its intervention in Korea.

In the end, the nuclear option in Korea was firmly rejected. Even at that early date in the nuclear age, it became apparent to the powers in Washington that there was something fundamentally different about weapons that could wreak such unimaginable havoc. The difference was a moral one—a deep-seated, unconscious abhorrence of the things.

Since the Korean War, there is no evidence that any member of the exclusive nuclear club has seriously considered using atomic weapons. Even the Soviet Union, whose nose was being horribly bloodied in Afghanistan, gave no indication of contemplating the nuclear option there.

As terrible as these weapons are, they have saved the world from a general conflagration these four decades since World War II.

Indeed, as John Mueller, author of "Retreat from Doomsday: The Obsolescence of Major War," points out, this represents the longest period without warfare between major nations since the days of the Roman Empire.

That's quite a feat in the latter part of this bloody century. Until the advent of the bomb, the world seemed locked into a pattern of periodic warfare on an ever-grander, ever more all-encompassing, ever-more heartless scale.

In the decades after World War II, America kept its nuclear shield strong because an imperialistic predator, the Soviet Union, was constantly on the prowl. But the brushfire wars that accompanied Soviet empire-building in the Third World never escalated into general war between the superpowers, because always in the background loomed weapons so powerful that their use was universally viewed as so morally repugnant as to be unthinkable. The eagerness of the Soviet Union to now negotiate meaningful arms-control treaties is a direct result of America's decision to stand firm—to keep building, upgrading and, yes, testing atomic weapons.

Because of American national resolve, we now appear to be embarked on a period of unprecedented rapprochement between the superpowers, of true arms control and perhaps even the democratization of the Soviet Union.

"Give Peace a Chance" is an empty slogan; "Peace Through Strength" is not—it is a concept history has proven true.

If the protesters at the test site had their way, nuclear stockpiles would be scrapped and the world made safe, once again, for general war. What an unspeakable tragedy that would be.

NUCLEAR POWERPLANT STANDARDIZATION ACT OF 1989

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. CLEMENT. Mr. Speaker, yesterday I introduced H.R. 2078, the Nuclear Powerplant

Standardization Act of 1989. By greatly reducing the cost of nuclear powerplant construction, my legislation will again make nuclear energy an important part of our Nation's energy policy and will help curb our growing over-dependence on unreliable, foreign sources of oil. The text of the legislation follows:

H.R. 2078

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Nuclear Powerplant Standardization Act of 1989".

SEC. 2. FINDINGS.

Congress finds that—

(1) the opportunity for meaningful public participation in the siting and licensing of nuclear powerplants should be assured;

(2) the use of standardized designs will facilitate the licensing and construction of nuclear powerplants and enhance the public health and safety;

(3) a licensing process that utilizes standardized designs would provide greater stability to potential investors in nuclear powerplants in a manner consistent with protection of the public health and safety and the common defense and security; and

(4) consistent with the paramount responsibility of the Nuclear Regulatory Commission to protect the public health and safety, and recognizing that the elimination of all risk is an unattainable goal for any energy source, it is appropriate and in the public interest to consider the economic consequences of the licensing process.

SEC. 3. APPROVAL OF STANDARDIZED DESIGNS AND FACILITY SITES.

(a) APPROVAL OF STANDARDIZED DESIGNS AND FACILITY SITES.—The Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) is amended by adding after section 192 the following new section:

"SEC. 193. APPROVAL OF STANDARDIZED DESIGNS AND FACILITY SITES.

"a. DESIGN APPROVAL.—The Nuclear Regulatory Commission (hereafter in this section referred to as the 'Commission') shall establish procedures and standards for the approval of standardized designs for production and utilization facilities or discrete subsystems of such facilities. Such procedures shall provide an opportunity for a public hearing prior to issuance of a design approval.

"b. SITE APPROVAL.—

"(1) PROCEDURES AND STANDARDS.—The Commission shall establish procedures and standards for the approval of sites for production or utilization facilities based upon standardized designs approved under subsection a.

"(2) SITE APPROVAL MAY PRECEDE LICENSE APPLICATION.—Such procedures and standards shall allow for the approval of a site before an application to license a production or utilization facility on such site has been filed.

"(3) HEARINGS.—Such procedures shall provide an opportunity for a public hearing, in accordance with section 189, prior to issuance of a site permit.

"c. DEFINITION.—As used in this section, the term 'standardized design' means a design for a production or utilization facility or a discrete subsystem of such a facility—

"(1) that the Commission determines to be sufficiently detailed and complete to be referenced in an application for a combined construction permit and operating license under section 185; and

"(2) that is usable for a multiple number of units or at a multiple number of sites.".

(b) TABLE OF CONTENTS.—The table of contents of the Atomic Energy Act of 1954 (42 U.S.C. 2011 prec.) is amended by adding at the end of the items relating to chapter 16 the following new item:

"Sec. 193. Approval of standardized designs and facility sites."

SEC. 4. COMBINED CONSTRUCTION PERMIT AND OPERATING LICENSE.

(a) COMBINED CONSTRUCTION PERMIT AND OPERATING LICENSE.—Section 185 of the Atomic Energy Act of 1954 (42 U.S.C. 2235) is amended by—

(1) adding "(1)" after the section heading;

(2) striking "Commission" the first place it appears and inserting "Nuclear Regulatory Commission (hereafter in this section referred to as the 'Commission')"; and

(3) adding at the end the following new paragraphs:

"(2) Notwithstanding any other provision of this section and in the interest of encouraging the use of preapproved nuclear powerplant designs, particularly standardized designs, the Commission shall issue to an applicant a license authorizing construction and operation of a production or utilization facility if the application describes an essentially complete facility and contains sufficient information, in accordance with the regulations of the Commission, to support the issuance of such license, and the Commission determines at the time of issuance of the license that there is reasonable assurance that the facility will be constructed and will operate in conformity with the provisions of this Act and the rules and regulations of the Commission.

"(3) The Commission shall identify within the license the inspections, tests, and analyses which shall be performed, and the acceptance criteria therefor, including acceptance criteria for emergency preparedness, which will provide reasonable assurance that the facility will be constructed and will operate in accordance with the license.

"(4) No further license or proceeding to authorize operation of such production or utilization facility shall be required by the Commission.".

(b) TABLE OF CONTENTS.—The table of contents of the Atomic Energy Act of 1954 (42 U.S.C. 2011 prec.) (as previously amended by sections 3(b) and 4(b) of this Act) is further amended by striking the item relating to section 185 and inserting the following:

"Sec. 185. Construction Permits and Combined Construction Permit and Operating License.".

STOP PRODUCTION OF OZONE-DESTROYING CHEMICALS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. STARK. Mr. Speaker, yesterday's Washington Post outlined the decision of the Environmental Protection Agency to add two more ozone-depleting chemical compounds to the Montreal protocol. I applaud the EPA for its action, and I am pleased they are joining us in recognizing that CFC's are not the only guilty parties in the steady and ongoing destruction of the Earth's protective ozone layer.

I have pending legislation which would put an excise tax on CFC's, halons, and other ozone-depleting chemicals, including those the EPA proposed to add to the protocol. I urge my colleagues to support me in taking action to end the production of these chemicals.

We must phase out these chemicals as soon as possible. Reductions and bans show good intentions, but they don't provide the financial incentive to the chemical industry to bring safe alternatives on line. By making the producers of ozone-destroying compounds pay the true environmental cost, an excise tax is the quickest and most effective way to get the substitutes out of the laboratory and into production.

The following article from the Washington Post explains the EPA's decision and what will happen if these compounds go unregulated and untaxed.

U.S. SEEKING TO EXPAND BAN ON OZONE-DEPLETING CHEMICALS—INCLUSION OF TWO COMPOUNDS IN CFC PLAN TO BE PROPOSED

(By Michael Weisskopf)

U.S. delegates to an international meeting next week on protection of the stratospheric ozone layer plan to present new evidence that two popular industrial compounds may be so destructive that their unrestricted use could significantly offset a ban on ozone-depleting chlorofluorocarbons (CFC's).

The delegation will present the evidence at the first meeting of parties to the Montreal protocol, the 1987 treaty that obligates industrial nations to halve their use of CFCs by mid-1998. The session in Helsinki was called to assess the treaty and prepare for revisions.

Previously, CFCs have received all the blame for erosion of the ozone layer, which screens out harmful ultraviolet radiation. CFC gases, used as refrigerants, computer solvents and foam-blowing agents, do not break down until they reach the stratosphere, where they release chlorine that destroys ozone.

The protocol does not go into effect until July, but the United States and the European Community already have called for stronger measures to ban the use of CFCs by the year 2000.

But recent data compiled by the Environmental Protection Agency shows that even with a ban, the chlorine levels in the stratosphere 90 years from now would quadruple those of 1985 mostly because of two unregulated compounds—methyl chloroform and carbon tetrachloride. According to the EPA, their unrestricted use over that period could account for more than half of that total.

The chemicals, both used as solvents to clean machinery, act like CFCs in the way they release chlorine to the stratosphere.

Atmospheric scientists reported last year that ozone loss over North America and Europe has nearly doubled since 1969. But no one knows how much chlorine is necessary to destroy a molecule of ozone. The natural background level of chlorine is .7 parts per billion (ppb). Levels of 2.7 ppb were measured in 1985.

Last week, the EPA published a notice in the Federal Register noting that the upcoming Helsinki meeting was likely to propose that new chlorine-releasing chemicals, specifically methyl chloroform and carbon tetrachloride, be included in the protocol.

The notice warned users of the compounds that a freeze or reduction in their

production and consumption "may be forthcoming."

Methyl chloroform is of greater concern to the EPA because it can substitute for CFCs used as computer solvents and for several more toxic degreasers that may be restricted or banned in coming months. Some analysts have predicted a huge growth in its use.

Carbon tetrachloride is used chiefly in this country to produce CFCs. But the Soviet Union, Eastern Europe and the Third World are believed to use it as a solvent and as a component of pesticides, synthetic rubber and dyes.

Paul Cammer, president of the Halogenated Solvents Industry Alliance, said that carbon tetrachloride has high ozone-depleting potential and should be considered for restriction. But he said methyl chloroform, which is less depleting, should be allowed to remain on the market as a substitute.

Arjun Makhijani, president of the Institute for Energy and Environmental Research, said the EPA projections underline the need for a quick ban on both compounds and chided the EPA for failing to advocate a ban.

A TRIBUTE TO JACQUELINE F. McLEAN—"ACCEPTING THE CHALLENGE"

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. MFUME. Mr. Speaker, I am very proud to be here this afternoon to pay tribute to a former colleague and a highly respected public servant in my home district of Baltimore. Councilwoman Jacqueline F. McLean has served Baltimore's Second Councilmanic District since 1983. During her 6 years on the city council, Jackie McLean has not only made a name for herself within the city council, but also as a trail-blazing role model for any young person interested in entering the political and business arenas.

When I first met Jackie McLean I realized that she had the potential to do many good things within the city council. After learning that she had served as an administrative assistant to legendary State Senator Verda Welcome, I began to believe that the citizens of the second district and all of Baltimore City, had a council member who was already capable of tackling the heavy urban issues and finding ways to make everyone's load a lot lighter.

At the beginning of her second term, Jackie McLean was selected by her council colleagues to serve as vice president of that chamber. In addition to her duties as council vice president, Jackie McLean sits on some very influential committees: chairperson of the economic development subcommittee, vice chairman of the budget and appropriations committee, the taxation and finance committee, and the legislative investigations committee.

Mr. Speaker, as you and other Members are well aware, service to the public is a very demanding responsibility that often requires an elected official to display seemingly unlimited amounts of patience and perseverance. Jacqueline F. McLean has displayed these essential qualities and works dilligently with her staff to effectively respond to community concerns through well planned legislative initiatives.

The road to success was not always an easy one for Jackie at first. After completing her degree requirements from the Institute for Computer Programming in Baltimore City, Jackie McLean continued to pursue her career in computers even though many doors were closed to African-American women and other minorities who possessed computer skills and knowledge. Jackie was not deterred by these social realizations. She turned toward her community and offered them her know-how to the schools. Her ability to rise above adversity and to strive ahead toward other opportunities of helping others is proof of her moral underpinnings and courage.

Jackie has succeeded at all her various occupations including retail sales, government, travel, services, and teacher. Jackie and her husband, James, dreamed of one day owning their own business. Today, Four Seas and Seven Winds Travel is the largest minority-owned travel service in the country, employing a total of 104 persons, with offices in Baltimore, Washington, DC, Virginia, and Wisconsin. Four Seas and Seven Winds travel service is a highly competent enterprise providing a wide variety of travel services.

With all of her activities Jackie still found the time to raise daughter, Michelle, and contribute her time and talents to over a dozen community-based and nonprofit organizations.

Mr. Speaker, Jacqueline F. McLean's talent and charisma has not gone unnoticed within the community. On May 24, 1989, at 6 p.m., Jackie McLean will be honored for her service to the community at the 11th Annual Testimonial Dinner, for the Urban Services Administration's Project Survival Program. Project Survival is a successful program that gives neighborhood kids an alternative to the many pitfalls of the urban landscape with education through basketball, an effort to keep Baltimore City kids off the street and off dope.

Mr. Speaker, Project Survival could not have picked a better recipient than for this year's award. Jacqueline McLean's vitae demonstrates that she is a person who stands ready and able to assume the responsibility of the goals that she has set for herself and move toward, not only achieving them, but passing beyond her originally conceived plan.

WAR ON DRUGS

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. BRYANT. Mr. Speaker, drug abuse and the illicit industry and crime it has spawned is perhaps the most serious challenge, confronting our society today. Drugs flow daily across our borders—onto our streets and into our neighborhoods and schools. It is estimated that we intercept as little as 5 percent of the illicit drugs entering our country.

Drugs cause crime, devastate productivity and kill—as we ever more frequently witness, not just in this capital city, but in most of our cities and increasingly in rural communities.

The number of persons incarcerated in Texas for drug offenses has increased by more than 114 percent since 1980. Over 65 percent of the clients in the Texas Commission of Alcohol and Drug Abuse Treatment Center as of April 1987, were referred from the criminal justice system.

According to the latest FBI figures, Dallas, TX, a major part of which I represent, ranked eighth in the Nation in the number of homicides in 1988. Law enforcement officials blame this ranking on illegal drugs, and they're right.

The Anti-Drug Abuse Act of 1986 represented a major commitment of national resources for interdiction at the border, international drug control efforts, drug law enforcement, as well as drug treatment, education and research. Congress reinforced that commitment and expanded those efforts with the passage of the Anti-Drug Abuse Amendments Act of 1988.

But the effort must not end here.

While the Bush administration budget marks White House endorsement of Federal assistance for State and local law enforcement agencies, it provides only $105 million to the men and women fighting on the front lines of the war on drugs. Many of my colleagues and I have sponsored H.R. 705, the Anti-Drug Supplemental Appropriations Act of 1989, to fully fund the Anti-Drug Abuse Act and add $125 million in 1989 for local and State drug enforcement.

In Dallas, in Houston, in San Antonio, in virtually every city in Texas—and in our Texas Department of Public Safety—the men and women who enforce our laws are underpaid, understaffed, and underequipped. To do the job we want and expect them to, we must insure that those on the front lines have a distinct advantage over the merchants of drugs and the neighborhood criminals they create.

I hope President Bush will join us in giving the war on drugs the priority is deserves, not just when the drug abuse and drug crimes are in the headlines, but also when the quiet and tough work of funding the programs is underway.

A SUCCESS STORY OF A SMALL MINORITY BUSINESS

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. TORRES. Mr. Speaker, thank you for the opportunity to address my esteemed colleagues at a time when both the House and Senate Small Business Committees are reviewing the U.S. Small Business Administration's [SBA] proposed regulations for the new Business Development Reform Act of 1988, commonly known as the SBA 8(a) Program.

As you are aware, Mr. Speaker, Congress has over the last several years attempted to revise and update the SBA 8(a) Program. While the need for reform existed, a few isolated cases of blatant criminal abuse of the 8(a) Program were constantly referenced during the legislative process as justification for change in the legislation. Some of my colleagues even suggested that the 8(a) Program

be eliminated altogether because of these media sensational abuses. In my view, abuses of the SBA 8(a) Program are clearly just that, abuses, which must be prosecuted under the full weight of the law. But to assume that the criminal acts of a few were caused by the SBA 8(a) Program itself was illogical, unfair, and above all punitive to the minority business community.

In truth, what was on trial during these debates was not the 8(a) Program. Rather, what was on trial was our country's commitment to develop and nurture the talents and creative resources of socially and economically disadvantaged businesses to help them access the Federal marketplace and otherwise fully participate in our economic system.

While the wisdom of Congress' changes to the new 8(a) legislation is yet to be tested, I am here today to share the story of one certified 8(a) company which has quietly, without media attention, attempted to use the rules and guidelines of the 8(a) Program as a means of achieving competitiveness within the Federal marketplace as it seeks new opportunities in the private sector and international markets. This company is Comprehensive Technologies International, Inc. [CTI], a California corporation headquartered in Chantilly, VA.

I am very proud of CTI because I know firsthand the difficulties endured by its owners to achieve success in the 8(a) Program. Too often, there is an assumption that 8(a) certification automatically will create sole-source contracts when, in fact, the 8(a) certification only offers the opportunity to reduce the cost of accessing the Federal marketplace. The 8(a) certification is not a substitute for competent management, fiscal responsibility, and a corporate commitment to producing quality products and services. Based on CTI's established track record for excellence, I am confident CTI will successfully graduate from the 8(a) Program as a competitive company by 1992. This is their story.

CTI was founded in Los Angeles, CA, on May 23, 1980, by Celestino M. Beltran, Peter M. Theobald, and Gregory D. Villanueva. These three young entrepreneurs—with backgrounds in engineering, economics and finance, and architectural design respectively—had visions of becoming an international development company dedicated to improving the productivity and economic development opportunities of underprivileged communities in the United States and Latin America through technology transfer and public/private partnerships. With this corporate mission, Mr. Beltran and Mr. Theobald moved their families from Los Angeles in U-Haul trucks and trailers to establish their international headquarters in Washington, DC, in August 1980, while Mr. Villanueva maintained CTI's west coast office.

As a result of Mr. Beltran's majority ownership and minority/economic status, CTI received its SBA 8(a) certification in August 1981. Nevertheless, the early 1980's were difficult years for CTI. The United States and many of our international allies were in the midst of one of the worst economic recessions since the Depression. CTI's hopes for establishing a successful international development company evaporated within the stagnant economic environment. Despite their efforts to market the Federal Government, it was not until March 31, 1983, that CTI received its first 8(a) contract for $15,000 from HUD to complement the firm's new commercial contracts.

By the fall of 1984, it was apparent CTI could not survive in the domestic Federal marketplace specializing in economic development services. CTI had to reevaluate its corporate direction. As a consequence of this evaluation, Mr. Beltran presented a long-range business strategy to SBA for redirecting CTI's entrepreneurial and management skills toward the provision of professional services in the areas of logistics, engineering, and information systems with the Department of Defense [DOD] as a primary market.

With SBA's approval of CTI's business plan, the firm began its transition into the new service areas by closing its architectural services unit and executing a friendly, mutually agreeable buyout of Mr. Villanueva. This allowed CTI, which was short on capital at the time, the ability to attract, through the sale of stock, technically and managerially qualified personnel to help spearhead CTI's entry into new service areas and the DOD marketplace. Mr. James D. FitzHenry, with a strong background in Navy logistics and the technical services industry, joined CTI as a minority owner in July 1985.

By September 1985, CTI had won its first DOD contract in program management support for NAVSEA's Battleship Reactivation and Modernization Program. CTI provided technical and logistical support for completion of the reactivation of the U.S.S. *Missouri* and subsequently the U.S.S. *Wisconsin*. To add depth to CTI's Information Systems Division, Mr. Charles E. Asay joined CTI as another minority owner in March 1986, bringing 30 years of experience in all aspects of automated data processing and software development.

Since its entry into the DOD market in 1985, CTI has established eight offices across the United States with its headquarters in Chantilly, VA. Its 150-person staff has obtained a reputation for quality service among some of our country's most prominent defense programs and domestic Federal agencies. Most importantly, CTI has built its reputation for excellence by focusing on the identification and retention of highly motivated specialists for each of its areas of specialization: engineering services, human services, information services, logistics engineering and management, and product development and sales.

While the path to success is different in each firm, CTI's success has been based on principles that I think we would all like to see emulated by other 8(a) firms and small and large businesses alike. CTI has always believed that hiring the best quality personnel, and then treating them well, is the best way to build a quality professional service company. Indeed, CTI's personnel sets the company apart from others. The company's technical staff is recognized by clients for their capability and performance. CTI's project managers are dedicated to delivering, on-time and on-budget, exactly what the client ordered. They are mainly responsible for CTI's track record of never having had a dissatisfied client nor a cost overrun. CTI's administrative support staff is efficient and highly productive, helping the company become highly cost competitive. CTI's executive staff is skilled and totally dedicated to doing what is best for the overall company, rather than what might be best for individual owners.

A second factor in CTI's success has been its dedication to sound fiscal management. CTI has built a solid financial base from a very precarious beginning by maintaining quality billing and collections systems, paying its bills in a timely fashion, treating subcontractors fairly, reinvesting profits back into the firm, and establishing and maintaining an impeccable banking relationship.

CTI's motto should probably be "whatever it takes" because a third factor in their success has been a willingness to go to whatever lengths are necessary to satisfy clients and build a successful enterprise. CTI's founders invested everything they had to make CTI successful, and this ideal has continued with the firm's executive, administrative, and technical staffs giving all they have to help CTI become the best firm it can be.

Finally, CTI has always believed in giving back to the community as a means of helping repay the support the company has received. Programs dedicated to youth, Hispanics, women, education, and other civic causes have continually received CTI support.

Under the leadership and corporate strategic direction of Mr. Beltran, chairman and CEO, Mr. Theobald, chief operations officer, Mr. FitzHenry, senior vice president, and Mr. Asay, senior vice president, CTI has been able to create a corporate culture around its key personnel which nurtures excellence, innovation, and a commitment to customer satisfaction. And, in my opinion, it is this organizational expertise that will enable CTI to achieve competitiveness in a diversity of professional services and high technology products for public and private sector markets in the United States and abroad.

Mr. Speaker, in my view, CTI is only one of the vast majority of certified 8(a) firms attempting to use the 8(a) program as it was intended. I commend CTI for its accomplishments and I look forward to CTI's successful graduation from the 8(a) program as a competitive company.

DESIGNATES MONTH OF MAY AS "NEIGHBORHOOD WATCH MONTH"

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. LAGOMARSINO. Mr. Speaker, on this occasion, I would like to recognize the efforts of the Santa Barbara County Sheriff's Department in having the month of May designated as "Neighborhood Watch Month." Crime has affected all of us in some way during our lives. A victim of a crime feels angry and frustrated, and wonders what can be done to prevent it from happening again. By learning about crime prevention and by joining with law enforcement agencies in starting neighborhood watch groups, can we fight back against crime. The declaration of May as "Neighbor-

hood Watch Month" would increase general awareness of what we as citizens can do to prevent crime. Through citizen involvement in crime watch groups, we can make our communities truly safe and secure.

A TRIBUTE TO GUIDO DAVID NARDINI

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. HYDE. Mr. Speaker, I commend to my colleagues the following award-winning speech written by a resident of my district, Guido David Nardini.

Guido, a resident of Elmhurst, IL, is the son of Francesco and Gloria Nardini. He is a junior at York High School and wrote the speech, Preparing for America's Future, in response to the Voice of Democracy Scholarship Program. The contest was sponsored by the Veterans of Foreign Wars of the United States.

As president of student council in junior high, as an active singer and actor, and as the future copy editor of the York High newspaper, Guido has been an active student, and a credit to his school. He says that in college he plans to study anthropology, genetics, and biology. We are very proud of him.

His essay placed first among all Illinois entries:

PREPARING FOR AMERICA'S FUTURE

When the Pilgrims prepared to disembark from the Mayflower they drew up a covenant. Under the leadership of William Bradford they combined themselves "into a civil body politick" for the "glorie of God, and the advancement of the Christian faith." That was 1620, and they were America's future.

When Thomas Jefferson agreed to draft a document proclaiming colonial independence, he wrote, "Governments are instituted among Men, deriving their just powers from the consent of the governed. That was 1776, and it was America's future.

When Harriet Tubman escaped slavery and fled from Maryland to Philadelphia through the underground railroad, she vowed to return. True to her promise, even after the Fugitive Slave Act was passed, she liberated her parents and some 300 other slaves. That was 1851, and she was America's future.

What is America's future? The Pilgrims? Thomas Jefferson and the Declaration of Independence? Harriet Tubman and the slaves she freed? Yes, all of these because the ideas they represent still hold true today: The ideas of nationalism, education and creativity.

What is America's future? It is the orderly quest for knowledge, or education: Jefferson knew the Declaration of Independence was needed. He knew that feeling of clarity, of law, and of structure was needed to create a strong government that could weather the centuries.

What is America's future? It is the pride held in being American and the trust the Americans have towards one another, that feeling of security, of human bonding. This feeling was initiated with Harriet Tubman and the other abolitionists when they acted against the ills of the slaver's system.

What is America's future? It is that never-ending feeling of the free spirit. The feeling of a new leaf being turned, every turn we make. That feeling that William Bradford and the Pilgrims felt when land was sighted and they knew they were no longer bonded to unsuited precedents and a dated monarchy.

How then do we prepare for America's future? It is clear to see that education is the most influential process for future generations. Time and time again students learn history, science, math, language skills, morals, and even political and social commentary from schooling. The question is "what do we teach them?" Using education as a transport, countless students can be taught nationalism. They can be taught geography, so they know our borders; and cultural ethnicity, so they know what makes us up. Millions of Americans on just as many streets can greet one another with the feeling of being bonded together through their common pride in their nation. That's what they can learn, pride in our flag. A mighty task, nationalism accomplished by education. But what about the third quality of the future, creativity.

An adventurous, creative, free spirit doesn't need to be structured in school, nor is it hindered there: in fact, it is an inborn, innate belief that will never change. No matter what happens to an American, he will always have his spirit of creativity. That is the beauty of our country, the structure it has, but then the freedom it allows us to have.

When Eleanor Roosevelt was elected chairperson to the United Nation's Human Rights Commission, she helped draft the Universal Declaration of Human Rights. A document securing certain rights as inalienable to the citizens of the world. That was 1946, and she was America's future.

When Dr. Martin Luther King, Jr., spoke of his dream that his "four little children would be judged not by the color of their skin, but by the content of their character", he inspired the world. That was 1963 and he was America's future.

When education teaches me the pride I now hold for my country, but still allows my spirit to run free, I write an essay expressing the feelings I have towards the future of my country. That is now, and I am America's future.

LEGAL PROBLEMS WITH THE 1977 PANAMA CANAL TREATIES

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. CRANE. Mr. Speaker, yesterday the House passed H.R. 1763, the Panama Canal authorization bill for fiscal year 1990, under suspension of the rules. Because the bill makes reference to the Panama Canal Treaty of 1977, I believe this is an appropriate time to bring to the attention of my colleagues a document outlining numerous problems with the Panama Canal Treaties. If you find these facts as disturbing as I do, I encourage you to cosponsor my bill, House Concurrent Resolution 47, expressing a sense of Congress that the Panama Canal Treaty is an illegal document.

LEGAL PROBLEMS WITH THE 1977 PANAMA CANAL TREATIES

Two treaties were signed by President Carter and Panamanian "Head of Government" Omar Torrijos in 1977. The first was "The Panama Canal Treaty," which was intended to gradually transfer control over the canal and the zone to Panama, culminating in a final transfer of sovereignty in 1999. The second treaty was "The Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal" (The Neutrality Treaty), which was intended to guarantee the neutrality of the canal after the transfer was complete.

1. CONFLICTING RESERVATIONS

The text of the treaties as signed was not completely acceptable to the U.S. Senate, which was charged with ratification under the Constitution. In ratifying the treaties, several reservations were attached to clarify the meaning which the Senate placed on the treaties' provisions which were ratified.

Chief among these was the so-called "DeConcini Reservation," introduced by Senator Dennis DeConcini (D-Ariz.), which declared that the United States' right of intervention to guarantee the neutrality of the canal could be exercised unilaterally, without a prior request by the government of Panama and, if necessary, against the opposition of the government of Panama.

The DeConcini Reservation was strongly opposed by the Panamanian negotiators, who inserted a three paragraph counter-reservation into their instrument of ratification, asserting that it was the understanding of Panama that the DeConcini Reservation did not allow for unilateral U.S. action, despite the clear intentions to the contrary expressed in the Senate debate.

This Panamanian counter-reservation was never presented to the Senate for a vote (as required by the Constitution) and is not mentioned in the U.S. instrument of ratification. Clearly, the ratification was faulty and the treaties are void.

2. ILLEGALITY UNDER THE VIENNA CONVENTION

The Vienna Convention on the Law of Treaties (1969) is generally recognized as the codification of the international law of treaties. Under Article 20.2 of the Convention, each reservation required the acceptance of the other party. Since neither reservation was accepted by the other party (indeed, since they are mutually exclusive) there has been no ratification under international law.

3. NO TRANSFER OF SOVEREIGNTY

Article I of the Panama Canal Treaty of 1977 purports to terminate all previous canal treaties and states " . . . the Republic of Panama, as territorial sovereign. . . ." There is no provision in the 1977 treaty which explicitly transfers sovereignty from the United States back to Panama.

The U.S. Supreme Court in 1907 concluded that provisions of the 1903 treaty had granted sovereignty over the Canal Zone to the United States. Clearly then, some affirmative act was required to transfer sovereignty back to Panama. The abrogation of the 1903 treaty alone was not sufficient. Since the rest of the treaties cannot be constructed in any way with sovereignty remaining with the United States, the treaties must be void in their entirety.

4. IMPROPER ABROGATION OF THE 1903 TREATY

As noted above, the 1977 treaty purports to recind the provisions of the 1903 treaty. This is improper. The clear intent of the

framers of the Constitution was for the Executive Branch to negotiate treaties, which would be ratified by the Senate (2/3 vote) and then become laws, just like other laws, which could only be repealed through the standard legislative process in both Houses of Congress.

If a treaty could be declared invalid by the President and the Senate, without the House of Representatives, then treaties would not be the "supreme law of the land" as guaranteed by Article VI. The principle is analogous to that which the U.S. Supreme Court used in 1983 to overturn the "legislative veto."

Since the House of Representatives never approved legislation abrogating the Hay-Bunau-Varilla Treaty of 1903, it remains in force; and the conflicting language of the 1977 Treaty is void.

5. IMPROPER DISPOSAL OF U.S. PROPERTY

As noted above, the U.S. Supreme Court in 1907 found that the Canal Zone was the property of the United States. Under Article IV, Section 3, Clause 2 of the U.S. Constitution. "The Congress shall have Power to dispose of and make all needed Rules and Regulations respecting the Territory or other Property belonging to the United States. . . ." Therefore, U.S. property can only be conveyed through the normal legislative process (both Houses of Congress).

On September 27, 1979, President Carter signed into law Public Law 96-70, The Panama Canal Act of 1979, the only legislative vehicle pertaining to the Canal Treaties which was passed by both Houses of Congress. Key provisions of this law are Sec. 1503. "No property of the United States located in Panama may be disposed of except by law enacted by the Congress," and Sec. 1504(c), "the Panama Canal. . . . shall not be transferred to the Republic of Panama prior to December 31, 1999."

Under this law, then, the Panama Canal and Zone still belong to the United States and will continue to belong to the United States until Congress, both Houses of Congress, passes a law disposing of it. Provisions of the Panama Canal Treaties to the contrary must be void.

6. NON-RESIDENT ALIENS AS U.S. OFFICIALS

Article III of the Panama Canal Treaty (1977) provides for the President of the United States to appoint four Panamanians to serve as directors on the nine-member Panama Canal Commission, the government agency which operates the canal.

The U.S. Constitution requires that all officers of the United States must swear an oath to support the U.S. Constitution (Article VI, Section 3) and may be removed for treason (Article II, Section 4).

These Constitutional provisions clearly do not allow for non-resident aliens to serve as officers of the United States. Such an alien cannot take an oath to support the United States Constitution and, by definition, cannot commit treason against the United States. Therefore, this provision of the Panama Canal Treaty is unconstitutional.

7. IMPROPER APPLICATION OF PANAMANIAN CONSTITUTION

The Panamanians had long expected the 1903 Treaty to eventually be renegotiated, and made provision for it in the Constitution of Panama (1972). Article 274 provided that "Treaties . . . with respect to the Panama Canal . . . shall be submitted to a national plebiscite" for ratification. Accordingly, the treaties signed by President Carter and General Torrijos were submitted to a plebiscite by Panamanian Law 33 and approved on October 23, 1977.

However, the subsequent U.S. reservations and Panamanian counter-reservations (see above) were never submitted to a second plebiscite. The versions of the treaties ratified by the people of Panama in the October 1977 plebiscite are not the same as the versions ratified by the United States Senate in March and April of 1978; and both are different from the versions ratified by General Torrijos in June of 1978. Since the ratification was unconstitutional under the Constitution of Panama, the treaties are void.

8. IMPROPER SIGNING UNDER PANAMANIAN CONSTITUTION

Article 277 of the Constitution of Panama (1972) stipulates that the "Head of Government," the Omar Torrijos, had the power to "direct foreign relations," while Article 163 reserved to the "president of the Republic alone" the power to "enter into international treaties and agreements."

Despite this, the 1977 treaties were signed by General Torrijos, not the President of Panama. For this reason, the treaties are void under Panamanian law.

EQUITY FOR SELF-EMPLOYED TAXPAYERS

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. DORGAN of North Dakota. Mr. Speaker, in the 99th Congress, 193 House Members joined me in cosponsoring legislation to provide a tax deduction for self-employed taxpayers who purchase their own health insurance coverage. That legislation became the basis for a provision in the Tax Reform Act of 1986 which permitted a 25-percent deduction for a 3-year period. The deduction expires at the end of 1989 and, with its expiration, the first step Congress has taken toward providing equity among self-employed taxpayers in the matter of health insurance deductions regardless of their status as sole proprietors, partnerships, or corporations.

Today I introduce for myself and my distinguished colleague, Mr. BROWN of Colorado, legislation that would provide equity for self-employed taxpayers by extending the current 25-percent deduction to 1990 and 1991, expanding it to 50 percent in 1992 and 1993, and finally reaching a goal of 100-percent deductibility of health insurance premiums in 1994.

The continuation and expansion of the current 25-percent deduction is important to farmers, ranchers, and small business owners who conduct their businesses as sole proprietors. Their competitors who are organized as corporations are able to take advantage of full deductibility of health insurance costs. The same treatment should be available to all self-employed taxpayers. This bill accomplishes the equity that is needed by phasing in full deductibility over a 5-year period.

Aside from the important issue of equity, high health insurance costs are particularly troublesome in farming and ranching, the Nation's most hazardous occupations. High risks translate into higher premiums, and many farmers are reducing their coverage or dropping it entirely because they cannot afford it. At a time when we are growing more aware of the burdens of costly insurance and the needs of the uninsured, this legislation provides an incentive to the self-employed to provide for their own insurance needs.

I urge my colleagues to join me in this effort to provide equitable tax treatment and an incentive toward adequate health care coverage by cosponsoring this bill.

HONORING DRILL TEAM WINNERS

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. FIELDS. Mr. Speaker, cheerleaders from two Houston area schools won first-place honors at the annual Miss Dance Drill Team USA Pageant in Los Angeles recently, and I would like to take this opportunity to congratulate them on their victories.

Klein Forest High School won the large drill team and large dance awards while Klein Oak High School won the honors for prop drill team. More than 6,100 contestants from 30 States competed in the pageant, making the honors accorded to Klein Forest and Klein Oak High Schools all the more impressive.

Each of the winners received a trophy, a ribbon, and a chance to travel to Tokyo this summer for international competition.

Mr. Speaker, I know that you join with me in congratulating Klein Forest High School and Klein Oak High School on their performance in the competition, and in wishing them continued success in the months and years ahead.

PUTTING SAFETY ON CAFE SKIDS

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. MCEWEN. Mr. Speaker, I include the attached article from the Washington Times, April 20, 1989, entitled "Putting Safety on CAFE Skids" in today's CONGRESSIONAL RECORD.

[From the Washington Times, Apr. 20, 1989]

PUTTING SAFETY ON CAFE SKIDS

(By Warren Brookes)

In an interview last Thursday, Secretary of Transportation Samuel Skinner let it be known he intends to be a much more aggressive regulator than his Reagan administration predecessors.

So it was no surprise to learn that on Monday he asked President Bush to raise the corporate average fuel economy (CAFE) standard by one mile per gallon, to 27.5.

During the interview, he defended the CAFE law vigorously: "The CAFE statute is designed to force a balance between fuel economy, feasibility and environmental considerations."

But the one "balancing" issue neither Mr. Skinner nor the CAFE statute took into account is safety—and the only overriding fact about the CAFE rule is that it kills people by arbitrarily forcing them to buy smaller and more dangerous cars.

By yielding to the pressure of the "Bushy" environmentalists on this issue, Mr. Skinner is in effect sacrificing the lives of another 2,200 to 3,900 people through sales of the 1990 model alone (over 10 years) and adding between 11,000 and 19,500 serious, non-fatal injuries.

That's the finding of a careful 1988 study by two of America's top regulatory experts, Robert Crandall of the Brookings Institution and Professor John Graham of Harvard University's Department of Health Policy and Management, who conclude, "When safety considerations are included, CAFE appears to be a very costly social policy."

The reason is simple: There is only one way to achieve significant increases in fuel economy and that is to lower the weight of the cars. To achieve the 27.5 mpg standard, the average weight of the 1990 model would have to come down by about 500 pounds.

The Highway Loss Data Institute reports that for two-door sedans, the average injury rate for small cars (average weight 2,243 pounds) is nearly double that for large cars (average weight 3,535 pounds), and 34 percent higher than that for medium-sized cars (2,768 pounds).

Based on this data, Mr. Crandall and Mr. Graham say that "the 500-pound reduction in the average weight . . . that is attributable to CAFE is associated with a 14 to 27 percent increase in occupant fatality risk," or a cost of from 2,200 to 3,900 lives and 11,000 to 19,500 additional serious injuries.

They put a "cost" estimate on these safety risks: "At a conservative value of $1 million per statistical life and $20,000 per statistical injury, the adverse safety effects of CAFE translate into a social cost of $2.4 billion to $4.3 billion over the life of [the current model year] cars," and a "present value of CAFE's safety costs equal $1.9 billion to $3.4 billion." (See table.)

But, during our interview with Mr. Skinner, the secretary made it clear that his primary concern was fuel economy, "because we have become almost 50 percent dependent on foreign oil."

Yet the Brookings analysis points out that CAFE would only save about 5-6 percent of the gasoline consumed by the affected model years. At current gasoline prices, "the present value of the gasoline saved by CAFE over 10 years would be . . . $1.8 billion to $2.2 billion for all [current domestic model year] automobiles."

In other words, CAFE's gasoline savings are less than the least costly values assigned to life and injuries caused!

Even so, the consumer will actually pay a lot more, because in order to comply with CAFE, the cost of domestic cars on average goes up about $1 billion for each mpg of CAFE increase.

A 1988 analysis by the Federal Trade Commission shows that "the average cost per gallon saved with CAFE increase of 1.5 mpg is $3.71 to $6.29 . . . with consumer losses ranging from $2.347 billion to $4.646 billion. Auto-industry employment declines as well, with from 25,600 to 59,000 auto workers being put out of work."

CAFE is now under serious court challenge by the Washington-based Competitive Enterprise Institute, which is charging that the National Highway Transportation Safety Administration has deliberately concealed the negative safety effects of CAFE because of the political considerations.

In fact, last September, the National Safety Council wrote NHYTSA saying it was "concerned that [CAFE] may pose a significant threat to the safety of American motorists" and went out of their way to "urge NHTSA to be forthright about what the safety consequences of their fuel economy standards are likely to be."

NHTSA, meanwhile, is apparently in such an advanced state of schizophrenia that it has been arguing on both sides of this issue and was unable to give straight answers either to the public or to Mr. Skinner, who has now demonstrated, on this issue at least, that he is neither pro-consumer nor pro-safety.

CAFE COSTS AND BENEFITS

[Per model year]

	Amount
Costs:	
Additional fatalities	2,200–3,900
Additional serious injuries	11,000–19,000
Social losses—Present value (billions)	$1.9–3.4
Additional costs of implementation to consumer ($3.71–$6.29 per gallon saved) (billions)	$2.4–4.7
Benefits: Gasoline saved at $1 a gallon (billions)	$1.8–2.2

Sources: "Effects of Fuel Economy Standards on Automobile Safety" by Crandall and Graham Journal of Law and Economics (forthcoming). Federal Trade Commission Working Paper 160.

REMEMBERING THE TRAGEDY OF CHERNOBYL

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. BONIOR. Mr. Speaker, today marks the third anniversary of the Chernobyl nuclear disaster. This tragedy not only took the lives of many Ukrainians and exposed many others to harmfully high levels of radiation, but it poisoned the water, land, and air of Ukraine and much of Western Europe. The effects of this nuclear accident on the lives of Ukrainians will not be known for years to come.

Ukrainians around the world mourn the loss of their loved ones today. This horrible tragedy will live on, affecting individuals and families whose lives may be shortened considerably by the harmful health effects of nuclear poisoning. It is a day that many Ukrainian-Americans will remember the fear and frustration they experienced in not being able to reach their relatives or find out about conditions in Ukraine.

It is a day that we remember the relaxed way in which Soviet authorities responded to this disaster. When it comes to Ukraine, Mr. Speaker, Chernobyl demonstrated what we have seen all along—that the Soviet Government is more interested in keeping an iron hand over the people of Ukraine than it is in their personal well-being. It does not cut corners in maintaining one of the Soviet Union's harshest police forces to quash any hint of national pride in Ukraine, but it compromises in hiring and training nuclear powerplant builders and operators.

Let us hope that in the new age of glasnost, Soviet leaders will endeavor to change their priorities.

I want to invite my colleagues to join with me today in this challenge to the Soviet Government, and in extending support to the Ukrainian people and remember with them the losses they have suffered.

GLASNOST—OR "GAS-NOST"?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. MICHEL. Mr. Speaker, on Monday, April 24, 1989, I came across two news stories—one in the New York Times, the other in the Washington Post—that stunned me. They report the acknowledgment by high Communist Party officials that poison gas—not just tear gas, but poison gas—was used against demonstrators in the Soviet Georgian Republic.

Since such news is scarcely credible, I want to take this opportunity to place in the RECORD those news stories so our colleagues can read them.

According to these reports the army and interior ministry troops who broke up the demonstration were equipped with poison gas to use against citizens of the Soviet Union. Some may ask: How is this possible in the age of glasnost? A better question might be—should we not be doing some hard thinking about precisely what glasnost really means in practice?

The fact that Soviet security forces are still equipped with poison gas to use against Soviet citizens, 4 years after Mr. Gorbachev came to power, suggests that he either doesn't have the power to control the security forces, or—more probably—that glasnost does not now and has never envisioned taking away from the Communist Party the tools it needs to control those it rules.

I believe the use of poison gas against Georgians is one of the most important stories to come out of the Soviet Union during the Gorbachev era. We don't know all the details and perhaps we never will. But we do know that (a) poison gas was used against demonstrators, (b) the nature of that gas has not been made known to the Soviet public and (c) the victims of the gas have not been given an antidote by authorities.

I hope that our Government learns all it can about this incredible event. This may well be a turning point in the Gorbachev era. He has already changed course—or backed off, depending on your point of view—on various proposed economic changes that were supposed to come with perestroika. What will happen when the rest of the Soviet Union learns that glasnost ends where poison gas begins?

At this point I wish to include in the RECORD, "Leader In Soviet Georgia Says Gas Killed Some Prisoners", from the Washington Post and "Gas Killed Georgians, Party Leader Confirms", from the New York Times, both published on April 24, 1989.

LEADER IN SOVIET GEORGIA SAYS GAS KILLED SOME PROTESTERS

TBILISI, U.S.S.R., April 24—Soviet Georgia's new Communist Party leader said today that some of the 20 civilians who died earlier this month in protests in Tbilisi, the capital, were killed by poison gas fired by troops.

Givi Gumbaridze said the affair has caused a crisis of confidence in the party and has seriously harmed the process of reform.

"It has been established that tear gas was used. And a second type of gas was also used. There are cases of poisoning, and some people died," he told visiting foreign journalists.

Soviet army and Interior Ministry officials and some newspapers have said only tear gas of the type used in other countries to disperse rioters was used on April 9, despite statements to the contrary by the Georgian Health Ministry.

The remarks by Gumbaridze, who was appointed after Soviet Foreign Minister Eduard Shevardnadze went to Tbilisi to lead an investigation, was the most authoritative yet on the use of poison gas.

"There was a crisis of confidence in the party and we do not think that crisis is over," he told the reporters at the city's party headquarters. "There is still a deficit of trust by the people—this is in no doubt."

Gumbaridze, who previously served as Georgia's KGB security police chief, replaced Dzhumbar Patiashvili, who stepped down with the Soviet republic's prime minister and president after the killings.

He was speaking a few hundred yards from the government building on Tbilisi's Rustaveli Prospekt where the troops, armed with clubs and shovels and backed by tanks, attacked the crowd of more than 8,000 demonstrators calling for nationalist reforms.

Gumbaridze said blame for the heavy-handed treatment of the gathering lay with a small group within the Georgian Communist Party who made the decision to send in the troops without consultation.

"There can be no justification for the tragedy that occurred. You cannot talk to people from a position of force," he declared, echoing similar remarks by Shevardnadze.

Gumbaridze said specialists from Moscow and Leningrad had come to help people suffering the effects of the poisoning. But members of an independent, officially sanctioned commission set up to investigate the affair said doctors were still unable to treat gas victims or establish what types of gas were used.

"The first type is normally used at low concentration as tear gas, but at high concentration it can be fatal," biologist Malkhaz Zaalishvili told reporters at the Georgian Academy of Sciences. "As for the second type, which causes paralysis of the nervous system, we do not know its chemical composition, and [military authorities] have refused to tell us."

Fellow academician Nino Dyavakishvili, who is heading the commission's investigation into the medical aspects of the incident, said at least 60 people were still in the hospital. He said they were suffering effects of the gas, including sharp headaches, vomiting, skin rashes and amnesia.

Other commission members said there was incontrovertible evidence that troops used sharpened shovels against the demonstrators.

GAS KILLED GEORGIANS, PARTY LEADER CONFIRMS

TBILISI, U.S.S.R., April 24 (AP)—The Communist Party leader in the Georgian Republic confirmed today that some of the 20 deaths in nationalist demonstrations here this month were caused by poison gas.

The leader, Givi Gumbaridze, spoke to some of the first foreign correspondents allowed into Georgia since the April 9 demonstration in Tbilisi, the capital of the southern republic.

"The fact that gases were used is the truth," Mr. Gumbaridze said. "Yes, some people died from poisoning."

At the same time, Georgians hospitalized with damage to their central nervous systems asked the Government today for an antidote to whatever chemical soldiers used in dispersing the demonstration.

LETTER SENT TO GORBACHEV

Several dozen of the 120 or so people still hospitalized signed a letter to Mikhail S. Gorbachev, the Soviet leader, in which they appealed for an antidote.

Nodar Notadze, a literary scholar and one of 40 members of a commission investigating the attack on the protesters, said Georgian representatives would take the plea to a meeting of the Communist Party Central Committee that is to begin on Tuesday in Moscow.

Nino Djavakhishvili, also on the commission, said at least 700 people were injured, Iza Ordzhonikidze, a third commission member, said 600 of them were poisoned.

Miss Ordzhonikidze, a poet and museum director, said half of those still hospitalized were children from a contaminated school next to the demonstration site who became ill days after the clash.

Dr. Vakhtang Bochurishvili, who teaches at Tbilisi Medical School, said today, "It is a crime that the military still will not tell us what substances were used."

SOLDIERS 'LIKE NAZI TROOPS'

Dr. Bochurishvili said the army and Interior Ministry soldiers who broke up the protest "were like Nazi troops, the SS."

On Saturday, the Defense Ministry newspaper Krasnaya Zvezda identified one chemical used on the protesters as an incapacitiating agent called cheremukha, whose main ingredient is chloroacetophenone. A Western military attaché in Moscow said the substance was similar to tear gas, but stronger.

Malkahz Zaalishvili, a molecular biologist on the commission, said the gas becomes poisonous in high concentrations. He and several other doctors said another gas used causes irregular paralysis of the central nervous system, memory loss, blackouts, headaches and nausea.

Mr. Djavakhishvili, a morphologist, said military officials refuse to acknowledge that nerve gas was used. Miss Ordzhonikidze said 14 of the 20 people who died did not appear to have been seriously beaten and were believed killed by the gas, but a decision would await autopsies.

'HANDS ARE TIED'

Shota Gamkrelidze, a pharmacologist, said he wanted to help but his hands were tied. "I cannot prescribe any psychotropic drugs because I don't know what the chemical was and what will happen with these drugs," he said.

No soldiers were reported to have been hurt by the gas, and doctors believe they had taken an antidote they now refuse to give to the injured, Mr. Gamkrelidze said.

Mr. Gumbaridze, a former head of the KGB in Georgia, was appointed chief of the Georgian party 10 days ago replacing Dzhumber Patiashvili, who resigned as party leader after accepting responsibility for the violence.

TRIBUTE TO MARGARET MOSELEY

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. STUDDS. Mr. Speaker, on Saturday, April 29, 1989, residents of Cape Cod and members of the local chapter of the Women's International League for Peace and Freedom will join together to honor Margaret Moseley of the town of Barnstable, MA.

As a long-time activist for peace and civil liberties, Margaret Moseley has devoted her life to helping to solve the problems of poverty and injustice. She was the first president of the Boston chapter of the Women's International League for Peace and Freedom, which has actively promoted political and economic freedom throughout the world for many years. On Saturday, the league will celebrate its 74th anniversary. As founder of the league's Cape Cod chapter, Mrs. Moseley has served as an inspiration to its membership, which has grown considerably in recent years.

In addition to promoting the cause of world peace, Margaret Moseley has confronted the problems of poverty and inequality in her own community. She played an important role in establishing a Cape Cod branch of the National Association for the Advancement of Colored People [NAACP]. She is a founding member of the social responsibility committee of the Barnstable Unitarian Church, and also helped establish the community action committee, a local antipoverty agency on Cape Cod.

Over the years, Margaret Moseley has earned the respect, affection, and admiration of those who have had the opportunity to work with her and who share her vision for a world at peace. It is a pleasure for me to join with her many friends to honor her on this special day.

H.R. 1863—A BILL TO RESOLVE INEQUITIES IN RADIOACTIVE WASTE DISPOSAL FACILITIES

HON. TIM JOHNSON

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. JOHNSON of South Dakota. Mr. Speaker, I wish today to draw attention to legislation I introduced earlier this month with Congressmen RONALD COLEMAN and JOHN BRYANT. H.R. 1863 is intended to assure fair consideration of the interests of States likely to be affected by the establishment of low-level radioactive waste disposal facilities. This legislation, which is a companion to S. 705, introduced by Senator TOM DASCHLE, is an attempt to resolve an inequity in the Radioactive

Waste Policy Act of 1980 and the 1985 amendments to the act. While I believe this prior legislation was an important step in the disposal of State generated nuclear waste by holding States responsible for the waste they generate and by encouraging States to enter into compacts in order to dispose of low-level waste, I also believe that a crucial point was neglected. That point revolves around the fact that a host State can place a low-level nuclear waste site on its border without any rights or considerations accorded to the adjacent State.

A problem has already developed in my district, which is the entire State of South Dakota, due to the fact that Nebraska, which is a member of the Central Interstate Low-Level Radioactive Waste Compact is currently reviewing three separate sites for the compact's waste disposal unit and each site is adjacent to the borders of other States. This fact greatly concerns South Dakotans because one of the proposed sites, in Boyd County, NE, is a mere 5 miles from South Dakota.

This proposal has led to great frustration in the local communities, among county residents, and with tribal governments just north of the site in South Dakota due to the fact that their concerns are never addressed because of the simple fact that they do not reside in Nebraska. A Nebraska resident 100 miles from the proposed site has more say about the site selection than a South Dakota farmer or rancher 6 miles from the site, and that fact simply doesn't make good sense.

I am by no means suggesting that the adjacent State should hold a veto power over site selection. I am very supportive of the compact concept, and the possibility of an adjacent State veto could render site selections impossible. However, I am proposing that States and nations within 60 miles of a proposed site should have the same opportunity to participate in the siting process as the host State. This means that the adjacent State would receive notice of the site proposal; it would be supplied with the appropriate documentation and studies both in support of and opposed to the site; it would be allowed to submit questions and comments on the proposal; and it would be able to bring into consideration the environmental, economic, and population effects of the site on the adjacent State. It is my belief that these are the basic considerations, and the additional points of consideration are outlined in the legislation.

State borders are merely lines drawn on a map; they do not constitute an invisible barrier constructed to keep problems from bordering States out. Ground water sources such as aquifers often extend into a multi-state area, and the wind and weather are not contained by State borders; yet we are treating this waste disposal site as though the possible negative effects, whether environmental, such as ground water contamination, or economic, such as businesses avoiding this area because of the site, would stop at the border. The simple fact is that these negative effects would not stop at the border. In this scenario, South Dakota could be more severely impacted by negative complications than Nebraska. For that reason, South Dakota and other States affected by the siting of a low-level radioactive waste dump deserve a say in the site selection process; South Dakota and other States deserve to have certain basic rights when it comes to disposing of nuclear waste near their borders.

This is not merely an incident isolated in South Dakota. Instead, it is an issue that could potentially effect every State in the Nation. The bill I have introduced helps to resolve this problem by allowing adjacent States and nations, within 60 miles of a proposed site, to be formally involved in the site selection process and thus have its voice heard.

The South Dakotans in this region of the State are upset that they have no voice. These people have stood together to make their complaints about this Nebraska site known, yet is has done little good because there is no formal role for them. H.R. 1863 would create a forum for all affected people. While many of these South Dakotans have fears about the environmental and economic effects of this dump being placed in their backyards, they are most distressed by the fact that they can play no significant role in site selection. These South Dakotans are not antinuclear activists or radicals, they are solid citizens such as farmers and ranchers, owners of small businesses, representatives of county and tribal governments, and members of both political parties. These people are merely concerned about their future and their livelihood, and they want to be heard when Nebraska chooses to site a low-level nuclear waste dump 5 miles away. I believe these people and the State of South Dakota deserve to be formal participants in the site selection process since the proposed site is within 60 miles of the border.

I would urge my colleagues to consider the importance of this legislation to their own States. Our constituents deserve to have a voice on an issue of such great importance as this. This is an issue of national importance, and I believe we will only encounter greater problems stemming from this oversight unless we act now to give adjacent States the right to be formal participants in the site selection process. Environmental accidents and economic impact, like the wind and the water, do not respect State boundaries, and for that reason, we must enact this legislation to assure that the interests of States within 60 miles of a proposed low-level radioactive waste disposal facility receive fair consideration.

TRIBUTE TO LOGAN HIGH SCHOOL GIRLS BASKETBALL TEAM

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. McEWEN. Mr. Speaker, it is indeed an honor to inform my colleagues of the success of the Logan High School girls basketball team. The Logan Lady Chiefs have just finished a basketball season unprecedented in Logan High School sports. This group of dedicated individuals is Ohio's Cinderella team. With just two seniors on the team, they reached the regional level of competition; a level of attainment never before achieved by the Logan High School basketball organization. This come-from-behind team overcame obstacle and tradition by careful application of talent, determination, and self-confidence.

Mr. Speaker, I urge my colleagues in the Congress to join with me in saluting the parents, teachers, students, and most notably the members and staff of the Logan girls basketball team.

It is with great pleasure I honor the young women and their coaches who have done so much to instill pride and community spirit in the great city of Logan, OH: Ralph Taylor, head coach; Jim Myers, assistant coach; Harley Williams, reserve coach; and Logan Lady Chiefs team members Julie Huggins, Kandy Columber, Lori Brown, April Wright, Wendy Jones, Nikki Justice, Jenny McAllister, Steph Conner, Heather Skiver, Katie Smith, Courtney Snipes, and Tiffany Ogg.

JUDGE WILLIAM J. NEALON HONORED

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. KANJORSKI. Mr. Speaker, I rise today to pay tribute to an outstanding jurist and a good friend, Judge William J. Nealon, who is being honored by the Wilkes-Barre Law and Library Association at the annual Law Day Dinner on Sunday, April 30.

William J. Nealon was educated in the Scranton public schools before he earned his bachelor's degree from Villanova University and his law degree from Catholic University. He served in the Marine Corps Reserve, and was admitted to the Pennsylvania bar in 1951. In less than 10 years, he was appointed to the Lackawanna County Court of Common Pleas, then elected for a full 10-year term in 1961. On December 15, 1962, President John F. Kennedy appointed Judge Nealon to become U.S. district judge for the middle district of Pennsylvania. Judge Nealon became chief judge in 1976.

In my 20 years of practicing law, I have had the occasion to appear before Federal district courts in many States and every district court in Pennsylvania, and I can honestly state that Judge Nealon was the best-equipped, fundamentally most fair, and essentially finest Federal judge I ever appeared before. He is testament to the concept that excellence can emerge from the political system. A Democratic county chairman, he was politically astute, but never let his ideology interfere with his dispensation of justice.

Judge Nealon's respect among his peers is clear from the many awards he has received over the years: Outstanding Federal trial judge from the Association of Trial Lawyers of America, 1 of the 50 distinguished Pennsylvanians from the William Penn Committee of the Greater Philadelphia Chamber of Commerce, the Alumni Achievement Award from Catholic University, and numerous awards for his outstanding public service. Judge Nealon has served on the board of trustees for the University of Scranton, Lackawanna Junior Col-

lege, St. Michael's School for Boys, and has served his community through a wide variety of organizations.

Since Judge Nealon took senior judge status this past January, the middle district of Pennsylvania will greatly miss his careful deliberation and wisdom. I commend the Wilkes-Barre Law and Library Association for their decision to honor Judge Nealon at this year's Law Day Dinner.

PERSONAL EXPLANATION

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. BILIRAKIS. Mr. Speaker, due to the visit of President Bush in my district and other official business in Florida, I was unable to be present for the votes occurring today in the emergency supplemental appropriations bill.

However, I wanted to make my position on this legislation clear. In essence, while I strongly supported the bill's funding for veterans medical care and benefits, I took objection to the procedures which were utilized to consider this legislation.

I opposed the "king of the hill" rule reported to govern amendments on the supplemental. In my mind, such rules evoke gimmickry in legislative procedure. One must ask "why" we report such rules to take the place of our normal rules of procedure adopted at the beginning of each Congress. I suspect that facilitation of the legislation process is not the sole motivation.

I also opposed the Foley amendment which sought to offset supplemental increases with an across-the-board decrease in other current year appropriations. To me, the Foley amendment represented congressional budgetmaking at its worst.

Across-the-board decreases do not mean equally shared sacrifice. Instead, when they are implemented, especially in the middle of a fiscal year, budget cuts may unfairly hit many worthy and supportable programs. It is not tough budget decisionmaking—instead it is a fundamental abandonment of the congressional power and responsibility over the pursestrings.

Altogether, I would hope that our handling of important funding for veterans' medical care will take place in a legislatively and fiscally responsible matter. I know deeply and directly the need of American veterans for medical care. I know there is a dire need for more funding and there is no one in the House of Representatives who is more supportive of this need than I.

As a member of the House Committee on Veterans' Affairs, I am confronted daily with devastating reports of the effects of this funding shortfall. Our committee has held a series of hearings on VA staff reductions, bed closings, service termination, inadequate equipment replacement, and the shortage of medical supplies.

The $340 million in supplemental moneys will mean that those veterans in need of quality health care will be treated. This is not excessive spending, but needed spending necessary to meet very real and current demands on the veterans' medical care system.

In this regard, the VA budget has been a model of fiscal restraint over the last decade when the budgets of many other Federal programs have grown enormously. For example, Federal outlays for veterans' benefits and services have increased by a ratio of only 3 to 1 since 1950, whereas spending for education, training, employment and social services has increased 144 to 1 during that time period.

While funding for the Department of Veterans Affairs has fallen behind inflation since 1985, expenditures for Medicaid have increased by 55 percent, and Medicare by 32 percent. The figure I find most disturbing is that since 1980 the VA medical budget has been increased by $400 million, but inpatient hospital stays have increased by 7 percent, outpatient by 29 percent, and VA paid nursing home care by 63 percent.

I feel that the VA budget has been a victim of, rather than a culprit in, our present deficit crisis and I believe veterans have taken their fair share of budget cuts. For this reason, it is my hope that the necessary procedural and substantive matters can be resolved and that the House will move shortly to enact a supplemental measure which will address the vital needs of our Nation's veterans.

TRIBUTE TO RAOUL WALLENBERG ON THE 44TH ANNIVERSARY OF HIS DISAPPEARANCE

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. GIBBONS. Mr. Speaker, Raoul Wallenberg, an honorary citizen of the United States, in fact, one of only two honorary citizens of the United States, was a great man. On Saturday, January 14, 1989, many of us gathered in his homeland, Stockholm, Sweden, to mark the opening of the 44th anniversary of his disappearance. At that time, our colleague, Congressman TOM LANTOS, of California, delivered a speech that should be read by all. This speech was given without notes and came straight from Mr. LANTOS' heart and memory.

TOM LANTOS and his wonderful wife Annette suffered through those desperate years in Hungary as it was first being occupied by the Germans and then by the Russians. During this occupation, countless millions lost their lives to persecution, torture, and murder. Their strength having been built and tested at this time of great devastation has given them the drive for freedom that all Americans should have. I hope all readers of this RECORD will read this speech, remember the circumstances that inspired it, and remember the Lantos for the work that they have done to promote freedom.

TRIBUTE TO RAOUL WALLENBERG ON THE 44TH ANNIVERSARY OF HIS DISAPPEARANCE

(By Congressman Tom Lantos, Storkyrkan Cathedral, Stockholm, Sweden, Jan. 14, 1989)

We are here to say thanks—thanks to Raoul Wallenberg, to his family, to his friends and to his collaborators. We are here to remember Maj. Van Dardell, his mother, who devoted her life to liberating her son. We are here to thank Nina Lagergren, his sister, for giving her life to this enormous cause. We are here to say thanks to Raoul's friend, Ambassador Per Anger, who was his collaborator in Budapest during those dark days of the Nazi nightmare and who has continued his indefatigable work on behalf of Raoul. And I am here to thank my wife, Annette, who has done all of the work while I have received all the credit.

When we began our work for Raoul, we had two goals: one was to free him, and we have not yet achieved that goal. The second was to make Raoul Wallenberg's life and accomplishments penetrate the consciousness of mankind. In large measure, we have achieved the second goal. There are squares and museums and libraries and high schools and boulevards all over the world that carry the proud name of Raoul Wallenberg. Through the works of my friends in Congress and through the support of President Reagan, Raoul Wallenberg became the second honorary citizen in the history of the United States. And tomorrow, in Budapest, where Raoul did his heroic work, my colleagues in the Congress and I will be paying tribute to him at the magnificent new statue made of Swedish marble.

What did he do? Why do we pay tribute to him today? He went to Hungary at the height of the Nazi terror to interpose his own young body between the Nazi war machine and the persecuted, unarmed thousands. When he arrived in Budapest, the Jews of the countryside had already been taken to Auschwitz where most perished. But it was Raoul's presence in the city of Budapest which delayed the wagons long enough so that some 100,000 people survived that holocaust. It is on their behalf and on their children's behalf and on their grandchildren's behalf that Annette and I say, "thank you, Raoul."

Raoul needed collaborators. He found a few of those collaborators in the Swedish Legation in Budapest, and the most remarkable and outstanding was Per Anger. But without other collaborators, Raoul would not have succeeded. Many of those other collaborators are not with us anymore. Tens of thousands of them lie in American and British military cemeteries on the Normandy beaches and elsewhere in Europe. All Raoul could do was to delay and postpone but it was the courage and the heroism of those magnificent men—British and Canadian and American and the free French and all the others—who brought Raoul's dream of saving innocent lives to reality. It is with immense pride and gratitude that I share this occasion with my friend, one of those heroes, Congressman Sam Gibbons of Florida, who parachuted into Normandy with the first wave on D-Day.

Raoul Wallenberg brought more fame to Sweden than all the industrialists and bankers and prime ministers of this century. It is because of Raoul's name that Sweden is honored throughout the world. Because Raoul Wallenberg made central in his life what nations are gradually beginning to make central in their lives—the fight for human rights.

Raoul taught us two things. Raoul taught us that a single individual committed to an idea can achieve miracles, and Raoul taught us that human rights are indivisible; that it is not enough just to be concerned with our own human rights. As Catholics or Protestants or Jews or Swedes or Americans or Whites or Blacks, the only relevant concern

for human rights that deserves respect is the concern that transcends religion and race and color and creed and national origin. He did not go to Budapest in 1944 to save Lutheran Swedes. He went there to save Hungarian Jews, with whom he had nothing in common, except his common humanity.

Raoul Wallenberg not only fought evil, but he also fought indifference, and indifference is the twin of evil. Those who kill are murderers but those who stand by and do nothing in the face of murder share a complicity in crime. Those who are terrorists and kill are criminals, but those who shelter and expedite terrorism are in complicity with the crime. Raoul's message was clear and loud. We had to fight evil, but just as hard we have to fight indifference.

It is not an accident that the two men honored by the Congress of the United States, with honorary American Citizenship—Sir Winston Churchill and Wallenberg—represented the two great ideals of our society: Churchill, the champion of freedom, and Wallenberg, the champion of human rights. I suspect, as time goes on, the scope, the heroism, and the depth of these two giants will increasingly penetrate the globe for generations to come.

Does Raoul Wallenberg live? There are two answers. Yes, I believe he lives and yes, our work must go on so that he may be free during the last years of his life. My colleagues and I yesterday asked the Prime Minister of Sweden Mr Ingvar Carlsson personally, to reopen the Wallenberg case with Soviet President Gorbachev and with the utmost urgency and with a new message. There was a time when the Wallenberg issue was viewed in the Soviet Union as a confrontational issue. Those days are over. The criminals who arrested people, incarcerated people, who kept them prisoners for decades, are gone. Mr. Gorbachev was a child when Raoul Wallenberg was arrested on January 17, 1945, and he is a very intelligent man who really understands. But the greatest achievement of Glasnost will be Glasnost cum Wallenberg.

The second answer to the question, "Does Wallenberg live?," is an easy one. He is more alive than any of us. He is more alive than any of us because of what he has done. He not only saved lives, but he has touched the lives of all who can understand the story of his heroism and dedication. So, he lives!

Wallenberg is the inspiration behind an organization of the Congress of the United States—the Congressional Human Rights Caucus. It is totally non-partisan. It is led by Republicans and Democrats and it has one single goal: to make Wallenberg's message a reality globally. The Congressional Human Rights Caucus fights for human rights, wherever human rights are abused. It has heard Wallenberg's teaching, that human rights are indivisible.

So the United States Congress, through its Human Rights Caucus, fights for the rights of Christians and Jews to practice their religion in the Soviet Union. It fights for the rights of Tibetans to retain their culture and religion in Tibet. It fights for the rights of ethnic Hungarians to preserve their culture in Transylvania. It fights for the rights of the Baha'i in Iran, so that the Ayatollah cannot succeed in crushing that peaceful, gentle group. It fights for the rights of blacks in South Africa and opposes the primitive and insane notion that pigmentation determines our station in life.

Ladies and gentlemen, long after all of us in this magnificent church are gone, Raoul Wallenberg will live on. He will be alive as long as there is a single decent human being on earth who understands Raoul's beseeching that we are our brothers' and our sisters' keeper.

CZECHOSLOVAKIANS PETITION FOR RELIGIOUS FREEDOM

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. SMITH of New Jersey. Mr. Speaker, a massive broad-based movement calling for true religious freedom has been growing in Czechoslovakia over the last couple of years. Beginning in December 1987, hundreds of thousands of Czechoslovakians began signing a petition to their government asking for "separation of church and state, from which would follow that the state will not involve itself in the organization and activity of the church." Although the petition drive was initiated by the Catholic community and the Thirty-one-Point Petition focused on the needs of the Catholic Church, the document has become a focal point in the cry for religious freedom for all. Latest reports indicate that over 700,000 Czechoslovakians—believers of all faiths and nonbelievers—have affixed their names to the petition.

The boldness of the signers has been a witness to thousands worldwide and many in our own country who have joined in solidarity with the religious believers in Czechoslovakia. In fact, Mr. Speaker, on April 15, demonstrators from several different Catholic and human rights organizations marched to the Czechoslovakian Embassy here in Washington. As their signs so appropriately stated "Religious freedom is not a political issue, it is a human issue." Last week, Mr. Speaker, 60 Members of the House of Representatives sent a letter to Miroslav Houstecky, Ambassador of Czechoslovakia, calling upon his Government to comply with the petition for religious freedom.

As Father John O'Connor, assigned to the Washington Catholic Archdiocese, reminded those demonstrating at the embassy of the words of Pope John Paul II, "the lack of religious liberty [in a country] is one index of poverty and underdevelopment, for the denial of the right of religious freedom impoverishes the human person and the nation as much as, if not more than, the deprivation of material goods."

The lives of women and men, such as Augustin Navratil, have been severely restricted through harassment, physical abuse and involuntary confinement in psychiatric hospitals. Thankfully, Mr. Navratil was recently released from a psychiatric hospital following numerous inquiries made on his behalf. Having written the Thirty-one Point Petition, Navratil has spent countless hours distributing copies of it and obtaining signatures.

Mr. Speaker, the requests outlined in the petition are the essentials of religious liberty. Among the provisions are demands:

That the State cease interfering in the nomination of parish priests and leave all organizational matters to the Church hierarchy;

That religious instruction take place outside State schools, on church property;

That the needs of the faithful for religious literature be fully provided for; that the founding of religious publishing houses under the direction of Church representatives be allowed;

The return of confiscated Church buildings:

The complete rehabilitation . . . of unlawfully convicted priests, monks, and active religious laymen;

An end to discrimination against practicing Christians in workplaces, and above all, in academia.

The Czechoslovakian authorities have budged only on a couple of items important to the believers: churches may now offer religious courses for the children and 500 nuns were granted permission to be trained as nurses and work only in homes for senior citizens and centers for the incurably sick and handicapped.

With 9.5 million—out of a population of 15 million—Catholics in Czechoslovakia, 10 of the 13 dioceses do not have a resident bishop because for decades the state has rejected the appointments made by the Vatican. Mr. Speaker, the need for parish priests is grave. Furthermore, the primate of the Roman Catholic Church in Czechoslovakia, Cardinal Frantisek Tomasek, has become increasingly vocal in defense of basic human rights and calling for a dialog between the Government and human rights activists connected with the Charter 77 group. Clearly, the movement for the defense of human rights is growing in Czechoslovakia.

Mr. Speaker, I want to encourage this indigenous human rights movement and join in the demands made through the Thirty-one Point Petition, the bold words of Cardinal Tomasek and the protests of fellow Americans. The people of Czechoslovakia have endured and suffered long enough. The religious believers should be spared the harassment and confinement, and permitted to freely administer their churches and institutions. Their cry for religious liberty is our call to arms—I thank my colleagues, Mr. Speaker, for sending the letter to Ambassador Houstecky and calling upon the Czechoslovakian officials to adhere to the points raised in the petition.

WASHINGTON WRESTLES WITH DRUGS AND MURDER

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. McEWEN. Mr. Speaker, I include the attached article from the Cleveland Plain Dealer, April 16, 1989, entitled "Washington Wrestles With Drugs and Murder" in today's CONGRESSIONAL RECORD.

[From the Cleveland Plain Dealer, Apr. 16, 1989]

WASHINGTON WRESTLES WITH DRUGS AND MURDER

(By Thomas J. Brazaitis)

WASHINGTON.—Ernie Blakenship of Hillsboro, O., had been in Washington only a few hours when he saw the first dead body—or at least he assumed it was a dead body. It was, after all, lying motionless, covered with a blanket half a dozen blocks from Blakenship's hotel.

With his wife and son in tow, Blakenship continued on a sightseeing tour of the capital. Outside the newly refurbished Union Station, Blakenship saw several police cars. Taking a closer look, he saw another stone-cold body draped with a blanket.

"We'd read about all the murders, but we never expected to see any," Blakenship said "it's scary as hell."

Blakenship told the story to his congressman, Rep. Bob McEwen, R-6, of Hillsboro, who repeated it the next morning in a speech on the House floor, complaining of "the humiliation, the embarrassment to the free world and to the United States."

Commenting on the District of Columbia's 14 years of limited home rule, McEwen said. "It is time we recognize this experiment has not only been a failure, it has been a disaster." He said it was time for Congress to consider taking back the reins of Washington government.

Such suggestions have been heard with regularity on Capitol Hill lately as the District's drug related crime wave goes on unabated. President Bush himself was said to be considering calling out the National Guard to restore order. He settled instead for an $80 million federal crackdown announced last week by drug czar William Bennett.

Citizens of the capital, where street crime has become the No. 1 topic of conversation, were not overly optimistic that the extra prison cells and additional drug agents that Bennett promised would put much of a dent in the city's multimillion dollar drug trade or in the escalating murder rate.

At lunch one day last week, a lobbyist who lives in the city suggested to Rep. Tom Bliley Jr., R-Va., a member of the District of Columbia subcommittee, that if the city couldn't handle the drug mobsters, the federal government should go after them. "Wyatt Earp did it," he added.

"Yeah," said Bliley, sagely, "but Wyatt Earp wasn't going up against Uzis and AK-47s."

So far, the federal government has resisted armed intervention, fearing the imagery of a capital patrolled by combat-clad Guardsmen in jeeps.

Blakenship was grateful to get back to the peace and quiet of Hillsboro (population 6,000), still shaking his head in disbelief over what he had seen in the capital. Washington, he said, "should be the No. 1 in the nation."

Actually, there are two Washingtons—the one portrayed in the civics books that the tourists come to see and the one where drug lords duel to the death to settle territorial disputes.

Because the two rarely converge, Blakenship's experience is not all typical. Most tourists never see a hint of the bloodshed that has earned the city the title of "murder capital." Tourism appears not to have suffered so far.

In the neighborhoods away from the pristine monuments, gleaming office buildings and pricy hotels, Washington, a city-state of 630,000 people, is besieged by homelessness, drugs and crime—but then so are all big cities in America.

The difference is that as the capital, the District of Columbia, is home to thousands of reporters from across the country and around the world. Their stories have depicted Washington as the sister city of Sodom and Gomorrah.

"I don't remember your stories on Detroit when it was the murder capital," City Council President David Clarke chided reporters last week. But the contrast between the heights of Washington's wealth and power and the depths of its poverty and violence has proven irresistible to the news media.

"Washington, D.C.—a city seized by panic," said a headline in the Economist of London. "Drug War Leaves Hundreds Dead Near White House," screamed the Manila Times. Dozens of papers have done or are doing stories like this one with the theme of the "Tale of Two Cities."

The local media fall over each other in the rush to tell the latest horror stories from the mean streets of D.C. Pictures of bloody corpses are a regular feature of the city's newspapers and TV news. One station runs a nightly half-hour crime report titled, "City Under Siege."

There is, of course, a factual foundation for the sometimes hysterical reporting. At the moment, Washington, D.C., capital of the United States and, some say, of the western world, is the nation's leader in per capita murders. With 142 killings as of last Friday, including four that day alone, the district is well ahead of the pace of last year's record 372 murders.

Another reason the media have made Washington's crime problem a punching bag is the conduct of Mayor Marion Barry, who himself is under investigation for associating with a suspected cocaine dealer. Barry is widely rumored to be a drug user himself, an allegation he flatly denies. He furnished results of a urine test to prove it.

Barry's on-the-job bungling—he was off at the Super Bowl in sunny California, for instance, the winter the city couldn't cope with a snow storm—his widely reported womanizing and, above all, his presence in a hotel room when the police arrived to investigate an alleged drug deal, have weakened Barry's standing in the community and before the congressional committees to whom he must answer.

Barry, a dashiki-wearing, gun-packing radical in the 1960s, was elected mayor as a reformer 11 years ago. In the early years, he was credited with getting the city's finances in order and with cleaning up city government. Lately, however, his administration is being described as the most corrupt and inept in the country.

Barry, who is black, was elected with the backing of the city's 30% whites. Now, however, he blames his downfall on racism, fueled by relentlessly negative reporting of his administration. He says the Washington Post in particular has gone after him with a venegeance not seen since the Watergate days, when the paper exposed the scandal that forced President Richard M. Nixon to resign.

Bob Boyd, a member of the D.C. school board and an early backer of Barry's, said he now thinks the mayor's credibility and with it his effectiveness have hit bottom.

"His time has passed," said Boyd, a white who has been elected twice in a predominantly black district. "A kind of Chappaquiddick syndrome has set in and I don't see how he can regain the upper hand. Whether he can get elected again is immaterial—he has stopped being an effective mayor."

Bennett made that clear at his news conference last week by excluding Barry and going out of his way to criticize the mayor's handling of the city's crime problems. "The plain fact is that for too long and in too many respects the D.C. government has failed to serve its citizens," Bennett said.

But not everyone blames Barry for the failure to stop drug-related killings. Boyd, for one, said: "The mayor's taken a little bit of an unfair rap for the drug violence. We happen to be in the middle of an Al Capone-like drug gang war."

Clarke, the council president and a potential Barry rival in next year's city election, also doesn't blame Barry for not solving a problem that appears not to have a solution. Clarke said not only Washington but all cities are going to have to think of some new ideas to deal with drug-related crime because the old ideas aren't working.

Most drug dealers and users, Clarke said, have lost all concept of the future.

"They don't respond to positive thoughts of the future, such as hopes, aspirations or dreams," Clarke said, "and they don't respond to negative concepts, such as fear of incarceration and fear of death. All they care about is the present and the profits associated with it."

Clarke said it is wrong to make Washington the scapegoat for the drug problem, because drugs are a national problem that cry out for national solutions. He said Bennett's crackdown on drug-related crime in Washington would be wasted if it diverts attention from the need to deal with broader aspects of the problem, such as relations with countries that produce drugs and stopping the flow of drugs across U.S. borders.

"The mayor has pointed out the killings have been targeted killings," Clarke said. "It is no more dangerous for tourists to come here than say to New York, Chicago, San Francisco or even Los Angeles. This is not what one congressman spoke of as blood running in the streets of some Third World capital."

Barry assured members of a National Press Club audience recently that they were safe downtown and that their readers in other U.S. cities should not fear coming to Washington. He said the murders were confined to outlying neighborhoods where the Tourmobile never ventures.

In fact, the District is divided like Beirut by a Green Line—in this case, Rock Creek Park. To the highlands of the northwest are the white and affluent black neighborhoods, largely untouched by violent crime. To the east are the black neighborhoods, the poorest of which are infested with drugs and the crime they breed.

Barry accuses the more affluent neighborhoods of fueling the drug economy by buying drugs from inner-city dealers and by accepting cash payments for cars and other luxury items purchased by dealers.

Police claim they made 46,000 drug-related arrests over the last 2½ years, about two every hour, around the clock. But because the court system is backlogged and there is a long waiting list for the 11,000 jail cells, only a small fraction of those arrested spend any time behind bars.

To relieve overcrowding in the prisons here (prisoners recently set a cellblock on fire to protest conditions) some D.C. convicts are housed in prisons as far away as the state of Washington. But residents grimly joke that the revolving door of justice in D.C. would put Jack the Ripper himself back on the street within 24 hours.

The focus on Washington's murder rate has diverted attention from other pressing problems in the "other Washington." One in five D.C. residents lives in poverty. Six of every 10 births are to single women. The infant mortality rate is double that of the nation's. Life expectancy for blacks is eight years less than for whites.

Barry has added thousands of people to the city payroll—stuffing more then 48,000 workers into 39,000 jobs as one council critic put it—and Clarke, for one, forecasts a fiscal crisis soon.

Despite all his troubles, Barry's hold on the mayor's job seems secure, mainly because no one of stature has emerged to challenge him. A former school board member is leading a drive to get Jesse Jackson, twice unsuccessful presidential aspirant, to run for mayor, but Jackson says he won't run against Barry, a longtime friend.

Mary Jane DeFrank, a leader of the statehood-for-D.C. movement, said that effort has been set back substantially by the bad publicity the city has been getting. Some members of Congress are calling for a move in the other direction to strip the District of its limited home rule.

"It's still outrageous that 630,000 Americans don't have voting represention in Congress," DeFrank said. "That's what we fought a revolution for in this country."

For the moment, however, another kind of war is going on in the capital. Even with federal reinforcements coming to the aid of the District's overburdened policy, the outcome is in doubt.

SALUTE TO ERIE COUNTY'S SENIOR COMPANION VOLUNTEERS

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. NOWAK. Mr. Speaker, one of the successful federally supported efforts, through ACTION, to encourage volunteerism is the Senior Companion Program, where low-income elderly persons, age 60 and older, provide a variety of services primarily for frail, elderly people.

One example of that success is the program in the Buffalo, NY area, which is in its 13th year and is currently administered by Child and Family Services. Major funding sources are the United Way of Erie County, the Erie County Department of Senior Services, and ACTION.

I am most grateful to Miss Mildred M. Huff, director of the Senior Companion Program of Erie County, who provided me a brief summary of the various ways it is meeting the special needs of the elderly in the Buffalo area.

At this point in the RECORD, I would like to share this informative report with my colleagues:

SENIOR COMPANION PROGRAM OF ERIE COUNTY

In 1976, the Senior Companion Program of Erie County was established. Child and Family Services (a nonprofit agency) has been the program's sponsorer since 1983. It is a component of the Federal ACTION Agency, along with other volunteer programs such as RSVP, Foster Grandparents, and VISTA. Funds are also received from Erie County's Department of Senior Services and United Way.

The program has four different component of volunteer service: One, home care for homebound clients, two, service in institutional settings, three, service in senior centers, and four and Acute Care Discharge Plan. The home care for homebound client comprises the largest component.

Clients are primarily frail, elderly people, but can include persons 25 and over. The most common reasons for senior companion placement are the clients' isolation and/or inability to carry out daily activities due to limited mobility, blindness, or weakness related to illness (heart, kidney, mild confusion, lung problems and physical deterioration of the body). However, the Senior Companion Program also provides respite for family members who are providing care for an elderly member. Senior Companions help clients in a variety of ways, depending on the client's needs.

The second largest component of the Senior Companion Program is service in institutional settings, acute care hospitals and mental health facility. These senior companions provide social stimulation for frail elderly clients, when staff may not be able to do so because of time restrictions. At one acute care facility, senior companions conduct a recreation hour for patients awaiting nursing home placement. The senior companions' efforts have been praised by hospital staff as a means of preventing mental deterioration in these patients.

The Senior Companion Program of Erie County, with the cooperation of Coordinated Care Management Corp., began placement of senior companion volunteers at Sisters Hospital in January 1984.

THE ACUTE CARE DISCHARGE PLAN

Many acute care patients, and particularly elderly patients, remain in the hospital for an unnecessarily long time because support services (such as Meals-On-Wheels, Visiting Nurses, or Aide Service) cannot be provided immediately. ACDP reduces these excess days providing a senior companion (short term) who returns home with the discharged patient, and remains until other services are in place and/or the patient recovers adequately (usually about 6-8 weeks).

The program presently includes twenty-one volunteer stations throughout Erie County. ACTION mandates that 80 percent of senior companion placements must be within the city limits of Buffalo, due to the demographic distribution of frail elderly.

The program provides benefits for persons 60 years and older. The senior companions receive additional income—a stipend of $2.20 per hour—as well as purposeful activity, while the frail clients gain a one-on-one relationship with a caring individual. Unfortunately, the program receives more referrals than can be served. Referrals from the suburbs surrounding Buffalo are particularly increasing; as the suburban population grows, we see the need to open Senior Companion Program Stations to provide services. In addition, the ACDP program could be expanded to meet an anticipated need for home service.

There is a great need for program expansion, but due to funds, the Senior Companion Program has a budget limitation to provide stipends for 70 volunteers. A large number of elderly individuals are placed on our waiting list.

Private sectors are encouraged to help us meet the frail elderly population needs by donating funds to cover the stipend and mileage for additional volunteers.

Mr. Speaker, I would like to commend the Senior Companion Program of Erie County for its record of community service and wish it continued success.

Most importantly, I would like to thank and congratulate the scores of volunteers who are responsible for this success and for bringing comfort and companionship to a very needy segment of our community.

The following are the names of the active and retired senior companion volunteers in Erie County who will be cited in the near future at the annual volunteer recognition day.

During 1988 alone, this group provided more than 75,000 hours of service to 368 clients in the Buffalo area.

SENIOR COMPANION VOLUNTEERS ACTIVE LIST 1989

Adams, Mildred.
Adams, Percy, Jr.
Alessi, Anthony.
Alston, Alice.
Anderson, Abbie.
Anthony, Francis.
Arnold, Felicia.
Bacote, Allie.
Bates, Wessie.
Brown, Ida.
Buchanan, Nettie.
Bulter, Marguerite.
Button, Katherine.
Canty, Emma.
Ciesla, Lucille.
Clarke, Mary.
Crawford, Ruth.
Dorobiala, Sophia.
Edler, Earlene.
Floyd, Catherine.
Gais, Harriette.
Graham, Laura.
Green, Josephine.
Griffin, Ruby.
Hale, Kenneth.
Hamblet, Hal.
Harlan, Mary.
Harris, Vivian.
Hayes, Virginia.
Hennings, Johnnie Mae.
Hudson, Juanita.
Hurrle, Ann.
Ingram, Jimmie.
Jarmuz, William.
Jones, Cora.
Knox, Grace.
Koch, Ruth M.
Kotowicz, Josephine.
Long, Mamie B.
Machnica, Betty.
Manuel, Allee.
Marable, Eva.
McClure, Kathleen.
McNichol, Rene.
Milligan, Edward.
Mitchell, Willie Mae.
Monk, Ruth.
Nance, Louise.
Nowak, George.
Pennington, David.
Perkins, Ernestine.
Pileri, Carrie.
Porter, Erma.
Robbins, William.
Roble, Helen.
Ross, Inez.
Schumpert, Berline.
Scillia, Angeline.
Thomas, Isabel.
Walker, Viola.
Wendley, Gene.
Williams, Chester.
Wyatt, Mabel E.

Zabinski, John.

SENIOR COMPANION VOLUNTEERS RETIREES 1989

Andrews, Malva.
Harris, Edythe.
Kantowski, Rose.
McCullough, Naomi.
McLeod, Bertha.
McCadden, Loretta.
Quinones, Adela.
Tench, Eugenie.
Tolson, Carrie.
Ward, George.
Weiss, Dorothy.

LEGISLATION TO RESTORE SOME ORDER FOR SETTING RATE INCREASES IN CABLE SERVICE

HON. LEWIS F. PAYNE, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. PAYNE of Virginia. Mr. Speaker, today I am introducing legislation to restore some order to the system of setting rate increases for basic cable service.

Since passage of the Cable Communications Policy Act of 1984, which effectively deregulated the cable industry, basic cable service rates in three of the largest cable communities in my district have risen an average of 83 percent. During the same period of time, the Consumer Price Index rose 18.4 percent.

This disparity is unacceptable by any standards. The cable industry is plainly operating as an unregulated monopoly, taking advantage of its freedom to raise rates and its relative, and sometimes absolute, lack of competition. Complaints by consumers in my district have been met with a "take it or leave it" response from cable operations. And since relatively few signals can be received off-the-air in these communities, consumers have been forced to accept each rate hike with no comparable alternative.

My district is largely rural, where the average household income is $16,632 per year. Many of these individuals are on fixed incomes and soon will not be able to afford basic cable service if the cost continues to spiral.

The legislation I propose will require a cable operator to obtain the approval of the franchising authority prior to putting into effect any rate increase for basic cable service which is greater than 5 percent or the percentage increase in the Consumer Price Index for the previous year.

Rising basic cable rates are very much a problem for subscribers in large metropolitan areas as well, where competition is supposed to be a restraining factor. We have received correspondence from New York City Mayor Koch indicating that the cost for basic cable service for some subscribers in New York City has increased by as much as 74 percent since passage of the Cable Communications Policy Act. According to a nationwide study, basic cable service rates in Manhattan have risen by 53 percent, and in Los Angeles the average basic rate increased 44 percent in the last 4 years.

Last year the Consumer Price Index rose 4.2 percent while the cost of cable television rose 13.6 percent. Further, it has already been predicted that the average basic cable service rate will increase by 14 percent this year, which is considerably more than double the anticipated increase in the Consumer Price Index.

The legislation I propose today is necessary in order to protect consumers from further abuses in this area. I welcome my colleagues' support for this proposal.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS; PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) since passage of the Cable Communications Policy Act of 1984, which effectively deregulated the cable industry, the Consumer Price Index has risen 18.4 percent;

(2) during the same period of time, a nationwide study has shown that rates for basic cable service have risen by at least twice the rate of the Consumer Price Index;

(3) these rate increases have placed an unreasonable hardship on consumers, especially those on fixed incomes; and

(4) since 1984 the cable industry has been operating as an unregulated monopoly and the consumer has no recourse to prevent further substantial increases in basic cable service rates.

(b) PURPOSE.—The purpose of this Act therefore is to require that substantial rate increases in basic cable service rates charged by cable television operators be subject to prior negotiation with the local franchising authority.

SEC. 2. AMENDMENT.

Section 623(e) of the Communications Act of 1934 (47 U.S.C. 543(e)) is amended by inserting after paragraph (2) the following new paragraph:

"(3)(A) Nothing in this title shall prohibit a State or franchising authority from requiring a cable operator to obtain the approval of that State or franchising authority prior to putting into effect any rate increase for basic cable service which, expressed as a percentage, exceeds the higher of—

"(i) 5 percent, or

"(ii) the percentage increase in the Consumer Price Index for the 12 most recent preceding months for which such Index is computed.

"(B) For purposes of subparagraph (A), any two or more rate increases within any 12 month period shall be considered as a single rate increase in determining whether approval may be required.".

SEC. 3. EFFECTIVE DATE.

The amendment made by section 3 shall apply with respect to any rate increase proposed on or after the date of enactment of this Act, but a State or franchising authority may act to require approval of rate increases under such amendment pursuant to franchising agreements entered into or State laws enacted before such date.

TRIBUTE TO ANGIE WILLIAMS

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mrs. LLOYD. Mr. Speaker, I would like to pay tribute to Ms. Angie Williams, my dear friend of Chattanooga, TN, whom I am proud to represent in the U.S. Congress. Ms. Williams has had many notable accomplishments and achievements and I believe that her recent election as the first woman president in the 54-year history of the Chattanooga Jaycees deserves a note of special recognition.

Ms. Williams is an asset to our community, a tremendous role model for our youth and a true public servant. She has given freely of her time and talents to serve others and the extent and depth of her community service is astonishing. Among her many activities, she is on the board of Orange Grove Center, was a founding member of Partners for Academic Excellence, is a member of the Chattanooga Chapter of Apartment Professionals of Tennessee and is coordinator for the State Special Olympics as well as secretary to the Chattanooga Jaycees Foundation. She is a communicant of the Church of the Good Shepherd, Episcopal and has been the recipient of both local and national honors for her work.

I would like to contribute to the CONGRESSIONAL RECORD several newspaper articles which have recently appeared to profile her many notable achievements. I thank her for her tremendous contributions to our community and I wish her all the very best for future success.

The articles are as follows:

ANGIE WILLIAMS, FIRST WOMAN PRESIDENT OF LOCAL JAYCEES

Angie Williams, member of the Chattanooga Jaycees since 1984 when the club began accepting women, was elected Wednesday as the first woman president in the 54-year history of the local chapter.

Ms. Williams, active in a number of service and charitable organizations here and recipient of several local and national honors, previously served as Jaycee ways and means vice president and some of the projects in which she was involved received national recognition.

She has won a number of high honors in Jaycees including several presidential awards, was in the top 10 finalists for "Jaycee of the Nation" in 1987, was named an "Outstanding Young Chattanoogan" in 1986 and was "Speak-Up" winner in the state speech competition.

Also elected were Christopher Bertani, state director; Libby Phillips, vice president for independent development; Tim Gossett, vice president for activation; Jinnie Forsythe, vice president for chapter management; Jenny Wilson, vice president for membership; and Melody Thompson, chaplain.

Ms. Williams will succeed Pete Tzavaras when new officers are installed in April.

Don Oakes, who was president of the chapter in 1984-85 when Ms. Williams joined, said while there was some resistance to women members at first, women have had a positive effect on the organization and the local chapter now has more than 700 members altogether.

He said the chapter now is able to do more and be involved in more varied projects. The expanded membership provides new ideas.

Hal Nash, a state officer, said a number of small local chapters across the nation have women presidents, but he knows of no other chapter as large as Chattanooga headed by a woman.

He said Jaycees "pride ourselves on being a training organization" but it takes time for women to become entrenched in the leadership and move up to president, especially in the larger chapters. Ms. Williams is the Chattanooga Jaycees' 54th president.

Last year, in the 50 states, about 20 percent of the state presidents were women—about 10 of them.

A graduate of Girls Preparatory School and the University of Tennessee at Chattanooga School of Nursing, Ms. Williams is the daughter of John Echols and Tedi Williams and works as marketing director in her father's firm, Echols Furniture and Leasing Co.

She is on the board of Orange Grover Center, was a founding member of Partners for Academic Excellence, is a member of the Young Republicans and the Chattanooga Chapter of Apartment Professionals of Tennessee and is coordinator for the state Special Olympics as well as being secretary to the Chattanooga Jaycees Foundation.

Ms Williams, prior to joining the Jaycees, became affiliated with the Jaycee Women shortly after it was changed from Jaycettes. She served as Jaycee Women coordinator.

She served a year as vice president for community action and for that year the chapter received national recognition for some of its projects under her office.

During her year as ways and means vice president, the club raised considerable funds for various programs and got the chapter out of debt.

She is a communicant of the Church of the Good Shepherd, Episcopal.

She said she is looking forward to her year as president and expressed appreciation for the support and encouragement she has received from fellow Jaycees.

She said the Chattanooga Jaycees is a leadership training organization "which emphasizes the importance of leadership and service to the community," and added that the local chapter was pleased with the large number of members who voted during the day Wednesday.

The newly elected president expressed appreciation of the club for support from the media and from the public for Jaycee projects.

ANGIE WILLIAMS WAS RECENTLY ELECTED THE FIRST FEMALE PRESIDENT OF THE LOCAL JAYCEES

(By Julie Johnson)

"If you want to get the work done, give it to a busy person," laughed Angie Williams in a recent interview with the *News-Free Press*. "Day runners (pocket calendars) are excellent. Where I go, my day runner goes and it is packed with daily goals, contacts and appointments."

This year, Ms. Williams, who works as marketing director in her father's firm, Echols Furniture and Leasing, will be busier than she ever imagined.

She's joined the ranks of such notable Chattanoogans as Sen. Bill Brock, County Commissioner Howard Sompyrac, John Stovall, Roy McKenzie and H. Clay Evans Johnson. These national and community leaders are all past Jaycee presidents and Ms. Williams, member of the Chattanooga Jaycees since 1984 when the club began accepting women was recently elected as the first woman president in the 54-year history of the local chapter.

Angie, the daughter of John Echols and Teddi Williams, is a graduate of Girls Preparatory School and the University of Tennessee at Chatanooga School of Nursing, and says that her involvement in community affairs actually began because of a blind date.

"In 1982, I went to a Jaycees' award banquet with a blind date," Angie said, "and all evening long I kept hearing about the really neat things that the Jaycee women were doing for the community. But at that time you had to be married to a Jaycee to become a Jaycette.

"Five months later, the Jaycees opened the membership to single women, thus giving them the opportunity to become a Jaycette and in 1984, full-fledged membership was open to women, finally giving them the chance to be recognized as Jaycees."

Ms. Williams, active in a number of service and charitable organizations here and recipient of several local and national honors, previously served as Jaycee ways and means vice president, vice president of community action and Special Olympics state director. Some of the projects in which she was involved received national recognition.

She has won a number of high honors in Jaycees including several presidential awards, was in the top 10 finalists for "Jaycee of the Nation" in 1987, was named "Outstanding Young Chattanoogan" in 1986 and was "Speak-up" winner in the state competition.

The Jaycee symbol is a triangle with a circle around it. The three points of the triangle signify leadership training, community involvement and personal growth and the circle is representative of the individual.

They accept young men and women, 21-39 years of age, usually young professional business types who are interested in community service. Members meet every Wednesday evening at the Loft.

"The cost of membership is $50 annually," explained Angie, "but look at the leadership training you get for that price!"

Seminars are held for the Jaycees to help them to learn to write grants, to learn the correct way to conduct business meetings, to learn the importance of goal setting, of meeting deadlines and time management skills. The "Roberts Rules of Order, a parliamentary procedure, is used in teaching ways of running a meeting.

The Jaycees also teach family and spiritual development, sponsoring a "family of the year" and the "Outstanding Young Chattanoogan."

Important projects of the Jaycees are the Special Olympics, the Easter Sunrise Service, where breakfast is served to 200 elderly residents at the Jaycee Towers; blood drives, landscaping homes at Habitat for Humanity, the Jamaican Relief Project, self-defense seminars and mock legislatures.

As president, Angie, who will be representing 708 members, will spearhead projects, promote leadership training, and do as much good for the community as possible.

"We are not a social club," she said, "but you make good strong friends that will always stand behind you. The members come from all walks of life. I am always amazed at the number of people I have met in this organization. It really helped me to quickly get involved in the community."

Ms. Williams also serves on the board of Orange Grove Center, was a founding member of Partners for Academic Excellence, is a member of the Young Republicans, the Chamber of Commerce, the Chattanooga Chapter of Apartment Professionals of Tennessee, and is coordinator for the state Special Olympics as well as being secretary to the Chattanooga Jaycees Foundation.

HONORING BEVERLY STAPPLER

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. CARDIN. Mr. Speaker, on May 15, 1989, the Baltimore Chapter of the National Association of Women Business Owners will hold its Annual Business Woman of the Year dinner, honoring Beverly Stappler, who will receive the Margaret Brent Award.

Beverly Stappler is an executive in Overlea Caterers, Inc. She is chief executive of the company's division for senior food service, which now feeds 7,000 senior citizens in 165 locations daily.

Beverly is also president of Shalom Caterers, a kosher company which delivers food daily to twelve senior centers in Baltimore. As a corporate director, Beverly Stappler monitors all company divisions including its commissary operation that prepares meals for the 500-passenger excursion boats operating in Baltimore's Harbour Place.

An outstanding member of the community, Beverly is presently serving as chairman of Israel Bond's women's corporate and professional division for the State of Maryland. She serves on the Baltimore County Commission for Arts and Sciences, is a board member of Operetta Renaissance and past president of Edith Rosen Strauss Organization whose funds aid children with cancer. Her contributions to the community are numerous and ongoing.

I urge my colleagues to join me in honoring Beverly Stappler for her selection as the Baltimore chapter Woman Business Owner of the Year.

LEGISLATION TO LIMIT INCARCERATION FOR CIVIL CONTEMPT IN A CHILD CUSTODY CASE

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. WOLF. Mr. Speaker, today I am introducing legislation that would limit the length of time an individual may be incarcerated for civil contempt in child custody cases in the courts of the District of Columbia.

This legislation is designed to correct what I believe to be a flaw in the system that allows an individual in a child custody case to remain imprisoned under civil contempt for an indefinite period of time.

It is patterned after legislation enacted in California and Wisconsin which limits the length an individual can be imprisoned in the

case of civil contempt in any circumstance. California provides for a 12-month limitation. Wisconsin provides for a 6-month cap.

My bill is limited to child custody cases and provides for an 18-month cap; however, the cap could be lowered to 12 months.

The case of Dr. Elizabeth Morgan in the District of Columbia is an example of the flaw in the system that allows a person in a child custody case to remain imprisoned indefinitely.

Dr. Morgan's case involves alleged child abuse of her daughter, Hilary. She was jailed for civil contempt in August 1987—over 20 months ago—when, after reviewing the evidence presented by both sides, District of Columbia Superior Court Judge Herbert Dixon declared the evidence in "equipose" and ordered Hilary on a 2-week unsupervised visit with her father, Dr. Eric Foretich. Dr. Morgan refused to tell the court the location of her daughter.

She has remained imprisoned ever since.

I want to be perfectly clear: The legislation we are introducing today does not take sides in the controversy. I am not prepared to say that Dr. Morgan is correct or that Dr. Foretich is correct. This bill does not reflect in any way on the merits of the case—judging who is right or who is wrong.

I am prepared to say, however, that the interests of the child in a case such as this is paramount.

We must think of the child first.

I do not believe that a child who is denied the care of either of her parents is being well served. I do not believe it is appropriate that we not know where Hilary is or whether she is being cared for. This is not in the best interest of the child.

D.C. Court of Appeals Judge John Steadman summed up the situation perfectly in reviewing the case last year. Quoting a proverb from the Kikuyu tribe of Kenya he said:

When elephants fight, it is the grass that suffers. Here, the grass is a little girl * * *. For almost a year, she has been denied the company of both father and mother. She is the principal figure in a drama of appalling proportions, no matter the outcome.

What is the rationale for this legislation?

First, recognizing that civil contempt is designed to coerce compliance with the court's order, it is reasonable to assume that after 18 months, the coercive effect of a civil contempt imprisonment is diminished. If an individual has not complied with a civil contempt order after 18 months, I think it is reasonable to say that further incarceration is unlikely to elicit the desired response.

Given this diminished effect, the child becomes the ultimate loser in a child custody case such as this.

Second, it recognizes that taxpayers lose in this situation as well because they are paying to imprison an individual who is unlikely to comply with the court's order. Dr. Morgan has said that she is willing to remain in prison until her daughter reaches age 18—12 more years. This would cost an astronomical amount and would serve no useful purpose for either the child or the parents.

Third, it recognizes that the criminal justice system suffers because valuable jail space, which could more effectively be used in other ways, is being unproductively used. While Dr. Morgan takes up the space, drug dealers, burglars, and auto thieves cannot take the space. This affects all area residents.

In short, the policy behind the legislation is designed to serve the interests of: First, the child involved; second, the criminal justice system; and third, the taxpaying citizen.

There are two additional points which should be made.

First, this bill may not be the perfect solution. It is based upon legislation enacted in California and Wisconsin. It will serve to bring this issue before the Congress and to open the discussion to seek the best solution to this problem. I believe this bill can work, and perhaps it can be used as a model for other States. As a member of the Select Committee on Children, Youth, and Families, I believe we in Congress have a responsibility to offer solutions that are in the best interest of the children, who through no fault of their own, become the victims in child custody battles. I will be contacting the Nation's Governors about this legislation with the suggestion that each State review its child custody and contempt laws with an eye toward offering greater protection to the children involved.

Second, because under the home rule charter, power to change the rules of the courts of the District of Columbia lies with the Congress, this legislation in no way impinges on home rule. The judges of the District of Columbia courts are appointed by the President and confirmed by the Senate. D.C. City Council does not have the power to address this situation.

Joining me in introducing this bill are Congressmen STAN PARRIS, WALTER FAUNTROY, TOM BLILEY, and Congresswoman CONNIE MORELLA. I urge all my colleagues to lend their support to this legislation which seeks to protect the children of our Nation in child custody cases.

H.R. 2136

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LIMITATION ON TERM OF INCARCERATION IMPOSED FOR CONTEMPT IN CHILD CUSTODY CASES.

(a) SUPERIOR COURT.—Section 11-944 of the District of Columbia Code is amended—

(1) by striking "In addition" and inserting "(a) Subject to the limitation described in subsection (b), and in addition"; and

(2) by adding at the end the following new subsection:

"(b) In any proceeding for custody of a minor child conducted in the Family Division of the Superior Court under section 11-1101(1), no individual may be imprisoned for more than 18 months pursuant to the contempt power described in subsection (a) for disobedience of an order or for contempt committed in the presence of the court.".

(b) DISTRICT OF COLUMBIA COURT OF APPEALS.—Section 11-741 of the District of Columbia Code is amended—

(10) by striking "In addition" and inserting "(a) Subject to the limitation described in subsection (b), and in addition"; and

(2) by adding at the end the following new subsection:

"(b) In the hearing of an appeal from an order of the Superior Court of the District of Columbia regarding the custody of a minor child, no individual may be imprisoned for more than 18 months for disobedience of an order or for contempt committed in the presence of the court pursuant to the contempt power described in subsection (a).".

SEC. 2. EXPEDITED APPEALS PROCESS FOR INDIVIDUALS INCARCERATED FOR CONTEMPT IN CHILD CUSTODY CASES.

Section 11-721 of the District of Columbia Code is amended by adding at the end the following new subsection:

"(f) The District of Columbia Court of Appeals shall hear an appeal from an order of the Superior Court of the District of Columbia holding an individual in contempt and imposing the sanction of imprisonment on such individual in the course of a case for custody of a minor child not later than 60 days after such individual requests that an appeal be taken from that order.".

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to individuals imprisoned for disobedience of an order or for contempt committed in the presence of the Superior Court of the District of Columbia or the District of Columbia Court of Appeals in the course of a case for custody of a minor child on or after January 1, 1987.

IN SUPPORT OF LEGISLATION TO LIMIT INCARCERATION FOR CIVIL CONTEMPT IN A CHILD CUSTODY CASE

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. PARRIS. Mr. Speaker, I am pleased to be an original cosponsor of legislation introduced by my colleague, Hon. FRANK WOLF, and I associate myself with his remarks. This legislation that we have introduced is aimed at resolving the horrible situation involving Dr. Elizabeth Morgan, her daughter Hilary, and Dr. Foretich.

Dr. Elizabeth Morgan has languished in jail for 18 months. What useful purpose is there in having a mother separated from her child for such a long period? I certainly do not know who is right and who is wrong in the dispute between Dr. Elizabeth Morgan and Dr. Foretich—but I do know that this court decision is greatly affecting the life of a child and no further incarceration can possibly make a positive contribution toward resolving this case.

The civil contempt case has become a counterproductive exercise of excessive judicial force. The custody aspects of this case must be resolved, but that is a determination for the courts, not Congress. Congress does, however, have the power to require the District of Columbia to act responsibily in the interest of the child and that is what this legislation is attempting to do.

There are too many stories of tragedy and heartbreak involving divorce and custody in our society today. Every story is different, but the one common denominator we see is the pain inflicted on children. We can't solve the disputes between parents here, but we can act to protect the children. This legislation is designed to help young Hilary, and other children in the future, who are the real victims of divorce and custody battles.

I am pleased that this legislation will be referred to the District of Columbia Committee where I am the vice chairman. I will do my best to persuade my colleagues to act swiftly to approve this legislation in committee and on the House floor.

STEINER-LIFF: 75 YEARS OF VALUABLE SERVICE

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. GORDON. Mr. Speaker, there is a company based in middle Tennessee that has been a true stalwart of its community and represents a classic American success story.

Seventy-five years ago, two immigrants from Hungary, Morris Steiner and Harry Lightman, founded a scrap metal recycling company. They used innovative marketing techniques and, from the first, kept their minds open to other ways of doing business.

Their company, which eventually became Steiner-Liff Iron & Metal Co., was never exclusively devoted to collecting and recycling scrap metal, although that was and remains the core of the business. The company's scrap collectors also picked up hides, rags, furs, bones and anything else that was valuable and recyclable.

In addition, the early years showed the willingness to branch out into new areas that has marked the company throughout its 75-year history. When a battery company next door hit financial trouble, Steiner and Lightman promptly bought it out and entered the battery business, using their scrap collectors as salesmen.

The Great Depression brought hard times to Steiner and Lightman, but they managed to survive, despite sometimes having to pay their employees in company scrip because there was no cash.

The original company merged in 1954 with a scrap-metal company founded in the 1930's by Russian immigrant Nathan Liff. Liff and his son had enjoyed great success after World War II doing salvage operations in the South Pacific.

Steiner-Liff during the sixties, seventies, and eighties has repeatedly launched branch businesses, diversifying at various times into textile recycling, steel supply, industrial rubbish collection, book fabric recycling, and even processing of low-level nuclear waste.

These subsidiaries have come and gone, but the heart and soul of Steiner-Liff has remained the scrap metal business.

Today, disposing of waste of our complex, industrialized society has become a major problem in many areas, and recycling at all levels is more important than ever. It is good for us to remember that there are companies that for generations have been involved in profitably turning discarded material into useful products.

Let's congratulate the owners and employees of Steiner-Liff Iron & Metal Co. for 75 successful years.

OLD MYTHS AND NEW REALITIES

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. HAMMERSCHMIDT. Mr. Speaker, Paul Greenberg is one of Arkansas' most esteemed journalists. He is the editorial page editor of the Pine Bluff Commercial and is a nationally syndicated columnist. I commend to my colleagues this article written from his perspective as a long-time astute reporter from Arkansas.

SCURRYING TO LEAP ABOARD

[By Paul Greenberg]

Bill Fulbright must have another book coming out; the former senator from Arkansas has been granting interviews to the press. The collected literary works of J. William Fulbright generally have the stale air of warmed-over speeches about them, but if his next book is as amusing as his statements to reporters, it ought to be a best seller. That his humor appears unintentional only adds irony to his appeal.

For example, Mr. Fulbright left the impression with poor Maria Henson of the Arkansas Gazette that he was a fan of President Dwight D. Eisenhower because, as he put it, Ike "never made foolish commitments to other countries." One would never have suspected the gentleman from Arkansas of harboring such an admiration when he was delighting Democratic stalwarts by asserting that Ike's foreign policy constituted a "drift to disaster."

The Eisenhower administration made commitments all over the globe to contain communism. That includes the Southeast Asia Treaty (John Foster Dulles, godfather), the Baghdad Pact and the Formosa Resolution. Gen. Eisenhower was also the last president to dispatch American troops to Lebanon in time; only after he was gone was Lebanon vivisected. And it was the Eisenhower administration that, having threatened to use nuclear weapons, brought the Korean War to an end. The essential difference between these commitments and J. William Fulbright's as floor leader of the Tonkin Resolution for Southeast Asia was that the Eisenhower administration kept its commitments.

Now the historians are beginning to recognize the Eisenhower administration as one of the more successful of this century, and J. William Fulbright is scurrying aboard the bandwagon. He certainly never had a good word to say about Mr. Eisenhower when a good word was most needed: in the year of the Little Rock crisis.

When his state was being stampeded by an ambitious demagogue in Little Rock, J. William Fulbright took advantage of the opportunity to take an extended trip abroad. Tracked down in England, he had no comment on the greatest crisis of law and conscience to confront Arkansas this century. He lay low for a whole month while matters swayed in the balance and, when he finally did speak up, it was to give aid and comfort to the mob and, yes, to criticize Dwight D. Eisenhower. A year later, he would file a personal brief with the Supreme Court of the United States challenging the Eisenhower administration's policy in desegregating the schools at Little Rock.

It's no secret why J. William Fulbright skedaddled when he was most needed: He was afraid of losing his precious political office. Instead, he lost his political soul.

J. William Fulbright's elevated abandonment of principle hurt more than Gov. Orval Faubus' sheer opportunism. It still does. Sen. Fulbright was supposed to know better; he was an educated man. To quote the National Association for the Advancement of Colored People's Daisy Bates at the time: "Why does he have to sell his soul and his people like that? * * * I'll listen to Faubus more than I'll listen to Fulbright."

To this day, Mr. Fulbright speaks highly of education as the hope of the world; he is about to get another prestigious award for his justly acclaimed Fulbright Fellowship program—yet his own rise, which was not always easy to distinguish from his fall, mocks any claim that formal education must necessarily produce moral leadership.

The Gazette's Maria Henson writes that Mr. Fulbright keeps referring to himself as an old man. But he was old in his prime. He forsook the spirit of youth as soon as he chose political preferment over principle. Oldness is not a matter of years. No wonder the more discerning of Mr. Fulbright's admirers, like theologian Reinhold Niebuhr, mixed their admiration with pity.

And what did J. William Fulbright do with that all-important position in the Senate for which he had sacrificed his voice when Arkansas needed it most? His abandonment of black Americans in the 1950s and '60s only prefigured his abandonment of Asians in the 1970s. He didn't see leaving Southeast Asia to the communists as a moral problem, either. As he put it, "What earthly difference does it make to nomadic tribes or uneducated subsistence farmers, in Vietnam or Cambodia or Laos, whether they have a military dictator, a royal prince or a socialist commissar in some distant capital that they have never seen and may never even have heard of?" It's not as though Asian peasants were cultured Denizens of the Arkansas Ozarks.

It should be noted in fairness that J. William Fulbright spoke those awful and all too revealing words before the tide of Boat People would demonstrate just how much humans will risk for a bare chance at freedom—whatever their country, their class or their race.

Now the pious old fraud lunches with a group of discerning Washington journalists at the Willard, and is depicted as an Eisenhower fan. What next—will he emerge as a believer in civil rights? Surely none of the others at the table were so gauche as to bring up the Southern Manifesto, or the Little Rock crisis, or the guest of honor's attacks on the Eisenhower administration at the time * * * or in any other way spoil a pleasant lunch by mentioning something so sordid as reality.

HONORING MILDRED SNYDER FOR A LIFETIME OF POLITICAL AND CIVIC ACTIVITY

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. ACKERMAN. Mr. Speaker, I rise today to give special recognition to an outstanding woman, Ms. Mildred Snyder. On April 28th, 1989, the 31st Assembly District Regular Democratic Club will be honoring Mildred for

tireless commitment to her community and to the Democratic Party.

Mildred Snyder has been involved with the Democratic Party for as long as I can remember. Most recently she was the district leader for the 31st Assembly Districts. She was also co-chairperson for the State Democratic Committee, second and first vice-chairperson for the Queens County Democratic Organization, Chairperson of the Women's Executive Council, and in 1976 she was a delegate to the New York State Electoral College.

She has also devoted time and energy to numerous civic organizations. She served on Community Board 9 and was vice-chairperson on Community Board 6. She participated on the Womens Division of the Grand Jury and the Queens Presidents Council. She is an active member of the Forest Hills Community and Civic Association, the Kew-Rich Civic Association, and the Forest Hills-Van Court Civic Association. She had an active role on the Education Committee for Richmond Hill Centenial Celebration.

Surprisingly, she also has time to participate in the Rosary Society of Holy Child Jesus Church and the Interfaith Council of Southwest Queens. She is an active volunteer in south Queens Boys Club, past local chairperson of the Girl Scouts, and trustee of the Richmond Hill Day Care Center. She also spends time as an adviser for P.S. 90 Afternoon Center.

When she isn't occupied with one of her many activities, she finds time to spend with her lovely family, including her husband Clyde and daughters Constance and Kathleen, and her six grandchildren. Mildred is a warm, generous person with an ever-ready smile who has gained the respect and love of all who know her.

Mr. Speaker, as you can probably guess, with a hectic schedule like Mildred's it is no wonder that she desires to slow down her community involvement and spend more time with her family. MIldred Snyder truly is a "thousand points of light," all by herself. If more people followed Mildred's example of community involvement, this country just might become a kinder, gentler nation. I ask all my colleagues in the House of Representatives to join me in congratulating Mildred on her past achievements and wishing her the best of luck in her future endeavors.

FESTIVAL OF FREEDOM

HON. HANK BROWN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. BROWN of Colorado. Mr. Speaker, over the past 7 days, Jewish families around the world celebrated the "Festival of Freedom." Passover signifies the end to the suffering of the Jews of Egypt.

As the High Holy Holiday was celebrated, thousands of Jews were crying out for freedom—for an end to lives of oppression. Here we are in 1989 and persecution of the Jewish people continues to thrive. Jews are still imprisoned, tortured, murdered and restricted from practicing Judaism and living where they choose.

Over the centuries, humankind has gone through some extraordinary changes. Yet, anti-Semitism still remains a component in millions of lives.

As Americans, our voices are heard, our actions are seen. We must reach into our conscience as a nation and speak out for those who cannot speak out for themselves. We must call upon the governments of Ethiopia, Syria, Yemen, and the U.S.S.R. to grant their Jewish citizens their basic right to live as full and free human beings. Let us hope that the Jewish children of today will grow up to find that anti-Semitism is no longer an accepted standard.

RELATING TO A PAY RAISE FOR SENIOR FEDERAL JUDGES WHO DO NOT WORK

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. KASTENMEIER. Mr. Speaker, I recently introduced a legislative proposal (H.R. 1930) regarding whether senior Federal judges who do not work or who work very little should receive a pay raise. The bill was referred to the House Committee on the Judiciary, where it was further referred to my subcommittee: the Subcommittee on Courts, Intellectual Property and the Administration of Justice. I was joined in making this proposal by the ranking minority member of the subcommittee, Mr. MOORHEAD.

In the interim, several questions have been raised about the proposal. I thought, therefore, that it would be helpful to share my preliminary thoughts about the nature of the problem addressed by the bill as well as the solution that it proposes. At the outset, I would say that the bill is designed to stimulate discussion and debate. It is not suggested as the last word on the subject.

I am a firm believer in the candid and frank flow of communications between the legislative and judicial branches of Government. The flow of information is a two-way street. Some judges feel that communications problems between the two branches center on the failure of the Congress to hear and understand difficulties that affect the Federal courts. That certainly is part of the problem. But the subject also comprises the ability—and the occasional failure—of the judiciary to hear the legitimate policy concerns of the elected representatives of the people. This proposition holds especially true in the related areas of pay, perquisites, discipline, conduct and ethics.

Now, I understand that whenever Congress legislates in the area of pay and perquisites the subject of judicial independence is implicated. Under Article III of the Constitution, Congress cannot diminish the salary of a judge while in office and Federal judges hold office for life. An Article III judge can only be removed from office by the avenue of impeachment. But Article III certainly does not signify that judges are above ethical reproach, that they cannot be disciplined by their colleagues, or that they have a right to a pay raise even if they do not work.

H.R. 1930 addresses this latter problem. Before discussing the bill, I would like to add a positive word about senior judges.

Briefly stated, a senior judge is an individual who stays on the bench but is no longer expected to work full time. Most judges continue to work and, indeed, a listing of their names reads like a judicial Hall of Fame—John Minor Wisdom, Elbert Tuttle, J. Edward Lumbard, Walter Hoffman, Elmo Hunter, Spencer Williams, and I could go on. Since the Constitution contemplates a judiciary that serves for life at a salary that cannot be reduced while a judge holds office, almost 60 years ago Congress devised the system of senior judges. After a statutorily designated age—for example, 65—and a set number of years of service—15 years—a judge may assume senior status and work thereafter at a pace consistent with his or her age and health. When a judge takes senior status, the President is notified about a vacancy on the bench and a younger judge is appointed to fill the slot.

If a senior judge continues to work—and most of them do—the combination of the new judge with the experienced one—contributes to the judgepower of the Federal judiciary. Senior judges must perform a substantial amount of judicial work, in order to receive office space and support staff. Substantial work is determined by the judicial council of each circuit. This work may include both work inside and outside the courtroom.

Statistics prove the proposition that senior judges assist mightily in keeping the Federal district and circuit courts afloat. According to data provided by the Administrative Office of the U.S. Courts, senior judges participate in about 13 percent of the trial and appellate work of the Federal courts. If the Federal judiciary did not have a dedicated corps of senior judges, the current caseload explosion would have assumed nuclear proportions.

But, as is inevitable with age, many judges become ill and unable to work or opt for the pleasures of rest and relaxation in the remaining years of their lives. A certain ratio of senior judges—approximately one-sixth—do not work at all.

During the pay raise controversy, the question arose whether these individuals should receive the pay raise then being discussed—approximately $50,000. Many members of the press and most citizens thought that they should not. Pay raises should be reserved for individuals who work. My bill derives from that feeling.

I, however, think we should tred softly in this area because the taproot of the Federal judiciary—judicial independence—is exposed. We must be very careful about several factors. First, we do not want to deter judges from taking senior status. Second, like other retired public servants, they should receive cost-of-living adjustments to their pay. Third, they should not be required to work full-time. A minimal contribution of their wisdom and experience should be enough to satisfy any standard for a pay raise. In other words, amendments to the senior judge statute should be balanced and fair.

Mr. Speaker, I believe that my bill meets that standard. Let me explain.

H.R. 1930 amends section 371, United States Code, to provide that justices and judges in senior status, in order to receive certain salary increases, be certified as having performed a certain amount of work each year. Section 371 establishes a statutory retirement scheme for Federal judges. Subsection (a), relating to retirement on salary, provides that a Federal judge, after attaining the age and meeting the service requirements, may during the remainder of his or her lifetime receive an annuity equal to the salary received at the time of retirement. Subsection (b) relates to retirement in senior status. It provides that a Federal judge may retain the office but retire from regular active service after meeting the necessary age and service requirements and continues to receive the salary of office. The difference between retirement and senior status is twofold: a retired judge leaves the bench and the latter does not; a retired judge continues to receive the same salary as he or she was receiving on the last day on the job and a senior judge receives the current salary of the office—he or she receives pay raises and cost-of-living increases.

The bill, which only affects senior judge status, is split into two sections. The bill applies to all Federal judges with lifetime tenure, be they on a trial court, appellate court, or the Supreme Court.

Section 1 amends current 28 U.S.C. 371(b) by providing that a senior judge must meet the new requirements of new section 371(e) in order to get a pay raise. In the event that a judge does not meet such requirements, the judge shall continue to receive the salary that he or she was receiving when last in active service, when such a certification was last in effect. Such a judge shall be entitled to any cost-of-living increase in salary accorded to other judges, as the case may be, in regular active service, which corresponds to the percentage increase in salary which corresponds to the percentage increase in salary which is accorded to employees paid under the General Schedule.

Section 1 also adds a new subsection (e) to section 371, United States Code. Subsection (e) provides that in order to continue receiving the salary of the office while in senior status, a judge or justice must be certified as having met specific statutory criteria. Certification is made by the Chief Justice for justices of the Supreme Court and by the chief judge of a circuit for judges who reside in the circuit.

The criteria are as follows. First, the justice or judge must have carried in the preceding calendar year a caseload involving courtroom participation which is equal to or greater than the amount of work involving courtroom participation which an average judge in active service would perform in 3 months. Second, the justice or judge may satisfy the three-month work obligation by engaging in substantial judicial duties not involving courtroom participation, including settlement efforts, motion decisions, and writing opinions in cases that have not been orally argued. Third, in order to be certified, the justice or judge may combine courtroom and non-courtroom work which in the aggregate equals at least 3 months work. Fourth, the justice or judge may, in the preceding calendar year, have performed substantial administrative duties directly related to the operation of the courts. Such service may include being Director of the Federal Judicial Center or the Administrative Office of the U.S. Courts. A certification for such service shall specify that the work done is equal to the full-time work of an employee of the judicial branch. Last, any justice or judge who is unable to perform judicial or administrative work because of a disability but is expected to be able to begin the performance of such work within 12 months, may be certified if he or she is certified under any of the first four criteria. These individuals shall be deemed to have met the requirements for the calendar year following the calendar year for which the certification of disability was made.

Finally, if a justice or judge does not receive a certification (except pursuant to the fifth condition), he or she is thereafter ineligible to receive such a certification.

Section 2 provides an effective date for the proposed legislation. The amendments made by the Act shall first apply with respect to work performed on or after January 1, 1990, by a justice or judge of the United States who has senior status pursuant to section 371(b) of title 28, United States Code.

Mr. Speaker, in closing I urge a careful reading of H.R. 1930. If Members have any questions, they may contact the Subcommittee on Courts, Intellectual Property and the Administration of Justice, 2137 Rayburn Bldg. at X53926.

THE SECRET ORIGINS OF THE RIGHT TO ABORTION

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. DORNAN of California. Mr. Speaker, today the Supreme Court is hearing arguments that will ultimately determine which direction the American tragedy of abortion will follow. The matter involves Webster versus Reproductive Health Services, a case originating from a Missouri law which affirms that the life of each person begins at conception and deserves legal protection.

Implicitly, this case challenges the Court to reexamine its infamous Roe versus Wade and Doe versus Bolton decisions of 1973 in which abortion on demand was, in effect, legislated by the Nation's highest judicial body—an action which goes against the heart of the Constitution.

While many opposed to abortion suspected that the Court consciously legislated its proabortion decision on January 23, 1973, it wasn't until very recently that these suspicions were borne out. Within the past 6 months, the papers of former Justice Douglas have been made public. In these documents the truth behind the decision becomes crystal clear.

An article researched and written by Mrs. Judie Brown and Mr. Robert Marshall of the American Life League trace the astonishing background to this tragic decision. I urge you and all our colleagues to read "The Secret Origins of the 'Right' to Abortion," which was published in the April issue of About Issues.

THE SECRET ORIGINS OF THE "RIGHT" TO ABORTION

(By Judie Brown and Robert G. Marshall)

The passage of time has not diminished the social and legal criticism of *Roe v. Wade* and *Doe v. Bolton*, the two Supreme Court decisions legalizing abortion on demand for the entire United States on January 22, 1973.

The tarnish on these two rulings—and on the reputations of the seven Justices responsible for them—began to build at the outset, when Justice Byron White, in his scathing dissent in *Roe*, called that decision "an exercise of raw judicial power." Since then many legal scholars, Constitutional experts, eminent judges and medical professionals have faulted the *Roe* and *Doe* majorities for trespassing beyond their Constitutional authority, for violating the canons of judicial impartiality and procedural integrity, and for ineptly pronouncing on scientific and medical matters beyond their knowledge and expertise.

But nothing that has been written or revealed about the "Abortion Cases" is as damning as the material recently discovered in the confidential Court papers of the late Justice William O. Douglas, made available to the public last year by the Library of Congress, and only a small portion of which has been published before this article. Indeed, the internal Court memoranda, notes, and draft opinions found in the Douglas files depict the Court shamelessly plotting the most expedient course to achieve a predetermined result—the legalization of abortion on demand—in complete disregard of their responsibilities as neutral interpreters of the laws and Constitution of this nation.

"CREATING" THE RIGHT TO PRIVACY

The *Roe* decision did not state that a woman had a right to an abortion *per se*. Rather, it said, that right could be found in a so-called "right to privacy" which, though not itself "explicitly mention[ed]" in the Constitution, had nevertheless been previously "recognized" by the Court. Roe held: "whether it be founded in the Fourteenth Amendment's concept of personal liberty and restrictions upon state action, as we feel it is, or . . . in the Ninth amendment's reservation of rights to the people, [the right of privacy] is broad enough to encompass a woman's decision whether or not to terminate her pregnancy." (Justice William H. Rehnquist noted in his *Roe* dissent that the Court found in the Fourteenth Amendment "a right that apparently was completely unknown to the drafters of that Amendment" in 1868, when 36 states and/or territories had anti-abortion statutes.)

The first—and only—occasion on which the court had expressly "recognized" a separate and fundamental right of privacy prior to the Abortion Cases was its ruling in the 1965 *Griswold v. Connecticut* case, the culmination of a 25-year-long effort by Planned Parenthood to challenge Connecticut's anti-birth control laws.

JUDICIAL JUGGLING ACT

In *Griswold* Brennan suggested, "[W]hy not say what has been done for the First Amendment can also be done for some of the other guarantees of the Bill of Rights? In other words . . . the Bill of Rights' guarantees are but . . . examples of those rights, and do not preclude applications or extensions of those rights unanticipated by the Framers."

However, to find a "right of privacy" in the Constitution would require considerably more judicial juggling than was needed for the "right of association," which was extracted from only a single amendment. In reasoning that ricocheted around the Bill of Rights like a pinball, Brennan explained how, using "the Ninth Amendment admonition that the enumeration of rights is not exhaustive" as a springboard, the "right of privacy" could then be "*created out of* the Fourth Amendment and the self-incrimination clause of the Fifth, together with the Third. . . ." [emphasis added] Thus four amendments—each subjected to excruciatingly "expansive interpretation," as Brennan put it—were needed in order to "create" a single right to privacy! (And not that it is not the business of the court to "create" rights "out of" anything, but, at most, to *find them in* the Constitution. Such revealing slips of the pen crop up again and again in the court's internal memoranda, as we shall see.)

And indeed Douglas' final *Griswold* opinion finding Connecticut's anti-birth control law unconstitutional, embodied Brennan's privacy theory. In words more suitable to a mystical incantation than a legal decision, Douglas wrote that ". . . specific guarantees in the Bill of Rights have penumbras [the partly lighted area surrounding the complete shadow of a body], formed by emanations from those guarantees that help give them life and substance . . . various guarantees create zones of privacy." The opinion commanded a majority despite the objections of Justice Potter Stewart, whose dissent noted in part that: "With all deference, I can find no such general right of privacy in the Bill of Rights, in any other part of the Constitution or in any case ever before decided by this Court."

Nevertheless, this privacy "right" would eventually be further "extended" to include a woman's "right" to an abortion when, on January 22, 1973, the Court unleashed upon a stunned nation the decisions in the Abortion Cases.

THE ABORTION CASES

Roe v. Wade and *Doe v. Bolton* involved challenges to the anti-abortion statutes of Texas and Georgia, respectively. In *Roe*, an anonymous pregnant single woman (called "Jane Roe" in the case) brought a class action suit challenging the constitutionality of the Texas criminal statute which prohibited abortion except when thought necessary to save a mother's life. In *Doe*, the anonymous "Mary Doe" challenged Georgia's more liberal law, which permitted abortion in that state only for its own residents, but under a somewhat broader range of social and "health" conditions than in Texas.

While four other Justices also believed that there was an abortion right, none had discovered where in the Constitution it resided, or had fabricated a consistent legal theory, save for Brennan. Brennan's memo to Douglas [12-30-71] capsulized what Blackmun would eventually be compelled to accept as the solution to his legal shopping spree in search of some Constitutional peg for the abortion "right."

"FINESSING" THE LAW

But first, Brennan acknowledged "there would seem to be a number of threshold issues that are of varying difficulty"—issues which, if not satisfactorily resolved, would force the Court to throw out the Abortion Cases on procedural grounds alone.

Again, no problem for the crafty Brennan: While some of the issues "must be expressly addressed," others, he wrote—in language extraordinarily unbecoming to one of the country's highest judicial officials, even within the context of a private memo—"*should be simply finessed.*" [emphasis added]

Having shown how to leap over such procedural obstacles, Brennan proceeds to outline "the existence and nature of a right to an abortion" itself. As in his memo to Douglas concerning *Griswold*, he argues for a "right of privacy approach," and suggests that "[t]he decision whether to abort a pregnancy . . . should be held to involve [that] basic individual right." Such an approach would indeed become the basis of Blackmun's majority opinions in *Roe* and *Doe*.

HARRY THE "FLEXIBLE"

Blackmun's first stab at writing the Court's opinions for the Abortion Cases (a task assigned by Chief Justice Burger) would seem to have borne out the anxieties of his pro-abortion colleagues that he was not the man for the job. On May 18, 1972 he submitted to the Court a "first and tentative draft" (as he called it in his cover memo) of *Roe*, and announced that "I come out on the theory that the Texas statute [specifically, its life-of-the-mother exception] is unconstitutionally vague." Blackmun wrote further: "This may or may not appeal to you," but: "In any event, *I am still flexible as to results.* . . ." [emphasis added]

Any theory will do, as long as it leads to abortion on demand!

Brennan, eager to secure the abortion right, answered Blackmun's *Roe* draft the same day, saying it was unnecessary to reach the vagueness issue as it was apparent that, with respect to the Abortion Cases, "a majority of us *felt* that the Constitution required the invalidation of abortion statutes, save to the extent that they required that an abortion be performed by a licensed physician within some limited time after conception. . . . In the circumstances, I would prefer a disposition of the core constitutional question." [emphasis added]

In other words, Brennan wanted to assert a sweeping right to abortion, not merely say existing anti-abortion laws were vague—an argument that would leave the door open for anti-abortion laws that might pass muster for constitutional clarity.

CONFUSION AND DELAY

As for *Doe*, although Brennan's influence was increasing, Blackmun presented his somewhat confused views as a man who didn't know his mind but did know that he wanted to legalize abortion:

"The heart of the matter is that somewhere, either forthwith at conception or at "quickening," or at birth, or at some other point in between, another being becomes involved and the privacy the woman possessed has become dual rather than sole. . . . It is not for us of the judiciary, especially at this point in the development of man's knowledge, to speculate or to specify when life begins."

Even one of Douglas' pro-abortion clerks, critiquing the draft for Douglas the day it was circulated [5/25/72], seemed exasperated by Blackmun's shoddy reasoning: "It is not clear under what theory he reaches his result. He recognizes the woman's interest . . . but also . . . says that the State's counterinterests [in protecting "potential" fetal life] are 'compelling' . . . and strikes down the statute *despite* that fact that . . . he finds the States' interest 'compelling.'"

In a memo sent later in May (the precise date is uncertain) Douglas was pleased to join Blackmun's opinions ("I am particularly delighted that there appears to be a Court to confront the central issue in the abortion field . . ."), but expressed reservations. Among other things, he questioned language in Blackmun's *Doe* draft that, he felt, might later be taken to allow public hospitals to refuse to do abortions. Wishing not to preclude the possibility at some future point of compelling taxpayers to pay for elective abortions, he suggested, a la Brennan: "*Might a solution be to finesse this problem . . .?*" [emphasis added]

Four days after Blackmun released his *Doe* draft, Justice White circulated his own draft dissent in the *Roe* case [5/29/72], in which he pointed out that for the Court to claim that the Texas law's life-of-the-mother exception was unconstitutionally vague "necessarily overrules" its own decision in *United States v. Vuitch* decided only in the previous Term, which said that a law in the District of Columbia allowing abortions for "life" and "health" reasons was *not* vague. In other words, how could a law be "vague" which allowed abortions for only *one* condition ("life"), when one that permitted *two* conditions ("life" and "health") had already been, as White put it, "upheld . . . in its entirety"?

With this state of affairs, Blackmun decided things were getting too much for him. He suggested a summer's delay to the Court [5/31/72] because he was unclear how to proceed.

Douglas, evidently concerned less about the soundness of the abortion rulings than with his desire to see them implemented, urged Blackmun the same day not to delay. With five votes, he said, "The important thing is to get them down."

"ARBITRARY" RIGHTS

Despite Douglas' impatience, however, the cases were put over to the next Term. Whatever thoughts, if any, passed through Blackmun's mind about the Constitution and abortion that summer are difficult to learn. But as late as November 21, 1972, though himself convinced that there should be an abortion right, he could not pinpoint it, still less could he give it constitutional grounding. Conceding that his current *Roe* draft "contains dictum" he all but throws up his hands on the matter: "I suspect that in this area some dictum is indicated and not to be avoided."

Then, explaining his decision to locate the end of the first trimester of pregnancy as the point beyond which a state may regulate abortion, he makes an extraordinary admission: "You will observe," he writes, "that I have concluded that the end of the first trimester is critical. *This is arbitary,* but perhaps any other selected point, such as quickening or viability, is *equally arbitrary.*" [emphasis added]

How could fundamental Constitutional rights have "arbitrary" beginnings and ends? Blackmun did not say.

JUSTICE MARSHALL AND THE "INTERESTS OF WOMEN"

The following day [12/12/72] Justice Thurgood Marshall—relying upon his subjective perception of the "interests of women" as the basis for his views—tried to convince Blackmun that the later point of viability should be the point at which the State could regulate though not prohibit abortion:

"I am inclined to agree that drawing the line at viability accommodates the interests at stake better than drawing it at the end of the first trimester. Given the difficulties

which many women may have in believing that they are pregnant and in deciding to seek an abortion, *I fear that the earlier date may not in practice serve the interests of women, which your opinion does seek to serve.*

"At the same time, however, I share your concern for recognizing the State's interest in insuring that abortions be done under safe conditions. If the opinion stated explicitly that, between the end of the first trimester and viability, state regulations directed at health and safety alone were permissible, I believe that those concerns would be adequately met.

"It is implicit in your opinion that at some point the State's interest in preserving the potential life of the unborn child overrides any individual interests of the women. *I would be disturbed if that right were set before viability, and I am afraid that the opinion's present focus on the end of the first trimester would lead states to prohibit abortions completely at any later date.*

"In short, I believe that, as the opinion now stands, viability *is a better accommodation of the interests involved,* but that the end of the first trimester *would be acceptable if additions along the lines I have suggested were made."* [emphasis added]

Blackmun did accept Marshall's suggestion in the final version of *Roe,* along with one from Chief Justice Burger [12/13/72] that fathers and parents be at least mentioned (which they were—in a footnote).

AN "INFLEXIBLY 'LEGISLATIVE' " OPINION

But Blackmun had at least one more accommodation to make in his search for a majority. With the Abortion Cases detailing so many irrelevancies, Justice Potter Stewart confided to Blackmun [12/14/72] that: "One of my concerns with your opinion as presently written is the specificity of its dictum—particularly in its fixing of the end of the first trimester as the critical point for valid state action. I appreciate the inevitability and indeed the wisdom of dicta in the Court's opinion, *but I wonder about the desirability of the dicta being quite so inflexibly 'legislative."*

The Constitution, of course, specifically reserves all federal legislative power to Congress, not the Court, so Stewart's ultimate concern was that the Court would be exceeding its Constitutionally-assigned role if it accepted Blackmun's opinions as they stood. Blackmun responded by inserting the word "approximately" before the phrase "the end of the first trimester" in the final version, which, though it rendered the opinion only minutely less "inflexibly 'legislative,' " apparently satisfied Stewart, who joined the majority.

Meanwhile, Blackmun, who with others was becoming impatient, expressed his hope [12/15/72] "that the cases may come down no later than the week of January 15 to tie in with the convening of most state legislatures."

The decisions came down with a consitutional thunderclap that has echoed through the years. But the Court still had to deal with petitions for rehearing. Another of Douglas' clerks summarized [1/22/73] the requests for rehearing, filed by Texas and Georgia, supported by Connecticut and Virginia, one of which pointed out that recently available "data as to live births (and ultimate survival in one case) of children aborted and as to errors in ascertaining length of pregnancy and unreported complications and deaths from legalized abortions in N.Y. . . . would put into question this Court's assumptions (conclusions) about the relative dangers of abortion and full-term delivery."

The clerk recommended that the cases not be reheard. They were not. But the cries of the preborn sacrificed to abortion are still heard to this day.

(Judie Brown is President of American Life League, Robert G. Marshall is Research Director of ALL About Issues and also of the Castello Institute.)

A TRIBUTE TO DR. MAURICE SITOMER

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. FISH. Mr. Speaker, I take this opportunity to honor Dr. Maurice Sitomer, the 1989 recipient of the Anti-Defamation League's Distinguished Americanism Award.

Maurie's service as chairman for the past 4 years of ADL's dinner event is a mark of his leadership role in the Poughkeepsie, Dutchess County community. Beyond that, Maurie has contributed his talent and many skills to a broad spectrum of community and charitable organizations over the years.

A past president of the Poughkeepsie Civic Association, the Business and Professional Association of the Town of Poughkeepsie, and the Poughkeepsie Arlington Rotary Club, Maurie serves on the United Way Campaign and has been a member of the boards for the Red Cross, the March of Dimes, and the Cancer Society.

A member of the Vassar Temple and recently voted to the Board of Governors of B'nai B'rith District No. 1, Maurie has given generously of his time as past president of the Hudson Valley B'nai B'rith Council, the United Jewish Appeal, and Israeli Bonds of Poughkeepsie.

Through his many contributions, Maurie has added to the growth of the moral and civic development programs sponsored by the ADL in the Hudson Valley. In addition to the already cited achievements, he has sponsored the Sitomer Lecture Series on Jewish Culture at Vassar College. He also served as president of the Mid-Hudson Art and Science Museum, and was a member of the development committee for the Hudson Valley Philharmonic Society.

In his professional field, an accomplished dentist, Maurie is a 40-year member of both the Francis and Vassar Hospitals' dental staffs. He has given of his time and talents to the Development of Dental Clinics for the city of Poughkeepsie.

A lifetime of service and generous contributions to his fellow man is the hallmark of this distinguished ADL honoree. I am proud to pay tribute to Dr. Maurice Sitomer for his designation as the Poughkeepsie Americanism Award recipient for 1989. Congratulations on your distinguished record of achievement. We all join in wishing you continued happiness and prosperity.

PROFESSIONAL SECRETARIES DAY

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. LENT. Mr. Speaker, I'm pleased to join my colleagues today in recognizing April 26 as "Professional Secretaries Day," and I'd like to take this opportunity to say a few words in appreciation of the dedicated members of this honorable profession.

Secretaries are the backbone of the work force, whose significant contributions to the success of American government, business and industry should be touted more often. The administrative duties they perform are essential to the smooth, efficient, and effective functioning of any office. Throughout my years in public service, I have come to depend and rely upon my secretarial staff for their loyalty, skills, and efficiency in managing the daily office operations. As Members of Congress, nearly every minute of every day is carefully planned and accounted for. Doing this well requires anticipating and juggling many details, understanding priorities, and working with any number of people to ensure that things go smoothly. I, for one, feel my personal secretary is an indispensable member of my personal staff.

Secretaries have earned distinction for their dedication and professionalism in the performance of their duties. More become proficient in a specialized field, such as law, accounting, marketing, or government. Often, they work right alongside the CEO's of major corporations and serve as management's liaison between clients and the public. The secretarial field offers individuals exciting challenges and professional advancement, and I encourage interested individuals to explore career opportunities in this rewarding field.

In closing, I'd like to commend the Professional Secretaries International Organization for its campaign to promote appreciation for and recognition of the secretarial profession.

CHARLES J. HAUGHEY ADDRESSES LUNCHEON HOSTED BY SPEAKER WRIGHT

HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. FOLEY. Mr. Speaker, I submit an address by the Taoiseach, Mr. Charles J. Haughey, on the occasion of St. Patrick's Day:

ADDRESS BY THE TAOISEACH, MR. CHARLES J. HAUGHEY, T.D., AT A LUNCH HOSTED BY SPEAKER WRIGHT OF THE HOUSE OF REPRESENTATIVES, CAPITOL HILL, WASHINGTON, MARCH 17, 1989

Mr. Speaker, at least once in the yearly calendar there must be an occasion when each national community celebrates and glories in its identity in its own way. St. Patrick's Day is the Irish occasion for doing so and nowhere is our national day more

widely and enthusiastically celebrated than here in the United States.

To be on Capitol Hill—this citadel of American democracy—on St. Patrick's Day, at the invitation of the Speaker, among so many distinguished friends is for me a great honor and pleasure. I am very grateful to the Speaker for bringing us together on this symbolic occasion.

The message of goodwill towards Ireland that goes forth from this room today is one that we appreciate and value. The prestigious attendance at this lunch is testimony to the esteem and affection in which the Irish are held throughout the United States. It is also a special tribute to my country, and to the place it holds in the hearts of millions of Americans.

In his eloquent inauguration address two months ago, President Bush spoke of the pages turning in American history. As a new chapter begins, it is a particularly appropriate time for the head of the Irish government to visit Washington. The stories of the Irish and American people are closely intertwined. The Irish have participated at every stage of the building of this great nation, just as there has been major American involvement in the making of modern Ireland.

When Tom Paine proclaimed in 1776 that "the cause of America is in great measure the cause of all mankind," it was a prophetic description of the enduring impression that the ideals of liberty and equality of opportunity would have on successive generations. Ireland and America have long had their own special relationship, dating back to a common colonial past. Our shared memories go deep, and our shared values bind us together in our hopes for the future.

There is much for each of us to celebrate on this St. Patrick's Day. I see the spirit of optimism that prevails in America, and a readiness to respond to the vision of a "kinder, gentler" nation put forward by the President. On Capitol Hill also, there is clear evidence of a determination to move the nation forward and to ensure that America continues to provide enlightened leadership to the free world and to constantly improve the welfare of the American people.

There is a renewed sense of optimism in Ireland also. An agreed Programme for National Recovery is succeeding and is enabling us to emerge from many of our economic difficulties. We are already experiencing sustained economic growth which is predicted to continue. Our economic recovery is soundly based on 2 percent inflation, low interest rates, rapid export growth and balance of payments surpluses. As many American companies who are in Ireland already know to their benefit, we offer unrivalled investment opportunities as a manufacturing and services base for the forthcoming Single European market of 320m people.

I would like to arrange for a visit to Ireland by a group of members from both Houses who would come as guests of the Irish government to study our economic progress at first hand this year. This would help to deepen our relationship and offer members a fuller understanding of the implications when measures affecting Ireland are debated here from time to time.

On the 1st January next, Ireland assumes the Presidency of the European Community. This will be a time of great responsibility for us but we look forward to the challenge. Our efforts will be directed in accordance with the wishes of the member States to advancing rapidly to the completion of the Single Market and to promoting the greatest possible level of international trade between the single market Community and her major trading partners including the United States.

While the two great trading blocs, the Community and the United States, will probably never be entirely without their differences on specific issues, these must be amicably sorted out and should never be allowed to deprive either of the mutual benefits of expanding trade between them.

Our greatest challenge in Ireland is to create job opportunities for all our people, and stem the tide of involuntary emigration. Tens of thousands of Irish immigrants have come to the United States in recent years, eager to grasp the opportunities offered by the American way of life. In many cases however, their lack of legal status—with all its rights, duties and responsibilities—inhibits them from making their full contribution to the future development of the United States. Against this background I wish to emphasize my appreciation of the work which has already been done to reform immigration legislation. I would now hope that further consideration could be given urgently to the additional steps which need to be taken to enable the young Irish people who are in the United States to follow in the great tradition of the Irish of earlier times in contributing to the affairs of this great nation.

St. Patrick's Day belongs to Irish people of all traditions. The message for all is one of friendship and tolerance and pride in our unique common heritage.

It is in that spirit that I have reiterated once more my offer of dialogue, reassurance and respect to the people of the Unionist tradition in Ireland. To use the words of Abraham Lincoln in his first inaugural address: "Physically speaking we cannot separate. We cannot remove our respective sections from each other nor build an impassable wall between them."

We will continue to value, appreciate and gladly accept the interest shown and the tangible political and economic support given in America, both by Congress and the Administration, to the cause of peace and reconciliation in Ireland.

Mr. Speaker, the pages of the history of the American and the Irish people are still being written; the unique story is still unfolding. Of one thing we can be sure; our relationship is firmly based on trust and confidence, on shared ideals and concepts, on family ties and personal friendships. It is indissoluble, cemented by centuries of social and cultural intermingling. The toast I would propose today is to enduring friendship and partnership as we confront the challenges of our time and look beyond them for a brighter and more rewarding future.

NATIONAL ORGAN AND TISSUE DONOR AWARENESS WEEK, APRIL 23-30, 1989

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. SPENCE. Mr. Speaker, as you know, this week has been designated National Organ and Tissue Donor Awareness Week. In order to commemorate this, it seems fitting to share with my colleagues a poem by Robert N. Test that recently appeared in a "Dear Abby" column. I think it speaks eloquently about the gift of life that it is possible to share with others. For this reason I would like to commend it to my colleagues' attention and hope that they might be mindful of the great need for organ and tissue donors.

The poem follows:

At a certain moment a doctor will determine that my brain has ceased to function and that, for all intents and purposes, my life has stopped.

When that happens, do not attempt to instill artificial life into my body by the use of a machine. And don't call this my 'deathbed.' Call it my 'bed of life,' and let my body be taken from it to help others lead fuller lives.

Give my sight to a man who has never seen a sunrise, a baby's face or love in the eyes of a woman.

Give my heart to a person whose own heart has caused nothing but endless days of pain.

Give my blood to the teenager who has been pulled from the wreckage of his car, so that he might live to see his grandchildren play.

Give my kidneys to one who depends on a machine to exist from week to week.

Take my bones, every muscle, every fiber and nerve in my body and find a way to make a crippled child walk.

Explore every corner of my brain. Take my cells, if necessary, and let them grow so that someday a speechless boy will shout at the crack of a bat and a deaf girl will hear the sound of rain against her windows.

Burn what is left of me and scatter the ashes to the winds to help the flowers grow.

If you must bury something, let it be my faults, my weaknesses, and all prejudice against my fellowman.

Give my soul to God.

If by chance you wish to remember me, do it with a kind deed or word to someone who needs you. If you do all I have asked, I will live forever.

—By ROBERT N. TEST.

COAL ROYALTY REDUCTION LEGISLATION

HON. BEN NIGHTHORSE CAMPBELL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. CAMPBELL of Colorado. Mr. Speaker, I am happy to introduce legislation which represents a reprieve for the coal industry in Colorado and other Western States.

As Representative of Colorado's Third District, I am concerned about the health of the coal industry, one of the traditional mainstays of the area's economy. Tragically, more than three dozen coal mines in my district have been forced to close over the past decade due to a slowdown in the domestic energy industry and competition from foreign coal producers.

Many small mountain communities have suffered a great deal as a result, with miners out of work and other businesses forced to shut their doors with the loss of the mine payroll.

The Colorado delegation has been encouraging the Department of the Interior to allow

for a lower Federal coal royalty rate and, I am introducing legislation that caps the Federal coal royalty rate on existing contracts at 6 percent.

Most coal is mined and sold under long-term coal supply contracts. In 1976, Congress enacted the Federal Coal Leasing Amendments Act [FCLAA] which requires the Department of the Interior to increase the Federal coal royalty payments from about 20 cents per ton to 12.5 percent of the value of the surface-mined coal upon the 20-year anniversary of pre-1976 coal leases.

As a result, coal royalty payments have increased while the amount of companies mining coal has decreased. Utilities that purchase Federal coal have seen their royalty payments jump by over 1800 percent. The city of Colorado Springs, which use to pay 20 cents per ton, now pays nearly $3.60 per ton.

Congress never foresaw that FCLAA would affect utilities and coal companies the way in which it has. This bill will ease the burden being borne by power customers and encourage the continued use of relatively clean burning, low sulfur western coal.

This legislation will not apply to new contracts and will have no impact on the competitive market for new coal leases. The 6-percent cap will automatically be phased out as old supply contracts terminate. In addition, the Federal Treasury will continue to benefit from increased royalty revenues because the 6-percent cap is still well above the 20-cents-per-ton royalty rate the Government was receiving until FCLAA began to affect the ability of coal companies to retain customers.

This bill makes the differences between mining coal and shutting down for many mines. It simply makes more economic sense to have more mines paying a lower rate than fewer mines paying a higher rate. Colorado State officials—realizing the importance of supporting coal mines, which pay State taxes and provide needed jobs—have agreed to accept a rate reduction and I urge you to support this proposal.

The public good will be better served by supporting the coal industry and mining communities so they can survive these hard times. Decreasing the Federal royalty rate may help increase production and help revive the coal industry in Colorado. That is important because unmined coal pays no royalty at all.

ANTARCTICA—THE NEXT ENVIRONMENTAL DISASTER

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. VENTO. Mr. Speaker, the great Antarctic Continent evokes images in all of our minds of great expanses of ice and water and air pure and clean; of penguins and seals and other birds and animals totally removed from man's depredations. Such images are wonderful and romantic and they are wrong.

Man is rapidly fouling the ice, the water, the air, and the land in Antarctica, all in the name of science, tourism, and international relations. While Antarctica is a vast area there are only a few locations available that support the wonderful wildlife that we have all seen in pictures or on television. And those areas only support such wildlife because of a very sensitive and delicate food chain that can easily be disrupted by man's activities. Compared to the population of one of our cities not many people go to or live in Antarctica. Unfortunately those who do, all live or stay on those same environmentally sensitive lands that support the unique Antarctic life.

Fin fisheries have almost been wiped out by over-fishing, oil spills blacken the penguin rookeries, hundreds of thousands of tons of Krill—the primary bio-energy source of the Antarctic seas—are netted each year for pet food, and now we are called upon to pass implementing legislation for a minerals regime to govern minerals and oil and gas development in a land that most of us thought was exempt from such gross human violations.

Because of my concern I ask the Congressional Research Service to undertake some investigations which culminated in a workshop on Antarctica. This workshop brought together scientists, diplomats, environmentalists, businessmen, and Federal agency personnel, all experienced in Antarctic affairs. The report of that workshop has just been published and I commend it to all my colleagues as an enlightening document that will revise your views of the purity of the Antarctic environment. The summary of that report (CRS-58) is as follows:

As human activity in Antarctica has increased over the past several years, concerns over environmental impacts have also grown. The number of research personnel stationed in Antarctica has grown dramatically over the past decade: from 544 in 1979-80 to over 2,000 every year since 1982-83. Waste disposal and wildlife disruption associated with these increases has caused concern and criticism of the U.S. program and those of other nations by the environmental community. Tourism activities have grown, with very large increases projected: from 6 visits by 692 toursts in 1981 to 13 visits with 1,295 tourists in 1986-87, and projected plans for 31 visits and 3,620 people in 1988-89. Accommodating and supervising these increasing numbers has been a growing problem, especially with regard to assuring protection of the environment, research operations and wildlife.

Impacts of commercial fisheries operations have also been a concern, as well as the possible environmental impacts of future minerals activities. A Minerals Regime to govern potential minerals operations was signed in 1988, and is likely to foster further debate on environmental protection issues in Antarctica, as ratification of the minerals treaty is considered in the U.S. Senate, along with implementation legislation.

As a result of these concerns, the Congressional Research Service was requested to hold a workshop to explore the status of environmental issues in Antarctica, including as participants key experts across a wide spectrum of interests. Issues raised fell into several categories, including issues connected with the impacts of increasing numbers of research stations, funding tradeoffs, conflicting priorities for environmental protection, tourism impacts, organization of the U.S. Antarctica program, environmental protection in the Minerals Regime, adequacy of the protected area system and possible modifications, environmental impact assessment needs, and the need for a permanent secretariat for the Antarctic Treaty system.

Conclusions arising from the workshop are discussed in the final section of the report: Increasing human activity in Antarctica has a range of new resource management needs not faced by the system when fewer people visited or worked on the continent; the United States program has been primarily a research program, and the lead agency, the National Science Foundation does not include resource management in its perception of its primary mission; these new needs in a system not designed to manage resources have created "trade-offs" that put environmental protection at a disadvantage in many cases; little or no monitoring of human impacts on the environmental is being done in Antarctica; environmental assessments will demand more attention in the future; the effectiveness of the current protected area system needs to be better understood, and probably strengthened; and a permanent secretariat would facilitate better functioning of the system.

NAVY SEAMAN BRIAN ROBERT JONES

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. DARDEN. Mr. Speaker, in Kennesaw, GA, they grieve for the loss of Navy Seaman Brian Robert Jones. And in 46 other communities across this Nation, there is grief among the family and friends of 46 other men—men whose lives were taken suddenly and shockingly when that explosion and fire ripped through gun turret No. 2 of the battleship U.S.S. *Iowa* 6 days ago.

We all, reluctantly, recognize that members of our Armed Forces will die when they are involved in a full-fledged war, or even in an isolated combat action. Men and women of the military have died in declared wars and undeclared wars, and in tragedies such as that of the U.S.S. *Stark* just 2 years ago. Tragic as it is, we accept the loss of our personnel in these cases as an inevitable cost of defending freedom.

Then, we confront a tragedy such as the *Iowa*. We see 47 young men die instantly during an otherwise routine training exercise, on calm seas, far from any apparent military danger. In that instant, we are reminded that defending the Nation is always a dangerous job—no matter where the defenders serve.

Let me speak for a moment about Brian Jones. He was 19, had been in the Navy for 2 years and was—by all accounts—a quiet, studious young man. He looked forward to earning a journalism degree at the University of Georgia.

Brian, like many other young people, chose to devote part of his life to the service of his country. Last Wednesday, he and the others of gun turret No. 2 gave their lives to the Nation. Their contribution came in peacetime and far from the battlefront, but it is no less significant than any in Europe's trenches in 1918, on the islands of the South Pacific in

1944, in the hills of Korea in 1951 or the jungles of Vietnam in 1969.

And, even as we grieve for these 47 who were lost, we must take pride in the other men of the *Iowa* for the way they reacted and controlled the magnitude of this tragedy. They skillfully tamed the fires which raged in that massive gun turret, and thus prevented additional damage and loss of life. I urge my colleagues to join me in commending Capt. Fred Moosally and his crew for their skill and courage.

The *Iowa* tragedy will not, most likely, be the last peacetime accident to take the lives of American military personnel. Our Armed Forces work each day with deadly weapons which, like any other tool of man, are susceptible to accidents.

So, our thoughts and prayers should be each day with the 2 million men and women around the world whose job is to defend our freedom. And we should be sure to show them our appreciation for the dedication with which they meet their dangerous but necessary tasks.

IMPROVEMENT OF HUMAN RIGHTS IN ZAIRE

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mrs. MORELLA. Mr. Speaker, I would like to acknowledge the Government of Zaire, under the leadership of Mobutu Sese Seko, for the improvements in respect for human rights which this country has demonstrated in the last few years.

Mr. Speaker, the U.N. Commission on Human Rights reached a decision on February 29, 1989 to discontinue further consideration of the human rights situation in Zaire. The Commission report noted the Government of Zaire's willingness to cooperate fully and to continue its efforts to improve the human rights situation. Recent important steps taken by Zaire are the creation of the Department of Citizens Rights and Liberties in 1986 and the positive efforts highlighted by the U.S. Department of State in its 1988 human rights report, submitted to the Senate Committee on Foreign Relations.

Mr. Speaker, Zaire has been cited in a recent joint report by the World Bank and the United Nations as one of the 14 strongly reforming countries which exhibit encouraging signs of economic improvement. This reinforces the fact that Zaire is committed to a promising development process and that it will continue to be an important friend to use in that region of the world.

However, there is still room for improvement in the field of human rights, based on reports of possible violations involving participation in a demonstration by women protesting the Government's economic policies.

Mr. Speaker, Zaire is an important friend which deserves praise for the headway which it is making in implementing constructive policies. There have been improvements, and we look forward to continued progress in the future.

TOURETTE SYNDROME

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. COELHO. Mr. Speaker, I would like to take this opportunity to recognize a young man from Mississippi who is receiving national attention for his expertise on the hardwood. His name is Chris Jackson, and he plays guard for the Louisiana State University Tigers. Some are comparing him to Pete Maravich, but, if I may, I would like to discuss his courageous battle with Tourette syndrome, rather than his basketball talents.

Tourette syndrome is a perplexing disorder afflicting the nervous system. It is so hard to control the effects of Tourette syndrome that when Chris is being interviewed he often must expend such a great deal of effort trying to keep from suddenly crying out or from suddenly flailing his arm that he will literally become deaf to the questioning. Some of the symptoms of Tourette syndrome first began to affect Chris when he was in grade school, but he was not put on medication until the fall of 1987.

Tourette syndrome can affect how he plays. Depending on the intensity of the game, Chris' face and eyes can twitch and blink with such ferocity it is a wonder he can concentrate on the basket. "I can put on some awesome head fakes, though," he says with a laugh.

Chris' ability to laugh about his condition and not be defeated by it is proof that disabled persons can make very important contributions to society. The media is only concerned with how many points Chris scored, not his condition.

As I can tell you from my own experience with epilepsy, the 36 million Americans with disabilities suffer unfair discrimination due to prejudice, stereotypes, and groundless fears about our abilities or because we are erroneously perceived to pose dangers to ourselves and others.

It is for this reason that I would like to commend Chris Jackson for his role as a model and an inspiration to all Americans—those with disabilities as well as those without. His drive and inspiration should serve as a lesson to us all.

LIFE-THREATENING SHORTAGE OF PROFESSIONAL NURSES

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. ACKERMAN. Mr. Speaker, America is facing a life-threatening shortage of registered nurses, the largest professional component of the health care delivery-system.

Since 1983, unfilled nursing positions have more than doubled, leaving more than 200,000 vacancies nationwide. Hospitals across the country have been forced to close emergency rooms, reschedule surgery, limit patient admissions and eliminate desperately needed hospital beds due to an inability to find enough of nurses to provide adequate staffing.

Exacerbating the problem, nursing schools report a 30 percent drop in enrollment, suggesting that future prospects for an adequate supply of registered nurses are bleak. Chronic problems associated with the nursing profession include low pay, compressed salary ranges, poor professional image and low job satisfaction. This is a dangerous, life-threatening situation.

I believe there are a number of positive steps that can be taken to mitigate the factors contributing to the nursing shortage crisis and encourage more people to pursue a career in nursing. That is why today I am reintroducing The Emergency Nursing Shortage Relief Act. This important legislation addresses three distinct aspects of the nursing shortage: retaining practicing nurses in the profession, providing incentives to encourage inactive nurses to return to practice, and promoting nursing as a professional career choice.

Specifically, the legislation would provide grants for programs to promote nursing in secondary schools, and to recruit nursing students from groups not traditionally well represented in the nursing profession, including men, minorities, and individuals pursuing a second career. The bill also offers funding for programs to train nurses who are reentering the profession and to educate practicing nurses in specialized skills. Tuition assistance would be provided through scholarships and loans to students enrolled in educational programs designed to facilitate reentry into the nursing profession, and to practicing nurses pursuing advanced training and graduate degrees. Notably, students who agree to work in a nursing-crisis area would be eligible for loan forgiveness based on the duration of employment. Full tuition forgiveness would require a 5-year commitment.

To help retain practicing nurses, the bill provides grants to health-care facilities to demonstrate innovative methods to increase the attractiveness of nursng through changes in traditional wage structures, flexible delivery and scheduling of employment options and benefits, and restructuring the role of nurses in health-care facilities. Grants would also be available to demonstrate innovative methods of providing for advancement in careers in the nursing profession. Other provisions of the legislation would offer tax credits to corporations that provide scholarships for nurse training, and extend H-1 visas for registered nurses in nursng-crisis areas.

The Emergency Nursing Shortage Relief Act will help ease the nursing crisis that is crippling the quality of our health care by improving the working conditions for nurses currently in the profession, and promoting nursing as a career. I urge my colleagues to join me in supporting this important measure.

COAST GUARD USER FEE AND FREE RIDE TERMINATION ACT OF 1989

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. CONTE. Mr. Speaker, today I introduced the "Coast Guard User Fee and Free Ride Termination Act of 1989," my bill to permit the Coast Guard to offset some of the cost of providing safety and navigation services for recreational boaters through a small, $25 user fee.

Over my 31-years in this Congress I have seen the Coast Guard's mission expand dramatically. The Coast Guard is now responsible not only for its traditional roles of law enforcement, military defense, marine safety, search and rescue, and icebreaking, but also for enhanced pollution enforcement and control, and an ever greater and more challenging role in drug interdiction.

While we have expanded the Coast Guard's mission, we have not adequately provided the resources for the Coast Guard to fulfill that mission. At no time was this more apparent than last year, when the Coast Guard was faced with a $103 million shortfall. We were able to reprogram $60 million, but the Coast Guard had to absorb $43 million in reductions. That hurt. Marine safety offices were closed, search and rescue operations curtailed, readiness reduced, and needed maintenance and capital improvement delayed.

I know that the Members of this body share my commitment to providing the Coast Guard with the resources it needs to do its job. I know that none of you want to see a repeat of last year's devastating cutbacks in vital services. I also know that no agency, including the Coast Guard, will be exempt from consideration for Federal deficit reduction. There is a fair and reasonable response to these conflicting pressures: Require the beneficiaries of Coast Guard services to contribute to the cost of providing the services. A Coast Guard user fee is the answer.

The Coast Guard stands ready at any and every moment to assist boaters, both in emergency and nonemergency situations. The costs of the constant vigilance are high: the Coast Guard spent approximately $270 million in 1988 on monitoring and ensuring the safety of recreational boaters. yet recreational boaters contributed only $21.6 million toward that amount through the marine fuel tax. The Nation's taxpayers had to pay for the rest.

For years I have been fighting for a simple, inexpensive user fee on recreational boaters to offset part of the Coast Guard's costs for assistance for recreational boating, such as readiness, short-range aids to navigation and nonemergency search and rescue operations. I have a hard time understanding why 250 million Americans must subsidize the pleasure of the 6 million recreational boaters who directly benefit from these nonemergency Coast Guard services.

We don't expect the Government to provide free service when we run out of gas on the highway. Nor should we expect the Coast Guard to come and tow us into port for free when we run out of gas in the middle of Chesapeake Bay. Yet that is precisely the attitude that many recreational boaters take. We must insist that those who benefit shoulder some of the responsibility.

My Coast Guard user fee legislation will authorize a $25 per year fee on recreational boaters who use waters subject to the jurisdiction of the United States—in other words those 6 million pleasure boaters who receive Coast Guard services. The fee would net the Coast Guard approximately $130 million per year, and receipts from the fee would be available solely for the Coast Guard.

The $25 is an eminently fair and reasonable contribution to ask of recreational boaters to help support the Coast Guard's valuable services. Even with the modest fee, recreational boaters will still not be offsetting the entire cost of the Coast Guard's recreational boater services. A nominal fee of $25 a year is not much to ask of any boater for the value of the services.

My bill also would allow the Coast Guard to recover costs of inspections and documentation of vessels, licensing of personnel, and issuing of permits for regattas, by assessing fees proportionate to the cost of providing the service.

With the overwhelming need to reduce the deficit, I find it unconscionable that we continue to give recreational boaters a free ride when we are cutting back on services for the handicapped and elderly, on housing for the poor, and on education for our children. While we have told Medicare recipients that they must finance their own catastrophic care, we have refused to tell boaters that they must finance their recreational safety. Now is the time to change this absurdity. Now is the time to act. Now is the time for a Coast Guard user fee. I hope that every Member of the House will join with me and cosponsor the "Coast Guard User Fee and Free Ride Termination Act of 1989."

LEGISLATION TO CRACK DOWN ON RANDOM UNSOLICITED COMPUTER-GENERATED TELEMARKETING CALLS

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mrs. ROUKEMA. Mr. Speaker, today I am introducing legislation to crack down on random, unsolicited, computer-generated telemarketing calls. This activity is an invasion of privacy, and it should be prohibited.

Many of us have been contacted by constituents who have rightly expressed their outrage at the inconveniences associated with these calls. Most disturbingly, automated dialer recorded message players [ADRMP's] do not distinguish between the phone numbers of homes, businesses, and health and safety agencies. Not only are they a nuisance, but they are also a potential hazard.

Health and safety officials have complained that once a call is made, it often fails to disconnect after the person called hangs up. This could mean the difference between life and death for a person in dire emergency.

In fact, last year, in New York, a mother unsuccessfully tried to call an ambulance from her home for her child who had collapsed. When she picked up her phone, all she could hear was an unsolicited automated sales pitch! After hanging up and trying to call again and again, she could not get a dial tone. She was forced to call for help from a neighbor's home. Luckily, the child survived.

My bill, the Automated Telephone Solicitation Protection Act, would correct these abuses. It would prohibit ADRMP's from making calls to the emergency line of any hospital, medical physician or service office, health care facility, or fire or law enforcement agency.

Under my bill, computer generated telemarketing calls would only be permitted in response to a specific request to a vendor by an individual who has a specific business relationship with the automated dialer. Businesses which would profit from automated dialing services would be permitted to receive these calls, but only if they chose to.

However, under my bill, even those individuals who solicit these services would be protected by a provision which would guarantee that a specifically undesired call would be terminated within 5 seconds after the person called hung up.

Mr. Speaker, at present the Federal Communications Commission has no authority to regulate this activity. Various States have passed laws to restrict this activity, albeit without any direction from the Federal Government. As many of these calls are interstate in nature, there is an appropriate Federal role in this policy area.

I hope all my colleagues join me as cosponsors of my legislation. I also call on the House Energy and Commerce Committee to take expeditious action on this legislation.

THE GLIDE MEMORIAL CHURCH CONFERENCE ON CRACK COCAINE

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Ms. PELOSI. Mr. Speaker, I would like to bring to the attention of my colleagues a conference held earlier this month on crack cocaine and its impact on black families and their communities, sponsored by the Glide Memorial Church in San Francisco. The conference brought together professionals from across the country and Europe. It is significant to note that this is the first national conference on the problem of crack cocaine in our society.

Unlike the administration's approach over the last 8 years, the participants of this conference recognized that the drug problem goes far beyond stopping drug traffickers as they enter the country or telling school children to "just say no." It is time that we realize that access to drugs is directly related to addiction. Drug addiction is often a responsive behavior to the desperation that comes from

living as a social and economic underclass in a country of affluence.

The everyday stress of poverty, racism, substandard housing, unsafe communities, and limited employment opportunities predispose people to drugs. The conclusion the participants drew from their discussions are far broader in scope than the administration's policy. Conference participants agreed that the crack epidemic will not disappear until we address ourselves to the inadequate standard of our minimum wage, job training and the economic redevelopment of drug plagued communities, more low-income housing, better access to health and mental health care, and the shortage of drug treatment and rehabilitation programs.

One of the most important aspects of the conference was the organization of city, State, and national task forces who are willing to work together for the changes that they see are necessary to solve our nation's drug problem. From the San Francisco conference, the participants have gone back to their communities to organize and implement local strategies.

The role of the Federal Government should be to assist these local organizations to counter the drug epidemic. I urge the administration to address the social problems that foster illegal narcotic traffic, when molding a national drug control policy. I commend Rev. Cecil Williams, Glide Memorial Church, and the participants in this conference for their leadership on the crack epidemic, and I suggest the administration take a lesson from their important initiative. Thank You.

CELEBRATION OF THE 20TH ANNIVERSARY OF RIVERBEND ELEMENTARY SCHOOL

HON. JACK BUECHNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. BUECHNER. Mr. Speaker, I rise today to ask the people of our great Nation to join with me in recognizing and celebrating the 20th anniversary of the Riverbend Elementary School of Chesterfield, MO.

A full generation has passed since Riverbend opened its doors in 1969 and those who attended the first kindergarten class there are now, for the most part, making their own way in the world. Some may even have children old enough to complete the cycle and are attending this school today.

It is altogether fitting that we should pause today to reflect on this event, for it is indeed significant. The last 20 years have seen great changes in all areas of our society, both good and bad. But, in an age where American education is so often denounced as ineffective and bureaucratized, Riverbend has maintained its educational character, and it continues to serve as a reminder of what commitment in education means; steadfastly maintaining its consistency of purpose.

Riverbend is a special place because here excellence in education is expected, but not taken for granted. Its teachers and administrators dedicated to continuing a tradition of educational quality, striving to improve a system that begins with the idea that the focus in our schools must be on the children.

With the theme of hand in hand, caring and sharing, educators and parents together work to help students develop their maximum potential. By helping students to recognize their own worth, and take pride in their accomplishments Riverbend has been successful because it has not forgotten that education is most successful when it is a partnership.

If we could look back 20 years ago to when the doors of this institution first opened what we would see is not that different from the Riverbend of today. Perhaps the curriculum has changed, and undoubtedly most of the faces. However, what remains is far more important than what has changed—which is the school's continued commitment to the values upon which our educational system was founded. The concept of developing the student as a person, not just an academic mind, the idea that education is a vital gift, not just an administrative procedure, and of the importance of the union of the school and the family within the educational process, all these and more are tenets by which Riverbend strives to complete its educational goals.

The development of the minds of our children is a noble and essential calling. I invite all of my colleagues to join me in recognizing the 20th anniversary of this fine institution and those who continue to make it what it is today. I ask you all to join with me in wishing them continued success for many generations to come.

JEWISH NEWSPAPER FIREBOMBED

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. LOWERY of California. Mr. Speaker, I would like to rise today to denounce a violent act that was inflicted recently upon the San Diego Jewish community.

On April 22, at 1:15 a.m., the office of the San Diego Jewish Times was attacked with a firebomb.

The Times is a news magazine that aims to preserve an ancient culture, tradition, and heritage. It has been published in San Diego for 10 years and has a circulation of 16,500.

Fortunately, no one was in the building when the bomb exploded. Due to metal bars that have been placed on the windows because of prior threats and vandalism, physical damage was confined to a few burnt shingles and broken windows. However, the fear of further attacks still lingers and that fear weakens the foundation upon which this country was built—that all people are created equal with a freedom to choose their own beliefs.

Although this was the first time a Jewish institution has been firebombed in San Diego County, statistics show similar hate activities are on the rise in the county. According to Anti-Defamation League statistics, there were 33 hate crime incidents reported in 1988, compared with 11 in 1987.

The firebombing took place during the weekend of Passover and may have had a bizarre connection to the anniversary of Hitler's birth the Wednesday before.

Publisher Garry Rosenberg said in an interview that his newspaper tries to be "the glue that holds the Jewish community together." We cannot let it be torn asunder by the hate of a few misguided individuals.

Mr. Speaker, the Jewish community leads the fight for human rights in many parts of the country, and denounces terrorist acts of any kind. In the face of the trauma visited upon the San Diego Jewish Times, I ask the support of my colleagues in condemning this cowardly attack and praising the newspaper and its staff for their continuing courage.

ENCOURAGE RECYCLING BY PLASTICS CODING

HON. JOSEPH E. BRENNAN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. BRENNAN. Mr. Speaker, today I am introducing a measure to facilitate the recycling of plastic containers.

This legislation requires that plastic containers be marked with a code identifying their chemical makeup.

This idea was suggested to me by a committee on recycling options in the Maine State legislature. The concept is supported by representatives of the plastics industry and by environmental organizations.

Although plastics consist of only about 7 percent of the solid waste stream by weight, they comprise some 30 percent by volume. In addition, their lack of biodegradability makes them a logical target for recycling.

Each year, the plastics industry manufactures some 55 billion pounds of plastics and Americans discard about 22 billion pounds. However, markets are beginning to develop for recycled plastics.

PET [polyethylene terephthalate] is the type of plastic resin commonly used in the manufacture of large soda bottles. About 150 million pounds of PET bottles were recycled in 1988. But the center for plastics recycling research estimates a potential market for 500 million pounds of PET annually.

High-density polyethylene [HDPE] is used to make plastic milk jugs and other containers. While 55 million pounds of HDPE were recycled in 1988, the center estimates a potential market of 440 million pounds.

For PET and HDPE, the bottleneck occurs in collecting the plastics from consumers. The legislation I am introducing will assist consumers and reclycing centers in the sorting and collection of plastics.

This measure can also facilitate the development of recycling markets for other types of plastic and mixed plastic.

Mr. Speaker, the growth of municipal solid waste in this country is out of control. We need to take steps now to recycle and reduce solid waste wherever possible. I urge my colleagues to support this legislation.

SAN JACINTO DAY

HON. MICHAEL A. ANDREWS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. ANDREWS. Mr. Speaker, last Friday marked a very important day in Texas history—San Jacinto Day. Each year, on April 21, thousands of Texans meet at the San Jacinto Monument to reflect upon the battle where Texas won its independence from Mexico. This April 21 was the monument's 50th anniversary.

This site commemorates two great achievements by Texans. One on the battlefield and the other over nature. As hard as the Texas army fought against Mexico, other Texans worked equally as hard to erect a memorial to our veterans. This 570-foot monument is a fitting memorial to our war heros.

One hundred and fifty-four years ago life was much different in Texas. The first Texans were citizens not of the United States but of Mexico. They bitterly opposed efforts by Santa Anna to tax them. In 1835, when Santa Anna replaced constitutional government with dictatorship, they rebelled. They chose to risk their lives to restore constitutional government to Texas.

After running Santa Anna and his troops out of San Antonio, Santa Anna returned to storm the Alamo the next year. Crockett, Bowie, Travis, and 180 others died in their pursuit of freedom at the Alamo. From the Alamo, Fannin's army was defeated by the Mexicans at Goliad. Fannin and nearly 350 men were executed as pirates.

With the tide turning against Sam Houston, he forged his angry mob of Texans into an army. He learned that Santa Anna had taken personal command of the advance guard to chase the fleeing rebel government. On the 20th, Houston reached Lynchburg just ahead of the Mexicans. Around noon, the cavalry joined in a brief skirmish and then both sides broke off the action. Santa Anna retreated to the high ground between the Texans and San Jacinto while the Texans waited.

The next morning, 400 to 500 reinforcements arrived for the Mexican Army. Houston ordered the bridge burned making it difficult for more to arrive. About 3:30, the Texans stormed the Mexican high ground shouting "Remember the Alamo," "Remember Goliad!" The Texas army managed to surprise their enemy and win the battle in only 18 minutes. When it was over, 630 Mexicans were killed, 208 were injured, and hundreds were captured. Remarkably, Texans lost only nine lives. Houston's hostage, Santa Anna, ordered the remaining Mexicans to retreat. Sam Houston won Texas her independence.

Today celebrates two achievements. It is not only San Jacinto Day—reminding us of our decisive battle over Mexico; but is also the golden anniversary of the San Jacinto Monument and the San Jacinto Museum of History both of which were dedicated on April 21, 1939.

For many years, Texans sought to erect a memorial on this battleground. The sons and daughters of the Republic of Texas were instrumental in obtaining public support for the construction of this memorial. They encouraged the Texas Legislature to purchase this site from its original private owners. Jesse H. Jones, Secretary of Commerce in Roosevelt's Cabinet, helped put the funding together for this monument. He personally supervised the 3 years of construction and donated money to ensure successful completion of the project. While Jesse Jones helped build the monument, George A. Hill, Jr., established the private museum within its walls. His personal collection of documents from the republic are among the most cherished relics in this museum. For the first 10 years of the monument's history, George A. Hill, Jr., served as the chairman and later as president of the board of trustees. We owe the success of this monument to those outstanding Texans.

Other Texans came in to assist in the construction of the monument. Alfred C. Finn, a Houston architect executed the design. The engineering work was also done by a Houstonian, Robert J. Cummins. Rice Institute professor, William H. McVey, was commissioned by Alfred Finn to sculpt the friezes around the base. A Texas construction company, W.S. Bellows, became the prime contractor for the monument. This outstanding team of Texans came together to challenge state-of-the-art construction technology and equipment. Their hard work yielded the tallest masonry structure in the world.

The challenge of building this monument began on the ground. With such soft soil, a very thick foundation was needed—15 feet thick at the center. Compounding the need for a thick foundation was the request of the architect and engineer to pour all this concrete continuously. In other words, if the concrete for the base stopped flowing, the contractor would have to tear the entire foundation out and start over. To avoid the possibility of having to start over, the contractor took every possible precaution. The pour was completed in 57 hours, and, as you can see today everything went smoothly.

Approximately 70.7 million tons of Texas Cordova shellstone was needed to complete the structure and the surrounding terrace. Quarried from Burnet County near Austin, this shellstone is about 100 million years old. The stone blocks that make up the first 60 feet of the tower weigh a massive 8,000 pounds each. As construction moved further up the monument, the stone blocks decreased in weight to the relatively light—500 pounds. Each stone block was individually lifted by an electrical hoisting engine located in the basement of the monument. The smaller blocks, after arrival at the top, were positioned by hand operated derricks. Only through hard work and determination could the 70.7 million tons of stone become the San Jacinto Monument.

Moving the workers around the monument proved no easier a task. By a system of hand cranks, the workers could move their platform up the face of the monument at the rate of 1 foot in 5 minutes. Seventy-five men made up the scaffold work force. With two courses of stone stocked ahead, the weight of their suspended work area was about 65 tons.

While progressing this far, the most difficult part of the construction still remained. Construction of the lone star, the symbol of Texas independence, began as the tower was finished. Steel, concrete, and stone went into the 35-foot star. The points of the star overhung the 19-foot square base making its construction even more difficult. At 357 feet in the air, there was no room for mistakes. The stone was brought to the top in 1 foot squares, 3 inches thick, and cut to fit. In only 20 days, the monument workers built the star atop this monument. With a lot of good luck, the construction of this monument was injury free, an unusual record in construction of so high and dangerous a character.

Today this monument houses a library with more than 500,000 pages of historically significant manuscripts spanning over 400 years of regional history. The museum's collection also contains more than 100,000 items ranging from pre-Columbian artifacts to documents reflecting 19th century Texas. The monument stands as a reminder not only of the decisive victory won on this site, but also as a reminder of the hard work of the hundreds of people who created this monument for Texas. I am pleased to join my fellow Texans in the celebration of this great structure's 50th birthday.

PERSONAL EXPLANATION

HON. BOB WHITTAKER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. WHITTAKER. Mr. Speaker, on Tuesday, April 18, the House considered House Joint Resolution 165 to disapprove the recommendations of the Commission on Base Closures and Realignment.

Due to a previous commitment, I was unable to cast my vote on this important measure. Had I voted, I would have voted against House Joint Resolution 165.

I strongly support the recommendations of the Commission on Base Closures and Realignment and believe that the House should now examine the military necessity of our facilities abroad.

GLASNOST: CAUTIOUS OPTIMISM

HON. BEN ERDREICH

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. ERDREICH. Mr. Speaker, early decisions by the Soviet Union that its Government is moving toward a policy of openness, or "glasnost," gave us reason to be cautiously optimistic about their promises to stop the oppression and denial of basic religious rights and freedoms to the thousands of Jews seeking to emigrate. It appears, however, that these pronouncements of impeding change have been more talk than action.

While the 19,383 Jews allowed to emigrate in 1988 was a 20-year high, thousands more are still being denied the right to emigrate and travel because of the alleged possession of "state secrets." Refuseniks estimate that at least 60 percent of all current emigration deni-

als have been linked to state security. Many of these cases involve individuals who left their jobs over 10 years ago, making it virtually impossible that they still possess sensitive information. What is more, the use of secrecy to bar emigration violates basic human rights which dictate that documents containing secrets should be detained, not people.

The Soviets' flowery words promising positive changes in their human rights activities have not been followed with concrete action. The release of a few is not sufficient.

On this last day of Passover, signifying the successful flight of oppressed Jews from Egypt to the promised land, let us work to raise a strong, united voice against the violation of human rights of Soviet Jews and all those wishing to emigrate from the Soviet Union. Let us redouble our efforts so that next year at this special time, they can celebrate their own exodus, free to practice their religious beliefs and pursue their personal goals without threat of exile, imprisonment, and persecution.

THE STRUGGLE TO REMEMBER THE ARMENIANS

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. FEIGHAN. Mr. Speaker, the 24th of April, 1989, is the day we commemorate the Armenian genocide which took over 1.5 million lives. We are here today as part of the process of history, the preservation of memories that we must never forget.

From 1915 to 1923, at the time of the breakup of the Ottoman Empire, the Ottoman leaders directed and encouraged a campaign of genocide against the empire's Armenian population. By the time the 8 years of carnage ended, 1.5 million Armenians had been killed by forced marches, wholesale deportations, and mass executions in what has been widely noted as the first genocide of our century.

The consensus of world opinion has long ago accepted the horrible reality of what occurred in the Ottoman Turkey of 1915, and as the facts have accumulated, even the most callous are hard put to deny them. It is notable that even as Germany and Turkey were allies in World War I, Germany felt obliged to lodge a strong protest regarding the Armenian persecution and actively sought United States assurances that Germany would not be held responsible for what it termed "these acts of horror." And there are other facts that demonstrate, beyond any doubt, that these mass killings constituted genocide.

Fact: At the very time of this holocaust, American newspapers reported the ongoing slaughter, and the conservative New York Times documented the killings in articles with headlines such as "Germany Says She Cannot Stop Turks," "Tales of Armenian Horrors Confirmed," "Whole Plain Strewn by Armenian Bodies," "800,000 Armenians Counted Destroyed," and "Annihilation of Armenians Threatened."

Fact: Reports in the diplomatic archives of the United States, Britain, and Germany describe the slaughter.

Fact: A 1989 report by the United Nations' Subcommission on Prevention of Discrimination and Protection of Minorities concluded that the preservation of historical fact required acknowledgement of the massacre of Armenians by the Ottoman Turks.

It is ironic that even Mustapha Kemal, the father and hero of modern Turkey known as "Ataturk," acknowledged what the current Government of Turkey will not when he referred to, "the lives of millions of our Christian subjects who were ruthlessly driven en masse from their homes and massacred."

Why are we debating this issue, and why are there some who deny the very occurrence of this tragedy? Because the events seem distant. Because the modern state of Turkey is one of our important NATO allies. Because recognition of the Armenian holocaust would cause friction in our relations with Turkey and might possibly lead to domestic unrest in Turkey itself. All of these are very reasonable concerns. But did we not deal with these same issues after World War II? Even when we were gravely concerned about the stability of Germany as a bulwark against Stalinism, did we not adhere to our principles and require the Federal Republic of Germany to acknowledge the crimes of its Nazi predecessor. Without casting blame on the existing German state, we stuck with our principles because we believed, and still believe, that those who do not remember the lessons of history are doomed to repeat them. Now I must ask each of you: How can we remember the lessons of history if we refuse to acknowledge their existence in the first place?

The situation of Turkey is no different. Perhaps there has been a lesser cry for recognition of the Armenian genocide because, in part, Americans did not view firsthand the Ottoman Turk atrocities as they viewed the liberation of the Nazi death camps. No shocked young GI's viewed Armenian bodies to subsequently return home and tell the story. In recognizing this past wrong, we can clearly distinguish between the actions of the Ottoman Turks and our current ally the modern Turkish state. We can recognize the past wrongs to Armenians without suggesting that modern Turkey must somehow pay for that past crime by its own self-destruction.

What we are talking about here is the worst type of crime known to man. What we are talking about here is a crime that is greater than politics and foreign policy. Let's stop pretending that playing fast and loose with the historical event of the Armenian genocide can be justified by the short-term policy considerations of the Department of State. In the first instance, the recognition of genocide is the only way to prevent its repetition. Let us make sure that it never happens again.

SUGAR RAY ROBINSON, THE GREATEST BOXER WHO EVER LIVED

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. DIXON. Mr. Speaker, while the world of sports has seen many worthy competitors come and go, today I rise to express my sadness at the passing of one of sport's greatest legends, Sugar Ray Robinson. Sugar Ray, the greatest boxer who ever lived, passed away on the morning of April 12, 1989. After struggling with a debilitating disease for the past 5 years, Sugar Ray died at Brotman Medical Center in Culver City, CA.

World welterweight champion, five-time defender of the middleweight title, member of the Boxing Hall of Fame, No. 1 ranked fighter in the 1984 book "The Greatest Boxers of All Time," and founder of the Sugar Ray Youth Foundation, Sugar Ray was undoubtedly one of America's and history's finest boxers and professional sportsmen.

I was privileged to know Ray on a personal level. He was a considerate, hard-working, and conscientious gentleman who expressed a strong commitment to social justice both in and out of the ring. One time before a boxing exhibit during World War II, Ray refused to appear until black soldiers were allowed to attend.

In 1969, he founded the Sugar Ray Robinson Youth Foundation for inner-city children in the Los Angeles area—a foundation which has opened up enormous opportunities for at-risk youth in Los Angeles. This center provides minority youth with constructive alternatives to involvement in gangs and drugs that they are surrounded by in their daily lives. The foundation offers a wide range of activities including sports, arts and crafts, drama, and dance. Programs like this are invaluable. The sports activities for example, while offering a healthy outlet, teach children the values of discipline, cooperation, and constructive competition. Trophies and awards help to bolster children's self-esteem, giving them the recognition they seek.

Sugar Ray was not always known as Sugar Ray Robinson. Born as Walker Smith Robinson, Jr. on May 3, 1921 in Detroit, MI, he spent his formative years in Harlem. It is said that his interest in boxing was inspired by a priest who encouraged him to start spending time more constructively. As it turns out, this advice spawned a remarkable boxing career that would span one-quarter of a century. Walker Smith won 85 consecutive bouts as an amateur, 69 by knockout, before turning pro on October 14, 1940. How did Walker Smith Robinson, Jr., become Sugar Ray Robinson? During this period, Walker was boxing under the assumed name of Ray Robinson. After hearing a ringside fan excitingly comment that his fighting was as "sweet as sugar," he adopted the now famous name, Sugar Ray Robinson. He joked that it had a much nicer ring than Sugar Walker Smith.

Ray began his professional boxing career with an undefeated first 40 bouts. When he retired, he had accumulated 175 victories, 110 of which were knockouts; 19 losses, 5 of these incurred in the last 6 months of his career at age 44; and 6 draws. Impressive as they are, these statistics merely document what are boxing fans' vivid memories of Ray's legendary skills. Ray was skilled and quick in the ring, yet somehow gracefully smooth. He used his stinging left jab masterfully.

Sugar Ray Robinson will be forever remembered and worshiped by sports fans through-

out the world. He not only mastered boxing as a science, he performed the sport as pure art. While truly an amazing athlete, Ray was also a genuine human being filled with compassion and responsibility for those around him. He is an inspiration to us and will be greatly missed.

I would like to extend my sincere condolences to his lovely wife, Millie; his son, Ray Jr.; his two stepchildren, Ramona Lewis and Butch Robinson; his four grandchildren; and to his sister Evelyn Nelson.

THE FORGOTTEN JEWS OF SYRIA

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. WAXMAN. Mr. Speaker, even while democracy is breaking out around the world, we continue to witness human rights abuses in abundance. As the Jewish holiday of Passover comes to a close tomorrow evening, it is an appropriate time to pay special attention to the plight of Jewish communities in distress. After all, this 8-day holiday is a celebration of liberation from oppression. Our work is not completed until all persecuted people—Jews and others—are freed.

Of all Arab countries, Syria is most notorious for its treatment of the Jewish community. Currently 4,500 Jews live in Syria. Their emigration is prohibited and travel is severely restricted. President Assad has claimed that if Jews were permitted to emigrate, they would move to Israel, join the Israeli Army and fight against Syria. Meanwhile, Moslems and Christians are allowed to emigrate and travel freely.

Aside from emigration restrictions, Syrian Jews are subject to constant surveillance, arbitrary arrests and killings by secret police. Fifteen years ago, on March 18, 1974, four Syrian Jewish women were kidnaped, raped and murdered while trying to escape from Damascus. Six Jewish men, among nine that were arrested in 1987, are still being held without charges in Syrian prison. According to Amnesty International reports, they have been beaten, tortured, and denied legal counsel since their imprisonment.

The stories of persecution of this tiny Jewish community go on and on. We must continue to tell them, and continue to pressure the Syrian Government to live up to its international human rights obligations. As Jews and others commemorate moments of liberation, let us not forget the work that is not yet finished.

TO HONOR OVER 40 YEARS OF DEDICATED SERVICE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. MILLER of California. Mr. Speaker, I rise today to pay tribute to Arthur J. Clark, a man who has dedicated close to 50 years to helping young people through the Boy Scouts of America.

A.J. Clark, a long-time resident of Antioch, CA, began his service with the Boy Scouts in 1943. Since that time, he has spent thousands of hours tirelessly counseling and working with many of the youth of our community.

In addition to his work directly with young people, Mr. Clark has spent a great deal of time in other phases of the scouting program. He has served on numerous committees and advisory boards, helping to guide and advance the scouting program itself.

A.J.'s service to the community extends beyond the Boy Scouts, as well. He has devoted much of his time to local PTA's in various capacities, including president; has been actively involved with his church as a Sunday school teacher, deacon, and a member of the Board of Directors; has been active in Girl Scouting; and has served as Planning Commissioner for the City of Antioch.

Arthur Clark's tremendous contributions to the youth of our community deserve recognition and commendation. His dedication and boundless energy have made him a positive role model for our young people. Through his many hours of service, A.J. Clark has helped and influenced hundreds of Antioch's young men and women, many of whom could find help nowhere else.

As his Representative, as well as chairman of the Select Committee on Children, Youth, and Families, I take great pride and pleasure in congratulating and honoring A.J. Clark, a man who genuinely cares about young people and their futures. the city of Antioch has greatly benefited from Mr. Clark's service, and will no doubt continue to benefit as the youth whom he influenced become tomorrow's community leaders. Our community and our country could certainly use more caring, devoted people like Arthur J. Clark.

A TRIBUTE TO CALVARY EPISCOPAL CHURCH ON THE OCCASION OF ITS 88TH ANNIVERSARY

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. FAUNTROY. Mr. Speaker, I am honored to rise in this noble Chamber to salute the Calvary Episcopal Church for 88 years of devoted and unique spiritual leadership and progressive social service to the community.

In an age of compromise and capitulation, this gathering of believers has dared to challenge injustice and remind those who have forgotten that God, in the act of creation, created not a world of caste, but of community—where every person, without reference to pigment, shares the Earth's bounty as brothers and sisters. In a time when human needs have gone unaddressed, this same community of believers demonstrated a scintillating example of the profound religious tradition that has made our Nation great.

For the foregoing, I celebrate the history of the Calvary Episcopal Church and pray God's continued blessing on the fruit of their collective labors.

WORKERS MEMORIAL DAY

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Ms. SNOWE. Mr. Speaker, I rise today to express my support for House Joint Resolution 235, which designates April 28, 1989, as Workers Memorial Day.

April 28 marks the 19th anniversary of the Occupational Safety and Health Act. It is an appropriate date to remind us of the continued need to improve workplace safety in this country. Over 100,000 workers die each year from job-related injuries and disease. This figure should serve as impetus to us all to review and strengthen our efforts to improve workplace safety.

My own State of Maine has the sad distinction of leading the Nation in job-related accidents. Maine's total incidence of accidents, injuries, diseases, and fatalities was 58 percent greater than the Nation as a whole in 1987.

On April 28 we will pay our respects to the men and women who lost their lives doing their job. The best way to honor these individuals is to rededicate ourselves to improving workplace safety. America's greatest natural resource is her people, and we must not allow the loss of life in the workplace to drain that resource.

STOP THE FLOW OF DRUGS TO OUR MONEY MARKETS

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. DANNEMEYER. Mr. Speaker, the public debt will have trebled, from $1 to $3 trillion, by the end of this decade. I find it intriguing that the $2-trillion increase is almost exactly the same as the amount of excess interest the Treasury will have paid out during this decade, over and above what Newmont and Barrick would have paid on a debt of $1 trillion.

Newmont who? Newmont Mines and American Barrick are companies with an innovative plan to refinance their corporate debt in the form of longer term, lower interest bonds; thereby saving their shareholders millions of dollars.

The U.S. Government could duplicate this feat on a larger scale. We could refinance the short-term, high-interest debt, as it matured, by issuing long-term, low-interest bonds. This would save the taxpayers trillions of dollars and would, incidentally, restore the regime of low and stable interest rates in this country.

Short-term Government paper is a drug on the market, spreading poison throughout the body economic. We must stop the flow of drugs, if we want to arrest the cancerous growth of debt.

I insert my op-ed piece on this subject for the information of my colleagues, and all other discriminating readers.

STOP THE FLOW OF DRUGS TO OUR MONEY MARKETS!

(By Bill Dannemeyer)

Once upon a time Uncle Sam could borrow at the lowest rate of interest available in the world. Treasury bonds used to be the most desirable paper, in terms of their high and stable value. Such is no longer the case. Our bonds have been put through the wringer of inflation. As a result, their values are neither high nor stable. Another sign of deterioration in the government's credit is the short term at which it must borrow lest it should upset the market. Ninety percent of the public debt is to mature in four years or less.

It is a disgrace, and a source of national humiliation, that obscure companies can outbid Uncle Sam by issuing longer-term paper at lower rates of interest. Whoever has heard of Newmont Mines, or American Barrick? Why, these companies can get their money at only two and one half percent, while Uncle Sam gets his at rates just shy of double digits. For several years I have been saying that we must tell Newmont, Barrick, and the rest of the world: "You shall not put Uncle Sam to shame"; and: "Anything you can do, Uncle Sam can do better".

We have only ourselves to blame for our runaway deficits. We have been drugging the money-markets with short-term government paper. The allusion to drugs is apt. This type of paper is addictive. The more of it is supplied, the greater will be the appetite for it. The euphoria it produces is short-lived, and the dose or the potency of the drug must be continually increased in order to keep the drug-dependent economy going. Short-term, high-yield government paper is a dangerous drug even apart from its addictive nature. It syphons off the sap from productive enterprise. It undermines the vitality and strength of the economy. It destroys capital. We can see it in the degradation of our once-flourishing inner cities. We can see it in the meltdown of banking assets.

"This scourge must stop". The way to stop it is: to stop it. Congress can, single-handed, stop the flow of drugs, in the form of short-term government paper, to the market. Like Newmont and Barrick, it should replace high-cost, short-term debt with low-cost, long-term debt. The savings in interest will be enough to wipe out the entire budget deficit, with something to spare. The source of instability inherent in the short-term maturity structure of the debt will be removed.

The taxpayers are puzzled because my common-sense plan to eliminate the destructive deficit-spiral has been given the cold shoulder. The ideologues in charge of our monetary and fiscal policy would not be engaged in a public discussion on the merits of the plan. Their opposition is not based on practical, but on ideological considerations. In the eyes of the ideologues, Newmont and Barrick have one great blemish. They are gold-mining companies with the cheek and temerity to issue gold bonds. A gold bond is a promise to pay principal and interest in gold. The fact you can borrow at two and a half percent explodes the most cherished myth of the ideologues. The regime of high interest rates is not an act of God. It is manmade. It has to do with the nature of promises involved.

True, a gold mining company has a cash flow in gold which will service the gold-bonded debt. But the government could easily duplicate that by giving itself a gold income in the form of customs duty payable in gold coin. In fact, this is what the Union government did during the Civil War. It did not repudiate its gold-bonded obligations. Its greenbacks, unlike ours, were not an absolute legal tender. They were not acceptable for purposes of paying interest on the debt, nor customs duty. There is nothing new in my plan. It is the same formula which was successfully used to finance reconstruction in the aftermath of the Civil War.

The men in charge of our monetary and fiscal policy see, in my proposal to dilute the absolute legal tender provision for the greenback, a dilution of their absolute power over the public purse. They understand perfectly well that the gold coin is the most effective means in the hands of the taxpayer to restrain spendthrift politicians. They show thumbs down to my plan.

I want to appeal my case to the taxpayers. The gold-bond formula is a responsible, time-hallowed way of financing government. Its secret is that it forces the government to look for revenues before spending. By contrast, our present arrangements allow the government to spend first, and worry about revenues afterwards.

There is a tremendous pent-up demand for gold bonds out there. According to a recent report in Barron's magazine, central banks around the world snapped up gold bonds at the rate of 200 to 400 tons during 1988. Central banks control about 30,000 of the world's 100,000 tons of gold. The surface has hardly been scratched. Gold can and must be mobilized in our fight against the drug of short-term government paper.

The present system is untenable. It makes the cat (the debt) chase his own tail (interest on debt). This is what caused the public debt to treble, from $1 trillion to $3 trillion, in just one decade. The increase of $2 trillion is the excess of interest payments extorted for that period. It represents the profits of the drug-pushers. The next decade could see the debt trebling again to $9 trillion, of which no less than $6 trillion would be payoff to the drug-dealers. This exponential spiral is leading to a credit collapse. That would clearly force a change in government finance. Rather than waiting for a disaster to do the job, we should take the bull by the horn, and save society from that traumatic experience. We should remember that an earlier credit collapse, in a sober country like Germany, gave a Hitler to the world.

Such is the issue. The House will start its budget debate shortly. I shall introduce an alternative budget which incorporates the formula of gold-bond financing. It is designed to wean the market from its addiction to the drug of short-term government paper. It proposes to eliminate the budget deficit in four years' time, by drastically reducing interest costs on the public debt.

Thereafter, Uncle Sam will not be obliged to make frequent trips, hat-in-hand, to the market. The market will come to Uncle Sam. And everybody will benefit from the restoration of the regime of low and stable interest rates.

IN HONOR OF RONALD WAKABAYASHI

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. MATSUI. Mr. Speaker, I rise to take this brief opportunity to recognize and honor a true leader of our time. His name is Ronald Wakabayashi, and I, sir, am proud to say that I have had the fortune to work with him as a colleague and to know him as a friend.

During my years in public service, I have had the opportunity to meet many special people. But I can honestly say that I have met few who have touched as many lives in such a positive and constructive way as Ron has.

Ronald Kaoru Wakabayaski's résumé reads like a tireless magna carta of public dedication. Before his current post with the United Way as vice president for planning and problem solving, he served as the national director of the Japanese American Citizens League. During his 7-year tenure, he stood as an outspoken advocate for responsible approaches to anti-Asian violence along with drug abuse treatment, prevention, and education programs. His leadership proved monumental in breaking down racial barriers from the workplace to the schoolyard as well as laying miles of necessary groundwork in the grassroots effort for redress.

Ron has also served as a unifying force as the first executive director of the Asian American Drug Abuse Program and currently serves as a member of the California Student Aid Commission and as a member of the board of directors for the Asian Pacific Americans in Higher Education.

Mr. Speaker, when John F. Kennedy inspired this Nation to reach higher grounds by reaching out and helping others through public service, Ronald Wakabayashi was there to hear his call. To this day, his dedication represents a standard all of us will greatly benefit from for many years to come. Thank you.

THE HOME LENDING PROGRAM

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. GEPHARDT. Mr. Speaker, though I could not be in St. Louis today, I would like to join with General Electric Capital Insurance Co., National Training and Information Center, and FNMA in celebrating the announcement of the Home Lending Program. This program focuses on neighborhoods; middle income neighborhoods like those in St. Louis and throughout Missouri.

In order for us to tackle the housing availability and affordability problems that face our State and our Nation, we must have cooperation between the public and private sectors. Given the size of our budget deficit, private sector involvement in this area is critical.

The Home Lending Program will provide access to mortgages for borrowers in low-

and moderate-income neighborhoods. This program does not require excessive income, mandatory reserves, or increased downpayments to qualify for a loan.

As our mortgage system has become more complex and national in scope, attention to the needs of urban neighborhoods has diminished. The combined efforts of GE Mortgage Insurance Co., National Training and Information Center, and FNMA will assist in better serving low- and moderate-income neighborhoods and potential homeowners.

The efforts of those contributing to the Home Lending Program are commendable. GE Mortgage Insurance Co.'s willingness to insure mortgages in our neighborhoods is a necessary link in this program. FNMA's efforts in purchasing the mortgages is equally as important. For without this assistance, lenders would have to hold the mortgages issued under the Home Lending Program indefinitely. Ensuring that these mortgages are purchased will free the lenders from holding them in their portfolios and encourage the availability of capital for additional mortgages under the program.

The Federal Government cannot and should not be expected to confront America's housing crisis alone. We all have a vested interest in strong and vital neighborhoods. Efforts like the Home Lending Program and the participation of the contributing companies are an asset to the challenges that we face as we strive to provide decent and affordable shelter for every American.

EASTERN AIRLINES: NEED FOR INDEPENDENT TRUSTEE BY BANKRUPTCY COURT

HON. HARRY A. JOHNSTON II

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. JOHNSTON of Florida. Mr. Speaker, Congressman PORTER T. GOSS and I have introduced legislation that reflects the feelings of the many Americans who have been both directly and indirectly affected by the dispute between Eastern Airlines and its unions. Last week, our colleague, Senator BOB GRAHAM of Florida, introduced similar legislation expressing the sense of the Senate. Our resolution expresses the sense of the House of Representatives, that the negotiations for the sale of the company should not be brought to the brink of completion, only to break down over the question of who will run Eastern in the meantime. The resolution encourages the bankruptcy court to appoint an independent trustee to oversee operations until the transfer of control to the new owner is complete.

As Bankruptcy Judge Burton Lifland said, "Eastern has remained too long in the emergency room and is hemorrhaging at the rate to more than $1 million a day." We share these feelings of urgency and maintain that the healing process is long overdue.

The disappointment brought on by the last-minute failure of the Ueberroth deal was especially biting, given the true spirit of compromise characterized by the agreements worked out between labor and management. It is this frustration that I share with the pilots and machinists who reside in my district, throughout the State of Florida, and throughout the country.

We encourage our colleagues to join us in expressing the sense of the House that timely and appropriate action be taken, which could include the appointment of an independent trustee by the bankruptcy court.

AMENDING THE DEEP SEABED HARD MINERAL RESOURCES ACT

HON. LARRY E. CRAIG

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. CRAIG. Mr. Speaker, today I am introducing legislation to amend the Deep Seabed Hard Mineral Resources Act to authorize appropriations to carry out the provisions of the act for fiscal years 1990, 1991, and 1922.

The authorization level of $1,525,000 for each of the fiscal years 1990, 1991, and 1992 will enable the National Oceanic and Atmospheric Administration to maintain a viable Deep Seabed Mining Program.

I believe the day is fast approaching when we will need to depend on the rich deep sea minerals that lie beneath the oceans. We must assure, when that day comes, that this country is prepared to produce these vital resources. With the appropriation authorized in this legislation, we can assure that the Nation will be prepared.

Mr. Speaker, in conjunction with my distinguished colleague from West Virginia, Representative NICK JOE RAHALL, I am introducing this important mining legislation and recommend its speedy consideration by the Congress.

ANTI-SEMITISM

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. MCGRATH. Mr. Speaker, just recently I received a letter from Mr. Lev Sheiba who is a well-known refusenik and still lives in Leningrad. His children however, live in the United States. This is the reason why Mrs. Sheiba was permitted to come to the United States, to see their children. In his letter Mr. Sheiba said "our authorities estimate a permission to Vera to visit our children in the USA as an act of humanity and a tip of democracy for this state." He is also very concerned with the fact that the West is so infatuated with "glasnost" and does not seem to realize that these widely publicized changes are not even skin deep.

While so many of us are truly enchanted with perestroika and believe in the sincerity of the current Soviet Government, anti-Semitism is practically institutionalized in the Soviet Union. We all know of a legal, though anti-Semitic group "Pamiat," which ironically translates "memory." And what a memory it is. Insults, deprivation of cultural rights, quotas at institutions of higher learning, denial of professional opportunities, arrest and incarceration for practicing their traditions are suffered by Jews only because they are Jewish. Soviets have many explanations for such behavior, which I prefer to call excuses. They range from ordinary anti-Semitism called anti-Zionism in the Soviet Union, to the belief that Jews cannot be trusted. Stalin and his successors concluded that Jews as a group came from a cultural pattern that made them unfit for the Soviet system where total loyalty and complete subservience to one's superiors are of extreme importance in one's career and life. Make no mistake, Jewish persecution continues today.

The year 1988 was not good when one observed anti-Semitic incidents in the United States. They reached their highest levels in more than 5 years. The annual audit conducted by the Anti-Defamation League revealed an increase of 18.5 percent in anti-Jewish vandalism, including arson, bombings, and swastika daubings, and a 41-percent increase in harassment, threats, and assaults against Jews over the 1987 figures. What is most alarming is a sharp jump in the number of college campuses on which anti-Jewish incidents occurred—38 campuses compared to 14 in 1987. The situation in Canada is not much better. Even Japan shows signs of some preconceived notions in their views on Jews. Jewish persecution continues.

We all know about thousands of Jews around the world suffering from oppression and denial of their basic human rights, religious freedom, and human dignity. During this year's Passover, we should devote this week-long holiday to remember not only all those whose suffering has been known to us, Jews in the Soviet Union, Ethiopia, Syria, Yemen, but also those whom we did not hear about. The Festival of Freedom should take our thoughts to the unknown faces and unfamiliar names, should give them and us hope for freedom from bigotry, narrowmindedness, and simple ignorance. Let's assure all who still suffer from anti-Semitism today that their strength and loyalty to their values does not go unnoticed. It does serve as an inspiration and an example.

SECTION NINE TASK FORCE

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. HOCHBRUECKNER. Mr. Speaker, I would like to bring to the attention of this body a group of civic-minded constituents of mine who have worked tirelessly during the last 25 years to preserve the natural beauty of a small piece of waterfront property in their community.

A quarter-century ago, a group of environmentally conscious individuals from Shelter Island, NY, formed the Section Nine Task Force to oppose the commercial development of a 35-acre area known as Section Nine, a fragile and beautiful stretch of beach and

marshland on the northern end of Shelter Island.

Their years of hard work have resulted in the Suffolk County Legislature voting recently to acquire and preserve Section Nine in its natural and unspoiled condition. In the process, the group has worked to educate and persuade their local community to protect these delicate beaches and wetlands.

By this group's actions, they have done credit to themselves, and have served to benefit their entire community. The Section Nine Task Force has successfully contributed to the preservation of wetland, a vital national resource which the Administrator of the Environmental Protection Agency, William Riley, has called "a major national priority."

It is with great pleasure that I commend the preservation of Section Nine by Suffolk County, and those individuals whose dedication and hard work made it possible.

CONGRATULATIONS TO REV. EDWARD D. THOMPSON

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. THOMAS A. LUKEN. Mr. Speaker, as Representative of the First Congressional District of Ohio, I ask my colleagues to join me in extending a sincere congratulations to Rev. Edward D. Thompson, pastor of New Life Missionary Baptist Church, on the occasion of his retirement on April 22, 1989.

Reverend Thompson has been the pastor at New Life Missionary Baptist Church since the church was founded in April 1937. The church started with approximately 16 members and has grown to well over 300. The church was originally founded in the basement of a residential dwelling. Reverend Thompson contributed his expertise in the construction field by assisting in the planning and construction of the present sanctuary.

Reverend Thompson is the father of 12 children. His first wife, Pinkie, died in 1984; his current wife is Allene. Reverend Thompson has been active in community and civic affairs. His involvement in the urban renewal of his community has been greatly appreciated. It is well accepted among his peers that Reverend Thompson is a man of noteworthy character.

Reverend Thompson will certainly be missed by all upon his retirement after 53 years of community service. However, his positive influence and his many contributions will not be forgotten. Please join me in extending sincere congratulations to Rev. Edward D. Thompson on his outstanding achievements.

UNION COUNTY ASSOCIATION FOR RETARDED CITIZENS TO CELEBRATE 40TH ANNIVERSARY

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. RINALDO. Mr. Speaker, on April 29, 1989, the Union County Association for Retarded Citizens will celebrate its 40th anniversary.

Forty years ago this organization was formed by a group of parents concerned for the future of their retarded children.

In the intervening years the association has grown to a full service agency helping people who are retarded and their families at every stage of life. The Association for Retarded Citizens of Union County provides assistance for infants, pre-schoolers and adults. The services include adult training centers, recreation programs, group homes, a thrift shop, a summer day camp, and support groups for parents.

Many factors have contributed to the stability and effectiveness of the Union County Association for Retarded Citizens. The most important factor, however, is the dedication of the unit's members. These individuals have worked tirelessly for years and have encouraged the involvement of the general public in volunteer service and financial support.

I wish to commend the outstanding men and women who have contributed so much to the success of the Union County Association for Retarded Citizens during the past 40 years, and I extend my best wishes in their continuing efforts to meet the needs of Union County's retarded population.

STOP THE PERSECUTION OF JEWS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1989

Mr. PORTER. Mr. Speaker, tomorrow marks the end of the Jewish holiday, Passover, known by Jews as the "Season of Our Freedom," when Jewish people commemorate the exodus of their forefathers who were enslaved for 210 years in Egypt. Passover began last Wednesday evening with a seder meal recognizing the Israelites' last supper in Egypt when Jews ate a slaughtered lamb, and placed its blood on the doorposts of their homes. That evening, an angel of the Lord traveled through Egypt to slay all the firstborn, and "passed over" only houses with lamb's blood on the doorpost. And so became the holiday of Passover.

The story of Passover signifies not just an historical event, but the religious dedication and respect for law and life that gives meaning to a true concept of freedom. It is a time of thanksgiving, of family and community solidarity.

This weeklong holiday is an opportune time to remember the thousands of Jews around the world who today remain oppressed. The Congressional Human Rights Caucus, which I cochair with Congressman TOM LANTOS, of California, stands with the approximately 15,000 Ethiopian Jews stranded in the Gondar Province, 4,000 Syrian Jews subjected to severe harassment and discrimination, 1,000 Yemen Jews denied contact with their brothers and sisters, and the 2 million Soviet Jews unable to openly practice their religion and emigrate to the country of their choice.

After visiting Soviet refuseniks in 1982 and seeing for myself the oppressive conditions in which they live, I founded the Congressional Human Rights Caucus and asked my distinguished colleague TOM LANTOS to join me as cochairmen, on a bipartisan basis. At that time, only 2,688 Soviet Jews received permission to emigrate, compared to 51,320 3 years earlier. Although I am encouraged that 19,343 Soviet Jews emigrated last year and approximately 12,000 have already received permission during 1989, I remain unsatisfied with the ongoing refusal of any Jew wishing to emigrate or practice their religion openly.

Are the higher emigration figures and other improvements in Jewish life longlasting changes? Or are they temporary improvements designed to force the West to shift focus away from the troubling Soviet Jewry movement? If this is the case, the Soviet Government may crack down without receiving the international pressure it deserves. Will the Soviets revise their laws and develop a systematic emigration process as they told the Helsinki Commission during our November visit? And, when will Judith Lurie, Boris Kelman, Igor Uspensky, Yuri Semonovsky, Boris Chernobilsky, Lev Sheiba, Vladimir Raiz, and Anatoly Genis receive permission to live in the country of their choice?

Over the years, and recently, I have been in close contact with the Soviet Government regarding these and other human rights issues. I look forward to continuing this dialog. We must continue to discuss our concerns, and to develop human rights procedures which conform to international standards. We cannot forget the Soviet Jews struggling to live according to their traditions and culture.

In Ethiopia today, approximately 15,000 Jews remain stranded in Gondar Province. This community, made up mostly of women, children, and sick and elderly, are continuously threatened by famine, disease and a civil war in the neighboring Tigre Province. Despite the tremendous success of Operation Moses and Operation Joshua in 1984 and 1985, when over 8,000 Ethiopian Jews were rescued from Sudanese refugee camps and brought to Israel, many Jews left behind want desperately to reunite with their families. Family reunification and internationally recognized human rights must be guaranteed for these people.

In Syria, over 4,000 Jews are referred to as a hostage community. Six Syrian Jews are reportedly incarcerated and according to Amnesty International, subjected to beatings and torture, and denied access to legal counsel, fair and open court hearings and other requirements of due process. Amnesty's requests to the Government regarding these cases have gone unanswered.

Furthermore, Syrian Jews are intimidated by the Syrian intelligence service, and often forbidden from leaving the country. If they have to leave for medical reasons, Syrian Jews are usually required to deposit financial guarantees and leave some family members behind. Although Syrian law requires a posted financial bond by any Syrians leaving the country, the law is arbitrarily enforced and applied only to Jews.

Little information is available about the Yemeni Jewish population. Reports indicate, however, that discrimination, a systematic government campaign to abuse and harass members of the Jewish community, and second-class status for Jewish people exists in Yemen. For example, it is forbidden for Jews, not Muslims, to have contact with foreigners, and those caught doing so are reportedly beaten and jailed.

These are only snapshots of today's oppressed Jewish communities around the world. Like many religious minorities, Jews struggle to maintain their identity and culture amidst strong governmental and nongovernmental oppression. We must not forget these suffering people, and we must remind the world that these conditions continue to exist.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, April 27, 1989, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 1

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

10:00 a.m.
Labor and Human Resources
To hold hearings on S. 768, to provide Americans with basic health benefits.
SD-430

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Emergency Management Agency.
SD-138

2:30 p.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Health and Human Services, focusing on the National Institutes of Health.
SD-192

MAY 2

8:30 a.m.
Armed Services
Projection Forces and Regional Defense Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on the future Navy surface forces.
SR-232A

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on global warming and Corporate Average Fuel Economy (CAFE) standards.
SR-253

Governmental Affairs
To hold hearings on export controls over chemical biological materials.
SD-342

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings in open and closed session on proposed budget estimates for fiscal year 1990 for defense programs, focusing on Strategic Defense Initiatives.
SD-192

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for Legal Services Corporation, and the Small Business Administration.
S-146, Capitol

Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of the Treasury.
SD-116

Judiciary
To hold hearings on the nomination of Kenneth Winston Starr, of Virginia, to be Solicitor General of the United States, Department of Justice.
SD-226

Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings on adolescent substance abuse.
SD-430

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on refugees and migration.
SD-138

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for activities of the Secretary of the Interior and the Secretary of Energy.
S-128, Capitol

Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold hearings on S. 247, to increase the efficiency and effectiveness of State energy and conservation programs.
SD-366

Foreign Relations
To hold hearings on the nominations of John R. Bolton, of Maryland, to be an Assistant Secretary of State for International Organizations Affairs; Douglas P. Mulholland, of Maryland, to be an Assistant Secretary of State for Intelligence and Research; and Morris Berthold Abram, of New York, to be the U.S. Representative to the European Office of the United Nations.
SD-419

MAY 3

9:00 a.m.
Armed Services
To hold hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the Department of Defense.
SH-216

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education, and Related Agencies.
SD-192

Environment and Public Works
Superfund, Ocean and Water Protection Subcommittee
To hold hearings on S. 657, to establish a national program to reduce the health threat of exposure to contaminants in the air indoors.
SD-406

Rules and Administration
To hold hearings on voter registration procedures for federal elections, on S. 136, to establish a single poll closing time in the continental United States for Presidential general elections and on S. 377, to establish a series of five Presidential primaries.
SR-301

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990

for the National Aeronautics and Space Administration.
SD-138

Finance
To resume oversight hearings on the implementation of the Omnibus Trade and Competitiveness Act of 1988.
SD-215

Foreign Relations
To hold hearings on the future of U.S.-Soviet relations
SD-419

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Army Corps of Engineers.
SD-192

Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings on risk retention.
SR-253

2:30 p.m.
Foreign Relations
To hold hearings on the nomination of Herman Jay Cohen, of New York, to be an Assistant Secretary of State for African Affairs.
SD-419

MAY 4

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

Energy and Natural Resources
To hold hearings on S. 694, to extend the authority for the Strategic Petroleum Reserve.
SD-366

Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on the Rancho Seco Nuclear Generating Station and secret monetary payments to nuclear workers to restrict testimony to the Nuclear Regulatory Commission regarding the Comanche Peak nuclear power plant.
SD-406

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990.
SD-192

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Aviation Administration.
SD-138

Finance
To hold hearings to examine the financial condition of rural hospitals and their ability to deliver health care to Medicare recipients.
SD-215

Foreign Relations
To hold hearings on S. 809, authorizing funds for fiscal year 1990 and 1991 for the United States Information Agency.
SD-419

11:00 a.m.
Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on international organizations.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Bureau of Reclamation, Department of the Interior.
SD-192

MAY 5

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

Finance
International Trade Subcommittee
To hold hearings to explore the problem of industrialized countries manipulating the value of their currencies to maintain a trade surplus, and to discuss the U.S. response to this practice.
SD-215

Foreign Relations
To hold hearings on the nominations of Ronald Frank Lehman II, of Virginia, to be Director of the U.S. Arms Control and Disarmament Agency and Richard Reeves Burt, of Arizona, for the rank of Ambassador during his tenure of service as Head of Delegation on Nuclear and Space Talks and Chief Negotiator on Strategic Nuclear Arms.
SD-419

10:00 a.m.
Governmental Affairs
Government Information and Regulation Subcommittee
To hold oversight hearings on issues relevant to the 1990 Census.
SD-342

Judiciary
Constitution Subcommittee
To hold hearings S. 386, to control the sale and importation of assault weapons, and S. 747, to protect the rights of legal owners while attacking the problems associated with the illegal use of assault weapons.
SD-226

MAY 8

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on possible climate surprises—predicting greenhouse warming.
SR-253

10:00 a.m.
Energy and Natural Resources
To hold hearings on S. 783, S. 625 and H.R. 1722, bills to eliminate wellhead price and nonprice controls on the first sale of natural gas and make certain technical and confirming amendments to the Natural Gas Policy Act of 1978.
SD-366

Governmental Affairs
To hold hearings on the nomination of William M. Diefenderfer, III, of Virginia, to be Deputy Director, Office of Management and Budget.
SD-342

MAY 9

10:00 a.m.
Finance
To hold hearings on the impact of Section 89, of the Tax Reform Act of 1986, nondiscrimination rules applicable to employer-provided fringe benefits.
SD-215

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on international narcotics control.
SD-192

MAY 10

10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold joint hearings with the Committee on Appropriations' Subcommittee on Foreign Operations on global environment issues.
SD-192

Appropriations
Foreign Operations Subcommittee
To hold joint hearings with the Committee on Agriculture, Nutrition, and Forestry on global environment issues.
SD-192

Armed Services
Strategic Forces and Nuclear Deterrence Subcommittee
To hold closed hearings on operational requirements of the Strategic Air Command, and proposed budget request for fiscal years 1990 and 1991 for strategic forces.
SR-222

Finance
To hold hearings on the European Community's (EC) program to complete its internal market by 1992.
SD-215

MAY 11

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development and Rural Electrification Subcommittee
To hold hearings on rural development.
SR-332

Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain

programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on space transportation.
SR-253

Governmental Affairs
To resume hearings on export controls over chemical biological materials.
SD-342

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for transportation trust funds.
SD-138

1:30 p.m.
Armed Services
Defense Industry and Technology Subcommittee
To hold hearings on recommendations for an acquisition policy agenda.
SR-222

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

MAY 12

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

Foreign Relations
To hold hearings on the nominations of Donald Phinney Gregg, of Maryland, to be Ambassador to the Republic of Korea and John Cameron Monjo, of Maryland, to be Ambassador to the Republic of Indonesia.
SD-419

Rules and Administration
To hold joint hearings with the Select Committee on Indian Affairs on legislation to establish a National Museum of the American Indian within the Smithsonian Institution.
SR-301

Select on Indian Affairs
To hold joint hearings with the Committee on Rules and Administration on legislation to establish a National Museum of the American Indian within the Smithsonian Institution.
SR-301

MAY 15

9:30 a.m.
Governmental Affairs
Government Information and Regulation Subcommittee
To hold oversight hearings on Federal information policy.
SD-342

10:00 a.m.
Environment and Public Works
Toxic Substances, Environmental Oversight, Research and Development Subcommttee
To hold hearings to review procedures relating to the use of chemicals in food crops.
SD-406

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

MAY 16

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development and Rural Electrification Subcommittee
To resume hearings on rural development.
SR-332

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Office of the Inspector General, Office of Disaster Assistance, and American Schools and Hospitals Abroad.
SD-138

MAY 17

9:30 a.m.
Commerce, Science, and Transportation
To hold oversight hearings in conjunction with the National Ocean Policy Study on marine fisheries management.
SR-253

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on space commercialization.
SH-216

Governmental Affairs
To hold hearings on biological weapons proliferation.
SD-342

10:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on trading practices in the commodity futures markets.
SR-332

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on proposed legislation authorizing funds for the Federal Communications Commission.
SR-232A

2:00 p.m.
Armed Services
To hold hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for defense programs of the Department of Energy.
SR-222

MAY 18

8:00 a.m.
Veterans' Affairs
To hold hearings on certain provisions of S. 13, S. 1654, S. 573, S. 574, S. 748, bills to strengthen and improve Veterans' health care programs.
SR-418

9:00 a.m.
Commerce, Science, and Transportation
To continue oversight hearings in conjunction with the National Ocean Policy Study on marine fisheries management.
SR-253

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on airline concentration.
SR-301

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

Governmental Affairs
To hold hearings on nuclear and missile proliferation.
SD-342

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Peace Corps, African Development Foundation, Inter-American Foundation, Overseas Private Investment Corporation, and Export-Import Bank.
SD-138

MAY 19

9:30 a.m.
Select on Indian Affairs
To hold hearings on the U.S. Civil Rights Commission's effects on the White Mountain Apache Tribe.
SR-485

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

JUNE 1

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SH-216

1:30 p.m.
Governmental Affairs
To hold hearings on alcohol abuse prevention.
SD-342

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign

assistance programs, focusing on Central America.
SD-138

Energy and Natural Resources
To continue hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SH-216

JUNE 2

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SH-216

2:00 p.m.
Energy and Natural Resources
To continue hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SH-216

JUNE 6

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Middle East, Pakistan and Afghanistan.
SD-138

JUNE 7

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253

Governmental Affairs
To resume hearings on alcohol abuse prevention.
SD-342

JUNE 8

8:00 a.m.
Veterans' Affairs
To hold hearings on certain provisions of S. 13, S. 263, S. 564, bills to provide for Veterans' health care benefits and other related measures.
SR-418

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation authorizing funds for the Federal Trade Commission
SR-253

JUNE 12

9:30 a.m.
Governmental Affairs
Government Information and Regulation Subcommittee
To hold hearings on proposed legislation authorizing funds for programs for the Paperwork Reduction Act.
SD-342

JUNE 13

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-138

JUNE 14

9:00 a.m.
Veterans' Affairs
To hold oversight hearings on certain provisions of S. 13, S. 86, S. 192, S. 405, and S. 846, bills to provide for veterans' mental health care and related measures.
SR-418

JUNE 16

9:30 a.m.
Government Affairs
Government Information and Regulation Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Paperwork Reduction Act.
SD-342

JUNE 22

8:00 a.m.
Veterans' Affairs
To hold hearings on S. 404, to extend certain Department of Veterans' Affairs home loan guaranty provisions.
SR-418

JULY 20

9:30 a.m.
Veterans Affairs
Business meeting, to mark up S. 13, S. 165, S. 573, S. 574, S. 748, S. 263, S. 564, S. 86, S. 192, S. 405, S. 846, and S. 404, bills to strengthen and improve veterans' health care programs.
SR-418

HOUSE OF REPRESENTATIVES—*Thursday, April 27, 1989*

The House met at 11 a.m. and was called to order by the Speaker pro tempore [Mr. MOAKLEY].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

HOUSE OF REPRESENTATIVES,
Washington, DC.

I hereby designate the Honorable JOE MOAKLEY to act as Speaker pro tempore on this day.

JIM WRIGHT,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

Our prayers this day, O God, are with those who experience any sorrow or grief or pain and know not the peace of heart, and mind that each of us desires. We place before You, gracious God, our earnest petitions that Your spirit would ease any pain that is caused by thoughtlessness, by any bitterness or envy. Lift us, we pray, to Your presence so we may see a world where respect and dignity reign and so fulfill Your word of peace. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The Pledge of Allegiance will be led by our colleague, the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
April 19, 1989.

Hon. JIM WRIGHT,
The Speaker, House of Representatives, Washington, DC

DEAR MR. SPEAKER: Pursuant to the permission granted in clause 5 of rule III of the Rules of the U.S. House of Representatives, the Clerk received at 9:07 a.m. on Tuesday, April 18, 1989 the following message from the Secretary of the Senate. That the Senate passed without amendment, H. Con. Res. 96.

With great respect, I am
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

TRIBUTE TO LUCILLE BALL

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOAKLEY. Mr. Speaker, our great Nation is blessed with many national treasures, Lucille Ball was one such treasure.

Her abundant talent, grace, humor, and inner beauty, kept our Nation and the world entertained for more than half a century.

Mr. Speaker, Lucy defied the generation gap. Grade school children and their grandparents, both share the common experience of rejoicing in her comedic brilliance.

Mr. Speaker, we all learned to laugh, to cry, to care and to celebrate life's experiences through the antics of Lucy and her comic cohorts—Ricky, Fred and Ethel.

But most of all, Lucy taught us a lesson, that should be heeded in this Chamber. That when all is said and done we should never, ever, take ourselves too seriously. There is power and beauty in the gift of laughter.

Mr. Speaker, the entire world loves Lucy and mourns her loss.

And, Mr. Speaker, let the RECORD show: "I Love Lucy."

TRIBUTE TO ALAN KRANOWITZ

(Mr. COMBEST asked and was given permission to address the House for 1 minute.)

Mr. COMBEST. Mr. Speaker, it is with tremendous respect and unwavering gratitude that I rise today to pay tribute to a great American and a true friend, Alan Kranowitz.

Alan and I go back many years to the days when he served ably as chief of staff to the Honorable Tom Loeffler, a former Member of the House of Representatives. Throughout his career in the House and in the White House, Alan served this country with great distinction through his quiet, effective manner.

As Alan and his family—Carol, David, and Jeremy—prepare to enter a new phase, I wish them congratulations and the very best of everything.

But his departure is also bittersweet. It is with sadness and a great deal of reluctance that we say goodbye.

I will miss not having my good friend here on the Hill every day providing us with his learned counsel and advice. In fact, what I will miss most is having the opportunity of stopping and saying, "Hi, Alan."

Alan Kranowitz exemplifies and defines those words we in public service hope will be used to describe our work at some point in our career. The words "integrity, honesty, intelligence, compassion" all come to mind when I think of Alan. To me, he is a good friend, in fact, one of my closest.

I value his friendship and I will always remember the years that I've had the opportunity to see him work, to ask his advice, to seek his clear judgment. Those are things that, upon departure, leave a void that cannot be totally filled.

Alan is one of those individuals who can be counted on in times of difficulty, and yet, you don't have to call out to him; he seems to know when you are in need and he lets you know he is there.

Alan, I wish you the best, which is what you have earned and what you deserve. Your capability and dedication are characteristics which will direct and guide you in your new endeavor. So, to you my dear friend, let me say, thank you, job well done, and good luck always.

EXXON OILSPILL

(Mr. SCHEUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHEUER. Mr. Speaker, we will know the full extent of the *Exxon Valdez* nightmare only when the full range of damages and costs have been carefully estimated. Therefore, I have requested the Departments of Energy, Interior, Commerce, and the Environmental Protection Agency to prepare jointly a preliminary estimate of damages and costs to be delivered to the Congress in 60 days. Then we may be able to estimate whether the trust fund that we have called upon Exxon to establish should be greater or less than $1 billion.

Exxon must assure all Americans that it will make sufficient funds available to remediate the damage it has caused to beaches, wildlife, the Alaskan fishing industry, and the economy of the State of Alaska.

Once we have received this report we may then be able to know whether Exxon should put up more or less than that $1 billion. We hope to have hearings on this matter in the Committee on Science, Space, and Technology on the matter of damages and costs, the costs of remediation, in July.

INTRODUCTION OF NATIONAL WATER RECREATION SAFETY MONTH

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, not so many years ago a young man from Mesa, AZ, K.C. Johnson, died in a boating accident on one of Arizona's lakes. It was a senseless, needless tragedy, one which brought deep grief to his family and to his friends.

As a result of that accident, his family has established the K.C. Johnson Memorial Foundation for the purpose of providing assistance to families whose loved ones have died in drowning accidents, but also to provide education to the public at large as to the dangers that are inherent in the use of our Nation's waterways.

Let me just recite for the benefit of my colleagues a few facts about water safety and the record on the water. Drowning, for example, is the second leading cause of accidental death in the United States for persons between the ages of 15 and 44. Alcohol and drugs are involved in a shockingly high amount of these accidents, two out of three to be precise.

Boating is one of the most popular forms of recreation in this country, and yet it takes a tremendous toll, over 60,000 nonfatal boating accidents each year, and 1,200 deaths in an average year.

Most drownings take place incredibly within 10 to 30 feet of a point of safety, and one out of every eight serious spinal injuries is the result of an accident on one of our waterways.

□ 1110

Mr. Speaker, the K.C. Johnson Foundation has requested me, and I am proud to have done so, to introduce the National Water Recreation Safety Month legislation, and I invite my colleagues to join me in sponsoring this legislation which was intended to assist in carrying out the work of the foundation, that is to educate the public on safe ways to use our waterways and on the dangers inherent in so doing.

ADMINISTRATION REFUSES TO SPEND $100 MILLION OF $5 BILLION BALANCE TO DEFEAT TERRORISM ON THE AIRWAYS

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEFAZIO. Mr. Speaker, I just came from the Subcommittee on Aviation and I am angry and I am disgusted. A bill, an essential bill to combat terrorism on the airways was derailed. It was derailed by the Republican minority. It was derailed because of the threat of a Presidential veto.

Mr. Speaker, there is more than $5 billion in the aviation trust fund, money the American traveling public has paid year after year. The administration is refusing to spend $100 million of that $5 billion balance to defeat terrorism on the airways. That is absolutely absurd.

They want to tax the public again. They want the public to pay twice. They will not spend the trust fund money.

Just yesterday we were treated to the spectacle of the majority leader being criticized for attempting to save money which we do not have to reduce the spending of the Federal Government. Today we have some of those same people from the other side who criticized the majority leader involved in saying, "No, we can't spend money we do have," money that is in the aviation trust fund, taxes that have been paid, money that is sitting idle, to keep more innocent people from being killed.

The American people should rise up in outrage and demand the bill go forward, the money be spent. And if the President wants to veto the bill, the next plane that goes down will be on his head.

THE EXCELLENCE IN GOVERNMENT MANAGEMENT ACT

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, today I am introducing the Excellence in Government Management Act. This bill implements many of the recommendations made by the National Commission on the Public Service, headed by Paul Volker.

The National Commission on the Public Service is a private, nonprofit organization assembled to prepare recommendations to the President and Congress on what has been called the quiet crisis in Government. In a nutshell, what the commission found was that "too many of the best of the Nation's senior executives are ready to leave Government, and not enough of its most talented young people are willing to join."

The facts are bleak. A survey of 40 college placement officers found that only 7.5 percent of graduating students showed an interest in a career in Government. Yet, Government jobs constitute 20 percent of the labor force and employ more people than any employer in the country. This leaves slim pickings for Government recruiters.

We are losing some of the most experienced and qualified Government employees. Between 1983 and 1987, 20 percent of the top scientists at the National Institute of Health left for careers in the private sector. I have been told by top NASA scientists that working for NASA is "welfare for scientists."

We are no longer able to attract the best and the brightest. A career manager wrote to the commission, "Under no circumstances will I allow my college-educated children to consider a civil service career." Working for your Uncle Sam as a Government employee is about as popular as working for Exxon as a tanker pilot.

The report found that the management infrastructure of the Federal Government is deteriorating. Increasing layers of political appointees on top of the career system is a major cause of the problem. Career civil servants cannot aspire to the most responsible and important positions in Government because those positions are increasingly filled by political appointees who are not qualified by training, temperament, experience, or knowledge for the positions they occupy. The total number of political Senior Executive Service [SES] appointees increased from 582 in 1980 to 658 in 1986, over 13 percent. During the same period the number of career SES personnel decreased 5.3 percent.

Not only are there more political appointees, but the average tenure among appointees is decreasing. From 1979 to 1986, SES political appointees remained in office an average of 20 months with 40 percent remaining less than 1 year. How can you expect them to be effective when half of their time is spent learning the job.

We must act now to deal with the crisis in the public service. A sound, respected public service increases the productivity of the Government and its ability to solve the problems of society.

The Excellence in Government Management Act deals directly with the quiet crisis. It attempts to rebuild the public's trust in Government service by increasing the ability of the Government to recruit, retain, and effectively deploy the best employees.

The bill creates a Government Service Fellowship Program based on the ROTC model. College and graduate

students would have tuition and books paid for and receive a monthly stipend in exchange for a commitment to Government service. Scholarships would go to college students based on academic merit.

In order to reduce the brain drain caused by the increasing loss of career employees and to restrict the growth of political appointees, the bill limits the number of noncareer senior executives and caps the number of schedule C appointees.

The bill also establishes qualification review boards to certify the managerial competence of appointees to SES positions; eliminates, to the extent practicable, improper political pressures on career civil servants; and establishes advisory panels to advise the Office of Personnnel Management on the management of the civil service.

The quiet crisis is beginning to make quite a ruckus. Public servants play a necessary and honorable role in our country. The Excellence in Government Management Act will help restore a more positive image of public service and promote excellence in Government. I hope you will join me in supporting a better, more efficient, more competent Government.

I ask that a copy of the section-by-section summary of the bill be printed in the RECORD.

SECTION-BY-SECTION SUMMARY OF THE EXCELLENCE IN GOVERNMENT MANAGEMENT ACT

Section 1 contains the short Title—the Excellence in Government Management Act—and the table of contents.

Section 2 states that the purpose of the act is to increase the productivity and effectiveness of government.

Section 3 requires that a Senior Executive Service (SES) position be filled only by a career appointee if it is necessary to insure impartiality or if principal responsibility of the position is personnel management.

Section 4 clarifies that, effective October 1, 1990, the 10% limit on noncareer senior executives government-wide and the 25% limitation on individual agencies applies to the average number of filled positions during the preceding fiscal year, not to the number of established positions.

Section 5 caps at 1,000 the number of Schedule C appointees graded at GS-13 or above, effective October 1, 1990.

Section 6 requires the Office of Personnel Management (OPM) to report to Congress within 30 days after the appointment to a career position of an individual who was, within the preceding six months, a political appointee. The individual's name will not be reported.

Section 7 establishes one career and one noncareer Qualification Review Board (QRB) to certify the managerial competence of appointees to SES positions. Members of the QRBs serve two year terms.

Section 8 establishes a geographic relocation benefit of no less than 10% nor more than 20% of pay for senior executives who are reassigned outside their commuting area. Also, section 8 authorizes an agency to enter into an agreement under which an SES career appointee who is eligible to retire accepts a geographic reassignment in exchange for the government paying for that executive's last move home.

Section 9 provides that details (of up to 60 days) during the 120-day "get acquainted period" do not count toward the four-month period during which a career appointee may not be reassigned or removed.

Section 10 requires OPM to encourage greater use of the sabbatical authority.

Section 11 requires OPM to report annually on SES sabbatical usage to Congress.

Section 12 creates a Government Service Fellowship Program, based on the ROTC model. Agencies may offer scholarships to college and graduate students on the basis of academic merit (not financial need). Agencies may give modest preference to applicants from underrepresented groups (racial, ethnic minorities or women). Fellowship recipients will receive a stipend at grade level GS-2, and will work summers at the sponsoring agency. Upon graduation, the fellowship recipient will receive a regular appointment and must work for the agency one year for each year of the fellowship. The agency can terminate the fellowship at any time, and if so, there is no payback requirement of either money or service. If the student terminates the fellowship, the agency is authorized to collect amounts paid for tuition and fees. The General Accounting Office will conduct an annual audit of the program. Further, each agency shall report annually on its use of the program.

Section 13 requires OPM to establish minimum periods of required management training over a fixed period of years for supervisors, managers, and executives. It also establishes a required training program for political appointees at grade levels GS-13 and above in the operations of government and ethics.

Section 14 provides that the dollar value of Presidential rank awards for outstanding career senior executives is adjusted each time there is a pay adjustment for the civil service.

Section 15 requires the Director of OPM to appoint two advisory panels: one made up of career SES members to advise on the running of the SES and one made up of career civil servants representing organizations of civil servants to advise on the running of the civil service.

Section 16 states that any authority to make payments under the act shall be effective only to the extent or in such amounts as provided in appropriations acts.

OVERSEAS BASE CLOSURE AND REALIGNMENT ACT

(Mr. DONNELLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DONNELLY. Mr. Speaker, today on behalf of myself and the gentlelady from Colorado [Mrs. SCHROEDER], I am introducing the Overseas Base Closure and Realignment Act, legislation which creates a commission to examine U.S. military facilities located overseas, and to make recommendations on which of these facilities should be consolidated or closed.

When the House adopted the Defense Savings Act last July the legislation included provisions requiring the Commission on Base Closings and Realignments to review both domestic and overseas military facilities. During floor consideration of the act the House soundly rejected an amendment to exempt overseas installations from review by the Commission. Unfortunately, this provision was later dropped by House and Senate conferees in favor of language requiring the Secretary of Defense to review overseas bases for any savings which could be achieved through closure or realignment of these facilities.

When Deputy Secretary of Defense Taft released this classified report last October he stated that "the present overseas base structure is required to support U.S. forces abroad and current operational plans." According to the Department of Defense not one of the 374 U.S. military installations located overseas is suitable for closure or consolidation. While DOD officials may believe that they can justify the existence of all their overseas bases, I believe that we in Congress should be taking a very close look at this matter.

There are no bases in my district which are targeted for closure under the Defense Savings Act. Even so, my constituents continue to ask me why American bases are being closed and American jobs are being lost while the Government refuses to even look at our overseas installations. I am sure that my colleagues with bases in their districts which will be closed are hearing the same questions, only louder.

Our current budget deficit and growing national debt make it imperative that we reexamine all of our commitments, including our overseas bases. We no longer have the luxury of allowing our allies to reduce their deficits and stimulate their own economic growth at our expense. We should encourage our allies to assume a greater share of the burden of our mutual security, and to dedicate a greater percentage of their budgets toward this end.

Many of our foreign commitments seem to have taken on a life of their own, and we should not continue any of our commitments merely to maintain the status quo. We must be willing to review our obligations and determine their political and strategic importance. It is time for us to reexamine our role in the international arena, and to ask our friends and allies to join us more fully in our efforts to promote peace and democracy around the globe.

Mr. Speaker, this legislation will help us save taxpayers dollars by eliminating waste in the defense budget, and by reducing our overseas commitments. I urge my colleagues to join me in this effort to reduce unnecessary Federal spending.

OMB SHOULD PARTICIPATE IN CONGRESSIONAL HEARINGS

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, earlier this morning, the Veterans' Affairs Subcommittee on Education, Training, and Employment held a hearing to review a recent GAO report on the hiring of disabled veterans in five Federal agencies. As the vice chairman of the subcommittee, I was disappointed to learn that the five Federal agencies studied by GAO: Department of Labor, Department of Health and Human Services, NASA, OMB, and Office of Personnel Management, do not implement effective disabled veteran employment programs or hire disabled veterans in a manner intended by current law.

During the hearing, we were able to take some positive steps by further exploring the shortcomings identified by GAO and encouraging positive changes in the agencies' programs and disabled veterans hiring practices.

Much to my disappointment, however, OMB—the agency found to have the lowest disabled veteran hire rate and consistently substandard program performance levels—was unable to send a representative to testify at the hearing. Apparently, OMB policy prohibits anyone other than the Director or Deputy Director from testifying at a congressional hearing. Since the Director was unable to attend the hearing and the Deputy Director has not yet been confirmed for the position, OMB refused to send a representative to this hearing and to one previously scheduled.

Mr. Speaker, I understand that several congressional committees have had difficulty scheduling hearings to include OMB. If OMB were to change its policy to allow professional staff to testify at hearings, this problem would subside. I think it is in their own best interest for OMB to participate in hearings, share information, and—like other Federal agencies—carry on a beneficial exchange of ideas and dialog with the Congress.

OMB MUST BE ACCOUNTABLE

(Mr. PENNY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENNY. Mr. Speaker, the Veterans' Affairs Subcommittee on Education, Training, and Employment met this morning to review the policies of five Federal agencies regarding the employment of disabled veterans.

The General Accounting Office conducted an investigation of these agencies to determine if they are, as required by law, promoting the maximum of employment and job advancement opportunities for individuals disabled as a result of military service. This study, which was the basis for today's hearing, demonstrated that these agencies are not fulfilling their responsibilities.

Of the five agencies, however, the one with the poorest record, indeed a shameful record, is the Office of Management and Budget. For example, the data for 1987 shows that only one OMB employee out of 571 was a disabled veteran. In addition, the only agency reviewed by GAO not to attend today's hearing was, you guessed it, OMB.

I don't blame Mr. Darman for not wanting to testify with such a woeful record. I have, however, contacted the Director and told him that the subcommittee still expects to hear from an OMB representative regarding its employment policies. This Nation has a special obligation to those who serve in our Armed Forces, and the Federal Government must set the example in meeting that obligation. OMB is not exempt from this responsibility.

INTRODUCTION OF THE CONSUMER TELECOMMUNICATIONS SERVICES ACT OF 1989

(Mr. SWIFT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SWIFT. Mr. Speaker, I am pleased to introduce today with Congressman TOM TAUKE the Consumer Telecommunications Services Act of 1989 to allow the Bell operating companies to compete in the provision of information services and in the manufacturing of telecommunications equipment. Congressman TAUKE and I have joined with others in urging the Congress to regain control of this Nation's telecommunications policy.

If we were to design a regulatory system for communications, it is very unlikely that we would end up with the system we have now. Having a district judge making telecommunications policy based strictly on the narrow focus of antitrust law is inherently unfair to the democratic process. It is also an irrational way to set long-term policy goals for our Nation's telecommunications infrastructure. We need to encourage the development of universal information services for the American consumer; and we need to unleash more competition in telecommunications services and manufacturing to improve our international competitiveness.

Right now—by court order—the Bell operating companies—seven of the largest information services companies in the world—cannot design or construct the hardware needed for an information services system. Keeping these world-class telecommunications companies out of the competition for information services and manufacturing is extremely counterproductive as a national policy; we need more companies competing in national and international marketplaces, not fewer.

Another goal of this legislation is to make information services in this country as universal and readily available to the public as the Postal Service and basic telephone service are today. It is important that we encourage the provision of information services, including electronic publishing, by the Bell operating companies and other local exchange carriers in order to stimulate the competitive development and use of developing information technologies by the American people.

We also need to ensure that the local telephone subscriber ratebase will continue to serve the public on into the future. If more and more information services bypass the local loop—in part because of the inability of the phone companies to legally serve those markets—then an increasing share of the costs of the local loop will have to be absorbed by local phone subscribers. The more information services we can encourage to be sent through local phone lines, and thus share the costs of the line, then the lower we will make the costs of basic phone service for consumers.

These are all important policy issues that need to be addressed in this country. But until Congress regains control of telecommunications policy from the Federal courts these issues of international competitiveness, universal information services, and the cost of phone service to the consumer cannot be addressed. The courts have done their job in applying the antitrust laws to the breakup of AT&T. We need to move on. You can't make sound national telecommunications policy from the narrow perspective of anti-trust law. Only Congress has the right to set public policy, and now is the time for Congress to reassert its role.

This legislation is the result of many months of negotiations; it is a direct descendent of other phone bills that Congressman TAUKE and I have introduce in the past, and it also reflects the goals of House Concurrent Resolution 399 from last Congress which was supported by 206 Members.

In developing this legislation we have worked hard to ensure that strict statutory safeguards are in place before the Bell operating companies, are allowed to engage in providing new information services or to manufacture telecommunications equipment. For consumers, the most important safeguard will be to ensure that the phone companies cannot pass any of the costs of the new lines of business

onto the ratebase. For other information providers, it will be the requirement that a phone company must provide them with a service that is comparable in quality, rates, and opportunity for interconnection that the phone company offers itself. And other manufacturers of telecommunications equipment must be allowed opportunities for selling products to the phone companies that are comparable to those they provide to themselves. As well, nothing in this bill is intended to alter, limit or supercede MFJ restrictions on the provision of interexchange telecommunications or the ownership and provision of international telephone facilities and services.

The goal of this legislation is to bring telecommunications policy back under 1934 Communications Act. As a nation, we are weakened by not having the resources of the Bell operating companies, working on our side in international competition in telecommunications products and services. As citizens, we will benefit from an outpouring of new information services. And as consumers we will gain from having information providers help pay for the costs of phone service.

I recommend this legislation to my colleagues and welcome opportunities to discuss and debate the future of American telecommunications policy.

STATEMENT OF HON. JOHN D. DINGELL, CHAIRMAN, COMMITTEE ON ENERGY AND COMMERCE AND HON. EDWARD J. MARKEY, CHAIRMAN, SUBCOMMITTEE ON TELECOMMUNICATIONS AND FINANCE

We are pleased to note that our colleague, Al Swift, today introduced the "Consumer Telecommunications Services Act of 1989." This is an important piece of legislation that deserves the close attention of every member of this body.

We share the goal of the legislation which is to return to Congress—and therefore the American people—the ability to set telecommunications policy. Currently, because of the Consent Decree that broke up AT&T, much of our telecommunications policy is developed in the chambers of an unelected U.S. District Court Judge. If the U.S. is to compete successfully in international markets, it is essential that Congress and the Administration develop a coherent and coordinated telecommunications policy.

We would like to commend Congressman SWIFT for his efforts. The bill he has introduced today frames well many of the key issues in this complicated area, and has thereby advanced this debate.

On May 4, the Subcommittee will begin a process to examine legislative alternatives to ensure that telecommunications policy is made by the people through their representatives in Congress. Our public policy goal is to guarantee that the fruits of the Information Age are available to all Americans while promoting a diverse U.S. telecommunications industry that is internationally competitive.

□ 1120

RESIGNATION AS MEMBER OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION AND ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES OF THE HOUSE

The SPEAKER pro tempore. (Mr. MOAKLEY) laid before the House the following resignation as a member of the Committee on Public Works and Transportation:

HOUSE OF REPRESENTATIVES,
Washington, DC, April 27, 1989.

Hon. JIM WRIGHT,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: In accordance with the rules of the Democratic Caucus, I hereby submit my resignation as a temporarily assigned Member of the Committee on Public Works and Transportation.

With best wishes,

Sincerely,

CARL C. PERKINS,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

Mr. GRAY. Mr. Speaker, by direction of the Democratic Caucus, I offer a privileged resolution (H. Res. 142) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 142

Resolved, That the following named Members be, and hereby are, elected to the following standing committees of the House of Representatives:

Committee on Agriculture: Jill Long, Indiana, to rank before Mr. Dyson of Maryland.

Committee on Public Works and Transportation: Glen Browder, Alabama.

Committee on Science, Space, and Technology: Glen Browder, Alabama.

Committee on Veterans' Affairs: Jill Long, Indiana.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I would like to inquire of the distinguished majority leader about the program.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, distinguished Republican leader, I have the opportunity to advise the House that we will complete our legislative schedule for the week today. There are no bills scheduled for today and the House will not be in session tomorrow.

On Monday, May 1, the House will meet at noon. We have no legislative business scheduled.

On Tuesday, May 2, the House will meet at noon, consider the Private Calendar and two bills under suspension of the rules, H.R. 481, to designate the Walter Edgar Grady U.S. Post Office Building in Staten Island, NY; and H.R. 1149, to allow Members of Congress to use franking privileges to disseminate copies of the U.S. Constitution; also H.R. 1486, Maritime Administration authorization, fiscal 1990, open rule, 1 hour of debate.

On Wednesday, May 3, and Thursday, May 4, 2 p.m. on Wednesday, and 11 a.m. Thursday, to consider unnumbered House concurrent resolutions. The first concurrent resolution, the budget for fiscal 1990, subject to a rule. Also, House Resolution 87 to impeach Judge Walter L. Nixon of the U.S. District Court for the Southern District of Mississippi; and H.R. 7, Carl D. Perkins Vocational Education Act amendments, subject to rule.

On Friday, May 5, the House will not be in session.

Conference reports, of course, can be brought up at any time, and further program may be announced later.

I would like at this time to announce in consultation with the Republican leader, we are sending on this side to all of our Members, and the Republican leader [Mr. MICHEL] will be sending to the Republican Members, a proposed schedule for the month of May which will indicate to Members that we will not have any votes on Monday or Friday during the month of May, but we will be scheduling legislative business and votes on every Tuesday, Wednesday, and Thursday of May, except for the 30th of May, a Tuesday, which will fall into the traditional Memorial Day recess. That recess will occur from the close of business on Thursday, the 25th of May, until Wednesday, the 31st of May, and will encompass Friday the 26th, Monday the 29th, and Tuesday the 30th. We will, again I repeat, resume business on the 31st of May. This schedule will be provided to all Members and will be part of an ongoing effort by the joint leadership on other sides of the aisle to advise Members of the schedule in advance of the month for which business is being scheduled.

I hope this will assist Members in their scheduling efforts.

Mr. MICHEL. Mr. Speaker, I thank the gentleman, and I would concur with the schedule that he has arranged for the month of May. That ought to facilitate Members being able to make appropriate travel plans for the weekend, and then bearing in mind when we get into the month of June which is a heavy Committee on Appropriations month, we will obviously have to take a little bit different look at the schedule for that month, but take it 1 month at a time.

I appreciate the majority leader taking the initiative here and outlining the program well in advance so Members can make their plans accordingly.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

ADJOURNMENT TO MONDAY, MAY 1, 1989

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

APPOINTMENT AS MEMBERS TO ATTEND THE CEREMONIES COMMEMORATING THE 200TH ANNIVERSARY OF THE IMPLEMENTATION OF THE CONSTITUTION

The SPEAKER pro tempore. Pursuant to the provisions of House Concurrent Resolution 96, 101st Congress, the Chair, without objection, announces the Speaker's appointment of the following Members on the part of the House to attend the ceremonies commemorating the 200th anniversary of the implementation of the Constitution as the form of Government of the United States, the convening of the First Congress, the Inauguration of George Washington as the first President of the United States, and the proposal of the Bill of Rights as the first 10 amendments to the Constitution:

Mrs. BOGGS of Louisiana;
Mr. CRANE of Illinois;
Mr. SCHEUER of New York;
Mr. SOLARZ of New York;
Mr. WEISS of New York;
Mr. GREEN of New York;
Mr. ACKERMAN of New York;
Mr. DORNAN of California;
Mr. HOCHBRUECKNER of New York;
Mr. ENGEL of New York; and
Mrs. LOWEY of New York.

There was no objection.

APPOINTMENT AS ADDITIONAL MAJORITY MEMBER TO SELECT COMMITTEE ON HUNGER

The SPEAKER pro tempore. Pursuant to the provisions of section 103 of House Resolution 84, 101st Congress, the Chair, without objection, announces the Speaker's appointment of the gentleman from New York [Mr. ENGEL] as an additional majority member to the Select Committee on Hunger.

There was no objection.

GENERAL LEAVE

Mr. WELDON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on the subject of the special order today by the gentleman from Illinois [Mr. PORTER].

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

TRIBUTE TO NEAL BAISI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. STAGGERS] is recognized for 5 minutes.

Mr. STAGGERS. Mr. Speaker, I rise today to pay tribute to a fellow West Virginian and constituent in my district, Neal Baisi, who is retiring this year after an illustrious career as basketball coach, director of athletics, and division director of health, physical education and safety at West Virginia Institute of Technology in Montgomery, WV.

Mr. Baisi was born in Norton, WV, and graduated from Elkins High School in 1942. In high school, he played football, basketball, and ran track. He was a member of the all-State football team.

Mr. Baisi then went to Potomac State College in my hometown of Keyser, WV, where he played football in 1946 and 1947, when Potomac State won their only conference championship. He led the team as a lineman and was known for his aggressiveness and leadership. He graduated in 1948 from the 2-year institution and transferred to West Virginia Tech where he was an all-conference football player in 1948 and 1949, with the 1949 team being the school's only undefeated football squad. Mr. Baisi's accomplishments on the gridiron earned him a spot on the conference's all-time football team.

With a football laden past, Mr. Baisi took over as head basketball coach at West Virginia Tech in 1955, immediately changing the whole nature of the game with his innovative "zone and man-to-man press." His 1955 team averaged 111.9 points per game against stunned opposition. It was the first team at any level—high school, college, or professional—that had a basketball team average more than 100 points a game. This was long before the 3-point shot and timed shot clocks.

Mr. Baisi introduced the concept of pressing defenses to the basketball court. When first introduced, coaches called Tech's style of play "organized chaos" and said Baisi's Golden Bears were 5 years ahead of basketball. Most said, "this West Virginia Tech team is going to change basketball because pressing defense is going to come." It did with Coach Baisi as teacher. The game hasn't been the same, or as sane, since then. West Virginia University athletic director, Fred Schaus, says of Coach Baisi, "I learned the pressing concepts from Neal Baisi. He was ahead of his time."

I should point out that Coach Basis team were made up almost entirely of West Virginia players. Only six Tech players during his coaching career were from outside the State and none of these were his top players. Before his 12 years as head coach were over, Coach Baisi's Golden Bears had averaged over 100 points a game in five different seasons and led the Nation in scoring six times. His teams won the competitive West Virginia Conference regular season title four times and that conference tournament title twice.

Mr. Baisi was a technician, teacher, and disciplinarian. His players practiced in four-buckle boots or with lead inserts in the practice shoes so they would be quicker during their games. If you asked his former players if they respected Coach Baisi when they played for him, they would say, "No, we feared him. We respect him now." His players' stories are interesting but they all talk about the intensity, commitment, and discipline that they learned from Coach Baisi and use in their lives even today.

Because of his zone press, Coach Baisi became the Nation's most sought after authority on basketball, speaking at the NCAA National Basketball Coaches Association clinic and various clinics from Houston, Los Angeles, to New York City. His book, "Coaching the Zone and Man-to-Man Pressing Defenses," had nine printings and sold over 50,000 copies. Coach Baisi is also the coauthor of other publications.

Although Coach Baisi is best known for his pressing defenses, his innovativeness and basketball knowledge later produced a 21 to 19 victory in triple overtime in a Rochester, NY tournment when the opponent was much taller and more physical than his Golden Bears. His offense that night could be called the start of what was later called the four-corner offense, made famous by Dean Smith at North Carolina.

Coach Baisi left his role as West Virginia Tech basketball coach in 1965 to become the school's director of athletics, the position he is retiring from. He

left behind a record of 319 wins and 76 losses—80.8 percent—and a new way to play the game.

Coach Baisi has received many honors, including a Potomac State College Alumni Achievement Award; Grand Honoree Award at the West Virginia Sports Festival; West Virginia Conference Coach of the Year; West Virginia Coach of the Year; and, induction into the Potomac State and West Virginia Sports Hall of Fame. He recently received the West Virginia Conference's Mike McLaughlin Award, eligible to college presidents, athletic directors, and registrars. In March of this year, Coach Baisi was inducted into the NAIA Sports Hall of Fame as a coach/administrator.

Mr. Baisi married Geraldine Davis in 1950 and they have three children, twins Patrick and Michael, and a daughter, Deborach, and five grandchildren.

Mr. Speaker, it is an honor for me to pay tribute to one of West Virginia's most outstanding citizens and to wish him the best in his retirement.

□ 1130

THE 1989 FLORENCE S. REIZENSTEIN AWARDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. COYNE] is recognized for 5 minutes.

Mr. COYNE. Mr. Speaker, May 4 will be a special day in Pittsburgh. That is when two leading citizens of my hometown—Martha Hutchinson Garvey and Nancy Gallagher—will receive the Florence S. Reizenstein Award from the Friends of the Pittsburgh Commission on Human Relations.

The Florence Reizenstein Award means a lot for all of us who grew up in Pittsburgh, because of the woman after whom it is named. For decades, Florence Reizenstein gave her energy, time, and talent to building bridges between black and white, Jew and Gentile in Pittsburgh. She was a member of the Fair Employment Practices Commission and the Civic Unity Council, and was a founding member of the Pittsburgh Commission on Human Relations in 1955.

While the main focus of Ms. Reizenstein's activities was making Pittsburgh a better and more just city, her social vision certainly extended beyond our city limits. She was a founder and vice president of the Pennsylvania Human Relations Commission and vice-president of the Negro Education Emergency Drive. She was named a Distinguished Daughter of Pennsylvania by Governor William Scranton in 1964.

Ms. Reizenstein's life was cut short by a tragic accident in 1970; but an important part of her legacy to Pittsburgh is the Reizenstein Award. The two individuals receiving it this year are eminently qualified for and worthy of this honor.

Martha Hutchinson Garvey is an excellent example of a volunteer who gives of herself to help the community. She is a board member of the Oakland Planning and Development Corp., Peoples Oakland, Freedom Unlimited, and the Pittsburgh branch of the NAACP. In the past, she has been involved with Women in Urban Crisis, the Allegheny County Democratic Committee, the United Way of Southwestern Pennsylvania, the Pennsylvania Advisory Committee to the U.S. Commission on Civil Rights, and the Pennsylvania State Job Coordinating Council. I might add that she is also my neighbor and good friend.

Nancy Gallagher's devotion to the community, and to the causes of civil rights and human rights, is just as impressive. Whether working in the public view or behind the scenes, her commitment has been strong and unwavering.

She is a member of the Board of Directors of the Squirrel Hill Chapter of the National Organization for Women [NOW], a community contact person for Catholics for Choice, and recently served as assistant administrator of the "Take the Power Tour," which was created to help feminists run for office.

Among Ms. Gallagher's other activities have been her work with the "Eliminating Racism Workshop" sponsored by Pennsylvania NOW, the Ad Hoc Committee to Counter Klan Activities, and Pittsburgers Against Apartheid.

Chairwoman Alma Speed Fox and her colleagues on the Awards Committee of the Friends of the Pittsburgh Commission on Human Relations have made wise choices in Nancy Gallagher and Martha Hutchinson Garvey for the Reizenstein Award. They keep alive the Reizenstein tradition. I congratulate them both on the honor they are receiving.

INTRODUCTION OF THE INTEGRITY AND POST-EMPLOYMENT ACT OF 1989

The SPEAKER pro tempore (Mr. STAGGERS). Under a previous order of the House, the gentleman from Florida [Mr. JAMES] is recognized for 5 minutes.

Mr. JAMES. Mr. Speaker, today, I introduce the Intergrity in Post-Employment Act of 1989.

My motivation is simple.

I seek to restore integrity and honesty to service in Congress, and indeed, throughout our Government.

The lustre of honor which once graced government service is gone, dulled by a pattern of abuse by public officials at every level.

The problems are rampant and have been festering for years. We have lost our commitment to the values of honesty, integrity, responsibility, and accountability. The system is flawed. We have allowed a climate to flourish that is ripe for corruption.

A climate and a system that allows Members of Congress and the other branches of our Government to benefit personally from their political positions.

The pursuit of the private gain at the expense of the public good is seemingly the rule rather than the exception.

Only significant changes in current Federal laws will correct our gravely flawed system of ethics. We cannot legislate away dishonest and unethical behavior, but we can put into place laws that will remove the avenues of potential for corruption and severely punish those who are corrupt.

My legislation will do that. The essence of this legislation is quite simple. It establishes an equality of ethical rules for all branches of government.

For too long, Congress has demanded ethics from others, while exempting itself from even the most perfunctory ethical standards.

The ERA of lining your pockets while paying lip service to integrity will end. Members of the executive, legislative, and judicial branches of Government will be held to common ethical standards. The revolving door that ferries outgoing Members of Congress from their official positions to lucrative lobbying slots in the private sector will be sealed shut.

For a period of 1 year, former Members of Congress and high level congressional staff will be prohibited from lobbying their former colleagues. The same standard will be applied to retiring Federal justices and judicial staff. The policymakers, regardless of which branch they serve, should not be allowed to turn familiarity with issues into finance.

My legislation will outlaw honoraria. The practice of collecting absurd fees from industry and special interest is evil and corrupt. It allows Members of Congress to sell themselves to the higher bidder.

There is no honor in honoraria, only corruption. It must be abolished, and it must be abolished now. Under the terms of my legislation, accepting honoraria will be a criminal act, and this includes royalties from books. The people of this Nation send their Representatives and Senators to Congress to write laws, not books. The American people are our employers, and we owe them our complete and total loyalties and energies. If you want to be an author for hire, get out of Congress.

This measure will apply the independent counsel provisions to Members of Congress. For too long, this Congress has targeted others for scrutiny while unethically operating under the protection of the congressional cloak. If the independent counsel is required to ensure honesty and integrity in the executive branch, then it certainly should be applied to the legislative branch. There must be equity in our system of ethics, this particular provision will bring us closer to that reality.

Finally, the gaping loophole which allows Members of Congress elected prior to 1980 to transfer their oftentimes monstrous campaign war chests

into private retirement accounts will be obliterated. The citizens of this Nation who care to become financially involved in the political process should not be tricked into unknowingly affording politicians a lifestyle of luxury.

I am not naive. I know this legislation will face intense opposition. But, I will not wilt in the face of adversity and unpopularity.

As the vice chairman of the House Judiciary Subcommittee on Administrative Law and Governmental Relations, the subcommittee which has jurisdiction over Federal ethics laws, I will champion this effort and lead the fight. I look forward to working with my counterpart, Chairman BARNEY FRANK, in crafting laws that will close the loopholes and remove the flaws currently in existence. For, this is not a partisan problem. Honestly and integrity is a national concern, a national challenge.

No party, no politician is exempt from its impact and importance. If we are successful, service in government will cease to be the corrupt fiscal investment in a lucrative future that some make it, and instead, return to what the Founding Fathers intended it to be when they formed this brilliant democracy more than 200 years ago: An honor and a privilege.

NATIONAL SCIENCE AND TECHNOLOGY WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. COLEMAN] is recognized for 5 minutes.

Mr. COLEMAN of Missouri. Mr. Speaker, first let me say that I enjoyed the special order of the gentleman from West Virginia [Mr. STAGGERS]. We are both very active pursuers of basketball, and we appreciate all the talents that are brought to that sport. I commend the gentleman and his constituent.

Mr. Speaker, I have asked for this special order so that I may take a few moments to rise and point out that

Mr. Speaker, this is National Science and Technology Week, commemorating a set of activities which hold the key to future U.S. competitiveness abroad and our quality of life at home. This country has excelled in science and technology. Our achievements are acknowledged worldwide, our system of research and graduate education copied by our competitors. This Nation's investment in basic science, engineering, and education since World War II has produced new knowledge at an unprecedented rate. That fundamental knowledge has fostered technological innovation, economic development, advances in health care, and a strengthened national defense.

American science and technology has flourished as a joint venture of government, industry, and educational institutions. Each of these sectors has invested wisely in people and processes for expanding the frontiers of knowledge and applying that knowledge to pressing problems and promising opportunities.

As successful as we have been in the past, it is appropriate that we reflect during National Science and Technology Week on how we are situated for the future. Unfortunately, the prognosis is unsettling:

Our national investment in science and technology has not kept pace with the costs of research and development, the resultant decline has reduced research productivity and dissuaded new talent from embarking on scientific careers.

As our investments have diminished, those of our competitors have increased; Japan and West Germany have exceeded the United States for the last 15 years in the percent of their GNP spent on nondefense R&D, and their rate of growth in civilian R&D has been rising at a faster rate than that of the United States for the last 5 years.

That American science and technology is losing ground to its competitors is all too evident in our trade deficit, particularly in high-technology products; the increasing percentage of U.S. patents granted to residents of foreign countries; and the declining number of Ph.D.'s earned by U.S. citizens.

Just 2 days ago, in a major address to the National Academy of Sciences, Academy President Frank Press called for a doubling of the Federal investment in basic research over 5 years and coupling that investment with actions to assure an adequate supply in number and quality of new scientists.

I hope that we in Congress will take a close look at Dr. Press's recommendations and think hard about the price we will pay as a nation for inaction. I am particularly concerned about the alarming trends in doctoral education.

Supply and demand are moving in opposite directions in doctoral education. Beginning in the mid-1990's, increased faculty vacancies and increased undergraduate enrollments will combine with a growing demand for Ph.D.'s in nonacademic markets to increase sharply the need for doctorate recipients. The Ph.D.'s that will be needed should be entering graduate school now.

Yet federally funded graduate stipends have plummeted to scarcely half the number funded 20 years ago. The percentage of U.S. citizens receiving doctorates has declined for over a decade. A recent analysis by Richard Atkinson, chancellor of the University of California at San Diego and president of the American Association for the Advancement of Science, has shown that current trends will result in an annual shortfall of 7,500 science and engineering Ph.D.'s just a few years into the next century. Like Dr. Press, Chancellor Atkinson calls for increased graduate fellowships as a key means of preventing a costly divergence of supply and demand in science and engineering Ph.D.'s.

To address this problem, I sponsored legislation in 1986 providing graduate support in areas of national need. That legislation was adopted by the Committee on Education and Labor and incorporated into the Higher Education Amendments of 1986. The Appropriations Postsecondary Education Subcommittee has provided the first 2 years of the necessary 3 years of incremental funding needed to carry this program to its steady-state funding. A final increment in funding in the fiscal year 1990 appropriation will produce a stable new source of support for talented students pursuing doctoral degrees in areas critical to the Nation.

When U.S. preeminence in science and technology was challenged in 1957 by the launching of sputnik, the Federal Government responded with sharply increased funding for graduate education and research. The response succeeded, increasing both the size and quality of university research and doctoral education programs.

Thirty years later, a similar effort is required. A recent report by the White House Science Council on the health of U.S. colleges and universities concluded that "our universities today simply cannot respond to society's expectation for them or discharge their national responsibilities in research and education without substantially increased support." The cost of Federal action to strengthen U.S. science and technology will be far less than the cost to the Nation of a failure to act.

IMMIGRATION AND NATIONALITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BROOKS] is recognized for 5 minutes.

Mr. BROOKS. Mr. Speaker, today I am introducing legislation to amend the Immigration and Nationality Act to close a loophole which allows foreign crew members to load and unload cargo from aboard vessels in U.S. ports.

The U.S. immigration law has always been based on the fundamental principle that foreign workers should only be permitted to work in the United States in situations where U.S. citizens are unable or unavailable to do the work in question. The well-known statutory requirement is that anyone who brings foreign nationals into this country for employment purposes must obtain certification from the Department of Labor that such a situation exists. The Immigration Reform and Control Act of 1986 was enacted precisely to improve the enforcement of this principle.

It has never been the intention of Congress that U.S. longshoremen be deprived of the protection of our immigration laws because they happen to perform their work on the borders of the United States. U.S. longshoremen have operated all cargo-loading equipment in U.S. ports, whether this equipment is located on shore or aboard ship. The loading and unloading of maritime cargo is not part of the work of navigating a vessel, which has been reserved for ships' crewmen. Moreover, other maritime countries do not permit foreign crew members to perform longshore work in their ports.

Despite this history, the statutory provision in the Immigration and Nationalty Act relating to shore leave for foreign crew members is being used as authorization for them to perform work in U.S. ports unrelated to the navigation of a vessel. Thus, this activity is occurring particularly in the northern Pacific area and the Great Lakes, where U.S. longshoremen are being deprived of badly needed work.

This legislation is needed to remedy this situation before it become more widespread. It also provides the necesssary sanctions to alleviate the very serious infringements upon legal and documented U.S. workers by foreign seamen and other undocumented aliens.

I hope that my colleagues in the House will join me in supporting this important legislation.

PERSECUTION OF JEWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. LANTOS] is recognized for 15 minutes.

Mr. LANTOS. Mr. Speaker, as cochairman of the Congressional Human Rights Caucus, I have requested this special order to call attention to the conditions of repression that threaten the lives of Jews in many countries around the world. During this week of Passover, we are reminded of the history of repression and persecution that has been inflicted on Jews. This holiday week reminds us of the Jews' courageous and difficult flight from enslavement and religious suppression in ancient Egypt. However, the Jews' struggle for freedom did not end after their escape to the land of Israel.

Jews in many countries around the world continue to suffer government sanctioned persecution. In the Arab world, Jews have suffered among the greatest human rights abuse, torture and discrimination of any group in recent times. Anti-Semitism has increased and the survival of Jews in many Arab countries is seriously threatened.

In Yemen, discrimination and persecution of Jews is officially sanctioned by the Government. Until the 1950's, Jews alone were prohibited from praying and observing their religion, brushing against Muslims in the street, building houses higher than those of Muslims, or residing within the city walls.

Even today—a third of a century later—very little has changed. Yemeni Jews continue to be treated as the lowest social class and their living quarters remain outside the city walls. Synagogues have been converted to mosques and religious schools have been abolished. Only within the confines of their homes are Jews free to pray and study. Visits from journalists and foreigners have been made virtually impossible by the Government and communications between Yemeni Jews and their relatives in other countries are interrupted and curtailed. Yemeni Jews are arrested, beaten and even deported for attempting to contact foreigners. The receipt of religious articles is a jailable offense. The combination of these conditions raises the very real fear the Yemeni Jews and their culture will become extinct; Jewish population in Yemen has dropped from 54,000 to an estimated 1,500.

Unfortunately, Mr. Speaker, Yemen is not the only Arab country where an entire Jewish community faces extinction. In Syria, only 3,000 to 4,000 Jews remain, and they are subject to systematic discrimination and persecution. Amnesty International reports that Syrian Jews have been arrested and detained without charge or trial for several months. Requests to the Syrian Government for information about allegations of torture have been ignored. Jews alone are forbidden to emigrate. Jews are forbidden contact with their fellow Jews of Syria. Jews are also the only religious group to be required to state their religion on their internal passports and have been singled out for restrictions on travel. None of this has been highlighted in the State Department Report on Human Rights, which is a serious and significant oversight.

In other parts of the world, centuries long anti-Semitism continues to threaten Jews. In the Soviet Union, where we have witnessed impressive progress in improving general human rights conditions, but there is still a long way to go before the Soviet Union can be recognized as observing internationally accepted standards of human rights. There is danger that euphoria over recent progress will obscure the fact that there is still a long, long way to go before all Jews enjoy the right to emigrate or to remain in the Soviet Union and enjoy the right to practice their religion and culture.

Easily the most visible persecution of Jews is in the Soviet Union. The most flagrant disregard for human rights is in the Soviet Union's refusal to allow free emigration. The Soviet Union is signatory to the Helsinki Final Act, which states that "the participating states will deal in a positive and humanitarian spirit with the application of persons who wish to be reunited with members of their family." The Soviets have used this statement to imply that no other reason constitutes a sufficient justification for emigration and to deny citizens permission to leave with the understanding that their emigration would separate the applicant from family members in the Soviet Union.

Other methods of discrimination exist that ensure long-term repression of Jews. Soviet educational institutions impose discriminatory regulations against Jewish applicants. Jews are often denied high-level professional employment because of their religious convictions. Pervasive anti-Semitism continues to be condoned by the Soviet Government. The Soviet Anti-Zionist Committee continues to function, despite rumors of its demise, and the anti-Semitic group Pamyat continues to slander and threaten Jews. All of these problems continue to exist despite Soviet rhetoric about reform and increased freedoms for its citizens. Jews remain a persecuted community within the Soviet Union.

For many Jews, their only hope is to ensure their right to practice their religion freely in the company of their family. Even this basic right is denied to Jews in Ethiopia who suffer from family separation and forced population transfers. Nearly 15,000 Jews remain stranded in Ethiopia despite their desperate desire to be reunited with their family members who escaped to Israel in 1984 and 1985. Emigration from Ethiopia is prohibited. Jews are referred to as "Falashas," a derogatory name meaning "stranger" or "landless." Despite centuries of anti-Semitism, physical destruction, confiscation of land, enslavement and forced conversion, Ethiopian Jews have survived and maintained their strong religious heritage. Ethiopian Jewish cultural identity is currently threatened, however, because of the Government's "villagization" program which disperses communities. This has eliminated the opportunity to maintain religious ties to Jews remaining in Ethiopia and intensifies the isolation these people suffer because family members have fled to Israel.

The devastating effects of the Ethiopian Government's policies are felt not only at home, but also among the Ethiopian Jews is Israel. As a result of the personal strain of this enforced separation, hundreds of Ethiopian Jewish children in Israel who are separated from their parents in Ethiopia suffer acute emotional distress.

Mr. Speaker, it is an outrage that in 1989, Jews continue to be subjected to discrimination and severe human rights abuse. It is incumbent upon all of us to call for an end to policies that condone or sustain conditions of repression of an individual for his or her religious conviction and destruction of a religious heritage.

As Jews around the world celebrate the Jewish holiday of freedom—Passover—let us recommit ourselves to continuing our efforts to safeguard the life and identity of all Jews in oppressive countries.

Mrs. MORELLA. Mr. Speaker, I would like to thank my friends Mr. LANTOS and Mr. PORTER, cochairmen of the Congressional Human Rights Caucus, for calling this special order today. This time of the year, the Passover season, is a particularly appropriate time to remember the persecution of Jews. We join today with Jews around the world in celebrating their emancipation from slavery in Pharoah's Egypt and remembering that there are still many Jews who are not free.

Recently I was able to witness and participate myself in such a ceremony of celebration and remembrance with the congregation of Temple Shalom, located in my congressional district in Silver Spring, MD. The temple was dedicating a sign expressing its solidarity with Soviet and Ethiopian Jews. The sign is impressive both for its artistic design and, more importantly, for the depth of commitment which it conveys. The passion surrounding this issue, felt not only by Jews but by people everywhere who value freedom and liberty, is reflected in the art presented to me by children at the temple and the depth of feeling which they expressed in the songs which they sang at the sign dedication ceremony.

I should add that there has been an overwhelming amount of interest in the plight of Ethiopian Jews. In March I spoke at Temple Israel in Silver Spring, where they too were dedicating a sign to Ethiopian Jews. I have heard from hundreds of constituents, and dozens of children, who are concerned about their welfare and their freedom.

The same love of freedom exhibited by these American children I have seen firsthand in Ethiopian Jewish children in Israel. And in spite of their new found freedoms, most Ethiopian Jews in Israel remain partly enslaved by the spiritual bond which they have to family members who have not been allowed, or have not been able, to leave Ethiopia. The depth of the problem is best understood by the fact that almost every Jew in Ethiopia has a direct immediate relative living in Israel.

Although many Ethiopian Jews have been successfully integrated into Israeli society—attending schools, serving in the army—many feel guilty that they are living in freedom when they have left their family and friends behind. Some 40 children have felt such despair over this that they have committed suicide—a phenomena completely unknown to the Jewish community in Ethiopia.

In essence, no Ethiopian Jew can be free until all are free. We must reinvigorate our traditional commitment to the goal of family reunification as it regards this matter. Although about 5,000 Ethiopian Jews were brought to Israel during Operation Moses, between 12,000 and 17,000 remain in Ethiopia. But those remaining are primarily women, children, the elderly or the sick; so this community, which dates back some 2,700 years, is not viable. But it can be saved. And we can, and are morally obligated to, offer whatever assistance we can to do so. Furthermore, I call on the Government of Ethiopia to cooperate and comply with international obligations in reuniting Ethiopian Jewish families.

Not quite so desperate, but still disheartening, is the plight of Soviet Jews. I applaud President Gorbachev for all of the improvements which have been made in regard to emigration of Soviet Jews, and the improvements, however small, which they have seen in their personal lives as a result of glasnost and perestroika. However, I am greatly concerned by some of the traditional anti-Semitism which has been tolerated by Soviet authorities. If the spirit of glasnost is to have its limits, surely we can all agree that the reigning in and official condemnation of pamyat, and other such groups promoting hate and intolerance, would be a good place to start. However, such limitations must not be employed to repress legitimate speech.

We have seen progress in the emigration of Soviet Jews. The numbers, while not as high as we would like, are impressive, and are a tremendous improvement on the figures from the early 1980's. Indeed, I am pleased that many of the Soviet Jewish dissidents with whom I met during a trip to the Soviet Union in 1987 have since been given permission to leave and are now in Israel. But not all of them.

Last week I had the opportunity to meet with Anna Lurie Schvartsman and her husband. They have a beautiful newborn baby. Having become a grandparent last year, and knowing the joy and happiness which it has brought me, reinforced for me the emptiness which must be felt by Emmanuel and Judith Lurie, new grandparents who are unable to be with their grandchild. The Luries are one of the few families with whom I met on my trip who have not been allowed to leave.

Any why not? Mr. Lurie had access to supposed state technological secrets during his employment. Most recently, he received a letter from the Ministry of Chemical Industry notifying him that his refusal will not be reviewed for at least another year. Most American technology in use 10 years ago has long since become outdated, and surely there is little use for 10-year-old Soviet technology in the West. I cannot imagine that there is any information to which Mr. Lurie had access that would now be of any interest or any use whatsoever. There is no reason to keep the Luries in refusal. Let them go. Let them be with their family, in freedom, in Israel, where they desire to be.

While there has been much attention to the plight of Soviet Jews, and growing awareness of the problems of Ethiopian Jews, we must not forget that there are Jews in many countries, and especially in Syria and Yemen, who yearn to be free. We must not forget them, as we must remember all those whose right to such basic freedoms of belief and religion is denied.

As John Donne wrote, "No man is an island." When the rights of any person are denied, the freedoms of us all are restricted.

Mr. MACHTLEY. Mr. Speaker, today we have gathered to discuss on ongoing crisis of human rights—that of religious persecution. Specifically, we have come forth today to discuss the continued persecution in certain countries, and by certain regimes, of the Jewish population in those lands.

Human rights constitute humane treatment, fair and equitable treatment, for all peoples within all boundaries and living in all lands. The persistence of inequitable treatment of Jewish people living in the Soviet Union, Syrian, Yemen, and Ethiopia consititute a violation of our most basic freedoms of religious indentification and expression—the freedoms upon which tests the essence of the United States of America—and which today we defend.

Most notably, I call to your attention the continued difficulties endured by the Jewish peoples of the Soviet Union.

The Jews of the Soviet Union have suffered a history of persecution. Jews living within the Soviet Union are placed under special restrictions and are classified in ways that make them feel like a marked strata of society.

I cite as examples the fact that books in Hebrew may still not be printed in the Soviet Union, the fact that the quota system established during the Breznev era continues to discriminate against the selection of Jewish people for high level jobs or for admission to competitive programs and universities, the fact that Jews living within the Soviet Union are required to carry an internal passport with the term "ZHID" stamped on it, for which a polite translation is "Jew." The real meaning is far less kind.

There is no doubt that life for all minority affiliations—both religious and secular have improved significantly in the past few years under General Secretary Gorbachev. In 1988, over 19,000 Jews were able to emigrate from the Soviet Union—a figure substantially larger than the 8,155 who were permitted to leave in 1987.

But there is also no doubt that the road to cultural and religious equality for Jews in the Soviet Union is still bumpy. There should be no doubt that the Soviet Jews who choose to emigrate are doing so with a well-founded fear of persecution.

According to the State Department's 1988 report on human rights, those who attempt emigration risk "possible loss of employment, harassment, social ostracism, and long delays." The difficulties do not end there. Past involvement, and the involvement can be very limited and very lond ago, in jobs which were, quote, "security related," the requirement that family members sign release forms for their children, and a need for an invitation from a relative abroad—complicate the process even further.

There are still many Jews who are waiting to leave the Soviet Union. Despite the recent upsurge in exit visas, official Israeli sources cite that there are as many as 370,000 Soviet Jews who have requested the letters of invitation needed to emigrate.

During his visit this December to New York City, Secretary Gorbachev said, and again I quote: "The problem of exit from our country, including the problem of family reunification, is being dealt with in a humane spirit * * * One of the reasons for refusal to leave is a person's knowledge of secrets. Strictly warranted time limitations on the secrecy rule will now be applied * * * There is a right of appeal under the law. This removes from the agenda the problem of the so-called refusniks."

Removes from the agenda? Tell that to Anatoly Brener, Yuri Kosten, Emil Kunin, Leonid Lantsman, and hoards of others—all of whom left their secrecy jobs more than 10 years ago, and all of whom were rejected for emigration since January of this year for reasons of secrecy.

The Soviet Union signed the Vienna Concluding Document, effective on January 19 of this year. This document recognizes the right of free exit and entry from one's own country.

We must begin to hold the Soviet Union, as we would expect of any nation, to the international documents of which it is a signateur. We must hold Secretary Gorbachev to the commitments he made in New York in December.

Furthermore, we must hold ourselves to our own commitment as a safe haven for all of those fleeing from persecution and seeking a new life in a new world.

I have recently signed on to a resolution which secures refugee status for all Soviet refusniks, and which provides a temporary increase in funds to aid in the financial obligations which are incorporated in this commitment.

This commitment extends naturally from a shared feeling of cultural and/or religious ties to the local and individual level.

In my district of Rhode Island, Barrington's Temple Habonim performs the worthy task of adopting Soviet Jews who are attempting to emigrate. Members of this temple have brought to my attention the difficulties faced by the Lurie family, of which many of you may be aware.

Judith and Emanuel Lurie first applied for exit from the Soviet Union in 1979. They were accepted for, and then denied permission to emigrate. They were separated from Judith's mother, and are now separated from their own daughter, Anna, who married and emigrated to Israel. Their daughter Anna now has a young child herself—a grandchild that Judith and Emanuel Lurie have never seen.

Soviet Jews have provided the United States with great cultural, historical, and intellectual achievements.

Today is a day in which to make an international appeal for an end to Soviet persecution of its Jewish citizens, to applaud the great contributions which those Soviet Jews who have emigrated have added to American society, and to hope for a day in which tragic family separations like that of the Lurie family will be a thing of the past.

Mr. STOKES. Mr. Speaker, I want to thank my distinguished colleagues, the gentleman from California [TOM LANTOS] and the gentleman from Illinois [JOHN PORTER] cochairmen of the Congressional Human Rights Caucus, for reserving this special order to discuss Jewish persecution. The special order is very timely since this is the weeklong "Festival of Freedom Holiday," marking the exodus of enslaved and oppressed Jews from Egypt to freedom in Canaan.

Mr. Speaker, as cochair of the Congressional Coalition for Soviet Jewry, my colleagues and I are committed to the fulfillment of human rights everywhere, and specifically to the rights of those desiring to emigrate from the Soviet Union.

I have traveled to the Soviet Union and met not only with Soviet officials but also with private citizens who had been denied their right to repatriate established by the Helsinki agreement. I have observed close up, the day to day existence of Soviet refuseniks who must struggle to exercise their fundamental human rights—the right to their own culture and language, the right to practice their own religion, and the right to live in the land of their choice.

In 1987, more than 8,000 Soviet Jews were granted permission to emigrate. However, an estimated 400,000 are reported to want permission to emigrate from the Soviet Union. And despite increases since glasnost, emigration procedures remain narrow and restrictive. We applaud the release of longtime refuseniks Benjamin Charny, Yuri Zieman, and Lev Shapiro. Yet, much remains to be done. Scores of other refuseniks wait for permission, many of whom have suffered the anguish of family separation and religious and cultural harassment for a decade or more. It is imperative that we continue our efforts on behalf of these individuals and human rights throughout the world.

Mr. Speaker, I want to again commend the cochairmen of the Congressional Human Rights Caucus for reserving this special order. We hope that it will send a signal throughout the world that our concern for human rights has not waivered and our support is ever strong.

Mr. LIPINSKI. Mr. Speaker, I would like to thank my friend from California for calling this important special order, to recognize the continued persecution of Jews worldwide.

Although the favorable international climate of the past year has promoted significant advances in human rights in many parts of the world, there is one disturbing consistency which cannot be overlooked. Throughout the far reaches of the globe, large numbers of Jews continue to be persecuted because of their religious beliefs. The persecution may be evident by the denial of emigration, or more blatant signs of anti-Semitism such as arbitrary arrests and denying the practice of Judaism. In any case, the freedom of religion for Jews must continue to top the international and American human rights agenda.

Nowhere is continued persecution in times of social change more evident than in the Soviet Union. Under Mikhail Gorbachev, important social changes seem to be underway in the Soviet Union. While Americans can be encouraged by Soviet elections and signs of new freedom for some nationalities, we must not forget the persistent plights of Jews living in the Soviet Union.

If Gorbachev seeks to convince the West that Soviet social reforms are legitimate, the persecution of Jews must end. Jews in the Soviet Union are denied the most basic rights of freedom of thought, conscience, and religion, as well as the freedom to emigrate. The Soviet Union confirmed these basic rights by signing the Helsinki Final Act in 1975.

It is time for Gorbachev to keep the promise of the Helsinki Act, and allow Soviet Jews to pursue cultural, social and religious freedom. Glasnost has allowed new tolerance of some religions, such as Russian Orthodoxy, but even these changes have left Jews behind. Religious institutions are still required to register with the Government, and there are only 60 synagogues in the Soviet Union to serve a population of over 2 million Jews. Jews are not free to publish books in Hebrew. Unlike other nationalities which are experiencing a new sense of cultural rejuvenation, the cultural identity of Jews is still unaccepted. This unacceptance is evidenced by the continued activities of Pamyat, a severely anti-Semitic organization. Gorbachev's glasnost must include enhanced freedoms for all cultures, including Jews.

Glasnost enthusiasts point to increased emigration as a sign of positive change for Soviet Jews. Yet the number of emigres during 1988 was only 40 percent of the number from the peak year of 1979, and there are still 370,000 Soviet Jews who are seeking emigration.

Mere numerical increases do not reveal the continued problems Soviet Jews face in emigration. The unresponsive Soviet bureaucracy still results in years of waiting for emigration. Arbitrary denials for bogus security reasons continue. Harassment of Jews seeking exit visas discourages many from even attempting the long application process.

Given the difficulties of the emigration process, we must focus on the plight of those who remain in the Soviet Union. Concerned Americans must work to increase the religious, educational, and cultural opportunities for Jews within the Soviet Union. By intervening in emigration cases, by maintaining international pressure for freedom of religion, and by continuing to highlight the plight of Soviet Jews, the United States makes it clear that Soviet glasnost will not demand United States consideration until basic freedoms are granted to Soviet Jews.

The plight of Soviet Jews, along with Jews oppressed throughout the world, must maintain high priority on the international agenda. This special order helps guarantee that it will, and I thank the gentleman from California for yielding.

Mr. GALLEGLY. Mr. Speaker, I rise as a member of the Congressional Human Rights Caucus to recognize the thousands of Jews around the world who are oppressed solely because of their religious beliefs. I commend Mr. LANTOS and Mr. PORTER, cochairmen of the caucus for providing this opportunity to express congressional concern for Jews who are denied their basic religious rights.

The celebration of Passover, commemorating the freedom of the Jewish people from oppression and slavery in Egypt, serves to focus our attention on those Jews who do not share these freedoms even yet, several thousand years later.

One particularly distressing situation is the repressive Marxist government of Ethiopia, headed by dictator Mengistu Haile Miriam, which restricts 12,000 to 15,000 Falasha Jews in their religious observances and rights. These people have been forceably taken from their homes and transferred to other locations. They are separated from family members and are not allowed to emigrate. The Falasha Jews only seek to maintain and uphold their religion and their rights as human beings. The Ethiopian Government denies the Falashas their freedom of religion and prevents them from even living with dignity. As a member of the Congressional Caucus on Ethiopian Jewry, I am deeply concerned over these injustices and urge the Ethiopian Government to extend religious freedom to the Jews and to stop this inhuman oppression.

Jews in Yemen, who have lived in the area for thousands of years, are officially oppressed by their government and its public actions. These Jews, of which only about 4,000 are left since the large emigration to Israel in the 1950's, are victims of government policies that censor their mail and restrict their travel and emigration. Jews are subject to arbitrary arrest, are detained without a trial or due process, and have even suffered targeted killings. Our free and democratic country that supports freedom of religion and human rights should deplore the continued persecution of the Jews in Yemen and call for an end to the restrictions and denial of their rights.

Syrian Jews live in an atmosphere of constant fear. There are over 4,000 Jews in Syria, treated as second-class citizens. Living under constant surveillance, they suffer the threat of unlawful arrest without cause, torture and even death at the hands of the secret police. Furthermore, they are restricted in their travel, they cannot emigrate and their homes are subject to random searches by brutal police.

Syria keeps the Jews as hostages against Israel, to persecute and oppress them in their hatred of Israel. Syria should cease its oppression and brutality against the Jews in their country. Syrian persecution of its Jews is not a secret, and its repression of human rights is well known.

The Soviet Union has a large Jewish minority within its borders. Anti-Semitism has resulted in the desecration of Jewish property and threats of pogroms. Many of the 2 million Jews are denied the right to emigrate and suffer separation from their families.

As an example, Valery Anatolyevich Palatov, a 45-year-old Jewish software engineer from Leningrad, has been repeatedly denied permission to emigrate from the Soviet Union on the grounds that he had access to classified information. His wife and two children were allowed to emigrate to the United States in 1979. As a result of giving his children permission to emigrate, Valery lost his job and was not allowed to complete his Ph.D. He was harassed and interrogated by the KGB. Unable to work in his field, he had to find other work. Because a coworker with a higher security clearance was allowed to emigrate in 1988, it calls the Soviet reasons for denial of the visa into question. The Soviet Union should allow Mr. Palatov and others like him to emigrate. I urge the Soviet Government to allow greater religious and cultural freedom, and to stop acts of anti-Semitism.

Through my position on the Foreign Affairs Committee, I intend to work to stop the persecution of Jews around the world and will continue to support their right to have freedom from fear, freedom to observe their religion, and freedom to emigrate. I am happy to say that I have had several opportunities to intervene on behalf of Jewish people in U.S.S.R. and other Eastern-bloc countries. I have cosponsored and supported related legislation such as House Concurrent Resolution 68, expressing the sense of the Congress regarding the inability of American citizens to maintain regular contact with relatives in the Soviet Union, and House Joint Resolution 589, proclaiming "Helsinki Human Rights Day" honoring agreements to end human rights abuses.

I will continue to speak our in favor of those who are persecuted, and I call upon my fellow members to take such action as we are able to prevent persecution by oppressive governments and to encourage freedom of religion around the world.

Mr. WOLF. Mr. Speaker, I rise on this occasion to stand in solidarity with those of Jewish faith facing persecution today. It is interesting that four very different parts of the world—Ethiopia, Syria, Yemen, and the Soviet Union—share this trait in common: A failure to come to grips with basic rights and freedoms entitled to its respective Jewish populations.

Today, as many as 15,000 Jews who remain in Ethiopia's Gondar Province face religious discrimination and even a struggle for survival amidst disease, war, and famine. Several thousand Ethiopian Jews were rescued via Operation Moses and Operation Joshua in 1984 and 1985, but the door is presently shut. Ethiopia's Marxist state prohibits emigration. Families remain divided. We must ensure that the family reunification of Ethiopian Jews is a significant factor in any talks between the United States and Ethiopia.

The Ethiopian Jews have maintained their Jewish heritage and prayed for their return to Jerusalem. In the 11th chapter of Isaiah, the prophet refers to the Jews of the upper Nile region among those the Lord will gather together as the "exiles of Israel."

The Jews of Syria face perhaps the most urgent ordeal. Many Syrian Jews have been subject to harassment and discrimination; some have faced arbitrary arrest and have been held incommunicado. Syria's 4,000 Jews, for the most part, are prevented from leaving their country and need our urgent support.

The Jews of Yemen confront even more complex burdens of discrimination and persecution. Perhaps a few thousand or fewer Jews remain there, but little can be confirmed because of tight restrictions over foreigners' visits to their communities. One person who did travel to Yemen recently reported that they were closely watched, and yet managed to communicate with some Jews. Interestingly, they noted that some Moslem women offer protection and support to Jewish women in this Arab Republic, and there is at least a small measure of religious freedom. However, there is strong indication that Yemen's Jews also wish to join their relatives living abroad.

Finally, Mr. Speaker, much has already been said about the continuing plight of Soviet Jews. Yes, we should appreciate the fact that larger numbers are finally permitted to emigrate. But, no, promises for fundamental changes in the Soviets system of arbitrary emigration rules have not been met.

I want to thank TOM LANTOS and JOHN PORTER for calling this special order to focus attention on the situation for Jews in these four corners of the world, reminding us that there is so much left to do before the persecution of Jews will be ended.

Mr. PORTER. Mr. Speaker, today marks the end of the Jewish holiday, Passover, known by Jews as the "Season of Our Freedom," when Jewish people commemorate the exodus of their forefathers who were enslaved for 210 years in Egypt. Passover began last Wednesday evening with a seder meal recognizing the Israelites' last supper in Egypt when Jews ate a slaughtered lamb, and placed its blood on the doorposts of their homes. That evening, an angel of the Lord traveled through Egypt to slay all the firstborn, and "passed over" only houses with lamb's blood on the doorpost. And so became the holiday of Passover.

The story of Passover signifies not just an historical event, but the religious dedication and respect for law and life that gives meaning to a true concept of freedom. It is a time of thanksgiving, of family and community solidarity.

This week-long holiday is an opportune time to remember the thousands of Jews around the world who today remain oppressed. The Congressional Human Rights Caucus, which I cochair with Congressman TOM LANTOS, of California, stands with the approximately 15,000 Ethiopian Jews stranded in the Gondar Province, 4,000 Syrian Jews subjected to severe harassment and discrimination, 1,000 Yemen Jews denied contact with their brothers and sisters, and the 2 million Soviet Jews unable to openly practice their religion and emigrate to the country of their choice.

After visiting Soviet refuseniks in 1982 and seeing for myself the oppressive conditions in which they live, I founded the Congressional Human Rights Caucus and asked my distinguished colleague TOM LANTOS to join me as cochairmen, on a bipartisan basis. At that time, only 2,688 Soviet Jews received permission to emigrate, compared to 51,320 3 years earlier. Although I am encouraged that 19,343 Soviet Jews emigrated last year and approximately 12,000 have already received permission during 1989, I remain unsatisfied with the ongoing refusal of any Jew wishing to emigrate or practice their religion openly.

Are the higher emigration figures and other improvements in Jewish life longlasting changes? Or are they temporary improvements designed to force the West to shift focus away from the troubling Soviet Jewry movement? If this is the case, the Soviet Government may crack down without receiving the international pressure it deserves. Will the Soviets revise their laws and develop a systematic emigration process as they told the Helsinki Commission during our November visit? And, when will Judith Lurie, Boris Kelman, Igor Uspensky, Yuri Semonovsky, Boris Chernobilsky, Lev Sheiba, Vladimir Raiz, and Anatoly Genis receive permission to live in the country of their choice?

Over the years, and recently, I have been in close contact with the Soviet Government regarding these and other human rights issues. I look forward to continuing this dialog. We must continue to discuss our concerns, and to develop human rights procedures which conform to international standards. We cannot forget the Soviet Jews struggling to live according to their traditions and culture.

In Ethiopia today, approximately 15,000 Jews remain stranded in Gondar Province. This community, made up mostly of women, children, and sick and elderly, are continuously threatened by famine, disease, and a civil war in the neighboring Tigre Province. Despite the tremendous success of Operation Moses and Operation Joshua in 1984 and 1985, when over 8,000 Ethiopian Jews were rescued from Sudanese refugee camps and brought to Israel, many Jews left behind want desperately to reunite with their families. Family reunification and internationally recognized human rights must be guaranteed for these people.

In Syria, over 4,000 Jews are referred to as a hostage community. Six Syrian Jews are reportedly incarcerated and according to Amnesty International, subjected to beatings and torture, and denied access to legal counsel, fair and open court hearings, and other requirements of due process. Amnesty's requests to the Government regarding these cases have gone unanswered.

Furthermore, Syrian Jews are intimidated by the Syrian intelligence service, and often forbidden from leaving the country. If they have to leave for medical reasons, Syrian Jews are usually required to deposit financial guarantees and leave some family members behind. Although Syrian law requires a posted financial bond by any Syrians leaving the country,

the law is arbitrarily enforced and applied only to Jews.

Little information is available about the Yemeni Jewish population. Reports indicate, however, that discrimination, a systematic government campaign to abuse and harass members of the Jewish community, and second-class status for Jewish people exists in Yemen. For example, it is forbidden for Jews, not Muslims, to have contact with foreigners, and those caught doing so are reportedly beaten and jailed.

These are only snapshots of today's oppressed Jewish communities around the world. Like many religious minorities, Jews struggle to maintain their identity and culture amidst strong governmental and nongovernmental oppression. We must not forget these suffering people, and we must remind the world that these conditions continue to exist.

Mr. GILMAN. Mr. Speaker, I would like to thank the cochairmen of our Congressional Human Rights Caucus, the Congressman from California [Mr. LANTOS], and the gentleman from Illinois [Mr. PORTER] for arranging today's special order. This week, Jews worldwide have been celebrating the holiday of Passover, marking the exodus of the Jewish people from slavery in Egypt to freedom. It is altogether fitting that this festival of freedom, which links all Jews, be commemorated by remembering those who are less fortunate than we—those Jews around the world, in such disparate countries as Ethiopia, the Soviet Union, Yemen, and Syria.

The Jews of Ethiopia, currently number between 15,000 and 17,000. The heroic airlifts of 1984 and 1985, which transported thousands of Ethiopian Jews to Israel, were discontinued when word of their existence was leaked to the world. Those who remain in Ethiopia are primarily women, children, the aged, and the infirm. They reside primarily in Gondar Province, susceptible to the fighting created by the civil war. Their only desire is to be reunited with family members in Israel. Of those in Israel, nearly 1,500 are orphans; that is, children separated from their parents. Yet, despite repeated attempts from the world community on their behalf, Ethiopia's remaining Jews continue to languish. The Congressional Caucus on Ethiopian Jewry, which I chair in the House with my colleagues, Congressmen SOLARZ and ACKERMAN, now has 112 members. I invite those of our colleagues who have not yet joined to express their support for Ethiopian Jews by doing so, so that together we can appeal for the swift reunification of this endangered Jewish community.

Another Jewish community our colleagues may not be very familiar with is the virtual isolation being perpetrated against the few thousand remaining Jews of Yemen. Scattered throughout the country, they were separated from the bulk of the Yemenite Jewish community through operation magic carpet, which brought Yemen's Jews to Israel following the founding of the Jewish state. Today, they are forbidden from having contact with foreigners. They are not allowed to receive mail from abroad, and are permitted to worship only in their own homes. Contact is virtually impossible. This tiny community, estimated at only 1,000 to 2,000, is desperate for contact with its coreligionists. Small as their numbers may be, it is incumbent upon us to bring their plight to the attention of those who are in a position to help. We must work to ensure proper mail delivery, the receipt of items for religious worship, and the allowance by the government of visits by relatives.

In Syria, some of the Jewish community's 4,000 members are allowed to travel abroad. Yet the price they pay is heavy indeed. Jews are the only group in Syria required to post a substantial financial bond to ensure their return, and they are the only ones whose religion is noted on their passports. This small community exists under economic and legal discrimination sanctioned by the Syrian Government. Currently, six men are in custody, without charges having been brought against them. They have not been allowed contact, and calls for their release have gone unanswered. Syrian Jews are banned from emigrating, because the Syrian Government assumes they would emigrate to Israel. This severe lack of freedom is straining this historic community to its limits.

And while we are all now very preoccupied with the large outpouring of Jews from the Soviet Union, and must rejoice in having finally achieved a human rights victory after so many years, what is still lacking in the Soviet Union is true glasnost for Soviet Jews. We have been told for many months that reviews were underway regarding secrecy restrictions and the plight of poor relatives. Yet with all those who have been granted permission to emigrate there are still a goodly number who are still refused on the most spurious grounds. Individuals are still being refused permission, relatives withhold their signature arbitrarily, and those who wish to exercise their right to freedom of emigration have no official recourse. Under the guise of glasnost, the ultranationalistic and openly anti-Semitic organization "Pamyat" continues to operate. Education restrictions for Jews at institutions of higher learning remain. The more things change, it seems, the more they remain the same. Although some small spark of Jewish cultural life is now being allowed to present itself in cities and towns in the Soviet Union. There are no firm guarantees that this will continue. We are encouraged by some of the actions taken by the Soviet Government, such as allowing more and more Soviet Jews to emigrate, yet serious concern over future practices remains. We cannot allow ourselves to become complacent. We must learn from history and act accordingly.

Mr. Speaker, the four groups of Jews we are focusing on today are but a representative sample of the persecution and denial of human rights to Jews in many countries around the world. Therefore, we must increase our efforts to alleviate their suffering, in accordance with the biblical injunction that "I am my brother's keeper." There is no more fitting season than Passover, which commemorates the redemption of the Jews from slavery in Egypt so many centuries ago. I want to thank my colleagues once again for permitting us to participate in this special order, certain in the knowledge that our present and future efforts will bear fruit.

Mr. ANNUNZIO. Mr. Speaker, I rise to join my colleagues in focusing world attention on the plight of Jews throughout the world who are subjected to severe forms of persecution and harassment at the hands of government officials in many of the countries where they reside. Over four decades have passed since the Holocaust, and yet, persecution of Jews persists in many nations the world over.

In the Soviet Union over 2 million Jews are denied their basic freedoms and the right to practice their own religious beliefs. Although Secretary General Gorbachev has promised a new openness, government-sanctioned activities against Jews continue. Thousands of individuals have attempted to emigrate to Israel and the United States, and repeatedly have been denied permission on flimsy grounds. Numerous reports of incidents of harassment and government-approved anti-Semitic activities surface daily.

Human rights violations against Jews is not limited to the Soviet Union. In Africa, about 15,000 Ethiopian Jews are trapped within a country in the midst of civil strife. These Jews have been subjected to forced resettlements and imposed family separations. In Yemen, thousands of Jews are stranded and face the danger of extermination.

At a time when so much attention in the press is on the current situation in Gaza and the West Bank, it is important also to remember the plight of thousands of Jews trapped in Syria, who have been cruelly mistreated by the Syrian government. These Syrian Jews have been subjected to some of the most tyrannical forms of oppression, including targeted killings by the secret police. Their travel is restricted, and they face arbitrary arrests and detentions on trumped up charges.

The Jews in the Soviet Union, Ethiopia, Syria, Yemen, and elsewhere have stood up to the brutality and harassment of their oppressors and are surviving. Their perseverance is a source of strength and inspiration for all people throughout the world who are experiencing similar oppression.

Mr. Speaker, it is appropriate that we in the House of Representatives continue to condemn these human rights violations against the Jews in order to focus world attention on their plight. The court of world opinion must be brought to bear so that Jews may have restored to them the right to emigrate and to practice their religion free from persecution.

Mr. JAMES. Mr. Speaker, I rise today to join my colleagues in speaking out against the persecution of Jews around the world.

As the Jewish holiday of Passover comes to an end, a holiday which commemorates the freedom of enslaved Jews from Egypt years ago, it is unfortunate that many Jews today are persecuted for their religious beliefs. From Syria to Ethiopia to the Soviet Union, Jews suffer restrictions on religious worship, cultural expression, and the right to emigrate, to name a few.

As Americans we enjoy a nation with numerable constitutionally-provided rights, such as freedom of religion and freedom of speech. Consequently, I believe it can be difficult for us to conceive of the persecution that other people experience, such as Soviet Jews. Nonetheless, with our freedoms I believe comes a responsibility to the people of the world to work toward the achievement of their basic freedoms also. Congressional attention

to this issue can only help this important cause.

As I serve in the Congress I will be committed to improving the plight of persecuted Jews worldwide, and I commend the Congressional Human Rights Caucus for planning this special order.

Mr. FAZIO. Mr. Speaker, I rise today to join with my colleagues in condemning the persecution of Jews in Ethiopia, Syria, Yemen, and the U.S.S.R.

Despite efforts to end anti-Semitism we find that Jews throughout the world continue to face oppression and are denied their basic religious and human rights. For example, Ethiopian Jews are threatened by famine, disease, and a bloody civil war. Some 12,000 to 15,000 Jews, mostly women, children, the elderly, and the infirm, remain under the brutal rule of a military dictator. Many of these people long to be reunited with their families, who were airlifted out by Israel during Operations Joshua and Moses. The separation of families has caused severe emotional distress on the part of the separated children, in some cases leading to attempted suicide or self-starvation. Jews in Ethiopia also suffer from harsh religious discrimination—including harassment of their leaders and a ban on the teaching of Hebrew and Jewish studies. Special permission is required for holiday gatherings which is frequently denied by the government.

Syrian Jewry is treated as a second class citizenry by the Government of Hafez Assad. Jews are not allowed to emigrate and must pay a fee to travel abroad for short time periods. Even then, entire families are never issued passports at the same time. Jews are also barred from military service and their government employment is restricted to only a small number of low-level jobs.

Yemeni Jews are at the bottom of the social order due to the fact that they are scattered throughout the country. They have no right to travel, change residences, pray openly, become professionals, or own land. No synagogues exist in the country and contact with foreigners is prohibited. As a result of another Israeli airlift, Operation Magic Carpet in 1949, many Yemeni Jews are separated from their families and are prevented from joining them in Israel.

Although the Soviet Union has increased emigration for some Jews, many still suffer from educational, employment, and severe emigration restrictions. Pamyet, an anti-Semitic organization, agitates for more regulation of the Jewish nationality. It has led to further restrictions on Jewish life, seen in the fact that books in Hebrew are illegal, there is a shortage of consecrated Jewish cemeteries, and only one Yeshiva, a religious training school, is in existence for more than 2 million Jews. Furthermore, Jewish activists who publicly protest their lack of rights are harassed and denounced. I encourage my colleagues to draw attention to these atrocities in the hope that we stop this persecution against Jews.

Mr. LAGOMARSINO. Mr. Speaker, today I take this opportunity to join my colleagues in calling attention to the persecution of Jews in Syria. They suffer the full brunt of this authoritarian-police state's terror. They undergo constant surveillance, subjected to random searches and arbitrary arrests. The right to a quick and fair trial is nonexistent. It is not an uncommon occurrence for family members to disappear in police custody and never be heard from again. Many are refused the right to emigrate.

The persecution that the Jews suffer is symptomatic of Syria's hard-line stance toward the State of Israel. Syria is dedicated to the destruction of the Jewish State. Syria is one of those few nations that actively uses terrorism to achieve its foreign policy goals. Its hard-line position and expansionist policies are a major source of instability in the Middle East. This is clearly seen today with Syria's active, centrally provocative role in Lebanon's chaos and violence. Only when Syria recognizes Israel as a legitimate State and ceases engaging in activities to undermine its existence, can there be a chance of a Middle East settlement. Hopefuly then the persecution of the Jews in Syria will stop. However until that day, we must remain vigilant and continue to support positive efforts to help them and others like them around the globe.

Mr. LEHMAN of Florida. I am honored once again to join with fellow Members of Congress in the 1989 Congressional Call to Conscience Vigil for Soviet Jewry. The vigil is in it's 13th year and has proven to be a constructive method for Congress to speak out on behalf of Soviet Jews wishing to emigrate.

Now is a particularly difficult time for many refuseniks in the Soviet Union. Passover, a holiday marking the exodus of Jews from Egypt, is being celebrated by Jews around the world. Sadly, for refuseniks in the Soviet Union, it is impossible to celebrate this occasion with members of their family who have emigrated.

Many constituents from the 17th district in Florida, which I represent, have written my office to express deep concern about Anatoly Genis and his family, refuseniks living in Moscow. The Genis family first applied to migrate in 1976, and has been refused permission 24 times since then.

Anatoly is 52 years old and has a Ph.D. in mathematics, although he has not been able to practice in his field since he applied for an exit visa. In order to support his family he has worked in menial labor as a loader and more recently held a job sweeping an undergound passageway.

The Genis family has suffered incredible hardships over the past several years. In 1984 after the birth of their third son, Anatoly's wife Galya became ill and unable to care for the family. Two of their sons are also ill, Peter has severely high blood pressure and Seva suffers from Cushing's Disease. In addition, Anatoly lost his job in 1985 creating a severe strain on a family with great medical expenses.

Since 1988, the Genis family has become much more involved with the refusenik community. On September 15, 1988, Anatoly was arrested for demonstrating with other refuseniks near the Ministry of Radio Industry and served for 10 days in prison.

It is my hope that this touching story of Anatoly Genis and his family will generate more action by my colleagues on behalf of him and all refuseniks in the Soviet Union. While the emigration of Soviet Jews has dramatically increased this year, the Genis family is still celebrating Passover separated from family. Perhaps next year through the efforts of Congress, they too may be free to celebrate in Jerusalem.

Mr. JONES of Georgia. Mr. Speaker, I thank the gentleman from California for taking this most important special order.

Mr. Speaker, this Passover week, Jews the world over celebrate freedom from the tyranny of slavery. They celebrate it in America, in Western Europe and in Israel, where Jews are free to live as Jews without fear of persecution.

But they celebrate, too, in the ancient Jewish Quarters of Syria, Ethiopia, and Yemen, where the status of being Jewish deprives them of the most fundamental freedoms. They are regarded as second class or noncitizens in their own countries; they are not permitted to live as free people, and they are not permitted to leave.

In Ethiopia, Jews are called "Falashas"—the term itself means "stranger" or "landless"—and for 2,700 years they have endured enslavement, forced conversion and physical destruction. Yet they have clung to their heritage and pray each Passover for the next to be spent in Jerusalem. In 1984 and 1985, that dream came true for the 8,000 Ethiopian Jews rescued from Sudanese refugee camps by the United States-Israeli secret airlifts, Operation Moses and Operation Joshua. But for the 15,000 mostly women, children and elderly Jews who remain stranded in Ethiopia, the dream of joining their relatives and celebrating the next Passover year in Jerusalem, must appear very dim indeed.

In 1949, more than 50,000 members of Yemen's Jewish community were flown to Israel in the airlift "Operation Moses," in what must have seemed like a modern day miracle to this people who had lived for so long in a land which had imposed many hardships upon them. Although fewer than 1,500 members of Yemen's Jewish community now remain they are still denied the rights to travel, to own land, to bear arms and to pray openly. They steadfastly continue, however, to adhere to the tenets of their religion, and to hope for the day when they too, can join their relatives in Israel.

In Syria, the 4,000 Jews who remain live in the absence of freedom and with the everpresent burden of dictatorship. They are absolutely forbidden to emigrate, and on the rare occasions when they are permitted to travel to another country, they are required to post bonds, and to leave family members behind. Syrian Jews are not permitted, under any circumstances, to travel to Israel, and any attempt to do so can and does result in arrest. In spite of these hardships, these people, too, continue to practice Judaism, and to long for the freedom which is celebrated each Passover by Jews the world over.

Today, Mr. Speaker, freedom loving people of all faiths are one with those who are denied those basic freedoms. They are on our minds and in our hearts. * * * Go down Moses, tell ol' Pharoah—let my people go.

Ms. PELOSI. Mr. Speaker, Passover is a highly appropriate time to remember the past and present hardships suffered by Jews. I am pleased to participate in this special order to bring attention to the problems of oppression

and discrimination which continue to confront Jews throughout the world.

The persecution of Jews is not endemic to any single region of the globe; it is a condition still prevalent in many parts of the world. Demonstrations of milder, but no less unacceptable, forms of anti-Semitism are sadly familiar occurrences even in the United States, where the recent popularity of Neo-Nazi and white supremacist movements can only be viewed with apprehension and alarm.

During my time in Congress, I have paid especially close attention to the plight of Jews in the Soviet Union. While their conditions have certainly improved during the past 4 years, it is important to remember that anti-Semitic sentiment in the Soviet Union has very deep roots. The right to emigrate, recognized in international agreements to which the Soviet Union is a signatory, has not been acknowledged by the country's leadership. Even today, many Jews are arbitrarily denied the right of religious freedom and cultural expression, while the presence of reactionary movements threatens a potentially violent backlash aimed at members of the Jewish community.

Today's special order provides an important opportunity to focus our attention on the continuing persecution of Jews, and remind ourselves that much remains to be done before this problem will be eliminated. I ask my colleagues to strongly support efforts to confront anti-Semitism, whether it be in Damascus, Moscow, or in their own hometown.

Mr. DWYER of New Jersey. Mr. Speaker, I would like to thank my colleagues, Congressman LANTOS and Congressman PORTER, for arranging for this special order this evening to discuss a serious issue which does not get the attention it fully deserves.

There is still a significant amount of persecution against Jews in several countries of the world. While we are well aware of the plight of Soviet Jews, there are Jews suffering discrimination in Yemen, Syria, and Ethiopia.

We have been encouraged in the last year over the numbers of Soviet Jews which have been permitted to leave the Soviet Union. Many of us participating in this special order this evening are cosponsors of legislation which would increase the refugee cap by 28,000, 19,000 of which would be for Soviet refugees who would be resettled under the voluntary agency matching grant program.

However, while increased numbers of Soviet Jews have been allowed to leave, hundreds of thousands are still waiting. Many of these are long-term refuseniks whose situations are familiar to us. All Soviet Jews are subjected to a second-class citizenship status. And, so while we applaud the easing of Soviet emigration policies, we must not relax our efforts to continue to press for substantially higher emigration quotas for Soviet Jews.

The situation of the 12,000 to 15,000 Ethiopian Jews stranded in the Gondar Province is very precarious. It is true that during Operations Moses and Joshau in 1984–85 almost 18,000 Jews were flown out of Ethiopia and have resettled in Israel. An additional 8,000 were rescued from Sudanese refugee camps before the operations became public and were halted.

Today, those Jews still trapped in Ethiopia are separated from their family members and are caught in a war zone between the government troops of Colonel Mengistu and rebel forces in the north. The fighting, which routinely spills over into the Gondar Province, hampers all relief efforts to get food and supplies to those stranded.

The Jews in Ethiopia are forbidden to emigrate and the teaching of Hebrew and Jewish studies is prohibited. They are restricted to Gondar and have no freedom of movement within country. Because the threat of famine is no longer imminent, attention has been diverted from Ethiopia. No longer do we see reports on nightly news programs of refugees in their own country wandering from village to village seeking food and a haven from the fighting. But, just because these scenes don't fill our living rooms each night, doesn't mean that it isn't still happening or that we can afford to forget those who are trapped by war, seperated from their families and persecuted while waiting and hoping to somehow emigrate to Israel.

We can confirm little about the small pockets of Jews living in Yemen. Once a community of 54,000, estimates place the total Jewish population there today at between 1,000 and 1,500. Because of the isolation in which they live, it is very difficult to ascertain the true extent of the discrimination against them. They are second-class citizens who must obtain permission to change residences, to pray openly, to become professionals or to travel—even in the pursuit of a livelihood. They are forbidden to have contact with foreigners and are subject to arrest if they are caught doing so. There are few synagogues, most having been converted to mosques many years ago. Those who are still in Yemen seek to emigrate to Israel, where most of the Jews went early in this century when strict laws controlling all aspects of their lives were imposed. Though small in number, their plight must be brought to the world's attention so that efforts to have them relocated to Israel can meet with success.

Today, 4,000 Jews are trapped in Syria. Appeals to be reunited with family outside Syria are routinely denied. There is almost no hope for these people to emigrate to Israel because of the state of war which exists between Syria and Israel. International travel for Syrian Jews is made difficult because they are required by law to post substantial bonds in order to assure their return to Syria and the government seldom issues passports to all members of a Jewish family at the same time.

Although the focus of international human rights conferences, there has been little or no improvement in their conditions inside Syria; and, without continued international attention on their situation, conditions could worsen.

Mr. GREEN. I commend my colleagues, Mr. LANTOS and Mr. PORTER, for calling this special order to focus on the plight of Jews around the world who persevere in their centuries old battle for religious and cultural freedom.

During this season of Passover in which we observe the exodus of enslaved and oppressed Jews from Egypt, it is fitting that we take a moment to recognize the unique struggle of the Jewish dispora around the world. One not so very well known example is that of the small and courageous community of Jews who exist in Cuba, and it is a fragment of their story which I should like to focus on today.

In Cuba today there are less than 1,200 Jews, or roughly 300 families. Prior to the 1959 revolution, their numbers totaled just under 15,000. While there have been Jews in Cuba since the early years of this century, most of them came to live there during the 1920's and 1930's. Until 1961, they maintained five schools for their community, but with the revolution those schools were nationalized. After that time, one school was allowed to continue to provide language, history, and cultural education, and the Cuban Government gave the community a bus for the transport of the Jewish children to and from their afternoon instruction. During the 1970's the school bus could no longer be provided, but instruction continues for a small group of children during Sunday School classes. A Venezuelan community has since provided them with a van.

The Jewish community in Cuba does not feel itself to be under persecution or harassment by the government, and as a whole they are left to their own. At the time of the revolution there were economic and political ties with Israel, but Cuba broke relations with Israel in 1973. Although there was some increased tension for the Jewish community following that event, relations between that community and the government have improved in recent years. Even during the late 1970's when anti-Israel tension was high in Cuba, the community did not feel threatened by anti-Semitism.

Because the Cuban Jewish community has no rabbi, Dr. José Miller serves as the nominal leader of the community. He is a physician and teaches at the medical school in Havana. Adela Dworin leads the Jewish Community House of Cuba. The Jewish community in Cuba, while small and isolated, is proud and active in maintaining its cultural heritage. I take this opportunity to commend them for their perseverance, and I should like to support them in their efforts to improve the conditions of their synagogue which is in great need of structural repair, and also in their attempts to bring a rabbi to their community in Havana.

If individuals or groups are interested in sending donations of support to the Cuban Jewish community, contributions can be sent to the Canadian Jewish Congress, attention: Dr. Edmund Lipsitz, 4600 Bathurst Street, Willowdale, ON, Canada, M2R3V2. Please indicate with your donation that it is specifically for the Jewish Community House of Cuba (Casa de la Comunidad Hebrea de Cuba).

In addition to needing funds for the repair of their synagogue, the Jewish Community in Cuba is always in need of funds for the purchase of holiday foods such as gefilte fish and matzoth.

Mr. LEVIN of Michigan. Mr. Speaker, the situation of Jews in the U.S.S.R. in the era of glasnost is a study in light and shadow.

Jewish emigration has been allowed to increase substantially; the soviet authorities profess a new tolerance of religious and cultural instruction and observance. These changes have been spotlighted by the Soviets at summits and in other international forums. The So-

viets say these changes show that the promise of a new era of openness is being fulfilled. We do indeed welcome these positive developments.

At the same time, behind the scenes, in the shadows, many Jews who wish to emigrate continue to face refusal when they ask permission to leave the Soviet Union; the grounds remain as arbitrary as before. It is far from clear that the current rate of emigration will be allowed to continue. For example, the authorities have promulgated new emigration policies that could make it even harder to leave the country.

Deeper in the shadows, there is a disturbing resurgence of anti-Semitic speech and agitation. This, too, is being tolerated in the new era.

The fears and hopes and tensions of Soviet Jews these days are captured well in a March 29 article in the Christian Science Monitor by William Echikson, entitled "The Paradoxes of Glasnost." On the one hand, Mr. Echikson reports, "an organized Jewish community is reviving in the Soviet Union." Soviet Jews have a new cultural center in Moscow. The study and teaching of Hebrew is no longer a crime, and many Jews are studying Jewish history, celebrating Jewish holidays, and studying Hebrew.

Mr. Echikson cites a poignant example of the "hunger for Judaism" that Jews are now expressing: a meeting of the "Jewish Booklovers" in a crowded apartment in Moscow. Mr. Echikson found there is "a standing-room-only crowd to hear a talk on Israel from two visitors from Jerusalem. There are all ages, from early teens to grandparents. They ask questions in Russian, in English, and in Hebrew—and they listen intently to the responses."

A schoolteacher attending her first meeting of the Jewish Booklovers summed up the enthusiasm and fear that coexist in the Jewish community in the U.S.S.R. nowadays. "When a friend told me about this meeting yesterday, I still was afraid, but then he told me you could learn about Jewish history and philosophy, and meet these guests from Israel. Well, it was just too tempting."

The fear she spoke of is just as real as the enthusiasm, and it still inhibits many Jews from claiming and cultivating their cultural heritage. Jews still are identified by Soviet law as a separate nationality. They still carry passports marked "Jewish." They still face discrimination in jobs and higher education. They are trying to rebuild a Jewish life that the authorities have tried for decades to eradicate. As Richard Schifter, Assistant Secretary of State for Human Rights and Humanitarian Affairs, has said, "If the term 'cultural genocide' is to have any meaning, it applies to the experience of the Jews of the Soviet Union."

The anti-Semitism out of which that policy grew has not disappeared. Indeed, it is being whipped up in public meetings by members of the Russian nationalist group Pamyat. As Mr. Echikson reports, Pamyat demagogues are haranguing crowds with cries of "Jewish conspiracy," denunciations of "dirty Jews brazenly penetrating our entire society, especially in profitable places." And a Jewish leader at Moscow's Central Synagogue says, "people have started referring to me again as 'the Yid.' "

In emigration policy, despite pledges to the contrary from Gorbachev, "access to state secrets" is still being used as a reason for refusing emigration applications by Soviet Jews—even when the alleged access ceased 25 years ago, as in the case of Vladimir Raiz of Vilnius [Vilna]. This example is hardly isolated. Even after the Soviets signed the Vienna final document on human rights in January, with provision for a human rights conference in Moscow in 1991, emigration applications were refused on grounds of access to classified information in jobs that the applicants had left more than 10 years ago. The Union of Councils for Soviet Jews received reports of 17 such refusals in Moscow and Leningrad even in the first weeks after the signing of the Vienna final document.

The promise of freedom for Soviet Jews has yet to be fulfilled. The Jewish cultural revival there remains at risk. Under these conditions, it would be a grave error to conclude that it is no longer a hazard simply to be a Jew in the U.S.S.R. The painful truth is that official oppression has been only partially dismantled, and popular anti-Semitism is on the rise. The Jews of the U.S.S.R. continue to need our help in their struggle for freedom.

Mr. HORTON. Mr. Speaker, I rise to draw my colleagues' attention to the matter of anti-Semitism in today's world. Anti-Semitism has been prevalent since Biblical times when the Hebrews were enslaved in Egypt for 400 years, making pyramids for the Pharaoh. This week is the commemoration of the liberation of the Hebrews from this period of slavery. Today, we should reflect not only on that exodus from Egypt, but also on the Jews being oppressed in many different countries today.

In Yemen, there are thousands of Jews who experience injustices every day. They are detained without trial, arrested randomly, and have their mail censored. They are not permitted to emigrate from Yemen so that they may even try to escape this oppression.

In 1985, we saw an attempt to airlift as many Jews from Ethiopia as possible. This was called "Operation Moses," and it was successful in evacuating 7,000 Jews to a free life in Israel. Unfortunately, there are still many trapped inside Ethiopia. Estimates range as high as 25,000 who are religiously oppressed, separated from their families within Ethiopia, and denied the right to emigrate. I support the cause of these people, and for this reason I joined the Congressional Caucus for Ethiopian Jewry. I urge my supportive colleagues to do the same.

The Soviet Union has shown progress lately in her release of 9,461 Jews in the first quarter of 1989. This is half of the number released in the entire 1988 calendar year and more than the total number released in 1987. While this is encouraging, there are still 2 million Jews who are denied religious freedom and the right to emigrate freely. Anti-Semitism in the U.S.S.R. has also resulted in the desecration of Jewish property.

Mr. Speaker, you certainly know that anti-Semitism is rampant in several countries, but it is a surprise to many that one of the worst offenders is Syria. Syrian secret police routinely kill and torture innocent Jews after arresting them arbitrarily. These people are treated as second-class citizens. We cannot let these atrocities go unnoticed and therefore condoned.

We in America are lucky to have the rights and freedoms we do, but too often we take them for granted. The crimes committed against the Jewish citizens of these states by the governments of these and other countries must not be allowed to continue. They should know that we, the Members of the Congressional Human Rights Caucus and the Members of the U.S. Congress are watching them.

Mr. LENT. Mr. Speaker, like many of my colleagues who are participating in today's special order, I have been an ardent advocate of human rights and religious freedom around the world. Over the years, members of the Human Rights Caucus and the U.S. Congress have been tireless in their commitment to promote these noble causes to every opportunity. I'm proud to be associated with this dedicated work and pleased to stand before you to recognize the tremendous inroads that have been made in the fight for freedom.

In 1988, nearly 25,000 Soviet Jews were granted visas to emigrate and be reunited with their families. My Fourth Congressional District has been fortunate in helping to secure freedom for our own adopted refuseniks: Hillel Butman and Ida Nudel now live with their families in Israel, and Yakov Rabinovich has settled in my own area of Long Island, NY. Recently, we received news that our current adopted family, the Kazakevich family of Leningrad, was granted permission and, hopefully, the entire family will be on a plane to Israel within the next few weeks.

I'm gratified to have played a role in winning freedom for these individuals who suffered many years of terrible persecution and oppression simply because they are Jewish. Yet, because of their abiding faith, these brave men and women endured. They overcame great adversity, and we rejoice in their victory.

Yet, for all those who have realized their dream of freedom, there are hundreds of thousands of Jews around the world who cannot practice their Jewish religion and culture. Their personal dignity has been stripped from them and their rights trampled upon by tyrannical governments. That such persecution and repression still exists should be repugnant to Americans and all freedom-loving people, and we should be doing everything possible to eradicate religious intolerance and anti-Semitism in every pocket of the globe where this repulsive disease thrives like the cancer it is. Unfortunately, it appears that many democratic nations have been basking in the warm afterglow of glasnost that has made them complacent, and I fear that citizens may be fooled into believing that human rights violations no longer exist.

For those wide-eyed innocents who fall into this category, I ask them to consider the plight of thousands of Jews in Ethiopia, Syria, and Yemen, and as many as 2 million in the Soviet Union who are denied religious freedom, refused emigration, and live in fear under the daily threat of government-sanctioned violence. That is the reality of the human rights situation in the world today and what we seek

to focus attention on with the special order this afternoon.

Recently, Jewish families observed the holiday of Passover which marks the exodus of enslaved and oppressed Jews from Egypt, led by Moses to freedom in Canaan. Their courage and faith offers inspiration and hope to those who still struggle. But these people cannot succeed alone. The problem is so enormous, people may wonder how one person can make a difference. Every letter helps. Every voice raised in protest joins in a chorus for freedom that cannot be ignored. We must not let the spirit of solidarity languish and die a certain death from benign neglect. These brave men and women need our help and support. I, for one, will continue in the fight for freedom, and I hope concerned citizens everywhere will join me in leading the cause for peace.

Mrs. BOXER. Mr. Speaker, during this season of Passover, when we commemorate the freeing of the Jews from bondage in Egypt, it is most appropriate to rededicate ourselves to endure the freedom of Jews around the world today who remain oppressed and persecuted in countries like Ethiopia, Syria, Yemen, and the Soviet Union.

Jewish people in each of these countries are denied their basic human rights of religious freedom and cultural expression. They are the victims of state sponsored anti-Semitic propaganda, and suffer from the desecration of Jewish property. They face travel restrictions within their own countries and they are not free to emigrate.

Moreover, pogroms are not just an ugly remnant of the past. I am horrified that Jews in Syria and in Yemen now live daily with the fear of random searches of their homes, of arbitrary arrests, of torture, and of detention without trial by their governments. We must vigorously protest this most violent form of persecution.

Many of us in the Congressional Human Rights Caucus have been moved in recent years by the plight of those Jews who have been cruelly separated from their loved ones because of their country's harsh and discriminatory emigration policies. At least 15,000 Ethiopian Jews and 5,000 Jews from Yemen have been barred from joining their families in Israel. At least 3,000 Soviet Jews have been denied permission to emigrate. There are now 20 family reunification cases pending in the Soviet Union involving 48 separate individuals.

Jews who apply for exit visas face incredible obstacles and severe penalties. Nowhere is this more evident than in the Soviet Union. Soviet Jews who apply to leave the country are harassed by Soviet agents, immediately lose their jobs, and are often incarcerated on trumped-up charges.

In Syria, where Jews are forbidden to emigrate, there have been reports of Jews who have been imprisoned on suspicion of having attempted to leave the country.

This kind of persecution and oppression must end. The Universal Declaration of Human Rights of the United Nations includes the right of all people to freely emigrate and the right of family reunification. We in the United States have an obligation to make sure that Ethiopia, Syria, Yemen, and the Soviet Union adhere to the tenets expressed in this document.

It is traditional to end the Passover seder with the words "next year in Jerusalem." Before the foundation of the modern State of Israel, these words expressed the hope that all Jews would soon be together in one place to live and worship freely. These words continue to be a source of inspiration and hope for all Jews who are oppressed. It is my personal hope that this year we can make great strides toward securing the freedom of Jews everywhere.

Mr. NELSON of Florida. Mr. Speaker, as a free, democratic nation, it is often hard for us to comprehend the trials of those who are prisoners of conscience, living with persecution every day of their lives. We as a free democratic nation are one of their best hopes for survival, and we must assist their cause. Basic human rights are a right that all American citizens demand and deserve. Soviet Jews also demand human rights, they deserve human rights, but they do not receive these basic rights.

A Jewish mother and her child in America are no different than a Jewish mother and her child in the Soviet Union—except that the latter are in constant fear of their lives because they dare to practice what they believe. We in the United States take for granted our right to exercise free speech and religion. Though we are often frustrated by our Government's service to the American people, we must remember that the very government which sometimes disillusions us, offers every American citizen the right to a private and free existence. Likewise, we must realize that Soviet Jews cannot take advantage of the freedoms we are accorded by our Government—freedoms to speak, to quarrel, to change our station in life. We must make sure that Soviet Jews, as well as other prisoners of conscience, are afforded these same opportunities.

We should not let the term "glasnost" cloud our vision and skew our efforts to wipe out human rights abuses. We must not wane in our dogged determination to free Soviet Jews from persecution because the Soviet Government has created the concept of glasnost. We must maintain our resolve and seize every opportunity to ensure the emigration of persecuted refuseniks from the Soviet Union. Our conscience will not let us stop working toward this end until the Soviet Government realizes that their acts of persecution, not accepted by the free world, must be altered to ensure that all human beings, regardless of heritage, must be free. Until this happens, glasnost is just another word and persecution is just another reality.

Mr. MCMILLEN of Maryland. Mr. Speaker, I would like to take a moment at this time to note the special order called by the Congressional Human Rights Caucus to recognize the thousands of Jews around the world who continue to be oppressed and denied their basic religious rights. While certain events have taken place which provide some hope, the persecution of Jews remains a global problem. As Representatives TOM LANTOS and JOHN PORTER, cochairman of the caucus, noted in their "Dear Colleague" of April 18, 1989 several nations maintain policies which treat their Jewish populations as substandard citizens. Four nations in particular continue to encourage and participate in discriminating against Jews.

Yemeni Jews' second-class status prevents them from sharing many of the privileges enjoyed by their Muslim neighbors, including the right to travel, to freely change residences, to bear arms, to pray openly or to become professional or landowners. In Syria, over 4,000 Jews are refused emigration and treated as second-class citizens. They undergo constant surveillance, arbitrary arrests, torture, restricted travel rights, random night searches of their homes, and killings by secret police. And in Ethiopia, the Jewish population continues to suffer from forced migration and restrictions on religious rights and expression.

In the Soviet Union, despite the general movement toward economic and political reform, Soviet Jews continue to be persecuted as well. According to Israeli sources, there are still approximately 370,000 Soviet Jews who have applied for exit visas and some of them are long-term refuseniks, many of them medical emergencies. Soviet Jews continue to suffer from educational and employment disadvantages that are imposed deliberately by the Soviet Government. Furthermore, while Soviet authorities certainly deserve some credit for the easing of restrictions of Jewish cultural institutions in 1988, it is still unclear how much autonomy officially recognized institutions will be allowed to exercise.

It is only fitting that on the week of Passover, which is recognized as the "Festival of Freedom," that we serve notice that the continued denial for many of the Jewish faith of basic human rights, is unacceptable. I am hopeful that as long as governments participate or permit the persecution of people for their religious beliefs, that we will speak out against those nations and call them to task for their actions.

Mr. RANGEL. Mr. Speaker, I rise today to join my colleagues in condemning the continuing persecution of Jews. Last week was the celebration of Passover, "Festival of Freedom" a week-long celebration that marks the exodus of enslaved and oppressed Jews from Egypt. Yet today there are still thousands of Jews around the world who are still oppressed and being denied basic religious rights.

Jews continue to suffer in such countries as Ethiopia, Syria, Yemen, and of course the U.S.S.R. Such violation of human rights as forced family separations, denial of right to emigrate, unlawful arrests and detention, tortures, illegal searches of homes, and desecration of Jewish properties are just some of the atrocities that these brave people continue to suffer. Some of the above-mentioned countries would have us to believe that reform is taking place and that there is no longer a problem called Jewish persecution.

We concerned members of the human race must remain ever vigilant to assure that governments do not establish policies and practices of systematically victimizing certain groups of citizens because of their religious beliefs. I call upon Mr. Bush to take the lead in holding these nations accountable for the human rights violations of their Jewish citizens. Several international watchdog agencies

have carefully and thoroughly documented the continuing plight of Jews around the world who are persecuted daily. I want to commend them for their outstanding work. I want to also commend the Congressional Human Rights Caucus for sponsoring this special order and for keeping the plight of persecuted Jews in the public's eye.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on the subject of the special order today by the gentleman from California [Mr. LANTOS].

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

MUSIC CENTRE HONORS LIVING MUSICAL LEGEND

Mr. PORTER. Mr. Speaker, on Monday, May 1, the Music Centre of Winnetka will be awarding the David Dushkin Service Award to this year's honorees, Sir Georg and Lady Solti. This award is given to those who best exemplify the spirit of the founders of the Music Centre, Dorothy and David Dushkin.

It is a pleasure to join the distinguished members of the Music Centre in honoring Sir Georg and Lady Solti. While we salute Sir Georg for two decades of distinguished service as music director of the Chicago Symphony Orchestra, we recognize that time alone cannot measure the legacy of excellence he leaves to the CSO, the city of Chicago, and the music world at large.

Sir Georg has inspired leadership and expertise and has earned the acclaim of audiences throughout the world. The international reputation of the Chicago Symphony has brought continued honor to the people of Chicago and our entire area. I know I speak for everyone when I say that it has been a privilege to hear the CSO under Sir Georg's baton and a delight to support a truly world class orchestra.

It is no mystery why the great musicians, conductors, and composers of our time are afforded special recognition: through their art, we may experience the exquisite range of human emotion and touch heights of joyous expression that language cannot capture. For this fulfillment and enrichment of our spirit, we owe our deepest gratitude.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WELDON) to revise and extend their remarks and include extraneous material:)

Mr. JAMES, for 5 minutes, today.

Mr. COLEMAN of Missouri, for 5 minutes, today.

Mr. PORTER, for 60 minutes, today.

(The following Members (at the request of Mr. STAGGERS) to revise and extend their remarks and include extraneous material:)

Mr. COYNE, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. BROOKS, for 5 minutes, today.

EXTENSION OF REMARKS.

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. WELDON) and to include extraneous matter:)

Mr. YOUNG of Alaska.

Mr. COUGHLIN.

Ms. SNOWE.

Mr. MCEWEN.

Mrs. ROUKEMA in two instances.

Mr. BUECHNER.

Mr. MARLENEE.

Mr. PORTER.

Mr. TAUKE

(The following Members (at the request of Mr. STAGGERS) and to include extraneous matter:)

Mr. OWENS of Utah.

Mr. TORRES.

Mr. SLATTERY in two instances.

Mr. ANDREWS.

Mr. DARDEN.

Mr. KANJORSKI.

Mr. ALEXANDER.

Mr. LANTOS in two instances.

Mr. DYMALLY in two instances.

Mr. HOYER.

Mr. WEISS.

Mr. OLIN.

Mr. SMITH of Florida.

Mr. GAYDOS.

ADJOURNMENT

Mr. COLEMAN of Missouri. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 46 minutes a.m.), under its previous order the House adjourned until Monday, May 1, 1989, at 12 noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Amendments to various miscellaneous reports and various consolidated reports filed with the Committee on House Administration and forwarded to the Clerk of the House concerning the foreign currencies and U.S. dollars utilized by interparliamentary unions and other similar groups or delegations in connection with foreign travel during calendar year 1988, as well as reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the first quarter of calendar year 1989 in connection with foreign travel are as follows:

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Samuel G. Wise	1/24	3/26	Austria						9,401.00		9,401.00
Committee total									9,401.00		9,401.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

STENY H. HOYER, Mar. 9, 1989.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1988

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Miscellaneous expenses incurred during visit of codel Hoyer to Poland.	4/6	4/9	Poland						3,248.00		3,248.00

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1988—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Samuel G. Wise	4/18	5/10	Austria						3,333.00		3,333.00
	5/22	6/21	Austria						4,421.80		4,421.80
Committee total									11,002.80		11,002.80

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

STENY H. HOYER, Mar. 9, 1989.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, UNITED STATES-CANADA INTERPARLIAMENTARY GROUP, UNITED STATES HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Additional delegation expenses									32.83		32.83
Committee total									32.83		32.83

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DANTE B. FASCELL, Apr. 19, 1989.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Samuel G. Wise	7/4	8/5	Austria						4,359.00		4,359.00
Committee total									4,359.00		4,359.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

STENY H. HOYER, Mar. 9, 1989.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Mary Sue Hafner	11/11	11/20	U.S.S.R		[3] 1,665.00						1,665.00
Beth Ritchie	11/11	11/20	U.S.S.R		1,665.00						1,665.00
Committee total					3,330.00						3,3330.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Originally reported $1,850, $185 was returned.

STENY H. HOYER, Mar. 9, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP, UNITED STATES HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Ronald D. Coleman	3/4	3/7	United States		307.59		[3] 147.87				307.59
E de la Garza (Chairman)	3/4	3/7	United States		363.08		[4] 92.00				602.95
Tom DeLay	3/4	3/6	United States		191.50		[4] 147.87				339.37
David Dreier	3/4	3/7	United States		385.1,4		[4] 381.02				766.16
Sam Gejdenson	3/5	3/6	United States		119.15						119.15
Sam Gibbons	3/4	3/7	United States		344.04		[4] 147.87				491.91
							[4] 147.87				
Benjamin Gilman	3/4	3/6	United States		223.69		[3] 369.00				740.56
William Goodling	3/4	3/7	United States		335.25		[4] 381.02				716.27
Jim Kolbe	3/4	3/7	United States		285.75		[4] 381.02				666.77
George Miller	3/4	3/5	United States		105.63		[4] 147.87				253.50
Sid Morrison	3/4	3/7	United States		285.75						285.75
Charles Rangel	3/4	3/6	United States		238.60		[4] 147.87				386.47
Gus Yatron (Vice Chairman)	3/4	3/7	United States		355.95		[4] 381.02				736.97
Elliot Brown	3/4	3/6	United States		196.90		[4] 147.87				344.77
Mario Castillo	3/5	3/7	United States		198.31						198.31
Elizabeth Daoust	2/1	2/5	United States		443.11		[4] 318.00				761.11
					443.33						
	3/3	3/7	United States		40.00		[3] 233.15				716.48
Jim Davis	3/4	3/7	United States		316.56		[3] 147.87				464.43
Ed Jurith	3/4	3/6	United States		193.53		[3] 147.87				341.40
					469.78						
Shelly Livingston	3/3	3/7	United States		40.00						509.78
Gerald Pitchford	3/4	3/7	United States		294.28		[3] 381.02				675.30
Mark Tavlarides	3/4	3/7	United States		311.24		[3] 381.02				692.26
Delegation expenses:											
State Department assistance									5,423.90		
Official delegation functions and administrative expenses.									21,663.55		
Inflight expenses and control room costs									1,917.81		
Security and ground transportation									3,068.50		32,073.76
Committee total					6,488.16		[4] 779.00 [3] 3,850.10		32,073.76		43,191.02

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Department of Defense.
[4] Commercial.

E de la GARZA, Chairman, Mar. 7, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, INTERPARLIAMENTARY UNION SPECIAL ORGANIZATIONAL MEETING, GENEVA, SWITZERLAND, UNITED STATES HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAR. 1 AND MAR. 12, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. George E. Brown	3/8	3/12	Switzerland		271.00						
Martin Sletzinger	3/8	3/12	Switzerland		642.00		[3] 2,139.00				2,781.00
Cheryl Mendonsa	3/8	3/12	Switzerland		642.00		[3] 2,133.00				2,775.00
Committee total					1,555.00		4,272.00				5,827.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Commercial.

CLAUDE PEPPER, Feb. 6, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO 79TH INTERPARLIAMENTARY UNION CONFERENCE, GUATEMALA, UNITED STATES HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 8 AND APR. 17, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Claude Pepper	4/8	4/17	Guatemala		962.81		[3] 1,585.24		[4] 7.94		2,555.99
Hon. George Brown	4/8	4/14	Guatemala		847.06		[5] 792.62		[4] 7.94		1,647.62
							[6] 565.00			565.00	
Hon. Jim Bates	4/12	4/17	Guatemala		987.30		[5]792.62				1,779.92
							[6] 289.00				289.00
Donnald Anderson	4/8	4/17	Guatemala		869.88		[3]1,585.24		[4]7.94		2,463.06
Cynthia A. Fletcher	4/8	4/17	Guatemala		847.06		[3]1,585.24		[4]7.94		2,440.24
Julie Illsley	4/8	4/17	Guatemala		830.73		[3]1,585.24		[4]7.94		2,423.91
Elwanda Newbold	4/8	4/17	Guatemala		847.06		[3]1,585.24		[4]7.94		2,440.24
Peter Haven	4/8	4/17	Guatemala		977.39		[3]1,585.24		[4]7.94		2,570.57
Thomas Mahoney	4/8	4/17	Guatemala		847.06		[3]1,585.24		[4]7.94		2,440.24
Frances Campbell	4/8	4/17	Guatemala		924.18		[3]1,585.24		[4]7.94		2,517.36
Martin Sletzinger	4/8	4/17	Guatemala		966.29		[3] 1,585.24		[4] 7.94		2,559.47
Delegation expenses:											
Control room					2,782.53						2,782.53
Official meals					3,355.64						3,355.64
Local transportation							1,702.26				1,702.26
Embassy personnel, drivers (overtime—American and FSN).									1,425.12		1,425.12

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO 79TH INTERPARLIAMENTARY UNION CONFERENCE, GUATEMALA, UNITED STATES HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 8 AND APR. 17, 1988—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Miscellaneous									950.64		950.64
Committee total					16,044.99		18,408.66		2,455.16		36,908.81

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military round trip.
[4] Departure tax.
[5] Military oneway.
[6] Commercial.
Note.—DOD transportation provided pursuant to 31 U.S.C. 22A.

CLAUDE PEPPER, Feb. 6, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO UNITED STATES-CANADA INTERPARLIAMENTARY GROUP, UNITED STATES HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Jack Brooks	5/5	5/7	United States		428.25		169.69				597.94
William Broomfield	5/5	5/8	United States		589.10		612.36				1,201.46
de la Garza	5/5	5/8	United States		540.00		612.36				1,152.36
Dante B. Fascell	5/7	5/8	United States		270.00		[3] 67.00				779.67
							[4] 442.67				
Sam Gejdenson (Chairman)	5/5	5/8	United States		540.00		612.36				1,152.36
Sam Gibbons	5/5	5/8	United States		588.13		169.69				757.82
Frank Horton	5/5	5/8	United States		540.00		612.36				1,152.36
John LaFalce	5/5	5/6	United States		270.00		169.69				439.69
David O.B. Martin	5/5	5/8	United States		540.00		612.36				1,152.36
Timothy Penny	5/5	5/8	United States		540.00		612.36				1,152.36
Frederick S. Upton	5/5	5/8	United States		540.00		612.36				1,152.36
Stephen K. Berry	5/5	5/8	United States		540.00		612.36				1,152.36
Kathleen Bertelsen	5/5	5/8	United States		557.44		612.36				1,169.80
John L. Brady	5/5	5/8	United States		540.00		612.36				1,152.36
Barbara Burris	5/5	5/8	United States		552.12		612.36				1,164.48
Elizabeth Daoust	2/23	2/26	United States		723.04		[3] 431.00				1,154.04
	5/3	5/5	United States		924.37		[3] 221.00		81.57		1,669.61
							[4] 442.67				
Deborah M. Hickey	5/5	5/8	United States		540.00		612.36				1,152.36
George M. Ingram	2/25	2/28	United States		640.87		[3] 431.00				1,071.87
	5/5	5/8	United States		622.71		612.36				1,235.07
Vic Johnson	5/5	5/8	United States		540.00		612.36				1,152.36
R. Spencer Oliver	5/5	5/8	United States		581.13		612.36				1,193.49
Gardner Peckham	5/5	5/8	United States		540.00		612.36				1,152.36
Delegation expenses:											
Official functions and administrative expenses									19,913.44		19,913.44
Inflight and control room expenses									890.32		890.32
Committee total					12,687.16		[3] 1,150.00		20,885.33		45,914.66
							11,192.17				

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Commercial.
[4] Department of Defense.

SAM GEJDENSON, Chairman, Mar. 8, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO UNITED STATES-EUROPEAN COMMUNITY INTERPARLIAMENTARY EXCHANGE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
William F. Clinger, Jr	6/24	6/27	United States		216.00		664.56				880.56
Dr. James D. Ford	6/24	6/27	United States		219.00		664.56				883.56
Bill Frenzel	6/24	6/27	United States		217.00		664.56				881.56
Sam Gibbons (Cochairman)	6/24	6/27	United States		240.40		664.56				904.96
Benjamin Gilman (Cochairman)	6/24	6/27	United States		224.37		664.56				888.93
Tom Lantos (Chairman)	6/24	6/27	United States		216.00		664.56				880.56
Donald J. Pease	6/24	6/27	United States		218.00		664.56				882.56
Thomas C. Sawyer	6/24	6/27	United States		218.00		664.56				882.56
William M. Thomas	6/24	6/27	United States		218.00		664.56				882.56
Esteban E. Torres	6/24	6/27	United States		223.50						888.06
Elizabeth Daoust	6/24	6/27	United States		113.86		[3] 270.00				383.86
	6/24	6/27	United States		216.00		664.56				880.56
Beth A. Ford	6/24	6/27	United States		216.00		664.56				880.56
Robert T. Huber	6/24	6/27	United States		216.00		[3] 147.50				363.50
Dawn M. Jackson	6/24	6/27	United States		221.83		664.56				886.39

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hillel Weinberg	6/24	6/27	United States		216.00		664.56				880.56
Katherine Wilkens	6/24	6/27	United States		216.00		664.56				880.56
Official Delegation expenses											
Interpreting assistance									3,436.08		3,436.08
Ground transportation costs									1,800.00		1,800.00
Official delegation functions and administrative sessions.									2,680.52		2,680.52
Inflight and control room expenses									500.06		500.07
Committee total					3,625.96		[3] 417.50 9,968.40		8,416.66		22,428.52

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Commercial.

TOM LANTOS, Chairman, Feb. 27, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO 80TH INTERPARLIAMENTARY UNION CONFERENCE, SOFIA, BULGARIA, UNITED STATES HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPT. 15 AND SEPT. 25, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Claude Pepper	9/15	9/24	Bulgaria		1,257.94		3,515.83				4,773.77
	9/24	9/25	France		510.96						510.96
Hon. George Brown	9/16	9/24	Bulgaria		1,014.00		3,515.83				4,529.83
	9/24	9/25	France		148.90						148.90
Hon. George Wortley	9/14	9/16	Norway		455.98		[4] 1,393.00				1,848.98
							[5] 720.00				720.00
	9/16	9/24	Bulgaria		1,325.86		[6] 419.16				1,745.02
	9/24	9/25	France		172.41						172.41
Hon. Ben Blaz	9/18	9/24	Bulgaria		1,281.06		[4] 2,253.00				3,534.06
	9/24	9/25	France		172.41		[7] 1,842.79				2,015.20
Donnald Anderson	9/16	9/24	Bulgaria		1,175.15		[3] 3,515.83				4,690.98
	9/24	9/25	France		148.90						148.90
Cynthia A. Fletcher	9/16	9/24	Bulgaria		1,149.00		[3] 3,515.83				4,664.83
	9/24	9/25	France		148.90						148.90
Julie Ilsley	9/16	9/24	Bulgaria		1,151.39		[3] 3,515.83				4,667.22
	9/24	9/25	France		148.90						148.90
Frances Campbell	9/16	9/24	Bulgaria		1,183.56		[3] 3,515.83				4,699.39
	9/24	9/25	France		148.90						148.90
Martin Sletzinger	9/14	9/16	Norway		403.02		[4] 1,388.00				1,791.02
	9/16	9/24	Bulgaria		1,292.40						1,292.40
Brenda Connolly	9/16	9/24	Bulgaria		1,149.00		[3] 3,515.83				4,664.83
	9/24	9/25	France		148.90						148.90
Thomas Mahoney	9/19	9/24	Bulgaria		1,044.00						1,044.00
Delegation expenses:											
Official meals					6,549.42						6,549.42
Control rooms					2,847.85						2,847.85
Local transportation							10,022.51				10,022.51
Embassy personnel (overtime—American and FSN).									5,680.24		5,680.24
Miscellaneous									419.66		419.66
Committee total					25,028.81		42,649.27		6,099.90		73,777.98

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military round trip.
[4] Commercial.
[5] Car rental driver.
[6] Military Bulgaria/France.
[7] Military.

Note.—DOD transportation provided pursuant to 31 USC 22A.

CLAUDE PEPPER, Feb. 6, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO NORTH ATLANTIC ASSEMBLY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN NOV. 12 AND NOV. 18, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Thomas J. Bliley, Jr	11/12	11/18	Germany		1,206.00						
	11/18	11/22	Hungary		664.00						
Military transportation							2,590.37				4,460.37
Hon. Sherwood L. Boehlert	11/12	11/18	Germany		1,206.00						

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	11/18	11/22	Hungary		664.00						
Military transportation							2,590.37				4,460.37
Hon. Jack Brooks	11/12	11/18	Germany		1,206.00						
	11/18	11/22	Hungary		664.00						
Military transportation							2,590.37				4,460.37
Hon. Nancy Pelosi	11/12	11/18	Germany		1,206.00						
	11/18	11/22	Hungary		664.00						
Military transportation							2,590.37				4,460.37
Hon. Cardiss Collins	11/12	11/18	Germany		1,206.00						
	11/18	11/21	Hungary		498.00						
Military transportation							1,272.15				
Commercial transportation							2,027.00				5,335.15
Mr. Ron Lasch	11/12	11/18	Germany		1,206.00						
	11/18	11/22	Hungary		664.00						
Military transportation							2,590.37				4,460.37
Ms. Sharon Matts	11/12	11/18	Germany		1,206.00						
	11/18	11/22	Hungary		664.00						
Military transportation							2,590.37				4,460.37
Committee total					12,924.00		18,841.37				32,097.37

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DANTE B. FASCELL, Dec. 29, 1988.

CONSOLIDATED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO NORTH ATLANTIC ASSEMBLY AND BRITISH-AMERICAN PARLIAMENTARY GROUP, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
North Atlantic Assembly delegation expenses, control room costs, and local transportation.											23,937.95
Expenses for hosting North Atlantic Assembly meetings in the United States.											14,239.37
British-American Parliamentary Group delegation expenses, control room costs, and local transportation.											585.92
Administrative expenses											585.92
Committee total											39,549.91

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DANTE B. FASCELL.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE, AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1989

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Esteban Torres	1/6	1/12	Paris, France		1,350.00						1,350.00
	1/12	1/15	Stockholm, Sweden		750.00						750.00
	1/15	1/18	Budapest, Hungary		498.00		[3] 4,447.40				4,945.40
Mark Constantine	1/9	1/11	Lusaka, Zambia		488.25						488.25
	1/12	1/13	Lilongwe, Malawi		340.00						340.00
	1/13	1/14	Harare, Zimbabwe		131.00						131.00
	1/14	1/15	Lagos, Nigeria		135.00		[3] 15,386.34				15,521.34
Hon. Norman Shumway	2/11	2/12	Kinshasa, Zaire		200.00						200.00
	2/12	2/16	Cape Town/Johannesburg, South Africa		800.00						800.00
	2/16	2/18	Harare, Zimbabwe		400.00						400.00
	2/18	2/19	Lilongwe, Malawi		200.00		[3] 14,029.90				14,229.90
Hon. David Dreier	2/11	2/12	Kinshasa, Zaire		200.00						200.00
	2/12	2/15	Cape Town/Johannesburg, South Africa		800.00						800.00
	2/15	2/17	Harare, Zimbabwe		400.00						400.00
	2/17	2/19	Lilongwe, Malawi		200.00		[3] 14,029.90				14,229.90
Robert Browne	3/19	3/22	Amsterdam, Netherlands		504.00		[4] 851.00				1,355.00
Mark Constantine	3/19	3/22	Amsterdam, Netherlands		672.00		[4] 785.00				1,457.00
Hon. Walter Fauntroy	3/20	3/22	Amsterdam, Netherlands		336.00						1,154.00
Nelle Temple	3/18	3/23	Amsterdam, Netherlands		840.00						840.00
	3/23	3/25	Paris, France		334.00		[4] 806.00				1,140.00
Committee total					9,578.25		51,153.54				60,731.79

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military.
[4] Commercial.

HENRY B. GONZALEZ, Chairman, Apr. 19, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON EDUCATION AND LABOR, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1989

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
John W. Smith	1/3	1/7	Netherlands		462.20		1,086.83				1,549.03
Local transportation							13.29				13.29
Committee total					462.20		1,100.12				1562.32

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

AUGUSTUS F. HAWKINS, Chairman, Apr. 24, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON POST OFFICE AND CIVIL SERVICE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1989

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Thomas Wolanin	1/11	1/15	Panama		728.00						728.00
Commercial transportation							907.00				907.00
Kristin Gilbert	1/11	1/15	Panama		728.00						728.00
Commercial transportation							907.00				907.00
Robert Levi	1/11	1/15	Panama		728.00						728.00
Commercial transportation							907.00				907.00
Thomas Wolanin	3/17	3/22	Italy		500.00						500.00
Commercial transportation							1,060.00				1,060.00
Committee total					2,684.00		3,781.00				6,465.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

WILLIAM D. FORD, Chairman, Apr. 4, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, UNITED STATES HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1989

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Sam Gibbons	1/6	1/12	France	8,100.00	1,350.00						1,350.00
	1/12	1/15	Sweden	4,695.00	750.00						750.00
	1/15	1/18	Hungary	26,488.62	498.00						498.00
Military transportation							4,447.40				4,447.40
Hon. Donald J. Pease	1/6	1/12	France	8,100.00	1,350.00						1,350.00
	1/12	1/15	Sweden	4,695.00	750.00						750.00
	1/15	1/18	Hungary	26,488.62	498.00						498.00
Military transportation							4,447.40				4,447.40
Hon. William Thomas	1/6	1/12	France	8,100.00	1,350.00						1,350.00
	1/12	1/15	Sweden	4,695.00	750.00						750.00
	1/15	1/18	Hungary	26,488.62	498.00						498.00
Military transportation							4,447.40				4,447.40
Hon. William Frenzel	1/6	1/12	France	8,100.00	1,350.00						1,350.00
	1/12	1/15	Sweden	4,695.00	750.00						750.00
	1/15	1/18	Hungary	26,488.62	498.00						498.00
Military transportation							4,447.40				4,447.40
Frank Phifer	1/6	1/12	France	8,100.00	1,350.00	233.00	63.83				1,413.83
	1/12	1/15	Sweden	6,260.00	1,000.00		33.00				1,033.00
Commercial airfare							2,309.00				2,309.00
George Weise	1/7	1/12	France	5,400.00	900.00	233.00	38.83				938.83
	1/12	1/13	Belgium	7,231.00	189.00						189.00
Commercial airfare							2,239.00				2,239.00
Committee total					13,831.00		22,473.26				42,272.40

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DAN ROSTENKOWSKI, Chairman.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1064. A letter from the Secretary of Education, transmitting a copy of the annual report of the Helen Keller National Center for Deaf-Blind Youths and Adults [HKNC] for the 1988 program year, pursuant to 29 U.S.C. 1903(b)(2); to the Committee on Education and Labor.

1065. A letter from the Secretary of Health and Human Services, transmitting a report entitled "Issues in Medicaid Estate Recoveries," pursuant to 42 U.S.C. 1396a note; to the Committee on Energy and Commerce.

1066. A letter from the Freedom of Information Officer, Environmental Protection Agency, transmitting a report on activities under the Freedom of Information Act during the calendar year 1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1067. A letter from the Secretary, Postal Rate Commission, transmitting a copy of the Commission's report on its activities under the Government in the Sunshine Act during calendar year 1988, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1068. A letter from the Solicitor, U.S. Commission on Civil Rights, transmitting a report on activities under the Freedom of Information Act during the calendar year

1988, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1069. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1070. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1071. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1072. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1073. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Atlantic Tunas Convention Act of 1975 to authorize appropriations for fiscal years 1990, 1991, and 1992, pursuant to 31 U.S.C. 1110; to the Committee on Merchant Marine and Fisheries.

1074. A letter from the Secretary of Transportation, transmitting a draft proposed legislation to authorize the Secretary of the department in which the Coast Guard is operating to collect fees for certain Coast Guard services, and for other purposes; to the Committee on Merchant Marine and Fisheries.

1075. A letter from the Special Counsel, U.S. Merit Systems Protection Board, transmitting the findings and conclusions of the Deputy Secretary of Defense regarding allegations of waste and mismanagement at the Defense Reutilization and Marketing Office, Alameda, CA, pursuant to 5 U.S.C. 1206(b)(5)(A); to the Committee on Post Office and Civil Service.

1076. A letter from the Special Counsel, U.S. Merit Systems Protection Board, transmitting the findings and conclusions of the Secretary of the Interior regarding allegations of violations of law and regulation and a gross waste of funds at the Bureau of Mines, Washington, DC, pursuant to 5 U.S.C. 1206(b)(5)(A); to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FORD of Michigan: Committee on Post Office and Civil Service. H.R. 770. A bill to entitle employees to family leave in certain cases involving a birth, an adoption, or a serious health condition and to temporary medical leave in certain cases involving a serious health condition, with adequate protection of the employees' employment and benefit rights, and to establish a commission to study ways of providing salary replacement for employees who take any such leave; with an amendment (Rept. 101-28, Pt. II). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[Omitted from the Record of April 26, 1989]

By Mr. FAUNTROY:

H.R. 2109. A bill to authorize the appropriation of funds to the District of Columbia for additional officers and members of the Metropolitan Police Department of the District of Columbia, to provide for the implementation in the District of Columbia of a community-oriented policing system, and for other purposes; jointly, to the Committees on the District of Columbia and the Judiciary.

[Submitted April 27, 1989]

By Mr. ATKINS (for himself, Mr. ANDREWS, Mr. BOUCHER, Mrs. BOXER, Mr. FAUNTROY, Mr. FAZIO, Mr. FROST, Ms. KAPTUR, Mr. LAGOMARSINO, and Mr. STAGGERS):

H.R. 2137. A bill to authorize the Secretary of Education to make grants to assist in the establishment and improvement of programs in elementary and secondary schools in the United States to use volunteers and to establish a national center for leadership in school volunteer and partnership programs; to the Committee on Education and Labor.

By Mr. BROOKS:

H.R. 2138. A bill to amend the Immigration and Nationality Act with respect to the application of employer sanctions to longshore work; to the Committee on the Judiciary.

By Mr. DONNELLY (for himself, Mrs. SCHROEDER, Mr. HERTEL, Mr. FORD of Michigan, Mr. MONTGOMERY, Mr. FAZIO, Mr. LEWIS of California, Mr. PENNY, Mr. SHARP, Mr. NEAL of Massachusetts, Mr. ATKINS, Mr. PORTER, Mr. JOHNSON of South Dakota, Mr. WOLPE, Mr. LEWIS of Georgia, Mrs. MARTIN of Illinois, Mr. COSTELLO, Mr. WALGREN, Mr. DURBIN, Mr. DORGAN of North Dakota, Mr. BILBRAY, Mr. FAUNTROY, Mr. WHITTAKER, Mr. GORDON, Mr. KOSTMAYER, Mr. BUSTAMANTE, Mr. GREEN, Mr. JOHNSTON of Florida, Mr. HUGHES, Mr. BRYANT, and Mr. ECKART):

H.R. 2139. A bill to provide for the closure and realignment of U.S. military installations outside the United States; jointly, to the Committees on Armed Services and Rules.

By Mr. SWIFT (for himself, Mr. TAUKE, Mr. SLATTERY, Mr. OXLEY, Mr. BONIOR, Mr. NIELSON of Utah, Mr. BARTON of Texas, and Mr. HYDE):

H.R. 2140. A bill to bring new and innovative consumer services to the American public by allowing the telephone operating companies and their affiliates to provide information services and to manufacture telecommunications equipment and customer premises equipment; jointly, to the Committees on Energy and Commerce and the Judiciary.

By Mr. HAMMERSCHMIDT:

H.R. 2141. A bill to amend part B of title XI of the Social Security Act to provide providers and practitioners with a right to reconsideration of a payment denial by a peer review organization before the organization notifies the medicare beneficiary of the denial; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. HUCKABY (for himself, Mr. PENNY, Mr. LAFALCE, Mr. MONTGOMERY, Mr. ATKINS, Mr. MCEWEN, Mr. LEWIS of Georgia, Mr. JOHNSON of South Dakota, Mr. VALENTINE, Mr. FAWELL, and Mr. ROE):

H.R. 2142. A bill to provide for a 2-year Federal budget cycle, and for other purposes; jointly, to the Committees on Government Operations and Rules.

By Mr. JAMES:

H.R. 2143. A bill to amend section 207 of title 18, United States Code, to prohibit Members of Congress and officers and employees of any branch of the U.S. Government from attempting to influence the U.S. Government or from representing or advising a foreign entity for a proscribed period after such officer or employee leaves Government service, and for other purposes; jointly, to the Committees on the Judiciary and House Administration.

By Mr. JONTZ:

H.R. 2144. A bill to improve forest management in urban areas and other communities, and for other purposes; to the Committee on Agriculture.

By Mr. LANTOS (for himself, Mr. SMITH of New Jersey, Mr. SMITH of Florida, and Mr. BEREUTER):

H.R. 2145. A bill to prohibit U.S. contributions to the United Nations or any of its affiliated organizations if full membership as a state is granted to any organization or group that does not have the internationally recognized attributes of statehood; to the Committee on Foreign Affairs.

By Mr. LIPINSKI:

H.R. 2146. A bill to amend the Internal Revenue Code of 1986 to provide for the establishment of, and the deduction of contributions to, education savings accounts and, in order to compensate for the loss in Federal revenues by reason of such accounts, to restrict the deduction for home mortgage interest; to the Committee on Ways and Means.

H.R. 2147. A bill to amend the Internal Revenue Code of 1986 to provide for the establishment of, and the deduction of contributions to, housing savings accounts and, in order to compensate for the loss in Federal revenues by reason of such accounts, to restrict the deduction for home mortgage interest; to the Committee on Ways and Means.

By Mr. LIPINSKI (for himself, Mrs. COLLINS, Mr. CHAPMAN, Mr. SAVAGE, Mr. LAGOMARSINO, Mr. FROST, Ms. KAPTUR, Mr. PAYNE of New Jersey, Mr. JOHNSON of South Dakota, Mr. MRAZEK, Mr. DWYER of New Jersey, Mr. MCDERMOTT, and Mr. FOGLIETTA):

H.R. 2148. A bill to amend the Internal Revenue Code of 1986 to provide a credit against tax for employers who provide on-site day-care facilities for dependents of their employees, and to restrict the credit for dependent care services to taxpayers with adjusted gross incomes of $50,000 or less; to the Committee on Ways and Means.

By Mr. MARLENEE:

H.R. 2149. A bill to amend the provisions of the Toxic Substances Control Act relating to asbestos in the Nation's schools by extending for 1 year the deadline for local educational agencies to submit asbestos management plans to State Governors and

to begin implementation of those plans; to the Committee on Energy and Commerce.

By Mr. OLIN:

H.R. 2150. A bill to amend the Head Start Act to restore and expand Head Start services to more eligible children; to the Committee on Education and Labor.

By Mr. PACKARD:

H.R. 2151. A bill to amend the Federal Aviation Act of 1958 to establish a schedule for the installation in certain civil aircraft of the collision avoidance system known as TCAS-II, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ROE (for himself and Mr. HALL of Texas):

H.R. 2152. A bill to reinvigorate cooperation between the United States and Latin America in science and technology; to the Committee on Science, Space, and Technology.

By Mr. ROE (by request):

H.R. 2153. A bill to authorize appropriations for environmental research, development, and demonstration for fiscal years 1990 and 1991; to the Committee on Science, Space, and Technology.

By Mr. SCHAEFER:

H.R. 2154. A bill to require that total outlays in the concurrent resolution on the budget for fiscal year 1990 not exceed 103 percent of fiscal year 1989 outlays, to amend the Internal Revenue Code of 1986 to restore for individuals the preference for capital gains, and to use the revenue from such restoration to reduce the Federal budget deficit; jointly, to the Committees on Ways and Means and Rules.

By Mrs. SCHROEDER:

H.R. 2155. A bill to amend title 5, United States Code, to increase the productivity of the Government by promoting excellence in Government management and by reducing improper political pressures on career civil servants; to the Committee on Post Office and Civil Service.

By Mrs. SNOWE:

H.R. 2156. A bill to prohibit the introduction of a plastic container into interstate commerce that does not contain a marking that identifies the type of plastic resin used to produce the container, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WYDEN:

H.R. 2157. A bill to amend section 924(e)(2) of title 18, United States Code, to define burglary; to the Committee on the Judiciary.

By Mr. YOUNG of Alaska (for himself, Mr. ANDERSON, and Mr. WELDON):

H.R. 2158. A bill to provide better maritime safety for Prince William Sound, AK, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

By Mr. FASCELL (for himself and Mr. BROOMFIELD) (both by request):

H.R. 2159. A bill to authorize appropriations to carry out the Peace Corps Act for fiscal years 1990 and 1991, and for other purposes; jointly, to the Committees on Foreign Affairs and Post Office and Civil Service.

By Mr. OBERSTAR:

H. Con. Res. 104. Concurrent resolution congratulating the Council of Europe on the 40th anniversary of its founding; to the Committee on Foreign Affairs.

By Mrs. ROUKEMA (for herself, Mr. ROE, Mr. CONTE, Mrs. KENNELLY, Mr. FISH, Mr. DARDEN, Mr. GREEN, Mr. GEJDENSON, Mr. SHAYS, Mr. TORRICELLI, Mr. MCGRATH, Mr. DONNELLY, Mr. SAXTON, Mr. TOWNS, Mr. COURTER, Mr. RITTER, and Mr. GALLO):

H. Con. Res. 105. Concurrent resolution requiring the establishment of a special joint committee of Congress to coordinate the investigations of the individual committees of Congress into the bombing of Pan American flight number 103; to the Committee on Rules.

By Mr. GRAY:

H. Res. 142. Resolution electing certain Members of the House to certain standing committees; considered and agreed to.

MEMORIALS

Under clause 4 of rule XXII,

75. The SPEAKER presented a memorial of the General Assembly of the State of Illinois, relative to the report by the Commission on Base Closure and Realignment; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. BROWN of California introduced a bill (H.R. 2160) for the relief of David C. Funk; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 496: Mr. JACOBS.

H.R. 567: Mr. JONES of Georgia, Mr. DERRICK, and Mr. OWENS of Utah.

H.R. 586: Mr. PACKARD.

H.R. 600: Mr. DELLUMS.

H.R. 746: Mr. ENGLISH, Mr. MOODY, Mr. CARPER, Mrs. COLLINS, Mr. MICHEL, and Mr. PAYNE of Virginia.

H.R. 927: Mrs. LOWEY of New York and Mr. RINALDO.

H.R. 930: Mrs. LOWEY of New York, Mr. SMITH of Vermont, Mr. JONES of Georgia, Mr. MACHTLEY, Mr. GEJDENSON, Mr. PALLONE, Mr. MILLER of Washington, Mr. TORRICELLI, Mr. FORD of Tennessee, and Mr. FLORIO.

H.R. 1028: Mrs. BENTLEY, Mr. COSTELLO, Mr. HORTON, and Mr. FISH.

H.R. 1134: Mr. VISCLOSKY.

H.R. 1170: Mr. SMITH of Vermont, Mrs. MARTIN of Illinois, and Mr. LEWIS of Georgia.

H.R. 1190: Mr. SAVAGE.

H.R. 1199: Mr. RAHALL, Mr. WALSH, and Mr. ATKINS.

H.R. 1393: Mr. LEWIS of Georgia and Mr. MINETA.

H.R. 1499: Mr. RHODES, Mr. HERGER, Mr. SAVAGE, and Mr. BOEHLERT.

H.R. 1510: Mr. AKAKA, Mr. ROBINSON, Mrs. UNSOELD, Mrs. BOGGS, Mr. RANGEL, Mr. MCNULTY, Mr. BILBRAY, Ms. PELOSI, Mr. MILLER of California, Mr. EDWARDS of California, Mr. CARDIN, Mr. SAVAGE, Mr. SIKORSKI, Mr. CONYERS, Mr. STOKES, Mr. DE LUGO, Mr. FOGLIETTA, Mr. RICHARDSON, Mr. COYNE, Mr. HOYER, Mr. FLAKE, Mr. BROWN of California, Mr. MARTINEZ, Mr. SMITH of Florida, Mr. CLAY, Mr. OWENS of New York, Mr. MORRISON of Connecticut, Mr. MURPHY, Mr. WHEAT, Mr. ESPY, Mr. FORD of Tennessee, and Mr. BOEHLERT.

H.R. 1583: Mr. RANGEL, Mr. DONALD E. LUKENS, Mr. ROBINSON, Mr. HEFNER, Mrs. LLOYD, Mr. LIGHTFOOT, Mr. BAKER, Mr. STUDDS, Mr. WEBER, Mr. DUNCAN, and Mr. CAMPBELL of Colorado.

H.R. 1676: Mr. FLORIO and Mr. YATES.

H.R. 1710: Mr. BEREUTER, Mrs. COLLINS, Mr. FOGLIETTA, Mr. ROE, Mr. MCGRATH, Mr. UPTON, Mrs. MORELLA, Mr. WOLF, Mr. HOCHBRUECKNER, Mr. GUNDERSON, and Mr. HAMILTON.

H.R. 1931: Mr. ACKERMAN and Mr. BURTON of Indiana.

H.R. 1955: Mr. ROE, Mr. PARKER, Mr. ENGEL, Mr. DONALD E. LUKENS, and Mr. HORTON.

H.R. 2044: Ms. KAPTUR and Mr. ATKINS.

H.R. 2075: Mr. MRAZEK, Mr. PARKER, Mrs. COLLINS, and Mr. GAYDOS.

H.R. 2098: Mr. ANDREWS, Mr. SUNDQUIST, and Mr. BROWN of Colorado.

H.J. Res. 54: Mr. FAZIO.

H.J. Res. 68: Mr. HANSEN, Mrs. ROUKEMA, Mr. PORTER, Mr. HAMMERSCHMIDT, Mrs. KENNELLY, Mr. SHAW, Mr. ARCHER, Mr. SAWYER, Mr. BUNNING, Mr. PARKER, Mr. GOSS, Mr. ANNUNZIO, Mr. RITTER, Mr. LIVINGSTON, Mr. MCNULTY, Mr. BURTON of Indiana, Mr. CLEMENT, Mr. COUGHLIN, Mr. HUTTO, Mr. GILMAN, Mr. GUARINI, Mr. GINGRICH, Mr. GREEN, Mr. RINALDO, Mr. LANTOS, Mr. MCGRATH, Mr. MCDADE, Mr. LEWIS of Florida, Mr. LOWERY of California, Mr. LEVIN of Michigan, Mr. JOHNSON, of South Dakota, Mr. HEFLEY, and Mr. SCHUMER.

H.J. Res. 132: Mr. ROWLAND of Connecticut, Mr. KOLTER, Mr. SCHEUER, Mr. SMITH of Mississippi, Mr. BURTON of Indiana, Mr. CLARKE, Mr. HARRIS, Mr. FOLEY, Mr. HYDE, Mr. JOHNSON of South Dakota, Mr. DELLUMS, Mrs. SAIKI, Mr. FORD of Tennessee, Mr. PICKLE, Mr. MCDADE, Mr. YOUNG of Alaska, Mr. MURTHA, Mr. DERRICK, Mr. MOORHEAD, Mr. HAMILTON, Mr. ROSE, and Mr. WOLF.

H.J. Res. 208: Mr. MINETA, Mr. MCHUGH, and Mr. HAMILTON.

H.J. Res. 209: Mr. WOLF, Mr. SPRATT, Mr. MRAZEK, Mr. FAUNTROY, Mr. ANDERSON, Mr. SOLOMON, Mr. HEFNER, Mr. GUNDERSON, Mr. DORNAN of California, Mrs. COLLINS, Mr. HORTON, Mr. KENNEDY, Mr. HUGHES, Ms. KAPTUR, Mr. FAZIO, Mr. WALSH, Mr. BROWN of California, Mr. DYMALLY, Mr. DWYER of New Jersey, Mr. LEHMAN of Florida, Mr. VOLKMER, Mr. MCGRATH, Mrs. BOXER, Mr. OWENS of Utah, Mr. ENGEL, Mr. HATCHER, and Mr. DARDEN.

H. Con. Res. 1: Mr. TOWNS and Mr. FROST.

H. Con. Res. 3: Mr. KOLTER.

H. Con. Res. 91: Mr. ESPY and Mr. HERGER.

H. Con. Res. 102: Mr. GOSS, Mr. ARCHER, Mr. FASCELL, and Mr. RAVENEL.

H. Res. 41: Mr. BEREUTER, Mr. BLAZ, Mr. BRYANT, Mr. BRUCE, Mr. DAVIS, Mr. DEWINE, Mr. DICKINSON, Mr. GEKAS, Mr. GUNDERSON, Mr. HOPKINS, Mr. HOUGHTON, Mr. HUNTER, Mr. JAMES, Mr. LELAND, Mrs. MARTIN of Illinois, Mr. MAZZOLI, Mr. MILLER of Ohio, Mr. MURPHY, Mr. NATCHER, Mr. NEAL of North Carolina, Mr. PARKER, Mr. RICHARDSON, Mr. ROGERS, Mr. SCHIFF, Mr. DENNY SMITH, Mr. ROBERT F. SMITH, Mr. WYDEN, and Mr. YATRON.

H. Res. 120: Mr. MFUME, Mr. DYMALLY, Mr. TOWNS, Mr. COSTELLO, Mr. UPTON, Mr. OWENS of Utah, Mr. CHAPMAN, Mr. HUGHES, Mr. APPLEGATE, Mr. PANETTA, Mrs. COLLINS, Mr. WEISS, Mr. ACKERMAN, and Mrs. MARTIN of Illinois.

EXTENSIONS OF REMARKS

THE CHILDREN'S CLEANUP CRUSADE

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. OWENS of Utah. Mr. Speaker, I rise today to honor the students of Jackson Elementary School of the district I represent in Salt Lake City, UT.

This year, Jackson Elementary received numerous awards, including the Presidential Use Environment Award by the Environmental Protection Agency, for their outstanding efforts to clean up an abandoned toxic-waste site near their school.

The following article from Sierra magazine describes the determined effort these students made so that the environment in which they live is cleaner and safer:

THE CHILDREN'S CLEANUP CRUSADE

(By Barbara A. Lewis)

Black dots representing potentially hazardous waste sites were sprinkled across the map of Salt Lake City. One of the sites, the children discovered, was just three blocks from our school.

"That old barrel yard?" 11-year-old Maxine asked, shocked at how close the site was to us. "Kids climb all over those barrels."

"I bet there are at least a thousand barrels in one pile," added Chris. He grabbed a marking pen and circled the spot.

The exercise was the beginning of a spring course on ground water that I had planned for the academically talented sixth graders at Jackson Elementary, where I teach special classes of fourth through sixth graders. I had no idea then that I was unleashing a tiger.

As it turned out, Chris had underestimated: The site held 50,000 barrels that at one time had contained everything from molasses to hazardous chemicals. Now, after a recycling business had stockpiled them for more than 40 years, many were rusted and corroded.

"Who could we ask to find out whether our water supply has been contaminated?" I asked the children.

"The health department," Heather suggested, commanding the attention of the other children despite her soft voice.

As the sixth graders' enthusiasm grew, the fourth and fifth graders in my classes also became interested. I made preliminary phone calls to alert officials that the students would be calling and to ask what they might do to help. "There's nothing children can do," one state Department of Health spokesperson told me. "They'll be in high school before they see any results," Later, when the children themselves called the officials, they were shooed away like pesky flies.

Undaunted, the students conducted a door-to-door survey of their industrial neighborhood, informing residents about the dangers of hazardous waste and searching for wells from which health officials could take water samples. In a four-block area that included several abandoned houses and warehouses with wooden planks slapped haphazardously over jagged window glass, the children discovered only a few wells—all cemented over—and a largely indifferent response to their information campaign. Their efforts that day appeared to be futile. The children had, however, attracted a following of television and newspaper reporters who were intrigued that youngsters had ventured into an area where adults were generally apathetic.

Before returning to school, we paused outside the barrel-site fence. Covering three blocks, the steel mountain of drums obstructed the children's view of a community sports arena, the Mormon Temple, and the Wasatch Mountains in the distance.

"Look," Maxine said, pointing. "Some of the barrels are orange and yucky."

"Rusted," Chris said.

"And some have big holes."

"Corroded," Chris corrected.

"Look at all the orange colors in the dirt," Heather said. "And black, too. I wonder if anything leaked out of the barrels."

Maxine bent down. "The fence has lots of holes in it," she said. "Bet I could climb through one."

The protective fence sagged in spots like stretched-out potbellies. In a later survey of the school's students, 32 children would admit to having played on the barrels.

"I've seen bums build fires in those barrels," one child said now.

"Chemicals in the bottoms could cause an explosion," another added.

Kory's brown eyes popped. "And blow up the whole school."

"Don't exaggerate," Chris scoffed.

While we were at the site, we decided to stop at the barrel yard's office. A worker who answered the children's knock denied that there were any problems at the site. A newspaper reporter who had remained with us questioned the man and was told that no chemicals from the drums had leaked onto the soil; furthermore, the owner had never accepted barrels that had more than an inch of residue in the bottom. The owner had spent more than $50,000 in the past few years to meet regulations set by the Environmental Protection Agency (EPA), the worker insisted.

The children were not convinced. "What happened to the ground before we had those laws?" Heather asked when we were back in the classroom. To learn more, they began reading articles on hazardous waste in such magazines as the *New England Journal of Medicine, Newsweek,* and *National Wildlife.* I obtained more information from a periodical-clipping service and distributed it to the children, who then wrote papers on related topics. I invited an environmental consultant, health officials, and Salt Lake City's emergency hazardous-waste-cleanup team to lecture in class. One health official told us that even a single inch of chemical residue in the barrels could leak into groundwater and contaminate it.

With newly developed expertise, the children brainstormed solutions to the problem. One child called the EPA's national hot line to ask for assistance; others wrote to the agency's regional office in Denver; another called the Utah Power and Light Company, owner of the land on which the barrel yard was located.

The children's first major success was gaining the support of Mayor Palmer DePaulis during a visit to his office. Their recommendation: Remove the drums and test the soil and water for contamination. DePaulis, a former teacher, promised to work toward cleaning up the site within 18 months.

In a few weeks, changes began at the barrel site. Utah Power and Light refused to allow the owner of the barrel yard to renew his lease on the land; he retired and sold the business to a California-based barrel-recycling operation. DePaulis pressured the new owner to move the barrels to another location, while media coverage increased awareness of social responsibility within the community.

Removal of the barrels began immediately. At a cost of a dollar a barrel, the new owner would remove more than 37,000 reusable drums during the next year, sending most of them to its California plant. The former owner would pay to remove the disintegrating remains of nonusable barrels and to send toxic materials to a hazardous-waste disposal facility.

At the same time, a local television station aired the draft findings of an EPA audit of the state health department's Division of Environmental Health (DEH). The EPA accused health officials of failing to carry out their responsibilities to clean up at least seven of Utah's toxic-waste sites. The barrel yard, which had previously received little attention, was on that list.

In early June 1987, just a few months after the children had begun their campaign, researchers from the Denver EPA office came to Utah to collect soil and water samples at the barrel site, taking operation of the investigation away from local health officials. Ken Alkema, DEH director, said the change was intended to even out workloads and had nothing to do with the draft audit—but whatever the reason, analysis had begun at last.

Many of the children were attending their sixth-grade graduation party the day the EPA started work, but they chose to leave it so they could watch as the water and soil samples were collected. Clad in pressed pants and lace-edged skirts rather than their usual baggy T-shirts and torn jeans, they looked like aliens among the corroded barrels and tainted soil. They would have the test results by fall, EPA officials promised.

The children twirled and danced, two girls catching the breeze in their puffed-out skirts. "Kids can make a difference," they began saying—kids from Jackson, which has the lowest income per capita and one of the largest minority populations in the Salt Lake City School District.

But their pride faded when they learned that the original owner of the barrel yard had suffered a heart attack and was in intensive care. One of his workers said the recent pollution dispute had aggravated a preexisting heart ailment.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

"Don't you know that this man has contributed thousands of dollars to the local children's hospital, Little League teams, and other charities?" the worker asked me. "Why are the children investigating his plant? We're not contaminating anything. By recycling barrels, we're cleaning up the environment." Confused, I pondered whether I should have allowed the children to enter such a controversial arena.

The question didn't need answering immediately; because the project slowed for summer recess. Still, the children called me at home to tell me what was going on at the site. Leaning on the walkway fence outside the barrel yard, they watched as the drums were removed, carried away by train or by truck, and the pile shrank.

In the meantime, I received two phone calls from an individual who threatened that parents would take legal action against the school if the children remained involved. I suspected the calls were a ruse to scare me—parents had submitted permission slips for every excursion—and I questioned each parent to confirm my theory. All were highly supportive and eager to have their children participate. Our principal, Pete Gallegos, encouraged us to forge ahead, and the school district promised legal help if we needed it.

When the children returned to school in the fall, I expected their enthusiasm to have waned, but they immediately proved me wrong. I had told last year's sixth graders that I would call them in September so they could remain involved if they chose to. Now I invited them back to brainstorm additional strategies with the new sixth graders—and when I drove to the junior high to pick them up, expecting only a few to be waiting, 10 of the original 14 piled into my compact car.

I covered the chalkboard with their ideas: Write to the Denver EPA to check for test results; contact local health officials; call the mayor, the power company, the new owner of the barrel yard. Removal of the barrels had slowed down, so the children suggested applying more pressure. Do more research, they said.

Some of the children were concerned about the ailing barrel-yard owner. Was it their fault that he was in the hospital? Did winning always mean that someone else had to lose? We learned that the former owner was in stable condition. "Who else has rights that need to be protected?" I asked.

"The barrel-yard owner," Chris said. "What's going to happen to small-business owners like him, who can't afford to clean up their messes? They could lose their businesses, and then only the big guys would still be around."

"But we have a right to know what's in that dirt," Heather insisted. "We're living by it." The other children agreed.

"Then who should be responsible for cleaning up hazardous waste?" I asked.

"Maybe the health department," a child said.

"But a health department spokesperson had already told us that the agency, underfunded and understaffed, had no money for cleaning up the waste.

"Let's earn some money to help everyone, like small businesses and people like us," one child suggested.

"And give it to the health department," another added.

"Let's clean up all the hazardous waste in the state!" Kory suggested, jumping up and knocking a stack of magazines to the floor.

"Get real," Chris sneered. "That would cost too much."

"If you're serious about helping, how could you raise money?" I asked.

After deciding to hold a white-elephant sale, the children gathered used items from home and collected new products from 12 local merchants. They raised $468.22—not a hefty sum, but enough to clean up one square foot of a mound of toxic mess. Heather, always the philosopher, remained optimistic. "Big things can happen in small steps," she said. "Like climbing mountains."

By Christmas the long-awaited EPA test results were announced publicly. Heather tore down the hall, waving a large manila envelope. "The health department just brought this to the office and asked for me!" Her cheeks glowed.

We flipped through the pages together. The report indicated that harmful chemicals, solvents, coal tars, pesticides, and heavy metals had contaminated the soil and groundwater. It listed such substances as benzene, toluene, lead, zinc, and copper. A health official visited our class to help us understand the results.

The EPA, which was now investigating the surrounding neighborhood to determine how far the contamination had spread, promised additional test results within a year. After that, a Utah health official told me, the site would probably go onto the EPA's Utah Priorities List of areas slated for cleanup.

By last April all 50,000 barrels had been removed, and the EPA began pressuring the yard's new owner to build a fence that would effectively keep out transients and children. Already my students had warned the entire school to stay away.

Meanwhile, the children had received invitations to speak before a number of organizations. They gave presentations about their project to the Women's State Legislative Council, the Women's Garden Club, and the Utah Education Association.

Their next step was to mail out 550 letters to industries, environmental groups, and service organizations to seek additional funds for cleanup, which they could add to their own $468.22. We received stacks of congratulatory letters and checks. Only two negative letters (from industries) arrived, and we got one discouraging phone call. No further threats were made.

Altogether the children raised more than $2,200 in cash and another $500 in promised services. They were disappointed to learn, however, that they could not legally contribute the money to the state and have its use monitored. They didn't want their money wasted in court battles; they wanted it to go directly toward cleanup of some site.

Having read about the national Superfund, which helps clean up abandoned toxic-waste sites, one child suggested a law that would create a similar state fund to which anyone could contribute. Utah had no such fund and ranked 45th among the states for developing environmental programs according to "The State of the States," a 1987 study published by the Fund for Renewable Energy and the Environment.

Each fifth and sixth grader involved with the project wrote legislation, and the children combined the best points. The result was a draft bill to set up a state contributory Superfund that would not require state tax revenues. Utah House Reps. Olene Walker (R) and Ted Lewis (D) cosponsored the children's bill.

April, a fifth grader, then contacted Rex Black (D), who agreed to sponsor H.B. 199 in the state Senate. The children lobbied in person, handing out fliers with red-crayon trim. Sitting on plush couches, they tried to look sedate in the regal surroundings of Utah's capitol building. They crossed their legs and folded their hands—but within two minutes they were bouncing on their cushions. Then they rushed to the window. In the distance they could see the barrel site where their odyssey had begun almost a year ago.

The children were clearly enjoying themselves, but they were also aware that this was serious business: They had to reach each member of the Utah House and Senate. Back at Jackson Elementary, they tied up the phones for two days as they called each legislator. Later five children addressed the Utah Senate and five others spoke before a House committee.

"Please vote for House Bill 199," Heather said into the microphone as she stood before the House committee. "It will benefit everyone, and it will cost the state nothing."

They received a standing ovation.

As the final votes were tallied, the children sat quietly counting in the Senate gallery. House Bill 199, a state contributory Superfund, passed without a single dissenting vote. Not allowed to applaud in this formal setting, the children grinned, mouths open in silent cheers, arms waving wildly.

"No one has more effectively lobbied us than these young kids," Sen. Darrell Renstrom said before the Senate, "and they didn't even have to buy us dinner."

"These children did something we couldn't do because 'superfund' is such a political issue." Brent Bradford, director of the Bureau of Solid and Hazardous Waste, told the Women's State Legislative Council. "No one thought to tell the children they couldn't succeed. They got people who wouldn't even speak to us to talk to them and even to donate. . . . They've raised the level of awareness of the whole valley to hazardous-waste issues."

Since then the children have received awards of appreciation from Mayor DePaulis, the Department of Health, and Utah Gov. Norman Bangerter. They also won the National Community Problem Solving Award in education, and the President's Environmental Youth Award. On May 27, 1988, U.S. Sen. Orrin G. Hatch (R-Utah) commended them in the CONGRESSIONAL RECORD.

Last fall, a year and a half after they began their project, the children applied for a Waste Minimization and Recycling Grant, attaching it to a Department of Health proposal, which could increase their $2,200 to $22,000 with a 10-to-1 match from the EPA. The health department's proposal was for a match to implement a program for reducing waste at its source and for encouraging recycling. In addition, legislators are considering appropriating sizable funds in their next legislative session for cleanup of toxic waste.

What next? That depends on the children. Currently they are selling popcorn to raise money to buy and plant 18 trees on some barren street islands near their school.

Already they have proven that kids can solve problems, as Heather says, "one small step at a time." If they can climb mountains, one would hope adults can too.

SALUTE TO MAESTRO HUGO RINALDI

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mrs. BOXER. Mr. Speaker, I wish to salute Maestro Hugo Rinaldi, music director and conductor of the Marin Symphony Youth Orchestra, on his retirement after 35 years of outstanding work with thousands of Marin County's young musicians.

Maestro Rinaldi is concluding a distinguished career as a teacher, conductor and composer. A professor of music at Dominican College in San Rafael, Maestro Rinaldi also served as music director for Marin Opera Co., and conducted "Nutcracker" performances of the Marin Civic Ballet in addition to fulfilling numerous professional engagements in this country and abroad.

In 1953 he established the Marin Symphony Youth Orchestra, an award-winning 40-piece orchestra, and in 1970 Orchestra Piccolo, a smaller chamber group, the first nonprofessional orchestra to play at the Festival of Two Worlds in Spoleto, Italy.

These two orchestras present several concerts a year, reaching an extensive young audience at the Family Concert Series with pops music, musicals, chamber music, and symphony programs.

For his work with young, talented musicians and for bringing their music to thousands of Marin County youngsters, the entire Marin community extends thanks and appreciation to Maestro Hugo Rinaldi.

A TRIBUTE TO RAOUL WALLENBERG IN OUR NATION'S CAPITAL

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. LANTOS. Mr. Speaker, a few days ago with the cosponsorship of 70 of our colleagues in the Congress—which I am delighted to report has since grown to more than 100—I introduced House Joint Resolution 240, legislation to establish an appropriate monument or garden as a tribute to Raoul Wallenberg on Federal land in the District of Columbia.

I introduced similar legislation in the last Congress, but consideration of that resolution was not completed before the Congress adjourned last fall. Under the leadership of our distinguished colleague from Ohio, Ms. OAKAR, however, hearings were held which clearly established the broad-based and enthusiastic support for the establishment of a monument to honor this hero of the Holocaust.

What did he do? Why should we honor him by establishing physical tribute in his honor in our Nation's Capital? Raoul Wallenberg went to Hungary in 1944 at the height of the Nazi terror and interposed his unarmed body between the massive Nazi war machine and the persecuted, defenseless thousands. When he arrived in Budapest, the Jews of the countryside had already been taken to Auschwitz where most perished. But it was his presence in the city of Budapest which delayed the transport trains long enough so that some 100,000 people from that city survived the Holocaust. My wife Annette and I were two of those who survived through his efforts. It is on behalf of these 100,000, and on our children's behalf and on our grandchildren's behalf that we establish this tribute to say "Thank you, Raoul."

In constructing this monument, this tribute, we are honoring more than Raoul Wallenberg—we are honoring the ideas which his life and work exemplifies. He taught us two things. He taught us that a single individual committed to an idea can achieve miracles, and Raoul taught us that human rights are indivisible; that it is not enough just to be concerned with our own human rights. As Catholics or Protestants or Jews or Swedes or Americans or whites or blacks, the only relevant concern for human rights that deserves respect is the concern that transcends religion and race and color and creed and national origin. He did not go to Budapest in 1944 to save Lutheran Swedes. He went there to save Hungarian Jews, with whom he had nothing in common, except his common humanity.

Raoul Wallenberg not only fought evil, but he also fought indifference, and indifference is the twin of evil. Those who kill are murderers, but those who stand by and do nothing in the face of murder share a complicity in crime. Those who are terrorists and kill are criminals, but those who shelter and expedite terrorism are in complicity with the crime. Raoul's message was clear and loud. We had to fight evil, but we also had to fight indifference with equal energy and determination.

It is not accident that the two men honored by the Congress of the United States, with honorary American citizenship—Sir Winston Churchill and Wallenberg—represented the two great ideals of our society: Churchill, the champion of freedom, and Wallenberg, the champion of human rights. I suspect, as time goes on, the scope, the heroism, and the depth of these two giants will increasingly penetrate the globe for generations to come.

Mr. Speaker, I would like to call to the attention of my colleagues that the legislation which we have introduced waives one provision of the Commemorative Works Act, which governs the placing of monuments or tributes on Federal land in the District of Columbia and its environs. The Commemorative Works Act specifies that "a work commemorating an individual * * * shall not be permitted * * * until at least 25 years after the death of the individual." The purpose of this provision is to ensure that any individual so honored have "lasting historical significance" and that decisions to erect a monument or tribute not be influenced by short-term notoriety.

Our legislation waives this provision, Mr. Speaker, because it is beyond doubt that the activities of Raoul Wallenberg have met the intention of this legislation. There is no doubt that Wallenberg has "lasting historic significance." Raoul Wallenberg's activities were carried out in 1944, some 45 years ago, and Raoul has not been free from Soviet prisons since that time. Clearly they have a "lasting historic significance."

Does Raoul Wallenberg live? Yes, I believe he lives, and our work must go on so that he may be free during the last years of his life. I say this despite the fact that for 30 years Soviet authorities, including the Soviet Prime Minister Nikolai I. Ryzhkov earlier this year, have insisted that Wallenberg died in 1947. My colleagues and I have written repeatedly to Soviet authorities requesting that the Wallenberg case be resolved and that Raoul be granted his freedom.

Just a few weeks ago several of our colleagues and I requested that the Prime Minister of Sweden reopen the Wallenberg case with Soviet President Gorbachev with the utmost urgency and with a new message. There was a time when the Wallenberg issue was viewed in the Soviet Union as a confrontational issue. Those days are over. The criminals who arrested people, incarcerated people, who kept them prisoners for decades, are gone. Mr. Gorbachev was a child when Raoul Wallenberg was arrested on January 17, 1945. He is a very intelligent man who really understands, and it is my fervent hope that he will understand the great importance of bringing glasnost with Wallenberg.

Wallenberg lives—and will always live. In another sense, he is more alive than any of us. He is more alive than any of us because of what he has done. He not only saved lives, but he has touched the lives of all who can understand the story of his heroism and dedication. So, he lives.

Mr. Speaker, since Raoul Wallenberg embarked on his dangerous and daring mission at the request of the U.S. Government, it is most appropriate that we honor him in our Nation's Capitol. It is the inspiration of his selfless humanity that led the Congress of the United States to grant him honorary U.S. citizenship. It is in recognition of Wallenberg's selfless devotion to human rights and his struggle against tyranny that we seek to honor him with an appropriate tribute.

Mr. Speaker, long after all of us here in this historic Chamber are gone, Raoul Wallenberg will live on. He will be alive as long as there is a single decent human being on Earth who understands Raoul's beseeching that we are our brothers' and our sisters' keeper.

TRIBUTE TO THE FIVE GREAT HEAVYWEIGHT CHAMPIONS OF OUR TIMES

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. DYMALLY. Mr. Speaker, my distinguished colleagues, I want to call your attention to a special event which was held on Wednesday, March 1, 1989 at the J.W. Marriott Hotel in Century City, CA. Appropriately referred to as, "The Main Event of the Century," the dinner was held to honor five renown heavyweight champions of the world; Muhammad Ali, George Foreman, Joe Frazier, Larry Holmes, and Ken Norton. The theme for the evening was "Champions Forever," signifying

the enduring success and fame of these five sports figures.

A controversial sports figure, Muhammad Ali is regarded by many authorities as the greatest heavyweight champion of all time. As a teenager, he won the National Golden Gloves, the 1960 Olympic Gold Medal, and the Amateur Athletic Union championships. Shortly after he entered professional boxing, and defeated Sonny Liston in 1964 to become the world's heavyweight champion. His famous quote, "I'm the greatest," became as well known as Lyndon Johnson's "My fellow Americans."

Early in his career Muhammad predicted, "I'm going to upset the world." At the time, hardly anyone believed him, but in more ways than one his prediction came true. He went on to make his own distinctive mark on the history of boxing and became one of the world's best-known athletes.

Now high on the comeback trail, George Foreman has gone from being the heavyweight boxing champ of the world to becoming a preacher and now also returned to the ring. The power punching fighter from Houston stunned the boxing world in 1968 by capturing the Olympic Gold Medal in the heavyweight division in Mexico City. As a pro, he won his first 37 fights and then proceeded to Jamaica where he destroyed Smokin' Joe Frazier in 2 rounds to capture the World Heavyweight Championship.

Foreman held the title from January 1973 to October 1974. He retired from the game in March 1977.

About a year ago, Foreman, now 39, said, "I woke up one day and decided to return to boxing." He still has the body of a 27 year old," says chief trainer Charlie Shipes.

With his sights set once again on the world heavyweight title, "Champions Forever" wishes George Foreman a knockout success on his road back to the top.

"Smokin' Joe" Frazier was the first American heavyweight to win a Gold Medal at the Tokyo Games in 1964. He made his professional debut on August 16, 1965, and scored a first round KO over Woody Goss. During the next years, Frazier won 11 straight bouts, all by knockouts and all in 6 rounds or less. On September 21, 1966, Oscar Bonavena lasted 10 rounds against Joe, but Frazier won the decision. He remained undefeated in seven more fights and on March 4, 1968, knocked out Buster Mathis to gain the World Heavyweight Championship. When Muhammad Ali returned to the ring after a brief hiatus, "Smoking' Joe" met Ali on March 8, 1971, in Madison Square Garden and earned a hard-won 15 round decision. Frazier kept the title until January 22, 1973, when he lost to George Foreman in Kingston, Jamaica.

After leaving the ring, Joe became very active training and giving career guidance to aspiring young professionals in the Philadelphia area. With his sons, he actively runs and trains in his gym daily, while at the same time managing a family business.

Larry Holmes is a true champion—powerful, talented and driven to excellence. His 7-year reign as the world heavyweight boxing champ established him as one of the greatest fighters in boxing history. In 1968, he began to box, establishing an amateur record of 19 and 3. Turning pro in 1973, he earned $63 for his first fight. From these humble beginnings, Larry went on to win the heavyweight title from Ken Norton, at the age of 29 in a bout considered by many to be one of the best title fights of all time. With the exception of Joe Louis, Larry held that title longer than any other champion. Eight years and 48 consecutive victories later, he lost the crown in a controversial decision to Michael Spinks. Since retiring from boxing, Larry has won high praise and many honors to combat drug and alcohol abuse.

Ken Norton began his boxing career in the Marine Corps while stationed in San Diego. Standing 6 feet 3 inches, and weighing 210, he has all the makings of a world heavyweight champion. Turning professional in 1967, he had his first bout with Muhammad Ali in 1973 where he gained a 12 point verdict over 12 rounds. His last match with Ali was in 1976, and in 1981 he left the ring to become an actor.

He appeared in such films as "Mandingo" and "Drum," and in such television shows as "Knight Rider" and "Oceans of Fire." He recently opened a 14,000 square feet fitness center in Lake Forest, CA, which currently occupies a great deal of his time.

Mr. Speaker, these five heavyweights have displayed a combination of skill, grace, stamina, ring smarts, and charisma, in as well as outside of the boxing ring. Each has brought much enjoyment to boxing fans for many years and has served as role models for many of today's young fighters. For many, these fighters represent a standard of excellence which will remain in place for our future generations of boxers.

TRIBUTE TO SISTER METHODIA

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. YATRON. Mr. Speaker, today I rise to pay tribute to one of the most recognized and inspiring figures of Lansford, PA. The person I am speaking of is Sister Methodia, a nun in the Most Sacred Heart Order, who has long been a revered and well-respected member of the Lansford community. Sister Methodia will celebrate her 100th birthday on May 10, 1989.

During her 100 years, Sister Methodia has played an important role in spreading God's word and administering her faith to the people of Lansford. For 59 years, Sister Methodia taught the first grade at St. Michael's Parochial School in Lansford, where she provided thousands of students with their first learning experience and held special classes on Saturdays to teach immigrant children the English language. She retired from teaching at the age of 83.

When not teaching, Sister Methodia often spent her time in the anthracite pits in and around Lansford where she counseled the coal miners and prayed for their well-being. The miners became so endeared with Sister Methodia that they made her an honorary member of the Panther Valley Deep Coal Miners Club.

Mr. Speaker, this remarkable woman has touched the lives of many. Her life has been devoted to spreading God's love and enriching the lives of others. We are indeed fortunate to have been blessed with her talents, commitment, and caring disposition for these many years and it is only fitting that Sister Methodia be recognized for the contributions she made to Lansford, PA, and its residents.

Mr. Speaker, it is my great honor and privilege to stand before you today to say thank you and happy birthday to Sister Methodia.

TRIBUTE TO MACK HENDERSON

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. DARDEN. Mr. Speaker, the name Mack Henderson has been synonymous with community service in Cobb County, GA, since he first became head of Southern Bell's regional telephone operations there in 1976. Actually, he was carrying on in the tradition he had established earlier in other parts of metro Atlanta while heading another division of that utility.

Mack retired recently, after almost 37 years of service to Southern Bell and its customers. I want to take a moment to outline for my colleagues the pivotal role Mack has played in our community's civil life during these years, and to thank him publicly for giving unselfishly of so much of his time in the interest of his friends and neighbors.

The list of Mack's civic endeavors is, indeed, a long one: Cobb Citizen of the Year in 1985; president of the Cobb Chamber of Commerce in 1984; president of the Cobb County Emergency Aid Association in 1981 and 1982. He also is a past chairman of numerous organizations, including the Kennesaw College Fund Foundation and the road and highways task force of the Cobb chamber. He is a past president and board member of the Cobb County United Way, and also has been active in the Metro Atlanta United Way.

Indeed, Mack Henderson has established a reputation for being both a skilled and effective manager of a major business operation, and an enthusiastic and energetic participant in efforts to better his community.

All of us in Cobb County are indebted to Mack for his many years of public service. I would like for my colleagues to join me in wishing Mack and his wife Jean well as he begins his retirement. And, I hope he will continue to play a role in the civic activities of Cobb County—because skills, experience and enthusiasm such as we find in Mack Henderson are vital to the making of a better life for all our citizens.

LET'S TEAR OFF THEIR HOODS

HON. JIM SLATTERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. SLATTERY. Mr. Speaker, Newsweek magazine recently published an insightful

essay by former Senator Birch Bayh of Indiana. In his comments, Senator Bayh takes dead aim at the source of violent, racially motivated incidents that has been occurring with painful regularity across this country. This essay raises several timely points that should be considered by policymakers and opinion leaders everywhere. I commend it to my colleagues.

LET'S TEAR OFF THEIR HOODS

(By Birch Bayh)

When the voters of Metairie elected David Duke to the Louisiana Legislature, they sent a shock wave across the country. Newspapers everywhere carried front-page stories expressing disbelief that the president of the National Association for the Advancement of White People and former imperial wizard of the Ku Klux Klan could actually win an election. It was almost as if the returns from the 81st District of Louisiana had resurrected the Klan, like Lazarus, from the dead. To those who are startled to hear that the KKK is alive and well, one can only ask. Where Have You Been?

Have no doubt about it. The Klan—which lynched helpless black Americans, murdered civil-rights workers, burned its crosses and spread its divisive venom of prejudice across the land—has not disappeared. It continues to hawk its poison to anyone who will listen. To make matters worse, the Klan today has been joined by other harbingers of hate such as the Skinheads, the Aryan Nations, Posse Comitatus, The Covenant, the Sword, and the Arm of the Lord, White Aryan Resistance (WAR) and the strident right-wing political cult of Lyndon LaRouche. Although the legal ties which bind these seemingly disparate groups together may be somewhat tenuous, similarities are undeniable. Bigotry and prejudice based on religion, race, ethnicity and sexual orientation as well as transgressions upon basic constitutional rights guaranteed all Americans permeate the spectrum of today's right-wing extremism. And this philosophy of hate is having an impact in community after community across the country.

During the last five years, the National Institute Against Prejudice and Violence, a nonprofit watchdog group, has catalogued these hate-filled acts, provided counsel to communities confronted with such activities and tried to inform a complacent public of the evil which lurks in all too many neighborhoods. A collection of these isolated incidents, when viewed from a national perspective, presents a truly alarming picture:

Ridgedale. Mo.—State trooper slain by a member of The Order extremists.

San Francisco, Calif.—Community Holocaust Memorial desecrated.

Bull Shoals Lake, Ark.—Officials uncover huge military cache at camp of Covenant, Sword, Arm of the Lord.

Reno, Nev.—Black man allegedly shot to death by two adolescent Skinhead supporters.

Beverly, Mass.—Swastikas and Nazi slogans scrawled on Temple B'nai Abraham.

Houston, Texas—"Death to Arabs" spray-painted on Islamic mosque; attempted burning of cars.

Coeur d'Alene, Idaho—White supremacists bomb a federal building, a business and a home.

Similar incidents have occurred in hundreds of other communities across America. Last year the Anti-Defamation League reported a 41 percent increase in acts of anti-Semitic harassment, threats and assaults over 1987. The New York City Police Department recorded 550 incidents motivated by race, religion, ethnic background or sexual orientation in 1988, a 100 percent increase in two years.

These senseless acts are not the dying vestiges of discrimination perpetrated by older Americans. Many of the Skinheads are not old enough to vote. Duke himself is still in his 30s—hardly a graybeard. Surveys conducted by the institute disclose that similar acts of prejudice are occurring on the nation's campuses. Over 20 percent of all minority students interviewed reported being harassed on at least one occasion; many reported multiple experiences. Incidents were reported on 174 different campuses. Among them: the dorm room of five Asian women students was broken into and vandalized with the letters KKK painted on their door (Macalester College); the words "Death Nigger" were carved on the office door of a counselor (Purdue University); an antiapartheid shanty was doused with gasoline and set on fire while two students sat inside (Johns Hopkins University); arson destroyed a black fraternity house (University of Mississippi).

Some of those incidents are the result of hostile, organized group activity, and some result from the latent bigotry which lies in the souls of all too many human beings. Unfortunately, there has been perilously little leadership at the highest levels of government urging Americans to follow a higher road, to think more noble thoughts. Regardless of the motivating factors involved, the number of these incidents of violence and prejudice continues to increase throughout the country. This is a record of shame.

Perhaps some good can come from the Duke election if we stop treating David Duke as an isolated example, an aberration of our political process. Let us recognize that Duke is one of a large and growing number of Americans who espouse prejudice and bigotry and who, if left uncontested, will divide and destroy our nation. The David Dukes of America do not live only in Louisiana. They exist in every region of our republic.

Let us use the Duke election as a catalyst to stimulate vigilance from each of us. Let each of us vow to stand up and speak out against those purveyors of hate and prejudice. Let us expose these right-wing haters as traitors to the American cause. Let us tear off their hoods, eradicate their brotherhoods and leave them naked in the light of day. Then must Americans insist that they, together with their thoughts and values, be sent to the alley with the rest of the garbage, rather than to the state legislature as heroes.

PORTLAND RECOGNIZED FOR HISTORIC PRESERVATION

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. AuCOIN. Mr. Speaker, Portland, OR, historic preservation efforts have long been a source of pride for me and for thousands of Oregonians who cherish our history and heritage. That's why I was delighted to see Portland's remarkable preservation successes and our downtown revival highlighted in a recent issue of Historic Preservation. People such as my friends Bill and Sam Naito in particular deserve applause for their contributions to this effort. They and others have proven that historic preservation and economic development can go hand in hand, making cities such as Portland a better place to live and work.

Mr. Speaker, I ask that Historic Preservation's profile of Portland be inserted into the RECORD, and I commend it to my colleagues and fellow Oregonians.

OLD MEETS NEW IN PORTLAND—CAST-IRON AND TERRA COTTA FIND A WELCOME HOME IN THIS CLEAN-SCRUBBED MODERN CITY

(By Suzie Boss)

Every June the good citizens of Portland, Ore., rally for a blowout, dedicated to the rose. For three weeks of parades, air shows, car races, and, of course, flower shows, Portland celebrates its heritage as the City of Roses and home of the nation's oldest rose society.

The scope of the spectacle amazes visitors—almost as much as the seemingly interminable rain. But then, Portland offers many reasons for surprise.

For preservationists, perhaps, none tops this: Against a modern skyline of chrome and glass, this clean-scrubbed city of fountains and tidy parks houses the largest collection of 19th-century cast-iron buildings outside of SoHo in Manhattan. Throughout the downtown, restored cast-iron commercial palaces and elegant, turn-of-the century terra-cotta buildings coexist with gleaming office towers and other symbols of recent growth.

Portland abounds in such pleasing contrasts of old and new. While the evolution of the mix may have been serendipity, residents now embrace it as key to their city's vitality.

"Preservation," says Judith Rees, project coordinator for the Portland Development Commission, "has turned out to be an integral part of our city's revitalization. People say they like downtown because it has new buildings and old ones. The combination gives us a special sense of place."

For a city that stumbled late onto its historical appeal, Portland has lost no time catching up. Compared to other cities its size (just over 400,000 population), it consistently ranks high in rehab spending. State and city incentives, say Rees, are part of the reason. Since 1976 Oregon has given 15-year assessment freezes to rehabbers of National Register properties; Portland has meanwhile offered low-interest loans to owners of city-designated landmarks for facade restorations.

Portland's reputation for livability hasn't hurt the rehab boom. Since Lewis and Clark first surveyed these parts in 1805—leading Clark to bemoan, "Eleven days rain and the most disagreeable time I have experienced"—the area has risen dramatically in popular appeal. But growth no longer catches Portland by surprise.

Last spring the city commission adopted Portland's Central City Plan, a blueprint for city growth over the next 20 years. Architect Donald Stastny, whose committee prepared an early draft, says history's role was never questioned.

"In our workshops," he says, "a sense of history came out early. Preservation was recognized, without argument, as something that would have to be included in the planning process."

Informality is another Portland trademark. Whether sporting about on bikes or running shoes, or stepping off the new light-rail transit system, Portlanders seem a

comfortably casual breed. Even Mayor Bud Clark, a tavern owner by previous trade, rides a bike to work.

Only relatively recently did Portlanders learn the price of applying the same casualness to their architectural riches. That was when they lost the elegant Portland Hotel.

Until 1952 the downtown brick plaza now called Pioneer Courthouse Square was the site of the seven-story Queen Anne Chateau, built in the 1880s. For many years it was both a favorite local gathering hole and a posh hostelry that entertained 11 presidents. When the Portland Hotel was torn down to make room for an asphalt parking lot, there was no storm of protest. Only after the landmark was gone did citizens mourn what they had lost.

The hotel's wrought-iron gates and fencing were salvaged and returned to the site three decades later at the dedication of Pioneer Courthouse Square.

Many old-timers would argue that the preservation success stories of more recent years owe at least a nod to the Portland Hotel. Just across the street, citizens mounted a successful 1969 protest to save the Palladian three-story Pioneer Courthouse from demolition.

In the early 1970s Judge John Kilkenny led a citizens' effort to restore the century-old courthouse to the grandeur that befits a National Historic Landmark. Today the building houses the Ninth Circuit Court of Appeals, the Oregon staff of Sen. Mark Hatfield and a post office.

The Pittock Mansion, a 1916 French chateau built high on a hilly lookout by newspaper publisher Henry Pittock, stands as another example of preservation efforts.

When a developer announced plans in 1964 to raze the building and replace it with a subdivision, citizens rallied to preserve the most ostentatious residence in town. They raised private donations and federal dollars to help the city buy the property and repair it.

Now restored and decorated with period furnishings, the mansion and its surrounding 46 acres form part of a 5,000-acre park system that sprawls along the hills of the city's west flank. The view from the park takes in not only the city and its suburbs but also the Cascade Range peaks of Mount Hood and Mount St. Helens.

More recently, when Portland's cultural community clamored for a new performing arts complex, preservation provided the answer. A run-down 1927 Paramount Theater was refurbished as a symphony hall, and a new theater complex was built next door, in a complementary style.

Within the last decade, as a building boom has added height and angle to the city skyline, efforts have grown to polish and preserve the smaller-scale, 19th-century architecture better appreciated up close.

The city now boasts three downtown districts on the National Register, two of them notable for their castiron construction, and more than 20 examples of glazed terra-cotta architecture. An inventory of historic resources, undertaken in 1984, ranks more than 3,500 buildings of historic significance within Portland's 103 square miles.

"For the first time in decades," crows architect and author William Hawkins III, a prime mover in preserving Portland's cast-iron heritage, "there's not something significantly at risk of coming down. The better buildings are all secure."

By the start of this century, Portland's entrepreneurs had erected 180 cast-iron buildings near the west bank of the Willamette River, a tributary of the Columbia. Three entire streets of the city's original core were flanked with these commercial palaces, elaborately decorated with prefabricated iron archways and columns. This massing of a distinct architectural style gave early Portland an elegant Italianate district that rivaled those of San Francisco and New York.

Today, only 20 cast-iron buildings remain. When the expanding 20th-century city grew away from the river, the old commercial core was abandoned to flophouses and enterprises like Erickson's Saloon, boasting "the longest bar in the world." In the 1940s an aggressive clean-up effort demolished many of the old buildings.

"We have the leftovers," laments Hawkins, whose great-grandfather, a San Francisco Foundryman, forged many of the old cast-iron arches and ornaments. "But," he concedes, "we're glad to have them."

Indeed, many of the buildings Hawkins calls "leftovers" have been painstakingly restored, adding character and a sense of history to the still-evolving downtown. Three walking-tour brochures, produced by the Portland Development Commission, point out the highlights.

In the 20 city blocks of the Skidmore/Old Town Historic District, visitors can find the heart of old Portland and appreciate the ongoing effort required to keep the area vital.

The district still has its Skid Road—the original streetway down which lumbermen once skidded river-bound logs—and single-room occupancy hotels, but it also has a new life as a commercial-and-retail center. Even Erickson's Saloon lives again—now serving as headquarters for the American Advertising Museum rather than as a watering hole for sailors.

Former National Trust trustee Bill Naito and his brother Sam led the way in reviving the district when they turned a flophouse into a retail outlet in the 1960s, and began buying and restoring Old Town real estate. Other developers followed. Then in the '70s the city began redeveloping the nearby riverfront, turning a congested commuter thoroughfare into the grassy, sprawling Waterfront Park.

Now lined with jogging trails and bicycle paths, the river is once again the heart of the city. The industrial port has long since been moved downstream, but the old drawbridges that span the Willamette River still operate. A tall-masted ship can snarl street traffic on both sides of town.

Across Front Avenue from Waterfront Park, visitors can gain an introduction to the cast-iron riches of the Skidmore/Old Town District at Ankeny Park and Arcade. Here, the Portland Development Commission gathered an assemblage of cast-iron artifacts, rescued from demolished 19th-century buildings, into a sort of alfresco sculpture park. At the western edge of the arcade sits Skidmore Fountain, an 1888 octagonal beauty designed by New York sculptor Olin Warner to quench the thirst of "horses, men and dogs."

To see cast iron still in use, visitors can stroll across the cobblestones of SW First Avenue to the refurbished New Market Block. Originally developed by 19th-century steamboat owner and financier Capt. Alexander Ankeny, the Italianate New Market block doubled as produce market and theater. Today, the grand arches of the New Market Theater, big enough for delivery wagons, open onto retail shops and a food court.

More examples of restored cast-iron construction await in the six-block Yamhill Historic District, just south of Old Town. After two major fires leveled much of the district in the 1870s, merchants rebuilt at a furious pace, using cast iron to erect fanciful, high Victorian productions. Many have only recently been restored.

Early in this century the Yamhill District also housed a boisterous, open-air public market. The late Oregon native James Beard recalled in his Delights and Prejudices, "The taste sensations of my childhood . . . the white asparagus my mother canned . . . the wild blue huckleberries and blackberries, magnificent Gravensteins," all for sale at the public market.

Such sights vanished from downtown streets in the 1950s when the Yamhill market stalls were demolished. In 1982 developer Bob Stoll attempted to revive the open-air flavor when he built Yamhill Marketplace, a retail and restaurant complex.

In the early 1990s Portland developers literally outgrew their passion for cast-iron, turning instead to steelframed buildings that could achieve grander heights. From 1905 to 1930 architects often decorated these taller structures with hand-made terra-cotta details ranging from lion heads to griffins to classical motifs.

Today 22 glazed terra-cotta buildings remain downtown, several designed by A.E. Doyle. Many are still retail establishments, like the Meier and Frank Building and the Galleria (originally Olds, Wortman and King, the only store in the Northwest to occupy an entire block when built in 1910). Others survive as hotels, banks and office buildings.

The terra-cotta Governor Hotel—or the Seward, as it was originally called—is scheduled to undergo renovation this year. Designed by William C. Knighton for construction in 1909, this ornate National Register building was considered outrageous for its time, with detailing that even today approahces the decadent. Donald Stastny, the architect heading the renovation, prefers to call the exterior "exuberant."

Although many terra-cotta buildings have been well preserved, they are not protected by an official historic district the way Portland's cast-iron buildings are. Eric Eisemann, director of the Historic Preservation League of Oregon, hopes to see a district established in the future. "As the city grows, there will be a lot of pressure on the terra-cotta. A major battle could be looming," he predicts, "although, at this point, I don't know where it will be."

The city's third National Register district, designated a year and a half ago, preserves a slice of industrial life. The 13th Avenue District, a neighborhood of warehouses locally known as the Pearl District, now houses artists' lofts, gallaries and antique shops along with the Blitz Weinhard Brewery. Efforts are underway to designate a fourth district in Chinatown, just west of Old Town.

Future efforts aside, Eisemann, like Hawkins, Stastny and others, considers Portland's significant downtown buildings to be fairly secure. "There's the sense that the best commercial buildings have been done already," he says, referring to the recent wave of commercial rehabs spurred by the tax credits. Future efforts, he predicts, will focus more on residential projects, both individual and neighborhood wide.

Several such projects are already well underway. Ladd's Addition, a turn-of-the-century neighborhood in the southeast portion of the city was recently established as a National Register district, notable for its unusual street layout. Another district is being

considered in the westside neighborhood of King's Hill, Portland's original high-rent district, where elegant mansions line the streets leading uphill to Washington Park and Portland's acclaimed International Rose Gardens. The Nob Hill neighborhood, in gentrified Northwest Portland, is a mix of fancy Victorians and plainer row houses, many rehabbed and now housing boutiques and restaurants.

Eiseman is pleased to see such commerical interest—to a point. "The real heart of preservation," he says, "comes from people who own and live in these buildings, and who will take care of them." Residents, he believes, have a longer-term attachment to a building than investors.

Unlike many here, Eisemann does not date the city's preservation efforts to the fall of the Portland Hotel. A lost symbol from the 1950s has little meaning, he says, to contemporary Oregon residents, more than half of whom did not grow up here.

In many ways, he says—including, perhaps, its attempt to combine urban planning with historic preservation—this is still a community of pioneers.

One hundred and eighty-five years after Lewis and Clark, Portlanders still can't do much about the rain. But they have come a long way towards creating a more pleasant place to live.

IN HONOR OF CABELL BRAND'S 25 YEARS OF FIGHTING POVERTY

HON. JIM OLIN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. OLIN. Mr. Speaker, the Community Services Block Grant Program has been one of the most effective programs we have for addressing all the problems that surround the fundamental problem of poverty. In Roanoke, VA, the success of this program is illustrated by an agency called Total Action Against Poverty [TAP] which has been in existence for 25 years. TAP has directly improved the quality of life of tens of thousands of residents of the Roanoke Valley. It is proof positive that Government can have a significant positive impact on the lives of poor people. And it is the best possible case for maintaining and enhancing the Community Services Block Grant Program.

Among the many reasons for the success and endurance of TAP is the tireless efforts of its president, Cabell Brand. He was there at the beginning and he is still there working to make life a little better for poor people in his, and my, community. Yesterday, Cabell addressed the Virginia delegation giving us his thoughts on how effective TAP and the Community Services Block Grant Program has been over the years. I believe that all Members of the House would benefit from Cabell's comments, so I ask that they be reprinted here.

REMARKS BY CABELL BRAND

I have been personally involved as a businessman with Community Action for a quarter of a century. I was there at its inception. I served on the first Business Leadership Advisory Council established by Sargent Shriver for the Office of Economic Opportunity which was attached to the Office of the President of the United States. I lobbied for the Community Services Block Grant in the transition under the New Federalism. Today, I continue to be active as a Local Board President.

Twenty-five years ago, I was excited with the development of Community Action and what it promised: A local partnership of local people solving the local and multilocal problems of poverty. Twenty-five years later I am even more deeply committed.

I am so for a number of reasons. First, I know from experience that Community Action works! I have seen hundreds and thousands of Virginians who have with a "hand up" rather than a "hand out" freed themselves from the despair of poverty. I have seen graduates of Head Start graduate from college. I have seen exoffenders succeed in the job market and begin new lives. I have seen the results of people receiving water, indoor plumbing, decent housing for the first time.

Second, I have witnessed Community Action's "ground up" approach develop solutions to seemingly intractable problems. The Virginia Water Project has been the chief solution to bring 45,000 low income rural families water and indoor plumbing the first time. The Virginia CARES program is one of the few successful projects actually reducing recidivism throughout the nation. Project Discovery is helping minority students gain entrance to a college education when the national trend is in the opposite direction. In the Roanoke Valley we have just started a Comprehensive Health Care Program for all low income children 0 to 7 years of age at a time when children at risk are the largest group in poverty in our country.

Third, I am sold on Community Action as a truly great business venture! In 1988, working from a core CSBG funding of $5,417,726, Virginia Community Action Agencies leveraged a total of $45,580,703 of public and private monies to assist low income Virginians with their educational, housing, employment and emergency needs. At the same time, according to a prior Economic Impact Statement issued by the Commonwealth of Virginia, Community Action produced a total savings of $38,780,798. I wish any of my businesses over the years had produced a 9 to 1 ratio of profits over investment and accrued that kind of cost savings record. In addition, the Virginia Joint Legislative Audit and Review Commission reported that Virginia Community Action Agencies were in part fueled by 5,000 volunteer "points of light".

Fourth, over twenty five years we have learned that there is no one cause of poverty. Nor is there any one sufficient solution. People need education, employment, housing, health care, transportation, moral support. Community Action is the one organization that exists geared to work with the whole person and his or her multiple needs. Community Action is the one organization which has proven its ability to work with the total needs of people and their communities.

I am proud of what we have accomplished in the United States in the last twenty five years. By all accounts we have reduced the poverty rate in this country by a full one third. Community Action has been there year in and year out on the front lines of that effort.

I am also concerned about the job that is yet to be done. Today, our future is at stake. Children at risk constitute the largest group in poverty in America. The homeless on our streets are a national and international scandal. One out of every six Virginians is without adequate medical coverage. Tomorrow, over half of the new entrants into the job market will have to come from minority and low income populations in a country where only one of three kindergarten children graduates. Tomorrow, unless something is done we will have better and more costly housing for the poor in prison than we do on the outside.

No one knows better than those of us in business that you have got to balance budgets. At the same time scarce resources have to go to those areas where you can get the most bang for the buck. Community Action remains the most cost effective attack on the continuing multiple problems of the poor. The national price tag for Community Action is less than the price for one late vintage B-1 bomber.

While the total amount of that CSBG funding could make hardly a dent in the national deficit, its ability to meet human need and to bring hope and encouragement to millions of those caught on the economic bottom of our society is inestimatable. Community Action is hope!

I would call on you this year to fully protect the current Community Services Block Grant and to consider doubling the amount in the next year. It is the very best business deal you can make.

JOB-SITE DEATHS MEMORIAL SCHEDULED

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. GAYDOS. Mr. Speaker, tomorrow, April 28, is "Worker's Memorial Day," a day working men and women around the country are setting aside to honor the millions of their brethren who have died on the job.

This is the first of what is to become an annual day of mourning, a yearly time to remember how far we have come in the 19 years since we passed the Occupational Safety and Health Act of 1970, as well as to remind ourselves, and the Nation, of how far we still have to go.

"Worker's Memorial Day" is a concept of member unions in the AFL-CIO and it is designed to focus national attention on what has been described as "carnage in the workplace."

According to an official of the United Steel Workers of America [USWA], "more people die from workplace diseases and workplace injuries in 1 year than all the Americans who died in all the years of the Vietnam War."

It's been 19 years of struggle to make the act and OSHA respond to the needs of American workers. I am not so sure that we have done as well as we should.

We still don't really know how many workers are killed on the job each year; all we have are estimates.

The Bureau of Labor Statistics says about 3,400 workers die each year.

The National Institute for Occupational Safety and Health [NIOSH], whose director testified before my Subcommittee on Health and Safety Wednesday, says about 7,000

American men and women die each year in work-related incidents.

And the National Safety Council says that its data puts the number of work-related fatalities at more than 11,000 annually.

But, no matter whose numbers we use, the result is grim. Far too many workers in this country of ours die and are seriously injured and disabled on the job. And OSHA really isn't as effective as it should be.

In 1979, OSHA had more than 2,000 safety and health inspectors around the country. Last year, OSHA told me that they had just over 1,100 safety and health inspectors, even though the Congress has authorized the agency to have some 1,800 inspectors.

With that 50-percent reduction in inspectors, it is no wonder that OSHA isn't performing as many inspections as it used to and isn't making itself more visible in American workplaces.

And, on that point, a recent study on OSHA's impact on workplace injuries from the National Bureau of Economic Research [NBER] found that a 10-percent increase in inspections would reduce total annual injuries by 1.6 percent. And with more than 3 million on-the-job injuries every year, that 1.6-percent reduction means that 48,000 workers would not be injured.

The NBER report also said that a 10-percent increase in the average penalty per inspection would reduce total annual injuries by 0.9 percent. Based on that same 3 million injuries, that means another 27,000 working men and women would be protected.

So what does OSHA do? It cuts inspectors and settles proposed fines for 30 to 50 cents on the dollar.

In Pennsylvania, according to the State Department of Labor and Industry, 276 workers were killed on the job last year. They will be remembered at services in Harrisburg where a flower for each will be dropped in the Susquehanna River.

In Pittsburgh, at the USW's headquarters, the names of 22 western Pennsylvanians will be read aloud as part of a memorial service. That figure is part of the 55 recorded job-site deaths in that part of the State. Excluded, however, are deaths that occurred in the mining industry and public service.

The State Department of Labor and Industry also reported 146,461 cases where workers lost at least 1 day last year because of injury or illness.

We must remember that these statistics on fatalities and injuries do not, I repeat do not, include those American workers who have died and will die from occupational diseases, fatalities that will result from exposures to toxic substances years after the exposures occurred.

Julius Uehlein, president of the Pennsylvania AFL-CIO, has been quoted as saying: "One in 4 workers is exposed to toxic chemicals and one in 10 is exposed to known workplace carcinogens".

We know that as many as 100,000 workers die each year from occupational diseases and another 400,000 are newly disabled each year. But most importantly, many of those deaths and disabilities could have been prevented in the first place.

In the 100th Congress, I was the prime sponsor of the "High Risk Occupational Disease Notification and Prevention Act," which would have established safeguards for those workers exposed to toxic substances that kill and cripple hundreds of thousands of them each year.

It was a proud moment for me when, after 2 days of intense debate, 224 of my colleagues in the House joined in passing that legislation. But, it was a sad day for the workers of this country when the bill fell victim to a filibuster in the Senate.

Mr. Speaker, the slogan for this first "Workers Memorial Day" is: "Mourn for the dead. Fight like hell for the living?". I intend to do both.

Tomorrow, I will attend the memorial service in Pittsburgh and I will mourn those whose memory we honor.

And here, in the Halls of Congress, I will fight like hell for the living when I reintroduce the "High Risk Occupational Disease Notification and Prevention Act".

I invite you all to join me.

THE CONSUMER TELECOMMUNICATIONS SERVICES ACT OF 1989

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. TAUKE. Mr. Speaker, the Consumer Telecommunications Services Act, which I am introducing with my colleague AL SWIFT, is the product of months of hard work. It is a serious effort to provide the benefits of the information age to all Americans by permitting the Bell operating companies [BOC's] to provide and operate information services and to manufacture telecommunications equipment.

The legislation also is necessary to improve our global competitiveness in the development, manufacture, and sale of telecommunications equipment and services. In the 5 years since the BOC's were divested from AT&T, we have seen our competitiveness in the world market decline to a point where a telecommunications trade deficit of over $1 billion is routine.

This situation has come to pass largely because a single Federal judge has become a permanent regulatory force in the telephone industry. The judge must base his decisions on antitrust law. As a result, seven of our largest communications companies—the regional Bell companies—have been restricted from investing in the development of our telecommunications infrastructure.

The judge finally permitted the BOC's to transmit information services last year. However, they still may not become information service providers themselves. The BOC's still are not permitted to manufacture telecommunications equipment, or even to think about developing specifications for their own networks. As a result, 50 percent of the U.S. telecommunications asset base cannot be used to keep the Nation competitive in the telecommunications field or to provide jobs for American workers.

This approach may be faithful to antitrust law, but it is producing a recipe for disaster in U.S. telecommunications policy. There has been general agreement in past debates over similar bills that Congress should take the lead in setting telecommunications policy. However, we have become bogged down in the details of exactly how to permit the BOC's to be fully competitive in the marketplace, while still preserving competition and consumer choice.

The debate was put on hold in the last Congress while Judge Greene reviewed the provisions of the divestiture decree. Many hoped that the judge would substantially revise the decree. Those hopes were dashed. All arguments for lifting the business restrictions imposed by the AT&T dissent decree were rejected. In my view, this is fiddling while Rome burns. Congress needs to assert its proper role to ensure that telecommunications policy is coordinated and coherent as we move into the 21st century. Thus, I am pleased that the chairman of the House Telecommunications Subcommittee, on which I serve, has announced that the subcommittee intends to make these issues a priority in this Congress.

The legislation we are introducing seeks to achieve the same overall goals as the resolution introduced last year by the chairman of the Energy and Commerce Committee, Mr. DINGELL. The bill recognizes that universal telephone service and the full benefits of the information age will be greatly enhanced by the full participation of the BOC's. The legislation acknowledges that full competition by the United States in the global information and high technology marketplace is impossible without the resources and expertise of the BOC's.

At the same time, we are aware of the potential abuses to which competitors could be subjected. Therefore, the legislation places significant restrictions on BOC participation in these fields. The bill requires that diverse information sources have full and fair access to the customer, and that independent information services and manufacturers are not discriminated against.

The protections built into this legislation are designed to guarantee that the BOC's cannot create or establish an "information monopoly." The bill imposes specific and strict conditions upon BOC entry into information services in any State within its region. A BOC or any affiliate could provide its own information services within a state only after the Federal Communications Commission [FCC] rules that one of two conditions has been fully met:

First, the BOC provides a gateway, or central access to a variety of information services; it has and will continue to provide interconnections to other information services providers in a nondiscriminatory manner; and its customers have access to a competitive market for information services; or

Second, the BOC does not exercise monopoly control over the business or residential markets for exchange services in a particular area.

In short, the BOC's could provide these competitive services only if they are willing to give up monopoly control over their networks. That tradeoff will ensure that the free flow of

information into the home from a wide variety of sources would be increased, not decreased.

The bill also explicitly provides safeguards to prevent the BOC's from taking unfair advantage of their market power to the detriment of competitors and consumers. We do not intend for the consumer to subsidize the BOC's entry into these new business ventures.

Finally, the bill reemphasizes the preeminent role of Congress—not the Federal courts—as the appropriate forum for making broad telecommunications policy decisions. This is an action that is long overdue.

To balance trade and retain our superiority in technology, we must first shift telecommunications policymaking out of the judicial arena and back to its proper place—the Congress. This bill accomplishes that and more. Our bill is a comprehensive approach that provides a blueprint for BOC participation in vital segments of the telecommunications industry.

Of course, a blueprint is only the first step in building a house. Frequently, changes need to be made as the house is being built. Congress will develop a greater understanding of the problems facing the BOC's—and their competitors—during hearings on the issues addressed by this bill.

During those hearings, special attention will be focused on two issues:

First, ensuring that the privacy of every information user is fully protected, and second, guaranteeing that the BOC's have incentives to facilitate the use of the network by other information providers and that the BOC's have no opportunity to place other information providers at a competitive disadvantage. I believe the legislation we are introducing responsibly addresses these issues. However, these areas are very complex, and it is essential that we assure the American people that our legislative language achieves our policy goals.

As stated earlier, this legislation seeks to guarantee that a wide variety of telecommunications information sources will be easily accessible to all our citizens. I believe all Members agree on the desirability of that goal. As we refine our approach, I will continue to make every effort to achieve that goal—and to vigorously oppose efforts that would result in the creation of an electronic "information monopoly."

It is my hope that the Consumer Telecommunciations Services Act provides this Congress with a sound foundation for a successful debate on telecommunications policy in the United States and on the expansion of the BOC's role in our telecommunications infrastructure.

SALUTE TO THE TOWN OF TIBURON, CA

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mrs. BOXER. Mr. Speaker, I wish to salute the town of Tiburon, CA, and to acknowledge its accomplishments on the occasion of the 25th anniversary of incorporation, which will be celebrated on June 2, 1989.

In 1884 the San Francisco and Northern Pacific Railroads opened a terminal at Point Tiburon, connecting San Francisco to its rail lines by ferryboat.

For many years Tiburon remained a small but picturesque waterfront village. Recent years have seen rapid growth, but local officials have responded to a citizens' petition to preserve the hometown character and atmosphere. In April 1979, the name was changed from the city to the town of Tiburon.

During the 25-year period of incorporation, a magnificent system of parks has been accomplished. Contributing greatly to the ambience of the area, these parks have also afforded residents of the area and others an opportunity to enjoy the unique outdoor facilities which Tiburon's natural environment offers. Each day sees the use of the parks and bike paths and trails by many residents of Tiburon and of Marin County.

Although it is host to thousands of visitors from all over the world each year, Tiburon has retained the natural charm which a unique location affords it and its small-town characteristics which are dear to its residents.

Congratulations to the mayor, town council, and all the residents on their 25 years of work and cooperation which have made Tiburon the wonderful town it is today.

THE PLO IS NOT ELIGIBLE FOR FULL MEMBERSHIP IN THE UNITED NATIONS—THE UNITED STATES MUST OPPOSE ANY SUCH ACTION

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. LANTOS. Mr. Speaker, the United Nations was established almost half a century ago as an international organization of sovereign states. Today one of the specialized agencies associated with the United Nations is facing a decision that will have a profound and lasting impact upon the credibility and future of the entire international organization.

Earlier this month the Palestine Liberation Organization—now styling itself as "The State of Palestine"—made formal application for full membership as a sovereign state in the World Health Organization, one of the U.N. agencies.

Mr. Speaker, is the United Nations an organization of sovereign nations or is it a meaningless forum dominated by petty dictatorships who can grant full membership to any organization or group simply by mustering the necessary one-country, one-vote majority?

Clearly defined, explicit international legal criteria establish whether a group which claims to be a state is, in fact, a sovereign state. There is no question that the PLO does not fit those criteria. The PLO is not a legally constituted government, PLO representatives do not even reside in the territory they claim as their state, they do not govern the territory they claim, and clearly they are not sovereign on that territory. There is absolutely no doubt that the PLO is not a state.

Mr. Speaker, the U.S. Government cannot condone this effort to turn the United Nations and its affiliated agencies into a meaningless association by granting full membership to any group except a sovereign nation, fully recognized as such under international law. If United Nations agencies make such an irresponsible and frivolous decisions, it is essential that our U.S. Government make clear that such action is totally unacceptable.

With a group of my distinguished colleagues from the Foreign Affairs Committee from both sides of the poltical aisle, I am today introducing legislation to prohibit United States contributions to the United Nations or any of its affiliated organizations if full membership as a state is granted to any organization or group—such as the PLO—that does not possess internationally recognized attributes of statehood. We cannot stop the United Nations and its affiliated agencies from making foolish decisions, but we certainly should not finance decisions that are contrary to our own interests and policies by continuing our own Government's substantial financial contributions.

Mr. Speaker, I urge my colleagues in the Congress to join us in sponsoring this legislation and support its passage in the House. It is time for us to take a strong stand against this effort to dilute the United Nations through voting full membership as a state for a terrorist organization like the PLO, which clearly has no claim on U.N. membership.

RELATIONSHIP BETWEEN THE UNITED STATES AND THE CARIBBEAN

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. DYMALLY. Mr. Speaker, I would like to bring to the attention of my colleagues, a keynote address delivered on April 13, 1989 by the Honorable A.N.R. Robinson, Prime Minister of Trinidad and Tobago at a conference/seminar on "The United States-Caribbean Policy in the 101st Congress," sponsored by Trans-Africa Forum.

This address entitled "The Relationship Between United States Policy and Development in the Caribbean," has significant implications for the U.S. Congress in its endeavors to deal equitably and fairly with foreign aid bills including that of the Caribbean Basin Initiative II.

ADDRESS BY HON. A.N.R. ROBINSON, PRIME MINISTER OF TRINIDAD AND TOBAGO

Mr. Chairman, Members of Congress, Moderator Robinson and representatives of the Trans Africa forum, members of the diplomatic corps, ladies and gentlemen, I wish to express my deep gratitude to Trans Africa Forum and to all of you for so graciously affording me this opportunity to address so distinguished a gathering on a subject of such common and practical concern. The occasion is particularly welcome as it has come early in the life of the new Administration. It is a time when there appears to be fresh thinking as well as new beginnings and new opportunities in international relations. Of immediate consequence to us in the Caribbean is the fate of Caribbean-specific legislation now before the Congress.

I submit that once more the New World is called upon to exert its beneficial influence on the direction of Europe.

Here in the New World, the evolution of the United States and that of the Caribbean have impacted significantly on each other. The liberation and subsequent political development of the United States have been intimately bound up with the Caribbean and the Wars of Liberation in Latin America. Alexander Hamilton, Toussaint L'Ouverture and Simon Bolivar, outstanding figures in United States and Latin American history, were sons of the Caribbean soil.

We in the English-speaking Caribbean share with you a common language. We share similar political philosophies and political institutions. We cherish very dearly, as you do, democratic values, and we have enshrined and entrenched in our constitutions fundamental human rights and freedoms. Our record in the area of civil and political rights, with one or two aberrations, is exemplary. Democracy, respect for fundamental human rights and freedoms and our aspiration for social and economic development are all prime persuasions we share with the United States.

Individually as Caribbean states and collectively as a region, we opt for practical approaches addressed specifically to our problems and needs. We emphasize the need for dialogue, negotiation, co-operation, mutual respect and recognition of sovereignty. We do not permit geopolitical and ideological issues to clog the development agenda.

In the past, relations between the United States and the Caribbean have often been stormy and difficult. It is clear, however, that our relations have now entered a new phase of constructive dialogue and goodwill, free from many of the tensions of an earlier era.

To be "pro-Caribbean" or to strive for Caribbean coherence and consensus on certain issues is no longer considered in the Caribbean as demanding a posture of "Anti-Americanism" and, we hope, will not be regarded as Anti-American in the United States.

On the contrary, we conceive it to be in the interest of the United States to support the integration movement in the Caribbean. Caribbean integration will provide a more auspicious environment for development and contribute towards the long-term security and stability of the region, goals which are undoubtedly in the interest of the United States, our most powerful neighbour.

The threat to the security of the Commonwealth Caribbean does not now emanate from external military intervention. The real threat arises from the sources of social instability, the migration of skills and expertise, the debilitating effects of unaided long-term structural adjustment and diversification programs, natural disasters, pollution and spoliation of the environment and the plague of illegal drug trafficking.

The Caribbean environment is one of the most delightful left to mankind, the enjoyment of which we gladly share every year with hundreds of thousands of visitors from the United States. It is our common duty to preserve this part of mankind's heritage for future generations. We would therefore wholeheartedly support an international treaty to regulate the dumping of hazardous waste. Along with this, there is need for joint action to conserve the marine resources of the region.

In this conservation effort, we need the cooperation not only of the United States, but also of Britain, France and the Netherlands. Mr. Chairman, from my discussions during my recent visit to Europe with Prime Minister Thatcher of the United Kingdom and Prime Minister Rocard of France, I am convinced that the time is ripe for such co-operative action.

Similarly with the drug trade. Both Prime Ministers have indicated their willingness to intensify co-operative efforts in the region against this pernicious evil. In this regard, action has already begun. I note with great satisfaction that the United States Senate has enabled the President to pursue the idea of an international Criminal Court which I myself and others have been advocating over a considerable period of time. Nearly a year ago I had the honour to address the American Bar Association on the subject.

Certainly, the establishment of an International Criminal Jurisdiction, whether regionally or globally, with effective means of stigmatisation would go a long way towards promoting awareness of and mobilising opinion against the drug trade which is now emerging as the greatest evil of our time.

Commonwealth Caribbean Heads of Government by letter to the President around the middle of last year signified our willingness to co-operate with the United States in the establishment of internationally acceptable mechanisms for the indictment and prosecution of extra-territorial offenders. We feel confident that there will be a favourable response to this offer of co-operation.

The co-operation of which I speak is based on respect for the sovereignty and integrity of our small states and on an awareness of our own limited capacities in many fields, it is based on the understanding that our democracies can suffer irreparable damage if our governments are forced by external pressure to engage in actions that do not reflect national or regional options.

Consequently it is our view in the Commonwealth Caribbean, that three basic considerations should inform the relations of the United States and our respective countries. Firstly, the need for continuing dialogue, secondly the need to promote democratic institutions and thirdly, the need for policies that promote the progressive development of the region.

Today I formally propose a joint Programme for Dialogue, Democracy and Development. Such a Programme is not only an urgent necessity but is fully consistent with our respective philosophies of society and of government. Dialogue, Democracy and Development can be the watchwords of future United States/Caribbean relations.

Satisfactory development both in degree and kind is hardly possible without, on the one hand, the co-operation of the Government and people of the United States. On the other hand, the benefits will undoubtedly be considerable to the United States.

Development, of course, requires an appropriate strategy. In addition to measures to promote the growth of large-scale economic activity, development must also be pursued at the small-scale business level of the economy, particularly in the agricultural, agro-industrial and manufacturing sectors. The special situation of women should be addressed. Adjustment programmes must also take into account the plight of the vulnerable and disadvantaged.

In recent times much emphasis has been placed on the development of a competitive export industry, especially for manufactured goods and agricultural products. I am convinced, however, that the region needs to make much greater strides towards self-sufficiency in food production, and in manufactured goods and services for the regional market. Chairman Crockett's "Caribbean Regional Development Act 1988" now before the Congress recognizes this imperative.

One of the most binding constraints on growth and development in our region is the lack of foreign exchange. Our countries need substantial in-flows of foreign capital as a supplement to our own domestic savings for investment.

In recognition of this need, Governments of the region have already put in place many new policy initiatives, or are moving to do so. In my own country, Trinidad and Tobago, we have given high priority to the amendment of the Aliens Landholding Act, and to the introduction of a new Foreign Investment and Transfer of Technology Act. We anticipate that these two bills will become law in the very near future. Trinidad and Tobago also recently signed a Tax Information Exchange Agreement with the United States, which is due to go before Parliament for ratification in the next few weeks. We look forward to utilizing the investment opportunities offered by 936 Funds.

We cannot, however, look only to the United States of America as a source of investment, or for the development of trading relationships. Existing relationships with the European Community and Canada, through the Lome Convention and CARIBCAN, respectively, are also of considerable importance. In the medium term future, the larger countries of Latin America should likewise become increasingly important in this regard. However, the role of the U.S.A. in our development will continue to be pivotal.

Mr. Chairman, any consideration of the role of the external financial flows in the development process must take account of the debt problem.

The gravity of the international debt problem has been recognised and the search for solutions is now being accorded the urgency it demands. The recent proposals of Treasury Secretary Brady are a significant step in the right direction.

Past strategies have focussed on either the least developed countries of Sub-Saharan Africa or the large heavily indebted countries in Latin America, for example, which have the potential for destabilizing the existing monetary and financial systems. Middle income developing countries, such as Barbados, Jamaica and Trinidad and Tobago which feel no less acutely the pain of the burden of adjustment programs are not an important part of that focus and, moreover, have been largely ignored.

Many of these countries possess the capacity for self-sustaining growth, economic stability and future industrialized status. Trinidad and Tobago, for example, was for years a donor country to our CARICOM partners until the dramatic decline in the price of oil.

After taking into account the repatriation of profits and debt repayments to the IMF and the World Bank, the decline in net inflows to the Caribbean is seen to be ominous.

In the case of the smaller Eastern Caribbean countries (OECS), new commitments of US economic aid have declined over the last three years. With respect to Guyana, that country has been virtually cut off from international aid flows for quite some time

with the result that economic activity has been seriously affected.

Trinidad and Tobago is in the unique and ironic situation in that while our credits are substantial and long-term, our debt problem arises principally from short-term bunching of debt-service requirements. An efficient global financial system should surely possess the capacity to trade off one against the other.

Regional integration is an absolute requirement for further long-term economic growth of individual Caribbean States. In this regard, there is an on-going movement towards greater economic integration, functional co-operation and co-ordination of foreign policies. We recognize the need to deepen the Community and make it work more effectively.

Moreover, there is a welcome move by OECS States towards political integration. Perhaps in the not too distant future we may see a similar move towards the political integration of some other Caribbean countries now in CARICOM. Some statesmen and others in the region envisage a wider Caribbean Community which will include ultimately most of the countries of the Caribbean Archipelago.

And now permit me to refer to the various bills before the Congress whose laudable provisions are to stimulate economic growth and stability in the Caribbean. Of these, the Caribbean Basin Economic Recovery Improvement Act, CBI II, is of highest priority for us. We cannot overstate our appreciation of the efforts of its sponsor, Chairman Sam Gibbons, and the Friends of the Caribbean Group in Congress, in bringing the bill before the House and seeking to ensure its eventual passage.

While it is clear that the full promise of the original CBI concept has not been realized, the question that must be addressed is how to improve the terms and conditions of the program and thereby enhance its effectiveness.

You and I are aware that the political will exists in the United States Congress to adopt the necessary measures conducive to this goal. Of this I am certain.

The number of bills dealing with the Caribbean Basin which have been tabled over the past three years bears testimony to the reservoir of goodwill towards the region. This fact is further underscored by the creation and work of the Congressional Friends of the Caribbean Basin Group, with close to 100 members, as well as by the language in the Trade Bill of 1988 which emphasizes the importance and priority of economic development in the region.

What is urgently required is a fresh approach based on a clear understanding of interdependence. U.S. interest in the economic health of the Caribbean Basin countries not only reflects security concerns arising from possible political or socio-economic upheavals in the region but also the realization that the U.S. economy is closely intertwined with that of the region.

The Caribbean Basin has historically been a major market for U.S. agricultural exports as well as for consumer and industrial goods. The U.S. Department of Commerce estimates that 162,500 jobs in the United States depend on the U.S. $6.67 billion worth of U.S. exports bought each year by its trading partners in Central America and the Caribbean. In fact, the countries of the Basin make up one of the few regions in the world where the United States has enjoyed a continuing trade surplus.

We are of the view that for the CBI to work more effectively, certain prerequisites are to be met. Some of these are contained in the proposals of CBI beneficiaries for further improving CBI II legislation. Others are addressed in Caribbean Development Assistance bills such as that sponsored by Chairman Crockett. This bill addresses the social and economic problems of the region in a perceptive and realistic manner, emphasizing the need to deepen the development process.

I know that the implications of interdependence are fully understood in this country. The members of the Oversight Sub-Committee of the House Ways and Means Committee demonstrated this when they made their report on the need to strengthen and improve CBI legislation, following their fact-finding mission to the region in January 1987.

The outcome was the Caribbean Basin Economic Recovery Expansion Act. Unfortunately, the 100th Congress was unable to conclude consideration of this bill. But the political will is there in abundance. There is also the perception that the CBI is broad-based United States policy which will continue to enjoy widespread support, and will be pursued with vigor until its goals are attained.

President Bush best phrased it at the 1985 Miami Conference on the Caribbean Basin when he said, and I quote: "This adds up to one thing: the United States is strongly committed to the success of the Caribbean Basin Initiative".

Permit me to conclude on a note that I struck at the beginning of this address. In three years' time, the Western world will be observing ceremoniously the quincentennial of the arrival of Columbus and the European thrust into the New World.

The experience of the Old World's entry into the New had had its tragic elements. There is no doubt, however, that the New World civilizations that have emerged possess considerable potential for the enrichment of the Old. As we approach the year 1992 and what appears to some to be an emerging "Fortress Europe" a great opportunity opens up for the New World to reach out once more to the Old in a kind of return visit for that of Christopher Columbus.

GOVERNOR MIFFLIN HIGH SCHOOL WINS STATEWIDE CONTEST

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. YATRON. Mr. Speaker, today I want to give special recognition to the students and teachers of the social studies department at Governor Mifflin High School in Shillington, PA.

As you know, Mr. Speaker, the Commission on the Bicentennial of the U.S. Constitution recently sponsored a "Discover Early America" map contest in which schools throughout the United States competed. The goal of this map contest is to encourage the study of geography and to enhance students' knowledge and understanding of American history.

Governor Mifflin High School was recently awarded first place in both the Sixth Congressional District and the Pennsylvania statewide competitions. Governor Mifflin High School will now compete with the first place winners of the other 49 States for top national honors. I commend the teachers and students of the Governor Mifflin High School social studies department for their outstanding academic and artistic work.

Mr. Speaker, these fine young people represent the best of the Sixth Congressional District and the best of Pennsylvania. I congratulate them on their success in the "Discover Early America" map contest and wish them the best of luck as they represent the Commonwealth of Pennsylvania in the national competition.

HONORING MR. BOB GOOD

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. DARDEN. Mr. Speaker, I would like to take this opportunity to honor Mr. Bob Good, who will retire on April 28, 1989, as the postmaster of LaFayette, GA, after 37 years and 4 months of service.

After leaving the military in 1955, Mr. Good started his postal career. He began as a part-time postal clerk carrier in Rossville, GA, later serving as a regular clerk, supervisor of delivery and collections, and supervisor of postal operations. Mr. Good has served as the postmaster of LaFayette for the past 7 years.

I invite my colleagues to join me in extending to Mr. Good our best wishes for his retirement, and our congratulations and appreciation for his many years of dedicated service to the U.S. Postal Service.

I also would like to include in the RECORD an article about Mr. Bob Good from the Walker County Messenger:

POSTMASTER BOB GOOD IS RETIRING

(By Cynthia Gazaway)

Bob Good, postmaster at LaFayette Post Office, will retire April 28 after 37 years and four months of service.

Good began his career with the federal government when he entered the military in 1952 although his postal career did not begin until 1955.

He proceeded through several positions in the post office throughout his career beginning with parttime clerk carrier in Rossville and ending with the postmaster's postion in LaFayette.

Good has served as a regular clerk at Rossville, finance officer at Fort Oglethorpe, supervisor of delivery and collections at Rossville, supervisor of postal operations at Rossville prior to being named postmaster in LaFayette almost seven years ago.

When asked about his funniest experience while working for the post office, Good quickly related a story from his days as a carrier.

"There used to be an old house on the hill in Rossville where Lane's Funeral Home now stands.

"One day as I was delivering mail, a huge German Police dog came running out of the house, hit me right in the chest and knocked me down.

"I was really scared and then a lady comes running out of the house yelling to not be afraid because the dog had no teeth," he said.

"I will miss the post office," Good explained, "because it has been good to me and my family.

"I am going to travel and enjoy life but someday I may go back to work.

"We will stay in LaFayette because my wife and I love the town and our church and we have made this our home," he concluded.

Good and his wife live on Dogwood Circle in LaFayette and are member of LaFayette First Baptist Church.

They have two children, Janice White of Manchester, Tenn., and Dr. Michael Good of Knoxville Tenn., and two grandchildren, Joshua White and Jennifer Good.

CONSUMER TELECOMMUNICATIONS SERVICES ACT OF 1989

HON. JIM SLATTERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. SLATTERY. Mr. Speaker, I am pleased to join with my distinguished colleagues, Representatives AL SWIFT and TOM TAUKE, in introducing the Consumer Telecommunications Services Act of 1989. Representatives SWIFT and TAUKE and their staffs have devoted countless hours over the past several years in working with interested parties to develop this legislation and I think they deserve special thanks from all of us who want to bring the benefits of the information age into every home and office in America.

Mr. Speaker, I want to take this opportunity to share with you my thoughts concerning the many advantages that can be made available to residential and small business consumers, particularly those in rural America, if the Bell operating companies are allowed to provide information services.

Small businesses, particularly those located in small towns and rural areas, will benefit greatly if the BOC's are given the opportunity to manufacture telecommunications equipment and provide a full range of information services. Currently, companies that provide sophisticated information services tend to offer them in larger markets. They don't offer them in small towns and rural areas where there is a lesser concentration of potential consumers. The small business owner or service provider who is located in a rural area is therefore deprived of access to these information services and the benefits that result from that access.

The Bell operating companies, on the other hand, are close to being ubiquitous. They reach nearly every home and business in their operating region, whether that consumer is in a large city or a small town. If they are allowed to develop and provide a full range of information services, then these services can be available to the small business owner, service provider, or residential consumer in rural America. I am referring to such services as voice message storage and retrieval, data transmission, electronic yellow pages and computer services delivered via the public telephone network.

Unfortunately, the bell operating companies are prevented by Federal Court decisions from developing and offering a full range of information services. This legislation calls for an end to these restrictions, which would bring benefits to both urban and rural consumers. This bill, however, represents the beginning, but not the conclusion, of a long overdue congressional assessment of telecommunications policy. As a representative of rural northeast Kansas, I am committed to ensuring that rural telephone companies and their subscribers are allowed to take part in and share the benefits of the information age.

Rural telephone companies and their subscribers were not part of the antitrust case or the negotiated Bell System divestiture under the consent decree. But divestiture and its aftermath, together with new technology and regulatory changes, make it increasingly difficult to maintain nationwide affordable service, let alone spread the benefits of the information age nationwide. If rural areas fall behind in communications, their economic position and quality of life will suffer severe setbacks. We must maintain a national policy of universal and affordable information service with adequate mechanisms to make it work. This includes maintaining State authority over the local franchise, which has long been a tool for providing universal service.

Therefore, I want to ensure that if the Bell operating companies provide information services, rural telecommunciations companies can participate jointly with them in designing the network and providing services. Rural companies have extended affordable telephone service to almost every American household. A patchwork information network where each Telco is limited by what its customers can support alone will undermine the world renowned nationwide excellence of U.S. telephone service and cripple our communications infrastructure. Evolution to a system of urban information islands and rural information backwaters would be an enormous leap backwards. Nationwide network intelligence and information services will benefit all customers in all areas.

In addition, we must ensure that if the Bell operating companies begin manufacturing, the rural Telco's are not returned to the predivestiture era when the Bell System controlled equipment manufacturing and sales and refused to sell to independent Telco's, which later bore the brunt of delays and shortages. Rural Telco's and other manufacturers also want reassurance that the BOC's purchase of other manufacturers will not dry up the supply of equipment tailored to small company needs. It is essential that Bell-manufactured equipment be available to all local exchange companies without discrimination or self-preference.

To protect rural areas, it is also important to ensure that the ban of BOC provision of interexchange services be continued to prevent pressures to deaverage toll rates and further erode the rural consumer base. Conversely, however, this legislation must ensure that the BOC gateways be allowed to carry traffic across LATA boundaries. Failing to allow this provision of Inter-LATA Service would require service processors to be placed in each LATA, excluding service to customers in rural areas where there could not be enough initial demand to justify an installation of a separate processor. Under current court rulings, those consumers could be denied new service altogether.

As a member of the Telecommunications and Finance Subcommittee, I look forward to the deliberations we will conduct on these issues in the days ahead. I would like to take this opportunity to commend the efforts of our subcommittee chairman, ED MARKEY, in establishing a framework for consideration of these complicated, numerous, and possibly contentious issues. With a rigorous schedule of hearings and meetings ahead of us, I hope that the 101st Congress ultimately will be remembered as the Congress that brought the full benefits of the information age to rural America.

MAPPING THE HUMAN GENOME: THE MOST IMPORTANT BIOLOGICAL PROJECT IN THE HISTORY OF SCIENCE

HON. MICHAEL A. ANDREWS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. ANDREWS. Mr. Speaker, if a poll were taken today of the American public, how many would know about the human genome project? Perhaps 5 percent or 10 percent? I think we would be lucky if the answer were 15 percent. It is alarming that so few people know about the largest, most important biological project in the history of science.

Public awareness is growing, however. A recent article in Time magazine compared the human genome project to the Manhattan project and landing a man on the Moon. This project will effect everyone's life. In the future, every person could have a computer printout of his or her genome. We could adapt our diet, environment, and medication to make up for genetic weaknesses.

The applications of the human genome research is limited only by our imagination:

It could unlock the mysteries of the 4,000 genetic diseases that afflict humans like sickle cell anemia, hemophilia, and cystic fibrosis.

It could create thousands of new pharmacuetical products for treating these diseases.

It could start a new field of gene therapy to cure blood diseases and other illnesses that have a genetic component.

What we learn from the human genome can be transferred to plant and animal biology. A 1987 Conference on Research Bottlenecks for Commercialization of Plant Technology in Austin, TX, discussed this issue. They found that the lack of basic knowledge of identifying cloned genes for desirable traits in plants has hindered progress.

Some genes for herbicide, virus, and insect resistance have been identified through recombinant DNA. The human genome project will give us a comprehensive method for genome research in agriculture.

The human genome project is not about these wondrous applications, however. Two centuries ago, Louis Pasteur said to those who believe in a science of application: "No, a thousand times no; there is no category of science called applied science. There are science and the applications of science, bound

together as the fruit to the tree which bears it."

The human genome project is about the conquest of knowledge. It will push the limits of our ability to understand our own complexity.

Thirty-six years ago, James Watson—who has graciously agreed to head NIH's role in this project—and Francis Crick discovered the double helix structure of DNA. Since then:

We have located the position of, that is mapped, 1,300 of the 100,000 human genes.

We have begun sequencing the molecular structure analysis of 500 of these genes.

We have completed the sequencing for only 12 of these genes.

Clearly, much needs to be done for scientific knowledge. But much needs to be done for the future of our country, too. One by one, we have watched the pillars of our economy fall: the steel industry, the auto industry, the electronics industry, the energy industry.

Biotechnology is one area where the United States can have a clear lead. We do not have to look far for our competition. The Japanese are developing automated sequencing devices. The English have almost completed the mapping of the roundworm genome. The West Germans and the French have set up international reference data banks to collect the results of genome research.

International competition has often spurred the United States into action on major scientific endeavors:

Sputnik caused us to put a man on the Moon.

World War II brought about the Manhattan project in Los Alamos.

It is not too surprising that Los Alamos and the Department of Energy have provided such strong leadership for the human genome project.

The United States has a soaring trade deficit. We are slowly awakening to a growing weakness in international competition. I believe that international competition will shore up a commitment of the United States to the human genome project more than any other single factor.

The quick success of this project is evidence of this. Four short years of discussion within the scientific community have resulted in significant funding. Congress today spends more than $100 million on human genome research.

President Bush has requested $130 million for next year. This amount will have to be increased by $100 million per year for the compeltion of the project. With the tight constraints of the budget deficit, such an increase will not be easy.

I am personally committed to the human genome project. Without the broad support of Members of Congress, it could easily be delayed or terminated. Everyone at this conference should take a moment in the near future to share your support for it with your representative in Congress.

Congress will also face many legal and ethical issues raised by the human genome project:

Should individuals be told if they carry a defective gene that will cause a nontreatable fatal disorder?

Should health and life insurance companies use genetic information to set higher rates for such individuals?

Should genetic information be used to screen unborn children?

These are tough, serious questions. But they should not cause us to shy away from the progress of scientific inquiry.

The human genome project will also force us to revisit patent law. The ownership of molecular processes has not been clarified in the law. This issue must be resolved so that we can have an orderly commercial development of the applications.

The leaders of the human genome project gathered this week in Washington, DC, for a conference called Unlocking Potential: The Promise of the Human Genome Initiative, and I was honored to address the participants. I applaude the conference cosponsors, the Alliance for Aging Research and the American Medical Association, for their foresight on this issue and E.I. du Pont de Nemours & Co., Inc., for providing a major grant to the conference.

I believe that the excitement generated by this important conference for the human genome project will soon extend far beyond those who attended.

METROPOLITAN BAPTIST CHURCH: 125 YEARS OF GIVING TO THE COMMUNITY

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. GRAY. Mr. Speaker, I rise today to commemorate a very special and joyful occasion. This year marks the 125th anniversary of the founding of the Metropolitan Baptist Church here in Washington, DC. I am very pleased to recognize their jubilee celebration, "Claiming the Promise, Proclaiming the Power."

Before the American Civil War had drawn to a close, Metropolitan Baptist Church had begun to pave the long road of social contribution that stands as a hallmark of the congregation. In a Civil War barracks in a section of Washington known as Hell's Bottom, seven people joined together in 1864 to create what then became the Fourth Baptist Church of Washington. Metropolitan Baptist, the name the church adopted after 1888, has grown many times over and can now boast of more than 4,000 parishioners.

In the century and a quarter that Metropolitan has existed, there have been only five head ministers. Under their respective ministries, both the religious and community activities of the church have expanded to include a diverse range of services. In particular, Metropolitan Baptist Church should be commended for the extensive work they do with the young people of the community. Not only do they provide Bible study and tutoring assistance for those who need help in school, but Metropolitan also has a youth center which gives our children a healthy, safe place to call their own after school. In addition, the church has entered into a partnership with a local elementary school to help improve the grounds, furnish vehicles for outings, as well as continue tutoring.

Of course, like adults, young people are touched by all the social conditions around them. That is why some of Metropolitan's other efforts are important for young and old alike. Ever since the hard times of the Depression, Metropolitan Baptist Church has had a special social department. They have traditionally come to the aid of the hungry and unemployed. Today, their achievements in distributing groceries to needy families and community outreach work help to ease the burden of the less fortunate. Their drug rehabilitation facilities are another positive force in Metropolitan's impact on our Nation's Capital. At the same time, the church has developed a leadership training program to help build a strong, productive community.

Mr. Speaker, I believe the future looks bright for Metropolitan Baptist Church. The low-income housing corporation they have organized should soon have units available, including housing for senior citizens. Metropolitan remains ambitious, planning programs for gifted students, drug prevention education, and addressing the devastating problem of the homeless. I am sure that you will join me, Mr. Speaker, in lauding the 125 years of spiritual, social, and community support that Metropolitan Baptist Church has given to the District of Columbia. I hope it is only the beginning.

PAN AM 103

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mrs. ROUKEMA. Mr. Speaker, today I am introducing a concurrent resolution to establish a special, temporary joint committee of Congress to fully investigate the events leading up to the December 21, 1988, bombing of Pan Am Flight 103 over Scotland.

Pan Am 103 are words which strike terror worldwide. Many of the victims were from my district, and, tragically, just in the springtime of their youth.

Many of us applaud the efforts that several permanent committees in Congress have made in response to the Pam Am bombing. However, due to the large number of committees involved and the complexity of the issues raised by this incident, these efforts have not been coordinated.

Pan Am 103 was caused by bureaucratic breakdown. We cannot allow bureaucratic breakdown to occur in this body. The lessons of Pan Am 103 are far from clear. This Nation will only know the full truth if a thorough and objective congressional investigation is undertaken by a special committee comprised of members of the individual committees with expertise on air safety and terrorism.

In conclusion, the weaknesses of current air security and antiterrorism systems were exposed when prior, high-level threats went unchecked. The appropriate role of this joint committee would be to recommend legislation and policy changes to put the necessary safeguards in place to prevent further, avoidable tragedies.

SUPPORT THE BUY AMERICA COALITION

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. ALEXANDER. Mr. Speaker, the Buy America Action Coalition is a wise, valiant effort to reduce the soaring U.S. trade deficits that have undermined our Nation's competitiveness in world markets during the 1980's. I am a stalwart supporter of the Buy America Coalition, and I urge all Americans in Arkansas and throughout the country to support the goals of this highly meritorious movement.

I commend all of the dedicated citizens who work for the Buy America Coalition. In particular, I would like to single out the efforts of Harold Jinks, of Piggott, AR, in Arkansas' First Congressional District that I represent. The Buy America Coalition was founded and organized by Mr. Jinks, and the organization has increasingly been receiving national attention since the opening of its office in Washington, DC. Mr. Jinks, who has organized senior Democrats throughout the country, has met with over 100 national organizations in working for the Buy America movement. America still produces the finest products in the world, and we ought to recognize that and buy them, rather than spending our money on foreign products. I encourage my colleagues to hear the message of Mr. Jinks and the Buy America Coalition.

Mr. Speaker, I enthusiastically support the joint congressional resolution requesting that Governors and mayors issue proclamations with media coverage for the purpose of carrying out the goals of the Buy America Coalition. Gov. Bill Clinton of Arkansas issued such a proclamation in August of last year, and that proclamation was an effective vehicle for getting out the message that people ought to buy the products made in Arkansas and elsewhere in America. Mr. Jinks' program has gained extensive backing in my State; for example, the Arkansas Municipal League is involved in carrying this message to the people. The Jaycees in Arkansas and around the country actively support the coalition, and Sam Walton, one of America's most successful entrepreneurs, is one of the most dynamic supporters of the Buy America Program.

I would like to quote from a letter Mr. Walton wrote to Harold Jinks last August:

> We are grateful for the Buy America Action Coalition you have helped establish and your interest in doing something positive about our country's effectiveness in global competition. You have inspired citizens everywhere to become involved and participate in this worthwhile program and we thank you for it. I believe we are making some progress in achieving our objectives of trade balance. As you well know, we still have much to accomplish if we are going to reach our goals of more jobs for American workers, a stronger economy, a decrease in the national debt, and most importantly, improved consumer products of quality and value. Together, though, we can make a difference.

I congratulate Governor Clinton, Sam Walton, Harold Jinks, and all the others who have labored in favor of the goals of the Buy America Coalition. The coalition is a major step in the quest to restore America to its rightful place as the preeminent producer-creditor nation in the world, rather than the consumer-debtor-credit card nation we have have become in the Republican 1980's.

America must put a stop to the mountains of debt that are allowing foreign interests to buy up ever larger chunks of Main Street, U.S.A. We cannot afford to keep running up trade deficits in the $170 billion range, as we did under the Reagan policies of encouraging a cheap flood of foreign imports into our country. Reagan drove up the value of the dollar to the extent that many products from Arkansas and the heartland of America were no longer competitive in world markets. Some progress has been made recently, but it is not nearly enough.

We must stop the policy where, in effect, we are borrowing money from the Japanese to buy oil from the Arabs. Among the many American products we can buy is ethanol, made from farm products at home in Arkansas. We need to get more of our energy from the heartland of America, and end our dependence on oil from the Middle East and other chaotic foreign regions.

We need to expand our exports abroad, and we need Americans here at home to buy our excellent "Made in the U.S.A." products, rather than the cheap, often inferior foreign products that drive up our trade deficits.

I commend to my colleagues in Congress, to President Bush, and to the American people the simple, but powerful message of Sam Walton and Harold Jinks: Buy American Products.

PRESERVE THE EFFECTIVENESS OF THE ARMED CAREER CRIMINAL ACT

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. WYDEN. Mr. Speaker, today I am introducing legislation which will make an important clarification in Federal criminal law, specifically the Armed Career Criminal Act.

The Armed Career Criminal Act of 1984, one of the most successful Federal crime-fighting laws enacted, allows State and Federal law enforcement agencies to combine efforts and target hardened felons who have multiple previous convictions for serious crimes.

Since October 1986, 405 career criminals have been sentenced to Federal prison for a combined total of 4,393 years. In my State of Oregon, 22 career criminals have received minimum 15-year sentences under this law. The U.S. Department of Justice has numerous armed career criminal cases which are currently under investigation, pending indictment or awaiting trial.

The basic concept of the Armed Career Criminal Act is straightforward: impose Federal minimum 15-year sentences on criminals who have histories of three previous State or Federal convictions for violent felonies or serious drug offenses if they are found to be in possession of a firearm.

Now, because of a decision made in the ninth circuit court, the effective use of this law will be diminished. The details of this decision, and its impact on the Federal judicial system, is described in the following letter to Attorney General Thornburgh.

The ninth circuit's interpretation of the definition of burglary in the Armed Career Criminal Act can be easily remedied by amending the statute with a clearer definition of that particular crime. That's what my legislation does, and that's why I urge my colleagues to support its speedy enactment.

The letter follows:

APRIL 7, 1989.

Hon. RICHARD THORNBURGH,
Attorney General,
Department of Justice,
Tenth Street and Constitution Ave., NW.,
Washington, DC.

DEAR MR. ATTORNEY GENERAL: I am writing to request a meeting to discuss with you the impact of the Ninth Circuit's recent decision in *U.S.* v. *Chatman,* No. 87-5351 (March 9, 1989). As the House sponsor of the Armed Career Criminal Act, I consider this matter to be of great importance.

The Armed Career Criminal Act is a significantly successful law allowing the federal justice system to try and incarcerate the most hardened felons in our society. Since October 1986, 405 career criminals have been sentenced to federal prison for a combined total of 4,393 years. In Oregon alone, 22 career criminals have received minimum 15 year sentences under this law, and Department has many more ACC cases under investigation, pending indictment, or awaiting trial. If the Ninth Circuit's decision on Chatman remains unchallenged, some of the benefit of the Armed Career Criminal Act will clearly be lost.

The Ninth Circuit construed the term "burglary" in the 1986 amended version of the Act to refer to the 18th century notion of common law burglary. As a result, they ruled to overturn the government's enchanced sentence for a career criminal previously convicted of modern statutory burglary.

The Eleventh Circuit, in *U.S.* v. *Hill,* No. 88-5092 (Jan. 25, 1989), previously ruled that the term "burglary" in the amended Act includes statutory offenses. This decision conforms with the Eighth Circuit decision, in *U.S.* v. *Portwood* (85 Fed. 2nd 1221). The circuits are now in conflict, therefore it is essential for the Department to ask the Supreme Court to settle the issue.

I have recently learned of the Department's decision not to appeal the Chatman case on the grounds that the predicate burglary offense was "auto burglary." In the Department's efforts to bring a stronger case before the court, I suggest that numerous such cases in various stages of adjudication may be found in the Oregon District.

Two cases that may be of particular interest are *U.S.* v. *Colombi,* No. 89-30,000 and *U.S.* v. *Cunningham,* CR 87-252 (FR). Both cases involve predicate crimes of burglary in the first degree, though these burglaries were not committed at night, as stipulated by common law.

President Bush's position on crime—and the release of hardened, convicted criminals—is well known. Nothing could further his policy better than to have the Ninth Circuit's ruling reversed. I urge you to aggres-

sively pursue the search for a strong case in which to seek certiorari.

I would like to discuss with you the various judicial and legislative options which can be employed to forestall the potentially damaging consequences of the Ninth Circuit's decision. Please let me know when would be a convenient time for you to meet.

Thank you for your consideration of my request.

With warm regards,

Sincerely,

RON WYDEN,
Member of Congress.

A COMMUNITY LEADER IS HONORED BY HIS OWN

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. COUGHLIN. Mr. Speaker, I rise to congratulate a friend and community leader in my congressional district who is being honored by his community this evening.

Willard Detweiler, president of the Chestnut Hill Community Association, will receive the Chestnut Hill Award tonight at that organization's annual meeting. The award is the most prestigious given at the event.

A committee of peers selected Mr. Detweiler for the honor because of his work as president and his extraordinary leadership on a project of significant impact to the Chestnut Hill community.

In Chestnut Hill, a neighborhood of Philadelphia, the Cresheim Valley Bridge project represents a strong, coordinated community effort to work with their elected officials to secure funding to keep an important train line running in the community. The community work in support of the project was spearheaded by Mr. Detweiler.

Mr. Detweiler worked closely with me and my staff on this project. His commitment to his community was unwavering and his leadership in maintaining the project's momentum was an important ingredient in the final recipe of success.

This summer, work is expected to be completed on the bridge reconstruction and line improvements. The day the line is reopened will be a tribute to all who participated—and there were literally thousands.

Because of this accomplishment and many others, Mr. Detweiler's community is honoring him tonight. Next month, he will end his 2-year tenure as president of the association, although I am confident his community activism will continue in the years ahead.

Mr. Speaker, I join many others in applauding the work of Will Detweiler for his community.

PRINCE WILLIAM SOUND OIL SPILL RESPONSE ACT

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. YOUNG of Alaska. Mr. Speaker, you have all heard the news about what has happened in my State of Alaska as a result of the grounding of the tanker *Exxon Valdez*. Although both the cleanup and the investigations as to what went wrong are continuing, I believe that the Congress can take some action to correct certain deficiencies in our oil spill response program. As a result, I am today introducing the Prince William Sound Oil Spill Response Act and asking for its rapid consideration.

Let me make clear that this in no way represents a full solution to the problems, nor is it the only action that will be taken. As we learn more about the spill, further action will be forthcoming. For the moment, however, I believe the proposals in this bill will help prevent a recurrence of the *Exxon Valdez* tragedy.

The bill finds that the Prince William Sound oil spill contingency plan is inadequate and that action should be taken to address immediately the problems resulting from the spill. As part of this process, it puts the Coast Guard in charge of spill response, in order to avoid the problem of having too many generals in the field.

The bill requires action by the Secretary of Transportation within 60 days after enactment to: require escorts for all tank vessels in Prince William Sound; require pre-positioning of oil spill response equipment sufficient to handle a large spill; require tank vessels to carry oil spill containment equipment on board; and to increase pilotage requirements. These are simple matters that can easily be handled.

In the case of escort vessels, the Secretary should require that they include vessels that can carry oil spill response equipment and can accept spilled oil on board. This will prevent the long delay that occurred when the *Exxon Valdez* was grounded and no equipment was readily available to respond. By having the necessary equipment aboard an escort vessel, it will be there for immediate use.

While the Secretary has some discretion in changing the pilot requirements, he should be guided by two principles: safety of the pilots themselves and the safe navigation of tank vessels. Currently, pilots are dropped off after a vessel passes Rocky Point, due to safety considerations. Pilots could be kept on board to Bligh Reef and beyond. The Secretary needs to establish a new drop-off point.

The bill also requires the Secretary to take certain actions no later than January 1, 1990. These include extending radar coverage in Prince William Sound and establishing an oil spill response team.

I want to note that the issue of extended radar coverage was raised by fishermen in Cordova as long ago as 1977. At that time, we were told by the Coast Guard that such coverage was unnecessary. I think now that we can see that the Coast Guard was wrong.

In regard to the oil spill response team, the Secretary should ensure that this is composed of qualified individuals who are properly trained and continually drilled to be able to respond to a major oil spill. Although some will complain that this is costly, so is a well-prepared fire department. Some costs will have to be accepted so that we can continue safe transportation of crude oil from Valdez.

The bill also amends existing law to allow the Coast Guard to revoke the license of a merchant mariner if that individual is convicted of a misdemeanor or felony involving alcohol. At present, a mariner's record while ashore is not subject to scrutiny by the Coast Guard and has no effect on his license. We should not allow someone with a record of drunken driving to run a tanker full of crude oil through the pristine environs of Prince William Sound.

This legislation also requires that funds be spent for long term monitoring and assessment of the environmental effects of the Prince William Sound spill. This is especially important. Although Exxon has agreed to contribute to the immediate environmental problems, much of the work will involve long term activity to determine what, if any, effects the spill has had on living marine resources. These funds will be recovered from the spiller, so that there will be no net loss from the Treasury. The bill also authorizes funds for research and development work by MARAD and the Coast Guard.

In addition, the bill requires the Secretary of Transportation to provide a number of reports to the Congress, including one on those actions taken to address the inadequacies of the Prince William Sound spill contingency plan. After these reports are received, the Congress should act on them promptly.

Finally, word about the spill itself and its effect on our Nation. We don't yet know the extent of the damage, and my bill will help us to learn that. We don't yet know everything that needs to be done to make oil transportation safer, if indeed we can do that by passing legislation. We do know one thing: our Nation needs oil, and it is not in our best interest to get that oil from foreign shores, carried to the United States on foreign tankers over which the United States has no control. Some have tried to use the spill in Prince William Sound to delay necessary oil and gas exploration and development in the United States. This is wrong. Those who try to do so are causing as much damage as did the *Exxon Valdez*. We should not let this spill, as tragic as it may be, deter us from achieving energy security in our Nation.

KEW GARDENS CIVIC ASSOCIATION CELEBRATES 75 YEARS OF COMMUNITY SERVICE

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. ACKERMAN. Mr. Speaker, I rise today to pay tribute to one of the most successful and long lasting civil associations in the entire New York City area. On May 3, 1989, during its annual meeting, the Kew Gardens Civic Association will be celebrating its 75th year of community service.

Since its inception in 1914, the Kew Gardens Civic Association has been actively displaying a progressive spirit while helping the neighborhood maintain the character and charm of a smalltown atmosphere within the New York City boundaries.

Neighborhood groups are as important today as they were 75 years ago. They serve many functions that are necessary for the everyday maintenance of a thriving city. The Kew Gardens Civic Association, with over 400 members, provides force to resolve problems that its members may experience with both governmental and private agencies and actions. Their meetings more closely resemble the New England town meeting, where every point of view can be discussed, than a scene of what one would expect from New York City. The suggestions that evolve from these meetings often get incorporated into the plans of government for the area, providing for a continuation of the serene, village-like atmosphere of the community.

The stable leadership of the organization is, at least in part, responsible for the continuation of a concept that has worked for over seven decades. The past three presidents of the association, George Gross, Sylvia Howard-Fuhrman, and the current president, Murray Berger have served for a total of over half a century, with the results of that dedication being the Kew Gardens of today.

Beyond the standard types of problems this group helps resolve on a day-to-day basis, their innovative thinking helped create a plan where a private developer built new, much needed housing, and provided funds to upgrade and renovate the local public school.

Mr. Speaker, it is especially heartwarming to witness such a successful neighborhood group operate within such a large metropolitan area. These days many large city neighborhoods are under siege from several fronts—drugs, crime, vandalism, racism, eroding infrastructuring—and are unable to cope with the changes. The vigilance of the Kew Gardens Civic Association has helped keep these intrusions at bay. That is precisely why the Kew Gardens Civic Association should be applauded by all of my colleagues for its lasting impact within Queens County and demonstrating that a proud neighborhood is a succèssful neighborhood.

I ask all my colleagues in the House of Representatives to join me now in paying tribute to President Murray Berger and all the other members of the Kew Gardens Civic Association on its 75th anniversary.

REQUEST FOR RULE

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. PANETTA. Mr. Speaker, pursuant to Democratic caucus rule 35, I would like to advise the Members that I may request, on the behalf of the Committee on the Budget, a modified closed rule for the consideration of the concurrent resolution on the budget for fiscal year 1990.

TRIBUTE TO LOUIS L. GOLDSTEIN, A MARYLAND LEGEND

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. DYSON. Mr. Speaker, I rise today to pay tribute to a living legend in Maryland public service, comptroller of the treasury, Louis L. Goldstein, who has officially served his State longer than anyone in Maryland's history.

A wise Hebrew proverb found in the great literature of the Talmud and the Midrash reads, "Great is labor, for it brings its master honor." For 50 years, Louis Goldstein has personified that proverb. He has been a treasure to his community, a remarkable public servant, comptroller extraordinaire, the recipient of many distinguished awards, and a leader in higher education.

The First District of Maryland is honored to claim Louis Goldstein as a native. Born and raised in Prince Frederick, Louis attended Calvert County public schools, graduated from Washington College in Chestertown in 1935, and the University of Maryland Law School in 1938. He married the former Hazel Horton and settled in Calvert County where they have raised a family, shared a legal practice, and now operate several firms.

Louis began his esteemed public service career in 1938 when he was elected to the Maryland House of Delegates. He enlisted in the Marines as a private in 1942 and was discharged a lieutenant in 1946. Elected a State senator for the next 12 years, including four as president, he then won the State comptroller race in 1958 and has served there ever since.

For 30 years Louis Goldstein has been Maryland's chief fiscal officer, collecting the bulk of the State's revenue. He has saved taxpayers' money through pioneer procedures in financial reporting and accounting, data processing, and tax collecting. His distinguished fiscal reputation has led to the State treasury building's dedication as the Louis L. Goldstein Building.

Amassing statewide election victories in 1958, 1962, 1966, 1970, 1974, 1978, 1982, and 1986, Louis has remained one of the most popular elected officials in Maryland's history. Honored as a delegate or alternate to 11 Democratic National Conventions, he has served on the platform and resolutions committee at five of them. He has received over 60 major regional, national, and international service awards during his career.

Especially notable was the establishment of the Louis L. Goldstein Chair of Public Policy at Washington College in 1984. This tribute to the comptroller brings experienced leaders in public service to the Chestertown campus to teach and lead seminars in public policy. Through the public policy chair and as chairman of the board of the college, Louis Goldstein is actively involved in educating a new generation of Marylanders to follow his path in public service.

Mr. Speaker, whether he is educating young people, collecting revenue, representing his party, or serving in the Calvert County Volunteer Fire Department, Louis Goldstein's commitment to excellence continues, as it has for 50 years, making his community, State, and country proud. Great is Louis Lazarus Goldstein's labor for it has brought its master tremendous honor.

THE THIRD ANNIVERSARY OF THE CHERNOBYL NUCLEAR ACCIDENT

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. HOYER. Mr. Speaker, April 26 marked the third anniversary of an event that will not soon be forgotten. On that date in 1986, reactor No. 4 at the Chernobyl nuclear powerplant, in the Ukrainian Republic of the Soviet Union, exploded. The impact of this disaster—the largest at any nuclear powerplant—was tremendous. Not only did it severely affect the environment of several countries, it took a heavy toll in human lives and suffering as well.

As cochairman of the Commission on Security and Cooperation in Europe, mandated to monitor and encourage compliance with the Helsinki Final Act, I have followed with interest and concern the environmental and social impact of the Chernobyl accident. The accident, and the Soviet response to it, are directly related to several areas on which the Final Act focuses, from cooperation between states in environmental protection to human contacts and the free flow of information.

The Chernobyl accident sent highly radioactive particles floating across Europe and around the world. Ukraine, Byelorussia, the Baltic States, sections of the Russian Republic, northern Poland, Finland, and Sweden, the first to be hit with the radiation, experienced economic losses, especially as agricultural products were contaminated. To this day, a large area of Ukraine and Byelorussia remains devastated. As an article in the Christian Science Monitor reported on April 20, in the 30 kilometers surrounding the plant where high levels of radiation still exist, "villages that had endured for centuries now stand empty, awaiting the slow creep of the bulldozers that will eventually knock them flat and bury their remains * * *. Acre after acre, mile by mile, the ghost towns stretch into ghost countries, ghost woods, ghost lands."

Beyond the degree of destruction, we can recall the additional problems encountered at the time of the accident and immediately thereafter—the delay and many difficulties in evacuating the nearby inhabitants, the plight of loved ones living in the affected areas, and the lack of timely information about what had actually happened and what to do about it.

While we are all aware of the controversy that surrounded the lack of information regarding the disaster, I would like to note how things have been changing since the accident. Many of these changes, I believe, have come about partly because the enormity of the problems Chernobyl created made evident the need for a more open Soviet society.

The Soviet Union is more open today than it was in April 1986. Chernobyl demonstrated

the dangers of maintaining strict controls on the flow of information and may have been a catalyst in the development of the policy of "glasnost." Although limitations continue to exist, reporting on disasters in the official Soviet media is no longer prohibited as it once was. Similarly, contacts and communication with friends and relatives abroad is no longer as restricted as it once was.

In addition, public awareness and activism regarding environmental protection has grown greatly in the Soviet Union, particularly in Ukraine, since the Chernobyl accident. While it would be wrong to say that government officials have no concern for the environment, open public debate of environmental problems is an important factor in ensuring its protection. Traditionally, Soviet and East European officials have not been tolerant of the independent expression of views that this entails, and the extent to which this is changing in some of these countries is a positive sign.

World attention has also focused more on environmental issues in the past 3 years. This, of course, is not only due to the Chernobyl accident but to other environmental disasters as well, including the recent oil spill in Alaska. There has been, as a result, increased international environmental cooperation on both a bilateral and multilateral basis. Hopefully, this increased cooperation will lead to improved protection of the environment.

Mr. Speaker, the increased openness of Soviet society and the increased efforts to prevent accidents such as Chernobyl from recurring are moves in the right direction, but they are not enough. The need for a freer flow of information, greater contacts between individuals, and increased cooperation in the field of the environment is reflected in the concluding document to the Vienna CSCE follow-up meeting, which ended its work last January. In addition to its ambitious content in the human dimension, the Vienna Concluding Document deals extensively with environmental problems of all kinds, from nuclear safety to the handling of hazardous wastes. It also notes the important role of public awareness in the larger effort to protect the environment.

In addition, the Vienna Concluding Document mandates a meeting on the environment, which will be held from October 16–November 3, 1989, in Sofia, Bulgaria. To be attended by experts from the 35 Helsinki signatory states, the meeting will discuss various aspects of environmental issues, including industrial accidents, hazardous chemicals, water pollution, and public awareness of environmental problems.

Representatives of nongovernmental organizations and other private individuals from the United States, Canada, and Europe—both East and West—have become more interested in environmental issues in recent years and may also gather in Sofia to attend open plenary sessions of the meeting, to meet with delegates, and to make their concerns about the environment known. The Vienna Concluding Document commits the participating states, including Bulgaria as the host country, to ensure that this active public involvement can take place. Such involvement plays a positive role in seeking adequate protection of the world's environment.

Mr. Speaker, the Chernobyl accident has made us all more aware of the interdependence of man and the environment. Let us hope that the concern for the environment Chernobyl has spawned will prevent further losses of this kind in the future.

WORKERS MEMORIAL DAY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. FLORIO. Mr. Speaker, on Friday, April 28, workers from across our Nation will join together to observe Workers Memorial Day, a day on which they have pledged to "fight for the living" and "mourn for the dead."

April 28 also marks the anniversary of the passage of the Occupational Safety and Health Act, one of the most important steps our Government has taken to protect the rights of working men and women. Yet despite the good intentions of this law, workers of this Nation continue to suffer from job-related injuries and even death. In fact, more than 100,000 workers die each year from job-related injuries and disease. That number is almost twice the number of Americans killed during the entire span of the Vietnam war.

Every 47 seconds, another worker in this country is killed by a job-related injury. Thousands more die slow, painful deaths from conditions caused by exposure to toxic chemicals at work.

These are the men and women who will be remembered on Workers Memorial Day. Hopefully, their deaths will not be in vain. We here in Congress have the power to dramatically reduce the number of deaths and injuries to workers by updating and strengthening the OSH Act. The workers of this Nation deserve to know that they have a Congress dedicated to protecting their health and safety.

WYOMING VALLEY CHILDREN'S ASSOCIATION HONORED

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. KANJORSKI. Mr. Speaker, I rise to pay tribute today to the Wyoming Valley Children's Association, now celebrating 65 years of dedicated service in northeastern Pennsylvania. This private, nonprofit organization exemplifies the importance of caring professionals and the value of committed volunteers.

The Wyoming Valley Children's Association was originally incorporated as the Wyoming Valley Crippled Children's Association in 1924, when the founding Wilkes-Barre Rotary recognized the need for treatment of polio, cerebral palsy, and other crippling diseases. The organization has since grown, both in strength and in the number of services provided.

The Children's Association specializes in the early identification and intervention of those diseases which may place infant, toddler, and preschool children at risk. The purpose of the program is to create as normal a social environment as possible for the handicapped, and to teach them how to become responsible for their own welfare.

By addressing the orthopedic needs of disabled children, the association has kept close pace with both medical and psychological advancement in diagnosis and treatment. Working with the valued volunteers are teams of skilled professionals who work with the child and the family to develop the best possible treatment for the child. Among the current services are orthopedic and cerebral palsy clinics, occupational and physical therapy, nursing, and a special Department of Health program for disabled children receiving supplemental security income.

The ongoing awareness programs of the Wyoming Valley Children's Association are designed to make the general population more sensitive to the problems of the handicapped. Addressing the needs of handicapped individuals ranging in age from 2 to 21 years, the programs include swimming and water safety, preschool, student internships, and day and residency camps.

I know the House will join me in commending the Wyoming Valley Children's Association for its significant service to the disabled. During it's 65-year history, this organization has provided over 900,000 services to more than 30,000 patients, resulting in a mutual understanding between the handicapped and the general population. We owe a great deal to the dedicated staff and volunteers of the Wyoming Valley Children's Association. They have set a fine example of bettering the lives of those young people who are the future of our Nation.

TRIBUTE TO ANDREW HENSHEL

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. FOGLIETTA. Mr. Speaker, I rise today to honor a young man who is a constituent of mine in Philadelphia, Andrew Henshel. Mr. Henshel, State Voter Registration Director of the Young Democrats of Pennsylvania, was recently the youngest American delegate to the International Conference on Global Cooperation for a Better World, which was held February 8 through 16 in Mount Abu, Rajasthan, India. At the conference, delegates from more than 40 nations—including the United States, the Soviet Union, and the People's Republic of China—were presented with the Mount Abu Declaration, a document expressing the hopes of ordinary people for a better world.

Mr. Henshel addressed an audience of more than 2,000 delegates gathered at Mount Abu's Universal Peace Hall for the Valedictory Session of the Conference. In his remarks, Mr. Henshel expressed the hopes of young people for world peace, global cooperation, and freedom for all people. He also presented an inscribed replica of the Liberty Bell and a message from Philadelphia Mayor W. Wilson Goode to Dadi Prakashmani, president of Global Co-operation for a Better World, and Lord Ennals, Member of the British House of

Lords, and cochair of the Global Co-operation International Advisory Commission.

In his statement at the Conference, Mr. Henshel quoted the great words of Dr. Martin Luther King, Jr., "True peace is not merely the absence of tension; it is the presence of justice." Mr. Henshel's own dedication to the cause of justice is demonstrated by his work in personally registering more than 6,000 voters, which has been recognized by Martin Luther King III.

Once again, I would like to pay tribute to a fine young man who works to make his vision of peace and justice a reality.

CONGRATULATIONS TO AMY MILLER, VFW VOICE OF DEMOCRACY WINNER

HON. DOUG BARNARD, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. BARNARD. Mr. Speaker, it is my pleasure to recognize Amy Miller of Athens, GA, as the Georgia winner of the Veterans of Foreign Wars script writing award. Amy is a senior at Cedar Shoals High School and plans to attend the University of Georgia in the fall.

The contest was entered by more than 250,000 students, and the scholarship money, distributed to 50 State and 9 national winners, totaled more than $42,500. The contestants wrote speeches dealing with the theme "Preparing for America's Future." The following is Ms. Miller's optimistic account of our country's future that should further serve to bolster the confidence we share in our young people.

PREPARING FOR AMERICA'S FUTURE

Dear Descendants: I know that as you're reading this, you must be thinking how eccentric your ancestor was to sit down and write a letter to a group of people who haven't even been born yet. Perhaps I was. But I felt the need to tell you a few things.

I'm writing to you on my 17th Birthday, a day I spent with my family. On days like these, we always seem to reminisce about what has been. I think of past birthdays that were spent with my grandparents, and of the many stories my parents have told me about their childhoods and those of their own parents and grandparents. Yet this Birthday was a little different. Today something else was playing on my thoughts. What about the future? My future and yours? What will the events that follow this day bring to the world we live in? I can only begin to guess. But I do know one thing for certain. I know what's being done now to insure that your future is fully realized.

The world is trying harder than ever to become unified. The Soviet Union and the United States finally reached an arms control agreement this year. Russians and Americans are becoming less and less suspicious and more willing to welcome each other as friends. Though there are still wars raging in the Middle East and violent religious conflicts in Northern Ireland, opposing forces are being compelled by the United Nations to sit down and discuss resolutions to their disagreements. I only hope that these discussions have, by now, led to peace.

Here in America, we are in the middle of perhaps the most important preparation for our country's future, the presidential race. If the candidates will only keep the promises that they've made over the last year, your America should be a wonderful place to live and raise a family. Yet many of the improvements in this country aren't being made only by its government, but by its citizens. Nationwide groups like MADD and SADD are working to make drunk driving a thing of the past. In big cities, highly paid architects are spending their weekends erecting free, temporary huts for the homeless. It is habitat for humanity's goal to insure permanent housing for these Americans who have no home to call their own. Programs such as project literacy, U.S. are insuring that the right to read is given to everyone. These are just a few examples of America's fight to make your future promising.

As an individual, I'd like to think that I'm holding up my end of this battle. I'm as politically involved as someone who isn't yet old enough to vote can be, and I hope that by standing up for my personal beliefs, I'm leaving my own mark on the future of my country and my world.

Only you can know for certain what has happened over the years that have passed since I wrote this letter. Perhaps you are happy with the way things have turned out, perhaps not. But at least now you know how we arrived at the conclusion. Yet this isn't the end. You must begin to prepare for the future of your own children, and that of their children as well. Every generation is faced with its own complications, and now it's your turn to sort them out in new ways. May you follow where we succeeded while succeeding where we failed. I wish you the best of luck.

With Love,

YOUR PAST.

HONORING THE MEMORY OF GEORGE WASHINGTON

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. WEISS. Mr. Speaker, I rise today to call attention to a celebration to be held in the 17th Congressional District of New York, which I am privileged to represent, on Sunday, April 29, 1989, to commemorate the inauguration of our first President, George Washington, 200 years ago at the site of Federal Hall, and the centennial of the arch in the park which today bears his name.

As we honor the memory of George Washington on that day we will also be honoring the birth of our Nation, its historic and enduring Constitution, and the first 10 amendments, our Bill of Rights, whose tenets keep us to this day a truly free society. Additionally, we remember the convening of our First Congress.

Joining us in this celebration will be our 40th President, George Bush, many of my colleagues here in Congress, as well as Ambassadors to the United States and the United Nations from France, Great Britain, Holland, Spain, and Sweden, all of whom sent representatives to the original Washington inaugural ceremony in 1789.

This will also be the 100th anniversary of the Washington Square Arch. Built in Greenwich Village in 1889 to commemorate the centennial of Washington's inauguration, this monument has become a symbol of its community, and is looked upon with great pride by Village residents and all New Yorkers.

The Washington Square area historically had been concerned with civic responsibility and community involvement. By commemorating the inauguration of the first President with the Washington Square Arch, the residents of the neighborhood were fullfilling their civic duty and revitalizing Washington Square. This civic feeling is demonstrated in a quote from Henry G. Marquand, the chairman of the Washington Arch Memorial Committee. In a speech given at the cornerstone ceremony in 1890, he said:

The spot has been aptly chosen, and not a valid objection has been urged against it. It is true someone has remarked that the neighborhood in a few years will be all tenement houses. Even should this prove true, no stronger reason could be given for the Arch being placed there. Have the occupants of tenement houses no sense of beauty? Have they no patriotism? Have they no right to good architecture? Happily there is no monopoly of the appreciation of things that are excellent any more than there is of fresh air, and in our mind's eye we can see many a family who cannot afford to spend ten cents to go the park, taking pleasure under the shadow of the Arch. This is the Arch of peace and good-will to men. It will bring the rich and poor together in one common bond of patriotic feeling.

Eight centenarians currently reside in this community. As we celebrate the Washington Square Arch, we also celebrate these individuals whose long lives and many contributions provide an example for us all. They are: Mr. Ricardo Messina, 104; Ms. Rosa Graves, 102; Ms. Molly Morgan, 102; Mr. Salvatore Scarpulla, 102; Ms. Emily Boardman, 101; Ms. Sarra Sarge, 100; and Ms. Adelaide Buscaino, 100.

With these ceremonies we will fulfill the intent of House resolution (H.R. 115) of the 100th Congress. I am proud to call attention to this singular event in our Nation's history.

TRIBUTE TO GRACE B. DONNELLY

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. SAXTON. Mr. Speaker, the education of our children is one of the most important duties of our society. The men and women who provide that service deserve special commendation. Today I want to take special notice of a woman who has devoted the past 27 years to developing the minds of young people—Prof. Grace B. Donnelly of the 13th district of New Jersey.

Grace Donnelly's career spanned over five decades of unselfish devotion to our community's youth. She has admirably served the students and faculty of Rider College by displaying the devotion essential to exemplary university scholarship and teaching.

Furthermore, Grace has bestowed her tireless energy and generosity as a member of many boards of education including those of the Rancocas Valley Regional High School and the Burlington County Special Services School District.

A pioneering spirit is what this country was founded on. Grace Donnelly is a true modern pioneer. She helped engineer the development of the Burlington County Special Services School District as a charter member of the 1972 board of education. This education program went on to unfold into one of the finest special education program in the country.

Throughout her life, Grace has always shown a willingness and desire to give freely of her time to aid organizations and causes important to the community. To name a few, Grace has been a volunteer for local hospitals, town council, the Red Cross, and the Junior Women's League.

I am proud to recognize Grace B. Donnelly, and I invite my colleagues to stand with deepest appreciation for her vision, enlightened leadership and self-sacrifice for her years of service to the field of education.

STEFAN KORBONSKI A TRUE POLISH HERO

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. LIPINSKI. Mr. Speaker, I rise today to commemorate a true hero of the Polish people, Stefan Korbonski, who died April 23 at the age of 88.

First in the Polish military, then in the underground movement in occupied Poland, and finally as an author in the United States, Stefan Korbonski made a lifelong contibution to Poland and Polish people.

As a young man, Korbonski served in the Polish Army and fought against the Russians, Ukrainians, and Germans after World War I. After receiving a law degree from Poznan University, he became active in the Polish Peasant Party.

Korbonski, serving once again in the army, was taken prisoner when the Germans and Russians invaded Poland in 1939. He escaped and returned to Warsaw, which was occupied by Nazis. In Warsaw, Korbonski helped organize the underground opposition against the Nazis, becoming a member of the Political Coordinating Committee, which directed underground activities. Korbonski became chief of civil resistance in Poland and was responsible for organizing underground courts. Ultimately, these courts passed death sentences on 200 Nazis.

In leading the opposition against Nazi occupation, Korbonski organized sabotage efforts in Poland. He helped establish contact with the Polish Government, exiled in London. In 1944 he was at the forefront of the Warsaw uprising against the Nazis, and later testified in the House of Representatives as to the Russian role in betraying that uprising.

After the war and after being jailed by the Soviets, Korbonski returned to Warsaw politics. In 1947, he was elected chairman of the Warsaw district of the Polish Peasant Party. Fear of persecution drove Korbonski from Poland in November 1947. Shortly thereafter he arrived in New York.

Since arriving in America, Korbonski maintained an important place in Polish and Eastern Europen affairs, as an author on Poland and the Soviet domination of Eastern Europe. "Fighting Warsaw," "Warsaw in Chains," Warsaw in Exile," "Between the Hammer and the Anvil," and "Polish Underground State: A Guide to the Underground 1939–45" are his major works.

For eight terms, Korbonski served as chairman for the Assembly of Captive European Nations. He also chaired the Polish Council of Unity in the United States. Throughout his life in America, Korbonsky made an invaluable contribution to the Polish-American community.

In 1980, the former underground hero received the Yad Vashem Medal of the Righteous for saving Jewish lives during World War II, presented by Ambassador Ephraim Evron.

Korbonski was a hero of Poland during his courageous battle against the Nazis during World War II, and remained a hero to the Polish people as a leader in America after the war. After 88 rich years, Stefan Korbonski will be sorely missed in both Poland and America.

HOLOCAUST MEMORIAL SERVICE

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. TORRICELLI. Mr. Speaker, each year at this time Congregation B'nai Israel of Fair Lawn, NJ, and hundreds of other congregations throughout the country, gather to hold a Holocaust memorial service. Each of us, regardless of race or religion, shares in the grief and pain felt by survivors of the Holocaust, their relatives, and their friends. Each of us looks to remembrances such as these to underscore a promise still as strong in our hearts as it was the day it was made: We will never forget.

This year, out of the ashes of the Holocaust, comes a cause for rejoicing. Congregation B'nai Israel will be dedicating a new and very special Torah scroll, one which survived the Holocaust and was recently brought from Poland, where it has been stored these last 45 years.

I wanted the Congress to take note of this occasion, and to share in this special moment with Congregation B'nai Israel. I am indeed honored and pleased to represent the members of this congregation, and to join with them in this year's service.

ASBESTOS CLEANUP

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. MARLENEE. Mr. Speaker, today I am introducing legislation to help out school districts who are trying to deal with U.S. Government regulations on asbestos removal. In 1986 a new law required the Environmental Protection Agency to issue standards for school inspection, cleanup, and disposal of asbestos. These regulations included deadlines that were impossible to meet by many school districts in Montana and around the Nation.

Last year Congress gave some relief and deferred the deadline for filing management and inspection plans until May 9, 1989. That date is upon us and school districts are still struggling financially to meet the imposed requirements. I have proposed a bill that will push the deadline for filing plans back by 1 more year to May 9, 1990.

This legislation will also delay the deadline for implementation by 1 year, from July 9, 1989, until July 9, 1990. I say that the small amount of money on which our schools are forced to survive should be used to educate, not renovate.

Once again, what seemed to be a good idea has become a nightmare for financially strapped school districts. We all want our children in a healthy environment, but we must also understand the costs of obtaining that environment and do it in a rational manner that doesn't put teachers out of work. Much of the asbestos which exists in the schools can be safely contained until the schools have the financial resources to remove the asbestos. Let's use common sense, not senseless overreaction.

PLASTIC CONTAINER IDENTIFICATION ACT OF 1989

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Ms. SNOWE. Mr. Speaker, today I am introducing legislation which is aimed at improving the ability to recycle plastic containers by establishing a national marking and coding identification system for plastic resins.

I believe the need to expand the recycling of plastic products is clear; plastics constitute the most rapidly growing segment of the national solid waste stream. As we address the current solid waste crisis, and at a time when one-third of all landfills will close within several years, recycling of plastics and other products is a key ingredient toward a comprehensive Federal program designed to assist States and local governments.

Such a coding system, first proposed by the plastics industry, has already been adopted by several States, and many additional States, including Maine, are now also studying the merits of such a system. By requiring such a

coding system for plastic containers on a national level, this legislation will facilitate an expansion in the volume of plastic products, and in the re-use of plastic resins by manufacturers.

The Plastic Container Identification Act imposes a simple identification system, which the plastics industry would be required to adopt by January 1, 1991. Other basic provisions of this bill are as follows:

All plastic containers sold must be marked with a molded symbol, identifying its resin content, to ease separation for recycling.

Six easy-to-read marking symbols would be used, covering most of the plastic containers now in wide use.

Violators would be penalized under the rules for food established by the Federal Food, Drug, and Cosmetic Act.

The Environmental Protection Agency [EPA] must submit a report to Congress within 6 months on: First, a promotion and education plan to support this coding system, and the recyclability of plastics of all kinds and, second, recommendations on policies to reduce the amount of nonrecyclable and nonbiodegradable plastic used in the manufacture of plastic products.

The annual volume of plastics entering the municipal solid waste stream is growing at an alarming rate, from a level of 800 million pounds in 1960 to over 21 billion pounds today. The use of plastic resin products has grown during this 25-year period from a level of 6.3 billion pounds to an estimated 57 billion pounds in 1988.

Growing public concern about the prevalent use of plastic packaging and their effect on the environment necessitates a more sensible use of plastics, starting with efforts to greatly expand their recyclability. Today, over 20 percent of plastic soda bottles are already recycled. Expanding this level to make recycling economically viable for most other plastic containers can be accomplished, but requires large quantities of plastics that are homogeneous by resin type.

Mr. Speaker, I urge my colleagues to cosponsor and support the Plastic Container Identification Act, as one important remedy to our national problem with solid wastes.

LET'S GET EASTERN AIRLINES FLYING NOW!

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. SMITH of Florida. Mr. Speaker, yesterday I cosponsored a resolution by Mr. JOHNSTON of Florida expressing the sense of the House that every action possible be taken to facilitate the prompt and safe restoration of Eastern Airlines to full operations.

Eastern is an integral part of Florida. Every hour that Eastern remains idle hurts the economy of my State. A vital segment of the American airlines industry further deteriorates. Eastern employees and their families continue to suffer hardships.

Enough is enough. Now is the time for action.

I urge the bankruptcy court to use its power to appoint an independent trustee to manage Eastern's return to full operations. A grounded airline benefits nobody. A restored Eastern benefits America.

Mr. Speaker, I hope that all my colleagues will join with those who already are supporting this resolution to restore Eastern to where it belongs: In the air, serving the American people.

HONORING THE HOLBROOK, MA, JUNIOR-SENIOR HIGH SCHOOL STUDENT COUNCIL

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. DONNELLY. Mr. Speaker, I rise today to call to my colleagues' attention the accomplishments of the Holbrook Junior-Senior High School Student Council. The school is located in Holbrook, MA, in my congressional district.

Mr. Speaker, the school's student council was recently named the most outstanding student council in the State of Massachusetts. Even more significantly, this is the second time in 3 years that the student council has won this coveted award, presented by the Massachusetts Association of Student Councils.

The students have already been recognized for their achievements at the Massachusetts State House by Governor Dukakis. They are coming to Washington next week to be honored by President Bush at the White House—the honor of a lifetime for these fine students. Their stay will be brief, however; the 52 members of the student council have to be back in Massachusetts by next Saturday to take their scholastic aptitude tests.

Over the years, the student council has been involved in many worthwhile projects. For example, they have participated in the Children's Happiness Program, which grants wishes to terminally ill children. A penny drive in December raised $1,000. The council also delivers wooden-apple paperweights to show appreciation to teachers who have done something special.

Mr. Speaker, deserving of special mention is the students' adviser, Mr. Jim Fitzgerald. As he said, "to see a group of kids who have given so much get something as honorable, as magnificent as this, that's what teaching is all about." And although this honor belongs to the 52 members of the student council, Mr. Fitzgerald should be honored as well.

Mr. Speaker, I salute the members of the Holbrook Junior-Senior High School Student Council. At a time when we hear of so many problems in our country, it's good to hear of find students like those in Holbrook. I am sure that my colleagues join me in honoring them.

THE 30TH ANNIVERSARY OF CITIZENS FOR EDUCATIONAL FREEDOM

HON. JACK BUECHNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. BUECHNER. Mr. Speaker, I rise today to ask each of my colleagues to join with me in commemorating the 30th anniversary of Citizens for Educational Freedom.

As a nonsectarian nonpartisan organization of citizens and support groups dedicated to parents' rights, this organization exemplifies a proud tradition of educational freedom in our country. At a time when many are questioning the direction of our educational system. The citizens for educational freedom are actively working to develop alternate strategies based on the principles of liberty and educational justice for all.

At a time when many parents are content to let others make decisions about their childrens education, the citizens for educational freedom have taken another approach. They believe that educational freedom is not just a right, but a necessity and are working to make educational choices, family decisions. Their goal has been to encourage parents to play a more expansive role in the educational life of their children and to achieve a better understanding of present educational policies. They believe that this understanding will facilitate greater parental involvement, forging a system whereby educational choices are again in parental hands.

Please join me in saluting the goals which the citizens of educational freedom are trying to accomplish and in wishing them well on their 30th anniversary and for the eventual success of your goals.

TRIBUTE TO MR. WILLIAM V. LEWIS

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. McEWEN. Mr. Speaker, I am pleased to take this opportunity to honor and recognize Mr. William V. Lewis on his retirement as executive director of the Jackson-Vinton Community Action Agency. Mr. Lewis led a long and distinguished career in assisting communities in southern Ohio, and we will long be grateful to him for this.

William Lewis was born May 4, 1926, on the same 366-acre farm where he resides today, and he continues to work as a farmer with his brother and other Lewis family members.

After graduating from Oak Hill High School in 1944, William Lewis served with the Army Corps of Engineers during World War II. Mr. Lewis later entered a life of public service as a Jackson County commissioner and served in this capacity for 12 years. He was a charter member of the Jackson-Vinton Community Action Agency's board of trustees when it was incorporated in 1965 with only three employ-

ees. The agency now has 65 full-time employees and a total budget of over $2.5 million. Mr. Lewis was employed as health programs director for the agency on January 15, 1971, and promoted to the position of executive director on May 1, 1973.

Mr. Lewis was successful in initiating new programs and administering existing programs operated by the Jackson-Vinton Community Action Agency, including weatherization programs, rural health clinics, HEAP, JTPA, high-risk youth programs, Head Start, dislocated workers program, FEMA, emergency homeless, WIC Program and USDA Government surplus commodity distribution.

Besides his outstanding contributions through the Community Action Agency, Mr. Lewis has also been active in Ohio in a number of other capacities. He is a member of the Horeb Presbyterian Church, Masonic Lodge No. 366, Wellston Post 371 American Legion, charter member of the AMVETS, and a member of numerous community service organizations. In addition, Mr. Lewis was appointed to the staff prime service council and the staff education and training council, PIC SDA No. 18.

Mr. Lewis can look back on his many community accomplishments with tremendous pride. I appreciate the opportunity to commend Mr. Lewis for a lifetime of dedicated service, and I offer my very best wishes for the future.

WORLD FOOD DAY TELECONFERENCE REPORT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 27, 1989

Mr. GILMAN. Mr. Speaker, once again I have the pleasure to bring to my colleagues' attention the World Food Day Teleconference Report. During the past year, I have co-chaired, along with the gentleman from Indiana, [Mr. HAMILTON], a task force that was asked to reform the foreign aid bill. The information in this World Food Day Teleconference Report has played a significant contribution to my thinking on this issue. Ms. Pat Young, the national coordinator for World Food Day, and other volunteers across America have once again fulfilled their role in an outstanding manner.

Accordingly, I am inserting at this point in the RECORD, an executive summary of the teleconference in order to share the conference information with my colleagues:

TELECONFERENCE EXECUTIVE SUMMARY

The fifth annual World Food Day teleconference, broadcast from the studios of George Washington University in Washington, D.C. on October 17 and linking a distinguished international panel to more than 400 receive sites across the United States and in Canada, highlighted food security problems of the African continent in light of recurring natural catastrophes of drought and famine and steadily falling population/food production ratios. The theme of the teleconference, selected by participating institutions, was "World Food Security: Focus on Africa".

World Food Day, held for the first time in 1981 and marking the founding, in 1945, of the Food and Agriculture Organization of the United Nations, has captured the imagination of people throughout the world. In the U.S., the Day is observed in virtually every community in the country, and the National Committee for World Food Day has grown in membership to more than 400 private voluntary organizations.

Serving on the teleconference panel in 1988 were three distinguished guests from African countries: Professor Adebayo Adedeji, executive-secretary of the UN Economic Commisison for Africa and a citizen of Nigeria; Professor Mazide N'Diaye of Senegal, president of the Council of Non-Governmental Organizations for Development (CONGAD) and vice-president of the International Council of Voluntary Agencies (ICVA); and Ellen Johnson Sirleaf of Liberia, vice-president and Washington representative of the Equator Bank Ltd. of Hartford (CT), and a founder of the opposition Liberian Action Party. The fourth panel guest was Dr. Duane Acker, assistant to the administrator of the U.S. Agency for International Development (AID) for Food and Agriculture and former president of Kansas State University. TV and film star Eddie Albert hosted the program and ABC news anchorwoman Renee Poussaint served as moderator.

TELECONFERENCE CONCEPT

This annual teleconference, in part by design and in part through unforeseen patterns of growth in participation, has become a model of development education/action which is still in a process of evolution. Its main components are: (1) a Study/Action Packet of print materials, prepared for the second year by Michigan State University's Center for Advanced Study of International Development (CASID) with the help of the university's African Studies Center and distributed to all participating schools and other WFP study centers; (2) the three-hour satellite telecast on October 17 composed of three hour-long segments for expert panel presentations, special local site programs and a site-panel question and answer interchange; (3) a written teleconference report, including a lengthy section of responses to site questions which could not be taken up during the third hour of the broadcast; and (4) analysis by selected site organizers after each year's program to prepare recommendations for the year to come.

All of the teleconference components are designed as college-level curricular aids and are used in college classrooms and by adult-study groups across the country. Videotapes of the broadcast are used repeatedly and are kept in college and community libraries.

THE STUDY/ACTION PACKET

Although the Study/Action Packet is an integral part of the teleconference program, it also serves, and is widely used, as a separate study resource by groups not participating in the inter-active, official telecast. More than 1,500 copies of the packet were distributed prior to the October broadcast, including 200 to the main field offices of the Department of Agriculture Extension Service. Funding for the packet, as well as other parts of the teleconference program, was provided through a Biden-Pell Development-Education Grant from USAID as well as by contributions from the National Committee for World Food Day, FAO and Xerox Foundation.

Although not designed to be a comprehensive analysis of African food security issues, the packet was prepared for curricular use at the college level. Its main section included a detailed overview of the physical/social/economic capacity of sub-Saharan countries for food self-reliance, which was coupled with seven separate views on aspects of the food problem by members of the MSU African Studies team. The packet also included sections on resources for action and a bibliography of current African study literature. Separate publications sent by the WFD National Committee in support of the packet included a 12-page pamphlet including four lengthy interviews with experts in the fields of population planning, land use, environmental protection and credit support for the poor, and a four-page report on the increasing capabilities and influence of African non-governmental organizations.

The entire Study/Action Packet was designed to facilitate local duplication and thousands of copies were made of different parts of the packet for distribution through site organizing groups. MSU produced 700 copies for distribution throughout Michigan, for example.

TELECONFERENCE OUTREACH

WFD teleconference outreach grew dramatically in 1988—in the number of interactive sites, in participatien in programs organized at the sites, and in pick-up or rebroadcast by cooperating television networks and stations. The number of sites (i.e., locations taking part in the inter-active third-hour segment of the broadcast) grew from 125 in 1984 to well over 400 in 1988. The exact figure cannot be known because of hospital and institutional participation through closed circuit networkers which do not report individually.

The number of homes throughout the U.S. and Canada which were accessed by cooperating networks and stations reached into the millions, a sharp increase in 1988 over the 1986 program owing to the participation of several chains for the first time. Networks or chains which offered all or part of the broadcast included the Hospital Satellite Network, Catholic Telecommunications Network of America, Black College Satellite Telecommunications Network, The Learning Channel, Vision Interfaith Satellite Network, the Public Broadcasting Services' Adult Learning Satellite Service and individual PBS, educational TV and cable stations throughout the country.

LOCAL SITE PROGRAMS

Over the five-year experience of organizing the teleconference, the National Committee for World Food Day believes the single most important development in the program's evolution has been the rising attention given by site organizers to their own programs on dealing with hunger, whether local, national or global, in conjunction with the national telecast. The original concept for this site activity was for the "middle hour" discussion of the points made by the expert panel in the preceding hour along with preparation of questions to be submitted during the final hour of the telecast. While this is still a part of the teleconference program, more sites each year have gone further, developing full programs within the college setting or involving outreach to surrounding off-campus communities. These site programs sometime follow the theme of the national broadcast, but now with more frequency take up local and national hunger and food security issues. Many programs now cover a full day, several days or, in a few cases, several weeks.

Another growing aspect of college participation is the growth of interdisciplinary study based on links to food/poverty issues. First contacts of the National Committee with the colleges tended to be with schools of international agriculture. Today, at various colleges, more than 15 separate schools and departments participate in the teleconference, from anthropology to women's studies and journalism. Off-campus outreach has been another growth area, with organizers and community leaders involved in joint planning of local anti-hunger activities, elected officials and leaders invited to participate in panel programs on food/hunger issues, and food or fundraising activities benefiting local off-campus or national campaigns. Many of these programs, joining college with off-campus groups, have led to year-round cooperation in alleviation of local hunger problems.

PROGRAM SUMMARY

The telecast from George Washington University studios opened with an introduction by Eddie Albert followed by a tape welcoming statement on the African theme by FAO Director-General Edouard Saouma from Rome. Africa, he warned, needed food aid but that even more important over time would be a steady flow of assistance to increase food production capacity. Moderator Renee Poussaint then began the panel discussion by pointing out that only three years before a massive famine had occurred and led to commitments that such a tragedy should never be allowed to recur, but that in fact famine had returned to Sudan and some other areas.

Adedeji described some of the background for the situation in Sudan and noted that similar problems, combining weather with political unrest, were also prevalent in Ethiopia, Mozambique, Angola and, until a short time before, Chad. Other panelists touched other common themes, Acker stressing the need for incentives and research, Sirleaf for policy reform and N'Diaye for people's participation. All panelists cited the negative consequences of money diverted to armaments and noted the difficulty of outside pressures regarding arms, stressing that Africans had a right to act on their perceived national security needs. The point was also made that lack of food could be caused as well as effected by political upheaval.

Considerable time was devoted by the panel to the special problems of women in the context of rural African systems. It was noted that women contribute between 50 and 80% of the labor in the production, processing and marketing of food, but had only limited access to credit, land and education and had little influence over national agricultural policy. Sirleaf said that until there was wider recognition of the key role of women in production real progress would be held back. Adedeji suggested that, in fact, governments and international agencies had begun changes in the recognition of women and that many programs were now gender neutral. It was his view that the real problem for women was one that also touched food security: colonial systems of export agriculture had largely been kept after independence and that there still wasn't enough attention paid to food production for the African people. N'Diaye added that history and culture had dictated a different role for women because in traditional Africa much of men's time and concentration were taken up with village protection and fighting, leaving the farming work to others. Acker, again stressing the importance of research and education, noted that the number of women extension workers should be increased both because they had a sense for family nutrition and also had an easier time dealing with women farmers.

Much of the discussion also went to the problems of education and the "brain drain"—the loss of trained Africans to other countries offering better jobs and salaries. Acker cited the very great need for investment in agricultural education in experimental stations to develop new plant varieties suitable to Africa's climate and for extension workers. He noted that despite the gains in recent years Africa's school population, in percentage terms, was still far below Asia and Latin America. Adedeji supported the need for educational investment but felt that comparisons with other areas were not valid. African counties were spending up to 40% of total investment on education in the 1960's, but the oil price shock and subsequent economic problems had made that level of support impossible. He also stressed the need to create the environment that would bring educated Africans back from abroad. Sirleaf noted that jobs were just one of several constraints, and that educated people needed to create the environment of freedom and peace to achieve their potential, so that the brain drain was another consequence of political unrest. She also made the point that first the slave trade and then the era of colonialism had badly warped the natural development of Africa, and that there were further reasons why the comparison with other regions were not accepted by Africans of today.

A segment of the panel presentations also dwelt on motivation of the young. Adedeji noted that much more investment was going into the improvement of rural areas, not just for agriculture but for quality of rural life. This also included better incentives such as price policies for crop production. Sirleaf noted that Africa had already been changed into a money economy, and that the young people especially needed to see that farming was a way not just to have food but to earn money for other things. She therefore warned against the still-widespread idea that the goal was to get people to feed themselves which, she said, was not good enough to motivate the young.

The final part of the panel discussion dealt largely with foreign assistance and the debt problem. N'Diaye insisted that the main development problem was to get the people involved and let them make the main decisions governing their lives, but that outside assistance was necessary to remove the debt burden and also to provide some technological support. He warned, however, that foreign investment in technology should be aimed at what was right for Africa rather than just a good bargain for the seller.

On the debt problem Sirleaf said that she believed debt relief was a better idea than debt forgiveness because she believed that any assistance of this kind should go together with policy reform by the debtor country. Adedeji, who already had voiced support for policy reforms already taken by many counties, agrued against too many "conditionalities" in debt relief and added that creditor nations should recognize that economic development would be impossible as long as up to 50% of a country's export earnings went to pay debt servicing. N'Diaye added that he believed much of the debt was going to pay for things Africans had bought that either didn't work or were not appropriate to the African situation.

THIRD HOUR QUESTION/ANSWER

Questions from the sites in the third hour (or answered in writing by panelists afterwards) centered around the points raised in the initial presentations. More than 100 questions were received from the sites. Subjects in which there tended to be very broad interest—both in number and geographic spread—included how African government policies and foreign aid could be used together to help the poor and develop sustainable agricultural systems, what an appropriate balance would be between export crops and food crops for local consumption, whether special programs could be devised to help women, whether there was any special contribution to African self-reliance that could be made by American colleges and universities, whether there are program models already in existence that might show how to plan future development programs, whether agricultural mechanization would be appropriate to the existing land/labor ratio, what the regional African organizations were doing to address the causes of war and reduce arms imports, whether debt forgiveness would help the poor or go to shore up the agricultural export system, and how can schools and churches effectively raise the issues of the negative impact of multinational corporations.

The responses to these questions by the various panelists showed a wide divergence of views. Addedeji and Sirleaf generally supported the need for incentives of various kinds to increase production and make agriculture more attractive as a way of life and, as the only woman of the panel, Sirleaf found the need for much more attention to women's role. All panelists, though each from a different standpoint, supported the concept of more government attention to women's needs. All panelists agreed that government development programs should give a high priority to food production and rural development, and N'Diaye also stressed the value of using "food-for-work" schemes to foster reforestation. There was, however, a rather broad range of opinion, some of it contradictory, on strategies for future development and food self-reliance, on the role of foreign investment, and on how to solve the debt problem—although all agreed that action on debt was essential. Another issue that came up within other questions raised was that of population growth and family planning. Again, however, there tended to be disagreement, even while all panelists accepted that the present situation was unsatisfactory.

CONCLUSION

The report of the World Food Day Teleconference is in itself a study resource. It includes not only a near-verbatim of the panelists' views in both the first and third hours of the teleconference program but also more than 14 pages of detailed responses to written questions submitted to the panelists.

HOUSE OF REPRESENTATIVES—*Monday, May 1, 1989*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, who has given us words and music with which to say and sing our praises to You, may we meditate not only on the difficulties and responsibilities of our day and time, but lift our heads to hear the heavenly music and Your abiding word, to know the beauty, the glory, the radiance of Your good gifts to us and to all people. Strengthened by Your power, O God, and warmed by Your grace, may we live this day and all the days before us aware of Your blessings and confident of Your constant love. This we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Would the gentleman from Texas [Mr. COMBEST] please come forward and lead our colleagues in the Pledge of Allegiance?

Mr. COMBEST led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

WITH A GREAT SENSE OF HUMILITY AND GRATITUDE I STAND HERE AS A SYMBOL OF GREATNESS OF THE AMERICAN DEMOCRATIC SYSTEM

The SPEAKER. Under previous order of the House the gentleman from Texas [Mr. GONZALES], is recognized for 5 minutes.

Mr. GONZALES. Mr. Speaker, it was 36 years ago to the day, May 1, 1953, that I and eight colleagues took the oath of office as members of the city council of the city of San Antonio.

I recall quite clearly that it was a Saturday morning and that soon thereafter I lost whatever naivete and innocence I had about what I was getting into.

I had thought that under a council manager form of government, which the city had just had for 2 years, as a matter of fact, I sought that office as a member of the ticket and it defeated the first incumbent city council under the council manager form of government, which was inaugurated in San Antonio in 1951; it was soon apparent that some of those that had run on a pledge to uphold council manager form of government had done so with some reservations. That gave rise to the most turbulent, the most difficult, most arduous, the meanest, the toughest period in these 36 years that I have been honored to serve in an elective public capacity.

For 3 years later, I was nominated in July and elected in November of 1956 to the State senate. That again was a breakthrough and again, nobody else thought, much less I, that I had a ghost of a chance to win.

I had no resources to speak of, no formal backing of any particular group, and yet the people came through, because after 3 years on the city council in which I discovered that the best policy was what I had learned when I started to work at the age of 10 for a German pharmacist whose motto was: Honesty is the best policy. That has been fundamentally the basic policy all along.

I decided I would call the shots as I saw them. That soon got me into quite a bit of trouble because the council broke into two factions. The backers, then, of the ticket broke up into two factions.

In calling the shots as I saw them, I first offended one, then the other, then both, and then an attempt was made to scare me off the council by attempting to frame me.

I was shot at, I was attempted to be intimidated, everything that could be done was done, detectives were hired to find out if there was anything in my background that they could seize upon. Having been born and lived in San Antonio, there was no record whatever, for never in my life have I ever been arrested for anything, even though I grew up in a period of time when my surrounding neighborhood did develop quite a record for juvenile delinquency.

In the intervening years, 5 years in the State senate and now going on 28 years in the U.S. House of Representatives, I can only say that whatever it is I am, first it would be because of a very wonderful and loyal family, my wife to begin with, 8 children, and now 19 grandchildren with number 20 on the way.

But always I was discovering the greatness of just the plain average American citizen who has risen above prejudice, above discrimination and has elected the likes of me as far back, running countywide, as 1956, which was thought impossible.

Since then I have had the opportunity to serve on this level and again I wish to express my heartfelt appreciation to my colleagues on the Committee on Banking, Finance and Urban Affairs on which I have served the 28 years I have been here, and to the others, some of whom have retired or have gone on, but all of whom made it possible to work with all of the minds and the representatives and the personalities that are different, what I call sacred segments, individual districts of America, have sent here.

So, Mr. Speaker, it is with a great sense of humility and at the same time gratitude that I stand here as a symbol of the greatness of the American democratic participatory system, 36 years in public elective office with no particular resources as to economic, social, or other position.

□ 1210

REDUCE MILITARY BUDGET TO SUPPLEMENT CATASTROPHIC HEALTH CARE

The SPEAKER pro tempore (Mr. BENNETT). Under a previous order of the House, the gentleman from Massachusetts [Mr. FRANK] is recognized for 60 minutes.

Mr. FRANK. Mr. Speaker, I will not take 60 minutes, but I have more than 5 to say, and under the rules that is all that is available.

I am very pleased at the serendipity that brings me to the floor immediately after the chairman of the Committee on Banking, Finance and Urban Affairs, the gentleman from Texas [Mr. GONZALEZ] has spoken.

I arrived in 1981, and one of my first acts was to vote for the gentleman from Texas to be the chairman of the Subcommittee on Housing and Community Development, and that was at the time contested. I believe all Members will now agree that one of the best decisions we made from a standpoint of those Members who have concerns for the poor and the working people, that was one of the best decisions we could have made, and I am delighted to have served for 8 years under his leadership of the Subcommittee on Housing and Community, and for the few months of this year as he begins a new chapter of very distinguished service as chairman of the Committee on Banking, Finance and Urban Affairs.

The bill that we are now dealing with regarding savings and loans has

been extraordinarily well handled by him. It has, unlike the bill in the other body, unlike the bill sent to Members by the President, concern for working people. It has in it, some part of that multi, multi, multibillion set aside to try and help those in distress, and if it were not for his commitment and the fortuitious circumstance that makes him the chairman, we would not have had that. I am delighted to be able to acknowledge what an important role he has.

I want to talk, Mr. Speaker, about another issue involving compassion. An amendment is going to be discussed at the Committee on Rules tomorrow. The amendment was formulated primarily by the gentleman from Illinois [Mr. RUSSO]. It is supported by 8 or 10 Members in a "Dear Colleague" letter that we are sending to the Committee on Rules. It is a very straightforward amendment. What it does is deal with the most important issues we as Members of the House can make, how do we allocate our resources.

There are people in the executive branch, there are people on our own staff, who exceed Members in expertise about a particular area. That is not surprising, given the nature of our job is to be conversant with a very wide range of subjects, and the more subjects Members have to have some knowledge of, the less time and energy Members have to become expert in a particular one. But where I believe the Members of this body excel, given our democratic mandates, our relationship with the people we represent, which is so regularly renewed by all Members, we are, I think, very well equipped to allocate the resources of this Nation, which we decide should be publicly allocated. Obviously, the great bulk of our resources are properly allocated through individual choice mechanisms in the private sector, but any civilized society has to allocate some publicly.

We have decided, publicly, to allocate roughly 20 percent of our overall product. Within that, the central question we are facing the year, as it has been for some years, but this year I think with a greater degree of force, the question is how much do we allocate to national security in the narrowest sense and how much do we allocate in dealing with the social problems that inevitably occur in a complex society?

I think the free enterprise system serves Members well, but no one who understands the free enterprise system thinks, at the most successful, it does away with a need for a government which plays a role in meeting needs that go unmet. The free enterprise can do something, but it does not even pretend to do others, and one of the roles of the Federal Government is to allocate the vast resources of this wealthy society as efficiently as possible, to deal with those unmet needs. One of our problems now is that we are vastly, vastly overspending in the military area. We are plagued, from time to time, by reports that people have sighted Elvis Presley. It is a minor plague, but it is a plague. People cannot go to a supermarket and wait in line without reading a headline about the late Elvis having popped up in some unlikely place. Well, I have come not to mind so much the sighting of Elvis because we are deeply plagued by a far more serious sighting of the dead, as if the dead has risen. People in the White House, in the State Department, in the Pentagon, and regrettably some around here keep sighting not Elvis Presley but Leonid Brezhnev. There is a view apparently extant here, that Brezhnev still lives, that the changes that are being made in the Soviet Union are Mikhail Gorbachev and his allies, some of which they are being driven by their own population, and it is a refreshing thing to be able to say for the first time in my memory the Soviet Union is feeling that kind of heat. I think that is all to the good.

Some are being forced to make, by turmoil in Eastern Europe and Hungary and Poland, clearly changes are going on in the Soviet Union. Gorbachev is clearly under pressure to spend less militarily. But if Members look at the military budget that President Bush sends to Members, Members would think Brezhnev was still alive.

Now, this administration does not all think Brezhnev is still alive. When it comes to religious minorities seeking to leave the Soviet Union, when it comes to the Jews and the Armenians and some of the religious Christians of non-orthodox sort, when it comes to those religious minorities that are seeking to leave the Soviet Union, this administration has followed the last days of the Reagan administration in reversing our policies. For the first time today, since the end of World War II, Jews, Armenians, and others who are seeking to flee the oppressive conditions that still remain in the Soviet Union may find themselves declared not to be refugees.

That is, this administration which, when it does the military budget, tells Members it is the same old Soviet Union as far as we better act as if it is the same old Soviet Union, we better not take into account any of the changes, "Maybe later," they say, "but right now we better do military budgets as if nothing changes," but when it comes to granting refugee status to Jews and Armenians, they say this is a new Soviet Union, things are better, and for the first time we are denying people refugee status.

So it seems to me the administration thinks Brezhnev is running Russia, and it seems to me they seek Andre Sakharov is running Russia, and never seem to get it just right. They err between an excessively harsh view and a fatuously naive one.

In the military area, it seems clear that Gorbachev is driven by various pressures to reduce his military spending, and our response, strangely enough, has been to pay no attention to that. Indeed, we now have a situation where the United States and our British allies are threatening the stability of the German Government because we are pressing that Government not to talk about taking Gorbachev at his word and exploring the opportunity, not taking him at his word automatically, but taking him at his word to explore opportunities for cut. We are not asking our NATO allies to collaborate with members in a plan to reduce our military expenditure. We will be dealing later with an incredible plan that the President has put forward, the leadership of the Committee on Armed Services of both bodies, to commit Members to two planned new mobile missile systems on the land. We are acting as if there is no basis for reducing the military except in the most marginal way.

The gentleman from Illinois [Mr. RUSSO] has an amendment that addresses that in a very specific way. It does not take much of the military, $2.5 billion, a very small percentage, less than a full percentage point, but it says in light of all that is happening in the Soviet Union, can we not take less than 1 percent and put it somewhere very necessary, and the necessary place is in catastrophic medical care. The amendment that will be discussed at the Committee on Rules tomorrow that I am proud to be supporting and hope we will have a chance to vote for on the floor of this House says something that we ought to be willing to say from time to time, that because of the pressures that Ronald Reagan exerted, we in Congress made a mistake when we adopted the catastrophic health bill as we did. I believe the benefits provided for the catastrophic health bill are useful ones. I believe that properly understood by State administrators and others, it will allow all the people to reduce the amount spent on private insurance to supplement Medicare. The mistake we made was in giving in to President Reagan's insistence on how to finance, historically, philosophically, we have believed, most Members, the Government ought to decide what are appropriate levels of programs to be providing to meet the needs of our people. Then to pay for them as fairly as possible out of taxes that are levied on everyone.

□ 1220

We made, I think, a mistake in deviating from that when we did the catastrophic health bill. President Reagan said to us, "I will not sign a bill provid-

ing catastrophic health benefits unless you tax those who are going to benefit from it," and we acceded to that. I voted for that reluctantly, but promising myself and others that as soon as it became law and President Reagan had departed and the time came when we did not have to have two-thirds to get over his veto, because that would not have happened, I believed we would have been able to change the financial system, and I think we are making progress on that.

The amendment that the gentleman from Illinois [Mr. RUSSO] has and that we will offer in the Rules Committee tomorrow says that we will take from the military budget less than 1 percent and use it to reduce the unfair and unwise extra taxes that we levied on elderly people to pay for the catastrophic bill, because under that bill for the first time, I believe, in our history, if you are 70 years old and you are making a certain amount of money, you will pay more taxes than if you were 50 years old and making the same amount of money. These older people are being forced to pay an additional monthly premium and an additional tax. That is wrong, and it is unnecessary.

Some of the defenders of the program said, "No, we must go to this new system where the people who are already receiving the benefits will pay for them." That is a reactionary attack on the ability of a civilized people to allocate its resources in ways that are socially constructive. There are important purposes that the Government must serve where the beneficiaries cannot afford to pay, obviously. We do not say that public education should be paid for only by the children who receive it, or by their parents. People who have never had children in the public school system are asked to pay public school taxes. I think that is fair.

People receive all manner of services from this Government, and some people pay for services which they do not use. We support national parks, wilderness trails, and a whole range of things; there are some small user fees, but by and large, we think the Government ought to pay for those things whether people use them or not. We do not charge a fee if you go into a park in our cities. We think it is useful to have them. We do not support public transportation only by the fare box. I think most of us would think that a rather poor idea.

If we accept that principle, that we will only extend benefits if we can tax the beneficiaries, we have crippled ourselves, we have prevented ourselves from responding to real needs.

What about the homeless? Do we respond to the terrible plight of the homeless in this society by making them pay for their benefits? That is nonsensical. We can say, "Well, there are some wealthy elderly citizens who ought to pay. There are some wealthy Americans who could in the right circumstances be asked to pay additional taxes." I do not think we have reached that point yet because I think the bloated military budget offers us a chance to reduce spending in ways that put off the requirement for such taxes.

But why are wealthy 70-year-olds to be put to the test more than wealthy 40-year-olds in this regard? There is no logic to it, except the logic that says, "Let's not let the Government do these things," and by imposing the principle that we only fund a new program if we tax the beneficiaries, we are preventing any new programs from existing.

Many of us feel that it is very important that we come forward with a program that provides long-term care funds. Right now, if you are older and have to go to a nursing home, you will very probably be bankrupted. This Government tells a lot of older people, "Look, all your lives it is important to save money and put it aside." But then they say, "But, by the way, if you get very sick and have to go to a nursing home for a couple of years, we will take all that money that you saved, and once you are a pauper, then the Government will help you."

I do not think that is a worthy attitude for this society. I think all of us deserve better. It is not just the elderly that deserve better, because we all hope to be elderly some day. We all deserve better; we ought to give ourselves a better system. But if we adopt this principle of the financing of the catastrophic health bill, then presumably we only have long-term health care if we again tax the elderly who are receiving this long-term health care.

I do not want to tax only young people for education, I do not want to tax only old people for catastrophic health care, and I do not want to tax only the people who love the great outdoors when we look for resources to protect our environment. That simply does not make sense. It is a reactionary principle.

So we have a proposal put forth by the gentleman from Illinois [Mr. RUSSO], who deserves great credit for taking the lead in this matter. His service on the Budget Committee and the Ways and Means Committee has equipped him, I think, quite well to understand the financial mechanisms involved, and he has come forward, drawing on his expertise in both those committees, the Ways and Means Committee, which deals with health care and taxes, and the Budget Committee, which deals with resource allocation. He has drawn on that considerable expertise to come forward with a very sensible amendment.

What the amendment says is this: "Let's take 1 percent of the military budget; let us assume that Gorbachev is going to make a 1-percent difference, and let us take less than 1 percent of the budget, building on a margin for error, and put it into the catastrophic health bill to cut half of the premiums now being paid."

He is being moderate. I think we could probably go further, but I think he has made the right choice to take the first step. He is saying that we should let this House vote on whether or not we want to reduce the military budget by less than 1 percent and use that money to substantially diminish the burden we have unwisely and unfairly put on older people. If we do that, I think we will be well on our way to reducing that tax to zero, because, as has been pointed out by the people who have been watching these numbers, in fact the tax is bringing in far more than was expected.

Even if we did not want to bring in other financing systems to help the elderly with this unfair burden, we would in a rational world reduce the tax because we have overtaxed the elderly. I do not think we should have taxed only the elderly for this purpose. But even if we accept those assumptions, it is quite obvious—and the chairman of the Senate Finance Committee has accepted this fact by looking at the numbers—that the tax is bringing in more than is needed for the stated purpose. So between that excess that the tax is bringing in and our ability to move to the military, we could substantially reduce that tax, not to absolute zero right away, but substantially. I think if we would look to other sources like the tobacco tax, we could wipe it out altogether if we combined it with the military.

But it is clear that with the amendment of the gentleman from Illinois [Mr. RUSSO] and with the revenues that are coming in at a higher rate, we could reduce that tax by far more than half right now, and I think that would be a substantially better operation. And I want to stress that I think it is better philosophically as well. It is not "responsible government" to say that we only finance programs by taxing the beneficiaries. That is a reactionary idea. We do not follow that principle in any other program, and if we adopt this and make it into our principle, we will prevent, as I believe President Reagan intended, the expansion of programs.

We would not build subsidized housing if we were going to make the people who live in the buildings pay fully for it. Then it would not be subsidized. We would not have a voucher program. This administration, like the previous one, used the voucher program for housing. We do not charge the recipients of the vouchers for the

vouchers. That would be pointless. What is the point of giving them a voucher worth $500 a month and then charging them $500 a month? That is what we say we are doing with the elderly, and it does not make any sense.

So I hope the Rules Committee will give this House the chance to do what it does very well, and that is to vote on this amendment, and that we will adopt the amendment.

Just to summarize what we are saying, let us make it very simple. Financing programs to help older people with their health benefits is a very good idea. The free enterprise system does not take care of that. It gives us the resources with which we can do it in a sensible way. But taxing the elderly, singling out the elderly people to pay unfair taxes for their benefits, is wrong. Making the amount of the tax you pay go up as you grow older follows no rational principle. We should not single out the elderly and say, "You alone will have to pay for your benefits. We won't tax the school children and their parents for schools only, we won't tax other people for the programs they take advantage of, but you, the elderly, will be singled out, and you, the elderly, will be forced to pay a higher level of taxation."

That just does not make any sense. The gentleman from Illinois has an amendment which will allow us to show that this does not make any sense, and I anticipate, Mr. Speaker, that we will have very broad support for offering this amendment from our Republican colleagues. Many of them may not vote for the amendment. I know that many of them have talked about how sorry they are for the poor elderly. My guess is that they, however, are so attached to voting every last dollar that can conceivably be thought of for the Pentagon that they will allow that to override their concerns for the elderly.

But as to the right to offer this amendment, Members on the Republican side were very eloquent last in objecting to rules they found to be too restrictive. They said it is a mistake for the House not to vote on matters that are important. Recently a document was circulated by the Republican leadership in which they gave the Republican plan for the year, and one of the things they said specifically was that if there are important issues, the House should vote on them. So I am confident that the Republican members of the Rules Committee will join the gentleman from Illinois and others in putting that amendment in order.

□ 1230

I also hope the President will rethink his position; I say in closing, Mr. Speaker. Unfortunately, when the chairman of the Senate Finance Committee pointed out that the tax that we imposed on the elderly was bringing in more money than was expected, the President responded by saying that he did not think that was a reason to reduce the tax. He said, "Let's just build up the money in extra reserves, if that's all we have to do."

In other words, Mr. Speaker, President Bush, when confronted with this evidence that the tax on the elderly, the tax that only the elderly pay, was bringing more than we need, he did not agree with the suggestion that we should lower that tax. He said, "No, let's just keep taxing the elderly, and we'll take the extra money we're getting from them, and we'll put it aside to use for Medicare later."

He is wrong, Mr. Speaker. That is not a fair way to treat the elderly.

President Bush talked about no new taxes, so technically he is not breaking his pledge, but it seems to me out of spirit with his pledge, with his portrayal of himself as an antitax man, for him to say to the elderly, "Oh, you know that tax that we imposed on you that's bringing in much more than we thought, much more than we needed? We're going to leave it just as it is. We're going to continue to take from you more than we need to take."

Mr. Speaker, I think that is a very grave error. I hope that the President will reconsider, and some of my colleagues here on both sides, Democrats and Republicans, will reconsider, because the principle, and I would address this to my Democratic colleagues, the principle that they are asserting, that it is responsible progressionism to make the beneficiaries themselves pay for the benefit, it is in fact a very reactionary one that will prevent us from doing what we need to do.

So, Mr. Speaker, in summary I hope the President will reconsider his opposition to reducing the tax on the elderly. I hope the President will understand that the fact that we are overtaxing the elderly, by these statistics, the irrefutable statistics, means that we ought to move. I hope the Rules Committee will allow this House to do what it does best, vote on the board questions of allocation of resources and, therefore, make in order the amendment by which we can take less than 1 percent of the military budget and make it available to reduce the cost of the catastrophic health care. I believe, if we act on these principles, we will have treated older people a lot more fairly than they have recently been treated.

INDEPENDENT EXPENDITURE CLARIFICATION ACT

The SPEAKER pro tempore (Mr. BENNETT). Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, today I am introducing the Independent Expenditure Clarification Act, one of a series of bills dealing with Federal elections.

The Federal Election Campaign Act attempted to get campaign expenditures under control by providing for public financing of Presidential elections, and applying controls on political action and campaign committees. If everybody lived up to the spirit of the 1971 law, I would not be here today with this bill which will close another loophole that lets large amounts of money into political campaigns through the back door.

Under present law, expenditures can be made for political activity on behalf of a candidate for Federal office by independent entities—entities which are supposed to have absolutely no connection with and no communication with the candidate.

When the law was drafted, the expectation was that this money would go for good things like telephone banks, registration drives, and generic political advertisements. A candidate would not be involved in any of these things, or cooperate with them in any way. That is the way it was supposed to be. Unfortunately, it hasn't worked as cleanly as forecasted.

Under the guise of independent expenditures, managers of campaigns and their fundraisers have been able to raise and spend funds by the use of front groups, so-called independent PAC's, and other independent organizations. They do this knowing that they are not supposed to communicate or cooperate with such entities, but they also know that they can get away with it because disclosure requirements under current law are inadequate.

Independent money eventually gets reported to the Federal Election Commission, but comes into public view reluctantly and late. As it is now operating, present law encourages deceit, cover up, and cheating.

My bill tightens the definition of an independent expenditure, and requires that independent expenditures be clearly identified. While it does not put a stop to independent expenditures, which would be unconstitutional, it clarifies the law with respect to disclosure so that we can all see what is going on. When my bill is passed, these expenditures will have to be truly independent.

If campaign managers want to resort to independent expenditure games to supplement their funds, we will all know about it and make appropriate judgments about it.

If independent political action committees want to attack candidates and what they stand for, we are entitled to know who is supporting and contributing to the attacks.

Mr. Speaker, this bill is needed if we are to act responsibly in the area of campaign financing. I assure the House that the Committee on House Administration, through our Elections Subcommittee, intends to act this year on these and other election matters. Federal election legislation has the highest priority for our committee and for the 101st Congress. I urge all of you to study these bills carefully and give us the benefit of your

knowledge and experience. Your input and support will be deeply appreciated.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. FRANK) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. FRANK, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. FRANK) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. LLOYD in five instances.
Mr. HAMILTON.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Mr. DE LA GARZA in 10 instances.
Mr. MCMILLEN of Maryland.
Mr. MAZZOLI in four instances.
Mr. MONTGOMERY.
Mr. ACKERMAN in two instances.
Mr. COELHO.
Mr. WYDEN.
Mr. SMITH of Iowa.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 678. An Act to make a correction in the Education and Training for a Competitive America Act of 1988.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 60. Joint resolution to designate the period commencing on May 1, 1989, and ending on May 7, 1989, as "National Drinking Water Week."

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 124. Joint resolution to recognize the seventy-fifth anniversary of the Smith-Lever Act of May 8, 1914, and its role in establishing our Nation's system of State Cooperative Extension Services.

ADJOURNMENT

Mr. FRANK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to: accordingly (at 12 o'clock and 33 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 2, 1989, at 12 noon.

CONTRACTUAL ACTIONS, CALENDAR YEAR 1988 TO FACILITATE NATIONAL DEFENSE

The Clerk of the House of Representatives submits the following reports for printing in the CONGRESSIONAL RECORD pursuant to section 4(b) of Public Law 85-804:

DEPARTMENT OF ENERGY,
Washington, DC, March 14, 1989.

Hon. JAMES C. WRIGHT, JR.,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: The following information is submitted pursuant to the provisions of Public Law 85-804, and implementing instructions contained in Federal Acquisition Regulation Part 50.

For the calendar year ending December 31, 1988, the following actions are reported for the Department of Energy (DOE).

1. Actions Approved: Residual Powers.

(1) Amount Requested: Undetermined Amount.

Amount Approved: Undetermined Amount.

(a) Contractors: Babcock & Wilcox Company, Naval Nuclear Fuel Division (B&W) and UNC Naval Products (UNC), a Division of UNC Incorporated.

(b) Services Involved: All Fiscal Years 1988 and 1989 Naval Reactors contractual actions (new contracts and applicable actions to existing contracts) with the core vendors, B&W and UNC. The reactor cores are for nuclear powered submarines and surface ships. They are supplied by two naval reactor core vendors, B&W and UNC. Both contractors are uniquely qualified to perform the detailed engineering, precise manufacturing and rigorous quality assurance required to fabricate naval reactors cores, and they have designed and constructed facilities and equipment for this purpose.

(c) Circumstances Justifying the Action—Every previous core contract placed with B&W and UNC included the Department's standard "Nuclear Hazards Indemnity—Product Liability" clause. These statutory indemnity agreements have been based upon the Government's written determination that the contractor is under risk of public liability for a substantial nuclear incident only to the extent caused by a product delivered to or for the DOE. This indemnity was authority by Section 170 of the Atomic Energy Act of 1954, as amended by Public Law 85-256, the "Price-Anderson Act." However, the "Price-Anderson Act," which expired on August 1, 1987, had not yet been extended by Congress and, thus, the indemnity clause was unavailable for inclusion in upcoming contract actions with these core vendors. Yet, the nuclear risk for the product delivered from new work existed to the same extent as it did for those core contracts which included Price-Anderson coverage. The Secretary of Energy determined that indemnification under Public Law 85-804 should be included in these contract actions in the event of a delay or failure in Price-Anderson extension, and extended to appropriate subcontractors, based on a finding that the contract work for the manufacture of product for nuclear power reactors for nuclear powered ships and submarines imposes on the contractors a risk of claims for liability arising out of or resulting from a nuclear risk.

(2) Amount Requested: Undetermined Amount.

Amount Approved: Undetermined Amount.

(a) Contractor: Martin Marietta Energy Systems, Inc. (MMES).

(b) Services Involved: Contract with MMES for the management and operation of the Portsmouth Gaseous Diffusion Plant (PGDP). The tasks performed by MMES include the enriching of uranium for commercial and DOE Defense Program customers, as well as the processing, handling, and storage of special nuclear material and source material.

(c) Circumstances Justifying the Action: The existing contract with MMES for the management and operation of the PGDP was due to expire on June 30, 1988. The contract contained a clause entitled "Nuclear Hazards Indemnity—Responsibility of Corporation—Contingencies," which was permitted by the Price-Anderson Act. The Price-Anderson Act expired on August 1, 1987. Since Congress had not enacted legislation that would extend Price-Anderson, the Department had to utilize some other method of indemnifying certain of its contractors to protect both the contractors and the public. The Secretary of Energy determined that indemnification under Public Law 85-804 should be included in this contract, and in appropriate subcontracts, based on a finding that the contract programs related to military and atomic energy production, construction, and stockpiling are essential elements of the contract and that these and other activities under the contract impose on MMES a risk of claims for liability arising out of or resulting from a nuclear risk.

2. Actions Denied: None.

Sincerely,

LAWRENCE F. DAVENPORT,
Assistant Secretary, Management and Administration.

OFFICE OF THE SECRETARY OF DEFENSE, ADMINISTRATION AND MANAGEMENT,
Washington, DC, March 16, 1989.

Hon. JIM WRIGHT,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: In compliance with Section 4(a) of Public Law 85-804, enclosed is the calendar year 1988 report on *Extraordinary Contractual Actions to Facilitate the National Defense.*

Section A, Department of Defense Summary, shows that 37 contractual actions were approved and that two were disapproved. Those approved include actions for which the Government's liability is contingent and cannot be estimated.

Section B presents those actions which were submitted by the Army, Navy, and Air Force with an estimated or potential cost of $50,000 or more. A list of contingent liability claims is also included. The defense Logistics Agency, Defense Communications Agency, Defense Mapping Agency, Defense

Nuclear Agency, and the Strategic Defense Initiative Organization reported no actions.

Sincerely,

D.O. COOKE,
Director.

Enclosure: As stated.

CONTRACTUAL ACTIONS TAKEN PURSUANT TO PUBLIC LAW 85-804 TO FACILITATE THE NATIONAL DEFENSE

SECTION A. DEPARTMENT OF DEFENSE SUMMARY

SUMMARY REPORT OF CONTRACTUAL ACTIONS TAKEN PURSUANT TO PUBLIC LAW 85-804 TO FACILITATE THE NATIONAL DEFENSE—JANUARY-DECEMBER 1987

Department and type of action	Actions approved			Actions denied	
	Number	Amount requested	Amount approved	Number	Amount
Department of Defense—Total	30	0	0	2	$20,578,305
Amendments without consideration	0	0	0	1	20,000,000
Correction of mistakes	0	0	0	1	578,305
Contingent liabilities	30	0	0	0	0
Army—Total	8	0	0	1	20,000,000
Amendment without consideration	0	0	0	1	20,000,000
Contingent liabilities	8	0	0	0	0
Navy—Total contingent liabilities	20	0	0	0	0
Air Force—Total	2	0	0	1	578,305
Correction of mistakes	0	0	0	1	578,305
Contingent liabilities	2	0	0	0	0
DLA—Total	0	0	0	0	0
DCA—Total	0	0	0	0	0
DMA—Total	0	0	0	0	0
DNA—Total	0	0	0	0	0

SECTION B. DEPARTMENT SUMMARY

Contractual Actions With Actual or Potential Cost of $50,000 or More Taken Pursuant to Public Law 85-804 to Facilitate the National Defense

January-December 1988

U.S. Army

Contingent Liabilities:

Provisions to indemnify contractors against liabilities because of claims for death, injury, or property damage arising from nuclear radiation, use of high energy propellants, or other risks not covered by the contractor's insurance program were included in six contracts (the potential cost of the liabilities cannot be estimated since the liability to the Government, if any, will depend upon the occurrence of an incident as described, in the indemnification clause). Items procured are generally those associated with nuclear-powered vessels, nuclear armed guided missiles, experimental work with nuclear energy, handling of explosives, or performance in hazardous areas.

Contractor and number of contracts

Jacobs Engineering Group, Inc.	1
The Salk Institute	1
Stearns-Rogers Division of United Engineers and Constructors, Inc.	1
U.S. Army Armament, Munitions and Chemical Command	3
Total	6

Contractual actions with Actual or potential cost of $50,000 or more taken pursuant to Public Law 85-804 to facilitate the national defense

January-December 1988

Contractor: Keystone General, Incorporated.

Type of Action: Amendment Without Consideration.

Actual or Estimated Potential Cost: $6,752,000.

Service and Activity: Army Communications-Electronics Command and Army Materiel Command.

Description of Product or Service: Radio Sets.

Background: Keystone General, Incorporated (Keystone) of Cincinnati, Ohio was incorporated in September 1980. The company's operating personnel include key technical and management personnel with previous experience with production of military tactical radio equipment. Managerial and supervisory echelon personnel have been employed by AVCO/Electronics, E-Systems, Magnavox, RCA, ITT and General Electric—all of which have been successful producers of Army electronic items.

From its inception, Keystone has identified military electronics and communications systems and equipment as its primary product base. Special focus was placed in the area of tactical communications systems emphasizing the AN/PRC-77 Radio Set and the AN/VRC-12 Vehicular Radio Communications System. The AN/PRC-77 is a short range manpack-portable, frequency modulated (FM) receiver-transmitter used to provide securable two way voice communication. The AN/VRC-12 Radio Set consists of three major components: Receiver-Transmitter (RT) 442, RT, 524 and RT 246. It is a short range, vehicle mounted, frequency modulated (FM) receiver-transmitter also used to provide securable two way voice communication. Both Radio Sets have been the mainstay of the U.S. Army's and other DoD components' communication networks since the early 1960's. Keystone is the sole producer of the AN/VRC-12 series of radios.

During early contract performance, Keystone had significant difficulty fabricating the necessary AN/VRC-12 First Article units in sufficient time to perform First Article tests and submit a First Article Test Report by March 16, 1986. The root causes of this difficulty were inadequate finances and poor management. The contract was modified, on two separate occasions, to extend the delivery date for the First Article Test Report. Keystone submitted the First Article Test Report in August of 1987 and production began shortly thereafter. To date, Keystone has produced about one-third of the AN/VRC-12 Radio Sets required under the contract.

On October 5, 1987, Keystone submitted its Request for Extraordinary Contractual Relief based on theories of mutual mistake and essentiality to the national defense. The October 5, 1987, claim, covering both AN/PRC-77 contracts, asserts that the contract should be reformed by increasing the contract unit prices from about $930 to approximately $1,700 in recognition of escalations in both material and labor costs from 1983 to 1987. Keystone requested recovery of one-half of the $4,970,349 estimated cost to complete both AN/PRC-77 contracts, or $2,485,000.

On March 21, 1988, Keystone amended its request to include production losses under the AN/VRC-12 contract as a part of its request for extraordinary contractual relief. To date, Keystone's for extraordinary contractual relief seeks $8,344,000 based on its essentiality to the national defense and Government action, as well as correction of the alleged mutual mistake in bid process under its two AN/PRC-77 contracts.

Justification: Keystone requests Public Law 85-804 relief under the authority set forth in FAR 50.302-1, "Amendments Without Consideration." Paragraph (a) provides that:

When an actual or threatened loss under a defense contract, however, caused, will impair the productive ability of a contractor whose continued performance on any defense contract or whose continued operation as a source of supply is found to be essential to the National defense, the contract may be amended without consideration, but only to the extent necessary to avoid such impairment to the contractor's productive ability.

Keystone asserts that both its ability to continue performance on its present contracts for the AN/PRC-77 and AN/VRC-12 Radios and its continued operation as a source of supply for the above-referenced defense articles are essential to the national defense. Keystone alleges that losses on the contracts cited above have caused a severe cash flow problem. Further, because of those financial difficulties, Keystone's existence as a viable Government contractor has been threatened. Therefore, Keystone concludes, extraordinary contractual relief is appropriate in this case.

Both CECOM and AMC have recommended that the requested relief be granted. Both rely on the conclusion that Keystone's existing contracts and Keystone's continued operation as a source of supply for future contracts are essential to the national defense.

Keystone is currently one of two producers on contract for the AN/PRC-77 and is the sole domestic producer for the complete AN/PRC-77 Radio Set. Keystone is also the sole producer on contract for a number of spare parts for the AN/VRC-12 Radio Set. The office of the Army's Deputy Chief of Staff for Operations and Plans (ODCSOPS), has confirmed that the AN/VRC-12 Radio and AN/PRC-77 Radio are on the Department of the Army Critical Items List. That list identifies the radios as a necessary item for equipping soldiers mobilized in the event of war or National emergency. The AN/PRC-77 Radio Set reportedly is also an essential component of many major weapons systems listed on the Army and Defense Guidance Critical Items Lists. The ODCSOPS representative stated that the importance of having a manufacturer capable of producing these radios during mobilization cannot be overstated.

After consideration of the evidence submitted by Keystone, CECOM, AMC, and ODCSOPS, the Board finds that Keystone is essential to the National defense. This determination applies to both Keystone's performance on existing contracts as well as their continued operation as a source of supply.

Keystone has also requested relief pursuant to FAR 50.302-1(b) "Amendment Without Consideration Based on Government Action," and FAR 50.302-2 "Correcting Mistakes." The Board finds no basis for granting such relief. Any losses which may have been suffered by Keystone were as a result of their own action or mistakes in judgement. The Contracting Activity's action in administering Keystone's contracts were appropriate.

Decision: By unanimous decision of the Army Contract Adjustment Board, an amendment without consideration is hereby authorized under FAR 50.302-1. The Board concludes that continued performance of the three existing contracts and the continued operation of Keystone General, Inc. as a source of supply, are both essential to the

national defense within the meaning of FAR 50.302.1. The relief is subject to the conditions set forth below:

1. CECOM is authorized and directed to enter into a supplemental agreement with Keystone which will increase the contract price of existing contracts by $6,752,000. The $6,752,000 shall be placed in a controlled account to be administered and paid out by direction of the procuring contracting officer or his designee in such manner, under such conditions, and in such sums, and at such times as he determines are required to assure completion under the contract.

2. Keystone agrees to waive any and all claims of whatever nature or kind it might have against government arising out of or under any current contracts.

3. Keystone agrees to such audits and inspections as deemed necessary by the procuring contracting officer or his designee, at his sole discretion, prior to and upon completion of the contract.

4. Options on existing contracts for AN/PRC-77 and AV/VRC-12 Radios are cancelled.

5. Without prior procuring contracting officer approval, salaries, and all other compensation (including benefits and deferred compensation) of the active or retired officers, directors, and management personnel of Keystone and all of its divisions and subsidiaries shall not exceed existing levels until the three existing contracts have been completely performed.

6. Without prior contracting officer approval, no dividend or other equity distribution to shareholders of Keystone, or any of its subsidities shall occur until the three existing contracts have been completely performed.

7. Keystone agrees to seek approval from the procuring contracting officer prior to any sale of its assets or of any of its subsidiaries assets. In the event of such sales, Keystone agrees to apply the proceeds from the sale to reduce the amount claimed or invoiced under the existing three contracts.

8. Keystone agrees to apply any net profit it makes from any of its operations or those of its subsidiaries to reduce the amount claimed or invoiced under these three contracts until such contracts completely performed.

9. Keystone shall not make any capital expenditures without prior procuring contracting officer approval.

10. Keystone agrees to utilize any and all cash reserves generated during performance of these contracts to liquidate the principal on exising debts.

This action will facilitate the national defense.

Contractor: National Defense Corporation.

Type of Action: Amendment Without Consideration.

Actual or Estimated Potential Cost: $5,000,000.

Service and Activity: Department of the Army, Eau Claire, WI.

Description of Product or Service: Environmental Restoration.

Background: National Defense Corporation (NDC), a wholly owned subsidiary of National Presto Industries, Incorporated (NPI), of Eau Claire, Wisconsin has applied directly to the Army Contract Adjustment Board (Board) for extraordinary relief pursuant to Public Law 85-804. NDC's application for relief does not specify a particular contract under which the firm requests extraordinary relief and the Board believes that only the firm's facility contract is appropriate for consideration in this regard. However, NDC activities which eventually led to the expenditures occurred over the course of a number of years during which various Army contracts were in force. In accordance with the terms of an agreement dated February 19, 1988, between NDC, NPI, and the Department of the Army (Army), NDC seeks to recover one half of the sum of the firm's expenditures made between January 1, 1984, and Spetember 30, 1987, for environmental restoration of its Eau Claire, Wisconsin site, and 100 percent of the sum of its expenditures made for the same purpose between October 1, 1987, and February 17, 1988. NDC represents that it has incurred $713,656.29 in site-related environmental restoration costs between January 1, 1984, and September 30, 1987. This figure has yet to be subjected to an Army audit. NDC has not yet officially calculated its expenditures between October 1, 1987, and February 17, 1988, but has volunteered a preliminary estimate of $130,000.

NDC and NPI were not the original owners of the industrial facilities situated at Eau Claire. NPI acquired the 328-acre site from the United States on September 1, 1948. The United States War Department had previously acquired the land in 1940 and in 1942 had constructed a facility designed to produce .30 caliber incendiary and ball ammunition. The Government and at least one lessee operated the facility until November 1, 1945, whereupon the War Department declared the property, then known as the Eau Claire Ordnance Works #2, surplus to the needs of the Government. Its acquisition by NPI soon followed. In 1953 and 1955 respectively, the Army awarded contracts to NPI to install 105MM M1 and 8" M106 metal parts production facilities at Eau Claire.

For many years, NPI has been aware of the existence of deposits of contaminants at the Eau Claire site. In 1983 the Wisconsin Department of Natural Resources (DNR) became aware for the first time of deposits of volatile organic compounds at Eau Claire. Soon after, DNR nominated the site to the United States Environmental Protection Agency (EPA) for inclusion on their National Priorities List. While NPI objected strenuously to the nomination, the EPA ultimately approved the site for inclusion on the National Priorities List on May 20, 1986, pursuant to Section 105(8)(B) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended, 42 U.S.C. Section 9605(8)(B). This action triggered a requirement that NPI perform a Remedial Investigation and Feasibility Study to determine the extent of contamination at the site and to examine the means available to prevent the contamination from posing a threat to human health and the environment. While the Remedial Investigation has not yet been completed, preliminary results indicate the presence of perchloroethylene, trichlorethylene, and 1,1,1 thrichloroethane, chlorinated solvents used in the manufacture of metal parts and for other purposes. NPI and NDC do not dispute the probability that the bulk of these solvents were deposited on the site during NPI's manufacture of 105MM M1 and 8" M106 metal parts for the Army during the 1950s, 1960s, and 1970s.

Under Section 107(a)(2) of CERCLA, any party who has owned land upon which hazardous wastes have been deposited during or prior to that party's ownership of the land is potentially responsible for, among other things, the costs of cleaning up the contamination (42 U.S.C. Section 9607(a)(2)). The Army, NPI, and NDC, all of whom are in the chain of title for the Eau Claire site, may qualify as responsible parties under CERCLA and potentially can be held jointly and severally liable for the costs of remedying the conditions of the site. It is by no means clear that the Army is a potentially responsible party, namely because it is not known whether contaminants were deposited on the premises during the Army's ownership of the site. If the question of responsibility for the contamination were litigated among the potentially responsible parties, each would be entitled to prove that one or another party was more directly responsible for depositing the contaminants on the premises and should therefore bear a proportionally greater share of the cleanup bill.

As early as 1978, NPI petitioned the Army to pay for the required cleanup of the site. NPI's theory of Army liability was that NPI had dedicated the facility to the production of Army munitions for the Army under accelerated schedules during the Southeast Asian conflict; because the Army was the principal beneficiary of production at the site, NPI argued that the Army should properly bear the costs of contamination that such production entailed. The Army considered NPI's request under the former sites component of the Department of Defense Installation Restoration Program and found it wanting. According to Army and DoD environmental officials, there was little or no evidence that the Army's activities on the site during the period of its ownership contributed to the contamination. Futhermore, these officials concluded that NPI's "beneficial" theory of liability had no basis in environmental statutes or judicial decisions.

As the prospects for settlement of the question of responsibility for the Eau Claire contamination grew dim, NDC officials represented that failure by the Army to reach an understanding with the firm on paying for the required cleanup could have disastrous consequences for the Army's mobilization base for 105MM and 8" metal parts. Specifically, NDC referred to provisions in its facility contract with AMCCOM that permitted the firm to terminate its relationship with the Army and direct the Army to dismantle and remove the nearly $100 million in Government-owned equipment presently located on the site. Such action, NDC observed, would cost the Army a minimum of $8 million not to mention the costs of locating the equipment in a production mode at another site. Army officials determined that only two alternatives to NPI's threatened action were legally available, neither of which was particularly palatable. The first is condemnation of the facility under the power of eminent domain, an action that would require specific Congressional authorization. The second is abandonment of the government-owned equipment in place at the site, an action that admittedly would save $8 million in relocation costs but would involve the forfeiture of over $100 million in United States property. Faced with the prospect of losing a facility critical to the United States's defense establishment, the Army entered into the above-referenced agreement to participate in the environmental restoration of the site. This agreement essentially requires that the Army initially fund nearly 100 percent of "site-related environmental restoration costs" up to a total of $5 million (or greater if Congress authorizes expenditures for

such purposes in excess of that amount). NDC, for its part, has agreed to reimburse the Army for 50 percent of these expenditures (up to a limit of $3.5 million) out of its negotiated profit on future production contracts for 105MM and 8" metal parts. NDC's reimbursement obligation expires precisely 10 years after the date of execution of the agreement, or February 19, 1998.

Justification: To a large degree, Congressional sentiment guided the Army in agreeing to participate financially in the environmental restoration of the Eau Claire site. The Conference Report on the Fiscal Year 1988 DoD Appropriations Act authorizes the Army to expend up to $5 million out of the "Procurement of Ammunition, Army" account for participation in the environmental restoration entered into by the current owner of the site and the Department of the Army." In entering into this agreement, the parties were careful not to purport to dispose of the question of responsibility under environmental laws for the contamination of Eau Claire. Instead, the agreement preserves whatever rights the parties have under statutes or at common law to sue for or recover the costs of participating in the environmental restoration of the Eau Claire facility.

It is pursuant to this agreement that NDC now comes forward for extraordinary relief. Paragraph III of the agreement requires the Army to pay to NDC 50 percent of the sum of its "past" environmental restoration costs (defined in the agreement as those costs paid between January 1, 1984, and September 30, 1987, and 100 percent of its "present" restoration costs (defined as those costs paid between October 1, 1987, and February 19, 1988, the date of the agreement's execution). In order to preserve the discretion of the Board to grant or withhold relief under PL 85-804, the agreement expressly conditions the Army's obligation to pay any portion of NDC's past and present site-related environmental restoration costs on an award of relief by the Board.

Decision: Public Law 85-804, Executive Order 10789, as amended and Part 50 of the FAR empower the Board to amend or modify Army contracts "without regard to provisions of law relating to the making, performance, amendment, or modification of contracts, whenever [the Board] deems that such action would facilitate the national defense." The subject request for relief is concededly unusual in that it does not appear to fit squarely within any of the enumerated examples of contract adjustments deemed permissible under FAR 50.302. The closest analogue is found at FAR 50.302-1(a), which states that it may be proper to award relief "[w]hen an actual or threatened loss under a defense contract, however caused, will impair the productive ability of a contractor whose continued performance on any defense contract or whose continued operation as a source of supply is found to be essential to the national defense. . . ." We do not believe it is useful to discuss NDC's request in terms of the elements set forth in this provision. In this connection, the FAR's enumerated examples "are not intended to exclude other cases in which the approving authority determines that the circumstances warrant relief." (FAR 50.301) For the reasons outlined below, the Board approves NDC's request for extraordinary relief in the amount of 50 percent of the past and 100 percent of present site-related environmental restoration costs, as defined in the Army-NPI-NDC agreement of February 19, 1988, and finds that such action will facilitate the national defense.

1. Essentiality to the National Defense. We discuss this issue first primarily because the essentiality of NDC's Eau Claire facility to the national defense cannot be questioned. While the Army's stocks of 105MM and 8" projectiles are plentiful at present, the Army has now and will continue to have for the foreseeable future a significant mobilization requirement for both items. For instance, the current mobilization requirement for 105MM projectiles is 31.2 million units per year. The comparable rate for 8" shells is 3.96 million units. NDC is the Army's single mobilization base producer for 105MM projectiles; no other producer can be counted on to accelerate to full production of projectiles in the event of a national emergency with acceptable technical and schedule risk. With regard to 8" projectiles, NDC's production lines form a crucial part of the Army's industrial base for that item. Without doubt, NDC's "continued operation as a source of supply" for 105MM and 8" projectiles is "essential to the national defense."

2. Impairment of Productive Capability. NDC's request, by its terms, presents a threatened loss of the facility's productive capability; quite simply, unless the Army agrees to pay a substantial portion of NPI's past and present environmental restoration expenses, NPI has assured the Army that it cannot count on the availability of Eau Claire as a mobilization base producer for 105MM and 8" projectiles. In this very crude sense, NPI's prospective liability for environmental restoration expenses at Eau Claire "threatens" the loss of a facility critical to the United States defense establishment.

What distinguishes the Eau Claire facility is the fact of prior Government ownership. While the Army's legal responsibility for the contamination deposited on the site is far from clear, we believe that it is in the public interest for the Army to share in the resolution of the environmental problems at Eau Claire at the present time.

The Board hereby grants NDC's request for recovery of 50 percent of NDC's "site-related environmental restoration costs" paid between January 1, 1984, and September 30, 1987 and 100 percent of NDC's "site-related environmental restoration costs" paid between October 1, 1987, and February 19, 1988. Accordingly, the contracting officer is hereby authorized and directed to enter into a supplemental agreement providing for payment by the Army of the above-described costs and for reimbursement by NDC of a portion of these costs on terms consistent with the February 19, 1988, agreement. The contracting officer is directed to audit NDC's costs in accordance with established cost accounting principles before making payments under authority of this decision.

The action authorized by this decision will facilitate the national defense.

Contractor: Ramal Industries, Incorporated.

Type of Action: Amendment Without Consideration.

Actual or Estimated Potential Cost: $1,017,097.

Service and Activity: U.S. Army Armament, Munitions, and Chemical Command.

Description of Product or Service: Copper Cones/Grenade Liners.

Background: This action concerns an application for extraordinary contractual relief under Public Law (PL) 85-804 made by Ramal Industries, Inc. (Ramal) of Holtsville, New York. The request invokes the provisions of FAR Part 50, implementing PL 85-804 pertinent to alleged financial difficulties encountered in the performance of two contracts.

Ramal applied for relief under PL 85-804 September 2, 1988. This submission, however, was not certified and did not include the required evidentiary back-up. By letter dated September 9, 1988, the Contracting Officer informed Ramal that they must comply with the evidentiary requirements of FAR 50.304 and the certification requirements of DoD FAR Supplement 52.233-7000 before their request could be considered.

Ramal provided the request information in its submission of October 17, 1988 and requested payment of $1,017,097.

Justification: The Contracting Officer, in her Determination dated December 7, 1988, found that Ramal is not essential to the national defense. She based this determination on her finding that:

"Ramal Industries, Inc., continued performance on current contracts producing cones/liners is not critical in support of LAP [load, assemble, pack] plant operations as the LAP plant needs can be satisfied by deliveries from other cone/liner vendors. Ramal Industries, Inc., copper cone/liner production capability as a MOB (mobilization) base source of supply is not deemed critical due to the availability of other interested, capable, and competitive firms desiring inclusion into the MOB base for copper cones and grenade liners. A basis for determination of essentiality to the National Defense is nonexistent."

Decision: Based upon the attendant facts, the general policy enunciated pertinent to administration of the authority created by PL 85-804, and the standard for extending relief and deciding cases delineated in FAR 50.3 and applicable subsections thereto, I hereby find and determine:

1. Ramal's loss under the pertinent contracts will not impair the productive ability of a contractor whose continued operation as a source of supply is essential to the national defense. Ramal is not a contractor essential to the national defense within the meaning of FAR 50.302-1(a) since there are other contractors, whose production capacity exceeds the anticipated requirements, who can perform the same work presently being performed by Ramal.

2. Granting the relief sought will not otherwise facilitate the national defense considering the attendant facts and circumstances of the case.

Accordingly, and pursuant to authority embodied in Part 50 of the FAR, the application received from Ramal Industries, Inc. for relief under PL 85-804 is denied in its entirety.

Contractor: Sanchez Enterprises, Incorporated.

Type of Action: Amendment Without Consideration.

Actual or Estimated Potential Cost: $3,375,879.

Service and Activity: U.S. Army Armament, Munitions, and Chemical Command.

Description of Product or Service: M-16 Rifle Magazines.

Background: This action concerns an application for extraordinary contractual relief under PL 85-804 made by Sanchez Enterprises, Inc. (Sanchez) of Mansfield, Ohio. The request invokes the provisions of FAR Part 50 implementing PL 85-804 (Extraordinary Contractual Actions) pertinent to al-

leged financial difficulties encountered in the performance of a 1985 contract award.

Sanchez was awarded a contract on October 30, 1985, for 2,136,632 30-round M-16 rifle magazines at a unit price of $2.36 each for a total contract price of $5,042.451.50. This was the second contract which Sanchez had been awarded for the 30-round magazine. The first, a fiscal year 1984 contract, was awarded November 16, 1983, for 251,412 magazines, and was terminated for default on December 26, 1985.

The subject contract resulted from an invitation for Bids, (IFB). In response to the solicitation, 16 contractors submitted bids. Bethlehem Industries, Inc. was the apparent low bidder at $2.19 per unit. In response to a "mistake-in-bid" letter, however, Bethlehem claims an error in the bid price. As a result, Sanchez became the low bidder at $2.36 per unit. The next low bidder was Cooper industries at $2.38 per unit.

By its submission dated May 12, 1988, Sanchez applied for relief under PL 85-804. This submission, however, failed to include a specific basis for which the relief was requested. The Contracting Officer by letter dated June 3, 1988, explained to Sanchez that they must identify such a basis before their claim could be analyzed. The letter also informed them that they must comply with the evidentiary requirements of FAR 50.304 and the certification requirements of DoD FAR Supplement 52.233-7000.

Sanchez provided the requested information in its supplemental submission of July 24, 1988. Its request for relief was predicated on FAR 50.302-1 entitled "Amendments Without Consideration" (commonly referred to as "essentiality") and FAR 50.302-2(a)(2) a "contractor's mistake so obvious that it was or should have been apparent to the contracting officer."

Justification: The Contracting officer, by Determination dated August 5, 1988, found that Sanchez is not essential to the national defense. He based this determination on his finding that: "[e]xcess production capacity, above anticipated requirements, currently exists with known successful producers. Adequate interest has been shown by other possible suppliers by furnishing competitive prices on previous solicitations." He also noted that the only Government contract which Sanchez currently has is with the Defense Logistics Agency for the production of vehicle fenders.

Decision: Based upon the attendant facts, the general policy enunciated pertinent to administration of the authority created by PL 85-804, and the standards for extending relief and deciding cases delineated in FAR 50.3 and applicable subsections thereto, I hereby find and determine:

1. Sanchez's loss under the contract will not impair the productive ability of a contractor whose continued operation as a source of supply is essential to the national defense. Sanchez is not a contractor essential to the national defense within the meaning of FAR 50.302-1(a) since there are other contractors, whose production capacity exceeds the anticipated requirements, who can perform the same work presently being performed by Sanchez.

2. Granting the relief sought will not otherwise facilitate the national defense considering all the attendant facts and circumstances of the case.

3. PL 85-804 is not an appropriate avenue for relief under a theory of mistake as other adequate legal authority exist under which relief may be granted, FAR 50.102(a) and (c). Specifically, reformation of a contract for obvious or apparent mistake is available under the authority of the Contract Disputes Act of 1978. Consequently, relief under PL 85.804 for mistake is inappropriate.

4. Accordingly, and pursuant to authority embodied in Part 50 of the Federal Acquisition Regulation, the application received from Sanchez Enterprises, Inc. for relief under PL 85-804 is denied in its entirety.

Contractual Actions With Actual or Potential Cost of $50,000 or More Taken Pursuant to Public Law 85-804 to Facilitate the National Defense

January-December 1988

U.S. Navy

Contingent Liabilities:

Provisions to indemnify contractors against liabilities because of claims for death, injury, or property damage arising from nuclear radiation, use of high energy propellants, or other risks not covered by the contractor's insurance program were included in 26 contracts (the potential cost of the liabilities cannot be estimated since the liability to the Government, if any, will depend upon the occurrence of an incident as described, in the indemnification clause). Items procured are generally those associated with nuclear-powered vessels, nuclear armed guided missiles, experimental work with nuclear energy, handling of explosives, or performance in hazardous areas.

Contractor and number of contracts

General Dynamics Corp	6
General Electric Co	9
Hughes Aircraft Co	1
McDonnell Douglas Corp	2
Newport News Shipbuilding and Drydock Co	1
Raytheon Co	2
Westinghouse Electric Corp	4
UNISYS Corp	1
Total	26

Contractual Actions With Actual or Potential Cost of $50,000 or More Taken Pursuant to Public Law 85-804 to Facilitate the National Defense

January-December 1988

Contingent Liabilities:

Provisions to indemnify contactors against liabilities because of claims for death, injury, or property damage arising from nuclear radiation, use of high energy propellants, or other risks not covered by the contractor's insurance program were included in two contracts (the potential cost of the liabilities cannot be estimated since the liability to the Government, if any, will depend upon the occurrence of an incident as described, in the indemnification clause). Items procured are generally those associated with nuclear-powered vessels, nuclear armed guided missiles, experimental work with nuclear energy, handling of explosives, or performance in hazardous areas.

Contractor and number of contracts

General Dynamics Space Systems Division	1
McDonnell Douglas Astronautics Co.	1
Total	2

Contractual Actions With Actual or Potential Cost of $50,000 or More Taken Pursuant to Public Law 85-804 to Facilitate the National Defense

January-December 1988

Contractor: Avtex Fibers Front Royal, Inc.

Type of Action: Other—Residual Powers.

Actual or Estimated Potential Cost: $22,600,000.

Service and Activity: United States Air Force (Executive Agent) and National Aeronautics and Space Administration.

Description of Product or Service: Filament Rayon Yarn (Aerospace Grade).

Background: Avtex Fibers Front Royal, Inc. (Avtex) has requested that the Department of Defense (DoD) provide up to $20 million, plus an appropriate share of a $5 million contingency fund, to assist in the reopening and continued operation of Avtex's plant in Front Royal, Virginia. Avtex is the only qualified source of aerospace grade continuous filament rayon yarn, which is a necessary component of DoD rocket boosters, DOD strategic and tactical missiles, and the National Aeronautics and Space Administration (NASA) Space Shuttle, which is used for DoD missions.

The Under Secretary of Defense (Acquisition) has authorized the Air Force to act as the executive agent on behalf of DoD and to commit DoD to provide the requested relief. The Air Force, through its Contract Adjustment Board has considered the Federal Acquisition Regulation (FAR) Subpart 50.4. Part 50 of the FAR prescribes the policies and procedures for entering into contracts in order to facilitate the national defense under the extraordinary emergency authority granted by Public Law 85-804, as amended.

Avtex is the only qualified source of aerospace grade continuous filament rayon yarn. Avtex produces the yarn at the Front Royal plant. This rayon yarn is a necessary material in the fabrication of carbon phenolic blankets lining the nozzles of solid propellant rockets, ablative heat shields for reentry vehicles, and various seals used in high temperature applications. Historically, Avtex has not been directly contracted with DoD or NASA, but has been a "sixth tier" subcontractor. In laymen's terms, this means that Avtex produces the yarn and five other things happen with it before it is ready for DoD or NASA use.

On October 31, 1988, Avtex publicly announced that it would cease operations and shut down its Front Royal plant on November 3, 1988. Avtex cited competitive pressures, a major unexpected increase in the cost of raw materials, a lack of operating capital, an inability to borrow money from private sources, and mounting environmental and safety concerns as reasons for ceasing operations.

Other subcontractors immediately expressed concern to NASA and DoD. They indicated that the existing inventory of the aerospace grade yarn would be exhausted by mid-December 1988. Without additional aerospace grade yarn, DoD and NASA systems, scheduled for delivery beginning in late 1989, would not be completed on schedule.

On November 3, 1988, Avtex ceased operations. On November 7, 1988, NASA and Avtex began negotiations in order to allow Avtex to reopen its Front Royal plant. On November 8, 1988, NASA and Avtex agreed to a plan containing the following elements:

(1) NASA, through Morton Thiokol, would order approximately 1.1 million pounds of rayon yarn;

(2) Morton Thiokol would immediately advance $7 million to Avtex;

(3) NASA would obtain a nonexclusive license to Avtex's production process if the reopening was unsuccessful; and

(4) NASA would advance an additional $11 million with the provision that by Novem-

ber 18, 1988, DoD or industry would guarantee an additional $20 million infusion.

The immediate $7 million advance was necessary because of the unique nature of the rayon manufacturing process. If Avtex had not received the $7 million, the viscose (wood pulp in liquid form) present in the manufacturing equipment at the time the plant closed would have hardened and ruined the equipment. The viscose was present in the equipment because at the time the plant closed, Avtex did not have the money available to clean the viscose out of the system. The immediate advance allowed the company to reopen the plant on November 9, 1988. NASA recognized, however that if Avtex did not receive any additional funds, the plant would have to close again on November 18, 1988.

On November 16, 1988, Avtex officials met with DoD officials and requested a commitment of $20 million plus an appropriate share of a $5 million contingency fund in order to meet the conditions imposed by the November 8, 1988, agreement with NASA. NASA indicated that it would provide its share of the $5 million contingency fund and supported Avtex's request for relief.

That same day, representatives of the Air Force met with officials from DoD prime contractors affected by the loss of Avtex. The prime contractors cited securities regulations, absence of contractual responsibility, and potential environmental liability as reasons for not assisting Avtex. The Air Force concluded that the prime contractors would not provide any money to satisfy the commitment required by NASA.

An Air Force business/technical team then reviewed a financial and technical analysis of Avtex that Morton Thiokol, along with the accounting firm of Ernst & Whinney, had prepared. This analysis concluded that with the infusion of approximately $43 million "there is a reasonable probability that Avtex will be capable of manufacturing aerospace grade rayon yarn for the short term and may allow Avtex to survive and compete for the long term rayon requirements." The team agreed with this conclusion.

In addition, the Air Force team conducted a one day on-site inspection of the plant. The team concluded that the managers were competent and motivated to continue production at the plant. The team raised concerns about pending environmental and occupational safety lawsuits, but received assurances that Avtex was negotiating with both federal and state officials and expected to be able to satisfy all applicable laws and any court orders.

The Air Force then reviewed the impact on DoD if Avtex ceased producing aerospace grade continuous filament rayon yarn. Concluding that it would take approximately eighteen to twenty-four months for DoD or NASA to qualify a second source for the yarn, the Air Force projected a one year break in the production schedules of the following programs: Titan IV, Delta II, Peacekeeper, Trident D-5, and Standard Missile. The Air Force estimated the economic cost of these delays to range from $100 million to $500 million. In addition, the Air Force projected a delay in 3-5 Titan IV launches, an eighteen month delay between the third and fourth GPS launches (Delta II), sending two Tridents to sea without missiles, and not being able to equip the fleet with its full complement of Standard Missiles. Moreover, the Air Force projected severe damage to the vendor base within the chain of subcontractors due to other plant closures, the loss of skilled personnel, and qualification problems on restart.

Justification: Public Law 85-804, as amended, provides that "the President may authorize any department or agency of the Government which exercises functions in connection with the national defense, acting in accordance with regulations prescribed by the President for the protection of the Government, to enter into contracts . . . without regard to other provisions of law relating to the making . . . of contracts, whenever he deems that such action would facilitate the national defense." The power granted to the President by Public Law 85-804, as amended, is one of the broadest grants of authority ever given by Congress. Executive Order 10789, as amended, authorizes the Department of Defense to enter into contracts, whenever the Secretary of Defense, Army, Navy, or Air Force or their designated representative concludes that such a contract would facilitate the national defense. The Order authorizes the Secretary of Defense, Army, Navy, and Air Force to exercise their authority through departmental Contract Adjustment Boards. The Secretary of the Air Force created the Air Force Contract Adjustment Board (Board) and authorized it to make any necessary findings and determinations and to approve, in whole or in part, requests for relief under Public Law 85-804.

FAR Part 50 implements Public Law 85-804, as amended, and Executive Order 10789, as amended, as they apply to the military departments. The FAR lists three types of actions that may be taken under Public Law 85-804: (1) granting contractual adjustments, which consist of amendments without consideration, correction of mistakes, or the formalization of informal commitments, (2) making advance payments, and (3) exercising "residual powers." In order for the Board to grant extraordinary contractual relief by any of these actions, it must determine that such action will "facilitate the national defense." (FAR 50.101(a))

The Board in this case is acting under its residual powers. FAR Subpart 50.4 prescribes the standards and procedures for exercising residual powers under the Act. The term "residual powers" includes all authority under the Act except contractual adjustments and advance payments. (FAR 50.400)

Decision: The Board has reviewed the analysis on Avtex's financial situation, Avtex's business plan, the environmental and occupational safety problems facing Avtex, and the impact on the national defense that an immediate break in the production of aerospace grade continuous filament yarn would have. After carefully considering these matters, the Board finds that the aerospace grade yarn is essential to produce components required for DoD space and missile programs, that Avtex is the only qualified source of aerospace grade yarn, that a break in the production of aerospace grade yarn will cause severe operational and financial damage to DoD space and missile programs, that a second source for the production of aerospace grade yarn could not qualify for at least eighteen to twenty-four months, that there is an insufficient inventory of aerospace grade yarn to meet current schedule and delivery requirements for DoD space and missile programs, and that an immediate and sustained production of aerospace grade rayon yarn at double the previous production rate will provide a sufficient reserve of aerospace grade yarn to use in the event that Avtex ceases production.

Based upon these findings, the Board has concluded that it will "facilitate the national defense" within the meaning of Public Law 85-804, as amended, to enter into a contract with Avtex to ensure the continued production of aerospace grade continuous filament rayon yarn. Thus, the Board has determined to grant relief by authorizing negotiations leading to a direct contract with Avtex, under substantially the following terms and conditions:

1. Avtex must agree to increase its production capacity to at least double its prior production output of aerospace grade continuous filament yarn, from 3 million pounds per year to 6 million pounds per year, and maintain the increased production for at least a period of one year.

2. Avtex must continue to seek other sources of funds from commercial lenders and must continue to seek financial assistance from its commercial customers.

3. Avtex must agree to comply with all state and federal environmental and occupational safety laws and regulations as well as any state or federal court orders concerning such laws or regulations.

4. Avtex must agree that upon becoming profitable, it will enter negotiations with the Air Force designed to allow the Air Force to recover any funds provided under this contract.

5. Avtex must agree to allow the Air Force to review and monitor Avtex's proposed plant and equipment maintenance and capital equipment improvement program.

6. Avtex must agree to provide the Air Force monthly reports of the company's operations and financial status and to allow the Air Force to conduct such audits of the company that it deems appropriate.

7. Without the prior consent of the Air Force, Avtex must refrain from (a) paying bonuses to officers or directors of the corporation for at least one year, (b) increasing the salary of the Chairman of the Board for at least one year, (c) paying dividends for at least one year, or (d) increasing its corporate allocation for selling and administrative expenses for at least one year except for necessary salary increases within the corporate allocation.

8. The Air Force will establish a payment mechanism to provide Avtex an amount not to exceed $25 million for expenditures outlined in the Avtex Fibers/Front Royal, Inc. Business Plan of November 14, 1988, to assist Avtex in meeting its financial obligations and thereby increasing and maintaining its production of aerospace grade continuous filament rayon yarn. The Air Force should devise a system to ensure that all disbursements made under the contract are expended only for purposes that are essential to the continued production of aerospace grade continuous filament rayon yarn at the Front Royal plant. Such funds shall not be used to reduce Avtex's accounts payable more than is reasonably necessary to ensure the continued availability of materials for the performance of its contracts. In addition, such funds shall not be used for payment of any demand notes held by any officers, directors, or shareholders of Avtex.

9. Avtex must agree that the contract shall include all terms required by Public Law 85-804, as amended, by Executive Order 10789, as amended, and by FAR Subpart 50.4.

All members of the Board concur in this decision.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION,
Washington, DC, March 23, 1989.

Hon. JIM WRIGHT,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: In accordance with Section 4(a) of Public Law 85-804 (50 U.S.C. 1431-35), I am reporting to the House of Representatives on all calendar year 1988 actions taken by the National Aeronautics and Space Adminstration under authority of that Act which involve actual or potential cost to the United States in excess of $50,000.

During calendar year 1988, the NASA Contract Adjustment Board did not grant any request for extraordinary contractual relief under Public Law 85-804.

On January 19, 1983, the Administrator made a decision to provide indemnification to certain NASA Space Transportation System contractors for specified risks arising out of contract performance directly related to NASA space activities. On September 26, 1984, the authority of that decision was extended from September 30, 1984 through September 30, 1989. A copy of the Administrator's Memorandum Decision Under Public Law 85-804, dated September 26, 1984, is enclosed.

During calendar year 1988, three NASA prime contractors performing under four contracts were indemnified under the Memorandum Decision for the risks set forth therein. A summary description of each contract indemnified is also enclosed.

Sincerely,

JAMES C. FLETCHER,
Administrator.

Enclosures.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION,
Washington, DC.

MEMORANDUM DECISION UNDER PUBLIC LAW 85-804

Authority for National Aeronautics and Space Administration Contracting Officers to idemnify certain NASA contractors and subcontractors involved in NASA space activities.

1. On July 4, 1982, the Space Transportation System (hereinafter STS) completed its design, development, test and evaluation phase and was declared an operational system of the United States for the transportation of payloads into and out of outer space for governmental and commercial purposes. With the commencement of these space operations, the STS has conducted and will continue to conduct launch, in orbit and landing activities on a repetitive basis and at an increasing frequency.

2. Scheduled STS operations at an increasing frequency has dictated a continuing examination of the risks in repetitive space activities of the STS and the present availability of adequate insurance at reasonable premiums to manufacturers and operators of the system. While NASA's STS space activities are designed to be safe, and have been proven to be safe, there exists the remote and low statistical probability that a malfunction of either hardware, software or operator error could occur resulting in an accident. This low probability of occurrence, albeit remote, cannot be totally removed. In the event that such a malfunction or operator error led to an accident, the potential liability arising from such an accident could be substantially in excess of the insurance coverage NASA contractors could reasonably be expected to acquire and maintain considering the availability, cost and potential terms and conditions of such insurance at the present time.

3. Pursuant to the authority of Public Law 85-804 and Executive Order 10789, as amended, and notwithstanding any other provisions of the contracts to which this determination may apply, I therefore authorize that certain NASA contractors, as further defined in paragraphs 4 and 5 below, be held harmless and indemnified against certain risks as specificially set forth herein. Accordingly, and subject to the limitations hereinafter stated, cognizant NASA contracting Officers are authorized to include in prime contracts, described in paragraphs 4 and 5 below, contract provisions for the indemnification of the contractors and their subcontractors at any tier, against claims or losses, as defined in paragraph 1A of E.O. 10789, as amended, arising out of contract performance directly related to NASA's space activities.

4. This authorization is limited to prime contracts which have an effective date before October 1, 1989, by or for NASA for:

a. provisions of Space Transportation System and cargo flight elements or components thereof;

b. provision of Space Transportation System and cargo ground support equipment or components thereof;

c. provision of Space Transportation System and cargo gound control facilities and services for their operation; and

d. repair, modification, overhaul support and services and other support and services directly relating to the Space Transportation System, it cargo and other elements used in NASA's space activities.

5. This authorization is further limited solely to claims or losses resulting from or arising out of the use or performance of the products or services described in paragraph 4 in NASA's space activities. For this purpose, the use or performance of such products or services in NASA's space activities begins solely when such products or services are provided to the U.S. Government at a U.S. Government installation for or in connection with one or more Space Transportation System launches and are actually used or performed in NASA's space activities.

6. The risks for which indemnification is authorized are the risks arising under the contracts described in paragraphs 4 and 5 causing personal injury or death, or loss of or damage to property, or loss of use of property. These risks are considered unusually hazardous risks solely in the sense that if, in the unlikely event, the Space Transportation System, its cargo or other elements or services used in the NASA's space activities malfunctioned causing an accident, the potential liability could be in excess of the insurance coverage that a NASA prime contractor would reasonably be expected to purchase and maintain, considering the availability, cost and terms and conditions of such insurance. In no other sense are the Space Transportation System, its cargo or other elements or services used in NASA's space activities unusually hazardous.

7. a. This authorization may be applied prospectively, without additional consideration, to existing prime contracts and subcontracts and in new prime contracts and subcontracts which otherwise meet the conditions of this memorandum.

b. Indemnification of prime contractors and subcontractors may be provided under this authorization only when the Government will receive the benefit of all cost savings, if any, to the prime contractor and its subcontractors at every tier.

8. All contract indemnification clauses shall comply with applicable provisions of Federal Acquisition Regulation 50.4 as modified by the NASA FAR Supplement 18-50.4.

9. This authorization is given upon condition that each prime contractor is approved by me and that such contractor maintains financial protection of such type and in such amounts as may be determined by me in writing to be appropriate under the circumstances. Each prime contractor shall provide a statement of applicable financial protection through the cognizant NASA contracting officer for my review and determination. In making this determination, I shall take into account such factors as the availability, cost and terms of private insurance, self-insurance and other proof of financial responsibility and workman's compensation insurance.

10. When indemnification provisions are included in a prime contract pursuant to the authority of this decision, the cognizant Contracting Officer shall immediately submit directly to the Contract Adjustment Board a report referencing this decision and containing the information required by NASA/FAR Supplement 18-50.403-70—Reporting and records requirements.

11. The actual or potential cost, if any, of the actions hereby authorized is impossible to estimate since it is contingent upon the remote possibility of an occurrence and extent of loss resulting from certain space activities which malfunction. Such an event may never occur; however, should a major incident occur, millions of dollars of damage could result.

12. I find that this action will facilitate the national defense. In the remote event that the Space Transportation System, its cargo or other elements or services used in NASA's space activities malfunctioned causing damage in excess of insurance maintained by contractors and subcontractors, the resulting excess liability could place the contractors and subcontractors continued existence in jeopardy, making those contractors and subcontractors unavailable to continue to support space activities and the Department of Defense. I note that for purposes of the Defense Production Act of 1950, the term national defense is defined as "programs for . . . space, and directly related activity." (50 U.S.C. App. 2152(d)).

JAMES M. BEGGS,
Administrator.

SEPTEMBER 26, 1984.

CONTRACTORS INDEMNIFIED DURING CALENDAR YEAR 1988

Name of contractor: Morton Thiokol, Incorporated. Date: June 9, 1988.

Affected NASA contract(s):

NAS8-30490, Schedules B, C, D—Solid Rocket Motor Production and Related Support.

This approval recognized changes in the contractor's insurance program subsequent to indemnification previously granted.

Name of contractor: Rockwell International Corporation. Date: September 27, 1988.

Affected NASA contract(s):

NAS8-40000—Space Shuttle Main Engine Design, Development, Test, and Evaluation and Related Support.

NAS9-17800—Space Shuttle Orbiter (OV-105) and System Upgrades and Improvements.

Name of contractor: National Academy of Sciences. Date: September 27, 1988.

Affected NASA contract(s):

NASW-3511, Task Order 8—Technical Assistance to NASA in Redesign of Space Shuttle Solid Rocket Booster.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1077. A letter from the Director (Administration and Management), Office of the Secretary of Defense, transmitting the calendar year 1988 report on "Extraordinary Contractual Actions to Facilitate the National Defense," pursuant to 50 U.S.C. 1434; to the Committee on Armed Services.

1078. A letter from the Director, Administrative Office of the U.S. Courts, transmitting the 10th report on applications for delays of notice and customer challenges under provisions of the Right To Financial Privacy Act of 1978, pursuant to 12 U.S.C. 3421; to the Committee on Banking, Finance and Urban Affairs.

1079. A letter from the Assistant General Counsel, Department of Energy, transmitting notification of a meeting related to the International Energy Program to be held on April 27, 1989, at Paris, France; to the Committee on Energy and Commerce.

1080. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed letters) of offer and acceptance [LOA] to Greece for defense articles and services estimated to cost $19 million (Transmittal No. 89-07), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1081. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Air Force's proposed letter(s) of offer and acceptance [LOA] to Spain for defense articles and services estimated to cost $48 million (Transmittal No. 89-04), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1082. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Army's proposed letter(s) of offer and acceptance [LOA] to Greece for defense articles and services estimated to cost $26 million (Transmittal No. 89-06), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1083. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed lease of defense articles to Mexico (Transmittal No. 16-89), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

1084. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

1085. A letter from the President, Inter-American Foundation, transmitting a draft of proposed legislation to amend the Foreign Assistance Act of 1969 to authorize appropriations for fiscal years 1990 and 1991 for the Inter-American Foundation, pursuant to 31 U.S.C. 1110; to the Committee on Foreign Affairs.

1086. A letter from the Assistant Secretary of Energy (Management and Administration), transmitting a report on contracts entered into, amended, or modified, to facilitate the national defense during the calendar year ending December 31, 1988, pursuant to 50 U.S.C. 1434; to the Committee on Government Operations.

1087. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report by the NASA Contract Adjustment Board on the indemnification of certain contractors and subcontractors during calendar year 1988, pursuant to 50 U.S.C. 1434; to the Committee on Government Operations.

1088. A letter from the Executive Director, Neighborhood Reinvestment Corporation, transmitting the Corporation's 1988 annual report of its compliance with the Government in the Sunshine Act, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1089. A letter from the Secretary, Federal Trade Commission, transmitting the 1988 annual report of the Commission on its compliance with the Government in the Sunshine Act, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1090. A letter from the Controller, Boys' Clubs of America, transmitting a copy of the organization's audited financial report for the year ending December 31, 1988, pursuant to 36 U.S.C. 1101(16), 1103; to the Committee on the Judiciary.

1091. A letter from the Chairman, United States Sentencing Commission, transmitting a report of amendments to the sentencing guidelines together with the reasons therefor, pursuant to 28 U.S.C. 994(p); to the Committee on the Judiciary.

1092. A letter from the Administrator, Environmental Protection Agency, transmitting a report on water quality effects from the impoundment of waters by dams, pursuant to 33 U.S.C. 1375 nt.; to the Committee on Public Works and Transportation.

1093. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for carrying out the Landsat program for fiscal years 1990 and 1991, pursuant to 31 U.S.C. 1110; to the Committee on Science, Space, and Technology.

1094. A letter from the Deputy General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend section 5584 of title 5, section 2774 of title 10, and section 716 of title 32, United States Code, to increase from $500 to $2,500 the maximum aggregate amount of a claim that may be waived by the head of an agency under those sections; jointly, to the Committees on Armed Services and Post Office and Civil Service.

1095. A letter from the Comptroller General, transmitting a copy of the audit of the Federal Deposit Insurance Corporation's financial statements for the years ended December 31, 1988 and 1987 (GAO)/AFMD-89-63; April 1989), pursuant to 31 U.S.C. 9105; jointly, to the Committees on Government Operations and Banking, Finance and urban Affairs.

1096. A letter from the Administrator, Environmental Protection Agency, transmitting the report on the study of problems associated with plastic debris in the New York Bight, pursuant to Public Law 100-220, section 2302 (101 Stat. 1468); jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on Apr. 26, 1989, the following report was filed on Apr. 28, 1989]

Mr. HAWKINS: Committee on Education and Labor. H.R. 7. A bill to amend the Carl D. Perkins Vocational Education Act to extend the authorities contained in such Act through the fiscal year 1995; with amendments (Rept. 101-41). Referred to the Committee of the Whole House on the State of the Union.

[Submitted May 1, 1989]

Ms. OAKAR: Committee on House Administration. H.R. 770. A bill to entitle employees to family leave in certain cases involving a birth, an adoption, or a serious health condition and to temporary medical leave in certain cases involving a serious health condition, with adequate protection of the employees' employment and benefit rights, and to establish a commission to study ways of providing salary replacement for employees who take any such leave; with an amendment (Rept. 10-28, St. 3). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 2161. A bill to amend the Federal Election Campaign Act of 1971 to clarify the definition of the term "independent expenditure"; to the Committee on House Administration.

By Mr. THOMAS A. LUKEN (for himself, Mr. WHITTAKER, Mr. TAUZIN, and Mr. SWIFT):

H.R. 2162. A bill to amend subtitle D of the Solid Waste Disposal Act to regulate municipal solid waste incinerators and municipal solid waste incinerator ash; to the Committee on Energy and Commerce.

By Mr. BERMAN (for himself, Mr. MORRISON of Connecticut, Mr. CARDIN, Mr. FRANK, Mr. EDWARDS of California, Mr. GLICKMAN, and Mr. MILLER of California):

H.R. 2163. A bill to amend title 28, United States Code, to make additional exceptions to the immunity of the property of a foreign state from attachment or execution; to the Committee on the Judiciary.

By Mr. DORGAN of North Dakota:

H.R. 2164. A bill requiring certain new procedures for the approval by the Interstate Commerce Commission of the acquisition and operation of railroad lines, and for other purposes; to the Committee on Energy and Commerce.

By Mr. FRANK:

H.R. 2165. A bill to repeal the provisions denying the estate and gift marital deductions where the spouse is not a citizen of the United States; to the Committee on Ways and Means.

By Mr. TORRICELLI (for himself, Mr. COELHO, Mr. BROOKS, Mr. HYDE,

Mr. FEIGHAN, Mr. BERMAN, Mr. KOSTMAYER, Mr. DYMALLY, Mr. SCHUETTE, Mr. FROST, Mr. LANTOS, Mr. BARTON of Texas, Mr. WEISS, and Mr. SMITH of Florida):

H.R. 2166. A bill to amend the International Claims Settlement Act of 1949 to provide for the payment of claims of nationals of the United States against Vietnam; to the Committee on Foreign Affairs.

By Mr. WISE (for himself and Mr. MCCANDLESS):

H.R. 2167. A bill to amend the National Narcotics Leadership Act of 1988 to repeal the termination of the Office of National Drug Control Policy in 1993, and to authorize appropriations to carry out that act through fiscal year 1990; to the Committee on Government Operations.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 6: Mr. WALKER, Mr. SMITH of New Jersey, Mr. KOLTER, Mr. BILIRAKIS, Mr. CARDIN, Mr. KYL, Mr. MACHTLEY, Mr. ORTIZ, Mr. HOUGHTON, Mr. NOWAK, Mr. CONYERS, Mr. SKEEN, Mr. SMITH of Mississippi, Mr. MFUME, Mr. ATKINS, Mr. CAMPBELL of Colorado, Mr. BARTLETT, Mr. GILMAN, Mr. LIVINGSTON, Mr. KASICH, Mr. ALEXANDER, Mr. ANDREWS, Mr. ARCHER, Mr. BILBRAY, Mrs. BOGGS, Mr. BRYANT, Mr. COOPER, Mr. DE LA GARZA, Mr. DICKS, Mr. DIXON, Mr. ENGEL, Mr. ESPY, Mr. GILLMOR, Mr. HOAGLAND, Mr. HOCHBRUECKNER, Mr. JONES of Georgia, Mr. THOMAS A. LUKEN, Mr. DONALD E. LUKENS, Mr. PARKER, Mr. ROHRABACHER, Mr. SKELTON, Ms. SLAUGHTER of New York, Mr. SOLOMON, Mr. TALLON, Mr. VOLKMER, Mr. WALGREN, Mr. WILSON, Mr. WOLF, Mr. WOLPE, Mr. YOUNG of Florida, Mr. APPLEGATE, Mr. CONTE, Mr. COMBEST, Mr. DICKINSON, Mr. HALL of Texas, Mrs. LOWEY of New York, Mr. MILLER of Washington, Mr. PASHAYAN, Mr. PENNY, Mr. ROYBAL, and Mr. SWIFT.

H.R. 22: Mr. WISE.

H.R. 46: Mr. RINALDO.

H.R. 56: Mr. ACKERMAN, Mr. BURTON of Indiana, Mr. MCCLOSKEY, Mr. NEAL of Massachusetts, Mr. OLIN, Mr. RAHALL, and Mr. SCHUETTE.

H.R. 81: Mr. AUCOIN.

H.R. 109: Mr. DERRICK, Mr. EVANS, and Mr. SKEEN.

H.R. 118: Ms. SCHNEIDER, Mr. HOCHBRUECKNER, Mr. SMITH of Florida, and Mrs. UNSOELD.

H.R. 145: Mr. MCCLOSKEY, Mr. STOKES, and Mr. BRENNAN.

H.R. 161: Mr. SCHEUER, Mr. MCMILLEN of Maryland, Mr. MAVROULES, and Mr. MORRISON of Connecticut.

H.R. 191: Mr. MCMILLAN of North Carolina and Mr. LIVINGSTON.

H.R. 287: Mr. ATKINS, Mr. DE LUGO, Mr. DYMALLY, Mr. BLAZ, Mr. ROE, Mr. JOHNSON of South Dakota, Mr. ROBINSON, Mr. BAKER, Mr. SLATTERY, and Mr. SMITH of Mississippi.

H.R. 360: Mr. CONTE.

H.R. 361: Mr. GILMAN.

H.R. 509: Mr. KASTENMEIER, Mr. KOSTMAYER, Mr. MCMILLEN of Maryland, and Mr. WALGREN.

H.R. 529: Mr. HORTON, Mr. PETRI, Mr. FISH, and Mr. WOLPE.

H.R. 530: Mr. HORTON, Mr. PETRI, Mr. FISH, and Mr. WOLPE.

H.R. 537: Mr. BORSKI and Mr. STUMP.

H.R. 633: Mr. DREIER of California.

H.R. 634: Mr. MOORHEAD, Mr. WILSON, Mr. DURBIN, Mr. CARPER, Mrs. UNSOELD, Mr. KASICH, Mr. LOWERY of California, Mr. WISE, Mr. GOODLING, and Mr. MILLER of Ohio.

H.R. 638: Mr. HAYES of Louisiana, Mr. PALLONE, Mrs. SAIKI, Mr. SKAGGS, Mr. TRAFICANT, and Mr. STUDDS.

H.R. 800: Mr. TOWNS, Mr. OWENS of New York, Mr. MARKEY, and Mr. DE LUGO.

H.R. 830: Mr. MCMILLEN of Maryland, Mr. BARNARD, Mr. BUSTAMANTE, Mr. MANTON, Mr. WOLPE, Mr. GUARINI, Mr. MCHUGH, Mr. MARKEY, Ms. PELOSI, Mr. HAMILTON, Mr. DARDEN, Mr. TORRICELLI, Mr. SCHUMER, Mr. PALLONE, Mr. DYSON, Mr. ROWLAND of Georgia, Mr. NATCHER, Mr. ENGEL, and Mr. OLIN.

H.R. 913: Mr. MILLER of Washington, Mrs. UNSOELD, Mr. HANCOCK, and Mr. MAVROULES.

H.R. 917: Mr. DWYER of New Jersey, Mr. KOLTER, Mr. SHAW, Mr. LANCASTER, Mr. LIGHTFOOT, Mr. BUSTAMANTE, Mr. SUNDQUIST, Mr. WILSON, Mr. STOKES, Mr. TRAFICANT, Mr. HALL of Texas, Mr. JONES of North Carolina, Mr. ACKERMAN, and Mr. DAVIS.

H.R. 953: Mr. CHAPMAN.

H.R. 1101: Mr. ROBINSON, Mr. PRICE, and Mr. NAGLE.

H.R. 1102: Mr. KOSTMAYER.

H.R. 1110: Mr. WHITTEN, Mr. LANCASTER, Mr. VOLKMER, Mr. TANNER, Mr. MCEWEN, Mr. SCHUETTE, Mr. VALENTINE, Mr. SHUMWAY, Mr. CLEMENT, and Mr. MILLER of Ohio.

H.R. 1117: Mr. TOWNS, Mr. OWENS of New York, and Mr. ATKINS.

H.R. 1134: Ms. KAPTUR and Mr. FAUNTROY.

H.R. 1164: Mr. FAUNTROY.

H.R. 1175: Mr. BOEHLERT, Mr. SHAYS, Mr. TOWNS, Mr. WALGREN, Mr. MCDERMOTT, and Mr. STAGGERS.

H.R. 1176: Mr. JONTZ, Mr. SCHUETTE, Mr. WEBER, Mr. SMITH of Vermont, Mr. POSHARD, Mr. PENNY, and Mr. STAGGERS.

H.R. 1205: Mr. KENNEDY, Mr. WHITTAKER, Mr. ENGEL, Mr. KILDEE, Mr. GARCIA, Mr. EMERSON, Mr. EVANS, Mr. MCEWEN, and Mr. MILLER of California.

H.R. 1250: Mr. ATKINS.

H.R. 1387: Mr. DURBIN.

H.R. 1409: Mr. ATKINS, Mr. BUSTAMANTE, Mr. CAMPBELL of Colorado, Mr. FAUNTROY, Mr. FORD of Michigan, Mr. HAYES of Illinois, Mr. JACOBS, Mr. JONTZ, Mr. KANJORSKI, Mr. KILDEE, Mr. PEASE, Mr. ROBINSON, and Mr. VENTO.

H.R. 1453: Mr. PALLONE, Mr. SMITH of New Jersey, Mr. MATSUI, Mr. BROWN of California, Mr. FAZIO, Mr. MCDERMOTT, Mr. RANGEL, Mr. TOWNS, Mrs. COLLINS, Mr. MORRISON of Connecticut, Mr. GEJDENSON, and Mr. STAGGERS.

H.R. 1505: Mr. ENGLISH, Mr. SCHUETTE, Mr. GILLMOR, and Mr. EVANS.

H.R. 1605: Mr. MFUME, Mr. FLIPPO, Mr. WOLF, Mr. PEPPER, Mr. BUECHNER, and Mr. GUNDERSON.

H.R. 1648: Mr. SABO, Mr. BUSTAMANTE, Mr. NEAL of Massachusetts, Mr. FUSTER, Mr. MORRISON of Connecticut, Mr. RICHARDSON, Mr. GARCIA, Mr. MCHUGH, Mr. SHAYS, Mr. SAVAGE, Mrs. COLLINS, Mr. LEWIS of California, Mr. HAYES of Illinois, Mr. OWENS of New York, Mr. MADIGAN, Mr. ATKINS, Mr. STUDDS, and Mr. LEWIS of Georgia.

H.R. 1649: Mr. BONIOR, Mr. SYNAR, Mr. PEASE, and Mr. GORDON.

H.R. 1677: Mr. ROBINSON, Mr. CARPER, Mr. MARTINEZ, Mrs. PATTERSON, Mr. FAUNTROY, and Mr. SMITH of Florida.

H.R. 1720: Mr. WOLPE, Mr. BOUCHER, Mr. FAUNTROY, Mr. SAVAGE, Mrs. COLLINS, Mr. DINGELL, Mr. TOWNS, and Mr. FAZIO.

H.R. 1994: Mr. CLAY, Mrs. COLLINS, Mr. DEFAZIO, Mr. LEHMAN of Florida, Mr. LELAND, Mr. MARKEY, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. OWENS of New York, Ms. PELOSI, Mr. RAHALL, and Mr. STUDDS.

H.R. 2060: Mr. SANGMEISTER, Mr. FRANK, Mr. PALLONE, Mrs. SCHROEDER, Mr. PAYNE of New Jersey, and Mr. MILLER of California.

H.J. Res. 68: Mr. SOLARZ, Mr. ROWLAND of Connecticut, Mr. FALEOMAVAEGA, Mr. DORGAN of North Dakota, Mr. HUCKABY, Mr. VANDER JAGT, Mr. YATES, Mr. DERRICK, Mr. ROSE, Mr. NELSON of Florida, Mr. COELHO, and Mr. PARRIS.

H.J. Res. 123: Mr. EVANS, Mr. BATES, Mr. ACKERMAN, Mr. PAXON, Mr. KOSTMAYER, Mr. MCGRATH, Mr. JENKINS, Mr. BORSKI, Mr. PARKER, Mr. HAYES of Illinois, Mr. MFUME, Mr. HALL of Texas, Mr. TRAXLER, Mr. LEVIN of Michigan, Mr. FISH, Mr. ESPY, Mr. RITTER, Mr. MURPHY, Mr. MARTIN of New York, and Mr. TOWNS.

H.J. Res. 135: Mr. TOWNS, Mr. ENGEL, Mr. STOKES, Mr. VENTO, Mr. VALENTINE, Mr. OWENS of Utah, Mr. SCHUETTE, Mr. JONES of Georgia, Mr. CRAIG, Mr. BUNNING, Mr. THOMAS of Georgia, Mr. HAYES of Illinois, Mr. HUNTER, Mr. BARNARD, Mr. RICHARDSON, Mr. BOEHLERT, Mr. SABO, and Ms. SLAUGHTER of New York.

H.J. Res. 164: Mr. SAVAGE, Mr. FISH, Mr. ROBERT F. SMITH, Mr. PAXON, Mrs. MARTIN of Illinois, Mr. DENNY SMITH, Mr. JONES of North Carolina, Mr. STAGGERS, Mr. ANTHONY, Mr. HATCHER, and Mr. FLIPPO.

H.J. Res. 170: Mr. GALLO.

H.J. Res. 186: Mrs. KENNELLY, Mr. ROGERS, Ms. SNOWE, Mrs. MORELLA, Mr. ROWLAND of Connecticut, Mr. UPTON, Mr. PEPPER, Mr. COELHO, and Mr. WEISS.

H.J. Res. 223: Mr. LEVIN of Michigan, Mr. BROWN of California, and Mrs. MORELLA.

H. Con. Res. 101: Mr. WALKER, Mr. GALLEGLY, and Mr. DANNEMEYER.

H. Res. 101: Mr. SISISKY, Mr. KASICH, Mr. SMITH of Florida, Mr. BUSTAMANTE, Mr. STARK, Mr. RAVENEL, Mr. MORRISON of Connecticut, Mrs. MORELLA, Mr. BATES, Mr. DURBIN, Mr. EVANS, Mr. WALGREN, Mr. MAVROULES, Mr. FRANK, Mr. MARTINEZ, Mr. GORDON, Mr. FORD of Michigan, Mr. MACHTLEY, Mr. DWYER of New Jersey, and Mr. REGULA.

H. Res. 122: Mr. FISH, Mr. JONES of North Carolina, Mr. WALSH, Mr. DELAY, and Mr. ATKINS.

SENATE—*Monday, May 1, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 1 p.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

For there is no power but of God: the Powers that be are ordained of God.—Romans 13:1.

Eternal God, sovereign Lord of history, Supreme Ruler of the nations, we express our gratitude for the opportunities which recess made possible—time with family and constituents—protection in travel and safe return—rest, relaxation and recreation.

Father God, in this place are 100 of the most powerful people in the world, entrusted by sovereign citizens with governance and ordained by God to the position of power. Where do we look if not to these thy servants for leadership? Where else do we look for models and examples of integrity and dependability? Upon whom may we depend, if not upon these, to address effectively the domestic and world problems which beset us?

Grant, gracious Father, to these whom Thou hast ordained to such awesome responsibility, the will, the courage, and the wisdom *"* * * to do justly, and to love mercy, and to walk humbly with Thy God."*—Micah 6:8.

In the name of Jesus, incarnate truth and love. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized under the standing order.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER DESIGNATING PERIOD FOR MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that following time for the two leaders there be a period for morning business, not to extend beyond 2 p.m., with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER TO CONSIDER S. 431

Mr. MITCHELL. Mr. President, I ask unanimous consent that at 2 p.m. today, the Senate proceed to Calendar No. 23, that is S. 431, a bill to authorize funding for the Martin Luther King, Jr., Federal Holiday Commission.

The PRESIDENT pro tempore. Without objection, that will be the order of the Senate.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, for the information of my colleagues, there will be no rollcall votes today. Any votes which may be ordered in relation to S. 431 will be stacked to occur tomorrow. I hope that the Senate will be able to complete action on S. 431 by tomorrow, and it is my intention, following completion of Senate action on S. 431, to take the fiscal 1990 budget resolution.

Mr. President, I reserve the remainder of my time and I yield to the distinguished Republican leader.

RECOGNITION OF THE REPUBLICAN LEADER

The PRESIDENT pro tempore. The Republican leader is recognized under the order.

SCHEDULE

Mr. DOLE. Mr. President, I would only inquire of the majority leader, it is my understanding that after we do the funding resolution, then the balance of the week, whatever it takes, will be on the budget. Is that correct?

Mr. MITCHELL. That is correct. As the distinguished Republican leader and I have discussed privately this morning, we want to complete action on the budget resolution as soon as reasonably possible so Senators should be prepared this week for lengthy sessions and, if necessary, several rollcall votes with respect to the budget resolution.

Mr. DOLE. I would say to the majority leader we have instructed on our side that Senators be contacted to see how many amendments they may have so that I will be able to give the majority leader some good estimate by, say, 2 o'clock on tomorrow.

Mr. MITCHELL. I thank the Republican leader.

Would the Republican leader yield for just a moment?

Mr. DOLE. Yes.

WELCOME BACK SENATOR GORE

Mr. MITCHELL. I did not see the distinguished Senator from Tennessee at the time and I just wanted to take the opportunity to welcome the distinguished Senator from Tennessee back to the Senate. All of us, of course, every Member of the Senate and Americans everywhere, were gratified at the news of the release of the Senator's son from the hospital and his continued recovery.

We are very, very happy to have you back.

Mr. GORE. I thank the majority leader. I will soon seek recognition to express my thanks in a more formal way, but to the majority leader and the Republican leader I wish to say a special thanks for the very generous resolution introduced and passed and the many thoughts and prayers that came our way. I will elaborate only very briefly, after the leaders are through.

Mr. DOLE. I will be happy to yield to the Senator now, if he would like.

Mr. GORE. I will wait. Thank you.

RESERVATION OF THE REMAINDER OF THE REPUBLICAN LEADER'S TIME

Mr. DOLE. Mr. President, I yield 1 minute of my leader's time to the distinguished Senator from Iowa and reserve the remainder of my time.

The PRESIDENT pro tempore. The Senator from Iowa [Mr. GRASSLEY] is recognized for 1 minute.

The time remaining under the leader's order is to be reserved to the Republican leader.

Mr. GRASSLEY. I thank the Chair.

(The remarks of Mr. GRASSLEY pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

MORNING BUSINESS

The PRESIDENT pro tempore. Under the order there will be a period for the transaction of morning business with Senators permitted to speak therein for not to exceed 5 minutes each.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

The Senator from Tennessee [Mr. GORE] is recognized.

HEARTFELT GRATITUDE

Mr. GORE. Mr. President, thank you so much. I will be very brief in expressing my heartfelt gratitude to my colleagues and to other Members of the Senate family for the many prayers and best wishes which sustained my wife and me and our family during the past month.

We have been at Johns Hopkins Hospital, at the bedside of our son, since he was hit by an automobile and sustained serious injuries.

I return to the Senate floor today because of the good news that our son is back home from the hospital and, although he still has some hurdles to clear, some physical therapy ahead of him and some broken bones that continue to mend, the prognosis is excellent and we are extremely grateful.

I wish to thank every single one of my colleagues for their prayers and best wishes during this difficult time. I have found a lot new about this Senate family. The outpouring of letters, cards, telephone calls, and personal conversations has been truly comforting and healing for us and for our son.

I intend to thank each of my colleagues individually and in person, but I want to single out just a few of the many gracious gestures that meant so much to us. I earlier referred to the generous action by the majority leader and the Republican leader for sponsoring a Senate resolution commending our son for his courage in the healing process. I want to say also to my colleagues that if anybody ever has a difficult time to get through, Maryland is a good State to pick because our colleagues, Senator SARBANES, and Senator MIKULSKI, were incredible in the efforts and the lengths to which they went in making our family comfortable during this time. They and their staffs were particularly helpful.

I wish to thank all the Senators who took time from their schedules to fill in for me at various events that were scheduled and seemed at the time incredibly important. The significance quickly paled compared to what we were going through, but Senator PRYOR, for example, filled in at a press conference. At another event, Senator ROBB chaired some hearings of my subcommittee, and many other Senators were kind in jumping in to help out. Senator JIM SASSER and his wife, Mary, who have always been wonderful friends to me and my wife and my family, really outdid themselves this time, and for that I am very grateful.

Mr. President, let me say that there are Senators in this body who have themselves suffered personal tragedies, tragedies of which my wife and I are now much more acutely aware, not only intellectually but personally and emotionally, and I have found many of these Senators to be great ministers. I thank our Chaplain for his activity in ministering to us and, in so doing, acknowledging that there are ministers among our colleagues in a lay sense, that they have been able to share with us their experiences and help us through the time that we have gone through. Of course, many of them have suffered and endured tragedies far more profound than the one which we have been enduring.

I have become much more acutely aware that there are many Senators and employees of the Senate who have gone through a great deal in their lives, and my respect for them is greatly enhanced.

I want to thank Mrs. Leahy and the Senate spouses group who volunteered frequently to do anything they could, even to donate blood to our son as he required repeated transfusions. And so to each and every Member of this body and to colleagues and friends in the other body, to members of the group of employees and staff and all in this community and family—and I have a new sense of what those words mean when they are applied as descriptions of this institution—I really wish to say a heartfelt thank you.

Our son, as I mentioned, has some healing still ahead of him, but he also has the best friends that any 6-year-old could ever ask for. I now know that I have the finest colleagues that any person could ever hope to work with. So on behalf of my wife and my family, I simply wish again to say thank you very much. I yield the floor, Mr. President.

The PRESIDENT pro tempore. What is the will of the Senate?

Mr. REID addressed the Chair.

The PRESIDENT pro tempore. The senior Senator from Nevada [Mr. REID] is recognized for not to exceed 5 minutes.

CRIME ON THE RAMPAGE

Mr. REID. Mr. President, I, like many of my colleagues, just returned from a visit to my State. I spent approximately 10 days in the State of Nevada. Mr. President, Nevada is booming and our summer tourist season is approaching. But these favorable conditions are overshadowed by a grim reality. Nevada's business and tourism is booming, but so is the crime and violence that is now plaguing all of our States. Crime is on the rampage.

Our progress is being stymied by this rampage. Nevada prisons are filled to the brim. Most other States have the same problem. It was announced last week that over 600,000 prisoners filled U.S. prisons in 1988. The overflow of prisoners reminds me of a current best seller entitled "Fatal Shores." The book tells of the "dumping" of British prisoners into Australia. Great Britain had run out of room for its criminals, so they sent them to another country.

Crime is increasing at a breakneck pace. The main cause of this crimewave is illegal drugs, sold in a market controlled by gangs. Gangs used to reign over territories, each staking out and defending their domain.

Those were innocent days, compared to now. Today's gangs in Las Vegas and all over the country are battling not for territories, but for drug markets and cold cash. Dollars for drug trafficking—that's the new name of the game.

Current estimates are that gangs with their roots in southern California now include 70,000 people. Those gangs have moved into southern Nevada. They are like an epidemic that spreads unmercifully, and kills just as easily. These gangs are not just coming into Nevada; they're moving into States throughout the country.

We can no longer hide our head in the sand. Crime is an overwhelming problem that begs for our attention. Congress attempted to do this last year with the omnibus drug bill. On paper, the bill looks pretty good. But the strength of that bill comes not from what we authorized but what we appropriated.

We did not appropriate enough money to make the bill one that is as effective as it should be—as it must be.

While in Nevada, I met with officials from the Drug Enforcement Administration; the Bureau of Alcohol, Tobacco, and Firearms; the Customs Department; the IRS Criminal Division; and the Secret Service. They each said the same thing—they are underfunded and understaffed. During the past 8 years, these agencies have decreased in size and consequently, in capabilities. They have positions they are not filling, even when vacancies occur due to attrition. The staff in these offices is tasked with more than they can realistically accomplish. Is this the kind of support we give to those upon whom we depend to put an end to the drugs, the gangs, and the crime? These people need much more support to put an end to crime and establish a new beginning for American society. In the past 4 years, something has gone drastically wrong. We cannot tolerate today's reality.

If foreign powers came to this country and did to us what these gangs and drug dealers are doing, we would declare war upon them. It is time we declared war on drugs and gave our people sufficient money and manpower to do the job.

CARSON CITY HIGH SCHOOL GIRL'S BASKETBALL TEAM

Mr. REID. Mr. President, I rise today to pay tribute to the Carson City High School girl's basketball team.

Often in the shadow of the large Nevada high schools, the Carson City High School girl's team is not only the Nevada women's champion, but also ranked this year among the top 20 teams in the Nation. I am happy to announce that their coach, Alana Williams, has been named Northern Coach of the Year, for this successful season.

Carson City High School, a school of about 1,300 students, is living proof that talented groups of students, and teachers, are not limited to large urban areas. Carson is a progressive school that places strong emphasis on academics. Its athletes do not excel only on the playing courts—the young women I am commending today are also honor students. These well-rounded girls are the pride of Carson City, and all of Nevada. I applaud the girls of the Carson City High School basketball team, and their coach, and encourage them to keep up the good work.

Here is what Ruthe Deskin, a columnist of the Las Vegas Sun, had to say:

When I was a kid growing up in Pizen Switch, and later as a student at University of Nevada, Reno, I was quite a good basketball player. Darn good, in fact. That might account for my love of the game.

This year—and every year—my heart has been with the Runnin' Rebels—no matter what they do. The same goes for the Lady Rebels.

But with all the hoopla that surrounds the Rebel basketball team, a girl's team in northern Nevada has been overlooked—except by those who measure ability and worth.

We should all be proud of the Carson City girl's high school basketball team for ranking among the top 20 teams in the nation this past season.

That's mighty fine for a small school in Nevada and proves that talent isn't confined to larger metropolitan areas.

Congratulations Carson City girls.

MEMORIAL SERVICE FOR THE 47 NAVY MEN WHO GAVE THEIR LIVES ABOARD THE U.S.S. "IOWA"

Mr. HELMS. Mr. President, the distinguished Senator from Virginia [Mr. WARNER] and I represented the U.S. Senate on April 24 when memorial services were conducted for the 47 young Americans who lost their lives aboard the U.S.S. *Iowa* on April 19.

Needless to say, it was a sad time for all who were present. But it was inspiring, too. In fact, I have never been more impressed than when I heard the words of comfort and sympathy by all who spoke that morning, including the President of the United States.

Mr. President, I will not try to describe the occasion. That can best be done by making a part of the RECORD the texts of the remarks we heard that morning, along with other information about the 47 men and the U.S.S. *Iowa*. Thus, I ask unanimous consent that at the conclusion of my remarks certain material be printed in the RECORD, as follows: First, names of the 47 fine young Americans who lives were lost; second, the program for the memorial service; third, tribute by Capt. F.P. Moosally, USN, commanding officer, U.S.S. *Iowa*; fourth, homily by Capt. John H. Kaelberer, CHC, USN, Atlantic Fleet chaplain; fifth, remarks by President Bush; sixth, benediction by the Honorable William L. Ball III, Secretary of the Navy; and seventh, the "Navy Hymn."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THOSE WHO GAVE THEIR LIVES ABOARD U.S.S. "IOWA" (BB-61), APRIL 19, 1989

Tung Thanh Adams, Robert Wallace Backherms, Dwayne Collier Battle, Walter S. Blakey, Peter Edward Bopp, Ramon Jerel Bradshaw, Phillip Edward Buch, Eric Ellis Casey, John Peter Cramer, Jr., Milton Francis Devaul, Jr., Leslie Allen Everhart, Jr., Gary John Fisk, Tyrone Dwayne Foley, Robert James Gedeon, III, Brian Wayne Gendron, John Leonard Goins, David L. Hanson, Ernest Edward Hanyecz, Clayton Michael Hartwig, Michael William Helton, Scott Alan Holt, Reginald L. Johnson, Jr., Brian Robert Jones, Nathaniel Clifford Jones, Jr., Michael Shannon Justice, Edward J. Kimble, Richard E. Lawrence, Richard John Lewis, Jose Luis Martinez, Jr., Todd Christopher McMullen, Todd Edward Miller, Robert Kenneth Morrison, Otis Levance Moses, Darin Andrew Ogden, Ricky Ronald Peterson, Matthew Ray Price, Harold Earl Romine, Jr., Geoffrey Scott Schelin, Heath Eugene Stillwagon, Todd Thomas Tatham, Jack Earnest Thompson, Jr., Stephen J. Welden, James Darrell White, Rodney Maurice White, Michael Robert Williams, John Rodney Young, Reginald Owen Ziegler.

MEMORIAL SERVICE, NAVAL BASE, NORFOLK, VA, APRIL 24, ,1989

Welcome: VADM J.S. Donnell III, USN, Commander Naval Surface Force, U.S. Atlantic Fleet.

The National Anthem: The United States Atlantic Fleet Band.

Invocation: RADM A.B. Koeneman, CHC, USN, Chief of Chaplains.

Pastoral Prayer: CAPT C.R. Coughlin, CHC, USN, Chaplain, COMNAVSURFLANT.

Reflections: CAPT F.P. Moosally, USN, Commanding Officer, U.S.S. *Iowa*.

Old Testament Reading: LCDR F.A. Thompson, Jr., CHC, USN, U.S.S. *Iowa* Chaplain.

New Testament Reading: LCDR J.L. Danner, CHC, USN, U.S.S. *Iowa* Chaplain.

Homily: CAPT J.H. Kaelberer, CHC, USN, Atlantic Fleet Chaplain.

The President: The Honorable George Bush.

Moment of Meditation.

Benediction: The Honorable William L. Ball III, Secretary of the Navy.

Navy Hymn: All Stand and Remain Standing.

Postlude: The United States Atlantic Fleet Band.

MEMORIAL SERVICE REMARKS, CAPT. F.P. MOOSALLY, COMMANDING OFFICER, U.S.S. "IOWA"

I remember turret two.

I remember their faces as they toiled at their guns, sweating an honest sweat that comes from young men dedicated to a great cause. Who chose to serve, to grow and to learn with others, while securing a place in history for generations after them.

I remember their strong hands as they wielded their great charges with an energy I could only marvel at. The energy of their youth which they channeled towards their love of freedom.

I remember as they talked among themselves, looking so much like sailors of our past, sharing the exuberance of the times and the dreams of the future.

I remember turret two.

They were the life, the spirit and the soul of our ship. They embodied the ideals of our history and the hope of a brighter tomorrow. They gave of themselves to the goals we all share, and they made the ultimate sacrifice for us. We will not, nor can we ever forget the lessons they taught us.

The crew of *Iowa* shared much with turret two. We shared their enthusiasm, their drive and their kindness. We worked side-by-side and shoulder-to-shoulder to build a team, a family, a common bond which can never be broken. And though they have left us in body, they will always remain within us.

We came together in times of trouble. We shared the good and the bad, the comedy, and now the tragedy. The grief we share with you their families, is deep, but we must go on. For we are the crew of *Iowa*. Permanently fused, like the steel of the ship we sail. Our sides are strong, our towers high and our course is set. We are the *Iowa*.

A part of every rivet, every plank and every line. We are the ship. She breathes through us, and she lives as a part of us. As long as she sails the seas we will be a part of her, a part of the *Iowa* spirit. That spirit lives, and the men of turret two will forever be a part of that living spirit.

HOMILY BY CAPT. JOHN H. KAELBERER, ATLANTIC FLEET CHAPLAIN

Grace to you and peace from God the Father and the Lord Jesus Christ.

Today we remember and honor 47 Navy shipmates who paid the supreme sacrifice for our country. Their names in our program are more than ink upon paper . . . They are sons, husbands and fathers and our great Nation joins with and shares in the grief that the families and the collective family in U.S.S. *Iowa* experiences.

We reach out to you to express our sympathy, to embrace you physically, and just be with you. Because we care and love you, there is a prayer upon the hearts of your fellow-Americans . . . the prayer that God may grant you His peace and His comfort . . . that He mend your broken hearts.

What happened five days ago in No. 2 turret can not be reversed. All that was important to us on Tuesday such as the dinner menu, employment opportunities, the new dress, a night at the movies or ball game, suddenly became irrelevant on Wednesday morning when radio and TV brought the news of tragedy in U.S.S. *Iowa*. All that was

familiar became unfamiliar, meaningless. Even the Scripture passages read moments ago may seem irrelevant.

The Good Shepherd . . . "Where is He?" . . . You ask as you find yourself deep in the valley of the shadow of death . . . a valley whose walls imprison you in grief. Then the words of the psalmist come to you again, words you have heard hundreds of time, but today they come as God's light, love, and peace to your heavy heart: "Yea, though I walk through the valley of the shadow of death, I will fear no evil, for Thou art with me." Then, perhaps, you feel yourself wrapped in helplessness, as you see yourself as a sheep, that is trapped . . . in need of a shepherd. But you need not panic or feverishly search for the shepherd. He has been with you all the time and not for a split-second has He ceased to be the Good Shepherd. He is the only meaning, comfort, peace, and help that you can take hold of.

To the Jew the Good Shepherd is shalom which means not only peace but completion, wholeness comfort . . . all that gives meaning to life.

To the Christian the Good Shepherd is Jesus. In John 10:11 Jesus said: "I am the Good Shepherd." And as Good Shepherd He it is who prepares places in God's heavenly mansions, and who promises that where He is, we may be also . . . all through His resurrection power!

Yes, dear people, there is hope and comfort. Your loved ones, our loved ones, in the line of duty gave their lives for our country. They now know the God who breathed life into them when they were conceived in their mother's wombs. May we, who yet walk in this life know God who is our Creator/Saviour/Lord and know the comfort and the peace which at a time like this, He alone can give.

Amen.

REMARKS BY PRESIDENT BUSH

We join today in mourning for the 47 who perished, and in thanks for the 11 who survived. They all were, in the words of J.J. Rooney, "the men behind the guns."

They came from Hidalgo, Texas, and Cleveland, Ohio; from Tampa, Florida, and Costa Mesa, California. They came to the Navy as strangers; served the Navy as shipmates and friends; and left the Navy as brothers in eternity. In the finest Navy tradition, they proudly served on a great battleship—the U.S.S. IOWA.

This dreadnought, built long before these sailors were born, braved the wartime waters of the Atlantic to take President Roosevelt to meet Winston Churchill in Casablanca, and anchored in Tokyo harbor on the day World War II ended. The IOWA earned 11 battle stars in two wars.

October of 1944, off the coast of the Philippines. I can still remember. For those of us serving on carriers in Halsey's 3rd Fleet, having the IOWA nearby really built our confidence. I was proud to recommission the IOWA in 1984. Now fate has written a sorrowful chapter in the history of the U.S.S. IOWA.

Let me say to the IOWA crew, I understand your grief. I, too, have stared at the empty bunks of lost shipmates, and asked, "Why?" I promise you today, we will find out "why"—the circumstances of the tragedy. But, in a larger sense, there will never be answers to the questions that haunt us. We will not—we cannot, as long as we live—know why God has called them home.

But of one thing we can be sure—this world is a more peaceful place because of the U.S.S. IOWA. The IOWA was recommissioned, and her crew trained, to preserve that peace. So never forget that your friends died for the cause of peace and freedom.

To the Navy community, remember that you have the admiration of America for sharing the burden of grief as a family—especially the Navy wives, who suffer most of the hardships of separation. You have always been strong for the sake of love. You must be heroically strong now. But you will find that love endures. It endures in the lingering memory of time together, in the embrace of a friend, in the bright questioning eyes of a child. And, as for the children of the lost, throughout your lives, you must never forget: Your father was America's pride.

Your mothers and grandmothers, aunts and uncles, are entrusted with the memory of this day. In the years to come, they must pass on to you the legacy of the men behind the guns.

To all who mourn a son, a brother, a husband, a father, a friend—I can only offer you the gratitude of a Nation, for your loved one served his country with distinction and honor.

All Americans hope that our sympathy and appreciation provide some comfort. But true comfort comes from faith and prayer.

Your men are under a different command now, one that knows no rank, only love; knows no danger, only peace. May God bless them all, these men behind the guns.

And may God bless the U.S.S. IOWA, and all who walk her deck.

BENEDICTION BY THE HONORABLE WILLIAM L. BALL III, SECRETARY OF THE NAVY

Our Father:

Before we take leave now—one from another—we pause to thank you for your presence here and for your sustaining watchcare over those of our Navy family whose loss we mourn.

We pray that you will bestow upon us the will, compassion, and humility that you enable us to draw strength from each other. It is from that strength that we will renew our faith O Lord—and then from that faith may we seize upon hope.

Be with our President as he leaves us now and shoulders the burdens we have placed on him. Sustain within him the qualities that are your special gift to him—and that bring from his heart those words that console us today.

It is our prayer that you will guide to him our thoughts as a Nation in sorrow—that we may behold all that is noble in the sacrifice of these 47 men of IOWA—and that we may reflect as a Nation on the precious heritage and the national treasure that these sailors and their shipmates represent.

Finally, Lord, we ask most earnestly that you insure that those men taken from us know from this moment and forevermore how proud we are to have had each of them serve under our Flag. We know not where we find such good and able men who came forward to serve at sea. We know only Lord that we trust in you and we have them here by your grace and through your love for us.

Help us to honor them as we leave here with the vow that we shall never forget the price they have paid and the purpose for which they have paid it. For it is in Thy Holy Name that we ask it. Amen.

NAVY HYMN

Eternal Father, strong to save,
Whose arm hath bound the restless wave,
Who bidd'st the mighty ocean deep
Its own appointed limits keep,
O hear us when we cry to thee
For those in peril on the sea!

And when at length her course is run,
Her work for home and country done,
Of all the souls that in her sailed
Let not one life in thee have failed;
But hear from heaven our sailor's cry,
And grant eternal life on high! Amen.

EUNICE KENNEDY SHRIVER'S ELOQUENT RESPONSE TO THE "ABORTION-RIGHTS MESSAGE"

Mr. HELMS. Mr. President, the April 24 edition of the Washington Post contained a remarkably eloquent letter written by Eunice Kennedy Shriver. I have never read a more impressive analysis of a moral problem besetting our country today.

I shall not comment further except to say that all Senators, and all others who read the CONGRESSIONAL RECORD from time to time, should spend a few minutes reading what Mrs. Shriver wrote.

Mr. President, I ask unanimous consent that Mrs. Shriver's aforementioned letter to the editor be printed in the RECORD, along with a note that she wrote to me.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE JOSEPH P. KENNEDY, JR., FOUNDATION,
Washington, DC, April 25, 1989.

Hon. JESSE HELMS,
Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR HELMS: I thought you might be interested in the attached letter to the editor which appeared in the Washington Post on Monday, April 24, 1989.

I hope you will find the letter helpful in clarifying some extremely important and sensitive issues.

Sincerely,

EUNICE KENNEDY SHRIVER.

[From the Washington Post, Apr. 24, 1989]

THE DANGEROUS IRONY OF THE ABORTION-RIGHTS MESSAGE

I watched the recent March for Women's Equality/Women's Lives with both pride and dismay; pride that so many thousands of women could come together to affirm significant issues affecting their lives; dismay at the sight of mothers and daughters parading together under the banner of "control of our bodies."

Whatever the arguments pro- or anti-abortion, the assertion of unlimited "control of our bodies" sends a dangerously confusing and ambiguous message to all women, but especially to our generation of teenagers.

For the fact is, our most often-repeated message to teens who would claim their right to control everything that involves their bodies is, "Just say no!" We challenge their right to take drugs, to smoke, to become addicted to alcohol, even to enhance their bodies' strength through steroids.

We say that "control of your body" must be limited to those actions and behaviors that are life-affirming. And this includes

the ways in which we express and use our sexuality, and the way in which we treat the life that our sexuality creates.

When a pregnant teen-ager (or any pregnant woman) goes to see her obstetrician for prenatal care, the obstetrician tells her to eat correctly, stop smoking, stop drinking, don't do drugs, exercise and get proper rest. Is this advice just for her, or is the physician thinking beyond the mother to the fetus? Isn't it strange and confusing that we ask a physician to perform an abortion without regard for the life of the fetus, whereas at the same time, in other cases, we expend great medical resources to treat a fetus in the womb?

There is far more to this issue than control of one's body. There is the overwhelming principle of the affirmation of life; the absolute right for the fetus, as a life, to be considered in making a life-threatening decision.

In a rational and moral society, how can we expect the physician to be responsible both for the welfare of the fetus and for its destruction? Does this affirm the meaning of life or deny it? And what message does this send to our teen-age children concerning the proper "control over their bodies"?

Morality and law should protect the life of the fetus against the absolute "control" of anyone. Even the mother. I am not a lawyer, but if I were pursuing the legal arguments, I would take the position that the courts have already affirmed the civil right of the fetus.

If a product such as thalidomide damages the young fetus, that fetus at birth has legitimate basis for a claim of personal injury against the manufacturer, and large awards have been granted in such cases.

Similarly, if abortion is attempted but is incomplete, and the fetus is born later as a damaged baby, I believe that the fetus, now a baby, has cause for damages resulting from injury during pregnancy. Certainly, being deprived of life—as guaranteed by the Constitution—should be even more a cause for action than being damaged.

Under the Constitution, and our traditions of ethics and morality, no one should exercise absolute control over another. What is missing from the easy acceptance of "control of our bodies" is due process by which the rights of the fetus must be weighed against the rights of the mother.

Such an application of due process would permit the weighing of circumstances and the legitimate claims of both the mother and the fetus. It would make the taking of the life a serious, even agonizing decision for the physician and the mother, not an easy, forgettable act. It would make getting pregnant or making another pregnant a serious, not a cavalier, act. And with hope, it would move us to a more responsible and more life-affirming citizenry in matters of sex.

If we are to be a life-affirming society, we must articulate the values that underlie both our private acts and our public policy; housing for the homeless, food for the hungry, quality education and health care for the poor, the disabled and the young. And then, reflecting on our values, shouldn't we also be a society that cares for and respects and protects life in the womb?

EUNICE KENNEDY SHRIVER.

WASHINGTON.

A TRIBUTE TO JIM ANDERSON

Mr. BURDICK. Mr. President, as most of my colleagues in this Chamber know, I have dedicated my career to the working people of this Nation, the backbone of America. When I think of working people, particularly union members, Jim Anderson of Fargo comes to mind. A member of the International Association of Machinists, Jim is always willing to help his family and friends, his coworkers, and his community. I am proud to know Jim and his wife, Peggy.

Jim was recently given organized labor's highest award for service to youth. I ask unanimous consent that a brief article about this honor be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ANDERSON HONORED BY MACHINISTS

Jim Anderson, a member of the International Association of Machinists and Aerospace Workers, Lodge 2525 in Fargo, has been presented the George Meany Award, organized labor's highest award for service to youth through the program of the Boy Scouts of America.

The award is given by the Fargo-Moorhead AFL-CIO Trades and Labor Assembly to recognize union members who perform outstanding service to youth as a volunteer Scout leader.

THE MIDDLE EAST

Mr. BURDICK. Mr. President, for many years America's efforts to maintain peace in the Middle East have been driven by an overriding desire to assure a steady flow of petroleum. But a recent report in the Cox newspapers suggests that water—not oil—is the resource that will most influence the geopolitical landscape of that politically volatile region.

Andrew Alexander, a reporter with the Washington Bureau of Cox Newspapers, spent 5 months examining water availability and consumption patterns throughout the Middle East. His findings are disturbing—not just because they suggest that the scarcity of water could lead to regional conflict, but because they point out that Congress has all but ignored the likelihood of this crisis. As Mr. Alexander points out, Congress has not devoted a single hearing to this topic in at least the past 10 years. Yet we have approved more aid for the Middle East than any other part of the world during that period.

Mr. President, this report is painstakingly researched and disquieting in its conclusions. It brings to our attention a little known problem that may soon develop into a major crisis. At the same time, an accompanying article offers hope that such a catastrophe can be averted—but only if we act now. I ask unanimous consent that they both be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LOOMING WATER CRISIS THREATENS MIDEAST—SHORTAGES COULD IGNITE WARS IN FRAGILE REGION

(By Andrew Alexander)

JERUSALEM.—The Middle East is on the verge of a water crisis that could cause unprecedented economic hardship, rip apart fragile political alliances and plunge the region into a series of bloody conflicts by the end of the century. Water—not oil—is emerging as the resource that will most influence the geopolitical shape of the Mideast.

An analysis of hundreds of key indicators gathered from the region—data on water flows, consumption patterns, population trends and economic projections—points to critical water shortfalls in the Mideast by the year 2000.

The struggle for scarce water could be a catalyst for peace—but only if governments begin soon to forge water-sharing agreements.

If they do not, the region could explode into water struggles that would have major implications for the United States and render useless the billions of U.S. dollars spent to maintain a military and political balance in that region.

Water scarcity has been a pressing concern since biblical times in the arid Mideast, where rainfall is irregular and less than 8 percent of the land is cultivated. But only recently have experts begun warning that soaring populations, high water consumption and ravaged economies could combine to ignite simmering political disputes.

"The beginnings of the crisis are already here and the potential for large-scale crisis is great," says Thomas Naff, a leading water expert with Associates for Middle East Research Inc. of Philadelphia.

Similar views are shared by many of the government leaders, technical experts, political analysts and intelligence sources interviewed by Cox Newspapers in Israel, Jordan, Egypt, Turkey, France, Britain and the United States. Many of the informed observers say the issue has not received priority attention in official circles—perhaps because it is a silent problem creeping toward catastrophe.

In the past 10 years, Congress has approved more U.S. aid for the Mideast than any other region of the world. Israel and Egypt alone have received nearly $60 billion during that period. Yet in that time period U.S. lawmakers have not held a single hearing on Mideast water shortages.

Government leaders in the region acknowledge that water shortages pose a severe problem, but few publicly describe it as a crisis.

"When you ask these people if this is a crisis, you have to ask yourself: 'Compared to what?'" says Joyce Starr, a Mideast water expert with the Center for Strategic and International Studies in Washington. "To them, it may not be a crisis compared to the threat of war tomorrow or the everyday threat of terrorism."

To some, the problem may appear overstated. Tourists in the Mideast find ample water to bathe or swim. The Jordan Valley is lush with irrigated crops. The Nile River flows wide and steady.

Yet such appearances are deceiving. These outward signs of abundance mask immense water problems and potential conflicts. Among them:

By the end of the century, Israel's water needs may exceed supply by 30 percent. Jordan may face a shortfall of 20 percent.

Water rationing has already begun in parts of Israel, Jordan, Syria and Libya.

In southeast Turkey, the government is nearing completion of the mile-long Ataturk Dam as well as more than a dozen smaller dams along the Tigris and Euphrates rivers, which flow into Syria and Iraq. These projects will provide electricity and irrigation to an area of Turkey roughly the size of South Carolina. But they will also diminish the flow of water into Syria and Iraq, which need it for their own industrial and agricultural expansion.

Turkey has pledged to provide Syria and Iraq with an adequate flow of water. But prolonged negotiations have yet to produce a formal agreement.

Experts fear that the Nile River cannot support Egypt's rapidly expanding population, which is projected to double to 110 million in the next 25 years. They warn that the population growth rates are alarmingly high in eight other African nations that rely on the Nile's water, suggesting that the river may not be big enough to support them.

Most countries in the region also face a water quality problem. Confidential studies by the World Bank and independent experts, obtained by Cox Newspapers, warn of unacceptably high levels of water pollution in Jordan. Similar problems exist in Cairo, where sewage often backs up into houses because the burgeoning population has clogged the waste removal system. Some experts fear the sewage is seeping into fresh water supplies.

The consequence of water shortages will not be fields that suddenly become parched.

Rather, the impact will be more gradual, experts report. Dwindling water supplies will more likely mean a steady reduction of living standards in a part of the world already mired in economic crisis. Less water for irrigation will reduce crop yields, which will cut farm exports. As conditions deteriorate, the likelihood of unrest will grow.

There have already been wars—and near wars—in the Mideast over control of key rivers such as the Jordan, Litani, Yarmuk and Orontes.

After that war, the Palestine Liberation Organization launched raids against Jewish water installations, prompting Israel to attack irrigation canals in neighboring Jordan. By damaging crop production, Israel hoped to pressure Jordan's King Hussein to clamp down on the PLO.

War was narrowly averted in 1975 when Iraq mobilized its army against Syria, which had begun to fill an upstream reservoir on the Euphrates River.

As expanding populations create additional demand for water, the number of such incidents could grow.

Israel and Jordan are concerned that Syria will try to alter the flow of the Yarmuk River, which provides critical irrigation for Israeli and Jordanian farms.

Some experts worry over reports that Ethiopia, whose mountains supply the bulk of the runoff that feeds into the Nile, plans to build a dam across that vital waterway. The reduced flow to Egypt, which needs more Nile water to expand agriculture, could lead to war.

Washington expert Starr says the balance of water-sharing along the Nile remains so fragile that a major diversion anywhere along its 4,000-mile route could lead to conflict.

"You've got nine countries sharing the Nile, each with booming populations and growing water requirements," she says.

Nowhere is the water issue more volatile than in Israel.

"We have a serious problem," admits Israeli Water Commissioner Zemach Ishai. "We need more water for agricultural expansion, (but) we don't have any sources that are untapped."

Growing demand has forced Israel to draw on its water resources beyond their replenishment rate. Israeli water officials acknowledge that overpumping the country's two main aquifers has created a nationwide deficit of about 1.7 billion cubic meters (BCM) of water—only slightly less than the 1.9 BCM the country uses annually. Some estimates by outside experts put the annual consumption much higher.

This 1.9 BCM equals about 500 billion gallons of water, which can be compared with Austin's water usage. City officials estimate that Austin water customers use about 33 billion gallons a year.

Experts doubt that Israel's aquifers can be replenished.

"Somewhere between the turn of the century and the year 2010, they are going to have to come up with between 500 and 600 million cubic meters annually of new water," says Naff. "They can't do it."

Once water levels dip below what hydrologists call the "red line," surrounding pools of salt water and other pollutants begin seeping into the aquifers and contaminate the remaining fresh water. A 1987 report by Israel's State Comptroller found seepage into the country's primary coastal aquifer had polluted more than half of the wells there with nitrate levels that exceed the health standards of most Western countries.

Now there is concern that the overpumping will ruin Israel's aquifers. "Once you have destroyed an aquifer it can't be restored in just a few years," warns Naff. "It can take up to 20,000 years."

In a sense, Israel is a victim of its own success. During the past quarter-century, it has emerged as the world leader in efficient water use. Israel pioneered "drip irrigation" technology—specially designed hoses dribble water on individual plants—that has literally made the desert bloom. Cultivated land has increased from 400,000 acres in 1948, when the country gained its independence, to more than 1.6 million acres today. On a per capita basis, Israel now consumes five times more water than its Arab neighbors.

Demand will grow along with Israel's population, which is projected to increase by 1 million to 5.5 million by the end of the century.

Ishai acknowledges "there has been overexploitation" of water resources in Israel.

According to the latest report of the West Bank Data Base Project, an independent Israel-based research group, Gaza is now experiencing an "acute shortage" of drinking water in some areas. The annual shortfall of about 2.4 million cubic meters is made up by forcing residents to drink brackish water.

Israelis blame the water shortage on Arabs for drilling to many wells in Gaza before the 1967 war. Arabs blame Israeli settlers for taking a disproportionate share every since.

"Regardless of who is at fault, there is no water," says Starr, who last year authored a report on Mideast water problems. She added, "Israel will have to supply Gaza with water by the year 2000 and they don't have the water to supply."

Ishai's solution is to refuse to pipe any Israeli water to Gaza to agriculture purposes after the year 2000, when the Arab population there is expected to exceed 1 million.

"We'll give them water to live," says Yishai, "but we are not going to support their agriculture."

A U.S. diplomat in Jerusalem says such a policy would be "tantamount to starvation" for the Arab residents and would create an "enormous international human rights controversy" for the Israeli Government.

Jordan already faces a water crisis that its burgeoning population and strained economy promise to make worse. Parts of the country now experience shortages during the summer months.

Aquifers and wetlands are drying up as water is withdrawn to meet the agricultural and domestic needs of a population that grows annually by 3.6 percent—the world's fifth-highest growth rate.

"The level of consumption, brought about by development and population, is hitting the ceiling of our fresh-water resources," says Munther Haddadin, former head of the Jordan Valley Authority, which administers the farming area along the Israeli border.

But Jordan is wasting much of its water. Government officials say millions of cubic meters of water are lost each year through broken water mains and evaporation through open canals. Elias Salameh, a leading water expert at the University of Jordan, points to a recent study that shows losses of up to 52 percent in some community water systems. He says acceptable losses should not exceed 15 percent.

In the Jordan Valley, the country's agricultural heartland, the waste is even greater. Up to 60 percent of the annual flow for crop use is lost through overuse by farmers and from evaporation and cracks in the 1960s-era open canals that deliver water to fields, says M. Bani Hani, secretary general of the Jordan Valley Authority.

He hopes losses can be cut by two-thirds by replacing the canals with a network of pressurized pipes. But this urgently needed conversion work has been slowed by Jordan's economic problems.

Even if waste is sharply reduced, he says, Jordan will still face such a severe shortfall by the year 2005 that water will have to be diverted from agriculture to meet the domestic needs of the growing population.

A confidential World Bank report prepared for the Jordanian government last year, found that the demand for industrial and municipal water is already so great that agricultural expansion in the Jordan Valley should be halted immediately so as not to draw off any more water for irrigation. But that step would further exacerbate Jordan's economic woes since agriculture accounts for nearly a fifth of that country's annual export earnings.

With financial help from the United States, Jordan and Syria plan to build a $400 million "Unity Dam" on the Yarmuk River, which skirts their common border. It would provide electricity for Syria and would give Jordan an additional 150 million cubic meters of water annually.

But the dam must be built by 1995 in order for Jordan to avoid severe water shortages. Even if completed on time, the World Bank report cautions, Jordan's growing population will require another new water source for municipal and industrial needs by the year 2005.

In addition, Jordan's water is becoming badly polluted. The surface water flowing into the reservoir behind the King Talal Dam, which stores water for irrigation, is crusted with a snow-like foam. It is so badly polluted that fishing is forbidden. Some ex-

perts worry that this poor water quality may be contaminating crops.

Jordan Valley farms are irrigated with water from the East Ghor Canal, completed in 1964 with U.S. government aid. In a confidential report to the Jordanian government, a Canadian research scientist noted a "shocking" lack of data on the water's purity.

When he asked an official why the water was not being monitored for pollution, the scientist wrote, he was told: "It is well-known that the East Ghor Canal is grossly contaminated with fecal pollution.

In the impoverished Cairo neighborhood of Mounira el Gedida, where about 150,000 people live 1,000 to an acre, tanker trucks crawl the streets in search of manhole covers hidden beneath decomposed garbage. Drivers pry open the metal lids, stick hoses down the hole, and an engine begins sucking tons of raw sewage into the tank.

This is a sign of the times in Cairo, whose estimated 21 million residents have clogged the city's sewage system, which routinely backs up into houses in impoverished areas. Although Egyptian officials deny it, some water experts believe the sewage is seeping into water supplies.

That is just one of many water problems confronting Egypt.

More serious ones involve the Nile River, which flows majestically through Cairo, giving a false impression that there is more than enough water to meet Egypt's growing agricultural, municipal and industrial needs. In reality, the Nile is being overtaxed. Indeed, there is concern that it may not be able to support the country's growth.

The problem can be seen 600 miles upriver from Cairo at the Soviet-built Aswan High Dam, completed in 1971. About 360 feet high and more than 2 miles long, the dam blocks the Nile. It has created a lake that stretches 300 miles into neighboring Sudan.

The dam was built to provide electricity and to regulate Nile waters for farming. Yet, an unforeseen consequence has been that it has harmed the land. Before the dam was built, seasonal floods deposited up to 20 million tons of mineral-rich mud on the fields. Now, that silt is trapped behind the dam, and the water that passes through is purged of its natural ingredients.

Thus, farmers must purchase fertilizers. While the regulated Nile waters have enabled them to turn more desert land to agricultural use, the crop yield per acre has declined in some areas since the dam was constructed.

The greatest fear among Egyptian water experts is that the Nile will be unable to support the country's soaring population. Under a 1959 agreement with Sudan, Egypt is permitted to withdraw about 55.5 billion cubic meters of water annually from the Nile. That is roughly equal to the amount of water used in many U.S. municipal water supplies each day.

Last year, Egypt used nearly all of its quota. Yet its population is growing at a rate of 2.8 percent a year.

Ossama el-Baz, chief of staff to Egyptian president Hosni Mubarak, is confident the country's future needs can be met through conservation, recycling irrigation water, expanding farmlands and lowering the rate of population growth to 1.5 percent annually.

But others, including experts from Western governments who advise the Egyptians on water matters, are alarmed.

They note that in recent years Egypt has had to import up to 50 percent of its food. Furthermore, they say, the government has done too little to stop farmers from wasting water through "flood irrigation" techniques.

Government officials agree that one way to increase efficiency is to begin charging farmers for the water they use. But the Mubarak government fears political fallout.

"People have been using this free for years. It's tradition," says A.B. Abulhoda, a top water official. "You can't just start charging them."

If Egypt's water supply problems are difficult during ordinary years, there is potential for drought that would cause widespread suffering.

Several years ago a prolonged drought caused water levels behind the Aswan Dam to sink to within 10 yards of the 12 giant turbines that provide nearly a quarter of Egypt's electricity. Had there not been enough water to turn the turbines, Abulhoda said, there would have been a "very grave" disruption of Egypt's economy.

Egypt's problems could be made worse by developments in upriver countries.

So far, Egypt has been assured of enough water because—under the 30-year-old water-sharing agreement—Sudan has been taking less than its annual allotment. But should peace come to war-torn Sudan, and a new prosperity lead Sudan to demand its full quota, Egypt could suddenly face a critical shortfall.

"We could soon come to a time when a drop of water is more valuable than a drop of petrol," says Abulhoda. "This time will come."

TAPPING SCIENCE, BUDGETS FOR ANSWERS

ANKARA, TURKEY.—Turkey's leaders think they have the solution to the Middle East water shortage that threatens economic chaos and conflict throughout the region.

They want to build two giant pipelines that would tap rivers in sparsely populated south-central Turkey. Each pipe would run nearly 1,700 miles south through nine Middle East countries, carrying 1.5 billion gallons a day to 16 million people who face shortages.

The Turks, who would be paid for their water, call it the "Peace Pipeline Project" because it could reduce the risk of wars by forcing traditional adversaries to cooperate in sharing water.

The construction price tag is staggering—$20 billion.

Yet the leaders of Middle East nations, many of them with ravaged economies, seem resigned to paying whatever it costs to keep the spigot open. They see enormous water projects—dams, reservoirs, deeper wells—as their only option.

They may be wrong.

For there is evidence that vast amounts of water are hidden in the Earth right beneath their feet. And it can be retrieved at a fraction of the cost.

"Most governments see the solution to the crisis as a big dam here or there (or) pipelines going 2,000 miles across countries that are not very friendly towards each other," says Robert Bisson, who heads BCI Geonetics Inc., a New Hampshire-based company that uses new technologies to locate water. "What we have discovered is that a large portion of the water balance has been unaccounted for."

Joyce Starr, a Middle East expert with the Center for Strategic and International Studies in Washington, agrees.

What we don't need are gigantic dams and massive construction projects," she says. "What we need is better management of the resources we have and breakthroughs in technology."

Bisson estimates that 97 percent of the world's unfrozen fresh water is trapped in fractures in the Earth's crust and in the layers of sand and gravel that cover rock formations. Yet only 5 percent of this has been developed, he believes.

Several years ago in Somalia, an African nation that seems hopelessly parched, Bisson's company discovered water. Using so-called "remote sensing" technology such as computer-enhanced satellite imagery and aerial photographic analysis, BCI specialists tracked moisture as it seeped into the Earth's surface after sparse seasonal rains.

The signs tipped them to the likelihood of water-bearing faults beneath the surface. Wells were drilled and soon hundreds of gallons per minute were gushing to the surface.

BCI has conducted similar high-tech searches in Africa and throughout the United States, and claims nearly 100 percent success in finding water, often at far less cost than piping water from long distances.

A few years ago, BCI was asked to search for water in Seabrook, N.H., after taxpayers defeated a $2.5 million plan to pump 700,000 gallons a day into the town's water supply from an outside source. BCI located three well sites that began producing 1.6 million gallons a day at a cost of less than $1.5 million.

Despite the promise that remote sensing holds, Middle East countries are only now beginning to experiment with it. Jordan last year sent three geological engineers to Boston University to study under Farouk El-Baz, who was science adviser to the late Egyptian President Anwar Sadat and who is considered one of the foremost authorities on remote sensing.

"The possibilities are mind-boggling," El-Baz says. "It could be a key to their (water shortage) problem, and it is not nearly so expensive.

Adds Bisson: "If you put the private sector in there with the profit motive, it can be developed efficiently and quickly. The government and the private sector can work in a coordinated fashion.

But most Middle East countries shun remote sensing and continue to plan massive water projects.

BCI Vice President Joseph Ingari thinks it is because geological engineers in these countries, "don't understand the techniques" for discovering water in rock fractures and therefore opt for the traditional big pipeline or well-drilling projects.

Libyan leader Moammar Gadhafi has embarked on what may end up to be a $25 billion project to pipe water from acquifers beneath the Sahara Desert to coastal cities 1,200 miles to the north. The first phase of what Gadhafi calls the "Great Man-made River" is expected to open this year.

Libyan water officials say the acquifer beneath the Sahara is big enough to keep water flowing through the pipes for at least 50 years. But experts and officials in neighboring countries privately say they believe Libya has overestimated the size of the acquifer and what the amount of available water will never justify the project's enormous cost.

Another large water project is nearing completion in southeast Turkey. There the mile-long Ataturk Dam and a network of more than a dozen smaller dams along the Tigris and Euphrates rivers will provide electricity and irrigation to a part of that country roughly the size of South Carolina.

Its worth is being questioned—but for a different reason.

No one doubts that it will benefit Turkey. But it will also diminish the flow of the rivers into Iraq and Syria, which need the water for their own industrial and agricultural expansion.

"I don't see that they should be concerned," says Ala Balaban, an agricultural engineer at the University of Ankara who has advised his government on the Ataturk project. "We are planning on using our share, not their share."

Yet one U.S. expert predicts that the dams could reduce the flow of the Euphrates into Iraq by two-thirds. So far, Turkey's negotiations on water-sharing with Syria and Iraq have not produced a formal agreement.

Those countries that cannot afford big water projects—or have no more major aquifers to exploit—are forestalling a crisis through conservation.

Israel is the leader. It has pioneered highly efficient irrigation techniques, such as dripping water onto individual plants from hoses rather than flooding crop ditches.

As water has become more scarce, some farmers have switched to producing flowers because they require less water and generate higher profits.

But in Jordan, farmers are resisting government pressure to switch to crops that require less water. Vegetables demand only half as much water as citrus fruit, which produces higher profits.

"The farmers are pushing us to be able to have enough water to produce citrus," says Mr. Bani Hani, who oversees the Jordan Valley Authority from its headquarters in Amman. "But we cannot spare the water."

The Israelis have also become leaders in making rain by seeding clouds. Water Commissioner Zemach Ishai estimates that Israel has increased its annual rainfall by 10 percent through the use of chemicals or dry ice particles to trigger reluctant clouds to produce.

As a last resort, some countries in the region are turning to the desalinization of brackish water to make it drinkable. But it is expensive.

Desalinated water can cost as much as $5 for about 250 gallons. By comparison, it is estimated that it would cost no more than about $1 for any of the Middle East countries to receive the same amount of water through Turkey's proposed pipeline.

But Bisson says the project's $20 billion construction price tag far exceeds what it would cost to extract what is beneath each country's soil.

BUSH'S REAL PROBLEM—THE RUINS OF REAGANISM

Mr. RIEGLE. Mr. President, I want to draw attention to a column written by our colleague, Senator HOLLINGS, from South Carolina, which appeared in the Sunday edition of the Washington Post. I think we all know from our personal encounters that Senator HOLLINGS is one of the most brilliant Members we have and one of the finest minds in the country on the complex issues that face us. His article entitled "Bush's Real Problem—the Ruins of Reaganism," is, I think, as tough and hardhitting and as accurate an assessment of our economic and fiscal situation as anything I have seen.

It lays out what ought to be said about the problems that face us, and I want to cite briefly his concluding comments from the article. He writes:

True believers assure us that the unfettered marketplace will fill the void left by the demise of government. But it is precisely unfettered markets that have spawned the whole run of crises that grip us today—the S&L industry collapse, the third-world "debt bomb," toxic waste dumps, destruction of the ozone layer, defense-industry fraud and so on.

We will learn—too late, I fear—that there is no substitute for activist, competent government. If Ronald Reagan's malfeasance and George Bush's nonfeasance succeed in bringing the federal government to its knees, America will be naked to its worst domestic enemies: poverty, ignorance, racism, lawlessness. Abroad, we will be bested by nations such as Japan and West Germany that prize their federal governments as muscular engines of economic growth and social justice. In short, we will be at the mercy of events unless we can restore and revitalize the federal government so that it again stands as a proud instrument of national purpose.

I commend this article to all who read the RECORD. I ask unanimous consent that the article be printed in full in the RECORD today.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 30, 1989]

BUSH'S REAL PROBLEM—THE RUINS OF REAGANISM

(By Ernest F. Hollings)

Uncle Sam is running on empty.

This is not by accident or oversight. When Ronald Reagan came to Washington in 1981, he made no bones about his intention to slash government spending and trash the federal bureaucracy. He flaunted his contempt for government.

Eight years later, liberal pundits crow that the Reagan revolution has failed, that the federal fortress stands stronger than ever. They are dead wrong.

The reality is that President Reagan dealt Uncle Sam a crippling blow. He left a federal treasury that is broke and paralyzed by debt; a federal work force that is demoralized and discredited; a public infrastructure that is literally crumbling. What's more, by mobilizing the nation's voters as "an overpowering bloc vote against necessary taxation" (David Stockman's words), Reagan sapped the government's capacity to put its house—and books—in order, George Bush's craven "Read my lips, no new taxes" is the Rosemary's Baby of the Reagan presidency.

To serve in Washington today is to witness the federal government at its worst. We on Capitol Hill preen as we introduce empty "sense of the Senate" resolutions, sham budgets and hollow bills and then expect to get a good-government award for our efforts. A sad example is the anti-drug legislation passed and signed with such bombast just before the 1988 election. The bill promised an impressive $2.5 billion for a jihad against drugs, but when the dust settled, Congress actually appropriated only $500 million. William Bennett is less a "czar" than a pretender to the throne.

In like manner, Congress and the White House have made a fine art of bogus budgeting. Consider how we will pretend to reduce the federal deficit in 1990 from its true level approaching $300 billion down to the Gramm-Rudman-Hollings deficit limit of $100 billion: First, we will siphon off the $68-billion surplus in the Social Security "trust fund." Then we'll ransack other trust funds (including those for highway and airport improvements) to the tune of $67 billion. We'll throw in monkeyshine economic assumptions such as short-term interest rates falling to 5.5 percent to "save" another $19 billion. Finally, we'll make a few token budget cuts and phantom asset sales and—voila!—another victory for "fiscal responsibility."

Meanwhile, under George Bush as under Ronald Reagan, the hollowing out of the federal government continues apace. Profound social problems—the pathologies of the underclass, a failing education system, declining competitiveness—are not addressed in any meaningful way whatsoever. Our government has charted a course of drift, disinvestment and decline.

The press has focused on the most dramatic cases of neglect: the $300-billion price tag for non-supervision of the S&L industry; the $150-billion cost of fixing neglected federal nuclear-weapons plants; the $100-billion-plus expense of cleaning up toxic waste dumps. But with the exception of one important area—national defense—the demise of government can be documented in virtually every key area of public policy. Consider the following:

EDUCATION

The Reagan administration fell short of its goal of abolishing the Department of Education, but it nonetheless slashed funding and cut the department's staff by 25 percent. Since 1980, adjusted for inflation, education block grants to states have been cut by 63 percent; bilingual education by 47 percent; vocational education by 29 percent; college work-study by 26.5 percent.

Chapter I, the major federal education program to help disadvantaged primary and secondary school children, reached 75 out of 100 eligible poor children in 1980; today it reaches only 54 of 100; some 500,000 kids have been dropped from the program. Head Start, the program for disadvantaged preschoolers, now serves only one in five eligible children. Cuts in the federal school lunch program have kicked 3 million needy kids off the program's rolls.

HOUSING/HOMELESSNESS

Since 1981, federal funding for subsidized housing has been slashed by 81 percent. The estimated waiting time for public-housing vacancy in New York City is 18 years. Every year, half a million units of low-income housing are lost to demolition, arson and gentrification. There are now upwards of 3 million homeless Americans, including entire families (34 percent of the homeless population, and the fastest growing homeless group) and the deinstitutionalized mentally ill (another shameful example of the abdication of government responsibility). Most cities report that demand for shelters has doubled or tripled in recent years.

INFRASTRUCTURE

Systematic neglect of public transportation in recent years has left a staggering toll. As just one example, some 577,000 bridges—approximately one in four—have been determined to be dangerous. Officials estimate that it will cost $51 billion to

repair or replace these deficient bridges, yet only $1.5 billion has been appropriated for this fiscal year. Some 4,000 bridges have been closed, but many more stay open that shouldn't. Expect ever more frequent bridge failures such as the Hatchie River collapse in Tennessee in early April; seven people were killed as their cars plunged into the abyss created by years of neglect.

AIR TRANSPORT

The number of airline flights has increased by 30 percent since 1980, yet the number of air controllers has not increased; indeed, there are 3,000 fewer "full-performance level" controllers today than in 1981. The Federal Aviation Administration estimates that $26 billion must be spent over the next 10 years to expand airport capacity and improve traffic control, yet the 1990 budget request is for only $1.35 billion. There is a $6-billion surplus in the Airport and Airway Trust Fund (generated by the 8-percent passenger ticket tax), but the Reagan and Bush administrations have refused to spend it for its intended purpose.

SAFETY-NET PROGRAMS

In constant dollars, Aid to Families with Dependent Children (AFDC) benefits have been cut by 26 percent since 1977. In 31 states, the maximum AFDC payment for a family of three in 1988 was less than half the poverty level. Even including food stamps, benefits were below the poverty level in 47 states. In 1973, AFDC covered 84 children for every 100 living in poverty; in 1987, it covered only 60 of 100.

Basic nutrition programs have also been neglected. The Women, Infants and Children (WIC) program is one of the most cost-effective social programs ever devised; on average, $1 invested in its prenatal component saves $3 in short-term hospital costs. Nonetheless, funding last year served only 50 percent of the eligible poor.

HEALTH CARE/HEALTH RESEARCH

Community health centers serve only 5 million of the 25 million poor who are eligible. Migrant health care centers serve only 500,000 out of 3 million eligible. Approximately 37 million Americans do not have health insurance—20 percent more than in 1980. Is it any wonder that the United States now has the highest rate of infant mortality among developed nations?

More trouble for the long term will result from the decay of America's infrastructure for medical research. The federal government's best medical researchers are leaving in droves because of absurdly low pay caps. So deep have been budget cuts at the National Institutes of Health that only 20 percent of "highly meritorious" research grants are now approved as compared to a more traditional rate of 45-55 percent.

CONSUMER PROTECTION

The current Consumer Product Safety commissioners' anti-regulatory bias has virtually ended the commission's function. Despite complaints on everything from playground equipment to disposable lighters to space heaters, the commission has not promulgated a new rule since 1984. The staff has been gutted and the number of commissioners reduced from five to three because of budget restrictions. Since the chairman resigned in January, the commission has lacked a legal quorum and been unable to meet.

NATURAL RESOURCES/ENVIRONMENT

In 1978, 3 percent of the federal budget was spent on programs involving natural resources, conservation and environmental protection; 10 years later, that percentage had been cut in half. Federal spending for sewage-treatment facilities has fallen from $4.5 billion in 1978 to only $1.2 billion requested for 1990.

In 1978, $805 million was appropriated for the purchase of land for national parks and recreation areas; in 1988, President Reagan requested a paltry $18 million for such purchases. Meanwhile, we have abdicated federal stewardship over America's priceless natural wonders. The government's initial reaction to Exxon Valdez was "let the private sector handle it." On questions of drilling, cutting an grazing on pristine public lands, the administration's knee-jerk policy is "let 'er rip."

TRADE

A key factor in the record trade deficits of recent years has been the federal government's refusal to enforce U.S. import laws or to promote exports. The total injury last year from illegal imports is $3 billion in lost customs duties, $19 billion in lost sales by U.S. firms, $8 billion to $12 billion in lost national output and nearly a half million lost jobs.

To take just one example of the consequences of the no-policy approach to trade, consider the fate of the U.S. footwear industry. In 1981, with footwear imports totaling 51 percent of the U.S. market, President Reagan terminated all restrictions on footwear imports. By 1984, footwear imports had seized 71 percent of the market, but the U.S. International Trade Commission (ITC) still found "no injury." In 1985, when footwear imports reached 77 percent of the U.S. market, the ITC finally recommended global quotas for five years; President Reagan, however, refused to act. By 1988, imports had captured 82 percent of the U.S. footwear market and were still on the increase.

Even this cursory review of the policy record of the 1980s leaves no doubt: The Reagan revolution against government has "succeeded"—beyond its fomentor's wildest dreams. Indeed, driven by debt and deficits, that revolution has now assumed a destructive dynamic all its own.

True believers assure us that the unfettered marketplace will fill the void left by the demise of government. But it is precisely unfettered markets that have spawned the whole run of crises that grip us today—the S&L industry collapse, the third-world "debt bomb," toxic waste dumps, destruction of the ozone layer, defense-industry fraud and so on.

We will learn—too late, I fear—that there is no substitute for activist, competent government. If Ronald Reagan's malfeasance and George Bush's nonfeasance succeed in bringing the federal government to its knees, America will be naked to its worst domestic enemies: poverty, ignorance, racism, lawlessness. Abroad, we will be bested by nations such as Japan and West Germany that prize their federal governments as muscular engines of economic growth and social justice. In short, we will be at the mercy of events unless we can restore and revitalize the federal government so that it again stands as a proud instrument of national purpose.

VICTIM OF TERRORISM

Mr. SPECTER. Mr. President, very briefly I call the attention of the Senate to a very disturbing article which appeared in the New York Times yesterday relating to the dismissal of the victim of a bombing in La Jolla, CA, one Sharon Rogers, the wife of Capt. Will Rogers III, who was the captain of the *Vincennes,* involved in the firing on a misidentified ship resulting in the downing of an Iranian war plane.

Mrs. Rogers herself was a victim of a terrorist attack and as a result of the attack on March 10, 1989, the school's trustees, according to this account, "bowed to terrorism and refused to let her continue teaching."

The new account reports:

* * * officials at the La Jolla Country Day School said they had to put the safety of students and faculty first. They also still believed that Mrs. Rogers' presence posed a risk to others' safety that could not be ignored.

When Mrs. Rogers commented about that she said:

Many people have asked me if I am angry at the way I have been treated by the school. I may say that over the past weeks I have felt many different emotions, but today I am simply just disappointed. More disappointed than I can possibly express.

Asked if she believed that some school officials and parents had capitulated to terrorism, she replied:

I have a feeling some of them have. Yes. I feel very sad for our country.

Mr. President, when I read this account I feel very sad for Mrs. Rogers, very sad for the community, very sad for the school, and very sad for what has resulted. If we are to stand up to terrorism, if we are to have men serving in the Navy, and if we are to have relatives, wives of such military heroes subjected to terrorist attacks and then have them let down by their fellow members of their community and schools, I think it is a very sad day for this country and it really undercuts our efforts to fight terrorism.

Mr. President, I ask unanimous consent that the article from the New York Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VICTIM OF BOMBING ACCEPTS DISMISSAL

SAN DIEGO, April 29.—The wife of skipper of the U.S.S. Vincennes, who lost her teaching job last month after her van was bombed, has formally submitted her resignation in exchange for $135,000 settlement.

The skipper's wife, Sharon Rogers, said Friday that the school's trustees bowed to terrorism in refusing to let her continue teaching.

But officials at the La Jolla Country Day School said they had to put the safety of students and faculty first. They also said they still believed that Mrs. Rogers's presence posed a risk to others' safety that could not be ignored.

The settlement was announced at a news conference Friday, after weeks of negotiations over Mrs. Rogers' future at the school. The resignation is effective Aug. 31, when her contract expires. In addition to the $135,000 for her, the school agreed to pay $5,000 to Mrs. Rogers's lawyer.

ATTACK UNDER INVESTIGATION

Mrs. Rogers, who is 50 years old, escaped injury March 10 as a pipe bomb exploded

beneath her van. The attack is under investigation as possible retaliation for the Vincennes's downing of an Iranian airline over the Persian Gulf last July 3. All 290 people aboard the airliner died.

Mrs. Rogers's husband, Capt. Will C. Rogers 3d gave the order to fire on the jetliner. The Pentagon said the plane was misidentified by ship radar operators as an attacking Iranian warplane. Iran has vowed revenge.

Mrs. Rogers announced the settlement at a news conference, which was also attended by her husband and guarded by a dozen plainclothes security agents. It was the Rogerses' first public appearance since the bombing.

"Many people have asked me if I am angry at the way I have been treated by the school," Mrs Rogers said. "I may say that over the past weeks I have felt many different emotions, but today I am simply just disappointed. More disappointed than I can possibly express."

VERY SAD FOR OUR COUNTRY

Asked if she believed that some school officials and parents had capitulated to terrorism, she replied: "I have a feeling some of them have. Yes. I feel very sad for our country."

But Bernie Fipp, president of the school's board, said: "The school believed, and continues to believe, that Sharon's presence on campus would pose an unreasonable risk to the children at school."

Many parents at the 700-pupil school had said they supported Mrs. Rogers's desire to remain as a teacher, but others threatened to remove their children from classes if she stayed.

Mrs. Rogers has taught at the school for nearly half of her 25-year teaching career and was paid about $32,000 last year. She said she would try to find another teaching job, preferably in the public school system.

DEATH OF TYRONE DOMINGUEZ

Mr. DANFORTH. Mr. President, the Committee on Commerce, Science, and Transportation lost an outstanding employee this past month. On March 29, Tyrone Dominguez died, due to complications resulting from a kidney transplant 5 weeks earlier. His family and his many friends here in the Senate will miss him very much.

Tyrone was employed as an intern by the Senate Commerce Committee for over 7 years, serving on the Republican staff under three chairmen, Senator PACKWOOD, myself and, most recently, Senator HOLLINGS. During much of that time, Tyrone battled kidney disease. He had been on dialysis three times a week for the last 5 years. He suffered a number of debilitating setbacks as he waited for the opportunity to undergo kidney transplant surgery. Unfortunately, this surgery was unsuccessful. He was 22 years old when he died.

Tyrone's cheerful courage in the face of daunting obstacles was a daily inspiration. He insisted on the most optimistic outlook and remained determined to overcome the odds. The memory of Tyrone Dominguez always will be with us in the best of ways. As we meet the trials of human existence, we can remind ourselves that we knew a young man who never flinched from life, but rather charged ahead and made every moment count.

Mr. President, I would like to take this opportunity to extend the condolences of the entire committee to his parents and family.

RECOGNITION OF DANA K. SARGENT, KENTUCKY SMALL BUSINESS PERSON OF THE YEAR

Mr. FORD. Mr. President, I rise today to pay tribute to Mr. Dana K. Sargent of Ashland, KY, who has been named "Kentucky Small Business Person of the Year" by the Small Business Administration. He and others from across the Nation are being honored in Washington as part of our observance of Small Business Week beginning May 7, 1989.

Mr. Sargent and two limited partners purchased Daniel's Home Bakery, Inc., when it had nine employees and a local trade based on traditional products. Over the past 19 years, he has turned this operation into a widely known business with 90 employees and sales of more than $3 million a year. Under his direction, the bakery quickly outgrew an 800-square-foot building and currently is housed in a renovated 30,000-square-foot plant with additional warehouse space being planned. Having started with one station wagon, Mr. Sargent's operation now has two regular trucks, five tractors, and nine refrigerated trailers.

Dana Sargent's innovative approach qualifies him as a role model for small business operators. He has pioneered frozen dessert formulas and packaging techniques that now allow Daniel's Home Bakery to deliver products in perfect condition to consumers as far away as Texas and Vermont. He has introduced a series of fresh pie products for onsite assembly and sale from deli shelves. He has developed a machine to bag cake layers, has worked with packaging companies to develop a variety of bakery goods containers, has undertaken his own packaging operations and has begun to develop products for the gourmet market.

Mr. Sargent has demonstrated the true spirit of America's small business entrepreneurs in his ability to overcome adversity. When sugar prices soared in 1975, he reformulated his products to use less sugar and took other effective steps to contain costs. When a local economic slump threatened expansion plans, he broadened his marketing area, adjusted his plans to meet the requirements of the Ashland enterprise zone and began utilizing JTPA employment programs and other incentives to encourage business development in depressed areas.

As a civic and industry leader, Dana Sargent has promoted the enterprise zone, established and taught vocational school food service classes and worked with high school cooperative programs. He provides refreshments for activities of a major senior citizens' residence in Ashland and takes part in many other constructive efforts on behalf of his community and the food industry.

The theme of this year's Small Business Week is that "Small Business is America's Future." Dana Sargent exemplifies the 19 million small business operators who give meaning to that phrase through their innovative efforts, perseverance, and hard work, day in and day out through this and every other year. For that reason, Mr. President, I rise to recognize and congratulate Dana Sargent and the other "State Small Business Persons of the Year" for their distinguished achievements.

JOHN HUME ADDRESSES THE FUTURE OF NORTHERN IRELAND

Mr. KENNEDY. Mr. President, I recently had the opportunity to read the remarkable and eloquent address by John Hume, leader of the Social Democratic and Labour Party in Northern Ireland, to his party's annual conference in Belfast last fall.

Mr. Hume is well known to many of us in Congress, and his frequent visits to this country and to Capitol Hill have helped educate us all about the true dimensions of the long-festering conflict in Northern Ireland and the most realistic means to reach a peaceful settlement of that conflict.

In addressing his party's conference, Mr. Hume restates the case against violence and repeats his call for all sides to come together to settle their differences around the conference table and create a new relationship for the future.

I believe that all of us in Congress who have worked with Mr. Hume—and many others who wish to know more about the complex situation in Northern Ireland—will welcome the opportunity to see his perceptive address, and I ask unanimous consent that it may be printed in the RECORD. I also ask consent that a profile on Mr. Hume which appeared in the Christian Science Monitor last week may be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ADDRESS BY JOHN HUME, 18TH ANNUAL CONFERENCE OF THE SOCIAL DEMOCRATIC AND LABOUR PARTY, BELFAST, NORTHERN IRELAND, NOVEMBER 25-27, 1988

In recent times we have been reminded of a lot of anniversaries. Remembering the past is something of an obsession in this country. The future, discussing it or shaping it, doesn't quite seem to popular. Decisions might have to be taken. Leadership might

have to be given. Our attitude to the future is paralysed by our obsession with the past. Indeed I have often thought that our over-indulgence in the past is a reflection of a much deeper weakness in our psyche as a people—our lack of self-confidence to stand on our own feet, in our own time, with the ideas of our time facing the problems of our time. How often do we hear figures of the past used to justify the actions of the present?

Of course, it is the voices of our extremes who continually invoke the past under the guise not only of being the true inheritors of that past but the only inheritors of it—the keepers of the holy grail—thus endowing themselves with a sanctity of purpose which justifies any words, any actions or any deed. No matter how provocative, no matter how horrific.

It does not seem to have occurred to them that if their heroes of the past had followed their example, they would hardly have figured in the history books. Instead they are significant historical figures specifically because they did not allow themselves to be paralysed by the past but were people of their time—realising that problems had to be faced in the context of their time. Put more candidly, there are not too many shopkeepers around today who would run a corner shop as it was run during one of the prominent periods of our history. Yet there are those in political life who want the problems of this country faced as if nothing had changed since 1690, nothing had changed since 1916.

One of the ironies is of course that these extremes are in many ways mirror images of one another. The lack of self confidence exhibited in the arrogance of their rhetoric and actions being only one of their common denominators. We see it in the demand, and the need, to hold all power in one's own hands, in the anxiety to have political structures made in the image of one tradition. It is evident in the rejection of tolerance and the need for domination. It is visible in the abandonment of peaceful processes for violent action and violent excess. It is proclaimed by attitudes that seek victory and not accommodation. It is trumpeted by those who are so sure of their Irishness that they need to remind us of it constantly. Their eyes mist over with self-righteous emotion as they wave national flags as their cherished possession. They don't seem to notice that the real level of their respect is measured by them painting their flag on kerbstones for everyone to trample upon.

The Unionist people have a long and strong tradition in Ireland. They have a rich Protestant heritage and a great pride in their tradition. They have pride in their service to the crown, pride in their contribution to the United States, pride in their spirit of industry and achievement, in their work ethic and in their faith. Their special mettle is believed by many of them to be expressed in victories in battles long ago, battles regularly commemorated.

Yet that pride is not expressed in self confidence. It is expressed in an archaic supremacism and in a desperate fear that they cannot survive in accommodation with other traditions. They must live apart. Living apart may have been tolerable, indeed it may have been very acceptable as long as their hold on power was underpinned by successive British Governments. That is no longer so.

The fundamental change that has taken place as a result of the Anglo-Irish Agreement is a change that is deeply and fully understood by every Unionist. It is that their exclusive hold on power has gone and it is not coming back. Their veto on British policy which they have always had, and which goes to the heart of our problem here, has gone and is not coming back. Their loss is uncomfortable for their leaders, for while they held that privileged position, they never had to be politicians or exercise the art of politics, which is the art of representing one's own view while accommodating others with fairness.

For traditional Unionism in Northern Ireland, other points of view have never actually existed. To this day, as they trumpet about the proposals that they have placed before the British Government about the future of Northern Ireland—the future of us all—the insult doesn't seem to have occurred to them. Not only have they not presented these proposals to those of us who represent other views—views which must be accommodated if we are to have a future—they haven't even published them for the information of their own followers. They are still oligarchs. The faithful will line up when the drums beat. The other points of view, to which lip service is publicly paid, don't really count.

Their loss is painful and difficult for them, but it is very healthy indeed, not only for themselves but for the whole community. Mrs Thatcher has done for Unionists what John F. Kennedy and Lyndon Johnson did for the whites of Alabama in the 60's. She has done something that in their deepest hearts they knew needed to be done but couldn't ever do for themselves. She has stripped them of ascendancy and privilege and in so doing has done a service to us all—by placing us in a politically equal footing.

What Unionists should understand, however, is that the boot is not on the other foot. Our experience has taught us too much for that. In addition, contrary to the oft-expressed line of our political opponents, the Anglo-Irish Agreement has conferred no special benefits on the SDLP. Instead, it is addressing the problem, a problem which its authors recognise will be resolved only in time and by a steady building process. Coercion or conquest is not part of either our intent or our policy.

The challenge to all of us is the same and the challenge is one that has never really been faced up to in this island in all its aspects and implications. When groups of people who differ share a piece of earth, they sit down and sort out their relationships; they accommodate their difference to their mutual satisfaction. That is what happens in every stable and peaceful democracy in the world. When it doesn't happen, there is no stability, there is no peace. There is conflict.

We either take up that challenge now, sit down with representatives of the rest of this island, in the self-confidence that we can not only represent but achieve the protection of our various traditions, or we do not; and instead we pass on this outdated and costly quarrel to the next generation. If we do, it may well take us a long time. That should not hinder us. The willingness to search for accommodation, and to stay with the search in spite of difficulty, must be supreme. We have a lot to conquer. We have to overcome the legacy of the deepest mistrust, the sequence of hurts and injustices piled high upon one another of which each section of our people has its own valid tale to tell. But we should realise that those hurts, those injustices, indeed our whole present situation, are the symptoms and the product of the attitudes that have built our present intolerable society and that have failed to address a simple yet fundamental question, how do we share this island piece of earth together, in a manner that gives supremacy to none? Should we address that question today, we will transform the atmosphere throughout this island and the good will towards us across the world, where our wandering people have left such a mark, will be overwhelming.

There are also those who are mirror images of traditional unionism. They too believe in "themselves alone" as the only answer to the problem of a deeply divided society, without the slightest reference, apart from the verbal ritual genuflections and lip service, to the existence of anyone else. Self-determination of the Irish people is their objective, they say. The Irish people are defined by them, if we judge by their actions and their contempt for their views and opinions of other Irish people, as themselves alone. They are more Irish than the rest of us, they believe. They are the pure master race of Irish. They are the keepers of the holy grail of the nation. That deep seated attitude, married to their method, has all the hallmarks of undiluted fascism. They have also the other hallmark of the fascist—the scapegoat—the Brits are to blame for everything, even their own atrocities! They know better than the rest of us. They know so much better that they take unto themselves the right, without consultation with anyone, to dispense death and destruction. by destroying Ireland's people, they destroy Ireland.

I had discussions with them recently. The talks were designed to explore whether they were willing to lay down their arms and join the rest of the people of this island in the lengthy and difficult search for peace based on real self-determination. I put some questions to them about the price of their means and method, about the consequence of victory for their viewpoint, about peaceful alternatives which already exist. They replied with sheaves of paper reiterating well-worn declarations about nationhood and the rights of the Irish people to self determination, while ignoring the single most self-evident fact that strikes very human being in the world as they look in at Ireland—the Irish people are divided on that very question, the question of how to exercise self-determination. Agreement on its exercise will never be brought about by force and violence but only by dialogue, and all the signs are that such dialogue will be neither easy nor brief.

For people who proclaim their Irishness and their pride in Ireland so loudly and so forcefully, they are remarkably lacking in either the self-confidence or moral guts to sit round and talk with their fellow Irishmen and presuade them that their vision of Ireland is a better one. Their decision in particular to use guns and bombs to "persuade" their Protestant fellow Irishmen is not only an extreme example of lack of faith in their own beliefs or in the credibility of them, it is an attitude of extreme moral cowardice and a deeply partitionist attitude. For its real effect is to deepen the essential divisions among the Irish people.

And it isn't just the Unionist people who are their victims. Leaders of Sinn Fein have been saying recently that the Nationalist nightmare has not ended. They are dead right because they and their military wing are the major part of that nightmare. There is not a single injustice in Northern Ireland today that justifies the taking of a single

human life. What is more, the vast majority of the major injustices suffered not only by the nationalist community but by the whole community are the direct consequences of the IRA campaign. If I were to lead a civil rights campaign in Northern Ireland today, the major target of that campaign would be the IRA. It is they who carry out the greatest infringements of human and civil rights, whether it is their murders, their executions without trial, their kneecappings and punishment shootings, their bombings of jobs and people. The most fundamental human right is the right to life. Who in Northern Ireland takes the most human lives, in a situation where there is not one single injustice that justifies the taking of human life?

Let the record speak. Up till last Saturday 2,705 people have died in the twenty-year period of the current troubles. 31% of these were members of the security forces. 14% were members of paramilitary organisations. 55% were ordinary civilian men and women from both sections of our community, 69% of whom were from the Catholic community and 31% from the Protestant community. And who killed all those people?

The statistics are devastating. 44% were killed by the Provisional IRA and 18% by their fellow travelling "republican" paramilitaries. 27% were killed by Loyalists, 10% were killed by the British Army. 2% were killed by the RUC and 0.28% by the UDR. In short, people describing themselves as Irish republicans have killed 6 times as many human beings as the British army, 30 times as many as the RUC and 250 times as many as the UDR.

And wait! One of their main claims is that they are the defenders of the Catholic community. Of the 1,194 members of the Catholic community who died, 46% were killed by Loyalist paramilitaries, 37% by people describing themselves as republicans and 17% by the security forces. And in the last ten years since 1 January 1978, of the 305 members of the Catholic community who have lost their lives, 112 (37%) have been killed by people describing themselves as republicans, 105 (34%) by loyalists and 88 (29%) by the security forces.

In the last 20 years, republicans have killed more than twice as many Catholics as the security forces and in the last ten years have killed more than the Loyalists! Some defenders. And I haven't even mentioned their "mistakes". Was it O'Casey who said "The gunmen are not dying for the people, the people are dying for the gunmen?"

In addition, all the major grievances today within the nationalist community are direct consequences of the IRA campaign and if that campaign were to cease so would those grievances. The presence of troops on our streets, harassment and searching of young people, widespread house searches, prisons full of young people, lengthening dole queues leading to the emigration of many of our young people, check points, emergency legislation. . . .

Even Joe Soap has the intelligence to know that if the IRA campaign were to cease, then the troops would be very soon off our streets. If they were, they would neither be harassing young people nor searching houses. Check points would disappear, emergency legislation would be unnecessary. We could begin a major movement to empty our prisons, particularly of all those young people who were sucked into the terrible sectarian conflicts of the '70's. And of course we could begin the serious job of attracting inward investment aided by the enormous good will that peace would bring.

The price of their method and its costs to their own people was one of the three basic questions that I put to Sinn Fein. They did not reply except to blame the Brits. The British presence is responsible for everything. An amazing statement which absolves them from all responsibility for their own actions. Why not therefore plant a nuclear bomb and blow the whole place to bits and blame it on the Brits. That is their logic.

The strange irony of course is, as they deliberately refuse to recognise, the British position on Northern Ireland has shifted. As I have said before, if the British and Argentine Governments were to announce tomorrow that they had signed an internationally binding agreement, setting up a permanent Anglo-Argentine Conference with a permanent secretariat in Port Stanley to deal with the problem of the Falklands/Malvinas, would the whole world not regard it as a significant shift? That is what has happened here. The whole world recognised that. The Unionists recognised that. In practice this shift has meant the removal of Unionist veto on British policy, the removal of their exclusive hold on power. Ah but, say the Provos, the British are here defending their economic and strategic interests and are keeping the people of Ireland apart in order to do so. Hence our armed struggle is justified.

The British have no economic interest in Northern Ireland any more. It costs them 1½ billion pounds per year. British business can now locate anywhere in the European Community without having to rule the particular territory. In a nuclear age, what possible strategic or military advantage is there for Britain to have bases in Ireland? They had been closing them down steadily until the troubles began.

Politically, in spite of the views of individual members of their party or their Government, the official Government position, internationally binding on them, is that if the Irish people want unity and independence, then if those who want it persuade, not all, but some of those who don't, thus creating a majority in Northern Ireland, then they can have it. What sort of Irishman or republican is it who will not take up that challenge, but instead believes that guns and bombs and deaths of Irish people are necessary instruments of persuasion? I'll tell you what sort of Irishman he is, he is not a republican at all, he is a moral coward because he refuses to face the long hard slog of breaking down the barriers between the Irish people.

What sort of Irish republican is it who can ignore the fact that the methods he is using are bringing more suffering on his own people? Would any genuine Irish republican, given the starkness of the statistics I have outlined, not reconsider his whole approach and his means and method in particular? The truth is of course that their method has become more sacred than their cause. In their minds it is blood that is the essential qualification for a patriot, not sweat. Concepts are more important than people. Pieces of earth are more important than people.

The glib tongue of Danny Morrison told us about the armalite and the ballot box. The same glib tongue also let slip that their objective was not Irish freedom but "power in Ireland" with the different instruments in each hand. Earlier, in the 70's, the same tongues told the people to burn their ballot papers because those who stood for election to councils created by the British were collaborators. We don't hear that now. The same glib tongue told us that 1975 was the year of victory. Now 13 years and a lot of graves later, we are told that in the 20th year of the troops on our streets, the British will is weakening. The victims of all of that, including the young people who emotionally believe them, aided and abetted by the desperate sectarianism of the 70's, have paid with their lives or their liberty. Many of them now fill our jails.

My challenge to any of those people in Ireland, North and South, today who regard themselves as republicans is to accept the straightforward offer made to them in our talks. Lay down your arms once and for all. Join the rest of the people of Ireland in the search for ways and means of breaking down the barriers with our Protestant fellow citizens, in persuading them to join us in building a new Ireland that reflects our diversity and respects all our traditions, and in persuading the British government to commit all its resources to the same end. If they were to do so, then the atmosphere in this whole island and in the North in particular would be transformed and the nightmare of all our people would be truly at an end.

Meanwhile the Anglo-Irish Agreement remains the target of both Unionist and Provo. I never cease to be amazed when I read some of the critics, some of whom should know better. I find that they don't seem to have much understanding of what the Agreement actually is or else they simply haven't read it. The Treaty of Rome set up the European Council of Ministers to deal with the questions referred to it under the Treaty. It set up a secretariat called a Commision drawn from all countries represented in the Council to service the Council. The Council meets regularly. It has regular and open disagreements. Ministers sometimes even walk out. But nobody says that the Treaty of Rome should be scrapped or is a failure. Difficulties or failure to reach agreement is usually the responsibility of one or other of the Governments, not of the Treaty itself. Yet in spite of numerous difficulties, they plod steadily on towards their goals and now over 40 years after the Second World War who would have dreamt when the Treaty was signed that such progress could have been made?

The Anglo-Irish Conference and secretariat are modelled on the Council of Ministers and Commission. We have witnessed the same sort of hiccups, and the same slow progress. But, as with Europe, the faults lie not with the Agreement or its intentions but with one or other of the Governments who operate it. We should also remember that one of its strengths is that Governments change and some will be more active than others, yet each can make its own distinctive contributions to the building process.

These are not views that are borne of three years experience of the Agreement in operation. These are views in keeping with the strategy that this party has followed and is following for a considerable period of time. At this conference three years ago, six days before the Agreement was signed, I told this Conference and had repeated it often since that we supported the British-Irish talks then taking place because the British-Irish framework is the framework of the problem embracing all the relationships involved. I made it clear in that speech that we did not "expect a final settlement or an immediate solution" from those talks and that our yardstick for measuring their outcome would simply be whether the propos-

als in any agreement that might emerge would help us to make progress. Contrary to suggestions that we hyped the Agreement, I specifically cautioned then:

". . . as we learn from the experience of Sunningdale, even if there is an agreement, agreements of themselves don't make progress. There will be the question of its implementation. So no matter what the way ahead, agreement or no agreement, the SDLP will still face major challenges and major risks. There is no road towards peace and stability that does not contain risks. The challenge is not easy but the choice is. There is no other way."

And there is no other better peaceful way than the two Governments with all their resources working as closely as possible together. When the agreement was signed we issued the following statement:

"We are not under any illusions about the difficulties that will face us and will face both Governments. We do not believe that a final settlement of the Irish problem has been reached. We do believe that an opportunity has been created by the agreement in the setting up of a permanent Anglo-Irish institution to make progress towards our goals of peace and reconciliation. A great deal will depend on the implementation of the Agreement and on the policies, particularly in the field of justice, that emerge from the new joint institution. The SDLP will monitor that implementation very carefully. In the meantime we will give the new institution our full co-operation and ask everyone else to do likewise. It is an opportunity that can be developed if it is taken up with good will on all sides."

In both these statements it is abundantly clear that we foresaw, saw and see the Agreement through its instrument, the Conference, as a means for dealing with the problem on a regular basis and not as a solution. We also foresaw that the major area of difficulty would be the administration of justice. The past year has underlined that, in a very significant way, with a series of events that demonstrate starkly the deep gulf that exists on this question—The Stalker-Sampson Affair, Private Thaint, The McAnespie killing, Gilbraltar and its consequences in Milltown and the Andersonstown Road, the so-called broadcasting ban, the restrictions in the right to silence, the Craigavon inquests. All of these events tend to increase tension in the community, particularly when accompanied by the terrible IRA atrocities of the past 12 months.

The main burden for dealing with these issues against the background of those tensions has fallen on the shoulders of our party's spokesman of Justice and Deputy Leader Seamus Mallon. In spite of the breadth of those shoulders it has been no mean burden. To go up front for this party on any one of those issues is difficult enough, but on that whole dreadful series of events it is something else. They are controversial issues, they are emotive issues and in the present atmosphere of this society can be very divisive issues. When Seamus spoke on each and every one of those issues, let there be no doubt that he spoke for his entire party and he spoke with the strength and consistency that this party has always brought to issues of justice and order.

It has always been our view that the bedrock of peace and order, the bedrock of justice in every society, is consensus among the population on how it is governed. When that consensus exists, then justice and order follow naturally—they are our police and our courts. However, when a society is divided, as ours is, on the fundamental question of how we are governed, then questions of policing and courts become very divisive issues indeed.

The best that any political party can do in those circumstances, and it is the best, is what this party through its spokesmen has consistently done. That is to offer full and unqualified support to the police force in seeking out anyone who commits a crime. All we ask is that it be done impartially within the rule of law. Given our experience, that is hardly an unreasonble qualification.

The only final answer to those problems is therefore democratic consensus and agreement on how we live together and govern ourselves leading to total unity behind the institutions of the agreed order.

We have welcomed the many advances that the agreement has made in dealing with the symptoms of our deep-seated problem and we have listed them many times. We have also criticised not only the failures to advance but steps in the wrong direction such as the presently emerging package of so-called tough action. But through all this we keep our eyes firmly fixed on the main purpose of the agreement, which is to provide the means for dealing with the underlying deep-seated problem or disease which gives rise to all these symptoms.

It is in this area, the area of creating movement in the underling problem, that we believe the Agreement has its greatest signficance and has created real opportunities for everyone who wants a real solution. It has removed the unjust Unionist veto on British policy, it has removed their exclusive hold on power, and this time the British Government, unlike many of its predecessors, has not succumbed to blackmail.

In so standing firm, it is cutting through the vicious circle that has paralysed all political development in this country. In the past, as in 1974, when British Governments backed down before the threats, they confirmed the leadership of Unionism in the hands of the no-surrender, no-compromise brigade and reinforced the basic appeal of the IRA that the only thing the British understand is force.

This time that is not happening, and there is a new and fluid political scenario that opens up major opportunities for those who want solutions. I keep saying "Those who want solutions" because we still have too many who simply want victory for their point of view. When will they learn that they are not the people? Like ourselves they represent only a section of the people and all sections have to be involved and accommodated in any solutions.

The next stage for those interested in answers is obvious. It has to be dialogue and discussion which address the problem of our unsettled relationships. It may take time to bring it about, but since it is the essential next step, we must keep our eyes firmly fixed on it and use all resources to bring it about. Let us also keep repeating that the objective of such dialogue is not either coercion or conquest, it is simply agreement on how we share this island piece of earth.

Let us therefore call once again for a conference table. Let the main subject of discussion at that conference table be clear—how we share this island to our mutual satisfaction. Let us also agree in advance that agreement reached on this fundamental question would be an agreement that would transcend in importance any previous agreement ever made, because it would address and settle a relationship that has never been addressed and that goes right to the heart of our quarrel—the relationship between the Unionist people and the rest of the people of this island. And before we approach the conference table or agree to its agenda, let us meet to talk about the mechanisms whereby any such agreement is endorsed by the people, both North and South, so that there will be absolute reassurance before we begin that sell-outs are impossible and that all traditions will have to be respected.

Does anyone doubt that such a conference table, even though it might be in existence for a very long time, would transform the atmosphere throughout this island and release enormous energy and goodwill which would in itself make possible things which now seem impossible? And would not an agreement endorsed by the people of the North and the people of the South be a true expression of self determination that would bring us lasting peace?

The door to such a table should be open to every party with an elected mandate. In practice that means that every party sits down on the same terms, bringing nothing to the table but their own beliefs and powers of persuasion. There should be no place at this table for any party if it is either using force or reserving the right to use force if they do not get their way.

While we engage in all of this, 1992 looms. The completion of the Single Market with freedom of movement for people, goods and services, leading to the abolition of all commercial frontiers and the creation of a commercial United States of Europe with a market of 320 million people will have a much greater impact on the daily lives of the people of this island, North and South, than any of the other matters that we spend most of our time discussing in this society. Yet this party is one of the very few bodies to take it seriously and to take the necessary steps to make all our people aware of its implications and of the need to prepare. But I don't intend to dwell on it at any great length today since we have devoted special conferences and special publications to it. I wish simply to draw lessons from it about our own basic problems.

Forty-three years ago, the Second World War ended. Europe was devastated, its major cities in chaos, millions of its citizens lay dead. The bitterness between ancient foes, particularly France and Germany, was deeper than ever. Looking across that bleak landscape, if someone had stood forth and forecast the Europe of the 1980's, he would have been described at worst as a fool and at best as a dreamer. Yet it happened because leaders stepped forth and had the vision and the faith to suggest new ways. They recognised that the peoples of Western Europe, with their deep differences and distinctiveness and with their fear for their survival alongside competing cultures and peoples, had chosen the wrong path to preserve and protect their differences. They had pursued confrontation, which, led them into many bloody conflicts with those whom they distrusted. The results had been devastating for Europe as a whole.

After 1945, led by men of vision, they tried a new way. They sat down with former foes to hammer out agreed institutions which settled relationships and preserved differences. No one would have believed in 1945 that by 1992 they would be moving towards a United States of Europe, and yet the Germans are still German and the French are still French. One thing is certain. They would never have achieved it had they con-

tinued to dwell on the past and call up the ghosts of the past. That approach would have led, as it always did and as it does here, to conflict in every generation. Can we here not learn the same lesson? Can we not sit down with former foes, with those whom we distrust, and hammer out institutions which will settle our relationships and preserve our differences?

Is it too much to ask that we invest in the future for a change? For we haven't finished with our anniversaries. Very substantial ghosts of the past loom in the 300th anniversaries of 1689 and 1690—the Siege of Derry and the Battle of the Boyne. In addition to our own local quarrel, those dates were symbolic of a wider and deeper European quarrel. That quarrel has long been laid to rest in Europe. So have subsequent and more bitter ones.

The question we face is, will these anniversaries reinforce our spirit of confrontation or will we truly commemorate them as quarrels of the past by finally laying to rest our ancient quarrel?

This party is ready to play its part in that process, however long drawnout. Let us all have the self confidence and real belief in our own traditions to sit down and begin that process.

[From the Christian Science Monitor, Apr. 27, 1989]

IRELAND'S "STATESMAN OF THE TROUBLES"—JOHN HUME REDEFINES NORTHERN CONFLICT AND SETS FORTH POSSIBLE SOLUTIONS

(By T. Patrick Hill)

John Hume has an unshaken belief in the power of reasonableness.

To him, the resolution of conflict in Northern Ireland will come only by the acceptance of religious diversity—and trustful negotiations over how to "share the island."

As a founder of the Social Democratic and Labour Party, Mr. Hume projects a distinct moral vision unusual in a country torn by sectarian prejudice. Yet his view is one that has earned him grudging recognition from unionists, who favor the continued constitutional link with Britain, as well as respect from nationalists, who want some form of Irish unity.

Hume recalls that the United States Constitution was fashioned in good measure by Irish Presbyterians. They had been driven out of Ireland by religious bigotry and did not want that to happen again. So they helped draft a Constitution, the essence of which is the acceptance of diversity. "And that's my basic philosophy," Hume insisted. "The essence of unity is the acceptance of diversity," he said in a recent interview in London.

It is also the fundamental insight tragically missing in Northern Ireland, Hume believes, and one that cannot be given by outsiders, including the British. The Irish must learn it for themselves, he said.

The difference between Hume and other political leaders in the North is most evident in their definitions of the central problem. Ken Maginnis, a unionist member of Parliament, believes the overriding issue is violence, which needs to be addressed by military measures and selective internment. But Hume, appalled as he is by the North's incessant bloodshed, sees the violence as a symptom of a deeper friction.

"It's a problem of a conflict of relationships which hasn't been resolved," he explained, referring to relations between Roman Catholics and Protestants in Northern Ireland, and relations between Britain and Ireland. "But the central relationship is between Protestants and the rest of Ireland, because that's the one that has never been faced up to."

Hume prefers to speak of his political roots as his personal roots. He was born in Derry in 1937. The oldest of seven children, he cannot forget that his father, a Catholic, was unemployed for 20 years and had to struggle even to provide a two-bedroom house. At that time, Derry was a gerrymandered town where, despite a Catholic majority, unionists (Protestants) controlled jobs and housing.

But by his own reckoning, Hume was fortunate. The year he turned 11 was the first year of a state-mandated IQ test. Any child that passed this examination was entitled to free education in preparation for university entrance. It was the break Hume needed to avoid repeating his father's experience.

"I was able to pass that exam, and went on from there right through university," he said. This led to his major role in shaping the history of modern Ireland as a member of the British Parliament at Westminster and the European Parliament in Strasbourg—and to becoming what Barry White, Hume's biographer, calls a "statesman of the Troubles."

After university, Hume returned to Derry in 1960. Conditions had not changed, but attitudes had. Self-help was the order of the day, and he accepted it eagerly. With four others and £5, Hume founded a credit union among the people of the Bogside, a Catholic ghetto. "and that wiped out the loan sharks."

Today the union has 12,000 members with £5 million ($8.5 million) in assets. Hume also helped to establish a housing association to build homes for Catholics. But when local government denied permission, "We took to the streets in a civil rights movement." From there, it was just a matter of time before he became deeply involved in politics.

Hume advocates talks between unionists and the Dublin government and has outlined for unionists a new and far-reaching proposal: "Go and sort yourselves out with Dublin to your own satisfaction," he said, emphatically rejecting the inference that this would result in a Dublin takeover.

"Let the agenda be—this is very carefully phrased—how we share the island." To succeed, Hume believes it is imperative that unionists, before they begin talks, get an agreement from Dublin that any resolution has to be endorsed by majorities in both the north and south of Ireland.

"That gives absolute security to the unionist people that nobody is going to try and walk over them. But it also means that, for the first time ever, the people of Ireland as a whole will endorse how Ireland is shared and run. And that removes all justification of violence," he said.

Hume's willingness to include all citizens prompted him, despite considerable political risk, to hold controversial talks last year with the leadership of Sinn Fein, the political wing of the illegal Irish Republican Army (IRA). Hume hoped to persuade Sinn Fein to renounce violence and take up the peaceful search for a new Ireland by addressing them on three specific fronts.

The first is the price of violence. As of last November, 2,705 people had died in Northern Ireland since 1969. Of those, 62 percent were killed by the Provisional IRA and associated paramilitary groups. The IRA has killed more than twice as many Catholics—the very people they claim to defend—as the British security forces have. "Some defenders" Hume concluded.

The second front is the IRA policy of driving Britain from Northern Ireland. Is there any certainty that would result in a united, independent Ireland?

Hume is convinced that if the British leave before there is ageement between the two communities in the North, conditions not unlike those in Lebanon will occur and the gun will become the source of negotiation.

The third is the IRA's justification for the use of force. Its argument has been that the British are in the North defending their own interests by force. But Hume believes that the 1985 Anglo-Irish Agreement has signaled a significant shift in British policy.

"They have declared their neutrality," he argued, "on the cental issue that divides the people of Northern Ireland—union or [Irish] unity." That means that it is a matter of one side—those who want it—persuading those who do not, that unity is in everyone's best interest. "You can't do that by force," Hume said.

The real challenge, he believes, is to break down barriers between Catholic and Protestant citizens, persuade unionists to join nationalists in building a new Ireland, and urge the British to adopt this as their policy.

But whether it is union or unity, only a new Ireland, Hume believes, will be able to meet the challenges of the Europe of 1992.

"The completion of the single market with freedom of movement for people, goods, and services. . . . will have a much greater impact on the daily lives of the people of this island, North and South, than any of the other matters that we spend most of our time discusing," he said.

In Northern Ireland, it is unusual for political leaders to look forward in this way. Humes ability to do so has been widely recognized in Europe and the U.S. Small wonder that Kevin McNamara, shadow secretary of state for Northern Ireland, says that John Hume "stands head and shoulders above anyone else in Northern Ireland, and, I believe, in the island of Ireland."

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, today marks the 1,507th day of captivity for Terry Anderson in Beirut.

On March 13, 1988, the Buffalo News printed an article noting the help the Associated Press has given to Anderson's sister, Peggy Say. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the following article was ordered to be printed in the RECORD, as follows:

[From the Buffalo News, March 1988]

AP HELPS SISTER'S CRUSADE

(By Mike Vogel)

Mrs. Say has had a valuable ally in her three-year crusade, the Associated Press. Terry Anderson's employer has paid for her travel, postage and telephone calls.

"She's just an incredible person," said AP spokesman Kelly Smith Tunney, adding that Anderson's plight is "a topic of just about daily conversation here."

"The AP is pretty much a family, and everybody knew Terry or worked with him," she said.

AP President and General Manager Louis D. Boccardi, in a statement this anniversary,

called Anderson the "victim of a war he sought only to cover."

"We are deeply concerned over his continued imprisonment, and grieve with his family that he has to endure separation from friends and loved ones," he said.

"The AP has pleaded his case both officially and unofficially in many parts of the world, and we will continue to do so until his safety is assured," he added.

The three years since the abduction have been years of trial for the Batavia housewife. Afraid of flying, she nevertheless logged more than 100 flights during a high-profile effort in 1986—traveling to Athens to meet Margaret Papandreou, wife of Greek Premier Andreas Papandreou; talking to Nobel Peace Price laureate Mother Teresa in an airport in Greece; journeying to Cyprus and on to Damascus to meet Issam Hayyani, chief of the U.S. department in the Syrian Foreign Ministry; talking to Bassam Abou-Sherif of the Popular Front for the Liberation of Palestine in efforts to win her brother's freedom.

Her father, Glenn Anderson, died in February 1986, and her brother, Glenn Jr., also known as Rich, died in June, both from cancer. She still works under the assumption that Terry—whose immediate family, including a 2-year-old daughter born while he was in captivity and remains in Cyprus—doesn't know his father and brother are dead.

For 1987, Mrs. Say decided to keep a low profile and heed State Department advice that quiet diplomacy works best. That failed—and 1988 has brought a return to a public campaign to win recognition of the hostages' plight and deliver what she terms "a reminder to the world that no American will stand by in silence while the human rights of any American are violated."

She has publicly decried the "double standard" that led her government to negotiate to free Americans held hostage in the hijacking of a TWA jetliner and the cruise ship Achille Lauro, and to win the release of journalist Nicholas Daniloff, who was arrested by the Soviets.

When the State Department continued to tell her "that their policy was absolute non-negotiations for Terry and the others," she said, "I reminded them that they had told me that before TWA and I watched and I watched those negotiations. And then they got back to me and said, now we're back to our old policy, no negotiations."

"I watched Achille Lauro and I watched Nick Daniloff, and I said to them a couple of months ago, 'I do not intend to stand by again and watch you break that public policy when it is politically expedient for you to do so, I will not stand by and watch somebody else come out while my brother stays behind.'"

Relations with the State Department were further strained when accusations of arms-for-hostages trading with Iran were raised last year. Reports also surfaced that President Reagan's sympathy for the hostage families, and the cause most vocally expressed by Peggy Say, may have been a factor in pursuing the trade possibilities.

CONTRA SCANDAL HURT CAUSE

The families, who had dealt closely with Lt. Col. Oliver North and other Reagan administration officials embroiled in the Iran-contra scandal, suddenly found themselves held at arm's length.

"We never got much information from the State Department, but now we get next to nothing," said Mrs. Say, who maintains contact with a State Department liaison officer nonetheless and is still a frequent Washington visitor.

In Washington, State Department spokesmen said no new information about Anderson has been received. A counterterrorism bureau worker noted that Secretary of State George Shultz recently reaffirmed the department's "no deals" policy, expressing sympathy to the families but arguing that ransoms, trades or prisoner exchanges would "simply encourage more terrorism."

She enters the third year of her brother's captivity and her campaign with "a determination to keep the issue alive, and continue to pursue what avenues are open to us," Mrs. Say vowed. "And to continue to believe that Terry will be home some day."

That day could be hastened by U.S. action, former hostage Jacobsen argued.

The secrecy and isolation imposed on Anderson and the other hostages stems from their captors' fears that they will be identified and captured by either the CIA or the anti-terrorist "Delta Force," he said,

People in Lebanon know where they are," said Jacobsen, who believes a reward program like those offered in several other cases could help. "It's inconceivable to me that very many people in Beirut don't know where they are. At one time, Terry and I calculated that at least 200 people had to know, considering the changing guards and their families and what we could hear of comings and goings."

"I don't think he's ever been out of the southern suburbs of West Beirut, rumors to the contrary, I think a reward system would bring out a lot of information."

Jacobsen also thinks the government should pick up on another hint—Terry Anderson's own claim, in a videotape released this Christmas Eve, that an improvement in the hostages' condition would follow any improvement in the lot of terrorist prisoners held in Kuwait, whose release has been demanded as a condition of Anderson's freedom.

Explaining that a human rights organization easily could videotape the Kuwaiti prisoners and release the tape to Beirut television, Jacobsen added that "Terry came across very strongly on that point, and yet nothing has been done."

"I just can't understand why the bureaucrats haven't taken advantage of this window of opportunity."

The U.S. government did act quickly when an American Army officer, Lt. Col. William Higgins, was kidnapped Feb. 17 while serving as the commander of a United Nations observer team on the Lebanese border. While roadblocks and searches have so far proved fruitless, Mrs. Say still hopes the intense effort for Higgins will uncover information about her brother as well.

"Any time we've had hope, it's been attached to something else," she said.

Mrs. Say also has pressed the State Department to find out from other governments what steps were taken to win the recent releases of German, Norwegian, Swiss and British captives, "but they never seem to have much information on it."

Meanwhile, she continues to work on her campaign for public involvement in the cause. During the past few days she has tried too to sandwich in at least a dinner to mark her 10th wedding anniversary and her husband's birthday, despite a schedule that included a speaking engagement in Albany with Father Jenco and last-minute work on the Washington rally.

"It's getting so intense, the last week or so—the telephone is just totally out of control, and by the end of the day you're just ready to pull your hair out and say 'I've got to get away from this,'" she sighed.

"But at the same time, there's real encouragement. I think there's been a real changing of attitudes. I think the three years has really shocked people into taking a good look at this."

She has asked both Father Jenco and Jacobsen to come to Batavia soon "to give people a better idea of what it's like over there," and remains grateful for Jacobsen's efforts to persuade thousands of Americans to send Valentines to Anderson last month.

She has no homecoming plans, for Terry.

"There was a time I did," she sighs, "but since Dad and Rich died, that puts a whole different slant on it. As far as we're aware, Terry doesn't know about that—now what would have been just total celebration will have to include telling him these things."

Jacobsen hopes that, at the very least, American concerns and "a little more creativity in trying to resolve this issue" by government officials could at least improve the hostages' lot in captivity—winning, perhaps, the simple chance to exchange letters with their families.

Meanwhile, the struggle continues. Americans sent between 10,000 and 20,000 Valentines to the hostages last month, and there's hope the men at least learned of the effort.

If they did, he added, "that gave them hope—and hope is the nourishment of survival."

COMMEMORATION OF THE DAYS OF REMEMBRANCE OF VICTIMS OF THE HOLOCAUST

Mr. MITCHELL. Mr. President, the following request has been cleared with the distinguished Republican leader. I ask unanimous consent that the Senate proceed to the immediate consideration of House Concurrent Resolution 50, which provides for the use of the rotunda of the Capitol for the Holocaust remembrance activities of Tuesday, May 2, from 8 a.m. until 3 p.m.

The PRESIDENT pro tempore. The clerk will read the title of the concurrent resolution.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 50) permitting the use of the rotunda of the Capitol for a ceremony to commemorate the days of remembrance of victims of the Holocaust.

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDENT pro tempore. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 50) was considered and agreed to.

The preamble was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

RECESS

Mr. GORE. Mr. President, I ask unanimous consent that the Senate stand in recess at this point until the hour of 2 p.m.

There being no objection, the Senate, at 1:30 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. WIRTH].

FUNDING FOR MARTIN LUTHER KING, JR., FEDERAL HOLIDAY COMMISSION

The PRESIDING OFFICER. Under the previous order, the Senate will now consider S. 431. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 431) to authorize funding for the Martin Luther King, Jr., Federal Holiday Commission.

The Senate proceeded to consider the bill.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is consideration of S. 431.

Mr. NUNN. Mr. President, today we consider legislation to continue the initiative we took in 1983 when Congress authorized a Federal holiday to recognize the life, the work, and the legacy of Dr. Martin Luther King, Jr.

During consideration of the original Martin Luther King holiday legislation, some Senators expressed concern that for all the noble rhetoric about Dr. King's legacy, all we were doing, in fact, was to create another 3-day weekend for Federal employees.

Congress addressed that concern clearly, nearly 2 years prior to the first King holiday celebration, by creating the Martin Luther King Federal Holiday Commission.

In the 1984 legislation creating the Commission, and in the 3-year extension we enacted in 1986, the Commission was given two specific congressional mandates: No. 1, to encourage appropriate ceremonies and activities throughout the United States relating to the observation of the Federal holiday honoring Martin Luther King, Jr. And, No. 2, to provide advice and assistance to Federal, State, and local governments and to private organizations with respect to the observation of such a holiday.

In other words, we gave the Commission a dual mission: To make the Martin Luther King holiday a truly national event and, then, to act as a coordinator and clearinghouse on appropriate activities once the holiday did become widely recognized.

The Commission has performed its first task exceptionally well. When it first opened its doors in 1985, only 17 States recognized the Martin Luther King holiday. Forty-four States recognized the 4th annual holiday on January 16, 1989, and now a 45th State, South Dakota, has signed on. In addition, all U.S. territories recognized the holiday, and in an unexpected development, 140 nations around the globe make some gesture of recognition on the King Federal holiday.

The life of the Commission needs to be extended because its success in fulfilling its first legislative mandate has tremendously increased its responsibilities under the second: That of providing advice and assistance to the literally thousands of public and private organizations that want to participate in the Martin Luther King holiday activities which, by necessity, means helping to coordinate these activities with information on a national basis.

A few examples: Between the 1988 and 1989 Martin Luther King holidays, the Commission staff responded to an estimated 6,000 direct inquiries about holiday activities, 1,000 of them in the form of personal visits to the Washington and Atlanta offices of the Commission; distributed at least 225,000 pieces of printed material related to the 1989 Martin Luther King holiday; provided at least some technical assistance to public and private organizations in all 50 States and every U.S. territory.

The Commission itself sponsored, among other events, its annual planning conference, the centerpiece of its efforts, to make sure the thousands of separate holiday activities around the country are consistent with the congressionally established purpose of the holiday and are coordinated around a general theme.

It sponsored a conference on how Martin Luther King holiday can be reflected in public school materials, which followed up a highly successful 1986 conference hosted by then Education Secretary William Bennett; a national youth assembly that focused on how Dr. King's legacy can help promote self-reliance, community service, and active youth involvement in the fight against drug abuse and violent crime.

Those are just a few examples of what the Commission did between the 1988 and 1989 holidays to help make each more than just a 3-day weekend for Federal employees.

Mr. President, it seems to me that if we meant what we said in 1983 about making the Martin Luther King Federal holiday a meaningful event; and if we mean what we said in 1984 in creating this Commission and giving it these two interrelated responsibilities, then extending the Commission for another 5 years is a sensible course of action. Aside from extending the Commission's authorization for another 5 years to continue its unfinished work, S. 431 would provide the Commission with an annual appropriation of $300,000 to fulfill the responsibilities we have placed on it.

There is ample precedent for making a small appropriation to support the work of Federal commissions created for commemorative purposes. For example, in 1984 the Congress created a Christopher Columbus Quincentenary Jubilee Commission and authorized the appropriation of $220,000 annually to support its work until 1992.

Back in 1955, Congress established and funded a Commission to formulate plans for a memorial to Franklin D. Roosevelt, and as we know, Congress continues to make a small appropriation for that purpose today.

To cite just one more example, in 1983 we created and funded a Commission on the Bicentennial of the U.S. Constitution. That was legislation originally introduced in 1980 and in 1981 by my distinguished colleague from North Carolina, Senator HELMS. Over a 3-year period leading up to the Constitution bicentennial celebration, we appropriated more than $46 million for that Commission, and it has now been extended through 1991 to help commemorate the bicentennial of the Bill of Rights. I might add, I approve very heartedly of both those Commissions.

Actually, the really unusual thing about the Martin Luther King Federal Holiday Commission is that it has managed to operate under a Federal mandate for 4 years without a direct Federal appropriation. The Commission is required by law to conduct the enormous job of coordination and responding to requests for information I have outlined. It is authorized by Congress to hire a staff. It is authorized to follow the universal custom of offering Commission members, who serve without compensation, reasonable reimbursement for travel expenses—though, in fact, most Commissioners have simply paid for that from their own pockets.

Though no direct appropriations were made for the Commission in the original legislation or the 1986 extension, Congress did authorize some Federal expenditures by authorizing other Federal agencies to lend staff to the Commission on detail, and that is how the Commission has managed to conduct its work in such an effective fashion. In other words, there has been no direct appropriation and there has been in kind help from staff from other Federal agencies.

I see no reason why we should punish the Commission now for its willingness to do without an appropriation in the past. S. 431 would let the Commission hire at least a small permanent staff, reimburse Commission members for authorized travel, and spend less time trying to raise money privately. It is a Federal Commission, conducting important Federal business, and I think that we should offset the cost of the Commission.

The message spread by this Commission in all its activities is Dr. King's legacy of nonviolence, self-reliance, respect for human dignity, and peaceful reconciliation of disputes. I think that message is worth $300,000 a year. In fact, far more. The question some would ask is: Do we need it in this country today?

It should be noted that the State of New York authorized $783,344 for its State-level Martin Luther King holiday commission in the current fiscal year, and another $771,292 for the next fiscal year. That is more than 2½ times in New York what we are asking for here for the whole of the country.

But even if we had no benchmark to go by, this is a very small authorization for a very important purpose.

We spend billions upon billions of tax dollars each year combating the causes and effects of violence and discrimination.

One example of particular relevance to Dr. King's legacy: The continued occurence of "hate crimes," acts of violence against individuals and institutions motivated by considerations of race, religion, or national origin. Far too many of those events still take place in our Nation today.

According to the Center for Democratic Renewal in Atlanta, there were nearly 3,000 documented incidents of hate crimes in this country between 1980 and 1986. Another estimate indicates that 90 percent of these acts of violence are committed by people under the age of 21—our youngest members of society.

Let me cite just two examples that occurred within a single week in November 1988:

In Portland, OR, three members of a youth gang called East Side White Pride beat an Ethiopian immigrant to death with baseball bats.

Five days later, white supremacists destroyed by fire a black church in Rockford, IL—for the second time.

Although this has not necessarily been completely investigated and you certainly cannot say the cause of this now is a simple cause, but I think all of us have read with regret about a young woman who lies in a coma in New York City today as a result of a brutal, unprovoked attack by a gang of young people in Central Park on April 19. The motivation for that attack, of course, is something we will find out as time goes on.

The point is there have been thousands of incidents of this nature in recent years. If the message of nonviolence, tolerance, and moral values taught by Dr. King can prevent just one such act in the future, then in my opinion it is worth the effort being made with this holiday and with the Commission and with all the effort people are making at the King Nonviolent Center in Atlanta to impress on our young people and, indeed, all the young people of this Nation the importance of eliminating racial hate, eliminating discrimination from our land.

I am particularly impressed with the work done by the Martin Luther King Holiday Commission in working with schools, to teach children with no personal memory of Dr. King the values he lived, fought, and died for.

Most Senators have probably at one time or another seen a television commercial or poster featuring an animated bloodhound called Officer McGruff who presents tips on fighting crime, aimed especially at a younger audience, under the slogan, "Take a Bite Out of Crime." In many schools, police officers volunteer to dress up as Officer McGruff and speak to children about the nature of crime.

The Federal Government alone is spending more than $2 million a year in the Officer McGruff promotion. I believe that money well spent, mind you, and the much smaller figure we authorize to spread Dr. King's message to children and parents alike will be money well spent also.

In summary, Mr. President, S. 431 is nothing more than a logical step to continue the historic action we took in 1983 to honor Dr. King and his legacy. As you know, President Bush has committed the administration to support of S. 431, and the House has already passed H.R. 1385, a similar measure. The House bill is permanent. This bill is a 5-year bill. The House bill has $500,000 a year. This bill has $300,000 a year. So we are not making it permanent in this legislation, but we are giving the Commission a clear mandate for the next 5 years to continue its important work.

It is clear that the action we took to honor Martin Luther King, Jr., has achieved very broad public acceptance, both in this country and around the world.

In 1983, some Members of Congress were concerned that a Federal holiday honoring Dr. King would not be recognized beyond the jurisdiction of the Federal Government. Forty-five States now recognize the holiday, along with 140 foreign countries, and countless public and private organizations are involved all over America.

In 1983, Members of Congress feared the holiday would be simply a black event, without participation from broad elements of the population. Today, of course, the Martin Luther King holiday probably secures broader participation in commemorative activities than any other secular event other than Independence Day or perhaps Memorial Day.

Many concerns about the Martin Luther King holiday have been laid to rest.

As we consider this bill today and tomorrow, we must recognize that the fundamental question about Dr. King has already been answered in this Nation and throughout the world: Was Dr. King right or wrong in challenging racial discrimination in this country during the 1950's and 1960's?

Clearly he was right, and the fact that he was controversial at the time is simply additional evidence of his courage and his fortitude.

He was right when he demanded equal opportunity and equal rights of citizenship for all God's children.

He was right when he preached and taught by his example that love would overcome hate and that the good will of a majority of Americans would overcome the bigotry of a minority.

He was right when he claimed the principles on which this Republic was founded as the charter for the civil rights movement.

Because he was right, the message of Martin Luther King has now become a vindication of the American ideals he believed in, and a strong answer to Marxist dogma and Communist propaganda.

After all, Dr. King helped to eliminate one of the most powerful instruments of propaganda America's enemies have ever possessed—the suggestion that America was unjust, the suggestion that America was bigoted, and the suggestion that democracy was simply a bad joke for millions of Americans because of the color of their skin. Dr. King's life, his example and the results following from that example have virtually eliminated that tool in the hands of the Marxists around the world.

For many years those charges about America threatened our foreign policy and even our national security, especially in the Third World where Communists broadcast every single instrument of racial injustice in our country.

This does not mean we have done away with all of those instruments. We no longer have any question about the law and where our Government and our people stand on this question in America.

Thanks in no small part to Dr. King we have overcome those charges and today more than ever before America's ideals are respected and emulated around the world.

Dr. King's work and message are today understood as an important part of the intellectual and moral arsenal of America. Last September 19, then Secretary of State George Shultz told a gathering of 130 ambassadors:

Effective diplomacy today needs the inspiration of a moral vision—a vision of a world where prosperity is commonplace, conflict an aberration, and democracy and human dignity a way of life. No American articulated that vision more forcefully than Martin Luther King, Jr.

Mr. President, I urge speedy passage of S. 431. I believe that we can in this legislation help to keep Dr. King's dream alive which, after all, is now the American dream.

Mr. President, I yield the floor.

Mr. RIEGLE. Mr. President, I commend the Senator from Georgia for his leadership on this issue. I rise in support and as a cosponsor of this legislation.

I recall being among the several thousand mourners at the funeral service of Dr. Martin Luther King in Atlanta, GA, many years ago. I remember vividly the scene as literally thousands of mourners attempted to crowd into the Ebenezer Baptist Church to pay their respects to Dr. King, his memory, his life's work and his family. Then, the long walk that ensued afterward as many of us walked together from the site of the church service to the burial site some distance away. On that day, black and white people, brown people, people of all colors, all backgrounds and ethnic heritages were there to express an outpouring of national feeling about the tremendous loss that we had experienced under the most tragic circumstances. It is so important that we continue to not only mark his life and his life's work with our national holiday, but also, with appropriate commemorative activities to help us make the rest of the journey.

We are not a perfect nation. We strive to meet an ideal and a standard in our founding documents that is beyond what has ever been contemplated or attempted by a modern nation. We are not quite there, and so, as we strive to try to achieve the highest ideals of our thinking and of our hearts, this kind of emphasis and work is essential. I commend the Senator for it.

Mr. NUNN. I thank the Senator from Michigan for his kind comments about Dr. King and his memories of the funeral and the inspiration he took from the life of Dr. King.

Mr. President, I ask unanimous consent that the names of the Senator from Nevada [Mr. REID], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Oregon [Mr. HATFIELD], the Senator from Maine [Mr. COHEN], the Senator from Indiana [Mr. LUGAR], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Tennessee [Mr. SASSER], and the Senator from Oklahoma [Mr. BOREN], be added as cosponsors of S. 431, a bill to authorize funding for the Martin Luther King, Jr., Federal Holiday Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I yield the floor.

Mr. COATS. Mr. President, Eric Hoffer once wrote, "How frighteningly few are the persons whose death would spoil our appetite and make the world seem empty."

Dr. Martin Luther King was such a man—and he remains so today, 21 years after being so savagely snatched from among us.

He was a man of vision, committed to ideals of freedom and equality that still demand our vigilance. He was a man who dared to believe in Christian principles and national precepts when racial violence and inhumanity threatened to rend our social fabric.

President Reagan said of Dr. King that America will remember him "as a drum major for justice, as a giant whose life was far from being in vain." And so it is fitting that we keep his dream alive, remembering even now how far we have to go. It is my hope that we continue to reflect on Dr. King's life, renewed in our pledge to seek dignity, compassion, and equality for all people.

This legislation before us today will help ensure that dream is kept alive. By extending the Federal Holiday Commission we will have yet another opportunity to bring individuals from all races, religions, and backgrounds together, to reflect on both his dream and its fulfillment.

I am pleased to be a cosponsor of this legislation, and I urge my colleagues to support its swift passage.

Mr. HELMS. Mr. President, I hope we can travel a fairly narrow corridor in the consideration of this bill. I have no illusions about what could perhaps be called the loneliness of my position in opposition to the bill. I would say at the outset that I have enormous respect for those who disagree with me. But I think the Senate ought to consider the precedent that it is setting.

Furthermore—and I will expand on these remarks a little later—the flat guarantee was made on the floor of this Senate and now in the House of Representatives by distinguished Senators and Representatives when this Commission was first established by Congress that there would never be one dime of Federal funds spent for the operation of the Commission. Those statements were unequivocal. They were flat out. And I am sure that each Senator and each Representative who made such a statement was convinced in his own mind that was right.

So here we come now for a renewal of the Commission to extend it for 5 years, and for 5 years according to the House version, the taxpayers of the country will be required to furnish $500,000 a year. The Senate version offered by the distinguished Senator from Georgia [Mr. NUNN] stipulates $300,000. So we have $1½ million versus $2½ million. That is just the beginning. Let us not mislead ourselves. The action that will be taken on this bill will in fact be a permanent action.

No such Commission, certainly none financed permanently by the Federal Government, has ever been established with relationship to any other regular holiday—not George Washington, not Abraham Lincoln, not anybody else.

The King Center for Nonviolent Social Change receives from private contributions an estimated $20 to $30 million per year. I do not understand why any of the taxpayers' money ought to be used to finance this Commission, particularly when so much cash is rolling in from private donors.

I commend those who contribute to any organization in which they believe but I do not believe that the taxpayers of the United States ought to be required against their will in so many cases to furnish money in any amount for this or any other commission.

I said at the outset that I hope the debate will travel a narrow corridor. I do not propose to get into any of the details about the life of Dr. King. Those who believe him to have been virtually a saint are entitled to their beliefs. I am obliged to say however that this Senator fails to understand why, if Dr. King had such an unblemished career, the records on his career have been sealed by court order until after the turn of the century. Included in those files is information collected on the order of the then Attorney General of the United States, the distinguished Robert Kennedy, who in his capacity as Attorney General ordered electronic surveillance of Dr. King and his activities.

I bear no animosity whatsoever toward Mrs. King or any member of the family or anyone. But I fail to understand, and so do many other Americans, why it can be justified to prevent the American people or even the Congress from knowing what is in those files or in the files of any Senator or Representative who has been convicted in a court. And I will confess that I think it is about time that we all learn

the details of the tragic assassination of President Kennedy in 1963. I do not understand why the American people are not entitled to know the facts about the people who are in positions of leadership or who before their deaths were in positions of leadership.

I am going to have several amendments on which I will ask the Senate to vote. I harbor no illusions about the success of the amendments, but I think each of them, as we proceed, will be matters on which the Senate ought to take a stand. I will not elaborate upon the amendments at this time, but I will say that they have been carefully drafted by distinguished constitutional lawyers who have been good enough to assist me in trying to create this narrow corridor of debate which I hope the Senate will consider. But whether I win or whether I lose is not important. I will have satisfied my own conscience about what I believe to be right and what I believe to be wrong.

In that connection, Mr. President, I have written to the General Accounting Office on the question of assessment of this legislation, and I also wrote, on April 17, to the distinguished chairman of the Senate Judiciary Committee, Mr. BIDEN, about this legislation. I think it is interesting to contemplate what really is at issue here. And I think I can best do that by reading the letter that I wrote to Senator BIDEN in his capacity as chairman of the Senate Judiciary Committee.

I said:

DEAR JOE: We have each received a copy of the 1988 Annual Report of the Martin Luther King Federal Holiday Commission, a copy of which is enclosed for your ready reference. We are concerned about the nature and extent of some of the activities and programs of the Commission, described in this Annual Report, which go far beyond the stated purposes for which the Commission was established.

For example, the Annual Report describes the Commission's national college student conference in Atlanta as follows: "The students learned how to bring protest campaigns through the stages of information, education, personal committment [sic] and purification, negotiation, direct action, reconciliation, and gained fundamental skills which allowed them to return to their campuses and effectively deal with injustices. The Conference also encouraged students to register and vote."

According to the Annual Report, the Commission already receives significant support from federal funds. All of the Commission's employees, except the Executive Director, are provided on a non-reimbursable basis from federal agencies. For the three-year period ending 28 February 1988, the stated value of these services was $1,312,000 in the Washington office and $307,000 in the Atlanta office. (This does not include office space, furniture, and equipment. also donated on a non-reimbursable basis by federal agencies.)

We believe that before Congress commits further tax funds to the Commission, hearings should be held to ensure that the activities of the Commission are consistent with the purpose for which the Commission was established. Also there should be an analysis of what is being spent, or not spent, in connection with holidays honoring George Washington, Abraham Lincoln, et al.

Sincerely,

JESSE HELMS.

So, Mr. President, that, as far as I am concerned, is the scope of what the debate should be on this issue. I do not propose to get into an assessment of Martin Luther King's life or his career. Others have done that today. Others will do it later. But I reiterate, just for the purpose of emphasis, if all that is said on this floor, has been said in the past, and will be said in the future, is correct, why are the American people denied the opportunity to know what is in the report which was ordered by the then Attorney General of the United States, Mr. Robert Kennedy?

But we will proceed and see how it comes out. I will withhold further comment until I hear something further in debate, and I will begin with the amendments, which I have discussed with the distinguished leadership, the majority leader, Mr. MITCHELL; the minority leader, Mr. DOLE; and the chief sponsor of the pending bill, Mr. NUNN.

Thank you, Mr. President, for the time, and I will yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I thank the Chair.

Mr. President, I support S. 431, to support the Martin Luther King, Jr., Federal Holiday Commission Act, because I believe that the annual holiday commemorating Dr. King's work is very significant. The holiday has shown great national and international interest in the first 3 years of its existence. The modest funding proposed in the bill is necessary, in order to publicize the holiday and give support, so that it may be expanded in this country.

Mr. President, I had the opportunity to know Dr. King, not in depth, but to some extent, on his visits to Philadelphia in the mid-1960's. When the question is raised about knowing the facts, I cannot testify as to all of Dr. King's life, but I can testify to his presence in a big American city in the mid-sixties, and to the very positive aspect which he had for the maintenance of peace and tranquillity, law and order, and justice in the city of Philadelphia.

The mid-sixties were very troublesome times, when riots occurred in many American cities, in Pittsburgh, Detroit, Newark, and Los Angeles, peace was maintained in Philadelphia, and I think in significant part to the activities of Dr. Martin Luther King, and others, who carried forward some of his important messages.

Mr. President, there are many days which signify commemoratives for various groups in our country: St. Patrick's Day, Columbus Day, Pulaski Day, where in Philadelphia, for example, the parades come down the parkway.

We have Independence Hall in the city of Philadelphia. I drove past it yesterday, a very different day from the one on September 17, 1987, when President Reagan appeared at Independence Hall to commemorate the 200th anniversary of the Constitution, or the insignia where Abraham Lincoln stood in 1863 or the place where President John F. Kennedy stood on July 4, 1962. It is a monument of national and international importance. As previously outlined, some $46 million was spent to commemorate the bicentennial of the United States of America, and I think that is money well spent.

The role of Dr. King's holiday, Mr. President, I think, has real significance, because of his principles of nonviolence, peaceful resolution of disputes. Dr. King had a vision, a vision for America, a vision of equality, a vision of opportunity, a vision of achievement, which I think has real significance in the day-to-day living of many people in the big cities and in the small towns of the United States.

Dr. King provided a role model and motivation. In an era when we are trying to lead, especially the young people, away from a life of drugs, a life of crime, a life of violence, it is a small cost to pay, some $300,000 a year, to promote the observance of Dr. Martin Luther King Day around this country and around this world.

Mr. President, I have the opportunity to serve on the board of directors of the Martin Luther King, Jr., Association for Nonviolence of Philadephia, and I have seen Dr. King's memorial day grow from 1986 to 1987 to 1988. I can recall my own activities years ago as district attorney of Philadelphia, where we had a variety of programs to establish role models for motivation, for many in that city; and to have a holiday for Dr. King has a very, very important purpose and a very, very important objective, and that is why I rise to support this important bill at this time.

With the enactment in 1983 of the Federal law to designate as a legal holiday the birthday of Martin Luther King, Jr., and the first observance of the holiday in 1986, our Nation has been enriched through its recognition of this great American leader. In 1984, Congress also established the Federal Holiday Commission which provides advice and assistance to Federal, State, and local governments and private organizations involved in activities to recognize the legal holiday.

Since 1984, the Commission has performed a vital service to ensure that public and private institutions and or-

ganizations properly honor the work and teachings of Dr. King. By providing literature, speakers, and direct program assistance, the Commission has coordinated appropriate commemorative events in the 50 States and territories, at all United States installations, and in more than 140 nations throughout the world.

As a member of the board of the Martin Luther King, Jr., Association for Nonviolence, Inc. of Philadelphia, PA, I am personally familiar with the importance of the activities provided by the Commission. The Martin Luther King, Jr., Association for Nonviolence, Inc., annually sponsors and cosponsors activities throughout the month of January commemorating the life and work of Dr. King. These programs include citywide youth celebrations and workshops, public affairs, and a gala luncheon honoring people who have demonstrated a commitment to change through nonviolence. This organization also organizes the traditional Philadelphia celebration, the symbolic ringing of the Liberty Bell on the holiday which triggers bell-ringing throughout the United States and by Big Ben in England.

Mr. President, I have long supported the importance of establishing a Federal legal holiday to honor the memory of Dr. King, as well as the need for a Commission to carry out appropriate activities. In 1983, I was an original sponsor of legislation to establish the holiday, and in 1984 I supported legislative efforts to establish the Commission. S. 431, the Martin Luther King, Jr., Federal Holiday Commission Act extends the Commission for 5 years and authorizes an annual appropriation of $300,000. The Commission has been operating through fund-raising activities and resources provided by Federal agencies. Federal appropriations will enable the Commission to hire full-time staff and provide travel expenses to individual Commissioners.

Accordingly, I urge my colleagues to support this legislation to fulfill this important congressional mandate to honor the work of Martin Luther King, Jr.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. SANFORD. Mr. President, I am delighted to join my distinguished colleague, Senator SAM NUNN, of Georgia, in sponsoring S. 431.

In North Carolina, I think we can be proud of our history in the early 1960's when we confronted candidly, honestly, and courageously, the need to end racial segregation in our society. We all knew that prejudice and discrimination were a drag on our economy. We all knew that it was un-Christian and undemocratic and unfair.

We struggled with these emotional forces, with our understandable ties to tradition, with our still bitter resentment of the treatment of the South in the years of so-called Reconstruction after our defeat in the Civil War.

We overcame all of these resentments and hostilities and obstacles and did our part to make American society what it ought to be. Of course we must be concerned and compassionate for the least of our citizens. Of course we need to be concerned that in this great Nation the chance of birth, whether burdened by race or poverty, must not be a bar to the full opportunities of the great American dream.

I remember that in 1960 Dr. Martin Luther King called a student conference at Shaw University in Raleigh, NC. More than 200 students gathered on the Shaw campus, as they were gathering on similar campuses, holding workshops in humid classrooms, planning and pledging themselves to action, but also to nonviolence. "This is no fad. This is it," they declared. "We're trying to eradicate the whole system of being inferior."

Individual liberty, democracy, the very soul of America was at stake, and in North Carolina I think we won. I think we led the way. I think we have continued to lead the way in an understanding of the frustrations and the needs of black citizens who so long were denied enjoyment of the fullness of America.

The issue before the Senate is the observance of a holiday bearing the name of Martin Luther King. This is not intended, it seems to me, to be a tribute to an individual. Rather, Martin Luther King is a symbol, a concept, a concept of breaking out of the prison of segregation, an entry into the freshness and hope of America. Had the chance of history been different, had Martin Luther King not been assassinated, there nevertheless would have been declared such a holiday. No doubt Dr. King would have been in the forefront seeking a day to recognize and honor the freedom of black Americans. It is that symbol, that hope, that spirit, that soul, we celebrate. It is not who he was, but what he meant. And indeed, the holiday might well have been called "Martin Luther King and Tens of Thousands of Black Americans Who Struggled and Suffered for Freedom." Those are the people we honor.

I do not want to see our sensitivity tarnished by belittling this great movement that has been in the best interest of America.

It is a time for moving forward, a time for acknowledgement of brotherhood, a time for working together. This is not a time to inflame the passions of old. It is a time to perfect the American spirit.

Martin Luther King Day is of tremendous importance for every black citizen in America. I suggest that it is of tremendous importance for all Americans. It marks a remarkable period in American history. It recognizes not at all one individual. It recognizes individual freedom.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. GORE. Mr. President, I also join in cosponsoring and urging the adoption of S. 431.

Two decades ago this spring, the forces of hatred gunned down the Reverend Martin Luther King, Jr. Nothing we can say or do can bring him back, even though our country needs leaders like him today perhaps more than ever. But, Mr. President, there are many things we can do to keep his dream alive. We can start right now by extending the Martin Luther King, Jr., Federal Holiday Commission.

Congress set up the Commission in 1984 to encourage more Americans to commemorate Dr. King's birthday. At that time, only 19 States had declared that day a holiday. Now 44 States do so, including Tennessee. The celebration has also spread to a hundred other countries.

Yet the King Commission's work has just begun. It is also active in voter registration, inner-city development, youth counseling, and the war on drugs and drug-related crime.

Dr. King left us to carry on a great struggle. As a nation, we are still divided—rich and poor; young and old; black, white, Hispanic, Asian, and otherwise. The gap between rich and poor is wider than ever. The barriers to economic opportunity and social progress are as high as ever. We are coming to the end of a decade in which the only civil rights movement was backward.

Yet in truth we are still one country, North, South, East, and West. Whatever our race or origin, we are one people, with the same rights and the same dreams and the same destiny. And we must stick together.

Let us be done with the politics of race in this country and emphasize once again the politics of results.

I was in Memphis the summer after Dr. King was murdered, and I will never forget the pain we shared. He had come to help striking sanitation workers win a contract from the city. Every April, my good friend Rev. James E. Smith leads the people of Memphis in a march to honor the man who gave his life to expand our understanding of the meaning of justice and strengthen our commitment to it. We carry on that march because we share that dream.

Martin Luther King, Jr., dreamed that one day every child in America would grow up free from prejudice, free from want, and free to build a better life. It is time in 1989 to fulfill the dream that was deferred in 1968.

The Martin Luther King, Jr., Commission is a living tribute to the principles for which he stood and fought, to his legacy, carrying on the fight for

freedom which he led. I urge my colleagues to support this measure.

I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Mr. President, I rise in support of S. 431, which I, too, am pleased to cosponsor.

My distinguished colleagues who have preceeded me on the floor this afternoon have eloquently stated the case for passage of the bill as introduced with the full appropriation.

In these times of limited resources, it is not only appropriate, it is necessary, for us to examine every proposed expenditure.

But in making that examination, we cannot lose sight of the ideals that made our Nation what it is today.

Without question, the principles of racial equality and nonviolent social change that Dr. Martin Luther King, Jr., taught us have become a part of the fabric of our national character.

Just as it is important for our Nation to set aside time to reflect on Dr. King's life, it is also important to make sure that future generations of Americans, and people throughout the world, are aware of the importance of his principles and his teachings to our country.

Since 1986, the Martin Luther King, Jr. Federal Holiday Commission has helped this Nation's youth learn the importance of Dr. King's teachings: of achievement at school, of service to others, and of living in harmony and justice in a global community.

The Commission has taken that message to over 140 nations around the world as well, giving us hope that Dr. King's vision of peace and justice throughout the world will one day be realized.

Mr. President, I hope my colleagues will join with me in recognizing the value of the Commission's work to our national character, and will vote to pass S. 431.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I welcome the opportunity to join with my friends and colleagues here on the floor of the Senate and to urge the successful passage of this legislation, which I believe will ensure that this Nation, to the extent that we possibly can, will focus our national attention, for 1 day of 365 days, to think about the life and the work of a very distinguished minister of the church and a nobel laureate, Martin Luther King, Jr.

I was here, Mr. President, on this floor, as a matter of fact, the prime sponsor of the Martin Luther King holiday. I knew the months and the years that it took for us to have that day designated as a day of remembrance for a very extraordinary individual, a very extraordinary human being.

We faced filibusters in the Judiciary Committee. We faced filibusters out here on the floor of the U.S. Senate. There were those that said we should not take those few hours every year to try and focus on the contributions to the cause of liberty and freedom in this Nation and the nonviolent approach to many of the challenges that we were facing here. They said that we should not take that time, that this man was not deserving, nor the teachings that he made should be thought about and recognized.

Well, I, too, had the opportunity to know Dr. King in the late 1950's and in the early 1960's. I had the opportunity to experience that extraordinary moment when Dr. Martin Luther King spoke to the Nation from the Lincoln Memorial and some quarter of a million people, young and old, black and white, native Americans, every dimension of our American society and people from around the world, listened to his absolutely extraordinary challenge to our Nation. And what a challenge it was, Mr. President.

As a member of the Bicentennial Commission we just had our meetings in New York this past week and I had the opportunity to attend. And there we have as part of the membership former Chief Justice Warren Burger and others skilled in the law and history of our Nation.

Once again I was reminded of the fact that this Nation failed to come to grips with the extraordinary issue of slavery at the time that the initial States ratified the Constitution of the United States. That was a judgment, that was a choice, that was a decision, that was a compromise that was reached by our Founding Fathers. But it was reached.

And we recognize that that magnificent document, which is the greatest manifestation of individual rights and liberties and the balances between the various elements of Government, as magnificent as it is, failed on that important issue. And in any examination of the debates that took place by the various States, we review those and find that those ratification conferences in so many instances were decided by a handful of votes. And I think historians appropriately point out that should there have been a change in that particular provision, should there have been a statement, as a number of the Founding Fathers had wanted to do, to say that slavery was not right in this Nation, there are few who believe, from a historic point of view, that that Constitution would have been ratified.

And we know, Mr. President, what subsequently took place. This country involved itself in the Civil War, the bloodiest war that we have ever fought. And you only have to travel a few hours from where we are gathered here today to perhaps the bloodiest battleground in the history of this Nation, Antietam—24,000 killed in less than 3 days, tens of thousands wounded for life—or go to other battlegrounds, Manassas, the whole range of different battlegrounds, let alone Gettysburg and others, to realize the extraordinary loss of life and limb and blood that was shed at the time when this Nation was trying to free itself from the shackles of slavery.

We know the extraordinary developments that took place in the reconstruction period: The agony, the adjustments and the struggles that took place even in this country as we were trying to cope with the decisions in the 1890's, such as Plessy versus Ferguson, that said once again we can be separate and we can be equal. It appeared that we were going back and retreating on the fundamental commitment of this Nation that when we talked about liberty and justice for all we really meant all, black and white—liberty and justice for all.

And then that great march of Dr. King in the late 1950's and through the period of the 1960's demonstrating absolutely extraordinary personal courage, arrested time in and time out, in many instances alone, with howling mobs looming outside of churches where he gathered with fathers and mothers and small children.

His great strength was the power of his moral message to the faithful gathered in those churches, members of families who at another time might have experienced some of the darkest days of this Nation—when lynching was accepted and some of the most brutal kinds of human indignities experienced by our fellow citizens. The power of his life and the power of his message awakened this Nation, and it did it in an extraordinary way. It did it in a nonviolent way.

Given what this country had experienced 100 years before, Dr. King, more than any other individual, was able to appeal to the blacks in this country, but also to appeal to the basic moral teachings of what this Nation was about and gather the support of whites and members of all races and all religions.

This country moved, Mr. President. This country moved with the Voting Rights Act of 1984. I always find it amazing, now, when I travel around my State of Massachusetts, that students do not even understand that there were large groups in our society that were denied the right to vote in

America prior to 1964. They do not even understand that before the Public Accommodations Act that there were members of our fellow citizenry whose skin was not white who were denied the opportunity to travel on trains or buses and forbidden to go to various hotels. People really lose track of all of the progress that was made.

We made progress as well to eliminate the discrimination in employment. Still, we find too many instances where that issue is still before us as a society. Just last year we completed action on one of those issues when we actually put teeth into the 1968 act on fair housing. Prior to that time we found, in the various studies that were taking place, that if your skin was black in this country you had a 70-percent chance to be discriminated against when you went out and rented a home; 50 percent when you went out to buy one.

Those are in the last 2 or 3 years, Mr. President.

So we were able to take action last year and were able to make progress. And I daresay that those efforts and important steps toward progress that we took in the 1960's, and again in the seventies and last year in the eighties, really find their roots back in the teaching and the experience we find in the life of Dr. King. When we went on to pass that holiday, Mr. President, we committed ourselves to make it a meaningful holiday.

I hear out here on the floor now questions about who said what about funding at that particular time. I know what was stated and what was believed to be the case, that the King holiday was going to be a meaningful holiday. This legislation, that has the support of President Bush, is going to make it a meaningful holiday.

There are those who were against this holiday when it was established and they appear to be against it now. And now we are hearing from some on the floor of the U.S. Senate. It is a rearguard action. They could not stop the King holiday then, but they are out to try to undermine the holiday now.

I think it is appropriate, Mr. President, to ask whether those lessons that we learned 20 years ago and 25 years ago, need to be brought back to our fellow citizens even now. And I daresay they do. Because I can remember, even in the last 8 years, when the former Senator from Maryland, Senator Mathias, and I were trying to gain cosponsors for the reauthorization for the Voting Rights Act, when we had an Attorney General of the United States who appeared before the Judiciary Committee and said no; no to an extension of the Voting Rights Act. That was William French Smith, Mr. President, in the 1981 hearings of our Judiciary Committee. Sometimes we seem to be a country that grows more separate and less equal.

I was here in the Senate when we considered the Bob Jones case. It presented a very basic, fundamental issue: Should taxpayers' money be permitted to go to private institutions that are going to discriminate? I thought part of the debate in the 1960's would say: No, we are not going to do that. We are not going to permit American taxpayers' money to be used by institutions which are going to practice segregation. But not in the early 1980's, that was not the position of the previous administration. That was not their position.

Or the Civil Rights Restoration Act to ensure that we were not going to have discrimination and use taxpayers' funds to discriminate, not only on the basis of race, but for women in our society. We were only able to go back to what we believed in the 1960's by overriding a President's veto.

The lessons of voting, the lessons of not using funds for discriminatory purposes, the assaults on affirmative action so that we were not going to discriminate against individuals on the basis of the color of their skin, the dismantlement of the EEOC, all happened in the last 8 years.

And we have to ask ourselves: Are the lessons that we learned during those difficult and trying times—we experienced extraordinary anguish and extraordinary courage that brought out the best and the darkest sides of our nature in those periods when Dr. King marched at Selma and was incarcerated in the Birmingham jail—whether it is important for us to be reminded of those lessons and whether it is going to be important for our Nation to be reminded of them in the future?

Those are just the issues dealing with civil rights, Mr. President. And they only cover to a small degree the amount of civil injustice, economic injustice, and poverty that Dr. King brought to the attention of this Nation.

We do not have to look at studies, when we go out across this city or most of the major cities of the country and see the homelessness in our country. We find out about the deterioration in our school systems; and the fact that there are many individuals who do not have health insurance; the basic issues of economic justice as well as civil rights—I daresay all of those lessons are worthwhile for a great nation, as our Nation is, that is in constant pursuit of moving the causes of justice and equity and fairness forward with regard to its fellow citizens.

I daresay Dr. King has personified those lessons in his message, and it is a message which I think we as a country would do well if we focused on, not just 1 day of the year, the Martin Luther King holiday, but for the other 364 as well.

With this legislation, if we are able to remind our fellow citizens of the progress that has been made and also that which needs to be made, Mr. President, this legislation will have far exceeded all of our greatest hopes and dreams.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

PROHIBITING THE EXPORT OF TECHNOLOGY RELATIVE TO THE FSX AIRCRAFT

Mr. DIXON. Mr. President, I send to the desk a joint resolution of disapproval and ask that it be read.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 113) prohibiting the export of technology, defense articles, and defense services to develop or coproduce the FSX aircraft with Japan.

(The remarks of Mr. DIXON pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

FUNDING FOR MARTIN LUTHER KING, JR., FEDERAL HOLIDAY COMMISSION

(The Senate continued consideration of the bill.)

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. President, a great deal of what has been said thus far amounts to little more than a non sequitur in terms of what the issue before the Senate is all about. I said a few moments ago in my preliminary remarks that Senators will differ in their assessments of Dr. King, just as many Americans differ. But what the Senate is being asked to consider is a matter that involves precedents, it involves whether the legislation had been thought through in terms of its ultimate implications and, in fact, whether it is a fair and equitable piece of legislation. We will see. But let us review the Commission a little bit.

The Martin Luther King Commission was established in 1984 because Congress determined that—

It is appropriate for the Federal Government to coordinate efforts with Americans of diverse background and with private organizations in the first observance of the holiday.

That is what it said when we first considered this. And I recall that almost every Member of Congress, House and Senate, who spoke in favor of creating this Commission stressed, emphasized the point, first, that the

Commission would exist for only 20 months; and second, that no Federal funds would ever be used.

So here we are today using a lot of rhetoric to bypass the point. I recall that one Congressman, Mr. Addabbo, said on the floor of the House:

> The maintenance and expenditures of the Commission are to be made from privately donated funds and, therefore, represent no further burden on the Federal budget.

Another Congressman, Mr. GARCIA, said on the floor of the House of Representatives:

> The Commission will be a temporary structure and will disband forever after its work is done. It will require no Government funding and will be supported entirely through private contributions. Thus the bill does not propose a permanent structure that will burden the budget and take scarce resources away from vital areas where they are needed.

It is worth noting parenthetically, Mr. President, that the House of Representatives now has passed a bill making permanent this Commission. No wonder that the American people have a great skepticism about the sincerity of anything said in the House and Senate, certainly about the expenditure of the money required to finance this Government.

Then there was another Member of the House of Representatives, Mr. COURTER, who said on the floor of the House:

> I would emphasize also that this Commission will be functioning using private donations, private money as Dr. Martin Luther King, Jr., would have it, I am quite sure, if he could express his own desire.

Then, Mr. President, in 1986 we heard arguments that the Commission still needed a few more years to complete the job it had started in 1984. And you remember that that job was to promote the first observance of the Martin Luther King holiday. Long past, but yet they needed a little more time, a little more money. Consequently, in 1986, the Commission's life was extended for 3 more years, and that expired in April of this year. Again, in 1986, we heard the proponents of the extension stress the point that the Commission operates on private funds. That was emphasized time and time again.

I remember Senators said it will not cost the taxpayers 1 cent. Well, they were wrong then. They did not know what was in the bill then. There was a stampede to approve it.

One of our distinguished colleagues in the Senate, one of the most able Members of this Senate, and I am sure he believed every word he said—let us quote him.

> It should be emphasized that no Federal money is appropriated for the Commission. Rather, it operates entirely on donated funds. Under the extension legislation, the Commission would continue to be funded from these sources—

Meaning private sources—

> expanding the size of the Commission should also enhance its ability to raise private sector funds.

I have already said that this Commission is not lacking for moneys. My information is that it has taken in between $20 and $30 million from private sources, but that is not enough. Here they come to the taxpayers.

Another Senator, one who I respect enormously and I know he believed what he said on that day in 1986:

> No Federal funds would be required, and the activity of the Commission will continue to be supported by private donations.

If anybody wants me to identify any of the Senators, I will be glad to do that in the RECORD. Another of our distinguished colleagues stated that the Commission "does not cost the Federal Government a single penny." No equivocation, no doubt in his mind about that. He simply did not know at that time what the bill provided. I do not believe Senators now know the implications.

Now, we are traveling this narrow corridor that I described at the outset of my remarks an hour ago. I am not going to get into the business of assessing Dr. King's life, Dr. King's career. That has been done. I am just raising questions about whether the Senate understands what it is doing in terms of the implications and the precedents. I do not think the Senate does or—and I hope I am incorrect about this—the Senate does not care.

Before we get too far in this debate, I think we need to correct a misunderstanding that has been created as to whether the Martin Luther King Holiday Commission is supported by Federal funds. Contrary to what has been said by many, the Commission has been receiving significant support from the American taxpayers.

The law creating the Commission provided that—

> Upon the request of the Commission, the head of any Department or agency of the United States may detail on a nonreimbursable basis any of the personnel of such Department or agency to the commission to assist it in carrying out its responsibilities under the act.

As a result of that little thing, Senators ignored at the time—in fact, got up on the floor at that time and said not one penny of the taxpayers' money will be spent.

Let me tell you, it was mighty profitable for the Commission, and I am going to demonstrate the point by reading from the Commission's own annual report:

> All of the Commission staff except for the executive director were provided on a nonreimbursable basis by Federal agencies.

According to the last two reports from this Commission, the value of these services, the cost to the American taxpayers, in other words, for the 4-year period ending on February 28, 1989, was $1,729,000 in the Washington office of the Commission and $375,000 in the Atlanta office. These estimates do not include the value of office space furnished by the Federal Government or furniture issued by the Federal Government and equipment furnished by the Federal Government used in both the Washington and the Atlanta offices by this Commission. All of this was provided by Mr. U.S. Taxpayer, whether he liked it or not, contrary to what had been promised, vowed to on this floor at the time the bill was passed.

I am sure Senators are enjoying coming over here and paying their respects to Dr. King, and that is fine. I am even sure they are sincere in expressing their respect and admiration for Martin Luther King and his works, and I am sure they have a genuine desire to see the holiday celebrated appropriately, and that is fine. I also understand that Senators who have spoken this afternoon feel a need to demonstrate their continued support by spending more of the taxpayer's money. It is so easy to spend somebody else's money, and you can make it so virtuous. I am going to give Senators a chance to put up or shut up on that proposition before this is over. But what I really want, what I really seek, Mr. President, is to have Senators think seriously before sending us further down the road of providing sizable sums of money for this purpose in addition to the significant financial contribution already made by the American taxpayers.

We all profess to be concerned about the budget deficit. We certainly, every time we go home, profess to be concerned about the burden on the hard-working taxpayers, and I feel that way, too. But I bet on this issue the vote is going to be lopsided, and I knew that when I went into this issue.

Now, I met this morning with the distinguished majority leader and minority leader and Senator NUNN. I made them a proposition that if they would delete the funding, we could get this matter over and done with quickly. I feel this way about it, Mr. President. If the Commission is willing to promote this holiday with private funds, that is fine. In fact, I admire the members and staff of the Commission for the dedication they bring to a cause in which they believe. But let us look at what we are talking about, that narrow legislative corridor that I mentioned an hour ago when I first rose on this Senate floor to briefly discuss this matter.

Under the pending legislation, the proponents not only seek to extend the life of the Commission once more, this time for 5 years, they also want what they call a modest amount of Federal support. That is the way every program in history, almost without exception, has begun: "Oh, this is a tem-

porary program; it will not cost much money." Then programs take on a life of their own, they operate in perpetuity, and the American taxpayer has nothing to say about it.

I do not think there is any mystery, Mr. President, that the intent of this bill and the intent of many of its proponents—maybe not all—from the very beginning was to create a permanent, federally funded Commission. Bear in mind that the House bill, already passed by an overwhelming margin, would make the Commission permanent with an authorization of $500,000 a year of the American taxpayers' money, and you can bet your boots that down the line, maybe not too far down the line, they will up that to $1 million a year, $1.5 million a year, $2 million. Who knows?

Mr. President, if we agree to provide any further Federal funds to support this Commission, we are headed down a path that will lead to progressively larger and larger amounts with absolutely no chance of ever reducing or stopping it.

If this Commission is extended for 5 years, the lobbying will begin immediately to make it permanent just as sure as the morning follows the night. That is the way it always works. The pressure will get greater and greater as we approach that sunset date 5 years hence.

Let me say this: In our meeting this morning, and my hat is off to Senator NUNN at least to this, he indicated his very strong objection to making the Commission permanent. But I know, and Senator NUNN is certain to know, that he will have little control over that. The train will be rushing down the track by that time, and those who have been trying to say wait a minute will be swept aside.

I would like to sit down with any of the cosponsors, just privately, not in a heated debate on this floor, and ask them what they would consider to be the maximum funding level in the future for this Commission. Would it be $5 million, $10 million, $50 million, $100 million? When I heard the recitation of all the grand and glorious things the Commission is charged with doing—which, incidentally are not covered, certainly not specifically in the bill—the sky is the limit.

I know the $1.5 million specified in the bill now pending may be considered an insignificant amount around here, as soon as you are spending the other guy's money, any amount is insignificant. But you ask Senators to put up their own money, I tried that one time on another issue. That was many years ago. I was the new boy on the block in the Senate, and I heard all of the self-righteous proclamations about we have to do this. Just appropriate $250 million, as I recall. I sent a little amendment to the desk with my check for $1,000, which I would have to borrow from the bank to cover, and I said, "Let us not spend any of the taxpayers' money. Let us, Members of the House, Members of the Senate, put up the money for it." I think I got seven votes. I got a lot of hard words from some of my colleagues. It is easy to spend another guy's money, Mr. President, but when you ask Senators to put up their own money, oh, that is asking too much.

Every day we hear our colleagues speak so eloquently about the Federal deficit. I agree with it. I was a new boy on the block again in 1973 who introduced his first bill calling for a balanced Federal budget. They said, "Let us not be silly," and voted it down.

So I am worried about the Federal deficit. I have been. I was worried about the Federal deficit before I was elected to the Senate in 1972. I voted against appropriation bill after appropriation bill because it was bloated and swollen because everybody got their little deal in. Nobody ever cuts. They always raise the Federal spending because it is not their money. It is not their money. It is Joe Taxpayer's money, and who is Joe to complain?

I have heard so many times harsh condemnations of Ronald Reagan, claiming that he created these deficits. It is not so. No President can spend 1 dime that has not been authorized and appropriated by the Congress of the United States. I like Ronald Reagan. I do not dislike him. He did plead for a balanced budget. He did plead for the line-item veto, and the Congress said, "Don't be silly. We are not going to give you either one."

I hear so much talk about how these deficits are preventing the Federal Government from adequately funding programs to feed children, to take care of the elderly, to help bring people out of poverty. Yet the same people who say these things, I predict, are going to vote on the pending bill which will begin a new Federal program which can be described at best as nonessential. Some may find it desirable. But when all is said and done—I guess a lot will be said and very little done—it is nonessential.

Furthermore, I think Senators ought to understand that there is no other federally funded entity established simply to promote a particular Federal holiday on an annual basis—not one.

I have heard references today and a time or two before today to the Christopher Columbus Quincentenary Jubilee Commission, and the Commission on the Bicentennial of the U.S. Constitution. However, those two were established to observe and celebrate exceptionally unique events in our history, one to celebrate a 200th anniversary and that does not roll around very often. Of course, the Christopher Columbus Commission was created to celebrate a 500th anniversary.

When these Commissions are through with their work, and one of them already is, bang, they will have been terminated or will be.

Now, Mr. President, what distinguishes this holiday from Independence Day or Washington's Birthday or Lincoln's Birthday—what really distinguishes this specific, particular holiday to justify the permanent federally funded Commission to promote it? Before we appropriate Federal funds specifically for this Commission, I think it is important for the Senate to understand and understand clearly, precisely how this money will be used. Do not give me some generalities. Our business in the Senate is to understand precisely how the money will be spent.

Public Law 98-399 originally set forth the purpose of the Commission. I hope you will listen to me. "The purpose of the Commission is to encourage appropriate ceremonies and activities throughout the United States relating to the first observance of the Federal legal holiday honoring Martin Luther King, Jr., which occurs on January 20, 1986; and two, to provide advice and assistance to Federal, State, and local governments, and to private organizations with respect to the observance of such holiday."

There is no question about it. It referred to one observance, the first observance, on January 20, 1986—long ago.

There was no other purpose stated for the Commission. Mr. President, the statement of purpose has not been amended. Yet the Commission's activities have gone far beyond anything contemplated when it was created in 1984.

Let me identify a few of the many activities and programs which the Commission has initiated or in which it has participated.

I simply ask each Senator to consider whether each activity is in fact appropriate, in light of the purpose of this Commission, as stated in the statute, and whether Federal funds should be appropriated to the Commission to support these programs and activities.

Now, according to the 1988 annual report of the Commission—and this is not JESSE HELMS talking; this is the Commission itself:

> The Commission expanded the Freedom Trail Map program that began in 1986-1987. The focus of the Freedom Trail provides a stimulus to individuals, organizations and communities in America, as well as nations around the globe, to demonstrate commitment to nonviolent social change.

That is all well and good, but that is not what the creating statute said. They did not allow for anything like that. And then the annual report mentioned that the Commission worked with the King Center for Nonviolent Social Change, Inc.—You bet it did—and also with the U.S. Student Asso-

ciation, to conduct a national college student conference in Atlanta. Now, in this conference—and I am quoting from the annual report of the Commission:

In this conference, the Commission sought to reestablish a national college and university student coalition dedicated to the principles of nonviolent social change.

And I quote further from the annual report—

The conference brought hundreds of students to Atlanta for formal training on Kingian nonviolence philosophy and strategy.

Later, the annual report stated that:

The students learned how to bring protest campaigns through the stages of information, education, personal commitment, and purification, negotiation, direct action, reconciliation, and gained fundamental skills which allowed them to return to their campuses and effectively deal with injustices. The conference also encouraged students to register to vote.

As one of the new activities set out in the report—and when I say the report, I mean the annual report of this Commission—the Commission "has called upon holiday commissions, State, city, local, as well as other organizations and groups to identify and undertake a Martin Luther King, Jr., heritage action project."

That might be all right, but it was not covered in the original law. What do we do around this place? Just say, here we have general language, and take the ball and run with it?

Another question that there might be is, how many more protest movements do we want the American taxpayers to finance? According to the annual report, these projects "must address problems of poverty, racism, war, and violence in its many forms, and how these issues impact upon the human experience."

The report sets out a list of some appropriate examples, including: Housing for the poor; shelters for the homeless; creative efforts to promote peacekeeping and peacemaking; No. 4, community service programs to help the elderly, handicapped/physically challenged or other disadvantaged groups; programs to address the problems of drug abuse, teenage pregnancy, illiteracy, crime, unemployment and underemployment, none of which were covered by the statute. I thought that was something the Congress was supposed to be working on anyhow.

No. 6, assistance to small farmers and refugees; scholarships for students and adults to receive training at the King Center in Atlanta; No. 8, nonviolent projects to eliminate apartheid in South Africa and to promote independent nations in the southern African region.

Well, depending on the Senator, you may agree or disagree with some or all of these, but the point is, this authority was not covered in the original statute. Nor is it covered in the pending statute. What are we doing, a blank check?

Another of the new activities mentioned in the annual report is to support efforts "to formalize"—and that word bothers me—"to formalize instruction and curriculum in America's schools." Now, what are we talking about? I would like to hear Bill Bennett or somebody comment on this. Bill Bennett may be totally in favor of this bill. I have not talked with him about it. Do we really want to finance an independent organization that is going to formalize education? The Commission also plans to sponsor "a national teachers miniconference on infusing materials related to Dr. King and to the curriculum of the Nation's schools."

What does that mean? Does that mean they are going to be the judge and jury on what is presented and what is not presented on any subject, including Dr. King? Now, I sent every Senator a copy of the report. I would not dare to speculate about how many people even opened it up.

Yet, another effort of the Commission is the "formalization of instruction on Dr. King in public and private schools, colleges, universities." And I continue to quote: "The Commission sees an increasing need for the establishment of an educational materials clearinghouse on Dr. King."

Clearinghouse? Does that mean that only the materials that this Commission clears will be used? I think there would be a few teachers around who would object to that. Let me continue to quote.

The clearinghouse will plan programs based on ongoing assessments of currently developed educational materials related to Dr. King, identify needs and improvements in curricula areas.

Do you see where this has taken us, Mr. President?

Maintain information on the current trends and educational practices and teaching techniques.

Wow!

And interact with State and local education agencies, principals, teachers, parents, educational associations, media, libraries, and other information dissemination sources.

Mercy!

We are bestowing a lot of power on this Commission, and we are going to propose to finance it more and more on a permanent basis.

Another primary function of the Commission has been to lobby State and local governments to establish a holiday. According to the report the Commission "began immediately upon its establishment to encourage State Governments to enact legislation establishing corresponding State holidays and to establish State holiday commissions designed to institutionalize the holiday in their States. The Commission encourages all States to use the legislative process to establish the day"—meaning the holiday, I presume—"as a paid holiday for employees."

Well now, I have been trying to think of what other governmental entity is financed in whole or in part upon which we bestow the authority to lobby, the Federal Government or any other government.

When I find the next one it will be a total of one.

Later the annual report states other examples of its lobbying activities.

* * * the Chairperson [of the Commission] plans to visit these 7 States for discussions with principal State officials and legislators regarding ways and means to officially establish the Holiday in their States.

All well and good, depending on how you feel about it. How do you feel about the taxpayer being required to finance a lobbying outfit in whole or in part?

But let us go further.

The Governor of each State will be asked to continue their State holiday commission or to create one, and allow their Commission to become a part of the Federal Commission's new Council of State Holiday Commissions. Each Governor will also be asked to make a one-time contribution of $500 to the Federal Commission.

I expect a lot of Governors will be awfully busy; if they are anything like Senators, they don't want to give up anything of their own money. But I do not know about that, but I just speculate.

But to continue the report:

Mayors throughout the country will be asked to continue their local commission/committee or to create one. * * * Each mayor will also be asked to make a one-time contribution of $250 to the Federal Commission.

Continuing to quote from the annual report:

Efforts will continue to have the United Nations formerly—

They meant "formally"—

observe the National Holiday some special event or activity.

I read it just as it appears in the annual report. I am not sure what all that means. It is not clear to me. But let us continue to quote:

[T]he International Committee established three major objectives: (1) To encourage support for meaningful activities at foreign embassies in Washington, DC and their countries on the Holiday. * * * Members of the committee actively promoted their objectives through correspondence and personal meetings with foreign ambassadors and other officials.

That is about as far as I am going right now. I have an armload of material which I want to share with the Senate, at least part of it. I will do that as time passes.

I might add, Mr. President, at the meeting this morning with Majority Leader MITCHELL, Minority Leader DOLE, and Senator NUNN we worked

out, I think, a modification of the present legislation. I hope the modification will be accepted because it will place a restriction on some of the Commission's activities and make it subject to the Federal Advisory Committee Act.

I want to say right now that Senator NUNN has been open-handed with me and I have tried to be with him in connection with this bill. He knows how I feel about it and I know how he feels about it.

I thank him and I certainly thank the distinguished majority leader and the distinguished minority leader for their cooperation and consideration in terms of the modification of the bill if indeed it occurs.

I will be back in a little while to offer the first amendment. Senator MITCHELL asked me to be prepared to lay down an amendment for this evening to be voted on tomorrow which I agreed to do.

There cannot be any votes today, you understand, because there are not enough Senators around. This is Monday, which is almost as bad as Friday around this place. And if we attempted to have a rollcall vote right now we would not get 51 votes, and under the Senate rule we would have to adjourn, which might be the best thing we could do for the American people.

Last week in North Carolina one of my friends said, "What are you doing home?" I said, "You did not know it but your liberties are safe. The Senate is not in session all this week."

Monday is the next thing to being in recess.

I yield the floor.

The PRESIDING OFFICER [Mr. ROBB]. The Chair recognizes the floor manager, the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, our majority leader can speak for himself, but I understand the Senate schedule was worked out between the majority leader and the Republican leader. So I would suggest if the Senator from North Carolina has some complaints about the scheduling of various events that he direct those to the Republican leader, since I understand that this program with regards to this particular measure has been worked out with the leadership.

It is, I must say, quite astounding that we have to take up this much of the Senate's time to address this particular issue, but the Senator from North Carolina has indicated he was desirous of doing so and so we will take up the Senate's time while there are so many other measures which are of such urgency and importance that we ought to have the opportunity to address.

Mr. President, I will just take very few moments now to address some of the areas which the Senator from North Carolina has addressed. As I mentioned earlier, I respect the reasons and the position of the Senator from North Carolina, but since this legislation was introduced shortly after Martin Luther King's tragic loss he has been a firm opponent every step along the way.

When we addressed this issue on the debate on the floor of the U.S. Senate and now at this particular time when we are providing for continued authorization, 5 years of $300,000, in authorization, this authorization will have to go to the appropriating committee as other authorizations will, and the appropriating committee will evaluate the various programs and the justifications for it and then we will have an opportunity to review that again, whether we are satisified with that particular amount.

So with regards to the procedures, with regards to the precedents, Mr. President, we have seen ample number of precedents in terms of funding various commissions. As the Senator from North Carolina himself has pointed out, we have already appropriated some $652,000 to celebrate the 500th anniversary of Christopher Columbus in an appropriate way. That obvious experience reaches the very core of the development of the founding of our country.

But I do not hear the Senator from North Carolina going after that particular authorization or that particular appropriation; nor has he gone after other kinds of appropriations.

We have allocated some $50,000 to celebrate the centennial of President Eisenhower's 100th birthday. I support that as I have the Christopher Columbus proposal, but the Senator from North Carolina has not opposed those proposals.

There only appears to be one and that has to do with Martin Luther King.

Now we understand the position of the Senator from North Carolina right from the very beginning, in terms of the range of different measures, the civil rights measures, and he has his position and I understand it and I respect it. But we have to understand what his position has been and what it continues to be, and while he is talking about the various ways this body is playing fast and free with the American taxpayers, he has not been that willing to come to the floor on these particular issues on other particular commissions which have had authorizations and which have had appropriations, and I think it is important to understand that.

Second, Mr. President, the fact remains that many of us who supported the Martin Luther King holiday recognized that it was not only a recognition of the celebration of a particular holiday but it was also a recognition of the teachings, the values, and the positions of a very outstanding individual, who did receive the Nobel Peace Prize.

Mr. President, many of us who were there during the period of time when it was first introduced thought that most of those issues were going to be resolved, that this Nation was going to make progress in dealing with racism, injustice, and intolerance. We believed, perhaps naively, that when we tried to make some progress, legislatively and through reconciliations some time ago that we would not be back here 20 years later and still see the stains of racism and injustice in our society. But they are there and no one is suggesting that with just the authorization of this particular legislation we going to resolve it. We are not.

But what we are trying to reflect on is the fact that at a critical time in this country's history, when we were attempting to come to grips with the rawest aspect of segregation, that there was an individual who brought us to our senses and did it in a nonviolent way and he appealed to the values and the conscience of the Nation rather than to the club or the riot or the blackjack or other weapons. I think that those are tragic lessons that we need to continue to be reminded of.

It seems to me that if this holiday, as I mentioned before, can be a moment which does not remind us of those lessons, and if there can be initiatives that take place across this country in particular communities or in particular States that are particularly effective, if this Commission can share that experience with other States and other communities to the benefit of our common experience, I think it is an investment well made.

Mr. President, I am prepared at this time either to debate amendments or to continue to debate the merits of the bill itself. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I would like to express my support for S. 431 which reauthorizes the Martin Luther King, Jr. Federal Holiday Commission for an additional 5 years and provides for an annual appropriation of $300,000.

I would say, as I say later in my remarks, that I recall standing on this floor in 1986, I believe it was, saying that we were asking that a Commission be authorized and financed with contributions from private sources. Certainly that has been my prefer-

ence, and I made that clear to Mrs. King and others.

I have tried to help raise money through private sources. I said to Mrs. King recently that I would be happy to try to help her in continuing private efforts. I think that is the best way to go.

But, in any event, having been a member of the Commission since 1986, I have seen the Commission do many good things. Many of these good things were alluded to this morning by my friend and colleague from Georgia, the sponsor of this bill, Senator NUNN. The Commission has encouraged States to recognize and celebrate the King holiday. There are 45 States now, including my own State of Kansas, that officially observe the holiday. Senator NUNN also talked about the number of foreign countries which have taken an interest in the celebration.

In addition, the Commission has distributed hundreds of thousands of posters and pamphlets describing the work and the life of Dr. King. The Commission has also responded to thousands and thousands of inquiries from across the country. And it has sponsored an annual holiday parade in Atlanta that has grown in size and popularity each year.

So I think in a couple of short years, the Commission can be commended—the members of the Commission, particularly Mrs. King, who is the driving force behind the Commission—for trying to fulfill its original mandate to promote the observance of the King holiday throughout the United States and to assist and advise Federal, State, and local governments in the holiday's observance. That was the purpose of the bill. That was the purpose of the Commission.

I think a quick look at the latest annual report would demonstrate how much the Commission has accomplished in its brief 4 years of existence. Much more needs to be done, however. Many young people and the younger generations are not aware of the important contributions that Dr. King made to this country; not even aware of the sacrifices he made; not aware that these contributions benefited both black and white America. All these contributions should not be forgotten.

As I said, I am not crazy about public funding. To me, it is sort of a foot in the door for somebody else. Next year, somebody may want more money and more money and more money.

I know that there have been some indications that there was precedent for this. I could not find, however, any direct precedent for public funding in the other Federal holidays.

But, in any event, I think that the public funding here is a small amount—$300,000 may be a lot of money for some, but, as one of my colleagues pointed out earlier in the debate, the State of New York is spending almost double that amount on a statewide King commission.

So I can certainly understand some of the objections raised today by my distinguished colleague from North Carolina, Senator HELMS.

Ideally the Commission should be funded exclusively from donations from private sources. I must admit one of the reasons I supported the original legislation that established the Commission was the fact that I could stand here and say the Commission would be financed entirely with private donations. And I have been, in some small part, involved in that effort to try to raise money for the Commission.

It is not too difficult for the Martin Luther King, Jr. Center to raise money, but it is pretty difficult for the Commission. We cannot ignore the Commission's difficult financial situation. While the Commission has managed to operate with a positive accounting balance over the past several years, it is just squeaking by. Private financing has not been enough. That is why I have come to the conclusion that some small amount of Federal funds is now necessary. I disagree with the House, though, which made the reauthorization and funding of the Commission permanent. I think Senator NUNN is correct. Let us have a 5-year reauthorization at the level of funding he suggests. Then we can take a look at it.

Maybe there will be some way, in the next year or sometime shortly thereafter, to find a way to fund the Commission privately.

As I have said, I made a personal pledge to Mrs. King to try to enlist private support for the Commission and I hope and I know that other Senators will join me in that effort. Perhaps we can make public financing unnecessary as early as next year. If that happens, I am certain that those who are concerned about the Commission and its funding will welcome such an event.

I would also like to add another point here. As a recipient of public funds, the Commission will have an additional responsibility, a responsibility to ensure that public funds are not misused and are used for the purpose for which they are appropriated, for the purpose intended by Congress. This morning a number of my colleagues discussed at least one amendment. I think there was general agreement on it. Hopefully we can work it out. It may be offered today or tomorrow, to make this responsibility clear.

This amendment will be designed to ensure that the Commission engages only in those activities that actually promote the King holiday and not activities, for example, that encourage student training in civil disobedience or how to conduct a protest.

As I look back at the original intent of the Commission, the only purpose I can find was, "to encourage appropriate ceremonies and activities throughout the United States relating to the first observance of the Federal legal holiday honoring Martin Luther King, Jr., which occurs on January 20, 1986," and to "provide advice and assistance to Federal, State, and local governments and to private organizations with respect to observance of such holiday." That is it. If the Commission is going to be financed with public funds, in my view, the Commission ought to limit itself to these activities. That means no unlimited lobbying, no schools on how to conduct civil disobedience or protests. And I would hope we could agree on such an amendment if and when it is offered. And I am certain it will be offered.

It seems to me once you accept Federal funding you have to accept the responsibility. I do not think that is too much to ask.

Also, it is my understanding that an amendment will be offered, maybe part of the same amendment, which would make the provisions of the Federal Advisory Committee Act apply to the Commission. In other words, as long as the Commission receives public funding, there is no reason for the Federal Advisory Committee Act to apply to this Commission. But now, with public funding, it should apply. It is very helpful and does require some accounting. I think that is the way it should be. I do not know of any disagreement there.

But, I would say also that during the Senate debate on the King holiday itself, which was controversial, as the Senator from Massachusetts said earlier, I had the privilege on the Republican side of managing that bill. We were in the majority. I was a member of the Judiciary Committee. It was controversial to many Senators and to many people around the country. We made a pledge then that we were going to make certain that we did not spend a lot of Federal money.

But I said during the debate, and I would quote again: This is some 5 or 6 years ago:

> Dr. King lost his life but no one can take away his legacy. Like the men in olive grey and brown khaki whom we honor on Veterans Day, like the man in a blue collar or women in the classroom whom we salute on Labor Day, like so many others who have in their own way helped close the gap between America's promises and her performance, he risked everything for what he believed in. It is this belief we commemorate, as well as the believer; it is the struggle for opportunity as old as America herself to which we pledge ourselves anew.

I still believe what I said 5 years ago. I believe that the Commission continues to have an important role in pro-

moting the vision and the legacy of Dr. Martin Luther King, Jr.

I would hope, along with the majority leader—I think I can speak for him—that we can dispose of this matter quickly tomorrow and then move onto the budget resolution and complete action on that early this week.

I would also make a part of the record, because I am on record as saying private funding is the right way to go, a statement I made on April 17, 1986. I will quote from my statement:

It should be emphasized that no Federal money is appropriated for the Commission; rather, it operates entirely on donated funds. Over the past year, a number of businesses and organizations contributed money to the work of the Commission and under the extension legislation, the Commission would continue to be funded from these sources.

That was my hope then. As I have said, we have to deal with reality. It has not been easy to raise money for the Commission. We made a number of efforts. I know Mrs. King and others have; House Members, Members of the Senate, members in the private sector. But I am still hopeful that together we can find resources which would obviate the need for any Federal funding at all. Maybe this will occur after the first year of this 5-year reauthorization.

So, Mr. President, I support the legislation and I would hope there would be an amendment along the lines I outlined. It was discussed this morning in the leader's office, with the principal sponsor of the proposal, Senator NUNN, myself, Senator HELMS, and the majority leader. I think that it may be an amendment we can agree upon.

I am not so certain about some of the other amendments of Senator HELMS, particularly the amendment to strike out Federal funding. I cannot support that amendment even though, as I said, I am on record earlier hoping that we could continue this Commission without public funds.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, as the distinguished Senator from Kansas, Mr. DOLE will recall, our agreement was this morning, and it was suggested by the majority leader, that I lay down an amendment which I am prepared to do. As a matter of fact, I will do it.

AMENDMENT NO. 65

(Purpose: To extend the Commission for 2 years)

Mr. HELMS. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMES] proposes an amendment numbered 65.

At the end of the bill, add the following: Notwithstanding any provision of this Act, the Commission shall cease to exist two years after the date of enactment of this Act.

Mr. HELMS. Mr. President, so we have something to work on in the morning, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 66 TO AMENDMENT NO. 65

(Purpose: To delete funding for the Commission)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask for it to be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 66 to amendment numbered 65.

Strike all after the first occurrence of word "Act," and insert in lieu thereof the following:

No funds shall be appropriated for the Commission.

Mr. HELMS. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

AGREEMENT BETWEEN THE UNITED STATES AND THE REPUBLIC OF KOREA CONCERNING FISHERIES OFF THE COASTS OF THE UNITED STATES—MESSAGE FROM THE PRESIDENT—PM 35

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to 16 U.S.C. 1823(b), was referred jointly to the Committee on Commerce, Science, and Transportation and the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with the Magnuson Fishery Conservation and Management Act of 1976 (Public Law 94-265; 16 U.S.C. 1801 *et seq.*), I transmit herewith an agreement effected by exchange of notes February 17, 1989, and March 27, 1989, extending for the period of 2 years from July 1, 1989, until July 1, 1991, the Agreement between the Government of the United States of America and the Government of the Republic of Korea Concerning Fisheries off the Coasts of the United States, signed at Washington on July 26, 1982, as amended and extended. The exchange of notes together with the present agreement constitute a governing international fishery agreement within the meaning of section 201(c) of the act.

Several U.S. fishing industry interests have urged prompt consideration of this agreement. Because of the importance of our fishing relationship with Korea, I urge the Congress to give favorable consideration to this agreement at an early date.

Since 60 calendar days of continuous session, as required by the legislation, may not be available before the current agreement is scheduled to expire, I recommend the Congress consider passage of a joint resolution.

GEORGE BUSH.

THE WHITE HOUSE, *May 1, 1989.*

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 3, 1989, the Secretary of the Senate, on April 25, 1989, during the recess of the Senate, received a message from the House of Representatives announcing that the House has passed the following joint resolutions, without amendments:

S.J. Res. 25. Joint resolution to designate the week of May 7, 1989, through May 14, 1989, as "Jewish Heritage Week";

S.J. Res. 52. Joint resolution to express gratitude for law enforcement personnel;

S.J. Res. 60. Joint resolution to designate the period commencing on May 1, 1989, and ending of May 7, 1989, as "National Drinking Water Week"'

S.J. Res. 84. Joint resolution to designate April 30, 1989, as "National Society of the Sons of the American Revolution Centennial Day"; and

S.J. Res. 92. Joint resolution to invite the houses of worship of this Nation to celebrate the bicentennial of the inauguration of George Washington, the first President of the United States, by ringing bells at 12 noon on Sunday, April 30, 1989.

Under the authority of the order of the Senate of January 3, 1989, the Secretary of the Senate, on April 26, 1989, during the recess of the Senate, received a message from the House of Representatives announcing that the House agrees to the amendment of the Senate to the bill (H.R. 678) to make a correction in the Education and Training for a Competitive America Act of 1988.

ENROLLED JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had signed the following enrolled joint resolutions:

S.J. Res. 25. Joint resolution to designate the week of May 7, 1989, through May 14, 1989, as "Jewish Heritage Week";

S.J. Res. 52. Joint resolution to express gratitude for law enforcement personnel;

S.J. Res. 84. Joint resolution to designate April 30, 1989, as "National Society of the Sons of the American Revolution Centennial Day";

S.J. Res. 92. Joint resolution to invite the houses of worship of this Nation to celebrate the bicentennial of the inauguration of George Washington, the first President of the United States, by ringing bells at 12 noon on Sunday, April 30, 1989; and

H.J. Res. 124. Joint resolution to recognize the 75th anniversary of the Smith-Lever Act of May 8, 1914, and its role in establishing our Nation's system of State Cooperative Extension Services.

Under the authority of the order of the Senate of January 3, 1989, the enrolled joint resolutions were signed on April 27, 1989, during the recess of the Senate, by the President pro tempore [Mr. BYRD].

MESSAGES FROM THE HOUSE

At 1:09 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 840. An act to authorize appropriations for fiscal year 1990 for the Federal Maritime Commission, and for other purposes;

H.R. 1223. An act to authorize appropriations to carry out the National Oceanic and Atmospheric Administration Marine Fisheries Program Act through fiscal year 1992;

H.R. 1224. An act to authorize appropriations to carry out the Anadromous Fish Conservation Act through fiscal year 1992;

H.R. 1225. An act to authorize appropriations to carry out the Interjurisdictional Fisheries Act of 1986 through fiscal year 1992, and for other purposes; and

H.R. 1763. An act to authorize expenditures for fiscal year 1990 for the operation and maintenance of the Panama Canal, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 50. Concurrent resolution permitting the use of the rotunda of the Capitol for a ceremony to commemorate the days of remembrance of victims of the Holocaust.

The message further announced that pursuant to the provisions of House Concurrent Resolution 96, One Hundred First Congress, the Speaker appoints the following Members on the part of the House to attend the ceremonies commemorating the 200th anniversary of the implementation of the Constitution as the form of Government of the United States, the convening of the First Congress, the inauguration of George Washington as the first President of the United States, and the proposal of the Bill of Rights as the first 10 amendments to the Constitution: Mrs. BOGGS, Mr. CRANE, Mr. SCHEUER, Mr. SOLARZ, Mr. WEISS, Mr. GREEN, Mr. ACKERMAN, Mr. DORNAN of California, Mr. HOCHBRUECKNER, Mr. ENGEL, and Mrs. LOWEY of New York.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled bill and joint resolution:

H.R. 678. An act to make a correction in the Education and Training for a Competitive America Act of 1988; and

S.J. Res. 60. Joint resolution to designate the period commencing on May 1, 1989, and ending on May 7, 1989, as "National Drinking Water Week."

The enrolled bill and joint resolution were subsequently signed by the President pro tempore [Mr. BYRD].

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 840. An act to authorize appropriations for fiscal year 1990 for the Federal Maritime Commission, and for other purposes; to the Committee on Commerce, Science, and Transportation;

H.R. 1223. An act to authorize appropriations to carry out the National Oceanic and Atmospheric Administration Marine Fisheries Program Act through fiscal year 1992; to the Committee on Commerce, Science, and Transportation;

H.R. 1224. An act to authorize appropriations to carry out the Anadromous Fish Conservation Act through fiscal year 1992; to the Committee on Commerce, Science, and Transportation;

H.R. 1225. An act to authorize appropriations to carry out the Interjurisdictional Fisheries Act of 1986 through fiscal year 1992, and for other purposes; to the Committee on Commerce, Science, and Transportation; and

H.R. 1763. An act to authorize expenditures for fiscal year 1990 for the operation and maintenance of the Panama Canal, and for other purposes; to the Committee on Armed Services.

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that he had presented to the President of the United States the following enrolled joint resolutions:

On April 27, 1989:

S.J. Res. 25. Joint resolution to designate the week of May 7, 1989, through May 14, 1989, as "Jewish Heritage Week";

S.J. Res. 52. Joint resolution to express gratitude for law enforcement personnel;

S.J. Res. 84. Joint resolution to designate April 30, 1989, as "National Society of the Sons of the American Revolution Centennial Day"; and

S.J. Res. 92. Joint resolution to invite the houses of worship of this Nation to celebrate the bicentennial of the inauguration of George Washington, the first President of the United States, by ringing bells at 12 noon on Sunday, April 30, 1989.

On May 1, 1989:

S.J. Res. 60. Joint resolution to designate the period commencing on May 1, 1989, and ending on May 7, 1989, as "National Drinking Water Week."

REPORTS OF COMMITTEES SUBMITTED DURING RECESS

Under the authority of the order of the Senate of April 19, 1989, the following reports of committees were submitted on April 27, 1989, during the recess of the Senate:

By Mr. SASSER, from the Committee on the Budget, without amendment:

S. Con. Res. 30, An original concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992 (with additional and minority views) (Rept. No. 101-20).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DECONCINI:

S. 869. A bill to amend the Internal Revenue Code to restore the deduction for capital gains of individuals, to ensure that the rate of tax on long-term capital gains of individuals does not exceed 21 percent, and for other purposes; to the Committee on Finance.

By Mr. GORE:

S. 870. A bill to label consumer products containing substances that contribute to the depletion of the ozone layer in the upper atmosphere, to regulate the sale, distribution, and use of such substances in consumer products and services in and affecting interstate commerce, to recapture and recycle such substances and for other purposes; to the Committee on Commerce, Science, and Transportation.

S. 871. A bill to institute a manufacturers' excise tax on certain ozone-depleting chemi-

cals; to partially direct revenues from such excise tax toward an Ozone Layer Conservation Trust Fund for developing chemical and technological alternatives to ozone-depleting chemicals; and for other purposes; to the Committee on Finance.

S. 872. A bill to phaseout production of certain ozone-depleting chemicals; to institute a policy promoting safe alternatives to ozone-depleting chemicals; and for other purposes; to the Committee on Environment and Public Works.

By Ms. MIKULSKI:

S. 873. A bill to promote the integration of women in the development process in developing countries; to the Committee on Foreign Relations.

By Mr. FORD:

S. 874. A bill to establish national voter registration procedures for Presidential and Congressional elections, and for other purposes; to the Committee on Rules and Administration.

By Mr. KASTEN (for himself and Mr. LEAHY):

S. 875. A bill to prohibit United States contributions to the United Nations or any of its affiliated organizations if full membership as a state is granted to any organization or group that does not have the internationally recognized attributes of statehood; to the Committee on Foreign Relations.

By Mr. HELMS:

S. 876. A bill to temporarily suspend the duty on thiothiamine hydrochloride; to the Committee on Finance.

By Mr. DECONCINI:

S. 877. A bill to require the posting on certain aircraft of information relating to the date of manufacture of the aircraft, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. GRASSLEY (for himself and Mr. DOLE):

S.J. Res. 112. Joint resolution designating May 29, 1989, as the "National Day of Remembrance for the victims of the USS Iowa"; to the Committee on the Judiciary.

By Mr. DIXON (for himself, Mr. FORD, Mr. D'AMATO and Mr. SHELBY):

S.J. Res. 113. Joint resolution prohibiting the export of technology, defense articles, and defense services to codevelop or coproduce the FSX aircraft with Japan; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DECONCINI:

S. 869. A bill to amend the Internal Revenue Code to restore the deduction for capital gains of individuals, to ensure that the rate of tax on long-term capital gains of individuals does not exceed 21 percent, and for other purposes; to the Committee on Finance.

RESTORATION OF CAPITAL GAINS DEDUCTION

● Mr. DECONCINI. Mr. President, the elimination of a capital gains differential was one of the major changes instituted in the 1986 Tax Reform Act. The 1986 repeal of the capital gains differential has created a host of new problems—problems that threaten the competitiveness of the American economy.

The elimination of a capital gains differential has created a formidable barrier for long-term investors. It has resulted in a climate that is both economically and psychologically damaging. At a time when world markets are becoming ever more competitive, America can ill afford this. The repeal of the capital gains differential has eroded the Nation's investment base and has reduced confidence in the long-term profitability of the American market.

Additionally, treating capital gains as ordinary income results in unfair taxation for the individual investor. Without a capital gains differential, taxes are determined by an investment's inflationary increases, not its actual increase in value. The unfairness of this present situation must be rectified.

Mr. President, with these considerations and arguments in mind, I am reintroducing legislation that will reduce the effective tax rate on capital gains to its pre-1986 Tax Reform Act level. The bill will reestablish a capital gains differential of 25 percent and thus ensure that no taxpayer pays more than a top effective rate of 21 percent on capital gains income.

I ask unanimous consent that the text of the bill be printed in the RECORD, at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 869

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 25 PERCENT DEDUCTION FOR CAPITAL GAINS.

(a) IN GENERAL.—Part I of subchapter P of chapter 1 of the Internal Revenue Code of 1986 (relating to treatment of capital gains) is amended by inserting after section 1201 the following new section:

"SEC. 1202. DEDUCTION FOR CAPITAL GAINS.

"(a) IN GENERAL.—If for any taxable year a taxpayer other than a corporation has a net capital gain, there shall be allowed as a deduction from gross income an amount equal to 25 percent of the amount of such net capital gain.

"(b) SPECIAL RULE FOR ESTATES AND TRUSTS.—In the case of an estate or trust, the deduction shall be computed by excluding the portion (if any) of the gains for the taxable year from sales or exchanges of capital assets which, under sections 652 and 662 (relating to inclusions of amounts in gross income of beneficiaries of trusts), is includable by the income beneficiaries as gain derived from the sale or exchange of capital assets.".

(b) MINIMUM TAX.—Section 56(b) of such Code (relating to adjustments applicable to individuals) is amended by adding at the end thereof the following new paragraph:

"(4) CAPITAL GAINS DEDUCTION.—No deduction shall be allowed under section 1202.".

(c) CONFORMING AMENDMENTS.—

(1) Section 62(a) of such Code (defining adjusted gross income) is amended by adding after paragraph (12) the following new paragraph:

"(13) LONG-TERM CAPITAL GAINS.—The deduction allowed by section 1202.".

(2) Section 163(d)(4) of such Code (defining net investment income) is amended by adding at the end thereof the following new subparagraph:

"(F) NET CAPITAL GAINS EXCLUDED FROM GROSS INCOME.—The net gain described in subparagraph (B)(ii) shall be reduced by the amount excluded from gross income under section 1202.".

(3) Section 170(e)(1) of such Code (relating to certain contributions of ordinary income and capital gain property) is amended by striking out "long-term capital gain" the second place it appears and inserting "long-term capital gain (reduced by the deduction allowed under section 1202)".

(4) Section 172(d)(2) of such Code (relating to modifications with respect to net operating loss deduction) is amended to read as follows:

"(2) CAPITAL GAINS AND LOSSES OF TAXPAYERS OTHER THAN CORPORATIONS.—In the case of a taxpayer other than a corporation—

"(A) the amount deductible on account of losses from sales or exchanges of capital assets shall not exceed the amount includable on account of gains from sales or exchanges of capital assets; and

"(B) the deduction for long-term capital gains provided by section 1202 shall not be allowed.".

(5) Subparagraph (B) of section 172(d)(4) of such Code is amended by inserting ", (2)(B)," after "paragraphs (1)".

(6)(A) Section 221 of such Code (relating to cross reference) is amended to read as follows:

"SEC. 221. CROSS REFERENCES.

"(1) For deduction for long-term capital gains in the case of a taxpayer other than a corporation, see section 1202.

"(2) For deductions in respect of a decedent, see section 691.".

(B) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking out "reference" in the item relating to section 221 and inserting "references".

(7) Paragraph (4) of section 642(c) of such Code (relating to adjustments for credits and deductions) is amended to read as follows:

"(4) ADJUSTMENTS.—To the extent that the amount otherwise allowable as a deduction under this subsection consists of gain from the sale or exchange of capital assets held for more than 1 year, proper adjustment shall be made for any deduction allowable to the estate or trust under section 1202 (relating to deduction for excess of capital gains over capital losses). In the case of a trust, the deduction allowed by this subsection shall be subject to section 681 (relating to unrelated business income).".

(8) Paragraph (3) of section 643(a) of such Code (relating to distribution of net income) is amended by adding at the end thereof the following new sentence: "The deduction under section 1202 (relating to deduction for excess capital gains over capital losses) shall not be taken into account.".

(9) Paragraph (4) of section 691(c) of such Code (relating to deduction for estate tax) is amended by striking out "For purposes of sections 1(j), 1201, and 1211" and inserting "For purposes of sections 1(j), 1201, 1202, and 1211".

(10) The second sentence of paragraph (2) of section 871(a) of such Code (relating to capital gains of aliens present in the United States 183 days or more) is amended by inserting "such gains and losses shall be determined without regard to section 1202 (relat-

ing to deduction for capital gains) and" after "except that".

(11) Section 1402(i)(1) of such Code (relating to special rules for options and commodities dealers) is amended to read as follows:

"(1) IN GENERAL.—In determining the net earnings from self-employment of any options dealer or commodities dealer—

"(A) notwithstanding subsection (a)(3)(A), there shall not be excluded any gain or loss (in the normal course of the taxpayer's activity of dealing in or trading section 1256 contracts) from section 1256 contracts or property related to such contracts, and

"(B) the deduction provided by section 1202 shall not apply.".

(12) The table of sections for part I of subchapter P of chapter 1 of such Code is amended by inserting after the item relating to section 1201, the following new item:

"Sec. 1202. Deduction for capital gains.".

SEC. 2. MAXIMUM CAPITAL GAINS RATE OF 21 PERCENT.

(a) IN GENERAL.—Subsection (j) of section 1 of the Internal Revenue Code of 1986 (relating to maximum capital gains rate) is amended to read as follows:

"(j) MAXIMUM CAPITAL GAINS RATE.—If a taxpayer has a net capital gain for any taxable year, then the tax imposed by this section shall not exceed the sum of—

"(1) the lesser of—

"(A) the tax computed at the rates and in the same manner as if this subsection had not been enacted on the taxable income, or

"(B) a tax equal to the sum of—

"(i) the tax computed at the rates and in the same manner as if this section had not been enacted on the taxable income reduced by the amount of net capital gain, plus

"(ii) a tax of 21 percent of the net capital gain, plus

"(2) the amount of the increase determined under subsection (g).".

(b) PHASEOUT OF 15-PERCENT RATE AND PERSONAL EXEMPTION NOT TO APPLY TO CAPITAL GAINS.—Subparagraph (A) of section 1(g)(1) of such Code (relating to phaseout of 15-percent rate and personal exemption) is amended by inserting ", reduced by the amount of net capital gain" after "taxable income".

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall apply to taxable years beginning after December 31, 1988.●

By Mr. GORE:

S. 870. A bill to label consumer products containing substances that contribute to the depletion of the ozone layer in the upper atmosphere, to regulate the sale, distribution, and use of such substances in consumer products and services in and affecting interstate commerce, to recapture and recycle such substances and for other purposes; to the Committee on Commerce, Science, and Transportation.

S. 871. A bill to institute a manufacturers' excise tax on certain ozone-depleting chemicals; to partially direct revenues from such excise tax toward an Ozone Layer Conservation Trust Fund for developing chemical and technological alternatives to ozone-depleting chemicals; and for other purposes; to the Committee on Finance.

S. 872. A bill to phaseout production of certain ozone-depleting chemicals; to institute a policy promoting safe alternatives to ozone-depleting chemicals; and for other purposes; to the Committee on Environment and Public Works.

OZONE LEGISLATION

Mr. GORE. Mr. President, I am introducing three pieces of legislation today, all of which are designed to complement a larger bill which I introduced on the first day of this session of Congress called the World Environment Policy Act of 1989. Since introducing that legislation, I have spent substantial additional time investigating aspects of the global ecological crisis. I intend to offer these specific bills as amendments to the larger bill at a later time, given the opportunity. But I wish to introduce them in separate form now. They all deal with a particular aspect of the global ecological crisis.

Many who have examined this crisis believe that one of the first actions we should take is to ban throughout the world, if possible, a particular category of chemicals called chlorofluorocarbons and a few other chemicals that are similar in nature. These chemicals are destroying the stratospheric ozone layer, which protects the life on Earth from dangerous ultraviolet radiation. These same chemicals are also responsible for approximately 20 percent of the greenhouse effect, or the global warming problem which, it is generally agreed, is the most serious environmental crisis the world has ever faced.

So, this three-part package of legislation is designed to help protect the stratospheric ozone layer and the world's climate system. The first bill, entitled the Consumer Ozone Protection Act of 1989, would in several cases eliminate from commerce the sale of certain consumer products that contain man-made substances that have been shown to deplete the stratospheric ozone layer. In other cases, it would require labeling and regulation of these products. In addition, this bill would promote the development of a chlorofluorocarbon and halon reclamation plan for the purpose of encouraging recapture and recyling of ozone-depleting substances.

The second bill, the Ozone Layer Conservation Act of 1989, would provide for a manufacturers' excise tax on certain chemicals that deplete the stratospheric ozone layer. This bill would establish an Ozone Layer Conservation Trust Fund in the Treasury Department and would direct that half of the revenues from the excise tax be placed into the trust fund, for the purpose of promoting research, development, and market incentives for technological alternatives to ozone-depleting chemicals.

The third bill, the Upper Ozone Chemicals Act of 1989, provides for a 5-year phaseout of six specific substances that deplete the stratospheric ozone layer, CFC-11, CFC-12, CFC-113, halon-1211, halon-1301, and carbon tetrachloride. It would also provide for a 10-year phaseout, of other somewhat less potent ozone-depleting substances, CFC-22, CFC-114, CFC-115, methyl chloroform, and methylene chloride. There are minor exceptions for uses that are shown to have a direct and needed applications for medical and national security reasons. This is a minor category where these chemicals are concerned. There are provisions for certifying that nations from which we import products that contain ozone-depleting chemicals have a similar phaseout program in place, and a requirement for safe disposal of ozone-depleting substances. Finally, the bill calls for developing a safe alternatives policy, for replacing the substances to be phased out with chemicals, product substitutes, or alternative manufacturing processes that reduce overall risk to public health and the environment.

Mr. President, tomorrow the nations which signed the Montreal protocol ratified by this body in the last Congress will begin meeting in Helsinki to consider new, tougher restrictions as amendments to that international protocol. I hope the participants in the international meeting are successful in their discussions this week.

The United States should, regardless, take the lead with measures like the ones that I have introduced today, and like the legislation which I introduced on the first day of this session of Congress.

Mr. President, I ask unanimous consent that the text of the bills and a summary of the provisions of the bills be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 870

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Consumer Ozone Protection Act of 1989".

SEC. 2. FINDINGS.

The Congress finds as follows:

(1) The United States can demonstrate to the world its commitment to conserve the ozone layer of the upper atmosphere by instituting market and regulatory strategies that—

(A) phaseout certain consumer products that unnecessarily release ozone-depleting substances;

(B) immediately reduce emissions of ozone-depleting substances;

(C) encourage rapid replacement of ozone-depleting substances with safe substitutes and alternative technologies; and

(D) encourage efficient recapture and recycling of ozone-depleting substances.

(2) The highest priority must be given to developing and deploying safe alternative substances and technologies to replace ozone-depleting substances within five years.

(3) Development of alternative substances and technologies to replace ozone-depleting substances will be hastened by effective government-industry cooperation to find such alternatives, including promotion of research, development, and market incentives for such alternatives.

SEC. 3. NATIONAL GOAL.

It is the national goal under this Act to—

(1) label, regulate the servicing of, and eliminate certain consumer products that contain manmade substances with the potential for depleting ozone in the upper atmosphere; and

(2) promote development of a Chlorofluorocarbon and Halon Reclamation Plan for the purpose of encouraging the recapture and recycling of such substances.

SEC. 4. DEFINITIONS.

As used in this Act:

(1) The term "alternative technologies" means any technology that performs a service, without the use of ozone-depleting substances listed under section 10 as components of its manufacture or operation, which was previously performed by technologies that require the use of such ozone-depleting substances as components of their manufacture or operation.

(2) The term "chlorofluorocarbon recapture equipment" means equipment that has been approved for the recapture of chlorofluorocarbons from stationary air conditioners, refrigerators, and freezers.

(3) The term "chlorofluorocarbon recycling facility" means any facility which accepts chlorofluorocarbons for the purpose of recycling them through equipment that meets purity standards of the Air Conditioning and Refrigeration Institute for the purification of chlorofluorocarbons from stationary air conditioners, refrigerators, and freezers.

(4) The term "commerce" means—

(A) commerce between a place in a State and any place outside that State;

(B) commerce within the District of Columbia or any territory or possession of the United States; and

(C) commerce which affects commerce described in subparagraph (A) or (B).

(5) The term "consumer products" means consumer products offered for sale at the wholesale or retail level.

(6) The term "manufactured substance" means any organic or inorganic chemical of a particular molecular identity, or any mixture, that has been manufactured for commercial purposes.

(7) The term "mobile air conditioner" means an air conditioner designed for installation in a motor vehicle.

(8) The term "person" means an individual, corporation (including a government corporation), partnership, firm, joint stock company, trust, association, or any other private entity, or any officer, employee, agent, department, or instrumentality of the Federal Government, or of any State or political subdivision thereof (including any interstate body), or of any foreign government (including any international instrumentality).

(9) The term "Secretary" means the Secretary of Commerce.

(10) The term "State" means any of the States of the United States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

SEC. 5. MOBILE AIR CONDITIONERS.

(a) Within eighteen months after the date of enactment of this Act, any person who installs, services, or repairs mobile air conditioners shall use chlorofluorocarbon recapture equipment and shall ensure that the recaptured chlorofluorocarbons are, in a timely manner, picked up and delivered to a chlorofluorocarbon recycling facility. The States shall establish phased schedules for the acquisition of such equipment by establishments carrying out such installation, service, or repair. The schedules shall provide for early acquisition by high-volume establishments and subsequent acquisition by lower-volume establishments, and shall ensure that all such establishments have chlorofluorocarbon recapture equipment in place within eighteen months after the date of enactment of this Act.

(b) Within ninety days after the date of enactment of this Act, no person shall sell or distribute, or offer for sale or distribution, in commerce any chlorofluorocarbons suitable for use in mobile air conditioners in containers smaller than thirty pounds, unless the container bears a warning label as specified in section 8.

(c) Within nine months after the date of enactment of this Act, no person shall sell or distribute, or offer for sale or distribution, in commerce chlorofluorocarbons suitable for use in mobile air conditioners in containers smaller than thirty pounds. The States shall issue regulations providing for a phaseout of the sale of chlorofluorocarbons in such containers in the period within six months after the date of enactment of this Act.

(d) Within nine months after the date of enactment of this Act, no person shall recharge mobile air conditioners with chlorofluorocarbons, without first testing the mobile air conditioner system for leaks and repairing any leaks found in such system.

SEC. 6. FIRE EXTINGUISHERS FOR CONSUMER APPLICATIONS.

Within nine months after the date of enactment of this Act, no person shall sell or distribute, or offer for sale or distribution, in commerce fire extinguishers that contain halons or any ozone-depleting substances listed under section 10 of this Act, except for applications required by Federal law.

SEC. 7. NONESSENTIAL CONSUMER PRODUCTS CONTAINING CHLOROFLUOROCARBONS.

Within six months after the date of enactment of this Act, no person shall sell or distribute, or offer for sale or distribution, in commerce chlorofluorocarbon-propelled plastic party streamers and noise horns, chlorofluorocarbon-containing cleaning fluids for electronic and photographic equipment, or any other consumer products which are capable of releasing into the atmosphere substances listed under section 10 of this Act and are determined by the Secretary to be nonessential.

SEC. 8. LABELING REQUIREMENT.

(a) REQUIREMENT.—Any consumer product that contains, is produced with, or is produced from a substance listed under section 10 of this Act shall be labeled in accordance with regulations issued by the Consumer Product Safety Commission under subsection (c) with the appropriate label, as follows:

(1) If the consumer product contains a substance listed under section 10: "GOVERNMENT WARNING: This Product is manufactured with (insert name of listed substance), Which Destroys the Earth's Protective Ozone Layer, and Disrupts the Earth's Climate. Destroying the Ozone Layer Greatly Increases the Risk of Skin Cancer and Harms Natural Systems, Including Food Production.".

(2) If the consumer product is manufactured by a process that involves the use of a substance listed under section 10: "GOVERNMENT WARNING: This Product is Manufactured With (insert name of listed substance), Which Destroys the Earth's Protective Ozone Layer, and Disrupts the Earth's Climate. Destroying the Ozone Layer Greatly Increases the Risk of Skin Cancer and Harms Natural Systems, Including Food Production.".

(3) If the consumer product is produced from a substance listed under section 10: "GOVERNMENT WARNING: This Product Is Produced From (insert name of listed substance), Which Destroys the Earth's Protective Ozone Layer, and Disrupts the Earth's Climate. Destroying the Ozone Layer Greatly Increases the Risk of Skin Cancer and Harms Natural Systems, Including Food Production.".

(b) PROHIBITION.—Effective nine months after the date of enactment of this Act, no person shall sell or distribute, or offer for sale or distribution, in commerce any consumer product required to be labeled under this section unless such product meets the requirements of this section and any regulations issued thereunder.

(c) REGULATIONS.—The Consumer Product Safety Commission shall issue regulations to implement subsection (a) within three months after the date of enactment of this Act. The regulations shall require the appropriate label to be prominently displayed on the consumer products subject to this section, and to be clearly visible to persons who purchase the product at retail.

(d) ENFORCEMENT.—A product that is not labeled in accordance with this section shall be considered a misbranded hazardous substance, subject to the Federal Hazardous Substances Act (15 U.S.C. 1261 et seq.), except that the penalty for failure to label shall be a fine of 20 percent of the value of the product, a term of imprisonment of one year, or both.

SEC. 9. CHLOROFLUOROCARBON AND HALON RECLAMATION.

(a) RECLAMATION PLAN.—Within eighteen months after the date of enactment of this Act, the Secretary shall issue a Chlorofluorocarbon and Halon Reclamation Plan. The Plan shall provide for the most effective way of ensuring widespread reclamation, recycling, or regulated disposal of all substances listed under section 10 of this Act, contained in more than de minimis amounts in any consumer product or other item sold in commerce. The goal of the Plan shall be to minimize releases of such substances and to otherwise provide maximum environmental benefit. The Secretary shall consider at a minimum, the following:

(1) a deposit fee system, similar to those employed for bottle and can recycling in certain States, in which deposit fees would be charged on consumer products and other items containing such substances, the deposit fees would be refunded upon return for recycling or disposal of such substances or of items containing such substances, and such products and other items would bear labels advising of such refundable deposit fees;

(2) the return to, and acceptance by, retail merchants or their agents for purposes of pickup and delivery of such consumer products and other items; and

(3) government-operated local or regional collection facilities or services.

(b) PROHIBITION.—Effective twelve months after the date of enactment of this Act, no person shall sell or distribute, or offer for sale or distribution, in commerce any con-

sumer product containing any substance listed under section 10 of this Act, unless an aperture has been installed on such product that allows such substance to be removed without the release of the substance into the atmosphere.

SEC. 10. LISTING OF REGULATED SUBSTANCES.

(a) PRIORITY SUBSTANCES TO BE REGULATED.—Within sixty days after the date of enactment of this Act, the Secretary shall publish a priority list of manufactured substances that are known or may reasonably be anticipated to cause or contribute to ozone depletion in the upper atmosphere. The initial list shall include chlorofluorocarbon-11, chlorofluorocarbon-12, chlorofluorocarbon-113, halon-1211, halon-1301, and carbon tetrachloride. At any time the Secretary may add to the priority list other manufactured substances, including any listed under subsection (b), if concerns over protection of the upper atmosphere ozone layer dictate such action.

(b) OTHER REGULATED SUBSTANCES.—Simultaneously with publication of the priority list, the Secretary shall publish a list of other manufactured substances that, in the judgment of the Secretary, meets the criteria set forth in the first sentence of subsection (a). The list of other consumer products shall include chlorofluorocarbon-22, chlorofluorocarbon-114, chlorofluorocarbon-115, methyl chloroform, and methylene chloride. At least annually thereafter, the Secretary shall publish a proposal to add to such list each other manufactured substance that, in the judgment of the Secretary, meets the criteria set forth in the first sentence of subsection (a). Within one hundred and eighty days after any such proposal, following an opportunity for public comment, the Secretary shall issue a rule adding each such substance to the list, unless the Secretary determines that such substance clearly does not meet the criteria set forth in the first sentence of subsection (a).

SEC. 11. FEDERAL ENFORCEMENT.

(a) COMPLIANCE ORDERS.—

(1) Whenever on the basis of any information the Secretary determines that any person has violated or is in violation of any requirement of this Act, the Secretary may issue an order assessing a civil penalty for any past or current violation, requiring compliance immediately or within a specified time period, or both, or the Secretary may commence, in the United States district court in the district in which the violation occurred, a civil action for appropriate relief, including a preliminary or permanent injunction.

(2) Any order issued pursuant to this subsection may include a suspension or revocation of any permit issued by the Secretary under this Act and shall state with reasonable specificity the nature of the violation. Any penalty assessed in the order shall not exceed $25,000 for each violation of a requirement of this Act. In assessing such a penalty the Secretary shall take into account the seriousness of the violation and any good faith efforts to comply with applicable requirements.

(b) PUBLIC HEARING.—Any order issued under this section shall become final unless, no later than thirty days after the order is served, the person or persons named therein request a public hearing. Upon such request the Secretary shall promptly conduct a public hearing. In connection with any proceeding under this section the Secretary may issue subpoenas for the attendance and testimony of witnesses and the production of relevant papers, books, and documents, and may issue rules for discovery procedures.

(c) VIOLATION OF COMPLIANCE ORDERS.—If a violator fails to take corrective action within the time specified in a compliance order, the Secretary may assess a civil penalty of not more than $25,000 for each day of continued noncompliance with the order and the Secretary may suspend or revoke any permit issued to the violator under this Act.

(d) CRIMINAL PENALTIES.—Any person who—

(1) knowingly violates section 5, 6, 7, 8, or 9; or

(2) knowingly destroys, alters, conceals, or fails to file any record, application, report, or other document required to be maintained or filed for purposes of compliance with this Act shall, upon conviction, be subject to a fine in accordance with title 18 of the United States Code for each day of a violation, or imprisonment not to exceed two years, or both. If conviction is for a violation committed after a first conviction for a violation, the maximum applicable punishment shall be doubled with respect to both fine and imprisonment.

(e) VIOLATIONS.—Each day of violation of any requirement of this Act shall, for purposes of this section, constitute a separate violation.

SEC. 12. JUDICIAL REVIEW OF FINAL REGULATIONS AND CERTAIN PETITIONS.

Any judicial review of any final action of the Secretary pursuant to this Act shall be in accordance with sections 701 through 706 of title 5 of the United States Code, except that—

(1) a petition for review of any final action of the Secretary may be filed by any interested person in the Circuit Court of Appeals of the United States for the Federal judicial district in which such person resides or transacts business, and such petition shall be filed within the ninety day period beginning on the date of such final action or after such period if such petition is for review based solely on grounds arising after such period;

(2) action of the Secretary with respect to which review could have been obtained under this subsection shall not be subject to judicial review in civil or criminal proceedings for enforcement; and

(3) if a party seeking review under this Act applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that the information is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the Secretary, the court may order such additional evidence (and evidence in rebuttal thereof) to be taken before the Secretary, and to be adduced upon the hearing in such manner and upon such terms and conditions as the court may deem proper and the Secretary may modify administrative findings as to the facts, or make new findings by reason of the additional evidence presented.

SEC. 13. CITIZEN SUITS.

(a) IN GENERAL.—Except as provided in subsection (b) or (c) of this section, any person may commence a civil action on his own behalf—

(1) against any person (including the United States and any other governmental instrumentality or agency, to the extent permitted by the eleventh amendment to the Constitution) who is alleged to be in violation of any permit, regulation, condition, requirement, prohibition, or order which has become effective pursuant to this Act; or

(2) against the Secretary where there is alleged a failure of the Secretary to perform any act or duty under this Act which is not discretionary with the Secretary.

Any action under paragraph (1) of this subsection shall be brought in the United States district court of the district in which the alleged violation occurred. Any action brought under paragraph (2) of this subsection may be brought in the United States district court for the district in which the alleged violation occurred or the District Court of the District of Columbia. The district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce the permit, regulation, condition, requirement, prohibition, or order, referred to in paragraph (1), to order such person to take such other action as may be necessary, or both, or to order the Secretary to perform the act or duty referred to in paragraph (2), as the case may be, and to apply any appropriate civil penalties under section 11.

(b) ACTIONS PROHIBITED.—No action may be commenced under subsection (a)(1) of this section—

(1) prior to sixty days after the plaintiff has given notice of the violation to—

(A) the Secretary; and

(B) to any alleged violator of such permit, regulation, condition, requirement, prohibition, or order; or

(2) if the Secretary has commenced and is diligently prosecuting a civil or criminal action in a court of the United States to require a compliance with such permit, regulation, condition, requirement, prohibition, or order.

In any action under subsection (a)(1), any person may intervene as a matter of right. Any action respecting a violation under this Act may be brought under this section only in the judicial district in which such alleged violation occurs.

(c) NOTICE.—No action may be commenced under subsection (a)(2) of this section prior to sixty days after the plaintiff has given notice to the Secretary that he will commence such action. Notice under this subsection shall be given in such manner as the Secretary shall prescribe by regulation.

(d) INTERVENTION.—In any action under this section the Secretary, if not a party, may intervene as a matter of right.

(e) COSTS.—The court, in issuing any final order in any action brought pursuant to this section or section 12, may award costs of litigation (including reasonable attorney and expert witness fees) to the prevailing or substantially prevailing party, whenever the court determines such an award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with Federal Rules of Civil Procedure.

(f) OTHER RIGHTS PRESERVED.—Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of any standard or requirement or to seek any other relief (including relief against the Secretary).

SEC. 14. SEPARABILITY.

If any provision of this Act, or the application of any provision of this Act to any person or circumstance, is held invalid, the application of such provision to other persons or circumstances, and the remainder of this Act, shall not be affected thereby.

SEC. 15. AUTHORITY OF SECRETARY.

The Secretary is authorized to prescribe such regulations as are necessary to carry out this Act.

CONSUMER OZONE PROTECTION ACT OF 1989

Summary: The Bill would label, regulate, and—in some cases—eliminate the sale of certain consumer products that contain manmade substances that have been shown to deplete the stratospheric ozone layer. In addition, it promotes the development of a Chlorofluorocarbon and Halon Reclamation Plan for the purpose of encouraging recapture and recycling of ozone-depleting substances.

Specific provisions include:

MOBILE AIR CONDITIONERS

Regulates auto air conditioner servicing, to ensure that chlorofluorocarbons (CFCs) are recaptured and recycled, and not unnecessarily vented to the atmosphere. (About 30% of U.S. emissions of CFC-12 originate from auto air conditioners, and three-quarters of those emissions occur during maintenance and recharging.)

Eliminates the sale of CFC-containing air conditioner recharge cannisters smaller than 30 pounds. (This provision is intended to limit the sale of CFC-containing air conditioner fluid to bulk purchasers—servicers—only.)

Requires that any servicer who recharges an auto air conditioner with CFC-containing fluids, first test the system for leaks and repair those leaks.

FIRE EXTINGUISHERS FOR CONSUMER APPLICATIONS

Eliminates the sale of fire extinguishers that contain ozone-depleting substances for consumer applications, except for those applications required by Federal law.

NONESSENTIAL CONSUMER PRODUCTS CONTAINING CHLOROFLUOROCARBONS

Eliminates the sale of certain nonessential CFC-containing consumer products (e.g., party streamers, noise horns, certain cleaning fluids.)

LABELING

Labels consumer products that contain ozone-depleting chemicals, or use such chemicals in their manufacture or operation. The label would warn that the product's contents or manufacturing process pose a danger to the stratospheric ozone layer, and that depletion of the ozone layer could lead to increased risk of skin cancer and damage to natural systems, including food production.

CHLOROFLUOROCARBON AND HALON RECLAMATION PLAN

Calls for a Chlorofluorocarbon and Halon Reclamation Plan, for the purpose of determining the most effective way to ensure widespread reclamation, recycling, or regulated disposal of the ozone-depleting chemicals covered by the Act.

S. 871

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Ozone Layer Conservation Act of 1989.".

SEC. 2. OBJECTIVES AND NATIONAL GOAL.

The objectives of this Act are to protect human health and natural ecosystems from all known and potential dangers due to depletion of the stratospheric ozone layer, which is or would be caused by manmade chemicals such as the chlorofluorocarbons, halons, or other chemicals covered by this Act by—

(1) instituting a manufacturers' excise tax on certain ozone-depleting chemicals;

(2) directing a portion of the revenues from such excise tax toward research, development, and market incentives for technological alternatives to such chemicals; and

(3) promoting the development of such alternative technologies for applications in developing countries.

SEC. 3. MANUFACTURERS' EXCISE TAX ON CHEMICALS THAT DEPLETE THE STRATOSPHERIC OZONE LAYER.

(a) IN GENERAL.—Chapter 38 of the Internal Revenue Code of 1986 (relating to environmental taxes) is amended by adding at the end thereof the following new subchapter:

"Subchapter D—Ozone Depleting Chemicals, Etc.

"Sec. 4681. Imposition of tax.

"Sec. 4682. Definitions and special rules.

"SEC. 4681. IMPOSITION OF TAX.

"(a) GENERAL RULE.—There is hereby imposed a tax on—

"(1) any ozone-depleting chemical sold or used by the manufacturer, producer, or importer thereof, and

"(2) any imported taxable product sold or used by the importer thereof.

"(b) AMOUNT OF TAX.—

"(1) OZONE-DEPLETING CHEMICALS.—

"(A) IN GENERAL.—The amount of the tax imposed by subsection (a) on each pound of ozone-depleting chemical shall be an amount equal to—

"(i) the base tax amount, multiplied by

"(ii) the ozone-depletion factor for such chemical.

"(B) BASE TAX AMOUNT.—Except as provided in subsection (c), the base tax amount for purposes of subparagraph (A) with respect to any sale or use during a calendar year is the amount determined under the following table for such calendar year:

"Calendar year:	"Base tax amount:
1990	$1
1991	2
1992	3
1993	4
1994 or thereafter	5.

"(2) IMPORTED TAXABLE PRODUCT.—

"(A) IN GENERAL.—The amount of the tax imposed by subsection (a) on any imported taxable product shall be the amount of tax that would have been imposed by subsection (a) on the ozone-depleting chemicals used as materials in the manufacture or production of such product if such ozone-depleting chemicals had been sold in the United States for use in the manufacture or production of such imported taxable product.

"(B) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (2) and (3) of section 4671(b) shall apply.

"(c) INFLATION ADJUSTMENT OF BASE TAX AMOUNT.—

"(1) IN GENERAL.—In the case of any article sold or used in a calendar year after 1990, the base tax amount applicable to such year under subsection (b) shall be the amount (determined by the Secretary) equal to—

"(A) the dollar amount specified in subsection (b)(1)(B) for such calendar year increased by

"(B) the product of—

"(i) the dollar amount so specified, and

"(ii) the inflation adjustment for such calendar year.

"(2) INFLATION ADJUSTMENT.—

"(A) IN GENERAL.—For purposes of paragraph (1), the inflation adjustment for a calendar year is the percentage (if any) by which—

"(i) the applicable price index for the preceding calendar year, exceeds

"(ii) the applicable index for 1989.

"(B) APPLICABLE PRICE INDEX.—For purposes of subparagraph (A), the applicable price index for any calendar year is the average of the producer price index for basic inorganic chemicals (as published by the Secretary of Labor) for the months in the 12-month period ending on September 30 of such calendar year.

"(3) ROUNDING.—If any increase determined under paragraph (1) is not a multiple of 10 cents, such increase shall be rounded to the nearest multiple of 10 cents (or if such increase is a multiple of 5 cents, such increase shall be increased to the nearest multiple of 10 cents).

"SEC. 4682. DEFINITIONS AND SPECIAL RULES.

"(a) OZONE-DEPLETING CHEMICAL.—For purposes of this subchapter—

"(1) IN GENERAL.—The term 'ozone-depleting chemical' means any substance—

"(A) that, at the time of the sale or use by the manufacturer, producer, or importer, is listed as an ozone-depleting chemical by the Secretary for purposes of this subchapter, and

"(B) that is manufactured or produced in the United States or entered into the United States for consumption, use, or warehousing.

"(2) DETERMINATION OF SUBSTANCES ON LIST.—A substance shall be listed under paragraph (1) if—

"(A) the substance is specified in the list under paragraph (3), or

"(B) the Secretary determines that the substance is known, or may reasonably be anticipated, to cause or contribute to atmospheric or climatic modification, including stratospheric ozone depletion.

If, after enactment of this section, a substance not listed under paragraph (1) becomes subject to regulation under a treaty that regulates ozone-depleting substances and to which the United States is a party, the Secretary shall list such substance under paragraph (1) not later than day 60 days after the substance became so subject.

"(3) INITIAL LIST OF OZONE-DEPLETING CHEMICALS.—

"Common name	"Chemical nomenclature
CFC-11	trichlorofluoromethane
CFC-12	dichlorodifluoromethane
CFC-22	chlorodifluoromethane
CFC-113	trichlorotrifluoromethane
CFC-114	1,2-dichloro-1,1,2,2,-tetrafluoroethane
CFC-115	chloropentafluoroethane
Carbon tetrachloride	tetrachloromethane
Methyl chloroform	1,1,1,-trichloroethane
Methylene chloride	dichloromethane
Halon-1211	bromochlorodifluoromethane
Halon-1301	bromotrifluoromethane

"(4) MODIFICATIONS TO LIST.—The Secretary may add substances to or remove substances from the list under paragraph (3) (including items listed by reason of paragraph (2)(B)) as necessary to carry out the purposes of this subchapter.

"(b) OZONE-DEPLETING FACTORS.—

"(1) IN GENERAL.—For purposes of this subchapter, the term 'ozone-depleting factor' means, with respect to an ozone-depleting chemical, the numerical value assigned by

the Secretary that represents the ozone depletion potential of such chemical on a mass (per kilogram) basis, as compared with the ozone depletion potential of CFC-11.

"(2) INITIAL OZONE-DEPLETING FACTORS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), in the case of an ozone-depleting chemical specified in the following table, the ozone-depleting factor shall be as follows:

"Ozone-depleting chemical	"Ozone-depleting factor:
CFC-11	1.0
CFC-12	1.0
CFC-22	0.05
CFC-113	0.78
CFC-114	0.7
CFC-115	0.6
Carbon tetrachloride	1.06
Methyl chloroform	0.1
Methylene chloride	0.1
Halon-1211	2.69
Halon-1301	11.43

"(B) MODIFICATIONS TO OZONE-DEPLETING FACTORS.—The Secretary may, as necessary to carry out the purposes of this subchapter, prescribe ozone-depleting factors that will apply in lieu of the ozone-depleting factors specified in subparagraph (A).

"(c) IMPORTED TAXABLE PRODUCT.—For purposes of this subchapter—

"(1) IN GENERAL.—The term 'imported taxable product' means any substance (other than an ozone-depleting chemical) if any ozone-depleting chemcial was used as material in the manufacture or production of such substance.

"(2) DE MINIMIS EXCEPTION.—The term 'imported taxable product' shall not include any substances specified in regulations prescribed by the Secretary as containing a de minimis amount of ozone-depleting chemicals. The preceding sentence shall not apply with respect to any substance if any ozone-depleting chemical is used for purposes of refrigeration or air conditioning, creating an aerosol or foam, or in the production of electronic components.

"(d) EXCEPTION FOR RECYCLING.—No tax shall be imposed by section 4681 on any ozone-depleting chemical that is diverted or recovered in the United States as part of a recycling process (and not as part of the original manufacturing or production process).

"(e) OTHER DEFINITIONS.—For purposes of this subchapter—

"(1) IMPORTER.—The term "importer" means the person entering the article for consumption, use, or warehousing.

"(2) UNITED STATES.—The term "United States" has the meaning given such term by section 4612(a)(4).

"(f) SPECIAL RULES.—

"(1) FRACTIONAL PARTS OF A POUND.—In the case of a fraction of a pound, the tax imposed by section 4681 shall be the same fraction of the amount of such tax imposed on a whole pound.

"(2) DISPOSITION OF REVENUES FROM PUERTO RICO AND THE VIRGIN ISLANDS.—The provisions of subsections (a)(3) of section 7652 shall not apply to any tax imposed by section 4681.".

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 38 of such Code is amended by adding at the end thereof the following new item:

"Subchapter D. Ozone-depleting chemicals, etc."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1990.

SEC. 3. FLOOR STOCKS TAX.

(a) IMPOSITION OF TAX.—On any ozone-depleting chemical specified in section 4682(a)(3) of the Internal Revenue Code of 1986 that on January 1, 1990, is held by a dealer for sale, there is hereby imposed a floor stocks tax in an amount equal to the tax that would be imposed under section 4681 of such Code on such chemical if such chemical were sold during 1990 by the manufacturer thereof.

(b) APPLICATION OF OTHER LAWS.—All other provisions of law, including penalties, applicable with respect to the taxes imposed by section 4681 of such Code shall apply to the floor stocks tax imposed by this section.

(c) DUE DATE OF TAX.—The taxes imposed by this section shall be paid before February 14, 1990.

(d) DEFINITIONS.—For purposes of this section—

(1) DEALER.—The term "dealer" includes a wholesaler, jobber, distributor, or retailer.

(2) HELD BY A DEALER.—An article shall be considered as "held by a dealer" if title thereto has passed to such dealer (whether or not delivery to the dealer has been made) and if for purposes of consumption title to such article or possession thereof has not at any time been transferred to any person other than a dealer.

SEC. 4. OZONE LAYER CONSERVATION TRUST FUND.

(a) CREATION OF TRUST FUND.—

(1) IN GENERAL.—There shall be established in the Treasury of the United States a trust fund to be known as the "Ozone Layer Conservation Trust Fund", consisting of such amounts as may be appropriated or credited to the Ozone Layer Conservation Trust Fund.

(2) TRUSTEES.—The trustees of the Ozone Layer Conservation Trust Fund shall be the Secretary of the Treasury, the Secretary of Energy, and the Administrator of the Environmental Protection Agency.

(b) TRANSFER OF CERTAIN TAXES.—There shall be appropriated to the Ozone Layer Conservation Trust Fund amounts equivalent to one-half of the taxes received in the Treasury under the manufacturers' excise tax instituted in section 3 of this Act.

(c) EXPENDITURES FROM TRUST FUND.—

(1) DEVELOPMENT OF STRATEGIC PLAN.—The Administrator of the Environmental Protection Agency, in consultation with the Secretary of Energy, shall develop a strategic plan for the disbursement of funds from the Ozone Layer Conservation Trust Fund. Such plan shall be delivered to the Congress within six months of the enactment of this Act.

(2) CONSIDERATIONS FOR STRATEGIC PLAN.—

(A) GENERAL CONSIDERATIONS.—The strategic plan shall provide for federal government-private sector cooperation in research, development, and deployment of non-ozone-depleting chemical and technological alternatives to the ozone-depleting substances listed in section 2. Such plan shall seek to hasten the development and deployment of such alternative technologies with maximal environmental benefit in terms of both the stratospheric ozone layer, and energy-efficiency. Such plan shall also seek to develop such alternative technologies that are suitable for export to the developing world.

(B) SPECIFIC CONSIDERATIONS.—

(i) Research, development, and deployment of air conditioning and refrigeration equipment that does not rely on the ozone-depleting substances listed in section 3, is energy-efficient, is suitable for applications in the developing world, and is capable of being powered by thermal, direct-current electric, and alternating-current electric power sources.

(ii) Block purchases of such air conditioning and refrigeration equipment by the federal government, for the purpose of providing an initial market for such technologies; such block purchases should be carried out every eighteen to twenty-four months, with increasing performance standards required for each subsequent block purchase.

(iii) The feasibility of granting preferential status to such air conditioning and refrigeration equipment in Federal procurement.

(iv) The means by which the Federal Government might assist United States manufacturers of such air conditioning and refrigeration equipment, in exporting such equipment.

OZONE LAYER CONSERVATION ACT OF 1989

Summary: The Bill calls for a manufacturers' excise tax on certain chemicals that deplete the stratospheric ozone layer; establishes an Ozone Layer Conservation Trust Fund in the Treasury Department; and directs half of the revenues from the excise tax into the Trust Fund for the purpose of promoting research, development, and market incentives for technological alternatives to ozone-depleting chemicals.

Specific provisions include:

MANUFACTURERS' EXCISE TAX ON CHEMICALS THAT DEPLETE THE STRATOSPHERIC OZONE LAYER

Amends the Internal Revenue Code of 1986 to impose a manufacturers' excise tax on certain chemicals that deplete the stratospheric ozone layer. The amount of the tax is adjusted for each chemical, depending upon the chemical's potential for depleting stratospheric ozone.

A similar bill has been introduced in the House of Representatives by Rep. Stark, with 59 co-sponsors; according to a Joint Committee on Taxation study, this measure would raise 0.4 billion in the first year, 0.8 billion in the second year, 1.1 billion in the third year, 1.3 billion in the fourth year, and 1.5 billion in the fifth year.

OZONE LAYER CONSERVATION TRUST FUND

Would receive one-half of the revenues from the manufacturers' excise tax.

Expenditures from the Trust Fund would provide for government-industry cooperation in research, development, and market incentives for non-ozone-depleting chemical and technological alternatives (such as new refrigerator and air conditioner designs) to ozone-depleting substances.

In addition, the federal government would investigate the means by which it might assist United States manufacturers of such alternative technologies, in exporting the equipment for applications in developing and developed countries.

S. 872

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Upper-Ozone Chemicals Act of 1989."

SEC. 2. FINDINGS.

The Congress finds that because no level of stratospheric ozone depletion or global

climate change caused by human activities can be deemed safe—

(1) emissions of chlorofluorocarbons and other substances covered by this Act, including halogenated carbons with ozone-depleting potential, should be terminated rapidly;

(2) the highest priority must be given to developing and deploying safe alternative chemicals and technologies to replace ozone-depleting substances within five years; and

(3) production of the most dangerous ozone-depleting substances must be phased out within five years.

SEC. 3. OBJECTIVES AND NATIONAL GOAL.

(a) The objectives of the Act are to protect human health and natural ecosystems from all known and potential dangers due to depletion of the stratospheric ozone layer, which is or would be caused by consumer products containing chlorofluorocarbons, halons, or other chemicals covered by this Act by—

(1) phasing out production of the most dangerous ozone-depleting substances within five years; and

(2) promoting the development of safe alternatives to the use of the chlorofluorocarbons and other chemicals covered by this Act.

(b) In order to achieve the objectives of this Act, it is the national goal to phase out production of chemicals with the potential for depleting stratospheric ozone.

SEC. 4. DEFINITIONS.

As used in this Act:

(1) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) The term "household appliances" means non-commercial personal effects, including air-conditioners, refrigerators, and motor vehicles.

(3) The term "import" means to land on, bring into, or introduce into, or attempt to land on, bring into, or introduce into, any place subject to the jurisdiction of the United States, whether or not such landing, bringing, or introduction constitutes an importation within the meaning of the customs laws of the United States.

(4) The term "manufactured substance" means any organic or inorganic chemical of a particular molecular identity, or any mixture, that has been manufactured for commercial purposes.

(5) The term "medical purposes" means medical devices and diagnostic products (A) for which no safe substitute has been developed and (B) that, after notice and opportunity for public comment, have been approved and determined to be essential by the Commission of the Food and Drug Administration, in consultation with the Administrator.

(6) The term "person" means an individual, corporation (including a government corporation), partnership, firm, joint stock company, trust, association, or any other private entity, or any officer, employee, agent, department, or instrumentality of the Federal Government, or of any State or political subdivision thereof (including any interstate body), or of any foreign government (including any international instrumentality).

(7) The term "ozone depletion potential" means the chemical effectiveness with which a substance depletes stratospheric ozone, relative to chlorofluorocarbon-11.

(8) The term "substances covered by this Act" means those manufactured chemicals that are listed under subsections (a) or (b) of section 5 of this Act.

SEC. 5. LISTING OF REGULATED SUBSTANCES.

(a) PRIORITY REGULATED SUBSTANCES.—Within sixty days after the date of enactment of this Act, the Administrator shall publish a priority list of manufactured substances that are known or may reasonably be anticipated to cause or contribute to stratospheric ozone depletion. The initial list shall include chlorofluorocarbon-11, chlorofluorocarbon-12, chlorofluorocarbon-13, halon-1211, halon-1301, and carbon tetrachloride.

(b) OTHER REGULATED SUBSTANCES.—Simultaneously with publication of the priority list, the Administrator shall publish a list of other manufactured substances that, in the judgment of the Administrator, meet the criteria set forth in the first sentence of subsection (a). The list of other manufactured substances shall include chlorofluorocarbon-22, chlorofluorocarbon-114, chlorofluorocarbon-115, methyl chloroform, and methylene chloride. At least annually thereafter, the Administrator shall publish a proposal to add to such list each other manufactured substance that, in the judgment of the Administrator, meets the criteria set forth in the first sentence of subsection (a). Within one hundred and eighty days after any such proposal, following an opportunity for public comment, the Administrator shall promulgate a regulation adding each such substance to the list, unless the Administrator determines that such substance clearly does not meet the criteria set forth in the first sentence of subsection (a). At any time, the Administrator may reclassify a substance from subsection (b) to subsection (a), if concerns over protection of the stratospheric ozone layer dictate such action.

(c) OZONE DEPLETION FACTOR.—Simultaneously with publication of the lists or additions thereto under this section, and at least annually thereafter, the Administrator shall assign to each listed substance a numerical value representing the ozone depletion potential of each manufactured substance, on a mass (per kilogram) basis, as compared with chlorofluorocarbon-11. The numerical value shall, for the purposes of section 9, constitute the ozone depletion factor of each chemical. Until the Administrator promulgates regulations under this subsection, the following ozone depletion factors shall apply:

Chlorofluorocarbon-11	1.0
Chlorofluorocarbon-12	1.0
Chlorofluorocarbon-22	0.05
Chlorofluorocarbon-113	0.78
Carbon tetrachloride	1.06
Methyl chloroform	0.10
Halon-1211	2.69
Halon-1301	11.43

SEC. 6. REPORTING REQUIREMENTS.

(a) PRIORITY REGULATED SUBSTANCES.—Within ninety days after the date of enactment of this Act, each person producing or importing a substance listed pursuant to subsection (a) of section 5 of this Act shall file a report with the Administrator setting forth the amount of the substance that was produced or imported by such person during calendar year 1986. Not less than annually thereafter, each such producer or importer shall file a report with the Administrator setting forth the production levels of such substance in each successive twelve-month period until such producer or importer ceases production or importation of the substance. Each such report shall be signed and attested by a responsible corporate officer.

(b) OTHER REGULATED SUBSTANCES.—Within ninety days after the date of enactment of this Act, each person producing or importing a substance listed pursuant to subsection (b) of section 5 of this Act shall file a report with the Administrator setting forth the amount of the substance that was produced or imported by such person during the twelve months preceding the date of listing. Not less than annually thereafter, each such producer or importer shall file a report with the Administrator setting forth the production or importation levels of such substance in each successive twelve-month period until such producer or importer ceases production or importation of the substance. Each such report shall be signed and attested by a responsible corporate officer.

SEC. 7. PRODUCTION PHASEOUT.

(a) Effective one year after the date of enactment of this Act, it shall be unlawful for any person to produce a substance listed pursuant to subsection (a) of section 5 of this Act in annual quantities greater than that produced by such person during calendar year 1986.

(b) Effective two years after the date of enactment of this Act, it shall be unlawful for any person to produce a substance listed pursuant to subsection (a) of section 5 of this Act in annual quantities greater than 75 per centum of that produced by such person during calendar year 1986.

(c) Effective three years after the date of enactment of this Act, it shall be unlawful for any person to produce a substance listed pursuant to subsection (a) of section 5 of this Act in annual quantities greater than 50 per centum of that produced by such person during calendar year 1986.

(d) Effective four years after the date of enactment of this Act, it shall be unlawful for any person to produce a substance listed pursuant to subsection (a) of section 5 of this Act in annual quantities greater than 5 per centum of that produced by such person during calendar year 1986.

(e) Effective five years after the date of enactment of this Act, it shall be unlawful for any person to produce a substance listed pursuant to subsection (a) of section 5 of this Act for any use other than medical purposes.

(f) Effective ten years after the date of enactment of this Act, it shall be unlawful for any person to produce a substance listed pursuant to section 5 of this Act for any use other than for medical purposes.

SEC. 8. LIMITATION ON USE.

(a) Effective five years after the date of enactment of this Act, it shall be unlawful to introduce into interstate commerce or to use a substance listed under subsection (a) of section 5 of this Act except for medical purposes approved by the Commissioner of the Food and Drug Administration, in consultation with the Administrator, and, during a period not to extend beyond January 1, 2005, for purposes of maintaining and servicing household appliances.

(b) Effective ten years after the date of enactment of this Act, it shall be unlawful to introduce into interstate commerce or to use a substance listed under subsection (b) of section 5 of this Act except for medical purposes approved by the Commissioner of the Food and Drug Administration, in consultation with the Administrator, and, during a period not to extend beyond January 1, 2005, for purposes of maintaining and servicing household appliances. For purposes of this subsection and section 7(f), a manufacturing process utilizing such a substance solely as an intermediate in a manufacturing process in which the substance is

wholly consumed and none is released does not constitute a use.

SEC. 9. LIMITATION ON OZONE DEPLETION POTENTIAL.

(a) Effective one year after the date of enactment of this Act, it shall be unlawful for any person to produce substances covered by this Act in annual quantities that, based upon the ozone depletion factor assigned to each substance under subsection (c) of section 5 of this Act, yield a total ozone depletion potential greater than that produced by such person during calendar year 1986.

(b) Effective two years after enactment of this Act, it shall be unlawful for any person to produce substances covered by this Act in annual quantities that, based upon the ozone depletion factor assigned to each substance under subsection (c) of section 5, yield a total ozone depletion potential greater than 75 per centum of that produced by such person during calendar year 1986.

(c) Effective three years after enactment of this Act, it shall be unlawful for any person to produce substances covered in this Act in annual quantities that, based upon the ozone depletion factor assigned to each substance under subsection (c) of section 5, yield a total ozone depletion potential greater than 50 per centum of that produced by such person during calendar year 1986.

(d) Effective four years after enactment of this Act, it shall be unlawful for any person to produce substances covered in this Act in annual quantities that, based upon the ozone depletion factor assigned to each substance under subsection (c) of section 5, yield a total ozone depletion potential greater than 5 per centum of that produced by such person during calendar year 1986.

(e) Effective five years after enactment of this Act, it shall be unlawful for any person to produce a substance listed pursuant to section 5(a) of the Act for any use other than for medical purposes.

(f) If the Administrator determines that such revised or specific schedule is necessary to protect human health and the environment based on new information regarding the harmful effects on the stratosphere or climate that may be associated with a listed substance, or is attainable, based on the availability of substitutes for a listed substance, the Administrator shall promulgate regulations, after notice and opportunity for public comment, which require each producer to reduce its production of the substance—

(1) if the substance is listed under subsection (a) of section 5 of this Act, more rapidly than the schedule provided under this Act; or

(2) if the substance is listed under subsection (b) of section 5, on a specific schedule not otherwise provided for in this Act.

Any person may petition the Administrator to revise such regulations within one hundred and eighty days after receipt of any such petition, unless the Administrator has previously denied the petition.

SEC. 10. PRODUCTION PHASEOUT EXCEPTION FOR NATIONAL SECURITY.

(a) The President may issue such orders regarding production and use of halon-1211 and halon-1301 at any specified site or facility as may be necessary to protect the national security interests of the United States if the President personally finds that adequate substitutes are not available and that the production and use of such substance is necessary to protect such national security interests. Such orders may include, where necessary to protect such interests, an exemption from any requirement contained in this Act. The President shall notify the Congress within thirty days of the issuance of an order under this paragraph providing for any such exemption. Such notification shall include a statement of the reasons for granting the exemption. An exemption under this paragraph shall be for a specified period which may not exceed one year. Additional exemptions may be granted, each upon the President's issuance of a new order under this paragraph. Each such additional exception shall be for a specified period that shall not exceed one year. No exemption shall be granted under this paragraph due to lack of appropriations unless the President shall have specifically requested such appropriation as a part of the budgetary process and the Congress shall have failed to make available such requested appropriation.

(b) The Secretary of Defense shall seek to eliminate all emissions of halon-1211 and halon-1301 that presently occur during the testing of fire-extinguishing equipment. In so doing, the Secretary of Defense shall investigate the feasibility of testing such equipment with alternative methods that do not result in the release of halon-1211 and halon-1301 into the atmosphere.

SEC. 11. CERTIFICATION OF EQUIVALENT FOREIGN PROGRAMS.

(a) IMPORTS.—Effective twelve months after the date on which a substance is placed on the priority list pursuant to section 5 of this Act, it shall be unlawful for any person to import such substance, any product containing such substance, or any product manufactured with a process that uses such substance unless the Administrator, in consultation with the Secretary of State, has published a decision, after notice and opportunity for public comment, certifying that the nations in which such substance or product was manufactured and from which such substance or product is imported have established and are fully implementing programs that require reduced production of such listed substances, and limit production of other substances covered by this Act, on a schedule and in a manner at least as stringent as the reduction schedule for, and limitations on, domestic production that apply under this Act. The prohibition on the import of any product manufactured with a process that uses a substance listed under subsection (a) of section 5 shall include, after notice and opportunity for public comment, any product that the Administrator has reason to believe may have been manufactured with a process that uses such substance. The Administrator's decision that a product may have been manufactured with a process that uses such substance shall constitute a rebuttable presumption.

(b) CERTIFICATION OF FOREIGN PROGRAMS.—The Administrator shall not certify any foreign program under subsection (a) unless it is determined that—

(1) the nation involved has adopted legislation or regulations that gives the reduction schedule for each listed substance the force of law; and

(2) such legislation or regulations include reporting requirements and enforcement provisions no less stringent than those specified in this Act, and that the information contained in such reports is available to the Administrator and the Secretary of State.

(c) REVOCATION.—At least annually, the Administrator, in consultation with the Secretary of State, shall review each certification made under this section and shall revoke such certification, after notice and opportunity for public comment, unless it is determined that the conditions of subsections (a) and (b) remain satisfied and that the reduction schedule for each listed substance is in fact being carried out in such nations. Any such revocation shall take effect one hundred and eighty days after notice of the revocation has been published.

(d) ALLOCATION.—Any person who imports a substance covered by this Act or a product containing such substance shall, for the purposes of applying the provisions of section 7 and section 9, be deemed to have produced an equivalent amount of such substance on the date of such importation.

SEC. 12. MANUFACTURE AND DISPOSAL.

(a) MANUFACTURE.—Effective July 1, 1991—

(1) No person shall manufacture, process, distribute in commerce or otherwise use (except for medical purposes) any listed substance in any manner other than a totally enclosed manner. "Totally enclosed" means that during the lifetime of the good in question not more than 5 per centum of the original charge or volume of such substance will be released during the course of ordinary and customary use of such good, including repairs or disposal.

(2) No person shall manufacture, process, distribute in commerce, or otherwise use (except for medical purposes) a listed substance in a totally enclosed manner without—

(A) installing on such device a servicing aperture that will allow service and repair of such good with release of only de minimis amounts of such substance,

(B) assuring the availability and actual use of servicing equipment adequate to assure the achievement of no more than a de minimis release of such substance.

(b) DISPOSAL.—Effective January 1, 1991—

(1) A substance listed pursuant to this Act shall be deemed to meet the requirements of section 3001 of the Resource Conservation and Recovery Act.

(2) A substance listed pursuant to this Act shall be disposed of only through incineration or other means that assures 99 per centum destruction of such substance.

(3) Any applicance, machine, or other good containing a listed substance in bulk (including refrigerators and air conditioners) shall be accepted for disposal only by persons licensed to accept such goods and shall be disposed of only after such substance has been removed from confinement and destroyed pursuant to the requirements of this Act. Unless and until regulations establishing a program for approving, licensing, and assuring the financial responsibility of persons to accept goods containing such substances are promulgated, only governmental entities, or their agents, contractors or employees, are authorized to accept such goods.

(4) No listed substance shall be vented into the atmosphere or otherwise released in a fashion that permits it to enter the environment in other than de minimis quantities.

(5) Any product in which a listed substance has been incorporated so as to constitute an inherent element of such product, including rigid and soft foams, shall be disposed of only through incineration or other means that result in not less than 99 per centum destruction.

(c) For purposes of this section a "de minimis" amount is 0.050 per centum of the total charge of such substance or five pounds, whichever is less, released during a period of twelve months.

SEC. 13. SAFE ALTERNATIVES POLICY.

(a) POLICY.—The substances listed in section 5 of this Act shall, to the maximum extent practicable, be replaced by chemicals, product substitutes, or alternative manufacturing processes that reduce overall risks to public health and the environment.

(b) REVIEWS AND REPORT.—The Administrator shall initiate, not less than thirty days after the date of enactment of this Act, a review of relevant professional, technical, and scientific sources that may contain information concerning chemicals, product substitutes, or alternative manufacturing processes that are potential replacements for the substances listed in section 5 of this Act. The Administrator shall report interim findings to the Congress no later than six months after the date of enactment of this Act. A final report shall be published no later than one year after the date of enactment of this Act.

(c) REPORT FINDINGS.—The report required under section (b) shall include the Administrator's findings with regard to—

(1) the identity of potential replacement chemicals, product substitutes, or alternative production processes;

(2) a chemical profile or an abstract that describes each replacement chemical, product substitute, or alternative production process identified pursuant to paragraph 1, and any health or environmental hazards, including the potential for contributing to the greenhouse effect and stratospheric ozone depletion; and

(3) the earliest date by which each replacement chemical, product substitute, or alternative production process identified pursuant to paragraph 1 could be made available for commercial use.

(d) ADDITIONAL MEASURES.—The Administrator shall require all producers of replacement chemicals for the substances listed in section 5 of this Act to provide the Environmental Protection Agency with all published and unpublished health and safety studies on such replacement chemicals, and shall require all such producers to notify the Environmental Protection Agency at least sixty days before such replacement chemicals are introduced for commercial use.

(e) ANNUAL UPDATING.—The Administrator shall update the report required by section (b), on an annual basis.

SEC. 14. FEDERAL ENFORCEMENT.

(a) COMPLIANCE ORDERS.—

(1) Whenever on the basis of any information the Administrator determines that any person has violated or is in violation of any requirement of this Act, the Administrator may issue an order assessing a civil penalty for any past or current violation, requiring compliance immediately or within a specified time period, or both, or the Administrator may commerce, in the United States district court in the district in which the violation occurred, a civil action for appropriate relief, including a preliminary or permanent injunction.

(2) Any order issued pursuant to this subsection may include a suspension or revocation of any permit issued by the Administrator under this Act and shall state with reasonable specificity the nature of the violation. Any penalty assessed in the order shall not exceed $25,000 for each violation of a requirement of this Act. In assessing such a penalty the Administrator shall take into account the seriousness of the violation and any good faith efforts to comply with applicable requirements.

(b) PUBLIC HEARING.—Any order issued under this section shall become final unless, no later than thirty days after the order is served, the person or persons named therein request a public hearing. Upon such request the Administrator shall promptly conduct a public hearing. In connection with any proceeding under this section the Administrator may issue subpoenas for the attendance and testimony of witnesses and the production of relevant papers, books, and documents, and may promulgate rules for discovery procedures.

(c) VIOLATION OF COMPLIANCE ORDERS.—If a violator fails to take corrective action within the time specified in a compliance order, the Administrator may assess a civil penalty of not more than $25,000 for each day of continued noncompliance with the order and the Administrator may suspend or revoke any permit issued to the violator under this Act.

(d) CRIMINAL PENALTIES.—Any person who—

(1) knowingly exceeds the production limits under section 7 or section 9;

(2) knowingly introduces into interstate commerce a consumer product that is in violation of section 5, 6, or 9;

(3) knowingly imports a substance listed under subsection (a) of section 5, a product containing such substance, or a product manufactured with a process that uses such a substance, in violation of section 7;

(4) knowingly introduces into interstate commerce a substance or product in violation of section 8;

(5) knowingly omits material information or makes any false material statement or representation in any application, record, report, permit, or other document filed, maintained, or used for purposes of compliance with this Act;

(6) knowingly produces, transports, distributes, or uses consumer products containing a substance listed under section 5, or a product manufactured with a process that uses such a substance; or

(7) knowingly destroys, alters, conceals, or fails to file any record, application, report, or other document required to be maintained or filed for purposes of compliance with this Act

shall, upon conviction, be subject to a fine in accordance with title 18 of the United States Code for each day of a violation, or imprisonment not to exceed two years, or both. If conviction is for a violation committed after a first conviction of such person under this paragraph, the maximum applicable punishment shall be doubled with respect to both fine and imprisonment.

(e) VIOLATIONS.—Each day of violation of any requirement of this Act shall, for purposes of this section, constitute a separate violation.

SEC. 15. JUDICIAL REVIEW OF FINAL REGULATIONS AND CERTAIN PETITIONS.

Any judicial review of any final action of the Administrator pursuant to this Act shall be in accordance with sections 701 through 706 of title 5 of the United States Code, except that—

(1) a petition for review of any final action of the Administrator may be filed by any interested person in the Circuit Court of Appeals of the United States for the Federal judicial district in which such person resides or transacts business, and such petition shall be filed within the ninety day period beginning on the date of such filed action or after such period if such petition is for review based solely on grounds arising after such period;

(2) action of the Administrator with respect to which review could have been obtained under this subsection shall not be subject to judicial review in civil or criminal proceedings for enforcement; and

(3) if a party seeking review under this Act applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that the information is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the Administrator, the court may order such additional evidence (and evidence in rebuttal thereof) to be taken before the Administrator, and to be adduced upon the hearing in such manner and upon such terms and conditions as the court may deem proper; the Administrator may modify administrative findings as to the facts, or make new findings, by reasons of the additional evidence so taken, and shall file with the court such modified or new findings and the Administrator's recommendation, if any, for the modification or setting aside of the original administrative order, with the return of such evidence.

SEC. 16. CITIZEN SUITS.

(a) IN GENERAL.—Except as provided in subsection (b) or (c) of this section, any person may commence a civil action on his own behalf—

(1) against any person (including the United States and any other governmental instrumentality or agency, to the extent permitted by the eleventh amendment to the Constitution) who is alleged to be in violation of any permit, regulation, condition, requirement, prohibition, or order which has become effective pursuant to this Act; or

(2) against the Administrator where there is alleged a failure of the Administrator to perform any act or duty under this Act which is not discretionary with the Administrator.

Any action under paragraph (1) of this subsection shall be brought in the United States district court for the district in which the alleged violation occurred. Any action brought under paragraph (2) of this subsection may be brought in the United States district court for the district in which the alleged violation occurred or the District Court of the District of Columbia. The district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce the permit, regulation, condition, requirement, prohibition, or order, referred to in paragraph (1), to order such person to take such other action as may be necessary, or both, or to order the Secretary to perform the act or duty referred to in paragraph (2), as the case may be, and to apply any appropriate civil penalties under section 13.

(b) ACTIONS PROHIBITED.—No action may be commenced under subsection (a)(1) of this section—

(1) prior to sixty days after the plaintiff has given notice of the violation to—

(A) the Administrator; and

(B) to any alleged violator of such permit, regulation, condition, requirement, prohibition, or order; or

(2) if the Administrator has commenced and is diligently prosecuting a civil or criminal action in a court of the United States to require a compliance with such permit, regulation, condition, requirement, prohibition, or order.

In any action under subsection (a)(1), any person may intervene as a matter of right. Any action respecting a violation under this

Act may be brought under this section only in the judicial district in which such alleged violation occurs.

(c) NOTICE.—No action may be commenced under paragraph (a)(2) of this section prior to sixty days after the plaintiff has given notice to the Secretary that he will commence such action. Notice under this subsection shall be given in such manner as the Secretary shall be given in such manner as the Secretary shall prescribe by regulation.

(d) INTERVENTION.—In any action under this section the Administrator, if not a party, may intervene as a matter of right.

(e) COSTS.—The court, in issuing any final order in any action brought pursuant to this section or section 14, may award costs of litigation (including reasonable attorney and expert witness fees) to the prevailing or substantially prevailing party, whenever the court determines such an award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with Federal Rules of Civil Procedure.

(f) OTHER RIGHTS PRESERVED.—Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of any standard or requirement or to seek any other relief (including relief against the Administrator).

SEC. 17. SEPARABILITY.

If any provision of this Act, or the application of any provision of this Act to any person or circumstance, is held invalid, the application of such provision to other persons or circumstances, and the remainder of this Act, shall not be affected thereby.

SEC. 18. RELATIONSHIP TO OTHER LAWS.

(a) Nothing in this Act shall be construed to alter or affect the authority of the Administrator under the Clean Air Act or the Toxic Substances Control Act or to affect the authority of any other department, agency, or instrumentality of the United States under any provision of law to promulgate or enforce any requirement respecting control of any substance, practice, process, or activity for purposes of protecting the stratosphere or ozone in the stratosphere.

(b) Nothing in this Act shall preclude or deny any State or political subdivision thereof from adopting or enforcing any requirement respecting the control of any substances, practice, process, or activity for the purposes of protecting the stratosphere or ozone in the stratosphere.

SEC. 19. AUTHORITY OF ADMINISTRATION.

The Administrator is authorized to prescribe such regulations as are necessary to carry out this Act.

UPPER-OZONE CHEMICALS ACT OF 1989

Summary: The Bill provides for a five-year phaseout of six substances that deplete the stratospheric ozone layer (CFC-11, CFC-12, CFC-113, halon-1211, halon-1301, carbon tetrachloride), and a ten-year phaseout of other ozone-depleting substances (CFC-22, CFC-114, CFC-115, methyl chloroform, methylene chloride), with exceptions for medical and national security reasons. There are provisions for certifying that nations from which we import products that contain ozone-depleting chemicals have a similar phaseout program in place, and a requirement for safe disposal of ozone-depleting substances. Finally, the bill calls for developing a safe alternative policy, for replacing the substances to be phased out with chemicals, product substitutes, or alternative manufacturing processes that reduce overall risk to public health and the environment.

Specific provisions include:

A PRODUCTION PHASEOUT

Five-year phaseout for CFC-11, CFC-12, CFC-113, halon-1211, halon-1301, carbon tetrachloride

Ten-year phaseout for CFC-22, CFC-114, CFC-115, methyl chloroform, and methylene chloride.

There is an exception to the production phaseout for medical and national security reasons.

CERTIFICATION OF EQUIVALENT FOREIGN PHASEOUT PROGRAMS

Requires certification by the Secretary of State that foreign countries have equivalent phaseout programs in place before allowing their products that contain or are manufactured with ozone-depleting substances, to be exported to the United States.

DISPOSAL OF OZONE-DEPLETING SUBSTANCES, AND OF PRODUCTS THAT CONTAIN OZONE-DEPLETING SUBSTANCES

Requires ozone-depleting substances to be disposed of in a way that ensures that the substances will not be released to the environment.

Requires that ozone-depleting substances be removed from appliances, machines, or other goods before those goods are disposed of, and that the substances be disposed of as indicated above.

SAFE ALTERNATIVES POLICY

Establishes the policy that the substances to be phased out will be replaced, to the maximum extent possible, by chemicals, product substitutes, or alternative manufacturing processes that reduce overall risks to public health and the environment.

Calls on EPA to review and report on the alternatives being considered, and assess their risks to public health and the environment.

By Ms. MIKULSKI:

S. 873. A bill to promote the integration of women in the development process in developing countries; to the Committee on Foreign Relations.

WOMEN IN DEVELOPMENT ACT

● Ms. MIKULSKI. Mr. President, today I am introducing legislation to increase the participation of women in Third World economic development programs. The bill is similar to legislation I introduced last year and which was included in the fiscal year 1989 Foreign Operations appropriations bill. Those provisions will expire with the appropriations bill.

In view of the very stringent budget limits we are facing, we need to make sure that every tax dollar is spent to best advantage. This is especially true in our foreign assistance programs, which have an extremely broad mission and are usually the first target of budget cuts.

There are two basic reasons for directing more of our assistance toward women. One is simple fairness. Tradition and legal restrictions make it difficult in many countries for women to improve their living conditions. Women are the poorest, hardest working, least educated and unhealthiest people in the Third World, yet they receive less assistance than men.

Second, if we are to get the most from our assistance dollars, particularly in agricultural programs, it is clear that we must direct our aid to the people who are doing most of the work—women. The U.S. Agency for International Development's own research has shown that the greater the involvement of women, the more successful the assistance project.

Women are responsible for 80 to 90 percent of food production in Africa, but in AID-funded training programs in Africa, only 21 percent of the participants have been women. The figures in Asia and Latin America are similar.

In Third World countries women not only handle the household chores but also earn an income to provide for their families' basic needs. Generally, women work from 10 to 12 hours per day—2 to 4 hours more than men—walking several miles to find water and fuel, weeding, planting, hoeing, marketing food and other goods, caring for children, preparing food, and taking care of other daily household duties.

Dollar for dollar, aid directed to women will bring a greater return than other aid programs, and the assistance we provide has a ripple effect on local society which goes far beyond simple economics.

For example, take the case of a weaving project in Kenya that was funded at a modest $10,000. In addition to teaching marketable skills and providing extra income for women employees and their families, the weaving job is so important to these women that they will do whatever they can to keep from having more children and jeopardizing that job. Since Kenya has one of the highest birth rates in the world, this byproduct of the weaving project is extremely significant. The weaving center has also become a focal point for health care. Volunteer doctors visit the factory regularly, an ambulance comes to the plant for group innoculations, and villagers not employed at the plant gather there to take advantage of these services. Finally, employment at the factory has created enough self-confidence among the workers that several have run for local council posts.

Similar changes in attitude have resulted from programs of the famous Grameen Bank in Bangladesh, and I ask unanimous consent that a recent Christian Science Monitor article on the bank be reprinted at the end of my statement.

AID Administrator Alan Woods and other key agency officials consulted closely with the Congress last year on this issue and have instituted new efforts—some unilateral, some as a

result of last year's legislation. AID deserves credit for its actions to date, but much more needs to be done.

The legislation I am introducing today funds women in development activities through AID and two U.N. agencies. It also sets forth policy goals and guidelines for AID to follow in order to increase the integration of women into its development programs. The bill includes:

Ten million dollars authorization for women in development programs at the Agency for International Development.

Eight million dollars of that total will be available through the women in development office at AID as matching funds for programs in other bureaus which exhibit the potential for involving women. The purpose of the legislation is not to create a separate office to deal with women's programs but to encourage all missions—health, agriculture, private sector promotion, environment, education—to integrate women into their programs.

Directives for including women in all agency efforts.

An agency task force to coordinate efforts.

Goals and deadlines for increasing the training and integration of Third World women in AID programs.

Increased training for AID employees and contractors.

Funding for two U.N. agencies that provide data collection and program coordination for women's programs.

More effective targeting of women is the best way I know to increase the effectiveness of our aid programs, and I hope that the Foreign Relations Committee will take a serious look at this issue as it considers foreign aid authorization legislation this year.

I ask unanimous consent that the text of the bill and the article mentioned earlier be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 873

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Women in Development Act of 1989".

SEC. 2. FINDINGS.

The Congress finds as follows:

(1) Women in developing countries play multiple and vital roles in economic development, but in many development activities their roles have been overlooked, ignored, or displaced.

(2) The full participation of women in, and the full contribution of women to, the development process are essential to achieving growth, a more equitable distribution of resources and services to meet basic needs, a higher quality of life in developing countries, and sustainable development.

(3) In developing countries, the income earned by women is crucial to their individual self-reliance, to raising the standard of living of their families, to the overall development of their community and society, and to strengthening national economies.

(4) Achievement of development goals is being retarded by the failure to effectively integrate women in development activities.

(5) Research shows that when women's participation in development activities is high, project success and sustainability tend to be high; when participation is low, project success and sustainability tend to be moderate or low. Therefore, the cost-effectiveness and efficiency of United States bilateral and multilateral development assistance can be increased by improving the integration of women in all stages of the development process.

(6) In food production, low-resource women farmers provide the critical labor and offer the best hope for increasing food supplies in many developing countries; however, their contributions have been limited by a lack of access to appropriate extension, credit, and marketing services.

(7) A serious deficiency now exists in U.S. and other international development programs; that is, a lack of basic education, vocational training and health instruction for girls in the approximate age group of five to fifteen years.

(8) Women are a major source of entrepreneurial talent in the informal sectors of developing countries and, with access to training, credit and other forms of assistance, are expected to account for much of the growth in the private sector.

(9) United States and indigenous private and voluntary organizations have demonstrated effectiveness in strengthening women's organizations in developing countries through the development of managerial and analytical capabilities.

(10) The Agency for International Development states that its policy is to promote full involvement of women as participants and beneficiaries in all of the projects, institutions, and development processes supported by the Agency. Although the Agency issued a policy paper in 1982 which provided guidelines for increasing the participation of women in the development process, in actual practice the integration of women received low priority in relation to other mandates. In 1988, however, the Agency increased its efforts to involve women in its development programs.

(11) The Agency for International Development lacks adequate accountability or management mechanisms to ensure that the women in development policy is in fact being fully implemented.

(12) In order to improve integration of women in the Agency's development activities, the Agency must provide, at the earliest possible date, training to recognize the essential economic roles of women and to develop strategies to incorporate women into all development programs. This training should be extended to all Washington and mission-based policy, program and project staff who would provide guidance on strategies for achieving the goal of involving women in the planning, design, implementation, management, and evaluation of the Agency's development activities, and to universities participating in Agency programs, to other U.S. government agencies, and to contractors involved in carrying out programs administered by the Agency. In 1989 the Agency began an expanded training program, with encouraging results.

(13) Training programs held in host countries or the United States for project participants are important components of most development projects and reflect the development objectives and strategies of the Agency for International Development. The low representation of women in these training programs impedes their integration in their national economies, limits their current and future productive roles, reduces the effectiveness of U.S. programs and constrains overall economic development.

(14) Among United Nations organizations, the United Nations Development Fund for Women (UNIFEM) and the International Research and Training Institute for the Advancement of Women (INSTRAW) have demonstrated that greater support for the productive activities of women can improve the well-being of communities and national economies. The United Nations Development Fund for Women plays a unique and valuable role by developing and replicating projects and ensuring the appropriate involvement of women in mainstream development activities. The International Research and Training Institute for the Advancement of Women serves as a catalytic force within the United Nations to ensure that research and data collection of all United Nations agencies identify women's economic and social roles and potential.

(15) Research has established the value of fully integrating women and the poor in the development process, especially in designing, implementing and evaluating development projects. Such agencies as the Inter-American Foundation, the African Development Foundation and the International Fund for Agricultural Development have carried out programs which have achieved a reasonable measure of success in carrying out these objectives.

SEC. 3. STEPS TO BE TAKEN BY THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

(a) STRENGTHENING WOMEN IN DEVELOPMENT POLICY.—The Administrator of the Agency for International Development shall take the following steps to strengthen the Agency's women in development policy:

(1) Ensure that the Agency seek to incorporate the active participation of local women and local women's organizations in its development activities (including their involvement in the planning, design, implementation, management, monitoring, and evaluation of the activities) in approximate proportion to their traditional participation in the targeted activities or their proportion of the population, whichever is higher.

(2) Instruct Agency staff and contractors to collect sex-disaggregated data for, and include such data in, every Country Development Strategy Statement, Project Identification Document, Project Paper, Program Assistance Identification Proposal, Program Assistance Approval Document, and Policy Inventory, as well as all relevant research projects.

(3) Instruct Agency staff and contractors to seek to ensure that country strategies, projects, and programs are designed so that the percentage of women who receive assistance is in approximate proportion to either their traditional participation in the targeted activities or their proportion of the population, whichever is higher.

(4) Instruct Agency staff and contractors that, if a country strategy, program, or project is not designed so that assistance will reach women in the proportion specified in paragraph (3), they must identify in the appropriate document referred to in paragraph (2)—

(A) what the obstacles are to achieving that goal;

(B) what steps are being taken to remove or overcome those obstacles;

(C) to the extent that steps are not being taken to remove or overcome those obstacles, why they are not being taken.

(5) Ensure that project and program evaluations include an assessment of the extent to which the project integrates women in the development process and of the impact of the project or program on women, including both positive and negative implications of the project or program in enhancing the self-reliance of women and improving their incomes.

(6) Instruct Agency staff and contractors to ensure that country strategies, projects, and programs identify and take advantage of opportunities to assist women in activities that are of critical significance to their self-reliance and development, including (A) appropriate extension and related services to low-resource women who are engaged in subsistence or cash production, and (B) training, technical assistance, credit, and other services to strengthen the managerial skills and capabilities of women, with special attention to women's institutions and women entrepreneurs.

(7) Develop and implement a plan to provide training for all Washington and mission-based professional staff that provides guidance on strategies for achieving the goal of incorporating women in the planning, design, implementation, management, and evaluation of the Agency's development activities; and require universities participating in programs under title XII of chapter 2 of part I of the Foreign Assistance Act of 1961, other agencies of the United States Government, and contractors involved in carrying out programs administered by the Agency to develop and implement plans to achieve that goal.

(8) Require that efforts to achieve the goal of integrating women in to the Agency's development activities be an important factor in the personnel evaluating process for all Agency staff with responsibility for reaching that goal.

(9) In the case of education or training provided in the host country or the United States for project participants, increase training opportunities for women and make every necessary provision for addressing the specific needs of women.

(10) Ensure that the necessary steps are taken so that each of the preceding paragraphs of this subsection will be fully implemented as soon as possible but no later than by the end of fiscal year 1995, except that the following targets shall be set for implementing paragraph (9): a minimum of 30 percent of the trainees should be women by the year 1991, a minimum of 40 percent of the trainees should be women by the year 1992, and a minimum of 50 percent of the trainees should be women by the year 1993, with approximately equal levels in each region.

(11) Increase the participation of young girls in education and training programs, use incentives to encourage host countries to include girls in their programs and consider withholding assistance for programs which do not include girls as equal participants. If the agency is unable to fulfill this directive, it must report to the Congress on the reasons why this policy cannot be carried out.

(12) In order to get the greatest benefit from U.S. aid dollars and avoid duplication of effort, instruct Agency staff to make the maximum use of data, program design and management structure already established by multilateral institutions or other national agencies.

(13) Establish within the Agency a task force on women in development. The task force shall consist of the director of the Women in Development office and senior-level staff from each of the regional and technical bureaus who are in decision-making positions regarding the integration of women in the operations of their bureau. The task force shall be responsible for—

(A) overseeing the implementation of this Act,

(B) assisting Agency missions in developing strategies to overcome the obstacles to integration of women in the development process that have been identified by the missions, by indigenous people and organizations, and by other evaluations of Agency programs;

(C) designing means for ensuring that staff at all levels of the Agency are subject to appropriate accountability for achieving the goals of incorporating women in the development process; and

(D) establishing specific criteria for measuring and evaluating the Agency's performance in incorporating women in development activities, and developing ways to institutionalize learning within the Agency on women in development activities.

(b) FUNDING FOR WOMEN IN DEVELOPMENT ACTIVITIES.—Section 113(b)(1) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "Up to $10,000,000" and inserting in lieu thereof "Not less than $10,000,000";

(2) by inserting "and section 667(a)" after "this chapter"; and

(3) by adding at the end the following: "Beginning in fiscal year 1990, not less than $8,000,000 of the funds used each fiscal year pursuant to this subsection shall be made available as matching funds to support those activities of the missions of the agency which demonstrate potential for integrating women into the programs of those missions.".

(c) REPORTS TO CONGRESS.—Not later than March 1, 1991, and every second year thereafter, the Administrator of the Agency for International Development shall report to the Congress on—

(1) the specific steps taken as of the time of the report in implementing each paragraph of subsection (a);

(2) the additional steps to be taken to implement each such paragraph; and

(3) the use of funds pursuant to the amendments made by subsection (b).

SEC. 4. FUNDING FOR CERTAIN UNITED NATIONS ORGANIZATIONS.

In addition to amounts otherwise authorized to be appropriated to carry out chapter 3 of part I of the Foreign Assistance Act of 1961 (relating to international organizations and programs), there is authorized to be appropriated, without fiscal year limitation, $5,000,000. Of the amounts appropriated pursuant to this section, 80 percent shall be available only for the United Nations Development Fund for Women and 20 percent shall be available only for the United Nations International Research and Training Institute for the Advancement of Women.

[From the Christian Science Monitor, Mar. 15, 1989]

BANKING ON A BETTER LIFE

(By Kristin Helmore)

HARAN NAGAR, BANGLADESH.—Along the sandy banks of the Dhaleswari River, a tranquil tributary of the Ganges in waterlogged Bangladesh, there is perpetual movement. This country, the size of Wisconsin, has nearly 110 million people. Villages are strung in an endless chain of jute-stick huts on the higher ground above the riverbanks. Lines of men trudge along the shores, straining forward against ropes that haul huge, ancient, square-sailed ships up the middle of the river.

The men will talk and laugh with a visitor as they walk. But the women washing clothes at the river's edge hide their faces in their saris and turn away as if trying to erase themselves when a stranger comes near.

Most Bangladeshi women behave this way with strangers, following the Muslim custom of *purdah* (which literally means "curtain") and centuries of tradition that have left most of them timid, uneducated, and insecure.

In some villages, the women stand tall when visitors approach. They hold up their heads and, with a beguiling mixture of pride and shyness, look strangers in the eye. Then they do something even more unexpected: give a crisp, energetic, military-style salute in greeting.

What has changed these women's behavior, their perception of themselves—indeed, their economic standing, and their very status in their communities?

A bank.

The Grameen Bank (*grameen* means village in Bengali) provides * * * but it exemplifies the underlying objective of the bank: to uplift the poorest and most oppressed members of one of the world's poorest, most tradition-bound societies.

"We wanted to get rid of these women's habit of being nonentities," says Dr. Yunus, who earned his economics degree at Vanderbilt University in the United States.

"They normally hide their faces, and when they *salaam* [the traditional Muslim greeting], they touch their forehead with a limp hand. Somebody thought of the salute, which is like a *salaam* but with a very important difference. You can't hide your face and salute at the same time. You have to stand up tall."

Grameen is a bank tailor-made for the poorest—for those who have no access to commercial banks but must resort to begging from local landowners or borrowing from moneylenders who charge 10 percent per month or more. At the Grameen Bank, one must be landless to qualify for a loan. (About 60 percent of Bangladeshis are considered landless, even though many of them do own tiny plots of about one-fifth of an acre.) About 82 percent of Grameen's borrowers are women—the poorest of the poor.

"Women see the worst kind of poverty, because women are the ones who must feed people," says Yunus. "If you give a chance to the women, they become much better fighters against poverty than men. A woman sees much further into the future than a man does. She always wants to have a better life for her children. Given an opportunity, she works for the future.

"And it is usually the very desperate ones who come [for a loan]. Often it's women abandoned by their husbands. That is who the Grameen Bank was created for—those who have no means at all."

The loans are small—the average amount for a first-time loan is $65. With the exception of housing loans, the credit provided is "venture capital" for enterprises like rice-husking, weaving, or the production and sale of vegetables, eggs, or milk. To ensure that the women receive advice and encour-

agement from their peers in formulating business plans, they must form groups of five to take out a loan. If a borrower has difficulty repaying her loan, the other members of her group help.

The bank's capital comes from government loans made at 2 percent interest, financed by aid from Canada, Norway, Sweden, West Germany, and other donors. All operating expenses, including opening branches and salaries of some 6,000 branch employees, are covered by the 16 percent interest per annum the bank charges borrowers.

The Grameen Bank model has gained such a following that virtually all of Bangladesh's development programs will soon adopt its credit-intensive approach, according to a leading government planner. And Grameen's system is being replicated in Malawi, Burkina Faso, Mali, Ivory Coast, and Tanzania, as well as the south side of Chicago, rural Arkansas, and other parts of the United States.

The idea of banks—of dealing with strangers and handling money—is so foreign to these women that taking the first step can be frightening. Hence, each group elects a leader who they feel will give them courage.

"Setera was braver than the rest of us," says one woman of her group leader. "We were all hesitating, but she said, 'Why worry? Either we will die or we will live like human beings.' So she mustered the courage for everyone."

Several groups of borrowers form a "center" that meets once a week with a representative from the nearest of the bank's 464 branches. Over a 50-week period, members pay off the principal of their loans at 2 percent a week, and the 16 percent interest in two more weeks. At the end of the 52 weeks, borrowers who are paid up qualify for a larger loan. Grameen's repayment rate is 98 percent.

The material benefits of using the bank are obvious; Nutrition levels rise, living conditions improve, and drudgery is replaced with productive activity.

"Now we can spend more money on food," says borrower Alaka Parveen. Small and slight, she is dressed in a beautiful, vibrant combination of colors: a yellow and red sari over a red and white striped blouse. "Before we never could give milk or eggs to our children. Now they eat these and we do, too."

Nurun Nahar, in the village of Boromonohordi, has taken two loans so far, the first for raising winter vegetables, the second for husking rice. She became eligible for a house loan, conditional on the willingness of her husband to transfer ownership of his tiny plot of land to his wife. He did, and she got the house loan.

Since women in Bangladesh cannot inherit property, Grameen has developed the transfer scheme to enhance the financial security of its female borrowers. Housing loans are available only when ownership of the land is in the wife's name.

"Housing for the poor means a place to work, to get proper rest, and a place for storage," says Muzammel Huq, Grameen's employee training director. "A person working without a shelter is like a soldier without ammunition."

Today, Mrs. Nahar has a relatively large, two-room house with a tin roof—an important asset that allows families to "camp out" during floods. Despite the tin roof, the house is quite cool, thanks to cross-ventilation. It is spotlessly clean, neat, and beautiful. The jute-stick interior wall is woven into graceful designs of fish. A folded mosquito net hangs from a rafter over the bed, and a loom sits in one corner.

This house has increased Nahar's productivity. "In our old house we had no [electric] current," she says. "I used to go to bed very early. Now I can work at my weaving until 12." Electricity is much cheaper than buying weekly supplies of kerosene.

Increased work efficiency has come to Nahar's neighbor Hasin Banu, too, thanks to the installation of a tube well that her group of borrowers paid for jointly—supplied at a special low price, subsidized by UNICEF.

"Before, I had to walk a mile, three or four times a day, to get my cooking and drinking water, which was not pure," says Mrs. Banu. "This water is good to drink, and now I use the time I save for spinning thread."

Grameen borrowers are required to save 1 taka per week (about 3 cents) plus 5 percent of each loan amount. In the bank branch in nearby Bramundhi, six women dressed in flowing black robes, with only their hands and faces showing, sit waiting to make deposits in, or withdrawals from, their savings accounts. This is standard attire for trips to the bank. (Women in *purdah* must be covered if they venture out of the vicinity of their homes.)

This branch has 1,800 borrowers; it has made 340 house loans and financed the installation of nine tube wells. Grameen savings accounts pay 8.5 percent, and bank branches provide other benefits, too, such as training workshops for group leaders.

Out of group discussions in these workshops evolved what the bank calls "the 16 decisions." This list of guidelines starts with the four principles—discipline, unity, courage, and hard work. It includes the decision to educate one's children, keep one's family small, one's house in good repair, one's children eating plenty of vegetables, and the marriages of one's sons and daughters free from "the curse of dowry"—an entrenched custom that drains the finances of many families and may put them in debt for years.

"I estimate that 50 percent of our borrowers now use family planning," says branch manager Rafiqul Islam. "Before joining the bank, only a few used it."

Peyera Begum was married at age 9 and had her first child at 13. Now 27 with four children, she uses birth control. Though she had only two years of primary school, she is confident she will be able to send her children through high school and dreams of sending them to a university.

Bank officers say that when borrowers start earning, they usually want to have fewer children so they can devote more time to their businesses. And they realize they can care for a small family better than a large one. Mrs. Begum has a grocery shop and has come to withdraw savings to buy additional stock.

Improved nutrition, housing, water supply, health care, family planning, and education are the benefits most designers of third-world development projects strive for. But when you ask Grameen bank clients what the bank has meant to them, they talk as much of intangibles as of improvements in their living conditions. Often their achievements as entrepreneurs result in better relations with their families.

"Our husbands recognize that we are helpful members of the family and not a liability," says Mrs. Parveen in Haran Nagar. "They show us more affection than they did before."

Shahar Banu, who lives in the neighboring Hindu village of Krishna Nagar, agrees. "Now my husband and son consult me when they do anything. Before, they didn't know I existed."

And Mrs. Banu sees a marked improvement in her relations with the local landowners. "Before, the greeting was only one way: We always greeted them. Now they greet us."

"Our husbands never used to listen to us before," echoes Shob Mehir in Haran Nagar. "Now they listen because we have capital. Also, we have saved them the humiliation inflicted by well-to-do people. They don't feel ashamed any more. They have been freed from subjugation and they feel grateful."

Criticism of the bank flares up now and then, on the part of land-owners who find it more difficult to hire cheap labor, and on the part of religious leaders. The latter group claims that the teachings of Islam are being eroded when women start to go out of their homes to work. But according to Mr. Huq, the women have a ready answer to such charges.

"When I was begging in the streets," they say, "how come Islam was not in danger then?"●

By Mr. FORD:

S. 874. A bill to establish national voter registration procedures for Presidential and congressional elections, and for other purposes; to the Committee on Rules and Administration.

NATIONAL VOTER REGISTRATION ACT

● Mr. FORD. Mr. President, I have introduced today the National Voter Registration Act of 1989, which is identical to H.R. 15 which was introduced earlier this Congress in the House of Representatives by Mr. SWIFT. A hearing on this bill will be held by the Committee on Rules and Administration this Wednesday, May 3.

Last Congress the Committee on Rules and Administration held two hearings on voter registration and voter turnout in elections. The 1988 election, with its very low voter turnout, demonstrated once again that something must be done to increase the number of voters in our elections. The testimony and information received by the committee made it clear that while changes in registration procedures do not necessarily result in increased voter turnout, they have effectively increased the pool of citizens who are eligible to vote.

I believe that this bill will provide our States with the means to increase their voter rolls without undue additional costs by using existing State and Federal agencies. Its provision that would tie-in driver license applications and renewals with voter registration alone presents an opportunity to reach some 90 percent of the voting age population. It is a workable and cost-efficient approach to the problem of low registration and voter turnout.

Mr. President, I think it is important that any law enacted in this area not

intrude unnecessarily on the election administration functions of our States, nor significantly increase their costs of conducting elections. The bill I have introduced will have the effect of significantly increasing the number of people on our voting roles without violating either of these objectives.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 874

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Voter Registration Act of 1989".

SEC. 2. NATIONAL PROCEDURES FOR VOTER REGISTRATION FOR PRESIDENTIAL AND CONGRESSIONAL ELECTIONS.

(a) IN GENERAL.—Except as provided in subsection (b), notwithstanding any other provision of Federal law or any provision of State law, in addition to any other method of voter registration provided for under State law, each State shall establish procedures with respect to Presidential elections and Congressional elections to permit voter registration—

(1) by application in person simultaneous with application for a motor vehicles driver's license pursuant to section 3;

(2) by mail application under section 4; and

(3) by application in person—

(A) at the appropriate registration site designated with respect to the residence of the applicant in accordance with State law; or

(B) at a Federal, State, or private sector location designated under section 5.

(b) NONAPPLICABILITY TO CERTAIN STATES.—This Act does not apply to any State that has no voter registration requirement with respect to Presidential elections and Congressional elections.

SEC. 3. SIMULTANEOUS APPLICATION FOR VOTER REGISTRATION AND APPLICATION FOR MOTOR VEHICLE DRIVER'S LICENSE.

(a) IN GENERAL.—Except as provided in subsection (b), each State motor vehicle driver's license application (including any renewal application) submitted to the appropriate State motor vehicle authority under State law shall also serve as an application for voter registration with respect to Presidential elections and Congressional elections. An application for voter registration so submitted supersedes any previously submitted application for voter registration and invalidates any previous registration for the individual involved.

(b) EXCEPTION.—An individual referred to in subsection (a) may decline in writing to be registered by means of the motor vehicle driver's license application.

(c) FORMS AND PROCEDURES.—Each State shall include a voter registration application for Presidential elections and Congressional elections as part of any form used to apply for a State motor vehicle driver's license. The voter registration application portion of the form—

(1) may not require any information that duplicates information required in the driver's license portion of the form;

(2) shall include a box or other device to permit an applicant to decline to register, as provided in subsection (b);

(3) shall require only sufficient information to prevent duplicate voter registration and otherwise to enable the appropriate State election official to assess the eligibility of the applicant;

(4) shall include a statement of penalities provided by law for submission of a false voter registration application; and

(5) shall be made available to the appropriate State election official as provided by State law.

(d) CHANGE OF ADDRESS.—Any change of address form submitted in accordance with State law for purposes of a State motor vehicle driver's license shall also serve as notification of change of address for voter registration with respect to Presidential elections and Congressional elections for the individual involved.

SEC. 4. MAIL REGISTRATION.

(a) FORM.—Each State shall develop a mail voter registration form for Presidential elections and Congressional elections. The form shall—

(1) require only sufficient identifying information, including the signature of the applicant, to enable the appropriate State election official to assess the eligibility of the applicant; and

(2) include a statement of penalties provided by law for submission of a false voter registration application.

A form under this section may not include any requirement for notarization or other formal authentication.

(b) AVAILABILITY OF FORMS.—The chief State election official of each State shall make the form available for government and private sector distribution, with particular emphasis on availability for organized voter registration programs.

SEC. 5. VOTER REGISTRATION LOCATIONS.

(a) DESIGNATION.—Each State shall designate appropriate State offices and (upon agreement with the Federal Government and nongovernmental entities) Federal and private sector offices as locations, with respect to registration for Presidential elections and Congressional elections. At each such location, the following services shall be made available: (1) distribution of voter registration applications, (2) assistance to applicants in completing such applications, and (3) acceptance of completed applications for transmittal to the appropriate State election official. Offices designated under this subsection shall include offices providing public assistance, unemployment compensation, and related services.

(b) FEDERAL GOVERNMENT AND PRIVATE SECTOR COOPERATION.—All departments, agencies, and other entities of the executive branch of the Federal Government shall, to the greatest extent practicable, cooperate with the States in carrying out subsection (a), and all nongovernmental entities are encouraged to do so.

SEC. 6. REQUIREMENTS WITH RESPECT TO ADMINISTRATION OF VOTER REGISTRATION.

(a) IN GENERAL.—In the administration of voter registration for Presidential elections and Congressional elections, each State shall—

(1) assure that any eligible applicant is registered to vote in the election—

(A) in the case of registration with a motor vehicle application under section 3, if the valid voter registration form of the applicant is submitted to the appropriate State motor vehicle authority not later than 25 days before the date of the election;

(B) in the case of registration by mail under section 4, if the valid voter registration form of the applicant is postmarked not later than 25 days before the date of the election;

(C) in the case of registration at a location designated under section 5, if the valid voter registration form of the applicant is accepted at the location not later than 25 days before the date of the election; and

(D) in any other case, if the valid voter registration form of the applicant is received by the appropriate State election official not later than 25 days before the date of the election;

(2) require the appropriate State election official to notify each applicant for registration of the disposition of the application; and

(3) provide that the name of a voter may not be removed from the official list of eligible voters other than (A) at the request of the voter, (B) by reason of the death of the voter, (C) as provided by State law, by reason of criminal conviction, mental incapacity, or change in residence of the voter, or (D) for failure to vote in each of 2 consecutive Presidential general elections and at least one Congressional election or election for State office between such 2 consecutive Presidential general elections.

(b) SPECIAL RULE.—A State may not, under subsection (a)(3)(D), provide for removal of the name of a voter from the official list of eligible voters if the voter registers with a motor vehicle application under section 3 and continues to hold a valid driver's license.

SEC. 7. FEDERAL COORDINATION AND REGULATIONS.

The Federal Election Commission—

(1) shall be responsible for coordination of Federal functions under this Act; and

(2) in consultation with the chief election officers of the States, the heads of the departments, agencies, and other entities of the executive branch of the Federal Government, and appropriate individuals from the private sector, shall prescribe such regulations as may be necessary to carry out the provisions of this Act.

SEC. 8. DESIGNATION OF CHIEF STATE ELECTION OFFICIAL.

Each State shall designate a State officer or employee as the chief State election official, to be responsible for coordination of State functions under this Act.

SEC. 9. ENFORCEMENT.

The Attorney General may bring a civil action in an appropriate district court for such declaratory or injunctive relief as may be necessary to carry out the provisions of this Act.

SEC. 10. PRIVATE RIGHT OF ACTION.

An individual aggrieved by a violation of this Act may file a complaint of the violation with the chief election officer of the State involved. If the complaint is not resolved within 90 days after the filing, the individual may bring a civil action in an appropriate district court for declaratory and injunctive relief with respect to the violation.

SEC. 11. DEFINITIONS.

As used in this Act—

(1) the term "motor vehicle driver's license" includes any personal identification document issued by a State motor vehicle authority;

(2) the term "Presidential election" means a primary election or general election for the office of President or Vice President; and

(3) the term "Congressional election" means a primary election, special election, or general election for the office of Senator or Representative.

SEC. 12. EFFECTIVE DATE.

The requirements of this Act shall apply with respect to Presidential elections and Congressional elections held after date of the Presidential general election of 1992.●

By Mr. KASTEN (for himself and Mr. LEAHY):

S. 875. A bill to prohibit United States contributions to the United Nations or any of its affiliated organizations if full membership as a state is granted to any organization or group that does not have the internationally recognized attributes of statehood; to the Committee on Foreign Relations.

PLO ADMISSION TO UNITED NATIONS ORGANIZATIONS

● Mr. KASTEN. Mr. President, I am pleased to introduce legislation along with the chairman of the Foreign Operations Subcommittee, PATRICK LEAHY, which would cut off all U.S. financial contributions to any United Nations agency which admits the PLO as a "member-state".

Our legislation, which is a companion bill to one introduced in the House by Congressmen, LANTOS, SMITH of New Jersey, SMITH of Florida, and BEREUTER, tracks the position laid out in a letter sent to Secretary Baker by Senator LEAHY and myself and cosigned by 36 of our Senate colleagues.

Mr. President, this legislation also tracks the administration's position as announced today by Secretary Baker, in which he stated that he would, "recommend to the President that the United States make no further contributions—voluntary or assessed—to any international organization which makes any change in the PLO's present status as an observer organization."

It is clear to me that we have a solid and unified position on this matter. It is my sincere hope that the PLO and those who would support that organization for "member-state" status in the U.N. would recognize the significant damage that such a move could cause many of the very worthwhile programs of United Nations organizations.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 875

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States shall not make any voluntary or assessed contribution—

(1) to any affiliated organization of the United Nations which grants full membership as a state to any organization or group that does not have the internationally recognized attributes of statehood, or

(2) to the United Nations, if the United Nations grants full membership as a state in the United Nations to any organization or group that does not have the internationally recognized attributes of statehood,

during any period in which such membership is effective.●

● Mr. LEAHY. Mr. President, I am pleased to join my good friend and colleague, the distinguished ranking member of the Foreign Operations Subcommittee, Senator KASTEN, in introducing this bill to cut off all U.S. financial contributions to any U.N. agency that gives the Palestine Liberation Organization member state status. Our bill squares with administration policy as reflected in a statement this afternoon by Secretary of State James Baker, when he said,

To emphasize the depth of our concern, I will recommend to the President that the United States make no further contributions—voluntary or assessed—to any international organization which makes any change in the PLO's present status as an observer organization.

Our bill and the Secretary's statement have their origins in a cynical move by Yasser Arafat, "the President of the State of Palestine" to apply for member state status in the World Health Organization, a U.N. specialized agency. The WHO assembly meets on May 8, and the issue of membership is decided by a simple majority. The United States is carrying on a vigorous effort to block this application, but I am informed that as of now, there is probably a majority of WHO member states, virtually all from the Third World who would vote to admit the State of Palestine.

Granting the PLO member state status in the WHO would be a calamity for the United Nations, a body which I strongly support. The PLO has made clear that, if successful in WHO, it intends to submit applications to many U.N. specialized agencies. Once the precedent is established, we can expect hostile Third World blocs to support PLO member state status in several U.N. agencies. Eventually, we will face a PLO application for recognition by the United Nations itself as the State of Palestine.

Those of us who care for the United Nations and want to see it continue to play a critical role in international peacekeeping, world health concerns, Third World development, the global environment, and a host of other issues, must act at once to show other member states the depth of our concern—and our determination that this manuever by Arafat to undermine the Middle East peace process will not succeed. That this move is aimed at prejudicing potential peace negotiations is obvious. The letterhead used by the PLO to make its application to the WHO contains the logo State of Palestine and shows a map of the State of Israel, the West Bank and Gaza as a single entity. This is a slap in the face of all of us who support a negotiated resolution of the Middle East conflict, including a permanent resolution of the status of the West Bank and Gaza through direct negotiations between Israel and the Palestinians themselves.

If it becomes necessary to cut off U.S. contributions to WHO, which I fervently hope it will not, as chairman of the Foreign Operations Subcommittee, I will work to ensure that U.S. funds contained in the foreign aid appropriation which would have gone to support its important work will go to fund bilateral AID health programs and the work of other international health organizations. I do not want PLO folly to result in the United States doing less to meet the urgent needs of world health.

Mr. President, Senator KASTEN and I have been working for several days now to build opposition to this PLO manuever. We have been supported by many of our colleagues here in the Senate. I ask unanimous consent that a letter Senator KASTEN and I sent to Secretary Baker, cosigned by 36 of our colleagues, be included in the RECORD at the conclusion of my remarks.

Mr. President, I also ask unanimous consent that a "Dear Colleague" and letter to President Bush urging immediate and strong action at the highest levels in the executive branch to block this application also be included in the RECORD at the conclusion of my remarks. I urge all Senators to join us in signing this letter to the President so that there can be no misunderstanding on the part of any U.N. member state of the consequences of admitting a State of Palestine.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

COMMITTEE ON APPROPRIATIONS,
Washington, DC, April 13, 1989.

Hon. JAMES A. BAKER III,
Secretary of State, Department of State, Washington, DC.

DEAR MR. SECRETARY: We commend your opposition to a Palestinian state, which, as you have stated, would pose a threat to Israel as well as to Jordan, and would be contrary to American interests in the region.

We therefore view with alarm reported efforts by the Palestine Liberation Organization and several countries to seek recognition of the PLO as a "member-state" in the United Nations and related organizations and agencies. The acceptance of a Palestinian state in such international fora would present another obstacle to a peace process that already faces difficult challenges and would seriously weaken U.S. support for those U.N. bodies.

The PLO's declaration of statehood directly contravenes long-held U.S. policy opposing such a unilateral move and additionally contravenes all international standards relating to sovereignty. The PLO does not control territory, does not control any population and is not a government—all of which are internationally accepted attributes of a state and of statehood.

By focusing on a public relations ploy to make headlines rather than on confidence-building measures to make progress, this effort by the PLO sets the stage for continued stalemate. Therefore, we hope you will urge the PLO to drop its "statehood" theatrics and concentrate on matching its words of peace to peaceful deeds.

Mr. Secretary, such a move by the United Nations or its specialized agencies would make a mockery of all the U.N. represents. It would weaken support for the U.N. and would gravely damage the peace process because it pre-judges the outcome of the negotiating process.

Any successful move by the U.N. or related agencies to recognize the "state of Palestine" would force us to seriously consider a range of punitive action, including withholding U.S. financial participation from those agencies. It is our hope that you will use every means at your disposal to discourage this ill-advised effort. We stand ready to support you in this endeavor.

Sincerely,

Patrick J. Leahy, Daniel K. Inouye, John McCain, Phil Gramm, Paul Simon, Tom Harkin, J. Bennett Johnston, Bob Graham, Dennis DeConcini, Robert W. Kasten, Jr., Don Nickles, Carl Levin, Connie Mack, John D. Rockefeller, IV, Herb Kohl, John Heinz, Charles Grassley, Barbara Mikulski.

William S. Cohen, David L. Boren, John Glenn, William V. Roth, Jr., Rudy Boschwitz, Donald W. Riegle, Jr., Thomas A. Daschle, Pete Wilson, Thad Cochran, Orrin Hatch, Alan Cranston, Frank Lautenberg, John F. Kerry, Arlen Specter, Dan Coats, Joseph R. Biden, Jr., Christopher S. Bond, Conrad Burns, Joseph I. Lieberman, Jesse Helms.

COMMITTEE ON APPROPRIATIONS,
Washington, DC, April 27, 1989.

DEAR COLLEAGUE: Many of you joined us in writing to Secretary Baker on April 13 about the dire consequences for US financial participation in the World Health Organization, should the PLO be accorded "member state" status as the "State of Palestine." We hoped that a strong letter from the Senate would help energize the Administration to oppose this maneuver and send a strong signal to WHO member states of the implications of accepting the PLO application.

We have recently learned that the PLO application continues despite efforts by the State Department to dissuade it from pursuing this course. The WHO Assembly meets in Geneva on May 8, and it will be in order at that time to consider the PLO application. The issue will be decided by a simple majority vote. Many Third World members of WHO already recognize the PLO as a state, or are hostile to Israel, and it is probable that the PLO's application will receive a majority, should the issue come to a vote. Clearly, once this precedent is set, the PLO will make similar applications to other UN specialized agencies.

We are deeply concerned about the implications of this act for the United Nations and for the possibility of future negotiations between Israel and the Palestinians about the status of the occupied territories in the West Bank and Gaza. We believe the Administration must launch a strenuous effort to persuade the PLO to withdraw its application in the interests of peace in the Middle East. We urge you to join us in sending the attached letter to the President asking that such a campaign, at the highest levels of the United States Government, begin at once.

If you would like to join us in this letter, please have your staff contact Eric Newsom (4-7284) or Jim Bond (4-7274). We need to send this letter to the President as soon as possible.

Sincerely,

ROBERT W. KASTEN, Jr.
PATRICK LEAHY.

COMMITTEE ON APPROPRIATIONS,
Washington, DC, April 27, 1989.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: On April 13, a number of us wrote Secretary Baker of our intense concern about the application by the Palestine Liberation Organization for admission to the World Health Organization, a United Nations specialized agency, as the "State of Palestine." In that letter, we made clear that should the WHO or any United Nations agency or body accord the PLO the status of member state, we would be forced to consider a range of punitive actions, including withholding US financial participation in those agencies. We hoped our letter would send a strong signal to all members of the WHO that the reaction from the United States to admission of a "State of Palestine" would be swift, decisive and far-reaching.

Since that letter, our concern has grown even greater that too little is being done to make clear to WHO members the drastic consequences of such an act. We are writing you directly to urge that the United States Government at the highest levels immediately and strenuously emphasize to all parties, including the United Nations, the World Health Organization, other UN agencies, member states, and the PLO, the implications of according the PLO the status of "member state." No one involved in this transparent maneuver to preempt the outcome of possible future negotiations between Israel and other Arab parties should be allowed to be under the slightest illusions about the strength of the US reaction.

Mr. President, we cannot overemphasize the gravity of this situation for the future of US participation in WHO, and for other UN agencies which may find themselves in a similar situation. It is clear that if the PLO is successful in gaining admission to WHO, it is only a question of time before they apply for member state status to other UN specialized agencies and perhaps even the UN General Assembly itself. We trust the Administration will use every lever at its command to prevent such a calamity.

Respectfully,

ROBERT W. KASTEN, Jr.
PATRICK LEAHY.●

By Mr. HELMS:

S. 876. A bill to temporarily suspend the duty on thiothiamine hydrochloride; to the Committee on Finance.

TEMPORARY DUTY SUSPENSION ON THIOTHIAMINE HYDROCHLORIDE

Mr. HELMS. Mr. President, today I am introducing legislation to grant temporary duty-free status for thiothiamine hydrochloride. This is a substance used by Takeda Chemical Products USA, Inc., in the production of Thiamine, commonly known as vitamim B1.

I believe this matter should have been taken care of last Congress. However, since it wasn't, I see no reason why this bill shouldn't pass the House and the Senate expeditiously during the 101st Congress.

Takeda is a North Carolina corporation with long-range plans to develop its 1,500-acre site in Wilmington, NC, into a general manufacturing complex. The Wilmington plant was completed in the fall of 1985. They began to produce vitamin B1 in October 1985. The plant represents an investment of approximately $14 million.

The second plant, also located in Wilmington, NC, which was recently completed, produces ascorbic acid-vitamin C. This plant represents an investment of approximately $90 million.

Mr. President, approval of this temporary duty suspension will allow Takeda to provide vitamin B1 at a lower cost to the consumer, and it will place the company's North Carolina operation in a more competitive position with foreign competitors. Consequently, they will be able to accelerate their growth and create additional jobs in the State and regional economy.

The thiothiamine hydrochloride used by Takeda is imported from Japan. To the best of my information, thiothiamine hydrochloride is not produced in the United States and there are no other intermediates or materials which could be substituted for it in the process used to make vitamin B1.

The following chart reflects the amounts that Takeda imported from January 1, 1986, through June 30, 1987, and the duty paid:

Period	Quantity (kilogram)	Duty paid
Jan. 1, 1986 to Dec. 31, 1986	143,204	$54,338
Jan. 1, 1987 to June 30, 1987	75,200	28,086

The following chart reflects the amounts which they expect to import from July 1, 1987, to December 31, 1991, and the duty they would pay using the current price of $10.77 per kilogram and a duty rate of 3.7 percent:

Period	Quantity (kilograms)	Duty paid
July 1, 1987 to Dec. 31, 1987	96,200	$38,000
Jan. 1, 1988 to Dec. 31, 1988	180,000	72,000
Jan. 1, 1989 to Dec. 31, 1989	189,000	75,000
Jan. 1, 1990 to Dec. 31, 1990	198,000	79,000
Jan. 1, 1991 to Dec. 31, 1991	208,000	83,000

Mr. President, I urge swift consideration and passage of this bill.

By Mr. DECONCINI:

S. 877. A bill to require the posting on certain aircraft of information relating to the date of manufacture of the aircraft, and for other purposes; to

the Committee on Commerce, Science, and Transportation.

TRUTH IN AVIATION ACT OF 1989

● Mr. DECONCINI. Mr. President, I am introducing the Truth in Aviation Act of 1989 today to guarantee accessibility of vital aircraft information to each passenger who climbs aboard a commercial airplane.

Recently, reports in newspapers indicate that some passengers on commercial flights inquire about the age of the aircraft. Allegedly, at least one large air carrier advises its attendants not to disclose the age of the aircraft. In fact, the carrier instructs the attendants to mislead the passenger by telling him or her the average age of aircraft in the carrier's fleet.

Mr. President, I ask unanimous consent that a copy of an article from the Washington Post on this issue be printed in the CONGRESSIONAL RECORD immediately following the conclusion of my remarks.

Under these circumstances, how can a passenger make an informed decision whether or not to stay on board? This legislation will provide passengers with the information necessary to make an informed choice based on accurate data. The passenger has a right to know the truth, particularly in light of the seriousness of the choice the passenger makes when entrusting his or her safety to the air carrier and crew.

I do not want to give the impression that failure to fully disclose information occurs routinely. However, with the recent airline tragedies in the forefront of our media, some passengers are concerned about the age and the safety of the plane. This legislation targets those passenger's concerns by requiring the aircarrier to post information disclosing the age of the aircraft and the date of the last FAA inspection.

Not only will this notification requirement protect the passengers' right to full disclosure, it will also advance safety practices through consumer education. Congress has found that public awareness promotes aviation safety.

Some assume that making this type of information available will unnecessarily cause fear among passengers and delays in take-off. Passengers waiting in line will stop to read the notice as they board. Those who decide to disembark will be blocked from doing so, thereby delaying the boarding process.

The concern for delays, however, is misplaced. Currently, all McDonnell-Douglas planes post a data plate which clearly displays the date of manufacture of the plane. This data plate has not proven to contribute to long delays or to cause passengers to panic.

Since all planes are structured differently, how does this legislation define the place where the aircarrier must display the notice? This legislation requires that the carrier display the notice in an appropriate place on the airframe. This means, among other things, a place easily recognizable by persons of average height and average eyesight. Alternatively, the air carrier could include the information on the Airworthiness Certificate.

Presently, the FAA requires air carriers to post an Airworthiness Certificate which documents various information about the plane. This information includes the nationality, registration, manufacturer, model, serial number, category of use, authority and basis for issuance of the certificate, terms and conditions of the certificate, date of issuance of the certificate, the name of the FAA inspector or representative, and the designation number. I am proposing that we merely add the date of manufacture and the date of the last FAA inspection to the information already provided on the Certificate, thereby providing this information to any passenger who wants it.

In addition to posting vital information on the airframe, aircarriers will continue to have other voluntary options which this legislation does not prohibit. For instance, an aircarrier could also post the information just outside the entrance to the plane. Passengers that want to know can merely step aside and read the notice while the plane continues to board. Any passenger that opted not to take that plane could simply not board. This passenger would cause no problems to the boarding aircraft since he or she would not be in line. Furthermore, other passengers would not block this passenger from deplaning if he or she chose not to board.

Some people argue that notifying passengers of the age of the aircraft or the date of the last FAA inspection misleads passengers into believing that age and FAA inspection are critical factors in air safety. While it is true that the age of a plane and the date of the last FAA inspection do not necessarily reflect its safety, the passenger is entitled to accurate information concerning the aircraft he or she is preparing to board.

If the air carrier is concerned that passengers will react negatively toward the age of the plane, the air carrier could inform the passenger why the age does not necessarily detract from its safety. Air carriers with an older fleet are free to print informative flyers. Alternatively, the carrier could print this information directly on the passenger's ticket. The flyer or ticket could indicate that the plane is in excellent condition due to an excellent maintenance log or airframe or other modifications that would substantially increase the safety of the aircraft.

Mr. President, aviation safety is of great concern to all Americans. Our government must respond in every manner possible, including facilitating the dissemination and improvement of information concerning commercial aircraft. I urge my colleagues to join me in this effort to improve aviation safety.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 877

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Truth in Aviation Act of 1989".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) some passengers on commercial aircraft inquire and want to know the age of the aircraft or the date of the last Federal Aviation Administration inspection of the aircraft that they are scheduled to fly on in order to make an informed decision as to whether they want to remain on the aircraft;

(2) consumer air carriers are not fully disclosing the age of aircraft or the last date of a Federal Aviation Administration inspection to passengers that are traveling on the aircraft;

(3) the consumer marketplace is one of the best means of improving aviation standards and compliance with Federal Aviation Administration regulations; and

(4) the power of Federal agencies to impose civil monetary penalties for violations of Federal laws and regulations plays an important role in deterring violations and in furthering the policy goals embodied in such laws and regulations. (b) The purposes of this Act are to—

(1) guarantee passengers' accessibility of information pertaining to the age of the aircraft and the date of the last Federal Aviation Administration inspection of the aircraft in which they are scheduled to travel;

(2) promote safety in aviation through public awareness of information pertaining to aircraft used by commercial air carriers; and

(3) promote policy goals and compliance with laws and regulations relating to aircraft by imposing a civil monetary penalty for violation of aircraft laws and regulations.

REGULATIONS

SEC. 3. (a) Within the 90-day period following the date of the enactment of this Act, the Secretary of Transportation shall, by regulation, require each commercial air carrier engaged in the transportation of passengers in intrastate, interstate, overseas, or foreign air transportation to prominently display in an appropriate location on each aircraft a notice stating the date of the manufacture of such aircraft and the date on which such aircraft received its most recent inspection by the Federal Aviation Administration. Such notice may be included as a part of the Airworthiness Certificate displayed in such aircraft.

(b) For purposes of this section, "to prominently display" means, among other things, a place easily recognizable by persons of average height and average eyesight.

CIVIL PENALTY

SEC. 4. The Secretary of Transportation is authorized to impose a civil penalty on any air carrier violating the requirements of this Act, or any regulation issued pursuant thereto. Such penalty shall be in an amount not to exceed $10,000.

DON'T DISCLOSE JETS' AGE, UNITED URGES ATTENDANTS

(By Laura Parker)

Concerned over public fears about aging aircraft, United Air Lines has asked its flight attendants not to tell passengers the age of the airliner on which they are flying.

The airline said it has been receiving more inquiries from passengers about the age of its aircraft after an accident last month in which the fuselage of a United Boeing 747 tore open in flight over the Pacific after a forward cargo door broke away. Nine people were swept to their deaths and 27 were injured.

"To avoid increasing a potentially high level of customer anxiety, please use the following responses when queried by customers," United wrote in a memorandum recently circulated to its flight attendants. "Question: How old is this aircraft? Answer: I'm unaware of the age of this particular aircraft. However, the average age of United aircraft is 13.5 years. Question: How can I be sure that this aircraft has received proper maintenance? Answer: All of United's aircraft are maintained under strict service regimens which meet or exceed FAA [Federal Aviation Administration] maintenance requirements."

A Washington-based United flight attendant who asked not to be identified said she was uncomfortable ducking the issue with passengers. "They're asking us to lie, when the age of the aircraft is on every airplane," she said.

Another flight attendant, who flies United's Pacific routes, said he believes passengers deserve to know a plane's age if they ask. "It's like buying a used car. They want to know how old the car is," he said.

United spokesman Joe Hopkins said the airline's reservations clerks have been asked by callers for aircraft age, something reservations clerks do not know.

"When the customer asks the question, we want to give them an answer, so we give them the average," Hopkins said, adding that flight attendants are not prohibited from providing the aircraft's age if they know it.

The date of manufacture appears on a small metal plate set into the frame of the foward passenger door of all 83 McDonnell-Douglas aircraft that United flies, including DC10s and 21-year-old DC8s.

A similar metal plate can be found just inside the forward passenger door on all Boeing aircraft, which make up the bulk of United's fleet. The plate gives the aircraft's serial number, model number and production number but not the date of manufacture.

The FAA requires that all aircraft display an airworthiness certificate, which carries the date the aircraft was certified. The certification date does not necessarily reflect the jet's age; aircraft that are modified would have no more recent certification date.

With 40 percent of its fleet estimated to be 20 years old or older, United has begun a fleet renewal program and has been acquiring new aircraft and selling off some older models. United's 28 DC8s were manufactured in 1967, although they were substantially modified and upgraded in 1985. The oldest 727 models are of 1962 vintage.●

By Mr. GRASSLEY (for himself and Mr. DOLE):

S.J. Res. 112. Joint resolution designating May 29, 1989, as the "National Day of Remembrance for the Victims of the U.S.S. *Iowa*"; to the Committee on the Judiciary.

NATIONAL DAY OF REMEMBRANCE FOR THE VICTIMS OF THE U.S.S. "IOWA"

Mr. GRASSLEY. Mr. President, I rise today to offer a resolution to establish May 29, 1989, as "National Day of Remembrance for the Victims of the U.S.S. *Iowa*."

This resolution would ask the President to proclaim a day for Americans to honor the victims of this tragedy, their families, their friends, and their colleagues at sea.

We cannot change the events of April 19. But on May 29, as the Nation observes Memorial Day, we can remember especially the 47 men who died in an accidental explosion inside gun turret No. 2 aboard the U.S.S. *Iowa*. These men are but the most recent Americans who have made the supreme sacrifice for their country.

On occasions such as the tragedy aboard the U.S.S. *Iowa*, we are reminded of the costs of liberty. Every day, this great Nation thrives because we have held steadfastly to the principles of freedom, liberty, democracy, and independence. Throughout our past, when Americans have been called at crucially important moments to defend our liberties, they have responded with courage and patriotism. Though the sailors aboard the U.S.S. *Iowa* served in peacetime, they met the same unfortunate fate as those who served in war. We will regard their efforts as equally honorable.

On April 19, 1775, freedom-loving people took up arms and started a revolution. Now, 215 years later, on April 19, 1989, 47 patriotic men were killed in the same never-ending cause: To ensure that Americans will forever live in freedom.

Mr. President, every Member of this body shares the grief felt by the families and friends of the victims of the U.S.S. *Iowa*. To those people, we offer our sympathies, our respect, and a promise that we will not soon forget their contributions to the United States of America.

By Mr. DIXON (for himself, Mr. FORD, Mr. D'AMATO, and Mr. SHELBY):

S.J. Res. 113. Joint resolution prohibiting the export of technology, defense articles, and defense services to codevelop or coproduce the FSX aircraft with Japan; to the Committee on Foreign Relations.

RESOLUTION OF DISAPPROVAL OF FSX FIGHTER-JET PROGRAM

Mr. DIXON. Mr. President, I send to the desk a joint resolution of disapproval and ask that it be read.

Mr. President, the administration on Friday announced that it had reached an agreement with the Japanese Government on the proposed FSX fighter-jet program. This is a very bad deal for America.

Just a few weeks ago, the General Accounting Office presented its preliminary findings on this codevelopment Japanese FSX aircraft program. To sum up the GAO conclusions in a few words: "We know what the Japanese are getting from the United States; we don't know what we are getting from the Japanese!"

Why are we making this deal? We are making this deal giving away our technology, in my opinion, for political expediency. We are giving up something the Japanese do not have: The ability to integrate systems.

What do we get in return? We get unproven composite wing technology which the Japanese have not produced, and which many of our leading aircraft companies already have. We also are to receive new radar technology which has not been proven. Here again we have United States companies far ahead of the Japanese in this specialty.

If this deal is not killed by Congress, we are entering into an agreement with a country that has made it a prime industrial policy to shut down American industries. We are entering into an agreement with a country that has not lived up to its previous agreements on such programs as semiconductors.

On the same day the President announced the FSX deal, the administration ordered trade sanctions against Japan for not keeping an agreement to open its telecommunications market to American cellular phones and mobile radios. We have signed an agreement with a country whose Government and industries keep domestic prices high so the Japanese can sell their products lower in our country.

This is a country, Mr. President, whose economy has been able to grow because our American taxpayers have, since the end of World War II, provided Japan protection through our conventional and nuclear arms and troops. We have just recently helped protect Japan by assuring the free flow of oil through the Persian Gulf. Now they have nerve to tell us their country will not buy off the shelf the world's best fighter plane, the F-16.

This is a poor business deal; it is a poor investment in America's future.

This agreement should not have been fine tuned. This agreement should not have been negotiated. This agreement should be scrapped. I urge

my colleagues to join me in supporting my joint resolution to prohibit this FSX deal.

Mr. President, I ask unanimous consent that this joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 113

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the proposed export of technology, defense articles, or defense services pursuant to an agreement with Japan described in subsection (b) to codevelop or coproduce the Support Fighter Experimental (FSX) aircraft is prohibited.

(b) An agreement referred to in subsection (a) is an agreement for which the President submitted a certification pursuant to section 36(d) of the Arms Export Control Act on May , 1989 (transmittal no. 89-).

ADDITIONAL COSPONSORS

S. 9

At the request of Mr. DOLE, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 9, a bill to amend title II of the Social Security Act to phase out the earnings test over a 5-year period for individuals who have attained retirement age, and for other purposes.

S. 38

At the request of Mr. WILSON, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 38, a bill to make long-term care insurance available to civilian Federal employees, and for other purposes.

S. 39

At the request of Mr. ROTH, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 39, a bill to amend the National Wildlife Refuge Administration Act.

S. 69

At the request of Mr. D'AMATO, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of S. 69, a bill entitled the Posse Comitatus Improvement Act of 1989.

S. 89

At the request of Mr. SYMMS, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 89, a bill to delay for 1 year the effective date for section 89 of the Internal Revenue Code of 1986.

S. 120

At the request of Mr. KENNEDY, the names of the Senator from Washington [Mr. ADAMS] and the Senator from Texas [Mr. BENTSEN] were added as cosponsors of S. 120, a bill to amend the Public Health Service Act to reauthorize adolescent family life demonstration projects, and for other purposes.

S. 184

At the request of Mr. D'AMATO, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 184, a bill to amend title II of the Social Security Act to protect the benefit levels of individuals becoming eligible for benefits in or after 1979 by eliminating the disparity (resulting from changes made in 1977 in the benefit computation formula) between those levels and the benefit levels of persons who became eligible before 1979.

S. 198

At the request of Mr. HATCH, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 198, a bill to amend title 17, United States Code, the Copyright Act to protect certain computer programs.

S. 231

At the request of Mr. MOYNIHAN, the names of the Senator from Massachusetts [Mr. KERRY], the Senator from Tennessee [Mr. GORE], the Senator from Maryland [Ms. MIKULSKI], the Senator from Pennsylvania [Mr. HEINZ], and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of S. 231, a bill to amend part A of title IV of the Social Security Act to improve quality control standards and procedures under the Aid to Families With Dependent Children Program, and for other purposes.

S. 355

At the request of Mr. RIEGLE, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 355, a bill to amend the Internal Revenue Code of 1986 to extend through 1992 the period during which qualified mortgage bonds and mortgage credit certificates may be issued.

S. 430

At the request of Mr. DASCHLE, the names of the Senator from Alabama [Mr. SHELBY] and the Senator from Nebraska [Mr. KERREY] were added as cosponsors of S. 430, a bill to amend title XIX of the Social Security Act to provide coverage for certain outreach activities undertaken at the option of a State for the purpose of identifying pregnant women and children who are eligible for medical assistance and assisting them in applying for and receiving such assistance, and for other purposes.

S. 431

At the request of Mr. NUNN, the names of the Senator from Nevada [Mr. REID], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Oregon [Mr. HATFIELD], the Senator from Maine [Mr. COHEN], the Senator from Indiana [Mr. LUGAR], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Tennessee [Mr. SASSER], and the Senator from Oklahoma [Mr. BOREN] were added as cosponsors of S. 431, a bill to authorize funding for the Martin Luther King, Jr., Federal Holiday Commission.

S. 447

At the request of Mr. BOSCHWITZ, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 447, a bill to require the Congress and the President to use the spending levels for the current fiscal year (without adjustment for inflation) in the preparation of the budget for each new fiscal year in order to clearly identify spending increases from one fiscal year to the next fiscal year.

S. 458

At the request of Mr. DECONCINI, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 458, a bill to provide for a General Accounting Office investigation and report on conditions of displaced Salvadorans and Nicaraguans, to provide certain rules of the House of Representatives and of the Senate with respect to review of the report, to provide for the temporary stay of detention and deportation of certain Salvadorans and Nicaraguans, and for other purposes.

S. 461

At the request of Mr. GRASSLEY, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 461, a bill to amend title XVIII of the Social Security Act to permit payment for services of physician assistants outside institutional settings.

S. 464

At the request of Mr. SANFORD, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 464, a bill to promote safety and health in workplaces owned, operated, or under contract with the United States by clarifying the United States' obligation to observe occupational safety and health standards and clarifying the United States' responsibility for harm caused by its negligence at any workplace owned by, operated by, or under contract with the United States.

S. 480

At the request of Mr. COCHRAN, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 480, a bill to authorize the several States and District of Columbia to collect certain taxes with respect to sales of tangible personal property by nonresident persons who solicit such sales.

S. 491

At the request of Mr. CHAFEE, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 491, a bill to reduce atmospheric pollution to protect the stratosphere from ozone depletion, and for other purposes.

S. 511

At the request of Mr. INOUYE, the name of the Senator from Illinois [Mr.

DIXON] was added as a cosponsor of S. 511, a bill to recognize the organization known as the National Academies of Practice.

S. 519

At the request of Mr. LAUTENBERG, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 519, a bill to prohibit smoking on any scheduled airline flight in intrastate, interstate, or overseas air transportation.

S. 520

At the request of Mr. DECONCINI, the names of the Senator from Florida [Mr. MACK] and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of S. 520, a bill to encourage the States to enact legislation to grant immunity from personal civil liability, under certain circumstances, to volunteers working on behalf of nonprofit organizations and governmental entities.

S. 555

At the request of Mr. GRAHAM, the names of the Senator from Mississippi [Mr. COCHRAN], the Senator from Georgia [Mr. FOWLER], and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of S. 555, a bill to establish in the Department of the Interior the De Soto Expedition Trail Commission, and for other purposes.

S. 569

At the request of Mr. BOND, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 569, a bill to establish a grant program for States to enable such States to expand the choices available for the provision of affordable child care, and for other purposes.

S. 583

At the request of Mr. FOWLER, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 583, a bill to establish national standards for the manufacture and labeling of certain plumbing products in order to conserve and protect water resources, and for other purposes.

S. 596

At the request of Mr. D'AMATO, the names of the Senator from Louisiana [Mr. BREAUX] and the Senator from Illinois [Mr. SIMON] were added as cosponsors of S. 596, a bill to make available certain information involving threats to the safety of international commercial airline travel.

S. 628

At the request of Mr. RIEGLE, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of S. 628, a bill to amend title 3, United States Code, and the Uniform Time Act of 1966 to establish a single poll closing time in the continental United States for Presidential general elections.

S. 659

At the request of Mr. SYMMS, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 659, a bill to repeal the estate tax inclusion related to valuation freezes.

S. 686

At the request of Mr. MITCHELL, the names of the Senator from Massachusetts [Mr. KENNEDY], the Senator from Washington [Mr. ADAMS], and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of S. 686, a bill to consolidate and improve laws providing compensation and establishing liability for oilspills.

S. 687

At the request of Mr. BAUCUS, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 687, a bill to amend the Clean Water Act to expand authority for penalties for discharges of oil and hazardous substances to provide for an assessment of oilspill contingency plans.

S. 702

At the request of Mr. MITCHELL, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 702 a bill to amend title XVIII of the Social Security Act to increase the amount authorized for a patient outcomes assessment research program, to transfer supervisory authority for such program to the Assistant Secretary for Health, to create a practice guidelines development program, to define the missions, priorities and scope of such programs, to establish an advisory committee for such programs, and for other purposes.

S. 726

At the request of Mr. KERRY, the name of the Senator from California [Mr. WILSON] and the Senator from Massachusetts [Mr. KENNEDY] were added as cosponsors of S. 726 a bill to amend the Coastal Zone Management Act of 1972 regarding activities significantly affecting the coastal zone.

S. 735

At the request of Mr. DASCHLE, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 735, a bill to amend title XVIII of the Social Security Act to extend the classification of sole community hospital to certain other hospitals, to make improvements in payments to such hospitals, and for other purposes.

S. 754

At the request of Mr. PACKWOOD, the names of the Senator from Idaho [Mr. SYMMS] and the Senator from California [Mr. WILSON] were added as cosponsors of S. 754, a bill to restrict the export of unprocessed timber from certain Federal lands, and for other purposes.

S. 755

At the request of Mr. PACKWOOD, the name of the Senator from Idaho [Mr. SYMMS] was added as a cosponsor of S. 755, a bill to authorize the States to prohibit or restrict the export of unprocessed logs harvested from lands owned or administered by States.

S. 759

At the request of Mr. BAUCUS, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 579, a bill to amend the Rural Electrification Act of 1936 to establish that it is a major mission of the Rural Electrification Administration to ensure that all rural residents, businesses, industries, and public facilities obtain affordable access, on an equal basis with urban areas, to telecommunications services, and for other purposes.

S. 771

At the request of Mr. REID, the names of the Senator from Wisconsin [Mr. KOHL], the Senator from Illinois [Mr. SIMON], and the Senator from Nevada [Mr. BRYAN] were added as cosponsors of S. 771, a bill to amend the Internal Revenue Code of 1986 to disallow deductions for costs in connection with oil and hazardous substances cleanup unless the requirements of all applicable Federal laws concerning such cleanup are met, and for other purposes.

S. 783

At the request of Mr. JOHNSTON, the names of the Senator from Tennessee [Mr. GORE] and the Senator from Texas [Mr. BENTSEN] were added as cosponsors of S. 783, a bill to amend the Natural Gas Policy Act of 1978 to eliminate wellhead price and nonprice controls on the first sale of natural gas, and to make technical and conforming amendments to such act.

S. 821

At the request of Mr. HELMS, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 821, a bill to abolish the Commission on Executive, Legislative, and Judicial Salaries, establish a procedure for adjusting pay rates of certain Federal officers, and for other purposes.

S. 863

At the request of Mr. BAUCUS, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 863, a bill to create a Rural Partnership Fund and a loan program to administer funds from such fund, to create a Microbusiness Loan Fund and a Microbusiness Technical Assistance Fund and a program to administer funds from such funds, and for other purposes.

SENATE JOINT RESOLUTION 66

At the request of Mr. HELMS, the names of the Senator from Maine [Mr. MITCHELL], the Senator from Missouri [Mr. BOND], the Senator from West Virginia [Mr. BYRD], the Senator from New York [Mr. D'AMATO], the Senator from Alabama [Mr. Heflin], the Sena-

tor from Ohio [Mr. GLENN], the Senator from Florida [Mr. GRAHAM], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of Senate Joint Resolution 66, a joint resolution to designate the third week of June 1989 as "National Dairy Goat Awareness Week."

SENATE JOINT RESOLUTION 67

At the request of Mr. DOMENICI, the names of the Senator from Vermont [Mr. LEAHY], the Senator from Colorado [Mr. ARMSTRONG], and the Senator form North Carolina [Mr. SANFORD] were added as consponsors of Senate Joint Resolution 67, a joint resolution to commemorate the 25th anniversary of the Wilderness Act of 1964 which established the National Wilderness Preservation System.

SENATE JOINT RESOLUTION 71

At the request of Mr. HELMS, the names of the Senator from Minnesota [Mr. DURENBERGER], the Senator from Wisconsin [Mr. KASTEN], and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of Senate Joint Resolution 71, a joint resolution designating April 16 through 22, 1989, as "National Ceramic Tile Industry Recognition Week."

SENATE JOINT RESOLUTION 72

At the request of Mr. RIEGLE, the names of the Senator from Missouri [Mr. BOND] and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of Senate Joint Resolution 72, a joint resolution to designate the period commencing May 7, 1989, and ending May 13, 1989, as "National Correctional Officers Week."

SENATE JOINT RESOLUTION 78

At the request of Mr. BENTSEN, the names of the Senator from West Virginia [Mr. BYRD], the Senator from Maryland [Ms. MIKULSKI], the Senator from Illinois [Mr. DIXON], the Senator from Nevada [Mr. REID], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Rhode Island [Mr. CHAFEE], the Senator from South Dakota [Mr. PRESSLER], the Senator from South Dakota [Mr. DASCHLE], the Senator from Hawaii [Mr. INOUYE], the Senator from Indiana [Mr. LUGAR], the Senator from Utah [Mr. GARN], the Senator from Nevada [Mr. BRYAN], the Senator from North Carolina [Mr. SANFORD], the Senator from Arkansas [Mr. PRYOR], the Senator from Missouri [Mr. DANFORTH], and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of Senate Joint Resolution 78, a joint resolution to designate the month of November 1989 and 1990 as "National Hospice Month."

SENATE JOINT RESOLUTION 94

At the request of Mr. BOREN, the names of the Senator from Minnesota [Mr. DURENBERGER] and the Senator from Minnesota [Mr. BOSCHWITZ] were added as cosponsors of Senate Joint Resolution 94, a joint resolution to designate the week of June 4, 1989 through June 10, 1989, as "National Intelligence Community Week."

SENATE JOINT RESOLUTION 104

At the request of Mr. MITCHELL, the names of the Senator from Texas [Mr. BENTSEN], the Senator from Arkansas [Mr. PRYOR], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Nebraska [Mr. KERREY], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Michigan [Mr. LEVIN], the Senator from Virginia [Mr. ROBB], the Senator from Maine [Mr. COHEN], and the Senator from Ohio [Mr. GLENN] were added as cosponsors of Senate Joint Resolution 104, a joint resolution to express the sense of the Congress with respect to the health of the Nation's children.

SENATE RESOLUTION 86

At the request of Mr. LAUTENBERG, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of Senate Resolution 86, a resolution to request the President of the United States to appoint a special commission to consider the destruction of Pan American World Airways flight 103 and the security of air travel.

SENATE RESOLUTION 92

At the request of Mr. SYMMS, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of Senate Resolution 92, a resolution expressing the sense of the Senate regarding section 89 of the Internal Revenue Code of 1986.

SENATE RESOLUTION 99

At the request of Mr. BOSCHWITZ, the names of the Senator from North Dakota [Mr. CONRAD], the Senator from Washington [Mr. GORTON], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Maine [Mr. COHEN] were added as cosponsors of Senate Resolution 99, a resolution requiring the Architect of the Capitol to establish and implement a voluntary program for recycling paper disposed of in the operation of the Senate.

SENATE RESOLUTION 109

At the request of Ms. MIKULSKI, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of Senate Resolution 109, a resolution to recognize the Patuxent River as an appropriate demonstration site for national water quality management.

AMENDMENTS SUBMITTED

AUTHORIZATION OF FUNDING FOR THE MARTIN LUTHER KING, JR. FEDERAL HOLIDAY COMMISSION

HELMS AMENDMENT NO. 65

Mr. HELMS proposed an amendment to the bill (S. 431) to authorize funding for the Martin Luther King, Jr. Federal Holiday Commission, as follows:

At the end of the bill, add the following:

Notwithstanding any provision of this Act, the Commission shall cease to exist two years after the date of enactment of this Act.

HELMS AMENDMENT No. 66

Mr. HELMS proposed an amendment to amendment No. 65 proposed by him to the bill S. 431, supra, as follows:

Strike all after the first occurrence of the word "Act," and insert in lieu thereof the following:

No funds shall be appropriated for the Commission.

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding an oversight hearing on Friday, May 5, 1989, beginning at 9:30 a.m., in 485 Russell Senate Office Building, on S. 611, a bill to establish a Federal acknowledgment process.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. FORD. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Wednesday, May 3, 1989, at 9:30 a.m., in SR-301, to receive testimony on legislation on voter registration procedures for Federal elections. Anyone wishing to testify or to submit a statement for the hearing record are requested to contact Mr. Jack Sousa, chief counsel of the Rules Committee, on 224-5648.

The committee will also receive written statements for the record on S. 136, to amend title 3, United States Code, to establish a single poll closing time in the continental United States for Presidential general elections; and S. 377, to establish a series of five Presidential primaries at which the public may express its preference for the nomination of an individual for election to the office of President of the United States. Senators, Representatives, and other interested individuals and organizations who wish to submit a statement on S. 136 and/or S.

377 are requested to contact Mr. Sousa.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. FORD. Mr. President, I would like to announce for the Senate and the public that a hearing has been scheduled before the Subcommittee on Energy Research and Development in the Committee on Energy and Natural Resources.

The purpose of the hearing is to receive testimony on the status of current and future use of alternative motor vehicle fuels in the United States.

The hearing will take place on Tuesday, June 6, 1989, at 2 p.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

Those wishing to submit written testimony for the printed hearing record should send it to the Subcommittee on Energy Research and Development, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510.

For further information, please contact Ben Cooper at (202) 224-7569.

ADDITIONAL STATEMENTS

AUTHORIZATION FOR CHANGE TO RULES AND PROCEDURE

● Mr. DECONCINI. Mr. President, I would like to submit for the RECORD the "Authorization for Change to Rules and Procedure of the Special Committee on Investigations of the Select Committee on Indian Affairs." I request that the full change in the rules be printed at this point in the RECORD.

The full change follows:

U.S. SENATE, 101ST CONGRESS, 1ST SESSION

AUTHORIZATION FOR CHANGE TO RULES AND PROCEDURE OF THE SPECIAL COMMITTEE ON INVESTIGATIONS OF THE SELECT COMMITTEE ON INDIAN AFFAIRS

Pursuant to Rule 9 of the Rules and Procedure of the Special Committee on Investigations of the Select Committee on Indian Affairs, the following change is hereby approved by the Special Committee:

Rule 5.6 shall be amended, as follows:

No person shall be deemed to be impugned under this section if either prior to subsequent to said public hearing such person was afforded the opportunity under oath, whether by deposition, sworn statement or otherwise, to answer the substance of the evidence presented or comment made at the public hearing.

The Special Committee directs that this change be effective immediately. Notice of this change is directed to be published in the CONGRESSIONAL RECORD.

Date: April 18, 1989.

DENNIS DECONCINI,
Chairman,
JOHN MCCAIN,
Cochairman.●

TRIBUTE TO FORMER MAYOR JOHN KROKOS

● Mr. LAUTENBERG, I rise to pay tribute to John Krokos, the former mayor of Buena Vista Township. Mr. Krokos has been active in Buena Vista politics since 1959. He served as mayor of the township for 25 years and as a Buena Vista Township committeeman for 29 years. Mr. Krokos has also provided his leadership to the Buena Vista Township Planning Board, the Atlantic County Mayors Association and the Atlantic County League of Municipalities. In recognition of his achievements and service to the community, Mr. Krokos will be honored at a special dinner in East Vineland, NJ, on May 5.

Mr. Krokos has been actively involved in social and civic organizations also. He has served as president of the Atlantic County Board of Agriculture, the New Jersey Chick Association and the Milmay Volunteer Fire Co.

Born in Milmay, NJ, Mr. Krokos attended Vineland High School. He studies Spanish, planning and zoning and municipal management at Rutgers University. Although he has been self-employed in the poultry farm breeding business most of his life, Mr. Krokos also worked for 20 years as inspector of migrant labor and multiple dwellings for the State of New Jersey.

I commend Mr. Krokos for his dedicated service, leadership, and enthusiasm. He has served Buena Vista Township and the surrounding communities well. I send my best wishes to him for continued success.●

SAE METHANOL MARATHON

● Mr. ROCKEFELLER. Mr. President, I would like to bring to the attention of my colleagues an exciting event that culminates in Washington, DC, this week called the SAE Methanol Marathon.

This 1,100-mile road rally from Detroit to Toronto to Washington is sponsored by the U.S. Department of Energy, the Canadian Government, the Society of Automotive Engineers, General Motors and others.

This is a special event because 15 teams of student engineers representing schools across the United States and Canada converted cars to run on methanol instead of gasoline. I am proud to say that West Virginia University, located in my home State, was selected as one of the 15 finalists.

The teams were selected last fall on the basis of their design proposals. They then received a GM Corsica, a conversion kit and a grant to help meet the costs of the project.

The Methanol Marathon rally is a contest, not a race. The cars will be judged on performance, design, and ingenuity. The parade of methanol cars across the country will spread the word to countless towns and communities about the potential of alternative fuels. Further, the program has given our brightest engineering students the opportunity to gain valuable hands-on experience with new technologies.

I firmly believe that this country must turn to alternative fuels like methanol for our future energy security. Methanol can be made from coal or natural gas, resources we have in abundance in West Virginia and the rest of the country. If we begin to curb our dependency on foreign oil now by switching to alternative fuels, we can revitalize our domestic coal and natural gas industries.

Methanol makes sense for our environment because it burns cleaner than gasoline and can help reduce urban smog. Last year the Congress passed and the President signed my Alternative Motor Fuels Act, which provides incentives to automakers to build cars by 1993 that run on alternative fuels. My measure is an important first step to making methanol cars commonplace on American roads.

On May 4, the 15 Methanol Marathon teams will assembly on Capitol Hill for the conclusion of the 5-day rally. I urge my colleagues to join me in welcoming these teams and recognizing their talent and hard work for a job well done.

The following schools are represented in the rally:

California State University, Northridge, CA.

Colorado State University, Fort Collins, CO.

Concordia University, Montreal, Quebec, Canada.

Florida Institute of Technology, Melbourne, FL.

University of Maryland, College Park, MD.

Michigan Technological University, Houghton, MI.

University of Michigan, Ann Arbor, MI.

New York Institute of Technology, New York, NY.

Pennsylvania State University, University Park, PA.

Rochester Institute of Technology, Rochester, NY.

University of Tennessee, Knoxville, TN.

Texas Tech University, Lubbock, TX.

Washington University, St. Louis, MO.

West Virginia University, Morgantown, WV.

Wichita State University, Wichita, KA.●

CONGRESSIONAL ARBOR DAY

● Mr. SARBANES. Mr. President, last month I had the pleasure of planting a white oak sapling on the Capitol grounds during the celebration of Congressional Arbor Day. It is my hope

that this observance, involving recognition by the Congress of the economic and ecological importance of trees in our Nation, will become an annual event with wide participation by the public and Members of Congress.

The tree we added to the superb collection on the Capitol grounds is a white oak seedling, similar to the Wye Oak, Maryland's State tree. The Wye Oak in Maryland's Talbot County is the largest white oak in this country and one of the largest in the world. It is owned by the State of Maryland and was declared the State tree in 1941. It joins two other Maryland trees on the grounds—a Wye Oak seedling planted in 1976 and an offspring of the famous Liberty Tree on the campus of St. John's College in Annapolis planted in 1978 by Senator Charles Mac Mathias. In this period of ongoing bicentennial celebrations, it is important to note that both the Wye Oak and the Liberty Tree were standing when this country was declaring its independence, writing its Constitution, and convening its first Congress.

Two of our early Presidents were skilled horticulturists who recognized the value of planting and maintaining trees. Washington and Jefferson planted native and exotic trees at Mount Vernon and Monticello as a part of their agricultural and scientific pursuits. Washington, DC was encouraged at an early stage in its development to plant the city's magnificent boulevards and streets with the finest trees. The willow oak, one of Jefferson's favorite trees, now lines much of Pennsylvania Avenue between the Capitol and the White House.

I want to congratulate James B. Roberts, Maryland's State Forester and this year's president of the National Association of State Foresters, for his role in inaugurating and organizing the first Congressional Arbor Day. I also commend Melinda Cohen, Washington representative of the National Association of State Foresters, for her active role in organizing this program. Ronald Randolph, a fifth grader from Garfield Elementary School in Washington, DC, won the D.C. Arbor Day Poster Award, and I congratulate him on this achievement.

The last few years have shown dramatically the importance of our forests, and Congressional Arbor Day is an effort to focus attention on individual and community tree programs and the contributions of forestry to our economy and environment. I look forward to the celebration of Congressional Arbor Day each year.●

SUCCESSFUL SETTLEMENT OF PART OF THE "STARK" COMPENSATION CLAIMS

● Mr. WARNER. Mr. President, on March 27, 1989, the United States and Iraq reached an agreement which provides compensation for the families of the 37 crewmen of the U.S.S. *Stark* who lost their lives in the line of duty when their ship was mistakenly attacked by Iraqi aircraft in the Persian Gulf. The Government of Iraq agreed to expeditiously pay a total of $27,350,374. When the U.S. Government receives the money, it will be distributed to the 37 families on the basis of the formula used to calculate the original claims, which properly takes into account the individual needs and circumstances of the families.

I would like to take this opportunity to congratulate the outstanding U.S. negotiating team which successfully concluded this agreement. This negotiating team deserves special commendation for their fine work. The team was lead by the State Department Legal Adviser, Abraham D. Sofaer, and consisted of Capt. John Geer of the Department of the Navy, the U.S. Ambassador to Iraq, April Glaspie, and a group of State Department personnel.

I met the Judge Sofaer prior to his trip to Bagdhad last month. He briefed me on the background of the claims and on his objectives for this latest round of discussions. I lent my full support to this effort, and I am delighted to see that it was successful. It is a credit to Judge Sofaer, Captain Geer, Ambassador Glaspie and the rest of the U.S. team that they were able to conclude such a favorable agreement in a relatively short, 5-day period.

In my opinion, the settlement is a good and fair one. It will provide compensation to the wives, children, and parents of those 37 fine young men. Although money can never adequately compensate for the loss of life, it can provide the financial support that the dependents need and to which they are entitled.

However, this agreement settles only the first of three categories of U.S. claims arising out of the attack on the U.S.S. *Stark*. It is my understanding that the United States Government will soon present claims to Iraq on behalf of the crewmen injured in the attack, as well as for damages to the ship and other United States Government losses. I hope the Government of Iraq will continue to show its interest in improving relations with the United States by cooperatively addressing the remaining claims.●

RAILWAY MAIL POST OFFICE ESTABLISHED 125 YEARS AGO

● Mr. BOND. Mr. President, the Railway Mail Service, a branch of the Post Office Department, was established on August 28, 1864, by George Armstrong, assistant postmaster at Chicago. Prior to its official founding, the roots of the Railway Mail Service can be traced back to Missouri.

It was in St. Joseph, MO, in 1862 that William A. Davis, the assistant postmaster, first experimented with using the railroad system to transport mail. Train service in the United States began in 1830 and by 1869, parallel bands of steel carried the iron horse from coast to coast, making it ideal for transporting the mail for the Post Office Department. The C.B.&Q. Railroad was honored with the experimental cargo of mail, transporting it from West Quincy, MO, to St. Joseph, MO.

Going beyond mere transportation, the postal service began utilizing railroad cars as mobile post offices. They became so successful that shortly thereafter railroads all over the country began to receive post office cars from the U.S. Post Office. In some large cities, even street cars were used as traveling post offices. The Railway Mail Service officially changed its name to the Postal Transportation Service in November 1949, when Airmail and the Railway Mail Service were merged.

At its peak, immediately following World War II, the Postal Transportation Service employed over 30,000 clerks who handled more than 90 percent of all nonlocal mail. There were Railway Post Offices [RPO] aboard more than 1,900 routes across the Nation. With the increase in air service, however, the Postal Transportation Service began to cut back on train utilization. The final run of any RPO was from New York City to Washington, DC, in 1977.

Trains played a vital part in shaping our Nation and the postal service's use of them allowed those who moved west to keep in touch with their friends and family in far-off towns and cities. The dutiful RPO's carried the ever-important news of marriages, births and deaths, and war and peace.

I hope that my fellow Senators will join me in commemorating the 125th anniversary of the establishment of the Railway Mail Post Office and honoring the people associated with this branch of the Post Office Department.●

TRIBUTE TO CHARLES C. BYLONE

● Mr. LAUTENBERG. Mr. President, I rise to pay tribute to Charles Bylone for his dedicated service to the township of Buena Vista. Mr. Bylone has been active in Buena Vista politics since he was elected Buena Vista township clerk in 1959. From 1980 to 1986 he served as Buena Vista township administrator. In recognition of his achievements and service to the community, Mr. Bylone will be honored at a special dinner in East Vineland, NJ, on May 5.

Mr. Bylone has provided his leadership to numerous organizations. Mr. Bylone has served as a member of Buena Vista Township Planning Board, the Atlantic County Economic Development Council, the Solid Waste Advisory Board, the Agricultural Development Board, the Vocational Agriculture Steering Committee of Buena Regional High School, the Vineland Chamber of Commerce, the Private Industry Council-JTPA, the Cumberland County Pinelands Commission, the Grass Roots Committee, and the Centennial Committee.

Although he was born in Hazelton, PA, and graduated from Hazelton High School, Mr. Bylone attended Rutgers University. From 1942 to 1945 he served in the Marine Corps. Currently, Mr. Bylone serves as the commissioner and treasurer of the East Vineland Fire Co. No. 2. He is also actively involved with St. Mary's Church of East Vineland and the St. Mary's School PTA.

As a farm owner and operator, Mr. Bylone has been active in the Vineland Produce Auction. Through his participation he has received several awards. In 1960 and in 1985 he received the Farmer's Home Administration Family of the Year Award. In 1983 Mr. Bylone received a citation for outstanding service to the Vegetable Growers Industry of New Jersey. In 1987 he received a citation for his distinguished service to agriculture in New Jersey.

I commend Mr. Bylone for his dedicated service to the community of Buena Vista. His leadership has contributed to the prosperity of many community organizations. I applaud Mr. Bylone for his achievements and wish him continued success in the future.●

MARIA OLIJNEK CHOPEK

● Mr. DOMENICI. Mr. President, Maria Olijnek Chopek was born on April 15, 1889, in Kozowa, Ukraine—then part of the Austrian-Hungarian Empire. Maria, a dressmaker, married Ilia (Elias) Chopek in 1911 and journeyed to the United States in 1914, arriving in Boston, MA. Prior to the Senate recess Maria Olijnek celebrated her 100th birthday.

Her early years in America were not easy. There were the 10 years of living in cold-water tenements and the various restaurant jobs necessary to eke out a living. Struggling with a new language and a different culture, Maria also raised a family—daughter Anna came with Maria to America, while daughter Stephanie was born in the United States in 1926. Then came the Great Depression and Maria took on extra jobs, such as office cleaning and dress embroidering, to help while her husband was unemployed. She is proud to claim that through it all, the Chopeks never accepted any public assistance.

Maria's hard work, strong faith, and love for her new country did bring some rewards. From their savings, the Chopeks purchased their dream house in suburban Boston. Maria and her husband proudly became United States citizens early in their American life and encouraged other Ukrainian immigrants to do likewise.

Though Maria and her husband worked hard, they always found time for their community. A life-long member of the Ukrainian Catholic Church, Maria volunteered her time to innumerable church activities. Her husband served as branch secretary for the largest Ukrainian-American fraternal organization, the Ukrainian National Association [UNA]. Maria has been a member of the UNA for over 60 years and her daughter Anna served on the Supreme Assembly (Board of Directors) of the UNA for 24 years.

Having instilled in her daughters the importance of education in improving one's life, they consequently achieved considerable success. Anna eventually became an Assistant Attorney General for the Commonwealth of Massachusetts and an Assistant District Attorney for Suffolk County, MA. Stephanie, who majored in physics, has worked on a free-lance basis as a scientific translator in Russian, German, and French at Los Alamos, NM.

Following the death of her husband, Maria moved to Los Alamos to live with her daughters. She has five grandchildren and three great-grandchildren. Even today, Maria still leads an active and happy life, attending church every week and actively participating in various organizations.

Maria Olijnek Chopek—celebrating a century of life—has lived the American dream!●

AAAS ENDORSES CONGRESSIONAL SCIENCE SCHOLARSHIP

● Mr. GLENN. Mr. President, I rise today to announce that Science magazine has endorsed S. 134, a bill which I introduced on January 25 that would establish congressional scholarships for science, mathematics, and engineering. Science magazine is published by the American Association for the Advancement of Science.

I am delighted that my proposal has won the support of such a prestigious and influential organization as the AAAS. This editorial will reach thousands and thousands of scientists, educators, and policymakers and consequently will generate greater interest and support.

I am also grateful for its active support on Capitol Hill; on March 9 AAAS President Richard C. Atkinson testified in favor of the bill before the House Subcommittee on Science, Research, and Technology, which, incidentally, is chaired by my friend, Congressman DOUG WALGREN of Pennsylvania. He is the author of the scholarship bill on the House side.

The congressional scholars program is, as Science magazine described, a "symbolic gesture" that in my opinion would highlight the Nation's need for better science and math literacy and more scientific personnel. The proposal would bring together the National Science Foundation with hundreds of panels spread across the country made up of local scientists, educators, engineers, and mathematicians in an effort to reward academic excellence in these areas. Given such high visibility, the scholarships couldn't help but raise the stature of the sciences and math in the Nation's high schools and communities.

I ask that the editorial from the March 31, 1989, Science magazine be printed in the RECORD.

The article follows:

CONGRESSIONAL FELLOWSHIPS FOR SCIENCE

Representative Doug Walgren (D-PA) has teamed with Senator John Glenn (D-OH) to push for passage of legislation that could be a significant step toward ameliorating this country's deteriorating position and future prospects. Under terms of the legislation, every year one female and one male high school graduate in each congressional district would receive a scholarship paying a maximum of $5000 a year for 4 years to study science, mathematics, or engineering. The proposed legislation calls for an initial appropriation of only $5.5 million, and in terms of needs, the number of students who will be helped is small. However, as a symbolic gesture with possible follow-on consequences, enactment of the legislation could make a large difference.

Walgren has stated, "Because of their broad geographical distribution [the] fellowships would serve as a highly visible stimulus and source of role models for high school students. . . . The awarding of these fellowships—perhaps during National Science and Technology Week—would remind members of Congress and the public of the importance of science to our national goals."

The legislation would place responsibility on the National Science Foundation to administer the program. Some of the mechanisms to be employed would give the program great visibility. For example, "The Director shall notify all public and private secondary schools and all institutions of higher education in the United States annually of the availability of scholarships under this Act."

The legislation further specifies that the National Science Foundation "shall establish for each congressional district, or, to the extent a contiguous group of congressional districts reflects a geographic region similar in demographics, geography, and economic status and activity, for each such group of congressional districts, a broad-based committee of educators, scientists, mathematicians, and engineers who shall submit to the Director [NSF] nominations of one male and one female from each congressional district for scholarships under this Act." Such committees would identify a host of excellent candidates worthy of sup-

port. The attendant activity and publicity would be likely to stimulate substantial additional financial support from industry, foundations, alumni, local communities, and the states. Were the program to be markedly successful, it might serve the function of a pilot plant for later expanded federal support.

Another provision of the legislation could lead to improvement of relations between the Congress and scientists, mathematicians, and engineers. The Art includes: "The Director shall notify each Member of Congress in writing of selections made from such Member's district at least one week before public announcement of such selections is made." Given adequate notice, the various congressmen would have highly valued photo opportunities and a chance to share in a happy public event. They and their staffs would become better acquainted with the scientists, mathematicians, and engineers of their districts, who in turn would become better informed about some of the concerns of congressmen.

In pushing for the legislation, Walgren has been joined by a bipartisan group of 27 members of the House Science, Space and Technology Committee, including Chairman Robert A. Roe (D-NJ). He has received strong support from the scientific community in testimony presented 9 March by Richard C. Atkinson, president of AAAS, Thomas F. Malone, president of Sigma Xi, and Lynn Arthur Steen, chairman of the Council of Scientific Society Presidents.

In his testimony, Atkinson implicitly reminded the Congress that the problems we face in education for science and technology are broader than those addressed in the Walgren proposal. He pointed to a "leaky pipeline" which conveys to the doctorate only a tiny fraction of students with the potential for it when in the tenth grade. In addition, he noted that by 1995 about 30% of the engineering faculties will have retired and have to be replaced. But in 1987, only 42% of U.S.-granted Ph.D.'s in engineering were awarded to U.S. citizens.

Obviously, the new legislation addresses only part of the educational problems, but it is an imaginative proposal that should enjoy broad support. Critics should exercise self-restraint in seeking this or that modification. That would only lead to delays or outright failure of enactment.—PHILIP H. ABELSON.●

CONGRATULATIONS TO EVELYN DUBROW

● Mr. LAUTENBERG. Mr. President, I rise today to honor one of the great ladies of Capitol Hill, Evelyn Dubrow. On May 4, 1989, many of her friends and allies in labor, industry, and government will join together to pay tribute to the "first lady of labor."

Educated at the New York University School of Journalism, Evy has a long history of contributions to the American labor movement. She has been educational director of the New Jersey Textile Workers Union of America; assistant to the president of the New Jersey CIO Council; secretary of the New Jersey American Newspaper Guild; chairperson of the AFL-CIO committee on consumer legislation; ILGWU representative to the Civil Rights Leadership Conference, National Consumers League, and National Fair Representation Committee; a founding board member of the National Consumers Federation of America; a member of the advisory committee of the Center for the Family; and a fellow at the Harvard University Institute of Politics.

Evy has been a strong and persuasive advocate of a wiser and more effective trade policy, particularly as it affects the workers of the textile and apparel industry. Although Evy's accomplishments have been significant and numerous, we all appreciate her most as a valued friend. Her delightful enthusiasm and charm have brought a welcome cordiality to difficult issues. Labor could not have a more effective spokesperson! I join in offering my congratulations to her, and look forward to working with her in the future in a common effort to improve the lives of American working men and women.●

ALLIED COUNCIL OF SENIOR CITIZENS OF WISCONSIN

● Mr. KOHL. Mr. President, the Allied Council of Senior Citizens of Wisconsin is a dynamic organization representing more than 10,000 older Americans living in the State of Wisconsin. It is a nonprofit, statewide organization comprised of unpaid volunteers who unselfishly work for the rights and the myriad needs of older folks in Wisconsin.

This week, the council's chapter in Milwaukee celebrates its 25th anniversary, a quarter of a century of service to senior citizens. From the establishment of Medicare to the protection of Social Security COLA's, from nutrition to housing issues, from pharmacy programs to the development of senior centers and from legislation to rein in health-care costs to utility rate regulation, the Allied Council of Senior Citizens of Wisconsin has been at the forefront of the debate. The council hasn't shied away from the tough issues that affect so many vulnerable Americans.

The council, its leadership and its many members should be congratulated for their unswerving commitment to resolving the complex problems that eventually will affect us all. They should be applauded for their willingness to work tirelessly from the national level to the grass roots to better the lot of seniors. Truly, no problem has been too big or too complicated for this fine group of folks.

Their success is mirrored by the growth of their organization—they now have regional offices not only in Milwaukee, but also in Kenosha, Racine, Madison, and Green Bay. And a new chapter has just been established in Waukesha County.

I'm confident that the council, under the leadership of Dorothy Seeley in Milwaukee, Dolores Pelzek in Waukesha, Louis De Marco in Kenosha, Helen Freimund in Racine, Leo Simon in Green Bay and Miriam Magdol in Madison, will continue its tradition of leadership and assistance to senior citizens throughout Wisconsin.

Our older folks deserve no less.●

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to 46 U.S.C. 1295(b), appoints the following Senators to the Board of Visitors of the U.S. Merchant Marine Academy: the Senator from Louisiana [Mr. BREAUX], from the Committee on Commerce, Science, and Transportation, and the Senator from South Carolina [Mr. HOLLINGS], from the Committee on Commerce, Science, and Transportation, ex officio.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 100-696, appoints the following Senators to the U.S. Capitol Preservation Commission: the Senator from New York [Mr. MOYNIHAN] and the Senator from Nevada [Mr. REID].

APPOINTMENTS BY THE MAJORITY LEADER

The PRESIDING OFFICER. The Chair, on behalf of the majority leader, pursuant to Public Law 100-690, announces the appointment of the following Senators to the National Commission on Drug-Free Schools: the Senator from Alabama [Mr. SHELBY], and the Senator from Florida [Mr. GRAHAM].

ORDERS FOR TOMORROW

RECESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 10 a.m. tomorrow, Tuesday, May 2.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. I further ask unanimous consent that, following the time of the two leaders, there be a period for morning business not to extend beyond 10:30 a.m., with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objeciton, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that at 10:30 a.m. the Senate resume consideration of S. 431.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I ask unanimous consent that there be debate on S. 431 for not to exceed 1 hour, and that at 11:30 a.m. there be a vote on the Helms second-degree amendment to be followed immediately with no intervening business at 11:45 a.m. by a vote on the Helms first-degree amendment, as amended, if amended; and that those votes be up or down votes not subject to a tabling motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM 12 NOON UNTIL 2 P.M.

Mr. MITCHELL. Mr. President, I ask unanimous consent that on tomorrow the Senate stand in recess following the vote on the second Helms amendment from 12 p.m. to 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. MITCHELL. Mr. President, therefore, for the information of our colleagues, all Senators should be aware that according to the unanimous-consent agreements that we have just propounded, and which have been agreed to, there will be debate on S. 431 between 10:30 and 11:30 tomorrow morning. At 11:30 there will be a vote on the Helms second-degree amendment; and at 11:45 there will be a vote on the Helms first-degree amendment.

We anticipate that those will be rollcall votes. There will be two rollcall votes tomorrow, one at 11:30, one at 11:45.

There may be further amendments, and therefore further rollcall votes when the Senate resumes tomorrow afternoon, although we do not know that yet.

It is our hope and intention to complete action on this legislation tomorrow, and as soon as we do so the Senate will turn to the budget resolution.

RECESS UNTIL TUESDAY, MAY 2, 1989, AT 10 A.M.

Mr. MITCHELL. Mr. President, if the distinguished Republican leader has no further business and if no Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess under the previous order until 10 a.m. on Tuesday, May 2, 1989.

There being no objection, the Senate, at 5:10 p.m., recessed until Tuesday, May 2, 1989, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 1, 1989:

DEPARTMENT OF STATE

MORTON I. ABRAMOWITZ, OF THE DISTRICT OF COLUMBIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO TURKEY.

MELVYN LEVITSKY, OF MARYLAND, TO BE ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL NARCOTICS MATTERS, VICE ANN BARBARA WROBLESKI, RESIGNED.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

E. PATRICK COADY, OF VIRGINIA, TO BE U.S. EXECUTIVE DIRECTOR OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT FOR A TERM OF 2 YEARS, VICE ROBERT BRENDON KEATING, TERM EXPIRED.

DEPARTMENT OF THE TREASURY

KENNETH W. GIDEON, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF THE TREASURY, VICE O. DONALDSON CHAPOTON, RESIGNED.

EXECUTIVE OFFICE OF THE PRESIDENT

SIDNEY LINN WILLIAMS, OF VIRGINIA, TO BE A DEPUTY U.S. TRADE REPRESENTATIVE, WITH THE RANK OF AMBASSADOR, VICE ALAN F. HOLMER, RESIGNED.

DEPARTMENT OF JUSTICE

SHIRLEY D. PETERSON, OF MARYLAND, TO BE AN ASSISTANT ATTORNEY GENERAL, VICE WILLIAM S. ROSE, JR., RESIGNED.

WILLIAM LUCAS, OF MICHIGAN, TO BE AN ASSISTANT ATTORNEY GENERAL, VICE WILLIAM BRADFORD REYNOLDS, RESIGNED.

DEPARTMENT OF COMMERCE

MICHAEL PHILIP SKARZYNSKI, OF ILLINOIS, TO BE AN ASSISTANT SECRETARY OF COMMERCE, VICE JAMES P. MOORE, JR., RESIGNED.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ALFRED A. DELLIBOVI, OF NEW YORK, TO BE UNDER SECRETARY OF HOUSING AND URBAN DEVELOPMENT, VICE CARL D. COVITZ, RESIGNED.

EXECUTIVE OFFICE OF THE PRESIDENT

JOHN B. TAYLOR, OF CALIFORNIA, TO BE A MEMBER OF THE COUNCIL OF ECONOMIC ADVISERS, VICE MICHAEL MUSSA, RESIGNED.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

GERALD L. OLSON, OF MINNESOTA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE MARY T. GOEDDE, RESIGNED.

DEPARTMENT OF TRANSPORTATION

GALEN JOSEPH RESER, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF TRANSPORTATION, VICE EDWARD R. HAMBERGER, RESIGNED.

DEPARTMENT OF EDUCATION

ROBERT REFUGIO DAVILA, OF THE DISTRICT OF COLUMBIA, TO BE ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION, VICE MADELEINE C. WILL, RESIGNED.

IN THE ARMY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. CHARLES W. BAGNAL, xxx-xx-xxxx U.S. ARMY.

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. FREDERIC J. BROWN, xxx-xx-xxxx U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601(A), IN CONJUNCTION WITH ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. FREDERICK M. FRANKS, JR., xxx-xx-xxxx, U.S. ARMY.

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601(A), IN CONJUNCTION WITH ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

LT. GEN. CLAUDE M. KICKLIGHTER, xxx-xx-xxxx U.S. ARMY.

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICER FOR ASSIGNMENT AS ASSISTANT COMMANDANT OF THE MARINE CORPS AND CHIEF OF STAFF, UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

GEN. JOSEPH J. WENT, xxx-xx-xxxx/9903 U.S. MARINE CORPS.

THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, FOR ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY IN GRADE AS FOLLOWS:

To be lieutenant general

MAJ. GEN. NORMAN H. SMITH, xxx-xx-xxxx/9903 U.S. MARINE CORPS.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICERS FOR PERMANENT PROMOTION IN THE U.S. AIR FORCE, UNDER PROVISIONS OF SECTION 628, TITLE 10, UNITED STATES CODE, AS AMENDED, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE.

LINE OF THE AIR FORCE

To be lieutenant colonel

WAYNE E. BALCOM, xxx-xx-xxxx
JOHN G. BUNCH, xxx-xx-xxxx
ALAN J. CORSON, xxx-xx-xxxx
ROBERT G. DWYER, xxx-xx-xxxx
DONALD R. FOWLER, xxx-xx-xxxx
ALLEN P. HAZLEGROVE, xxx-xx-xxxx
CARL S. KRETZER, xxx-xx-xxxx
RONALD J. POLOMSKY, xxx-xx-xxxx
KENNETH B. PRESLAR, xxx-xx-xxxx
RICHARD J. SMITH, xxx-xx-xxxx
NEWTON W. TERRY III, xxx-xx-xxxx

JUDGE ADVOCATE

To be lieutenant colonel

EDWARD M. STARR, xxx-xx-xxxx

LINE OF THE AIR FORCE

To be major

GERRIT J. ALLEN, xxx-xx-xxxx
JOHN A. CIESLIK, SR., xxx-xx-xxxx
WILLIAM O. COLLIER, xxx-xx-xxxx
DAVID A. FELTENBERGER, xxx-xx-xxxx
GEORGE E. FOREST, xxx-xx-xxxx
PHILIP B. NEELEY, xxx-xx-xxxx
AUBREY D. RICE, xxx-xx-xxxx
JAMES T. ROBERTS, xxx-xx-xxxx
JOHN W. SENEGAL, xxx-xx-xxxx
BENEDICT C. VIGLIETTA, xxx-xx-xxxx

JUDGE ADVOCATE

To be major

STEPHEN M. VALENTINE, xxx-xx-xxxx

THE FOLLOWING OFFICERS FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, UNITED STATES CODE, WITH GRADE AND DATE OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE PROVIDED THAT IN NO CASE SHALL THE OFFICERS BE APPOINTED IN A GRADE HIGHER THAN CAPTAIN.

LINE OF THE AIR FORCE

EDWARD D. SUBERVI, xxx-xx-xxxx
DANIEL L. WEVER, xxx-xx-xxxx
LARRY E. WOOTEN, xxx-xx-xxxx

THE FOLLOWING OFFICER FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, UNITED STATES CODE, WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF SECTION 8067, TITLE 10, UNITED STATES CODE, TO PERFORM THE DUTIES INDICATED, PROVIDED THAT IN NO CASE SHALL THE FOLLOWING OFFICER BE APPOINTED IN A GRADE HIGHER THAN MAJOR.

JUDGE ADVOCATE

STEPHEN M. VALENTINE, xxx-xx-xxxx

THE FOLLOWING NAVY ENLISTED COMMISSIONING PROGRAM CANDIDATE TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OR STAFF CORPS OF THE U.S. NAVY, SUBJECT TO TITLE 10, UNITED STATES CODE, SECTION 531.
KRISS B. STANLEY

THE FOLLOWING-NAMED NAVAL RESERVE OFFICERS TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OR STAFF CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:
MANUAL T. DAVENPORT ADAM M. TAFF
STEVEN L. JOHNSON

THE FOLLOWING LIEUTENANT COMMANDER, U.S. NAVY, RETIRED, TO BE REAPPOINTED PERMANENT COMMANDER FROM THE TEMPORARY DISABILITY RETIRED LIST, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 1211.
LINDA S. TAYLOR

IN THE NAVY

THE FOLLOWING-NAMED LIEUTENANT COMMANDERS IN THE LINE OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF COMMANDER, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW:

UNRESTRICTED LINE OFFICER

To be commander

ADAMSON, ROBERT EDWARD, III
ALEXANDER, EARL ROBERT
ALEXANDER, ROBERT CYRIL
ALLEMAN, LEW EARLINGTON
ALLEN, CHARLES TED
ALVAREZ, MICHAEL PATRICK
AMES, CHRISTOPHER CONLAN
ANDERSON, WILLIAM MICHAEL
ANDREWS, VINCENT JOHN
ANNIS, JAMES BRENT
APPLEGATE, DAVID JAMES
AREIZAGA, CHARLES
ARMY DENIS, VINCENT
ARNOLD, RICHARD RAY
ARROWOOD, ROGER ALAN
ATKINS, TOMMY HAROLD
AUGUSTINE, MARILYN JANE
AZUD, JOHN RAYMOND

BAAR, ERIC CAMERON
BACIN, MARK STEPHEN
BADGER, CARLOS SAMUEL
BAFFORD, BARNEY RAY
BAILEY, ROSALIND TRIMBLE
BAIVIER, ANITA GAIL
BAKER, JEFFREY WARD
BAKER, MICHAEL NEWMAN
BAKER, ROBERT DUANE
BANGE, JEFFREY DONALD
BANNISTER, RANDALL WILLIS
BARKER, WILLIAM DENNIS
BARNETT, GEORGE ALLEN
BARNS, WILLIAM FLEMMING
BARRIE, ROBERT WILLIAM
BAUMGARDNER, HOWARD JOSEPH
BAYER, MICHAEL JOSEPH
BEATTY, FLORENCE ELIZABETH
BEATTY, THOMAS PATRICK
BEGLEY, GRANT ALLAN JR.
BERBERICH, LARRY RUSSELL
BERNHARD, DAVID LEE
BERNIER, BRETT BOULTER
BERNIER, CARROLL DENNIS
BERRY, EDMUND WILLIAM
BERTSCH, FRED STANLEY, III
BERTSCHE, MARK STEVEN
BETTINSON, DAVID ONEIL
BILLINGSLY, DAVID EUGENE
BLAKE, JOHN TERENCE
BLAKELY, ROBERT GRAHAM, JR
BLEEKER, HANS JACOBUS
BLOSS, WALTER JAY
BOEHM, LEE IRVIN
BOHN, JOHN LLOYD, II
BULLWERK, WILLIAM VAL
BULYARD, JOHN WESLEY
BOND, MARGARET HOUSE
BOOKERT REUBIN BERNARD
BORRIES, ROBERT BRUCE
BOUCHARD, JOSEPH FREDERICK
BOULON, DANIEL LEE
BOWEN, EDWARD CHARLES
BOWLING, RAYMOND BRUCE
BOYCE, ROBERT LEE
BUYER, JAMES CHARLES
BUZIN, STANLEY DANIEL
BRADLEY, DAVID GLENN
BRADD, ROBERT FRANCIS
BRAINERD, JEFFERY HOWARD
BREHM, BARBARA LAURIE
BREWER, ROBERT GEORGE, JR
BRIGGS, ALFRED NEWSOME, III
BRINGLE, DONALD GODWIN
BROUGHTON, GEORGE CLIFFORD, I
BROUGHTON, HUBERT LEE, II
BROWN, JERRY JOE
BROWN, NANCY ELIZABETH
BRUECKBAUER, ROGER IRVIN, II
BRUNO, PAUL NICHOLAS
BULFINCH, SUSAN HEELAN
BULLOCK, ROBERT ALAN
BULTEMEIER, CRAIG WILLIAM
BUNDY, WILLIAM FRANCIS
BURLINGAME, NEIL COLBY
BURNS, DANIEL ALLEN
BURTIS, THOMAS CLINE
BUSH, RICHARD ALBERT
BUSHUNG, ANNE LOUISE
BUSHONG, GREGORY BRENT
BYERS, EARL LOIS, II

CABRIAN, STEPHEN LLOYD
CADDELL, MARVIN RUSS
CADY, DAVID WAYNE
CAIN, DANNIE LEE
CALLANO, ALBERT MELROSE, III
CAMPBELL, JAMES LYNN
CAPALBO, JOSEPH J
CAREN, MARK STANLEY
CARLSON, CARL GLYNN
CARR, LARRY DONNELL
CASEY, KEVIN DONALD
CASEY, PATRICK JOSEPH
CASHBAUGH, DAVID M
CASSIAS, JEFFREY B
CHRISTENSEN, JOHN DOUGLAS
CHRISTMAN, WILLIAM EDWARD
CIMLAR, THOMAS JAMES
CIRULLI, LUCIO N
CLARK, FRANK NEIL
CLARK, WILLIAM JOHN, JR
CLEMENT, ROBERT H
CLINGAN, BRUCE WAID
COADY, JERRY JAY
COLDIRON, LARRY DALE
COLEGATE, GREGORY ALLEN
COLEMAN, DAVID WHITFIELD
COLLINS, PATRICK SEAN
COLLINS, ROBERT THEODORE
COLLINS, STEVEN EDWARD
COLLINS, STEVEN PATRICK
COLLIS, JERRY CARROLL
COMI, PATRICK MICHAEL
CONRAD, ROBERT DANIEL
COOK, FREDERICK CORNELIUS
CORRIGAN, DENNIS MICHAEL
COSPER, JAMES HECTOR, II
COSTON, PHILLIP WAYNE
COVINGTON, BENJAMIN BRYAN
COX, DAVID CORYDUN
COX, ROBERT JUSTIN
COX, WILLIAM E JR
CRABBE, CLARK WALDRON
CRAFT, WILLIAM PATRICK
CRAMER, MICHAEL LEE
CRAWFORD, BILLIE ELIZABETH
CRAWFORD, GEOFFREY EDE
CRAWFORD, JOHNNY LUDY
CREGGE, MICHAEL JOHN
CRISP, DONNA LYNN
CRITZ, MICHAEL RICHARD
CROCKER, MICHAEL DENISON
CROSBY, JOHN JOSEPH, JR
CUNNINGHAM, ROBERT LOUIS, JR
CUPP, RICHARD TERRELL
CORRY, PATRICK FRANCIS DAVID
CURTIS, DERWOOD CLAYIBURNE

DADY, TERESA GAIL
DALEY, WILLIAM HENRY, III
DAUGHERTY, DAVID WILLIAM
DAVILLI, THOMAS BERNARD
DAVIS, JOHN SCOTT
DEARTH, RANDOLPH SCOTT
DELERY, THOMAS ARNOLD
DEMETROPOLIS, GEORGE JOHN, JR
DEMING, CHRISTOPHER LEE
DENIS, DAVID ARTHUR
DENTON, MARILYN ANNE
DEPPE, JAMES FRANK
DESTEFANO, ROBERT
DEWEY, BRIAN EDWARD
DEWEY, EDWARD CLAYTON, II
DILLON, STEVEN FREDERICK
DOMERTY, JOHN THOMAS, JR
DULLARD, THOMAS S
DONNELLY, JOHN JAY
DONOVAN, THOMAS JOSEPH
DOONG, LAWRENCE KWONG CHU
DORSEY, GORDON O
DOUGLAS, CHRISTOPHER ALLEN
DOUGLASS, STANLEY WAYNE
DOWELL, JON CHRISTIAN
DRENNAN, BRUCE CURTIS
DRISLANE, PATRICIA ANN
DRODDY, JAMES EDWARD
DOFFIE, DAVID ANGEREAU
DUNCAN, MARSHALL BRUCE
DURKIN, JOHN JAMES, JR
DYE, MARK HOUSTON

EADS, JOHN WILLIAM
ECKELBERRY, JOHN R
EICHELBERGER, ROBERT MACNEIL
EIDSON, ANNE JEANNETTE
ELLIS, GARY JOE
EDROD, SUZANNE MARIE
ERICK, STEVEN GRAY
EVANOFF, JOHN DANIEL, II
EWING, RONALD JOHN

FABER, GERALD WILLIAM
FACKRELL, MICHAEL ALLAN
FAHRNER, GREGORY CHARLES
FALZETTA, OTTAVIO ANTONIO
FARLEY, JOHN PETER
FARLEY, MICHAEL FRANCIS
FEELEY, STEPHEN LEWIS
FERGUSON, JULIAN ALBERT, III
FERRIS, WILLIAM FREDERICK
FICHTE, SUSAN DARLENE
FITZPATRICK, BRIAN DAVID
FITZSIMONS, JOHN VERNON
FLAMMANG, HAROLD JOSEPH, JR
FLANNERY, BRIAN EDWARD
FLOYD, CHARLES ALAN
FOERSTER, BERND ALWIN
FOLLY, FRANK EDWARD
FORD, RICHARD KENT
FOREMAN, DAVID EARL
FOSTER, LESLIE
FOSTER, WILLIAM LARRY
FOOREMAN, ARIAUNA ROY
FOWLER, JOHN D MARCUM
FOX, LEONARD ANTHONY
FRANKE, ONEDIA M
FRAZIER, ROBERT LEE
FRYE, WILSON EDWARD
FUCHS, KELLY WAYNE
FULCA, MICHAEL JOSEPH
FUQUA, MICHAEL THOMAS
FURSMAN, THOMAS MICHAEL

GABOR, JAMES RAYMOND
GALICKI, DENNIS MICHAEL
GALINGER, KATHY ANN
GALLAGHER, KATHLEEN LARSON
GAMBIN, WAYNE PETER
GANTT, EDWARD WILLIAM
GARDNER, STEPHEN GREGORY
GARRETT, CARL EUGENE, JR
GARRETT, GENE WILLIAM
GARRISH, JAMES WILLARD
GERDING, GREGORY SCOTT
GEROD, DEBORAH KAYE
GHEESLING, JOE BERT, JR
GIBSON, ROBERT DOUGLAS
GILCHRIST, LORRI PAGE
GILLIAM, BRENT GARLAND
GODBOLD, WILLIAM FRANK
GOODMAN, JAMES BRAINERD
GOODWIN, JOHN WILLIAM
GORDON, ROYAL POLK, III
GORDON, VERNARD GLENTRESS
GOUGHAN, LAURENCE DOUGLAS
GOVE, DAVID ANDREW
GRANT, DOROTHY KENDALL NICHO
GREENAWALT, STANTON CHARLES
GREGORY, THOMAS JOE
GROOTHOOSEN, MICHAEL ROBERT
GUSTAFSUN, VICTOR GEORGE
GUTH, JAMES DONALD
GUTHE, DOUGLAS B

HAEFNER, ALAN MONROE
HAFFEY, GEORGE FRANCIS
HALL, DOUGLAS ALLEN
HALL, GARRY EVAN
HALLOWELL, PAUL EVAN, JR
HALSEMA, JOHN ANTHONY
HAMEL, DAVID ANTHONY
HAMILTON, RANDALL WARD
HAMMOND, CARL WILLIAM, JR
HAMMOND, JANE PETIT
HAMMOND, RICHARD STREVIG
HAMPTON, JOHN PHILIP
HANCOCK, DENNIS DUANE
HANKINS, HENRY DOUGLAS
HANNA, JAMES SAMUEL
HANSEN, WILHELM ADOLF, JR
HARDING, WARREN ANTHONY
HARRINGTON, JAMES THOMAS
HARRIS, ANDREW VAN VLEET, JR
HARRISON, DAVID C
HARRISON, JOHN THOMAS
HART, DOUGLAS RAMSAY
HART, JOHN BERESFORD
HASSLINGER, KARL MICHAEL
HAWKS, LEE ALAN
HEATH, LANE BROWN
HEATH, RONALD YOUNG
HEATH, TIMOTHY JAMES
HEIM, RONALD JOHN
HEINE, DAVID GLEASON
HEMPEL, JAMES PETER
HENDERSON, JERRY
HENDERSON, WILLIAM JOSEPH
HERBERT, MAURICE MICHAEL
HERKERT, MARK KLAUS HERMAN
HERRIOTT, RICHARD CRAIG
HESS, RICHARD WARREN
HETZEL, GARY PAUL
HICKS, WILLIAM MICHIE
HILL, GEORGE CURTIS
HILL, JOHN DAVID
HILL, STEPHEN ALPHONSUS
HILL, THOMAS BURCHAM
HILLERY, ROBERT CHARLES
HILLHUNT, PATRICIA ANN
HINE, CATHERINE ELIZABETH
HINES, BRADLEY ROBERT
HIRABAYASHI, DONNA MARIE
HIXENBAUGH, MILADY BLAHA
HOFFMAN, GREGORY WILLIAM
HOFFMAN, RICHARD GURNEY, JR
HOLLAND, EDMUND DANIEL, JR
HOLT, ROBERT LEWIS
HONEY, NANCY EILLEN
HOPKINS, DENNIS LEE
HORSMAN, JOHN PHILIP, JR
HOSKINS, THOMAS J, JR
HOVATTER, PATRICK JAMES
HOFFINE, CHARLES HENRY
HUNSUCKER, CHARLES RAYMON, JR
HUNT, PATRICK W
HUSKA, RICHARD CHARLES

ILLIG, CHRISTINA FREDRICKA
INGLES, GREGORY DAVID
INGRAM, RICHARD CAMERON

JABLUNSKI, EDWARD RONALD
JACKSON, JAMES TALMADGE, JR
JACOB, JUDEE CATLIN
JAGUE, DONALD ALAN
JAHNKE, LARRY DALE
JASKOT, RICHARD DALE
JAYNES, DONN EDWIN, JR
JENKINS, CHARLES CUNAZ
JEWETT, CARLTON BOYD
JOHNSON, AARON BRUCE
JOHNSON, KIRK EDWIN
JOHNSON, RICHARD WILLIAM
JOHNSON, SCOTT THOMAS
JOHNSON, WILLIAM VINCENT, III
JOLLER, WALTER CARL, JR
JONAS, JON BARNETT
JONES, DAVID HENRY, JR
JONES, DAVID LANE
JONES, EDGAR JOSEPH
JONES, GARY RAYFIELD
JONES, LAWRENCE M
JONES, RITA
JORDAN, EDGAR ALVIN
JORDAN, WILL HENRY
JOYCE, MAURICE STEPHEN
JOREWICZ, THOMAS ANTHONY

KAILEY, RICHARD FRANKLIN
KANE, KATHRYN LYNN
KANGALOS, ANGELO JOHN
KANOCK, ANN FINCHER
KARSTENS, MICHAEL GEORGE
KASER, ROBERT DALE JR
KASKY, PHILIP CARL
KASTEN, GEORGE DEWEY, III
KEESLING, JULIE ANNE
KEIFRIDER, WILLIAM FREDERICK
KEILTY, JOHN P
KENNARD, CHARLES WILLIAM, JR
KERSEY, JOHN KERRY JAY
KIEFER, RICHARD LEE
KIESELBACH, KENT ROBERT
KINNEY, CHRISTOPHER ALBERT
KIRCHER, HARTMANN JOSEPH, IV
KIRK, FORREST LARUE
KISH, GORDON PAUL
KLAUSS, MARK FREDRICK
KLEISER, THEODORE EARNEST, II
KLETT, MARK NEIL
KNAPP, DAVID ALBERT
KNIGHT, JAMES TODD
KNIGHT, JOHN RICHARD
KNOTT, PHILLIP CURTIS
KNOUSE, CRAIG RICHARD
KNOX, JAMES ALAN
KNUTSON, DANNY C
KOLLMORGEN, LELAND STANFORD
KORNEY, JAMES MICHAEL
KOSLOSKE, DOUGLAS LLOYD
KRAKAU, BRUCE R
KRECH, KENNETH GEORGE
KRULL, RODGER PRATT
KRUSE, MARCIA ANN
KUEHNLE, DONALD W
KUPPERS, ROBERT HARLOW, JR
KUSUDA, ROBERT ALAN

LAKE, JAMES ROBERT
LAMBUNI, MARK WALLACE
LAWTON, DONALD MARVIN
LEE, JAMES EDWARD, JR
LEGHART, MARTIN JAMES, SR
LEIGHTY, MELINDA J
LEMEN, JON FREDRICK
LENCI, MARK RICHARD
LENNON, BERNADINE ANTOINETTE
LEOPOLD, GARY R
LESHER, CLIFFORD ALAN
LESLIE, DAVID ROBERT
LEVIN, CANICE KELLY
LEWIS, BRUCE LEE
LEWIS, JOHN RICHARD
LEWIS, MICHAEL KELLER
LICATA, LEE A
LILLY, NORVELL LEE
LINDSAY, RICHARD HOWARD
LINN, KENNETH MICHAEL
LINSCOTT, JEFFREY DEAN
LIPAKI, MICHAEL SIDNEY
LIPPERT, ROLLIN GEORGE
LIPSMEYER, WILLIAM M
LISS, STANLEY MARTIN
LLOYD, GREGORY FRANCIS
LOCKE, RODNEY MARVIN
LOCKLEAR, SAMUEL JONES, III

LOMOSKI, EDWARD FRANK, JR
LUNG, LINDA DOLORES
LOPEZ, DAVID RAYMOND
LOUZER, DAVID MICHAEL
LOWELL, RICHARD WILLIAM
LUCK, CHARLES W
LUECHAUER, GEORGE ROBERT, JR
LUEKER, RANDAL EUGENE
LUKE, RICHARD THEODORE
LUNDELL, GLENN WILLIAM
LUTI, WILLIAM JOSEPH
LYNCH, JOHN

MACINTYRE, JOHN MALCOLM
MAUEEN, RONALD EDWARD
MAGILL, DAVID S
MAGUIRE, JOSEPH
MAHONEY, JAMES BERNARD, III
MALONEY, JOHN KEVIN
MANTHEI, JERRY LYNN
MARRA, DAVID LOUIS
MARSH, JAMES PHILIP, JR
MARTIN, DAVID BROWNSON, JR
MARTIN, RICHARD LEROY, JR
MARTIN, VAUGHN KENNETH
MASLEY, MICHAEL CAMIELLE, JR
MASTON, MICHAEL JOSEPH
MATHEWS, MICHAEL JOHN
MATHISON, ROBERT CRAIG
MAULDIN, RICHARD JAYE
MAONEY, CARL VANDIVER
MAURER, RICHARD HENRY, II
MAUTHE, JOHN MARTIN
MAWMINNEY, DAVID ALAN
MAYBAUMWISNIEWSKI, SUSAN CHR
MAYER, GEORGE EDWARD
MCANALLY, NANCY DAWN
MCAULIFFE, WAYNE KEITH
MCCALL, DAVID MICHAEL
MCCOLLUM, RICHARD LEE
MCCOMB, JOHN THURSTON
MCCOY, SHEILA KATHLEEN
MCCRILLIS, RICHARD THOMAS
MCCULLOM, SARAH SKIPPER
MCCURDY, RODNEY ELWYN
MCDERMOTT, MICHAEL JOHN
MCDONOUGH, MARTIN BRYAN
MCDONOUGH, ROBERT JAMES
MCDONOUGH, WILLIAM
MCGLOON, JAMES WILLIAM, JR
MCINNIS, MARCUS ALAN
MCINTYRE, MICHAEL THOMAS
MCISAAC, WILLIAM ANTHONY
MCKENZIE, COLLEEN JAY
MCKINLEY, GARY MICHAEL
MCLAUGHLIN, DON OWEN
MCMAHAN, GERALD THOMAS
MCNALLY, MARK THOMAS
MCNAMARA, CHRISTOPHER P
MCSWAIN, DONALD WILLIAM
MCTIGHE, JOHN ANTHONY, II
MEISSNER, ROBERT MICHAEL
MELNYCHENKO, GEORGE ALEXANDER
MERRILL, JEFFREY PAIGE
MERRILL, ROY ASHTON, III
MERTEN, RICHARD GEORGE
MILES, PAUL EDWARD
MILLER, ALBERT ANTHONY
MILLER, BRUCE EDWARD
MILLER, CATHLEEN ANN
MILLER, CECIL DREW, JR.
MILLER, FRANK BLAKE
MILLER, ROBERT KEVIN
MILLS, JAMES GILBERT
MINGES, WILLIAM THOMAS, III
MINGLE, LEO LESTER
MISCH, GARY LELAND
MUELLER, ROBERT THOMAS
MOFFATT, MICHAEL MINTON
MOFFATT, SUSAN LYNN
MOHR, JAMES MARTIN
MOODY, MARTIN LOUIS
MOODY, THOMAS RAY
MOORE, WILLIAM FENTON
MORRELL, KENNETH ARNOLD, JR.
MORRISON, CHARLES ERNEST
MOSS, LEE OWEN
MUELLER, LEONARD, IV
MURPHY, DANIEL ROBERT
MURPHY, LEO FRANCIS
MYERS, LAWRENCE EDWARD

NAGEL, KENNETH GEORGE
NALL, STEVEN FORREST
NAPLE, TIMOTHY MICHAEL
NATALE, JOSEPH JOHN
NAWROCKI, JOHN THADDEUS
NELSON, ARNE JOHN
NELSON, ROBERT WAYNE, JR.
NESHIEM, PAULETTE RAE
NESSETH, RODNEY WAYNE
NICOL, ROBERT GLENN, JR.
NIMITZ, STEPHEN CLARK
NORTHAN, DONALD R
NORTON, CARLETON PORTER
NORTZ, JOSEPH EDWARD
NOWAKOWSKI, MICHAEL PETER

OAKLEAF, ANN CHERYL
OBRIEN, DAVID RICHMOND
OCONNOR, MICHAEL PATRICK
OCONNOR, THOMAS JOSEPH, JR
ODAY, DALE KATHLEEN
OFFER, DEREK FRANCIS
OHANLON, RICHARD
OLCOVICH, GEORGE EDWARD
OLEARY, JAMES JOSEPH
OLIVER, MICHAEL ROLLAND
OLIVERIA, DAVID KENNETH
OLSON, CARL DAWSON
ORBUELA, WILLIAM RALPH
OROORKE, JAMES JOSEPH
OROORKE, JOHN TOWER
OWEN, RICHARD P
OWENS, CHRISTOPHER DAVID
MOWENS, PHILIP ALLAN
OWSLEY, ROBERT CLARK
PAGANO, RANK EDWARD
PAGE, MARSHALL TYLER
PARCE, JOHN DICKSON
PARHAM, WILLIAM LYNN, JR
PARICO, ROBERT FRANCIS
PARISH, DAVID CLARK
PARK, STEPHEN JAMES
PARKER, DESLEY SANT
PALLERSON, ROBERT FREDERICK
PATTOON, DANIEL CHARLES
PAULIS, JOSEPH JOHN
PEARSON, VICKI SUE
PECH, DAVID JOSEPH
PERKINS, RICHARD CHARLES
PETERSON, PAUL DANIEL
PETERSON, WAYNE
PHILIPP, DOUGLAS TYLER
PHILLIPS, DANIEL EUGENE
PHILLIPS, DUANE JOHN
PHILLIPS, JOY LYNN
PHILLIPS, THOMAS FRANK
PISEL, KENNETH PHILLIP, JR.
PLACE, WILLIAM DAVID
POKORNY, WILLIAM A., JR.
POLLEY, DAVID PRESCOTT
POLO, RAFAEL LAZARO
POTOPSINGH, FLAVIOS CONSTANT
POTTER, DON HOLLIS, JR.
PURCELL, MARC LIONEL
PURDY, MARY CATHRYN HAMILTON
PURSER, GUY RONALD

QUILICI, LEO JOSEPH, II
QUINN, CHRISTOPHER DUNCAN
QUINN, TIMOTHY PATRICK
QUIRK, EDWARD JAMES

RACETTE, WILLIAM ANTHONY, JR
RAMIREZ, MICHAEL THOMAS
RANKIN, CRAIG ALEXANDER
RAY, DAVID CLARK
READE, ANTHONY RAYMOND
REILLY, ROBERT DUNHAM, JR
REILLY, THOMAS JAMES
REILY, PATRICIA JOANNE
REISH, ROBERT ALLEN
REYNOLDS, RUNDEL GENE
RICHE, ROBERT SHELDON
RICHER, PIERRE JOSEPH
RIEGER, RICHARD ALBERT
RIGAZZI, RICHARD ANTONY
RIKARD, RALPH MILLER, JR
RINGER, THOMAS JAY
RIUS, PATRICIA BARROW
ROBERTS, ALVIN NAPOLEON, JR
ROBERTS, KEITH ALAN
ROBINS, SALLY SCOTT
ROBINSON, DECATUR MAYNARD
ROGERS, DAVID ANDREW
ROGERS, EDWARD JOSEPH, III
ROHLING, HENRY JOHN
ROLLINS, RICHARD LEE
ROMANO, STEVEN
RONACHER, ANDREW JOSEPH, JR
ROSENTHAL, ELLEN SUE
ROSS, JOHN KIRKLAND
ROOMAYA, LOUIS THADDEUS
ROOSE, ALFRED CARR
ROWLAND, GEORGE FENTON, JR
RUDD, DEE ANN KAAZ
RUDD, JERRY ALAN
RUOTI, ANTHONY JOSEPH, JR•
RUSH, RICHARD CRITTENDON
RUSSELL, BRUCE RAE
RUSSELL, DARRELL ANTHONY
RYAN, DAVID MICHAEL

SAGEN, MICHAEL ERIC
SALLEY, ROBERT JAMES
SALTER, LARRY GENE
SANTOWSKI, RICHARD DANIEL
SAPP, JEFFREY K.
SAUNDERS, CHARLES CONRAD
SCHENZEL, WILLIAM PAUL
SCHERER, ROBERT JOHN, JR
SCHILLING, DEAN WALTER
SCHIRES, BRIAN GERALD
SCHOENBAUER, MARTIN JOSEPH
SCHOLES, MICHAEL LYNN
SCHOULTZ, ROBERT PARKER
SCHRUCK, GERALD PAUL
SCHUTZENHOFER, ROBERT RUDOLPH
SCOTT, GLORIA JEAN CUMMINGS
SEEDORF, ROGER WILLIAM
SEIWALD, MICHAEL JOSEPH
SELBY, BRENDA FAY
SENNESS, PAUL ROBERT
SERFASS, PAUL THEODORE, JR
SGRO, DAVID CHARLES
SHANNON, WILLIAM EDGAR, III
SHARP, JAMES THOMAS
SHARP, JANE KATHRYN
SHARP, MICHAEL ALAN
SHARRETT, PATRICK JAMES
SHEEHAN, JOHN JOSEPH, III
SHEGROD, STEVENS KELLER
SHELTON, JAMES MILTON
SIMMONS, CARLTON ANTHONY, JR
SIMMONS, LARRY RICHARD
SISTERHEN, GEORGE WILLIAM
SLENLZWALEN, HAROLD GIBBS
SLOSS, DANIEL DAVID
SMITH, DAVID HARRISON
SMITH, JOHN WILLIAM
SMITH, JUDITH ANN MILLER
SMITH, LUANNE JOY
SMITH, PAUL THOMAS
SMITH, STEVEN SAMUEL
SNEED, BRANDON M.
SNYDER, JAMES SIDNEY
SOKOLOWSKI, JOHN ANTHONY
SOLEM, CRAIG ROBERT
SOUDER, CHARLES CURTIS
SPADARO, ANGELO JOSEPH
SPILMAN, THEODORE LOUIS, III
SPURR, JOSEPH JAMES
SQUICCIARINI, PETER DANTE
STAFFORD, CALVIN THOMAS
STAFFORED, JOE N.
STAGL, FRANK PETER, JR
STAIR, GERALD KENT, JR
STAKEM, ANNE BATCHELDER
STANLEY, PAUL STEPHEN
STANTON, PAUL EUGENE
STARK, JAMES KING, JR
STARZY, VIRGINIA LYNN
STEEN, ALLEN ROBERT
STEGER, JAMES MICHAEL
STEINBAUGH, MICHAEL LEE
STEPHENSON, GEORGE MARTIN
STEPHENSON, MICHAEL PAUL
STEVENS, IRA BOYD
STEVENS, RICHARD EVERETT, JR
STIVERS, JOHN VICTOR
STRAIGHT, GEORGE W., JR
STRANCE, KRISTOPHER LEIGH
STROIT, JOHN BURNETT
SULLIVAN, CHRISTOPHER PAUL
SULLIVAN, MARK DAVID
SURBRIDGE, THOMAS BOND
SWEENEY, KEVIN JOHN
SWEENEY, MARK JAMES
SWEENEY, RANDAL CLAY
SWEENEY, ROBERT LOUIS, III
SWOISH, DOUGLAS RAYMOND

TANT, LAWRENCE EDWARD
TAYLOR, ALFRED WAYNE
TAYLOR, DAVID CHURCHILL
TEATES, JOHN FRED
TENGA, RICHARD
THOGERSON, JOHN, II
THOMAS, DAVID LYLE
THORNE, WILLIAM ROBERT
TIMM, RODNEY DEAYNE
TOMAZIO, ROCCO GUY
TOMKINS, PHILIP AUSTIN
TOWNER, RICHARD LOUIS
TRACY, MICHAEL CHARLES
TRACY, ROBERT E., JR
TRITT, GREGORY EUGENE
TUOHY, MATTHEW WILLIAM
TURCOTTE, STEPHEN ALLAN
TUTEN, HAROLD REDDING
TYSON, DAVID SHELDON

VAGTS, WAYNE FRANZ
VAUGHN, GREGORY MARTIN
VECCHIULLA, THOMAS ANTHONY
VEHSLAGE, LOUIS MOBANE
VEIGA, ANTHONY ALBERT, JR
VERHUFSTADT, FRANCIS ALBERT
VERMILYEA, SHARON LEE
VERNON, ROBERT JOHN
VIBERT, JOSEPH JOHN
VILOTTI, DANIEL THOMAS
VISCOVICH, PAUL WILLIAM, JR

WAGNER, CHARLES GILBERT
WAGNER WAYNE AVERS
WALKER, PARLEY LEE
WALKER, WILLIAM ROBERT, JR
WALLACE, DAVID BRUCE
WALLACE, JUSTIN LEW
WALSH, JOHN JOSEPH
WALSH, JOSEPH A.
WALSH, STEPHEN WILSON
WALTERS, CLYDE THATCHER
WALTERS, JOHN MICHAEL
WARD, DAVID THOMAS
WARMBRONN, ROBERT JOHN
WARNER, JOHN RAYMOND
WASHINGTON, LEROY LOUIS, JR
WATSON, LARRY JAMES
WATSON, MICHAEL GRANT
WATT, THOMAS ROBB
WEAVER, FLOYD RALPH
WEAVER, KEITH THOMAS, II
WEBBER, CHARLES FERGUSON
WEBER, BRUCE ALLAN
WEDDLE, JEFFREY D
WEGNER, BRIAN JOHN
WEINHARDT, STEPHEN ALLEN
WEIR, STEVEN THOMAS
WELLOCK, STEPHEN MARK
WENTZEL, BRUCE MORRIS
WEPPLO, JOHN HENRY
WERONKO, WILLIAM ALLEN
WEST, CAROL
WEST, ROBERT CHARLES
WHITE, JAMES FREDERICK, III
WHITE, SCOTT RANDALL
WHITE, STEPHEN ROBERT
WHITEHEAD, CORNELIA DE GROOT
WHITMER, LYNDEN DUANE
WILDEMANN, LEONARD WALTER, II
WILLIAMS, CHARLES ELRA, II
WILLIAMS, RICHARD BARRY
WILLIAMS, RUSSELL THOMAS
WILLIAMS, THOMAS DARIUS, IV
WILLIS, JOSEPH WALTER, JR
WILLIS, MONTGOMERY PAUL
WILLSON, JOHN LANE
WILLY, JAMES MICHAEL
WILSON, DAVID JOSEPH
WINDSOR, GEORGE BURTON
WING, VERN FRANKLIN
WITTENBERG, CHARLES FREDERIC
WOLFF, WILLIAM STEVEN
WOOD, DAVID WILLIAM
WOODARD, TRYGVE MYLO
WOODS, JAMES AUGUSTUS, JR
WOOTEN, HUBBARD SMITH, III
WRIGHT, WILLIAM FRED
WRUNA, KENNETH WALTER
WORZEL, DONALD JOSEPH
YATES, SANDRA JAGGER
YOUNG, GREGORY DENTON
YOUNG, ROBERT JOSEPH
YOUNG, ROBERT VANCE
YOUREE, LINDA MARGARET
ZACHARIAS, DAVID ALEXANDER
ZAPOLSKI, EDWARD STANLEY
ZELLER, RANDEL LEONARD
ZIGNEGO, DOUGLAS JAMES

ENGINEERING DUTY OFFICERS

To be commander

ARMSTRONG, DAVID THOMAS, JR
BECKER, JOHN J
BIEGELEISEN, LOUIS KING
BOURNE, CARLTON MITCHELL
BROOK, JEFFREY ALLEN
BROWN, GARY LEROY
BROWN, WILLIAM HAROLD
BRUNSON, FRED WENDELL, JR
BUTLER, JOHN DALE
CADWELL, CHARLES ARTHUR, JR
CECERE, MICHAEL LEWIS, III
CETEL, ALAN JEFFREY
CONNELL, ROGER JOHN, JR
COULTER, STEPHANIE LYNNE
EDWARDS, JOHN A
FITZGERALD, JAMES EDWARD, III
GAMBLE, DAVIS RUDOLPH, JR
HAMMER, DAVID ALLEN
HERBEIN, DAVID SAMUEL
HUTCHESON, CHESTER JACKSON, I
JOHNSON, MICHAEL DAVID
JONES, STEVEN ALLEN
KAESER, DANA STEPHEN
LANGAN, JOHN RICHARD
LARSON, KEITH ROBERT, JR
LORHAMMER, DUNN NORMAN
LOUIE, CHUCK LONG
LUEBKE, WILLIAM HOWARD
MANDIGO, ALAN MITCHELL
MARSH, BERT
MASON, BRADLEY J
MASON, JAMES THOMAS
MCCAULEY, JEFFREY FRANCIS
MORGAN, EDWARD BENJAMIN
MULHOLLAND, DAVID JOSEPH
NISHIMUKA, RODNEY
NULLIE, THOMAS CLYDE, JR
OHARE, MARK STEPHEN
PARKER, FREDERICK HOBBS
POLLARD, MARSHALL
PRITCHARD, NULIE

DELTON, JR
PRUITT, TED E
RIES, DANIEL EDWARD
ROBERTS, ROGER WILLIAM
SCHWARTING, RICHARD ALVIN
SHAW, RICHARD STEWART
SIEDBAND, MARC AARON
SMART, SCOTT WILLIAN
THOMPSON, CHRIS ALLEN
TRITCHLER, WAYNE KURT
VASQUEZ, HARRY WAYNE
VIOLETTE, THOMAS F.
WALKER, LAMBERT ROGER, III
WATSON, JOHN ANTHONY
WEBB, KENNETH RAY
WHYMS, MICHAEL LEE
WICKS, JAMES HENRY, JR
WILHOIT, GEORGE ZACHARY

AERONAUTICAL ENGINEERING DUTY OFFICERS (AERONAUTICAL ENGINEERING)

To be commander

BOLINGER, WILLIAM KELLY
BORD, JAMES EDWARD
CLARK, RICHARD NOBLE
CURTIS, JOHN THOMAS
DELPINO, JOSEPH MICHAEL
DUNLAP, DONALD KING
DUYM, WADE DOUGLAS
EDGAR, LESLIE IRVINE
EVANS, TIMOTHY SCOTT
GAGNON, DONALD ROBERT
KOPOVITS, TERRY MICHAEL
LANGFORD, JOHN DEN, JR
MASSICOTTE, THOMAS EMILE, JR
MCCORKLE, JACK WOODWARD, JR
MCKANNON, THOMAS MARTIN
NOVAK, PAUL MICHAEL
ONEILL, GARY SEAN
ROGERS, WALTER LEO
SMITH, GARY PHILIP
STICHTER, MICHAEL CHARLES
WINSTON, JEFFREY NEWELL

AERONAUTICAL ENGINEERING DUTY OFFICERS (AVIATION MAINTENANCE)

To be commander

CLARKE, STEPHEN PAUL
CLAWITER, JAMES HENRY
CONNAL, EDSON NELSON, JR
DIERMAN, DIANE JEAN
EZZARD, HENRY SPEER, JR
FITZGERALD, CHERYL ANN
GIBSON, STEVEN BRADLEY
LANINI, ERNEST DALE
LAUDERDALE, WALTER RICHARD
LIVINGSTON, CRAIG BRUCE
LYNCH, ANNE
MARKS, KENNETH ALLEN
VANSICKLE, JOHN DAVIS

AVIATION DUTY OFFICERS

To be commander

HOWARD, WALTER GREGORY, JR
SCHWARZROCK, GARY LOGAN

SPECIAL DUTY OFFICERS (CRYPTOLOGY)

To be commander

BOYD, LLOYD RUSSELL, JR
FIEDTKOOLEONARD, ELLIS ARVIN
HUTCHINSON, RICHARD M., III
KETTERER, BARRY LINN
KURDYS, MARTIN PAUL
LINTHICOM, RICHARD C
MYERS, CHARLES NEWTON
KAY, PHILIP DANIEL

SPECIAL DUTY OFFICERS (INTELLIGENCE)

To be commander

ABBOTT, EDWIN DALE
ABBOTT, THOMAS RALPH
AMBLER, JAY C
ASKINS, LARRY EDWARD
BEAUVAIS, DOUGLAS JAMES
BLACK, MICHAEL THOMAS
BRANDON, HARRY MARCUS
BROWN, ELENA WEICKARDT
COX, JAMES CRAWFORD, JR
CRUMLEY, EDWARD CRAIG, JR
HOLMES, THOMAS BERNARD, JR
JAYCOCK, STEPHEN CHARLES
LAAKSO, WILLIAM LEONARD
LAWRENCE, MARK STEPHEN
LEVI, JOSEPH CANAN
MYERS, ERIC M.
OZOOP, WESLEY ALAN
RICHASON, STEVE KANE
ROCKER, FREDERICK
SMOUSE, WILLIAM MORTON
STROHMEYER, DONALD FRANCIS
TATE, JOHN CASWELL
VAUGHN, HOLLY ANNE
VINER, KIMBERLY DOUGLAS
WAHL, MICHAEL JAY
WEIDMAN, ROBERT PAUL

SPECIAL DUTY OFFICERS (PUBLIC AFFAIRS)

To be commander

FARRAR, GEORGE WILLIAM
QUIGLEY, CRAIG ROBERT

SPECIAL DUTY OFFICERS (OCEANOGRAPHY)

To be commander

CALLAND, WYNN EDWARD
CLARK, ROBERT LOUIS
DONALDSON, THOMAS QUINTON V
HALL, CHRISTOPHER JAMES
JARAMILLO, BERNARDINO JOSE
LARSEN, DENNIS GLENN
RANELLI, PETER HENRY
STRINGER, GARY LEE
SWAYKOS, JOSPEH WALTER
WARRENFELTZ, LARRY LEE

LIMITED DUTY OFFICER (LINE)

To be commander

ALBURY, MERRILL C
BISSONNETTE, JOHN R
CAMPBELL, DAVID B
CASTLE, WILLIAM R
DREWES, KENNETH N.
FARLEY, DAVID E
FREEMAN, JAMES B
GEITHMANN, GARY RICHARD
GUNTER, DANNY OLIN
HANSON, JAMES H
HURDLE, DANIEL C., JR
JAEH, ROLAND H
MAURER, PAUL M
MOON, EWARD MARION, JR
PROCTOR, DANNY LEE
ROHLF, DALE MERTON, JR
SMITH, GEORGE W
STODDARD, LEON BERT
THOMAS, RICHARD HUGH
TIDD, THOMAS JOSEPH
WILLITS, LARRY LESTER

EXTENSIONS OF REMARKS

MORE THAN 60,000 FREE PHONE CALLS MADE BY OREGON NEEDY ON COMMUNITY PHONE NETWORK

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. WYDEN. Mr. Speaker, a little more than a year ago, a unique project was launched in Oregon to provide free access to phone service for the low income. This project, known as the Oregon Community Phone Network, has produced outstanding results that I'd like to share with our colleagues. To date, more than 60,000 local phone calls have been made at 24 community phone centers throughout Oregon.

Through Oregon's Community Phone Network, low-income citizens can make free local phone calls at senior centers, community action centers, libraries, chambers of commerce, and other social service agencies.

These phones have helped Oregonians find jobs, obtain urgent medical care, locate shelter, and reunite their families. What's more, these outstanding results have been accomplished without any government mandate, and without the ratepayers and taxpayers of Oregon having to cough up a single nickel. The entire cost of the project has been borne by the shareholders of the phone companies, without any increase in telephone rates.

Currently, eight telephone companies in Oregon are involved in the community phone network: U.S. West Communications (formerly Pacific Northwest Bell), GTE Northwest, United Telephone Co. of the Northwest, Canby Telephone Association, Contel of the Northwest, Molalla Telephone Co., Scio Mutual Telephone Association, and Stayton Cooperative Telephone.

The project originated in 1987, when I asked U.S. West Communications to consider how much good a network of free local phones could do for those without jobs, homes, or simply the financial wherewithal to afford their own phone. U.S. West responded by setting up 13 community phone centers. That initial effort was so successful that U.S. West received a 1988 Presidential Citation for Private Sector Initiatives.

After approaching U.S. West, I asked other major phone companies in Oregon to establish similar services at a central location in their service areas. To their credit, they moved quickly and the network has expanded to include communities from one end of the State to the other. Several companies have announced plans to expand the service to additional communities.

The need for the community phone network is clear. About 65,000 Oregonians, and 7 million people nationwide, are without residential phone service. Some 650,000 of those homes are headed by senior citizens, who face special problems when emergency medical help is more than a bedside away.

As the following statistics from Oregon demonstrate, the community phone network helps to fill that vital need. The chart shows the number of calls made at each center, as well as totals for each company's community phone network. (Dates given are from the opening of each company's first community phone center through March. Some individual centers may have opened more recently).

US West Communications

Center:	Calls[1]
Bend	633
Corvallis	1,896
Eugene	12,369
Klamath Falls	2,929
Medford	1,057
Oregon City	148
Pendleton	17
Portland:	
Ecumenical Parish	2,654
Human Solutions	2,665
Northwest Pilot Project	10,766
Portland Impact	7,690
Urban League	11,756
Roseburg	1,820
Total	56,400

[1] December 1987 to March 1989.

GTE Northwest (GTE's call figures are estimates)

Center:	Calls[1]
Hillsboro	2,484
Gresham	2,340
McMinnville	2,340
North Bend	2,808
La Grande	1,638
Total	11,610

[1] June 1988 to March 1989.

United Telephone of the NW

Center:	Calls[1]
The Dalles	122

[1] December 1988 to March 1989.

Several of the phone companies have not kept complete monthly statistics on the number of calls made on their community phones. However, their contribution to the project's success is no less significant. Listed are the cities in which these community phone centers are located and the date phone service was started.

Canby Telephone Association, Canby, March 1989.

Contel of the Northwest, Silverton, December 1988.

Molalla Telephone Co., Molalla, March 1988.

Scio Mutual Telephone Association, Scio, December 1987.

Stayton Cooperative Telephone, Stayton, May 1988.

As demonstrated above, the volume of calls and number of centers clearly highlights the need for the community phone network. Many people are taking advantage of the opportunity provided by these communications companies to live more productive and comfortable lives.

In addition, several of the community phone centers report an unexpected but welcome result. Many of these locations—senior centers, community centers and the like—previously were deluged with requests from people to use the centers' regular phones. Phone lines became tied up, putting additional demands on the centers and their employees. But the installation of a phone specifically for community use has resolved that problem and allowed the centers to operate more efficiently.

Last year, to bring awareness of the community phone network to people outside of Oregon, I introduced House Resolution 351, which passed the House unanimously. The resolution urged the Nation's telephone companies to voluntarily establish free community phone service for people who can't afford residential telephones.

In conclusion, Mr. Speaker, a primary reason for the community phone project's success in Oregon has been the generosity and cooperation of the participating phone companies.

I applaud the efforts of these companies and their willingness to pitch in and serve the needy. And I hope Oregon's Community Phone Network will continue to grow and serve as a model for assisting the millions of citizens in our country who tragically still lack basic phone service.

VFW VOICE OF DEMOCRACY WINNER

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. SKELTON. Mr. Speaker, I rise today to read a script by a 16-year-old girl from my home district. Edna May Grover is a sophomore at Licking High School in Missouri. She wrote and presented this speech, which was the Missouri winner for the 1988–89 Veterans of Foreign Wars Voice of Democracy Scholarship Program.

PREPARING FOR AMERICA'S FUTURE

(By Edna May Grover)

I asked myself, "What is so great about America?" And the answer I received from myself was, "The firm foundation." You cannot get any firmer than solid rock. Add one hundred devoted Christian Pilgrams and one Plymouth Rock and you have the foundation for a super power.

And our forefathers didn't stop at the foundation. God has showered upon our country over two hundred years of blessings. We have enjoyed years of unprecedented wealth, freedom and influence. America has opened her arms to millions of immigrants and refugees, first from Europe, then, more recently, from the Far East: Lao-

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

tians, Boat people, Vietnamese. Add to these, new residents from Mexico and the Latin countries.

While other nations are building barbed-wire fences to keep people from getting out, America greets a long line of people waiting to get in. Our country is young, but its past is almost untarnished. And, that is why, I, as a youth of this great country, often worry about whether or not the future will be as great. And, I am afraid.

The transformation of a nation begins on a personal level. Let us pray, first, for ourselves, that we may not lose the word, concern, out of our lives. Let us hope for moral forces everywhere, that they will grow and overcome. Let us support out national leaders so they will intercede into the course of politics to push self-reliance back into the average American's life, and to bring back the priorities and resistance that thrived in the past. America is too young to die. Therefore the choice before us is plain—conviction not compromise, discipline instead of disintegration. I am rather tired of hearing about my rights and privileges as an American citizen. The time has come when I ought to be hearing about the duties and responsibilities of my citizenship.

America's future depends upon her children. They are the living message we will send ahead to the times we cannot see. Let us teach each individual child that they cannot do everything, but they can do something. Also, that what they can do, they should. Let us hope, for the future of America, that they will.

We must pass on to the children the visions of perfection. For the children of today will be the Congressmen and Senators of tomorrow. We need to produce a nation of people who love their country and are willing to serve it.

After the signing of the Declaration of Independence a lady sidled up to Benjamin Franklin.

She asked, "Well, Dr. Franklin, what have you given us?" He answered, "You have a republic, madame, if you can keep it."

There had been other governments before that, which had gone by that description—that word, "republic." But, those were different—different in origin, different in nature, different in structure. The best of that past was incorporated into this new and true republic. The rest, the excess, was rejected.

Now that the government has been refined we may begin to refine the people. Our main goal should be ourselves, our sons, and our daughters. We want a government for and by the people, not a people for and by the government.

As Ralph Waldo Emerson stated . . . "The true test of the civilization, is not the census, nor the size of the crops, but the kind of men that the country turns out."

America will be great only if her people are great. But, the time to begin these improvements is now, for if we wait for the future to begin preparing for the future . . . when will we start? If we can only assume the responsibility to incorporate the greatness of our countries past into the promise of its future, then we will have indeed earned the title, "The Super Power".

PO1C. MICHAEL HELTON

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. MAZZOLI. Mr. Speaker, we, as a nation, mourn the loss of the 47 sailors who perished in the explosion aboard the battleship U.S.S. *Iowa* during training exercises in the Atlantic north of Puerto Rico. We share the pain and anguish their families are experiencing today.

I was particularly saddened to learn of the death of PO1c. Michael Helton, who was from Louisville, KY, which I am privileged to represent in Congress. Petty Officer Helton, who served as a legalman aboard the U.S.S. *Iowa,* was a quiet dedicated man who showed a great love for his family and his country.

There are, and always have been, risks involved with defending and preserving our country. Those risks will remain a part of the everyday life of those who choose to protect our great Nation. Those, such as Petty Officer Helton, who accept these risks in the service of their Nation deserve our respect and everlasting gratitude.

PO Michael Helton, and his 46 fallen shipmates from the U.S.S. *Iowa,* will never be forgotten. I offer my condolences and prayers to his widow, Peri, and to his family and loved ones.

THE ANTI-DEFAMATION LEAGUE OF B'NAI B'RITH HONORS SEMPO SUGIHARA

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. ACKERMAN. Mr. Speaker, I rise today to call attention to a special event planned by the Anti-Defamation League of B'nai B'rith to honor one of the unsung heroes of the Nazi Holocaust. This year the ADL has chosen to honor a remarkable individual, Sempo Sugihara, as part of the annual observance of Yom HaShoah, the Day of Holocaust Remembrance.

As names come forward of the men and women who risked their lives to save Jews from the Nazi Holocaust, one of the most unbelievable stories is that of the late Sempo Sugihara. While Sugihara was Japanese consul in the city of Kovno in Lithuania, he defied his own government by issuing transit visas to Jews in order to aid their effort to escape Nazi persecution. Mr. Sugihara is credited with saving the lives of 6,000 Jews and attempting to help thousands of others. Accepting the award for the Sugihara family will be Mrs. Sugihara and their son Hiro who will be traveling to New York from Japan for the commemoration.

Although Sugihara has received recognition by Yad Vashem in Israel, this is the first time he will be honored in the United States. In light of his heroic efforts, the ADL will present him with its Courage to Care Award on May 2 at a ceremony taking place at their Holocaust Memorial Wall on Dag Hammarskjold Plaza.

Mr. Speaker, I am sure that all my colleagues in the U.S. House of Representatives congratulate the ADL on the fine selection of the 1989 recipient of the Courage to Care Award. It is very important to remind everyone of the many individuals who risked their lives to help others.

EULOGY TO JOHN W. PATTON

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. SMITH of Iowa. Mr. Speaker, John W. Patton, 83 years old, of Independence, IA, recently died at the East Towne Manor Nursing Home on March 8, 1989. Mr. Patton had a long and successful career of public service, having served in the Iowa State Senate from 1965 to 1969 and in the Iowa House from 1971 to 1973. He was a past member of the Iowa Commission on Aging, as well as being a member of the Agricultural Stabilization and Conservation Service. For over 20 years, he was a director of the Buchanan County Rural Electric Cooperative and also served as president of that organization. He also served as president of the Aurora Cooperative Creamery and as a Byron Township trustee. Mr. Patton was a life-long farmer in the Lamont and Aurora areas before retiring in Independence. Prior to his death, he was active in senior citizen and community affairs as well as assuming a vigorous role in the Democratic Party. Mr. Patton is survived by his wife, Alma Elizabeth; a daughter, Lois Brimmer, of Independence, and a son, Douglas, of Washington, DC. Descendants also include six grandchildren and six great grandchildren.

Mr. Patton, by his unselfish dedication to public service, contributed substantially to the community and state. He had many admirable personal qualities which are summarized by this eulogy.

The eulogy follows:

EULOGY TO JOHN W. PATTON, APRIL 27, 1905 TO MARCH 8, 1989

(Written and delivered by his son, Douglas J. Patton at the funeral service, March 11, 1989)

We are all here today to witness the journey of a beloved man and father to his new home. This man, John W. Patton, was a product of Irish parents, born on the American prairie. Not unlike many of you gathered here today, he struggled through the great American Depression to be successful and raise a family. These families due to ease of mobility and opportunity move elsewhere. But like ours today, they come home to witness the journey.

My Dad's characteristics are familiar to all of us here today—his love of the soil and farming; the dances he frequented and loved; the upraised fist signalling recognition to his many friends and acquaintances; the dedication to public service; an occasional drink of scotch; the great Irish wit and hearty laugh; the empathy to others in less favored situations; visits to the fish frys in Masonville, his childhood home; his playful wrestling bouts with his grandchildren and even great grandchildren; his ability to fix almost anything which had been a necessity

to be successful in farming in the '30s, '40s, and '50s; the dedication to the seniors of which he was one; his all encompassing thirst to read and learn from books and periodicals, and lastly his honesty and integrity. These characteristics we knew to be John and my Dad.

Today, Dad goes on the journey to a new home, a journey traveled by those close relatives, friends and neighbors before him—the relatives: his brother, Jim, his sisters, Alice, Ella and Anna; brothers-in-law close to him: Al, Dutch, and Earl; the neighbors with names like Wilson, Martin, Briggs, Yeoman, Luloff, Cocking, Fry, and Arnold; his many friends with names like Reckemmer, Keegan, Brickley, Peterson, Ryan, Decker, Gallery, Andrews, Gaffney, Reed, Collins, Brock, and McDevitt to name just a few.

In concluding, I wish to tell a little story about a proverb learned from my Dad. It was supper one evening when I was 13 or 14, and in one of the school classes I was experiencing some difficulty, of which I was putting blame on the teacher, as teenagers are wrought to do in not obtaining a better grade. He looked at me sternly and said a sentence I have not forgotten: "You better knuckle down and make something of yourself or you will be digging ditches the rest of your life." That look and sentence made the point of the proverb of Solomon, son of David, King of Israel, from the Bible: "He who spares the rod hates his son, but he who loves him is diligent to discipline him."

Dad, as we all love you, have a safe journey to your new home. As John Denver said in his song: "Country road, take me home."

THE LOCAL COMMUNITY EMERGENCY ASSISTANCE PROGRAM

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. FOGLIETTA. Mr. Speaker, today I am introducing the Local Community Emergency Assistance Program to provide localities with more Federal funds that can be used to enhance their own local budgets.

This is a time of crisis for American cities. And it is time for Congress to get back in the business of helping our cities survive; help bust drug dealers, help AIDS patients, house the homeless, but also pick up the trash, police our streets, and educate our children.

Now, I can just hear George Bush tell us to read his lips again and say, "No."

But I say to him, "George, it's not very kind or gentle on our city streets. Come to Philadelphia, George, instead of the Amish country, and I'll show you."

My bill would bring back a more modest—but stronger—revenue sharing program, and better target the money to communities that really need it. The 1980's have been cruel to our cities. Under the Reagan administration, the Federal Government dramatically pulled back from the its commitment to urban areas.

Urban Development Action Grants were dismantled.

Community Development Block Grants were cut by almost 50 percent.

Urban Mass Transit Grants were slashed by 27 percent, and now are a candidate for demise.

And the General Revenue Sharing Program was zeroed out at the end of 1986.

Overall, Philadelphia has experienced a 36 percent reduction in Federal aid since 1981. No doubt this drastic reduction in Federal aid is one of the most fundamental reasons for this city's current fiscal crisis.

Revenue sharing represented an average of only 3 percent of its operating budget from 1972 to 1986. But it had a genuine effect on the amount of money the city could spend on basic city services.

In 1986, the $45 million Philadelphia received from the program translated into approximately 1,864 jobs. And it is not a coincidence that this figure is so close to the number of workers the city has pared down to in the last year.

Philadelphia used its revenue sharing funds to pay for streets, fire, health, recreation, and libraries. When revenue sharing was cutoff, these were the programs that were hurt.

Philadelphia is not alone. Most urban areas face the same dilemma and need similar help.

The city of Los Angeles, for example, had to cut crucial programs by $74 million and layoff close to 2,400 workers. It had to shut down 14 fire stations and fire over 150 firefighters.

The city of New York, which used all of its revenue sharing dollars to employ more teachers in its public school system, had to layoff approximately 8,100 teachers when revenue sharing was abandoned in 1986.

This is why I am introducing Local Community Emergency Assistance Program. This bill would revive the old revenue sharing program, but with needed changes. Under the old law, large metropolitan areas, like Philadelphia, received a disproportionately lower share of the Federal moneys than did many smaller, less deserving communities. This was because the original revenue sharing formula set a ceiling on the amount of aid that a locality could receive. If a locality's projected share rose above the ceiling, then it was lowered to the ceiling level.

This formula was detrimental to large urban areas because the projected allocations for large cities often rose above the ceiling. Areas like Beverly Hills and Greenwich, CT, were on the same footing as Philadelphia. That just wasn't right.

My bill would alter this allocation formula by raising the ceiling so that metropolitan areas would receive a greater portion of the Federal funds. The bill would also require greater public debate about the way the funds are spent.

Now, I can hear George Bush say that this is not a proper role for the Federal Government.

But, I think he's wrong.

And I think our constituents will agree.

For the people of our Nation's cities, the time has come to build the foundation for a kinder, gentler nation.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Local Community Emergency Assistance Act of 1989".

SEC. 2. USE OF REVENUE SHARING FORMULA.

(a) REPEAL OF PROVISIONS THAT REPEALED REVENUE SHARING LAW.—Title XIV of the Consolidated Omnibus Budget Reconciliation Act of 1985 is repealed.

(b) RESTORATION OF EFFECTIVENESS OF REPEALED AND AMENDED PROVISIONS.—The provisions of chapter 67 of title 31, United States Code, and the other provisions amended by title XIV of the Consolidated Omnibus Budget Reconciliation Act of 1985, shall be effective as if such title had not been enacted.

(c) RETROACTIVE EFFECT.—The provisions of this section shall be effective as if enacted on April 7, 1986.

SEC. 3. REDESIGNATION OF PROGRAM.

(a) AMENDMENT.—The analysis for chapter 67 of title 31, United States Code, is amended by striking out the chapter heading and inserting the following:

"CHAPTER 67—LOCAL COMMUNITY EMERGENCY ASSISTANCE PROGRAM".

(b) CONFORMING AMENDMENT.—The chapter analysis for subtitle V of title 31 United States Code, is amended by striking out the item pertaining to chapter 67 and inserting the following:

"67. Local Community Emergency Assistance Program ..... 6701.".

SEC. 4. EXTENSION OF AUTHORIZATION OF APPROPRIATIONS.

(a) DURATION OF AUTHORIZATION.—Section 6701(a)(1) of title 31, United States Code, is amended to read as follows:

"(1) 'entitlement period' means each one year period beginning on October 1 of 1989, 1990, and 1991.'.

(b) AMOUNT OF FUNDS AUTHORIZED.—Section 6703(b)(2) of such title is amended by striking "$4,566,700,000" and inserting "$2,000,000,000".

SEC. 5. ALTERATION OF ALLOCATION FORMULA.

Section 6712(a)(1) of title 31, United States Code, is amended by striking "145 percent" and inserting "175 percent".

SEC. 6. ADDITIONAL PUBLIC REQUIREMENTS.

Section 6714(a)(1) of title 31 United States Code, is amended by adding at the end thereof the following new sentence: "In the case of a state or unit of general local government that receives more than $1,000,000 for such fiscal period, such government shall hold at least one additional hearing for such purpose for each additional $1,000,000 received. Such additional hearings shall be held at different sites and distributed, as nearly as may be practicable, throughout the jurisdiction of such government.".

A TRIBUTE TO SUPERSTAR HULK HOGAN

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. DYMALLY. Mr. Speaker, in a recent interview with Ebony magazine, I was asked about my favorite Broadway performance. Implicit in this request was a question about my hobby. "Wrestling is my Broadway entertainment, with Hulk Hogan at center stage." I replied enthusiastically.

To this day, many of my friends still chuckle as they remember when, as Lieutenant Governor of California, I would frequently attend

wrestling matches dressed in a suit and tie, in the midst of boisterous spectators surrounding me in blue jeans and T-shirts. Alas, those were the good ole' days!

Mr. Speaker, and distinguished colleagues, Superstar Hulk Hogan, the World Wrestling Federation [WWF] champion, has electrified the world by being the center of an international movement called Hulkamania.

As a devout fan of his, I join with millions of others who echo the sentiment that Hulkamania is running wild. Hulk is everywhere—on life size posters, T-shirts, action dolls, pot holders, baby bibs, VCR's, computer and board games, clothing, glassware and records.

With Hulk at the focal point of promotion, his success generates over $300 million annually in ticket sales advertising, sales, licensing, and merchandising. The Hulkster, of Venice Beach, CA, is the first and only professional wrestler to appear on the cover of Sports Illustrated.

He was the animated star of the CBS Saturday morning show "Hulk Hogan's Rock 'N' Wrestling"; and has been featured on the cover of two albums on the CBS/Epic label. Piledriver and the gold-selling Wrestling Album.

Hogan previously appeared in "Rocky III" and episodes of television's The "A Team", the "Dolly Parton Show" and "Saturday Night Live". Hogan has been the star of all five WrestleManias, WWF's Super Bowl. I dare say these events have revolutionized the pay-per-view cable television industry.

He also headlined NBC's two prime-time "Main Event" programs. The yearly special put the WWF back on prime-time network television and drew over 30 million viewers each time.

As a fan of his for many years, I cherish those moments spent watching Hulk in action as a fine wrestler and charismatic performer. For myself and millions of others, Hulk has offered the bright lights, excitement, and entertainment that no other Broadway performance could ever match.

FLIGHT ATTENDANT SAFETY PROFESSIONALS' DAY

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. FEIGHAN. Mr. Speaker, I would like to take this opportunity to recognize the contribution of our Nation's flight attendants, those safety professionals who stand between us and the disastrous effects of an in-air emergency. Flight attendants have the responsibility to protect us against in flight fires, decompressions, medical emergencies, bomb threats, hijacking attempts and other terrorist acts, during the hundreds of flights that depart from U.S. airports each day.

Flight attendants are far more than public relations officers of the airline they serve. They are essential safety professionals with over 56 hours of safety training before they begin professional flying, updated each year with 12 hours of training. Yet most people who interact with flight attendants neither witness nor consider this role. Most air travelers see flight attendants' warm smiles, assured manner, and efficient and hospitable service. But passengers should also realize that flight attendants can be their link to life. Mr. Speaker, my colleagues and I are some of the Nation's most frequent travelers and we should recognize the service that these dedicated professionals perform for us each time we return to our district.

In 1986 when a hijacked TWA flight was forced to criss-cross the Middle East in search of a place to land, it was a flight attendant, with a gun placed to her temple, who ultimately persuaded the terrorist to release many of the passengers.

In 1988 an Aloha aircraft's roof suddenly tore off and swept one flight attendant to a watery grave and severely injured another flight attendant. It was a surviving flight attendant who, knocked to the cabin floor, not only clung to nearby chair legs to avoid being swept out of the plane, but crawled up the aisle helping stunned passengers locate and attach their life vests. Despite gale force winds, she cleared debris from the aisle, helped injured passengers, and calmed the terrified passengers. When the plane landed, the flight crew led their passengers to safety. For her heroism, this flight attendant, Ms. Michelle Honda, received awards from The Association of Flight Attendants, the Federal Aviation Administration, and the Aero Club International.

Earlier this year in a hauntingly similar incident, nine passengers were swept from a hole ripped in the side of a United airlines flight from Honolulu to Auckland. Despite blackout conditions, no useable oxygen masks, and howling hurricane-like winds, the flight attendants on board, undaunted by injuries, helped passengers with life vests, assisted those injured, and shouted brace position instructions through megaphones. The plane landed without further injury and the flight attendants saw their passengers to safety.

The Federal Aviation Administration promulgated rules in 1952 requiring flight attendants on board domestic flights. This regulation recognizes what we so often overlook: That flight attendants perform services that go far beyond offering us a soft drink and some peanuts, they enhance passenger safety and can save lives.

Tomorrow the Association of Flight Attendants [AFA], the largest flight attendant union in the nation, will be honoring its 25,000 members and all 85,000 flight attendants in this country for their tireless and oft unsung efforts to keep airline passengers free from harm. Congressman OBERSTAR has joined in this endeavor by introducing a joint resolution declaring April 28, 1989 as Flight Attendant Safety Professionals' Day.

I am pleased to consponsor this resolution. I salute the flight attendants of America and trust that they will receive the recognition they deserve.

BOATSWAIN'S MATE SECOND CLASS MICHAEL WILLIAMS

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. MAZZOLI. Mr. Speaker, we, as a Nation, mourn the loss of the 47 sailors who perished in an explosion in gun turret two aboard the U.S.S. *Iowa* during training exercises in the Atlantic north of Puerto Rico. We share the pain and anguish their families are experiencing today.

I was saddened to learn of the death in that terrible accident of a fellow Kentuckian, Boatswain's Mate Second Class Michael Williams of South Shore. Michael was a very likable, helpful and friendly young man who graduated from Greenup County High School in 1985. He had been determined to join the Navy after high school and had plans for a 20-year career in the Navy.

There are, and always have been, risks involved with defending and preserving our country. Those risks will remain a part of the everyday life of those who choose to protect our great Nation. Those, such as Boatswain's Mate Michael Williams, who willingly accept these risks in the service of their Nation, deserve our respect and everlasting gratitude.

My condolences and prayers go out to his widow Chris, his father David, his grandmother Dorothy Williams and all of his loved ones.

THE 30TH ANNIVERSARY OF ARCHBISHOP IAKOVOS

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. ACKERMAN. Mr. Speaker, I rise today to honor His Eminence Archbishop Iakovos who has served over three decades as primate of the Greek Orthodox Church of North and South America.

As spiritual leader of over 2 million Greek Orthodox, and dean of all religious leaders in the United States, his Eminence has worked diligently to bring greater vitality and unity to the church, initiating reforms and advancing frontiers of Eastern Orthodoxy. He has initiated or established Orthodox dialogues with Roman Catholics, Anglicans, Lutherans, Southern Baptists, and Black church leaders. He was the first Greek Orthodox Archbishop in 350 years to visit a Pope when, in 1959, he was received by Pope John XXIII at the Vatican. He currently chairs or works within numerous human rights and religious organizations whose goals are to better the secular and religious lives of all of mankind. In this spirit he also marched beside Dr. Martin Luther King in Selma, AL, on that historic day in 1965, and in this spirit he also lobbied Congress in favor of the Civil Rights Act.

Mr. Speaker, Archbishop Iakovos recently celebrated his 30th anniversary as Archbishop of the Greek Orthodox Church of North and

South America. It is fitting that we honor him on this occasion.

THE WAYPORT CONCEPT

HON. MIKE ESPY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. ESPY. Mr. Speaker, today I would like to turn our attention to a new, innovative proposal from the Federal Aviation Administration—the wayport concept.

As a way to reduce airline traffic, some FAA officials have proposed building five or six airports in rural areas to serve as transfer points or hubs for passenger flights and air freight operation.

The wayport concept is definitely on the agenda for the future. In my State, government officials and community leaders have proposed that one of the rural airports be constructed on State-owned land at Mississippi State Penitentiary. They have identified Parchman as an ideal spot because of its central location between Dallas and Atlanta and between Jackson and Memphis.

Recently, the wayport concept obtained yet another endorsement from NBC commentator John Chancellor. I would like to enter into the RECORD his comments on the NBC Nightly News on April 11, 1989:

Reporter Mary Alice Williams commented, "You don't have to take a survey to know that airports are crowded and getting more so. In his commentary tonight, John Chancellor discusses a possible solution."

John Chancellor responded, "One million passengers a week pass through O'Hare Airport in Chicago. But you probably knew that, anyway, or sensed it, if you've been at O'Hare recently. There has been a 65 percent increase in air travel in the past 10 years and there'll be a 65 percent increase in the next 10 years. Welcome to a crowded future.

"But it won't have to be that way, if the proponents of the wayport concept are successful. Wayports would be large airports located far from big cities, used only for transferring from one plane to another. As things stand today, more than half the passengers at big city airports are on their way somewhere else. More than half the people at O'Hare aren't going to Chicago.

"So, why not build an airport somewhere in an uncrowded part of Illinois that would be used only for transferring. It could serve passengers bound for Minneapolis or Kansas City or Dallas. A chain of wayports across the country would make life easier for millions of passengers and ease congestion at the big city airports. A wayport would be simple and relatively cheap. Obsolete airport spaces would be even cheaper.

"The airlines might grumble about re-arranging their schedules. But they know the airports they use now won't be able to handle the load in a few years. The system is bursting at the seams right now. Wayports are the solution. It's one of those ideas that restores your faith in human ingenuity.

"Which is commentary for this evening, Mary Alice."

ICC SHOULD REVIEW CREATION OF SHORTLINE RAILROADS

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. DORGAN of North Dakota. Mr. Speaker, I am introducing a bill today that addresses an issue of great concern to farmers, managers of rural grain elevators, and railroad employees in my State of North Dakota. This legislation will provide for the review of sales of railroad lines to make sure the sales are in the public interest.

For the past several years, North Dakotans have been fighting attempts by major railroads to abandon service on branch lines which extend from the main line out into the country to collect grain grown by farmers. Public officials in North Dakota have opposed most of these abandonment requests because we feel the railroads have a commitment, stemming from land grants Congress gave them 100 years ago, to provide service throughout their rail system.

We now face a threat from a different quarter. The major railroads want to sell some of these branch lines because, they claim, they are unprofitable to operate as a class 1 carrier. So they now are proposing to sell the lines to independent companies that could operate the railroad without the current labor contracts to which the class 1 carrier is bound.

I do not want to suggest that all such sales would be contrary to the public interest. Clearly, if a sale to an independent operator is the only alternative to abandonment, we need to approve it. If a line is now only providing a return on operating costs and not enough to perform necessary repairs on the line, clearly everyone would be better off if a new operator could earn enough profit to do the repairs and continue providing service indefinitely.

On the other hand, those of us who are public officials have a responsibility to ensure that the new operators of the line will perform good service and continued service on that line. We also have to be sure that these sales aren't simply devices to get rid of unwanted labor contracts. We have a lot of skilled rail labor working these lines, people who have put in many years of service for the railroad and for local communities. I don't want to see these people displaced by a sale. If we determine that a sale is the only way to prevent eventual abandonment, then we must make sure the current employees have every opportunity to get employment with the new railroad company.

Our problem is that, right now, we have no way of knowing whether a proposed sale would be good or bad for the people affected. If the proposed new operator is not currently operating a railroad, the Interstate Commerce Commission will exempt the proposed sale from normal ICC review procedures. There is no requirement that States be given an opportunity to review or protest these sales before the ICC grants the exemption.

The bill I am introducing today would change this process in several ways. Most importantly, States would be given 60 days to review and consider a protest of any proposed sale involving more than 50 miles of track. If a State protests a sale, the ICC would be required to determine, in an expeditious manner, whether the proposed sale is in the public interest.

In addition, the proposed new operator would be required to provide substantially more information concerning the proposed acquisition of the railroad lines to facilitate review by the State and the ICC. The application would also include the names and job descriptions of any railroad employees whose terms of employment would be substantially affected by the transaction.

A third section of the bill requires that, in order to be approved, an application must provide for the carrier selling the railroad to resume service if, within 2 years, the new carrier ceases to provide service along any such line. This is necessary to protect against abandonments of these lines, because once a line is no longer operated by a class 1 carrier, there is no requirement that abandonments be reviewed. Current law and procedures allow these sales to be a form of back-door abandonment if a class 1 carrier decides to dump some branch lines. I would hope that wouldn't happen, but we need to protect against that possibility. This provision will also give the selling carrier that much more incentive to find a financially viable buyer to operate the lines.

Finally, the legislation, if enacted, would require the Federal Railroad Administration to inspect the trackage prior to allowing the new railroad to operate.

Mr. Speaker, I'd like to ask my colleagues to support the farmers, rural elevators, and railroad workers in North Dakota and other States affected by these sales of railroad branch lines by supporting this legislation.

IN HONOR OF COL. JAMES "NICK" ROWE

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. DICKINSON. Mr. Speaker, on April 21, Col. James "Nick" Rowe was shot and killed in an ambush in Quezon, which has been claimed by Communist rebels in the Philippines.

Colonal Rowe was serving as chief of the ground forces division of the joint U.S. military advisory group in Manila, where he was providing training and logistical support for the Philippine military.

The New Peoples Army, a Communist regime of rebels, claimed responsibility for this professional execution, in retaliation for the so-called imperialistic arrogance of the United States in their support of the Aquino administration.

Nick Rowe was a decorated Vietnam war hero who spent 5 years in a prisoner of war camp, before he successfully escaped from his captors moments before he was to be executed. Later, he authorized three books, one of which, "Five Years to Freedom" documents his trials and tribulations as a POW in Vietnam.

Nick was a graduate of the U.S. Military Academy at West Point, successfully completed the airborne and ranger schools at Fort Bragg, and then attended the defense language institute where he studied Chinese Mandarin.

After graduating from the U.S. Army Unconventional Warfare School, he trained as a free-fall parachutist; and in July 1963, he deployed to South Vietnam with the Special Forces A-detachment. He was captured by the Viet Cong in October 1963.

Some of Nick's many awards and decorations included: The Silver Star, the Legion of Merit, the Bronze Star with Oak Leaf Cluster, the Purple Heart with Oak Leaf Cluster, the Meritorious Service Medal, the Vietnam Service Medal with eight campaign stars, and the Combat Infrantryman's Badge.

As a civilian, Nick's achievements included the American Patriot Award, and was twice named by the Jaycees as one of the outstanding young men of America.

After trying his hand at local politics in Texas, Nick was recalled to active duty in 1981 where he created the survival, evasion, resistance, and escape course for personnel serving in duty positions with a high risk of capture.

Fort Bragg's John F. Kennedy Special Warfare Center's school on survival, evasion, resistance, and escape continues today as Nick envisioned, due to his hard work and persistence that made it a reality.

The cowardly slaying of Colonel Rowe is a direct response to the support the United States is providing President Aquino in her fight to combat the Communist insurgency in the Philippines to ensure freedom and democracy.

The United States must do everything it can to bring these terrorists to justice, and to continue to promote freedom and democracy in the Philippines and in the world.

Today, we will honor and pay tribute to Colonel Rowe at his funeral. My prayers and sympathies go out to Nick's family. He was a good man, a hero and a patriot whose life was taken in his tireless pursuit of freedom.

SEAMAN RECRUIT RODNEY WHITE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. MAZZOLI. Mr. Speaker, as a native of Louisville and Jefferson County, KY, who has the honor of representing my hometown in Congress, I was especially saddened to learn of the death aboard the U.S.S. *Iowa* of Seaman Recruit Rodney White, of Louisville, KY.

Seaman White, the son of Mrs. Carnell White, was 1 of 47 sailors to perish in an explosion in the *Iowa*'s gun turret two during training exercises in the Atlantic north off Puerto Rico. Seaman Recruit White had been aboard the *Iowa* for only 2 weeks at the time of his death.

Rodney White, according to family and friends, was a quiet young man who could often be found helping others or playing with neighborhood youngsters. He was a loving son to his mother and a reliable shipmate to his fellow sailors aboard the *Iowa*.

It is a great tragedy when a young man, such as Rodney White dies. But Seaman White and his fallen shipmates died in the defense of their country and to secure democracy and peace throughout the world.

It is our duty to carry on their noble efforts. Let us do so in the name of Rodney White and all those who gave their lives for their Nation aboard the U.S.S. *Iowa*.

My condolences and prayers go out to Mrs. White and to Seaman White's family and loved ones.

JORNAL PORTUGUES CENTENNIAL

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. COELHO. Mr. Speaker, on conclusion of the festivities commemorating its centennial, I would like to draw attention to the outstanding work performed by Jornal Portugues in serving the Portuguese community in California.

Jornal Portugues is the second oldest newspaper in a foreign language circulated in the United States of America. The newspaper links many Portuguese individuals to their English-speaking community by providing news at the international, national and local level, including current events. The value of this service cannot be underestimated and merits our recognition as Members of Congress.

As a Luso-American from California's Central Valley, I am proud of efforts made to preserve the Portuguese culture and its traditions. Jornal Portugues deserves our thanks for nurturing this type of learning and appreciation. I hope that you will all join me in congratulating Jornal Portugues in honor of its centennial, and in wishing the newspaper many years of continued success.

DVA SCIENTIST HONORED WITH ANNUAL MIDDLETON AWARD

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. MONTGOMERY. Mr. Speaker, the Department of Veterans' Affairs [DVA] has awarded its highest scientific honor—the William S. Middleton Award—to Lawrence F. Eng, Ph.D., chief of the chemistry section at the DVA Medical Center in Palo Alto, CA.

The Middleton award is the highest honor given by DVA in recognition of outstanding achievement in biomedical research and is named for William S. Middleton, M.D., who served as DVA's Chief Medical Director from 1955 to 1963.

The award will be presented today in Washington at the annual meeting of the American Federation for Clinical Research.

A neurochemist studying Alzheimer's disease, multiple sclerosis, and spinal cord regeneration, Dr. Eng is best known for his discovery early in his career of a substance called glial fibrillary acidic protein. The application of this protein is now a standard technique used worldwide in the diagnosis of neural tumors.

His study of this protein, its structure, location, and its association with different types of neural tumors, has provided new insights into the biochemistry of nerve regeneration, which is important to those suffering from spinal cord or other nerve trauma caused by aging, injury, or disease.

Dr. Eng began his DVA career in 1961 at the Palo Alto DVA hospital. His early research focused on myelin lipids, and he was the first to isolate the three protein components of myelin.

Dr. Eng also is a professor of pathology at the Stanford University School of Medicine, where he earned his Ph.D. in chemistry. A member of numerous medical societies, he currently is secretary of the American Society for Neurochemistry.

Recently, Dr. Eng was honored with the Javits Neuroscience Investigator Award for his distinguished record of accomplishment in neurological sciences.

Mr. Speaker, I know my colleagues will want to join with me in congratulating Dr. Eng as he receives the prestigious Middleton award for his research achievements.

METROPOLITAN BAPTIST CHURCH: 125 YEARS OF GIVING TO THE COMMUNITY

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. GRAY. Mr. Speaker, I rise today to commemorate a very special and joyful occasion. This year marks the 125th anniversary of the founding of the Metropolitan Baptist Church here in Washington, DC. I am very pleased to recognize their jubilee celebration, "Claiming the Promise, Proclaiming the Power."

Before the American Civil War had drawn to a close, Metropolitan Baptist Church had begun to pave the long road of social contribution that stands as a hallmark of the congregation. In a Civil War barracks in a section of Washington known as Hell's Bottom, seven people joined together in 1964 to create what then became the Fourth Baptist Church of Washington. Metropolitan Baptist, the name the church adopted after 1888, has grown many times over and can now boast of more than 4,000 parishioners.

In the century and a quarter that Metropolitan has existed, there have been only five head ministers. Under their respective ministries, both the religious and community activities of the church have expanded to include a diverse range of services. In particular, Metropolitian Baptist Church should be commended for the extensive work they do with the young people of the community. Not only do they provide Bible study and tutoring assistance for those who need help in school, but Metropoli-

tan also has a youth center which gives our children a healthy, safe place to call their own after school. In addition, the church has entered into a partnership with a local elementary school to help improve the grounds, furnish vehicles for outings, as well as continue tutoring.

Of course, like adults, young people are touched by all the social conditions around them. That is why some of Metropolitan's other efforts are important for young and old alike. Ever since the hard times of the Depression, Metropolitan Baptist Church has had a special social department. They have traditionally come to the aid of the hungry and unemployed. Today, their achievements in distributing groceries to needy families and community outreach work help to ease the burden of the less fortunate. Their drug rehabilitation facilities are another positive force in Metropolitan's impact on our Nation's Capital. At the same time, the church has developed a leadership training program to help build a strong, productive community.

Mr. Speaker, I believe the future looks bright for Metropolitan Baptist Church. The low income housing corporation they have organized should soon have units available, including housing for senior citizens. Metropolitan remains ambitious, planning programs for gifted students, drug prevention education, and addressing the devastating problem of the homeless. I am sure that you will join me, Mr. Speaker, in lauding the 125 years of spiritual, social, and community support that Metropolitan Baptist Church has given to the District of Columbia. I hope it is only the beginning.

CATALYST HONORS CORPORATE INITIATIVES TO DEVELOP WOMEN LEADERS

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Ms. KAPTUR. Mr. Speaker, in New York City recently, three corporations—IBM, US West Inc., and Fannie Mae—were awarded the 1988 Catalyst Award for their corporate initiatives to promote women's leadership.

Founded 27 years ago as women were beginning to enter the ranks of corporate management, Catalyst is the national research and advisory organization that works with corporations to foster the career and leadership development of women. With the support of 300 corporate contributors, Catalyst works with CEO's to maximize women's contribution as a critical business resource through research and one-on-one advisory services for the business community. The annual awards dinner is an opportunity to honor creative initiatives taken by leading companies to recruit, retain or develop women.

I am particularly proud of the recognition of Fannie Mae's efforts. Originally chartered by the U.S. Government to provide liquidity to the Nation's residential mortgage markets, Fannie Mae was transformed in 1969 into a publicly-traded, shareholder-owned corporation. Today, as the largest investor in American home mortgages, Fannie Mae is truly the Nation's housing partner. It is also America's third largest corporation in terms of assets.

The secret of Fannie Mae's success lies in the conviction that competency is not gender based. In the early 1980's newly appointed chairman of the board and chief executive officer David O. Maxwell bucked the financial industry's traditional hiring practices by recruiting a management team comprised of both women and men. Fannie Mae's work force today reflects the success of the company's determination to bolster the number of women at the highest levels: in 1981, 4 percent of senior managers were women; in 1988, 26 percent of senior managers were women.

Over the last 2 years, Fannie Mae has supplemented recruitment of high-potential women with human resources strategies to cultivate and retain its own in-house talent. To continue to increase the number of women in mid- and senior-level positions, CEO Maxwell has worked aggressively with top management to identify and promote the company's most promising women. Mr. Maxwell has said that "the day we're working toward is the day management is blindfolded, like Justice, to all forms of discrimination, to the day when women are recognized as leaders without regard to their gender."

I would like to include in the RECORD at this time the Catalyst press release announcing the awards:

CATALYST HONORS CORPORATE INITIATIVES TO DEVELOP WOMEN LEADERS

Three companies that have taken the lead in developing innovative and cost-effective corporate programs to recruit, develop and retain management women were honored tonight at the Waldorf-Astoria in New York City.

Catalyst's Fourteenth Annual Corporate Leadership Awards showcased the following pioneering efforts:

Fannie Mae's Business Strategy for Women's Upward Mobility. In the early 1980's, by recruiting a management team of both women and men, Fannie Mae departed from the traditional hiring patterns of the financial industry. Fannie Mae's work force today reflects their efforts to design management career paths for women. In 1981, 4 percent of senior managers were women; in 1988, 26 percent of senior managers were women. David O. Maxwell, Chairman of CEO, accepted the award.

IBM's Elder Care Referral Service. The program, available to IBM's U.S. employees, retirees and their spouses, is the first corporate nationwide resource and referral service. IBM was influenced by data suggesting that women, traditionally known as the family's primary caregivers, would constitute the group of employees most affected by elder care responsibilities. Frank Cary, former Chairman, President and CEO, accepted the award.

US WEST, Inc.'s Women of Color Project. This effort by US WEST seeks to identify high-potential women of color and prepare them for leadership positions. The program is designed to cultivate a pluralistic work force. The nearly 6,000 women of color throughout US WEST are eligible for the program. Jack A. MacAllister, Chairman and CEO, accepted the award.

Catalyst selected the winning initiatives from a pool of nominations submitted by the Fortune 500. Among other criteria, each initiative was evaluated on the basis of its measurable outcomes, its replicability in other corporate settings, and the degree to which senior management demonstrates its commitment to the program.

With the increase of women at all levels of management, Catalyst's Corporate Leadership Awards address an increasingly critical business issue. Changing demographics indicate that by the year 2000 women will comprise 60% of the work force. This shift in numbers indicates employers can no longer recruit from a talent pool comprised exclusively of men. Companies that want to remain competitive recognize that their investment in the training and development of women will be increasingly profitable.

According to Dinner Chairman John H. Bryan, Jr., Chairman and CEO of Sara Lee Corporation, "The practical example of the Corporate Leadership Award recipients demonstrates how corporations can capitalize on the investment they make in women of high potential."

Noting the challenge of today's competitive business climate, Felice N. Schwartz, President and Founder of Catalyst, said, "When initiatives such as these are replicated by companies across the country, women will be free to achieve at levels commensurate with their abilities. The commitment to pursue these initiatives will stem from a business motivation, and the benefits for companies that do so will be tangible: access to the best talent available, regardless of gender."

When Catalyst was founded 27 years ago, women were just beginning to enter the ranks of management. Today, Catalyst works with CEOs to maximize women's contribution as a critical business resource. With the support of 300 corporate contributors, Catalyst conducts groundbreaking research and provides one-on-one advisory services for the business community.

FANNIE MAE—BUSINESS STRATEGY FOR WOMEN'S UPWARD MOBILITY

The secret of Fannie Mae's success lies in the conviction that competency is not gender based. In the early 1980s, newly appointed Chairman of the Board and Chief Executive Officer David O. Maxwell bucked the financial industry's traditional hiring practices by recruiting a management team comprised of both women and men. Fannie Mae's work force today reflects the success of the company's determination to bolster the number of women at the highest levels: in 1981, 1.2 percent of senior managers were women; in 1988, 25 percent of senior managers were women.

Over the last two years, Fannie Mae has supplemented recruitment of high-potential women with human resources strategies to cultivate and retain its own in-house talent. To continue to increase the number of women in mid- and senior-level positions, CEO Maxwell works aggressively with top management to identify and promote the company's most promising women. Together, they have designed career paths and succession planning schemes for individuals and sponsored their participation in business programs at Harvard, MIT and Simmons College. Future programs will focus on professional development.

Senior managers demonstrate their commitment to the CEO's objectives by supporting Fannie Mae's Equal Employment Opportunity efforts, under which they are held accountable for promoting women into management positions. Their progress is monitored throughout the year by Human

Resources representatives and reported to the President, CEO and senior executives.

TRIBUTE TO GALEN MARTIN

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. MAZZOLI. Mr. Speaker, I rise today to pay tribute to Galen Martin, who is retiring after more than 30 years of leadership in the fight for human and civil rights for Kentuckians.

Galen Martin became executive director of the Kentucky Council on Human Relations in 1956. And, he assumed a similar position when the Kentucky Commission on Human Rights was established in 1961. Galen's entire professional life has been devoted to the cause of civil rights.

One need only reflect on the events of those years since the time Galen Martin began his career for civil rights. They have been turbulent years, marked by some of the most violent civil unrest in our cities' histories. And, yet over that period because of people like Galen Martin, the United States has experienced solid advances in civil and human rights.

Galen Martin's contributions to the Commonwealth are many these past three decades and they and he will be missed. I salute him and wish him and his family the very best in the years head.

A MILESTONE FOR MILESTONES

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. BORSKI. Mr. Speaker, I rise to honor and commemorate the first anniversary of Philadelphia's senior citizen monthly newspaper, Milestones. Milestones is the first monthly newspaper in this area to specifically report local and national news pertaining to senior citizens, and it fills an important gap in that community.

As you are no doubt aware, Mr. Speaker, in a city the size of Philadelphia, there are many events of interest to seniors. Milestones is not only a source of news, it also acts as a community calendar for Philadelphia's elderly, alerting them to events which might interest or aid them.

Milestones also monitors the activities of city, State, and Federal Governments regarding the elderly, and features frequent stories, news, and commentary about new bills and proposals at all levels of government.

A number of talented individuals are involved in producing Milestones, Mr. Speaker, but the three men at the heart of this publication especially deserve our mention, praise, and commendation. Bob Epp, Arthur Ocinski, and Bill Miller are all veterans of the Philadelphia newspaper scene, and have put their expertise into use in producing a newspaper for their fellow senior citizens.

Mr. Speaker, it is my privilege to represent in Congress a large number of men and women who are growing older and Milestones contributes to the senior community in Philadelphia with the kind of coverage of elderly issues that makes them wiser as well. That is why they deserve our commendation. I ask that you and every member join me in wishing happy first birthday to Milestones, along with our best wishes for many milestones to come.

THE 50TH ANNIVERSARY OF THE VETERANS OF FOREIGN WARS POST 3538

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. TRAFICANT. Mr. Speaker, on May 6, 1989, the Veterans of Foreign Wars Col. Louis J. Campbell Post 3538, in my 17th district of Ohio, will be celebrating their 50th anniversary. I stand today to ask my colleagues to join me in saluting these patriotic veterans who have so valiantly defended our country and have struggled so tirelessly to keep the democratic foundations of this great Nation intact.

In 1938, a small group of World War I veterans who had served overseas during the war, began meeting in their homes around Struthers. On April 18, 1939, 10 of these veterans were instituted into the Veterans of Foreign Wars and the Col. Louis J. Campbell Post 3538 was formed.

From its very inception, the post has emphasized service to the veterans and to the community. Boy Scout Troop 16 started holding meetings at the post in 1940. In 1941, the post authorized a group of women to form the ladies auxiliary. During World War II, the post participated in bond drives, scrap drives, and blood donor activities.

In 1945, the post reached a membership of 100 and bought the property where the post now stands. Also, the post selected as commander, James Pryor, who was the first World War II veteran to be elected post commander in the department of Ohio.

Today, the post continues to be greatly involved in the community. They are active in the Struthers Clubs Association, the United Veterans Council, and all Veterans of Foreign Wars activities. For the past 7 years, they have sponsored a girls baseball team in Struthers. The post has also sponsored a young boy or girl in the Sea Cadet Program. In addition, monthly trips are made to Butler VA Hospital, and some of the post members are involved in entertaining the patients with stage shows.

Mr. Speaker, what started out as a few veterans meetings in each other, homes has expanded into a great organization. At the close of the 1989 membership program, Post 3538 had 81 life members, and a grand total of 630 members. This organization has given so much to our community, State, and our Nation. And, I stand today to thank the Veterans of Foreign Wars Col. Louis J. Campbell Post 3538, as well as to congratulate them on their upcoming 50th anniversary.

THE BIPARTISAN NICARAGUA POLICY

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. SYNAR. Mr. Speaker, on April 13, I voted for H.R. 1750, the Bipartisan Accord on Central America, which provides $67 million in nonlethal aid to the Nicaraguan Contras. I supported the bill because I feel that it is important to send a unified message to Nicaragua and the other Central American nations that the United States supports democracy and peace in the region and will no longer send military aid to prolong the Contra war. However, I had reservations about voting for the bill which I believe needed to be explained.

I was, and still am, uncomfortable with the price tag of sending this bipartisan message to Central America. I believe that there are a number of domestic needs including education, housing, and the homeless, fighting the war on drugs, and health care on which the money could be better spent. It's clear to me that the Reagan policy toward Nicaragua has failed. The aid package we passed 2 weeks ago is a very expensive burial, indeed.

I am also concerned about the precedent-setting nature of this legislation. In the future, we Democrats need to be careful that we do not sacrifice our values for the sake of coming to an agreement heralded as bipartisan. Both liberal Democrats and conservative Republicans opposed H.R. 1750 for completely different reasons. The confusing interpretations of the bill make me wonder whether our bipartisanship is focused more on peace between the White House and Congress than on a policy toward Nicaragua. I hope that we in Congress will continue to work with the administration in the future, but feel strongly that we Democrats must also continue to assert a leadership role if we are to maintain our identity.

THE 30TH ANNIVERSARY OF THE GODDARD SPACE FLIGHT CENTER—NASA

HON. C. THOMAS McMILLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, May 1, 1989

Mr. McMILLEN of Maryland. Mr. Speaker, I rise to commemorate the myriad of contributions of the Goddard Space Flight Center on the occasion of their 30th anniversary. Located in Greenbelt, MD, in lovely Prince Georges County, MD, this expansive research complex has been the primary force behind many of the National Aeronautics and Space Administration's [NASA] space science advances. Goddard professionals and technicians have perfected a number of spacecraft communications systems since the Center's inception in 1959—these have proven to be instrumental to the success of our manned space flight program. The same dedication has gone into

refining advanced onboard spacecraft instruments for NASA missions. Today, Goddard is moving ahead briskly on a fascinating array of new space science initiatives, including the Hubble space telescope, the cosmic background explorer, the gamma ray observatory, and the upper atmospheric research satellite.

We in the Maryland congressional delegation join the civil servants and professionals at the Goddard Space Flight Center in celebrating 30 years of service and dedication to our Nation's space program. We look forward to many years of further contributions from Goddard to the ever-expanding body of knowledge concerning space science and applications.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 2, 1989, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 3

9:00 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

Armed Services
To hold hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the Department of Defense.
SH-216

9:30 a.m.
Rules and Administration
To hold hearings on proposed legislation relating to voter registration procedures for Federal elections, S. 136, to establish a single poll closing time in the continental United States for Presidential general elections, and S. 377, to establish a series of five Presidential primaries.
SR-301

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the National Aeronautics and Space Administration.
SD-138

Environment and Public Works
Superfund, Ocean and Water Protection Subcommittee
To hold hearings on S. 657, to establish a national program to reduce the health threat of exposure to contaminants in the air indoors.
SD-406

Finance
To resume oversight hearings on the implementation of the Omnibus Trade and Competitiveness Act of 1988.
SD-215

Foreign Relations
To resume hearings on the future of U.S.-Soviet relations.
SD-419

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Army Corps of Engineers.
SD-192

Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings on risk retention.
SR-253

2:30 p.m.
Foreign Relations
To hold hearings on the nomination of Herman Jay Cohen, of New York, to be an Assistant Secretary of State for African Affairs.
SD-419

Labor and Human Resources
To hold hearings to examine American competitiveness in the science and technology fields.
SD-430

3:00 p.m.
Armed Services
To hold hearings on the nomination of H. Lawrence Garrett III, of Virginia, to be Secretary of the Navy.
SR-232A

MAY 4

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

Armed Services
To hold hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to review a 5-year defense plan.
SR-253

Energy and Natural Resources
To hold hearings on S. 694, to extend the authority for the Strategic Petroleum Reserve.
SD-366

Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on the Rancho Seco Nuclear Generating Station and secret monetary payments to nuclear workers to restrict testimony to the Nuclear Regulatory Commission regarding the Comanche Peak nuclear power plant.
SD-406

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings to examine the issue of how to combat illiteracy in America.
SD-430

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for defense programs.
SD-192

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Federal Aviation Administration.
SD-138

Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Office of Management and Budget.
SD-124

Finance
To hold hearings to examine the financial condition of rural hospitals and their ability to deliver health care to Medicare recipients.
SD-215

Foreign Relations
To hold hearings on S. 809, authorizing funds for fiscal years 1990 and 1991 for the United States Information Agency.
SD-419

Governmental Affairs
General Services, Federalism, and the District of Columbia Subcommittee
To hold oversight hearings to review infrastructure problems.
SD-342

11:00 a.m.
Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on international organizations.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Bureau of Reclamation, Department of the Interior.
SD-192

Armed Services
Conventional Forces and Alliance Defense Subcommittee
To hold hearings to review implementation of the Army's armor and antiarmor programs.
SR-222

Finance
To hear and consider the nominations of Eric I. Garfinkel, of Maryland, to be an Assistant Secretary of Commerce, Rufus H. Yerxa, of the District of Columbia, to be a Deputy U.S. Trade Representative, with the rank of Ambassador, Robert R. Glauber, of Massachussetts, to be an Under Secretary of the Treasury, David C. Mulford, of Illinois, to be an Under Secretary of the Treasury, and John E. Robson, of Georgia, to be Deputy Secretary of the Treasury; and to consider the nominations of Constance Horner, of the District of Columbia, to be Under Secretary of Health and Human Services, and Mary Shila Gall, of Virginia, to be Assistant Secretary of Health and Human Services for Human Development Services.
SD-215

9:00 a.m.
Finance
International Trade Subcommittee
To hold hearings to explore the problem of industrialized countries manipulating the value of their currencies to maintain a trade surplus, and to discuss the U.S. response to this practice.
SD-215

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

Foreign Relations
To hold hearings on the nominations of Ronald Frank Lehman II, of Virginia, to be Director of the U.S. Arms Control and Disarmament Agency and Richard Reeves Burt, of Arizona, for the rank of Ambassador during his tenure of service as Head of Delegation on Nuclear and Space Talks and Chief Negotiator on Strategic Nuclear Arms.
SD-419

Select on Indian Affairs
To hold hearings on S. 611, to establish administrative procedures to determine the status of certain Indian groups.
SD-485

Joint Economic
To hold hearings on the employment-unemployment situation for April.
2359 Rayburn Building

10:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Library of Congress, Government Printing Office, and the Copyright Royalty Tribunal.
SD-116

Governmental Affairs
Government Information and Regulation Subcommittee
To hold oversight hearings on issues relevant to the 1990 Census.
SD-342

Judiciary
Constitution Subcommittee
To hold hearings on S. 386, to control the sale and importation of assault weapons, and S. 747, to protect the rights of legal owners while attacking the problems associated with the illegal use of assault weapons.
SD-226

MAY 8

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on possible climate surprises—predicting greenhouse warming.
SD-253

10:00 a.m.
Energy and Natural Resources
To hold hearings on S. 783, S. 625 and H.R. 1722, bills to eliminate wellhead price and nonprice controls on the first sale of natural gas and make certain technical and conforming amendments to the Natural Gas Policy Act of 1978.
SD-366

Governmental Affairs
To hold hearings on the nomination of William M. Diefenderfer III, of Virginia, to be Deputy Director, Office of Management and Budget.
SD-342

2:00 p.m.
Armed Services
Readiness, Sustainability and Support Subcommittee
To hold open and closed hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on the readiness and sustainability posture of selected unified combatant commands.
SR-222

MAY 9

9:00 a.m.
Governmental Affairs
General Services, Federalism, and the District of Columbia Subcommittee
To hold hearings on Federal and State solutions to crime and drug abuse.
SD-342

9:30 a.m.
Agriculture, Nutrition, and Forestry
Agriculture Credit Subcommittee
To resume oversight hearings on the Farmers Home Administration implementation of the Agriculture Credit Act of 1987 (P.L. 100-233), as it relates to borrowers.
SR-332

Commerce, Science, and Transportation
To hold hearings on industry and Government cooperation to promote the commercialization of new technologies.
SR-253

10:00 a.m.
Appropriations
Defense Subcommittee
To resume closed hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense.
S-407, Capitol

Finance
To hold hearings on the impact of section 89, of the Tax Reform Act of 1986, nondiscrimination rules applicable to employer-provided fringe benefits.
SD-215

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on international narcotics control.
SD-192

Finance
Business meeting, to hear and consider the nominations of Charles H. Dallara, of South Carolina, to be Deputy Under Secretary for International Affairs; Hollis S. McLoughlin, of New Jersey, to be Assistant Secretary for Policy Development; Roger Bolton, of Virginia, to be Assistant Secretary for Public Affairs and Public Liaison; and Kay C. James, of Virginia, to be Assistant Secretary for Public Affairs of the Department of Health and Human Services.
SD-215

MAY 10

10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold joint hearings with the Committee on Appropriations' Subcommittee on Foreign Operations on global environment issues.
SD-192

Appropriations
Foreign Operations Subcommittee
To hold joint hearings with the Committee on Agriculture, Nutrition, and Forestry on global environment issues.
SD-192

Armed Services
Strategic Forces and Nuclear Deterrence Subcommittee
To hold closed hearings on operational requirements of the Strategic Air Command, and proposed budget request for fiscal years 1990 and 1991 for strategic forces.
SR-222

Finance
To hold hearings on the European Community's (EC) program to complete its internal market by 1992.
SD-215

2:00 p.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on the foreign policy context of defense.
SD-138

Armed Services
To resume hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to review a 5-year defense plan.
SR-222

MAY 11

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development and Rural Electrification Subcommittee
To hold hearings on rural development.
SR-332

Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on space transportation.
SR-253

Governmental Affairs
To resume hearings on export controls over chemical biological materials.
SD-342

10:00 a.m.
Appropriations
Defense Subcommittee
To continue open and closed hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on the Strategic Defense Initiative (SDI).
SD-192

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for transportation trust funds.
SD-138

1:30 p.m.
Armed Services
Defense Industry and Technology Subcommittee
To hold hearings on recommendations for an acquisition policy agenda.
SR-222

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

2:30 p.m.
Select on Indian Affairs
To hold hearings on S. 321, to revise provisions of law that provide a preference to Indians.
SR-485

MAY 12

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

Foreign Relations
To hold hearings on the nominations of Donald Phinney Gregg, of Maryland, to be Ambassador to the Republic of Korea and John Cameron Monjo, of Maryland, to be Ambassador to the Republic of Indonesia.
SD-419

Rules and Administration
To hold joint hearings with the Select Committee on Indian Affairs on legislation to establish a National Museum of the American Indian within the Smithsonian Institution.
SR-301

Select on Indian Affairs
To hold joint hearings with the Committee on Rules and Administration on legislation to establish a National Museum of the American Indian within the Smithsonian Institution.
SR-301

MAY 15

9:30 a.m.
Environment and Public Works
Toxic Substances, Environmental Oversight, Research and Development Subcommittee
To hold hearings to review procedures relating to the use of chemicals in food crops.
SD-406

Governmental Affairs
Government Information and Regulation Subcommittee
To hold oversight hearings on federal information policy.
SD-342

10:00 a.m.
Finance
Social Security and Family Policy Subcommittee
To hold hearings to review proposed regulations to implement the Family Support Act of 1988.
SD-215

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

2:00 p.m.
Armed Services
Projection Forces and Regional Defense Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on aircraft carrier force structure management.
SR-232A

MAY 16

8:30 a.m.
Office of Technology Assessment
The Board, to meet to consider pending business.
EF-100, Capitol

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development and Rural Electrification Subcommittee
To resume hearings on rural development.
SR-332

Select on Indian Affairs
Business meeting, to mark up S. 321, to revise provisions of law that provide a preference to Indians, S. 402, to provide for the settlement of land claims of Puyallup Tribe of Indians in the State of Washington, S. 611, to establish administrative procedures to determine the status of certain Indian groups, and proposed legislation to establish an Indian museum in the District of Columbia.
SR-485

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on land warfare.
SD-192

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Office of the Inspector General, Office of Disaster Assistance, and American Schools and Hospitals Abroad.
SD-138

MAY 17

9:30 a.m.
Commerce, Science, and Transportation
To hold oversight hearings in conjunction with the National Ocean Policy Study on marine fisheries management.
SR-253

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on space commercialization.
SH-216

Governmental Affairs
To hold hearings on biological weapons proliferation.
SD-342

10:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on trading practices in the commodity futures markets.
SR-332

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on proposed legislation authorizing funds for the Federal Communications Commission.
SR-232A

1:00 p.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on Army posture.
SD-192

2:00 p.m.
Armed Services
To hold hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for defense programs of the Department of Energy.
SR-222

MAY 18

8:00 a.m.
Veterans' Affairs
To hold hearings on certain provisions of S. 13, S. 165, S. 573, S. 574, S. 748, bills to strengthen and improve Veterans' health care programs.
SR-418

9:00 a.m.
Commerce, Science, and Transportation
To continue oversight hearings in conjunction with the National Ocean Policy Study on marine fisheries management.
SR-253

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on airline concentration.
SR-301

10:00 a.m.
Appropriations
Defense Subcommittee
To continue open and closed hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on space programs.
SD-192

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

Governmental Affairs
To hold hearings on nuclear and missile proliferation.
SD-342

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Peace Corps, African Development Foundation, Inter-American Foundation, Overseas Private Investment Corporation, and Export-Import Bank.
SD-138

MAY 19

9:30 a.m.
Select on Indian Affairs
To hold oversight hearings on the U.S. Civil Rights Commission's effects on the White Mountain Apache Tribe.
SR-485

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

MAY 31

2:00 p.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on seapower.
SD-192

JUNE 1

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SH-216

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on Navy posture.
SD-192

1:30 p.m.
Governmental Affairs
To hold hearings on alcohol abuse prevention.
SD-342

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on Central America.
SD-138

Energy and Natural Resources
To continue hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SH-216

JUNE 2

9:30 a.m.
Energy and Natural Resources
To continue hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SH-216

2:00 p.m.
Energy and Natural Resources
To continue hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SH-216

JUNE 6

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on tactical airpower.
SD-192

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Middle East, Pakistan and Afghanistan.
SD-138

JUNE 7

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253

Governmental Affairs
To resume hearings on alcohol abuse prevention.
SD-342

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on Air Force posture.
SD-192

JUNE 8

8:00 a.m.
Veterans' Affairs
To hold hearings on certain provisions of S. 13, S. 263, S. 564, bills to provide for Veterans' health care benefits and other related measures.
SR-418

9:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on manpower and personnel programs.
SD-192

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253

JUNE 12

9:30 a.m.
Governmental Affairs
Government Information and Regulation Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Paperwork Reduction Act.
SD-342

JUNE 13

9:00 a.m.
Appropriations
Defense Subcommittee
To resume open and closed hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on strategic programs.
SD-192

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-138

JUNE 14

9:00 a.m.
Veterans' Affairs
To hold hearings on certain provisions of S. 13, S. 86, S. 192, S 405, and S. 846, bills to strengthen and improve VA health care programs, and related measures.
SR-418

JUNE 15

9:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense.
SD-192

JUNE 16

9:30 a.m.
Governmental Affairs
Government Information and Regulation Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Paperwork Reduction Act.
SD-342

JUNE 22

8:00 a.m.
Veterans' Affairs
To hold hearings on S. 404, to extend certain Department of Veterans Affairs home loan guaranty provisions, and related measures.
SR-418

JULY 20

9:30 a.m.
Veterans' Affairs
Business meeting, to mark up proposed legislation to revise certain provisions of VA health care programs, including S. 13, S. 86, S. 165, S. 192, S. 263, S. 405, S. 564, S. 574, S. 748, and S. 846.
SR-418

POSTPONEMENTS

MAY 2

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings in open and closed session on proposed budget estimates for fiscal year 1990 for defense programs, focusing on Strategic Defense Initiatives.
SD-192

HOUSE OF REPRESENTATIVES—*Tuesday, May 2, 1989*

The House met at 12 noon.

The Reverend Dr. Ronald F. Christian, assistant to the bishop, Washington, DC, Metro Synod, Evangelical Lutheran Church in America, offered the following prayer:

The eyes of all look to You, O God, and You give them their meat in due season. You open Your hand and satisfy the desire of every living thing.

And so, O God, we are bold to open our hands and hearts this day to pray for: Joy in our living; satisfaction in our working; peace in our relationships; and patience in our trials.

Give to us, we pray, everything that we need for our daily lives, and save us from the yearning of selfish want.

Then we shall be satisfied and offer our thanks to You, O God, our Creator. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. UPTON. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. UPTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 290, nays 102, not voting 41, as follows:

[Roll No. 36]

YEAS—290

Ackerman	Bevill	Campbell (CA)
Akaka	Bilbray	Campbell (CO)
Alexander	Boggs	Cardin
Anderson	Bonior	Carper
Andrews	Borski	Chapman
Annunzio	Bosco	Clarke
Anthony	Boucher	Clement
Applegate	Boxer	Coelho
Archer	Brennan	Coleman (TX)
Aspin	Brooks	Collins
Atkins	Broomfield	Combest
AuCoin	Browder	Conte
Barnard	Brown (CA)	Conyers
Bartlett	Bruce	Cooper
Bates	Bryant	Costello
Beilenson	Bustamante	Coyne
Bennett	Byron	Crockett
Bereuter	Callahan	Darden
Davis	Kasich	Price
de la Garza	Kastenmeier	Quillen
DeFazio	Kennedy	Rahall
Dellums	Kennelly	Rangel
Derrick	Kildee	Ravenel
Dicks	Kleczka	Ray
Dingell	Kolter	Regula
Donnelly	Kostmayer	Richardson
Dorgan (ND)	LaFalce	Rinaldo
Downey	Lancaster	Robinson
Dreier	Lantos	Roe
Duncan	Laughlin	Rohrabacher
Durbin	Leath (TX)	Rose
Dwyer	Lehman (CA)	Rostenkowski
Dymally	Lehman (FL)	Rowland (CT)
Dyson	Leland	Rowland (GA)
Early	Lent	Russo
Eckart	Levin (MI)	Sabo
Edwards (CA)	Levine (CA)	Saiki
Edwards (OK)	Lewis (GA)	Sangmeister
English	Lipinski	Sarpalius
Erdreich	Livingston	Savage
Evans	Long	Sawyer
Fascell	Lowey (NY)	Saxton
Fazio	Luken, Thomas	Scheuer
Fish	Markey	Schiff
Flake	Martinez	Schneider
Flippo	Matsui	Schulze
Foglietta	Mazzoli	Schumer
Foley	McCloskey	Sharp
Ford (MI)	McCrery	Shaw
Ford (TN)	McCurdy	Shumway
Frank	McDermott	Shuster
Frenzel	McHugh	Sisisky
Frost	McMillen (MD)	Skaggs
Gallo	McNulty	Skeen
Garcia	Meyers	Skelton
Gaydos	Mfume	Slattery
Gejdenson	Miller (CA)	Smith (FL)
Gephardt	Miller (WA)	Smith (IA)
Gibbons	Mineta	Smith (MS)
Gillmor	Moakley	Smith (NE)
Gilman	Mollohan	Smith (NJ)
Gingrich	Montgomery	Smith (VT)
Glickman	Moody	Solarz
Gonzalez	Morella	Spence
Gordon	Morrison (WA)	Spratt
Gradison	Mrazek	Stallings
Grant	Murtha	Stark
Gray	Myers	Stenholm
Guarini	Nagle	Stokes
Hall (OH)	Natcher	Studds
Hall (TX)	Neal (MA)	Synar
Hamilton	Neal (NC)	Tallon
Hammerschmidt	Nelson	Tanner
Harris	Nielson	Tauzin
Hatcher	Nowak	Thomas (GA)
Hawkins	Oakar	Torres
Hayes (IL)	Oberstar	Traficant
Hayes (LA)	Obey	Traxler
Hefner	Olin	Udall
Hertel	Ortiz	Unsoeld
Hoagland	Owens (NY)	Valentine
Hopkins	Owens (UT)	Vander Jagt
Horton	Packard	Vento
Houghton	Pallone	Visclosky
Hoyer	Panetta	Volkmer
Hubbard	Parker	Walgren
Hughes	Parris	Watkins
Hutto	Patterson	Waxman
Jenkins	Payne (NJ)	Weiss
Johnson (CT)	Payne (VA)	Whitten
Johnson (SD)	Pease	Wilson
Johnston	Pelosi	Wise
Jones (GA)	Penny	Wolpe
Jones (NC)	Perkins	Wyden
Jontz	Pickett	Wylie
Kanjorski	Pickle	Yatron
Kaptur	Poshard	

NAYS—102

Armey	Bliley	Chandler
Baker	Boehlert	Clay
Ballenger	Brown (CO)	Clinger
Barton	Buechner	Coble
Bentley	Bunning	Coleman (MO)
Bilirakis	Burton	Cox
Craig	Leach (IA)	Roukema
Crane	Lewis (CA)	Schroeder
Dannemeyer	Lewis (FL)	Schuette
DeLay	Lightfoot	Sensenbrenner
DeWine	Lowery (CA)	Shays
Dickinson	Lukens, Donald	Sikorski
Dornan (CA)	Machtley	Slaughter (VA)
Douglas	Madigan	Smith, Denny (OR)
Emerson	Marlenee	Smith, Robert (NH)
Gallegly	McCandless	Smith, Robert (OR)
Gekas	McDade	Snowe
Goodling	McEwen	Solomon
Goss	McGrath	Stangeland
Grandy	McMillan (NC)	Stearns
Hansen	Michel	Stump
Hastert	Miller (OH)	Sundquist
Hefley	Molinari	Thomas (CA)
Henry	Moorhead	Upton
Herger	Murphy	Vucanovich
Hiler	Oxley	Walker
Holloway	Pashayan	Walsh
Hunter	Paxon	Weber
Hyde	Petri	Wheat
Ireland	Porter	Whittaker
Jacobs	Rhodes	Wolf
James	Ridge	Young (AK)
Kolbe	Roberts	
Kyl	Rogers	
Lagomarsino	Roth	

NOT VOTING—41

Bateman	Hancock	Roybal
Berman	Hochbrueckner	Schaefer
Carr	Huckaby	Slaughter (NY)
Coughlin	Inhofe	Smith (TX)
Courter	Lloyd	Staggers
Dixon	Manton	Swift
Engel	Martin (IL)	Tauke
Espy	Martin (NY)	Torricelli
Fawell	Mavroules	Towns
Feighan	McCollum	Weldon
Fields	Morrison (CT)	Williams
Florio	Pepper	Yates
Green	Pursell	Young (FL)
Gunderson	Ritter	

□ 1221

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from New York [Mr. McNULTY] come forward and lead us in the Pledge of Allegiance?

Mr. McNULTY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC, *May 2, 1989.*

Hon. JIM WRIGHT,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: I have the honor to transmit herewith a copy of the unofficial

results received from Kathy Karpan, Secretary of State, State of Wyoming stating that, according to the unofficial returns of the Special Election held on April 26, 1989, the Honorable Craig Thomas was elected to the Office of Representative in Congress, At-Large from the State of Wyoming.

With great respect, I am,

Sincerely yours,

DONNALD K. ANDERSON,
Clerk, House of Representatives.

STATE OF WYOMING,
Cheyenne, WY, April 28, 1989.

Mr. DONNALD K. ANDERSON,
Clerk of the House of Representatives, The Capitol, Washington, DC.

DEAR MR. ANDERSON: I write to inform you about the special Congressional Election held in Wyoming on April 26, 1989.

President George Bush nominated Wyoming Congressman Richard B. Cheney to be the Secretary of Defense on March 10th. Mr. Cheney was subsequently confirmed by the United States Senate. Upon his confirmation, Mr. Cheney resigned his Congressional seat on March 17th. On March 17th, Governor Mike Sullivan declared the vacany and issued the Writ of Election, pursuant to W.S. 1977 22-18-104. Governor Sullivan set April 26th as the election date.

The election was held on April 26, 1989. The unofficial results are enclosed herein. As one can glean from the election results, the unofficial margin of victory for Craig Thomas is 13,438. As of April 24th, there were 926 overseas ballots outstanding. Pursuant to a federal court order by Judge Clarence Brimmer, any overseas ballots received by state and county election officials shall be counted up to the close of business on May 8th. Since the unofficial margin is so great, it does not appear that the overseas ballots yet to be counted shall affect the apparent victory of Mr. Thomas.

The State Canvassing Board of the State of Wyoming shall meet on May 10, 1989, to canvass and officially declare the April 26th election results. In every possible likelihood, the Certificate of Election shall be issued to Mr. Thomas.

If you require anything further of me, please do not hesitate to contact me.

Yours,

KATHY KARPAN,
Secretary of State.

HOUR OF MEETING ON TOMORROW AND THURSDAY NEXT

Mr. COELHO. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon tomorrow, Wednesday, May 3, 1989, and that when the House adjourns on Wednesday, it adjourn to meet at 10 a.m. on Thursday, May 4, 1989.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

REPORT ON HOUSE CONCURRENT RESOLUTION 106, CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1990

Mr. PANETTA, from Committee on the Budget, submitted a privileged report (Rept. No. 101-42) on the Concurrent Resolution (H. Con. Res. 106) setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992, which was referred to the Union Calendar and ordered to be printed.

REQUEST FOR PERMISSION FOR COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the Committee on Banking, Finance and Urban Affairs be permitted to sit for the consideration of H.R. 1278 while the House is sitting for amendment under the 5-minute rule today.

Mr. Speaker, I understand the request has been cleared with the minority.

THE SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MICHEL. Mr. Speaker, reserving the right to object, I have to tell the gentleman that the gentleman from Illinois was not apprised of the fact that that kind of a request was coming. I do not see our ranking member of the committee here, and I would like to check with him first before consenting to the request.

Mr. GONZALEZ. Mr. Speaker, if the gentleman will yield, let me assure him that we were under the impression the minority had cleared the request. The ranking minority member of the committee, the gentleman from Ohio [Mr. WYLIE], certainly has cleared it, and I thought that had been conveyed to the leadership on the floor.

Mr. MICHEL. Mr. Speaker, may I suggest that the gentleman withhold that unanimous-consent request so that we may make the proper inquiry at a later time?

Mr. GONZALEZ. Mr. Speaker, I withdraw the unanimous-consent request.

The SPEAKER. The request is withdrawn.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORT ON A RESOLUTION PROVIDING FOR CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 106, CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1990

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that the Committee on Rules be permitted to have until midnight, tonight, to file a privileged report on a resolution providing for the consideration of the concurrent resolution (H. Con. Res. 106) setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992, which was just filed.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SWEARING IN OF THE HONORABLE CRAIG THOMAS OF WYOMING AS A MEMBER OF THE HOUSE

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that the gentleman from Wyoming, Mr. CRAIG THOMAS, be permitted to take the oath of office today. His certificate of election has not arrived, but there is no contest, and no question has been raised with regard to his election.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. THOMAS of Wyoming appeared at the bar of the House and took the oath of office.

The SPEAKER. Congratulations. You are now a Member of the U.S. House of Representatives.

PERMISSION FOR COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. GONZALEZ. Mr. Speaker, I believe that the request I made earlier has been cleared with the minority leader, and, therefore, I make the same unanimous-consent request, that the Committee on Banking, Finance and Urban Affairs be permitted to sit for the consideration of H.R. 1278 while the House is sitting for amendment under the 5-minute rule today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXPRESSION OF APPRECIATION BY NEWLY ELECTED MEMBER

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute.)

Mr. THOMAS of Wyoming. Mr. Speaker, I would just like to thank the ladies and gentlemen for gathering here, and I simply want to tell them that the opportunity to represent the State of Wyoming in the U.S. Congress is the greatest privilege of my life, and I am looking forward to working with each of you and representing the good folks of Wyoming. Thank you so very much.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without

amendment a concurrent resolution of the House of the following title:

H. Con. Res. 50. Concurrent resolution permitting the use of the rotunda of the Capitol for a ceremony to commemorate the days of remembrance of victims of the Holocaust.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 774. An act to reform, recapitalize, and consolidate the Federal deposit insurance system, to enhance the regulatory and enforcement powers of Federal financial institutions regulatory agencies, and for other purposes.

The message also announced that pursuant to section 1295(b), title 46, of the United States Code, the Chair on behalf of the Vice President, appoints Mr. BREAUX from the Committee on Commerce, Science, and Transportation, and Mr. HOLLINGS from the Committee on Commerce, Science, and Transportation, ex officio, to the Board of Vistors of the U.S. Merchant Marine Academy.

The message also announced that pursuant to Public Law 100-696, the chair on behalf of the President pro tempore, appoints Mr. MOYNIHAN and Mr. REID, to the U.S. Capitol Preservation Commission.

The message also announced that pursuant to Public Law 100-690, the chair, on behalf of the majority leader, announces the appointment of Mr. SHELBY and Mr. GRAHAM, to the National Commission on Drug-Free Schools.

ADDRESSING THE DRUG "DEMAND" PROBLEM

(Mr. McNULTY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McNULTY. Mr. Speaker, every day we hear a great deal of rhetoric about our Nation's drug problem. But, most of the focus up until now has been on curbing the flow of illegal drugs into the United States—the so-called supply problems. We need to turn our attention in a meaningful way to addressing the tremendous demand which exists for drugs in our society. The cost to society, Mr. Speaker, is enormous. Prior to coming to Congress I served as chairman of the New York State Assembly Subcommittee on Alcoholism in Corrections. I toured many of New York's facilities, and was shocked to learn that more than 70 percent of the inmates in our State's facilities were there because they had serious problems with alcohol or other drugs.

Mr. Speaker, let me give you an example of what that is costing society. In New York, new jail construction is costing approximately $100,000 per cell. On top of that, it costs an additional $25,000 per inmate every year to keep them incarcerated. I can only begin to wonder how much we could save if we made the minimal investments in education, prevention, and treatment programs which are necessary in order to prevent the disease of addiction from sending so many of our young people to prison.

Mr. Speaker, as the man on the commercial says, you can pay me now, or you can pay me later. I submit to you and my colleagues that the cost of waiting—and not making these investments—is more than the American people can afford.

REOPEN THE CATASTROPHIC CARE LEGISLATION

(Mr. SAXTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAXTON. Mr. Speaker, I am sure that millions of older Americans were cheering when this House voted unanimously to direct the Senate Finance Committee to reopen the catastrophic care law we passed last year.

Today, I rise to encourage leadership in this body to move forward with similar action on the House side.

Ever since we took that fateful vote last year, I have been meeting with senior citizen groups. I have heard their concerns.

And believe me, both their concerns, and questions, have been many.

In an effort to get a clear consensus of opinion, I decided to conduct a poll on the catastrophic coverage law.

It was only a week or so ago that the survey arrived at most homes. Yet today, I can report that thousands of responses—just like these—are pouring into my office.

I even had an individual from another congressional district call up and ask if I had an extra 1,000 copies of the survey that she could circulate.

Drastic changes need to be made in the law and 96 percent of those who responded indicated that: when older Americans talk, this Congressman listens. And so should all of Congress.

I say we get to work, straighten out the finance provisions, and give seniors the piece of mind they deserve.

LET JAPAN BUY OUR PLANES OR MAKE ITS OWN

(Mr. SANGMEISTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SANGMEISTER. Mr. Speaker, apparently this administration still believes that the right approach to good relations with our ally Japan is to continue to give them our little remaining technology. We are giving the Japanese our technology so that they can manufacture the FSX, an advanced version of the F-16. This is wrong and indefensible.

Japan is already at least 25 years late in accepting the responsibility to defend its own borders and now wants to make sure its committed tax dollars remain in their country. We certainly should learn something from that attitude.

The administration says that Japan promises to carefully guard all technology given them. If anyone believes this they have forgotten the lesson of just a year ago when Toshiba Corp. took our technology and sold it to the Soviet Union. We got an awful lot of apology for that and I am sure they are willing to give us a lot more.

Unfortunately, this country doesn't lead the commercial world anymore, however, we still lead in aviation, at least we will until this deal is cut. Boeing, McDonald Douglas, and others may be doing well now, but wait until we help set up Japan in this operation—goodbye jobs—goodbye technology—hello further trade deficit.

The Congress should overwhelmingly defeat this agreement. Japan should be buying our planes made by our American workmen. That is the least it owes us. If not, let them make their own.

OPPOSITION TO FSX FIGHTER DEAL

(Mrs. ROUKEMA asked and was given permission to address the House 1 minute and to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, I was most disturbed by President Bush's decision to proceed with the FSX jet fighter program. Today, I am cosponsoring the resolution of disapproval.

In my view, this is the wrong decision and represents bad policy. The original concept for this deal was faulty and totally unnecessary. The revised proposal provides little consolation.

Make no mistake about this deal. This is an outright technology transfer of major proportions which will have profound economic and technological consequences for this Nation. The end result of this can only be a Japanese commercial and defense aircraft industry which will rival our own and threaten American jobs, not create them. It is incredible to me that the administration can even suggest that this represents a job creation bill.

Regrettably, the specific details of this proposal have remained either vague or classified. We do not know exactly what we are getting. But we do know a great deal about what we are giving away. The Congress must vote this deal down.

A foreign policy which reinforces United States-Japanese relations is im-

portant. But not at the expense of our advanced technology, our industrial base, and certainly not driven but the internal political demands of the beneficiary.

TWO TOYOTAS IN EVERY GARAGE

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, Japan should be buying our fighter planes. President Bush should not be giving them that technology.

Mr. Speaker, it is not enough that Japan already has our Pentagon handcuffed with cheap steel and microchips. Evidently, the President will not be satisfied until there are two Toyotas in every garage in the United States, and I do not think he will even stop then. He will probably invite Mutual of Tokyo over so they can write the insurance on those Toyotas.

Mr. Speaker, I say let us vote this misdirected policy down. It is time to stop the giveaways to not only Japan, but to everyone. The welfare program we have in this country needs tailoring, but for America, not for Japan and other countries.

LEGISLATION TO EXTEND THE TIME FOR VETERANS TO MAKE USE OF THEIR GI EDUCATION BENEFITS

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, today I am introducing legislation to extend by 3½ years the December 31, 1989, deadline for veterans to fully use the GI bill benefits originally granted to them in 1955. Many veterans now threatened with the cutoff of such benefits and unable to qualify for assistance under the new Montgomery GI bill still have earned benefits of which they will be denied use. Many will be actively pursuing their education at the end of this year.

We must keep our pledge to help provide veterans with the assistance they need to afford higher education upon leaving the service of their country. This body must not deny to those seeking such necessary skills the funds needed to help pay for them.

Mr. Speaker, this bill merely authorizes an extended period of time of up to 5 years for those veterans given less than the traditional 10 years from time of discharge to use their accrued benefits. Veterans who have served this Nation, been discharged honorably, and now seek education must not be turned away. The most expensive action this body can take is to renege on its commitment to education. Sooner or later, society must pay for those without the skills to survive a changing work environment. The veterans of this Nation deserve our support, and they deserve the opportunity to fully exercise the educational benefits they were promised and have earned with their service to America.

I urge my colleagues to join me in cosponsoring this legislation.

INTRODUCTION OF COMPREHENSIVE CAMPAIGN FINANCE REFORM BILL

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, today I am introducing my own comprehensive campaign finance reform bill. It is clearly not the first of its kind, nor will it be the last.

Congressional service is becoming a "rich man's game." Many qualified individuals decide not to seek office because of the costs involved, and officials in office are hampered in their performance because fundraising is now a constant concern. It's time to clean up our campaign finance system once and for all.

My package includes some good ideas introduced previously as well as some original ideas of my own.

Briefly, the legislation provides significant incentives for House candidates to accept spending limitations. These incentives include reduced advertising rates as well as full tax credits for individual contributors in one's district.

You will also find in my bill several provisions affecting the ways in which PAC's can make donations to candidates. If my bill is enacted, PAC's will only be allowed to make contributions to one candidate per race; they will only be allowed to make contributions in election years; contributors to PAC's will have the opportunity to designate to whom they wish their money to go; and PAC's will be prevented from making contributions to candidates whose campaign treasuries already exceed $100,000.

Mr. Speaker, this is just a brief summary of some of the provisions included in the bill. I urge my colleagues to join me in supporting this very important campaign finance reform bill.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Kalbaugh, one of his secretaries.

□ 1240

EXXON'S DONATION OF CRUDE OIL TO ALASKAN WILDERNESS

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, when Americans give, they give generously. Take Exxon. One month ago, the company donated 11 million gallons of crude oil to the Alaskan wilderness. And now Exxon is asking American consumers to reach deep into their pockets and give generously at the gas pump. Mr. Speaker, we can do without that kind of charity.

What is the real reason for the surge in gas prices? I am waiting for an adequate explanation. The last time this happened, it took a full-blown OPEC boycott to do it.

It is not Alaska—that disruption amounted to about 17 hours of national consumption, and recent disruptions in the North Sea haven't amounted to a drop in the tank of U.S. supply.

The costs of Exxon's negligence are being borne by consumers, not by sheiks, and oil barons, and fat cats. Alaskans are getting reimbursed for their losses. Perhaps Exxon should reimburse the Nation's drivers for theirs.

The American public demands answers. And if the oil companies are not willing to supply them, then this Congress better be prepared to roll up its sleeves and take a good, hard look under the hood.

LEGISLATION TO RESTORE DISCIPLINE TO THE BUDGET PROCESS

(Mr. BUECHNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUECHNER. Mr. Speaker, I rise today to introduce legislation to restore a semblance of discipline to a budget process that is clearly out of control. My bill would amend the Congressional Budget Act of 1974 and the Rules of the House of Representatives to require long-term cost estimates to accompany all legislation.

Paul Greenberg once observed that Congress has perfected a crowd-pleasing racket of supporting every spending program, denouncing every annual deficit, hoping the electorate won't note the obvious connection, and leading the country over a fiscal cliff. Certainly, this is no way to conduct the Nation's business.

In 1988 alone Congress proposed over 12 new spending programs. The initial cost of these programs was small. However, the 5-year cost exceeded $100 billion. We do not even know how much these programs will cost over 10 years. Certainly, this is

both irresponsible and unfair to the people in this country who must pay the bills.

My bill will require the Congressional Budget Office to provide a 10-year cost impact statement for all spending programs. This will give the American people insight into the long-term costs of spending commitments. It will allow them to judge whether the stated benefits of proposed legislation justify the estimated costs. Furthermore, it will prevent Congress from hastily enacting long-term budget busters without fully considering the fiscal implications of our actions.

This legislation is long overdue, and I invite each of you to join me as a cosponsor.

FSX RESOLUTION OF DISAPPROVAL

(Mr. LEVINE of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVINE of California. Mr. Speaker, today I am introducing, with a bipartisan group of cosponsors, a resolution of disapproval of the proposal to license F-16 technology to Japan for the development of a new Japanese fighter plane, the FSX. I am pleased that 30 of my colleagues are joining me as original cosponsors of this joint resolution.

Despite the Bush administration's partial renegotiation of this deal, it is still a bad deal for the United States. It will hurt our national competitiveness in aerospace. It will worsen our massive trade deficit in the long run. It will not improve United States-Japanese relations. And it is not by any means the best way of modernizing the Japanese Air Force.

Mr. Speaker, this deal is bad for America.

First, it contravenes the free trade principles that Japan professes to accept. Our F-16 is the best product at the best price, and the Japanese should buy it.

Second, it is in the interest of both Japan and America to reduce our nearly $60 billion trade deficit.

Third, although I expect the United States to maintain its edge in aerospace technology, this proposal will hasten the day that Japan becomes a major competitor to the United States in a variety of aerospace products.

Finally, I continue to have grave concerns over the wisdom of rewarding Mitsubishi with such a codevelopment deal while questions remain over Mitsubishi's involvement in the production of chemical weapons in Libya. We have not received clear answers on this issue, and there is reason for all Americans to have continuing reservations about concluding a sensitive defense codevelopment project with a company that may be helping Qadhafi build chemical weapons.

This is a national security issue which goes beyond partisanship and I strongly urge my colleagues to join me in vetoing this proposal.

FEDERAL PRISON SYSTEM IMPROVEMENT ACT OF 1989

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, the answer to this country's crime problem is crime control, not gun control.

Last week, I introduced the Federal Prison System Improvement Act of 1989, which seeks to address the less glamorous and largely ignored issue of prison confinement.

The Federal prison system inmate population is currently 50 percent over capacity.

Americans, and the criminals themselves, know that the chances of actually doing time are 1 in 1,000 for every felony committed. Criminals know that crime pays, and we know that the American public picks up the tab.

My bill is simple in concept. It directs the administration to develop a plan to reduce overcrowding and to house criminals convicted of Federal crimes in "emergency confinement facilities" if necessary. No longer will the length of prison confinement be influenced by available space.

Action is needed, and needed now. This legislation takes the first step toward insuring that criminals become a casualty when a violent crime is committted, and that is why I urge my colleagues to support H.R. 2110, the Federal Prison System Improvement Act of 1989.

JOIN IN DISAPPROVING FSX AGREEMENT WITH JAPAN

(Mr. MINETA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MINETA. Mr. Speaker, I urge my colleagues to join the resolution disapproving the FSX agreement with Japan.

The Bush administration defends the FSX deal with so-called side letters guaranteeing the United States a 40-percent share of the FSX production work. But even if we thought it a good idea to trade our best technology for the promise of jobs—and it's not—Japan's track record on agreements like this offers anything but confidence.

When our semiconductor agreement was signed with Japan, there were also side letter guarantees. But today, the United States still struggles with a paltry 10 percent of the Japanese market—not the 20 percent we're due—and the Japanese practically deny that the letters ever existed.

Mr. Speaker, these side letters have been nothing more than a sideshow in the past, and there is no reason to believe that this history will change as a result of the FSX deal. I urge my colleagues to join the resolution of disapproval.

IMPROVED RELATIONS WITH MEXICO ON DRUG PROBLEM

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, under the very able leadership of our distinguished colleague, the gentleman from Texas, Mr. KIKA DE LA GARZA, last weekend we held the 29th meeting of the Mexico-United States Interparliamentary Conference. Throughout this decade I have been privileged to serve as a member of that delegation, but I have to say that the weekend meeting that we just completed has to go down as one of the most successful.

I say that because for the first time we have seriously seen the Mexicans turn the corner on this devastating drug problem which we face in this country and around the world. Just last month the leading drug kingpin in Mexico, Felix Giordo, was arrested.

We have seen under the office of the attorney general in Mexico 1,000 new people assigned to deal with the drug trafficking issue, and for the first time we are seeing law enforcement officials who have been on the take actually arrested.

I would like to compliment the chairman, the gentleman from Texas [Mr. DE LA GARZA] and all the Members of this delegation. As we continue with this issue, we will have a special order to talk more in depth about it.

□ 1250

CONSTITUTION COMPETITION—ENID HIGH SCHOOL

(Mr. ENGLISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ENGLISH. Mr. Speaker, I rise today to congratulate a group of 17 high school students from Enid, OK, who are in Washington this week to participate in the final round of the National Bicentennial Competition on the Constitution and Bill of Rights.

These students, who I will be meeting with later today, have prepared long and hard for this national contest. In that sense, Mr. Speaker, they are already winners. They have undergone a rigorous program of constitutional study, learning in this past year

the tenets of our system of Government and the values they embody.

In this classroom study, and in the local and State competitions they conquered on their way to Washington, these students have gained superb insights into what makes the world's greatest democracy tick.

I wish them the very best of luck as they match wits with other bright scholars from around the country. They have already made Enid and the State of Oklahoma proud, Mr. Speaker, and win or lose this week, they will return home as "real champions."

A great many people have contributed to the success of this effort, and I want to commend some of them here: president of the school board Dr. John Ireland; school district superintendent Dr. Kem Keithley; Enid High School principal Dennis Iselin; history teacher Cheryl Franklin; State competition coordinator Rita Geiger; district coordinator Mary Lou Divelbiss; and the students, David Austin, Shel Bailey, Sahil Bakshi, Jennifer Boots, Carol Bradley, Kristen Campbell, Brian Dyson, Meagan Ford, Bryan Gibbs, Daniel Goscha, Jay Marshall, Scott Meadows, Stephen Perigo, Andreas Pitsiri, Lesa Rogers, Shannon Vater, and Matt Ylitalo.

PAUL HARVEY CALLS FOR MFJ RELIEF

(Mr. HASTERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HASTERT. Mr. Speaker, on January 28, 1989, Chicago's own, Paul Harvey, in his weekly Saturday radio broadcast, accurately described the history of the postdivestiture telecommunications system in America. Citing the lack of competitiveness of American industries as evidenced by the burgeoning telecommunications trade deficit as well as the need for the Bell companies to provide electronic yellow pages, Paul Harvey was right on the mark, as usual.

In the 100th Congress, 205 Members of Congress, including myself, cosponsored House Concurrent Resolution 339, expressing the sense-of-the-House that MFJ relief in the areas of manufacturing and information services should be accorded the regional Bell Companies.

As Paul Harvey said in the conclusion of his broadcast, "* * * the Bell Companies. are not asking for the return to monopoly, just a chance to be fairly competitive in the American marketplace, so that America can again compete with the world."

Mr. Speaker, at this point, I insert his entire statement in the RECORD:

It was a hostile takeover any way you look at it, when the Bell Telephone system, which had served so well so long, was taken over by government, which then kicked its assets out, in effect orphaned Ma Bell's several Baby Bells, telling them to fend for themselves. But in the American tradition, the healthy little offspring picked themselves up and dusted themselves off and continued to serve the public interest and to profit and prosper.

Despite a host of fledgling competitors with alien-sounding names, the Baby Bells survived and thrived. But added to that TKO five years ago was a low blow. The unelected federal judge arbitrarily decreed that Bell Companies could not manufacture telecommunications equipment, could not provide information services.

Well, look what's happened since. As recently as 1982, our nation was still the world leader with a telecommunications trade surplus of five hundred and eighty million dollars. But ever since that intemperate court decision, we have fallen behind, until now our nation has a telecommunications trade deficit of two point five billion.

While the Japanese, unfettered by Judge Harold Green's decision, the Japanese are helping other corporations do what Bell is prohibited from doing. So Hong Kong and Singapore are becoming hubs of the world telecommunications industry, siphoning long distance traffic away from the USA. The French are now ahead of us. The French are ahead of us, and the Spanish are about to be in the research and development which our Bell Companies are denied by court-imposed restrictions.

William Weiss was forty years with Bell. He's now Chairman of Ameritech. He's pleading with the new Congress to unshackle our state-side industry. Resolution 339 before the previous Congress would have accomplished that objective, but now that's expired. The new Congress must be made to realize that information is the lifeblood of contemporary commerce and industry. And one of the things that Bell Companies could be providing you right now is electronic yellow pages.

For public and private advertisers, especially for small businesses, an infinitely more effective technology than the cumbersome, antiquated telephone directory. But you can bet that the publishers of telephone directories are not going to encourage, or even allow if they can help it, this newer technology. Though it is already available in half a dozen other countries, and similarly restrictions on manufacturing by Bell have resulted in most all telephone sets. Listen to this. Most all telephone sets now sold in the United States are being made outside the United States. That's intolerable.

Half of all customer premises switching equipment, now sold in the United States, is manufactured outside the United States. That's shameful. Now the Bell Companies are not asking for the return to monopoly, just for a chance to be fairly competitive in the American marketplace, so that America can again compete with the world.

SOCIAL SECURITY SURPLUS USED TO SHOW REDUCED BUDGET DEFICIT

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, President Bush keeps talking about a thousand points of light. I would like to see if we could shine that thousand points of light in one spot, on the budget agreement he made with Congress.

Mr. Speaker, $68 billion, that is the amount of money taken from the working folks, $68 billion in Social Security surplus this year, taken from the folks who work, and it is supposed to be put in a dedicated trust fund to save for the future.

Does anyone know what they do with it? Gramm-Rudman fuses it to use to reduce the Federal budget deficit, and that is dishonest budgeting. They take money from the working folks, say that we are going to put it into a Social Security account, but, in fact, use it to reduce the deficit.

Tomorrow I am hoping we can get an amendment on the floor, a sense of Congress, that says that this is nuts and it is time to stop. Honest budgeting; it is time for us to face these problems, not to take money called Social Security that ought to go into a trust fund and use it to play a little game with the budget deficit.

Mr. Speaker, President Reagan, when he left town, said that things are getting better, the budget is going down, the budget deficit is being reduced. It is not. Things are getting worse. They are just using Social Security surplus to show a reduced budget deficit. The fact is the budget deficit is growing, and this Congress and this President had better stand up and do something about it and soon.

GUN CONTROL

(Mr. DELAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELAY. Mr. Speaker, once again, the U.S. Congress is being overtaken with that peculiar hysteria which guides so many of the decisions around here. Due to a few well publicized shootings involving assault weapons, we have once again decided to "shoot from the hip" at a solution of more gun control that will make some of us feel better but have no effect on crime.

In dealing with issues of public policy and crime, the goal of legal remedies should be to reduce as many rights of the criminal as necessary to reduce the crime while reducing as few rights as necessary of the law abiding public. Gun control incorporates the worst of both worlds. Gun control restricts the rights of the millions of law abiding citizens who use firearms legally and does little if anything to prevent criminals from using them illegally.

The answer to crime and guns is instantaneous electronic background checks at the time of gun purchase, as we now do with credit card purchases,

to target convicted felons and drug dealers. The American public is already the victim of crime. Let us not make them the victim of congressional hysteria as well.

NEPAL NEEDS A HELPING HAND

(Mr. DURBIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DURBIN. Mr. Speaker, the Nation of Nepal is a very small country of 16 million people. It is the sixth poorest nation in the world. It is landlocked and isolated. Its neighbor to the south is India.

Several weeks ago, when these two countries could not reach an agreement on a trade treaty, India responded by closing 13 of the 15 border crossings between India and Nepal. As a result, there has been a serious shortage of vital supplies into Nepal. Without petroleum and kerosene, they have been forced to cut down trees, one of the worst environmental developments in that part of the world.

They have also had to close businesses. They have had to suspend medical care. They have had to postpone surgeries. They have had to delay the development projects which feed some of the poorest people in the world.

This trade dispute has resulted in serious deprivations in the nation of Nepal. This trade dispute, as unfortunate as it is, is not as tragic as the consequences of India's decision to close their border crossings. For the sake of the helpless victims of Nepal, this policy must come to an end and negotiations must commence immediately.

MR. GORBACHEV HAS A VERY DIFFICULT, TOUGH POLITICAL CAUCUS TO KEEP HAPPY

(Mr. MARTIN of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTIN of New York. Mr. Speaker, for the past 2 days there has been a great deal of publicity concerning some comments Secretary Cheney had made concerning the probability of success of Mr. Gorbachev in reforming the Soviet Government, and for whatever reason, both Mr. Cheney and the President have been criticized for not speaking with one voice.

Mr. Speaker, honestly I do not understand that criticism. Obviously Secretary Cheney and the President of the United States wish Mr. Gorbachev every success. Unfortunately, wishing is not going to assure success. I am pleased that someone else, namely Secretary Cheney is considering a scenario that has Mr. Gorbachev suddenly out of power. We ought to consider that. We ought to be prepared. He is mortal. Things happen. Also he has a very difficult, tough political caucus to keep happy. Ask Nikita Khrushchev's people about that.

Mr. Speaker, we all remember what the gentleman from Arizona [Mr. UDALL] said about caucuses, and I think privately Mr. Gorbachev might agree with that assessment.

INTRODUCTION OF THE OIL SPILL RESOURCE RESTORATION ACT

(Mr. SMITH of Vermont asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Vermont. Mr. Speaker, today I am introducing the Oil Spill Resource Restoration Act, which will create a new way of assigning liability for catastrophes such as the one in the Prince William Sound in Alaska from the *Exxon Valdez.*

The bill has two parts. First, it will shift the financial burden of cleanup from the backs of the American taxpayers to the rightful place, to the profits and the wallets of Exxon's shareholders. The business deduction about which Exxon has boasted will be immediately disallowed.

Second, it will add a new level of liability to the current statute. Not only will the company be liable for its cleanup and also for restoring any economic deprivation to business men or women in the area affected, but also now we will change the way we measure liability to measure environmental damage so that a natural resources trustee commission will be set up following a spill of this magnitude. Its job through the courts will be to tell Exxon what needs to be replaced, and the U.S. court for Alaska will then force them to follow through.

The cost of the damage to the natural resources of Prince William Sound will be recovered not based on how much the animals are worth dead, but instead it will be based on exactly how much it will cost to replace or restore it all, alive and well.

INTRODUCTION OF BILL ON TRANSVERSE MYELITIS

(Mr. HORTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HORTON. Mr. Speaker, today I introduced legislation which is based on equity. Our American veterans have sacrificed an enormous amount to defend the freedom and liberties which we hold so dear. We make an implied promise to each and every one of these veterans that we will not forget them in their hour of need.

Many American veterans suffer from an illness known as transverse myelitis upon their departure from the armed services. Transverse myelitis is a clinical syndrome in which there is evidence of complete or partial loss of neurological functions, generally resulting from inflammation of the spinal cord. Under the present system, however, symptoms of this serious neurological disorder must appear within 1 year of the veteran's departure from the service in order for them to receive disability benefits.

Conversely, the presumptive period for multiple sclerosis is 7 years from the veteran's separation from the service. Transverse myelitis has been linked to multiple sclerosis and there is no need for this double standard when dealing with these two ailments. It is patently unjust and we owe our veterans more than this.

My legislation would treat transverse myelitis in the same manner as multiple sclerosis. Veterans who acquire transverse myelitis within 7 years of leaving the service would be eligible for disability benefits.

I would like to request that my colleagues in the House of Representatives cosponsor this legislation and assist me in securing its passage. We've made a promise to our veterans—now let us keep it.

□ 1300

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. PICKETT). Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules.

WALTER EDWARD GRADY UNITED STATES POST OFFICE

Mr. FORD of Michigan. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 481) to designate the building located at 2566 Hylan Boulevard, Staten Island, NY, as the "Walter Edward Grady United States Post Office" as amended.

The Clerk read as follows:

H.R. 481

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the building located at 2566 Hylan, Boulevard, Staten Island, New York, known as the New Dorp Station, is designated as the "Walter Edward Grady United States Post Office Building". Any reference in a law, map, regulation, document, record, or other paper of the United States to that building shall be deemed to be a reference to the Walter Edward Grady United States Post Office Building.

The SPEAKER pro tempore. Is a second demanded?

Mr. HORTON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. FORD] will be recognized for 20 minutes, and the gentleman from New York [Mr. HORTON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, our colleague, Mr. MOLINARI, is the sponsor of this bill. The post office involved is in his district. Based on the information he provided to the committee, the committee concluded it was altogether fitting and proper to name the building in question after Mr. Walter Edward Grady, who served for 27 years as a letter carrier in Staten Island, NY.

Mr. Speaker, I am pleased to yield such time as he may consume to the gentleman from New York [Mr. MOLINARI].

Mr. MOLINARI. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, since I have served in Congress, I have witnessed the naming of many buildings, highways, and other Federal facilities in honor of former Members of Congress and others generally referred to as "important" people. Their importance often times was measured by the titles they held and the length of time they served.

H.R. 481 will name a new postal building in my district for Walter Edward Grady, a common postal letter carrier. However, Walter Edward Grady was an extraordinary ordinary person. He worked at the same post office in New Dorp, Staten Island, for 27 years until his untimely death of cancer at the age of 51. For 25 of those 27 years, he delivered mail on the very same route. Throughout his long tenure of 27 years, he missed only 3 days of work until the terminal illness forced him to retire.

I've spoken with his fellow carriers, and they characterized Walter Grady as a lovable guy. In talking to the patrons that he served, it was obvious that he was not only loved but considered an important member of that community. He received various awards from his supervisors during his career. On seven different occasions, he received the Carrier of the Month Award, and four times he was named Safe Driver of the Month. He died shortly after his retirement and is survived by his wife, six children and many grandchildren.

Like other good citizens, he became involved in community efforts and participated on several occasions in the Muscular Dystrophy Telethon Drive.

It can be said, and perhaps should be said, that Walter Edward Grady was only one of many thousands of postal workers who often go unnoticed and do their job unflinchingly without a great deal of fanfare. So, as we take this step in naming a brand new shining post office in Staten Island after Walter Edward Grady, we also pay tribute to the many other postal workers who perform their jobs so well. I think that, from time to time, it is important for this body to pay tribute to an individual that some people may call an ordinary person. In truth, like so many of his fellow workers, Walter Edward Grady was an extraordinary ordinary person.

Mr. FORD of Michigan. Mr. Speaker, I reserve the balance of my time.

Mr. Speaker, H.R. 481 will name a post office in Staten Island, NY, the "Walter Edward Grady United States Post Office Building." I support this bill as I feel it will honor not only Walter Edward Grady but all of America's, past and present, letter carriers. I commend my colleague from New York, Representative GUY MOLINARI, for introducing this bill.

Walter Grady was a letter carrier at the New Dorp Post Office in Staten Island for 27 years. He received numerous awards for outstanding service throughout his career. After an outstanding postal career Mr. Grady passed away in 1980.

Mr. Speaker, I support this legislation to honor an outstanding American, who spent his life serving his country.

Mr. HORTON. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I yield back the balance of my time.

Mr. FORD of Michigan. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. FORD] that the House suspend the rules and pass the bill, H.R. 481, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to designate the building located at 2562 Hylan Boulevard, Staten Island, NY, as the 'Walter Edward Grady United States Post Office Building'."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 481, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ALLOWING MEMBERS OF CONGRESS TO USE THE FRANKING PRIVILEGE TO DISTRIBUTE COPIES OF THE CONSTITUTION

Mr. FORD of Michigan. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1149) to allow Members of Congress to use the franking privilege to disseminate copies of the Constitution of the United States.

The Clerk read as follows:

H.R. 1149

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORITY TO USE THE FRANKING PRIVILEGE.

Notwithstanding section 3215 of title 39, United States Code, copies of any commemorative edition of the Constitution of the United States prepared under the auspices of the Commission on the Bicentennial of the United States Constitution may be mailed by Members of Congress as franked mail.

SEC. 2. PROVISIONS RELATING TO USE OF AUTHORITY.

(a) ADVISORY OPINIONS; NUMERICAL LIMITATIONS.—Nothing in this Act shall be considered to exclude any matter mailed by a Member of Congress pursuant to this Act—

(1) from the provisions of subparagraph (A) or (B) (as applicable) of section 3210(d)(6) of title 39, United States Code; or

(2) from any numerical limitation under section 3210(d)(5) of title 39, United States Code.

(b) WAIVER.—In applying section 3210(f) of title 39, United States Code, the source of the funding for the preparation and printing of the matter made frankable by this Act shall not be taken into account for purposes of any mass mailing made pursuant to this Act.

SEC. 3. REIMBURSEMENT FOR MAILINGS.

In computing the amount of any lump-sum appropriation pursuant to section 3216(a) of title 39, United States Code, an appropriate reduction shall be made to reflect the amount of any payment which the Commission on the Bicentennial of the United States Constitution may make to the United States Postal Service for the purpose of defraying postage costs and any other fees or charges associated with any mailings made pursuant to this Act.

SEC. 4. DEFINITIONS.

For purposes of this Act—

(1) the term "franked mail" has the meaning given such term by section 3201(4) of title 39, United States Code;

(2) the term "Members of Congress" has the meaning given such terms by section 3201(5) of title 39, United States Code;

(3) the term "Member of the House of Representatives" means a Member of the House of Representatives, a Delegate to the House of Representatives, and the Resident Commissioner from Puerto Rico; and

(4) the term "mass mailing" has the meaning given such term by section 3210(a)(6)(E) of title 39, United States Code.

SEC. 5. TERMINATION.

The authority for a Member of Congress to send any matter as franked mail under this Act terminates at the end of calendar year 1989.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Michigan [Mr. FORD] will be recognized for 20 minutes, and the gentleman from New York [Mr. HORTON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, H.R. 1149 was introduced by Mr. CRANE and is cosponsored by Mrs. BOGGS. Mrs. BOGGS and Mr. CRANE represent the House on the Commission on the Bicentennial of the U.S. Constitution.

This year marks the 200th anniversary of the convening of the first Congress under the Constitution. To commemorate this event, the Commission is proposing that a special commemorative pocket-size version of the Constitution honoring the bicentennial of the Congress be printed with contributions from the private sector.

The commemorative Constitution would then be given to Members of Congress for distribution as a postal patron mailing. Although no Member would be required to distribute the commemorative, under the bill the potential would exist to reach every household in the United States.

H.R. 1149 would permit these commemorative Constitutions to be mailed under the frank. To minimize costs, the bill provides that a postal patron mailing of the Constitution by a Member will count as one of the six such mailings allowed each Member each year under the law.

I urge your support for H.R. 1149.

Mr. HORTON. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I rise today in strong support of H.R. 1149, legislation introduced by Congressman PHIL CRANE of Illinois. I commend the gentleman from Illinois for his commitment and dedication to this effort. I also commend Congresswoman LINDY BOGGS and the chairman of the Post Office and Civil Service Committee Congressman BILL FORD for their contribution to this legislation.

In 1983, Congress established the Commission on the Bicentennial of the U.S. Constitution to promote and coordinate activities to commemorate the bicentennial of the Constitution. The Commission has proposed, as part of its activities, to print a special commemorative pocket-sized version of the Constitution through contributions from the private sector.

This bill would authorize Members of Congress to disseminate these copies of their constituents as one of their six postal patron mailings authorized each year by the Franking Commission.

Under current law, the documents cannot be mailed under the congressional frank because the printing costs are being paid for by private donations. The frank can only be used to mail material prepared and printed at Government expense.

In celebration of the bicentennial of the Congress, Members of Congress should be given the opportunity to distribute the document that is the cornerstone of our democracy.

Mr. Speaker, I urge my colleagues to support this measure.

□ 1310

Mr. Speaker, I reserve the balance of my time.

Mr. FORD of Michigan. Mr. Speaker, I yield such time as she may consume to the gentleman from Louisiana [Mrs. BOGGS].

Mrs. BOGGS. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the motion to suspend the rules and pass H.R. 1149, a bill to grant a very limited, one-time exception to the law governing the mailing of materials under the congressional frank. This legislation authorizes the use of the frank for mailing of copies of the U.S. Constitution—printed with private donations, not Government funds—as one of the six regular postal patron mailings permitted annually to each Member of the House.

The gentleman from Illinois and I have served as representatives of the House on the Commission on the Bicentennial of the U.S. Constitution since 1985. One of the Commission's major objectives as part of its effort to get the message of the Constitution across to the American people has been to make the Constitution itself more accessible to the average individual. Some people consider the Constitution to be some arcane legal document when, in fact, it is an accessible, easily understood work.

The Commission has prepared and printed several million copies of a pocket edition of the Constitution that have been circulated to schools, veterans' organizations, and fraternal groups. In addition, several major national corporations have printed and circulated, at their own expense, copies of pocket editions of the Constitution. All of these have been very well received by the target groups. However, they have reached only 32 percent of the U.S. population.

H.R. 1149 offers the opportunity to facilitate the distribution of copies of the Constitution into every household in the country. Families and individuals would then have the opportunity to have their own copies of the Constitution that they could read and discuss. In the process, they will develop a new appreciation of the strengths, the rights, and the responsibilities of the charter and the Government that has served this Republic so successfully for two centuries. With this added knowledge and understanding I feel confident that the future of the Republic will be secure for another century.

I urge approval of the motion.

This past weekend the gentleman from Illinois and I along with several other Members of the House in an official delegation were representing the House at the inaugural ceremonies of the 200th anniversary of the inauguration of George Washington in New York City. The patriotic fervor observed there and the great love and understanding of this country and its strengths and of the Government that was indeed instituted under the Constitution were just a joy for every American to behold. I hope that spirit will carry over on to this floor this day to know that every person, every household in the United States should have the privilege of owning and keeping a copy of the Constitution.

I think it would be a great service to all of the people of the United States if we were able to pass this bill, H.R. 1149.

Mr. Speaker, I thank the chairman of the committee, the gentleman from Michigan [Mr. FORD], the ranking member, the gentleman from New York [Mr. HORTON] and all the members of the committee and their staffs for the splendid work that they have done in this regard.

Mr. HORTON. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for yielding time to me.

Watch out America. Here comes another congressional boondoggle.

Cloaked in the guise of increasing the public's knowledge of the U.S. Constitution, H.R. 1149 is just another way for Members of Congress to put their names in their constituent's mail boxes. Unsatisfied by our 98 percent reelection rate, we are jumping at another chance to make ourselves look good at our constituents' expense.

The Congressional Budget Office has correctly estimated that the real costs to the taxpayers of this unwanted, unwarranted, and unnecessary mailing will be in about $9 to $10 million in fiscal year 1989 and fiscal year 1990. The mailing costs per copy would be 10.1 cents, for 90 to 100 million households.

The bill provides that this mailing would be counted as one of the six already permitted postal patron mailings annually. Members who now use 6 full mailings would not theoretically increase their mailing costs. However, since the average Member uses about half of the postal patron limit, for many or most, it will be an increase. For the rest, it will be a great improvement over the usual newsletter.

I do not object to making copies of the U.S. Constitution available to the general public. I just object to spraying copies all over the country, without anyone asking for them, just so Members of Congress can take credit for another free service. As far as I know, nobody has placed an order for a free copy of the Constitution, recently discussed as a family keepsake.

We can always send the Constitution to schools and libraries if we are really serious. But nobody would have a bit of interest in this mailing unless the Members of Congress' name was on it.

The public has become, with good reason, very unsympathetic toward Members who increase their allotments to reelect themselves at their constituents' expense. We have just recently rejected a measure to raise Members' own salaries. Then we increased our staff in both House and Senate. Then the Senate increased its mail privileges by a cost several times greater than the defeated pay raise. Here we go again—another $10 million for congressional vanity and congressional reelection.

Many Members will justify their votes for this bill by citing the importance of the Constitution. Constituents, who have not asked for this $10 million advertising from their Congressmen will be neither fooled nor amused. H.R. 1149 will ultimately be more albatross than advertisement. It should be defeated now.

Mr. FORD of Michigan. Mr. Speaker, I have no further request for time.

Mr. HORTON. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, some 12 or 13 years ago when I arrived in Congress I remember going to one of those seminars that they have for Members of Congress in order to tell you how to make certain to be reelected after you got here.

They said there are three things that assured your reelection: First, you use the frank; second, you use the frank; third, if need be, you abuse the frank.

Well, if the CBO is right what we are about to do here is add about $10 million worth of abuse because with this particular mailing it seems to me that we are going over and above where we have been on the frank before. Already the American public is having problems with the amount of mail that flows out of Capitol Hill that is purely self-promotion in its origin.

It appears to me from what I can find out about this particular mailing that it is in fact something that can be used for self-promotion, that the Members' names will be included in some way with this mailing going out.

So therefore the Members will be in a position of being able to say to their constituents, "Look at this free service I am providing you, I am going to give you this keepsake of your heritage."

But what I cannot really understand is why this is necessary in the first place.

□ 1320

It is my understanding that we can already send copies of the Constitution to any person we want to. We have a House document around here that has the Constitution in it. That is perfectly frankable at the present time. Any person who writes your office right now and wants a copy of the Constitution, the Member can get a hold of the House document and send them a copy of the Constitution.

What we are doing in this case is we are coming up with a special print which will then be used to flood the country with mail out of the Member's office.

I am not so certain we are struggling to do the right thing for the taxpayers' money, that this is the way we ought to spend $10 million, and so I would hope that my colleagues would vote no on this particular bill. It seems to me that it is something that we probably do not want to do, given the kind of fiscal restraints the country faces.

Mr. FORD of Michigan. Mr. Speaker, I yield myself such time as I may consume.

I take it that both of the previous speakers understand that the mailing of this pocket Constitution is within the control of each and every Member of the House. If they feel as strongly as they do about it being a vain and useless act, there is nothing in this legislation that requires them to do it, and I suspect that they will lead the charge to enlist as many Members as possible not to mail the Constitution.

I don't know whether that sells in their district, it will not sell in mine. I think my people will respond in a positive way because they would like to believe that their Congressman thinks they have the intelligence and the patriotism to both read and understand the Constitution and the patriotism to revere it.

I expect that if I choose to give up a newsletter in order to make this mailing, and that depends on the circumstances of what is happening around here from time to time, that I would expect the kind of people I represent would put it in a place of honor right along with the family Bible. My people are good God-fearing patriotic Americans, and they think of the Constitution as I do, as a sacred document, and I think it will be handled that way. I cannot imagine, at least I have not met him or her in my district, any person who would denigrate the Constitution in any way.

Let me simply point out to the last gentleman who spoke, that he started out with his rationalization for being unstable and saying the basic thing wrong with it is Members can take something into people's homes with their name on it, then he proceeded to inform all of the people of the House of something I did not know before now, that there is available through the Document Room an unlimited supply of copies of the Constitution printed at Government expense, and that it is perfectly legal to make a mass mailing of those printed at Government expense, Constitutions with your frank on it.

Now, I don't know the gentleman's objections to making frankable a copy of the Constitution that is not printed at Government expense but will be printed with funds that will be raised by the Commission from private donors around the country. So if Members are looking at how to do this, the gentleman has given Members road maps of how to do it, and it will end up costing the taxpayers a lot more money than that.

What this legislation permits Members to do is to utilize in an effective way of distribution of the copies, the resources that private citizens of this country have made available to the Commission for the printing of this document. I think it is kind of an insult to suggest that they were self-serving or self-seeking in providing support for the Commission or that the former Chief Justice of the United States who chaired the Commission would make a request here if he thought it was just a throw-away piece of material that had as its principal value the name of whoever mailed it on the outside.

I think it is a reasonable piece of legislation, in my case, and I can speak only for myself, I use all six mass mailings of the year. To decide one of my mass mailings to distribute this Constitution is an important decision that I will have to make, so I cannot even make a commitment to my constituents as I stand here before all Members, that I am going to take advantage of the opportunity to do this. I suspect I will try to do it if it is at all possible, and I think that is the attitude that most Members of Congress will take when they approach that moment of decision.

Mr. HORTON. Mr. Speaker, I would like to call on the principal author of

this legislation, the gentleman from Illinois [Mr. CRANE]. I know we all anxiously await his comments with regard to this very important piece of legislation. I would like to take this opportunity to commend the gentleman from Illinois [Mr. CRANE], the gentleman from Michigan [Mr. FORD], and the gentlewoman from Louisiana [Mrs. BOGGS] for sponsoring this legislation. It is very important legislation, and I take this opportunity to commend the gentleman from Illinois [Mr. CRANE] for introducing this legislation.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. CRANE].

Mr. CRANE. Mr. Speaker, I thank my distinguished colleague from New York for yielding me this time.

I, too, want to salute the distinguished chairman and the minority chairman. I want to salute most especially, though, my esteemed colleague, the gentlewoman from Louisiana [Mrs. BOGGS] with whom I had the privilege of serving on the Bicentennial Commission with, in honoring our Constitution.

That Commission was created by Congress, as an agency of the Congress of the United States to honor in 1987 the events that transpired in Philadelphia that we are addressing in today's conversation. That was the creation of our unique Constitution. In fact, the Chief Justice, Warren Burger, said:

> The principal goal of the Bicentennial Commission is to stimulate an appreciation and understanding of our national heritage, a history and civic lesson for all of us. The lesson cannot be learned without first reading and grasping the meaning of this remarkable document, the first of its kind in all human history.

That is part of the Chief's statement in the pocket Constitution, the version that we are talking about. In line with the Chief Justice's concern about the dissemination of this precious document and trying to stimulate a greater interest and understanding of it in the classroom and in the home and amongst family members, many of whom have never even seen our Constitution, is an admirable objective.

What this legislation entertains is the possibility that at no expense to the taxpayer, and I want to repeat that, no expense to the taxpayer, the pocket Constitution can be made available if Members choose to avail themselves one of their frank mailings to either substitute this or incorporate it in a routine frank mailing. I know the CBO report suggests that this will cost $9 to $10 million, and then in their own report they say:

> This estimate assumes that one copy of the U.S. Constitution will be mailed to each household and that such mailings would be in addition to and not a substitution for other mailings by Members of Congress.

Now, if you look at the legislation under section 2, it reads:

> Nothing in this act shall be considered to exclude any matter mailed by a Member of Congress pursuant to the fact, from any numerical limitation under section 3210(d)(5), title 39, United States Code.

I think it is important for everyone to understand we are not talking an exclusion, we are not talking a special mailing. This is one of the normal mailings that Members are allowed to send out on an annual basis.

In addition to that, the cost of production, as the distinguished chairman of the committee pointed out in response to our colleagues from Pennsylvania, the cost of production of this document will be exclusively funded from the private sector, and if, in fact, there are Government documents, that comes at taxpayers' expense. The legislation was carefully tailored at the insistence of our distinguished chairman over here in such a way that there is no additional cost to the taxpayer in either the printing by the Commission on the Bicentennial, an agency of this body, and funding from private sector sources, and the incorporation in the numerical limitation with regard to the franking privilege.

I share some of the concerns of my colleague from Minnesota who spoke earlier about the self-serving nature of many of the newsletters that we are allowed to send out under the franking privilege, but an educational document so precious as our Constitution, guiding this body and all of our national government, is something that has educational value beyond comprehension.

□ 1330

In the absence of an understanding by the folks back home at the grassroots, we could engage in perversions that were never entertained by the Founding Fathers. This document hopefully is going to aid and abet a massive educational effort, and that was the whole reason the Commission on the Bicentennial was constituted.

This year, as our colleague, the gentlewoman from Louisiana [Mrs. BOGGS], stated, we were up in New York City this past weekend, and they did the recreation of swearing-in of George Washington after they had produced a quorum in the first Congress of the United States which met 200 years ago last year. Next year we will celebrate the creation of the Judiciary and the Bill of Rights in 1991, and then the Commission will expire.

Mr. Speaker, I urge all the Members to please give very serious thought to participation in this worthy effort to get this precious document in every household in America.

Mr. HORTON. Mr. Speaker, I rise again in support of H.R. 1149.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. FORD of Michigan. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think the gentleman from Illinois [Mr. CRANE] has given us a very clear and cogent explanation of this bill. I just checked and asked how much the Commission thinks it will spend to print these copies of the Constitution, and I am advised that it is $10 million or more. I hope that people will bear in mind that that is $10 million or more that is being put up by private citizens who think this is important enough that they should put their money up. I think with all the other problems we have around here, it need not be said that when private citizens indicate with their money that they think that is so important, we turn into the Grinch that stole Christmas at the last minute and say, "Well, it isn't something we printed, and so we are not going to mail it." That is how some people will interpret it.

Mr. Speaker, I rise in very strong support of this bill. I am surprised that it draws any resistance at all, and I trust that the Members will vote to pass the bill.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PICKETT). The question is on the motion offered by the gentleman from Michigan [Mr. FORD] that the House suspend the rules and pass the bill, H.R. 1149.

The question was taken.

Mr. FRENZEL. Mr. Speaker, I object the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 174, nays 231, not voting 29, as follows:

[Roll No. 37]

YEAS—174

Ackerman	Conyers	Ford (TN)
Akaka	Coyne	Frost
Alexander	Crane	Garcia
Anderson	Crockett	Gaydos
Annunzio	Dannemeyer	Gejdenson
Anthony	Darden	Gibbons
Applegate	de la Garza	Gilman
Atkins	DeFazio	Gingrich
AuCoin	Dellums	Gonzalez
Baker	Dicks	Gray
Bilbray	Dingell	Green
Boggs	Dixon	Guarini
Bonior	Donnelly	Hall (TX)
Borski	Douglas	Hastert
Bosco	Downey	Hawkins
Boucher	Dreier	Hayes (IL)
Brooks	Durbin	Hayes (LA)
Brown (CA)	Dymally	Hertel
Bruce	Dyson	Hochbrueckner
Burton	Edwards (CA)	Horton
Campbell (CO)	Emerson	Houghton
Chandler	Evans	Hoyer
Chapman	Fazio	Huckaby
Clay	Flake	Hunter
Coelho	Foglietta	Hyde
Coleman (MO)	Foley	Jones (GA)
Collins	Ford (MI)	Jones (NC)

Kanjorski	Molinari	Saiki
Kaptur	Moody	Sarpalius
Kennedy	Morrison (WA)	Savage
Kildee	Murphy	Sawyer
Kleczka	Murtha	Scheuer
Kolter	Neal (MA)	Schulze
Kostmayer	Neal (NC)	Schumer
LaFalce	Nowak	Sikorski
Lantos	Oakar	Smith (FL)
Lehman (FL)	Oberstar	Smith (IA)
Leland	Obey	Smith (NJ)
Lent	Owens (NY)	Solarz
Lewis (GA)	Owens (UT)	Stangeland
Lipinski	Parris	Stokes
Livingston	Pashayan	Studds
Long	Payne (NJ)	Swift
Lowey (NY)	Pelosi	Tallon
Madigan	Perkins	Tauke
Manton	Pickett	Tauzin
Marlenee	Pickle	Torres
Martinez	Porter	Torricelli
Matsui	Quillen	Traficant
Mavroules	Rangel	Udall
McCloskey	Richardson	Unsoeld
McDermott	Ridge	Vander Jagt
McEwen	Ritter	Vento
McGrath	Roe	Walgren
McNulty	Rose	Waxman
Miller (WA)	Roth	Weiss
Mineta	Rowland (CT)	Whitten
Moakley	Sabo	Young (AK)

NAYS—231

Andrews	Gallo	McCurdy
Archer	Gekas	McDade
Armey	Gephardt	McHugh
Aspin	Gillmor	McMillan (NC)
Ballenger	Glickman	McMillen (MD)
Barnard	Goodling	Meyers
Bartlett	Gordon	Michel
Barton	Goss	Miller (CA)
Bates	Gradison	Miller (OH)
Beilenson	Grandy	Mollohan
Bennett	Grant	Montgomery
Bereuter	Gunderson	Moorhead
Berman	Hall (OH)	Mrazek
Bevill	Hamilton	Myers
Bilirakis	Hammerschmidt	Nagle
Bliley	Hancock	Natcher
Boehlert	Hansen	Nelson
Boxer	Harris	Nielson
Broomfield	Hefley	Olin
Browder	Hefner	Oxley
Brown (CO)	Henry	Packard
Bryant	Herger	Panetta
Buechner	Hiler	Parker
Bunning	Hoagland	Patterson
Byron	Holloway	Paxon
Callahan	Hopkins	Pease
Campbell (CA)	Hubbard	Penny
Cardin	Hughes	Petri
Carper	Hutto	Poshard
Carr	Inhofe	Price
Clarke	Ireland	Rahall
Clement	Jacobs	Ray
Clinger	James	Regula
Coble	Jenkins	Rhodes
Coleman (TX)	Johnson (CT)	Rinaldo
Combest	Johnson (SD)	Roberts
Conte	Johnston	Robinson
Cooper	Jontz	Rogers
Costello	Kasich	Rohrabacher
Coughlin	Kastenmeier	Rostenkowski
Cox	Kennelly	Roukema
Craig	Kolbe	Rowland (GA)
Davis	Kyl	Russo
DeLay	Lagomarsino	Sangmeister
Derrick	Lancaster	Saxton
DeWine	Laughlin	Schiff
Dickinson	Leach (IA)	Schneider
Dorgan (ND)	Leath (TX)	Schroeder
Dornan (CA)	Lehman (CA)	Schuette
Duncan	Levin (MI)	Sensenbrenner
Dwyer	Lewis (CA)	Sharp
Early	Lewis (FL)	Shaw
Eckart	Lightfoot	Shays
Edwards (OK)	Lloyd	Shumway
English	Lowery (CA)	Shuster
Erdreich	Luken, Thomas	Sisisky
Fields	Lukens, Donald	Skaggs
Fish	Machtley	Skeen
Flippo	Martin (IL)	Skelton
Frank	Martin (NY)	Slattery
Frenzel	Mazzoli	Slaughter (NY)
Gallegly	McCandless	Slaughter (VA)
Smith (MS)	Stark	Walker
Smith (NE)	Stearns	Walsh
Smith (TX)	Stenholm	Watkins
Smith (VT)	Stump	Weber
Smith, Denny (OR)	Sundquist	Weldon
	Synar	Wheat
Smith, Robert (NH)	Tanner	Whittaker
	Thomas (CA)	Wilson
Smith, Robert (OR)	Thomas (GA)	Wise
	Thomas (WY)	Wolf
Snowe	Traxler	Wolpe
Solomon	Upton	Wyden
Spence	Valentine	Wylie
Spratt	Visclosky	Yates
Staggers	Volkmer	Yatron
Stallings	Vucanovich	Young (FL)

NOT VOTING—29

Bateman	Florio	Pallone
Bentley	Hatcher	Payne (VA)
Brennan	Levine (CA)	Pepper
Bustamante	Markey	Pursell
Courter	McCollum	Ravenel
Engel	McCrery	Roybal
Espy	Mfume	Schaefer
Fascell	Morella	Towns
Fawell	Morrison (CT)	Williams
Feighan	Ortiz	

□ 1355

Messrs. WHEAT, RHODES, ASPIN, BERMAN, LEACH of Iowa, FLIPPO, SISISKY, and TRAXLER changed their votes from "yea" to "nay."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

AUTHORIZING 1989 SPECIAL OLYMPICS TORCH RELAY TO BE RUN THROUGH CAPITOL GROUNDS

Mr. ANDERSON. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the concurrent resolution (H. Con. Res. 71) authorizing the 1989 Special Olympics Torch Relay to be run through the Capitol Grounds, and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. HAMMERSCHMIDT. Reserving the right to object, Mr. Speaker, and I do not plan to object, I yield to the gentleman from California [Mr. ANDERSON] for an explanation of his resolution.

Mr. ANDERSON. Mr. Speaker, I thank the gentleman for yielding and also thank him for his cooperation on this resolution.

Mr. Speaker, House Concurrent Resolution 71 authorizes the 1989 law enforcement torch run for the Special Olympics to be run through the Capitol Grounds, as part of the journey of the Special Olympics torch to the District of Columbia Special Olympics Spring Games at Gallaudet University in the District of Columbia, on or about May 19, 1989.

Mr. Speaker, currently there is a provision in the law prohibiting torches from being carried on the Capitol Grounds. The Congress did pass special legislation in 1984 so that the Olympic torch could be carried through the Capitol Grounds on its way to the Olympics in Los Angeles, and again, in 1986, 1987, and 1988 for the Special Olympics held at Gallaudet University.

The Internal Revenue Service, Criminal Investigation Division, is this year's host for the law enforcement run for D.C. Special Olympics.

Again this year, as in years past, a torch-lighting ceremony will begin the relay of law enforcement officers from the steps of the Capitol, through the District, concluding at Gallaudet University. The goal is to show law enforcement's support for Special Olympics and raise money for the Special Olympics organization through the 1989 law enforcement torch run for Special Olympics.

Mr. Speaker, founded in 1968 by Eunice Kennedy Shriver, the Special Olympics Program offers year round training and competition in 14 official sports to any individual with mental retardation, age 8 or more, including aquatics, track and field, gymnastics, volleyball, and softball.

Mr. Speaker, enactment of this legislation is a very positive step toward promoting interest in the Special Olympics and I urge passage of House Concurrent Resolution 71.

Mr. HAMMERSCHMIDT. Mr. Speaker, further reserving the right to object, I rise in support of this resolution which would authorize the 1989 law enforcement torch run for Special Olympics to be run on Capitol Grounds.

The torch relay has become the traditional opening of the D.C. Special Olympics, with various local police organizations leading the torch from the Capitol to Gallaudet University—site of the D.C. Special Olympics Spring Games.

I commend Congressman NORM LENT for introducing the resolution this year, and the Criminal Investigation Division of the IRS for serving as the host of this year's relay.

The House has passed similar resolutions for the past several years, and I urge passage of House Concurrent Resolution 71 by the House today.

Mr. Speaker, I yield to the gentleman from New York [Mr. LENT], the author of the resolution.

Mr. LENT. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, this is a very worthwhile program. It is to raise funds for physically challenged individuals. It is a resolution which deserves our support.

Mr. Speaker, I rise today to ask my colleagues to join me in supporting House Con-

current Resolution 71, which authorizes the annual law enforcement run marking the start of the U.S. Special Olympics on May 19. I'd like to thank my distinguished colleagues, Mr. ANDERSON, chairman of the Public Works and Transportation Committee, and Mr. HAMMERSCHMIDT, the committee's ranking Republican, for their help in bringing the legislation to the House floor in such a timely fashion.

The event begins with a torch-lighting ceremony that will be held on the steps of the U.S. Capitol. From there, a relay of law enforcement officers will run from the Capitol, continue on a designated route through the District of Columbia, and finish at Gallaudet University where the Special Olympics will be held.

The goal of the relay is to show law enforcement's support for the Special Olympics games and to help raise financial assistance to continue this worthwhile program for physically challenged individuals. The Internal Revenue Service, Criminal Investigation Division, is this year's host for the torch run, and the folks there have done a fantastic job organizing this exciting event.

However, before any of this can happen, Congress must give its approval for use of the U.S. Capitol steps as the site of the torch-lighting ceremony that kicks off the festivities. The U.S. Special Olympics offers the challenge and thrill of competition to some very special people. I hope my colleagues will show their dedicated support for this worthwhile cause by voting for passage of House Concurrent Resolution 71.

Mr. PETRI. Mr. Speaker, this resolution, which authorizes the 1989 law enforcement torch run for Special Olympics to be run through the Capitol Grounds on May 19, 1989, will serve to promote the spring games of the D.C. Special Olympics.

The Special Olympics torch-lighting ceremony and relay run by various local law enforcement agencies have become the symbolic start of the annual D.C. spring games.

By adopting similar resolutions in the past, Congress has recognized the accomplishments of the fine athletes who participate in the Special Olympics games. I would urge that we continue that support by passing House Concurrent Resolution 71 today.

Mr. HAMMERSCHMIDT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 71

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. AUTHORIZATION OF RUNNING OF SPECIAL OLYMPICS TORCH RELAY THROUGH CAPITOL GROUNDS.

On May 19, 1989, or on such other date as the Speaker of the House of Representatives and the President pro tempore of the Senate may designate jointly, the 1989 Special Olympics Torch Relay may be run through the Capitol Grounds, as part of the journey of the Special Olympics torch to the District of Columbia Special Olympics spring games at Gallaudet University in the District of Columbia.

SEC. 2. RESPONSIBILITY OF CAPITOL POLICE BOARD.

The Capitol Police Board shall take such action as may be necessary to carry out section 1.

SEC. 3. CONDITIONS RELATING TO PHYSICAL PREPARATIONS.

The Architect of the Capitol may prescribe conditions for physical preparations for the event authorized by section 1.

AMENDMENT OFFERED BY MR. ANDERSON

Mr. ANDERSON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON: On the first page, lines 3 and 4, strike "SPECIAL OLYMPICS TORCH RELAY" and insert in lieu thereof "1989 LAW ENFORCEMENT TORCH RUN FOR SPECIAL OLYMPICS".

On the first page, lines 8 and 9, strike "Special Olympics Torch Relay" and insert in lieu thereof "Law Enforcement Torch Run for Special Olympics".

□ 1400

Mr. ANDERSON. Mr. Speaker, the amendment simply clarifies the official name of this event as the 1989 Law Enforcement Torch Run for Special Olympics.

Mr. Speaker, I move the previous question on the amendment and on the concurrent resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. PICKETT). The question is on the amendment offered by the gentleman from California [Mr. ANDERSON].

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the concurrent resolution.

The concurrent resolution was agreed to.

TITLE AMENDMENT OFFERED BY MR. ANDERSON

Mr. ANDERSON. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mr. ANDERSON: Amend the title so as to read: "Concurrent resolution authorizing the 1989 Law Enforcement Torch Run for Special Olympics to be run through the Capitol Grounds.".

The title amendment was agreed to.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 7, APPLIED TECHNOLOGY EDUCATION AMENDMENTS OF 1989

Mr. DERRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 101-43) on the resolution (H. Res. 143) providing for the consideration of the bill (H.R. 7) to amend the Carl D. Perkins Vocational Education Act to extend the authorities contained in such act through the fiscal year 1995, which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF H.R. 1486, MARITIME ADMINISTRATION AUTHORIZATION, FISCAL YEAR 1990

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 138 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 138

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1486) to authorize appropriations for fiscal year 1990 for the Maritime Administration, and for other purposes, and the first reading of the bill shall be dispensed with. All points of order against consideration of the bill for failure to comply with the provisions of clause 2(1)(6) of rule XI are hereby waived. After general debate, which shall be confined to the bill and which shall not exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries now printed in the bill as an original bill for the purpose of amendment under the five-minute rule and each section shall be considered as having been read. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. PICKETT). The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. DERRICK. Mr. Speaker, House Resolution 138 is an open rule providing for the consideration of H.R. 1486, a bill authorizing appropriations for fiscal year 1990 for the Maritime Administration and for other purposes. The rule provides for 1 hour of general debate to be divided equally and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries.

The rule waives all points of order against the bill for failure to comply with clause 2("1")6 of rule XI, the 3-day layover rule for committee reports. At the time that the Rules Committee considered the rule for H.R. 1486, it was expected that the bill would be considered at the end of last week, necessitating this waiver. As the bill will be considered after the 3-day layover period, this waiver is no longer necessary.

The rule further makes in order an amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries now printed in the bill as an original bill for purposes of amendment under the 5-minute rule.

Finally, Mr. Speaker, the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, H.R. 1486 responds to requirements of the Merchant Marine Act of 1936. It is intended to provide the Maritime Administration with the means to carry out its responsibility for programs to promote a strong U.S. Merchant Marine for the waterborne carriage of U.S. foreign and domestic commerce and for national defense purposes.

The bill authorizes an estimated $535.8 million for the Maritime Administration for fiscal year 1990. This amount is approximately the amount recommended by the administraton. It includes a total of $310 million for programs of the Maritime Administration and approximately $225 million for the Maritime Administration's Operating Differential Subsidy Program. This program helps U.S.-flagged vessels to compete internationally with foreign ships.

Mr. Speaker, as I stated earlier, House Resolution 138 is an open rule making the bill under consideration open to any germane amendment. This resolution has been endorsed by both the minority and majority members of the Committee on Merchant Marine and Fisheries. It will facilitate the consideration of a bill that is needed to promote our Nation's shipping capabilities and I urge its speedy adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, here it is 1989 and the maritime authorization bill is on the floor of the House again.

Mr. Speaker, for the 27 years I have been here, we have been hammering away at the merchant marine issue, and the committee has done a beautiful job under the constraints, but the merchant marine of this Nation is going down the drain unless we get a handle on it, unless we can build it up so that it can be a part of our defense posture. We need to do that right away. Do not wait until the situation is absolutely desperate. We must not be dependent on foreign bottoms and foreign crews, because in the event of a national emergency, we will be without a viable merchant marine.

Mr. Speaker, I remember during World War II when the merchant marine fleet and the crews aided greatly in our victory, and we must always remember that. Here we are again not beefing up our merchant marine as much as we should. It is time that we took a look and did something more about it.

We spend billions and billions and billions for our national defense, and yet we let the merchant marine slip through our fingers. I think it is a shame and a disgrace that we would go to foreign bottoms, foreign crews, and let the American merchant marine sailors go without work. It is time that we did something about it.

Mr. Speaker, I support this rule under the reservation that we in future years do something more about it.

Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I want to commend the ranking member of the Committee on Rules for bringing this rule before us. Also, I want to commend the chairman of the full Committee on Merchant Marine and Fisheries, as well as the ranking member and the gentleman from New York [Mr. LENT].

The gentleman from Tennessee [Mr. QUILLEN] is absolutely right. What has happened to our merchant marine fleet in this country is only rivaled in disgrace by the fact that our railroad industry is now the worst of any industrialized nation in this world. It is time this Congress and this administration did something about it.

There is no way that American shipbuilding industries today can compete with all of the subsidizations coming from the foreign governments for all of the shipbuilding industry overseas. It is about time that the U.S. Government started to get in the business of buying their own ships and leasing them out to the private sector. That way we could have American-built bottoms. We could build up merchant marine fleet, and we would be protected in case of emergency should we ever have to go to war again.

Mr. Speaker, I do commend the gentleman from North Carolina [Mr. JONES] from the Committee on Merchant Marine and Fisheries, and also the gentleman from Michigan [Mr. DAVIS] for all of their support in bringing this bill together. We should support it unanimously here today.

□ 1410

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 4 minutes to the very distinguished gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I thank the gentleman very much for yielding me this time.

Mr. Speaker, I want to start out by commending the chairman of the overall committee, the gentleman from North Carolina [Mr. JONES] and the ranking minority member, the gentleman from New York [Mr. LENT] for a good bill. I support the rule and will support the bill.

In my three terms I have not found any Member that been more instructive or given more advice or taken more time with young Members than the gentleman from North Carolina [Mr. JONES] and I want to say that I appreciate it and many young Members appreciate it.

Mr. Speaker, I am here today with my standard Buy America amendment that Members are now familiar with which offers a weighted advantage to American firms. I will offer it to this bill. It gives a 6-percent weighted advantage to American firms competing against a foreign firm for a contract or a bid under this particular Act.

There are two provisos. One is that the item has to be made in America with at least 50 percent domestic content and be made by American hands. There is a proviso that if it is not made in America, naturally it does not apply.

One particular thing I would like to respond to today is that there is a reporting requirement that the Secretary of Transportation will have to give a report at the end of each year as to how the GATT agreements interact and interrupt this type of legislation. Hopefully Congress will come to see that more of our tax dollars should be going to American companies.

One point I would like to make is several years ago we found on the floor that a law was passed in Japan creating $60 billion for public works projects over 10 years. The small print in the law said only Japanese companies could bid on the work. When the U.S. Trade Representatives heard that he said "My God, I can't believe it." When the Pentagon heard about it they said "This is crazy. I can't believe they would do something like that."

When we pushed the Japanese to explain their position, they said yes, it is true. They decided to keep the jobs and money in Japan. When pushed further, they said that is our job here in Japan. Maybe you people in Congress should be taking care of America.

Let me remind Members that 2 years ago the Pentagon, our Army, bought 5,000 Toyotas from Japan. They purchased a $60 million computer from

Japan. Japanese companies 2 years ago got almost $3 billion worth of public works projects in America, but their bill said only Japanese companies can apply.

I am getting some talk about protectionism. This is not protectionism. This gives a weighted advantage to American firms, and it offsets the taxpayers' costs for unemployment compensation, food stamps, welfare.

I say let us keep people working with dignity rather than putting them on the dependency rolls with welfare. That is what the amendment will do.

At the time it is offered I am sure the chairman will have some questions and I will be glad to answer those questions. I will be offering my Buy American amendment, and I hope it will be received favorably by the House.

Mr. QUILLEN. Mr. Speaker, I urge the adoption of this rule.

Mr. Speaker, I yield back the balance of my time.

Mr. DERRICK. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. FOLEY). On June 15, 1988, and again on July 6, 1988, the Chair made an announcement which cautioned all Members to refrain from references in debate to the official conduct of other Members where the Committee on Standards of Official Conduct had not filed a report on the conduct of that Member where that Member's conduct was not the subject of a question of the privilege of the House then pending before the House, and similarly not to refer to the motivations of Members who may have filed complaints before that committee.

This standard was relied upon by the Chair on March 22, 1989. The Chair reiterates this standard to indicate that 1 minute speeches and special order speeches which attempt to focus on conduct or motivations of Members are not in order under clause 1, rule XIV and under the precedents, because they inevitably engage in personalities in a manner contrary to the essential purpose of this legislative body.

The Chair recognizes the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Speaker, I want to commend the Chair for the statement just made.

Mr. Speaker, there have been instances on the floor recently when Members have taken the well and openly discussed questions pending before the Committee on Standards of Official Conduct.

These instances, in my view, violate the Rules of the House, specifically rule 14.

Mr. Speaker, I hope we can spare the House of these incidents. They make matters worse, not better. They may vent some of the frustrations and anxieties felt by Members on both sides, but that alone is no justification.

The rules which govern this House are rules which require reasoned judgment, not emotional outbursts.

The needs of the institution must transcend the needs of the individual Member in situations like this, whether it be Members who are accused, or Members who set themselves up as defenders of the accused.

The rules of the House and the precedents we have in place must be adhered to and respected. The Nation is watching how we proceed through this thicket of ethical behavior and judgments. The people are waiting to see how we perform and they will pass ultimate judgment on what we do, what we say, and what we decide.

Let's attempt over the next weeks and months to live up to the very high standards set for us by those who wrote the rules and established the precedents by the people we serve and by the media who scrutinize us so closely.

In short, Mr. Speaker, let's behave like gentlemen and ladies of the House.

The SPEAKER pro tempore. The Chair thanks the distinguished Republican leader for his statement.

MARITIME ADMINISTRATION AUTHORIZATION, FISCAL YEAR 1990

The SPEAKER pro tempore. Pursuant to House Resolution 138 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1486.

□ 1417

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1486) to authorize appropriations for fiscal year 1990 for the Maritime Administration, and for other purposes, with Mr. DERRICK in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from North Carolina [Mr. JONES] will be recognized for 30 minutes, and the gentleman from New York [Mr. LENT] will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. JONES].

Mr. JONES of North Carolina. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of the bill, H.R. 1486, which authorizes fiscal year 1990 appropriations for the Maritime Administrtion. The Maritime Administration is responsible for developing and maintaining a strong U.S. merchant marine capable of meeting our country's vital interests in commercial trade and national defense. Unfortunately, our national policies have not adequately directed our resources to provide for either a strong U.S. merchant marine or a healthy American shipbuilding base.

Our national security requirements will be in serious jeopardy if the U.S.-flag fleet and our American shipyards continue to decline. More than 95 percent of the cargo and petroleum products needed to support our military forces overseas must be carried by strategic sealift. During peacetime, U.S.-flag ships carry 10 million tons of dry cargo and almost 14 million long tons of petroleum each year to support the Military Sealift Command's cargo needs. With the number of U.S.-flag oceangoing ships down to an all-time low of 424 ships, we are facing a serious erosion of our sealift capabilities.

Our commercial trade interests are an essential part of our Nation's economic development, and support for the merchant marine and maritime industry is needed to protect this vital basic industry.

H.R. 1486 is intended to provide the Maritime Administration with the means to allocate the admittedly limited funds for maritime programs of the Department of Transportation. The bill authorizes an appropriation of $309,830,000 for nonsubsidy programs administered by the Maritime Administration and authorizes such sums as may be required to liquidate 1990 operating differential subsidy [ODS] contract obligations.

ODS is a program to assist U.S.-flag ships to operate competitively in the U.S. foreign trade. The Administration estimates that the actual outlays for ODS contract obligations in 1990 would be approximately $226 million.

H.R. 1486 includes $3,750,000 for research and development and reallocates funds which the Administration had included in operations and training for this purpose. Federal outlays are not increased by the redistribution of funds, but the emphasis on research and development indicates a congressional intent to support R&D programs to improve the efficiency and competitiveness of our fleet and shipyards.

H.R. 1486 authorizes the same amount of funds for the U.S. Merchant Marine Academy and the State maritime academies as was requested by the administration. With regard to the State academies, the bill specifically authorizes that the funds be used for assistance to the schools and their current fleet of five vessels. This is in contrast to the administration's plan to reduce the schools' training vessels to three ships in 1990 and two ships in 1991.

Three other sections in H.R. 1486 address the State maritime academies:

Section 2 amends the student incentive payment program by requiring a student who accepts Federal aid to commit to the Naval Reserve after the first year of school.

Section 3 requires the Secretary of Transportation, within 1 year, to submit a study to Congress to determine how current training school vessels and other available vessels may be used for onboard ship training.

Section 4 increases the Federal share of direct payments to the regional academy, without increasing Federal outlays.

H.R. 1486 also authorizes $246,909,000 for the National Defense Reserve Fleet, including the Ready Reserve Force. Previously, most funding for this program was in the Navy. This amount is consistent with the administration's request, and reflects the downturn in available commercial, militarily useful vessels—and the need to fill the void with vessels in the RRF capable of being placed in service on 5 to 20 days' notice.

Section 5 further clarifies the relationship between the Maritime Administration and the Department of the Navy regarding the Ready Reserve Force. It sets out the terms under which the Navy can activate and use the vessels in the RRF. Contracting-out of maintenance work on the NDRF is also limited.

Section 6 reauthorizes the Secretary of Transportation to provide war risk insurance until 1995.

And, finally, section 7 of the bill authorizes the Secretary of Transportation to designate National Maritime Enhancement Institutes.

H.R. 1486 is a fair representation of how we believe the Maritime Administration should spend the limited funding available for these vital programs essential to the national security and commercial trade needs of our country. I urge your support for this important legislation.

□ 1420

Mr. Chairman, I reserve the balance of my time.

Mr. LENT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is a pleasure for me to join our distinguished committee chairman, the Honorable WALTER B. JONES, and rise in support of H.R. 1486, the authorization bill for the Maritime Administration [MarAd], and to commend him for his leadership in bringing this measure to the floor of this House.

H.R. 1486 is the annual authorization for the programs of MarAd within the Department of Transportation. MarAd is the primary agency of Government that provides support and promotional assistance to the American merchant marine.

This legislation is very similar to the President's budget request for the line items that need to be authorized. The Merchant Marine and Fisheries Committee made some adjustments in the way that the funding will be identified and allocated, but the overall dollar total is very close to the administration's request. The total outlay under H.R. 1486 would be around $535,830,000. The administration request is for $533,450,000. The difference is $2,380,000.

We did make one change in this bill, compared to previous authorization bills. We have not put a dollar figure in this legislation for the operating-differential subsidy [ODS] program. Instead, we provided such funds as might be necessary to the agency in order for them to meet any contractual obligations under existing ODS contracts. The administration budget projects this amount to be around $226 million for fiscal year 1990. Our committee does not have information indicating that the figure would be any higher than that—but the language of this bill would allow the agency to pay additional funds to vessel operators should they elect to expand the use of their existing ODS contracts.

The other significant provision of this bill is a requirement that MarAd produce a study in 1 year on methods of providing at-sea training to student cadets. The administration has proposed a two-ship sharing program amongst the five coastal maritime academies. The superintendents of the schools believe that a more appropriate method would be to employ five ships that are currently in the Government's Ready Reserve Force. Our committee felt that the agency should review all possible methods of at-sea training before selecting any one particular method. Consequently, in this bill we require the study and do not permit the agency to change the existing training program that has a school ship at each coastal academy until the study is completed.

H.R. 1486 also contains a section that clarifies the roles that MarAd and the Navy play with regard to the operation and management of the National Defense Reserve Fleet [NDRF]—including the Ready Reserve Force. The administration requested this provision. The bill also includes another provision in this same section that would limit MarAd's ability to contract out the maintenance of the NDRF.

Another provision of the bill would refine the program that enables MarAd to give student incentive payments [SIP's] to student cadets at the six State maritime academies. The agency would prefer to eliminate the SIP program altogether but our committee believes it just needs some adjustments—but should not be terminated.

The final section in H.R. 1486 would give the agency the authority to select National Maritime Enhancement Institutes. These institutes would be nonprofit institutions of higher learning and would have a special expertise that would enable them to assist the Government in developing both short and long-term solutions to domestic maritime problems. No special funding is contained in this bill and research grants to an institute could only be made from funds specifically appropriated by Congress for that purpose.

Mr. Chairman, the Merchant Marine and Fisheries Committee has crafted a good piece of legislation that is well within budgetary constraints. It also provides the type of oversight and guidance that I believe is appropriate for Congress to do.

I urge my colleagues to support H.R. 1486.

Mr. Chairman, I reserve the balance of my time.

Mr. JONES of North Carolina. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia [Mr. PICKETT].

Mr. PICKETT. Mr. Chairman, I rise today in support of H.R. 1486, the Maritime Administration authorization bill for fiscal year 1990. This important legislation deserves the support of the House.

Just last month, Mr. Chairman, the Maritime Administration released statistics on the status of the privately owned, deep-draft fleet of the U.S. merchant marine, and the news was most depressing. As of September 1, 1988, there were only 427 oceangoing ships and 83 Great Lakes vessels, a decrease over the past year alone of 42 vessels.

Even more alarming, as 1988 ended, MarAd reported that not a single new commercial vessel was under construction in any shipyard in the United States. This situation has existed since November 9, 1987, when the last commercial vessel under construction in a U.S. yard was delivered to its owner.

Much needs to be done to ensure that our maritime industry will be capable of supporting the economic needs and the national defense requirements of the United States. The funds authorized in H.R. 1486 for the maritime industries are fully justified,

and that justification particularly applies to the research and development section, which authorizes $3.75 million for R&D activities of the Maritime Administration.

As explained in the committee report, "the research and development function is necessary to develop concepts, methods, systems, and equipment that will improve productivity and operating efficiency in the U.S. shipbuilding and ship operating industries." These R&D programs "are aimed at the development of information and technology that will result in lower shipbuilding costs, operating costs, and Government subsidies for both ship construction and operation." Two million two hundred and fifty thousand dollars is specifically authorized for vessel design and shipyard studies.

It is essential that funds be authorized and appropriated for this critical function if the United States is to keep pace with other countries in the area of ship technology. The $2,250,000 contained in this bill is the first step in getting MarAd back into the business of research and development. The administration did not request R&D funding for fiscal year 1990.

If a U.S. shipbuilding industry is to exist and thrive, research must be conducted on shipyard productivity improvements, on advanced ship designs, and on identifying an international market for high technology commercial ships. Other countries have been spending millions on research and development while MarAd has been dismantling its R&D activities. Today, there is essentially no money being invested by MarAd to promote shipyard productivity or to pursue ship research and design. The MarAd Office of Technology Assessment was formed in 1987, after the Offices of Advanced Ship Development, Advanced Ship Operations, and Maritime Technology were closed. The current functions of the Office of Technology Assessment heavily emphasize ship operations and cargo handling—but not ship construction.

While we are doing essentially nothing in this area, other nations are investing heavily in high technology ship designs and advanced production processes. Although it is difficult to quantify the extent of foreign investment in this area, we do know that Japan, for example, is investing heavily in ship research and development. The Japanese Ship Research Institute—an arm of the Japanese Ministry of Transport—spent $24.4 million in fiscal year 1987 and $21.9 million in fiscal year 1988 alone. R&D in Japan prior to 1974 emphasized building bigger and faster ships. After 1974, the emphasis was placed on lowering production and operating costs. Then in 1986, the Government's focus turned toward high value-added ships. Longer-term research is currently being conducted on ship applications of superconducting machinery.

The United States once led the world in ship technology breakthroughs. We still maintain that position in the production of sophisticated state-of-the-art naval combatants and nuclear submarines. We can once again lead the world in commercial ship technology. But, this cannot be accomplished without a long-term commitment to research and development or without a cooperative government/industry effort to that goal. This commitment is long overdue.

I encourage my colleagues to support this bill which is a beginning aimed at restoring America's competitiveness in commercial shipbuilding.

Mr. DAVIS. Mr. Chairman, H.R. 1486, a bill to authorize appropriations for the Maritime Administration for fiscal year 1990, is not controversial. Although the administration has opposed certain provisions, I am confident with the floor amendment which will be offered today, we will have overcome a significant point of contention with respect to the Ready Reserve Fleet.

H.R. 1486, as introduced, contained a provision to increase direct payments to the Great Lakes Regional Academy. No additional budget authority was sought for this change nor is one required. Our review indicates that sufficient funds are available in Marad's operating budget for the maritime academies to implement this regulatory change. The Great Lakes Academy is the only regional academy in the country. The Federal dollars are matched by State dollars and this added funding will give the Great Lakes Academy an incentive to appeal to Great Lakes States other than Michigan for funding. This is going to be a boost for the regional academy, projecting a need to increase their enrollments over the next few years because the Great Lakes shipping industry is back on the rise.

Finally, Mr. Chairman, shipboard training of academy cadets has been a difficult issue for the administration and this committee and one which has yet to be resolved.

Unfortunately, I am not convinced that the schools are getting a fair hearing on this issue and, for that reason, I must support the amendment made by my colleague, Mr. STUDDS, at the full committee markup and included in the present text of H.R. 1486. I do so not to encourage delay but to assure that the necessary review and hearing does, in fact, take place.

Mr. STUDDS. Mr. Chairman, I rise in strong support of H.R. 1486, the maritime authorization bill.

This legislation reflects the continued commitment of our committee to the maintenance of a strong merchant marine and to a well-equipped and maintained National Defense Reserve Fleet.

In addition, the bill requires a comprehensive study by Marad of ship training opportunities at the State and Federal maritime academies.

In conducting this study, we expect Marad to consider seriously a proposal by the presidents of the State academies to use vessels soon to be acquired for the Ready Reserve for academy training.

As Members may know, there are plans to expand the Ready Reserve Force from its current level of 91 vessels to as many as 120 by 1992. Under the academy presidents plan, three of the newly acquired vessels would be asked to play a dual role as academy training ships and as troop transport ships in the Ready Reserve. This would eliminate the need to acquire new training vessels to replace those now in service at our maritime academies in Maine, Texas, and California.

In recent years, some in the executive branch have argued that we should simply retire the training ships in these States and ask the five State academies to share the two that are left. The proposal of the academy presidents would allow each academy to have its own training vessel at a cost to the Federal Government that it is little more than what we will be paying to maintain the same vessels in the Ready Reserve.

H.R. 1486 does not require Marad to accept the academy presidents' plan. It does require them to study it; and to maintain the current fleet of five training vessels until that study is complete.

In closing, I want to congratulate the chairman, the gentleman from North Carolina [Mr. JONES]; and the ranking minority member on the subcommittee, the gentleman from New York, [Mr. LENT], for their leadership on this bill, and I urge my colleagues to support it.

Mr. BRENNAN. Mr. Chairman, I rise today in strong support of H.R. 1486, the fiscal year 1990 Maritime Administration Authorization Act. At a time when our Nation's merchant marine fleet is declining, this legislation is important to help curb that trend.

As a member of the House Merchant Marine and Fisheries Committee, I have had an opportunity to review testimony and reports on the status of the maritime industry—and the outlook is bleak. In fact, last week while appearing before the House Armed Services Committee, Secretary of Defense Cheney and Chairman of the Joint Chiefs Admiral Crowe claimed that the state of our merchant marine fleet was dismal. We are also facing a deteriorating shipbuilding/ship repair industrial base. It is important for our Nation to address these important issues and this legislation makes a valid attempt.

An important provision of the legislation is authorizing funding for the Maritime Administration's Operating Differential Subsidy [ODS] Program. This program helps U.S.-flag vessels engaged in U.S. international commerce to compete against usually subsidized foreign ships by offsetting some of the high operational costs for the U.S. vessels. The Bush administration has raised objections to this provision of the legislation. However, I believe the industry needs this modest assistance to combat the increasingly subsidized foreign competition.

The need for a viable merchant marine fleet to provide necessary sealift is universally accepted. To maintain our current fleet and reverse the declining trend, we need a greater emphasis placed on ODS funding. While the outbreak of hostilities abroad remains unlikely, I remain troubled by the threat posed by our

sea-borne transportation being captured by foreign flagged vessels. Their reliability is questionable and hampers our ability to have confidence in an important transportation system.

Another important provision of this legislation relates to continued funding for the State maritime academies. The $8.7 million provided for these institutions reflects the continuing commitment of this Congress to the vital role they offer the Nation in training future maritime officers. I am also pleased with the prohibition on the ship sharing plan called for by the Bush administration. This proposal could seriously affect the training ability of these institutions to provide the quality education they are known to offer. The language in this bill requires a full and complete study of the benefits of any ship sharing proposal be presented to Congress. This study will enable us to accurately judge the ship sharing concept before moving to hastily adopt the proposal. Our maritime academies continue to graduate top-quality young men and women who serve ably in our maritime industries. We must not hamper this vital training by restricting needed funding.

I urge my colleagues to express our strong commitment to a viable maritime industry by joining me in support of H.R. 1486.

□ 1430

Mr. LENT. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. JONES of North Carolina. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the committee amendment in the nature of a substitute now printed in the bill shall be considered as an original bill for the purpose of amendment, and each section is considered as having been read.

The Clerk will designate section 1.

Mr. JONES of North Carolina. Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 1486

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. In fiscal year 1990, the following amounts are authorized to be appropriated for the Maritime Administration—

(1) any amounts necessary to liquidate obligations under operating-differential subsidy contracts for the fiscal year 1990 portion of the total of current contract authority;

(2) $3,750,000 for research and development activities, to remain available until expended, including—

(A) $2,250,000 for vessel design and shipyard studies; and

(B) $1,500,000 for other research.

(3) $33,205,000 for expenses related to manpower, education, and training, including—

(A) $23,157,000 for maritime training at the Merchant Marine Academy at Kings Point, New York;

(B) $8,670,000 for assistance to the State maritime academies and the current fleet of five training ships; and

(C) $1,378,000 for manpower and additional training;

(4) $25,966,000 for operating programs, including—

(A) $17,853,000 for general administration;

(B) $957,000 for development of water transportation systems; and

(C) $7,156,000 for use of water transportation systems; and

(5) $246,909,000 for expenses related to national security support capabilities, including—

(A) $245,608,000 for the National Defense Reserve Fleet, including—

(i) $86,865,000 for fleet additions, replacements, acquisitions, and upgrading of vessels for the Ready Reserve Force;

(ii) $118,615,000 for maintenance and operations programs in support of the Ready Reserve Force; and

(iii) $4,000,000 for Ready Reserve Force facilities;

(iv) $29,550,000 for Ready Reserve Force vessel conversions; and

(v) $6,578,000 for other programs in the National Defense Reserve Fleet; and

(B) $1,301,000 for emergency planning operations.

SEC. 2. (a) Section 1304(g) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1295c(g)) is amended—

(1) in paragraph (1)(B), by striking "and" the second place it appears;

(2) in paragraph (1), by striking subparagraph (C) and substituting the following:

"(C) paid by the Secretary for the first complete or partial academic year of attendance to the individual in a lump sum of $1,200 or on a prorated basis based on actual attendance, and at a time during the second academic year when the individual enters into an agreement accepting midshipman and enlisted reserve status as required under paragraph (2); and

"(D) paid by the Secretary for the academic years after those years specified in subparagraph (C) as the Secretary shall prescribe while the individual is attending the academy.";

(3) in paragraph (2), by striking "apply for midshipman" and substituting "accept midshipman and enlisted reserve";

(4) in paragraph (3)(D), by striking "to apply for an appointment as,"; and

(5) in paragraph (4), by striking "has attended a State maritime academy for not less than two years" and insert "has accepted the payment described in paragraph (1)(C) of this subsection".

(b) The amendments made by this section apply to individuals who commence attendance after December 31, 1989, at a State maritime academy in accordance with section 1304 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1295c).

SEC. 3. With the funds authorized under this Act, the Secretary of Transportation, after consultation with other agencies in the executive branch and the State, regional, and Federal maritime academies, shall submit to Congress a study within one year to determine how currently employed training vessels, United States-flag commercial vessels, vessels in the Ready Reserve Force, and other vessels under the control of the United States Government may be used to provide training opportunities for State, regional, and Federal maritime academy students that will produce licensed graduate officers. This study shall include data on the cost effectiveness to the United States Government; cost impacts on the affected State governments; safety of any vessels involved; safety of the students; operational and scheduling impacts upon the several entities; liability exposure, and the impact on national security sealift. No changes in current shipboard training programs at the State maritime academies are authorized until completion of this study and review by the Congress.

SEC. 4. Section 1304(d)(1) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1295c(d)(1)) is amended—

(1) after "(d)(1)" by inserting "(A)"; and

(2) striking the second sentence and substituting:

"(B) Subject to clause (C) of this paragraph, the annual payment to the academy under this subsection shall be at least equal to the amount given to the academy for its maintenance and support by the State in which it is located, or, for a regional maritime academy, by all States cooperating to sponsor the academy.

"(C) The amount under clause (B) of this paragraph may not be more than $25,000, or—

"(i) $100,000 if the academy satisfies subsection (f)(2) of this section; or

"(ii) $200,000 if the regional maritime academy satisfies subsection (f)(2) of this section.".

SEC. 5. Section 11 of the Merchant Ship Sales Act of 1946 (50 App. U.S.C. 1744) if amended to read as follows:

"SEC. 11. (a) The Secretary of Transportation shall maintain a National Defense Reserve Fleet, including any vessel assigned by the Secretary to the Ready Reserve Force component of the fleet, consisting of those vessels owned or acquired by the United States Government that the Secretary, after consultation with the Secretary of the Navy, determines are of value for national defense purposes and that the Secretary of Transportation decides to place and maintain in the fleet.

"(b) Except as otherwise provided by law, a vessel in the fleet may be used only—

"(1) for an account of an agency of the United States Government during a period during which vessels may be requisitioned under section 902 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1242); or

"(2) under a charter, contract, or other agreement arranged by the Secretary of Transportation.

"(c) The Secretary of Transportation may enter into a contract for the maintenance of the fleet, including the force, only for—

"(1) the repair, activation, operation, berthing, towing, or lay-up of a vessel;

"(2) a vessel used by a State maritime academy; and

"(3) obtaining maintenance technical services when—

"(A) the technical expertise required for that service is beyond the capabilities of the fleet staff or when the fleet has insufficient personnel resources to adequately maintain the fleet; and

"(B) the contract does not result in reducing employment at the fleet site.".

SEC. 6. Section 1214 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1294) is amended by striking "1990." and substituting "1995.".

NATIONAL MARITIME ENHANCEMENT INSTITUTE

SEC. 7. (a) ESTABLISHMENT.—The Secretary of Transportation may designate National Maritime Enhancement Institutes.

(b) SCOPE.—Activities undertaken by the Institute include—

(1) conducting research concerning methods for improving maritime industries' performance;

(2) enhancing the competitiveness of domestic maritime industries in international trade;

(3) forecasting trends in maritime trade;

(4) assessing technological advancements;

(5) developing management initiatives and training;

(6) analyzing economic and operational impacts of regulatory policies and international negotiations or agreements pending before the international bodies;

(7) assessing the compatibility of domestic maritime infrastructure systems with overseas transport systems;

(8) fostering innovations in maritime transportation pricing; and

(9) improving maritime economics and finance.

(c) APPLICATION.—An institution seeking designation as a National Maritime Enhancement Institute shall submit an application under regulations prescribed by the Secretary.

(d) SELECTION CRITERIA.—The Secretary shall select a designee under this Act on the basis of the following criteria:

(1) the demonstrated research and extension resources available to the designee for carrying out this subsection;

(2) the capability of the designee to provide leadership in making national and regional contributions to the solution of both long-range and immediate problems of the domestic maritime industry;

(3) an established program encompassing research and training directed to enhancing maritime industries;

(4) a demonstrated ability to assemble and evaluate pertinent information from national and international sources and to disseminate results of maritime industry research and educational programs through a continuing education program; and

(5) the designee be a nonprofit institution of higher learning.

(e) ELIGIBILITY FOR GRANTS.—The Secretary may make research grants to an Institute from amounts appropriated for that purpose.

AMENDMENT OFFERED BY MR. JONES OF NORTH CAROLINA

Mr. JONES of North Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of North Carolina:

Section 5 of the bill is amended by striking "(2) under a charter, contract, or other agreement arranged by the Secretary of Transportation.", and substituting:

"(2) on the request of the Secretary of the Navy, and in accordance with memoranda of agreement between the Secretary of Transportation and the Secretary of Defense, for—

"(A) testing for readiness and suitability for mission performance;

"(B) defense sealift functions for which other sealift assets are not reasonably available; and

"(C) support of the deployment of the United States armed forces in a military contingency, for military contingency operations, or for civil contingency operations upon orders from the National Command Authority; or

"(3) for otherwise lawfully permitted storage or transportation of non-defense related cargo as directed by the Secretary of Transportation with the concurrence of the Secretary of Defense.".

Mr. JONES of North Carolina (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. JONES of North Carolina. Mr. Chairman, the amendment I offer contains clarifying language only, and does not change the import of the bill as reported in any way.

The provision in the legislation the amendment modifies sets out the relationship between the Navy and the Maritime Administration in the way in which the Ready Reserve Force is managed, and the permissible uses to which ready Reserve Force vessels may be put. In setting out the cooperative arrangement, reference, in the bill as reported, was made to agreements arranged by the Secretary of Transportation. This reference applied to a memorandum of agreement by the Secretary of Transportation with the Secretary of Defense.

At the request of both Departments, I am offering this amendment that merely states in precise language those items in the memoranda of agreement that describe the permissible activity for vessels activated by the Navy from the Ready Reserve Force.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. JONES of North Carolina. I yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, I thank the gentleman for yielding.

We have had an opportunity to go over this amendment. We understand that it was prepared jointly by MarAd and the U.S. Navy to incorporate the understanding they have with respect to this issue, and the minority has no objection. We are prepared to accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. JONES].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: Add at the end of the bill the following new section:

SEC. 8. BUY-AMERICAN REQUIREMENT.

(a) DETERMINATION BY SECRETARY OF STATE.—If the Secretary of State, with the concurrence of the United States Trade Representative and the Secretary of Commerce, determines that the public interest so requires, the Secretary of Transportation is authorized to award to a domestic firm a contract that, under the use of competitive procedures, would be awarded to a foreign firm, if—

(1) the final product of the domestic firm will be completely assembled in the United States;

(2) when completely assembled, not less than 50 percent of the final product of the domestic firm will be domestically produced; and

(3) the difference between the bids submitted by the foreign and domestic firms is not more than 6 percent.

In determining under this subsection whether the public interest so requires, the Secretary of State shall take into account United States international obligations and trade relations.

(b) LIMITED APPLICATION.—This section shall not apply to the extent to which—

(1) such applicability would not be in the public interest;

(2) compelling national security considerations require otherwise; or

(3) the United States Trade Representative determines that such an award would be in violation of the General Agreement on Tariffs and Trade or an international agreement to which the United States is a party.

(c) LIMITATION.—This section shall apply only to contracts for which—

(1) amounts are authorized by this Act to be made available; and

(2) solicitations for bids are issued after the date of the enactment of this Act.

(d) REPORT TO CONGRESS.—The Secretary of Transportation shall report to the Congress on contracts covered under this section and entered into with foreign entitities in fiscal year 1990 and 1991 and shall report to the Congress on the number of contracts that meet the requirements of subsection (a) but which are determined by the United States Trade Representative to be in violation of the General Agreement on Tariffs and Trade or an international agreement to which the United States is a party. The Secretary of Transportation shall also report to the Congress on the number of contracts covered under this Act and awarded based upon the parameters of this section.

(e) DEFINITIONS.—For purposes of this section—

(1) the term "domestic firm" means a business entity that is incorporated in the United States and that conducts business operations in the United States; and

(2) the term "foreign firm" means a business entity not described in paragraph (1).

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, I would like to say many people ask why I have taken the time to offer these amendments, and probably more than anything else, they require a report to tell Members just how screwed up our procurement policy is.

Just real briefly, my district was once, Youngstown-Warren, OH, area in northeast Ohio, the third largest industrial producing region of the world,

and in the last 15 years we lost 55,000 jobs that averaged $12 to $14 per hour, and replaced them with jobs that pay $3.35 to $5.59 and no benefits, and it seems that nobody is listening yet.

Yet when I look around and I look back at the days when I was a youngster, I can remember over the holidays family members talking about the Japanese coming in and the NATO countries coming in and taking pictures and photographs of our factories, our managers giving them the blueprints of the factories, and they went back to Japan with the photos and built the factories, and now they have the factories and we have the photographs.

Now try to get some of our industry into some of those foreign countries. They say any attempt made in this direction is protectionism. I would like to know who is more protectionist than Japan, and they enjoy a $70 billion trade surplus with this country.

Now this meager amendment would only be relating to any funds authorized under this act. It would give a 6-percent weight advantage to an American firm competing against a foreign firm for one of those bids, and the guys that provide literally made-and-assembled-in-America with 50 percent of their parts and contents domestically produced and gives a little bit of a shot.

It does provide and has limitations, that where this particular amendment runs into and collides with our General Agreement on Tariffs and Trades it is thus weighed, but then the Secretary of Transportation would have to give Members a detailed report how many times that occurred. So that hopefully someday Congress can come back and start compiling information, looking where the American taxpayer dollar is going and making sure it is trying to go to American companies.

So instead of food stamps and welfare, people might have a job, and that our country and our standard of living, we will not have to apologize for, and we do not have to accept the standard of living of that of Korea, for example, to compete. So that is the amendment in a nutshell. It is sort of common language to a degree, and I will answer any questions that any Member may have on the amendment.

Mr. JONES of North Carolina. Mr. Chairman, will the gentleman yield?

Mr TRAFICANT. I yield to the gentleman from North Carolina.

Mr. JONES of North Carolina. After hearing this great explanation, this side has no objection to the amendment at this time.

Mr LENT. Mr. Chairman, we have had an opportunity to go over the gentleman's amendment, and we have no objection to it.

Mr TRAFICANT. Mr. Chairman, I do appreciate the fine work Members have offered to me and the help of your staff, as well. I do not think there are two better friends of the merchant marine industry in this country than our distinguished chairman from North Carolina [Mr. JONES] and the ranking minority member, the gentleman from New York [Mr. LENT]. I thank you very much and I hope that we keep it in conference and get those reports back so we can finally document where our taxpayer dollars are going for procurement purposes.

Mr. ROGERS. Mr. Chairman, as the vice chairman of the House Appropriations Subcommittee which provides funds for the Maritime Administration [MarAd], I wish to share my views on one particularly important issue raised in this reauthorization for MarAd.

MarAd nears completion of an implementation plan for the sharing of training vessels between the five State maritime academies. Performance of this plan is pursuant to a directive within MarAd's fiscal year 1988 Appropriations Act. The act required a study of ship-sharing, and prohibited further purchase or construction of training vessels until a plan for sharing between the State academies had been approved by MarAd.

The concept of ship-sharing is not new. In fact, a report of the House Merchant Marine Committee produced in the late 1970's anticipated the future sharing of training vessels. MarAd, itself, has conducted three studies of at-sea training alternatives, in addition to the current implementation plan.

Each of MarAd's studies demonstrated, as does the current detailed plan, that the five State academies could very well schedule onboard training time in a manner that permits the sharing of two ships, despite the State academies' claims to the contrary. Furthermore, ship-sharing would enhance the safety of cadets, provide adequate preliminary indoctrination, provide the required sea-time training, and result in more efficient use of the training ships.

Ship-sharing also avoids an excessive and impossible cost—that of replacing the individual ships assigned to each of the five State academies. This year, in testimony before the Subcommittee on the Departments of Commerce, Justice, State, the Judiciary, and Related Agencies, MarAd stated that three ships would likely require replacement within 10 years or less, absent ship-sharing. The total replacement costs would range between $60 million and $90 million, and those estimates envision using existing ships.

In effect, a detailed plan to maintain or improve the current training scheme, and save upward of $100 million, is ready to go. Yet this bill would block its implementation in fiscal year 1990, requiring a fourth study to examine more training alternatives.

As a matter of pride, the States' desire to each have a ship is understandable. But as a matter of fiscal reality, ship-sharing is an inevitable option. It accords the highest attention to the training requirements of the schools and the safety of the cadets and crews, it employs the ships more efficiently, and it saves many millions in costs over the coming years.

MarAd has taken a demonstrably solid concept and gone to enormous lengths to implement it responsibly, including consultation with the academies. Recognizing the good intentions behind the bill's provisions, I am very disappointed at the prospect of delaying a perfectly good solution from coming about next year. I would hope nothing in this bill is considered prejudicial with respect to MarAd's implementation plan, and I would reiterate this Members' insistence that any future funds for training ship replacement occur only after implementation of a two-ship sharing plan.

Mr TRAFICANT. I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

□ 1440

The CHAIRMAN. Are there further amendment to the bill? If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. FLIPPO] having assumed the chair, Mr. DERRICK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1486) to authorize appropriations for fiscal year 1990 for the Maritime Administration, and for other purposes, pursuant to House Resolution 138, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1486, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following com-

munication from the Clerk of the House of Representatives:

WASHINGTON, DC, *May 1, 1989.*

Hon. JIM WRIGHT,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit one sealed envelope received from the White House at 2:30 p.m. on Monday, May 1, 1989 and said to contain the following message from the President whereby he transmits an agreement effected by exchange of notes February 17, 1989 and March 27, 1989, extending for the period of 2 years from July 1, 1989 until July 1, 1991, the Agreement between the Government of the United States of America and the Government of the Republic of Korea concerning Fisheries off the Coasts of the United States, constituting a governing international fishery agreement.

With great respect, I am,
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

AGREEMENT BETWEEN THE UNITED STATES AND THE REPUBLIC OF KOREA CONCERNING FISHERIES OFF THE COASTS OF THE UNITED STATES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 101-58)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Merchant Marine and Fisheries and ordered to be printed:

(For message, see proceedings of the Senate of yesterday, Monday, May 1, 1989, at page S4540.)

ANNUAL REPORT FOR 1988 OF THE FEDERAL COUNCIL ON THE AGING—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

(For message, see proceedings of the Senate of today, Tuesday, May 2, 1989.)

ANNUAL REPORT OF THE NATIONAL ENDOWMENT FOR THE HUMANITIES FOR THE YEAR 1988—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

(For message, see proceedings of the Senate of today, Tuesday, May 2, 1989.)

GENERAL LEAVE

Mr. SMITH of Mississippi. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material, on the subject of House Concurrent Resolution 71, which was agreed to earlier today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

GENERAL LEAVE

Mr. SMITH of Mississippi. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material on the subject of H.R. 1149, which was rejected earlier today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

NATIONAL STROKE AWARENESS MONTH

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 62) designating May 1989 as "National Stroke Awareness Month," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. UPTON. Mr. Speaker, reserving the right to object, I do not object, and I would simply like to inform the House that the minority has no objection to the legislation now being considered.

Mr. GILMAN. I rise in strong support of Senate Joint Resolution 62, designating May 1989 as "National Stroke Awareness Month."

Stroke is the third leading cause of death in the United States. Approximately 500,000 Americans are affected by a stroke each year.

There are between 2 and 3 million Americans who survive strokes, which is the leading cause of adult disability. Stroke survivors require approximately $13 billion annually in medical treatment, rehabilitation, and loss of potential economic output. One-third of those afflicted will die within 1 month. The effects of strokes exact a tremendous toll from the family caregivers, especially since presently there are no Federal programs which provide any assistance for the long-term care services required by stroke victims.

Mr. Speaker, Senate Joint Resolution 62 will bring national attention to this serious medical condition and help educate the American people in the symptoms, risk factors, and effects of strokes.

Mr. BROWN of Colorado. Mr. Speaker, I am very glad to be a sponsor of House Joint Resolution 68, which commemorates May 1989 as "National Stroke Awareness Month."

Many Members of the House of Representatives have expressed great interest and concern about this issue by consponsoring House Joint Resolution 68.

The measure, which passed the House today, was approved by the other body on April 5.

Stroke is a distinct disease of the brain and nervous system which causes paralysis, language, perceptual, emotional, and cognitive impairments which afflicts about 600,000 Americans each year.

It is the third leading cause of death and leading cause of disability in the United States which costs nearly $13 billion annually in medical treatment, rehabilitation, and lost potential economic output.

Approximately 3 million American stroke survivors have not fully regained their physical and mental abilities and remain significantly disabled.

This catastrophic disease devastates families and its long-lasting effects rob survivors and family caregivers of the most rewarding years of life.

An increase in the national awareness of stroke may stimulate greater interest, concern and participation of the American people and lead to increased research to reduce this devastating disease in this country.

Mr. UPTON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 62

Whereas stroke is the third leading cause of death in the United States;

Whereas stroke is the leading cause of adult disability in the United States;

Whereas stroke is a distinct disease of the brain and nervous system, causing paralysis and speech, perceptual, emotional, and cognitive impairment;

Whereas there is insufficient public knowledge of stroke prevention, treatment, and rehabilitation;

Whereas between five hundred thousand and six hundred thousand Americans are affected by a stroke each year;

Whereas between two million and three million American stroke survivors have not fully regained their physical and mental abilities and remain significantly disabled;

Whereas stroke is a sudden catastrophe that devastates families and routinely robs survivors and family caregivers of the most rewarding years of their lives;

Whereas stroke costs the United States between $12 and $13 billion annually in medical treatment, rehabilitation, and lost potential economic output;

Whereas the National Stroke Associa-

tion's mission is to provide the means to reduce the incidence and effects of stroke through public and professional education, community service and research; and

Whereas increased national awareness of stroke may stimulate greater interest, concern, and participation by the American people and may lead to increased research and to reducing the overall impact of stroke in the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 1989 is designated as "National Stroke Awareness Month" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such month with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL CORRECTIONAL OFFICERS WEEK

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 135) to designate the week beginning May 7, 1989, as "National Correctional Officers Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. UPTON. Mr. Speaker, again reserving the right to object, I do not object, and I would simply like to inform the House that the minority has no objection to the legislation now being considered.

Mr. TRAXLER. Mr. Speaker, I rise in support of House Joint Resolution 135, a resolution to declare the week of May 7, 1989, as "National Correctional Officers Week."

As sponsor of this resolution I want to express my appreciation and that of our Nation's correctional officers to all of our colleagues who have added their names as cosponsors of this resolution which points to the vital importance of correctional officers.

We passed a similar resolution in 1984, 1985, and 1987, and it led to ceremonies throughout the country which honored correctional officers for their important work. There are nearly 300,000 correctional officers around the country who are responsible for maintaining order of the many who are confined as a result of criminal activity.

Correctional officers perform an essential task that few of us would be able to perform. Our criminal justice system operates under the premise that with proper guidance those who have been found guilty of criminal charges can be helped to return to a lawful way of life. This system breaks down without correctional officers, because if they are not there to shepherd this process who will be?

Last year, I was the sponsor of a bill which passed last year as part of the Omnibus Anti-Drug Abuse Act of 1988, which increased the death benefits of public safety officers, including correctional officers, to $100,000. That bill's passage showed that Congress was concerned about correctional officers. The passage of House Joint Resolution 135 will reaffirm our commitment to correctional officers and recognize that they are dedicated, hard-working professionals who have undertaken a task which is essential to an orderly society.

Mr. Speaker, I urge all of our colleagues to support the passage of House Joint Resolution 135, a resolution declaring the week of May 7, 1989, as "National Correctional Officers Week."

Mr. UPTON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 135

Whereas American correctional officers who work in our jails and prisons are currently responsible for the containment and control of over six hundred thousand prisoners;

Whereas correctional officers must protect inmates from violence while encouraging them to develop skills and attitudes that can help them become produtive members of society following their release;

Whereas the morale of correctional officers is affected by many factors, and the public perception of the role of correctional officers is more than often based upon dramatization rather than factual review;

Whereas good job performance requires correctional officers to absorb the adverse attitudes present in confinement while maintaining themselves as professionals in order to have their actions appreciated and accepted by the public at large;

Whereas correctional officers had been similarly honored by many States and localities;

Whereas correctional officers had been similarly honored by a joint resolution of the Senate and House of Representatives of the United States in Congress assembled in 1984, 1985, and 1987; and

Whereas the attitude and morale of correctional officers is a matter worthy of serious congressional attention: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period commencing May 7, 1989, hereby is designated "National Correctional Officers Week" and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on Senate Joint Resolution 62 and House Joint Resolution 135, the joint resolutions just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

SOUTH PACIFIC POLICY

(Mr. FALEOMAVAEGA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matters.)

Mr. FALEOMAVAEGA. Mr. Speaker, as you know, on his way to Australia last week, Vice President QUAYLE stopped in American Samoa for approximately 2 hours while his aircraft was being refueled.

I have previously expressed concern that while I was pleased the Vice President went to the South Pacific, he did not visit any of the Pacific Island countries along the way. I have since learned that the Vice President did request a meeting with the Prime Minister of Western Samoa and did discuss the possibility of a stop in Papua, New Guinea; however, because the Prime Minister's health, and because of the present political climate in Papua, New Guinea, these meetings were not possible. Nevertheless, I still expect more than words and incomplete efforts on the part of the Vice President. While I am pleased to see the Vice President has some understanding of the Pacific region, there are over 20 islands in the Pacific, and visits to these nations is one way to demonstrate our country's support of the Asia Pacific region, a region consisting of 64 million square miles, and over 17 times the size of the United States.

Because I am concerned with the administration's policy for the Asia region, I have included a provision in the Foreign Relations Authorization Act for fiscal year 1990 which, if enacted into law, will require the Secretary of State to analyze the Nation's policy for the region and report that policy to the Congress. I am grateful to Chairman DYMALLY of the House Subcommittee on International Operations, and to my distinguished colleague from Maine, Mrs. OLYMPIA SNOWE, for the support and assistance they provided with this legislation.

Mr. Speaker, while the Vice President was in American Samoa, the Governor and the people of American Samoa went to considerable effort to honor such a distinguished visitor, and paid great tribute to the Vice President in accordance with Samoan custom and tradition.

Mr. Speaker, it has come to my attention, that while Vice President QUAYLE was in American Samoa last

week, he referred to the residents of Samoa as "happy campers," living in "Pogo Pogo." It was also reported that he said the residents of the territory should get more education.

While I do not believe these remarks were intended to ridicule the Samoan people, the question has arisen. Some of my fellow Samoans have asked about the meaning of the term "happy campers," and if the use of "Pogo Pogo" was an intentional reference to the cartoon strip "Pogo."

In an effort to clear the issue, I have written to the Vice President and asked him to explain his use of these terms. I believe his response should clarify any ambiguities in this regard.

QUAYLE IN PAGO PAGO, DECLARES A HOLIDAY—HAILS ISLANDERS AS "HAPPY CAMPERS"

PAGO PAGO, AMERICAN SAMOA.—Vice President Dan Quayle spent only two hours in this sun-drenched Pacific territory, but that was enough to convince him he liked it and the "happy campers" who live there.

"Maybe I'll just stay for a few days," Quayle told the islanders who honored him at a native ceremony and showered him with gifts. As he spoke, a Samoan beauty queen in a sarong dress shielded him from the hot sun with an umbrella.

"You all look like happy campers to me," said Quayle. "Happy campers you are, happy campers you have been and as far as I'm concerned, happy campers you will always be."

The vice president—on a refueling stop en route to Australia—proclaimed yesterday a public holiday for the roughly 38,000 people here. "I have the power to declare this a holiday . . . you can have the rest of the day off," Quayle told a cheering crowd of about 3,000 at Tafona International Airport.

The relaxation in Pago Pago was in sharp contrast with the grueling pace Quayle had kept for the previous 32 hours.

In that time, he delivered a speech in Chicago, met with former President Ronald Reagan in Los Angeles, attended a security briefing in Honolulu and played basketball at Hickam Air Force Base.

After visiting American Samoa, Quayle flew to Canberra, Australia, where Prime Minister Bob Hawke greeted the vice president and his wife, Marilyn, with an official 19-gun salute. The two were to have wide-ranging talks.

[From the Washington Post, Apr. 29, 1989]

QUAYLE, ON TOP DOWN UNDER—FAILING TO LIVE UP TO HIS IMAGE, THE VEEP CHARMS AUSTRALIANS

(By Keith B. Richburg)

SYDNEY, April 29 (Saturday).—Australian journalists hosted Vice President Quayle for lunch at the National Press Club in Canberra the other day, and in keeping with their reputation for being aggressive, irreverent, even rude, one of the courses was quail eggs.

As he has done through much of his visit here, the vice president disarmed the Australians by asking whether they had already written their stories under the headline "Press Had Quayle for Lunch."

That headline never appeared, but this one did: "Dan Has 'em Eating Out of His Hand."

As he winds down a five-day visit here that was dominated by defense issues and trade disputes, Quayle seems to have reversed the largely negative reputation that preceded him.

Before the trip, said Mike Steketee, chief political reporter for the Sydney Morning Herald, Quayle was "considered a bit of an oaf."

But the vice president, a Republican from Indiana, deftly fended off such hostile questions as whether "Hoosier" stands for "who's your mother?" He charmed the press corps with self-deprecating one-liners and staged some well-coordinated made-for-TV appearances—including a cruise on the picturesque Sydney harbor and an unexpected stop for beers at a local pub. Now Quayle "comes across as a personable sort of fellow," Steketee said.

"There's been a very comprehensive, very concentrated and very smart public relations effort by the vice president's advisers," said Peter Robinson, editor of the Financial Review newspaper. "I think now most Australians are saying he's not a bad guy."

Australians seemed genuinely surprised, and angered, at the vigorous way in which Quayle, in press statements and in meetings with senior government officials, held his own in defending U.S. farm subsidies for exported goods—in a country sharply critical of American farm subsidies, which undercut Australian producers. In fact, some local political analysts said that by not budging from his tough line, Quayle may have inadvertently hurt the political standing of Prime Minister Bob Hawke, who made it a point to press the trade issue in private meetings with the vice president but came away publicly rebuffed.

Before the vice president began his visit Down Under—a largely ceremonial trip meant to mark Australian-American Friendship Week—Australians were expecting the Quayle they had been watching on television all week.

Television stations had been prepping their audiences for the trip by running film clips of some of the vice president's biggest gaffes of the 1988 presidential campaign. On the day he arrived, one newspaper ran a cartoon of Mickey Mouse admiring his new Dan Quayle wristwatch.

Quayle's brief stopover Wednesday at Pago Pago, American Samoa, did not disappoint observers here. He mispronounced the name of the island, calling it "Pogo Pogo," and went on to tell the inhabitants that "you all look like happy campers to me," and that they should get a higher education.

But once in Australia, it was "U.S. vice president turns on the charm" as one newspaper headline put it.

"Anyone who can laugh at himself can't be all bad," wrote the Daily Telegraph, a popular Sydney-based tabloid on Friday. "In fact, Mr. Quayle has acquitted himself extremely well . . . and belied the image of the buffoon unfairly foisted upon him."

"In a relatively short time [Quayle] has demonstrated there is more to him than the unseen and unheard candidate referred to as the Robert Redford look-alike in the run-up to the presidential elections," the Sydney Daily Mirror wrote. The newspaper said Quayle "demonstrated a sense of humor [and] an ability to field sensitive questions."

In his effort to reshape Australian public opinion, Quayle's most significant event was a nationally televised half-hour question-and-answer session at the National Press Club luncheon that featured the quail eggs and the question about Indiana's state nickname.

"I know that Australians enjoy seeing tall poppies cut down to size," Quayle told the reporters. "In that case, you must have been pleased to see what happened to me during last fall's campaign."

He also noted that he was in Australia to commemorate the 1942 Battle of the Coral Sea, which marked the comeback of Allied naval forces in the Pacific. "Believe me," he quipped, "comebacks are a subject of great interest to me."

His only miscue came when he stumbled several times over the initials EEP, which stand for the Export Enhancement Program, which subsidized American farm produce for sale on world markets—the topic that caused the only major source of contention during Quayle's visit.

The vice president was adamant at his refusal to concede that the subsidies, aimed at the European Community, inadvertently may be undercutting Australia's farmers, who are dependent on exports.

In his meetings with Australian officials, and in answers to a barrage of press questions, Quayle insisted that any adverse effect on Australia was unintentional. Said an angry Hawke after meeting with Quayle, "If a bullet hits you in the head, it hurts as much if it was not aimed at you as if it was aimed."

Quayle's otherwise rave press reviews here likewise were overshadowed by his surprisingly tough stand on trade.

The Australian, a national newspaper, ran an editorial under the headline "Who Do You Think You're Kidding, Mr. Quayle?" The editorial said, "Read our lips, Mr. Quayle. Australians are not happy."

The vice president is scheduled to spend the weekend in the vacation city of Cairns on Australia's northeast coast, attending a barbecue and snorkeling at the site of the Great Barrier Reef, before flying off to Jakarta.

POLISH CONSTITUTION DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, May 3 will mark the 198th anniversary of a landmark event in the history of the Polish people.

On this date in 1791, Poland adopted its first democratic constitution, and to commemorate this important occasion, the Polish National Alliance will hold their 98th annual parade on Saturday, May 6, in Chicago. It will be my pleasure and honor to join with the many members and officers of the Polish National Alliance, other public officials, and civic and community leaders, who will be participating in this commemoration.

The parade will step off at 12 noon from Wacker Drive and Dearborn Street, and will consist of scores of floats, marching units, bands, and drums and bugle corps. The theme of this year's parade will also commemorate the 50th anniversary of the invasion of Poland. I would like to take this opportunity to congratulate Helen M. Szymanowicz, chairman of the May 3 observances and vice president of the Polish National Alliance for her outstanding efforts to again make this year's parade an overwhelming success; and I would like to extend my best wishes to Edward J. Moskal, recently elected president of the Polish National Alliance, for his continuing efforts on behalf of the Polish people, which

have enhanced the close ties between our country and the people of Poland.

The May 3 Polish Constitution, adopted only a few years after our own Constitution, has stood out as a monumental achievement in the history of Poland. The document serves as a symbol of progressive government under democratic principles, and still remains today as an inspiration to the millions of Poles who have struggled to remove the chains of tyranny of their Communist oppressor.

Today, more than ever before, the goal of reinstating their political, cultural, and religious freedom, seems to be within the grasp of the people of Poland. On April 5, the Polish Government and Solidarity wrote a new chapter in the history of Poland, by concluding their historic deliberations and signing agreements, ushering in a new era of social and political change. It certainly is a time of optimism and hope for the Polish people, since these agreements allowed Solidarity to formally register again as a trade union operating independently from the Polish Government and promised free elections, including opposition candidates.

I was glad to join with many of my colleagues in the House of Representatives in signing a letter of President Bush to express the interest of Congress in these talks, and to urge that the United States play an active and important role in promoting Polish reforms. A copy of that letter follows:

MARCH 30, 1989.

Hon. GEORGE BUSH,
President of the United States, The White House, Washington, DC.

DEAR MR. PRESIDENT: We are writing to express our interest in the Polish Roundtable negotiations and possible United States policy at the conclusion of the talks. Preliminarily, both the government and opposition negotiators have indicated the potential for significant social and political advances, most notably the creation of an upper chamber of Parliament to be chosen by free elections. If conclusions are reached at the Roundtable, targeted to end April 3rd, the United States will be in position to play a major role in promoting or restricting Polish reform. We recognize the complexities of Poland's problems, and that a responsible American policy will be contingent on the results of the Roundtable. However, we believed that failure to clearly define the U.S. policy toward Polish reforms will represent an opportunity lost for America to promote democracy within the Soviet Bloc.

We are confident you share our sentiment that the United States should do all it can to promote greater freedom, participation, and pluralism in Poland. Since World War II, the Polish people have led the most effective peaceful resistance against communist orthodoxy. As a result, Poland should maintain a primary position on America's foreign policy agenda. Now that Poland seems on the threshold of monumental reform, the struggle of the Polish people should not slip down on our list of priorities. America cannot afford to treat this great opportunity for democracy with indifference.

If the Polish Roundtable concludes successfully, Church Leaders and Solidarity's Lech Walesa will turn to the U.S. President and Congress for moral, economic, and political support. Thus far, the complexities of possible reform have favored calculated tentativeness rather than a defined U.S. reaction. But come April 3rd, the United States must have an effective, responsive policy for positively influencing Polish reforms.

Foremost, Poland must address its severe economic problems. The Polish government must balance its foreign debt, and manage domestic supply and demand to control a 100% inflation rate. If the Poles immediately request debt relief measures to allow reform, what will be our response? Leaving economic policy solely to international organizations may prove unwise. By assuming an active and constructive approach to IMF, World Bank and Paris Club policy making, America can ensure that economic reforms are not separated from political considerations. Left to economists and bankers, radical price reforms may be instituted, without regard for the social and political upheaval that may follow.

After working with the IMF and the World Bank, the United States may consider bilateral programs aimed at promoting democracy and privatization. Some initiatives not requiring additional appropriations, such as granting GSP status, OPIC programs, further surplus agricultural offering to generate joint, OPID programs, further surplus agricultural offerings to generate joint commission funds, and cultural, educational and technological exchanges, might prove useful in increasing the quality of life during stressful economic reform. Overall, an American role in Poland's renewal, both bilaterally and within international organizations, will help guarantee the connection between economic reform and social-political reform.

By participating in the reform process, the United States can ensure that all foreign economic support is contingent on real progress toward freedom, pluralism, and power sharing by the Polish government. We must guarantee that the legislation of Solidarity, the proposed new chamber of Parliament, and free elections are irreversible steps toward democracy, not temporary concessions by the communist government. Conditioning effective economic reform on political and social improvements requires a carefully developed plan of monitoring the changes in Poland. Enough channels, primarily private Church and international groups, are already in place to establish effective oversight by the United States.

We the undersigned have assigned high priority to the ongoing negotiations in Poland and the opportunities the Roundtable may offer the Polish people. We realize that a successful American response to Polish reforms will require immediate cooperation between the Congress and the administration. We look forward to following your direction and working together for the interest of the long-struggling Polish people.

Mr. Speaker, we in Congress must continue to do everything that we can to promote and encourage the Polish Government to make good on its promises of reform, so that the people of Poland again one day may live in the ideals and principles embodied in their Constitution of 1791. I am glad to join with Polish-Americans in the 11th Congressional District of Illinois, which I am honored to represent, and Americans of Polish descent throughout the Nation, in expressing our unwavering support for the desire of the Polish people to pursue a course of justice, self-determination, and liberty, free from the tyranny of the Communists, in their own beloved homeland.

FOREIGN LANGUAGE COMPETENCE FOR THE FUTURE ACT OF 1989

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, I rise today to introduce a bill, the Foreign Language Competence Act for the Future Act of 1989, that is intended to bolster America's foreign language capabilities and build a solid basis for improved foreign language and international education for years to come. As you know, I have long been active in the effort to upgrade our foreign language capabilities, because I feel strongly that our future national security and economic prosperity depend increasingly on an ability to communicate in languages other than English, and understand cultures other than our own.

In the last Congress, I sponsored H.R. 1875, the International Education for a Competitive America Act, as part of this effort. A provision from this bill creating Presidential awards for foreign language teaching excellence and another, very similar to one from H.R. 1875, creating model elementary and secondary foreign language programs were both included in the School Improvement Act. Another provision from H.R. 1975 creating Centers for International Business Education was included in the Omnibus Trade Act. The Foreign Language Competence for the Future Act is intended to build on these and previous measures. I am pleased to be joined by Representatives MARTINEZ, COLEMAN, FUSTER, and UNSOELD of the Education and Labor Committee, as well as by Representatives CONTE, FAZIO, RANGEL, PORTER, and a total of 28 other cosponsors, in introducing this bill. In addition, I am pleased that Senator CHRIS DODD, with whom I have previously cooperated on several foreign language efforts, may soon introduce a similar bill in the Senate.

The National Governors' Association recently published a report, prepared by a task force headed by New Jersey Gov. Thomas H. Kean, on the state of international education in this country. The task force found that while there have been some recent improvements in this area, there still many disturbing indications. For example:

Only 17 percent of U.S. public elementary schools offer any form of language instruction, and only 3 percent of public and private elementary schools offer language programs enabling the learner to communicate;

Only 1 in 5 American high school graduates takes more than 2 years of a foreign language, while in Japan, 6 years are required for all students;

Twenty-six States report a shortage of foreign language teachers at the elementary or secondary level, and the shortage is getting worse, not better;

At the college level, 53 percent of students took no basic foreign language classes as undergraduates;

As for knowledge of geography, 1 in 7 adults could not locate the United States on a world map, and American youth knew less about geography than any age group in any country in a recent survey.

In response, the report calls for a national commitment to international education involving State agencies, all levels of education, and the private sector. Among its specific recommendations are that more students become skilled in foreign languages; that all college graduates know another language and also be familiar with the rest of the world; that teachers know more about international affairs; and that businesses have access to international education to improve their export position.

The legislation being introduced today is intended to help alleviate some of the serious deficiencies mentioned above, and addresses a number of the issues raised by the NGA report. The most important of these is training and retention of foreign language teachers at the elementary and secondary levels. In addition, the bill includes programs to develop foreign language curricula and materials for elementary and secondary schools, to bring foreign language instruction to remote and rural areas, and to enhance the access of businesses to language services and international information.

The severity of teacher shortages in foreign languages is graphically demonstrated by the measures some states are taking to fill the gaps. Fully 21 States now use alternate certification methods to find foreign language teachers, meaning that they develop different standards to find the teachers that they need. Obviously, this often results in persons teaching foreign languages who are not trained to do so, or even necessarily to teach. Eleven States provide fellowships and scholarships to persons studying and planning to teach foreign languages. Some even go abroad: Louisiana is recruiting for foreign language teachers in Belgium, France, Canada, and Mexico, while Georgia is recruiting in Germany.

This severe shortage is of course something that must be dealt with, but it is also partly the result of a very positive development: more and more States, recognizing the need for greater attention to foreign languages, are instituting foreign language requirements of some sort. This is already creating a greater demand for teachers, with 33 States already having some type of foreign language requirement in their schools, and the demand will grow tremendously as a number of new requirements take effect. Louisiana has already required for several years that students take a foreign language from grades 4 to 8. New York's Global Action Plan will require that, starting in 1990, high school students learn a foreign language and be able to develop a certain level of proficiency. North Carolina has determined that it will need up to 2,000 more foreign language teachers within a few years to implement that every student from kindergarten to 12th grade study a foreign language. A number of State university systems, including those of California, Indiana, and Minnesota have foreign language entrance or exit requirements, or both.

As I mentioned, all of these requirements, while probably having a very significant and positive long-term effect on Americans' knowledge of foreign languages, will greatly increase the demand for well-trained foreign language teachers. However, if we do not take action to meet that demand, there simply may not be enough teachers to fill all of the requirements being mandated.

Therefore, the Foreign Language for the Future Act has as its largest component Summer Foreign Language Institutes, as well as a new foreign language loan program. The institutes are intended to allow current elementary and secondary foreign language teachers to become more proficient, as well as to allow teachers from other fields to retrain as foreign language teachers. It has been found that intensive training of the type that can be provided over a summer in a program specifically devoted to foreign languages can be very effective. This provision is similar to a summer language institutes provision, from a bill that I also authored, that was included as part of title VI in reauthorization of the Higher Education Act in 1986. However, the provision in the new measure concentrates exclusively on elementary and secondary teachers, including the provision for retraining, and allows for programs focusing on all languages. The title VI provision concentrates largely on foreign language students and on training in neglected languages, the traditional focus of title VI. I feel that the creation of this second Summer Language Institute Program, for teachers, is justified by the severe shortages discussed above.

The new Foreign Language Competence Loan Program, somewhat similar to the current Perkins Program, would establish a revolving loan fund to provide loans to students planning to major in elementary and secondary foreign language education. Loans of up to $5,000 per year would be provided for majoring in commonly taught languages, and of up to $7,500 for those that are less commonly taught. In addition, 1 year's loan would be forgiven for each 2 years as an elementary or secondary foreign language teacher. However, because of the especially severe shortages in many rural and inner-city areas, for those teaching in such districts, forgiveness would be provided on the basis of 1 year forgiven for 1 year taught. Because of the revolving nature of the fund, loan repayments in this program would be used to provide more loans. These two provisions would go far toward improving recruitment, training, and retention of qualified foreign language teachers.

As for the other education provisions, the program of demonstration grants for critical language and area studies is intended to encourage the development of curricula, educational material and equipment, and activities designed to improve and expand foreign language instruction at elementary and secondary schools. Just as there is a shortage of foreign language teachers, there is also a significant lack in many places of good teaching material and curricula. Demonstration grants for distance learning are intended to increase foreign language instruction in rural and remote areas. Sixteen States, including Nebraska, Oklahoma, California, and Alaska, have some type of distance learning, which uses modern technology to provide instruction in subjects which persons could not otherwise study in their schools or communities.

Finally, the bill would also make grants to States and metropolitan areas to establish Foreign Language Institutes, and foreign language components within existing bodies such as world trade councils, to provide language training and other services for small- and medium-sized businesses. This would complement a provision creating centers of international business education which I already mentioned is now law.

The lack of foreign language and knowledge of other nations and cultures has been pointed to as a major handicap for businesses trying to enter export markets, and this is especially so for smaller businesses without access to many resources. As an example of how knowledge of other countries can help business here, Governor Baliles of Virginia, on a recent trip to Hong Kong, found out that chicken feet are a delicacy there. When he found out that they are also in short supply, he called poultry producers in Virginia and heard that chicken feet were routinely thrown away. In this way, a demand and supply were matched, and Virginia now supplies chicken feet to Hong Kong. There are numerous other instances such as this, and the creation of Foreign Language Institutes would provide the information to enable many companies, as well as entire cities and States, to expand their markets in ways that would not otherwise be possible.

Mr. Speaker, the Foreign Languages for the Future Act would not be costly, yet it would go far toward filling a crucial gap that still exists in this country's attention to foreign language and international education. I thank my colleagues for their past support of measure I have offered in this area, and urge them to once again work to bring the United States up to par with other countries in knowledge of other languages, lands, and cultures.

For the convenience of my colleagues, the bill's text follows:

H.R. 2188

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Foreign Language Competence for the Future Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the future economic welfare and national security of the United States will substantially depend upon our ability to educate our citizens to communicate in other languages;

(2) 26 States currently have severe foreign language teachers shortages and other predict severe shortages in the next decade;

(3) only 17 percent of United States public elementary schools offer any form of language instruction;

(4) instruction in major languages such as Russian, Japanese, Chinese, and Arabic are rarely offered at any educational level;

(5) many small-and medium-sized United States firms with export capacity and potential fail to take advantage of international markets because of lack of cross-cultural skills and expertise; and

(6) many small school districts in rural areas are unable to offer foreign languages except through technology for distance learning.

SEC. 3. SUMMER FOREIGN LANGUAGE INSTITUTES.

(a) PROGRAM AUTHORIZED.—The Secretary is authorized to provide grants to institutions of higher education or consortia of

such institutions for the establishment and operation of summer foreign language institutes for the professional development of the proficiency of elementary and secondary foreign language teachers.

(b) PROGRAM PARTICIPATIONS.—Programs operated with grants under this section shall—

(1) provide a preference for elementary teacher development and the retraining of secondary teachers for elementary schools; and

(2) allow teachers from other fields to retrain as foreign language teachers.

(c) GRANT LIMITATIONS.—Grants pursuant to this section shall—

(1) not exceed $3,000 per teacher;

(2) not exceed 300 teachers per institute;

(3) not provide less than one institute in each State; and

(4) not exceed $400,000 to any institution.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $50,000,000 to carry out this section for fiscal year 1990 and for each of the 4 succeeding fiscal years.

SEC. 4. FOREIGN LANGUAGE LOANS.

(a) PROGRAM AUTHORIZED.—The Secretary is authorized to allot funds appropriated under the authority of subsection (g) among State education agencies for the purpose of establishing revolving loan funds to encourage college students to major in elementary and secondary foreign language education.

(b) LOAN LIMITS.—Revolving loan funds that are established by a State education agency with funds provided under this Act shall be available to provide each student qualifying for assistance under this section who is majoring in a foreign language or foreign language education at an institution of higher education with education loans not to exceed—

(1) $5,000 a year for those majoring in commonly taught languages; and

(2) $7,500 a year for those majoring in less-commonly taught languages.

(c) STUDENT REQUIREMENTS.—A student is eligible to receive financial assistance pursuant to this section if the student—

(1) is enrolled as a full-time student in an institution of higher education;

(2) has not defaulted on any federally assisted student loan;

(3) enters into an agreement with the Secretary to pursue a teaching career in an elementary or secondary school after graduation; and

(4) agrees to annually provide, from a State education agency, verification of employment as an elementary or secondary foreign language teacher.

(d) INSTITUTIONAL RESPONSIBILITIES.—

(1) IN GENERAL.—Each State education agency providing educational loans to students from a revolving loan fund established with funds provided under this Act shall—

(A) collect any loan or portion thereof in accordance with subsection (e), and

(B) certify annually to the Secretary that students receiving such loans are in compliance with the provisions of this Act.

(2) REPAYMENTS.—Each State education agency shall deposit all repayments of educational loans provided pursuant to this Act into the revolving loan fund of the State education agency established with funds provided pursuant to subsection (b).

(3) ADMINISTRATIVE COSTS.—In any fiscal year each State education agency receiving assistance under this Act may retain an amount not to exceed 5 percent of the amount of funds allotted to the institution under subsection (a) for the costs of administering the revolving loan fund established under subsection (b).

(e) LOAN TERMS.—

(1) IN GENERAL.—Each loan made to a student by a State education agency from a revolving loan fund established with funds provided under this Act—

(A) shall not accrue interest before the date that is 90 days after the day on which the student ceases to be enrolled at an institution of higher education;

(B) shall accrue interest at an annual rate of 5 percent after such date;

(C) shall be repaid over a period that does not exceed 10 years; and

(D)(i) shall provide for cancellation of one year's loan and interest for each two years of teaching foreign language in an elementary or secondary school; or

(ii) shall provide for cancellation of one year's loan and interest for each year of teaching foreign languages in an elementary or secondary school (I) serving a school attendance area that receives assistance under title I of the Elementary and Secondary Education Act of 1965, or (II) located in a rural area as defined by the Secretary by regulation.

(f) LOAN FORGIVENESS.—

(1) REIMBURSEMENT.—The Secretary annually shall reimburse State edcuation agencies for the portion of the principal and interest of any loan that is canceled by reason of subsection (e).

(2) DEPOSIT OF REIMBURSEMENTS.—Each State education agency receiving payments pursuant to paragraph (1) shall deposit such payments into the revolving loan funds of the State education agency established with funds provided under this Act pursuant to subsection (d).

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $20,000,000 for fiscal year 1990 and for each of the 4 succeeding fiscal years.

SEC. 5. FOREIGN LANGUAGE INSTITUTES.

(a) PROGRAM AUTHORITY.—The Secretary is authorized to make grants to States and major metropolitan areas on a matching basis to establish foreign language institutes, and for units within world trade councils, to provide language training, translation services, and information about other cultures and markets for small- and medium-sized businesses seeking to enter export markets.

(b) GRANT LIMITS.—No grant under this section shall exceed $800,000 per State or city.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $20,000,000 for fiscal year 1990 and for each of the 4 succeeding fiscal years.

SEC. 6. DEMONSTRATION GRANTS FOR DISTANCE LEARNING.

(a) PROGRAM AUTHORITY.—The Secretary is authorized to make demonstration grants to State education agencies, institutions of higher education, and nonprofit education and professional associations to provide technology for distance learning in cooperation with foreign language teachers and specialists to serve small and rural school districts, small colleges, community colleges, and adult business education classes through video tapes, cassettes, satellite linkages, cable programs, teleclasses, and computer-assisted-instruction.

(b) GRANT LIMITATION.—No grants under this section shall exceed $200,000 in any fiscal year.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for fiscal year 1990 and for each of the 4 succeeding fiscal years.

SEC. 7. DEMONSTRATION GRANTS FOR CRITICAL LANGUAGE AND AREA STUDIES.

(a) PROGRAM AUTHORITY.—The Secretary is authorized to make demonstration grants to eligible consortia to operate critical languages and area studies programs, develop and acquire educational equipment and materials, and develop teacher training programs, texts, curriculum, and other activities designed to improve and expand the instruction of foreign languages at elementary and secondary schools across the Nation.

(b) STUDY ABROAD REQUIRED.—Each program receiving a grant under this section shall include a study abroad or cultural exchange program (or both).

(c) GRANT LIMITATION.—No grant under this section shall exceed $2,000,000 to any consortium in any fiscal year.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for fiscal year 1990 and for each of the 4 succeeding fiscal years.

SEC. 8. REGULATIONS.

The Secretary shall prescribe such regulations as may be necessary to carry out this Act within 90 days after the date of enactment of this Act. Such regulations shall establish procedures for the selection of grant and loan recipients, for the distribution of funds, and for the evaluation and review of the results of the programs authorized by this Act.

SEC. 9. DEFINITIONS.

As used in this Act—

(1) the term "Secretary" means the Secretary of Education;

(2) the term "institution of higher education" has the meaning provided by section 1201 of the Higher Education Act of 1965; and

(3) the term "State education agency" has the meaning provided by section 1201 of the Higher Education Act of 1965.

□ 1450

TRIBUTE TO COL. JAMES NICHOLAS ROWE

The SPEAKER pro tempore (Mr. FLIPPO). Under a previous order of the Hosue, the gentleman from Alabama [Mr. DICKINSON] is recognized for 60 minutes.

Mr. DICKINSON. Mr. Speaker, yesterday I had the privilege and the sad experience of attending a funeral of a friend of mine and a friend of the American people for that matter. He was a true hero. I do not know exactly how to describe what a hero is, but I think anyone who knows the facts and knows of the life of that great American would agree that he is indeed an American hero. I refer, of course, to the funeral that was held at Arlington Cemetery yesterday of Col. James Nick Rowe.

Mr. Speaker, Colonel Rowe was assassinated a few days ago in the Philippines by terrorists. He was over there in his role as colonel of the U.S. Army on special mission helping to

counter the terrorist activity of the guerrillas there that are trying to bring down the Aquino regime.

Now, how did I happen to wind up going to a funeral yesterday of a colonel that died in the Philippines? Well, I would like to take a few minutes here, Mr. Speaker, to tell my colleagues a little bit about this man, what an exceptional person he was and why I and the other Members of this House who would like to participate here would like to pay our respects to the memory of Col. Nick Rowe.

Mr. Speaker, in attendance yesterday of this somewhat obscure colonel, so far as the American people are concerned—in attendance at Arlington Cemetery was the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the Chief of the Army, the Secretary of the Army, the Secretary of the Treasury, many general stars sprinkled throughout the audience and throughout the building there, and several Members of Congress; and what is it about this colonel and what has he done that would merit the attendance of such an august group attending his funeral? Mr. Speaker, that is what I want to talk to my colleagues about just a little bit today. In order to do that I have to go back several years.

On September 19, 1969, Mr. Speaker, I took the well of this House, standing as I am standing today, and for the first time I brought to the public attention from the Congress the plight of our prisoners of war being held in captivity in Vietnam. Until that day it had been the official position of the Department of Defense and the administration in power that it was the thing that we should not discuss, that we do not want to antagonize or alienate the Viet Cong or the North Vietnamese because they might make it tough on the prisoners they held.

Mr. Speaker, that was a fallacious and spurious opinion, but it was one that held sway in the administration at that time of President Johnson; Mr. McNamara, Secretary of Defense, and it was getting us nowhere, and I prevailed on the then Secretary of Defense, Mel Laird, to do away with that policy. It did not make sense. We knew that our young men were being imprisoned, captured, tortured, mistreated, maltreated, starved, brutalized, and it was time that the American people were told these facts and were awakened to it so that the world opinion could be brought to bear on the brutal, uncivilized treatment that our servicemen were enduring.

Mr. Speaker, I finally got the Department of Defense to reverse its former position, and they cooperated, and, as a result, we had the galleries here filled with families and loved ones of those who were being held in captivity, and Members came over to the floor to participate. It was a great and glorious occasion. It was the first time there was a breakthrough, first time we had public discussion on the floor of treatment of prisoners of war.

I have here some of the pages from the special order. The chairman of the Armed Services Committee at that time spoke, and, if I might read a part of his statement again today, he says:

Mr. Speaker, I want to commend the gentleman from Alabama for the effort that he has taken in this program to bring to bear on the bestiality of the savages of North Vietnam and what they are doing to human beings representing a civilization of kindness, of truth, of hospitality, and a generosity unknown and unparalleled in the history of the world.

Here is a nation, Mr. Speaker, which has not even practiced the simplest precepts of humanity to Americans in their own country. Prisoners of war—a constant parade of these men have come before our committee and borne mute testimony to the treatment that they have received at the hands of these savages. No names given—no report given—no nothing given of their conditions and their treatment, or anything—bringing heartaches, bringing tears—bringing troubles in the loneliness and the wantingness of their loved ones at home to see the last of their men who went off to war.

Mr. Speaker, it goes on for about half a page, and later following that Mr. McCormack, who was Speaker of the House, said, "Mr. Speaker, will the gentleman yield?" I, of course, was very happy to yield to the Speaker of the House, and at that time Mr. McCormack said:

Mr. Speaker, I too join with the gentleman from Alabama and congratulate him for bringing this matter to the attention of the House of Representatives.

This is one of the great forums of the world of free people, where freedom, and freedom of expression exists.

The experiences of our prisoners of war are indeed intolerable. They violate not only international agreements but they violate the moral law and they violate the law of decency.

Not only are they treated under conditions that are inhuman but the failure in many cases to disclose the names of those who have been captured and whether or not they are living is an additional punishment for their loved ones in America.

And he went on for a few minutes there.

Mr. Speaker, Mr. McCormack was followed by the then minority leader of the House who later went on to become President of the United States, Gerald Ford. Mr. Ford spoke and said:

Mr. Speaker, I join with the Speaker and others who have spoken before and those who will be speaking subsequently to commend the gentleman from Alabama for taking the initiative, the leadership in obtaining this special order for this occasion today. Without his leadership I doubt we would have marked this occasion at this time. The attendance here today demonstrates—

And he was talking about the Chamber being filled.

demonstrates that this is a most deserving and worthwhile cause.

In this Chamber we can, as we have in the past, help to mold public opinion both at home and abroad. We must let the world at large know that the Communist leaders in North Vietnam are violating the Geneva Convention as to the treatment of American prisoners of war.

We all recognize that the leadership in North Vietnam is dominated by dedicated Communists.

And he goes on for about half a page talking about the violations of the Geneva accords, the treatment of prisoners and the inhumanity inflicted by man on man as to the treatment of our prisoners.

Following this I was contacted by a young fellow who wanted to come by and talk with me. He had heard of the special order. He was then a major, Maj. Nick Rowe. He came by and said that he had heard of this, and he wanted to tell me some of his experiences and thank me for what I am doing on behalf of the prisoners of war because he was the first American officer that had ever escaped from the Viet Cong.

Mr. Speaker, Col. James Nick Rowe was a prisoner of the Viet Cong for over 5 years. He was literally caged in a bamboo cage. He was starved, he was tortured, he was humiliated. He kept himself alive by eating slugs, snails, lizards, anything he could find to supplement his diet of rotten fish heads and rice served him once a day.

□ 1500

He was worked. This is in a very tropical, oppressively hot tropical jungle.

Twice he tried to escape unsuccessfully. He was caught. He was tortured, punished, locked up at night with a bar tied under his arms and to his legs, either tied or manacled. For over 5 years he endured this.

Finally he made another escape attempt. This time he was successful. He got back to the United States ultimately. He had to come by and tell me of some of the things that he and his fellow prisoners endured and some of the things that he had to say were just so incredible that it attacks one's beliefs, that a person could endure what he and others had endured and still live through it.

He had just recently been married. He was regaining his health.

As I said, at that time he was a major. We become friends and he went on to write a book about his experiences, which he wrote, called "Five Years to Freedom." Then for some inexplicable reason, the Army decided they did not want him to publish the book. He had a great deal of difficulty with the Army. He was still in uniform. He was still under Army control. They would not agree that he could

publish his book. I interceded on his behalf trying to get the Army to agree.

I do not remember exactly what happened then, but it is my recollection that in order to publish his book, he resigned from the Army, and he did publish his book and it was published and it is available today both in hardback and paperback, called "Five Years to Freedom." I commend it to everyone's reading, "Five Years to Freedom."

Later he came back into the Army. The next I heard of Nick he was in Fort Bragg, SC, working with the special forces where he was using his knowledge and expertise in teaching soldiers of the special forces how to survive in combat and captivity under primitive conditions.

He went on to Panama on occasion with the special forces where we have a survival school in jungle warfare that we have been conducting for many, many years in Panama to teach general survival, where he met another friend of mine from Alabama, Morgan Smith, who was teaching survival warfare in jungles, working with the San Blas Indians of Panama and other Central American Indians there. They became fast friends.

Then the next I heard of Nick he was back with the special forces. If I am not mistaken, and this was kept hush-hush, he worked closely with our special forces that went into Desert I in the Iranian rescue attempt that failed.

He stayed in the Army. There are three things that he loved. He loved the Army. He loved his God, and he loved his country. He continued his service in the Army and was subsequently promoted.

As I said, when he was killed just last week in the Philippines, he was over there countering terrorist activity and trying to assist the United States in its endeavor to support the Aquino government to fight back the Communist insurgency forces of guerrillas that have been active there since the Aquino government has been in power.

He knew that he was on a hit list, but he and his wife and family, his second wife, would not be separated. They knew the hazards involved, but he elected to stay on.

He was assaulted by masked gunmen last week, finally losing his life in the service of his country.

As I have said so many times in speeches in my district and around the country, freedom is not free. It is one of the highest priced commodities that we have. In this case, once again someone has bought and paid for our freedom with his life, and I refer to Nick Rowe.

I was very gratified to see on the front page of today's paper, the Washington Times, a very large front page picture showing the funeral ceremony as he was on his way to his last interment. Nick was a legend in the Army. He was the stuff of which myths are made. Anyone who knew him could not help but be impressed by his sincerity, his love of country, and his love of God, which he told me and as he sets out in his book, is the thing that kept him going through those 5 years of torture, starvation, and maltreatment.

His friends and buddies from the Academy and those with whom he served in the infantry and the special forces, those who could come from all over the country to attend the funeral yesterday of this outstanding American who did so much for his country. Having endured so much at the hands of the Vietcong as a prisoner, he never lost his faith in his country. He lost faith in some of the people who served in this Congress. He was convinced that someone in this country blew his cover, so to speak, and ultimately divulged his real identity, because he has told his captors that he was an engineer. They found out, according to the book, from some elected official in the Congress who he really was and he knew he was marked for death and he had to make his last desperate attempt at escape, which he did successfully.

I think one of the most touching tributes that I have every heard paid anyone was paid by a retired colonel as a eulogy yesterday at Arlington when he spoke from his heart because he had been a classmate of Nick. They had been roommates at the Infantry Basic Training School at Fort Benning. They had gone on to serve other tours together. Between choking up with the emotion and smiling with pride, he recounted many of the things that he and Nick had endured and the things that Nick had achieved.

At this point, Mr. Speaker, I would like to insert as part of my remarks the eulogy delivered yesterday at Arlington Cemetery by Nick's former roommate and classmate, Lt. Col. Bert Spivy, retired:

EULOGY FOR JAMES NICHOLAS ROWE

(Presented by Arlington National Cemetery, May 1, 1989, by a loving classmate and guy fortunate enough to have been called his and Susan's friend, Lt. Col. Bert Spivy, U.S. Army Special Forces, retired.)

Nick and Susan Rowe have been a perfect team, first as a family with two great boys to follow Nick's very significant footsteps, but also professionally as unswerving champions of freedom in spite of great personal risks that they endured in the Phillipines.

As long time close personal friends from our days as conspiring Cadet Company Commanders at West Point in the great Class of 60, thru Ranger training where we paired as supporting buddies, as bachelor roommates when we dared to force ourselves into Special Forces as a group of 2d Lieutenants who really believed the Green Beret calling by another slain Freedom Fighter, President John F. Kennedy, I would submit that we are all here to pay tribute to another great American, not to mourn Nick Rowe's physical loss, because he is not totally lost.

James Nicholas Rowe, Colonel, United States Army, a man who was passionate about everything he did, his family and the motto of the Green Beret "de oppresso liber", would far rather that we all celebrate his ultimate freedom, the liberation of that indomitable spirit from the oppression of mortal restrictions. I know he appreciates the presence of his West Point classmates and their families that helped organize this gathering, some of whom came from clear across the country to pay tribute; and especially the presence of so many Non-Commissioned Officers that Col. Rowe rightfully treasured as the "get it done" backbone such as Sgt. Dan Pitzer who shared the POW suffering and Sgt. Chu Chu Penn who tried to put some if that backbone in those Special Forces 2d Lieutenants (you at least succeeded with one of us Sgt. Penn).

To the officials of our government who interrupted very important busy schedules to be here, Col. Nick Rowe was one of the best damn soldiers and statesmen you ever had. Thank you, but please don't let this extremely powerful spirit for freedom go to waist. You have the power and the greatest organization in the world, the United States Government and U.S. Army to capitalize on it! I beg you to use this spirit of freedom as a tool, a club, even, to beat down the misguided will of oppressing guerillas such as those in the Philippines. Symbolize it to inspire the resolve in all men and women to not give up the fight for freedom whatever the risks. Institutionalize Nick Rowe's now finally free spirit!

The display of some of his POW things at the Camp McCall training facility for the Sere Course, a course Nick himself instituted taking advantage of his painfully learned skills in Survival-Evasion-Resistance-Escape, is just one small step to harness the power of his spirit.

As I am sure you all know, on the 21st of April, in a land being oppressed by rising communist guerrilla forces, Nick was removed from this mortal world the only way he could have been removed . . . in a para military fire fight, an ambush by reportedly hooded guerrillas. As he had written just the week before to a friend at Ft. Bragg, the home area of his true OAO, wife-partner Susan, and the special forces organization to whom he had passionately dedicated his considerable professional efforts, Nick and Susan knew he was on a target list.

A lesser man, a man without Nick's faith in God, without his so obviously cherished ideals of duty, honor, country; without his POW tested resolve to not let the bastards of this mortal world hold you down, might have been more conservative, but he pushed on. Susan was there in the Philippines with him, had just five months earlier given birth to their second son Brian Whitford Rowe, but risked the obvious guerrilla surveillance and threat to keep their family together. Susan fully supported his ideals and strong belief that the continued pursuit of freedom was worth the risk of life.

Nick, of course, well knew the meaning of freedom, especially having lost it so completely for over five years, 62 physically and mentally tortured months as a prisoner of war in the South Vietnam U-Minh Forest. He was mentally tortured not only by his capture but also by his captors showing him news from our great land on the lack of support from the vocal American minority. Just before his final successful escape, Nick was condemned to death when his cover story

was betrayed by some misguided so-called Americans that helped get his captors information on his real military status. They knew he was not "just an engineer" who knew only of bridges and such, not of military operations. They had no hope of breaking him.

As a tradition with us Texan's, the Cavalry arrived in the form of GunShips from the 1st Cavalry Division to help Nick distinguish himself as the only officer to successfully escape a prison camp in Vietnam, a typical Rowe example of perserverance for he had tried three times before, but never gave up in spite of the costs. The description of his fourth and final attempt to gain Freedom, in his book "Five Years to Freedom" was a real life thriller and tear-jerker that easily rivaled the best that Hollywood ever produced. You could literally feel him scrambling into that safe-haven of a helicopter. He knew what Freedom was worth! His values for family were equally eye wetting for this tough Ranger buddy when I again read the end of this book, of his return to McAllen, Texas in the company of classmates D.K. Allen and Les Beavers to his Father and Mother. Nick got his faith from a mother who only asked, upon his return, what took him so long. For those few of you who have not gotten the message directly from his fantastic book, I strongly comment it to you. Susan also informed me that the book is being made into a play, the script partly done by Nick himself, but to be finished by Director and Playwrite Charles Wallace, naming it "Faith to Freedom" in honor of not just our Vietnam Veterans but as a "memorial to all men and women who have endured and sacrificed in the service to the United States as a "Nation".

Nick had left for work that last day in the Philippines, he was the Ground Forces Director of the Joint Military Advisory Group, very happily and with his never failing sense of humor, as Susan recalls, with his driver Juaquin, after impishly waking Susan by letting his oldest son Alex (Stephen Alexander Rowe) barge into the bedroom while he quipped that if he had to be awake, why shouldn't she? As he rode he was probably thinking of the several speeches he was scheduled to present and an upcoming parachute jump, a thing he dearly loved with and without jump-pay. Nick was one of the pioneers of "HALO' parachuting techniques, High Altitude Low Opening, another somewhat risky endeavor but one that should ultimately save lives. He might also have been thinking about some traveling that he and Susan would finally get to do just for fun, when a barrage of bullets hit his car in which one managed to get inside the car, killing him instantly and wounding his driver. I am sure he is still mad as hell, that he couldn't fight back, but he will be even madder if we don't.

In one sense the assassin was merciful and in another very very foolish, but in no sense successful. Nick was definitely an old warhorse, older beyond his years, with more than his share of aches and pains, thanks to POW guards like those he named "Mafia" and "Porky". An attack of gallstones just before Brian was born and other such aftermaths of POW living were not exactly something anyone looked forward to. The foolishness though is another of the guerrillas misguided beliefs, that his mortal death would help their cause. American history and Nick's should have told them it would only strengthen the resolve of the freedom-loving people, especially the fortunate ones whose lives were touched by Nick personally; or touched by his books (he has two others in print: "The Judas Squad," a gripping fictional story about an armed takeover of a nuclear power plant, a story that too nearly could be true; and the "Washington Connection," which he co-authored with Robin Moore), or touched by his many, many speeches on how faith can get you through literally anything.

Nick Rowe is a true American champion of freedom and hero. We don't need to read a long list of medals. In the eyes of this friend and as I trust is acknowledged by the very presence of all of you here, you must share in this truth and the indomitable spirit that is and always will be Nick Rowe. You can read it in his written words, hear it and see it in both the many personal appearances and video tapes on POW/MIA matters or even in one of the civilian parts of his world campaigning against child abuse.

Freedom, and those who champion such a cause with such fervor, are to be cherished and celebrated, not mourned. Nick couldn't and wouldn't accept anything else. As much as I know they hurt from his physical loss, Susan, his boys, Deborah his first born by a previous marriage and her sister Christina, Nick would want them and all of us to dry our eyes, stand up straight and not be afraid to be counted in continuing his and our quest for freedom.

Nick was not the first to die for freedom, nor, unfortunately, will he be the last. But he definitely was the best I ever knew and I am so thankful he touched my life and left so much of himself for us all to continue with.

Please lets all keep his freedom spirit burning brightly wherever it is needed.

". . . When our course on earth is run, may it be said well done, be thou at peace . . ." old friend.

So, Mr. Speaker, that makes me humble and proud to have known a man of the quality of Nick Rowe. I would like to express my condolences to his family. He has two young children, as I recall, living.

Without Nick and people like him serving as role models for those of us who follow and those who will follow on in the military, this country will not achieve the greatness in the future that it has in the past were it not for Nick and people like him. We owe him an eternal debt of gratitude which we can never repay.

One way we can repay Nick and others like him is to not forget their memory and be always aware of the fact that there are people who are dedicated and giving their lives in the service of their country so that we can go about our ordinary daily pursuits and enjoy all the freedoms that we enjoy, to speak, to assemble, go to church or not go to church, all the freedoms that we have because people like Nick Rowe made the ultimate sacrifice to pay for our freedom that we enjoy today. Nick, we salute you.

GENERAL LEAVE

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama Mr. [DICKINSON].

There was no objection.

INTRODUCTION OF CLEAN AIR FUEL CONVERSION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. FAZIO] is recognized for 20 minutes.

Mr. FAZIO. Mr. Speaker, I am today introducing legislation that will establish the Federal Government as a leader in this country's evolution to cleaner fuels. The bill sets a schedule for converting portions of the Federal fleet to vehicles capable of running on alcohol, natural gas, or electricity.

Dozens of cities in this country are still in very serious violation of EPA's standards for safe air. My own home city of Sacramento is the 12th most polluted city in terms of ozone and the 14th worst for carbon monoxide. Current ozone levels are causing permanent scarring and premature aging of the lungs, worsening respiratory problems, and may be reducing resistance to infections. Children, because they play so vigorously outdoors, have been especially affected. High carbon monoxide levels are particularly harmful to people with heart conditions and may be harming fetuses during key developmental stages.

We don't have to put up with this, but changing it requires a willingness to plan and take active control of our future. One key strategy in reducing air pollution is to increase the proportion of vehicles on the road that run on cleaner fuels. Use of methanol, ethanol, natural gas, or electricity can dramatically reduce emissions of both carbon monoxide and the hydrocarbons that form ozone.

The Federal Government has an invaluable role to play in helping the country make this change, in part because of a chicken-and-egg problem: Consumers won't buy alternative fuel cars because the fuel is not for sale, and companies don't sell the fuel because there's no demand. This bill requires that the Government install alcohol or natural gas pumps to service its own fleet, where there are no commercial pumps available, and that the Government sell these fuels to the public, again until there are commercial suppliers. This way, the public can begin to get experience with these vehicles, and we will gradually create enough of a market to entice commercial fuel companies to install their own alcohol or natural gas pumps.

This bill is cost-effective in several ways. First, it only applies to Federal fleets located in areas with the worst air, where the ozone or carbon monoxide levels create a serious or severe risk to health. Second, those fleets are only required to be converted at the rate of 10 percent of the fleet per year, which is the normal rate of turnover for Federal vehicles anyway. Third, the requirement does not begin until 1993, by which time at least two of the major American auto manufacturers expect to

be producing some of these vehicles in commercial quantities, with the consequent price reductions. The long leadtime is important in giving the auto industry time to plan ways to meet this new demand; from the perspective of our major manufacturers, 1993 is tomorrow.

I appreciate the enthusiastic support of so many of my colleagues for this bill: Mr. SHARP has been involved and helpful from the beginning, and another 38 of our colleagues have joined as original cosponsors. The support is bipartisan and from every region of the country. Clearly, we share a desire to see the Federal Government use its great potential for leadership in an area so vital to the health and well-being of the public.

Mr. Speaker, I insert the bill in the RECORD at this point in its entirety.

H.R. 2175

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REQUIRED USE IN NONATTAINMENT AREAS.

(a) IN GENERAL.—With respect to any fleet of passenger automobiles and light-duty trucks owned or leased for more than 60 days by the United States for operation in an area designated under the Clean Air Act as an area of serious or severe health endangerment for ozone or carbon monoxide, or both—

(1) 10 percent of the vehicles of such fleet to be used in such area shall be alternative fuel vehicles after September 30, 1993;

(2) 20 percent of the vehicles of such fleet to be used in such area shall be alternative fuel vehicles after September 30, 1994;

(3) 30 percent of the vehicles of such fleet to be used in such area shall be alternative fuel vehicles after September 30, 1995;

(4) 40 percent of the vehicles of such fleet to be used in such area shall be alternative fuel vehicles after September 30, 1996;

(5) 50 percent of the vehicles of such fleet to be used in such area shall be alternative fuel vehicles after September 30, 1997;

(6) 60 percent of the vehicles of such fleet to be used in such area shall be alternative fuel vehicles after September 30, 1998;

(7) 70 percent of the vehicles of such fleet to be used in such area shall be alternative fuel vehicles after September 30, 1999;

(8) 80 percent of the vehicles of such fleet to be used in such area shall be alternative fuel vehicles after September 30, 2000;

(9) 90 percent of the vehicles of such fleet to be used in such area shall be alternative fuel vehicles after September 30, 2001; and

(10) 100 percent of the vehicles of such fleet to be used in such area shall be alternative fuel vehicles after September 30, 2002.

(b) REQUIRED OPERATION.—The Administrator of the General Services Administration and the Secretary of Defense, with the concurrence of the Secretary of Energy shall, before October 1, 1992, issue regulations to ensure that a vehicle acquired pursuant to subsection (a)—

(1) shall be supplied with alcohol, natural gas or other gaseous hydrocarbons, or electricity, as appropriate, in its primary area of operation, using commercially available fueling facilities to the maximum extent practicable; and

(2) shall be operated exclusively on such fuel except when operated so as to make it impracticable to obtain such fuel.

(c) CONSIDERATIONS.—(1) Funds appropriated for carrying out this Act shall be applied on a priority basis, for expenditure first in areas of the United States which the Administrator of the Environmental Protection Agency determines have the most severe air pollution problems.

(2) A Federal officer or agent responsible for deciding which types of alternative fuel vehicles to acquire in order to comply with subsection (a) shall consider as a factor in such decision which types of vehicles yield the greatest reduction in pollutants emitted per dollar spent.

(d) CONSULTATION.—A Federal officer or agent responsible for deciding which types of alternative fuel vehicles to acquire in order to comply with subsection (a) shall, on an expedited and informal basis, consult with the Environmental Protection Agency and with the lead State or local agency charged with air quality planning for the area in which the vehicles will be operated. The purpose of such consultation shall be to obtain relevant information—

(1) with respect to considerations under subsection (c)(2); and

(2) to facilitate the coordination of this Act with other Federal, State, and local programs, such as any plans by a State to install alternative fuel pumps near a location where vehicles acquired under subsection (a) will be operated.

(e) AVAILABILITY TO THE PUBLIC.—At Federal facilities where vehicles acquired under subsection (a) are supplied with alcohol or natural gas or other gaseous hydrocarbons, such fuel shall be offered for sale to the public for use in other vehicles, unless—

(1) such fuel is commercially available for vehicles in the vicinity of such Federal facilities;

(2) security considerations prevent the offering for sale of such fuel at such facility; or

(3) the area served by the facility comes into full compliance with the national ambient air quality standards for ozone and carbon monoxide.

(f) COST OF VEHICLES TO FEDERAL AGENCY.—(1) Funds appropriated under this Act for the acquisition of vehicles under subsection (a) shall be applicable only—

(A) to the portion of the cost of vehicles acquired under subsection (a) which exceeds the cost of comparable conventional fueled vehicles;

(B) to the portion of the costs of fuel storage and dispensing equipment attributable to such vehicles which exceeds the costs for such purposes required for conventional fuel vehicles; and

(C) to the portion of the costs of operating and maintaining such vehicles which exceeds the costs for such purposes required for comparable conventional fueled vehicles.

(2) The Secretary of Energy shall ensure that the cost to any Federal agency receiving a vehicle under subsection (a) shall not exceed the cost to such agency of a comparable conventional fueled vehicle.

(g) EXEMPTION.—The incremental cost of vehicles acquired under subsection (a) over the cost of comparable conventional fueled vehicles shall not be applied to any calculation with respect to a limitation under law on the maximum cost of individual vehicles which may be acquired by the United States.

(h) FLEET AVERAGE FUEL ECONOMY.—In any calculation of the average fuel economy of the fleet of passenger automobiles acquired in a fiscal year by the United States, vehicles acquired under subsection (a) shall be measured in terms of miles per BTU or per kilowatt hour, as appropriate.

(i) STUDIES.—Vehicles acquired under subsection (a) may be included in any Federal Government study of the environmental effects or military applications of vehicles operated on natural gas or other gaseous hydrocarbons, alcohol fuels, or electricity.

SEC. 2. OPERATION OF OTHER FEDERAL VEHICLES.

A gasoline powered vehicle operated in an area designated under the Clean Air Act as a nonattainment area for carbon monoxide which is not a dual energy vehicle or a natural gas dual energy vehicle shall, after March 31, 1990, be supplied with fuel which blends oxygenates with gasoline at its primary fueling facility. Such vehicle shall be operated exclusively on such fuel except when operated—

(1) so as to make it impracticable to obtain such fuel; or

(2) in an area during any month in which such area is a nonattainment area for ozone under the Clean Air Act, unless the Administrator determines that the use of blended fuel in those months would improve air quality.

SEC. 3. EXEMPTIONS.

The requirements of section 1(a) of this Act shall not apply to vehicles—

(1) being operated as an experiment in the use of alternative fuels other than alcohol, natural gas or other gaseous hydrocarbons, or electricity; or

(2) with respect to which the Secretary of Defense has claimed an exemption based on national security considerations.

SEC. 4. INSTALLATION OF UNDERGROUND FUEL STORAGE EQUIPMENT.

(a) REQUIREMENT.—Any underground storage tank, along with all associated underground piping or underground equipment, installed or replaced at a designated federal facility after July 1, 1990, shall be capable of safely storing alcohol.

(b) DEFINITION.—For purposes of this section, the term "designated Federal facility" means any Federal facility where passenger automobiles or light-duty trucks owned or leased by the Federal Government are supplied with fuel, if such facility is an area designated under the Clean Air Act as an area of serious or severe health endangerment for ozone or carbon monoxide.

SEC. 5. AIR QUALITY AND HEALTH STUDY.

(a) COMPREHENSIVE ANALYSIS.—The Administrator, in cooperation with the Department of Energy National Laboratories, shall prepare a comprehensive analysis with respect to the air pollutant emission, air quality impact, and human health risks, including toxicity to consumers at self-service fuel pumps, associated with the storage, distribution, and use of significant amounts of alcohols or natural gas or other gaseous hydrocarbons as transportation fuels as compared to diesel and gasoline fuels. The Administrator shall include an analysis of the usefulness of alcohols, natural gas or other gaseous hydrocarbons, and electricity as substitute transportation fuels to assist areas of the United States in attaining national ambient air quality standards prescribed under section 109 of the Clean Air Act.

(b) REPORT.—The Administrator shall, before October 1, 1992, submit a report to the Congress detailing the results of the comprehensive analysis prepared under subsection (a).

(c) FUNDING.—There are authorized to be appropriated to carry out the purposes of this section $975,000 for the fiscal year ending September 30, 1991.

SEC. 6. DEFINITIONS AND CRITERIA.

(a) DEFINITIONS.—For purposes of this Act—

(1) the term "acquired" means purchased or leased for a period of 60 days or more;

(2) the term "Administrator" means the Administrator of the Environmental Protection Agency;

(3) the term "alcohol" means a mixture containing 85 percent or more methanol, ethanol, or other alcohols by volume;

(4) the term "alternative fuel vehicle" means a dual energy vehicle, a natural gas dual energy vehicle, a dedicated alcohol vehicle, a dedicated natural gas vehicle, or an electric vehicle;

(5) the term "dedicated alcohol vehicle" means a vehicle designed to operate exclusively on alcohol;

(6) the term "dedicated natural gas vehicle" means a vehicle designed to operate exclusively on natural gas or other gaseous hydrocarbons;

(7) the term "dual energy vehicle" means a vehicle which—

(A) is capable of operating on alcohol and on conventional fuel;

(B) provides equal or superior energy efficiency, as calculated during fuel economy testing for the Federal Government, while operating on alcohol as it does while operating on conventional fuel; and

(C) meets the criteria set forth in subsection (b);

(8) the term "electric vehicle" means any vehicle capable of operating exclusively on energy derived from a source of electricity, including batteries capable of being charged by electric current, solar energy, and any other source of electricity;

(9) the term "natural gas dual energy vehicle" means a vehicle which—

(A) is capable of operating on natural gas or other gaseous hydrocarbons and on conventional fuel;

(B) provides equal or superior energy efficiency, as calculated during fuel economy testing by the Federal Government, while operating on natural gas or other gaseous hydrocarbons as it does while operating on conventional fuel; and

(C) meets the criteria set forth in subsection (b); and

(10) the term "vicinity" means an area the Secretary of Energy determines to be the area a commercial supplier of alcohol or natural gas or other gaseous hydrocarbon fuels would reasonably expect to serve.

(b) CRITERIA FOR VEHICLES.—No vehicle shall be considered an alternative fuel vehicle under this section unless the vehicle meets each of the following criteria:

(1) The emission rates for air pollutants, designated by the Administrator, emitted from such vehicle are less than those for comparable vehicles which do not use such alternate fuels.

(2) The vehicle emits formaldehyde at a level no greater than that which the Administrator determines to be appropriate for the protection of the public health.

SEC. 7. FUNDING.

There are authorized to be appropriated for the fiscal year ending September 30, 1993, $10,000,000; for the fiscal year ending September 30, 1994, $7,000,000; for the fiscal year ending September 30, 1995, $7,000,000; and for the fiscal year ending September 30, 1996, $5,000,000, to carry out the purposes of this Act except for the study under section 5. The authority of the Secretary to obligate amounts authorized under this Act shall be effective for any fiscal year only to the extent provided in advance by appropriation Acts.

□ 1510

PUERTO RICO STATUS LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the Virgin Islands [Mr. DE LUGO] is recognized for 10 minutes.

Mr. DE LUGO. Mr. Speaker, Puerto Rico's commonwealth relationship with the United States was established from 1950 to 1952 by a series of acts by Congress and the President and the people of Puerto Rico.

The relationship was always intended to be dynamic and adjustable in response to changed circumstances.

The expanded role of the Federal Government in society, changed economic realities, and desires for increased local authority have led to initiatives to develop the commonwealth relationship during the past three decades.

At the same time, some Puerto Ricans have advocated making the commonwealth a State or an independent nation.

During the last Congress, the ranking Republican of the Subcommittee on Insular and International Affairs, our colleague BOB LAGOMARSINO, and other Members introduced a bill to provide for a referendum in Puerto Rico on statehood. It included a process for developing implementing legislation.

This bill was sponsored, in part, in response to a large number of petitions from Puerto Ricans and requests from some local officials.

Also in the last Congress, our colleague RON DELLUMS and other Members sponsored legislation which would have essentially provided independence—and, possibly, free association—for Puerto Rico.

Independence also has some support among Puerto Ricans.

Although I did not schedule action on either bill, as chairman of the Insular and International Affairs Subcommittee, I developed amendments to the Lagomarsino bill. The amendments were developed in consultation with both the gentleman from California [Mr. LAGOMARSINO] and the distinguished Resident Commissioner from Puerto Rico, JAIME FUSTER.

The amended bill would have provided for a choice between statehood; independence; and improving the commonwealth relationship, the option favored by the commonwealth's elected leaders.

Key statehood and enhanced commonwealth leaders seemed to be interested in the amendments. But the consensus I felt necessary for action was not developed. This may have been due to the impending elections last November.

The elections kept Governor Rafael Hernandez Colon, who favors enhancing commonwealth, in office as well as like-minded majorities in the legislature.

After the elections, the Governor consulted me on the possibility of legislation akin to what I developed earlier.

The Governor also had similar discussions with the chairman of our counterpart committee in the other body, the Honorable J. BENNETT JOHNSTON, Jr., and with Andrew Card, who had been Executive Director of the White House Task Force on Puerto Rico in the last administration, and is now Deputy to the Chief of Staff in the White House.

After receiving our indications of support, the Governor proposed in his inaugural address that Congress consult the people of Puerto Rico and act on their choice between enhancing commonwealth, statehood, and independence.

This initiative was joined soon afterwards by the heads of parties favoring statehood and independence.

I regarded a joint letter to the Congress making this proposal from the Governor, as head of the Popular Democratic Party; our former colleague Baltasar Corrada, as head of the statehood-favoring New Progressive Party, and former Senator Rueben Berrios, as head of the Independence Party, as a historic and patriotic act.

The leaders of Puerto Rico's various status movements have long disagreed on the process for resolving the divisive debate on the commonwealth's future political status.

The differences have effectively prevented action on many of the needs of the 3.3 million Americans of Puerto Rico. This is to the extent that Puerto Rico's needs receive less attention than those of any other member of the American political family. I have met with the leaders of each of the parties since receiving the letter. Ranking Republican LAGOMARSINO and the chairman of the full committee, our colleague MO UDALL, have had similar meetings.

Although the process of developing the requested legislation was delayed somewhat by former Governor Carlos Romero Barcelo replacing Baltasar Corrada as president of the New Progressive Party, it is progressing.

It received encouragement when President Bush, who has long supported statehood, expressed his support for a choice between the statuses in his February 9 address to the joint session of Congress. It was advanced by meetings with the Puerto Rican party leaders that Chairman JOHNSTON has conducted.

These meetings led to the introduction by Chairman JOHNSTON and the ranking republican of the Senate committee, the Honorable JAMES A. MCCLURE, of three alternative bills.

They would provide for a local choice between enhancing commonwealth, statehood, and independence. They also provide for implementing the favored development in the Federal-commonwealth relationship.

These bills, and an aggressive process for fully developing them, are outlined in the RECORD of April 5.

Initially, I had also intended to introduce legislation on this very sensitive subject after consultations with the leaders of the three parties in Puerto Rico. I have not introduced any legislation on it yet, however, because the bills introduced in the Senate are generally consistent with what I had suggested, and to avert confusion in Puerto Rico.

Chairman JOHNSTON has kept me informed on his work on this matter and we have spoken a few times about it. I intend to cooperate with him to the extent possible on it.

I plan similar cooperation with Resident Commissioner FUSTER and Puerto Rico's other leaders and ranking Republican LAGOMARSINO and other interested Members.

My intent is that the Insular and International Affairs Subcommittee's role in the development and consideration of this important legislation will be constructive to the process. I hope that it will help resolve Puerto Rico's status dilemma.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ENGEL (at the request of Mr. FOLEY), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SMITH of Mississippi) to revise and extend their remarks and include extraneous materials:)

Mr. DICKINSON, for 60 minutes, today and 60 minutes, on May 3.

Mrs. BENTLEY, for 60 minutes, today.

Mr. MCEWEN, for 5 minutes, today.

(The following Members (at the request of Mr. SWIFT) to revise and extend their remarks and include extraneous materials:)

Mr. PANETTA, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. FAZIO, for 20 minutes, today.

Mr. FORD of Michigan, for 60 minutes, on May 3.

Mr. DINGELL, for 60 minutes, on May 4.

Mr. SCHUMER, for 60 minutes, on May 9.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. DE LUGO, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SMITH of Mississippi) and to include extraneous matter:)

Mr. BOELHERT.
Mr. GREEN.
Mr. CHANDLER.
Mr. GRADISON in two instances.
Mr. BROOMFIELD in two instances.
Mr. VANDER JAGT.
Mr. PORTER.
Mr. SMITH of Texas.
Mr. DOUGLAS.
Mr. GALLO.
Mr. SCHUETTE.
Mrs. MORELLA in two instances.
Mrs. ROUKEMA.
Mr. SHUSTER.
Mr. COURTER.
Mr. DORNAN of California.
Ms. SNOWE.

(The following Members (at the request of Mr. SWIFT) and to include extraneous matter:)

Mr. ASPIN.
Mr. DORGAN of North Dakota.
Mr. RICHARDSON.
Ms. PELOSI.
Mr. SKELTON in two instances.
Mr. FLORIO.
Mr. TORRES.
Mr. DONNELLY.
Mr. MARKEY.
Mr. FUSTER.
Mr. HOYER.
Mr. SABO.
Mr. LELAND.
Mr. MATSUI in two instances.
Mr. SMITH of Florida.
Mr. ROE.
Mr. PANETTA.
Mr. LANCASTER.
Mr. BRUCE.
Mr. DYSON in two instances.
Mr. COLEMAN of Texas.

BILL PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 678. An act to make a correction in the Education and Training for a Competitive America Act of 1988.

ADJOURNMENT

Mr. DE LUGO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 18 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, May 3, 1989, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1097. A letter from the Assistant Secretary of the Army (Installations and Logistics), transmitting notification of the emergency disposal of 14 suspected chemical 155mm munitions at the North Wig and Cedar Mountain areas of Dugway Proving Ground, UT, pursuant to 50 U.S.C. 1518; to the Committee on Armed Services.

1098. A letter from the Secretary of Commerce, transmitting their annual report on the activities undertaken during 1988 on the problems relating to homelessness, pursuant to Public Law 100-77, section 203(c)(1) (101 Stat. 4870; Public Law 100-628, section 205 (102 Stat. 3228); to the Committee on Banking, Finance and Urban Affairs.

1099. A letter from the Executive Director, District of Columbia Retirement Board, transmitting financial disclosure statements of Board members for calendar year 1988, pursuant to D.C. Code, section 1-732, 1-734(a)(1)(A); to the Committee on the District of Columbia.

1100. A letter from the Administrator, Environmental Protection Agency, transmitting a copy of the report "Management of Hazardous Wastes From Educational Institutions," pursuant to 42 U.S.C. 6921 nt.; to the Committee on Energy and Commerce.

1101. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting notification of a proposed authorization for the export of defense articles sold commercially to the Government of Japan (Transmittal No. MC-9-89), pursuant to 22 U.S.C. 2776(d); to the Committee on Foreign Affairs.

1102. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a copy of the 1988 annual report of the Office of the U.S. Courts, bound together with the reports of the proceedings of the Judicial Conference of the United States, held during 1988, pursuant to 28 U.S.C. 604(a)(4) and (h)(2); 28 U.S.C. 2412(d)(5); to the Committee on the Judiciary.

1103. A letter from the Treasurer General, Daughters of the American Revolution, transmitting the report of the audit of the Society for the fiscal year ended February 28, 1989, pursuant to 36 U.S.C. 1101(20), 1103; to the Committee on the Judiciary.

1104. A letter from the Assistant Secretary of State for Legislative Affairs; transmitting a copy of the report entitled "Citizens' Self-Defense Groups in the Philippines"; jointly, to the Committees on Appropriations and Foreign Affairs.

1105. A letter from the Deputy General Counsel, Department of Transportation, transmitting copies of the fiscal year 1990 budget requests of the Federal Aviation Administration to the Department, including requests for "Facilities and equipment" and "Research, engineering, and development," pursuant to 49 U.S.C. app. 2205(f); jointly, to the Committees on Public Works and Transportation and Science, Space, and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PANETTA: Committee on the Budget. House Concurrent Resolution 106. Resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992 (Rept. No. 101-42). Referred to the Committee of the Whole House on the State of the Union.

Mr. FROST: Committee on Rules. House Resolution 143. Resolution providing for the consideration of H.R. 7, a bill to amend the Carl D. Perkins Vocational Education Act to extend the authorities contained in such act through the fiscal year 1995 (Rept. 101-43). Referred to the House Calendar.

Mr. DERRICK: Committee on Rules. House Resolution 145. Resolution providing for the consideration of House Concurrent Resolution 106, Budget for United States Government for fiscal years 1990, 1991, and 1992 (Rept. 101-45). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. SWIFT: Committee on House Administration. H.R. 1326. A bill to authorize appropriations for the Federal Election Commission for fiscal year 1990, and for other purposes; referred to the Committee on Government Operations for a period ending not later than June 2, 1989, for consideration of such provisions of the bill as fall within the jurisdiction of that committee pursuant to clause 1(i), rule X (Rept. 101-44, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CLAY (for himself, Mr. EDWARDS of California, Mr. WILLIAMS, and Mr. GILMAN):

H.R. 2168. A bill to prevent potential abuses of electronic monitoring in the workplace; to the Committee on Education and Labor.

By Mr. BOEHLERT:

H.R. 2169. A bill to increase for fiscal year 1989 the obligation ceiling for airport grants-in-aid; jointly, to the Committees on Appropriations and Public Works and Transportation.

By Mr. BUECHNER:

H.R. 2170. A bill to amend the Congressional Budget Act of 1974 and the Rules of the House of Representatives to extend cost estimates contained in committee reports accompanying legislation from 5 years to 10 years; to the Committee on Rules.

By Mr. CARDIN (for himself, Mrs. BENTLEY, Mr. CAMPBELL of Colorado, Mr. DEFAZIO, Mr. DYSON, Mr. EVANS, Mr. HAYES of Illinois, Mr. HOYER, Ms. KAPTUR, Mr. MFUME, Mr. TOWNS, and Mr. TRAFICANT):

H.R. 2171. A bill to revitalize the United States steel industry; jointly, to the Committees on Ways and Means and Banking, Finance and Urban Affairs.

By Mr. DONNELLY (for himself, Mr. FAUNTROY, Ms. PELOSI, Mr. PETRI, Mr. FUSTER, Mr. TRAFICANT, Mr. AKAKA, Mr. FAZIO, Mrs. COLLINS, and Mr. OLIN):

H.R. 2172. A bill to revoke most-favored-nation treatment from the products of foreign countries that do not prohibit international trading in ivory and ivory products, to deny foreign tax credits with respect to income derived from the processing of, or trading in, ivory, and for other purposes; jointly, to the Committees on Ways and Means and Foreign Affairs.

By Mr. ENGLISH:

H.R. 2173. A bill to extend disaster assistance to losses due to adverse weather conditions in 1988 or 1989 for those crops planted in 1988 for harvest in 1989; to the Committee on Agriculture.

By Mr. ESPY (for himself, Mr. WHITTEN, Mr. EVANS, Mr. COSTELLO, Mr. ALEXANDER, Mr. ANTHONY, Mr. ATKINS, Mr. AUCOIN, Mr. BAKER, Mr. BEVILL, Mrs. BOXER, Mr. BUECHNER, Mr. CLARKE, Mr. CLAY, Mrs. COLLINS, Mr. DE LUGO, Mr. DURBIN, Mr. DYMALLY, Mr. FAUNTROY, Mr. FORD of Tennessee, Mr. FRANK, Mr. GORDON, Mr. HAMMERSCHMIDT, Mr. HARRIS, Mr. HASTERT, Mr. HAYES of Illinois, Mr. HAYES of Louisiana, Mr. HOLLOWAY, Mr. HUCKABY, Mr. LANCASTER, Mr. LEWIS of Georgia, Mrs. MARTIN of Illinois, Mr. MONTGOMERY, Ms. OAKAR, Mr. OBERSTAR, Mr. OWENS of New York, Mr. OWENS of Utah, Mr. PARKER, Ms. PELOSI, Mr. PENNY, Mr. RANGEL, Mr. ROBINSON, Mr. ROE, Mr. RUSSO, Mr. SAVAGE, Mr. SIKORSKI, Mr. SMITH of Mississippi, Mr. TAUZIN, and Mr. WHEAT):

H.R. 2174. A bill to establish a commission to prepare a report on the feasibility of creating a Mississippi River National Heritage Corridor; to the Committee on Interior and Insular Affairs.

By Mr. FAZIO (for himself, Mr. SHARP, Mr. MATSUI, Mr. SIKORSKI, Mr. AKAKA, Mr. UDALL, Mr. FASCELL, Mr. DURBIN, Mr. SKAGGS, Mr. RICHARDSON, Mr. GARCIA, Mr. MORRISON of Connecticut, Mrs. COLLINS, Mr. ACKERMAN, Mr. MADIGAN, Mr. LAGOMARSINO, Mr. SCHUMER, Mr. HUGHES, Mr. FRANK, Mr. JONTZ, Mr. GLICKMAN, Mr. PENNY, Mr. NEAL of North Carolina, Mr. CAMPBELL of Colorado, Mr. LANTOS, Mr. MINETA, Mr. FOGLIETTA, Mr. EDWARDS of California, Mr. OWENS of New York, Mr. ATKINS, Mr. MCDERMOTT, Mr. BERMAN, Mr. ENGEL, Mr. JOHNSON of South Dakota, Mr. CHAPMAN, Mr. FISH, Mr. FROST, Mr. KOLBE, Mr. GREEN, and Mr. FAUNTROY):

H.R. 2175. A bill requiring the use by the Federal Government of certain vehicles capable of operating on alcohol or natural gas fuels or on electricity in areas not in compliance with the Clean Air Act, and for other purposes; to the Committee on Energy and Commerce.

By Mr. GIBBONS:

H.R. 2176. A bill relating to the negotiation of customs preclearance agreements with foreign countries; to the Committee on Ways and Means.

By Mr. GORDON:

H.R. 2177. A bill to promote local awareness of asbestos disposal by requiring asbestos removers to notify designated State and local officials of the disposal date, origin, amount, and location of asbestos being disposed of in their jurisdiction; to the Committee on Energy and Commerce.

By Mr. HAMMERSCHMIDT:

H.R. 2178. A bill to designate lock and dam numbered 4 on the Arkansas River, Arkansas, as the "Emmett Sanders Lock and Dam;" to the Committee on Public Works and Transportation.

By Mr. HORTON:

H.R. 2179. A bill to amend title 38, United States Code, to provide that the disease of transverse myelitis occurring in a veteran within 7 years from the date of the veteran's discharge or release from active duty shall be considered to be service-connected; to the Committee on Veterans' Affairs.

By Mr. JACOBS:

H.R. 2180. A bill to amend the Internal Revenue Code of 1986 to provide that the tax benefits related to certain personal injury liability assignments shall apply to assignments to make periodic payments for all categories of excludable compensation for injuries or sickness; to the Committee on Ways and Means.

By Mr. KASTENMEIER (for himself and Mr. MOORHEAD) (both by request):

H.R. 2181. A bill to restore lost compensation and establish the procedure for adjusting future compensation of justices and judges of the United States; jointly, to the Committees on Post Office and Civil Service and the Judiciary.

By Mr. KOLTER:

H.R. 2182. A bill to establish a temporary program of supplemental unemployment benefits for unemployed coal miners who have exhausted their rights to regular unemployment benefits; to the Committee on Ways and Means.

By Mr. LELAND (for himself and Mr. HORTON):

H.R. 2183. A bill to amend title 39, United States Code, to limit the rate of pay at which the Postal Service may compensate experts and consultants, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MARKEY (for himself, Mr. RINALDO, Mr. SHAYS, Mr. FRANK, and Mr. STARK):

H.R. 2184. A bill to amend the Communications Act of 1934 to prohibit certain practices involving commercial uses of telephone facsimile machines; to the Committee on Energy and Commerce.

By Mr. MATSUI (for himself, Mr. DOWNEY, Mrs. KENNELLY, Mr. MILLER of California, Mr. STARK, Mr. FAUNTROY, Mr. DYMALLY, Mrs. COLLINS, Mr. DE LUGO, Mr. OWENS of New York, Mr. ATKINS, Mr. FAZIO, Mr. MCDERMOTT, Mr. BONIOR, and Ms. KAPTUR):

H.R. 2185. A bill to amend part E of title IV of the Social Security Act to make necessary improvements in the foster care and adoption assistance program with the objective of assuring that such program will more realistically and more effectively meet the needs of the children involved, and for other purposes; to the Committee on Ways and Means.

By Mrs. MEYERS of Kansas (for herself, Mr. WHEAT, and Mr. WELDON):

H.R. 2186. A bill to require that Federal, State, and regional enclaves permit certain emergency response personnel to conduct pre-incident planning activities, and for

other purposes; to the Committee on Government Operations.

By Mr. PANETTA (for himself, Mr. SCHULZE, Mr. HATCHER, Mr. EMERSON, Mr. COELHO, Mr. SYNAR, Mr. STAGGERS, Mr. GRANT, Mr. GEJDENSON, Mr. TALLON, and Mr. ESPY):

H.R. 2187. A bill to enable producers of fresh mushrooms to develop, finance, and carry out a nationally coordinated program for fresh mushroom promotion, research, and consumer information, and for other purposes; to the Committee on Agriculture.

By Mr. PANETTA (for himself, Mr. ESPY, Mr. COLEMAN of Missouri, Mr. HATCHER, Mr. FOGLIETTA, Mr. FUSTER, Mr. DARDEN, Mr. WOLF, Mr. RANGEL, Mr. MORRISON of Connecticut, Mr. BOUCHER, Mr. GONZALEZ, Mr. MARTINEZ, Mr. TOWNS, Mr. SAVAGE, Mr. DWYER of New Jersey, Mr. RICHARDSON, Mr. BOEHLERT, Mr. PORTER, Mr. FAZIO, Mr. ATKINS, Mr. DYMALLY, Mr. DORGAN of North Dakota, Mr. EVANS, Mr. NEAL of Massachusetts, Mr. DE LUGO, Mrs. UNSOELD, Mr. DICKS, and Mr. CONTE):

H.R. 2188. A bill to establish programs to improve foreign language instruction, and for other purposes; to the Committee on Education and Labor.

By Mr. PEASE:

H.R. 2189. A bill to provide for comprehensive campaign reform with respect to elections for the House of Representatives, and for other purposes; jointly, to the Committees on House Administration, Energy and Commerce, Post Office and Civil Service, and Ways and Means.

By Mr. FOLEY (for himself, Mr. COELHO, Mr. CONYERS, Mr. GINGRICH, Mr. LEWIS of California, Mr. ANNUNZIO, Mr. THOMAS of California, Mr. GEJDENSON, Mr. GUNDERSON, and Mr. SWIFT):

H.R. 2190. A bill to establish national voter registration procedures for elections for Federal office, and for other purposes; to the Committee on House Administration.

By Mr. RANGEL (for himself, Mr. DOWNEY, Mr. MCGRATH, Mr. LENT, Mr. MCHUGH, Mr. GILMAN, Mr. TOWNS, and Mr. MANTON):

H.R. 2191. A bill to amend the Internal Revenue Code of 1986 to restore the tax-exempt status of Blue Cross and Blue Shield companies which cover high-risk individuals, and for other purposes; to the Committee on Ways and Means.

By Mr. RHODES:

H.R. 2192. A bill to amend chapter 34 of title 38, United States Code, with respect to the time period during which benefits under such chapter may be utilized by certain eligible veterans; to the Committee on Veterans' Affairs.

By Mrs. ROUKEMA:

H.R. 2193. A bill to amend the Higher Education Act of 1965 to reduce the costs to the Federal Government from defaults on federally assisted student loans, and for other purposes; to the Committee on Education and Labor.

By Mr. SABO:

H.R. 2194. A bill to amend the Internal Revenue Code of 1986 and the Federal Election Campaign Act of 1971 to provide for public financing of House of Representatives general election campaigns, and for other purposes; jointly, to the Committees on House Administration and Ways and Means.

By Ms. SNOWE:

H.R. 2195. A bill to amend the Medicare Catastrophic Coverage Act of 1988 to extend the Advisory Committee on Medicare Home Health Claims; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. SUNDQUIST:

H.R. 2196. A bill to amend title 18, United States Code, regarding sentencing for capital offenses; to the Committee on the Judiciary.

H.R. 2197. A bill to provide for additional contingent termination liability for the Advanced Solid Rocket Motor Program; to the Committee on Science, Space, and Technology.

By Mrs. VUCANOVICH:

H.R. 2198. A bill to transfer the parcel known as the Battle Mountain Community Pasture, located in Lander County, NV; to the Committee on Interior and Insular Affairs.

By Mr. BOEHLERT:

H.J. Res. 253. Joint resolution designating September 8, 1989, as "National Pledge of Allegiance Day;" to the Committee on Post Office and Civil Service.

By Mr. LEVINE of California (for himself, Mr. GEPHARDT, Mr. COELHO, Mr. GIBBONS, Mr. HUNTER, Mr. FLORIO, Mr. MINETA, Mr. BURTON of Indiana, Mr. DORNAN of California, Mr. BILBRAY, Mr. FORD of Michigan, Mr. TORRICELLI, Mrs. BENTLEY, Mr. ECKART, Mr. BRYANT, Mr. COSTELLO, Mr. ROSE, Mr. FRANK, Mr. ROHRABACHER, Mrs. ROUKEMA, Mr. HORTON, Mr. LEWIS of Florida, Mr. SCHUETTE, Mr. RAVENEL, Mr. BATES, Mr. LEWIS of Georgia, Mr. TRAFICANT, Mr. SAWYER, Mr. NIELSON of Utah, Ms. KAPTUR, Mr. PEASE, Mr. MCNULTY and Mr. SANGMEISTER):

H.J. Res. 254. Joint resolution to prohibit the U.S. Government approval of the manufacturing license agreement relating to the design, development, and production of a model FSX aircraft in Japan; to the Committee on Foreign Affairs.

By Ms. OAKAR (for herself and Mr. LEWIS of Florida):

H.J. Res. 255. A joint resolution designating February 18 through 24, 1990, as "National Visiting Nurse Associations Week;" to the Committee on Post Office and Civil Service.

By Mr. WYDEN:

H.J. Res. 256. A joint resolution to designate the week beginning October 8, 1989, as "National Infertility Awareness Week;" to the Committee on Post Office and Civil Service.

By Mr. MCEWEN (for himself, Mr. CAMPBELL of California, Mr. BILIRAKIS, Mr. LENT, Mr. DOUGLAS, Mr. CONTE, Mr. MACHTLEY, Mr. BROOMFIELD, Mr. RINALDO, Mr. BLAZ, Mr. BURTON of Indiana, Mr. MILLER of Ohio, Mr. HANCOCK, Mr. HILER, Mr. GALLO, Mr. SAXTON, Mr. HOUGHTON, Mr. BALLENGER, Mr. LAGOMARSINO, Mr. HERGER, Mr. INHOFE, Mr. DONALD E. LUKENS, Mr. DEWINE, Mr. DORNAN of California, Mr. HYDE, Mr. WEBER, Mr. SMITH of New Jersey, Mr. MCGRATH, Mr. SHAW, Mrs. MEYERS of Kansas, Mr. GRADISON, Mrs. MORELLA, and Mr. GINGRICH):

H. Res. 144. Resolution condemning the use of excessive and lethal force by Soviet troops against demonstrators in Soviet Georgia, and for other purposes; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. MATSUI introduced a bill (H.R. 2199) for the relief of You Wah Lee; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 8: Mrs. LLOYD, Mr. FISH, and Mr. DARDEN.

H.R. 22: Mr. BARNARD.

H.R. 29: Mr. DANNEMEYER and Mr. HENRY.

H.R. 41: Mrs. BOXER, Mrs. KENNELLY, Mr. PEPPER, Mr. WALGREN, and Mr. WOLPE.

H.R. 71: Mr. FIELDS.

H.R. 91: Mr. CLEMENT.

H.R. 118: Mr. BOUCHER.

H.R. 169: Mr. HANCOCK.

H.R. 237: Mr. GEJDENSON and Mr. BROWN of California.

H.R. 240: Mrs. SAIKI.

H.R. 286: Mr. COELHO.

H.R. 290: Mr. RANGEL, Mr. JACOBS, Mr. BOEHLERT, Mr. DWYER of New Jersey, Mr. CAMPBELL of Colorado, Mr. GUARINI, Mrs. COLLINS, Mr. STARK, Mr. MOODY, Mr. WEISS, Mrs. KENNELLY, Mr. DORGAN of North Dakota, and Mr. CLAY.

H.R. 369: Mrs. BENTLEY, Mr. CHAPMAN, Mr. FRENZEL, Mr. BEVILL, Mr. KASTENMEIER, Mr. WEBER, Mr. MADIGAN, Mr. ROBERTS, and Mr. GRANDY.

H.R. 423: Mr. ROBERT F. SMITH and Mr. MACHTLEY.

H.R. 586: Mrs. MORELLA.

H.R. 596: Mr. COX.

H.R. 614: Mr. RUSSO, Mr. SAVAGE, and Mr. PAYNE of New Jersey.

H.R. 638: Mr. BROWN of California, Mr. DE LUGO, Mr. DURBIN, Mr. DWYER of New Jersey, Mr. FAUNTROY, Mr. FUSTER, and Mr. SMITH of Florida.

H.R. 639: Mr. LAGOMARSINO, Mr. STOKES, Mr. LANCASTER, Mr. PANETTA, Mr. LEVIN of Michigan, and Mr. WALGREN.

H.R. 645: Mr. BONIOR.

H.R. 682: Mr. CRAIG and Mr. HUTTO.

H.R. 691: Mr. ATKINS.

H.R. 766: Mr. LANTOS, Mr. FRANK, Mr. MRAZEK, and Mr. GEJDENSON.

H.R. 775: Mr. WEISS and Mr. MORRISON of Connecticut.

H.R. 800: Mr. FAUNTROY, Mr. WISE, Mr. RANGEL, Mr. BONIOR, Mr. COYNE, and Mr. CROCKETT.

H.R. 814: Mr. WISE, Mr. MOLLOHAN, and Mr. POSHARD.

H.R. 833: Mr. WISE.

H.R. 854: Mr. DURBIN, Mr. MOAKLEY, Mr. STUDDS, Mr. SMITH of New Jersey, Mr. KASTENMEIER, Mr. DYMALLY, Mr. SAVAGE, Mr. MORRISON of Connecticut, Mr. DWYER of New Jersey, Mr. WISE, Mr. FAZIO, Mr. ATKINS, Mr. OLIN, Mr. CHAPMAN, Mr. FAUNTROY, Mr. STAGGERS, Mr. COYNE, Mr. RANGEL, and Mr. DE LUGO.

H.R. 866: Mr. RICHARDSON, Mr. LANTOS, and Mr. ATKINS.

H.R. 867: Mr. RICHARDSON, Mr. LANTOS, and Mr. ATKINS.

H.R. 868: Mr. RICHARDSON, Mr. LANTOS, Mr. ATKINS, and Mr. TAUKE.

H.R. 895: Mr. MILLER of Washington.

H.R. 923: Mr. BROOKS.

H.R. 930: Mr. CROCKETT, Mr. KOLBE, Mr. KOSTMAYER, Mr. MCCLOSKEY, Mrs. MARTIN of Illinois, Mr. HOYER, and Mr. SCHUMER.

H.R. 937: Mrs. MORELLA, Mr. CONTE, Mr. DELLUMS, Mr. PAYNE of New Jersey, Mr. CONYERS, Mr. DYMALLY, Mr. MILLER of Washington, Mr. SAVAGE, Mr. HYDE, Mr. PARKER, Ms. PELOSI, Mr. COSTELLO, Mr. ESPY, Mr. TOWNS, Mr. CROCKETT, Mr. JACOBS, Mr. ROBINSON, Mr. HATCHER, Mr. HAYES of Illinois, Mr. OWENS of New York, Mr. COURTER, Mrs. MARTIN of Illinois, Mr. FASCELL, Mr. HORTON, Mr. FAZIO, Mrs. BOGGS, Mr. BRYANT, Mr. CAMPBELL of Colorado, Mr. WILSON, Mr. LELAND, Mr. BROWN of California, Mr. WOLPE, and Mrs. JOHNSON of Connecticut.

H.R. 939: Mr. RAVENEL and Mr. FAUNTROY.

H.R. 963: Mr. BRYANT.

H.R. 982: Mr. CAMPBELL of California.

H.R. 987: Mr. NEAL of North Carolina, Mr. SMITH of Vermont, Mr. MACHTLEY, Mr. SLATTERY, Mr. RINALDO, and Mr. PERKINS.

H.R. 993: Mr. LEWIS of Georgia, Mr. TORRICELLI, and Mr. AKAKA.

H.R. 995: Mr. PEPPER.

H.R. 1030: Mr. STUDDS.

H.R. 1078: Mr. KOLBE and Mr. JOHNSTON of Florida.

H.R. 1086: Mr. BLILEY, Mr. BAKER, Mr. BOSCO, Mr. HEFNER, and Mr. PARKER.

H.R. 1117: Mr. DE LUGO, Mr. FAUNTROY, Mr. CROCKETT, Mr. PANETTA, and Mr. RICHARDSON.

H.R. 1124: Mr. GEJDENSON, Mr. STUDDS, and Mr. FAUNTROY.

H.R. 1180: Mr. DELLUMS.

H.R. 1190: Mr. PAYNE of New Jersey, Mr. LELAND, and Mr. VISCLOSKY.

H.R. 1206: Mr. ROBINSON, Ms. KAPTUR, Mr. LAGOMARSINO, Mr. LEWIS of Georgia, Mr. RICHARDSON, and Mrs. BENTLEY.

H.R. 1212: Mr. MCCURDY, Mr. MACHTLEY, Mr. BOEHLERT, and Mr. FAUNTROY.

H.R. 1267: Mr. HOCHBRUECKNER.

H.R. 1277: Mr. FAUNTROY, Mr. PORTER, Mr. ROBINSON, Mr. ATKINS, Mrs. MARTIN of Illinois, Mrs. LLOYD, Mr. CHAPMAN, Mr. RANGEL, Mr. CAMPBELL of Colorado, Mr. DORGAN of North Dakota, Mr. MCDERMOTT, Mr. SKELTON, and Mr. EVANS.

H.R. 1280: Mr. BOUCHER.

H.R. 1292: Mr. CLEMENT.

H.R. 1401: Mr. SHUMWAY.

H.R. 1406: Mr. GRANDY.

H.R. 1416: Mr. ROWLAND of Connecticut, Mr. ATKINS, Mr. MAVROULES, Mr. SKELTON, Mr. WILSON, Mr. HATCHER, Mr. MOAKLEY, Mr. NEAL of Massachusetts, Mr. RHODES, Mr. HENRY, Mr. OWENS of Utah, Mr. FAUNTROY, Mr. WHITTAKER, Mr. FRANK, Mr. MCCRERY, Mr. BUSTAMANTE, Mr. LANTOS, Mr. SLATTERY, Mr. JONES of North Carolina, Mr. LEWIS of Georgia, Mr. GREEN, Mr. VOLKMER, Mr. GEJDENSON, Mr. DYMALLY, Mr. BARTLETT, Mr. MONTGOMERY, Mr. CONTE, Mr. VENTO, Mr. COUGHLIN, Mr. ROBERTS, and Mr. HALL of Ohio.

H.R. 1425: Mr. ECKART.

H.R. 1452: Mr. LANTOS.

H.R. 1468: Mr. KOLTER and Mr. LEWIS of Florida.

H.R. 1476: Mr. OXLEY, Mr. KASICH, Mr. SCHIFF, Mr. MCEWEN, and Mr. KOSTMAYER.

H.R. 1493: Mr. GARCIA and Mr. SAVAGE.

H.R. 1494: Mr. CROCKETT.

H.R. 1515: Mr. WEISS.

H.R. 1540: Mr. DWYER of New Jersey.

H.R. 1544: Mrs. BOXER.

H.R. 1584: Mr. CHAPMAN, Mr. DORGAN of North Dakota, Mr. HARRIS, Mr. HATCHER, and Mr. SMITH of Texas.

H.R. 1589: Mr. LIGHTFOOT.

H.R. 1602: Mr. LIPINSKI, Mr. TOWNS, Mr. ENGEL, Mr. CONTE, Mr. PARKER, Mr. HARRIS, and Mr. EVANS.

H.R. 1605: Mr. EVANS, Mr. NELSON of Florida, and Mr. VENTO.

H.R. 1618: Mr. PASHAYAN.

H.R. 1867: Mr. PACKARD.

H.R. 1870: Mr. BUNNING, Mr. BAKER, Mr. DANNEMEYER, and Mr. SKEEN.

H.R. 1922: Mr. PETRI and Mr. MONTGOMERY.

H.R. 2042: Mr. MADIGAN, Mr. NAGLE, Mr. EVANS, and Mr. GRANDY.

H.R. 2145: Mr. BURTON of Indiana, Mr. FRANK, Mr. GILMAN, Mr. LENT, Mr. LEVINE of California, and Mr. MANTON.

H.J. Res. 24: Mr. BARTLETT.

H.J. Res. 30: Mr. Mr. LIVINGSTON.

H.J. Res. 34: Mr. SWIFT.

H.J. Res. 68: Mr. WISE, Mrs. PATTERSON, Mr. UPTON, Mr. ERDREICH, Mr. HOCHBRUECKNER, Mr. RAY, Mr. MRAZEK, Ms. OAKAR, Mr. STOKES, Mr. COYNE, Mr. SCHUETTE, Mr. DE LUGO, Mr. CALLAHAN, Mr. WYDEN, Mr. BALLENGER, Mr. MFUME, Mrs. MARTIN of Illinois, Mr. BROWN of California, and Mr. WELDON.

H.J. Res. 104: Mr. KASTENMEIER, Mr. TOWNS, Mrs. JOHNSON of Connecticut, Mr. SCHULZE, Mr. COUGHLIN, Mr. MINETA, and Mr. UPTON.

H.J. Res. 120: Mr. AUCOIN, Mr. GREEN, Mr. HOYER, Mr. MCHUGH, Mr. OBEY, Mr. TAUZIN, and Mr. YATES.

H.J. Res. 177: Mr. FROST, Mr. SPRATT, and Mr. THOMAS A. LUKEN.

H.J. Res. 204: Mr. OWENS of New York, Mr. BILBRAY, Mr. BOEHLERT, and Mr. LEVIN of Michigan.

H.J. Res. 221: Mr. APPLEGATE, Mr. BURTON of Indiana, Mrs. BYRON, Mr. DORNAN of California, Mr. SANGMEISTER, Mr. MCCLOSKEY, Mr. PARKER, Mrs. PATTERSON, Mr. ROBINSON, and Mr. WAXMAN.

H.J. Res. 231: Mr. FAUNTROY, Mr. FUSTER, Mr. FAWELL, Mr. COSTELLO, Mr. PAYNE of New Jersey, Mr. JONES of Georgia, Mr. HAYES of Illinois, Mr. MANTON, Mr. LEWIS of California, Mr. TOWNS, Mr. HATCHER, Mr. HORTON, Mr. LELAND, Mr. DYMALLY, Mrs. PATTERSON, Mr. LANTOS, and Mr. LAGOMARSINO.

H.J. Res. 240: Mr. CONTE, Mr. ESPY, Mr. GALLEGLY, Mr. GIBBONS, Mr. GREEN, Mr. MCDERMOTT, Mr. SIKORSKI, Ms. SLAUGHTER of New York, and Mr. SOLARZ.

H.J. Res. 247: Mr. LEHMAN of California, Mr. GALLO, Mrs. COLLINS, Mr. BARNARD, Mr. SPENCE, Mr. MCGRATH, Mr. BILBRAY, Mr. MAZZOLI, Mr. WILSON, Mr. INHOFE, Mr. SAWYER, Mr. HYDE, Mr. LEWIS of California, Mr. EDWARDS of Oklahoma, Mr. VANDER JAGT, Mr. MACHTLEY, Mr. RHODES, Mr. WELDON, Mrs. MORELLA, Mr. SHAYS, Mr. HEFLEY, Mr. HASTERT, Mr. BALLENGER, Mr. SMITH of Texas, Mr. UPTON, Mrs. MARTIN of Illinois, Mr. SPRATT, Mr. GINGRICH, Mr. HENRY, Mr. CAMPBELL of Colorado, Ms. SNOWE, Mr. SMITH of New Hampshire, Mr. RIDGE, Mr. HERGER, Mr. COLEMAN of Missouri, Mr. MADIGAN, Mr. GUNDERSON, Mr. ROBERTS, Mr. MARLENEE, Mr. ROBERT F. SMITH, Mr. COX, Mr. PANETTA, Mr. DORGAN of North Dakota, Mrs. MEYERS of Kansas, Mr. TALLON, Mr. STAGGERS, Mr. FRENZEL, Mr. LANCASTER, Mr. WOLPE, Mr. SMITH of Vermont, Mr. SMITH of New Jersey, Mr. SARPALIUS, Mr. LANTOS, Mr. WATKINS, Mr. SKEEN, Mr. STENHOLM, Mr. THOMAS of Georgia, Mr. HILER, Mr. JONES of Georgia, Mr. HALL of Ohio, Mr. FLIPPO, Mr. GOSS, Mr. PARKER, Mr. MOAKLEY, Mr. CHAPMAN, Mr. RANGEL, Mr. JONES of North Carolina, Mr. CARPER, Mr. BURTON of Indiana, and Mr. ESPY.

H. Con. Res. 6: Mr. COURTER.

H. Con. Res. 40: Mr. HAYES of Louisiana and Mr. SHUSTER.

H. Con. Res. 73: Mr. CAMPBELL OF Colorado, Mr. LIPINSKI, Mr. BARTLETT, Mr. RANGEL, Mr. LAGOMARSINO, and Mr. ACKERMAN.

H. Con. Res. 77: Mr. FOGLIETTA, Mr. DARDEN, and Mr. ATKINS.

H. Con. Res. 102: Mr. SMITH of Mississippi, Mrs. BOGGS, Mr. GIBBONS, Mr. ROSE, Mr. BENNETT, and Mr. PARKER.

H. Con. Res. 105: Mr. MACHTLEY.

H. Res. 95: Mr. ATKINS.

H. Res. 129: Mr. MFUME, Mr. GEJDENSON, and Mrs. PATTERSON.

H. Res. 130: Mr. FORD of Tennessee, Mr. AUCOIN, Mr. MINETA, Mr. GILMAN, Mr. WAXMAN, Mrs. MARTIN of Illinois, Mr. OWENS of New York, Mr. MILLER of California, Mr. DONNELLY, Mr. SMITH of Florida, Mr. MCDERMOTT, Mr. TORRES, Mr. MATSUI, Mr. FAWELL, Mr. DWYER of New Jersey, Mr. FRANK, Mr. GEJDENSON, Mr. ATKINS, Mr. FUSTER, Mr. FAUNTROY, and Mr. LEVINE of California.

H. Res. 137: Mr. SKEEN, Mr. EDWARDS of Oklahoma, and Mr. MARTINEZ.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. CON. RES. 106

By: Mr. KASICH

(Amendment in the nature of a substitute.)

Strike all after the enacting clause and insert the following:

That the budget for fiscal year 1990 is established, and the appropriate budgetary levels for fiscal years 1991 and 1992 are hereby set forth.

MAXIMUM DEFICIT AMOUNTS

SEC. 2. The following levels and amounts in this section are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985, whether the maximum deficit amount for a fiscal year has been exceeded, and as set forth in this concurrent resolution, shall be considered to be mathematically consistent with the other amounts and levels set forth in this concurrent resolution:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $1,065,500,000,000.

Fiscal year 1991: $1,144,700,000,000.

Fiscal year 1992: $1,216,500,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,333,100,000,000.

Fiscal year 1991: $1,452,200,000,000.

Fiscal year 1992: $1,526,100,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $1,156,600,000,000.

Fiscal year 1991: $1,215,600,000,000.

Fiscal year 1992: $1,258,500,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $91,100,000,000.

Fiscal year 1991: $70,900,000,000.

Fiscal year 1992: $42,000,000,000.

RECOMMENDED LEVELS AND AMOUNTS

SEC. 3. (a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $776,300,000,000.

Fiscal year 1991: $831,800,000,000.

Fiscal year 1992: $884,400,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1990: $5,300,000.

Fiscal year 1991: $5,300,000.

Fiscal year 1992: $5,300,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1990: $69,925,000,000.

Fiscal year 1991: $75,200,000,000.

Fiscal year 1992: $79,900,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,021,550,000,000.

Fiscal year 1991: $1,111,750,000,000.

Fiscal year 1992: $1,156,775,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $912,925,000,000.

Fiscal year 1991: $953,250,000,000.

Fiscal year 1992: $979,350,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $136,625,000,000.

Fiscal year 1991: $121,450,000,000.

Fiscal year 1992: $94,950,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1990: $3,122,800,000,000.

Fiscal year 1991: $3,374,100,000,000.

Fiscal year 1992: $3,599,700,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991, are as follows:

Fiscal year 1990:

(A) New direct loan obligations, $19,025,000,000.

(B) New primary loan guarantee commitments, $107,325,000,000.

Fiscal year 1991:

(A) New direct loan obligations, $19,425,000,000.

(B) New primary loan guarantee commitments, $114,875,000,000.

Fiscal year 1992:

(A) New direct loan obligations, $19,150,000,000.

(B) New primary loan guarantee commitments, $119,700,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new primary loan guarantee commitments for fiscal years 1990 through 1992 for each major functional category are:

(1) National Defense (050):

Fiscal year 1990:

(A) New budget authority, $298,600,000,000.

(B) Outlays, $297,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $313,200,000,000.

(B) Outlays, $307,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $326,300,000,000.

(B) Outlays, $318,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1990:

(A) New budget authority, $17,700,000,000.

(B) Outlays, $16,300,000,000.

(C) New direct loan obligations, $1,775,000,000.

(D) New primary loan guarantee commitments, $6,425,000,000.

Fiscal year 1991:

(A) New budget authority, $18,000,000,000.

(B) Outlays, $16,300,000,000.

(C) New direct loan obligations, $1,800,000,000.

(D) New primary loan guarantee commitments, $6,675,000,000.

Fiscal year 1992:

(A) New budget authority, $19,100,000,000.

(B) Outlays, $16,600,000,000.

(C) New direct loan obligations, $1,850,000,000. .

(D) New primary loan guarantee commitments, $6,950,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1990:

(A) New budget authority, $12,800,000,000.

(B) Outlays, $13,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $13,400,000,000.

(B) Outlays, $13,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $13,900,000,000.

(B) Outlays, $13,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1990:

(A) New budget authority, $5,800,000,000.

(B) Outlays, $3,800,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $6,100,000,000.

(B) Outlays, $4,000,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $4,400,000,000.

(C) New direct loan obligations, $2,250,000,000.

(D) New primary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1990:

(A) New budget authority, $17,100,000,000.

(B) Outlays, $17,600,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $17,900,000,000.

(B) Outlays, $18,300,000,000.

(C) New direct loan obligations, $75,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $18,600,000,000.

(B) Outlays, $18,600,000,000.

(C) New direct loan obligations, $75,000,000.

(D) New primary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1990:

(A) New budget authority, $18,000,000,000.

(B) Outlays, $14,900,000,000.

(C) New direct loan obligations, $10,050,000,000.

(D) New primary loan guarantee commitments, $5,400,000,000.

Fiscal year 1991:

(A) New budget authority, $20,300,000,000.

(B) Outlays, $16,300,000,000.

(C) New direct loan obligations, $10,225,000,000.

(D) New primary loan guarantee commitments, $5,475,000,000.

Fiscal year 1992:

(A) New budget authority, $21,000,000,000.

(B) Outlays, $15,700,000,000.

(C) New direct loan obligations, $9,675,000,000.

(D) New primary loan guarantee commitments, $5,425,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1990:

(A) New budget authority, $13,200,000,000.

(B) Outlays, $8,100,000,000.

(C) New direct loan obligations, $3,200,000,000.

(D) New primary loan guarantee commitments, $60,500,000,000.

Fiscal year 1991:

(A) New budget authority, $25,400,000,000.

(B) Outlays, $19,600,000,000.

(C) New direct loan obligations, $3,300,000,000.

(D) New primary loan guarantee commitments, $66,350,000,000.

Fiscal year 1992:

(A) New budget authority, $25,000,000,000.

(B) Outlays, $19,800,000,000.

(C) New direct loan obligations, $3,375,000,000.

(D) New primary loan guarantee commitments, $69,625,000,000.

(8) Transportation (400):

Fiscal year 1990:

(A) New budget authority, $28,800,000,000.

(B) Outlays, $28,300,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $29,500,000,000.

(B) Outlays, $29,000,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $30,600,000,000.

(B) Outlays, $30,000,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1990:

(A) New budget authority, $7,100,000,000.

(B) Outlays, $6,700,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $500,000,000.

Fiscal year 1991:

(A) New budget authority, $7,000,000,000.

(B) Outlays, $6,800,000,000.

(C) New direct loan obligations, $1,050,000,000.

(D) New primary loan guarantee commitments, $525,000,000.

Fiscal year 1992:

(A) New budget authority, $7,200,000,000.

(B) Outlays, $6,800,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $550,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1990:
(A) New budget authority, $38,000,000,000.
(B) Outlays, $38,100,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,125,000,000.
Fiscal year 1991:
(A) New budget authority, $39,200,000,000.
(B) Outlays, $38,600,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,550,000,000.
Fiscal year 1992:
(A) New budget authority, $39,900,000,000.
(B) Outlays, $39,400,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,850,000,000.
(11) Health (550):
Fiscal year 1990:
(A) New budget authority, $57,000,000,000.
(B) Outlays, $55,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $375,000,000.
Fiscal year 1991:
(A) New budget authority, $62,200,000,000.
(B) Outlays, $61,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
Fiscal year 1992:
(A) New budget authority, $68,400,000,000.
(B) Outlays, $67,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
(12) Medicare (570):
Fiscal year 1990:
(A) New budget authority, $123,300,000,000.
(B) Outlays, $95,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $135,700,000,000.
(B) Outlays, $18,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $147,900,000,000.
(B) Outlays, $122,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1990:
(A) New budget authority, $184,600,000,000.
(B) Outlays, $145,400,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $216,300,000,000.
(B) Outlays, $154,900,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $219,600,000,000.
(B) Outlays, $163,700,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0
(14) Social Security (650):
Fiscal year 1990:
(A) New budget authority, $5,450,000,000.
(B) Outlays, $5,425,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $4,250,000,000.
(B) Outlays, $4,250,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $4,975,000,000.
(B) Outlays, $4,950,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1990:
(A) New budget authority, $30,500,000,000.
(B) Outlays, $29,500,000,000.
(C) New direct loan obligations, $825,000,000.
(D) New primary loan guarantee commitments, $21,000,000,000.
Fiscal year 1991:
(A) New budget authority, $31,600,000,000.
(B) Outlays, $31,100,000,000.
(C) New direct loan obligations, $750,000,000.
(D) New primary loan guarantee commitments, $21,900,000,000.
Fiscal year 1992:
(A) New budget authority, $32,600,000,000.
(B) Outlays, $32,200,000,000.
(C) New direct loan obligations, $700,000,000.
(D) New primary loan guarantee commitments, $22,900,000,000.
(16) Administration of Justice (750):
Fiscal year 1990:
(A) New budget authority, $10,100,000,000.
(B) Outlays, $9,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $11,200,000,000.
(B) Outlays, $11,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $11,800,000,000.
(B) Outlays, $11,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1990:
(A) New budget authority, $10,000,000,000.
(B) Outlays, $9,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $10,400,000,000.
(B) Outlays, $10,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $10,900,000,000.
(B) Outlays, $10,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(19) Net Interest (900):
Fiscal year 1990:
(A) New budget authority, $180,900,000,000.
(B) Outlays, $180,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $189,800,000,000.
(B) Outlays, $189,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $193,800,000,000.
(B) Outlays, $193,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(20) Allowances (920):
Fiscal year 1990:
(A) New budget authority, $0.
(B) Outlays, −$19,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $0.
(B) Outlays, −$47,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $0.
(B) Outlays, −$67,900,000,000.
(C) New direct loan obligations, $0.
(D) New Primary loan guarantee commitments, $0.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 1990:
(A) New budget authority, −$37,400,000,000.
(B) Outlays, −$44,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, −$40,400,000,000.
(B) Outlays, −$40,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, −$41,500,000,000.
(B) Outlays, −$41,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

SENSE OF THE COMMITTEE ON THE BUDGET

SEC. 4. It is the intent of the Committee on the Budget of the House of Representatives that—

(1) Congress shall present the revenue portion of the reconciliation bill to the President at the same time as the spending reduction provisions of the reconciliation bill; and

(2) the specific measures composing the governmental receipts figure will be determined through the regular legislative and constitutional process, and agreements reached between the administration and the

Committee on Ways and Means on revenue legislation reconciled pursuant to this agreement will be advanced legislatively when supported by the President of the United States.

RECONCILIATION

SEC. 5. (a) Not later than June 30, 1989, the committees named in subsections (b) and (c) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

HOUSE COMMITTEES

(b)(1) The House Committee on Agriculture shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $1,172,000,000 in budget authority and $1,092,000,000 in outlays in fiscal year 1990, $0 in budget authority and $1,172,000,000 in outlays in fiscal year 1991, and $1,092,000,000 in budget authority and $0 in outlays in fiscal year 1992.

(2) The House Committee on Banking, Finance and Urban Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $587,000,000 in outlays in fiscal year 1990, $0 in budget authority and $587,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $587,000,000 in outlays in fiscal year 1992.

(3) The House Committee on Energy and Commerce shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $399,000,000 in budget authority and $2,699,000,000 in outlays in fiscal year 1990, $399,000,000 in budget authority and $2,699,000,000 in outlays in fiscal year 1991, and $399,000,000 in budget authority and $2,699,000,000 in outlays in fiscal year 1992.

(4) The House Committee on Interior and Insular Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $399,000,000 in budget authority and $399,000,000 in outlays in fiscal year 1990, $399,000,000 in budget authority and $399,000,000 in outlays in fiscal year 1991, and $399,000,000 in budget authority and $399,000,000 in outlays in fiscal year 1992.

(5) The House Committee on Merchant Marine and Fisheries shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1990, $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1991, and $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1992.

(6) The House Committee on Post Office and Civil Service shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1990, $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1992.

(7) The House Committee on Veterans' Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $445,000,000 in budget authority and $678,000,000 in outlays in fiscal year 1990, $0 in budget authority and $445,000,000 in outlays in fiscal year 1991, and $678,000,000 in budget authority and $445,000,000 in outlays in fiscal year 1992.

(8)(A) The House Committee on Ways and Means shall report (i) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (ii) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (iii) any combination thereof, as follows: $0 in budget authority and $4,950,000,000 in outlays in fiscal year 1990, $0 in budget authority and $4,950,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $4,950,000,000 in outlays in fiscal year 1992.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to increase revenues as follows: $5,300,000,000 in fiscal year 1990, $5,300,000,000 in fiscal year 1991, and $5,300,000,000 in fiscal year 1992.

SENATE COMMITTEES

(c)(1) The Senate Committee on Agriculture shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $1,172,000,000 in budget authority and $1,092,000,000 in outlays in fiscal year 1990, $1,172,000,000 in budget authority and $1,092,000,000 in outlays in fiscal year 1991, and $1,172,000,000 in budget authority and $1,092,000,000 in outlays in fiscal year 1992.

(2) The Senate Committee on Banking, Housing, and Urban Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $50,000,000 in budget authority and $637,000,000 in outlays in fiscal year 1990, $50,000,000 in budget authority and $637,000,000 in outlays in fiscal year 1991, and $50,000,000 in budget authority and $637,000,000 in outlays in fiscal year 1992.

(3) The Senate Committee on Commerce, Science, and Transportation shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1990, $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1991, and $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1992.

(4) The Senate Committee on Environment and Public Works shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $299,000,000 in budget authority and $299,000,000 in outlays in fiscal year 1990, $299,000,000 in budget authority and $299,000,000 in outlays in fiscal year 1991, and $299,000,000 in budget authority and $299,000,000 in outlays in fiscal year 1992.

(5) The Senate Committee on Energy and Natural Resources shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1990,

$100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1991, and $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1992.

(6) The Senate Committee on Governmental Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1990, $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1992.

(7) The Senate Committee on Veterans' Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $445,000,000 in budget authority and $678,000,000 in outlays in fiscal year 1990, $445,000,000 in budget authority and $678,000,000 in outlays in fiscal year 1991, and $445,000,000 in budget authority and $678,000,000 in outlays in fiscal year 1992.

(10)(A) The Senate Committee on Finance shall report (i) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (ii) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (iii) any combination thereof, as follows: $0 in budget authority and $4,950,000,000 in outlays in fiscal year 1990, $0 in budget authority and $4,950,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $4,950,000,000 in outlays in fiscal year 1992.

(B) The Senate Committee on Finance shall report changes in laws within its jurisdiction sufficient to increase revenues as follows: $5,300,000,000 in fiscal year 1990, $5,300,000,000 in fiscal year 1991, and $5,300,000,000 in fiscal year 1992.

MISCELLANEOUS PROVISIONS

NATIONAL COMMISSION ON MEDICARE REFORM

SEC. 5. SENSE OF CONGRESS

It is the sense of Congress that a bipartisan commission be established that would review the budgetary impact of accelerating Medicare payments and make recommendations to Congress and the President on how future Medicare reimbursements would match future financial resources. The commission would also examine how current Medicare resources are being utilized and explore innovative solutions that would improve the efficiency of our nation's health care system. Medicare recipients must be assured that high quality health care will continue to be provided at a reasonable cost. Medicare payments are one of the fastest growing items in the budget and it is projected that within 15-20 years Medicare outlays will exceed outlays for Social Security. The commission, which would be appointed by the President, the Speaker of the House, and the Senate Majority Leader, would be given one year to make its recommendations for improving the operation of the Medicare program.

CONDUCT OF MONETARY POLICY

SEC. 6. SENSE OF CONGRESS

It is the sense of Congress that the Federal Reserve Board must maintain a consistent monetary policy that avoids historic patterns of rapid monetary growth followed by dramatic reductions in money supply in an effort to fine tune the economy. While Congress supports the Federal Reserve's efforts to fight inflation, Congress is also concerned that recent actions by the Federal Reserve to increase interest rates pose a potential threat to the longest peacetime economic recovery in our nation's history. Congress urges the Federal Reserve to once again make meeting their goals of monetary growth the main focus of their efforts to encourage maximum, sustainable economic growth.

SENATE—*Tuesday, May 2, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable CARL LEVIN, a Senator from the State of Michigan.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

*Thus saith the Lord. * * * Call unto Me, and I will answer thee, and shew thee great and mighty things, which thou knowest not.*—Jeremiah 33:3.

God of mercy, love and grace, in face of the cosmic problems that overwhelm, grant to the Senators and their advisers—to all of us—wisdom to face reality—to acknowledge human inadequacies and the limitations of legislation and government. An oil spill, national debt, a stubborn, nagging deficit are difficult enough—but appetite for drugs, lust, greed, avarice, selfishness, pride cannot be legislated out of the human heart. Only God can do that.

Deliver us from the naive assumption that all that is needed are new laws. Awaken us to the realities of evil and its pervasiveness. Strengthen our resistance to it and give us the wisdom of our forefathers who, in dependence upon Thee, took prayer seriously in their hours of trial as they struggled to invent a new and unprecedented political system.

In His name who is the light of the world. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 2, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CARL LEVIN, a Senator from the State of Michigan, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. LEVIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, this morning following the time for the leaders, there will be a period for morning business not to extend beyond 10:30 a.m., with Senators permitted to speak therein for up to 5 minutes each.

At 10:30 a.m., the Senate will resume consideration of S. 431, the Martin Luther King, Jr. Commission reauthorization bill, with 1 hour of debate on Senator HELMS' two pending amendments. At 11:30 a.m., the Senate will conduct a rollcall vote up or down on the Helms second-degree amendment.

Immediately upon completion of that vote and with no intervening action, the Senate will then conduct another rollcall vote up or down on the Helms first-degree amendment as amended, if amended.

Therefore, Mr. President, the Senate will conduct two rollcall votes prior to noon today. Senators should be on notice that once the first vote has been completed, the second will occur immediately thereafter.

The Senate will stand in recess from 12 noon to 2 p.m. in order for Members to participate in the Holocaust Memorial ceremony in the Capitol rotunda.

When the Senate reconvenes at 2 p.m., we will resume consideration of S. 431. It is my hope that we will complete action on this bill today, and as I have previously indicated publicly, it is then my intention to go immediately to the budget resolution.

RESERVATION OF THE REPUBLICAN LEADER'S TIME

Mr. MITCHELL. Mr. President, I reserve the remainder of my time, and I also reserve the time for the distinguished Republican leader. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WILSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m. with Senators permitted to speak therein for not to exceed 5 minutes each.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. WILSON. I thank the Chair.

(The remarks of Mr. WILSON pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The ACTING PRESIDENT pro tempore. The Senator from Nevada is recognized.

Mr. REID. I thank the Chair.

(The remarks of Mr. REID pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

VALLEY HIGH SCHOOL, LAS VEGAS, NV

Mr. REID. Mr. President, I rise today to honor a group of young Nevadans from Valley High School in Las Vegas who are in our Nation's Capital this week to participate in the National Bicentennial Competition on the Constitution and the Bill of Rights. These dedicated scholars have traveled nearly 3,000 miles to represent the great State of Nevada, but their journey to the national finals began long ago in the classroom back home. Many hours of hard work led this team to victory in the congressional and Nevada State competitions, and it is truly an accomplishment that they are here today in Washington, DC, along with 950 other students from 44 States to participate in the National Bicentennial Competition.

The members of the Nevada team are: Dustin Ackerman, Brad Allen, Travis Anderson, April Anstett, Chad Antrim, Shonna Clutters, Jane Conn, Daniella Eilat, Robin Evans, Hobreigh Fischer, Garet Griffin, Tylla Gudim,

Holly Hyte, Gideon Jolley, Steve Kim, Debbie Mannino, John Michaelson, Niurka Oquendo, Andrea Prather, Elyse Pressler, Marjorie Sarmiento, Keren Speck, David Stein, Robert Vandorick, and Heidi Weber.

I want to extend my congratulations and offer good luck to each one of these fine students, as well as to their instructor, Cecile Rizzo, whose inspiration has led these students down the tough road to success. I would also like to recognize Ruth Joseph, district coordinator, and Phyllis Darling, the Nevada State coordinator for their efforts.

The National Bicentennial Competition on the Constitution and the Bill of Rights is the most extensive educational program in the country developed to educate young people about the Constitution and the Bill of Rights. The program offers students a specially designed 6-week course of study aimed at providing a fundamental understanding of the Constitution, the Bill of Rights and the principles and values they embody.

This week the national finalists will testify before a panel of experts at a simulated congressional hearing designed to measure the students' constitutional literacy and their capacity to apply these principles to historical and contemporary events.

Mr. President, the future of our great Nation depends on our success in educating our young people about the Constitution and the Bill of Rights. Sadly, recent studies show that only slightly more than half of students surveyed were able to identify the original purpose of the Constitution. Nearly half thought the President could appoint Members of Congress and one-third thought he could adjourn Congress when he saw fit.

Programs like the National Bicentennial Competition can make the difference for hundreds of thousands of young citizens. Students in classrooms throughout our Nation are now debating the issues which concerned our Founding Fathers. We have an obligation to these great men who gave birth to our Nation. We cannot let the principles of freedom and democracy die for lack of understanding.

We, as Members of Congress, can do nothing more important than offering our support to the National Bicentennial Competition. We must ensure that the leaders of tomorrow will have a fundamental understanding and respect for the principles upon which our great Nation was established.

The ACTING PRESIDENT pro tempore. The Senator from Kentucky is recognized.

Mr. McCONNELL. I thank the Chair.

(The remarks of Mr. McCONNELL pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. McCONNELL. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

FULL POWER RUN ACHIEVED AT THE SHAWNEE PROJECT

Mr. FORD. Mr. President, the Tennessee Valley Authority from time to time keeps me apprised of the progress on the 160-megawatt AFBC demonstration plant at Shawnee, KY. Last month, this project reached a milestone—a successful full power run was achieved.

The Shawnee project holds promise for the development of clean burning coal. It appears to be on the road to success thanks to the persistence of the Tennessee Valley Authority, the Department of Energy, the Commonwealth of Kentucky and investor-owned utilities that have stuck with it from the beginning.

Mr. President, I ask unanimous consent that the short report on the status of the Shawnee project be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[160-MW Atmospheric Fluidized Bed Combustion Demonstration Plant Project Bulletin]

FULL POWER HAS BEEN ACHIEVED

On April 11, 1989, at 8:36 p.m. EST the unit reached full load—160-MW with 12 compartments in service. Also, this is the longest continuous run to date with the unit being tied onto the grid on Thursday, April 6 at 7:30 a.m. EST and is still on line with an average output of approximately 103 MW. To date, the unit has run for approximately 1477 hours since October 11, 1988, producing approximately 75867 MW hours. This is a major accomplishment for the entire Project team. Achieving this milestone required the combined dedication of the Shawnee O&M staff, Combustion Engineering staff, TVA's engineering staff, startup team, loan engineers, and others. I am very proud of this accomplishment and I believe you also should be.

THE DANGERS OF THE DEEP

Mr. COHEN. Mr. President, the recent tragedy aboard the U.S.S. *Iowa* reminds us all too vividly once again of the dangers faced by the men and women of the U.S. Navy who so regularly put their lives at risk when they head to sea. These brave Americans constantly face danger and loneliness as they ply the oceans in defense of our great Nation.

There is a certain mystique about the sea—its unpredictability, its vastness, its beauty—and a certain mystery. The mood and the majesty of those great bodies of water—and the lurking dangers they conceal—were captured beautifully by Dan Rather in a recent CBS Radio commentary.

I know the Members of the Senate will find it compelling, and I ask unanimous consent that it be printed in full in the RECORD.

There being no objection, the commentary was ordered to be printed in the RECORD, as follows:

[CBS Radio—"World News Tonight," Apr. 19, 1989]

DAN RATHER REPORTING: "NEWS, ANALYSIS, AND COMMENTARY"

It is Passover and naturally one thinks of the ancients, ancient times, ancient prophets, the ancient book. "They that go down to the sea in ships, that do business in great waters, these see the works of the Lord and his wonders in the deep." Psalms, of course, and one does not have to be religious to appreciate the power in poetry of those ancient verses. Perhaps all the more so this Passover because of what has happened to our sons, brothers, husbands, fathers, and fellow countrymen aboard the U.S.S. *Iowa*. Special kind of men go to sea . . . and women. It is lonely on the great oceans, it is also dangerous, as we are reminded again today. Death, painful crippling wounds, fear and fire broke out aboard the battleship. Only those who have been to sea, who have stayed at sea, can know, fully know, the loneliness and fear of being out there. Sometimes it is far, sometimes near, but it is always there at sea, when something, anything goes wrong in the water, there is a unique terror, one's sense of vulnerability and risk is heightened, manyfold. One does not have to know details of what happened aboard the *Iowa* today, to know that, that was aboard and spread. A long time ago and aways away a green reporter worked the story of the sinking of the submarine U.S.S. *Thresher* . *Thresher* had an accident, running silent, running deep, under water. Exactly what happened, never to this day is fully known. We do know she was crushed like a beer can hundreds of feet down. The "CBS Reports" documentary "Death of the *Thresher*" was our effort in the early 1960's at telling that story of tragedy for the Navy "Disaster at Sea." It left vivid memories in the reporter's mind, one does not often think of them now, but every now and again, they resurface like an old scar that sometimes hurts when it rains. They resurfaced again this day, as word came of death and the screamings of the wounded aboard a suddenly burning and listing U.S.S. *Iowa*. There will be the usual board of inquiry, and we begin to get at least some of the answers to what happened sometime. In the meantime, as the wounded arrive at hospitals, and as the flag draped coffins come home, what happened aboard the old *Iowa* today reminds us of all of old truths. Including freedom does not come cheap. One price of freedom is vigilance. Vigilance and the brave ones who accept its main responsibility have their dangers, even in something as routine as gunnery practice. And the dangers are special when they're at sea. We are reminded anew of why those who sing the Navy hymn sing, "Eternal Father, of love and power, our brother and shield in dan-

ger's hour, from rock and tempest, fire and foe, protect them wheresoever they go. Oh hear us when we cry to Thee for those in peril on the sea." And on this Passover, we are reminded of the even older truth, that they that go down to the sea in ships, that do business in great waters, these see the works of the Lord and his wonders in the deep.

THE QUODDY TIDES

Mr. COHEN. Mr. President, I would like to call the Senate's attention to a first-rate article about a first-rate newspaper that appeared recently in Editor & Publisher, the magazine that covers the newspaper industry.

The story is about the Quoddy Tides, a fine twice-a-month tabloid in Eastport, ME, and its talented editor, Winifred French, who founded the paper more than a quarter century ago.

The Quoddy Times is distinctive for several reasons. First is its unusual title. It is named after the huge Eastport tides, which rise and fall more than 20 feet daily. In addition, it is probably the eastern-most newspaper in the United States and has an international flavor, circulating in Canada as well as my home State of Maine. And its office is in an unusually scenic spot, in the old Christian Science meeting hall on the Eastport waterfront overlooking Passamaquoddy Bay.

I know my colleagues will find this to be an interesting story, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Editor & Publisher, Apr. 22, 1989]

WINIFRED FRENCH, THE QUODDY TIDES, EASTPORT, MAINE

(By Tom Riordan)

When spunky Winifred French moved with her family 27 years ago to Eastport, Maine, she discovered something lacking—no newspaper. So she started one.

Her "international" Quoddy Tides, now grown to a robust 48 tabloid pages and 6,000 circulation, comes out twice monthly for avid readers in Maine and the Canadian Isles.

Winifred named her paper in honor of the monstrous Eastport tides, which rise and fall more than 20 feet every day.

"We have always been marine-oriented," Winifred remarked. "In each issue, Pages 2 and 3 are devoted to the water—tide tables, sunrise and sunset, weather reports, vessels entering the port, fisherman's log, 'The Kittle Cargoes' column by Mike Brown—he's good—and stories about boats."

"Lots of Canadians buy the paper for the tides and set their lobster traps and go clamming by them."

A strong editorial success, the Tides carries only about 35% advertising.

"We really never lost money," explains the soft-spoken 1941 Cornell University psychology graduate. "We just never made any."

Winifred, 71, says that gross sales last year reached $143,469. This barely covered typesetting, printing and distribution costs, and the modest staff salary schedule.

In the beginning, planning, editing and mailing operations all took place on the Frenches' dining room table.

In 1977, Winifred bought the empty Christian Science meeting hall on the waterfront for $10,000, and it makes an ideal community newspaper office but it is more than that.

This also is headquarters for the Quoddy Tides Foundation for Marine Research, an aquarium, a gift shop and library, more of Winifred's loves.

A picture window frames the harbor, offering visitors a view of cargo ships with names like Conex, Star Denver, Rhine Forest, and local fishing vessels unloading catches of Atlantic salmon, halibut, herring.

Winifred's half-dozen employees, who enjoy being part of the Tides team, set their own hours and mainly work for minimum wage. Help from her five kids as they grew up has been important, Winifred recalled. "It's a good experience for children to help their family."

Then Winifred proudly recounted how her crew turned out. Two sons hold doctor's degrees and teach at universities. One works for Maine's Salt Magazine. Winifred's only daughter is married to a college professor.

The youngest, Edward, 28, is Tides managing editor. Before joining the paper full time, he earned a master's degree in modern literature from the University of Anglia in Norwich, England.

"We're very laid-back at the Tides," Edward observed. "There's little sense of pressure."

Eastport, farthest northeastern U.S. deep seaport on the Atlantic, sits across the Passamaquoddy Bay from New Brunswick, Canada, and looks out at the Bay of Fundy.

Three Canadian islands—Deer, Campobello and Grand Manan—all fall in the circulation area of the Tides.

Winifred has correspondents in 14 towns. Regular columns written by Tides readers are devoted to reviews of locally written books, gardening, outdoors, recipes and senior citizens.

Quoddy "Opinion," sometimes staff-written, most often has readers sounding off on local situations.

Picturesque Eastport once boasted a population of 5,000. For the past 30 years it has struggled to stay alive. Residents dwindled to 1,800, with an average income of $9,400. The town's 18 sardine canneries are long gone.

Seaport traffic—mainly in wood pulp—is moderate, but goes around the world.

The town had a weekly, the Eastport Sentinel, which folded in 1936, along with much of Business Row. Then the French family arrived in 1962.

Winifred's surgeon husband, Dr. Rowland B. French, was lured from a practice in Phoenix, Ariz., to join the small Eastport hospital staff.

When Winifred decided to create a paper, she began some informal research. She asked Eastport natives if the town needed a paper. Many said yes.

She talked to potential advertisers. They were supportive but so scarce that Winifred concluded two issues a month would be all the businesses could live with.

She called on Brooks Hamilton, a University of Maine journalism professor, who helped Winifred sort out what to write regularly.

Winifred visited several Canadian towns. Like Eastport, many lacked local papers. She decided Tides coverage must encompass them.

"People should be informed on what's happening, the comings and goings, that's the reason I started the Tides," Winifred pointed out.

Winifred's paper can be purchased at 69 convenience counters and newsracks. More than 40% of her papers are sold this way, at 50¢ a copy. Getting copies to all these places takes a full day, a 120-mile drive that includes several water crossings by ferry.

Copy is set and pasteups done in Canada by Stirling Lambert, who operates a modest composition shop on Deer Island. Materials move via computer modem and by fax.

When Stirling has pasted up an issue, he rendezvouses with Winifred and her son at customs in Calais. From there, Winifred and Edward drive 100 milies over bumpy, two-lane Maine roads to the Ellsworth American, which does the printing.

During this paper's two-decade history, stories great and small have been covered. For Winifred, the biggest lasted 13 years—Pittston Co. seeking to build an oil refinery in Eastport. That meant supertankers coming into the local harbor. Many residents liked the idea. Others feared oil spills and destruction of the environment.

The Tides printed opinion from both sides and, true to Winifred's custom, offered little editorial comment. She believes her paper's job is to present all the facts—let the readers decide.

Wary of the opposition, Pittsfield finally dropped the idea.

Then there was the Eastern Generation and Transmission project—the importation of coal from Colombia to manufacture electricity for New England. Promoters promised jobs and riches. With steady coverage in the Tides, public opinion eventually scuttled EG&T.

Now Eastport faces a whole new invasion. Real estate developers have discovered the town. They are turning commercial waterfront property into condominiums. Large, long-neglected homes, which march down a hillside to the harbor, are being restored and sold for prices that amaze longtime residents.

Tides real estate advertising has jumped from one to four pages.

The real buzzword, however, in Eastport is aquaculture—the raising of Atlantic salmon and halibut in giant mesh cages, 40 feet square and 20 feet deep, anchored in frigid Fundy bay waters.

Crops have been impressive. One firm, the Tides reported, expects to produce seven million pounds of salmon annually by 1990. Along with Eastport's long-standing commercial fishing, aquaculture may hold a major key to the area's future.

Winifred's Quoddy Tides will be there to report developments.

CIANBRO CORP., PITTSFIELD, ME

Mr. COHEN. Mr. President, I would like to call the attention of my colleagues to the 40th anniversary of one of my State's most successful businesses, Cianbro Corp. of Pittsfield, ME.

Alton "Chuck" Cianchette, Ival "Bud" Cianchette, and Kenneth "Lunk" Cianchette—the three brothers who helped build the company—have turned a small family-run busi-

ness into Maine's largest general contractor.

Over the last four decades, the Cianchettes have developed a reputation for outstanding business management and dedicated services to their employees and customers.

Today, Cianbro specializes in major industrial porjects, bridge and marine work as well as hydroelectric development, and the company is involved in projects in North Carolina and other States around the country.

The business community in Maine is proud to count the Cianchette brothers among its leaders.

I would like to take this opportunity to applaud their work ethic, enthusiasm, and accomplishments in the industry, and I ask unanimous consent that the following Bangor Daily News article detailing their achievements over 40 years be placed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CIANBRO'S SUCCESS A FAMILY AFFAIR

(By Andrew Kekacs)

PITTSFIELD.—"My brothers and I always agreed on the philosophy that you can't help your children by giving them too much," says Alton "Chuck" Cianchette, president of Cianbro Corp. "It takes away from their sense of self-respect, pride and accomplishment. . . . If (our children) are going to be a part of this company, it's only because they earned a place."

Those are strong words, but apparently true, from the chief executive of a business that has been family-run for four decades. With 1,400 employees, Cianbro is Maine's largest general contractor

Two facts tend to support Cianchette's assertions. Altogether, the four brothers who built Cianbro have 20 children. Only four of the offspring are now employed by the company.

More importantly, though, the brothers have devised a plan to sell their company to its workers. In 1978, the Cianchettes established an employee stock-ownership trust, which now owns 48.5 percent of the company's stock.

Last year, the brothers unveiled a separate management incentive program that allows about 130 managers to purchase additional stock using company profits. In its first year, the managers bought 5 percent of the company.

"Most of our supervisory people have kind of grown up with the company," said Cianchette. "We've developed a real honest-to-goodness team of people who've gained the experience, assumed the responsibility and care.

"Over a period of time—the next five or 10 years—my brothers and I will sell our stock to these 130 managers."

Cianbro is celebrating the 40th anniversary of its incorporation this year. The business was started by Carl Cianchette, Chuck's oldest brother, after he left the merchant marine in 1946. It was incorporated three years later as Cianchette Bros. Inc.

Two other Cianchettes helped to build the company—Ival, the chairman, who is known as Bud, and Kenneth, the executive vice president. Chuck Cianchette is the only brother who still works full time at the company.

"We made lots of mistakes over the years," he said. "It seems to me that everything we learned, we learned the hard way. But that's yesterday—we're more concerned with tomorrow than yesterday."

Still, the past often defines the future. After graduating in 1948 from Maine Central Institute in Pittsfield, Chuck Cianchette worked with his brothers for four years. He served in the U.S. Army from 1952 to 1954, much of the time as a radio operator in Germany. Then he returned to the family enterprise.

Meanwhile, the other brothers gradually were expanding the business. They began by constructing small industrial buildings and barns, along with water and sewer work.

After working out of Carl's home for the first few years, they built a one-room office in 1950. Ten years later, the operation was moved to a four-room building. The company completed its present headquarters on Main Street in 1983.

At the same time, Cianbro gradually was shifting its activities to heavy construction. In 1968, the company took a major step into that market by acquiring a construction firm in the Portland area. Growth continued apace, as the Cianchettes specialized in industrial projects, bridge and marine work and hydroelectric developments.

One of the company's largest industrial projects was the construction of new facilities for Madison Paper Co., which was completed in 1981.

"We also did the bulk of the construction work on the Maine-New Hampshire Piscataqua River Bridge," said Cianchette.

Bridges and dams account for a little more than 50 percent of Cianbro's business, according to Cianchette. The company is completing a three-mile bridge across Albemarle Sound in North Carolina, and it recently won a $12 million contract to build a new concrete-and-steel bridge over the Merrimac River in Manchester, N.H.

"We specialize in deep-water bridges that few contractors have the expertise to do," he said.

The businessman credited much of the brothers' success to the influence of their parents, Ralph and Edna (Steen) Cianchette. Their father came to this country as a 12-year-old immigrant from Italy.

"Our father and mother, I think, were exceptional people," he said. "Their morality rubbed off."

Ralph Cianchette held a number of jobs before going into business with a partner in the 1920s. The men built culverts and small bridges. The business was forced into bankruptcy by the Great Depression, however.

"It must have been 1937 or '38 when my father burned the mortgage on our house," said Cianchette. "Before he did, though, he paid off every (business) debt—in full—that had been released by the bankruptcy court."

The elder Cianchette suffered a serious stroke in 1945, but lived for many years afterward.

"His mind was still sharp, but his body couldn't keep up with it," said Chuck Cianchette. "He stayed on as an adviser and friend to us all."

The businessman likened the growth of Cianbro to rolling a snowball. Every time it was rolled, it got larger.

"When it gets too big to roll, we'll build the snowman there," said Cianchette. "But the larger it gets, the more people we have to roll it."

PROMOTING SAFETY AND HEALTH IN CERTAIN WORKPLACES—S. 464

Mr. SANFORD. Mr. President, Senator BOND and I recently introduced S. 464, designed to right a great wrong and increase the safety in installations operated by or controlled by the Federal Government. I would like to call your attention to two recent developments in this area.

The U.S. Court of Appeals for the First Circuit recently ruled that the U.S. Government may not hide behind the "discretionary function" defense when it has been wrong. Those who are injured should be guaranteed their "day in court."

Second, the columnist Jack Anderson reports in the Washington Post of April 6, 1989, that the Navy apparently is continuing to disregard safety considerations.

I commend both of these items to your attention and ask unanimous consent that they be printed in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

[U.S. Court of Appeals for the First Circuit]

No. 88-1679

RENE A. DUBE, ETC., PLAINTIFF, APPELLEE, *v.* PITTSBURGH CORNING, ET AL., DEFENDANTS, APPELLEES

OWENS-ILLINOIS, INC., ET AL., DEFENDANTS, THIRD-PARTY PLAINTIFFS, APPELLANTS.

No. 88-1740

RENE A. DUBE, ETC., PLAINTIFF, APPELLEE, *v.* PITTSBURGH CORNING, ET AL., DEFENDANTS, APPELLEES

EAGLE-PICHER INDUSTRIES, INC., DEFENDANT, THIRD-PARTY PLAINTIFF, APPELLANT

Appeals from the U.S. District Court for the District of Maine [Hon. D. Brock Hornby, *U.S. Magistrate*].

Before Campbell, *Chief Judge*, Coffin and Torruella, *Circuit Judges*.

Linda A. Monica with whom *Peter J. Rubin, Bernstein, Shur, Sawyer & Nelson, Edward S. MacColl, Mark G. Furey* and *Thompson, McNaboe, Ashley & Bull* were on brief for appellants Owens-Illinois, Inc., and Raymark Industries, Inc.

Paul G. Gaston with whom *Joe G. Hollingsworth, Catherine R. Baumer* and *Spriggs & Hollingsworth* were on brief for appellant Eagle-Picher Industries, Inc.

Scott D. Austin, Torts Branch, Civil Division, Department of Justice, with whom *John R. Bolton*, Assistant Attorney General, Civil Division, *J. Patrick Glynn*, Director, Torts Branch, *Harold J. Engel*, Deputy Director, Torts Branch, *David S. Fishback* and *Jay M. Siegel*, Torts Branch, Civil Division, Department of Justice, were on brief for the United States.

March 27, 1989.

Coffin, *Circuit Judge*. These are consolidated appeals of four manufacturers of asbestos, following judgment for the government on appellants' claims for contribution for asbestos-related damages arising from the Portsmouth Naval Shipyard (PNS) in

Kittery, Maine. The trial court [1] found that the government was negligent under Maine law in its operation of the shipyard, a government-owned facility. The court found that this negligence was the proximate cause of death of Joan Dube, the daughter of a shipyard worker, who had been exposed to asbestos fibers carried home on her father's work clothes.[2] However, on its reading of the case law concerning the discretionary function exception to the Federal Tort Claims Act (FTCA), 28 U.S.C. § 2680(a), the court determined that the government was immune from liability. We conclude that the exception is inapplicable on the record in this case, and reverse.

I. BACKGROUND

From age nine and until her marriage, from 1959 to 1973, Joan Dube was exposed to asbestos dust from her father's work clothes. Throughout this period, her father worked at PNS as a pipe insulator and routinely handled asbestos products. Before her death in 1984 of mesothelioma, Joan Dube initiated an action against four asbestos manufacturers whose products were used at PNS. These claims were eventually settled for the amount of $512,000.

The manufacturers—third party plaintiffs Raymark Industries, Inc., Owens-Illinois, Inc., Celotex Corp., and Eagle-Picher Industries, Inc.—brought contribution actions against the United States under the FTCA, 28 U.S.C. §§ 1346(b), 2671-2680. After a bench trial, the district court found the following:

Joan Dube's death resulted from her exposure to asbestos;

The asbestos was produced by third party plaintiffs and used at PNS, where her father worked as a civilian for the United States Navy;

The United States knew or should have known in October of 1964 that asbestos could cause mesothelioma in people like Joan Dube exposed in a domestic context; medical science cannot yet determine which exposures to asbestos over a period of time actually cause mesothelioma;

The United States Navy and PNS had no policies or practice, prior to 1964 or thereafter through the period of Joan Dube's exposure, either to warn of the dangers of asbestos exposure to workers' family members, or to protect these "domestic bystanders";

The United States was negligent under Maine law for failing to warn, either directly or through workers, domestic bystanders of the dangers of asbestos exposure after it learned of those dangers in 1964; all of Joan Dube's exposure, from 1959 to 1973, was the legal cause of her death; and

Considering the respective degrees of fault and causation, the United States was responsible for one-third of Joan Dube's damages.

None of these findings are challenged on appeal. Rather, the sole issue before us is whether the trial court properly applied the discretionary function exception of the FTCA. The United State conceded, and the court recognized, that the Navy had never adopted or considered a policy of warning domestic bystanders of asbestos hazards. Yet in the court's view, since it *could* have considered and rejected a policy of warning or protecting domestic bystanders, its failure to warn cannot lead to liability under the discretionary function exception.[3]

The manufacturers press two arguments on appeal. First, they argue that the Supreme Court's opinion in *Berkovitz* v. *United States*, 108 S. Ct. 1954 (1988), handed down four days after the trial court's disposition to this case, requires reversal based on Navy officials' failure to comply with mandatory regulations. Second, they argue more generally that the Navy's failure to warn domestic bystanders does not fall within the scope of discretionary activity to which the exception was meant to apply. We address these arguments in turn.

II. ALLEGED FAILURE TO COMPLY WITH MANDATORY REGULATIONS

In *Berkovitz*, the Court held that mandatory regulations can remove an official's discretion, and thereby withdraw his conduct from the scope of the discretionary function exception. At issue in that case was a government agency's failure to determine that certain required tests for purity and safety of the polio vaccine had been satisfied before its release for public use. Because the applicable statutes and regulations left no room for the exercise of discretion by the government employees charged with their implementation, the Court concluded that the failure of agency personnel to assure compliance with the testing requirements before licensing the vaccine was actionable under the FTCA. The manufacturers point to two Navy regulations which they say remove the Navy's discretion not to warn domestic bystanders.

A. Failure to warn of the known hazard

The manufacturers base their *Berkovitz* argument chiefly on one of the Navy's regulations contained in the Department of Navy Safety Precautions for Shore Activities, NAVSO P-2455 (April 1965). Section 0103.4.b provides: "*Warning Others.* Each individual concerned shall warn others whom he believes to be endangered by known hazards or by failure to observe safety precautions."

The manufactuers argue that this mandatory regulation, when combined with the trial courts' finding that the Navy failed to warn either its workers or their families of the dangers of domestic exposure to asbestos, dictates reversal under *Berkovitz*. Although this argument is not without force, and is supported by PNS commanders' testimony, we prefer not to rest our conclusion on it.

Reading the Safety Precautions for Shore Activities in their entirety, we think it is apparent that the quoted subsection outlines the responsibilities of on-site workers, as distinct from their supervisors.[4] Section 0103.4 is titled "Operating Personnel," and follows § 0103.1 directed to "Commanding Officers," § 0103.2 directed to "Safety Officer," and § 0103.3 directed to "Supervisory Personnel." In this context, § 0103.4 appears directed at having on-site workers warn their fellow workers of dangerous conditions in the immediate work areas of which they have specific, actual knowledge. We do not disturb the trial courts' determination that, as a matter of Marine tort laws, the Navy was properly charged with knowledge of the risk to domestic bystandards as of October 1964. Yet it would require a leap of logic to then attribute such constructive knowledge to on-site workers with no actual knowledge of the danger.[5] Even if the Navy's constructive knowledge of the risk to domestic bystanders could be imputed to workers, it would not advance the manufacturers' case. Section 0103.4.b requires the person concerned to warn others "whom he *believes* to be endangered by known hazards." *Id.* (emphasis added). That one believes another to be in danger means subjective, actual knowledge. The manufacturers have not shown that any PNS asbestos worker actually believes that domestic bystandards were at risk and failed to inform Joan Dube's father.

As a separate challenge to the manufacturers' *Berkovitz* claims, the United States argues that § 0103.4 cannot serve to remove Navy discretion because it is not sufficiently "specific." In reviewing the regulatory framework at issue in *Berkovitz*, the Court characterized the statutes and regulations that served to remove agency employees' discetion as "a specific statutory and regulatory directive." 108 S. Ct. at 1962. The Court indicated more generally: "When a suit charges an agency with failing to act in accord with a specific mandatory directive, the discretionary function exception does not apply." *Id.* at 1963. The Court engaged in a painstaking analysis of the precise statutory mandate and associated regulations establishing the Division of Biologic Standards' obligation to assure compliance with adequate testing procedures before licensing polio vaccines.

We view the government's argument as persuasive as applied to § 0103.4. The language of the regulation is so general that it does no more than establish a general policy of warning fellow workers of "known dangers." *Cf. General Public Utilities Corp.* v. *United States*, 551 F. Supp. 521, 526 (E.D. Pa. 1982) (concluding that "plain language, legislative history, and regulations" pertaining to the Energy Reorganization Act of 1974 established that NRC had a duty to disseminate warnings of design defects in nuclear power plants). Even assuming, as understood by the Base Commander, that § 103.4 applied to supervisory personnel, the board language of the regulation suggests

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[1] The case was tried before United States Magistrate Hornby, pursuant to consent of the parties and 28 U.S.C. § 636(c).

[2] The court went on to allocate the government's share of contribution to the settlement of the claim of Joan Dube's estate, in the event this court determined that the discretionary function exception does not apply.

[3] The discretionary function exception provides: "The provisions of this chapter and section 1346(b) of this title shall not apply to—(a) Any claim based upon * * * the exercise or performance or the failure to exercise or perform a discretionary function or duty on the part of a federal agency * * *, whether or not the discretion be abused." 28 U.S.C. § 2680(a).

[4] We recognize that Admiral William Hushing, Commander of PNS from 1964 to 1969, and Admiral Westfall, Commander of PNS from 1971 to 1974, testified that they understood § 0103.4 to apply to everyone in the shipyard, including supervisory personnel. The record is otherwise barren of authoritative interpretation or background of the scope of § 0103.4. We decline to rest our analysis of the regulation on such a slight basis. We do not believe that the subjective understanding of a base commander can bind the Navy to his personal interpretation of the regulation. At best the regulation is ambiguous, militating against its service as a vehicle for the imposition of significant government liability under *Berkovitz*.

[5] Under normal tort law precepts, Navy officers and supervisors as operators of the shipyard—not workers—are charged with knowledge of the foreseeable dangers of asbestos exposure. *See* Restatement (Second) of Torts § 314B(1) (1965) (discussing duty of master or "person who has duties of management" to protect employees from known danger). *See also* W. Page Keeton, D. Dobbs, R. Keeton, & D. Owen, *Prosser and Keeton on Torts* § 80 (1984) (discussing *employer's* duty to provide a safe place to work and to give warning of dangers of which the employee might reasonably be expected to remain ignorant).

that those charged with its implementation retained wide latitude regarding its execution.[6] Thus there was no "specific mandatory directive" to warn comparable to the regulations analyzed in *Berkovitz*.

B. Failure to insure adherence to safety precautions

Through March of 1970, § 0103.3 of the Safety Precautions for Shore Activities provided: "It is the responsibility of supervisory personnel to see that safety precautions are strictly observed in their own work area."

This regulation differs from § 0103.4 in two important respects. First, it is clearly directed to supervisors. Supervisors may be sufficiently analogus to "management" in the private sector that the Navy's constructive knowledge of asbestos dangers is properly attributable to them. Second, the mandate is more precise both in tone ("strictly observed") and because it incorporates potentially detailed safety precautions tailored to particular work areas. If required safety precautions for the work area of Joan Dube's father were violated, and if compliance would have averted Dube's exposure, then the failure of the father's supervisor to assure strict observance would appear to render the discretionary function exception inapplicable under *Berkovitz*.

The manufacturers claim that uncontroverted evidence shows that safety precautions directed to the handling of asbestos at PNS were not adhered to. Yet the existence of the compliance with mandatory safety precautions governing the work area of Joan Dube's father is an open question. The Safety Precautions for Shore Activities, NAVSO P-2455, CH-1 (June 1967), indicate only that "Each individual concerned shall wear or use protective clothing or equipment of the type indicated and approved for the safe performance of his work or duty." § 0103.4.c. These Safety Precautions do not specify, however, whether any such protective clothing or equipment was required to be used by Joan Dube's father. Through March of 1970, the Safety Precautions provided:

"The following precautions *should* be taken in any dust making operations involving asbestos products:

"a. Provide permanent general ventilation * * *.

"b. Install exhaust hoods over saws and other dust making machine tools.

* * * * *

"d. Use industrial vacuum cleaners in lieu of dry sweeping floors and other surfaces." *Id.* at § 2058.2 (emphasis added). As articulated in chapter one of the Safety Precautions, "Precautions which are not mandatory but are recommended or advisory in nature are indicated by use of the word 'should'." § 0102.2. Thus it is not apparent from the Safety Precautions whether any *mandatory* precautions were applicable to Dube's father's work area through March 1970. The Safety Precautions were changed in 1970, and again in 1971, to incorporate detailed and mandatory provisions concerning asbestos handling.[7]

The trial court specifically declined to make findings regarding the alleged failure of PNS to assure compliance with specific safety precautions pertaining to the handling of asbestos, and therefore could not have considered the relevance of the changes in its alternative judgment allocating liability. In any event, the government continues to dispute the existence and violation of such precautions. If such were necessary to resolve this case, we would have to remand for additional findings.[8] The manufacturers' second argument makes this unnecessary.

III. FAILURE TO WARN AS A DISCRETIONARY FUNCTION

The Federal Tort Claims Act provides that:

"The United States shall be liable, respecting the provisions of this title relating to tort claims, in the same manner and to the same extent as a private individual under like circumstances * * *." 28 U.S.C. § 2674. As discussed in Part II, *supra*, matters pertaining to a "discretionary function" and exempted from liability under the Act. 28 U.S.C. § 2680(a). Courts have long struggled to determine what conduct is properly deemed within the scope of government discretion under § 2680(a). Recent courts have approached the question with little more than the basic precept framing the issue; "whether the challenged acts of a Government employee—whatever his or her rank—are of the nature and quality that Congress intended to shield from tort liability." *United States* v. *S.A. Empresa de Viacao Aerea Rio Grandense (Varig Airlines)*, 467 U.S. 797, 813 (1984). While *Varig Airlines* and *Berkovitz* have improved matters, we still share Judge Becker's appraisal: "Rather than a seamless web, however, we found the law in this area to be a patchwork quilt." *Blessing* v. *United States*, 447 F. Supp. 1160, 1167 (E.D. Pa. 1978).

The trial court reasoned that *Varig Airlines* implicitly overruled a series of lower court decisions that had construed the discretionary function exception narrowly, resurrecting an earlier decision which had read the exception broadly. *See Dalehite* v. *United States*, 346 U.S. 15 (1953) (4-3 decision).[9] The Supreme Court's unanimous decision in *Berkovitz*, however, handed down a few days after the trial court's disposition of the instant case, signals a narrower reading of the discretionary function exception.

After reviewing the language and legislative history of the FTCA, and its own case law, the Court in *Berkovitz* emphasized that: "The discretionary function exception applies only to conduct that involves the permissible exercise of policy judgment." 108 S. Ct. at 1959. The government concedes that it made no such policy judgment in this case. The government never decided to forgo warning domestic bystanders; it simply failed (negligently, as determined by the trial court) to do so. "[C]onduct cannot be discretionary unless it involves an element of judgment or choice." *Berkovitz*, 108 S. Ct. at 1958. *See also Dalehite*, 346 U.S. at 34 (the exception protects "the discretion of the executive or administrator to act according to one's judgment of the best course"); *Arizona Maintenance Co.* v. *United States*, No. 87-2471 (9th Cir. Jan. 10, 1989), at 154 ("Under *Berkovitz*, the key inquiry is not whether the government employee has a choice, but whether that choice is a policy judgment"). Because there was no exercise of judgment, the government appears to fail the threshold test of establishing that its

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[6] We note that despite the board language of § 0103.4, a mandatory duty to warn workers of the risk to domestic bystanders could be made out by showing that the Navy had established a policy or practice of requiring such warnings. *See, e.g., Berkovitz*, 108 S. Ct. at 1964 (discussing adoption of a statutorily authorized—but not required—mandatory policy as removing conduct from the scope of the discretionary function exception). The record before us fails to demonstrate such a policy or practice. Instead the manufacturers have demonstrated, and the trial court found, that PNS had no policy of giving such warnings.

[7] The revised precautions provide: "The following precautions *are required* for the safe handling of asbestos products: a. General Precautions: (1) The Industrial Hygiene Division of the Medical Department *shall* evaluate the level of asbestos exposure and will recommend engineering control measures for dust controls and provide, at least twice yearly, indoctrination of insulation workers in measures of personal protection; (2) Asbestos dust concentrations *shall* be controlled so as not to exceed the threshold limit value for asbestos as stated in the current BUMED INSTRUCTIONS 6260.3 series titled "Threshold limit values for airborne toxic materials." (3) Scrap material *shall* be wet down before shoveling, hauling or dumping. (4) Discarded and scrapped asbestos materials *shall* immediately be placed in plastic bags which are then to be sealed for removal and disposal."

Safety Precautions for Shore Activities, NAVMAT P-5100—Change 2, at Ch. 20, P. 20-22, -23 (March 1970) (emphasis added). Subsequent subsections are directed at fabrications and removal operations. Subsection (c), "Removal, Repair and Installation," in part provides: "(2) Personnel engaged in ripout operations will be provided and required to wear clean coveralls at the beginning of each shift * * *. Clean or single-use coveralls shall be provided daily." *Id.* at 20-23. The precautions were again amended in February of 1971, with further instructions regarding the disposal or laundering of coveralls exposed to asbestos dust. NAVSHIPS Instruction 5100.26 at 3, 5-6 (Feb. 9, 1971). Each of these regulations is directed at control of asbestos dust, and is thus causally related to Joan Dube's exposure. *See* note 8, *infra*.

[8] The trial court viewed the existence and breach of such work-area safety precautions as irrelevant *as an independent basis of tort liability* insofar as they were not designed to protect domestic bystanders. While it may be true that the regulations did not create a duty to Joan Dube, this does not dispose of their relevance to the application of the discretionary function exception.

Under the FTCA, the government is initially liable as a private person under *state* tort law. The trial court found, and it is not contested on appeal, that the Navy negligently breached its duty of due care to Joan Dube by failing to warn her of the risks of asbestos exposure. The government asserts that the negligence is not actionable because it falls within the discretionary function exception. The manufacturers dispute this characterization. They say that the Navy's failure to protect Joan Dube could not be discretionary, because Navy regulations mandated certain safety precautions which, if followed, would have prevented Joan Dube's exposure. The regulations are relevant not in establishing a duty, but in establishing whether Navy officials' failure to take steps to protect Joan Dube was discretionary. If Navy officials failed to implement mandatory measures designed to regulate the exposure of workers to asbestos dust, their failure was not within the discretionary function exception under *Berkovitz*. The only remaining issue is whether this conduct is causally related to Joan Dube's exposure.

The Navy could certainly have discharged its duty to Joan Dube by taking steps to minimize or avoid her exposure altogether. This could have been accomplished by assuring that asbestos dust was properly controlled at PNS, for example by ventilating areas where asbestos dust was created or minimizing the creation of dust altogether. Given the trial courts' determination that, as of 1964, the risk of asbestos exposure to domestic bystanders was foreseeable, it would be difficult to conclude that failure to control asbestos dust was not a proximate cause of Joan Dube's death. Absent contrary authority in Maine law, if adherence to mandatory work-area regulations would have prevented Joan Dube's exposure, then the Navy's failure to assure compliance as required by § 0103.3 would appear to be actionable.

[9] The trial court may have been led astray by our analysis in *K.W. Thompson Tool Co., Inc.* v. *United States*, 836 F.2d 721, 726 (1st Cir. 1988) (describing *Dalehite* and *Varig Airlines* as "beacon cases," and prematurely proclaiming the demise of *Indian Towing Co.* v. *United States*, 350 U.S. 61 (1955), which narrowed *Dalehite's* holding).

conduct was protected from liability under the exception. *Contrast with Barnson* v. *United States*, 816 F.2d 549 (10 Cir. 1987) (affirmative decision by federal official not to warn uranium miners of risks of radiation exposure covered by the discretionary function exception); *Begay* v. *United States*, 768 F.2d 1059 (9th Cir. 1985) (same); *Ford* v. *American Motors Corp.*, 770 F.2d 465 (5th Cir. 1985) (decision of postal service not to warn buyers of surplus vehicles of risk of rollovers was considered policy choice, and therefore within the discretionary function exception; *Myslakowski* v. *United States*, 806 F.2d 94 (6th Cir. 1986) (same); *Shirey* v. *United States*, 582 F. Supp. 1251, 1257-62 (D.S.C. 1984) (same).

Of course, the Navy did make an affirmative choice to own and operate a shipyard, and to use asbestos on its ships. In its seminal *Dalehite* decision, the Supreme Court held that a high level policy decision to institute a program of producing and exporting fertilizer made from ammonium nitrate, formerly used for production of explosives, insulated the actions of lower level officials in carrying out the plan. 346 U.S. at 35-36. But unlike the situation in *Dalehite*, the Navy's decision to use asbestos in its ships cannot shield it from liability based on its failure of care once it learned of the risk to domestic bystanders. While its language is sweeping, the holding in *Dalehite* turns on the existence of detailed plans and specifications laid out by policymaking officials. "The acts found to have been negligent were thus performed under the direction of a plan developed at a high level under a direct delegation of plan-making authority from the apex of the Executive Department." *Id.* at 39-40. These officials planned, approved, and implemented the fertilizer program on notice of the inherent risk. *See id.* at 38-39, 46. That these officials consciously limited, in furtherance of the program, the extent to which safety precautions were researched and implemented was reinforced by the urgency of the government's effort to rehabilitate war-torn Europe: "The Supreme Court pointed out that the decision to manufacture the fertilizer in order to feed the people in the vanquished United States-occupied countries in the aftermath of World War II and thus lessen the danger of internal unrest, was a matter of cabinet-level government policy. The possibility of dangerous explosions resulting from fertilizer made from ingredients formerly used for explosives was known and a decision was made to produce the fertilizer despite the risks." *Shuman* v. *United States*, 765 F.2d 283, 291 (1st Cir. 1985). In short, government officials acting within the scope of their authority assumed the risk (though not the liability) of the fertilizer program based on public policy considerations. Nothing in the record before us or in the government's arguments demonstrates a similar deliberate acceptance of risk in the use and regulation of asbestos in Navy ships. While the Navy became charged with knowledge of the risk to domestic bystanders in 1964, it concedes it never considered whether those risks justified a warning. At a minimum, the regulations discussed in Part II, *supra*, suggest a general Navy policy favoring warnings of known dangers.

The trial court deemed the discretionary function exception applicable because the adoption of a policy of warning domestic bystanders was "susceptible of discretion." But the cases relied upon by the trial court in reaching this conclusion are distinguishable from the present case in the important respect. In the cited cases, plaintiffs claimed that the government decisionmaker failed to take into account important considerations; the claims were that his decision was negligently made. So long as such decisions were authorized and policy-based, claims that they were poorly made fall within the exception. But in none of the cases relied upon by the trial court did the government actor fail, as in the instant case, to make an affirmative decision. *See U.S. Fidelity & Guar. Co.* v. *United States*, 837 F.2d 116 (3rd Cir. 1988); *Allen* v. *United States*, 816 F.2d 1417 (10th Cir. 1987); *In re Consoliated United States Atmospheric Testing Litigation*, 820 F.2d 892 (9th Cir. 1987). Each of these cases, and the trial court, quote *Myslakowski* v. *United States*, 806 F.2d 94 (6th Cir. 1986). A portion of the quoted passage highlights the distinction we draw:

"Stated otherwise, even the negligent failure of a discretionary government policymaker to consider all relevant aspects of a subject matter under consideration does not vitiate the discretionary character of the decision *that is made.*

"Indeed, it is, in part, to provide immunity against liability for the consequences of negligent failure to consider the relevant, even critical, matters in discretionary decisionmaking that the statutory exception exists. If it were otherwise, *a judgment-based policy determination made at the highest levels*, to which all would concede that the statutory exception applies * * * would result in no immunity if the decision could be shown *to have been made* without consideration of important, relevant factors, or was *a decision negligently reached.*" *Id.* at 97-98 (emphasis added.)

We recognize that the "susceptible of discretion" approach of the trial court is a valid approach in some circumstances. Where the activity is a traditional governmental function, it is possible that failure to exercise judgment will remain within the discretionary function exception. As the Court said in *Dalehite*, "The legislative history indicates that while Congress desired to waive the Government's immunity from actions for injuries to person and property occasioned by the tortious conduct of its agents acting within the scope of business, it was not contemplated that the Government should be subject to liability arising from acts of a governmental nature or function. Section 2680(a) draws this distinction." 346 U.S. at 27-28 (citations omitted). The exception covers: "Any claim * * * based upon the exercise or performance or the failure to exercise or perform a discretionary function or duty on the part of a federal agency * * * whether or not the discretion involved be abused." 28 U.S.C. § 2680(a). Excepting liability even for failure to exercise discretion or for abuse of discretion is consistent with the view that this limitation of liability is directed at areas of activity where the government is under no affirmative duty to act in the first instance, or where government actors employ broad policy discretion in pursuit of the public good. Categories of such conduct include the regulation of private conduct, *see Varig Airlines; Shuman*, 765 F.2d 283, and the protection of the public from natural or man-made dangers. *See, e.g., U.S. Fidelity & Guar. Co.* v. *United States*, 837 F.2d 116 (3rd Cir. 1988) (EPA discretion regarding manner of disposal of toxic chemicals); *Cisco* v. *United States*, 768 F. 2d 788 (7th Cir. 1985) (EPA discretion whether to warn households of danger from dioxin present in residential landfill); *Brown* v. *United States*, 790 F. 2d 199 (1st Cir. 1986) (discretion whether to repair weather buoy); *Chute* v. *United States*, 610 F. 2d 7 (1st Cir. 1979) (discretion regarding size of buoy marking sunken wreck); *Mitchell* v. *United States*, 787 F. 2d 466 (9th Cir. 1986) (discretionary FAA regulation regarding marking of power transmission ground wires). *See also Blessing*, 447 F. Supp. at 1172 n. 18 (citing cases). In such cases, the government's failure to consider whether to undertake a greater level of care generally remains within the exception.

But excepting a decision not to warn domestic bystanders in this case as susceptible of discretion loses sight of the structure of the FTCA. Under the FTCA, the government is liable in tort "in the same manner and to the same extent as a private individual under like circumstances." 28 U.S.C. § 2674. As owner and operator of an industrial shipyard, the Navy had a duty under Maine law to exercise due care towards those foreseeably harmed by its activities. Where, as here, the nature of the activity places the government under a common law duty of care, the clause of the discretionary function exception most likely to protect the government from liability excepts "Any claim based upon any act or omission of an employee of the Government, exercising due care, in the execution of a statute or regulation." 28 U.S.C. § 2680 (a). The Navy points to no statute authorizing it to forgo warning domestic bystanders. *Cf. Varig Airlines*, 467 U.S. at 816 ("Congress specifically empowered the Secretary to establish and implement a mechanism for enforcing compliance with minimum safety standards according to her 'judgment of the best course,'" citing *Dalehite* 346 U.S. at 34.); *Begay* v. *United States*, 768 F. 2d 1059 (9th Cir. 1985) (relying in part on statute authorizing Surgeon General to release test data "at such times and to such extent as [he] may determine to be in the public interest.") Even if the government were somehow authorized to avoid common duty law duty of care requirements, the FTCA attaches liability under state standards to PNS, unless the failure to consider a policy can be reconciled with exercising "due care." When the government is operating in a capacity so highly analogous to private industry, we doubt that the "susceptible of discretion" analysis can protect an official's negligent failure to act without an affirmative exercise of policy judgment, or without an express statutory preservation of the scope of an agency's discretion.[10] *See McMichael* v. *United States*, 751 F. 2d 303, 306 (8th Cir. 1985) ("In this case, the Defense Department was pursuing a proprietary rather than a regulatory objective. * * * The Supreme Court's admonition [in *Varig Air-*

[10] Our consideration of the nature of the governmental activity in this case should not be read as an attempt to resurrect the "uniquely governmental functions" argument advanced by the United States as an absolute bar to liability in *Indian Towing* and rejected by the Supreme Court in that case. *See* 350 U.S. at 64-65. Rather, our focus is on the much more narrow consideration of when the *failure to consider* whether to adopt a policy protective of a plaintiff in an FTCA action can be considered discretionary.

When a plaintiff stands merely as a potential beneficiary of the government's regulatory authority or other discretionary activity, failure to consider is often "discretionary." But where, as here, the plaintiff claims she is owed a common law duty of care through analogy of governmental conduct to that of a private actor, failure to consider is not likely to be discretionary unless so provided by statute.

lines] to avoid judicial second-guessing of regulatory decisions is thus not wholly applicable * * *.").[11]

This contrasts with the situation presented in *Smith* v. *Johns-Manville Corp.*, 795 F.2d 301 (3rd Cir. 1986). In that case, the statute required this GSA to "[protect] the United States from avoidable loss" in the sale of surplus asbestos. 50 U.S.C. § 98b(e). This authorized the GSA to forgo warning labels that might otherwise be required under state law, and to sell surplus asbestos "as is," thereby requiring *purchasers* to assume the risk. Further, evidence adduced at trial clearly established that the decision not to place warning labels on packages of surplus asbestos was a deliberate policy choice.[12]

The difficulty with the "susceptible of discretion" approach used by the trial court is indicated by the Court's articulation in *Berkovitz* of the discretionary function standard: "The discretionary function exception applies only to conduct that involves the permissible exercise of policy judgment." 108 S. Ct. at 1959. Without an actual decision to forgo protecting or warning domestic bystanders, it is difficult to determine whether even the Navy would consider such a decision a permissible or impermissible exercise of policy judgment. Application of the exception where the agency fails to make a judgment threatens to turn the mandate of *Varig Airlines* on its head. As the court there stated: "Judicial intervention in such decision making through private tort suits would require the courts to "second-guess" the political, social, and economic judgments of an agency exercising its regulatory function. It was precisely this sort of judicial intervention in policymaking that the discretionary function exception was designed to prevent." 467 U.S. at 820. But where there is no policy judgment, courts would be "second-guessing" by implying one.

Beyond the lack of a Navy policy judgment, the nature of a putative policy not to warn domestic bystanders is highly speculative. We do not need to enter the policymaking arena to observe that it is difficult to imagine the Navy justifying a decision not to issue a simple warning to domestic bystanders of such potentially devastating danger, based on economic or other policy grounds. *Compare Shuman*, 765 F.2d at 288 (noting trial court's finding that "adoption of conventional safety standards would not have involved significant costs or significant delay to the war effort"), *with Johns-Manville*, 795 F.2d 301, 306 n.7 (recounting government official's assertion of the "substantial potential for great economic loss to the United States upon disposition" of large quantities of surplus asbestos, and his description of the substantial and avoidable costs of repackaging or relabeling same for sale to commercial buyers "better qualified than our own storage personnel to properly transport, unpackage, handle and use the material in their manufacturing processes").

Our decision that the government is not excepted from liability under the FTCA for its breach of a state law duty to warn finds support in a nost of decisions. See, e.g., *Angel* v. *United States*, 775 F.2d 132, 145 (6th Cir. !985) (failure to warn of danger of high voltage wire); *Artez* v. *United States*, 604 F.2d 417 (5th Cir. 1979) (failure to label substance as explosive); *Smith* v. *United States*, 546 F.2d 872 (10th Cir. 1976) (citing cases) (failure as landowner to post warning signs in national park); *Stephens* v. *United States*, 472 F. Supp. 998, 1009 (C.D. Ill. 1979); (same); *United States* v. *White*, 211 F.2d 79 (9th Cir. 1954) (failure of government as land owner to warn business invitee of danger from unexploded projectiles); *Pierce* v. *United States*, 142 F. Supp. 721 (E.D. Tenn. 1955), *aff'd*, 235 F.2d 466 (6th Cir. 1956) (failure to warn lineman of dangerous conditions in government-owned transmission facility); Annotation, *Liability of United States for Failure to Warn of Danger or Hazard Resulting from Governmental Act or Omission as Affected by "Discretionary Function or Duty" Exception to Federal Tort Claims Act*, 65 A.L.R. Fed. 358 (1983). *See also Henderson* v. *United States*, 784 F.2d 942, 943 n.2 (9th Cir. 1986) (safety decisions at government facility are operational in nature, and therefore not within the discretionary function exception); *Merklin* v. *United States*, 788 F.2d 172, 177 (3rd Cir. 1986) (duty of government as supplier of dangerous chattel to warn those who will foreseeably come in contact with the product of its inherent risks not within the exception). Perhaps the district court's analysis in *Pierce*, by analogy, best summarizes our conclusion in this case: "The initial decision to construct [electrical substations] and the decision to reactivate surely involved an exercise of discretion for which no liability attaches. Also the decision to undertake the reactivation work at the particular time it was commenced and similar decision going to the over-all success of the project would necessarily involve decisions at high level in which the exercise of discretion in the choice of various alternative courses of action would be involved. Even the decision to construct electrical substations and bring high-voltage power onto the premises would constitute discretionary functions. However, the Court is unable to go further and say that once the discretion was exercised to construct substations, any discretion was involved in the subsequent * * * failure to warn workmen of its dangerous condition when the rehabilitation program was commenced. * * *." 142 F. Supp. at 731.

IV. CONCLUSION

We conclude that the Navy's failure to warn domestic bystanders of the risks associated with exposure to asbestos dust is not "of the nature and quality that Congress intended to shield from tort liability." *Varig Airlines*, 467 U.S. at 813. We therefore reverse the trial court's judgment for the United States, and remand for entry of judgment in accordance with the trial court's previous findings on negligence, causation, and allocation of liability.

[From the Washington Post, Apr. 6, 1989]

(By Jack Anderson and Dale Van Atta)

DANGEROUS EXPOSURE AT NAVY SHIPYARD

The graveyard shift runs around the clock at the Puget Sound Navy Shipyard north of Seattle. Employees there are exposed to deadly chemicals without proper protection while they work feverishly to refurbish Navy warships.

Jim Denny knows the dangers firsthand. Denny, 33, a painter, has worked for 12 years at the shipyard and recently learned he has asbestosis, a lung condition that comes from breathing asbestos dust. Denny's father died with asbestosis in 1982 after working for 26 years at the same shipyard.

Denny's father put in his time at Puget Sound before the shipyard announced new controls for handling hazardous materials such as asbestos. But documents smuggled out of the shipyard and our interviews with workers indicate that the controls may be only lip service.

Workers still use compressed air to blow dirt and paint off ships before repainting them. These "blowdowns" are supposed to be conducted under strict federal guidelines because they fill the air with dangerous paint particles—and sometimes asbestos dust. Paint shop workers often wear respirators, but other workers around them breathe the dust kicked up during a blowdown.

Last November, two painters were instructed to "pretend stupidity" if anyone asked them what they were doing while they blew down the engine room of a nuclear-powered attack submarine, USS Seahorse. The note to act stupid was in shift-turnover instructions obtained by our associate Stewart Harris. In contrast, those instructions say nothing about how to isolate the dust kicked up by the workers.

Sources at the shipyard told us they are under pressure to sacrifice safety for higher production. The government-owned shipyard competes with private contractors for the Navy's business. Workers have been told that if production falls off, they could lose their jobs.

Two other painters told us that blowdowns were often conducted on the Seahorse without proper controls. Several others said they witnessed or were involved in uncontrolled blowdowns on another submarine, USS Tunny, which is still in the shipyard.

Last year, workers sand-blasted and chipped paint from the nuclear-powered guided-missile cruiser USS Texas. Several weeks later tests revealed that the paint contained asbestos fibers. Two workers, who talked to us on condition that they not be identified, said their personnel medical

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[11] The Navy does not appear to argue that its operation of the shipyard should be deemed a governmental function as a military operation. Indeed, Admiral Westfall, describing his position as commander of PNS, testified: "It was very much like being the president of a major industrial activity. Our naval shipyards are run like a private sector, they're financed the way. You don't get money from Washington, you have to earn it. You get money from Washington, you have to earn it. You can literally go broke. The difference in the profit is supposed to be zero." App. at 691a.

Rather, the government regards its ownership of PNS as irrelevant to the discretionary functions analysis. We view the government's ownership as relevant insofar as it removes this case from the category of government acting in its role as regulator of the conduct of private individuals, a class of conduct the Supreme Court has indicated is plainly within the discretionary function exception. *See Varig Airlines*, 467 U.S. at 813-14, 819-20. In short, the government as owner and operator of a shipyard should be held to the same standards as private shipyard owners, as in *Shuman* v. *United States*, 765 F. 2d 283, and *In re All Maine Asbestos Litigation (BIW Cases)*, 651 F. Supp. 1169 (D. Me. 1987).

[12] Though the district court is *Johns-Manville* found that the government did not affirmatively make a policy decision concerning warning labels, the court of appeals clearly rejected that view. 795 F.2d at 307 (framing issue as "whether GSA's decision not to label" feel within exception). The GSA official responsible for preparing and approving bid invitations averred that the invitations "required that asbestos be sold in the original packaging, with the same markings and in the same condition as it was acquired and stored" because "[t]o test, warranty, repackage, or relabel such materials at the time of disposal * * * would have resulted in avoidable cost to the government.") *See also In re All Maine Asbestos Litigation*, 581 F. Supp. 963, 971 (D. Maine 1984).

records still do not include a notation that they have been exposed to asbestos. That documentation is required by law so they can seek compensation if, like Denny, they come down with asbestosis.

This is not the first time Puget Sound has gambled with its workers' health. In 1986, the Occupational Safety and Health Administration cited the shipyard for failure to provide proper respiratory equipment for employees working around lead dust and chemical vapors. OSHA ordered the shipyard to correct the violation.

OSHA also found that noise levels over 85 decibels were not monitored in the shipyard machine shop according to regulations, and that workers ate and drank in areas where dangerous chemicals were used.

The Navy has not responded to our request for comment.

PRESIDENT'S SPEECH ON LATIN AMERICA

Mr. DOLE. Mr. President, in remarks today at a session of the Council of the Americas, President Bush gave a concise, level-headed review of American interests, goals, and policies toward Latin America. I want to share the President's remarks with my colleagues, by inserting them in the RECORD.

The whole speech is worth reading, but I wanted to specifically mention two sections.

The President lays out, about as well as I have seen done, our goals in Nicaragua. It boils down to three things: An end to Sandinista aggression; an end to Soviet intervention in this hemisphere, through massive, totally unwarranted military aid to Managua; and the establishment of true democracy inside Nicaragua.

The President doesn't mince words. He makes clear we will settle for nothing less than achievement of these three goals; and equally clear that—if Moscow and Managua do not amend their policies—they will bear responsibility for the results. As the President says in concluding this section of the speech: "The consolidation of Tyranny [in Nicaragua] will not be peace; it will be a crisis waiting to happen."

The other part of the speech I would especially note is the section on Panama. President Bush affirms that we have no more tolerance for Noriega's thuggery, than we do for Ortega's tyranny. If the upcoming election in Panama is the sham it is shaping up to be, President Bush declares, we just won't buy it; and we will shape our responding policies accordingly.

I know many other Senators join me in saying that we are determined this is not some kind of idle threat, but a realistic prediction of American policy. I hope Noriega reads the speech, and gets the message, before it is too late for a peaceful, democratic resolution of the Panamanian situation.

Mr. President, in conclusion, let me pull a line out of President Bush's speech today—actually a quote the President cited from one of the thousands of Salvadorans who braved the threat of guerrilla violence to vote in that country's recent election. When asked why he did, the man answered: "We just can't roll over and play dead each time we're threatened."

That is the central message of the President's speech, and the kernel of our policy in Latin America. We can't roll over every time we're threatened; democracy can't give in or compromise every time it confronts tyranny.

I commend that message, and the President's speech which articulates it, to all Senators, and to all Americans, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

TEXT OF REMARKS BY THE PRESIDENT TO THE COUNCIL OF THE AMERICAS, LOY HENDERSON AUDITORIUM, DEPARTMENT OF STATE, WASHINGTON, DC, MAY 2, 1989

Looking around the world today, in the developing world and even in the communist bloc, we see the triumph of two great ideas: the idea of free government, and the idea of free enterprise.

Certainly, Latin America and the Caribbean are providing fertile ground for these ideas. Democracy—a decade ago the exception—is today the rule. The symbol of this new breeze is the ballot box. By year's end, 14 national elections will have been held across the Americas.

And let's remember what it means to vote when democracy itself is at stake. We're not talking about people who may stay home from the polls because it's raining, or rush hour traffic is heavy. We're talking about people risking their lives to exercise their democratic right.

Listen to the words of a Salvadoran man, on the eve of last month's presidential elections in that country—elections guerrilla forces vowed to disrupt:

"Of course I'm going to vote, although I have to admit it's very scary. . . . Here, going to the grocery store can be dangerous—but you have to do it. And you have to vote, too. We just can't roll over and play dead each time we're threatened."

That's the voice of democracy speaking—and it's the voice of courage and hope.

Economically, although there is concern about international debt, there are encouraging signs as well. Mexico has joined GATT, and is moving toward a more open and internationally-oriented economy. In Costa Rica, Brazil, and Venezuela new ventures are creating export opportunities that promise a broader economic base. You in the business community are among the pioneers and partners in these changes. You are contributing to Latin America's increased productivity—you are helping the region to fulfill its potential for progress.

The historic shift in political and economic thinking now underway in Latin America is good news for us all. Our task is clear: To make the most of the new opportunities open to us, we must improve our working partnerships in this hemisphere—between countries north and south, between government, business and labor, and, in the U.S., between the different branches of the Federal Government. We share common interests—we must work toward a common aim.

My Administration will work to build a new partnership for the Americas—a partnership built on mutual respect, and mutual responsibilities.

We seek a partnership rooted in a common commitment to democratic rule. [5]

The battle for democracy is far from over. The institutions of free government are still fragile, and in need of support. Our battlefield is the broad middle ground of democracy and popular government—our fight against the enemies of freedom on the extreme right and the extreme left.

As a result of the recent Bipartisan Accord on Central America, the United States is speaking with one voice on a matter of crucial importance to peace in Central America: Bringing democracy to Nicaragua, and peace to the region.

Let me take this opportunity to make several observations on steps that are vital to peace, security and democracy in Central America:

First, Nicaragua's effort to export violent revolution must stop. We cannot tolerate Sandinista support—which continues today—for insurgencies in El Salvador and Guatemala, and terrorism in Honduras. Peace in the region cannot co-exist with attempts to undermine democracy.

Second, we call upon the Soviet Union to end Soviet bloc support for the Nicaraguan assault on regional democracy. The United States ended military aid to the Nicaraguan Resistance two years ago; yet since that time, the Soviets continue to funnel about half a billion dollars worth of military assistance a year to the Sandinista regime—about the same rate as before we stopped our military aid to the Contras. Furthermore, Cuba and Nicaragua supplied by $7 billion in Soviet bloc aid, have stepped up arms flow to the Salvadoran guerrillas. Soviet bloc weapons, such as AD-47s, are now being sent through Cuba and Nicaragua to the guerrillas. That aid must stop.

The Soviet Union must understand that we hold it accountable for the consequences of this intervention—and for progress towards peace in the region and democracy in Nicaragua. As the Bipartisan Accord makes clear, continued Soviet support of violence an subversion in Central America is in direct violation of the Esquipulas Agreement concluded by the nations of Central America a year and a half ago.

Finally, within Nicaragua, we want to see a promise kept—the promise of democracy, withheld by the Sandinista regime for nearly a decade. To this end, the U.S. will continue to supply humanitarian aid to the Nicaraguan resistance through the elections scheduled in Nicaragua for February 1990. The conduct and the outcome of those elections will demonstrate to Nicaragua's neighbors and the international community whether it means to deliver on democracy.

But the Sandinistas' recent actions are ominous. April 25th was the benchmark date for Nicaragua to have in place electoral laws consistent with free and fair elections. Instead, restrictive new election and press laws have been pushed through the Sandinista-controlled legislature. These laws have been unilaterally imposed and the proposals of Nicaragua's opposition parties have been ignored. The result is a stacked deck against the opposition and stacked rules of the game.

The election law mandates unilaterally that half of all foreign political contributions go to the Surpeme Electoral Council, which remains under Sandinista control—and ignores proposals put forward by the

opposition to provide for unlimited freedom of access for international election observers. In effect, that's a stacked deck against freedom. The new law governing press conduct gives excessive controls to the Interior Ministry to policy violations against "national integrity," and continues the prohibition of private-sector ownership of television stations.

If there is to be peace in Nicaragua, the Sandinista regime must work with the opposition—including the Nicaraguan Resistance—to put in place election and press laws that are truly free and fair.

That means to have free and fair elections with outside observers given unfettered access to all election places and to all proceedings. It means a secret ballot on election day, the freedom to campaign, to organize, hold rallies—and to poll public opinion, to operate independent radio and television stations. It means the absence of intimidation either from a politicized Sandinista military or police, or from the neighborhood block committees that control people's ration cards. It means an end to the arrests and bullying of opposition leaders. It means freeing all political prisoners jailed under Sandinista rule, not just former Somoza soldiers.

If the Sandinistas fail this test, it will be a tragic setback—and a dangerous one. The consolidation of tyranny will not be peace; it will be a crisis waiting to happen.

I want to mention several other Latin nations where elections can signal positive change:

In El Salvador, last month's free and fair elections proved another ringing affirmation of that nation's commitment to democracy. We expect ARENA to exercise its political power responsibly. I have conveyed to President-elect Cristiani our commitment to human rights in El Salvador. He shares my concerns, and he deserves our support.

In Paraguay, the only country whose dictator had held power longer than Fidel Castro, elections have just taken place—the first hopeful sign that Paraguay is on its way to joining the democratic mainstream. We congratulate President-elect Rodriguez on his electoral victory and look forward to working with him. This Democratic opening must continue.

In Panama, however, the forecast for freedom is less clear. A free and fair vote in the elections scheduled for this Sunday would enable Panama to take a significant step towards ending the international isolation and internal economic crisis brought on by the Noriega regime. And in spite of intimidation from the authorities, Panama's opposition parties have—with great courage—taken their campaign to the Panamanian people. The Noriega regime's candidates are trailing in polls by a margin of 2 to 1.

Unfortunately, as Secretary Baker told you yesterday, it is evident that the regime is ready to resort to massive election fraud in order to remain in power. The Noriega regime continues to threaten and intimidate Panamanians who believe in democracy. It is also attempting to limit the presence and freedom of action of international observers, and to prevent journalists from reporting on the election process in Panama.

Let me be clear: The United States will not recognize the results of a fraudulent election engineered to keep Noriega in power.

All nations that value democracy—that understand free and fair elections are the very heart of their democratic system—should speak out against election fraud in Panama. That means the democracies of Europe, as well as nations in this hemisphere struggling to preserve the democratic systems they've fought so hard to put in place.

It's time for the plain truth: The day of the dictator is over. The people's right to democracy must not be denied.

A commitment to democracy is only one element in the new partnership I envision for the nations of the Americas. This new partnership must also aim at ensuring that the market economies survive, prosper and prevail.

The principals of economic freedom have not been applied as fully as the principal of democracy. While the poverty of statism and protectionism is more evident than ever, statist economies remain in place, stifling growth, in many Latin nations.

That is why the U.S. has made a new initiative to reduce the weight of debt, as Latin governments and leaders take the difficult steps to restructure their economies.

Economic growth requires policies that create a climate for investment—one that will attract new capital, and reverse the flight of capital out of the region.

We welcome the broad international support expressed for our ideas to strengthen the debt strategy. We urge the parties involved—the international financial institutions, debtor countries, and commercial banks—to make a sustained effort to move this process forward. We recognize the competing claims debtor governments must try to satisfy as they work to advance economic reform, service their debt, and respond to the needs of their citizens. However, we also understand that progress can be incremental process—case-by-case, step-by-step—provided there is a clear commitment to economic reform.

Finally, our common partnership must confront a common enemy: international drug traffickers.

Drugs threaten citizens and civil society throughout our hemisphere. Joining forces in the war on drugs is crucial. There is nothing gained by trying to lay blame and make recriminations. Drug abuse is a problem of both supply and demand—and attacking both is the only way we can defeat the drug menace.

There is a place in this new partnership for you in the Council of the Americas. Thomas Paine said that "the prosperity of any commerical nation is regulated by the prosperity of the rest." Your efforts contribute directly to the greater prosperity of all the nations of the Americas.

The challenges I've spoken of today won't be easy. But all of us—North and South, in government and in the private sector—can work together to meet the challenges, and master them.

We've got work to do—work that won't wait—to ensure that all the Americas enjoy the peace, freedom and prosperity that we cherish.

FUNDING FOR MARTIN LUTHER KING, JR., FEDERAL HOLIDAY COMMISSION

The PRESIDING OFFICER. Under the previous order, the hour of 10:30 having arrived, the Senate will now resume consideration of S. 431, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 431) to authorize funding for the Martin Luther King, Jr., Federal Holiday Commission.

Pending:

Helms Amendment No. 65, providing for a two-year extension of the Commission.

Helms Amendment No. 66 (to Amendment No. 65), to delete funding for the Commission.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the distinguished Chair.

Mr. President, perhaps it would be worthwhile to take a moment or so to recap the parliamentary situation as it now stands. There are two amendments pending to S. 431, the bill which has just been brought up again as the pending business.

The first-degree amendment would reduce the extension of the Martin Luther King Federal Holiday Commission from 5 years to 2 years. The second-degree amendment is a substitute to the first-degree amendment, and would delete any additional Federal funding for this Commission.

Yesterday, I discussed in some detail why this Senator, at least—and I may be a minority of one on this question—but this Senator believes that the Senate ought to abide by its word and by the statute that was adopted a few years ago in which the Senate was guaranteed by sponsors of the legislation, unanimously, that no Federal funds ever would be requested to operate this Commission.

Here we have an entity that has taken in an estimated $20 to $30 million from private donations and now they come to the Federal Government and say we want a little more gravy: $300,000 a year in the Senate bill, $500,000 a year in the House bill, which has already been passed. That may not be much money to a lot of folks, but it is to me, particularly when Senators are not spending their own money; they are spending the taxpayers' money.

So, that is sort of the predicate of what I am going to review for a little while this morning, with reference to both the first-degree and the second-degree amendments now pending, which I offered yesterday at the suggestion of the distinguished majority leader.

I laid down both amendments so that we would have a beginning point this morning. So, here we are.

The second-degree amendment now pending, as I say, would delete additional Federal funding for the Commission. The two amendments together give the Senate a choice. The Senate can agree to delete the Federal funding, in which case the bill would still contain a 5-year extension. However, if the Senate defeats the second-degree amendment to delete the fund-

ing, then the first-degree amendment will be pending to reduce the extension to 2 years, so the Congress can then decide whether yet another extension, presumably with more Federal funds, is appropriate.

As I said a moment ago, there are two entities, which I consider to be one entity, and I refer to it in that fashion. There is the King Commission and then there is the King Center.

Now, an officer of the King Center also is the only paid employee of the King Commission. All of the other employees of the King Commission are on loan from various agencies of the Federal Government. And that alone has cost something in the neighborhood of $2 million, not counting the $20 to $30 million that the King Center has received, reportedly, in private donations. But, in fact, they are one entity with two names. Hydra-headed, if you want to call it that. And before we vote at 11:30 on the amendment to delete the funding, let me review as quickly as I can a few of the points that I made yesterday.

The Martin Luther King Holiday Commission was established in 1984 when Congress determined that:

It is appropriate for the Federal Government to coordinate efforts with Americans of diverse backgrounds and with private organizations in the first observance of the holiday.

It did not say anything about teaching young people how to protest on campuses, or anywhere else. It said to observe properly the first King holiday. It did not say anything about the second observance of it or the third or whatever. It said "the first." That is what the law said.

Almost every Member of Congress, House and Senate, who spoke in favor of creating the Commission, stressed the point that, one, the Commission would exist for only 20 months and, two, no Federal funds would be used.

I remember it well. Senator after Senator got up and said: This is the greatest thing since sliced bread. No Federal funds will be used. It will be financed by private contributions, et cetera, et cetera, et cetera, as the King of Siam said.

Over in the House, Congressman Addabbo said very eloquently:

The maintenance of expenditures of the Commission are to be made from privately donated funds and therefore represent no further burden on the Federal budget.

He was unequivocal.

Then there was a Congressman named Mr. GARCIA who told the House:

The Commission will be a temporary structure and will disband forever after its work is done.

Bear it in mind, I say parenthetically, that the work was to make sure that the first observance of the King holiday was done right.

Then Congressman GARCIA proceeded:

It will require no Government funding and will be supported entirely through private contributions. Thus, the bill does not propose a permanent structure that will burden the budget and take scarce resources away from vital areas where they are needed.

Then there was a Congressman named COURTER who said:

I would emphasize also that this Commission will be functioning using private donations, private money, as Dr. Martin Luther King, Jr., would have it, I am quite sure, if he could express his own desire.

The first observance was held, then the second, and, in 1986, we heard arguments that the Commission still needed a few more years to complete the job that it started in 1984. I was a little baffled by that because the job was, remember, to set up the first observance of the King holiday, which was in 1986. In any case, the Senate, in its wisdom, if that is what it was, extended the life of the Commission 3 more years through April 1989.

Let us go back to that 1986 debate. I quoted some House Members. Fair is fair, so we will quote some Senate Members now.

Bear in mind that no Senator, no House Member ever implied, let alone stated, that there would be Federal funds involved in this, and they were wrong about that. But in the Senate, one of our most distinguished colleagues, one of the leaders of the Senate, stated unequivocally:

It should be emphasized that no Federal money is appropriated for the Commission. Rather, it operates entirely on donated funds. Under the extension legislation, the Commission would continue to be funded from these—

Meaning private—

sources. Expanding the size of the Commission should also enhance its ability to raise private sector funds.

That was the distinguished Senator who is one of my best friends, and he believed what he was saying because that is what he had been told.

Another distinguished colleague, equally unequivocal, said:

"No Federal funds would be required, and activities of the Commission will continue to be supported by private donations." I can hear him now.

Another distinguished colleague said the Commission "Does not cost the Federal Government a single penny." Well, I wish it were a single penny. I would not be here complaining, but what we are talking about is a minimum of $1½ million in the Senate version, or $2½ million in the House version which has already been passed. On top of that, the House version, which has been sent over here, makes permanent the life of this Commission.

So I am getting into all this for the sake of Senators who were not here yesterday. A great many had not gotten back to Washington. I think we need to correct for them, as I tried to yesterday, this misunderstanding that has been created as to whether the Martin Luther King Holiday Commission is supported by Federal funds. Contrary to what many of our colleagues have said, the Commission already receives significant support, in-kind support, from Federal funds. Where did I get that information? I got it from the annual report of the Commission itself. The 1988 annual report of the Commission said:

"All of the Commission staff, except for the executive director," and bear in mind that the executive director is a functionary with the King Center, a separate organization. So he is standing spraddle-legged between the two entities, which are, in fact, one.

The annual report of the Commission itself acknowledges that the value of these services provided by the taxpayers and the States for the 4-year period ending on February 28, 1989, was $1,729,000 in the Washington office and $375,000 in the Atlanta office. It needs to be borne in mind that never before, not for George Washington, not for Abraham Lincoln, not for anybody, for whom there has been a Federal holiday has there been an expenditure of funds, Federal funds. The taxpayers are not required to do that; never have.

But that $1,729,000 in the Washington office and the $375,000 in the Atlanta office does not include something else that the taxpayers furnished for this Commission—office space, the Federal Government gave it; furniture, the Federal Government provided it; equipment, belonged to the Federal Government on a nonreimbursable basis. The estimated value of the office space in the District of Columbia alone provided by the Department of Housing and Urban Development is approximately $50,000 per year.

Mr. President, I understand that the proponents of this bill feel a need to demonstrate their continued support for Dr. King by voting further to extend the life of the Commission. But I do hope that Senators will consider carefully the commitments that were made when the Commission was established and extended in 1984 and 1986, respectively—the commitments, the assurances, the guarantees even that the Commission would not cost the Federal Government, as the Congressman put it, one penny.

Let me say this about the Senator from Georgia. SAM NUNN and I came to the Senate the same day. We have been friends throughout that time. He is a straight arrow guy in all of his dealings with me, and I have tried to be with him. We happen to disagree

on this. I understand his position, and I hope he understands mine.

As a matter of fact, yesterday morning I met with Senator NUNN and the distinguished majority leader, Mr. MITCHELL, and the distinguished minority leader, Mr. DOLE, and certain acknowledgments were made which resulted in the drafting of the amendment which I understand will be offered which somewhat eases my mind with respect to this entire issue. I thank Senator NUNN for that. He is a gentleman. He is a friend. It is not too often that we disagree. This is one of the few times we do.

Senator NUNN had made the statement—and I hope I am not being presumptuous when I quote him—that he will not support a permanent extension of the Commission. He is candid about that, and I know that he will stick to that position. But I had not heard the same commitment expressed by anybody else on this floor—not one. I think it is very clear that the intent of many, if not most, of the proponents of the pending bill is to create eventually a permanent federally funded Commission, and who knows what that is going to cost. The House has already voted that proposition. They made it permanent in the legislation they sent to the Senate.

Mr. President, I have more to say but I do not want to monopolize the time because I know the Senator from Georgia wants to make his case. So let me inquire, is the time equally divided? I do not recall.

The PRESIDING OFFICER. The Senator is correct. There is an hour of debate equally divided in the usual form. The Senator from North Carolina now has 11 minutes and 38 seconds remaining, the Senator from Georgia has 29 minutes.

Mr. HELMS. Very well. I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, how much time does the junior Senator from North Carolina desire?

Mr. SANFORD. About 2 minutes.

Mr. NUNN. I will be glad to yield to the junior Senator from North Carolina 3 minutes.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 3 minutes.

Mr. SANFORD. I would like to inquire of the Senator from Georgia if he thinks that 5 years is an adequate time to establish this Commission, and that if after that 5-year period we should anticipate it will be on its own and supported by private funds?

Mr. NUNN. I say to my friend, the junior Senator from North Carolina, that the House has passed a permanent authorization. It is my view that this Commission's task should be to devote its energy and dedication to not only help get the procedures and overall thrust of this holiday set in the country but, most importantly, to inspire American people, that it be a meaningful holiday in honor of Dr. King's life. That is what the Commission is trying to do. I do not view it as a permanent Commission or a permanent authorization. That is the reason I have drawn this bill as a 5-year authorization because, frankly speaking, I think the holiday should be so well instilled in people's minds in 5 years that we will not need a permanent Federal Commission to promote it. That is my hope. Of course, you would always have to review the situation in 3 years or 4 years and decide at that time what the needs are.

So it is my view at this time we should not make it permanent; we should make it a 5-year provision, and I hope that this holiday and what it stands for and what Dr. King stood for will be so instilled as part of the American celebration annually we will not have to make it a permanent Commission. I hope not only the holiday but its spirit is important in the lives of our people.

Mr. SANFORD. I understand in the beginning, although I was not serving in the Senate at the time, the purpose of the Federal funds was to make certain that people did understand this movement in American history, this significant change in American history, this celebration of the change, not so much just the recognition of an individual but that it was the recognition of the whole movement which so drastically changed society; that since it was broader than just the recognition of an individual birthday, perhaps the Federal Government's subsidy would help it get started.

But I understood at the time, and thought at the time, that the credibility of the efforts in the long run would be much better if it were not a Federal agency, so to speak.

So I make the point when we vote for this bill, which I have cosponsored, we are in effect saying we think the Federal Government's help in getting it started will come to an end in 5 years and we do not anticipate that this is going to be a permanent Federal agency.

Mr. NUNN. That is my own view. As a matter of fact, if we define the success of this Commission—success as I view it as one individual sponsor of this bill—it would be that we had so instilled in the minds of the American people what Dr. King and this entire movement stood for that we would not need permanent appropriated funds to remind us each year, that it would then be a part of the American way of life.

Mr. SANFORD. I agree, and I would like the RECORD to reflect in this exchange between the Senator and myself that it is not our intention to make this a permanent matter but to make it simply a period of time to get the whole concept established.

Mr. NUNN. That is exactly right. There are young Americans now who are in school who do not remember the events which took place in the 1940's, 1950's, and 1960's, who do not remember the civil rights movement of the 1950's, 1960's, and even the 1970's, and it is to instill in this generation of Americans throughout this country a keen understanding as to what this movement meant, what it meant for America and what it continues to mean for people of all races, black people, white people, indeed all Americans. So that is the understanding of the Senator from Georgia. I can only speak for myself. I do not try to speak for anyone else, but that is my view.

Mr. SANFORD. I thank the Senator.

Mr. NUNN. Mr. President, how much time does the Senator from Georgia have remaining?

The PRESIDING OFFICER (Mr. KOHL). The Senator from Georgia has 22 minutes, 41 seconds remaining.

Mr. NUNN. Mr. President, the two amendments to S. 431 proposed by my colleague from North Carolina, Senator HELMS, would eliminate direct Federal funding for the Martin Luther King, Jr. Commission and would limit the extension of its authorization to 2 years rather than 5.

Since the basic purpose of S. 431 is to extend the life of the Commission for 5 years and to authorize a small Federal appropriation for that period, I suppose you could say that these amendments strike pretty close to the heart of the bill.

With all due respect to Senator HELMS, I must disagree with some of the conclusions he has reached about the implications of making $300,000 available to the Commission. It is suggested that we are setting some sort of dangerous precedent by authorizing Federal funding for a commemorative commission. We have already pointed out on several occasions we have authorized Federal funds for a variety of commissions including the Christopher Columbus Jubilee Commission, the Constitution Bicentennial Commission, and others. Beyond that, there is absolutely nothing unusual about authorizing Federal funds to honor outstanding American leaders.

An exhaustive compilation of Federal spending authorized for commemorative purposes does not exist, but if it did it would probably be a very long list. I found some facts and figures about memorial precedents in just one area of Federal policymaking. Let us take the area of education. Since fiscal year 1975, appropriation bills have contained a total of $144 million on educational grants and endowments to institutions to honor former or cur-

rent Members of Congress. These were outstanding Americans. I found 16, and I have not made an exhaustive study. They were outstanding American leaders. So was Dr. Martin Luther King, Jr.

There is plenty of precedent for this authorization of Federal funds and, in fact, as the Senator from North Carolina, Senator HELMS, concedes, there is precedent for the use of Federal funds to support this King Holiday Commission even though they were indirect in kind rather than direct appropriated funds.

From the very beginning, in 1984, Congress authorized Federal agencies to support the Commission with in-kind services, especially staff on temporary detail. So far, assistance valued at $2.3 million has been supplied under this authorization. So I fail to see why it sets some kind of dangerous precedent to offer $300,000 a year in Federal funds, especially when one of the major purposes of offering funding is to allow the Commission to hire a small permanent staff instead of exclusively relying on temporary staff.

We are not stepping off some sort of dangerous road with this legislation. It is a continuation of what we did in 1983, 1984, and 1986. That should be clear enough, but I think there is some misunderstanding about statements made on the House and Senator floor when the Commission was created and then extended. When the Commission was created in 1984, several House Members noted that it did not provide a direct Federal appropriation, and they applauded the fact that the Commission would undertake the work without it. When the Commission was extended in 1986, several Senators made the same sort of remark. These remarks by various Members did not represent any sort of deal that I am aware of or any kind of assurance that the Commission could function in the future without the kind of Federal support we offer in similar cases.

So I do not see why we really now need to, in any way, be bashful about asking for a small—and I emphasize "small"—modest funding program here for a 5-year period.

I think there is a basic point here that we have not talked about; that is, that the Federal Holiday Commission is a Federal body required by Federal law to perform congressionally mandated responsibilities. I think we have a responsibility to support with funds what we require people to do. From that perspective, it certainly makes no sense to punish the Commission by denying them support today simply because they have gone without it in the past.

Senator HELMS' second amendment would limit the extension of the Commission's life to 2 years rather than 5 years.

At this point I want to make it clear, as I already have with the dialog a few minutes ago and as I did last year when I introduced this bill, that I do not favor a permanent authorization for the Commission as was provided in the bill enacted by the House. To me that means we think we have to have permanent Federal money to instill in the American people the purpose of this Commission. I do not believe that is the case. I believe we can succeed in doing that in a 5-year period from this point. We have to review it. We have to review it in another 3 or 4 years to see at that stage what is needed.

I do not favor an open-ended authorization kind of procedure in general, not just on this but in general. I have opposed open-ended authorizations before. I think the very essence of what we are here for representing our people is to review on a periodic basis whether things have changed rather than taking the position something is needed forever when we set it up here in law.

The 5-year authorization included in S. 431 is based on a reasonable estimate of the minimum time we can really be sure that the Commission's work will be needed. I think this minimum time of 5 years certainly is clearly needed. I want to remind the Senators that we have given this Commission two responsibilities: first, to encourage broad recognition of and participation in the Martin Luther King Federal holiday; and, second, to provide information and assistance to those who participate.

To the extent that the first responsibility is discharged, the second responsibility becomes more burdensome.

I cited a lot of statistics yesterday about the number of requests for information and help the Commission received last year from this country, and from indeed all over the world. I need not cite them again. But there is a tremendous demand for information by the people of this country, and indeed by the people of the world. And the Commission's existence is fully justified if for no other reason than that alone, to let people know what is going on—and there are thousands and tens of thousands of people who want to know, and who want to participate.

The point is with 45 States on board as recognizing the holiday—5 States are not on board—there is no reason to believe that the Commission's work can be completed in 1 or 2 years. I think the 5-year period is a reasonable estimate. A 5-year reauthorization will ensure the Commission stays alive when we are sure there is plenty of work to do, and will give Congress an opportunity to revisit the issue in a few years.

Mr. President, the amendments that are being proposed that we will vote on at 11:30 clearly strike at the heart not only of what S. 431 would accomplish, but what we set out to do in the beginning by recognizing the Martin Luther King holiday.

So I urge the Senate to reject both of these amendments.

Mr. President, I will be glad to yield to the Senator from Massachusetts 5 minutes.

Mr. KENNEDY. Mr. President, I want to first of all join in commending the Senator from Georgia, Senator NUNN, for leadership on this particular issue, and to support his position in rejecting the amendments of the Senator from North Carolina.

As I mentioned yesterday during the course of the debate, it took some 18 years to develop this legislation. During that period of time, we faced many voices here in this body that urged delay in the Senate addressing and our country addressing the substance of the issue, which was the declaration of a holiday to honor one of the great Americans who brought the cause of racial justice and the cause of economic justice to the American people in a nonviolent way which permitted the institutions of our Nation to address these questions.

Today we are a fairer land, a more just land, a land that still has enormous problems internally but nonetheless this progress has been made which I think is historical from any point of view given the background of where we were in enshrining against slavery in the Constitution of the United States, and recognizing that this Nation faced a bloody Civil War in addressing the issue of slavery in the 1860's.

And in the 1960's we were able to make remarkable progress by appealing to the conscience of this Nation by the eloquence and by the moral authority of this very gifted and talented religious leader who demonstrated such extraordinary personal physical courage time in and time out, and who eventually lost his life in the service of fellow citizens for the cause of economic justice.

So, Mr. President, issues are raised as we address this particular question primarily of those who were opposed to the development of the holiday in the first place. I have not heard a voice from any Member who supported the holiday in the first place now urging support for the two amendments of the Senator from North Carolina. There are Members of this body, still in this body, who opposed the development of the King holiday in the first place, and now are continuing to fight a rearguard action. That is not really unusual in this institution but we ought to be quite ready and willing to call the tactics of those who are supporting these amendments to this legislation.

I would say that those who were involved in the Commission itself in the development of the Martin Luther King holiday deserve credit. Their first effort was to try to raise sufficient funds to have an adequate celebration through private sources. How many other times have we faced that when someone wants the appropriation first and then we will try to do the private sector second? Those who supported the legislation understood that it was the desire of the supporters for the legislation to do it through the private sector. I think that is a credit to those involved in it.

Quite frankly, Mr. President, many of us thought that the need for bringing to the American people the continued plight of racial injustice in our society and economic injustice might have diminished in our society over the years since the death of Martin Luther King, and since we have had an opportunity to examine both his life and examine the issues that have been brought to bear. But I think all of us have been reminded about how the injustice continues, and how the seeds of hostility and bigotry and in too many instances hatred still are evident in our society.

In spite of the goodwill and the determination and the leadership that has been provided by religious leaders, business leaders, labor leaders, and others, it is still there. I think one of the important commitments of this Nation is to try to remove it, remove the stain of bigotry in our society. We still have a ways to go.

I think all of us who were a part of the shaping and the fashioning in support of this legislation believed that the need for that kind of continued attention would have diminished, but it has not. So we are faced with what small, but important, contribution the holiday serves, where at least for 1 day, 1 day out of 365, that the people of this country will be able to take a few moments, a few hours, to contemplate both the life of Dr. King, the methods of Dr. King, the causes of Dr. King, which have been recognized internationally with the Nobel Prize, and have been recognized by the people who know him and who have read his works and heard that extraordinary, clear and compelling voice that reached the soul of this Nation.

That is what we are about, Mr. President, to try to ensure that at least one part of the year, 1 day of the year—hopefully 365 days of the year—but at least 1 day of the year, we are going to focus on that extraordinary legacy. That is why I am proud to be a cosponsor of the legislation, proud to support the positions which have been stated by the Senator from Georgia, and I urge the Members to reject those amendments and move to a quick and speedy passage of the legislation.

I thank the Senator from Georgia.

Mr. NUNN. I thank the Senator from Massachusetts.

Mr. President, I ask the Senator from Michigan, How much time do you need?

Mr. LEVIN. Four minutes.

Mr. NUNN. Mr. President, how much time do I have?

The PRESIDING OFFICER. Nine minutes.

Mr. NUNN. I yield 4 minutes to the Senator from Michigan.

Mr. LEVIN. Mr. President, first, let me thank Senator NUNN and the other cosponsors for the leadership in moving and advancing this legislation. I am both proud and honored to have joined Senator NUNN as an original cosponsor of S. 431, which provides for the reauthorization of the Martin Luther King, Jr., Federal Holiday Commission for 5 years at a $300,000 annual funding level.

Dr. King's death is 20 years behind us now; to some extent, deeply felt passions and the frustration, anguish, and bitterness with which the Nation was consumed during the tragic year of 1968 have subsided. But what remains with us and what is indelibly woven into the fabric and history of our Nation is the vision which Dr. King lived for and the dream for which he died. This vision and dream embraced all Americans in Dr. King's quest to make a living reality of equality of opportunity and economic and social justice for all humankind—those fundamental principles in our Constitution.

This great warrior, whose battlefield was the hearts and minds of those who did not feel that justice and dignity were meant for all people; whose shield and armor were strong determination and an unassailable character; and whose ammunition was moral conviction and self-sacrifice, deserves the fullest honor of this Nation. Few have dedicated their life so tirelessly in the struggle for equality as Dr. King. From the bus boycott in Montgomery to the sanitation workers in Memphis, his unyielding commitment to improve the lot of all Americans was demonstrated—he achieved significant goals by peaceful and nonviolent actions.

The observance of the Federal legal holiday honoring Dr. King's birthday provides appropriate recognition of that dream. The Commission, through its statutory mandate, encourages appropriate ceremonies and activities in observance of the holiday and performs the vital service of providing advice and assistance to Federal, State, and local governments and private organizations for their activities in honor of Dr. King.

The Commission has been instrumental in promoting the importance of educational excellence among our youth, and has responded to thousands of requests from school districts, principals, and teachers for information to conduct special "teach-ins" each year during the week of the holiday honoring Dr. King.

I hope that we will defeat any attempts to limit the essential activities of this Commission or to dictate to this Commission what their activities should be.

I hope we will also defeat any attempt to delete or decrease the authorization of direct Federal funds for the Commission. A resounding vote on S. 431 will send a message to all Americans that the principles for which Dr. King stood—equality, peace, justice, and compassion for all people—are principles of supreme value of each of us.

Mr. President, I yield back any time that I might have remaining, and I again thank my friend from Georgia.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Mr. President, how much of my leader time do I have remaining?

The PRESIDING OFFICER. The leader has 8 minutes remaining.

Mr. MITCHELL. Then I will use that time and leave the remaining time to the distinguished manager, the Senator from Georgia.

Mr. President, I support S. 431, the reauthorization of the Martin Luther King Holiday Commission for 5 years with an annual funding level of $300,000 per year.

The Commission has been a success. Forty-five States now observe Martin Luther King Day each January.

As Senator DOLE remarked yesterday, however, the Commission has struggled to maintain from private sources funding sufficient to sustain its activities and to work for the acceptance of the holiday by all the States.

Although the Martin Luther King Center has been successful in attracting private funds, the Commission has not enjoyed the same fortune. That results from the fact that Americans have now accepted the King holiday and the accompanying activities, so the normal incentive for giving—to accomplish a purpose—seems to potential benefactors to have been accomplished.

Yet it is a fact that without the efforts of the Commission to provide materials and assistance, the celebrations that mark the day in thousands of American communities would not have gotten off the ground.

The Holiday Commission has distributed thousands of informational packages, posters, and other materials. It has provided information about Dr. King to help localities develop their own celebrations. The Commission has helped reinvigorate for 1 day each

year the pride that Americans of all races take in our society's movement toward full equality before the law.

To continue to fulfill these functions, the Commission needs an extension of its life and has earned a modest degree of Federal financial support.

It is true, as has been claimed, that no other national holiday includes a federally chartered Commission funded to promote the purpose of the holiday.

But I do not think it is an unsupportable analogy to suggest that the Bicentennial Commission's function, in part, is to reinvigorate our understanding of such holidays as the Washington Birthday observance and Independence Day.

Senators will remember that the Bicentennial Commission was funded to the amount of $13 million in 1987. In the same year, the Holocaust Memorial Commission received $2.1 million in Federal funds.

So I do not find the argument about uniqueness persuasive.

There is, as well, a broader reason why I believe that the effort to cut off funds and shorten the life of the Commission is misguided.

A major objection of supporters of the funding elimination is that the celebration of Martin Luther King Day implicitly and explicitly supports the idea of nonviolent social change.

The compromise amendment to be offered eliminates any confusion over the line between explicit and implicit support for nonviolent social change.

But the large fact is that ours is a nation whose founding document is predicated on the goal of nonviolent political change. The Founders of the Constitution rejected the uncertainties and potential for violence that always attend a hereditary monarchy.

Our history reflects the accommodation of wrenching social and economic change through nonviolent political means.

The one tragic exception is the Civil War. After the Civil War, it became evident that regardless how readily we accommodated many other changes, our system had no easy means to assimilate the totally disenfranchised.

No society in the history of the world has ever developed a mechanism for permitting those outside its structure to change it for their own benefit. Ours was no exception.

Waves of immigrants were assimilated into our society in the same hundred years that black Americans, born American generation after generation, were barred from the same routes to assimilation.

It was the genius of Martin Luther King that he was able to see to the deepest roots of our system—our moral tradition—and to appeal to it.

By insisting, as he did, that protest against unjust laws be carried out peacefully, without violence, he ensured that ultimately the moral truth of equality in God's sight and man's would prevail.

It was the genius of Martin Luther King to recognize that nonviolent change and the rule of law were ultimately indivisible. In a nation like ours, where the rule of law is the tradition, injustice cannot prevail forever.

Change comes in many ways to societies. To most it comes with violence, to many with disruption. But it comes to all. To those who oppose nonviolent change, I ask: What kind of change do they prefer?

The Martin Luther King Holiday Commission, by the terms of its original charter and the reauthorization before us today, is charged with helping our communities commemorate and celebrate the great moral change that marks the success of the civil rights movement.

The compromise amendment I mentioned earlier allays any legitimate concern that the focus of the Commission remain fixed on the holiday observance exclusively. And the 5-year reauthorization gives a future Congress the opportunity to revisit the issue and determine, then, if the Commission's work is fairly concluded.

This is a modest and worthwhile proposal. It deserves the support of every Senator and I urge all my colleagues to give it theirs.

Mr. President, I thank the distinguished Senator from Georgia, and I now yield the floor.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I thank the majority leader for a very eloquent statement. I think he expressed the views of most Americans in that statement. I commend him for it.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. May I inquire how much time I have remaining.

The PRESIDING OFFICER. The Senator has 11 minutes and 31 seconds.

Mr. HELMS. Mr. President, the distinguished majority leader used 8 minutes from his leadership time; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HELMS. That means the vote will be delayed until 11:38?

The PRESIDING OFFICER. Under the precedents the 8 minutes of the leader time has to come out proportionately from each side.

Mr. HELMS. I am sorry. I did not understand the Chair.

The PRESIDING OFFICER. The 8 minutes would come out proportionately from each side because we have a vote at a time certain.

Mr. HELMS. So I do not have 11 minutes and 30 seconds remaining. Is that what the Chair is saying?

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. HELMS. I will not protest. I did not understand it. We have a policy and a unanimous-consent agreement where time was equally divided as I understood the Chair to say. Mr. FORD was in the Chair at the time I proposed that inquiry. No matter. We will vote at 11:30. I have no problem.

Mr. NUNN. Does the Senator need additional time?

Mr. HELMS. I do not think so, and I thank the Senator.

Mr. NUNN. I am glad to join in unanimous consent to extend for 5 minutes.

Mr. HELMS. Let us see. I would rather hold to the 11:30 time, but I was curious about what happened.

I do not want to gild the lily, Mr. President. But the example has been used two or three times on the floor, the Christopher Columbus Commission, as an example to set a precedent.

We have not set up an annual appropriation for any other individual honored with a holiday, never. This is the first time.

Actually the Commission that my good colleague has referred to with reference to Christopher Columbus was to celebrate the 500th anniversary of 1492, and I do not think I will be around here for the next 500 years.

But in any case I will say to my friend that I voted against that as well. I do not think we ought to spend the taxpayers' money with a lot of folderol even though Christopher Columbus did a pretty good thing when he discovered America. He did not know what he was doing, and if he was back here he might have some problems with that.

Mr. President, of the two amendments pending, the first will be to cut off funds and that is going to be defeated. I have no delusions about that. But if it were to happen that the second-degree amendment should be approved I would have no objection to the 5-year extension. I have no objection to the extension of the Commission just so that we do not set the precedent of having an annual appropriation for any holiday.

Mr. President, the statement was made just now by the distinguished majority leader that the first statute that was passed was designed to promote this and promote that in terms of nonviolent protests and that sort of thing. I must take exception to my friend, the distinguished majority leader. That is not what the statute said. That is not what the bill said.

The bill was to promote the first observance of the Martin Luther King holiday. That is what it was designed to do. That is what the stated purpose

was and there is no escaping what it was intended to do.

Then they extended the Commission after the first holiday, and here we are facing what the House is already demanding, to make permanent this Commission and to make permanent an annual appropriation, and I do think this is a bad precedent. It has not happened before.

Furthermore, we are going to have an amendment, I presume agreed to by the distinguished Senator from Georgia, the distinguished minority leader and the Senator from North Carolina, which will rectify a part of my concerns. But I must point out that no hearings on the pending bill were held by the Senate Judiciary Committee. That is my information. I believe it to be correct. It was taken up in a business session of the Judiciary Committee and reported out, and that is why it is before us.

I wrote the distinguished Senator from Delaware [Mr. BIDEN], the chairman of the Judiciary Committee and suggested that we have hearings, and I stated my concerns to him. I have a response probably written by staff, saying that he will be glad to discuss my concerns during the debate on the Senate floor. I have not even seen Senator BIDEN on the floor during this debate. I do not criticize him for that because he is a busy Senator.

The point is there has not been 1 minute of hearings on the bill now pending to which I have offered a first-degree amendment and a second-degree amendment.

I do not think that is the way the Senate ought to operate. Agree with me or not about whether we ought to be spending the taxpayers' money for this, the Senate ought to have hearings on this matter. The Senate has not had hearings on the matter.

We have had a great many expressions from Senators, and I do not mean a whole lot of disrespect when I say that they have been self-serving declarations about how much they care about civil rights, and some of the Senators might look to the civil rights situation in their own States. But I do not want to get personal about this thing. I am simply saying that the Senate did not act in accordance with the traditions that I believe in the Senate should prevail at all times.

Mr. President, there is no other federally funded entity established simply to promote a particular Federal holiday on an annual basis. We've heard reference the Christopher Columbus Quincentenary Jubilee Commission and the Commission on the Bicentennial of the U.S. Constitution. However, those are established to celebrate exceptionally unique events in our history: one to celebrate a 200th anniversary, and one to celebrate a 500th anniversary. And then they will terminate.

What distinguishes this holiday from Independence Day, or Washington's Birthday, or Lincoln's Birthday, to justify a permanent, federally funded Commission to promote it?

Mr. President, before we appropriate Federal funds specifically for this Commission, I think that the Senate should know exactly how the funds will be used. Some of the activities described in the Commission's annual report clearly go beyond the purpose for which the Commission was intended. That is why I requested the Judiciary Committee to hold hearings on the activities of the Commission.

Mr. President, the purpose of the Commission was clearly set forth in the authorizing legislation:

1. To encourage appropriate ceremonies and activities throughout the United States relating to the first observance of the Federal legal holiday honoring Martin Luther King, Jr., which occurs on January 20, 1986; and

2. To provide advice and assistance to Federal, State, and local governments and to private organizations with respect to the observance of such holiday.

We will talk about the activities of the Commission more when we address the amendment that has been agreed to by some Members of the leadership. But let me mention a few of the many activities and programs that are described in the Commission's annual report. I simply ask each Member to consider whether Federal funds should be used to support each of these programs and activities.

According to the 1988 annual report:

The Commission expanded the Freedom Trail Map Program that began in 1986-1987. * * * The focus of the Freedom Trail provides a stimulus to individuals, organizations, and communities in America—as well as for nations around the globe—to demonstrate commitment to nonviolent social change.

The Commission also worked with the King Center for Nonviolent Social Change, and the U.S. Student Association, to conduct a national college student conference in Atlanta. At this conference, "The Commission sought to reestablish a national college and university student coalition dedicated to the principles of nonviolent social change." The conference "brought hundreds of students * * * to Atlanta for formal training in Kingian nonviolence philosophy and strategy."

Later, the report states that:

The students learned how to bring protest campaigns through the stages of information, education, personal commitment [sic] and purification, negotiation, direct action, reconciliation, and gained fundamental skills which allowed them to return to their campuses and effectively deal with injustices. The Conference also encouraged students to register and vote.

Mr. President, as I mentioned earlier, an amendment will be offered at a later time to address those activities.

The report also states that the Commission "has called upon holiday commissions—State/city/local—as well as other organizations, and groups to identify and undertake a Martin Luther King, Jr. Heritage Action Project." These projects "must address problems of poverty, racism, war, and violence in its many forms, and how these issues impact upon the human experience."

The report sets out appropriate examples, including: First, housing for the poor; second, shelters for the homeless; third, creative efforts to promote peacekeeping and peacemaking; fourth, community service programs to help the elderly, the handicapped/physically challenged or other disadvantaged groups; fifth, programs to address the problems of drug abuse, teenage pregnancy, illiteracy, crime, unemployment and underemployment; sixth, assistance to small farmers and refugees; seventh, scholarships for students and adults to receive nonviolence training at the King Center in Atlanta; and eighth, nonviolent projects to eliminate apartheid in South Africa and to promote independent nations in the southern African region.

Mr. President, many of these efforts sound like very good projects. But the question before us today is whether the purpose of this Commission is to use Federal funds to lobby State and local governments on these issues. It clearly is not.

Yet another effort of the Commission is the "formalization of instruction on Dr. King in public and private schools, colleges, and universities. * * * The Commission sees an increasing need for the establishment of an Educational Materials Clearinghouse on Dr. King. The Clearinghouse will plan programs based on ongoing assessments of currently developed educational materials related to Dr. King, identify needs and improvements in curricular areas, maintain information on the current trends in educational practices and teaching techniques, and interact with State and local education agencies, principals, teachers, parents, educational associations, libraries, media and other information dissemination sources."

Another primary function of the Commission has been to lobby State and local governments to establish a holiday. According to the report, the Commission "began immediately upon its establishment to encourage State governments to enact legislation establishing corresponding State holidays and to establish State holiday commissions designed to institutionalize the holiday in their States. * * * The Commission encourages all States to use the legislative process to establish the day as a paid holiday for employees."

In fact, it states that the Governor of each State "will be asked to make a one-time contribution of $500 to the

Federal Commission." Later, it points out that "Each mayor will also be asked to make a one-time contribution of $250 to the Federal Commission."

Mr. President, many of our colleagues love to blame President Reagan for creating the current Federal deficit. They talk about how the Federal deficit is preventing the Federal Government from adequately funding programs to feed children, to take care of the elderly, to help bring people out of poverty. Yet these same people will vote for this additional Federal funding for a program which can be described, at best, as nonessential.

I assume that my time has expired. Of course, I yield the floor.

Mr. NUNN. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator from Georgia has 2 minutes.

Mr. NUNN. Mr. President, I yield 1 minute to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, as a member of the Judiciary Committee, this measure was amply discussed. Hearings have been held in both Houses of the Congress on the issue that is before us.

The question of the extension and the appropriation was brought up before the full Judiciary Committee. Everyone understood it. Senator BIDEN asked whether there were any comments on it and it was reported without any objection whatsoever.

So I do want to say that we are talking about a subject that this membership is familiar with. I commend the leader for giving us an opportunity to act and act early in this session.

I yield back whatever time I may have remaining.

Mr. NUNN. Mr. President, I am prepared to yield back the remainder of my time.

Mr. KOHL. Mr. President, I rise in opposition to the amendments offered by the gentleman from North Carolina.

The Martin Luther King, Jr., Federal Holiday Commission was established in 1984 to encourage the observance of the Federal holiday honoring Dr. King. When the Commission began its work, fewer than half the States observed the King holiday; now, all but a handful celebrate this important occasion.

Through pamphlets, posters, newsletters and special events, the Commission has helped spread Dr. King's message of racial equality and nonviolent social change. More importantly, it has reached out to young people across the Nation by making these materials and activities available to our schools.

But while the Commission has done outstanding work, I believe that it needs more than 2 additional years to complete its mission. As Dr. King himself wrote in his letter from the Birmingham jail, "injustice anywhere is a threat to justice everywhere." Extending the life of the Commission for another 5 years will simply help reduce this threat and further Dr. King's dream of peace and justice.

Moreover, an annual appropriation of $300,000 will help the Commission work more efffectively. Since its inception, the Commission has operated without Federal funding. As a result, it has had to devote far too much time soliciting contributions and not enough time carrying out its mandate. By giving the Commission a modest stipend—one that is a fraction of the cost of our cheapest weapons system—we will ensure that this important holiday remains a constructive force for all Americans.

Mr. President, I urge my colleagues to defeat these amendments and help Dr. King's vision become a reality for all of us.

Mr. HELMS. Mr. President, inasmuch as my time was reduced through no fault of my own, I ask unanimous consent that I may have 1 more minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, no Senator, present or absent, can suggest that a hearing has been held on the bill now before the Senate. It is misleading—and I do not suggest that it is intentionally misleading—it is misleading to suggest that this bill had 1 minute of hearing.

I yield back the remainder of my time.

Mr. NUNN. Mr. President, I yield back the remainder of my time.

Did the Senator ask for the yeas and nays?

Mr. HELMS. The yeas and nays have been ordered.

VOTE ON AMENDMENT NO. 66

The PRESIDING OFFICER. Under the previous order, the hour of 11:30 a.m. having arrived, the Senate will now vote on the Helms amendment No. 66. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from New Hampshire [Mr. HUMPHREY], and the Senator from Delaware [Mr. ROTH] are necessarily absent.

The result was announced—yeas 11, nays 86, as follows:

[Rollcall Vote No. 52 Leg.]

YEAS—11

Armstrong	Lott	Rudman
Baucus	Mack	Symms
Gramm	McClure	Wallop
Helms	Pressler	

NAYS—86

Adams	Bond	Bryan
Bentsen	Boren	Bumpers
Biden	Bradley	Burdick
Bingaman	Breaux	Burns
Byrd	Harkin	Mitchell
Chafee	Hatch	Moynihan
Coats	Hatfield	Murkowski
Cochran	Heflin	Nickles
Cohen	Heinz	Nunn
Conrad	Hollings	Packwood
Cranston	Inouye	Pell
D'Amato	Jeffords	Pryor
Danforth	Johnston	Reid
Daschle	Kassebaum	Riegle
DeConcini	Kasten	Robb
Dixon	Kennedy	Rockefeller
Dodd	Kerrey	Sanford
Dole	Kerry	Sarbanes
Domenici	Kohl	Sasser
Durenberger	Lautenberg	Shelby
Exon	Leahy	Simon
Ford	Levin	Simpson
Fowler	Lieberman	Specter
Garn	Lugar	Stevens
Glenn	Matsunaga	Thurmond
Gore	McCain	Warner
Gorton	McConnell	Wilson
Graham	Metzenbaum	Wirth
Grassley	Mikulski	

NOT VOTING—3

Boschwitz	Humphrey	Roth

So the amendment (No. 66) was rejected.

VOTE ON AMENDMENT NO. 65

The PRESIDING OFFICER. Under the previous order, the Senate will now vote on the Helms amendment No. 65. The clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from New Hamsphire [Mr. HUMPHREY] and the Senator from Delaware [Mr. ROTH] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 6, nays 92, as follows:

[Rollcall Vote No. 53 Leg.]

YEAS—6

Helms	Pressler	Symms
McClure	Rudman	Wallop

NAYS—92

Adams	Exon	Mack
Armstrong	Ford	Matsunaga
Baucus	Fowler	McCain
Bentsen	Garn	McConnell
Biden	Glenn	Metzenbaum
Bingaman	Gore	Mikulski
Bond	Gorton	Mitchell
Boren	Graham	Moynihan
Boschwitz	Gramm	Murkowski
Bradley	Grassley	Nickles
Breaux	Harkin	Nunn
Bryan	Hatch	Packwood
Bumpers	Hatfield	Pell
Burdick	Heflin	Pryor
Burns	Heinz	Reid
Byrd	Hollings	Riegle
Chafee	Inouye	Robb
Coats	Jeffords	Rockefeller
Cochran	Johnston	Sanford
Cohen	Kassebaum	Sarbanes
Conrad	Kasten	Sasser
Cranston	Kennedy	Shelby
D'Amato	Kerrey	Simon
Danforth	Kerry	Simpson
Daschle	Kohl	Specter
DeConcini	Lautenberg	Stevens
Dixon	Leahy	Thurmond
Dodd	Levin	Warner
Dole	Lieberman	Wilson
Domenici	Lott	Wirth
Durenberger	Lugar	

NOT VOTING—2

Humphrey	Roth

So the amendment (No. 65) was rejected.

Mr. HELMS. Mr. President, permit me to suggest the absence of a quorum for just 1 second.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that further proceedings under the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2 p.m.

Thereupon, at 12:07 p.m., the Senate recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. SANFORD].

FUNDING FOR MARTIN LUTHER KING, JR., FEDERAL HOLIDAY COMMISSION

The Senate continued with the consideration of the bill.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIXON. Mr. President, I ask unanimous consent to proceed as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE PLO AND WHO

Mr. DIXON. Mr. President, I rise to call attention to yesterday's lead editorial in the Washington Post, "The PLO and the WHO." The PLO has filed an application to be admitted as a full member state to the World Health Organization, which operates under the authority of the United Nations.

Let me quote the editorial: "At the top of the application letter and in a stamp at the bottom is a physical representation of the newly proclaimed Palestinian state." The representation, Mr. President, includes all of the present State of Israel. Let me say that again, Mr. President, because I cannot believe the audacity and gall of the PLO: The drawing incorporates all of the present State of Israel.

The representation of a Palestinian state on the PLO letterhead is the same as that contained in the anti-Isaeli Palestine National Covenant. The covenant is clear as to its position on the State of Israel. It wants Israel buried in the ground.

As a means of expressing my dismay about what the PLO is trying to do, I will join Senators LEAHY and KASTEN in sending a letter to President Bush expressing grave concern about this issue. The letter calls on the President to use all means necessary to convince our friends and allies to prevent the PLO from entering the World Health Organization.

The PLO has been exposed again, Mr. President. To paraphrase a well known saying: I would not trust the PLO as far as I can throw it. Allowing the PLO in the World Health Organization is like putting a fox in charge of the hen house. The fox will make all kinds of assurances that it will stick to its job, but once it is in the hen house, it has only one thing on its mind: eating the chickens. I implore the member states of the World Health Organization not to be outfoxed.

The World Health Organization discusses health matters, not peace plans, Mr. President. It does not want the PLO as a full voting member. The decision, though, rests with the individual member states.

According to the World Health Organization, only the United States and Israel have objected to the PLO application.

Where are our allies? Do they not recognize that at the very least, the admission of the PLO to the World Health Organization grants full member status to a nonexistent state? Such an action would be without precedent.

The PLO claims to want peace in the Middle East. Peace to the PLO means one thing: The destruction of Israel.

The problems of the Middle East demand serious attention. I do not know what the answer is to the problems in the West Bank and Gaza. I do know, however, that the entry of the PLO in the World Health Organization is improper. It would give the Organization a platform from which Yassar Arafat will seek to impose a political agenda on a health organization. He will hold it hostage to his own personal agenda. We must urge our friends around the world to deny the PLO application for admission to the World Health Organization.

Mr. President, I ask unanimous consent that yesterday's editorial in the Washington Post be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 1, 1989]

THE PLO AND WHO

The PLO, which declared itself a state, now seeks admission as a state to the whole family of international organizations, starting with the World Health Organization, whose assembly opens in Geneva on May 8. The United States opposes the application, and rightly so, and so should everyone else who cares about the health of international diplomacy and about the health of international organizations too.

To see what is objectionable about the PLO's WHO application, you have only to look at the paper it's written on. There at the top of the application letter and in a stamp at the bottom is a physical representation of the newly proclaimed state of Palestine. It includes all of Israel, pre-1967 and post-1967. It is in fact the Palestine of the offensive Palestine National Covenant, the familiar charter of the Palestinian national movement that declares the state of Israel null and void. To be sure, and fortunately, the covenant's chilling state-killing words have been more or less contradicted by some of the statements made recently by the PLO leadership, but the objectionable language remains unamended in the charter.

Palestine as a state exists in the hopes of Palestinians. The idea of a Palestinian state may be in the air. But the new state that the PLO is asking WHO to admit does not exist in a territorial or political medium, and it wipes out symbolically an already existing member state.

The United States accepts the PLO as representing the Palestinians but rejects the PLO's claim of a state. Washington believes that the particular form that Palestinian political aspirations finally take should emerge from negotiations—not from unilateral declaration and not from international pronouncement, either. At this point that's a sound approach, and we hope that the WHO assembly takes it and sets the PLO application aside as negotiations proceed elsewhere to make the political status of the Palestinian people an accepted and agreed international reality.

Otherwise, the objections of the American administration and Congress will ensure a new battle in Geneva, and this can only spill a corrosive political passion upon an organization that has much important nonpolitical work to do. The same goes for the other international agencies. If the PLO presses its suit there, it will take on the responsibility for repoliticizing agencies that are only now emerging from their last costly and extended bruising by the Palestinian issue.

Mr. HELMS. Will the Senator yield?

Mr. DIXON. I am always delighted to yield to my senior friend from North Carolina.

Mr. HELMS. I want to compliment my distinguished friend from Illinois. He has stated the case perfectly. I for one am proud of the statement that Secretary Baker issued yesterday. I happened to have lunch with him shortly after the issuance of that statement. I hope this will sink in upon the minds of the American people, exactly what is going on.

The Senator has made an excellent statement, and I commend him for it. I thank him for yielding.

Mr. DIXON. I thank my friend from North Carolina. I yield back the floor,

Mr. President, and I thank the manager and I thank my friend from North Carolina.

FUNDING FOR MARTIN LUTHER KING, JR. FEDERAL HOLIDAY COMMISSION

The Senate continued with the consideration of the bill.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Will the Chair state the pending business?

The PRESIDING OFFICER. The pending business is consideration of S. 431.

Mr. NUNN. It is my understanding there is no time agreement entered into at this time.

The PRESIDING OFFICER. That is correct.

AMENDMENT NO. 67

(Purpose: To restrict certain activities of the Martin Luther King, Jr., Federal Holiday Commission, and to require such Commission to be subject to the Federal Advisory Committee Act)

Mr. NUNN. Mr. President, I send an amendment to the desk on behalf of myself, Senator HELMS, of North Carolina, Senator MITCHELL, Senator DOLE, the junior Senator from North Carolina, Senator SANFORD, and the Senator from Massachusetts, Senator KENNEDY, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for himself, Mr. HELMS, Mr. MITCHELL, Mr. DOLE, Mr. SANFORD, Mr. KENNEDY, and Mr. WARNER proposes an amendment numbered 67.

Mr. NUNN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 17, strike out "4" and insert "5".

On page 3, line 23, strike out "5" and insert "6".

On page 3, between lines 16 and 17, insert the following new section:

SEC. 4. RESTRICTIONS ON ACTIVITIES OF THE COMMISSION.

Section 6 of Public Law 98-399 (98 Stat. 1474) is amended by adding at the end thereof the following new subsection:

"(c) In carrying out the responsibilities of the Commission under this Act, the Commission shall not make any expenditures, or receive or utilize any assistance in the form of the use of office space, personnel, or any other assistance authorized under subsection (b), for any of the following purposes—

"(A) training activities for the purpose of directing or encouraging—

"(i) the organization or implementation of campaigns to protest social conditions, and

"(ii) any form of civil disobedience.".

At the end of the bill, add the following:

SEC. 7. REPEALER.

Section 5(c) of Public Law 98-399 (98 Stat. 1474) is repealed.

Mr. HELMS. Will the Senator yield?

Mr. NUNN. I will be glad to yield.

Mr. HELMS. Mr. President, I want to commend my friend from Georgia. As I indicated earlier, he and I met with the leadership of the Senate yesterday morning, and we discussed the problems that I saw in the bill. SAM NUNN, as always, not only was cooperative, he was courageously cooperative. I want to thank him for his cooperation on this amendment. I am delighted to offer it with him jointly, as per our discussion. If the Senator will permit me, I want to pay my respects to a young man. I often say I work for him, and that is the truth. Andy Hartsfield is a fine young lawyer on my staff who has worked with members of your staff, and they have produced this amendment. I thank the Senator for his cooperation, and I thank him for the cooperation of his fine staff.

I might add, this is the most homogenized sponsorship I ever saw. When you get the Senator from Massachusetts, the Senator from Georgia, and the junior Senator from North Carolina, who is now presiding, you really have the whole waterfront covered.

Mr. NUNN. Does that make the amendment suspicious in the mind of anyone?

Mr. HELMS. I think so. I thank the Senator.

Mr. NUNN. I thank the Senator from North Carolina. I will say this amendment has been carefully worked out. I appreciate the efforts of the Senator from North Carolina and his staff in working with my staff and the staff of Senator KENNEDY, Senator MITCHELL, Senator DOLE, and Senator SANFORD.

Mr. President, this amendment is intended to clarify the outward limits of the original Commission authorization with respect to promotion of Dr. King's legacy of nonviolent protest and civil disobedience. I think it is important to make sure that we understand what this amendment does do and also what it does not merit. The original act requires the Commission to encourage "appropriate ceremonies and activities" relating to the Martin Luther King Federal holiday.

The act also states that "The holiday shall serve as a time for Americans to reflect on the principles of racial equality and nonviolent social changes espoused by Martin Luther King, Jr."

Thus, Mr. President, the Commission cannot do its job, the job we have asked them to do, without supplying to the public information on Dr. King's life and the legacy of nonviolent protest and civil disobedience.

What this amendment would ensure is that the Commission does not go beyond that informational purpose and supply active training in the application of those principles to specific problems today. The amendment does not suggest that the application of Dr. King's principles of nonviolent protest and civil disobedience of today's problems is an unworthy activity. Indeed, it is a highly appropriate activity for the Martin Luther King Center for Nonviolent Social Change and certainly for other organizations. But this Commission, especially now that it will receive a direct Federal appropriation, is not an appropriate site for how-to conferences, if we could call them that, or training about social protest or civil disobedience.

The Commission's job, as envisioned by the Congress, I believe, when this Commission was created and certainly envisioned by this Senator, is to concentrate on the holiday and its meaning and let more active and practical applications of the King legacy be conducted elsewhere.

Let me emphasize that I do not believe the Commission was ever intended to become an advocate or training center for social protest and civil disobedience, nor does it intend to do so in the future. I have talked to at least two Senate Commission members about this, Senator HOLLINGS as well as Senator DOLE, and they assure me they never have intended to play that role, nor did they envision the Commission playing that role in the future.

This amendment makes that clear. This amendment simply provides guidance to the Commission in drawing the line between appropriate and inappropriate activities because we now have direct Federal appropriated dollars involved in the Commission if this bill passes.

There is nothing under this amendment prohibiting information on Dr. King and his legacy including social protest and civil disobedience. That would be fine. We certainly are not trying to stifle anything about the information flow regarding the history of Dr. King, what he stood for, his life, his movement, and the meaning to the people of this country and the world.

But this amendment makes it clear that how-to training, if I could call it that, would not be permitted, and I think that is what was intended in the original legislation. I believe that is what the Commission has done, and I believe that is what it will do in the future.

Mr. President, this amendment is offered by myself, Senator HELMS, Senator MITCHELL, Senator DOLE, Senator SANFORD, the Presiding Officer at the moment, and Senator KENNEDY.

Mr. President, I yield the floor.

Mr. HELMS. Mr. President, this is a good amendment, and it takes care of one of the major concerns I had origi-

nally with respect to the pending bill. The Federal Government has no business encouraging protest movements or campaigns, or any form of civil disobedience. There is pretty good evidence in the Commission's annual report that it has been doing exactly that.

Let me quote again, as I did yesterday, from the Commission's annual report regarding this sort of activity. The report indicates that the Commission's goal is "to reestablish a national college and university student coalition dedicated to the principles of nonviolent social change."

In pursuit of this goal the Commission conducted a conference in Atlanta for college students, at which the methodology for protest movements on campus was discussed, and there was extensive instruction on precisely how to go about it.

According to the report, and I quote, "The Conference provided students with training in the application of a philosophy and moral foundation of Kingian nonviolence and focused on the practical application of nonviolent social change."

Parenthetically, I will say we all know what that means. We have seen it on campuses all across the land. We are seeing it today.

"The students in Atlanta," and I am quoting, "learned how to bring protest campaigns through the stages of information, education, personal commitment and purification, negotiation, direct actions, reconciliation, and gained fundamental skills which allowed them to return to their campuses and effectively deal with injustices."

Mr. President, let me turn now to the second part of the amendment. When the Commission was created in 1984, the legislation included a provision to exempt the Commission from the provisions of the Federal Advisory Committee Act [FACA]. There is no legislative history explaining why this was done, but I assumed it was done because the Commission received no direct Federal funding. Now we are considering legislation to provide direct Federal funding.

I made the judgment some weeks back that the provision of direct Federal funds will change the whole complexion of this debate. As long as the Commission is raising the money themselves, and there is no direct funding, that is their right, and I have no disagreement with that so long as they do not violate the law. But this bill was reported out of the Judiciary Committee without 1 minute of hearings to review the activities of the Commission. That is when I drew the line and said, "We are going to do something about this when it gets on the Senate floor."

As I said earlier this morning, I wrote to the distinguished chairman of the Senate Judiciary Committee, Mr. BIDEN, and suggested strongly to him that we could work out some concerns of mine if we pulled the bill back from the calendar and allowed some hearings and then went through the proper reporting procedure that all committees are supposed to follow. Senator BIDEN is busy and I do not fault him, but he wrote back and said he would discuss my concerns on the Senate floor.

That brings us up to the meeting yesterday morning with the majority leader, Mr. MITCHELL, and the minority leader, Mr. DOLE, Senator NUNN, and me. I must say, to SAM NUNN'S credit, the moment I brought this matter up, he understood what the problem was and there began a process in which his staff and my staff, Mr. Hartsfield, and the staffs of the majority and minority leaders came into play.

Now that direct Federal funds obviously are going to be appropriated for the Commission, it is certainly only fair to the taxpayers of this country that this Commission come under the same scrutiny that is intended for all advisory committees of the Federal Government.

Mr. President, the Federal Advisory Committee Act was enacted in 1972. That was a year before I came to the Senate. This was the year I was trying to come to the Senate. It was enacted to provide a means for the Federal Government to account for and manage the proliferation of Federal committees, boards, commissions, councils, conferences, panels, task forces, et cetera, then in existence.

Generally, the Federal Advisory Committee Act requires that the deliberations of all of these advisory groups be public, their memberships be balanced and free of undue influence from any particular special interest, and their members be free of any actual or potential conflict of interest.

When the Federal Advisory Committee Act was enacted, the total cost of all Federal advisory committees was approximately $25 million, and one of the primary purposes of the act was to keep track of the number of advisory committees and to keep the cost to the taxpayers at a minimum.

Nevertheless, by last year, 1988, the cost of these advisory bodies had risen from $25 million in 1972 to more than $92 million.

Now, that illustrates how these various commissions, and so forth, take on a life of their own. One of the main reasons I am opposing this bill is because I think we ought to not go forward and establish an additional, federally funded Commission. We ought to be pulling back and taking that burden off the backs of the taxpayers.

The distinguished chairman of the Governmental Affairs Committee, Mr. GLENN, of Ohio, and the distinguished ranking member of that committee, Mr. STEVENS, of Alaska, are very much interested in the working of the Federal Advisory Committee Act.

They, along with several other members of the Governmental Affairs Committee, have proposed legislation to fine tune and tighten the controls and definitions contained in the FACA. Of course, that pleases me very much. I think it is in the public interest, and I commend them for their efforts in this regard.

Their efforts to strengthen the act are especially important considering the way, lately, that we have gotten into the habit of creating a new advisory committee or commission every time we turn around. I do not believe we should be so quick to create these committees and commissions, especially when the taxpayers are being required to pay for them. In fact, section 2(b)2 of the Federal Advisory Committee Act states that: "new advisory committees shall be established only when they are determined to be essential" and their numbers should be kept to the minimum necessary.

Mr. NUNN. Mr. President, as the Senator from North Carolina has noted, the amendment also would place the Commission under the provisions of the Federal Advisory Committee Act. That act is a general statute ensuring that Federal commissions follow basic accountability standards, including record keeping and open meetings. The Commission was exempted from these requirements in 1984 and 1986 because they do impose a paperwork burden, and it did not seem appropriate to impose that burden when the Commission was not receiving a direct appropriation of Federal funds.

Now that the Commission will receive a direct appropriation, it is now entirely proper that it comes under the FACA requirements to ensure accountability to Congress and the American people, and that's what this amendment would accomplish.

Mr. HELMS. Mr. President, I am now going to offer a second-degree amendment to this amendment. I have discussed this with the distinguished Senator from Georgia.

AMENDMENT NO. 68 TO AMENDMENT NO. 67

(Purpose: To prohibit the Martin Luther King, Jr. Federal Holiday Commission from engaging in lobbying activities)

Mr. HELMS. Mr. President, I send an amendment to the desk in the second degree and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 68 to amendment numbered 67.

On page 2, after line 11,

At the end of the proposed subsection (c) to section 6 of Public Law 98-399 (98 Stat. 1474) of the amendment numbered 67, add the following:

"(B) lobbying activities with respect to any State or local government official with the intent of encouraging or influencing the enactment of legislation.".

Mr. HELMS. Mr. President, I thank the distinguished clerk. I wanted the entire amendment to be read.

Mr. President, I neglected to ask for the yeas and nays on the Nunn-Helms amendment. I do so now.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair.

Mr. President, with respect to the second-degree amendment which the clerk has just read, it is clear that the policy of the Federal Government is that Federal funds should not be used for the purpose of lobbying. The Tax Code itself contains lobbying restrictions on organizations that receive tax-exempt status. In fact, the Internal Revenue Code provides that the tax-exempt status can be denied to an organization if "a substantial part of the activities of such organization consist of carrying on propaganda or otherwise attempting to influence legislation."

Mr. President, the able Senator from Georgia and others have made the point that the Commission is clearly a Federal entity. There is no question about that. The legislative history shows it. So this amendment is not only desirable but it is also essential.

The point is made even more clearly if the Commission is extended, and if it receives Federal funds. Obviously, that is going to happen today. In that case, the Commission should be bound by the same rules as all other Federal entities and all private entities receiving tax-exempt status. That includes a restriction on lobbying activities.

The restrictions intended by this amendment are those set forth in IRS Publication No. 557 which explains the rules and procedures governing tax-exempt organizations.

Let me read through these restrictions to make it perfectly clear what is allowed and what is not allowed under this amendment. Under the section, "Lobbying to influence legislation, for this purpose, means":

(1) Any attempt to influence any legislation through a move to affect the opinions of the general public or any segment thereof; and

(2) Any attempt to influence any legislation through communication with any member or employee of a legislative body or with any government official or employee who may participate in the formulation of legislation.

However, the term influencing legislation does not include the following activities:

(1) Making available the results of nonpartisan analysis, study, or research;

(2) Providing technical advice or assistance (where the advice would otherwise constitute the influencing of legislation) to a governmental body or to a committee or other subdivision thereof in response to a written request by such body or subdivision;

(3) Appearing before or communicating with any legislative body with respect to a possible decision of that body that might affect the existence of the organization, its powers and duties, its tax-exempt status, or the deduction of contributions to the organization;

(4) Communicating with a government official or employee, other than—

(a) A communication with a member or employee of a legislative body (when the communication would otherwise constitute the influencing of legislation), or

(b) A communication with the principal purpose of influencing legislation.

Also excluded are communications between an organization and its bona fide members with respect to legislation or proposed legislation of direct interest to the organization and the members, unless these communications directly encourage the members to influence legislation or directly encourage the members to urge nonmembers to influence legislation, as explained earlier.

I will emphasize again that this amendment applies only to lobbying State and local governments to influence legislation. It is not intended to prohibit the Commission or any of its members or officers from communicating with Members of Congress to influence legislation in the U.S. Congress.

Mr. President, it is clear that the Commission understands that it is, in fact, improper for it to engage in lobbying activities at the State and local level. I would like to have inserted in the RECORD a portion of the Commission's own annual report that discusses the passage of State holiday legislation. As a matter of fact, I will read it into the RECORD.

The Commission has exercised extreme care in not becoming involved in lobbying activities for holiday legislation but has shared information on types of legislation enacted by other States.

But when you read the other activities described in the annual report of the Commission itself, it is clear that the Commission is in fact actively involved in direct, extensive lobbying of State and local governments to pass legislation establishing a paid holiday.

Let me give a few examples from the report:

The Commission began immediately upon its establishment to encourage State governments to enact legislation establishing corresponding State holidays and to establish State holiday commissions designed to institutionalize the holiday in their States. The Commission encourages all States to use the legislative process to establish the date as a paid holiday for employees.

As I said yesterday, this is not JESSE HELMS talking. This is the verbatim quote from the annual report of the Commission.

Later the report says:

The Chairperson of the Commission plans to visit these seven States for discussions with principal State officials and legislators regarding ways and means to officially establish the holiday in their States.

This report goes on, and I am continuing to quote:

The Governor of each State will be asked to continue their State holiday commission or to create one, and allow their commission to become part of the Federal commission's new council of State holiday commissions. Each Governor will also be asked to make a one-time contribution of $500 to the Federal commission.

Well, I parenthetically say, I am sure that will not be greeted with enthusiasm, because I do not think Governors are any more inclined than Senators to put up their own money for anything. They would rather use the taxpayers' money. We will see about that. But to continue the quotes from the annual report:

Mayors throughout the country will be asked to continue their local commission/committee or to create one; each Mayor will be asked to make a one-time contribution of $250 to the Federal commission.

Efforts will also continue to have the United Nations formally observe the national holiday, some special event or activity.

Now, that is not a complete sentence, but that is the way it is in the report.

Quoting further:

The international committee established there major objectives: One, to encourage support for meaningful activities at foreign embassies in Washington, D.C., and their countries on the holiday. . . . Members of the committee actively promoted their objectives through correspondence and personal meetings with foreign ambassadors and other officials.

Now, Mr. President, if we are going to allow federally funded entities to lobby State governments on a specific legislative issue, I can think of a host of issues on which I would prefer to see State and local governments subjected to a bit of lobbying.

Why do we not put pressure on States to enact right-to-work laws, for example; that would please me greatly. In my opinion, that would have a substantial and more beneficial impact on every worker than just having another holiday. Be that as it may, the subject of this particular debate is not the issue. It should not matter whether you happen to agree with the proposition on which the Commission is lobbying. The issue is whether it is appropriate for federally funded agencies, any such agency, to lobby State and local officials for any reason. I submit that it is not appropriate, and I assume that my colleagues will support this restriction. We shall see.

Mr. President, it may be that we can reach some sort of unanimous-consent agreement on these votes. Senator NUNN said that he would be back here no later than 3 o'clock, and I do not want to foreclose him and any com-

ments he may have. So with that in mind, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIXON. Mr. President, I ask unanimous consent that I may proceed for a brief period of time as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

POGO WOULD SAY THE ENEMY ON FSX IS US

Mr. DIXON. Mr. President, I was back in Illinois holding town meetings when the word came that the administration has decided to proceed with the giveaway of American technology to the Japanese so they can build the FSX fighter rather than buy the planes from us.

I was outraged at this news. I said so to everyone within range of my voice in Illinois. Now, here in Washington, where the decision was made, I once again want to express my deep and troubled concern to everyone who is interested in this very important development that will affect the lives of all of us for years to come.

This scheme the Japanese and our own negotiators have maneuvered us into disturbs me so much that I was tempted while still in Illinois to rummage around in my belongings to find my old "Pogo for President" button. As it turned out, I did not have time for that, but what I was really seeking was the calm, reasoned, thoughtful approach Pogo always brings to problems if we only take time to listen to him when everything is in an uproar.

The Pogo comic strip is back among us, thankfully, and reading the panels about the swamp animals reminds us of all the profound wisdom voiced by Pogo and his friends some years ago. Pogo had one truly profound statement he uttered when Walt Kelley was observing our national scene. "We have met the enemy," said Pogo, "and they is us."

The FSX deal being foisted on Congress and our country has already been the subject of several of our political cartoonists across the Nation. They recognize, as did Pogo, that every now and then our experts make a terrible error that is so monstrous hardly anyone recognizes it for what it is—a mistake that should not be allowed to happen.

That is exactly what is happening with the FSX deal—our negotiators have turned into our country's own worst enemies in this deal they have worked out with the Japanese. This deal is so one-sided and so utterly outrageous that I am astounded the administration is trying to get away with it. What does it take in this country to wake everyone up to an absolute boondoggle?

Not even Pogo could put it any plainer. This FSX deal is a very bad deal for America. This FSX agreement should never have been negotiated by the previous administration. This FSX agreement should not have been finetuned by the present administration. This FSX agreement should be scrapped.

We should ask ourselves a few questions:

First, if you were a negotiator for Japan and you had the option of buying the world's best fighter plane at a savings of $30 million per plane, would you not jump at the chance? I will bet you would.

Second, if you were a negotiator for Japan and you had the opportunity to take the heat off the $54 billion trade imbalance with the United States by buying between 130 and 170 fighter planes and thus reducing that massive trade imbalance, would you not take advantage of the opportunity?

From our perspective, the answers seem obvious; but, they are not the answers the Japanese negotiators have given.

The point of this exercise is to demonstrate that we are not thinking the way the Japanese are thinking on the FSX fighter plane deal. The Japanese negotiators have outfoxed us on this one. One animal Pogo keeps a close lookout for in the swamp is the fox. We had better do the same, Mr. President, before it is too late.

I would like to get up on top of the Capitol dome and shout this question, Mr. President—why are we making this deal? It made no sense to me when it was first proposed. It makes no sense to me now. Even Pogo would have the judgment and common sense not to sign this one.

I saw a book review in an Illinois newspaper while home this weekend that goes to the heart of this FSX deal. The question was posed thusly: "Can international free trade survive when the West does not have a trade strategy to match Japan's 'adversarial' trade, which targets and kills off whole industries in the victim country?"

This is a trade issue we are talking about—not a military issue. The Japanese want to get into the aerospace industry. They want to do it through the FSX deal. They want us to give them technology they do not have. They want, in other words, to target and kill off our aerospace industry.

Too far-fetched, you say, Mr. President? Look at what the Japanese did in automobiles. Look at what the Japanese did in steel. If this FSX deal flies, we will soon be saying, look at what the Japanese did in aircraft.

As you know, Mr. President, the FSX Program calls for Japan and ourselves to jointly develop a new fighter using General Dynamic's F-16 fighter aircraft as a starting point. Following development, the plan calls for both countries to coproduce approximately 130 fighters beginning in the mid-nineties. When deployed, this advanced fighter will help provide for our mutual security needs. Sounds reasonable, does it not? It is not.

For the Japanese, the heart of this program is not defense, but the development of an aerospace industry capable of competing in the world marketplace. The Japanese are not capable of doing that now because they do not possess the technology or knowledge needed to build high-performance jet aircraft. But as in so many other industries—such as VCR's and semiconductors—the Japanese know where to get the technology and knowledge: from the good old U.S.A. What has been the consequence? America provides this technology and knowledge to the Japanese and promptly suffers a loss of United States leadership in several industries, and the loss of hundreds of thousands of good-paying American jobs. The Japanese have managed to do this in large measure because since the end of World War II their economic growth has been fostered by the conventional and nuclear defense protection given them by the United States. We have just recently helped protect Japan by assuring the free flow of oil through the Persian Gulf.

On the economic side, what we have gotten in return for our expertise and willingness to promote free-trade is a Japanese reluctance to share technology or open their markets to United States products, and a huge trade deficit of $54 billion. That $54 billion figure does not include what we spend in defending Japan.

Now the FSX deal comes along, and we are on the verge of shooting ourselves in the foot again by giving Japan a shot-in-the-arm that will help it develop a government-supported industry that will aggressively—and often unfairly—compete against American firms.

This FSX deal, Mr. President, is not a good deal. It is a No. 1 bamboozle. The Japanese have approached this program from an economic perspective, while we negotiated from a defense and foreign relations perspective. The Japanese want an aerospace industry. They have a huge pool of young engineers who will greatly benefit from the FSX Program and who will become the designers and developers of future Japanese commercial and military aircraft. In 1984, the Japanese space and development policy

called for autonomy in commercial aviation. Our own Government Accounting Office, in a 1982 report, said the key objectives of Japan in entering coproduction programs with United States defense companies are to enhance their high technology employment base to develop future export industry and to increase their military self sufficiency.

When are we going to give equal weight to our own economic interest when we negotiate these agreements? Our security concerns in the Far East are important, but a $50 billion plus trade deficit with Japan each year cannot be sustained indefinitely. I do not blame our Defense Department for not wanting to rely on Japanese fighter planes, because they would not be as reliable as the FSX or F-16 fighters. Japanese fighters would put our forces at greater risk. But why can we not convince Japan, touted as a strong United States ally, to buy F-16 fighters? Such a purchase will reduce our trade deficit now and protect our trading position in the future, while still giving both of our countries the protection we need in the Far East.

Rather than capitulating in our negotiations, we should be pressing the Japanese to accept our comparative advantage in aerospace and to recognize their responsibility to reduce their large trade surplus with us and other countries. These surpluses cause economic imbalances and threaten world economic security. As an economic superpower, the Japanese must share a greater burden in maintaining international economic order. The postwar era is over and it is a great success story. America and many countries have benefited from this success, few as spectacularly as Japan.

What am I suggesting, Mr. President? The Japanese could begin providing for their own defense by buying American F-16 fighter aircraft outright. This would signal to the world that they are willing to fine tune, rather than expand, their export driven economy. But instead, they desire to spend $40 to $50 million for each FSX fighter, instead of $20 million for an F-16, in order to build an aerospace industry to compete in the world market.

I believe that the Japanese position is clear. Our own position is not at all clear. What are we getting out of this deal that an outright buy of battle-proven F-16 high performance aircraft wouldn't give us? Absolutely nothing. We are told we will be getting advanced Japanese radar and composite manufacturing technology, but no one has been able to confirm that it even exists. Do we really believe that the Japanese will provide us with their technology? History, Mr. President, does not support this. Why should we believe that the Japanese have these technologies? They have never built a high-performance jet aircraft, and they cannot even build their own engine for the FSX fighter. If they could, you can bet your bottom dollar they would.

In negotiating this FSX proposal, I am afraid we have forgotten the lessons we have learned from our past commercial dealings with the Japanese. They often do not honor their agreements, as in the semiconductor industry, where they pledged to open their market 2 years ago, but have not.

They target certain industries for export growth and put substantial support behind those industries, while making it difficult for importers to penetrate their markets. The Japanese have been so effective with these methods that our new United States Trade Representative is talking about "Managed Trade" with the Japanese to correct the massive trade imbalance we have with them. With trading conditions as they are, it seems ludicrous that we would help the Japanese build an aerospace industry that will only make trade competition worse than it is.

Are we doomed to make the same mistakes we made in the sale of the F-15? Will we have the GAO tell us once again that we have been taken to the cleaners by the Japanese? It is time, my friends, that we start telling the Japanese to buy American if they want their economic growth to continue. Maybe it is time to play a little hard ball, and let them know that if they want continued access to our markets, then we want them to start buying our fighter planes off the shelf.

Finally, Mr. President, it seems to me that this FSX codevelopment program will boost Japan's ability to develop an aerospace industry that will strongly—and given current practices, often unfairly—compete against American aerospace firms in the future. Rather than recognize our comparative advantage in this field, and buy a battle-proven fighter, Japan will again concentrate its considerable resources to capture a huge portion of a world market now dominated by the United States.

In my view, Congress cannot allow this to happen. We should scrap this agreement. We should go back to the negotiating table, and begin to make our case for a Japanese purchase of F-16's or another American built fighter aircraft.

As an alternative to the FSX deal, I suggest that our negotiators take the following steps:

First, let us include the Department of Commerce to the full extent Congress intended.

Next, let us keep our F-16 technology under our control.

Third, let us sell our planes outright to the Japanese.

Finally, let us keep our first place ranking in the aircraft industry by not giving away our competitive edge.

Mr. President, I ask unanimous consent that an editorial of this date from the New York Times entitled "The U.S. vs. the U.S. on the FSX" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 2, 1989]

THE U.S. VS. THE U.S. ON THE FSX

President Bush has now improved the terms of the $7 billion FSX fighter plane deal that the Reagan Administration reached with Japan. If Congress goes along, Mr. Bush will have removed a growing irritant in relations between America and a valued ally.

But the FSX episode nevertheless shows how high a price Washington pays for the incoherence of its policy-making toward Japan. Instead of presenting a unified front, each Federal agency deals separately with Japan's shrewd negotiators, a sure recipe for a bad deal and prickly relations.

The FSX is a new fighter plane Japan plans to develop, patterned loosely on America's F-16. Japan has every right to develop its own military equipment. But the deal is particularly painful to the United States for several reasons.

If Japan were to buy the American F-16 off the shelf, it would (a) get the world's best fighter at an unbeatable price, and (b) help significantly to relieve its trade surplus with America, now $55 billion a year and rising again. Instead, Japan chooses to develop its own fighter at three times the cost, which increases America's burden in defending Japan, while probably facilitating Japan's challenge to America's civil aviation industry.

This appears to be of little concern to the Defense and State Departments, whose main interest is to maintain good relations with Japan. They agreed last year to transfer the F-16 technology Japan needed for the FSX. In so doing, they excluded the Commerce Department and failed to nail down important details, like how much of the production work American firms would receive and what technology the United States would receive in return.

Robert Mosbacher, the new Secretary of Commerce, objected to the deal. Now Washington has improved it. The best logical choice for both sides would still be for Japan to buy American-made planes, but it is probably too late to insist on that. The Administration therefore sought to patch up the old agreement, notably by insisting that American companies get about 40 percent of the production work.

This should be enough to keep a critical technology, engine production, in America, although the agreement apparently does not specify this. Mr. Bush also made clear that certain technologies would definitely not be passed to Japan, another point that had been left murky.

Washington's policy toward Japan, Robert Pear wrote recently in The New York Times, "is so confused and uncoordinated that many American officials say they cannot figure out how it is made or why economic concerns are regularly subordinated to military and political objectives." Each agency tries to cut its own deal, a luxury

hard to afford now that Japan is so significant an industrial competitor.

Even now, the Bush Administration has not wholly learned the lesson. When Masaji Yamamoto, director general of the Japan Defense Agency's procurement bureau, came to Washington last month, he was allowed to meet separately with American officials at the National Security Council, the Pentagon and State.

The details of the FSX deal are classified, at Japan's request, and so cannot be publicly debated. That's all the more reason for Congress to review the agreement carefully. Even more important is to recognize that economic strength and national security are two sides of the same coin, and must be considered together if the United States and Japan are to compete and cooperate.

Mr. DIXON. Mr. President, I thank my dear friend, the distinguished Senator from Delaware, for indulging me. I appreciate the time he gave me and I am delighted to yield the floor to the distinguished Senator.

Mr. BIDEN. I might say to my friend from Illinois, there is no indulging. I hope everyone was listening, because I could not agree with the Senator from Illinois more if I had written and stated the remarks myself, which I would not have been able to do as eloquently. I think the Senator is absolutely right.

FUNDING FOR MARTIN LUTHER KING, JR. FEDERAL HOLIDAY COMMISSION

The Senate continued with the consideration of the bill.

Mr. BIDEN. Mr. President, what is the pending question before the Senate?

The PRESIDING OFFICER. The Helms amendment to the Nunn amendment to S. 431.

Mr. BIDEN. Mr. President, it is a special honor and a distinct pleasure to rise today in support of S. 431, the Martin Luther King Holiday Commission bill.

When I hear the name Martin Luther King and contemplate the immeasurable contributions Dr. King made to our great Nation, I think of a statement he offered more than 20 years ago:

> Now is the time to lift our national policy from the quicksand of injustice to the solid rock of human dignity.

No individual in modern history has played a greater role than Martin Luther King in fulfilling the moral imperative of that statement. He gave us a vision of human dignity and social justice that inspired the Nation and continues to do so today.

Martin Luther King served as the social conscience of this Nation during his lifetime. He has continued to do so for 15 years after his death, and he will continue to do so for as long as I can imagine.

He set our goals, he showed us the path to achieve them and, most important, he inspired us to believe the words of the Declaration of Independence:

> We hold these truths to be self-evident, that all men are created equal.

It is when we consider Dr. King's important contributions to furthering this Nation's ideals of freedom and social justice that we come to understand the need for S. 431, the Martin Luther King Holiday Commission bill.

This is not a controversial bill. The President of the United States supports S. 431. The House passed its version of the bill by a margin of more than 220 votes. And there are more than 57 cosponsors—Democrats and Republican—in the Senate.

S. 431, like the extension in 1986, continues a commission that is now coordinating special commemorative events in all 50 States to promote the ideals Dr. King lived and died for. To achieve that goal, the Commission works closely with the 145 State and local commissions in celebrating Dr. King's birthday.

I am aware that Senator HELMS does not support this bill, which provides for a 5-year extension of the King Holiday Commission and would, for the first time, include a modest Federal appropriation of $300,000 a year.

But Congress established the King Commission to ensure that the holiday "serve as a time for Americans to reflect on the principles of racial equality and nonviolent change" as espoused by Dr. King.

In addition, the King Commission has been charged with coordinating the efforts of Americans of diverse backgrounds and of private organizations to observe the holiday.

The Federal Holiday Commission has done its job and done it well. It should be reauthorized so that it can continue its efforts. I hope the Senate will promptly pass S. 431 so that the Commission, whose authorization expired on April 20, can continue to make Dr. King's birthday one of the most important days of the year for all Americans.

Mr. President, while we are waiting for Senator HELMS to return, it is my understanding that we are about to reach a compromise. I am not about to ask for unanimous consent. I am just going to explain for the record, and those who may be back in their offices listening, that I understand what we are going to do is agree upon the stacking of up to four votes, including the underlying amendment, the Helms-Nunn-Mitchell, and others, amendment. At the conclusion of that unanimous-consent agreement, then Senator HELMS and I and others who wish to engage in further debate will continue to debate on several of the amendments of Senator HELMS which have not been spoken to yet, have not been formally offered by Senator HELMS, after which time we will begin the vote process, assuming we in fact are able to do what I fully expect we will be able to do and that is reach a unanimous-consent agreement on the order in which amendments will be taken up and when the votes will be held on those amendments.

I see my friend is on the floor. I have nothing further to say at this moment pending the appearance of the majority leader, who, I understand, is on his way to the floor to seek unanimous consent. I would be delighted, though, to continue the debate and dialog with the Senator from North Carolina if he wishes to move forward; whatever he thinks is most appropriate. Otherwise, I would suggest the absence of a quorum.

I yield the floor to my colleague from North Carolina.

The PRESIDING OFFICER (Mr. LIEBERMAN). The Senator from North Carolina, Senator HELMS.

Mr. HELMS. Mr. President, we have a rather unique parliamentary situation here because we are trying to accommodate a number of people.

Until we can get the unanimous consent in toto, let me ask unanimous consent that the underlying amendment and the second-degree amendment both be laid aside so that I may offer yet another second-degree amendment.

The PRESIDING OFFICER. Is there objection?

Mr. BIDEN. Mr. President, reserving the right to object, I would ask the Senator to withhold that for a moment. I think there is no objection.

Mr. HELMS. I do not think there is, either.

Mr. BIDEN. If the Senator from North Carolina can tell me, is that consistent with what he has discussed with the majority leader? I always take the word of the Senator from North Carolina for anything. I would be happy to not object. I just do not know enough to know what has occurred in the last 10 minutes with regard to the majority leader.

Mr. HELMS. My information, which is secondhand through staff is that the majority leader wants to expedite consideration of all of the amendments, which I am perfectly willing to do. I suppose it would be best if we awaited the arrival of the majority leader and then we can settle the whole package of the unanimous consent.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask unanimous consent that the pending

second-degree amendment be temporarily laid aside so that I can offer another amendment which will succeed the present second-degree amendment when the present second-degree amendment is disposed of.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 69 TO AMENDMENT NO. 67

(Purpose: To prohibit the Martin Luther King, Jr. Federal Holiday Commission from engaging in certain educational activities)

Mr. HELMS. Mr. President, I send to the desk an amendment and ask it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 69 to amendment No. 67.

On page 2, after line 11.

At the end of the proposed subsection (c) to section 6 of Public Law 98-399 (98 Stat. 1474) of the amendment numbered , add the following new paragraph:

"(B) activities relating to the exercising of any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school, or school system, over any accrediting agency or association, or over the selection or content of library resources, textbooks, or other instructional materials by any educational institution or school system.".

Mr. HELMS. Mr. President, let me begin by emphasizing what the amendment proposes. The three key words, found on line 5 of the amendment, are: Direction, supervision, or control. Remember those words. Direction, supervision, or control.

The entire sentence reads:

Activities relating to the exercising of any direction, supervision, or control over the curriculum, program of instruction, administration or personnel of any educational institution, school or school system.

What I am saying is that we should not bestow upon any commission the right to direct or supervise or control the curriculum or program of instruction of any school. I do not want anybody coming in here saying, "Oh, you are unduly restricting this commission." I'm sure we will all agree that we do not want somebody moving in to direct or supervise or control the curriculum of schools from Washington, DC.

If we take a look at the public law establishing the Department of Education we quickly see that the purposes and intentions of that Department are stated very clearly. The text of the law states:

It is the intention of the Congress in the establishment of the Department to protect the rights of State and local governments and public and private educational institutions in the areas of educational policies and administration of programs and to strengthen and improve the control of such governments and institutions over their own educational programs and policies.

The law goes on to state that:

The establishment of the Department of Education shall not increase the authority of the Federal Government over education or diminish the responsibility for education which is reserved to the States and the local school systems and other instrumentalities of the States.

Finally, the law makes it clear that:

No provision of a program administered by the Secretary or by any other officer of the department shall be construed to authorize the Secretary or any such officer to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school or school system, over any accrediting agency or association, or over the selection or content of library resources, textbooks, or other instructional materials by any educational institution or school system, except to the extent authorized by law.

Any Senator who may be listening on the public address system has already perceived that I have used that precise language in drafting this amendment. I do not want anybody controlling, dictating, or directing the curriculum of our schools. That control belongs to the States and the subdivisions thereof.

I have read the law which established this Commission several times. Nowhere in it is there authorization regarding the educational curriculum in our public schools. Yet, Mr. President, if we look at the activities as described by the Commission itself in its 1988 annual report, we see that they are clearly in conflict with the policies set forth in title XX regarding the Federal Government's role and relationship with the States regarding education. It is one of the concerns I have regarding the activities of the Commission. It is also one reason I regret we did not have a public hearing so we could discuss this.

First, if I may quote from the Commission's own annual report in 1988: "Significant progress was made in supporting efforts to formalize instruction and curriculum in America's schools."

Mr. BIDEN. Will the Senator yield to tell me what page that is on?

Mr. HELMS. We will bring it over to you.

Mr. BIDEN. I have it here. I am trying to figure where it is.

Mr. HELMS. Will the Senator prefer that I wait?

Mr. BIDEN. I thank the Senator.

Mr. HELMS. The Senator is quite welcome. I appreciate his interest.

Second: "The Commission's Education Committee proposes to sponsor a mini education conference for teachers in 1988 on developing and integrating educational materials related to Dr. King in the curriculums of our Nation's schools." That is from the 1988 annual report of the Commission.

Finally:

The Commission will give special attention to the formalization of instruction on Dr. King in public and private schools, colleges and universities. The Commission sees an increasing need for the establishment of an Educational Materials Clearinghouse on Dr. King.

Maybe they meant something by this language that is not perceivable to me. In any case, I think we ought to make clear that we do not want anybody formalizing educational materials except the States. We do not want anybody on the Federal level dictating to the States.

This amendment that is now pending, Mr. President, is intended to prevent the situation where a federally funded, understandably biased organization may attempt to direct, supervise, or control the curriculum in any educational institution.

I am totally opposed to that and I cannot believe that the Senate does not share my views. Such an effort by the Federal Government, or its designee, in this case, is inappropriate on any subject, especially one about which all information is not made available to the American people.

I just cannot believe that this country's community of historians and educational experts have become so incapable that they cannot be trusted to provide accurate historical information and analysis for our schools. Yet, we are starting down what could well be a treacherous path, contrary to the policy enacted by Congress, if we authorize a federally funded organization to control the content and dissemination of all materials on a particular subject. It is beyond the scope of the Commission's purpose and it is in direct violation of Federal policy as set forth in title XX of the United States Code.

It may be argued by some that the Commission does not do this. I must respond that they do. I am willing to acknowledge that they may think this is the proper thing to do and that they do not mean any harm. But we better lock the barn door before the horse gallops away. That is what this amendment does. And certainly, Mr. President, there cannot be any need to establish a national clearinghouse for all educational materials on any subject. What would that entail?

We cannot leave it nebulous. It is our duty to make sure that we preserve and protect a precious principle, and that is what this amendment does. If we do not need it, it is not going to hurt anything. If it is needed, then it might hurt the feelings of those who try to control and direct the curriculum in the public school or run a clearinghouse to decide what they are going to get and what they are not.

I think it would have been helpful if we could have considered this troublesome matter earlier, but that is all right, we can do it now.

Let me say again, Mr. President, this amendment places on the Commission

the precise restriction that is placed on the Department of Education by title XX of the United States Code.

Mr. President, let me inquire about the yeas and nays question. Have the yeas and nays been obtained on the underlying amendment? I do not think they have.

The PRESIDING OFFICER. On amendment No. 67, which was offered by Senator NUNN, the yeas and nays have been requested.

Mr. HELMS. On the first second-degree amendment, they have not been ordered on that?

The PRESIDING OFFICER. On neither of the second-degree amendments.

Mr. HELMS. I ask unanimous consent it be in order to get the yeas and nays on both pending amendments.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HELMS. I do thank the Chair.

Mr. METZENBAUM. Mr. President, point of order.

The PRESIDING OFFICER. The Senator from Ohio, Senator METZENBAUM.

Mr. METZENBAUM. Mr. President, did I understand that the yeas and nays were just ordered on the basis of a question, "Is there an objection?" Because if that is the case, I do not think the rules provide for it.

The PRESIDING OFFICER. The Senator has obtained permission to ask that the yeas and nays be ordered on both questions. We have not ordered them as yet.

Mr. METZENBAUM. So the only question was he gets permission to ask for the yeas and nays.

The PRESIDING OFFICER. That is correct.

Mr. METZENBAUM. I stand corrected.

Mr. HELMS. I thought the Chair stated the yeas and nays had been ordered, but I will be glad to ask unanimous consent that the yeas and nays be ordered.

The PRESIDING OFFICER. There has been a unanimous-consent request for the yeas and nays to be ordered. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair.

The PRESIDING OFFICER. The yeas and nays have been ordered on those two amendments.

Mr. HELMS. I thank the Chair.

The PRESIDING OFFICER. The Senator was moving a bit expeditiously for a moment.

Mr. BIDEN. Now that the yeas and nays have been ordered, I would like to respond, if I may, albeit briefly, to the last amendment offered by the Senator from North Carolina.

When we were in law school, there was an expression we heard all the time which is referred to as something is a red herring.

Have the yeas and nays been ordered? Am I intruding on that decision?

The PRESIDING OFFICER. The yeas and nays have been ordered. Just for the RECORD, we were responding to the request for unanimous consent and Senator METZENBAUM'S request clarified that. We have done it now twice and the yeas and nays are clearly and doubly ordered.

Mr. BIDEN. There is an expression that lawyers often use when they suggest something may not be particularly relevant and is slightly diversionary. I would respectfully suggest that this amendment and the comments made regarding this amendment are a bit of a red herring. The implication is that the Commission, that the establishment of—let me back up—the establishment of the holiday, as we did back in 1984, established somehow the ability of those who were on the board, in fact required to follow out the dictates of the legislation, that somehow they were in a position, they had the intention to, they had the power to insist that State and local communities use certain textbooks, that they had the authority to move in and take control of local school districts, that they had the ability to dictate from Washington or anywhere in the United States the local curriculum of a particular school.

Now, the fact is that no such authority exists, no such authority has attempted to be exercised. My reading—and I tried to follow, with the kind help of Senator HELMS' staff, the portions of the 1988 annual report to which the Senator is referring—of the one section to which he referred related to activities "yet to be completed," and it set out a wish list of things that the Commission hoped to do.

It says:

> The Commission's Educational Committee will sponsor a national teacher's miniconference on infusing materials related to Dr. King into the curricula of the Nation's schools. More than 250 teachers, administrators, and curriculum planners from public and private schools across the Nation will be invited.

The key here is "will be invited." If you look at the original legislation when we set up the Commission, it says the purpose of the Commission—this is 1984 law—is to, "(1) encourage appropriate ceremonies and activities throughout the United States relating to the first observance," and it goes on from there. "(2) to provide advice and assistance to Federal, State, and local governments and to private organizations with respect to."

Now, the notion here is that those local communities will say, and many have, from my State, although I suspect many other States, possibly the State of the Presiding Officer, "tell us more about how we can best do it because we have locally decided that we wish to teach our children more about Dr. King and all the good things he did for this Nation." So the Commission comes along and says that yet to be done is for the Commission to sponsor a national teachers' miniconference to tell those folks, who locally decided that they would like to know more about it, how to set up a curriculum run by local teachers, run by local people, et cetera.

So this is what we call a red herring. It does not follow that because the Commission makes information available to, and even if the Commission solicits among local teachers, local school boards, local agencies, solicits them to participate in knowing more about how the Commission thinks a curriculum could better serve informing a student population about Dr. King, that is in any way setting up from Washington this bureaucracy which is going to dictate to local school boards what they must teach.

Now, with regard to the issue—and I apologize to my colleague if I have the wrong page, but I believe he also made reference to this clearinghouse notion, somehow there is going to be the implication, at least as I understand it, that there is some conglomerate here in Washington, DC—and none of us, everybody knows, likes Washington, DC, to tell us anything—there is this conglomerate, probably somewhere hidden in the bowels of the Department of Education or somewhere other than in our own hometowns, that has all this material, a lot of it not being true, clearly not being complete, so the image goes, that has this clearinghouse of censored information which basically is going to dictate to localities not only if they can but what precisely they can and cannot teach—again, a red herring.

The notion here is not that at all, based upon what the Commission is talking about. The Commission is suggesting that there should be model programs, if you will, that they, the Commission have. And by the way, this Commission is made up of a disparate group of people, of no single mind, of no single ideology, of nothing other than an overwhelming respect for how vividly and significantly Dr. King's actions fundamentally altered the United States of America for the better. That is the only thing they have in common, nothing else—not political party, not ideology, nothing else. And that group of folks is saying, "Look, where there are schools that like to teach courses or aspects of courses about Dr. King, we, the Commission, have a pilot program. If you want to take it, if you want to use it, we can show you how we would do it, but it is up to you to do whatever you

want to do. It is not up to us, the Commission."

I am not part of the Commission so when I say "us," I use it more in an editorial sense. "It is not up to us, the Commission, to tell you how to do it but if you want some advice, we can help," just like we have, by the way, on a thousand other things, a thousand other things.

Law enforcement agencies come to Washington, DC, not Federal law enforcement agencies, local law enforcement agencies, and they say, "Don't you, FBI; don't you, CIA; don't you, Federal agencies, tell us how to run our local police departments but we sure would like some help. We know you do a lot of special things with regard to fingerprinting. Can you show us what you do and we can decide whether or not we want to do it? Or we would like help. Can you train us in how to deal with local terrorist activity? Can you train us on," and the thing that it seems like I have spent all my life working, "how to deal with the drug issue?"

No Federal FBI agents or DEA agents come in and say, "By the way, we have this program, we have a clearinghouse here." And that is what they call some of these things, a Federal clearinghouse in law enforcement. DEA is not coming in and saying, "Now, let me tell you something. Here is how you are going to run the local sheriff's office." It is not that at all.

The local sheriff's office comes in and says, "We have a problem. We need some expertise. What would you recommend?" And we say, "We have a clearinghouse. Here is the way we would do it. Here is the way we do it federally. Now, if you would like to do it, we can help you. If you do not want to do it, we understand."

That is what this is all about, unless I am—and it would not be the first time—missing a fundamental point. As I understand what the Senator is saying, there is nothing either in this Commission's annual report or in the enabling legislation that gives, as of this very moment, absent this amendment, the Commission the right to dictate in any way anything that happens at the local level, nothing at all. And so I would think that the amendment is somewhat superfluous and I would say confusing, because if the amendment were to pass because of the counterargument my good friend—and he is a friend. We work on a lot of committees together, and now on the Foreign Relations Committee. Although we have been on the opposite ends of a lot of arguments we have never been at the opposite ends of a personal argument.

The fact of the matter is, he may say, "Look, Senator BIDEN, if that is the case, why worry about it? Why not pass it anyway?" The reason not to pass it anyway is it confuses the devil out of things. It by implication suggests that the existing legislation gives power that it does not give in the first instance. And I would argue that if the Senator from North Carolina is worried about Federal intrusion he should not imply through this legislation that there is anywhere in the existing legislation the right of the Commission to force any local agency to do anything.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I say with great admiration and respect: I thinketh my friend doth protest too much. If the Commission is not engaging in any activities that are beyond the proper scope of a federally funded entity, then why worry about the amendment? The problem is that what he has stated is simply his opinion on what the Commission does. But opinions are just like noses. Everybody has one, and they interpret things differently.

But I think we ought to lock the barn door on these extraneous activities, because I have read the Commission report, and I have turned it over to some constitutional lawyers upon whom I rely. We all agree that some of the activities of the Commission are clearly beyond the scope of its authorizing legislation. I happen not to be a lawyer. That is one of the things I brag about ever so often. But I am saying to the Senator from Delaware that it is better to be safe than sorry even if he is right.

But by any reasonable interpretation of what the report itself says—and I read it into the RECORD—we need to have a safeguard about any inclination by anybody connected with the Commission to direct, control, or supervise the curriculum of any educational institution.

I will be glad to make legislative history right now, even though I do not think it is necessary, that nothing in this amendment prohibits the Commission from responding to a solicitation or a request for information; noting that, I judge, to be the concern of the Senator from Delaware.

But he gave the scenario where these folks say, "Now, look. We are going to give you this information, and you don't have to follow it. You can do whatever you want to," and so forth. Well, Mr. President, we all know better than that. The people who run the Commission, who operate the Commission, are understandably biased, and it is understandable that they will not want to provide anyone with any information that may be even implicitly derogatory to Martin Luther King. And they will never want such information to be mentioned in a schoolroom.

So it is the subtleties that bother me. For the life of me, I do not understand why it is not better to be safe than sorry. Assuming that my friend is correct and they are going to say, "Look, we just want to help; we just want to provide information and material. If you don't like it, you don't have to use it." If the Senator believes that is the way this Commission is going to operate, then I have some swampland down in eastern North Carolina I would be glad to sell him.

Mr. BIDEN. I understand swampland has been selling big for a while now.

Let me be very serious a moment.

Mr. HELMS. Calling this amendment a red herring is a little bit harsh. I do not propose this as a red herring. I think the Senator knows me better than that. I am just as sincere and genuine about my apprehension as the Senator is when he dismisses my apprehension.

I thank the Senator.

Mr. BIDEN. Mr. President, let me read the language again. It says "activities relating to the exercise of any direction" for example, where this will cause confusion. Obviously, if a local school board comes and asks for direction and the Commission gives direction, they will not be allowed to give direction under this legislation even if it is solicited; No 1.

No. 2, supervision. In fact, they come in, a local agency comes, a local entity, and seeks to be part of an ongoing program that in fact is designed to specifically tell about Dr. King and tell the good things about Dr. King. We have, for example, the holiday, Lincoln's Birthday. If we set up a committee or a Commission to celebrate or put a bust up for Franklin Delano Roosevelt, the purpose of those Commissions, everyone knows by definition, is to tell the good things. We do not have Commissions, we do not have public holidays for Lincoln for the purpose of gathering up material to point out Lincoln's shortcomings and his wife's shortcomings. We do not do that. That is not the purpose of this.

The purpose here is not to in any way impact upon what history will write or what will in fact will be taught in the history books. What it does say is tell the good things.

There is a little bit of confusion here. There is a difference between going out and saying do not say anything that is not true and to the best of my knowledge, I have not heard anyone allege that anyone on this Commission or anywhere else in this body is arguing that you should say things about Dr. King that are not true. We should not tell children he was 9 foot 7 inches tall. We should not tell children that in fact he was the guy who discovered the North Pole. We should not say things like that. We should only say things that are true.

But the corollary of that is not true which is to say that you must say ev-

erything alleged or otherwise. The purpose of this Commission is to promote, promote. It is not to be the definitive word and the final historical analysis of who Dr. King was as the leader, as the man, as the child. That is not the purpose.

So we are getting a little bit confused here I think. But the point is if we pass this amendment, it will do nothing but create mischief because what constitutes direction? If it is asked for and given, is it in violation of the statute?

So I suggest that it is: A, not only not needed; B, as sincerely as it may be offered, the sincerity is understandable, but nonetheless misplaced; and the concern is in this Senator's opinion overblown, although clearly and deeply held not to be overblown by the Senator from North Carolina.

I am not sure it warrants at least on the part of the Senator from Delaware additional debate because I know we are trying to get to other amendments. But I will conclude by suggesting that we should not confuse.

The purpose of the Commission, the reason why the U.S. Senate in 1984 overwhelmingly voted to establish this holiday, is not to establish a holiday that celebrates the frailties of Dr. King. We all have frailties. It is to celebrate the phenomenal contribution that he made in the progress of America and humankind.

That is what it is about. So I do not see where this is needed, and at the appropriate time I will urge my colleagues to vote against this amendment.

I yield the floor.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Illinois, Senator SIMON.

Mr. SIMON. Mr. President, I think we have to assume that my good friend from North Carolina is very serious and is concerned about a supervision taking place.

I really do not think it is something we need to worry about. The Commission is going to make recommendations to us. That is all commissions ever do. It is up to the legislative body, the Congress, to act upon it. And if you take a look at the amendment, they could not even make recommendations as to any books that a library could buy about Martin Luther King. I do not think this is an amendment that adds to what we are trying to do. Let me just, if I may, take another couple of minutes here to talk about the general subject, in addition to the amendment.

My home in southeastern Illinois is much more southern than most people realize. My home is 173 miles from the Mississippi border, 331 miles from Chicago. It is south of Louisville and south of Richmond. We are southern in many ways in southern Illinois.

When, as a young, very green State legislator, I got involved in civil rights things, I found myself one day being invited by Martin Luther King to speak at the second anniversary of the bus boycott in Montgomery. In 1957, I was 28 years old. I spoke at the Dexter Avenue Baptist Church. I spent 2 days with Dr. King and Ralph Abernathy and some of the other leaders there in Montgomery. It was a moving experience. At that point he was showing people who were black, African Americans, how to fill out a form, a lengthy form, in order to register to vote, and the form would say, "What is your interpretation of the ninth amendment to the Constitution?" and things like that.

There is no question about the contribution of Dr. King to this country. I saw Dr. King then through the years grow in national stature. And what we are doing in this amendment with this Commission, is to say we want something meaningful honoring his birth.

Dr. King contributed a great deal, but I think we are saying—beyond the tribute to Dr. King—we are saying that we want our country to broaden its base. We want to reach out to everyone. I think that is awfully important.

There are a lot of good things that are happening. There are some things that are happening that are not good. We read about violence in New York City, and we shudder when we read about that violence. But there are some other things happening. In Rockford, IL, in the second largest city in my State, they elected a black American as mayor. The city is 14 percent black. He received 63 percent of the vote, carried every ward in the city of Rockford, including the all-white wards in the city of Rockford.

We know of other things that are positive that are happening, but one of the positive things that can happen is to pay the proper tribute that we should to a great American, Martin Luther King. In the process of that, we broaden our society and say to all Americans, this country is not just for white Americans. It is for everyone. I think it is a step in the right direction. My hope is that this particular amendment, well-intentioned as it may be, be defeated and that we adopt the bill and move on its expeditiously.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who wishes to be recognized. The Chair recognizes the Senator from North Carolina.

Mr. HELMS. We have no time agreement as of now. But I do have a personal agreement with the majority leader that I will take 3 or 4 minutes or 5, if that.

I am very interested in the comments that "You do not need to worry about that, JESSE, this is not going to happen, Senator," and so forth. You know, I heard that 11 years ago when I stood on this floor and warned about a fellow named Noriega. They said, "Do not worry about that; nothing will happen." But we know a little bit better now. If we had embarked then on a somewhat different policy, we would not be up to our armpits in trouble with Panama right today.

The same thing occurred on this floor when we considered the Panama Canal Treaties. I call it the "Panama Canal giveaway," which I vigorously opposed. I raised questions then and they said, "Do not worry about that, we are going to win friends and influence people in Central America; do not worry about that JESSE. There is nothing to worry about." Now we know better.

The distinguished Senator from Delaware, who is my friend—and as he indicated we serve together on various committees, and I enjoy every minute of it—he said something to the effect that this is an "innocuous" amendment.

It is anything but innocuous. In fact, that is what bothers the Senator from Delaware. It says to this Commission what we say to all governmental agencies; that you cannot control and you cannot direct State and local educational curriculums. He used the word "local, local, local." I had to look at my own amendment to see if anything of that nature was in it. It is the policy, and should be the policy of this Government, that at the Federal level, we do not direct or control the curriculum, et cetera, of our schools in the 50 States or in their subdivisions.

I will be very surprised if there is not a substantial vote for this amendment, but I realize that Senators march in here in lockstep, and they do not read the amendment and do not know much about it before they vote. So it may well be defeated. But I feel I have discharged my duty. Maybe some time in the future—and I hope it does not happen—maybe I will be standing here trying to tell this body that my amendment will not impede, inhibit or interfere with the legitimate functions of the Commission. I think it would be highly unwise if the Senate does not adopt this now, so we will not have to revisit the issue in the future.

Mr. President, that is it. As far as I am concerned we can proceed, I would say to the distinguished majority leader.

Mr. MITCHELL. I thank my colleague.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. MITCHELL. Mr. President, I ask unanimous consent that at 4:05 p.m. the Senate proceed to vote on the Helms amendment No. 68. I further ask unanimous consent that immediately following that vote, the Senate,

without any intervening action, proceed to vote on the Helms perfecting amendment No. 69.

I further ask unanimous consent that upon the disposition of these amendments, Senator HELMS be recognized to offer up to two more perfecting amendments to the pending Nunn amendment No. 67. One, dealing with the placement of a plaque containing the Declaration of Independence, which I understand will be accepted by the managers; and the other, dealing with chartitable donations by Members of Congress; that upon the disposition of those amendments, the Senate proceed without any intervening action to vote on pending Nunn amendment No. 67.

I further ask unanimous consent that upon disposition of the Nunn amendment, Senator BIDEN be recognized to offer an amendment, and that upon the disposition of the Biden amendment, the Senate proceed to third reading of S. 431, after which the Senate proceed to the immediate consideration of H.R. 1385, the House companion bill; that all after the enacting clause be stricken, and the text of S. 431 as amended be substituted in lieu thereof, and the bill be advanced to third reading. I further ask unanimous consent that no other amendment or motions to either bill be in order.

The PRESIDING OFFICER. Is there objection.

Mr. HELMS. I reserve the right to object, but I shall not object.

Did I hear the Senator say a "plaque" with respect to the Declaration of Independence?

Mr. MITCHELL. That is my understanding.

Mr. HELMS. It is the replica of the Declaration of Independence that had been in the rotunda for years and years and years. I do not want the word "plaque" to stand.

Mr. MITCHELL. I ask that my request be amended to substitute the word "replica" for "plaque."

Mr. HELMS. Yes, sir.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Chair recognizes the Republican leader.

Mr. DOLE. Mr. President, I would only say, as I understand it, one amendment will be accepted. I would hope that the Senator from North Carolina on the charitable donations amendment might discuss that amendment but not proceed to a vote on that amendment. That will be up to the Senator from North Carolina. But we have discussed it briefly.

I would assume then we will have at least four votes, possibly six. Is that correct?

Mr. MITCHELL. That is correct.

Mr. DOLE. And we have no objection.

Mr. HELMS. Mr. President, if the Senator will yield, I was thinking about discussing one of the amendments and withdrawing it. I wanted to discuss it to make a point.

Just to make it clear, the underlying amendment would not be voted upon until after the Nunn-Helms amendment has been disposed of; is that correct?

Mr. MITCHELL. The order which I understood had been agreed upon was that we would vote first on amendment No. 68, of the Senator from North Carolina, then amendment No. 69, of the Senator from North Carolina. Those are the two of which I believe one deals with lobbying and the other with educational activities.

The Senator from North Carolina would then be recognized to offer two additional amendments, one dealing with the placement of the replica of the Declaration of Independence, which I understand will be accepted without a vote; the other dealing with charitable donations by Members of Congress, and that the Senator has the right to request a vote on that, although he has apparently made no determination with respect to that. Thereafter, there would be a vote on the pending amendment which is No. 67.

Mr. HELMS. That is correct. I thank the distinguished leader.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request as modified by the majority leader?

Without objection, it is so ordered.

Mr. MITCHELL. I thank the distinguished Republican leader, and I thank the distinguished Senator from North Carolina, and the manager of the bill.

Senators should now be aware that beginning in 3 minutes, at 4:05 p.m., there will be two rollcall votes with the possibility later this afternoon of at least two and possibly four additional rollcall votes to complete action on this.

I do not anticipate that a lengthy period of time will elapse between the time of these two votes and final disposition. So it is still my intention to begin consideration of the budget resolution sometime this afternoon.

Mr. DOLE. Mr. President, I rise in support of the amendment offered today by my distinguished colleague from Georgia, Senator NUNN, by my distinguished colleague from North Carolina, Senator HELMS, and by several other Senators, including myself.

DESCRIPTION OF THE AMENDMENT

This amendment is simple and straightforward: it restricts the Martin Luther King, Jr., Federal Holiday Commission from using its funds—either private or public—for the purpose of encouraging protests or any form of civil disobedience. It also permits regulation of the Commission under the Federal Advisory Committee Act. In this way, the Commission will be subject to the same body of regulations with which most other federally funded Commissions must comply.

WHAT THE AMENDMENT DOES NOT DO

I would like to make clear what this amendment does not do. It is not intended to restrict—in any way—the distribution of educational materials about Dr. King, his life, his work, his commitment to nonviolence. It would be a great loss and disservice to America if the Commission and its important mission were hampered by such a restriction.

Instead, this amendment is simply aimed at prohibiting formal training in civil disobedience and protest activities—training that might be accomplished through classroom activities or through the distribution of "nuts-and-bolts" civil disobedience literature. That's all this amendment goes after. It does nothing more and does nothing less.

CORETTA SCOTT KING AND THE COMMISSION STAFF

Mr. President, I know that Mrs. King, Mr. Lloyd Davis, and some of the other members of the Commission staff have been sitting in the Senate Gallery during the course of this debate. I would like to thank them for attending these proceedings, and I would also like to commend them for the fine work that they have done at the Commission.

Mr. President, I would also like Mrs. King to know that this amendment is not intended to suggest that the Commission is somehow un-American, or unpatriotic. Quite the contrary. This amendment will simply clarify the very important and very patriotic role of the Commission in promoting the holiday of an American hero.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ADAMS. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the Senator from Washington.

Mr. ADAMS. Mr. President, I rise in support of S. 431, legislation which continues the work of the Martin Luther King, Jr. Federal Holiday Commission. I am pleased to be an original cosponsor of this bill.

The Martin Luther King, Jr. Commission has done an outstanding job since it was created in 1983 to promote a national holiday to celebrate the life and work of this great man. When the Commission was first created, only 17 States recognized the Martin Luther

King, Jr., holiday; today, 45 States celebrate January 16 as a holiday. The success of the Commission in fulfilling its mandate has not diminished the need for its efforts. The Commission provides advice and assistance to thousands of public and private organizations that want to participate in the national activities to commemorate Dr. King.

In acting today to reauthorize the work of the Commission, it is appropriate to remind ourselves how much more work we have to do, as a nation, in fulfilling the goals and values of Dr. King.

America is a nation that strives for justice, but does not always match its ideals with its actions. Martin Luther King, Jr., was a man who saw injustice and felt the weight of oppression, and refused to be broken by it. His life exemplified what is best in this country: A desire for freedom and equality and the determination to struggle for these ideals. He had the strength to withstand jail and march in the midst of strident racism and he had the courage to battle hate with love. Dr. King did not stray from the path of nonviolence, though many of us might have been tempted to had we been faced with the discrimination and vilification experienced by civil rights workers in those days.

The life of Dr. King is remarkable not simply for what he did during his lifetime, but for what he has come to represent since his death. Dr. King is a symbol of hope; he stands for the enduring truth that the spirit of man cannot be quashed. This is a lesson that we must continue to learn. In our inner cities there are thousands of individuals who despair of hope. They struggle daily with the scourge of drugs. They lack jobs and even the opportunity to find them. And our educational system has failed them. The message of Dr. Martin Luther King, Jr., is as relevant to their lives today as it was 20 years ago. As he put it in Montgomery, AL in 1965:

> Let us continue * * * our march to the realization of the American dream. * * * The road ahead is not altogether a smooth one. There are no broad highways that lead us easily and inevitably to quick solutions.

When asked how long it would take before we realized this dream, his answer was "Not long. Because no lie can live forever."

By remembering Dr. King's life and struggles, we are also reminded that it is our duty to carry on his unfinished legacy. America's youth depends upon our vigilance in fighting those forces that would deny them the opportunity to truly share in America's wealth and promise.

VOTE ON AMENDMENT NO. 68

The PRESIDING OFFICER. Under the previous order, the hour of 4:05 p.m. having arrived, the Senate will now proceed to a rollcall vote on amendment No. 68 offered by the Senator from North Carolina [Mr. HELMS].

The question is on agreeing to the amendment of the Senator from North Carolina. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Michigan [Mr. RIEGLE] is necessarily absent.

The PRESIDING OFFICER (Ms. MIKULSKI). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 19, nays 80, as follows:

[Rollcall Vote No. 54 Leg.]

YEAS—19

Armstrong	Hatch	Pressler
Bond	Helms	Rudman
Byrd	Humphrey	Symms
Garn	Lott	Wallop
Gorton	Mack	Warner
Gramm	McClure	
Grassley	Nickles	

NAYS—80

Adams	Durenberger	McCain
Baucus	Exon	McConnell
Bentsen	Ford	Metzenbaum
Biden	Fowler	Mikulski
Bingaman	Glenn	Mitchell
Boren	Gore	Moynihan
Boschwitz	Graham	Murkowski
Bradley	Harkin	Nunn
Breaux	Hatfield	Packwood
Bryan	Heflin	Pell
Bumpers	Heinz	Pryor
Burdick	Hollings	Reid
Burns	Inouye	Robb
Chafee	Jeffords	Rockefeller
Coats	Johnston	Roth
Cochran	Kassebaum	Sanford
Cohen	Kasten	Sarbanes
Conrad	Kennedy	Sasser
Cranston	Kerrey	Shelby
D'Amato	Kerry	Simon
Danforth	Kohl	Simpson
Daschle	Lautenberg	Specter
DeConcini	Leahy	Stevens
Dixon	Levin	Thurmond
Dodd	Lieberman	Wilson
Dole	Lugar	Wirth
Domenici	Matsunaga	

NOT VOTING—1

Riegle

So the amendment (No. 68) was rejected.

VOTE ON AMENDMENT NO. 69

The PRESIDING OFFICER. Under the previous order, the Senate will now vote on amendment No. 69, offered by the Senator from North Carolina.

The question is on agreeing to the amendment of the Senator from North Carolina. On this question the yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Michigan [Mr. RIEGLE] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from New Hampshire [Mr. HUMPHREY] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced, yeas 7, nays 91, as follows:

[Rollcall Vote No. 55 Leg.]

YEAS—7

Armstrong	Lott	Wallop
Byrd	McClure	
Helms	Symms	

NAYS—91

Adams	Fowler	McConnell
Baucus	Garn	Metzenbaum
Bentsen	Glenn	Mikulski
Biden	Gore	Mitchell
Bingaman	Gorton	Moynihan
Bond	Graham	Murkowski
Boren	Gramm	Nickles
Boschwitz	Grassley	Nunn
Bradley	Harkin	Packwood
Breaux	Hatch	Pell
Bryan	Hatfield	Pressler
Bumpers	Heflin	Pryor
Burdick	Heinz	Reid
Burns	Hollings	Robb
Chafee	Inouye	Rockefeller
Coats	Jeffords	Roth
Cochran	Johnston	Rudman
Cohen	Kassebaum	Sanford
Conrad	Kasten	Sarbanes
Cranston	Kennedy	Sasser
D'Amato	Kerrey	Shelby
Danforth	Kerry	Simon
Daschle	Kohl	Simpson
DeConcini	Lautenberg	Specter
Dixon	Leahy	Stevens
Dodd	Levin	Thurmond
Dole	Lieberman	Warner
Domenici	Lugar	Wilson
Durenberger	Mack	Wirth
Exon	Matsunaga	
Ford	McCain	

NOT VOTING—2

Humphrey Riegle

So, the amendment (No. 69) was rejected.

Mr. MITCHELL. Madam President, I move to reconsider the vote by which the amendment was rejected.

Mr. KOHL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Madam President, I move to reconsider the vote by which the prior amendment was rejected.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 70 TO AMENDMENT NO. 67

(Purpose: To express the sense of the Congress that the bronze replica of the Declaration of Independence should be returned to its place of prominence in the rotunda of the United States Capitol)

Mr. HELMS. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 70 to amendment numbered 67.

At the end of the amendment, add the following:

"The Congress finds that:

The ideas expressed in the Declaration of Independence have inspired freedom-loving people throughout the world.

The eloquent language of the Declaration of Independence has stirred the hearts of the American people.

The Declaration of Independence ranks as one of the greatest documents in human history.

On July 2, 1952, a bronze replica of the Declaration of Independence was presented to Congress for display in the rotunda of the United States Capitol.

On July 22, 1988, the bronze replica of the Declaration of Independence was moved from the rotunda of the Capitol to the small House rotunda between the Capitol rotunda and Statuary Hall.

The bronze replica of the Declaration of Independence was replaced in the rotunda by a bust of Martin Luther King, Jr.

It is the sense of the Congress that the bronze replica of the Declaration of Independence should, forthwith, be returned to a place of prominence in the rotunda of the United States Capitol where it shall remain on permanent display.".

Mr. NUNN. Will the Senator yield for a brief question? Could we get a copy of the amendment?

Mr. HELMS. I thought the Senator already had one.

Mr. NUNN. I cannot seem to find one.

Mr. HELMS. Yes. It is my understanding, Madam President, that this amendment may be acceptable.

Mr. President, on July 2, 1952, marking the 176th anniversary of the adoption of the resolution of Richard Henry Lee for the Declaration of Independence by the Continental Congress in Philadelphia, a ceremony was held in the rotunda of the U.S. Capitol for the acceptance of a bronze replica of the Declaration of Independence as a gift from Mr. Michael Francis Doyle of Philadelphia.

I have gone back and read a whole lot about that day, and I commend such a reading to other Senators just as a matter of interest. Judging from the proceedings of that day, which were printed as a Senate document, this was a very moving ceremony. I wish I could have been there. After an invocation by Rev. Bernard Braskamp, the Chaplain of the House of Representatives, Senator Theodore Francis Green of Rhode Island, who was the chairman of the Joint Committee on the Library, made introductory remarks, followed by a presentation address by James P. McGranery, who was the then U.S. Attorney General.

Following the Attorney General, Mr. Doyle made the presentation of the bronze replica, and it was unveiled by Miss Olivia Taylor, a direct descendant of Thomas Jefferson, who happens to be a personal hero of mine, along with two direct descendants of Benjamin Franklin, Margaret and Emily Bache. Acceptance speeches followed by Senator Guy M. Gillette, on behalf of the Vice President of the United States, and by the Honorable Sam Rayburn, the Speaker of the House. The ceremony was closed with a benediction by Rev. Edmund A. Walsh, vice president of Georgetown University.

Madam President, I think I can best convey the significance of that day through the words of those who participated in the ceremony. Let me quote from the introductory remarks by Senator Theodore Francis Green. Incidentally, as a matter of personal interest to me, I was in Washington then as administrative assistant to one of North Carolina's Senators, and I remember Senator Green sat right over there, and I watched him day after day. He was a charming man. He served a long time in the Senate. But here is in part what Senator Green said on July 2, 1952:

It is most fitting that we should have on display here, the seat of the legislative branch of our Government where the laws of our country are enacted, a copy of the Declaration of Independence. It should serve, first, as a vivid reminder to the Members of Congress of the purposes and ends of our Government, and secondly, as a guide for their own actions as legislators. It should also cause each viewer firmly to resolve that his generation shall bear its burdens, sacrifices, and hardships as nobly as they were borne by our Founding Fathers, and that his generation shall preserve and pass on intact the priceless heritage bequeathed to it.

In his acceptance address, Senator Gillette told a story about one of his constituents, a Russian immigrant, who asked to be taken to the Library of Congress to view the original Declaration of Independence. Senator Gillette noticed that the man began crying as he read the document. Senator Gillette asked what the man was thinking, and this Russian immigrant responded, "I am thinking of this: That there is a document that is of such superlative meaning to free people everywhere in the world, not only in America, but free people everywhere, and here is only one man guarding it." He was referring to the uniformed guard in the Library of Congress.

Senator Gillette explained to the immigrant that, "[T]here is not only one man guarding that document, but * * * there are 155 million guardians of that document in the United States, and there are countless millions who would stand with us in guarding the principles represented by that document."

Madam President, since that day in 1952, the bronze replica of the Declaration of Independence was prominently displayed in the Capitol rotunda along with the busts and statues of Presidents of the United States. It was placed there as an important symbol. In the words of Francis Doyle, "Let us look back to our Declaration of Independence; let our youth read the words upon which our freedom was established and upon which our Government is founded."

Madam President, earlier this year I suggested to a couple of interns in our office that they should go over to the rotunda and see the beautiful bronze replica of the Declaration of Independence. I was surprised when they returned and told me they couldn't find it. I thought they were mistaken, so I went to the rotunda and, to my own surprise, the bronze replica of the Declaration of Independence was indeed gone. It has been moved out of the rotunda into the passageway leading into Statuary Hall.

Also in that passageway are statutes of Stephen F. Austin, George Clinton, and Frederick Muhlenberg.

In place of the Declaration of Independence was a bust of Dr. Martin Luther King that had been relocated from its original display in another part of the Capitol.

Madam President, I have since learned that the Declaration of Independence was moved by the Architect of the Capitol on July 22, 1988. It was done at the behest of several congressional leaders and with the approval of the Joint Committee on the Library.

I am not suggesting what should be done with the bust of anybody. But surely the space can be adjusted to accommodate the return of the replica of the Declaration of Independence. It will not be seen where it is except by a casual few. I am somewhat offended that it was moved in the first place. They could have moved it over or they could have adjusted. But no, they have moved it out.

Even assuming that everything that had been said about Dr. Martin Luther King is accurate, I still do not believe that his contribution to this country exceeds in importance the Declaration of Independence.

When Michael Francis Doyle presented the replica to Congress, its acceptance and display in the rotunda had a special significance: as Doyle said, "Let us look back to our Declaration of Independence; let our youth read the words upon which our freedom was established and upon which our Government is founded."

Madam President, the Declaration of Independence in my judgment should have the most prominent display available in the Capitol. It does not suffice to say that it is simply "somewhere" in the Capitol.

It deserves to be moved back into the rotunda. Whatever adjustments, and I am sure they would be simple, to accomplish this ought to be done.

So that is the pending amendment which simply expresses the sense of the Congress that the bronze replica of the Declaration of Independence should be promptly returned to its place of prominence in the rotunda of the Capitol.

I hope this amendment will convince the Architect of the Capitol and the

Members of the Joint Committee on the Library that the bronze replica has a special significance as Mr. Doyle says. It has a special significance in our history, in our hearts, and certainly in the rotunda of the U.S. Capitol. In my judgment, it should not have been moved in the first place.

I yield the floor.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Madam President, I can think of no American who has put more faith in, nor counted more upon, nor used as a rationale for his actions the Declaration of Independence than Dr. Martin Luther King. I cannot think of a single American who in the entirety of his life has relied upon that document more to bring freedom and light, if you will, freedom to his people and light to the rest of the country, through that vehicle, the single vehicle that he used. The single vehicle that he used, to ultimately bring about the kind of equality that he dreamed about was the Declaration of Independence. That was the basis upon which he moved.

The Constitution ended up being the rationale and the specific vehicle that was used. But the embodiment of the Declaration of Independence, what it is all about, is what he was about. I have no doubt, were he alive and well today, were he a U.S. Senator, he would be the first to agree with this amendment.

I ask my distinguished colleague from North Carolina whether or not in light of what he said, he intends—and I believe he meant exactly what he said—if he would be willing, in the last paragraph of his amendment, third sentence, where it says "be returned to the place of prominence," to amend to say "be returned to a place of prominence," because it is hard to determine what "the place of prominence" is.

Mr. HELMS. If the Senator will yield, I noticed the same thing.

I ask unanimous consent to modify the amendment, and make it read "be returned to a place of prominence in the rotunda of the United States Capitol."

The Senator is exactly right.

The PRESIDING OFFICER. Is there objection? Without objection, the Senator's modification is accepted.

The amendment (No. 70), as modified, is as follows:

At the end of the amendment, add the following:

"The Congress finds that:

The ideas expressed in the Declaration of Independence have inspired freedom-loving people throughout the world.

The eloquent language of the Declaration of Independence has stirred the hearts of the American people.

The Declaration of Independence ranks as one of the greatest documents in human history.

On July 2, 1952, a bronze replica of the Declaration of Independence was presented to Congress for display in the Rotunda of the United States Capitol.

On July 22, 1988, the bronze replica of the Declaration of Independence was moved from the Rotunda of the Capitol to the small House Rotunda between the Capitol Rotunda and Statuary Hall.

The bronze replica of the Declaration of Independence was replaced in the Rotunda by a bust of Martin Luther King, Jr.

It is the Sense of the Congress that the bronze replica of the Declaration of Independence should, forthwith, be returned to a place of prominence in the Rotunda of the United States Capitol where it shall remain on permanent display.".

Mr. BIDEN. Madam President, as manager of the bill at the moment, I wholeheartedly concur, endorse, and accept the amendment of the Senator from North Carolina.

Mr. HELMS. I thank the able Senator.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from North Carolina.

The amendment (No. 70), as modified, was agreed to.

Mr. HELMS. I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. BIDEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. I thank the Chair.

AMENDMENT NO. 71

(Purpose: To express the sense of the Congress that each Member of Congress who supports the extension of the Martin Luther King Federal Holiday Commission should personally contribute to the Commission the sum of $1,000)

Mr. HELMS. Madam President, I will handle this one quickly. I sent an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 71 to amendment numbered 67.

At the end of the amendment, add the following:

SEC. . PERSONAL CONTRIBUTIONS BY MEMBERS OF CONGRESS.

It is the Sense of the Congress that each Member of Congress who supports the use of Federal funds by the Martin Luther King Federal Holiday Commission should make a personal contribution to the Commission in the amount of $1,000.

Mr. HELMS. Madam President, I sent this amendment forward to simply make a point. I said earlier during this debate that it was so easy for Members of Congress to do away with other people's money.

I remember one other occasion when a matter of great compassion and generosity was being discussed on the Senate floor, and a vote for a substantial amount of taxpayers' money to be spent on it. Senator after Senator got up and made clear their compassion and how necessary this was. I slipped off the floor, went into the Cloakroom, got in the telephone booth, and I called Billy Graham.

Billy is a long time friend. We were born about 20 miles apart. I told Billy about the legislative proposal, and I said "You are trying to do something on this. Would you head up some commission to raise this money privately?" I said "I agree with you and I will be glad to contribute to it." He said "of course." So I came back on the floor. I got a yellow pad and I scribbled a little amendment to the effect that all Senators and all Members of the House of Representatives—the House had already passed a similar piece of legislation—should contribute a thousand dollars. That would have taken care of it because it was somewhere in the neighborhood of half-a-million dollars.

I wrote out a check. I probably was the poorest guy in the Senate. But I wrote out a check for a thousand dollars. I sent it to the desk with the amendment.

Well, I wish you could have seen, Madam President, the reaction on the floor. I never saw so many Senators come over and shake their fingers in my face and say, "What are you doing?" I said, "I am suggesting you give $1,000 of your own money, and stop taking it away from the taxpayers." I got very few votes on that occasion, just as I have gotten relatively few today. But the point is that, somewhere along the line, we must be guardians of the public purse in small things, as well as big things. Right now we are not guarding the public purse on anything.

Obviously, I will not push this amendment, but I wanted to bring up the thought just to make a point, that Senators ought to give a little more thought before rushing pellmell to vote to add a few million dollars here and a few million dollars there. I believe Senator Dirksen said on one occasion, "A billion dollars here and a billion dollars there, pretty soon it runs into a pile of money." I will withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The amendment was withdrawn.

Mr. HELMS. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ROBB). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. What is the pending business?

The PRESIDING OFFICER. Under the previous order, Senator, a vote is to occur on amendment No. 67.

Mr. HELMS. Which is?

The PRESIDING OFFICER. It is an amendment by Senator NUNN, himself——

Mr. HELMS. I thank the Chair. Have the yeas and nays been obtained?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. HELMS. I think we ought to proceed and get the show on the road.

Mr. BIDEN. I thank my colleague from North Carolina for his cooperation, Madam President. He is a man of his word. He indicated when the time agreement was being sought an hour ago, there was no need for one, and that he would proceed with deliberate speed. I compliment him and I, too, suggest that we vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment No. 67, offered by Senator NUNN and Senator HELMS. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. CRANSTON. I announce that the Senator from Michigan [Mr. RIEGLE] and the Senator from New Jersey [Mr. LAUTENBERG] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from New Hampshire [Mr. HUMPHREY] and the Senator from Vermont [Mr. JEFFORDS] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 96, nays 0, as follows:

[Rollcall Vote No. 56 Leg.]

YEAS—96

Adams	Ford	McClure
Armstrong	Fowler	McConnell
Baucus	Garn	Metzenbaum
Bentsen	Glenn	Mikulski
Biden	Gore	Mitchell
Bingaman	Gorton	Moynihan
Bond	Graham	Murkowski
Boren	Gramm	Nickles
Boschwitz	Grassley	Nunn
Bradley	Harkin	Packwood
Breaux	Hatch	Pell
Bryan	Hatfield	Pressler
Bumpers	Heflin	Pryor
Burdick	Heinz	Reid
Burns	Helms	Robb
Byrd	Hollings	Rockefeller
Chafee	Inouye	Roth
Coats	Johnston	Rudman
Cochran	Kassebaum	Sanford
Cohen	Kasten	Sarbanes
Conrad	Kennedy	Sasser
Cranston	Kerrey	Shelby
D'Amato	Kerry	Simon
Danforth	Kohl	Simpson
Daschle	Leahy	Specter
DeConcini	Levin	Stevens
Dixon	Lieberman	Symms
Dodd	Lott	Thurmond
Dole	Lugar	Wallop
Domenici	Mack	Warner
Durenberger	Matsunaga	Wilson
Exon	McCain	Wirth

NAYS—0

NOT VOTING—4

Humphrey	Lautenberg
Jeffords	Riegle

So the amendment (No. 67) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, for the information of Senators, there will, momentarily, be a rollcall vote on final passage of this legislation. Only one minor technical amendment to be offered by the Senator from Delaware will intervene. That will be the last rollcall vote this evening.

We will then proceed to the budget resolution. Opening statements will be made. One amendment will be offered and debated tonight and a vote will be scheduled on that for tomorrow morning at a time yet to be established.

Senators should be on notice that there will be several amendments and possibly several rollcall votes tomorrow, and they could occur throughout the day. So Senators should be aware of that.

I now, Mr. President, yield to the distinguished Senator from Delaware to offer the remaining amendment to this bill.

AMENDMENT NO. 72

(Purpose: To provide for reestablishment after termination of the Commission)

Mr. BIDEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Delaware [Mr. BIDEN] proposes an amendment numbered 72.

Mr. BIDEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, insert between lines 16 and 17, the following:

(c) REESTABLISHMENT AFTER TERMINATION.—If the date of the enactment of this Act occurs on or after April 20, 1989, the Martin Luther King, Jr., Federal Holiday Commission shall be reestablished on the date of the enactment of this Act with the same members and powers that the Commission had, as provided in Public Law 98-399 (98 Stat. 1473), on April 19, 1989 (subject to this Act and the amendments made by this Act).

On page 3, line 16, insert before the period "(pursuant to section 4(a) of Public Law 98-399 (98 Stat. 1473) or section 2(c) of this Act, as appropriate)".

Mr. BIDEN. Mr. President, let me just say this is a technical amendment suggesting when and if this act becomes law that will be the effective date of the beginning of the Commission.

I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware [Mr. BIDEN].

The amendment (No. 72) was agreed to.

Mr. HOLLINGS. Mr. President, I am an original cosponsor of S. 431 which extends the life of Martin Luther King, Jr. Federal Holiday Commission because I believe that the Commission's work in promoting the holiday has been invaluable in promoting Dr. King's ideal of justice and equality for all Americans. As a member of the Holiday Commission, I have seen the holiday grow to the point where 44 States and over 140 foreign countries observe Dr. Kings birthday.

Since its inception, the Holiday Commission has operated solely on private donations and it has done a remarkable job of recruiting and organizing volunteers and operating on a shoestring budget, but it is time to provide the funding and stability necessary so that the job can be done and done right. This bill provides a 5 year extension and an annual appropriation of $300,000 to help meet the costs of the Holiday Commissions operation. This, of course, will be only part of their budget, and they will continue to raise substantial funds from the private sector.

This is entirely appropriate when one looks at the man to be honored. It is the most American of stories. Dr. King was a man of humble beginning who has all of his own society's strength organized against him. But he overcame the forces annoyed against him, not because of the power of his office or the strength of his numbers, but because of the power of his message—that all men should be treated equally.

Today, it is easy to forget the struggle crusade that Dr. King led because so many of the things he died for are now taken for granted. Yet that is perhaps the most eloquent testimony to his success.

The struggles in Birmingham and the struggles in Selma, throughout the South and throughout the Nation, were often met by tear gas, clubbings, and mass arrests. But the confrontations of violence and nonviolence not only called attention to specific incidents, places or civil wrongs, it induced a Nation to confront its conscience and protect the most fundamental rights of a free society—the right to vote and the freedom to be.

Mr. President, I urge my colleagues today to extend the Holiday Commission designed to commemorate the birth of a man who sought to make a living reality of our fundamental principles, that "all men are created

equal" and the we all have a right to "life, liberty, and the pursuit of happiness." Dr. Martin Luther King, Jr., not only furthered the cause of black Americans, he furthered the cause of All Americans. Indeed, America was his cause. We must not forget his efforts, his accomplishmnts, and his spirit, for with them lies not only a dream but the foundation of freedom upon which this great Nation has been built.

Mr. METZENBAUM. Mr. President, I rise to express my support for S. 431, which would provide for the reauthorization of the Martin Luther King, Jr. Federal Holiday Commission.

I am proud to be an original cosponsor of this legislation.

Martin Luther King has had a profound impact in my life.

In 1965 I marched with Dr. King from Selma, AL to Montgomery.

In 1983 I was proud to join a majority of my colleagues and vote in favor of making Martin Luther King's birthday a Federal holiday.

And in 1984 I supported the creation of the Martin Luther King, Jr. Federal Holiday Commission.

And I supported the 3-year extension of the Commission in 1986.

As we stand here today, considering this bill to reauthorize the Commission another 5 years, I cannot help but be amazed.

Amazed that 25 years after the Civil Rights Act of 1964 was passed by this body, we stand here today and debate the merits of a commission that would continue to encourage appropriate ceremonies and activities relating to the Federal holiday honoring this great American.

Amazed that the U.S. Senate would spend time debating such an issue.

Only one day out of the year honors a great black American.

What must the American people think of us to be arguing at length over this relatively minor expenditure to honor a great American from our own era.

Look at all the money we spend on weapons systems and other programs. Often with less debate than we are having on this issue.

What does it say about us that 21 years after his death, we can still argue about whether or not we should honor him.

Perhaps we need to reflect for a moment on just what Martin Luther King contributed to this great Nation of ours.

Dr. King first gained national attention in 1955, when as a 26-year-old Baptist minister, he organized a boycott of buses in Montgomery, AL. At that time black passengers were forced to ride in the back of the bus. Dr. King saw that this was wrong. He led a peaceful yearlong boycott of those buses, and as a result those buses were integrated.

But this was only the beginning. Wherever Martin Luther King saw Americans treated unjustly because of the color of their skin, he spoke out, he organized others, and he led peaceful, nonviolent demonstrations and boycotts.

And he won. Integrating first the buses, then the lunch counters, the universities, and other public facilities.

His peaceful struggle continued as he fought for laws to protect the rights of Americans of all races.

In 1963 Dr. King led the largest March ever seen in our Nation's Capital at that time, a peaceful demonstration that culminated in his inspirational "I have a dream" speech on the steps of the Lincoln Memorial.

The following year his work was honored the world over when Dr. King was awarded the Nobel Peace Prize.

Dr. King believed in the American form of Government. He believed in the strength of the ballot box.

He organized his followers to register to vote. Where he found barriers to the ballot box, he sought to knock those barriers down. He fought the racist literacy tests and the poll tax, and eventually won passage of the Voting Rights Act of 1965.

Dr. King continued his nonviolent struggle against economic injustice fighting for fair employment practices and fair housing for all.

It was one such struggle for economic justice that brought him to Memphis in support of striking sanitation workers, during the spring of 1968.

And it was there on April 4, 1968, that this man who preached changes through creative nonviolence met his violent death.

I wonder if we realize how blessed we were as a nation, to have at such a pivotal point in our history, as the leader of the civil rights movement, a man who chose the path to non-violence, the path of peaceful change.

Fifteen years later, recognizing the greatness of the man, this Congress passed, and President Reagan signed a bill designating Martin Luther King's birthday a Federal holiday.

And today I have heard the Senator from North Carolina say that the Congress should not reauthorize the Federal Holiday Commission.

It has been called an unnecessary waste of money.

Is it a waste to have the Commission provide information to our schools so that young people can learn about a man who was able to end great injustices, not through violent revolution, but through peaceful nonviolent demonstration?

Is it a waste to have a commission organize and coordinate activities on this Federal holiday that remind all Americans how far Martin Luther King brought all of us as a people, and as a nation, during his short life. And remind us of how far we have yet to go?

The Commission has been criticized by the Senator from North Carolina, because its National College Student Conference taught students how to effectively deal with injustices through peaceful protest campaigns.

And if this isn't bad enough he tells us that at this same conference students were also encouraged to register and vote.

I say that if the Federal Holiday Commission is carrying on the Legacy of Martin Luther King by making his philosophy of nonviolence and participation in our political process, come alive for our young people then this Senator is proud to vote in favor of its reauthorization for another 5 years.

Mr. CRANSTON. Mr. President, the bill before us signifies our commitment to the principles of freedom and equality. This bill extends the authorization of the Martin Luther King, Jr. Federal Holiday Commission for 5 years, enabling the Commission to continue its important work promoting the celebration of the life and teachings of Dr. Martin Luther King, Jr.

Dr. King was one of the most inspiring leaders of any era. He exemplified the best of America—our democratic traditions, our strides toward full and equal civil rights, and our commitment to the Bill of Rights. His speeches, his writings, his actions all worked toward fulfilling the fundamental promise of America and of our unique revolution—toward a land which truly recognizes that all are created equal, and all can share the dream.

In 1957, I traveled throughout the South—visiting Texas, Mississippi, Alabama, Georgia, and other States. I met with freedom marchers and segregationists, with reporters, Ku Klux Klan members, and church leaders. I went to feel the winds of freedom blowing there—stirred by Martin Luther King, Jr.—and the counterwinds of fear and suppression.

And I saw the incredible results Dr. King achieved by applying the nonviolent techniques of Gandhi to the teachings of Christ. He touched people's souls in their tenderest spot.

The life of this one individual changed the course of our Nation's life. It changed a course begun in 1619 when the first black slave was brought to our shores.

Dr. King kindled the rebirth of America's dedication to the liberty and dignity of each individual—black or white, Jew or gentile.

Tragically, however, more than 20 years after his death, that promise has not been yet fulfilled. Poverty, discrimination, and violence remain with us in this country and throughout the world.

For this reason, I firmly believe that we cannot afford the loss of the Martin Luther King, Jr., Federal Holiday Commission at this time. In the past 3 years, the Commission has had tremendous success with expanding the scope of Martin Luther King celebrations worldwide. Holiday activities stress the importance of community service and education—themes that have recently emerged as high priorities on our national agenda. Authorizing Federal funds to aid the Commission at this critical point in its development will be an investment in our future for the purpose of ending, once and for all, inequity and injustice.

We who help lead this Nation will be held up to Dr. King's example of our commitment and actions in making the promise of the Constitution's guarantee of civil rights for every American a reality. It is our responsibility to reauthorize the Martin Luther King, Jr. Federal Holiday Commission in order that it may carry on with its important work.

I support S. 431 and urge its prompt adoption.

Ms. MIKULSKI. Mr. President, I rise today in support of this legislation and in opposition to any amendments that would weaken it.

When we honor Dr. King, we're not just honoring the dreamer, we're honoring his dream. For Americans born in the past 20 years, it is hard to realize what the civil rights movement accomplished. It is easy for them to ignore the courage and the perseverance of the thousands of people who fought to overcome 350 years of prejudice.

Dr. Martin Luther King, Jr., was a leader, and for that leadership he deserves everyone's respect and admiration. But he is also a symbol for what one person can do to change the world for the better.

When Dr. King stood on that platform to receive the ultimate accolade of the international community, the Nobel Peace Prize, he demonstrated to me, a young Baltimore social worker, that one individual can make a difference.

But a leader must have followers, and Dr. King showed the people who followed his example that if they worked together, and their cause was just, they could all make a difference. That was heady knowledge to someone who was trying to make a difference in her community; it has been my inspiration ever since.

Dr. Martin Luther King, Jr., was a preacher, an inspirational and charismatic orator who brought out the best in people. He was a man who lived what he preached, whether it was from the pulpit of his Atlanta church or from the tailgate of a wagon in some small southern town.

The Holiday Commission we are reauthorizing today is a small payment for the debt we owe this man. It is the American people stating that his principles are our principles.

It is an acknowledgment that Dr. King brought people together to fight for a cause, not to fight with each other.

It is an assertion that, in fighting for the rights of black Americans, he was fighting for the rights of all Americans.

And it is an everlasting reminder to us, to our children and grandchildren, that if we keep our eyes on the prize, and the prize is justice, we will prevail.

Mr. NUNN. Mr. President, I want to acknowledge the work of my staff on this bill, S. 431; particularly, Lori Brown, Tommy Dortch, Ed Kilgore, and Julie Abbot.

Mr. DOMENICI. Mr. President, I rise to support the Martin Luther King, Jr., Federal Holiday Commission Extension Act. The Commission, established in 1984, promotes the teachings of Dr. King and recognizes his achievements in advancing civil rights in our Nation and peace throughout the world by coordinating events to commemorate his birthday.

Frankly, Mr. President, I believe that Dr. King was a true American hero. He stood firm against injustice and he struggled to help the downtrodden of our country. He undertook the difficult task of alerting America to the racial discrimination that existed in our country, and he brought about a nonviolent revolution in American society. We, as a Nation and a people, are stronger because of the changes wrought by Dr. King.

Unfortunately, Dr. King was not able to complete his work. There is still inequality and injustice in American society. As long as our educational system fails to adequately educate our children and prepare them for the future and as long as our system does not provide equality of economic opportunity for all Americans, we shall not realize our full potential as a nation.

We need to continue the work of the Martin Luther King Federal Holiday Commission because the work of Dr. King needs to continue. By educating the public on the life and ideals of Dr. King, we can promote the cause of civil rights, education, and economic opportunity in the United States and throughout the world.

Mr. WARNER. Mr. President, in the 98th Congress, the Congress passed and President Reagan signed legislation making Dr. Martin Luther King, Jr.'s, birthday a Federal holiday. I was pleased to support the establishment of a holiday at that time to recognize a man whose work did much to focus national attention on justice and equality in America.

The Martin Luther King, Jr., Federal Holiday Commission was established in 1984 to encourage appropriate ceremonies and activities to honor the memory of Dr. King and his life's work. Authorization for the Commission has expired. We are here today to extend the work of the Commission for an additional 5 years.

Mr. President, I rise today in support of S. 431. The Commission has only been at work for 4 years. In that period the Commission has made achievements, but more time is needed.

I expect the Commission to focus its activities on the statutory purposes for which it was established by Congress.

As we review this issue today, I think back to the last time I heard Dr. King speak. Several years ago, I had the privilege to serve on the board of the Protestant Episcopal Cathedral here in Washington, DC. The dean of the Washington Cathedral was Frank Sayre, grandson of a Virginia President, Woodrow Wilson. He and I were instrumental in securing the board's approval to have Dr. King deliver a sermon at the cathedral. Little did we know that the sermon would be the last sermon Dr. King was to deliver.

I remember Dr. King's words that day and I reflect on his vision of a nation free of racial discrimination. Mr. President, it is important to remember Dr. King's message as delivered at the cathedral in the Nation's Capital. I believe the Commission should complete its work and I will vote for this legislation.

Mr. LIEBERMAN. Mr. President, I rise today to speak in support of the reauthorization of the Martin Luther King, Jr., Federal Holiday Commission and in support of Federal funding for the Commission.

We honor Martin Luther King, Jr., with a Federal holiday because we want his legacy to survive, and to serve as an example for generations to come. During his lifetime, he became a moral conscience, not only for a movement, but for Americans across the land. His advocacy of racial equality and nonviolent social change was a beacon of hope and courage in a world beset by bigotry and hate.

The Commission's task is to help breathe life into the Martin Luther King celebration, to insure that it is something more than just a holiday—that it is an occasion to renew our commitment to the ideals exemplified by this great leader.

At a time when the young people of this country are beset by a range of threats, from drugs and crime to homelessness and broken families, it is more important than ever that we give them a foundation of values on which they can survive and grow. The Martin Luther King, Jr., Federal Holiday Commission helps build that foundation through its educational programs. That work must continue.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 1385, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1385) to make permanent the Martin Luther King, Jr. Federal Holiday Commission.

The PRESIDING OFFICER. Under the previous order, all after the enacting clause is stricken and the text of S. 431, as amended, is inserted in lieu thereof.

The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

Mr. JOHNSTON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Michigan [Mr. RIEGLE] and the Senator from New Jersey [Mr. LAUTENBERG] are necessarily absent.

I further announce that if present and voting, the Senator from Michigan [Mr. RIEGLE] would vote "yea."

Mr. SIMPSON. I announce that the Senator from New Hampshire [Mr. HUMPHREY] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced, yeas 90, nays 7, as follows:

[Rollcall Vote No. 57 Leg.]

YEAS—90

Adams	Daschle	Inouye
Baucus	DeConcini	Jeffords
Bentsen	Dixon	Johnston
Biden	Dodd	Kassebaum
Bingaman	Dole	Kasten
Bond	Domenici	Kennedy
Boren	Durenberger	Kerrey
Boschwitz	Exon	Kerry
Bradley	Ford	Kohl
Breaux	Fowler	Leahy
Bryan	Garn	Levin
Bumpers	Glenn	Lieberman
Burdick	Gore	Lugar
Burns	Gorton	Mack
Byrd	Graham	Matsunaga
Chafee	Gramm	McCain
Coats	Grassley	McConnell
Cochran	Harkin	Metzenbaum
Cohen	Hatch	Mikulski
Conrad	Hatfield	Mitchell
Cranston	Heflin	Moynihan
D'Amato	Heinz	Murkowski
Danforth	Hollings	Nickles
Nunn	Rockefeller	Simpson
Packwood	Roth	Specter
Pell	Sanford	Stevens
Pressler	Sarbanes	Thurmond
Pryor	Sasser	Warner
Reid	Shelby	Wilson
Robb	Simon	Wirth

NAYS—7

Armstrong	McClure	Wallop
Helms	Rudman	
Lott	Symms	

NOT VOTING—3

Humphrey	Lautenberg	Riegle

So the bill (H.R. 1385), as amended, was passed as follows:

H.R. 1385

Resolved, that the bill from the House of Representatives (H.R. 1385) entitled, "An Act to make permanent the Martin Luther King, Jr., Federal Holiday Commission," do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Martin Luther King, Jr., Federal Holiday Commission Extension Act."

SEC. 2. REMOVAL OF TERMINATION.

(a) REMOVAL.—Section 9 of Public Law 98-399 (98 Stat. 1475) is amended to read as follows:

"SEC. 9. The Commission shall continue in existence until April 20, 1994.".

(b) CONFORMING AMENDMENTS.—

(1) FINDINGS.—Paragraph (3) of the first section of Public Law 98-399 (98 Stat. 1473) is amended by striking "first".

(2) PURPOSES.—Section 3(1) of Public Law 98-399 (98 Stat. 1473) is amended by striking "first occurs on Janaury 20, 1986" and inserting "occurs on the third Monday in January each year".

(c) REESTABLISHMENT AFTER TERMINATION.—If the date of the enactment of this Act occurs on or after April 20, 1989, the Martin Luther King, Jr., Federal Holiday Commission shall be established on the date of the enactment of this Act with the same members and powers that the Commission had, as provided in Public Law 98-399 (98 Stat. 1473), on April 19, 1989 (subject to this Act and the amendments made by this Act).

SEC. 3. MEMBERSHIP

(a) TERMS IN GENERAL.—Section 4(c) of Public Law 98-399 (98 Stat. 1474) is amended to read as follows:

"(c)(1) Except as provided in paragraphs (2) and (3), members of the Commission shall be appointed not later than June 1 of each year for terms of 1 year, and any vacancy in the Commission shall be filled in the manner in which the original appointment was made. Any vacancy in the Commission shall not affect its powers.

"(2) Coretta Scott King shall serve as a member for life. In the event of a vacancy, her position on the Commission shall be filled by a member of the family surviving Martin Luther King, Jr., not already a member of the Commission, who shall be appointed by the family and shall serve as a member of the Commission at the discretion of the family.

"(3) The 2 members of the Commission appointed as members of the family surviving Martin Luther King, Jr., shall serve as members of the Commission at the discretion of the family.".

(b) CONTINUATION OF TERMS OF EXISTING MEMBERS.—The individuals who are members of the Commission on the date of the enactment of this Act shall be considered to have been appointed members for a term ending on the first June 1 that occurs after the date of the enactment of this Act (pursuant to section 4(a) of Public Law 98-399 (98 Stat. 1473) or section 2(c) of this Act, as appropriate).

SEC. 4. RESTRICTIONS ON ACTIVITIES OF THE COMMISSION.

Section 6 of Public Law 98-399 (98 Stat. 1474) is amended by adding at the end thereof the following new subsection:

"(c) In carrying out the responsibilities of the Commission under this Act, the Commission shall not make any expenditures, or receive or utilize any assistance in the form of the use of office space, personnel, or any other assistance authorized under subsection (b), for any of the following purposes—

"(A) training activities for the purpose of directing or encouraging—

"(i) the organization or implementation of campaigns to protest social conditions, and

"(ii) any form of civil disobedience.".

SEC. 5. REPORTS.

Section 8 of Public Law 98-399 (98 Stat. 1475) is amended by striking the period at the end and inserting the following: "with respect to the most recent observance of the Federal legal holiday honoring the birthday of Martin Luther King, Jr.".

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION.—Section 7 of Public Law 98-399 (98 Stat. 1474) is amended to read as follows:

"Sec. 7. There are authorized to be appropriated to carry out this Act $300,000 for fiscal year 1989 and each of the 4 succeeding fiscal years.".

(b) CONFORMING AMENDMENTS.—

(1) EXPENSES OF MEMBERS.—Section 4(d) of Public Law 98-399 (98 Stat. 1474) is amended by striking "subject to section 7" and inserting "subject to the availability of sufficient funds".

(2) PAY FOR STAFF.—Section 6(a) of Public Law 98-399 (98 Stat. 1474) is amended by striking "Subject to section 7" and inserting "Subject to the availability of sufficient funds".

SEC. 7. REPEALER.

Section 5(c) of Public law 98-399 (98 Stat. 1474) is repealed.

SEC. 8. BRONZE REPLICA OF DECLARATION OF INDEPENDENCE.

(a) The Congress finds that:

(1) The ideas expressed in the Declaration of Independence have inspired freedom-loving people throughout the world.

(2) The eloquent language of the Declaration of Independence has stirred the hearts of the American people.

(3) The Declaration of Independence ranks as one of the greatest documents in human history.

(4) On July 2, 1952, a bronze replica of the Declaration of Independence was presented to Congress for display in the Rotunda of the United States Capitol.

(5) On July 22, 1988, the bronze replica of the Declaration of Independence was moved from the Rotunda of the Capitol to the small House Rotunda between the Capitol Rotunda and Statuary Hall.

(6) The Bronze replica of the Declaration of Independence ws replaced in the Rotunda by a bust of Martin Luther King, Jr.

(b) It is the Sense of the Congress that the bronze replica of the Declaration of Independence should, forthwith, be returned to a place of prominence in the Rotunda of the United States Capitol where it shall remain on permanent display.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. SASSER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, I ask unanimous consent that S. 431 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, with reference to the bill that has just been passed by a vote of 90 to 7, it seems to me the Senate has a pretty good bill. I hope that my House colleagues might take a hard look at the 5-year reauthorization, $300,000 per year funding, one amendment which I think is very appropriate, and accept that. I know the President supports the Senate version and would be very pleased to sign the legislation; we could have this done very quickly, if the House could see fit to adopt the Senate version.

I also thank my colleagues on both sides for their support of the bill and those who managed the bill for their superb job. In my view the result was as it should have been, an overwhelming vote in support of the so-called Nunn proposal.

OMNIBUS CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEARS 1990, 1991, AND 1992

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Concurrent Resolution 30, the budget resolution.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 30) setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. MITCHELL. Mr. President, I designate Senator SASSER to control the time for the majority.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that further proceedings under the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I allocate control of the time on this side to the distinguished Senator from New Mexico, Senator DOMENICI.

The PRESIDING OFFICER. The record will so reflect the designation.

Mr. SASSER. Mr. President, I ask unanimous consent that the staff of the Committee on the Budget be allowed to remain on the floor during consideration of Senate Concurrent Resolution 30, and I will send to the desk a list of the Budget Committee staff which should be given floor privileges.

The PRESIDING OFFICER (Mr. KERRY). Without objection, it is so ordered.

Mr. SASSER. Mr. President, I ask unanimous consent that the presence and use of small electronic calculators be permitted on the floor of the Senate during consideration of Senate Concurrent Resolution 30.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. Mr. President, there are some minor typographical errors in the report that accompanies the resolution, and I send to the desk an errata sheet. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the errata sheet was ordered to be printed in the RECORD, as follows:

ERRATA

On page 40 of the Committee Report, strike "BA (−1.1)", and insert "BA (−1.2)". Under the category "Mandatory spending", strike "This level includes" and insert "Total savings in this function include ". The text should then read: "Total savings in this function include the President's proposal to advance farm deficiency payments from 1990 into 1989".

Mr. SASSER. Mr. President, I rise this evening to join with my distinguished friend, the senior Senator from New Mexico, in bringing to the floor of the Senate Concurrent Resolution 30, the fiscal year 1990 budget resolution.

Now, as my colleagues know, this resolution has already had a relatively long and embattled history. This budget resolution is the product of many hours of intense negotiations and sometimes bitter debate. It arrives here bloodied but I believe unbowed, largely because it represents the very best compromise attainable among a great many different points of view.

Let me say at the outset that this resolution and the bipartisan agreement on which it is based represents a genuinely meaningful step toward resolving this country's fiscal crisis, a step that gets the deficit down, that restrains spending, and sends a positive signal to the financial markets and, not I think unimportantly, allows the legislative process to proceed in a timely and orderly fashion.

Let me also be candid from the outset. The agreement that gave life to this resolution has been criticized as smoke and mirrors, as deception, as sleight of hand or even worse.

I disagree strongly with that characterization, but I sympathize with the frustration behind it. Of course, this resolution does not go far enough. We all know that. We all know that neither Senator DOMENICI nor myself have attempted to disguise that fact.

Mr. President, I must say that I do not believe there is a Member of this body who in the splendid seclusion of his or her own office could not imagine, draft, or implement a better budget resolution than the one we are presenting here this evening. Certainly many Members have done that, and on the morning of the next day, after drafting that budget proposal, they usually judge their work to have been good.

But, Mr. President, legislation is not written nor is it passed in splendid isolation. It is the hard-won result of vigorous exchange and sometimes vigorous conflict, and that has certainly been true in this case.

The fact is that no one approaches the fiscal policy of this country without predispositions and some of these predispositions are very deeply ingrained indeed. There are deep, deep divisions in this country regarding budgetary priorities, regarding revenues, regarding entitlements. Virtually every element of the Federal budget is grounds for extended and sometimes endless debate.

We do not need to look any further for proof in the budgetary history of the last 9 years from Kemp-Roth to Gramm-Rudman-Hollings, and beyond to the shifting policies, to the mounting debt, to the continued stalemate that has sometimes literally paralyzed the legislative process itself.

Mr. President, the resolution that we offer today represents the first genuine break with that history of deadlock and confusion. We were able to reach over the multiple disagreements and construct an agreement with the executive branch and the legislative branch, between the majority party and the minority party here in Congress, a balanced agreement that can open a window and a new era of fiscal cooperation, a signal that there is an end to confrontation and paralysis, and a new era of working together to meet the fiscal needs and solve the fiscal problems of this Government.

I say to my colleagues that in light of that possibility we ought to look at this resolution not in terms of what it fails to achieve but in terms of what it does in fact accomplish.

First, let me offer for my colleagues' consideration a brief outline of the specifics of the package. Then I would like to make just a few positive points about what it does.

The basic components of the resolution are these; in the area of deficit re-

duction there are taxes and user fees totaling $8.5 billion. We take defense cuts of $4.2 billion and entitlement savings of $6.8 billion. The postal budgetary treatment saves $1.8 billion and the overall package results in net interest savings of $1.1 billion.

The resolution also includes enforcement provisions to ensure that deficit savings are indeed realized. The spending caps in the major broad areas are as follows—and these spending caps cannot be exceeded—defense comes in at $303.5 billion in budget authority, and $299.2 billion in outlays. Again, outlay savings for defense as measured against the Congressional Budget Office baseline total of $4.2 billion. That disposition of funds enables us to get some of the needed efficiencies while at the same time it preserves a strong force structure, a strong deterrent capability, and allows this country to meet its defense commitments both at home and abroad.

The resolution provides $19 billion in discretionary budget authority for the international function as well as $17 billion in outlays.

This is an allotment sufficient to allow current funding levels for State Department programs, including vital aid for Egypt and for the state of Israel; and funding to implement the recommendation of the International Commission on Central American Recovery and Development. Domestic discretionary spending in the resolution is capped at $157.5 billion in budget authority and $181.3 billion in outlays.

I want to speak at greater length about what we are proposing in domestic programs at a later point. But I would observe here that these domestic numbers that we have provided have room for some of the vital initiatives that President Bush talked about during the 1988 campaign: initiatives in education, in space and science, in housing, in health, antidrug programs, and on and on.

Mr. President, these are the broad outlines of the resolution that we offer today. As I have already said, our approach has been criticized as smoke and mirrors, as an illusion. Some have characterized it as a phantom of the Rose Garden. But I would say to my colleagues in the strongest terms, no one who has been involved in the 40 days and 40 nights of budget negotiations this year has tried to hide the shortcomings of this agreement we have reached. No one, not one soul, has claimed that this resolution puts the deficit controversy to rest.

But what we have said, and what I think is demonstrably true, is that this is the very best agreement we can reach among the various points of view that had to be accommodated, and within the constraints that were imposed upon us from the very beginning; that were imposed on the budget negotiation process itself.

Why do I say this is the best agreement that could be reached under the circumstances? I say it for these reasons: it cost $20 billion in hard money off this deficit and some $28 billion overall. It meets the Gramm-Rudman-Hollings target. It keeps this Government's deficit trending down both in actual dollars and as a percentage of gross national product. And it sends a signal for the financial markets that we are indeed controlling our own financial destiny.

This budget resolution breaks an 8-year pattern of partisan gridlock setting the stage for further I hope more productive bipartisan deficit reduction agreements for fiscal year 1991 and beyond.

I thought the Senate majority leader, the distinguished Senator from Maine [Mr. MITCHELL], said it best when he told the President when we presented this agreement to him at the White House: "Mr. President, perhaps the most significant thing about this agreement is that we have an agreement."

Eight years of partisan gridlock are behind us. This budget resolution avoids a sequester, averting the automatic $26 billion in cuts that would force mandatory defense reductions of 11.2 percent and nondefense discretionary reductions of 9.8 percent, cuts that would be across the board, and irresponsible and unacceptable, as long as there is some alternative out there.

This budget resolution that we bring to our colleagues today spreads the pain fairly and equitably. It spreads it among entitlements, so the Defense budget takes its fair share. And, yes, the third leg of this three-cornered stool is increased revenues. It establishes the principle that everything needs to be on the table during future budget deliberations. Nothing ought to be immune or sacrificed.

The fifth thing this budget resolution does is to free up funding for the vital programs like education, drug enforcement, housing, scientific research, programs that I think Members of both parties appear to agree must be expanded or accelerated, if we are to preserve our standard of living in this country.

Finally, I think this is a very crucial point: This agreement allows us to meet our legislative obligations, to meet our budget deadlines in an orderly fashion. The fact is, if we act quickly, we have the opportunity, Senator DOMENICI and I, working together, to pass a budget resolution ahead of schedule for the first time in this decade.

The Appropriations Committees can then move their bills expeditiously. This body will not have to be tied up with a budget process for the remainder of this year. We will not have to face the endless, all-night sessions or sessions that stretch late into the evening, full of debate and acrimony and recrimination, will not be forced to the painful expedient of government by continuing resolution, which is really government by failure of the appropriations process.

So, Mr. President, I submit that this is a very significant list of achievements. It is a list of achievements that will prepare us for the more difficult decisions that we will all have to make down the road. It is the first manageable step toward the ultimate deficit reduction objective that we all share in this Chamber. That shared objective, in my judgment, is the basis for the 16-to-7 bipartisan majority that this resolution received in the Budget Committee. I am confident it will be the basis of a strong vote for passage here on the Senate floor.

Now, during the next few days, we are going to hear from Senators who will argue that we are perpetuating a deception on the American public; that we are guilty of deception, because we are using the Office of Management and Budget's economic assumptions; that we dramatically and drastically understate the budget deficit. We have heard that repeatedly during the budget markup in committee, and, frankly, I concur to some degree.

But I would point out to my colleagues that the Office of Management and Budget has, in fact, adjusted its interest rate projections upward—though not sufficiently upward in my judgment—and moreover, OMB's growth numbers for the economy appear to be reasonably close to those of the Congressional Budget Office.

But overall, the fact of the matter is that when you peel away the technical differences and the differences involving the appropriate treatment of the bailout for the savings and loans, the OMB economic assumptions and the Congressional Budget Office assumptions diverge on their deficit projections for fiscal year 1990 by only $9 billion. To be sure, that is a substantial amount, but surely not an overwhelmingly amount. On a percentage basis, it is a diversion of less than 7 percent, if my mathematics serve me correctly that I am doing in my head here.

Now, let me put that divergence in perspective to make the point more clearly. If you exclude the treatment of the FSLIC crisis, the package that we present to our colleagues here this evening, using Congressional Budget Office economic assumptions, results in a budget deficit of less than $110 billion. So even using Congressional Budget Office assumptions, we are within the range mandated by the Gramm-Rudman-Hollings law.

Now, another objection that is likely to be raised is that our deficit reduction measures are illusions, either one-time savings or some other legerdemain. Once again, I am in complete agreement that we are not going to bring the deficits down decisively until we take decisive action.

But I would submit that there are hard savings in this resolution. As I have said, we get some 20 billion dollars' worth of significant deficit reduction. We have agreed to $5.3 billion in hard revenues. Frankly, I think that revenue figure is eminently achievable. Many of the revenue measures will become permanent changes in law. Some may have an expiration date, to be sure, but even those can be easily reenacted in the subsequent years.

Now, the resolution includes $2.7 billion in user fees and offsetting collections. We fully expect that those will be achieved by the appropriate committees. Further, the Internal Revenue Service compliance revenues are not one-time savings. In fact, these savings could easily grow in succeeding years, as new IRS agents are added to the force.

The $2.7 billion in Medicare savings are real, and may be reconciled. We have every expectation that the remaining entitlement savings will be achieved through reconciliation or through administrative action, and those include real savings in agriculture, in Federal pensions, and in postal reforms.

Finally, Mr. President, there are real savings in defense, $4.2 billion. And from all indications, the new Secretary of Defense, Mr. Cheney, is working now to achieve the necessary economies, and doing so in my judgment, without eroding our defense capabilities.

So, Mr. President, these are genuine, realistic deficit reduction provisions, that can be accepted and implemented by the relevant committees in both the House and Senate.

In short, they constitute reasonable, achievable deficit reductions.

And that is really what we aim for in our negotiations. That is what we were charged to do by our leadership, to come up with reasonable, achievable deficit reductions that meet the deficit reductions targets for fiscal year 1990, and I submit that has been done.

Does this resolution contain a sweeping tax proposal that will bring in one huge chunk of revenue and set our fiscal house in order in one fell stroke? No, of course, it does not. Everybody knows that.

Does this resolution include a bold effort to revamp the entitlement programs—to put a tax on Social Security or put a cap on the Social Security COLA's or the retirees' COLA's or dramatically and drastically reduce farm price supports? No, it does none of that. We have never represented that it did. That was not in our charge.

Do we contemplate a dramatic gesture such as a sequester budget based on Congressional Budget Office economics in order to shock the body politic with massive cuts in defense and domestic programs? No, we do not, and I would submit if we sought to do so those who would receive the greatest shock would be those in this Chamber who proposed it and supported it.

We have attempted none of those things because none of them are acceptable to the U.S. Senate as presently constituted, nor are they acceptable to the other body, nor are they acceptable to the President of the United States, nor—and perhaps most importantly—are they acceptable to a majority of the American people.

Mr. President, I said during the markup in the Budget Committee that writing a budget for the U.S. Government is the art of the possible. It certainly is not the science of the perfect.

This resolution represents the limit of the possible in this particular budget year. I can state with some degree of certainty, because I have sat through hours and hours and hours of sincere debate between honest and honorable men on virtually every possible approach to the budget problem, that this is the best that we can do at this particular time in our history.

The agreement we reached during these long exchanges provides that we will move forcefully into renewed negotiations after we have passed this budget resolution on time perhaps for the first time in a decade for fiscal year 1990.

I firmly believe that we can build on the foundation that we have set for this year. I am convinced that we can move quickly to a bolder, more decisive approach to fiscal responsibility. But we can only sprint, I say to my colleagues, after we have taken the first firm steps.

Mr. President, we can get the period of paralysis and confrontation behind us by acting to adopt this budget resolution and by acting to adopt it quickly.

Mr. President, I yield now to my distinguished colleague from New Mexico, the ranking member, Senator DOMENICI.

Mr. DOMENICI. Thank you very much, I say to my distinguished chairman.

Mr. President, I yield myself as much time as I might use.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. First, Mr. President, my congratulations to the distinguished Senator from Tennessee, the chairman of the Budget Committee. We may very well be doing something historic today, and he is the chairman who presides this historic event. We may get a budget resolution passed by both Houses of the U.S. Congress, agreed to by the President and in a form to be implemented by the Congress very near the statutory deadline. I think that deserves a compliment.

Mr. President, I also want to compliment him in his new job because I have been at this for a while. I understand that some people think of the Federal budget as a rather simple thing; just put down a lot of numbers, do some adding and subtracting, and you ought to come up with a bottom line, that ought to say "the deficit." Anyone who seen the evolution of our government from the time when we had one committee do both the authorizing and the appropriating, from the time we had only five or six bureaus of the Federal Government, to the combination of appropriated accounts, entitlements, forward-funded programs and all kinds of various and sundry approaches we have today called the "budgetary process" would understand what a tough job my friend from Tennessee has. So I congratulate him.

Mr. President, I want to make a few early observations about deficits and about this Senator's concern in the past. I want to express why I am supporting this budget resolution today, why I hope it passes and why I hope it gets implemented.

There are some who might say it was not too long ago when the Senator from New Mexico was taking on everybody on the issue of the deficit. He was not interested whether the President was with him or against him. He said, "You are wrong."

I used to come to the floor and talk about the deficit, talk about the black cloud of debt hanging over the people of this country because of what we were spending. I came to the floor regularly and talked about the fact that this deficit would ruin this country. And some might say, "what has happened?"

Well, I will tell you what has happened, Mr. President, and this many people will not like, but we have succeeded, we have succeeded in getting the deficit of the United States of America down substantially in the last 3 years.

Let me tell the President and the Members of the Senate when this Senator's concern about the deficit reached a peak in 1985. We had 5 years presented to us by the President of the United States as required by law, 1985, 1986, 1987, 1988, and 1989, the year we are in right now. At that time, the Congressional Budget Office, the independent agency that serves the Congress looked at what the deficit was likely to be for those years, including 1989. Mr. President, do you know what the Congressional Budget Office projection for the deficit for

the year 1989, the year we are in right now, was—$296 billion.

If you think I was worried about the deficit in those years, indeed, I was. I had a now rather infamous and well-known conversation with my good friend, President Ronald Reagan, because I was about to mark up a budget resolution that reduced defense dramatically. I had already waited 3 months to negotiate with the administration. I was asked by the President not to finish the budget in a little tiny telephone booth outside of the Budget Committee. I said, "No." He repeated his request. I said, "No," respectfully, and perhaps with a little more trepidation than I speak of it here today.

I did that because the defense budget was growing dramatically, not like today when it is coming down rather rapidly. At that time, I said this defense request will not fit.

I am rather pleased—that may shock some people—that the deficit this year is substantially less than that ominous prediction of $300 billion. As a matter of fact, Mr. President, some have criticized this year's deficit, which should have been $146 billion under Gramm-Rudman-Hollings. They suggest that the process is not working and we did not do our job. They do not know the facts. If anyone could have predicted the expenditures of FSLIC this year, then I believe they had to be in tune with the Almighty. Essentially FSLIC is what went wrong with those predictions last fall and, instead of $146 billion, it is higher than that.

But I submit to you that it is down substantially and substantially better than the CBO's prediction 4 years ago.

I want to make another statement, and in the course of the next 2 days I will talk about it more. Frankly, there are many who worry about the programs of this National Government. There are many who speak of compassion solely in terms of the Federal programs that take care of people. I am not one who is known to be adverse to trying to help Americans who cannot make it in this magnificent, capitalistic, free enterprise, achievement-oriented system. But I submit to you and to the Senators here that the most compassionate program of all is sustained economic growth without inflation, sustained productivity increases by the collective efforts of the American people without inflation.

For those who want to come down here during the course of this debate and talk about the fact that people are worse off today after 6½, almost 7 years of economic recovery with low inflation, who want to cite reports to that effect, I urge that they come. I think it will be a very interesting debate, because the truth of the matter is that what picks more people out of poverty in America, what gives more people a chance to participate in the wealth machine of America is sustained economic growth without inflation. It pales compared to its second best Federal program, whatever is is, I assure you.

We are now engaged in a debate about fiscal policy, but I believe the real debate is: How does the United States of America maintain sustained, rapid increases in production without inflation? We have done very well. As a matter of fact, I do not believe we even ought to concede to the economists of today that the business cycle is an inevitability in the American economy. I do not believe it necessarily is.

As a matter of fact, I believe maybe the business cycle—the notion that you can proceed only a few years and then you are going to have a recession—is an American purifying mechanism. We do not look at our policies for growth and productivity. We let the kinds of things we ought to do to make sure that we can grow and prosper go by the boards. Instead, we let a recession purify our failure to take the most positive of our options to increase productivity and growth without inflation.

We are used to saying, "We can do it any old way. We can have any kind of taxes we want." At one point we got up to almost a 90-percent marginal tax on Americans. We got up to a point where corporate taxes were the highest in the world. We still tax dividends twice. We still are not concerned about capital formation. We still have no new labor-management approaches to productivity.

We sit around and say it is all going to work and if it does not, we will have a recession. When we get that big dose of medicine, it puts more people in poverty and it keeps them there longer than anyone can imagine.

As a matter of fact, most statistics that have been bandied around about the ineffectiveness of the past decade at helping poverty have failed to take into account that the recession in the middle of that decade was so deep that we have not even dug the poor people out of that. Instead, we blame the recovery. We go back 2 years before the recovery to select our numbers. We play games.

I said at the outset, point No. 1, it was not too long ago that this deficit was supposed to be $300 billion. Now it is substantially down.

Point No 2, for those who believe this budget now before the Senate is a budget that really spends money, that we are throwing money—the American taxpayers' money—out the window in bushels, I will just give you one quick number.

For the last 20 years, the Government of the United States, on average, year over year, has had its expenditures increased not 1, not 2, not 5, but 8 percent a year.

This budget, for all of those who think it is so terrible, will have the outlays of our Government increase, 1989 over 1990, by 3.7 percent as estimated by CBO. Not bad. As a matter of fact, I would submit, if we could find a way to continue the growth in Government year over year to something like 3.7 percent, we would come very close to balancing the budget. By the time we are finished this debate in the next couple of days, I will show you a few areas in which we do not know how to control the budget, one of which is the cost of health care. But if you could keep the overall growth in spending at about 3.7 percent year over year, you would have this fiscal house in order.

Point No. 3: There are those who somehow or another are absolutely bound and determined that there is something wrong with the American economy. I am not so sure there are so many terrible things wrong with it but there are those who would disagree with me. I sure would like to see prosperity continue: I would like to see the economy grow at about 2½ to 3½ percent a year. I sure would like to see inflation down where it was for another 2½, 3 years. I sure would like to see that.

Is it this kind of prosperity they are talking about? I am not so sure what they are talking about when they say things are all so bad.

But one thing I can tell you, there can be no question that this deficit is coming down and coming down very, very consistently.

Now, there are those who wanted a big budget deal. They are telling us this is just a little deal.

You know, I am intrigued. What would the big deficit deal be? I do not see anybody going to offer one. Perhaps my chairman knows of somebody who has a big proposal. But, you know, when you talk to them, they almost always say, "We need taxes."

Well, I can tell you, anybody that wants to put some taxes, wants $20 billion or $30 billion, in this resolution because you think it will fix the deficit, because they think it will achieve sustained economic growth with low inflation, come on down to the floor. Offer it. You want $10 billion, you want $20 billion, you want $30 billion.

Let me tell you, it is so easy, you do not even have to say what kind. Because this is a budget resolution, I say to the chairman. Just come down here and say, "We really need to fix this deficit. We need $20 billion, $25 billion in taxes and we will let somebody else decide how it should be done."

Nobody is going to do that. Do you know why nobody is going to do that? I do not want it to be misread. I will tell you why it probably will not be done for a long, long time. The reason is that to do anything like that, if it is

ever going to be done, would take Democratic leaders, Republican leaders, and a President.

Would my good chairman, because the Democrats are in the majority; would he like to walk over to the House and find JIM WRIGHT and TOM FOLEY and say, "Why don't we Democrats do that? We are in control of both Houses." Of course, they will not do that, because they need the President's support.

For those who are talking about new taxes and why they really think the American people are undertaxed, we can have this discussion too before we finish.

This is not just political rhetoric, trying to stir up the troops. The truth of the matter is they are not undertaxed, either historically, relatively, or even as compared with our competitors in the new, free industrial world that is growing like dynamite. They have got almost everything we do, except they do some things a little better.

You see the ingredients. You need the President. But, let me tell you, you need something else. You need to tell the American people that, if you are going to have new taxes, the deficit is coming down. Most interesting: People think if you plug a bunch of new taxes in here, the deficit is coming down.

What about the year after next? If you put them in this year, what assurance do you have for the American people that, with the growing entitlement programs, we will not just use up all those taxes?

I see the distinguished occupant of the chair, he did budgets in his State. If when my colleague was Governor, he told his people he needed about $40 million or $50 million in new taxes to balance the budget but he also had some neat little spending scheme that he wanted, $70 million or $80 million in new programs. As a result, he wanted to tax them an additional $40 million to finance these new programs he would not have been very successful, I say to the occupant of the chair. He would not have been successful, because people are not that dumb. So, where is the process that is going to assure that these taxes will do what people think they are going to do: reduce the deficit? Frankly, we don't have one.

Why not? Because most people who are saying we ought to have more taxes are really talking about more programs. That is interesting. Where are we going to get the money to pay for the more programs if we are going to use the increased taxes to reduce the deficit? I assume we are going to use it to pay for the new programs that we need.

So, frankly, you see, it seems to me that the impossible became possible this year. Never in a 13-year history of the budget process, did a President send an OMB Director and a Secretary of the Treasury to Congress, other than immediately after Black Monday. Never did they sit down in a room and negotiate. Never did Democrats and Republicans from both Houses sit down in the same room and negotiate a budget. We did that. My compliments to the chairman, the two Members of the House, the President's team. We did the impossible. We put down an agreement that the President can agree to, that Democrats can agree to, that Republicans can agree to.

I want to say this to all of the prophets of gloom, about how bad this is—to all of those who wish we could have truth in budgeting; to those who believe the CBO [Congressional Budget Office] is more truthful than OMB. For those who are so sure of this, tomorrow we will get them a chart and we will show them truth is not the issue but rather who can estimate the best—who can guess the best. On that basis, both OMB and CBO are about equally bad. Half the time OMB is right. Half the time CBO is right.

But, Mr. President, is it not interesting, after all the talk about this budget resolution, produced in the manner that our chairman has described, after all that chatter, how pleased we are to tell you that under OMB's calculations it is under $100 billion. The arbitrary, yet rather relevent, target of Gramm-Rudman-Hollings, most economists say a rather relevant scheme, $100 billion in fiscal 1990 will be achieved. That is a pretty good fiscal policy, the economist say. Under OMB's economics and estimating, the deficit will be under $100 billion in fiscal 1990.

You would have thought that this budget was the epitome of chicanery to hear some talk. You would have thought that we plucked the most optimistic of everything, so that we could really skin this cat and deceive everyone. Right?

Lo and behold, the great purifier, the CBO, has come along and reestimated this budget. And what are they saying: $109 billion, Mr. Chairman? $109 billion. This is within the realm of rounding. The CBO estimates this budget at $109 billion. Our chairman says 7 percent error. That is one way of looking at it. But in a $1.1 trillion budget, estimating both expenditures and revenues, which we try to do, with at least five economic variables, it is far less than a 7-percent error. It is almost insignificant. I guarantee, over the scope of a budget 10 years or so, if you can get two economists who will end up agreeing on what this budget of the United States will be at the end of a year, and they are $9 billion apart, Mr. President, buy them. Pay for them. Wrap them up in gold. Because that is so close that you cannot expect any better.

So, in the ensuing days we will talk about what we can buy under this agreement; what domestic programs can probably increase. We are not increasing them here. The appropriators will decide. We are talking about how much defense we will get to cut. And, yes, put it on the table. We have some asset sales which will yield deficit reduction, and these savings will not recur.

Some will talk as if that, too, is the end of the world. I do not believe any of these things are the end of any world, in particular an American economic world; so long as we commit ourselves to implementing this budget, engaging ourselves once again in dialog, bipartisan, bicameral, and with the Chief Executive, to take the next step. I submit it is the very best we could do.

Enough? Perhaps not. Could we do better? Indeed, yes. Could we sit 10 people in a room, put everything on the table and do better? Yes.

But I do not think you could do any better if you expect a President, and Democrats and Republicans, to support a fiscal plan for this first year of this administration. We had all the ingredients. We worked at it. This is what we got.

I believe, if implemented, when implemented, it is a very good first step. Nothing more.

Does it resolve the fiscal problems of this Nation? No. For those who are absolutely insistent that there must be a large tax component in reducing this deficit, does it do that? No. It has the President's number. Essentially in round numbers it is about $5 billion in new revenues. He expects it from capital gains. Others expect it from other sources. As in most budget resolutions, we will leave that argument for another day.

However, leadership has agreed and they will try to agree that they will not support revenues unless they all agree.

So, my summary is twofold. I welcome those who would like to come down and criticize. I would like to engage them and talk about it. I welcome those who have something better to offer. I hope they will bring it down here. I will do everything possible, working with the chairman and the Parliamentarian, and use no technical insults to prevent anyone from putting something meaningful on the table. We will help them fix it where it works, where it meets the technical rules, if they have something.

For those who want to reform the entitlement programs of the country, they can come down here and we will even agree to help them doctor up this resolution so they can instruct one of the committees, perhaps Agriculture—maybe somebody thinks Agriculture needs reform. They can put in $5 bil-

lion more in reductions and order the Agriculture Committee to achieve the savings and say that is their problem. Let them reform Agriculture.

If they would like to fix Medicare, we have $2.7 billion in here—maybe there is somebody who thinks we ought to get $10 billion out of it, Mr. Chairman.

There is no prohibition in Gramm-Rudman-Hollings for the coming under the target, is there? There is a penalty only if you go over. They do not need 60 votes, just a simple majority. If they want to cut Medicare $10 billion, we will help them with the language. We will be very accommodating.

For those who want to cut defense more, we will be glad to help with the numbers. We will resist it. We have a very good arrangement now. Defense is by itself, and it cannot be spend for anything else. Foreign aid is by itself and cannot be spent for anything else. And the domestic discretionary likewise. Still we will help them.

I think what we have had is a good working arrangement, especially when you have Democrats, Republicans, Senators, Representatives, and the umbrella of leadership with the President sitting in the middle saying: "Let's do it."

Frankly, this is the start and we would like to keep going. It may stumble in 6 or 8 months. It may not lead on. But I think some of us are hopeful it will. In fact, I think some of us are saying: If you want to get real deficit reduction, if you want to keep it moving, consistent, and timely, without gridlock and chaos, it probably has to have the ingredients that I have just described, working together.

Sometimes, because of the roughness of the political issue, they may have to even speak, as I have sometimes described it, with "simultaneity." This may have to be the test. They may have to speak with one voice at one time so nobody will accuse anyone of speaking first on some of the kinds of spending reform and/or revenues and/or reform of our processes and/or the other kinds of things that might have to be done.

But for now, this is a very good first step, and I look forward to the debate in the ensuing days. Hopefully we will prevail, go to the House and get a budget resolution out early in the budget process and start implementing it.

AMENDMENT NO. 73

(Purpose: To express the sense of the Senate that the Federal excise taxes on gasoline and diesel fuel should not be increased to reduce the Federal deficit)

Mr. DOMENICI. Mr. President, I understand that the distinguished Senator from Idaho [Mr. SYMMS], for himself and others, was to lay down an amendment. He asked if I would do that in his behalf. Since I talked so much longer than I had expected, he had to go elsewhere on business. I would like to send an amendment to the desk on behalf of Senator SYMMS and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] for Mr. SYMMS, Mr. BOND, Mr. HATCH, Mr. HELMS, Mr. MCCONNELL, Mr. WALLOP, Mr. WILSON, and Mr. GRAMM proposes an amendment numbered 73.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the concurrent resolution, add the following new section:

FULL EXCISE TAXES

SEC. . (a) The Senate finds that—

(1) Federal excise taxes are regressive in that a lower income individual must use a higher percentage of his income to pay the taxes than a higher income individual;

(2) adding 10 cents or more per gallon to the cost of fuel will have a devastating effect on the Nation's economy in that such an increase would—

(A) reduce the gross national product by $10 billion in the first year,

(B) reduce automobile production by 1.3 percent,

(C) reduce housing construction by 0.9 percent,

(D) increase unemployment by 80,000 in the first year and 180,000 by the third year,

(E) reduce petroleum refinery output by 1.2 percent,

(F) reduce income tax revenues by almost $1 billion annually,

(G) reduce personal savings by nearly 3 percent, and

(H) increase the Consumer Price Index by 0.3 percent;

(3) it would be discriminatory for one portion of the Nation's population, highway users, to pay an additional tax in order to reduce the Federal deficit, thereby forcing this segment to shoulder a greater share of our Nation's financial burden;

(4) it would be inequitable for individuals to contribute to Federal deficit reduction based on the number of miles driven per year;

(5) Federal highway and public transit programs are funded at levels significantly lower than documented needs requiring States to provide funds to fill that shortfall;

(6) an increase in the Federal tax on gasoline and diesel fuel—

(A) inhibits the ability of State and local governments to raise revenues to fund transportation projects, and

(B) reduces the revenues for State and local government fuel taxes unless State and local governments increase their taxes; and

(7) total motor fuel taxes (including State and local taxes) account for nearly 25 percent of the retail price of gasoline and about 29 percent of the retail price of diesel fuel making motor fuel among the most heavily taxed essential items in the Nation.

(b) It is the sense of the Senate that the assumptions underlying the revenue totals included in this resolution do not include an increase in Federal excise taxes on gasoline and diesel fuel.

Mr. DOMENICI. I yield the floor.

Mr. SASSER. Mr. President, the pending business is the amendment of the Senator from Idaho, but I ask unanimous consent that the Senator from Wisconsin be allowed to speak for a time not to exceed 5 minutes.

The PRESIDING OFFICER. The Senator has the right to yield time on the concurrent resolution.

Mr. SASSER. I will yield the Senator from Wisconsin 5 minutes on the concurrent resolution.

The PRESIDING OFFICER. The Senator form Wisconsin.

Mr. KOHL. Mr. President, I come here for just a few minutes tonight to inform my colleagues that I will be submitting a motion to recommit the budget to our conferees sometime later on this week. But I do not come here to discuss that tonight; I come here primarily because I want to pay my respects and express my admiration for the experience, the intelligence, the skill and perseverence of those people who have negotiated this bipartisan agreement on both sides of the aisle in Congress. Particularly I refer to Senator SASSER, Senator DOMENICI, and our leader, Senator MITCHELL, who have worked so hard to fashion this compromise.

In no way is my motion to recommit a reflection on anything else but my feelings for them and my respect for them. I think that we can do a lot better, and that is why I am going to submit this motion. I think that our negotiators perhaps did not recognize the depth of the feeling in Congress with respect to real deficit reduction in contrast to the kind of reduction that I think we are submitting to ourselves for confirmation which, in my judgment, is considerably less than budget deficit reduction of any consequence. I think that we are going to find, I hope that they will find that the kind of support that they perhaps did not know existed does exist in the Senate and I hope in the House so that they can meet for 3 days, which is all this motion to recommit constitutes, a 3-day interim for our conference to negotiate with the administration and come up with significant deficit reductions.

That is the purpose of my motion but, again, I express my greatest admiration. I would like to state as a measure of my concern and my interest in this entire matter, at this very moment the team I own, the Milwaukee Bucks, are playing the Atlanta Hawks, and I would like to be watching them on television of listening on the radio, but I am here to express my admiration for you and my concern. With that, I bid you good night and look forward to seeing you tomorrow.

Mr. SASSER. Mr. President, I thank the Senator from Wisconsin for his kind and generous comments. There is going to be much discussion over the next few days on this budget resolution, and we look forward to hearing the observations of the Senator from Wisconsin on the concurrrent resolution that is presently before us. I am confident that our distinguished friend may be able to offer us some suggestions about how we can meet these targets that we have to meet and hopefully meet them in a fair and equitable way.

Senator DOMENICI and I wrestled with this matter, as I said, 40 days and 40 nights. This is the best work product that we could come up with. I know that there are good minds in this body. Perhaps it can be improved.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me say to my good friend I am most appreciative of his genuine concern and his high hopes. Frankly, I do not think he ought to take any more time away from that ball game. Clearly, we are going to have plenty of time in the next few days to debate and discuss his approach to this. I look foward to it. I hope that we will be able to have a good, thorough discussion.

I am sorry, from what I known of it, that I cannot tell him tonight that I support him because I truly do not believe we can negotiate any better budget. Nonetheless, we look forward to his approach and what he has in mind. We appreciate very much his kind words this evening.

Mr. SASSER. Mr. President I yield to the distinguished majority leader.

The PRESIDING OFFICER. The majority leader.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT OF THE NATIONAL ENDOWMENT FOR THE HUMANITIES—MESSAGE FROM THE PRESIDENT—PM 36

The Presiding Officer laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with the provisions of the National Foundation on the Arts and Humanities Act of 1965, as amended, I am pleased to transmit herewith the 23rd Annual Report of the National Endowment for the Humanities covering the year 1988.

GEORGE BUSH.

THE WHITE HOUSE, *May 2, 1989.*

ANNUAL REPORT OF THE FEDERAL COUNCIL ON THE AGING—MESSAGE FROM THE PRESIDENT—PM 37

The Presiding Officer laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with section 204(f) of the Older Americans Act of 1965, as amended (42 U.S.C. 3015(f)), I hereby transmit the Annual Report for 1988 of the Federal Council on the Aging. The report reflects the Council's views in its role of examining programs serving older Americans.

GEORGE BUSH.

THE WHITE HOUSE, *May 2, 1989.*

TRIENNIAL REPORT ON IMMIGRATION 1989—MESSAGE FROM THE PRESIDENT—PM 38

The Presiding Officer laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Judiciary:

To the Congress of the United States:

In accordance with section 401 of Public Law 99-603, the Immigration Reform and Control Act of 1986, I hereby transmit the first Comprehensive Triennial Report on Immigration, 1989.

GEORGE BUSH.

THE WHITE HOUSE, *May 2, 1989.*

MESSAGES FROM THE HOUSE

At 5:52 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 62. Joint resolution designating May 1989 as "National Stroke Awareness Month."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports and documents, which were referred as indicated:

EC-961. A communication from the Comptroller of the Department of Defense transmitting, pursuant to law, a contract award report for the period May 1, 1989, to June 30, 1989; to the Committee on Armed Services.

EC-962. A communication from the Deputy Assistant Secretary of the Air Force (Logistics), transmitting, pursuant to law, a study of cost-effectiveness of certain functions at Los Angeles Air Force Base, California; to the Committee on Armed Services.

EC-963. A communication from the Secretary of Defense transmitting, pursuant to law, the National Defense Stockpile Requirements Report for 1989; to the Committee on Armed Services.

EC-964. A communication from the Assistant Secretary of Defense transmitting, pursuant to law, the report on the adequacy of pay and allowances of the Armed Forces; to the Committee on Armed Services.

EC-965. A communication from the Assistant Secretary of the Army transmitting, pursuant to law, notification of the intent to study the conversion to contract performance of a commercial activity being performed by Department of Defense employees; to the Committee on Armed Services.

EC-966. A communication from the Secretary of Transportation, transmitting pursuant to law, the fourteenth Annual Report of Activities relating to the Deepwater Port Act of 1974 for fiscal year October 1, 1987 through September 30, 1988; pursuant to 33 U.S. Code, Section 1502, referred jointly to the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, and the Committee on Environment and Public Works.

EC-967. A communication from the Secretary of Transportation transmitting a draft of proposed legislation to authorize appropriations for the fiscal years 1990 and 1991 for certain maritime programs of the Department of Transportation, and for other purposes; to the Committee on Commerce, Science and Transportation.

EC-968. A communication from the Secretary of Commerce transmitting a draft of proposed legislation to authorize appropriations to the Secretary of Commerce for the programs of the National Institute of Standards and Technology for fiscal years 1990, 1991, and 1992, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-969. A communication from the Secretary of Transportation transmitting a draft of proposed legislation to transfer administration of bridges and causeways over navigable waters from the Secretary of Transportation to the Secretary of the Army, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-970. A communication from the Secretary of Transportation transmitting, pursuant to law, the Annual Report of Accomplishments under the Airport Improvement Program; to the Committee on Commerce, Science, and Transportation.

EC-971. A communication from the Deputy Associate Director for Collection and disbursements of the United States Department of the Interior transmitting, pur-

suant to law, a report on the refund of certain overpayments of offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-972. A communication from the Secretary of the Interior transmitting a draft of proposed legislation to authorize the Secretary of the Interior to construct, operate, and maintain a water treatment plant for the purpose of treating water discharged from the Leadville Mine Drainage Tunnel near Leadville, Colorado, in order to meet water quality standards, and to authorize the funding of such construction, and for other purposes; to the Committee on Energy and Natural Resources.

EC-973. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service Department of the Interior, transmitting, pursuant to law, a report of the refund of certain overpayments of offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-974. A communication from the Deputy Associate Director for Collection and Disbursements, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain excess oil and gas royalty payments; to the Committee on Energy and Natural Resources.

EC-975. A communication from the Acting General Counsel of the Department of Energy, transmitting a draft of proposed legislation to authorize appropriations to the Department of Energy for civilian energy programs for fiscal year 1990 and 1991, and for other purposes; to the Committee on Energy and Natural Resources.

EC-976. A communication from the Secretary of the Interior and Secretary of Commerce, transmitting jointly, pursuant to law, the seventh annual report on activities with respect to the Emergency Striped Bass Research study covering 1987; to the Committee on Environment and Public Works.

EC-977. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the medical assistance progams under title XIX of the Social Security Act to increase coverage for pregnant women and infants and for childhood immunizations, and for other purposes; to the Committee on Finance.

EC-978. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, notice of a delay in the submission of a legislative proposal to refine the Medicare Prospective Payment System; to the Committee on Finance.

EC-979. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to April 13, 1989; to the Committee on Foreign Relations.

EC-980. A communication from the President of the African Development Foundation, transmitting a draft of proposed legislation to extend the authority of the African Development Foundation, and for other purposes; to the Committee on Foreign Relations.

EC-981. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the status of loans and contracts of guaranty or insurance to which there remains unpaid obligation or potential liability; to the Committee on Foreign Relations.

EC-982. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report on the status of secondment within the United Nations by the Soviet Union and Soviet-bloc member-nations; to the Committee on Foreign Relations.

EC-983. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting a draft of proposed legislation to authorize a multi-year program of economic assistance for the Philippines; to the Committee on Foreign Relations.

EC-984. A communication from the General Counsel of the Department of the Treasury transmitting draft legislation to provide for a United States contribution to the Interest Subsidy Account of the Enhanced Structural Adjustment Facility of the International Monetary Fund; to the Committee on Foreign Relations.

EC-985. A communication from the Comptroller General of the United States transmitting, pursuant to law, the Annual Report of the U.S. General Accounting Office for the fiscal year ending September 30, 1988; to the Committee on Governmental Affairs.

EC-986. A communication from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, a copy of D.C. Act 8-17 adopted by the Council on 4-4-89; to the Committee on Governmental Affairs.

EC-987. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "Fiscal Year 1988 Annual Report on Advisory Neighborhood Commissions"; to the Committee on Governmental Affairs.

EC-988. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "Annual Audit of the Boxing and Wrestling Commission for Fiscal Year 1988"; to the Committee on Governmental Affairs.

EC-989. A communication from the Director of the Administrative Office of the United States Courts, transmitting a draft of proposed legislation to restore lost compensation of justices and judges of the United States; to the Committee on Governmental Affairs.

EC-990. A communication from the Chairman of the Merit Systems Protection Board, transmitting, pursuant to law, the tenth annual report of the Board covering fiscal year 1988; to the Committee on Governmental Affairs.

EC-991. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the final report and executive summary of a recently completed evaluation study funded by the Office of Human Development Services, Administration for Native Americans; to the Select Committee on Indian Affairs.

EC-992. A communication from the Attorney General of the United States, transmitting, pursuant to law, a report on applications and extensions of orders approving electronic surveillance; to the Committee on the Judiciary.

EC-993. A communication from the Assistant Attorney General of the United States, transmitting, pursuant to law, the annual report of the Department of Justice under the Freedom of Information Act for fiscal year 1988; to the Committee on the Judiciary.

EC-994. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for Services for Deaf-Blind Children and Youth; to the Committee on Labor and Human Resources.

EC-995. A communication from the Secretary of Education, transmitting, pursuant to law, notice of final funding priority under the Educational Media Research, Production, Distribution and Training Governmental Subsidization for the Manufacture and Distribution of a Line 21 Decoder; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-70. A concurrent resolution adopted by the Legislature of the State of North Dakota; to the Committee on Appropriations.

"SENATE CONCURRENT RESOLUTION NO. 4018

"Whereas, Indian tribes within North Dakota rely exclusively on federal funding for health care services on Indian reservations; and

"Whereas, federal budget reductions in the area of Indian health care have resulted in inadequate health care facilities and a reduction in the number of health care professionals on Indian reservations; and

"Whereas, Indians have been forced to seek health care on a contract basis at inpatient and outpatient facilities located off the reservations; and

"Whereas, the difficulties experienced by the Indian tribes in obtaining accessible health care and the health and general well-being of the Indian people are of great concern to all citizens of North Dakota, both Indians and non-Indians; Now, therefore, be it

"Resolved by the Senate of North Dakota, the House of Representatives concurring therein, That the Fifty-first Legislative Assembly urges the Congress of the United States to increase appropriations for Indian health care, including mental health and educational services, to assure adequate health care services to Indian tribes and to benefit the nonfederal health care providers in this state through the continued provision of contract services off the Indian reservations; and be it further

"Resolved, That Indian people be consulted and involved in the process of improving Indian health care services; and be it further

"Resolved, That copies of this resolution be forwarded by the Secretary of State to the President of the United States Senate, Speaker of the United States House of Representatives, and each member of the North Dakota Congressional Delegation."

POM-71. A resolution adopted by the Twentieth Guam Legislature; to the Committee on Energy and Natural Resources.

"RESOLUTION NO. 36

"Whereas, every year more than two thousand children in the United States tragically die from abuse or neglect, it being estimated that as many as one in ten children suffer from these criminal acts, which appalling numbers are most alarming in their implications for the victims and for the stability of the American family unit; and

"Whereas, since growing awareness of child abuse can lead to more effective identification and a greater number of reported cases, and since the Navy Family Service Center, Child Protective Services and other social and judicial agencies can help children and families who have been identified,

April of 1989 has been designated "Child Abuse Prevention Month," with a Fair to be put on by the Guam Association for the Education of Young Children at the Micronesian Mall on April 8th and 9th, and a Child Abuse Prevention Conference on April 29th at the Adelup complex; now, therefore, be it

Resolved, That the Committee on Rules of the Twentieth Guam Legislatue does hereby on behalf of the people of Guam commend the Navy Family Service Center Guam, the U.S. Naval Communications Area Master Station WESTPAC, and the Child Protective Services and other concerned social service agencies for their collective emphasis on mutual community support and on increasing public awareness of child abuse through the Child Abuse Prevention month and its programs, including the Prayer Breakfast on April 4, 1989, as well as other community awareness projects planned throughout the month; and be it further

"Resolved, That the Speaker and the Chairperson of the Committee on Rules certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to Rear Admiral T.J. Johnson, Commander, Naval Forces Marianas; to Ms. Marilyn Wingfield, Director of Mental Health and Substance Abuse; to Dr. Leticia V. Espaldon, Director of Public Health and Social Services; to Adolfo Sgamberlluri, Acting Chief of Police; to Presiding Judge Alberto Lamorena, Superior Court of Guam; to Judget Benjamin Cruz, Family Court; to Ms. Anita Sukola, Director of Education; and to the Govenor of Guam."

POM-72. A concurrent resolution adopted by the Legislature of the State of North Dakota; to the Committee on Environment and Public Works.

"SENATE CONCURRENT RESOLUTION No. 4062

"Whereas, large scale rehabilitation, repair, and capacity improvements are ongoing necessities of the national highway transportation system; and

"Whereas, the highway transportation system is the most critical component of the physical infrastructure of the United States; and

"Whereas, there is a growing and concentrated national consensus for a program to serve the country's highway transportation needs through the year 2020; and

"Whereas, high quality highways are critical to the ability of manufacturers to build and deliver products, and to the ability of states and communities to attract new industry and to sustain economic growth; and

"Whereas, the international trade competitive positions of the nation and of the states are directly related to the quality of access to the interstate highway system and related to the physical condition of interstate and primary highways; and

"Whereas, current national policy makes no provision for continuing the federal aid highway program into the future; and

"Whereas, in all recent federal aid highway acts, Congress has had to include provisions for extending the highway trust fund and the taxes that fund it; Now, therefore, be it

"Resolved by the Senate of North Dakota, the House of Representatives concurring therein, That the Fifty-first Legislative Assembly urges the Congress of the United States to make permanent the highway trust fund and the user fees accruing to it, so that a reliable funding source is available for constructing, rehabilitating, and otherwise improving the highways and bridges that are so essential to the economic vigor of North Dakota and of the nation; and be it further

"Resolved, That the Fifty-first Legislative Assembly urges the Congress of the United States to protect the highway trust fund from predatory proposals to divert highway user revenues to programs entirely unrelated to the transportation purposes for which the fund was established; and be it further

"Resolved, That copies of this resolution be forwarded by the Secretary of State to the President of the United States, the Secretary of the United States Department of Transportation, the President of the Senate and the Speaker of the House of Representatives of the United States Congress, the chairmen of the National Economic Commission, and to each member of the North Dakota Congressional Delegation."

POM-73. A resolution adopted by the Commission of Hancock County, West Virginia, favoring an extension of the steel Voluntary Restraint Arrangements (VRA's) for an additional five years; to the Committee on Finance.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WILSON (for himself and Mr. DECONCINI):

S. 878. A bill to grant a Federal charter to the Michael Jackson International Research Institute; to the Committee on the Judiciary.

By Mr. LIEBERMAN:

S. 879. A bill to amend title XIX of the Social Security Act to prohibit States, as a condition of medicaid funding, from discriminating in its medical reciprocity standards (other than years of accredited graduate medical education) against foreign medical graduates; to the Committee on Finance.

By Mr. MCCONNELL:

S. 880. A bill to amend the Child Nutrition Act of 1966 to require the Secretary of Agriculture to provide startup funds to State educational agencies for distribution to schools to establish or expand school breakfast programs to require the Secretary to collect and disseminate certain information concerning the school breakfast program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 881. A bill to amend the National School Lunch Act to modify the criteria for determining whether a private organization providing nonresdential day care services is considered an institution under the child care food program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 882. A bill to amend the National School Lunch Act to make private nonprofit organizations eligible to participate in the summer food service program for children, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BENTSEN:

S. 883. A bill for the relief of Christy Carl Hallien of Arlington, TX; to the Committee on Armed Services.

By Mr. THURMOND:

S. 884. A bill to temporarily suspend the duty on Paramine Acid; to the Committee on Finance.

S. 885. A bill to temporarily suspend the duty on Trimethyl Base; to the Committee on Finance.

S. 886. A bill to temporarily suspend the duty on dimethyl succinyl succinate; to the Committee on Finance.

S. 887. A bill to temporarily suspend the duty on Resolin Red F3BS components I and II; to the Committee on Finance.

S. 888. A bill to temporarily suspend the duty on pentachlorothiophenol; to the Committee on Finance.

S. 889. A bill to temporarily suspend the duty on Anthraquinone; to the Committee on Finance.

By Mr. GORTON:

S. 890. A bill to authorize a certificate of documentation for the vessel HMS *Discovery;* to the Committee on Commerce, Science, and Transportation.

By Mr. REID:

S. 891. A bill to provide for the modernization of testing of consumer products which contain hazardous or toxic substances; to the Committee on Commerce, Science, and Transportation.

By Mr. MOYNIHAN:

S. 892. A bill to exclude Agent Orange settlement payments from countable income and resources under Federal means-tested programs; to the Committee on Finance.

By Mr. LAUTENBERG (for himself, Mr. GRASSLEY, and Mr. SIMON):

S. 893. A bill to establish certain categories of Soviet and Vietnamese nationals presumed to be subject to persecution and to provide for adjustment to refugee status of certain Soviet and Vietnamese parolees; to the Committee on the Judiciary.

By Mr. LAUTENBERG (for himself, Mr. HEINZ, Mr. MOYNIHAN, Mr. DOLE, Mr. RIEGLE, Mr. ARMSTRONG, Mr. DURENBERGER, Mr. LIEBERMAN, Mr. KASTEN, Mr. SPECTER, Mr. CRANSTON, Mr. KENNEDY, Mr. REID, Mr. CONRAD, Mr. FOWLER, Mr. MURKOWSKI, Mr. WIRTH, and Mr. PELL):

S. 894. A bill to amend the Internal Revenue Code of 1986 to allow amounts paid for home improvements to mitigate radon gas exposure to qualify for deduction for medical expenses; to the Committee on Finance.

By Mr. BOREN:

S. 895. A bill to extend disaster assistance to losses due to adverse weather conditions in 1988 or 1989 for those crops planted in 1988 for harvest in 1989; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. SPECTER:

S. 896. A bill to amend the Public Health Service Act to aid in the planning, development, establishment, and ongoing support of Pediatric AIDS Resource Centers, to provide for coordinated health care, social sevices, research, and other services targeted to HIV infected individuals, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. DECONCINI:

S. 897. A bill to grant employees parental leave under certain circumstances and for other purposes; to the Committee on Labor and Human Resources.

By Mr. CRANSTON (by request):

S. 898. A bill to amend title 38, United States Code, to revise the provisions relating to refinancing loans and manufactured housing loans to veterans to modify the procedures for the sale of loans by the Secretary of Veterans' Affairs, and for other pur-

poses; to the Committee on Veterans' Affairs.

S. 899. A bill to amend title 38, United States Code, to authorize the Secretary of Veterans' Affairs to establish and conduct, for five years, a leave sharing program for medical emergencies for employees of the Department of Veterans' Affairs who are subject to section 4108 of title 38, United States Code; to the Committee on Veterans' Affairs.

By Mr. ROCKEFELLER (for himself and Mr. CRANSTON):

S. 900. A bill to amend title 38, United States Code, to extend for one year the authorization of the Veterans' Administration to furnish respite care to certain chronically ill veterans and the due date for a report on the results of furnishing such care; to the Committee on Veterans' Affairs.

By Mr. THURMOND (for himself, Mr. PRYOR, Mr. HOLLINGS, Mr. HELMS, Mr. KASTEN, and Mr. GORE):

S.J. Res. 114. Joint resolution expressing the sense of the Congress that the people of the United States should purchase products made in the United States and services provided in the United States, whenever possible, instead of products made or services performed outside the United States; to the Committee on Commerce, Science, and Transportation.

By Mr. PRYOR (for himself, Mr. SHELBY, Mr. DECONCINI, Mr. MATSUNAGA, Mr. MITCHELL, Ms. MIKULSKI, Mr. PRESSLER, Mr. CONRAD, Mr. BUMPERS, Mr. GLENN, Mr. HEINZ, Mr. SANFORD, Mr. WIRTH, Mr. BURDICK, Mr. JOHNSTON, Mr. RIEGLE, Mr. DIXON, Mr. MOYNIHAN, Mr. BRADLEY, Mr. THURMOND, Mrs. KASSEBAUM, Mr. WARNER, Mr. GRAHAM, Mr. PELL, Mr. ADAMS, Mr. SASSER, Mr. CRANSTON, and Mr. DOLE):

S.J. Res. 115. Joint resolution to designate the period commencing on September 9 and ending on September 15, 1989, as "National Nursing Home Residents' Rights Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LAUTENBERG (for himself, Mr. BRYAN, Mr. DASCHLE, Mr. BOREN, Mr. ROCKEFELLER, Mr. EXON, Mr. LIEBERMAN, Mr. BRADLEY, Mr. PRESSLER, Mr. PELL, Mr. DODD, Mr. FOWLER, Mr. LEVIN, Mr. REID, Mr. BAUCUS, Mr. INOUYE, Mr. MITCHELL, Mr. SASSER, Mr. BURDICK, Mr. HOLLINGS, Mr. METZENBAUM, Mr. KENNEDY, Mr. DECONCINI, Mr. CONRAD, Mr. MATSUNAGA, Mr. LEAHY, Mr. WIRTH, Mr. KOHL, Ms. MIKULSKI, Mr. GLENN, Mr. BENTSEN, Mr. GRAHAM, Mr. DIXON, Mr. SARBANES, Mr. WILSON, Mr. GORTON, Mr. DOLE, Mr. GRAMM, Mr. COCHRAN, Mr. COHEN, Mr. CHAFEE, Mr. WARNER, Mr. ROTH, Mr. COATS, Mr. PACKWOOD, Mr. D'AMATO, Mr. SIMPSON, Mr. GARN, Mr. BOSCHWITZ, Mr. HEINZ, Mr. DURENBERGER, Mr. SPECTER, Mr. MURKOWSKI, and Mr. JEFFORDS):

S. Res. 116. Resolution commemorating the 50th Anniversary of the United States Jewish Appeal; to the Committee on the Judiciary.

By Mr. MITCHELL (for himself and Mr. DOLE):

S. Res. 117. Resolution to direct the Senate Legal Counsel to appear as amicus curiae in the name of the Senate in United States ex rel. Newsham, et al. v. Lockheed Missiles and Space Company, Inc.; considered and agreed to.

By Mr. MOYNIHAN (for himself and Mr. D'AMATO):

S. Con. Res. 31. Concurrent resolution expressing the sense of the Congress that Buffalo, NY, should host the 1993 summer World University Games; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WILSON (for himself and Mr. DECONCINI):

S. 878. A bill to grant a Federal charter to the Michael Jackson International Research Institute; to the Committee on the Judiciary.

FEDERAL CHARTER FOR THE MICHAEL JACKSON INTERNATIONAL RESEARCH INSTITUTE

Mr. WILSON. Mr. President, today I rise with my good friend from Arizona, Senator DECONCINI, to reintroduce legislation which was offered in the 100th Congress to grant a Federal charter to the Child Help USA Michael Jackson International Research Institute.

For the benefit of my colleagues, ChildHelp, USA, Inc., founded by Sara O'Meara and Yvonne Fedderson of California, has become one of the most respected and active institutions in our efforts to combat child abuse in the United States and abroad. Due to the tireless efforts of ChildHelp, we have moved ever closer to our goal to rid ourselves of this scourge.

Mr. President, we can and must do more.

Our Nation, born with the ideal of equal opportunity, should strive to ensure that no one is barred from reaching the full limits of their skills and abilities. We cannot abide the crippling of the most vulnerable among us—our children—before they reach an age when they can grasp the opportunities this Nation offers.

Last year, 1,584,700 cases of child abuse were reported. Sadly, this figure represents only a fraction of the number of cases which occurred. It is estimated that nearly three times as many child abuse cases went unreported.

Perhaps most disheartening is that studies show that children who are abused often grow up to abuse their own children, perpetuating a never ending pattern of behavior.

As a nation, we must do all possible to ease the pain and suffering of those who have been abused and to alert all Americans to this scourge so that we might prevent future tragedies.

Yet, at the national level, with the exception of a small center located at the National Institutes of Health acting primarily as a referral service, there is no comprehensive child abuse education and research program. That is, until ChildHelp USA developed and established the Michael Jackson International Research Institute.

The ChildHelp USA Michael Jackson International Research Institute represents an integrated system of those engaged in research on the subject of child abuse coupled with counseling practitioners in locations throughout the United States, and eventually abroad. The institute is fully funded through private contributions, and its mission is carried out by a centrally located staff with appropriate data collection capabilities.

Mr. President, the legislation I am introducing with Senator DECONCINI will lend congressional support to ChildHelp's effort by providing the institute a Federal charter. The standards for a Federal charter are understandably strict. In the history of the Nation only 50 nonprofit organizations have been awarded charters. I believe that my colleagues will agree that this institute meets those high standards.

Without question, the work of the Michael Jackson International Research Institute will help us understand and treat both the causes and the symptoms of child abuse. In so doing, a giant step toward improving the quality of life for our most precious of resources—our children—will be taken.

Mr. President, I urge my colleagues to support the institute's efforts by cosponsoring the legislation I am introducing with Senator DECONCINI today.

By Mr. LIEBERMAN:

S. 879. A bill to amend title XIX of the Social Security Act to prohibit States, as a condition of Medicaid funding, from discriminating in its medical reciprocity standards—other than years of accredited graduate medical education—against foreign medical graduates; to the Committee on Finance.

FAIR PHYSICIAN RECIPROCITY STANDARDS ACT

Mr. LIEBERMAN. Mr. President, doctors educated at medical schools outside of the United States constitute approximately 20 percent of the physicians in the United States, they make up 20 percent of the faculty at American medical schools and have made significant contributions to the American health care system. Five foreign medical graduates have won Nobel Prizes in the name of the United States.

Despite their significant contributions to the medical community and the rigorous process they must go through in order to be allowed to practice medicine in the United States, discriminatory requirements are often imposed upon foreign medical graduates when they attempt to relocate from the State in which they were originally licensed. The legislation I am introducing today, the Fair Physi-

cian Reciprocity Standards Act, would prohibit unwarranted discrimination against licensed physicians based upon where they attended medical school.

In order to be permitted to practice medicine in this country, graduates of foreign medical schools must be certified by the Educational Commission on Foreign Medical Graduates. Applicants must document their medical education, pass the foreign medical graduate examination in the medical sciences and pass an English proficiency exam. This certification allows them to apply for a graduate medical education program. Upon completion of the required number of years of graduate education, the foreign medical graduate must take the federation licensing examination. If the physician passes this exam then he or she is granted a license to practice medicine in this country.

The legislation I introduce today does not alter this initial licensing procedure; it merely attempts to ensure that those physicians who successfully complete this process are not discriminated against when they relocate from the State in which they were originally certified. The legislation does allow States to require more years of graduate medical education for foreign medical graduates than for graduates of American medical schools. This differentiation is justified because it allows the State's medical authorities to review the work of physicians who attended schools with which they may not be familiar. In areas other than years of graduate education, however, States would be required to apply the same criteria to all physicians who have been licensed in another State regardless of where they went to medical school.

On occasion States impose unnecessary requirements on foreign medical graduates which are not imposed on those who graduated from American medical schools. In one instance a doctor who was the head of obstetric anesthesiology at an Alabama hospital was offered a position at a hospital in Louisiana. Since she had not attended an American medical school, her medical school in Bombay was required to complete a 40-page questionnaire which included questions about the number of books in the medical school's library. The school in Bombay did not complete the questionnaire in time. The doctor lost the opportunity to move to the hospital in Louisiana and the hospital in Louisiana was unable to hire the doctor it had chosen.

This doctor had already been licensed to practice medicine in this country, yet she was not able to move her practice from State to State with the same ease as those licensed doctors who attended an American medical school.

The Fair Physician Reciprocity Act is a simple piece of legislation. It would leave individual States free to establish whatever criteria they wished for licensing physicians, but with the exception of the number of years of graduate education required would not allow States to have different criteria for the graduates of foreign medical schools than for the graduates of American medical schools. I hope my colleagues will join me in supporting this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 879

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fair Physician Reciprocity Standards Act of 1989".

SEC. 2. CONDITION FOR MEDICAID FUNDING.

(a) IN GENERAL.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended—

(1) in subsection (a)—

(A) by striking "and" at the end of paragraph (48),

(B) by striking the period at the end of paragraph (49) and inserting "; and", and

(C) by inserting after paragraph (49) the following new paragraph:

"(50) meet the requirement of subsection (q) (relating to not discriminating against foreign medical graduates in medical reciprocity standards.)"; and

(2) by adding at the end the following new subsection:

"(q)(1) Except as provided in paragraph (2), in order for a State plan to meet the requirement of this subsection the State may not discriminate in its medical reciprocity standards against foreign medical graduates (as defined in paragraph (3)(A)).

"(2) In its medical reciprocity standards, a State may require a licensed physician who is a foreign medical graduate to have a greater number of years of accredited graduate medical education than a licensed physician who is not a foreign medical graduate, but only if the number of years of such accredited graduate medical education required of a foreign medical graduate does not exceed 3 years.

"(3) In this subsection:

"(A) The term 'foreign medical graduate' means a licensed physician who qualified for a licensure as a licensed physician by virtue of graduation from a medical school located outside the United States (as defined in section 1101(a)(2) for purposes of this title).

"(B) The term 'licensed physician' means an individual who has successfully passed a medical licensure examination (and is duly licensed) as a physician in one of the 50 States, the District of Columbia, the Virgin Islands, or Guam.

"(C) The term 'medical reciprocity standard' means a standard for the issuance of a license as a physician to an individual who already is a licensed physician.".

(b) EFFECTIVE DATE.—(1) The amendments made by subsection (a) applies (except as provided under paragraph (2)) to payments under title XIX of the Social Security Act for calendar quarters beginning on or after the first day of the first calendar quarter that begins more than 1 year after the date of enactment of this Act, without regard to whether or not final regulations to carry out such amendment have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirement imposed by the amendments made by subsection (a), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet this additional requirement before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

By Mr. McCONNELL

S. 880. A bill to amend the Child Nutrition Act of 1966 to require the Secretary of Agriculture to provide start-up funds to State educational agencies for distribution to schools to establish or expand school breakfast programs, to require the Secretary to collect and disseminate certain information concerning the school breakfast program, and other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 881. A bill to amend the National School Lunch Act to modify the criteria for determining whether a private organization providing nonresidential day care services is considered an institution under the child care food program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 882. A bill to amend the National School Lunch Act to make private nonprofit organizations eligible to participate in the summer food service program for children, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

CHILD NUTRITION LEGISLATION

Mr. McCONNELL. Mr. President, we have no greater responsibility than ensuring the health and well-being of our Nation's children. Meeting this responsibility is for me the most rewarding and inspirational part of public service. That is why I take great pleasure today in introducing legislation which will benefit millions of children nationwide, by providing them with nutritious meals. The bills I am introducing today will enhance and expand the National School Breakfast Program, the Child Care Food Program, and the Summer Food Program.

Whereas 99 percent of public school children have access to the school lunch program, only one-third of children living in poverty have access to the School Breakfast Program. Clearly, there is room to expand the breakfast program to reach more of these needy young students. My bill would

provide $5 million to state educational agencies as startup funds for schools not currently paticipating in the school breakfast program. Further, it directs the Secretary of Agriculture to establish regional information clearinghouses to collect and disseminate information regarding the program, to help State agencies set up and promote school breakfasts in their States.

The second bill I am introducing today helps needy children and child care centers by changing the eligibility criteria for participation in the child care food program. Presently, participation is based on the number of title XX funded slots in a center. This discriminates against many States, particularly in the south, where there is a shortage of title XX funds available for child care. To better serve needy children, my bill bases eligibility for child care food benefits on the number of children who qualify for free or reduced prices meals under the National School Lunch Act.

For many children, the final bell of the school year signals the beginning of a long, hot, hungry summer. For them, the meals they eat at school are their main source of nutrition. When the cafeteria closes along with the school for summer vacation, these children are all too often left to go hungry for 3 months.

The Summer Food Program is meant to fill that gap. However, the program is handicapped in its ability to serve needy children because the law currently excludes private, nonprofit organizations from participating as program sponsors. My bill would simply allow these organizations to provide meals to children under the Summer Food Program. I believe that those community action groups, churches, and others who would like to help the program serve needy children, should be permitted to do so.

These three bills do not seek to reinvent the wheel, but simply to enable it to roll a little better. Through enactment of these bills, more needy children will benefit from our child nutrition programs. The connection between sound nutrition and strong learning ability has been proven over and over. Even the very best education progams we can devise will have little effect if the children can hear only the growling in their stomachs.

Mr. President, I would like to take this opportunity to commend Linda Locke for her work as the Director of Public Policy For Community Coordinated Child Care which is based in Louisville, KY. Ms. Locke has been a tireless advocate for children, and I am greatly appreciative of her role in bringing their needs to my attention. Community coordinated child care was one of the first to support the change in eligibility for the child care food program which I outlined earlier as one of the bills I am introducing today. With her help, and with the help of my colleagues, I hope we can move quickly to provide the basic necessity of adequate nourishment to our Nation's schoolchildren.

Mr. President, I ask unanimous consent that the text of the bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 880

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SCHOOL BREAKFAST PROGRAM START-UP FUNDS AND INFORMATION.

(a) IN GENERAL.—Section 4(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(f)) is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraphs:

"(2)(A) Of the sums appropriated for each fiscal year to carry out this section, $5,000,000 shall be available to the Secretary for the purpose of providing funds to States for distribution to schools to establish and expand school breakfast programs.

"(B) The Secretary shall allocate among the States during each fiscal year the funds available under this paragraph. Such allocation shall be based on the ratio of the number of children enrolled in schools in each State who are members of families that satisfy the income standards for free and reduced-price school meals established under section 9 of the National School Lunch Act (42 U.S.C. 1758) to the number of such children in all States.

"(C) To be eligible to obtain funds under this paragraph, a State educational agency shall—

"(i) submit to the Secretary a plan to expand school breakfast programs conducted in the State, including a description of the manner in which the agency intends to provide technical assistance and funding to schools in the State to expand such programs; and

"(ii) receive the approval of the Secretary for the plan.

"(D) Expenditures of funds from State and local sources for the maintenance of food programs for children shall not be diminished as a result of funds received under this paragraph.

"(3) The Secretary shall collect, and disseminate through regional offices of the Department of Agriculture, information concerning the availability, eligibility requirements, application procedures, and benefits of the school breakfast program.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1989.

S. 881

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF PRIVATE NONRESIDENTIAL DAY CARE ORGANIZATIONS UNDER THE CHILD CARE FOOD PROGRAM.

(a) IN GENERAL.—The second sentence of section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended by striking out "for which" and all that follows through "services)" and inserting in lieu thereof "if at least 25 percent of the individuals served by such organization are eligible for free or reduced price lunches under section 9".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1989.

S. 882

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

(a) ELIGIBLE SERVICE INSTITUTIONS.—Section 13(a)(1) of the National School Lunch Act (42 U.S.C. 1761 (a)(1)) is amended—

(1) in subparagraph (B), by inserting ", private nonprofit organizations," after "Sports Program,";

(2) by redesignating subparagraph (E) as subparagraph (F);

(3) by striking out "and" at the end of subparagraph (D); and

(4) by inserting after subparagraph (D) the following new subparagraph: "(E) 'private nonprofit organizations' means only such organizations (not including private nonprofit school food authorities or summer camps) that (i) serve not more than 5,000 children per day, (ii) operate at not more than 10 sites, and (iii) use self-preparation facilities to prepare meals or obtain meals from a public facility (such as a school district, public hospital, or State university); and".

(b) ELIGIBLE PRIVATE NONPROFIT ORGANIZATIONS.—Section 13 of such Act is amended by inserting after subsection (h) the following new subsection:

"(i) In addition to the requirements of subsection (a)(3), eligible private nonprofit organizations (excluding summer camps and private nonprofit school food authorities) entitled to participate in the programs as service institution shall be limited to those that—

"(1) operate in areas where a school food authority or the local, municipal, or county government has not indicated by March 1 of any year that such authority or unit of local government will operate a program under this section in such year;

"(2) exercise full control and authority over the operation of the programs at all sites under their sponsorship;

"(3) provide ongoing year-round activities for children;

"(4) demonstrate adequate management and fiscal capacity to operate a program under this section; and

"(5) meet applicable State and local health, safety, and sanitation standards.".

(c) CONFORMING AMENDMENT.—Section 13(a) of such Act is amended by striking out paragraph (7).

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1989.

By Mr. THURMOND:

S. 884. A bill to temporarily suspend the duty on paramine acid; to the Committee on Finance.

S. 885. A bill to temporarily suspend the duty on trimethyl base; to the Committee on Finance.

S. 886. A bill to temporarily suspend the duty on dimethyl succinyl succinate; to the Committee on Finance.

S. 887. A bill to temporarily suspend the duty on resolin red F3Bs compo-

nents I and II; to the Committee on Finance.

S. 888. A bill to temporarily suspend the duty on pentachlorothiophenol; to the Committee on Finance.

S. 889. A bill to temporarily suspend the duty on anthraquinone; to the Committee on Finance.

TEMPORARY SUSPENSION OF DUTY ON CERTAIN CHEMICALS USED IN MANUFACTURING

Mr. THURMOND. Mr. President, I rise today to introduce six bills which suspend the duties imposed on certain chemicals used in the textile, paper, and automotive industries. Currently, these chemicals are imported for use in the United States because there is no domestic supplier or no readily available domestic substitute. Therefore, suspending the duties on these chemicals would not adversely affect domestic industries.

The first bill would temporarily suspend the duty on 1,4-diaminobenzene-2-sulfonic acid—paramine acid—which is a chemical used in the manufacture of a bright greenish-yellow dye for paper. This dye is unique in the field of paper dyeing and cannot be replaced with other competing chemical dyes.

The second bill would temporarily suspend the duty on 2,3-dihydro-1,3,3-triemethyl-2-methylene-1H-indole—trimethyl base—which is used in making dyes for coloring acrylic fibers. These dyes are very important to the domestic textile industry and to major fiber producers in the United States.

The third bill would suspend the duty on dimethyl scuccinyl succinate [DMSS]. DMSS is combined with other chemicals to create red pigments for paints. These pigments are extremely important to the automotive industry and to their paint suppliers.

The fourth bill would temporarily suspend the duties on N[2-[(2,6-dicyano-4-methylphenyl)azo]-5-(diethylamino)phenyl]-methanesulfonamide and N-[2-[(2,6-dicyano-4-methylphenyl)azo]- 5-(di-1-propylamino)phenyl]-methanesulfonamide (resolin red F3BS components I and II). Both of these components are combined and dispersed to form a red dye used in coloring polyester fiber.

The fifth bill would temporarily suspend the duty on pentachlorothiophenol (pentachlorobenzenethiol) which is used by manufacturers of rubber-based products, such as automobile tires, to break up the natural rubber into small particles in the molding and vulcanizing process.

The sixth and last bill would temporarily suspend the duty on 9,10-anthracenedione (anthraquinone) which is used as a pulping aid in the manufacture of paper. Use of this chemical permits higher capacity which is critical for the U.S. paper industry, due to the extremely high operating levels over the past several years. Additional benefits of using anthraquinone in producing pulp include high pulp yields which reduces tree consumption, and reduction of the use of other pulping chemicals which reduces the potential air and water emission load.

Mr. President, suspending the duty on these chemicals will benefit the consumer by stabilizing the cost of manufacturing the end-use products, and will allow domestic producers to maintain or improve their ability to compete internationally. I hope that the Senate will consider these measures expeditiously.

I ask unanimous consent that the text of the bills be printed in the RECORD immediatley following my remarks.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 884

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PARAMINE ACID.

Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"9902.30.07	1,4-Diaminobenzene-2-sulfonic acid (provided for in subheading 2921.59.50).	Free	No change	No change	On or before 12/31/92".

SEC. 2. EFFECTIVE DATE.

The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the date that is 15 days after the date of enactment of this Act.

S. 885

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TRIMETHYL BASE.

Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"9902.30.07	2,3-Dihydro-1,3,3-trimethyl-2-methylene-1H-indole (provided for in subheading 2933.90.39).	Free	No change	No change	On or before 12/31/92".

SEC. 2. EFFECTIVE DATE.

The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the date that is 15 days after the date of enactment of this Act.

S. 886

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DIMETHYL SUCCINYL SUCCINATE.

Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"9902.30.07	Dimethyl succinyl succinate (provided for in subheading 2917.19.40).	Free	No change	No change	On or before 12/31/92".

SEC. 2. EFFECTIVE DATE.

The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the date that is 15 days after the date of enactment of this Act.

S. 887

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RESOLIN RED F3BS COMPONENTS I AND II.

Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"9902.32.02	N-[2-[(2,6-dicyano-4-methylphenyl)azo]-5-(diethylamino)phenyl]-methanesulfonamide and N-[2-[(2,6-dicyano-4-methylphenyl)azo]-5-(di-1-propylamino)phenyl]-methanesulfonamide (provided for in subheading 3204.11.20).	Free	No change	No change	On or before 12/31/92".

SEC. 2. EFFECTIVE DATE.

The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the date that is 15 days after the date of enactment of this Act.

S. 888

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PENTACHLOROTHIOPHENOL.

Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"9902.30.07	Pentachlorothiophenol (provided for in subheading 2930.90.20).	Free	No change	No change	On or before 12/31/92".

SEC. 2. EFFECTIVE DATE.

The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the date that is 15 days after the date of enactment of this Act.

S. 889

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ANTHRAQUINONE.

Subchapter II of chapter 99 of Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"9902.30.07	Anthraquinone (provided for in subheading 2914.61.00)	Free	No change	No change	On or before 12/31/92".

SEC. 2. EFFECTIVE DATE.

The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the date that is 15 days after the date of enactment of this Act.

By Mr. GORTON:

S. 890. A bill to authorize a certificate of documentation for the vessel H.M.S. *Discovery*; to the Committee on Commerce, Science, and Transportation.

DOCUMENTATION OF THE VESSEL H.M.S. "DISCOVERY"

Mr. GORTON. Mr. President, I am introducing a bill today to authorize issuance of a certificate of documentation for the vessel H.M.S. *Discovery* so that the vessel may be used for an environmental and seamenship education program in Puget Sound.

Section 27 of the Merchant Marine Act of 1920, commonly known as the Jones Act, coupled with the Coast Guard vessel documentation provisions of title 46 of the United States Code, require that vessels engaged in the domestic and coastwise trade be built and documented in the United States.

The H.M.S. *Discovery* is a 25-foot open sailing/rowing reconstruction of a boat used by the British explorer Capt. George Vancouver during his voyage in 1792 when he charted the waters of Puget Sound. The vessel was built in 1987 by a man who specializes in historical reconstruction. The reason this legislation is needed is that the vessel was built on Galiano Island, British Columbia, Canada, the home of the reconstruction specialist.

The vessel is owned by a nonprofit educational organization, Pure Sound, headquartered in Washington State. They would like to use the vessel as part of a multipurpose curriculum including sailing instruction, past history of Puget Sound and issues that are relevant to the Sound today such as aquatic life and pollution.

The need for this legislation was caused by inaccurate legal advice furnished to Pure Sound. Unfortunately, the nonprofit organization was advised that a very small vessel of this type did not have to be built in the United States to comply with Jones Act requirements. This bill provides the requisite legislative waiver, and I look forward to its adoption.

Mr. President, I request unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 890

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding sections 12105, 12106, 12107, and 12108 of title 46, United States Code, and section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), as applicable on the date of enactment of this Act, the Secretary of the department in which the Coast Guard is operating may issue a certificate of documentation for the vesssel H.M.S. *Discovery,* Washington State registration No. WAZ 9816 F.

By Mr. REID:

S. 891. A bill to provide for the modernization of testing of consumer products which contain hazardous or toxic substances; to the Committee on Commerce, Science, and Transportation.

CONSUMER PRODUCTS SAFE TESTING ACT

Mr. REID. Mr. President, the Alaskan oilspill is fraught with tragedies. The death of sea otters, birds, and other animals inhabiting Prince William Sound is one of many disasters we encounter as the black oil mass works its way through the waters. The plight of these animals has generated widespread reactions of distress and disbelief.

Let us move now to a very different environment—a controlled, sterile, science laboratory, a place where all is warm and clean and to some safe.

That is safe to all, except the animals that reside within the labs—within their cages.

These animals are subjected to experiments that inflict horrible pain and anxiety. They ultimately die or are killed. They are allegedly sacrificed in the name of product safety. It is all for the good of human progress, we are told.

Such explanations are no longer valid.

Many brutal animal testing methods are now useless and inconclusive, according to numerous scientists and Federal agencies.

Today, I am introducing the Consumer Products Safe Testing Act. This legislation is designed to encourage innovation and accuracy in product testing.

My bill enables companies to search for more humane, effective testing methods.

The bill specifically addresses the Draize Eye Irritancy Test and the Lethal Dose-50 Test, known as LD-50.

In the Draize test, high concentrations of suspected irritants are squirted into the eyes of rabbits. The eye drops contain products ranging from pesticides to cosmetics to even septic tank cleaners. The reaction of the rabbits, whose eyes are much more sensitive than those of humans, is too gruesome to describe.

Suffice it to say that the rabbits endure excruciating pain. Their screams yes, screams, attest to it. How else could we expect these animals to react to what is commonly called the "rabbit blinding test"?

At the end of the experiment, the rabbits are killed. By that time, though, the act of murder is almost merciful.

Draize test alternatives have been developed by the private sector, but the Federal Government has provided no direction on whether industry can bypass the standard required animal test data.

Avon Corp. recently validated a Draize test alternative which does not use animals. The company no longer uses the Draize test.

The Revlon Corp. funded a research unit at Rockefeller University that is devoted to seeking Draize test alternatives.

These private sector efforts are supported by many of our Nation's universities, including the Johns Hopkins Center for Alternatives to Animal Testing.

Research activity is also directed toward replacing the widely used LD-50 test. In this test, substances such as oven and household cleaners are forcefed to up to 100 animals until 50 of them die. That is where the name comes from—Lethal Dose-50. A hundred are given the substance and they wait until 50 die.

My bill will ban Federal agencies from accepting LD-50 test results.

The effect that such a ban would have on scientific progress and product safety is minimal at best.

A recent survey by the Food and Drug Administration shows that use of the LD-50 test has declined by 96 percent since the late 1970's.

In 1984, the Chairman of the Medical Research Modernization Committee called the LD-50 test an anachronism. It is now 5 years later. We are still using this test, this anachronism.

What has changed? Everything has changed—except the regulatory process dictated by the Federal Government.

The Dial Corp., a major soap and detergent manufacturer, announced last month the closing of its animal testing facility. Dial will test all product ingredients in tissue culture cells. Dial is to be congratulated.

The Body Shop, a retailer of cosmetics, advertises it uses no animals in producing its products. They are to be congratulated.

Regulators now state that there are reliable alternatives to the Draize test and that the LD-50 test lacks validity.

But the written regulations have not changed. Industry believes that existing guidelines make it essential for them to submit animal test data as a prerequisite for market approval and as protection in product liability suits.

As long as the written word is unchanged, companies will forego the research necessary to create more effective tests.

My bill calls upon Federal agencies to review their regulations regarding the Draize and LD-50 tests and, if nonanimal alternatives exist, to substitute those alternatives.

Certainly this legislation looks toward a more humane means of product testing. But animal welfare is inextricably linked to human welfare. Scientific evidence indicates problems with the accuracy of both the Draize and LD-50 test. It is not fair to the consumer to continue the use of such tests, especially if viable alternatives exist.

I urge my colleagues to support this legislation and bring needed flexibility to the Federal regulatory process. Without Federal guidance to the contrary, companies conducting the Draize and LD-50 tests will stick to the tried and true. But the tests have proven to be less than true. When it comes to product safety, we cannot afford half-truths.

By Mr. MOYNIHAN:

S. 892. A bill to exclude agent orange settlement payments from countable income and resources under Federal means-tested programs; to the Committee on Finance.

AGENT ORANGE PAYMENT EQUITY ACT

Mr. MOYNIHAN. Mr. President, I rise today to introduce legislation to prevent disabled veterans and their survivors from losing Federal public assistance benefits if they are recipients of settlement payments in the litigation against the manufacturers of agent orange.

Under a distribution plan approved by a Federal district court in Brooklyn, totally disabled Vietnam Veterans who were exposed to the highly toxic herbicide agent orange began receiving payments in March from the settlement of a suit against the chemical's makers.

Under the settlement agreement, the chemical companies agreed to pay $180 million to settle all claims while admitting no liability for any injuries or deaths caused by the use of agent orange. To receive payments, a veteran must be totally disabled, must show exposure to agent orange in Vietnam, and show that the disability was not caused by another injury. Payments will also be made to the families of veterans whose deaths are linked to agent orange.

Mr. President, based on court estimates, an eligible veteran will receive an average disability settlement of about $5,700 over the 6 year distribution period, or about $950 per year. An eligible survivor will receive an average death payment of about $1,800. Of the 250,000 veterans who have filed preliminary claims, about 40,000 to 60,000 may be eligible for payments.

Some payments to survivors of deceased eligible veterans are now in the mail. Payments to those veterans totally disabled by this chemical are soon to follow. Without a change in the law, these settlement payments will be counted as income for purposes of determining eligibility for and benefit amounts under Federal programs such as supplemental security income, AFDC, and food stamps. My bill would change the law so that disabled veterans and their family members who receive Federal assistance benefits would not lose their benefits or have them reduced by reason of receiving these very modest agent orange settlement payments.

We ought not abide veterans having to choose between the assistance payments to which they are entitled and the pitiful compensation they will be granted for their agent orange exposure. To read the law so literally is to read it without compassion or equity.

Mr. President, it seems to me but a small gesture for the Nation to make on behalf of some of the most vulnerable among our honorable Vietnam veterans. The Senate agreed to this provision last year as part of S. 2011, but it did not ultimately become law. This legislation should receive the Senate's immediate attention. Otherwise veterans who have sacrificed much or all will lose the help they or their survivors are now most deservedly receiving.

By Mr. LAUTENBERG (for himself, Mr. GRASSLEY, and Mr. SIMON):

S. 893. A bill to establish certain categories of Soviet and vietnamese nationals presumed to be subject to persecution and to provide for adjustment to refugee status of certain Soviet and Vietnamese parolees; to the Committee on the Judiciary.

PRESUMPTIONS FOR REFUGEE STATUS

● Mr. LAUTENBERG. Mr. President, I rise to introduce a bill to temporarily reinstate the longstanding presumption that Soviet Jews, Evangelical Christians, and certain Vietnamese have a well-founded fear of persecution entitling them to refugee status. I am joined by Senator GRASSLEY and Senator SIMON as original cosponsors. A similar bill has been introduced by Representatives MORRISON and FISH, chairman and ranking minority member of the House Judiciary's Subcommittee on Immigration.

This bill is endorsed and supported by the U.S. Catholic Conference, the Lutheran Immigration and Refugee Service, the Hebrew Immigrant Aid Society, the American Jewish Committee, and the Council of Jewish Federations, and I ask unanimous consent that their statements of support be included in the RECORD following my remarks.

Specifically, for fiscal years 1989, 1990, and 1991, this bill establishes that Soviet Jews, Evangelical Christians, and Vietnamese registered with the United States Orderly Departure Program who currently hold a United States letter of introduction—ODP Vietnamese—are members of groups for whom persecution, or fear of persecution, if alleged, will be presumed. Once a refugee applicant establishes that he or she is a member of one of these groups, and alleges persecution or fear of persecution to the interviewing INS officer, he does not have to provide additional or independent evidence regarding persecution.

This bill does not establish an irrebuttable presumption of refugee status, since the INS officer can use evidence other than from the applicant himself to disquality the applicant as a refugee. Nor does this bill eliminate or interfere with the requirement for case-by-case determinations of refugee status under the Refugee Act of 1980. In essence, this bill simply establishes a strong but rebuttable presumption that applicants in the designated groups have a legitimate fear of persecution that entitles them to refugee status.

The bill further allows Soviet Jews, Evangelical Christians, and specified Vietnamese admitted to the United States under parole after being denied refugee status from August 1988 through September 30, 1989, to be retroactively adjusted to refugee status.

Why is this bill necessary? Because after years of considering members of these groups to automatically qualify as refugees, the Immigration and Naturalization Service [INS] recently departed from its longstanding practice of presuming these groups have a well-founded fear of persecution. As a result, large numbers of applicants from these groups have been denied refugee status despite a lack of meaningful change in the conditions facing them in their native countries. Many of these refugees are now stranded, either in their home countries or in transit, with no place to go. Many have taken great risks to simply apply to come to the United States.

Moreover, the determinations under the new INS standard have been found by the General Accounting Office [GAO] to be inconsistent and arbitrary. Often, they are made by INS officers with scant knowledge of the pervasive persecution facing Soviet refugee applicants in their native country. Similar determinations have been made by private groups with respect to the Vietnamese refugee applicants. I ask unanimous consent that a copy of the GAO report be included in the RECORD following my remarks.

Until the fall of 1988, all Soviet Jews were assumed to have a well-founded fear of persecution, automatically qualifying them for refugee status. During the fall of 1988, the United States began denying the refugee ap-

plications of some Soviet Jews on the grounds that they did not have a well-founded fear of persecution.

While the rate of denial for all of 1988 was 7 percent, the rate has risen dramatically to 37.8 percent for the first 3 weeks of March. As of March 20, 1,476 people have been denied. Although 70 percent of the denials have been overturned on appeal, those who have been denied on final appeal are citizenless people, waiting on refugee row in Ladispoli, Italy. Today, 114 citizenless people wait without hope, after living in fear and suffering, and persecution and prejudice simply for being Jews.

Similarly, in 1988, 1,500 Pentecostals and other Evangelical Christians, including Baptists were denied refugee status, although the INS had never denied them such status previously. And, in the Vietnamese Orderly Departure Program [ODP], which had a historic rejection rate of under 10 percent of those applying, there has been a sudden and drastic increase in rejections of refugee status since January. In March, the rejection rate reached 80 percent.

Have conditions facing Soviet Jews, Pentecostals, Baptists, or Vietnamese changed so dramatically as to warrant these new and historically unprecedented denial rates? Emphatically not.

Athough we have heard much about President Gorbachev's glasnost, these changes have yet to take root in the lives of most Soviet Jews. None of the reforms publicized to the world's media have been legalized or institutonalized. If President Gorbachev fails, these reforms can fail with him.

For instance, the Semyon Mikhoels Jewish Cutural Center in Moscow is now open. But virtually no Jewish programs are held in this rarely used center run by the Soviet Government. Even the Mezuzah put up by Elie Wiesel at the much-publicized dedication was removed once the media spotlight ceased to shine on it. This building is a hollow shell, perhaps indicative of the true state of Jewish cultural freedom in the Soviet Union.

The Soviets point to the recently established school where Jews can learn their history and religion. However, it remains without the legal school status required by Soviet law to prevent those studying there from being classified as parasites of society, a crime in the Soviet Union.

Jews still do not have the opportunity to advance and achieve in the Soviet educational system and work force based on their merit and ability. No Jew could have run in the recent open elections.

Nor has glasnost eradicated anti-Semitism and political persecution of Jews in the Soviet Union. In fact, it has opened the door for traditional Soviet anti-Semitism to burst forth in such anti-Semitic organizations as Pamyat. Anti-Semitism is flourishing under glasnost, and the need of Soviet Jews refugees to emigrate has become even more pronounced.

The suggestion that glasnost has brought fundamental improvements to the situation of Pentecostals and other Christian minorities in the Soviet Union is also erroneous. Pentecostals and other Evangelical Christians like Baptists have faced harsh persecution in the Soviet Union for generations because of their religious beliefs, and that persecution continues today. Pentecostals, part of the conservative evangelical wing of Protestantism, have sought to emigrate since 1963 because of unrelenting persecution and discrimination by Soviet authorities and a strong desire to live their lives in obedience to Biblical principles.

Pentecostals refuse to register their congregations with the state because they believe the conditions for registration directly contradict the Bible and their religious beliefs. To accept legal status through registration with the Soviet Union, they must accept a ban on the religious education and participation in church life of children and youth, and on evangelism, two key tenets of Pentecostal doctrine. Organized charitable activities are forbidden, and each sermon must be submitted for censorship before it is preached. The name of every member must be on file with the local authorities.

Currently, more than half the Pentecostal congregations refuse to comply with conditions of registration. Such refusal has consigned the denomination, estimated at 800,000, to a long history of persecution. Pentecostals and other unregistered Baptists have always represented a high percentage of those sentenced to prison, mental hospitals, labor camps and internal exile for religious reasons.

Today, amidst President Gorbachev's glasnost, religious services continue to be disrupted and participants fined. The KGB continues to approach individuals to bully them into becoming informers within their congregations. Children of Pentecostals continue to be removed from their parents' homes and placed in state orphanages where they will be raised as atheists. Children of Pentecostals are taunted by schoolmates and insulted by teachers. Sometimes they are expelled for professing their religious beliefs.

Similarly, there are strong reasons why Vietnamese who hold letters of introduction in the Orderly Departure Program [ODP] are entitled to a presumption, absent evidence to the contrary, that they are refugees.

The United States has been taking Vietnamese out of Saigon under the ODP Program since 1981. It only accepts for admission under this program close relatives of United States citizens, former political prisoners, former employees of American firms in Vietnam, and those with close ties to the United States, such as South Vietnamese Government officials. Only people with family ties to the United States and no close ties or family in other countries are accepted into the ODP Program.

When a case fits United States criteria, our Embassy sends letters of introduction from the United States Embassy in Bangkok to the Vietnamese citizen inviting them to apply for admission to the United States. To be granted an interview with the INS, the applicant must first be given an exit visa by the Vietnamese Government.

To obtain exit visas, some Vietnamese have paid extensive bribes, lost their jobs and their housing, and many have survived on remittances provided by stateside families. Almost all applicants for the ODP Program have waited for years to emigrate, and many applied to leave on the basis of U.S. letters of introduction. They have responded to our encouragement and relied on our assurances, to their great detriment.

They were rejected for refugee status despite the fact that interviews took place in Vietnamese-controlled facilities using Government-provided interpreters. If rejected as refugees and forced to stay in Vietnam, or leave by the laborious and delayed process of humanitarian parole, they are likely to suffer adverse consequences for their attempt to leave for the United States. Many will likely take to unseaworthy boats departing clandestinely, risking the open sea, the threats of pirates, and the likelihood of being pushed back to sea, should they find land.

These refugees are of special concern to the United States because we have repeatedly told the Vietnamese Government and the Vietnamese-American community that we would continue to accept family reunification cases as refugees. Since registering with the ODP Program, they have thrown their lot in with the United States by asking to come here. Their close family members were admitted as refugees, and they come from groups whom the United States in the past determined to suffer persecution in Vietnam.

What accounts for the sudden increase in rejections in groups that historically have been accepted without question as refugees? It depends who you ask.

The INS contends that the increase in denials is merely the result of a more uniform application of the immigration laws that always applied to most refugees to Soviet Jews and others. GAO believes it's a problem with the way INS is now interviewing

applicants under the so-called new and more uniform application of the immigration laws.

GAO visited Rome and Moscow to review the process by which INS officers were interviewing potential Soviet refugees. GAO found that the results of the interviews were inconsistent. Who was determined to be a refugee depended not on the merits of the individual applying, but on the particular officer interviewing the applicant. Specifically, GAO found that whether someone received refugee status depended on the INS officers' level of knowledge of conditions in the Soviet Union, how long the interview was, and whether the INS officer asked openended or specific questions. GAO's conclusions were reinforced by the fact that 50 percent of those whose applications were initially denied were granted refugee status after an appeal.

Similarly, World Relief, the international humanitarian assistance arm of the National Association of Evangelicals [NAE] in January sent a seven member legal task force to Rome in response to the denial of the first 170 Pentecostals ever denied refugee status. The task force found that virtually all the denials were the result of the INS's misapplication of the refugee standard as well as major inconsistencies in the adjudication process. Inconsistencies included interviews that lasted only 10 minutes, including 5 minutes of those for translation. They also resulted from varying levels of knowledge of country conditions, inadequate training of INS officers, and a tremendous volume of workload.

The administration has offered humanitarian parole and new immigrant visas as a solution to this problem. However, this is not a solution. First, to be eligible for parole, an applicant must obtain an affidavit of support from an American pledging financial support. Once parole is granted, the individual has the right to work, but cannot receive the travel, resettlement, and medical benefits provided to those with refugee status. Further, those with parole status are unable to adjust their status to that of permanent resident unless they qualify under another provision of the Immigration and Naturalization Act, while refugees are ultimately eligible for permanent residence in the United States.

The new immigrant in the national interest category can convert to citizenship eventually in the same way as refugees. However, it is still unclear what medical benefits such immigrants can be eligible for. Even more important, this sends the wrong foreign policy message to the Soviet Union. In essence, it says that 30,000 Soviet Jews and Evangelical Christians a year face no legitimate fear of persecution in the Soviet Union, and that conditions there are fine for these groups.

Mr. President, since conditions for the historically persecuted groups in this bill have not improved, nor has the INS shown an ability to fairly interview refugee applicants from these groups, this bill is desperately needed as an interim measure.

Until the INS shows an ability to implement its new standards of case-by-case determinations in a fair and equitable manner, Congress must step in to remedy the inequities that are being caused by this new policy. I urge my colleagues to pass this bill quickly, and ask that a copy of the bill, the article mentioned earlier, and other supporting material be inserted in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 893

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CATEGORIES OF NATIONALS OF THE SOVIET UNION AND NATIONALS OF VIETNAM PRESUMED SUBJECT TO PERSECUTION.

(a) PRESUMPTION OF PERSECUTION FOR ALIENS WITHIN CATEGORIES.—Any alien who is within a category established under subsection (b), and alleges that the alien is the subject of persecution (as defined in subsection (e)) shall be treated, for purposes of admission as a refugee under section 207 of the Immigration and Nationality Act, as subject to persecution without the need to provide independent or additional evidence regarding persecution.

(b) ESTABLISHMENT OF CATEGORIES.—(1) For purposes of section 207 of the Immigration and Nationality Act, the Attorney General, in consultation with the Secretary of State and the Coordinator for Refugee Affairs, shall establish one or more categories of aliens who are or were nationals and residents of the Soviet Union and Vietnam and who share common characteristics that identify them as targets of persecution in the Soviet Union or Vietnam.

(2) Aliens who are (or were) nationals and residents of the Soviet Union and who are Jews or Evangelical Christians, or who are (or were) nationals and residents of Vietnam and are registered with the U.S. Orderly Departure Program and who currently hold a U.S. Letter of Introduction shall be deemed a category of alien established under paragraph (1).

(c) PERIOD OF APPLICATION.—This section shall only apply to admissions of refugees under section 207 of the Immigration and Nationality Act during the period beginning on the date of the enactment of this Act and ending on September 30, 1991.

(d) TREATMENT OF CERTAIN ALIENS.—The Attorney General shall provide an opportunity for aliens described in subsection (b)(2) who, during the period beginning on August 15, 1988, and ending on the date of the enactment of this Act, sought, but were denied, refugee status, to reapply for such status, taking into account the application of this section.

(e) PERSECUTION, DEFINED.—In this section, the term "persecution" refers, with respect to an alien, to persecution of the alien, or a well-founded fear of persecution of the alien, on account of race, religion, nationality, membership in a particular social group, or political opinion.

(f) Notwithstanding the above, the President, in consultation with Congress, may designate such other groups as he or she deems appropriate to be covered by section (B)(1).

SEC. 2. ADJUSTMENTS OF STATUS FOR CERTAIN SOVIET AND VIETNAMESE PAROLEES.

(a) IN GENERAL.—(1) The Attorney General shall provide for the adjustment of status of an alien who (A) was a national of the Soviet Union and is also a Soviet Jew or Evangelical Christian, (B) was registered with the U.S. Orderly Departure Program and held a Letter of Introduction issued by the U.S. government, (C) was inspected and granted parole into the United States after being found ineligible for refugee status during the period beginning on August 15, 1988 and ending on September 30, 1989, and (D) is physically present in the United States, to the status of a refugee admitted under section 207 of the Immigration and Nationality Act, if the alien makes an application for such adjustment and if the alien (except as otherwise provided in paragraph (2)) is admissible as an immigrant under the Immigration and Nationality Act. Upon the approval of such an application for adjustment of status, the Attorney General shall create a record of the alien's admission as a refugee as of the date of the alien's inspection and parole.

(2) Section 207(c)(3) of the Immigration and Nationality Act shall apply to adjustment of status under paragraph (1) in the same manner as it applies to aliens seeking admission to the United States under section 207(c) of such Act.

(b) NO CHANGE IN REFUGEE ADMISSIONS.—Adjustments of status effected under this section shall not result in any decrease or otherwise affect the number of aliens who may be admitted as refugees under section 207 of the Immigration and Nationality Act for any fiscal year.

[Statement from the United States Catholic Conference Migration and Refugee Service, Apr. 18, 1989]

IN SUPPORT OF SENATOR LAUTENBERG AND CONGRESSMAN MORRISON'S LEGISLATION TO ASSIST THOSE SEEKING REFUGEE ADMISSION TO THE UNITED STATES

We are here to support efforts by Senator Lautenberg and Congressman Morrison to right a wrong and to say that the people of the United States continue to support a generous and fair refugee admission program that aids those who historically have been victims of persecution and injustice and which seeks to reunite families who have been painfully punished by long separations because of the continuing violations of internationally recognized human rights by countries like the Soviet Union, Vietnam, Laos and Cambodia.

The United States Catholic Conference, like other religious groups, has been deeply concerned at the dramatic increase in denials of refugee status to groups of Soviet and Vietnamese refugees who traditionally have been of great humanitarian concern to the United States.

Certainly the spirit and letter of the Refugee Act of 1980 in no way requires that Soviet Jews, Pentecostals, Ukranian Catholics or Vietnamese, Laotian Hilltribes, or Cambodians with close associations with the United States should be denied the opportunity to enter our country as refugees.

Recently new procedures and criteria in refugee processing have resulted in the denial of refugee status to Soviet Jews and other groups who had long experienced persecution in their homelands because of their religious beliefs, racial background, political views and associations. We are particularly concerned at the tragic impact these denials of refugee status have had on families who have been separated for many years from their loved ones and whose hope for reunification rested on the admission of their loved ones as refugees.

In Vietnam as in the Soviet Union, the Administration is now requiring refugee applicants to demonstrate their refugee bona fides and to detail persecution, even though after leaving the interview they must return to their homes and lives in these societies which restrict fundamental rights and liberties for many more months. Vietnamese refugee applicants in Ho Chi Minh City are interviewed in a Vietnamese government building, with the use of Vietnamese government interpreters, knowing that even if their refugee application is approved it will be six months to a year before they will be able to leave Vietnam.

In Vietnam, refugee applicants have been waiting patiently, in some cases for eight years or more, for an opportunity to be interviewed by the US in the Orderly Departure Program. They have received a letter of introduction from the United States Embassy in Bangkok indicating that they are eligible to apply for admission under the Orderly Departure Program. But now, these same applicants who have been tirelessly seeking the permission of the Vietnamese government to leave their country, many of whom have been denied the opportunity to support their families or send their children to school because of their political views and their association with the United States, now these same applicants are being denied refugee status. They are offered admission under humanitarian parole, if their families and sponsors in the United States are able to fully provide for their financial needs. Unfortunately, some of these families cannot afford to pay the full transportation and resettlement costs of their loved ones who for so many years have been seeking to leave Vietnam.

We commend Senator Lautenberg and Congressman Morrison for their willingness to undertake this legislative effort to assist the victims of religious and political persecution. We are concerned that the October 1990 sunset of the legislation may be too brief a period for this legislation. We pledge to work diligently with them and others to restore American refugee policy to the more humane standards and practices which prevailed, particularly since 1983, in implementing the Refugee Act of 1980.

PRESS STATEMENT BY LUTHERAN IMMIGRATION AND REFUGEE SERVICE REGARDING THE LEGISLATION INTRODUCED BY SENATOR LAUTENBERG AND CONGRESSMAN MORRISON

Luthern Immigration and Refugee Service supports the efforts of Senator Lautenburg and Congressman Morrison to set the record straight and say that the United States is not suffering from "compassion fatigue." We continue to support a generous and fair refugee program, especially for those populations that have been victims of a well established pattern and practice of persecution in their home countries. These groups, such as Soviet Jews and Pentecostals, Vietnamese processed under the Orderly Departure Program, and others, have been traditionally of great humanitarian concern to the United States.

Lutheran Immigration and Refugee Service is deeply disturbed at recent trends in the admission of refugees to the U.S. The success of our foreign policy on the issue of human rights vis-a-vis the Soviet Union, especially on the right to emigrate freely, is now threatened by a failure of U.S. refugee policy to respond adequately to the growing number of Soviet Jews and Pentecostals who are taking advantage of this window of opportunity to leave their homeland. We are deeply concerned at the dramatic increase in denial rates for Soviet Jewish and Pentecostal refugee applicants, which has reached as high as 37% in Rome and Vienna, and 70% in Moscow. Most disturbing is the fact that this apparent arbitrary change in refugee adjudication procedures has not been a result of objective evidence of significant changes in Soviet attitudes towards religious minorities inside the Soviet Union. Futhermore, the United States has made a clear prior commitment to these populations, and we should not now change our response to them, especially if there has been no changes in their conditions.

Equally alarming is the sudden and drastic increase in rejections of refugee applicants in the Orderly Departure Program in Vietnam. The rejection rates in March reached an astonishing 80%. These persons, when rejected, will be forced to stay in Vietnam or at minimum have to leave by the laborious and delaying process of humanitarian parole. Of more serious consequences, many may take to unseaworthy boats, risking the open sea, threats of pirates and the likelihood of being pushed back to sea, should they find land. Refugee applicants in the Orderly Departure Program are interviewed in a Vietnamese government facility, using interpreters supplied by the Vietnamese government. And now they are required to detail facts about persecution by the Vietnamese government, and convince the U.S. Immigration and Naturalization Service that they are "true" refugees. Furthermore, persons applying in the Orderly Departure Program have waited for years for a chance to leave Vietnam; many have applied to leave based on an implicit, if not explicit, invitation by the U.S. Embassy in Bangkok in the form of a Letter of Introduction (LOI's). The United States cannot afford this ill-advised arbitrary change in policy; it is not deserving of our nation's proud reputation and heritage as an international advocate of human rights and refugee protection.

We are especially concerned about these developments in the Orderly Departure Program, in light of the recent delicate international negotiations leading to an International Refugee Conference on Southeast Asian refugees in Geneva this coming summer. These negotiations have produced a new set of assumptions regarding the preservation and reestablishment of first asylum for refugees in the Southeast Asian region. A cornerstone of this plan is the commitment by the U.S. to an expanded Orderly Departure Program of direct departures from Vietnam. The recent reversal of longstanding U.S. policy vis-a-vis in-country refugee processing in Vietnam contradicts these international negotiations, and, in our view, may threaten to unravel other very important aspects of those agreements.

Clearly both the letter and the spirit of the 1980 Refugee Act, which brought the U.S. into the world community on the issues of defining refugee status, in no way requires the U.S. Immigration and Naturalization Service to overlook factual evidence that establishes that specific categories or groups of persons from a given country are specific targets of persecution by totalitarian regimes. Soviet Jews, Pentecostals, Vietnamese in the Orderly Department Program, and other refugee applicants who have had long associations with the United States, should not be arbitrarily denied admission to the U.S. under the guise of a supposedly "fair and equitable world-wide standard," as interpreted by the INS. Lutheran Immigration and Refugee Service believes that the Administration could have resolved this crisis within the context of current law. However, it is clear from the public record that it has chosen not to do so. We therefore support the efforts of Senator Lautenberg and Congressman Morrison to correct these new policies, and put the U.S. refugee program back on track again.

STATEMENT BY THE AMERICAN JEWISH COMMITTEE, THE HEBREW IMMIGRANT AID SOCIETY, AND THE COUNCIL OF JEWISH FEDERATIONS, APRIL 19, 1989

The American Jewish Committee, the Hebrew Immigrant Aid Society, and the Council of Jewish Federations applaud the introduction of Representative Morrison and Senator Lautenberg's bills on the status of Soviet Jewish refugees.

The exit of Jews from the Soviet Union is a triumph of American diplomacy and human rights advocacy, one which our country has achieved, united by their firm belief that the USSR was engaged in a campaign of spirtual genocide against its two million Jewish citizens. The current easing of immigration restrictions is a true victory for U.S. foreign policy and must be celebrated by removing all obstacles to admission to the U.S. for Soviet Jews wishing to resettle here.

However, just as the gates of the Soviet Union appear to be opening, an unprecedented number of Soviet Jews are being refused refugee status. In the last month, refugee refusal rates reached close to 40%, a figure that denies the reality of the persecution from which this population has fled, the trepidation that Soviet Jews continue to feel about their well-being in a country that has proven inhospitable to Jews for at least a century, and the continued fear that Soviet Jews feel for their future and the future of their children. This denial rate is incomprehensible to us because it represents a misapplication of the Refugee Act as interpreted by the U.S. Supreme Court in *INS* vs. *Cardoza-Fonseca*. It violates as well the U.S.'s proud tradition of welcoming refugees fleeing persecution and seeking freedom

Both the Morrison and Lautenberg bills would grant a presumption of refugee status to Soviet Jews, assuring them that their plight in the Soviet Union would be recognized, and that they would be admitted to the U.S. In doing so, these bills realize the finest traditions in support of justice and welcoming refugees to our shores.

Laudably, the bills also recognize the well-founded fear of persecution of Soviet Christian Evangelicals and South East Asians enrolled in the Orderly Departure Program who have a history of persecution and similary expectations of admission to the United States as refugees. While we fully support the thrust of the bills, we firmly believe that 1990 is an insufficient window of opportunity in which to fulfill the promises we

have made. We therefore urge that the period covered by the bills be extended to September 30, 1991.

Tonight marks the beginning of the holiday of Passover. Each year, Jews around the world commemorate the flight from persecution from ancient Egypt. The central schemes of this holiday are freedom and redemption. We believe that in offering their legislation, Representative Morrison and Senator Lautenberg have made this ancient quest relevant to today's world, to a modern-day Exodus. We thank them for their efforts on behalf of Soviet Jews and urge the support of others for this worthy legislation.

SUMMARY OF STATEMENT BY NANCY R. KINGSBURY, DIRECTOR, FOREIGN ECONOMIC ASSISTANCE ISSUES, NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION ON PROCESSING SOVIET REFUGEES

The General Accounting Office has initiated a review of Soviet refugee applicants to identify U.S. policies toward Soviets applying for refugee status in the United States, and to examine the procedures for processing their applications. In addition to work at the State Department, Justice Department and the Immigration and Naturalization Service in Washington, we traveled to Rome, Vienna, and Moscow to obtain firsthand perspectives on processing procedures and conditions in Europe.

It has been longstanding U.S. policy to accept all Soviets wishing to emigrate to the United States. After fiscal year 1980, when over 28,000 Soviets entered the United States as refugees, the flow diminished until 1988, when over 20,000 gained admission. State Department officials expect 90,000 to 100,000 Soviets will apply for refugee status in fiscal year. About 50 percent are expected to be Jewish, with the remaining 50 percent Pentecostals, Armenians and others.

To accommodate this increased flow, the Administration is preparing requests for $85 million in supplemental budget authority and 18,500 admissions. The later allocations, if approved, coupled with the 25,000 already approved will provide for 43,500 Soviet refugee admissions during fiscal year 1989.

We found that until 1988, INS' processing of Soviets' applications resulted in virtually automatic approval. However, in 1988 processing procedures changed. As a result, not all Soviets seeking admission to the United States as refugees will be successful. A total of 4,919 of the 18,487 applicants interviewed as of March 31, 1989 have been denied refugee status.

While the denied applicants have been offered humanitarian parole, relatively few have been either willing or able to accept it. Only 482 of the 4,919 Soviets offered parole have accepted the offers.

During our work in Rome and Moscow, we found various inconsistencies in the manner in which individual refugee cases were adjudicated. Several factors contribute to these inconsistencies. First, guidance provided INS officers changed as INS phased in case-by-adjudications, with resulting stricter interpretation of refugee eligibility. Also, we found a lack of knowledge among some INS officers about Soviet country conditions and the treatment of specific ethnic and religious groups in the Soviet Union. We also noted differing interview approaches, which affected the quality and type of available information upon which to base adjudications. The tremendous volume of refugee applicants is also a contributing factor.

INS and consular officials, both in Europe and Washington agreed that cases were not being adjudicated consistently. INS has taken a number of actions, including training programs for its interviewing officers, to bring greater consistency to the adjudication process.●

● Mr. SIMON. Mr. President, today, I am pleased to join my friend and colleague Senator FRANK LAUTENBERG of New Jersey in offering important legislation to make some necessary refinements in the procedures for determining the status of Soviet and other refugees.

The historic opening of emigration from the Soviet Union for Jewish and other persecuted religious minorities which we have begun to see in recent months have overwhelmed our refugee policy. There are many more cases approved to leave the Soviet Union than we had ever anticipated. To address this problem, I introduced the Refugee Emergency Admissions Act, S. 476, in February. This bill will require the President to increase visa numbers by 39,000 this fiscal year. These additional numbers are to be allocated as follows: 25,000 Soviet refugees; 7,500 Eastern European refugees; 6,500 Southeast Asian refugees.

Today's legislation which I am cosponsoring with Senator LAUTENBERG addresses another significant but related problem. Since last fall, the Immigration and Naturalization Service has started to review Soviet and Southeast Asian refugee applications on a case-by-case basis, resulting in unprecedented high rates of denial of refugee status for these individuals. This bill will establish certain categories of Soviet and Southeast Asians presumed to be subject to persecution and provide for adjustment of their refugee status.

We have seen recent reforms in the Soviet Union, but few of these have been formalized in law. While we hope these reforms will continue, we have no guarantees and consequently must make sure that all individuals who wish to enter the United States should have that opportunity. Additionally, we have a commitment to Vietnamese participants in the Orderly Departure Program. I believe both of these groups have legitimate reasons to fear persecution. We should be doing more, not less, to see that those who wish to escape persecution are allowed to enter our country.

Again, I am pleased to join Senator LAUTENBERG in cosponsoring this legislation. I believe we have a unique opportunity this year to make much needed reforms in immigration and feel that the changes made by this bill are essential.●

By Mr. LAUTENBERG (for himself, Mr. HEINZ, Mr. MOYNIHAN, Mr. DOLE, Mr. RIEGLE, Mr. ARMSTRONG, Mr. DURENBERGER, Mr. LIEBERMAN, Mr. KASTEN, Mr. SPECTER, Mr. CRANSTON, Mr. KENNEDY, Mr. REID, Mr. CONRAD, Mr. FOWLER, Mr. MURKOWSKI, Mr. WIRTH, and Mr. PELL):

S. 894. A bill to amend the Internal Revenue Code of 1986 to allow amounts paid for home improvements to mitigate radon gas exposure to qualify for deduction for medical expenses; to the Committee on Finance.

RADON MITIGATION CLARIFICATION ACT

● Mr. LAUTENBERG. Mr. President, today I am introducing a bill, the Radon Mitigation Clarification Act of 1989, which addresses the serious, nationwide problem of radon gas. I am pleased to be joined by Senators HEINZ, MOYNIHAN, DOLE, RIEGLE, ARMSTRONG, DURENBERGER, LIEBERMAN, KASTEN, SPECTER, CRANSTON, KENNEDY, REID, CONRAD, FOWLER, MURKOWSKI, WIRTH, and PELL.

This bill would clarify that for the purposes of the medical expense deduction, amounts paid for qualified home improvements to mitigate radon gas exposure shall be treated as expenses paid for medical care. To qualify, the home must have a level of radon exceeding the level at which EPA recommends that homeowners take action. Also, the radon level must be measured by a State or a person found competent to measure radon by the State or EPA.

This bill is based on legislation I introduced in the 100th Congress, S. 756, which was approved in modified form by the Senate in 1988 as part of the Senate-passed tax technical corrections bill. Unfortunately, the provision was not included in the final version of that bill due to lack of support from House conferees.

Mr. President, according to the Environmental Protection Agency, radon causes the lung cancer deaths of up to 20,000 Americans annually. An EPA report found that one in three homes surveyed had a dangerous level of this deadly gas.

It is important that residents of contaminated homes take measures, such as the installation of ventilation systems, to mitigate the threat of radon. However, such measures can be costly, running into the thousands of dollars, and can impose a substantial burden on a family budget.

These expenses are health-related and should qualify as deductible medical care expenses. Unfortunately, the Internal Revenue Service has expressed uncertainty about this question.

There should be no doubt. The medical expense deduction has been allowed in several similar situations. And the Internal Revenue Code clearly states that for purposes of the medical expense deduction, medical care expenses include amounts paid for the "prevention of disease" (26 U.S.C. 2131(D)).

To cite some related examples, the IRS has allowed the deduction of swimming pools prescribed for the rehabilitation of persons with back injuries. It has allowed a deduction for the removal of lead-based paint, where a child with a related illness could worsen his condition by ingesting paint chips. Finally, a taxpayer has been able to deduct the cost of a device to flouridate water, to prevent tooth decay. If these deductions are allowed, then so should the deduction in the case of radon mitigation.

Unlike swimming pools, which provide a variety of nonhealth-related benefits, radon remediation systems do little beyond preventing a specific, deadly disease. Nor is there any question about either the need or effectiveness of radon mitigation measures. Under the amendment, the deduction would be allowed only where a home has a level of radon determined to be dangerous by the EPA. Also, the amendment would allow the deduction only for remediation techniques that have been proven effective.

This bill will encourage homeowners to mitigate the effects of radon and will save lives, including lives of children. Yet it will do so in a manner that is narrowly targeted to those in greatest need. Since the Medical expense deduction is available only where total medical care expenses exceed 7.5 percent of adjusted gross income, benefits will go largely to those with high remediation expenses and relatively modest incomes.

I would emphasize to my colleagues that this provision is entirely consistent with the principles of tax reform. It does not reopen a loophole that was closed. Rather, it clarifies a basic deduction—for medical expenses—that has been retained.

Mr. President, this legislation enjoys a broad, bipartisan base of support in the Senate. A companion version of the bill has now also been introduced in the House by Congressman BART GORDON. In addition, many groups have expressed support for allowing radon mitigation costs to qualify for the medical expense deduction. These include the National Association of Realtors, the Consumer Federation of America, the American Lung Association, the American Academy of Pediatrics, and the Associated Speciality Contractors. I would also note that during consideration of the technical corrections bill last year, the Treasury Department indicated that it did not oppose the legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 894

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Radon Mitigation Clarification Act of 1989".

SEC. 2. HOME IMPROVEMENTS TO MITIGATE RADON GAS EXPOSURE TO QUALIFY FOR MEDICAL CARE EXPENSES TAX DEDUCTION.

(a) IN GENERAL.—For purposes of section 213(d)(1) of the Internal Revenue Code of 1986 (defining medical care), amounts paid for qualified home improvements to mitigate radon gas exposure shall be treated as expenses paid for medical care.

(b) DEFINITIONS.—For purposes of this section—

(1) QUALIFIED HOME IMPROVEMENTS.—The term "qualified home improvements" means—

(A) sub-slab ventilation,

(B) drain-tile ventilation,

(C) block-wall ventilation,

(D) sump ventilation, and

(E) such other techniques as determined by the Secretary by regulation.

(2) RADON GAS EXPOSURE.—The term "radon gas exposure" means exposure at a level exceeding the level recommended by the Environmental Protection Agency as measured by the State or person approved by such agency.

(c) EFFECTIVE DATE.—This section shall apply to taxable years beginning after December 31, 1989.●

By Mr. BOREN:

S. 895. A bill to extend disaster assistance to losses due to adverse weather conditions in 1988 or 1989 for those crops planted in 1988 for harvest in 1989; to the Committee on Agriculture, Nutrition, and Forestry.

DISASTER ASSISTANCE AMENDMENTS

● Mr. BOREN. Mr. President, today I am introducing the Disaster Assistance Amendments Act of 1989. This legislation would basically extend the provisions of last year's Disaster Assistance Act to winter crops that were planted in 1988 for harvest in 1989. I am pleased to announce that the companion legislation is being introduced today in the House of Representatives by my fellow Oklahoman, Congressman GLENN ENGLISH.

Last summer's phenomenal drought conditions nearly spanned the continent. Agricultural production in dozens of States was greatly reduced or completely lost. Congress answered this emergency with a disaster relief package designed to help relieve the financial stress experienced by agricultural producers. The Disaster Assistance Act of 1988 accomplished this goal by making disaster payments to producers who had losses of over 35 percent of normal production. However, last year's legislation only covered crops normally harvested in 1988.

Mr. President, the same dry conditions that wiped out crops in the northern Great Plains and the Corn Belt last year have hampered winter wheat producers from the time they planted their crops in the fall and winter months of 1988. Although it is not yet as well publicized as last year's situation, the disaster faced by winter wheat producers in parts of Oklahoma, Kansas, and Texas stems from the same drought and is no less severe.

Many farmers in northwestern Oklahoma, have suffered a total loss of their crop. Statewide, only 35 percent of our winter wheat crop is rated in good condition. Last week, agronomists at Oklahoma State University projected that the entire State's wheat production could drop down to 75 percent of last year's total. The drought conditions also made the crop very susceptible to freeze damage. It is important to note that this legislation covers the extensive freeze damage because of its relation to the drought. Unusually late freezes have damaged crops as far south as the Red River. Conditions such as these also exist in parts of Texas, and the situation in Kansas is potentially much worse.

The U.S. Department of Agriculture has already taken intermediate steps to help address the problem. Secretary Yeutter has indicated his willingness to approve applications for emergency haying and grazing of set-aside acres and to expedite assistance through existing emergency feed programs. He has also established a drought task force to make further recommendations. I am thankful that the Secretary has been responsive to our requests for administrative action. However, I believe that more relief is warranted.

Mr. President, it is very important that my colleagues recognize that this extensive damage was essentially caused by the same drought to which Congress responded so quickly last year. However, because of the restrictions in last year's bill, winter wheat producers are not eligible for the disaster payments Congress deemed appropriate for other producers last year. It would be inconsistent and unfair for Congress to turn a deaf ear to agricultural producers experiencing a natural disaster equally as severe.

I urge my colleagues to support this legislation that is vital to farmers in the southern Great Plains and I ask unanimous consent that the bill be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 895

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Disaster Assistance Amendments Act of 1989".

SEC. 2. Section 201 of the Disaster Assistance Act of 1988 is amended—

(1) by inserting in paragraph (1) of subsection (a) "or for winter crops, in 1988 or 1989," after "related condition in 1988," both places it occurs;

(2) by inserting after subsection (b) the following new subsection:

"(c) DEFINITIONS.—(1) For purposes of this section, the term 'winter crop' means a crop of a commodity listed in subsection (a) planted during calendar year 1988 for harvest in 1989.

"(2) For purposes of this section, the term '1988 crop' shall include winter crops.

"(3) For purposes of determining payments under this section, such crop shall be considered separately from crops planted for harvest in 1988."; and

(3) by inserting in paragraph (4) of subsection (b) "or for winter crops, prior to July 31, 1990," after "July 31, 1989,".

SEC. 3. Section 202 of the Disaster Assistance Act of 1988 is amended—

(1) by inserting in subsection (a) "or for winter crops, in 1988 or 1989," after "related condition in 1988,"

(2) by inserting in subsection (b) "or for winter crops, in 1988 or 1989," after "related condition in 1988,"; and

(3) by inserting after subsection (c) the following new subsection:

"(d) DEFINITION.—(1) For purposes of this section, the term 'winter crop' means a crop of a commodity listed in subsection (a) planted during calendar year 1988 for harvest in 1989.

"(2) For purposes of this section, the term '1988 crop' shall include winter crops.

"(3) For purposes of determining payments under this section, such crop shall be considered separately from crops planted for harvest in 1988.".

SEC. 4. Section 205 of the Disaster Assistance Act of 1988 is amended—

(1) by inserting in subsection (a) "or for those crops specified in section 201(c) (1) and 202(d) (1), in 1988 or 1989," after related condition in 1988,"; and

(2) by inserting in subsection (d) "or for those crops specified in sections 201(c) (1) and 202(d) (1), in 1988 or 1989," after "disaster in 1988,".

SEC. 5. Section 206 of the Disaster Assistance Act of 1988 is amended—

(1) by inserting "or for the crop of a commodity specified in sections 201(c) (1) and 202(d) (1)," after "Federal Crop Insurance Act,"; and

(2) in paragraph (3) by striking out "the 1988" each place it appears and inserting "such".

SEC. 6. Section 207 of the Disaster Assistance Act of 1988 is amended in subsection (b) by—

(1) striking in paragraph (4) "sought; or" and inserting "sought;";

(2) striking in paragraph (5) "granted." and inserting "granted; or"; and

(3) inserting after paragraph (5) the following new paragraph:

"(6) planted in calendar year 1988 for harvest in 1989.".

SEC. 7. Section 232 of the Disaster Assistance Act of 1988 is amended by inserting in paragraph (2) of subsection (a) "or for a person eligible to receive payments for those crops specified in sections 201(c) (1) and 202(d) (1), not later than July 31, 1989," after March 31, 1989,".●

By Mr. SPECTER:

S. 896. A bill to amend the Public Health Service Act to aid in the planning, development, establishment, and ongoing support of Pediatric AIDS Resource Centers, to provide for coordinated health care, social services, research, and other services targeted to HIV infected individuals, and for other purposes; to the Committee on Labor and Human Resources.

PEDIATRIC AIDS RESOURCE CENTERS ACT

Mr. SPECTER. Mr. President, today I am introducing a revised version of the Pediatric AIDS Resource Centers Act to address the growing problem of providing care for children and youth suffering from the acquired immunodeficiency syndrome [AIDS]. The bill is based on S. 1871, which I introduced on November 17, 1987.

AIDS is now the ninth-leading cause of death among children ages 1 to 4 in the United States, and the seventh-leading cause of death among young people ages 15 to 24. By 1991, 1 of every 10 pediatric hospital beds is expected to be filled by a child stricken with the AIDS virus. According to Dr. Antonio Novello, Deputy Director of the National Institute of Child Health and Human Development, if current trends continue, AIDS soon will become one of the top five leading causes of death in young people from birth to 24 years of age.

As of the end of March 1989, 1,489 children under age 13 had been diagnosed as having AIDS. Of that number, 824 have died. Health experts assert that this is merely the tip of the iceberg.

The Department of Health and Human Services estimates that for every child who is diagnosed as having AIDS, another 2 to 10 are infected, but do not show full symptoms of the disease. Health experts project that by 1991 there will be at least 10,000 to 20,000 HIV-infected children in the United States. Pediatric AIDS is most often contracted from the mother by the newborn child and is most commonly, either directly or indirectly, the result of intravenous drug abuse. Women infected with the AIDS virus are thought to transmit the virus to their babies in utero, during or shortly after the time of delivery, or through breastfeeding. HHS estimates that over 100,000 women of childbearing age in the U.S. are infected with the virus.

A disproportionate number of affected children are black and Hispanic. In addition, because of the increasing incidence of drug abuse and sexual activity among adolescents, they are particularly at risk for contracting the AIDS virus.

The growing spread of AIDS among young people is seriously straining the medical, social service, and foster care systems in many communities. The cost of providing the needed medical and supportive services for pediatric patients is high, particularly because of the long periods of hospitalization these children often require. Although ambulatory and community-based services often are more appropriate and cost effective for these children, many communities lack or have an inadequate human service infrastructure to provide the appropriate level of care. Since these children usually are the result of at least one parent who is an intravenous drug abuser, and one or both parents are infected with the AIDS virus, the children often end up homeless, abandoned, and sometimes orphaned.

Orphaned or abandoned by parents and other family members, many of these children lie in hospital wards from birth through at least their 15th month, when tests results can show whether they have actually contracted AIDS. For those youths found to have contracted the disease, foster care and adoption frequently are not options. Because potential foster parents fear contracting the disease or being ostracized for caring for an AIDS patient, few foster homes will accept these youngsters. Babies who test negative often fare no better, when their medical histories indicate that they even were suspected of having AIDS. Thus, we have developed within our society "boarder babies"—children whose homes become a hospital ward and whose only care, nurturing, affection, or stimulation is provided by their nurses and other hospital staff or volunteers.

Mr. President, most of these childen are in hospitals because they are homeless—there is no place else for them to live. Many cities and communities are not providing foster care or facilitating at-home care for these children. What these young people need are programs that provide a coordinated, community-based family oriented model of care. This model must include medical care and social supports, such as home care and day care, to enable children to remain at home when possible. These services also must be made available to foster families. In instances where home care is not an option, small group homes must be developed for HIV-infected children. The purpose of the Pediatric AIDS Resource Centers Act I introduce today is to facilitate the development of such services.

Under the bill, such centers shall mobilize and coordinate health and social service resources to provide care for HIV-infected individuals from birth through 21 years of age and their families. The centers also shall participate in medical and social research conducted on HIV-infected children and their families and shall serve as a major resource concerning information on care and treatment of such families.

My bill provides $100 million to aid in the planning, development, establishment, and ongoing support of consortia to provide coordinated health care, social services, training, AIDS education, and to conduct research concerning HIV infected individuals under 22 years of age. The services

provided by the consortia will be child-centered and family-based, thereby ensuring that infected and high risk family members receive care.

The legislation I introduce today also seeks to enable historically black colleges and universities to improve their capability of conducting medical and social research, thereby affording them are opportunity to participate in consortia established under this act.

Mr. President, our hospitals, social service agencies, and communities desperately need help in addressing this particularly tragic aspect of the AIDS problem. More importantly, these vulnerable young people and their families desperately need our help. The Federal investment we make in aiding them will improve the quality of life for sick children and more effectively utilize our limited health care dollars.

For their assistance in this initiative, I would like to thank the National Association of Children's Hospitals and Rehabilitation Institutions; Pediatric AIDS Coalition of Washington, DC; Children's Hospital of Philadelphia; Dr. Stephen Nicholas and the staff of Harlem Hospital; Temple University of Philadelphia; the National Urban League; COSSMHO; the National Council of LaRaza; the Philadelphia Commission on AIDS; and Mother Clara Hale and Dr. Lorraine Hale of Hale House in New York City.

Mr. President, I urge my colleagues to join in support of this vital legislation; and I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 896

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Pediatric AIDS Resource Centers Act of 1989."

SEC. 2. PEDIATRIC AIDS RESOURCE CENTERS.

(a) IN GENERAL.—Title XV of the Public Health Service Act (relating to the prevention of acquired immune deficiency syndrome) (42 U.S.C. 300ee et seq.) is amended by adding at the end thereof the following new part:

"PART C—PEDIATRIC AIDS RESOURCE CENTER GRANTS

"SEC. 2531. DEFINITIONS.

"As used in this part:

"(1) ELIGIBLE CONSORTIUM.—

"(A) IN GENERAL.—The terms 'eligible consortium' or 'eligible consortia' means a coalition of public or private nonprofit agencies, institutions, service providers (including community-based organizations), and program conducting organizations who have entered into a joint agreement to provide comprehensive services to HIV infected individuals and their families. A consortium may, at its option, also formally organize itself as a nonprofit corporation.

"(B) TYPES OF ENTITIES.—The agencies, institutions, service providers and organizations described in subparagraph (A) shall, unless the Secretary determines that good cause for an exclusion exists, include health care institutions, social service providers, and entities such as health care facilities (including hospitals and migrant and community health centers), programs serving the homeless, runaway and homeless youth shelters, local health departments, home health agencies, foster care facilities, colleges and universities (with priority given to Historically Black Colleges and Universities where appropriate for the population being served in accordance with section 2535(g)), the Visiting Nurses Association, Child Welfare agency, mental health agencies, and programs serving intravenous drug users.

"(2) PEDIATRIC AIDS RESOURCE CENTER.—The term 'Pediatric AIDS Resource Center' means a centralized or decentralized operation center overseen by an eligible consortium that—

"(A) provides care and treatment to individuals infected with the HIV virus and the families of such individuals;

"(B) conducts research to determine the effectiveness of various treatments and services on individuals infected with the HIV virus;

"(C) provides AIDS education and prevention services;

"(D) provides for the testing and counseling of individuals with the HIV virus;

"(E) provides AIDS related training to professionals, paraprofessionals and volunteers; and

"(F) serves as a general resource center to provide for the care, treatment and applied research relating to individuals infected with the HIV virus and the families of such individuals.

"(3) INDIVIDUAL INFECTED WITH THE HIV VIRUS.—The term 'individual infected with the HIV virus' means any individual infected with the Human Immunodeficiency Virus who is under 22 years of age.

"SEC. 2532. ESTABLISHMENT OF GRANT PROGRAM.

"(a) IN GENERAL.—The Secretary, acting through the Director of the Office of Maternal and Child Health and in coordination with the Director of the Office of Minority Health, shall during each fiscal year make grants to eligible consortia to aid in the development of centralized and decentralized Pediatric AIDS Resource Centers. Grants shall be made directly to the consortium if the consortium has been formed as a nonprofit, tax-exempt corporation, or to one of the members of the consortium if the consortium is not formally incorporated.

"(b) PURPOSE OF GRANTS.—Grants made under subsection (a) shall be used in accordance with section 2533 to provide a continuum of care for individuals infected with the HIV virus and the families of such individuals, and to improve the availability of services that prevent HIV infection among women of childbearing age, infants, children, and youth.

"SEC. 2533. APPLICATIONS AND USE OF FUNDS.

"(a) APPLICATION.—

"(1) IN GENERAL.—In order to be eligible to receive a grant under this part, an eligible consortium shall submit an application to the Secretary in such form, at such time and containing such information as the Secretary may by regulation prescribe.

"(2) CONTENTS.—An application submitted by eligible consortia under paragraph (1) shall—

"(A) demonstrate the need to establish a Pediatric AIDS Resource Center within the area of operation of the consortium through the provision of documents containing—

"(i) the estimated number of HIV infected individuals within the area to be served at the time of the submission of the application and the projected future number of such individuals;

"(ii) the services needed within the area to be served;

"(iii) the type of services that are available at the time of the submission, the type of services that must be developed, and the service delivery system to be established, including a timetable for making such services available;

"(B) describe the composition of the consortium, including the agency or entity that will be the legal recipient of the grant, and the functions that each member of the consortium will perform;

"(C) describe the involvement of and consultation with the impacted neighborhoods, affected populations, minority organizations, local institutions, and social and volunteer organizations that occurred during the development of the grant application and the mechanism to continue the involvement of and consultation with such entities;

"(D) describe the mechanism by which the consortium will report annually to the Secretary the results of ongoing, coordinated evaluations of the use of the grant by the consortium, including the cost effectiveness of the services rendered;

"(E) contain an assurance by the consortium that such consortium will coordinate its efforts with other Federal, State and local programs concerned with individuals infected with the HIV virus; and

"(F) include such other information as the Secretary considers appropriate.

"(b) USE OF FUNDS.—

"(1) IN GENERAL.—An eligible consortium shall use amounts received under this part to—

"(A) conduct social and mental health research relating to individuals infected with the HIV virus and the families of such individuals, and the communities that such individuals reside in;

"(B) document the need of communities for AIDS related services, and evaluate availability and effectiveness of such services;

"(C) provide AIDS prevention and education services, including the training of professionals, paraprofessionals and volunteers;

"(D) provide for the testing and counseling of individuals infected with the HIV virus;

"(E) provide care and treatment to individual infected with the HIV virus; and

"(F) perform applied research, including longitudinal studies.

"(2) HEALTH AND SOCIAL SERVICES.—

"(A) HEALTH RELATED SERVICES.—In providing care and treatment for individuals infected with the HIV virus a consortium shall establish that comprehensive health care services are available to the target population. Such services shall include primary health care services, medical care services (including neurology, infectious disease, immunology and psychiatry services), nutritional care, developmental services, mental health services (including psychological and social-psychological services), dental services, nursing services, home health care services, public health care services (including visiting nurses), transition services, and care management and coordination.

"(B) SOCIAL SERVICES.—In providing care and treatment for individuals infected with the HIV virus a consortium shall establish that social services are available to the target population. Such services shall, unless the Secretary determines that good cause exists for an exclusion, include social

work services, service referrals, transportation services, assistance in applying for medicaid and welfare support, home-making services, transitional care services between the hospital and home, foster care services, adoption services, day care and other respite care services for the family (including foster family services) hospice care services, spiritual care services, death and bereavement counseling, support services and counseling for volunteers and staff who provide services to individuals infected with the HIV virus and the families of such individuals.

"SEC. 2534. ADMINISTRATIVE PROVISIONS.

"(a) PAYMENTS.—Each eligible consortium that—

"(1) has an application approved by the Secretary under section 2533; and

"(2) demonstrates to the satisfaction of the Secretary that it will provide from non-Federal sources the consortium share of the aggregate amount to be expended by the consortium for the period for which it requests a grant;

shall receive a payment under this section for such fiscal year in an amount equal to the Federal share of the aggregate amount to be expended by the consortium under the application for such fiscal year.

"(b) GRANT AREAS.—In making grants under this section, the Secretary shall provide that consortia in areas with a high incidence of HIV infection among women and children and consortia in areas whose current low incidence of HIV infection is expected to increase shall receive such grants.

"(c) MATCHING REQUIREMENT.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Federal share for—

"(A) the first two fiscal years for which the grant is in effect shall be up to 80 percent;

"(B) the third and fourth fiscal years for which the grant is in effect shall be up to 75 percent; and

"(C) the fifth fiscal year for which the grant is in effect shall be up to 67 percent.

"(2) CONSORTIUM SHARE.—The consortium share equals 100 percent minus the Federal share, and such share may be in cash or a combination of cash and in-kind valued at a fair market value.

"(3) WAIVER.—If the matching requirement under paragraph (2) would cause severe hardship to the consortium or not be practicable, the Secretary may waive the requirements of this subsection, and shall determine a more appropriate matching requirement.

"(d) TERM OF GRANT.—Unless a waiver is issued by the Secretary, no grant shall be awarded under this part for a term that is greater than a five year period.

"(e) MAINTENANCE OF FUNDS.—Funds provided under this part shall be used to supplement, not supplant existing public and private efforts.

"(f) ADMINISTRATIVE AND CONSTRUCTION EXPENSES.—The Secretary shall establish standards to ensure that the administrative costs for any consortium are reasonable and that no funds provided under this part shall be used to pay the costs of any construction.

"(g) HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.—Not less than 10 percent of the amount of a grant under this part shall be used to promote the medical and social research capability of Historically Black Colleges and Universities that are participants in a consortium.

"(h) PRIORITY.—In making grants under this part, the Secretary shall give priority to consortia that include minority community-based organizations located in and representative of communities and subpopulations reflecting the local incidence of such syndrome.

"SEC. 2535. DATA COLLECTION.

"(a) IN GENERAL.—Not later than 1 year after receiving a grant under this part, and annually thereafter, a consortium shall provide the Secretary with appropriate data on the use of such grant, including information concerning—

"(1) the age, race, sex, and mode of transmission of individuals served;

"(2) the services requested, services made available, the frequency of use and the length of time such services were provided;

"(3) the extent to which a social support system is available for individuals being served;

"(4) the financial status of the individuals served, including their eligibility for Federal medical assistance, assistance under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq), assistance under title IV of the Social Security Act (42 U.S.C. 601 et seq), and Federal public housing assistance.

"(b) REPORT.—Not later than 2 years after the date of enactment of this part, and annually thereafter, the Secretary shall prepare and submit, to the appropriate Committees of Congress, a report that describes the information received by the Secretary under subsection (a) for such fiscal year.

"(c) FUNDING.—No less than 1 percent of funds made available to the consortium under this part shall be used for data collection and evaluations.

"SEC. 2536. TECHNICAL ASSISTANCE AND TRAINING.

"From the sums appropriated under section 2532, the Secretary shall reserve 5 percent for technical assistance and training programs to assist eligible consortia in the management and administration of the grants that such consortia receive under this part.

"SEC. 2537. REGULATIONS.

"Not later than 90 days after the date of enactment of this part, the Secretary shall promulgate regulations to implement the requirements of this part.".

(b) TECHNICAL AMENDMENT.—The heading for title XV of such Act (relating to the prevention of acquired immune deficiency syndrome) (42 U.S.C. 300ee et seq.) is amended by striking out "TITLE XV" and inserting in lieu thereof "TITLE XXV".

"SEC. 2538. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $100,000,000 in fiscal year 1990, and such sums as may be necessary in each of the fiscal years 1991 and 1992, to carry out this part.".

By Mr. CRANSTON (by request):

S. 898. A bill to amend title 38, United States Code, to revise the provisions relating to refinancing loans and manufactured housing loans to veterans, to modify the procedures for the sale of loans by the Secretary of Veterans' Affairs, and for other purposes; to the Committee on Veterans' Affairs.

VETERANS' HOUSING AMENDMENTS ACT OF 1989

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I have today introduced, by request, S. 898, the proposed "Veterans' Housing Amendments Act of 1989." The Secretary of Veterans' Affairs submitted this legislation by letter dated April 17, 1989, to the President of the Senate.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all administration-proposed draft legislation referred to the Veterans' Affairs Committee. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point, together with the April 17, 1989, transmittal letter and the enclosed section-by-section analysis.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 898

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Housing Amendments Act of 1989".

REFINANCING LOANS

SEC. 2. (a) Section 1810 of title 38, United States Code, is amended by striking out subsection (h) in its entirety.

(b) Section 1810(b) of title 38, United States Code, is amended by—

(1) striking out in paragraph (5) "the loan" and inserting in lieu thereof "except as provided in paragraphs (7) and (8) of this subsection, the loan";

(2) striking out at the end of paragraph (5) "and,";

(3) striking out in paragraph (6) "property." and inserting in lieu thereof, "property;" and

(4) inserting after paragraph (6) the following new paragraphs:

"(7) in the case of a loan made pursuant to subsection (a)(5) of this section to refinance:

"(A) a construction loan,

"(B) an installment land sales contract, or

"(C) a loan obtained by a previous owner of the property which was assumed by the veteran, provided such loan is at a lower interest rate than the loan being refinanced,

the loan to be paid by the veteran does not exceed the lesser of the reasonable value of the dwelling or farm residence as determined pursuant to section 1831 of this title, or the sum of the outstanding balance on the loan to be refinanced plus such closing costs (including discounts) specified by the Secretary in regulations which were actually paid by the veteran; and

"(8) in the case of a loan made pursuant to subsection (a)(5) of this section for any purpose other than those described in paragraph (7) of this subsection, the loan to be paid by the veteran does not exceed 90 percent of the reasonable value of the dwelling or farm residence as determined pursuant to section 1831 of this title.".

SALE OF VENDEE LOANS

SEC. 3. Section 1833(a) of title 38, United States Code, is amended by striking out paragraph (3) in its entirety and inserting in lieu thereof:

"(3) The Secretary may sell any note evidencing such a loan in order to maintain the effective functioning of the loan guaranty program under this chapter—

"(A) with recourse; or

"(B) without recourse. In order to assure such sales without recourse will maximize the proceeds to the Loan Guaranty Revolving Fund, the Secretary shall:

"(i) consult with a professional financial advisor;

"(ii) review the experience of other Federal agencies that have conducted loan assets sales without recourse;

"(iii) explore such marketing strategies as overcollateralized loans or private reinsurances; and

"(iv) accept bids only when they appropriately reflect the prevailing interest rates and characteristics of the loans.".

EXTENSION OF LOAN FEE

SEC. 4. Section 1829(c) of title 38, United States Code, is amended by striking out "1989" and inserting in lieu thereof "1991".

REVISION AND REPEAL OF CERTAIN MANUFACTURED HOME LOAN REQUIREMENTS

SEC. 5.(a) Section 1812(h) of title 38, United States Code, is amended by—

(1) striking out the last sentence of paragraph (1); and

(2) striking out paragraph (2) in its entirety, and inserting in lieu thereof:

"(2) Any manufacturing housing unit properly displaying a certification of conformity to all applicable Federal manufactured home construction and safety standards pursuant to section 616 of the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. § 5415) shall be deemed to meet the standards required by paragraph (1) of this subsection.".

(b) Section 1812(j) of title 38, United States Code, is amended by—

(1) striking out "refuses to permit the inspections provided for in subsection (h) of this section; or in the case of manufactured homes which are determined by the Secretary not to conform to the aforesaid standards; or where the manufacturer of manufactured homes"; and

(2) striking out "warranty." and inserting in lieu thereof "warranty; or in the case of manufactured homes which are determined by the Secretary not to conform to the standards provided for in subsection (h) of this section; or in the case of a manufacturer who has engaged in procedures or practices determined by the Secretary to be unfair or prejudicial to veterans or to the Government.".

(c) Section 1812(l) of title 38, United States Code, is amended by striking out "the results of inspections required by subsection (h) of this section,".

PUBLIC AND COMMUNITY WATER AND SEWERAGE SYSTEMS

SEC. 6. Section 1804 of title 38, United States Code, is amended by—

(a) striking out subsection (c) in its entirety; and

(b) redesignating subsection (f) as subsection (e).

OFFSET OF TAX REFUND FOR HOUSING LOAN DEBT

SEC. 7. Section 1826 of title 38, United States Code, is amended by—

(a) striking out "No" and inserting in lieu thereof:

"(a) Except as provided in subsection (b) of this section, no"; and

(b) Inserting at the end thereof the following new subsection:

"(b) This section shall not apply to the reduction of a refund of Federal taxes by the Secretary of the Treasury pursuant to section 3720A of title 31, United States Code.".

TIME LIMIT FOR HOUSING DEBT WAIVER

SEC. 8. Section 3102 of title 38, United States Code, is amended by—

(a) striking out "101 and 1801" and inserting in lieu thereof, "101, 1801, and 1802(a)(2)(C)(ii) of this title"; and

(b) inserting at the end thereof, "An application for relief under this subsection must be made (1) within 180 days from the date of notification of the indebtedness by the Secretary to the debtor, or within such longer period as the Secretary determines is reasonable in a case in which the payee demonstrates to the satisfaction of the Secretary that such notification was not actually received by such debtor within a reasonable period after such date; or (2) September 30, 1991, if notice of such debt was provided before October 1, 1989.".

TECHNICAL CORRECTION REGARDING ENTITLEMENT

SEC. 9. Section 1802(a)(2)(C)(ii) of title 38, United States Code, is amended by inserting at the end thereof, "For purposes of this chapter, a person described in this subclause shall be considered to be a veteran notwithstanding that such person has never been discharged or released from active duty."

MAKE CLAIM PAYMENT AND PROPERTY ACQUISITION PROCEDURES PERMANENT

SEC. 10. Section 1832(c) of title 38, United States Code, is amended by striking out paragraph (11) in its entirety.

EFFECTIVE DATE

SEC. 11.(a) The amendments made by sections 2, 5, and 6 of this Act shall take effect October 1, 1989.

(b) The amendments made by sections 3, 4, 7, 8, 9, and 10 of this Act shall take effect upon enactment of this Act.

VETERANS' ADMINISTRATION, OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,

Washington, DC, April 17, 1989.

Hon. DAN QUAYLE,

President of the Senate, Washington, DC.

DEAR MR. PRESIDENT: Enclosed is a draft bill "To amend title 38, United States Code, to revise the provisions relating to refinancing loans and manufactured housing loans to veterans, to modify the procedures for the sale of loans by the Secretary of Veterans Affairs, and for other purposes." I request that this measure be referred to the appropriate committee and promptly enacted.

This omnibus measure, entitled the "Veterans' Housing Amendments Act of 1989," would make a number of amendments to the VA Housing Loan Guaranty Program to reduce administrative regulation and enhance revenues.

The terminology used in the draft bill reflects the conversion of the Veterans' Administration to the Department of Veterans Affairs pursuant to Public Law 100-527. This bill assumes that appropriate technical and conforming amendments to title 38, United States Code, mandated by section 14 of Public Law 100-527 have been made.

Section 2 of the draft bill revises the requirements related to refinancing loans guaranteed under 38 U.S.C. § 1810(a)(5). Until recently, a veteran could refinance up to the full reasonable value of his or her home. Section 7(c) of Public Law 100-198, enacted December 21, 1987, however, amended section 1810 of title 38 to limit refinancing loans to 90 percent of the appraised value of the home. The legislative history of that amendment clearly reflects congressional concern over "loans refinanced . . . to cash out the equity of a home. . . ." The intent of that amendment was to "[l]imit[ ] equity-payout refinancing loans. . . ." *See:* Senate Report 100-204, 100th Cong. 1st Sess. (October 21, 1987) at 21.

We certainly agree that a significant number of veterans who refinance their homes cash out their equity in the property. Many other refinancing loans, however, are not for that purpose. Rather, such loans are obtained solely to replace less favorable types of financing with a VA loan. The draft bill identifies the following three such situations:

1. A veteran obtained a temporary construction loan to build a home on land already owned by the veteran. Following completion of construction, the veteran seeks to replace the initial financing with a 30-year permanent loan;

2. A veteran initially purchased the property using an installment land sales contract which he or she wishes to replace with the more traditional deed and mortgage form of ownership; and

3. A veteran assumed an existing conventional or FHA loan when he or she purchased the property which time the veteran seeks to replace with a VA loan at a lower rate of interest.

VA believes all three of these situations are analogous to interest rate reduction loans now authorized under 38 U.S.C. § 1810(a)(8). Such loans do not involve cash back to the Veteran, and are not limited to 90 percent of the value of the security. VA believes the risks associated with this type of refinancing loan are no greater than with a standard purchase money guaranteed loan for a similar property.

This section, therefore, would permit VA to guarantee loans for those three limited situations without regard to the 90 percent of value limitation applicable to guaranteed refinancing loans. Instead, section 2 of the draft bill would limit loans for those three purposes to the lesser of the reasonable value of the property as determined by VA, or the sum of the outstanding balance on the loan to be refinanced plus such closing costs (including discounts) specified in regulations. That would permit the veterans involved to receive the equivalent of a no-down-payment VA purchase money mortgage loan.

VA estimates that enactment of section 2 of this draft bill would result in insignificant costs; i.e., less than $100,000 in administrative costs on $1 million in benefits costs in any fiscal year.

Section 3 of the draft bill would revise provisions of the law related to the sale of vendee loans by VA. Following the foreclosure of a loan guaranteed or made by VA, the Secretary frequently acquires the property that secured the loan. VA then sells these properties in an effort to recoup the Government's loss under the guaranty. In some cases, the VA provides seller financing, commonly known as a "vendee loan." VA may then sell the paper for such vendee loans to generate immediate cash for the Loan Guaranty Revolving fund (LGRF). Historically, this paper has been sold with recourse; i.e., the Government agrees to buy the note back from the holder if the borrower defaults.

Credit management policies, however, favor selling loan assets without recourse. Selling with recourse runs counter to effective debt management and does not provide an accurate measurement of the subsidy inherent in Federal credit. In addition, selling the loans with recourse creates a contingent liability to the Government for the full face value of the loan. This contingent liability represents the full extent of the Government's cost for repurchasing vendee loans that eventually default.

Accordingly, VA began selling loans without recourse in Fiscal Year 1988. To date, four sales have been held. In the first three sales, the loans were sold to a trust which issued mortgage-backed securities utilizing a senior-subordinate structure with bond insurance.

As required by 38 U.S.C. § 1833(a)(3)(B), the Administrator provided the Congress with detailed reports on the results of the first two sales. In summary, the first sale of 8,903 loans with a principal balance of approximately $308.9 million was closed June 29, 1988. This sale resulted in net proceeds to VA of approximately $179 million. When the expected cash flow of the subordinate certificates is taken into account, this sale produced a yield equivalent to 88.6 percent.

A second sale was held September 23, 1988. VA sold an additional 6,177 loans with a principal balance of approximately $234.3 million. This sale resulted in net proceeds to VA of approximately $128.8 million, producing a yield equivalent to 90.7 percent.

The third sale closed February 23, 1989. VA sold an additional 7,693 loans with a principal balance of approximately $278.1 million. This sale resulted in net proceeds to VA of approximately $165 million. A fourth sale involving 12,039 older loans with a principal balance of approximately $58.1 million closed on March 23, 1989. This latest sale resulted in net proceeds to VA of approximately $49.4 million. VA will be providing the Congress with a full report on these two sales in the near future, including projections of the expected cash flow from the subordinate certificates held by VA as a result of the third sale.

VA is also planning a fifth nonrecourse sale for the latter part of Fiscal Year 1989.

As the results of the sales already held demonstrate, selling loans without recourse is a viable option. Amendments to section 1833(a)(3) of title 38 made by Public Laws 100-136 and 100-203, however, have restricted the freedom of the Secretary to sell loan assets without recourse. As the law now stands, until October 1, 1989, the Secretary will be required to make complex projections of the anticipated yields and costs of recourse and nonrecourse sales of each block of loans to be offered for sale. Based upon such projections, the Secretary will determine whether it is in the best interests of the effective functioning of the loan guaranty program to sell with or without recourse. After October 1, 1989, VA would be prohibited from selling loans without recourse unless they could be sold at par. For all intents and purposes, that would preclude selling loans without recourse.

The present law imposes complex and costly administrative requirements on VA without tangible benefit. Further, the effective prohibition of selling without recourse after October 1, 1989, is an unnecessary and unwarranted interference with the administrative flexibility required by the Secretary to dispose of loan assets.

Therefore, section 3 of the draft bill would grant the Secretary flexibility to sell loans in a cost-effective manner, either with or without recourse, without the administrative burdens now contained in the law.

VA estimates that enactment of section 3 would result in a savings of $599.3 million in budget authority for Fiscal Year 1990. The estimated 5-year savings for this section would be:

Fiscal year:	*Thousands*
1990	$599,283
1991	659,522
1992	613,973
1993	590,639
1994	587,803
Total	3,051,220

Section 4 of the draft bill would amend section 1829 of title 38, United States Code, to extend the authority to collect a 1 percent loan origination fee from September 30, 1989, through September 30, 1991. At present, that section imposes a fee of 1 percent of the loan amount upon veterans who obtain housing loans guaranteed, insured, or made by VA under chapter 37 of title 38, United States Code, and upon persons who receive vendee loans from the VA in connection with the purchase of real property from the VA. Disabled veterans receiving compensation, or who would be entitled to compensation but for the receipt of retirement pay, and surviving spouses of veterans who died from a service-connected disability are exempt from paying this fee.

The fee is collected at the time of loan closing, and may be financed with the loan. Proceeds from the fee are disposited into the Loan Guaranty Revolving Fund (LGRF).

Public Law 89-358, which originally granted VA home loan benefits to post-Korean conflict veterans, required collection of such a fee. That provision was repealed by Public Law 91-506 in 1970. The Omnibus Budget Reconciliation Act of 1982, Pub. L. No. 97-253, § 406, reimposed a fee of one-half of 1 percent for loans to veterans closed after September 30, 1982. The Deficit Reduction Act of 1984, Pub. L. No. 98-369, § 2511, increased the fee to 1 percent. Authority to collect the fee expires October 1, 1989.

Under the draft bill, on loans closed on or after October 1, 1989, the 1 percent fee would continue through September 30, 1991. Vendee loan purchasers would be subject to the same fee.

The LGRF provides moneys for all loan guaranty operations except general administrative expenses. The LGRF also provides some funding for supplementary services and equipment pursuant to Pub. L. No. 100-689, § 303. Since Fiscal Year 1984, this fund has required $2.281 billion in direct appropriations and $360 million in transfers from the readjustment benefits account in order to remain solvent.

In Fiscal Year 1988, over $916 million was appropriated to the LGRF, and an additional $200 million was transferred to the fund from the appropriation for Readjustment Benefits (of which $21.7 million was subsequently transferred to another appropriation account). A further appropriation of $658 million was made for Fiscal Year 1989. Current projections show a supplemental appropriation of approximately $312 million is required for the current fiscal year. Without the proposed fee extension, the LGRF would experience a shortfall in Fiscal Year 1990 of approximately $141 million.

The VA home loan program has been and continues to be of great importance to present and former members of the Nation's Armed Forces who seek to become homeowners. We are mindful that the cost to the taxpayers of operating the program and paying claims on loans resulting in foreclosure are significant. Since the loan guaranty program provides a unique benefit (i.e. no-down-payment terms) for a select group of beneficiaries, we believe that this group should bear a portion of the cost of providing the benefit through a modest, one-time fee.

VA estimates that enactment of section 4 of the draft bill would produce revenues of $140.6 million in Fiscal Year 1990. The estimated savings for this section would be:

Fiscal year:	
1990	$140,600
1991	145,400
Total	286,000

Section 5 of the draft bill would make certain improvements to the manufactured housing loan program and repeal certain requirements of that program which VA believes are no longer necessary.

Section 5(a)(1) of the draft bill would delete the requirement that VA standards for manufactured home sites include requirements to encourage the development of attractive residential areas which will be free from and not substantially contribute to adverse scenic or environmental conditions.

Currently, 38 U.S.C. § 1812(h)(1) requires that, as part of the standards established in approving manufactured home sites, VA take into consideration scenic or environmental conditions. Since these provisions were enacted, many beneficial changes have taken place with respect to planning and construction standards for manufactured home parks and subdivisions. State and local regulatory agencies generally have standards for licensing, occupancy, and use which prevent overcrowding and other adverse conditions, including those which affect the scenic and environmental state of the manufactured home sites. VA's standards only serve to duplicate existing local requirements and complicate the application process. Accordingly, VA recommends eliminating these requirements.

Section 5(a)(2) of the draft bill would repeal the requirement that VA inspect the manufacturing process of manufactured homes and conduct on-site inspections of such units purchased with VA financing. The bill would further provide that any manufactured home unit that property displays a certificate of conformity with all applicable Federal manufactured home construction and safety standards would be eligible for purchase with VA guaranteed loans.

Currently, 38 U.S.C. § 1812(h)(2)(A) requires the VA to make inspections of the manufacturing process of manufactured homes and to perform random on-site inspections of manufactured homes purchased with a VA guaranteed loan. The purpose of the inspections of manufacturing plants is to insure that manufacturers comply with the standards for planning, construction, and general acceptability of manufactured homes required to be prescribed by VA under 38 U.S.C. § 1812(h)(1). The on-site inspections were mainly required to judge the effectiveness of the manufactured home loan program.

In 1970, when the Congress enacted the VA manufactured home loan program, there were no comprehensive regualtions insuring the safety and fitness of manufactured housing. Four years later, however,

the Congress enacted the National Manufactured Housing Construction and Safety Standards Act of 1974, 42 U.S.C. §§ 5401-5426. That statute requires the Secretary of Housing and Urban Development, in consultation with the Consumer Product Safety Commission, to establish Federal manufactured home construction and safety standards. Generally all new manufactured homes sold in interstate or foreign commerce must comply with these Federal Standards Units are required to have permanently affixed to them a tag or label certifying their compliance with such standards. The Secretary of HUD is authorized to conduct necessary inspections to enforce the Federal standards.

VA believes that the comprehensive scheme established under the National Manufactured Housing Construction and Safety Standards Act of 1974 is sufficient to insure that new manufactured homes purchased by veterans with VA guaranteed loans will be properly built and suitable for occupancy and use.

Section 1812(h)(2)(B) of title 38, enacted as part of Public Law 95-476 in 1978, permits VA to delegate to HUD the responsibility for conducting manufactured plant inspections. VA has entered into an agreement with HUD under this provision of the law, and has made such a delegation. VA believes it is unnecessary to retain the provision in the law for VA to conduct inspections, and the provision should be eliminated.

VA further believes on-site inspections are likewise unnecessary. Such inspections might have been useful when the law was first enacted to aid in evaluation of this program. Over 15 years of experience with the manufactured home loan program has demonstrated the viability of the program. Each of the states where VA has guaranteed manufactured housing loans have and enforce planning and zoning laws which adequately address our concerns. Additionally, VA's procedures require lenders to certify that the unit has been properly installed on an approved site, and that the veteran receives everything for which he or she has paid. As these inspections are no longer necessary, they should be eliminated.

The draft bill also makes perfecting amendments consistent with the elimination of such inspection.

In addition, the draft bill proposes one technical amendment to the manufactured home loan program. Section 1812(j) permits VA to suspend from participation in the VA program a manufacturer of manufactured homes who refuses to permit inspections, is unwilling or unable to comply with its warranty obligations, or if the units fail to conform to VA standards. this section does not specifically contain the additional "catch all" grounds of suspension for engaging in practices prejudicial to veterans or to the Government. Provisions of the law applicable to suspending other loan guaranty program participants authorize suspension for such prejudicial practices. See 38 U.S.C. §§ 1804 (b) and (d) and 1812(k). In addition to removing the reference to the inspections which the draft bill proposes to eliminate, engaging in actions unfair or prejudicial to veterans or the Government would be added as a basis for suspension. We believe this technical correction is desirable to make clear that VA has the authority to suspend manufacturers who engage in such practices.

VA estimates that enactment of section 5 would have no costs or result in savings of less than $100,000 in any fiscal year.

Section 6 of the draft bill would repeal the requirement for a statement of local officials regarding the feasibility of public or community water and sewerage systems as a condition to the VA guaranty of loans for the purchase of newly constructed homes.

Currently, under 38 U.S.C. § 1804(e), the VA may not guarantee loans for newly constructed residences in areas where local officials certify that the establishment of public or community water and sewerage systems is economically feasible unless the dwellings are served by such systems. Since enactment of this section in 1965, conditions have changed significantly. Federal, State, and local laws now adequately address the subject of individual water and sewerage systems as an alternative to public and community water systems. These certification requirements place an additional burden on local officials and program participants without materially benefiting the veteran.

Enactment of this proposal would result in administrative savings of less than $100,000 in any fiscal year.

Section 7 of the proposed legislation would amend section 1826 of title 38, United States Code, to expand VA's authority to collect housing loan debts by offsetting a debtor's Federal tax refund. Currently, section 1826 prohibits offset of any non-VA Federal payment to satisfy an indebtedness to VA arising out of the loan guaranty program unless the debtor is liable to the VA. Since a significant number of VA guaranteed loans are foreclosed nonjudicially, these requirements are often not met.

Under section 3720A of title 31, United States Code, which was enacted by the Deficit Reduction Act of 1984, Pub. L. No. 98-369, § 2653, past-due debts to Federal agencies may be referred to the Secretary of the Treasury for collection by offsetting against refunds of Federal taxes due the debtor.

VA believes the Deficit Reduction Act established a policy of collecting Federal debts in this manner. Therefore, conforming amendments should be made to section 1826 of title 38.

VA estimates that enactment of this proposal would generate collections of approximately $1 million and produce administrative costs of less than $100,000 in any fiscal year.

Section 8 of the draft bill would impose a time limit during which a veteran may request waiver of a loan guaranty debt. Generally, a veteran would have 180 days from the date of the notice of the debt to file a waiver request. This amendment is consistent with subsection (a) of section 3102 of title 38 which imposes the same limit on requesting waivers of all other debts to VA. Under subsection (b) of that section, however, no time limit is imposed on requesting waiver of a home loan debt. This creates several problems, especially when a request for waiver is made on a loan program debt after it has been referred for collection through litigation. If such a waiver request is filed, all collection action must be stopped until a decision is made on the waiver request. If the request for waiver is subsequently denied, then we must go through the time-consuming and costly process of referring the case a second time for collection.

To reduce hardship and prejudice to veterans who may have relied on the current law, any veteran who received notice of a home loan debt prior to October 1, 1989, would have until September 30, 1991, to request a waiver.

Section 8 would also make a technical amendment to section 3102(b). Currently, that section pertains to veterans as defined by sections 101 and 1801 of title 38, and to the spouses of veterans. Section 101 of title 38 contains the general definition of "veteran" for title 38 purposes, and section 1801 defines "veteran" to include, for home loan purposes, certain surviving spouses of veterans who died from service-connected causes and spouses of veterans who are prisoners of war or missing in action. In addition to those categories of persons, section 1802(a)(2)(C)(ii) of title 38 grants home loan eligibility to persons currently on active duty in the Armed Forces. Unfortunately, active duty servicemembers do not meet the definition of veteran in either section 101 or 1801. This technical amendment would make it clear that debts of active duty servicemembers are eligible for waiver consideration on the same terms as all other veterans, and would be subject to the time limit proposed.

Enactment of this proposal would result in insignificant administrative benefits savings of less than $1 million in any fiscal year and insignificant administrative savings of less than $100,000 in any fiscal year.

Section 9 of the draft bill makes another technical amendment concerning active duty servicemembers. As explained above, section 1802(a)(2)(C)(ii) of title 38 grants home loan eligibility to persons currently on active duty. As currently drafted, however, this section refers to "veterans" who have served on active duty for more than 180 days and continue on active duty without a break in such duty. Section 101 of title 38 defines "veteran" for purposes of VA benefits as a person who served on active duty "and who was discharged or released therefrom under conditions other than dishonorable." Since most active duty service personnel have never been discharged or released from active duty, they are not technically veterans. Therefore, section 9 of the draft bill proposes a technical amendment to section 1802(a)(2)(C)(ii) of title 38 to provide that, for home loan purposes, persons on active duty will be considered to be veterans.

Section 10 of the draft bill would make permanent the claim payment and property acquisition provisions contained in section 1832(c) of title 38, United States Code. Currently, these provisions are set to expire October 1, 1989. These provisions, which were added by section 2512(a)(2) of the Deficit Reduction Act of 1984 (DRA), Public Law 98-369, determine the VA's claim liability under a home loan guaranty and when the VA may acquire the property which secured the loan.

Section 1832(c) of title 38 requires the VA to establish a net value for the security property. "Net value" is the fair market value minus costs the VA would incur, if it acquired the property, to acquire, manage, and dispose of such property. Generally, the VA may acquire the property if the net value exceeds the unguaranteed portion of the loan, and the loan holder acquires the property for the lesser of net value or the veteran's total indebtedness. In such cases, net values also represents a minimum amount the loan holder must credit to the veteran's indebtedness in determining the VA's guaranty liability. This provision has provided a useful framework to determine when it is cost-effective either to acquire a VA guaranteed property at foreclosure or to pay the full guaranty amount.

The DRA amendments were enacted to reduce the Government's losses on foreclosure of VA guaranteed loans and the subse-

quent resale of VA acquired properties and ensure that the VA home loan program would continue to provide a viable benefit for veterans and lenders. Experience has shown that these procedures have worked well. The basic framework created by DRA, as amended, and now codified at section 1832(c), is sound and should be continued and made permanent.

The final section provides the effective dates for the various amendments proposed by the draft bill. The amendments made by section 2 relating to refinancing loans, section 5 making various amendments to the manufactured home loan program, and section 6 relating to water and sewerage systems will take effect October 1, 1989. The remainder of the draft bill will take effect upon enactment.

The provisions of this proposal concerning the extension of the 1 percent home loan origination fee and the sale of vendee loans without recourse to the Federal Government are needed to carry out the President's FY 1990 Budget plan described in the President's Building A Better America document as transmitted to Congress on February 9th.

The Office of Management and Budget advises that there is no objection to submission of this proposal to Congress. Enactment of the home loan origination fee and vendee loan proposals would be in accord with the program of the President.

Sincerely yours,

EDWARD J. DERWINSKI,
Secretary.

SECTION-BY-SECTION ANALYSIS ON VETERANS' HOUSING AMENDMENTS ACT OF 1989

[NOTE.—The terminology in the draft bill reflects the conversion of the Veterans' Administration to the Department of Veterans' Affairs (VA) pursuant to Public Law 100-527. This bill assumes that appropriate technical and conforming amendments to title 38, United States Code, mandated by section 14 of Public Law 100-527, have been made.]

SECTION 2—REFINANCING LOANS

Would permit the amount of a VA guaranteed refinancing loan to exceed the current limit of 90 percent of the security property's reasonable value under three circumstances. These are: to refinance an existing construction loan, to refinance an installment land sales contract, or to refinance a loan which was assumed by a veteran who wishes a new loan at a lower interest rate. In those cases, the amount of the loan may not exceed the lesser of the reasonable value of the security property, or the outstanding balance of the loan being refinanced plus allowable closing costs.

SECTION 3—SALE OF VENDEE LOANS

Would repeal 38 U.S.C. § 1833(a)(3) that regulates the manner in which VA may sell vendee loans, and prohibits VA from selling vendee loans without recourse after October 1, 1989, unless these loans are sold at par. It would substitute authority to sell such loans either with or without recourse. To maximize without recourse sales proceeds, the bill would require the Secretary to consult a financial advisor, review the experience of other Federal agencies, explore various marketing strategies, and accept bids reflecting prevailing interest rates.

SECTION 4—EXTENSION OF LOAN FEE

Would extend the sunset for the 1 percent loan fee currently required by 38 U.S.C. § 1829(c) from September 30, 1989 to September 30, 1990.

SECTION 5—REPEAL CERTAIN MANUFACTURED HOME LOAN REQUIREMENTS

Subsection (a) would repeal the requirement of 38 U.S.C. § 1812(h) that VA establish standards for manufactured housing sites that consider environmental concerns, and that VA inspect manufactured housing plants and sites. It would substitute a provision that any manufactured home bearing a certificate of conformity to all applicable Federal manufactured housing standards established under the National Manufactured Housing Construction and Safety Standards Act of 1974 will be acceptable for VA financing.

Subsection (b) would amend 38 U.S.C. § 1812(j) to authorize VA to refuse to guarantee loans for the purchase of manufactured homes made by manufacturers that engaged in practices that were unfair or prejudicial to veterans or the Government. It also makes perfecting changes to that subsection.

Subsection (c) would make a perfecting change.

SECTION 6—PUBLIC AND COMMUNITY WATER AND SEWERAGE SYSTEMS

Would repeal 38 U.S.C. § 1804(e) which prohibits VA from guaranteeing loans for newly constructed residences in areas not served by public or community water and sewerage systems where local officials certify that the establishment of such systems is feasible. It would also made a perfecting change.

SECTION 7—OFFSET OF TAX REFUND FOR HOUSING LOAN DEBT

Would amend 38 U.S.C. § 1826 to permit VA to collect all debts arising out of the housing loan program by offsetting the debtor's Federal tax refund.

SECTION 8—TIME LIMIT FOR HOUSING DEBT WAIVER

Would amend 38 U.S.C. § 3102(b) to impose a time limit of 180 days after receiving notice of a housing loan debt for a veteran to request that VA waive that debt. Veterans who received notice of debts before October 1, 1989, would have until September 30, 1991, to request waiver. This section of the bill would also make a technical amendment to section 3102(b) to make that section applicable to active duty servicemembers.

SECTION 9—TECHNICAL CORRECTION REGARDING ENTITLEMENT

Would make a technical correction to 38 U.S.C. § 1802(a)(2)(C)(ii) to provide that, for home loan purposes, persons on active duty will be considered to be veterans.

SECTION 10—MAKE CLAIM PAYMENT AND PROPERTY ACQUISITION PROCEDURES PERMANENT

Would make permanent the claim payment and property acquisition provisions contained in 38 U.S.C. § 1832(c). Currently, these provisions are set to expire October 1, 1989.

SECTION 11—EFFECTIVE DATES

Subsection (a) would make sections 2 (refinancing loans), 5 (manufactured home loan program amendments), and 6 (water and sewerage systems) of this bill effective October 1, 1989.

Subsection (b) would make the remainder of this bill take effect upon enactment.

By Mr. CRANSTON (by request):

S. 899. A bill to amend title 38, United States Code, to authorize the Secretary of Veterans' Affairs to establish and conduct, for 5 years, a leave sharing program for medical emergencies of employees of the Department of Veterans' Affairs who are subject to section 4108 of title 38, United States Code; to the Committee on Veterans' Affairs.

ESTABLISHING A LEAVE SHARING PROGRAM FOR EMPLOYEES OF THE DEPARTMENT OF VETERANS' AFFAIRS

Mr. CRANSTON. Mr. President, as chairman of the Veterans' Affairs Committee, I have today introduced, by request, S. 899, a bill to provide for leave-sharing for Department of Veterans' Affairs employees. The Secretary of Veterans' Affairs submitted this legislation by letter dated March 30, 1989, to the President of the Senate.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all administration-proposed draft legislation referred to the Veterans' Affairs Committee. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point, together with the March 30, 1989, transmittal letter and the enclosed analysis.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 899

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That section 4108 of title 38, United States Code is amended by adding at the end thereof the following new subsection:

"(e) The Secretary of Veterans Affairs may establish and conduct, for five years, a leave sharing program for medical emergencies, covering employees subject to this section, which is consistent with the five-year leave sharing program authorized in subchapters III and IV of chapter 63 of title 5, United States Code, for employees appointed under that title."

SEC. 2. Subsection (e) of section 4108 of title 38, United States Code, is repealed effective October 31, 1993.

VETERANS' ADMINISTRATION, OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington DC, March 30, 1989.

Hon. DAN QUAYLE,
President of the Senate, Washington, DC.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill "To amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to establish and conduct, for five years, a leave sharing program for medical emergencies of employees of the Department of Veterans Affairs who are subject to section 4108 of title 38, United States Code," with the request that it be referred to the appropriate committee for prompt consideration and enactment.

Current law, under Public Law 100-566, the Federal Employees Leave Sharing Act of 1988, provides authority for a five-year leave sharing program, including voluntary leave transfer and leave "banks" for medical emergencies, for employees appointed in the civil service under title 5 of the United States Code. Although earlier (and more narrow) one-year leave transfer authorities (Public Laws No. 100-202 and 100-440) allowed including the health care professional employees in the Department of Veterans Affairs, who are appointed under the special authority in title 38 of the United States Code, the new five-year leave sharing law does not cover those "title 38" employees. Those employees include physicians, dentists, nurses, podiatrists, optometrists, physician assistants, and expanded-function dental auxiliaries. The one-year authority will be expiring September 30, 1989.

This draft bill would authorize a five-year leave sharing program covering thost "title 38" employees, giving discretion to include them in the benefits of both leave transfer and leave banks over its five year term.

This draft bill would amend title 38 of the United States Code to authorize the Secretary of Veterans Affairs to establish a leave sharing program, similar to that authorized for title 5 employees under the current laws, and would thus allow the Department to continue including health care professionals in leave sharing, a very helpful means of assisting personnel who, through a medical emergency, find themselves threatened with loss of pay because leave resources become exhausted. The leave sharing program established by this draft bill would be consistent with current Office of Personnel Management regulations governing leave sharing programs. The draft bill provides for repeal effective October 31, 1993.

The title 38 employees affected by the draft bill work in the Veterans Health Services and Research Administration within the Department. Many of the Administration's employees, appointed under title 5, are includible in the five year program already enacted. The draft bill, by including the title 38 workers, would alllow equal eligibility throughout the Administration as well as facilitating management of leave sharing. Also, the draft bill would permit the Department to avoid the possible adverse morale implications of having part, but not all of a large group of employees, be eligible for participation.

The temporary leave transfer authority, which has affected both title 5 and title 38 employees, has worked smoothly and helped employees cope with leave emergency situations. It is therefore expected that the authority in the draft bill could be implemented efficiently and helpfully. The five year authority would enable the Department to assess the benefits and implications of leave sharing vis a' vis its unique health care professional employees.

We expect no additional cost will result from enacting this draft bill. The employees affected by this draft bill are currently under a temporary leave transfer program of negligible cost. We believe implementing the draft bill would result in no outlay except negligible administrative costs.

The Office of Management and Budget advises that there is no objection from the standpoint of the Administration's program to the submission of this legislative proposal to the Congress.

Sincerely yours,

EDWARD J. DERWINSKI,
Secretary.

ANALYSIS OF DRAFT BILL

The purpose of the draft bill is to authorize the Secretary of Veterans Affairs to establish a five-year leave sharing program, which would permit voluntary transfer of leave and use of a leave sharing bank, by health care professional employees appointed in the Department of Veterans Affairs under title 38, United States Code. It would provide for establishment of a leave sharing program in a manner that is consistent with the provisions of chapter 63 of title 5, United States Code, which authorizes a five-year sharing program for employees appointed under that title. Under that program, as implemented under regulations to be promulgated by the Office of Personnel Management, covered employees, may transfer leave to the account of another employee approved as eligible, by virtue of a medical emergency, to receive donations, and leave banks may be established to accept contributions of annual leave to be made available, by the bank, to an employee requiring the leave.

Section 1 of the draft bill would amend 38 U.S.C. § 4108 by adding a new subsection (e). The intent of section 1 is to give the Secretary the discretion to establish and allow a full range of participation of leave sharing benefits among "title 38" employee. The draft bill would provide the Secretary with the discretion whether to implement the leave sharing program and the discretion to determine its extent.

Section 1 would amend section 4108, the section of title 38 which authorizes the Secretary and the Secretary's predecessor, the Administrator, to prescribe the hours and conditions of employment and leaves of absences of individuals appointed under title 38. Section 1 specifies that any leave sharing program to be implemented would be consistent with the five-year title 5 leave sharing program.

A temporary leave transfer program is currently in operation covering employees appointed under both title 5 and title 38 in the Department, but is due to expire at the end of Fiscal Year 1989. The temporary leave transfer program included "title 38" employees when Public Law No. 100-202 expanded the coverage of that program authorized by the Public Laws Nos. 99-500 and 99-591 and Executive Order 12589. The existing temporary program has worked smoothly and has been available to all Department of Veterans Affairs employees in connection with medical emergencies. The current five-year leave sharing law authorizes pending leave balances in the temporary program to be "carried forward" into the five-year program. The intent of section 1 is that any similar balances pending as to "title 38" employees would, consistent with the title 5, five-year program, be similarly brought forward.

Section 2 of the draft bill would repeal subsection (e) effective five years after the date of enactment of the bill. The five-year term is consistent with the five years authorized in Public Law No. 100-566, which repeals itself after five years.

It is anticipated the draft bill would not, over its five-year term, incur additional costs, and its implementation would result in no outlay of funds except neglible administrative costs.

By Mr. ROCKEFELLER (for himself and Mr. CRANSTON):

S. 900. A bill to amend title 38, United States Code, to extend for 1 year the authorization of the Veterans' Administration to furnish respite care to certain chronically ill veterans and the due date for a report on the results of furnishing such care; to the Committee on Veterans' Affairs.

EXTENSION OF AUTHORITY TO FURNISH RESPITE CARE

Mr. ROCKEFELLER. Mr. President, I am introducing today, along with my colleague Senator CRANSTON, the chairman of the Senate Veterans' Affairs Committee, S. 900, a measure that would extend to September 30, 1990, the Veterans' Administration's authority to furnish respite care to certain chronically ill veterans and extend to February 1, 1990, the date by which the Secretary of Veterans' Affairs is to submit the final report on the evaluation of the respite care program to the House and Senate Veterans' Affairs Committees.

This provision is identical to legislation that I authored last year and which the Committee on Veterans' Affairs included in S. 2011, the Veterans' Compensation Cost-of-Living Adjustment Act. Unfortunately, although there was no disagreement about that particular provision, it was not included in the final bill that Congress passed—H.R. 4741, the Veterans' Compensation Amendments. Measures pertaining to respite care, as well as most other health-related provisions in the bill, were dropped as a result of differences between the House and the Senate over other issues.

In my own State, the Beckley VA Medical Center currently offers respite care services to West Virginia veterans. Since last July, this respite care program has helped families deal with the day-to-day stress of caring for a chronically ill veteran. The Beckley Respite Care Coordinator describes the respite care program as an important VA service that helps families take care of a loved one.

My bill would prevent an interruption of current respite care services being delivered and would encourage more VA medical centers to begin to offer these important services to veterans and their families.

BACKGROUND

The ultimate goal of respite care, which is a relatively new form of care, is to help individuals with chronic illnesses to continue living in their homes as long as possible before having to resort to institutional care—and indeed, the individual may be able to avoid institutional care altogether. It is widely agreed that, when feasible, helping a person live at home is better for the person's overall health status and is a far more efficient and cost-effective way to meet an individual's health care needs.

Very often, the key to a person being able to remain at home is the regular availability of a spouse, child, or other relative or close friend. These individ-

uals provide meals, help around the house or with personal care services that, combined with outpatient treatment, home-health services, or other types of medical attention, meet a veteran's full range of needs. Respite care, by providing scheduled relief for the primary caretaker, helps make it possible to allow a veteran to stay at home.

Recognizing the benefits such a service would afford veterans and their families, Senator CRANSTON first introduced a respite care provision in April 1986 as part of a larger veterans health care bill. Shortly thereafter, Senator MURKOWSKI—who was chairman of the Senate Veterans' Affairs Committee at the time—introduced a veterans health care bill that contained a similar respite care provision. As a result of these joint efforts, a respite care provision was included in S. 2422, the Veterans' Compensation and Benefits Improvements Act, in June 1986, that subsequently passed both Houses, and was included in section 201 of Public Law 99-576, the Veterans' Compensation Amendments.

This provision, which became effective October 28, 1986, provided the VA with the authority to furnish respite care services until September 30, 1989, to a veteran who is eligible to receive hospital or nursing home care under section 610 of title 38. Respite care is defined as hospital or nursing home care of limited duration; is furnished in a VA facility on an intermittent basis to a veteran who is suffering from a chronic illness and who resides primarily at home; and is furnished for the purpose of helping the veteran to continue residing primarily at home.

In addition, under this provision, the Secretary of Veterans' Affairs is required to conduct an evaluation of the health efficacy and cost effectiveness of furnishing respite care, and submit a report to the Senate and House Committees on Veterans' Affairs. The final report will contain the results of the evaluation, including any plan for administrative action, and any recommendation for legislation, that the Secretary considers appropriate.

It was not until November 1987, that guidance from the VA Central Office was provided to medical centers in regard to the admission guidelines and program management requirements necessary to establish a respite care program. One month later, in December 1987, instructions for gathering the data required to appropriately study the cost effectiveness and health efficacy of furnishing respite care were distributed to all medical centers.

VA policy stipulates that respite care may be provided for up to 30 days in a calendar year to eligible veterans who are suffering from a chronic illness and reside primarily at home, and who are recommended for respite care by a VA treatement team. The duration of any one respite care admission is not to exceed 14 days and the frequency of admission is not to exceed once a quarter. The policy prohibits respite care from being provided in an ambulatory care program or domiciliary bed, through a contractual agreement, or in the home. According to the policy, the veteran must be enrolled in and continue in one of the following VA programs: First, post-hospital care; second, adult-day health care [ADHC]; third, hospital-based home care [HBHC]; fourth, outpatient/fee basis care; or fifth, any other outpatient program where VA staff provide care.

VA program management guidelines specify that the respite care program be under the direction of a Respite Care Coordinator—appointed by the medical center chief of staff—who is responsible for coordinating referrals and admissions and orienting the patient and caregiver to the program. An interdisciplinary team, composed of a physician, a nurse, and social worker assigned to the respite care program or composed of the ADHC, HBHC, or mental health interdisciplinary teams, is responsible for screening patients and formulating a respite care treatment plan for each veteran. The respite care treatment plan contains recommendations for the frequency and duration of patient activities while the veteran is in the hospital or nursing home care unit.

EXTENSION OF THE REPORTING PERIOD

Mr. President, the respite cares study as designed by the VA calls for an evaluation of respite care and a comparison of such care to VA HBHC and VA ADHC. Data collection in regard to respite care and HBHC has been completed and information about ADHC is imminent. On February 6, 1989, the VA submitted to the Committee on Veterans' Affairs an interim report on the respite care program indicating that the final report would be submitted to Congress by February 1, 1990. To provide the VA the time they indicate is needed to evaluate the potential benefits and cost effectiveness of respite care, the provision we are introducing today would extend by 1 year both the underlying authority to provide such care and the due date of the report required to be submitted to the Committees on Veterans' Affairs of the Senate and House of Representatives.

EXTENSION OF THE AUTHORITY TO PROVIDE RESPITE CARE

Mr. President, rather than allow the authority for a potentially beneficial program to expire while the evaluation is pending, this measure would authorize the VA to furnish respite care services until September 30, 1990. Based on preliminary data collected by the VA, this program appears to be providing a worthwhile service for veterans and their families.

The VA's February 6 interim report contained the following data: 88 VA medical centers responded to the VA's request for information in regard to patients admitted for respite care. From January through September 1988, 2,329 episodes of care have been recorded. Of veterans admitted to the program, 23 percent are between the ages of 65 and 69, 21 percent are between the ages of 70 and 74, 11 percent are 75-79, 6 percent are 80-84, and almost 10 percent are 85 and over. Interestingly, 82 percent of respite care admissions were "category A" veterans, 12 percent "cagegory B," and 6 percent "category C," as compared to 94 percent "category A," 3 percent "category B," and 3 percent "category C" who otherwise are scheduled for or receive VA hospital, nursing home, or outpatient care.

Almost 80 percent of all veterans that received respite care services were married, and in almost 60 percent of all cases the veteran's informal support system consisted of only one person. The reported reason for the respite care being needed in 81 percent of all cases was that the caregiver needed a rest and in approximately 8 percent of all cases the caregiver was ill.

The February 6 interim report describes the type of care required by veterans in the respite care program. To quantify the level of assistance required by a veteran with activities of daily living [ADL], defined as bathing, dressing, toileting, transferring, feeding, and walking, an ADL score was determined whereby zero represents little, if any, assistance being required and six represents the need for complete care. To date, the data collected reflect that just over 70 percent of respite care participants fell within the range of a three to six ADL score, representing a need for moderate to complete care, with 41 percent receiving an ADL score of six.

Mr. President, I believe that by providing respite care to eligible veterans we are permitting the veteran to maintain a quality of life that, otherwise, would likely be unattainable. By "caring for the caregiver" we are providing the veteran the opportunity to remain within the comforts of his or her own home with the support of family and friends. This program is also designed to help to reduce costs by decreasing the incidents of veterans being admitted to nursing homes or for hospital care.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 900

Be it enacted by the Senate and House Representatives of the United States of America in Congress assembled, That (a) section 620B(c) of title 38, United States Code, is amended by striking out "September 30, 1989" and inserting in lieu thereof "September 30, 1990".

(b) Section 201(b)(2) of the Veterans' Benefits Improvement and Health Care Authorization Act of 1986 (Public Law 99-576; 100 Stat. 3254) is amended by striking out "February 1, 1989" and inserting in lieu thereof "February 1, 1990".

Mr. CRANSTON. Mr. President, as chairman of the Committee on Veterans' Affairs, I am pleased to join with my distinguished colleague from West Virginia [Mr. ROCKEFELLER] in introducing this legislation to extend by 1 year, through fiscal year 1990, the Department of Veterans' Affairs authority to furnish respite care to certain chronically ill veterans and extend to February 1, 1990, the date by which the Secretary of Veterans' Affairs is to submit a report on the evaluation of the program to the House and Senate Veterans' Affairs Committees.

Mr. President, the purpose of respite care is to provide relief for the caretakers of chronically ill individuals who without the caretakers' services would likely be institutionalized. Providing care for such a patient at home instead of in an institution is often, many experts contend, better for the patient's overall health and more cost effective than institutional care. Providing the patient with intermittent scheduled stays at a VA medical center gives the caretakers some breaks from their demanding work.

Mr. President, I have for many years actively supported and promoted the VA's pursuit of cost-effective alternatives to institutional care.

Respite care is, in essence, a quality-of-life issue. Home-based care providers, who are usually either a relative or close friend of the patient, provide a full array of care ranging from preparing meals to bathing and dressing the patient. Providing the primary caretaker with a break from the overwhelming responsibilities of caring for a chronically ill loved one is designed to make the caregiver more likely to be able to provide services for a longer period of time, thus allowing the patient to remain at home. In many instances, maintaining patients in their homes will improve the quality of life for the veteran-patients themselves and the veterans' families.

Mr. President, on April 30, 1986, I introduced S. 2388 which included a provision authorizing the Department of Veterans' Affairs to furnish respite care. A provision derived from that measure and also derived from a provision introduced by then chairman of the Veterans' Affairs Committee, Senator FRANK MURKOWSKI, on May 13, 1986, was enacted in section 201 of Public Law 99-576.

Under Public Law 99-576, respite care is defined as hospital or nursing home care which: First, is of limited duration; second, is furnished in a VA facility on an intermittent basis to a veteran who is suffering from a chronic illness and who resides primarily at home; and third, is furnished for the purpose of helping the veteran to continue residing primarily at home.

Current law authorizes the VA to furnish respite care services until September 30, 1989, and requires the Secretary of Veterans' Affairs to conduct an evaluation of the efficacy and cost effectiveness of the program and report the results of the evaluation to the Veterans' Affairs Committees by February 1, 1989. The Department of Veterans' Affairs submitted an interim report on February 6, 1989, and this preliminary data indicates that the program is providing a worthwhile service to veterans and their families. Additionally, the Department of Veterans' Affairs indicated in its letter accompanying the report that the final report preparation had begun but the report will not be complete until February 1, 1990.

Mr. President, Senator ROCKEFELLER and I are introducing this measure to provide the Department of Veterans' Affairs with adequate time to conduct a thorough review of this important pilot program. Therefore, we are proposing to extend for 1 year, to February 1, 1990, the date for submission of the final report. Because the initial data for submission of the final report. Because the initial data on the program indicate that it is beneficial and because we believe that the services that the program provides for veterans and their families should continue while Congress considers the future of the program after receiving the evaluation report, we are also proposing to extend for 1 year the Department of Veterans' Affairs authority to provide this service.

I urge my colleagues to support this measure.

By Mr. THURMOND (for himself, Mr. PRYOR, Mr. HOLLINGS, Mr. HELMS, Mr. KASTEN, and Mr. GORE):

S.J. Res. 114. Joint resolution expressing the sense of the Congress that the people of the United States should purchase products made in the United States and services provided in the United States, whenever possible, instead of products made or services performed outside the United States; to the Committee on Commerce, Science, and Transportation.

BUY AMERICAN

Mr. THURMOND. Mr. President, today, I am introducing a joint resolution which expresses the sense of the Congress that Americans should purchase American products and services. Senators PRYOR, HOLLINGS, HELMS, KASTEN, and GORE have joined me as original cosponsors. In the 100th Congress, I introduced an identical resolution, Senate Joint Resolution 258, which was referred to the Committee on Commerce, Science, and Transportation. However, no further action was taken.

The high concentration of foreign imports has contributed to our tremendous trade deficit. Foreign countries have flooded our markets with products which are often subsidized and produced at minimal cost.

We must now remind the American public that products made in the U.S.A. provide us with our much treasured asset—jobs. Each time we purchase a product that is manufactured in this country, we are providing a boost to our economy and are helping prevent the exportation of American jobs.

If Americans will realize the seriousness and magnitude of their failure to buy American-made goods, products, and services and will begin to "think American," our country's trade deficit can only decrease. This resolution will stress the importance of buying American.

Mr. President, it has been called to my attention that the Jaycees of America are heavily promoting the buy American movement. I am pleased that these young Americans have undertaken the effort to express their buy American sentiments and I encourage other organizations to do the same.

In closing, I ask my colleagues to adopt this joint resolution which will call upon the President, governors, and mayors to issue proclamations which ask the American people to buy American. I ask unanimous consent that the text of the resolution be printed in the RECORD immediately following my remarks.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 114

Whereas working men and women in the United States are striving to produce excellent products and provide excellent services;

Whereas many products made in the United States and services provided in the United States are of higher quality and cost less than the equivalent product produced, or service performed, outside of the United States;

Whereas most consumers in the United States do not know the country of origin of most of the products they buy or the services they receive;

Whereas the United States is suffering from a huge and growing trade deficit;

Whereas the Congress is working to provide job opportunities for people in the United States who are unemployed as a result of imports, and to reduce the trade deficit; and

Whereas the people of the United States can help create jobs in the United States and reduce the trade deficit by purchasing products made in the United States and

services provided in the United States, whenever possible, instead of products made or services performed outside of the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) it is the sense of Congress that the people of the United States should purchase products made in the United States and services provided in the United States, whenever possible, instead of products made or services performed outside of the United States;

(2) the President of the United States, the Governors of the States, and the mayors of municipalities are requested to issue proclamations calling upon the people of the United States to promote this policy and practice with appropriate ceremonies and activities;

(3) the leaders of civic and consumer organizations and media of mass communication are requested—

(A) to assist in promoting the awareness of American consumers of the importance of selecting goods produced or manufactured and services provided in the United States; and

(B) to assist such consumers in identifying such American goods and services and the merchants from whom they may be acquired; and

(4) producers and manufacturers of goods in the United States are requested and encouraged to make every effort to label and advertise the United States origin of such goods.

Mr. PRYOR. Mr. President, a little over a year ago, when I first joined with Senator THURMOND to introduce our Buy America resolution, I had no concept of the amount of support it would gather throughout our country. In its early days the idea of a nationwide Buy America program was the idea of a small group of dedicated patriotic people who believe in our country, its products and the importance of restoring pride in our own goods as a way to alleviate our own economic problems.

Now this original group has been joined by State and local officials, business people, retired citizens, labor organizations, and civic groups to spread the word about the importance of Buy America. The Jaycees of America, under the leadership of Andy Tobin, are especially to be complimented on the way they have taken the initiative and seized this project as a top priority for the year. In fact, I'm proud to say our Arkansas State Jaycee president Robert Cannon has made it a full-time effort. With the energies of groups such as these behind it, I believe the objectives of Buy America can be accomplished.

We have all become more and more aware of the economic and personal toll that has resulted from the loss of jobs due to unfair trading practices of some of our foreign allies. For example, in 1970, Arkansas firms employed 4,200 textile workers, 16,000 apparel workers, and 7,950 shoe workers. By 1987 that number had shrunk to 1,800 textile workers, 10,700 apparel workers, and 4,920 shoe workers. This problem is not just limited to employees of the manufacturing industry. The agricultural, timber, and oil sectors of our economy have become depressed and offer little or no new employment opportunity.

In Arkansas we first saw the idea of the Buy America concept when it was implemented in Wal-Mart stores by its chairman Sam Walton of Bentonville. He has worked with American manufacturers to provide the leadtimes, specifications, levels of cooperation, and assured markets necessary to them to install the improved equipment and machinery necessary to increase their productivity and product quality while offering the lowest possible price. He has proven the value of working to develop American suppliers rather than turning automatically to those overseas.

The idea of spreading this practice nationwide came from a longtime friend of mine, Mr. Harold Jinks, of Piggot, AR. Retired now, Harold has spent his life in public service and continues to work full time for programs that will benefit the country he loves. He personally has given thousands of hours at his own expense to establishing the Buy America program and signing up supporters all over the country.

Our resolution is a simple one. It calls on the President, the Governors, and the mayors to promote the Buy-American concept by issuing proclamation calling on the American people to support American manufacturing and service providers. It also requests civic leaders, consumer organizations, the mass media, and manufacturers to do all they can to promote awareness of the origin of goods and services and the importance of selecting American-made goods and services.

In truth, we realize that such a joint resolution cannot by itself end the trade deficit. However, we believe the American people are patriotic and are concerned about doing their part to protect American industries and jobs. When given the choice, our people want to be able to buy an American product.

Whether it be an automobile or a blouse, a television set or a tractor, the American consumer makes million of purchases each day. We hope our colleagues will join us in our campaign to influence these purchase decisions and thus save the jobs of thousands of working men and women in this country.

ADDITIONAL COSPONSORS

S. 198

At the request of Mr. HATCH, the names of the Senator from Arizona [Mr. DECONCINI], and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of S. 198, a bill to amend title 17, United States Code, the Copyright Act to protect certain computer programs.

S. 335

At the request of Mr. MCCAIN, the names of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 335, a bill to amend title XVIII of the Social Security Act and other provisions of law to delay for 1 year the effective dates of the supplemental Medicare premium and additional benefits under Part B of the Medicare program, with the exception of the spousal impoverishment benefit.

S. 391

At the request of Mr. DOMENICI, the names of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 391, a bill to reform the budget process.

S. 416

At the request of Mr. DOMENICI, the names of the Senator from Alaska [Mr. STEVENS] and the Senator from Wisconsin [Mr. KASTEN] were added as cosponsors of S. 416, a bill to provide that all Federal civilian and military retirees shall receive the full cost of living adjustment in annuities payable under Federal retirement systems for fiscal years 1990 and 1991, and for other purposes.

S. 419

At the request of Mr. SIMON, the names of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of S. 419, a bill to provide for the collection of data about crimes motivated by race, religion, ethnicity, or sexual orientation.

S. 431

At the request of Mr. NUNN, the names of the Senator from Vermont [Mr. LEAHY], the Senator from Alabama [Mr. HEFLIN], the Senator from New Mexico [Mr. DOMENICI], and the Senator from South Dakota [Mr. DASCHLE] were added as cosponsors of S. 431, a bill to authorize funding for the Martin Luther King, Jr., Federal Holiday Commission.

At the request of Mr. BREAUX, his name was added as a cosponsor of S. 431, supra.

S. 432

At the request of Mr. ROCKEFELLER, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 432, a bill to direct the Secretary of Transportation to identify scenic and historic roads and to develop methods of designating, promoting, protecting, and enhancing roads as scenic and historic roads.

S. 454

At the request of Mr. ROCKEFELLER, the names of the Senator from Kentucky [Mr. FORD], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of S. 454, a bill to provide additional funding for the Ap-

palachian development highway system.

S. 455

At the request of Mr. ROCKEFELLER, the names of the Senator from Kentucky [Mr. FORD], the Senator from Maryland [Mr. SARBANES], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of S. 455, a bill to extend the Appalachian Regional Development Act of 1965 and to provide authorizations for the Appalachian Highway and Appalachian Area Development Programs.

S. 499

At the request of Mr. CRANSTON, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 499, a bill to amend the National Security Act of 1947 to make the Secretary of Commerce a member of the National Security Council.

S. 511

At the request of Mr. INOUYE, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 511, a bill to recognize the organization known as the National Academies of Practice.

S. 519

At the request of Mr. LAUTENBERG, the names of the Senator from Illinois [Mr. SIMON], the Senator from Iowa [Mr. HARKIN], and the Senator from Utah [Mr. GARN] were added as cosponsors of S. 519, a bill to prohibit smoking on any scheduled airline flight in intrastate, interstate, or overseas air transportation.

S. 573

At the request of Mr. MURKOWSKI, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of S. 573, a bill to amend title 38, United States Code, to provide for third-party reimbursement of the United States for the cost of health care and services furnished a service-connected disabled veteran by the Department of Veterans' Affairs for a nonservice-connected disability.

S. 590

At the request of Mr. HEFLIN, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 590, a bill to prohibit injunctive relief, or an award of damages against a judicial officer for action taken in a judicial capacity.

S. 593

At the request of Mr. SIMON, the names of the Senator from Mississippi [Mr. COCHRAN], and the Senator from Louisiana [Mr. BREAUX] were added as cosponsors of S. 593, a bill to exempt certain activities from provisions of the antitrust laws.

S. 630

At the request of Mr. BREAUX, the names of the Senator from New York [Mr. MOYNIHAN], the Senator from Connecticut [Mr. LIEBERMAN], and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of S. 630, a bill to conserve, protect, and to restore the coastal wetlands of the State of Louisiana, and for other purposes.

S. 708

At the request of Mr. BRADLEY, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from Virginia [Mr. ROBB], the Senator from California [Mr. CRANSTON], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of S. 708, a bill to amend titile V of the Social Security Act to promote the integration and coordination of services for pregnant women and infants to prevent and reduce infant mortality and morbidity.

S. 714

At the request of Mr. MCCLURE, the names of the Senator from Wyoming [Mr. WALLOP] and the Senator from Illinois [Mr. DIXON] were added as cosponsors of S. 714, a bill to extend the authorization of the Water Resources Research Act of 1984 through the end of fiscal year 1993.

S. 814

At the request of Mr. DOMENICI, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of S. 814, a bill to provide for the minting and circulation of one dollar coins, and for other purposes.

S. 838

At the request of Mr. HEFLIN, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 838 a bill to repeal the estate tax inclusion related to valuation freezes.

SENATE JOINT RESOLUTION 47

At the request of Mr. PRESSLER, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of Senate Joint Resolution 47, a joint resolution to recognize the 75th anniversary of the Smith-Lever Act of May 8, 1914, and its role in establishing our Nation's system of State Cooperative Extension Services.

SENATE JOINT RESOLUTION 55

At the request of Mr. SIMON, the names of the Senator from West Virginia [Mr. BYRD], the Senator from Maine [Mr. COHEN], and the Senator from Ohio [Mr. GLENN] were added as cosponsors of Senate Joint Resolution 55, a joint resolution to designate the week of October 1, 1989, through October 7, 1989, as "Mental Illness Awareness Week."

SENATE JOINT RESOLUTION 65

At the request of Mr. SIMON, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of Senate Joint Resolution 65, a joint resolution designating June 12, 1989, as "Anne Frank Day."

SENATE JOINT RESOLUTION 86

At the request of Mr. RIEGLE, the names of the Senator from New Jersey [Mr. LAUTENBERG], the Senator from North Dakota [Mr. BURDICK], and the Senator from West Virginia [Mr. BYRD] were added as cosponsors of Senate Joint Resolution 86, a joint resolution designating November 17, 1989, as "National Philanthropy Day."

SENATE JOINT RESOLUTION 103

At the request of Mr. BRADLEY, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of Senate Joint Resolution 103, a joint resolution to designate the period commencing February 18, 1990, and ending February 24, 1990, as "National Visiting Nurse Associations Week."

SENATE JOINT RESOLUTION 110

At the request of Mr. SIMON, the names of the Senator from Virginia [Mr. ROBB], the Senator from Iowa [Mr. GRASSLEY], the Senator from Utah [Mr. HATCH], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Ohio [Mr. METZENBAUM], and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of Senate Joint Resolution 110, a joint resolution designating October 5, 1989, as "Raoul Wallenberg Day."

SENATE RESOLUTION 99

At the request of Mr. BOSCHWITZ, the names of the Senator from Massachusetts [Mr. KERRY], and the Senator from Georgia [Mr. NUNN] were added as cosponsors of Senate Resolution 99, a resolution requiring the Architect of the Capitol to establish and implement a voluntary program for recycling paper disposed of in the operation of the Senate.

SENATE RESOLUTION 113

At the request of Mr. HEINZ, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of Senate Resolution 113, a resolution to discontinue the use of polystyrene foam products in the Senate food services.

SENATE RESOLUTION 114

At the request of Mr. GRAHAM, the names of the Senator from Georgia [Mr. FOWLER], the Senator from Hawaii [Mr. INOUYE], and the Senator from Nevada [Mr. BRYAN] were added as cosponsors of Senate Resolution 114, a resolution concerning the restoration of Eastern Airlines.

SENATE CONCURRENT RESOLUTION 31—RELATING TO THE 1993 WORLD UNIVERSITY GAMES

Mr. MOYNIHAN (for himself and Mr. D'AMATO) submitted the following concurrent resolution; which was referred to the Committee on Commerce, Science, and Transportation:

S. CON. RES. 31

Whereas the City of Buffalo has been endorsed by the United States Collegiate Sports Council to be the United States host city for the 1993 summer World University Games;

Whereas Buffalo is competing with Shanghai, People's Republic of China, to host the Games;

Whereas Buffalo, through the Greater Buffalo Athletic Corporation, is applying to the International University Sports Frederation to be the host city for the 1993 Summer World University Games;

Whereas since 1923, the International University Sports Federation, which organizes, promotes, and administers the World University Games, has been recognized throughout the world as an outstanding organization dedicated to international collegiate amateur sports competition;

Whereas the World University Games have a long and demonstrated record as a premier international amateur sports event, second only to the Olympic Games;

Whereas the World University Games exemplify the heritage of peace and goodwill associated with amateur sports competition;

Whereas the World University Games would be an exceptional opportunity for the athletes from the different nations of the world to share their cultures with each other and the citizens of the United States and New York;

Whereas the summer World University Games have never been held in the United States;

Whereas the 1993 summer World University Games would bring over 7,000 amateur athletes and several hundred thousand visitors to the United States: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) supports the application of the Greater Buffalo Athletic Corporation to have Buffalo, New York, host the 1993 summer World University Games;

(2) urges the Secretary of State to provide assistance, if the 1993 summer World University Games are held in Buffalo, to the organizers of the Games by implementing special ease of entry procedures for the foreign athletes competing in the Games;

(3) supports the efforts of New York, the Greater Buffalo Athletic Corporation, and community leaders to ensure that the highest caliber athletic facilities are made available for the 1993 summer World University Games if they are held in Buffalo.

Mr. MOYNIHAN. Mr. President, I rise to introduce a resolution giving the support of the Senate to the efforts by the city of Buffalo to host the 1993 World University Games. Buffalo was chosen over a dozen other American cities to be this country's nominee to be the host city. Buffalo is competing with Shanghai, People's Republic of China, for this honor, and will learn the decision of the International University Sports Federation next month. If Buffalo is chosen to host the games, it will be the first American city to do so.

The World University Games is a major sporting event, near in impact to that of the Olympics. Some 7,000 athletes from over 100 countries would come to this country to compete, and an entourage of cultural exhibitions would accompany them. This is a tremendous opportunity for the United States, and one that fully deserves our support. The same resolution is under consideration in the House.

It is past time for the World University Games to take place here. Our proposal is strong, but the support of Congress would add significantly to its appeal. I urge each of my colleagues to help bring the games to the United States in 1993.

SENATE RESOLUTION 116—COMMEMORATING THE 50TH ANNIVERSARY OF THE UNITED JEWISH APPEAL

Mr. LAUTENBERG (for himself, Mr. BRYAN, Mr. DASCHLE, Mr. BOREN, Mr. ROCKEFELLER, Mr. EXON, Mr. LIEBERMAN, Mr. BRADLEY, Mr. PRESSLER, Mr. PELL, Mr. DODD, Mr. FOWLER, Mr. LEVIN, Mr. REID, Mr. BAUCUS, Mr. INOUYE, Mr. MITCHELL, Mr. SASSER, Mr. BURDICK, Mr. HOLLINGS, Mr. METZENBAUM, Mr. KENNEDY, Mr. DECONCINI, Mr. CONRAD, Mr. MATSUNAGA, Mr. LEAHY, Mr. WIRTH, Mr. KOHL, Ms. MIKULSKI, Mr. GLENN, Mr. BENTSEN, Mr. GRAHAM, Mr. SASSER, Mr. DIXON, Mr. SARBANES, Mr. WILSON, Mr. GORTON, Mr. DOLE, Mr. GRAMM, Mr. COCHRAN, Mr. COHEN, Mr. CHAFEE, Mr. WARNER, Mr. ROTH, Mr. COATS, Mr. PACKWOOD, Mr. D'AMATO, Mr. SIMPSON, Mr. GARN, Mr. BOSCHWITZ, Mr. HEINZ, Mr. DURENBERGER, Mr. SPECTER, Mr. MURKOWSKI, and Mr. JEFFORDS) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 116

Whereas the United Jewish Appeal was born out of Kristallnacht, the "Night of Broken Glass" November 9, 1938, which many believe was the beginning of the Holocaust that killed 6 million Jews;

Whereas the "Night of Broken Glass" left an open wound on the hearts of Jews in every nation; for American Jewish leaders 6,000 miles away, it was a turning point and a catalyst, causing them to realize that only a centralized fundraising body would be able to mobilize the resources needed to meet the coming crisis for the Jews of Europe;

Whereas, the United Jewish Appeal, popularly called UJA, was born two months later;

Whereas, on January 10, 1939, a charter was signed that established the UJA as the central American Jewish fundraising organization;

Whereas the purpose of the organization was to work for the relief and rehabilitation of Europe, the immigration to and settlement in the land of Israel of Jews, and to the aid of refugees in the United States;

Whereas, since its founding, the UJA has served as a model of American Jewish concern for Israel, symbolizing the Jewish lifeline extended by the Jews of America to preserve and strengthen Jewish life everywhere it exists throughout the world;

Whereas, while UJA is primarily devoted to fundraising, it has come to be, through its strong and dedicated leadership, a central force through which the American Jewish community asserts its commitments and interests and makes its views known to the entire country on matters of American policy toward Israel, U.S.-Soviet relations, and other matters of concern;

Whereas, UJA at 50 makes possible today's in-gathering of refugees and others into Israel and future growth throughout the country, provides continuing care for the remnant of Jews in Eastern Europe, and preserves Jewish continuity in 33 countries around the world;

Whereas, UJA funds have contributed to the rescue, rehabilitation, and resettlement of more than 3 million men, women, and children, more than 1.8 million of them in Israel;

Whereas, the UJA/Federation Campaign represents the Jewish community's commitment to Jewish continuity, providing the help that would not be there otherwise;

Whereas, the UJA will mark its 50th anniversary during the 1989 campaign year from August 1988 to July 1989 with a host of special programs and events to call attention to the organization's history, its ongoing work on behalf of the Jewish people, and its role in American life: Therefore, be it

Resolved, That:

1. The U.S. Senate congratulates the United Jewish Appeal for its outstanding work on behalf of Jews all over the world;

2. Urges the UJA to continue its good work on behalf of human rights and human dignity throughout the world, and wishes it great success in the coming years.

● Mr. LAUTENBERG. Mr. President, I rise today to submit a Senate resolution to commemorate the 50th anniversary of the United Jewish Appeal [UJA] this year.

UJA was born in the aftermath of Kristallnacht, the "Night of Broken Glass" in November 9, 1938, which many believe was the beginning of the Holocaust. On that night throughout Nazi Germany and Austria, Jewish homes, synagogues, and stores were assaulted, scores of Jews were beaten and killed, and places of worship were burned to the ground. For American Jewish leaders 6,000 miles away, Kristallnacht was a turning point and a catalyst. It caused them to realize that only a centralized fundraising body would be able to mobilize the resources needed to meet the coming crisis for the Jews of Europe.

On January 10, 1939, UJA was established as the central American Jewish fundraising organization. Its purpose was to work for the relief and rehabilitation of Europe, Jewish immigration to and settlement in Israel, and for the aid of refugees in the United States. Since its founding, the UJA has served as a model of American Jewish concern for Israel, symbolizing the Jewish lifeline extended by American Jews to preserve and strengthen Jewish life throughout the world. Last year, the organization raised about $720 million from roughly a third of all Jewish households in the United States.

UJA at 50 makes possible today's ingathering of refugees and others into Israel, provides continuing care for the remnant of Jews in Eastern Europe, and preserves Jewish continuity in 33

countries around the world. UJA funds have contributed to the rescue, rehabilitation, and resettlement of more than 3 million men, women, and children, more than 1.8 million of them in Israel. The UJA/Federation campaign represents the Jewish community's commitment to Jewish continuity, providing the help that would not be there otherwise.

Since UJA will mark its 50th anniversary during the 1989 campaign year from August 1988 to July 1989 with a host of special programs and events, it is appropriate for Congress to acknowledge these special efforts with a resolution commending UJA for its efforts.●

SENATE RESOLUTION 117—DIRECTING AN APPEARANCE BY THE SENATE LEGAL COUNSEL

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 117

Whereas, in *United States ex rel. Newsham, et al. v. Lockheed Missiles and Space Company, Inc.*, No. CV 88-20009 RPA, pending in the United States District Court for the Northern District of California, the constitutionality of the *qui tam* provisions of the False Claims Act, as amended by the False Claims Amendments Act of 1986, Pub. L. No. 99-562, 100 Stat. 3153 (1986), 31 U.S.C. §§ 3729 *et seq.* (1982 & Supp. V 1987), have been placed in issue;

Whereas, pursuant to sections 703(c), 706(a), and 713(a) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(c), 288e(a), and 288*l*(a) (1982), the Senate may direct its Counsel to appear as amicus curiae in the name of the Senate in any legal action in which the powers and responsibilities of Congress under the Constitution are placed in issue: Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to appear as amicus curiae in the name of the Senate in *United States ex rel. Newsham, et al. v. Lockheed Missiles and Space Company, Inc.*, to defend the constitutionality of the *qui tam* provisions of the False Claims Act.

AMENDMENTS SUBMITTED

MARTIN LUTHER KING, JR. FEDERAL HOLIDAY COMMISSION

NUNN (AND OTHERS) AMENDMENT NO. 67

Mr. NUNN (for himself, Mr. HELMS, Mr. MITCHELL, Mr. DOLE, Mr. KENNEDY, and Mr. SANFORD) proposed an amendment to the bill (S. 431) to authorize funding for the Martin Luther King, Jr. Federal Holiday Commission; as follows:

On page 3, line 17, strike out "4" and insert "5".

On page 3, line 23, strike out "5" and insert "6".

On page 3, between lines 16 and 17, insert the following new section:

SEC. 4. RESTRICTIONS ON ACTIVITIES OF THE COMMISSION.

Section 6 of Public Law 98-399 (98 Stat. 1474) is amended by adding at the end thereof the following new subsection:

"(c) In carrying out the responsibilities of the Commission under this Act, the Commission shall not make any expenditures, or receive or utilize any assistance in the form of the use of office space, personnel, or any other assistance authorized under subsection (b), for any of the following purposes—

"(A) training activities for the purpose of directing or encouraging—

"(i) the organization or implementation of campaigns to protest social conditions, and

"(ii) any form of civil disobedience.".

At the end of the bill, add the following:

SEC. 7. REPEALER.

Section 5(c) of Public Law 98-399 (98 Stat. 1474) is repealed.

HELMS AMENDMENT NO. 68

Mr. HELMS proposed an amendment to amendment No. 68 proposed by Mr. NUNN (and others) to the bill S. 431, supra, as follows:

On page 2, after line 11, at the end of the proposed subsection (c) to section 6 of Public Law 98-399 (98 Stat. 1474) of the amendment numbered 67, add the following:

"(B) lobbying activities with respect to any State or local government official with the intent of encouraging or influencing the enactment of legislation.".

HELMS AMENDMENT NO. 69

Mr. HELMS proposed an amendment to amendment No. 67 proposed by Mr. NUNN (and others) to the bill S. 431, supra, as follows:

On page 2, after line 11, at the end of the proposed subsection (c) to section 6 of Public Law 98-399 (98 Stat. 1474) of the amendment numbered , add the following new paragraph:

"(B) activities relating to the exercising of any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school, or school system, over any accrediting agency or association, or over the selection or content of library resources, textbooks, or other instructional materials by any educational institution or school system.".

HELMS AMENDMENT NO. 70

Mr. HELMS proposed an amendment, which was subsequently modified, to amendment No 67 proposed by Mr. NUNN (and others) to the bill S. 431, supra, as follows:

At the end of the amendment, add the following:

"The Congress finds that:

The ideas expressed in the Declaration of Independence have inspired freedom-loving people throughout the world.

The eloquent language of the Declaration of Independence has stirred the hearts of the American people.

The Declaration of Independence ranks as one of the greatest documents in human history.

On July 2, 1952, a bronze replica of the Declaration of Independence was presented to Congress for display in the Rotunda of the United States Capitol.

On July 22, 1988, the bronze replica of the Declaration of Independence was moved from the Rotunda of the Capitol to the small House Rotunda between the Capitol Rotunda and Statuary Hall.

The bronze replica of the Declaration of Independence was replaced in the Rotunda by a bust of Martin Luther King, Jr.

It is the Sense of the Congress that the bronze replica of the Declaration of Independence should, forthwith, be returned to a place of prominence in the Rotunda of the United States Capitol where it shall remain on permanent display.".

HELMS AMENDMENT NO. 71

Mr. HELMS proposed an amendment to amendment No. 67 proposed by Mr. NUNN (and others) to the bill S. 431, supra, as follows:

At the end of the amendment, add the following:

SEC. . PERSONAL CONTRIBUTIONS BY MEMBERS OF CONGRESS.

It is the Sense of the Congress that each Member of Congress who supports the use of federal funds by the Martin Luther King Federal Holiday Commission should make a personal contribution to the Commission in the amount of $1,000.

BIDEN AMENDMENT NO. 72

Mr. BIDEN proposed an amendment to the bill S. 431, supra, as follows:

On page 2, insert between lines 16 and 17, the following:

(c) REESTABLISHMENT AFTER TERMINATION.—If the date of the enactment of this Act occurs on or after April 20, 1989, the Martin Luther King, Jr., Federal Holiday Commission shall be reestablished on the date of the enactment of this Act with the same members and powers that the Commission had, as provided in Public Law 98-399 (98 Stat. 1473), on April 19, 1989 (subject to this Act and the amendments made by this Act).

On page 3, line 16, insert before the period "(pursuant to section 4(a) of Public Law 98-399 (98 Stat. 1473) or section 2(c) of this Act, as appropriate)".

OMNIBUS CONGRESSIONAL BUDGET RESOLUTIONS

SYMMS (AND OTHERS) AMENDMENT NO. 73

Mr. DOMENICI (for Mr. SYMMS, for himself, Mr. BOND, Mr. HATCH, Mr. HELMS, Mr. MCCONNELL, Mr. WALLOP, Mr. WILSON, and Mr. GRAMM) proposed an amendment to the concurrent resolution (S. Con. Res. 30) setting forth the congressional budget for the U.S. Government for fiscal years 1990, 1991, and 1992, as follows:

At the end of the concurrent resolution, add the following new section:

FUEL EXCISE TAXES

SEC. . (a) The Senate finds that—

(1) Federal excise taxes are regressive in that a lower income individual must use a higher percentage of his income to pay the taxes than a higher income individual:

(2) adding 10 cents or more per gallon to the cost of fuel will have a devastating

effect on the Nation's economy in that such an increase would—

(A) reduce the gross national product by $10 billion in the first year,

(B) reduce automobile production by 1.3 percent,

(C) reduce housing construction by 0.9 percent,

(D) increase unemployment by 80,000 in the first year and 180,000 by the third year,

(E) reduce petroleum refinery output by 1.2 percent,

(F) reduce income tax revenues by almost $1 billion annually,

(G) reduce personal savings by nearly 3 percent, and

(H) increase the Consumer Price Index by 0.3 percent;

(3) it would be discriminatory for one portion of the Nation's population, highway users, to pay an additional tax in order to reduce the Federal deficit, thereby forcing this segment to shoulder a greater share of our Nation's financial burden;

(4) it would be inequitable for individuals to contribute to Federal deficit reduction based on the number of miles driven per year;

(5) Federal highway and public transit programs are funded at levels significantly lower than documented needs requiring States to provide funds to fill that shortfall;

(6) an increase in the Federal tax on gasoline and diesel fuel—

(A) inhibits the ability of State and local governments to raise revenues to fund transportation projects, and

(B) reduces the revenues for State and local government fuel taxes unless State and local governments increase their taxes; and

(7) total motor fuel taxes (including State and local taxes) account for nearly 25 percent of the retail price of gasoline and about 29 percent of the retail price of diesel fuel making motor fuel among the most heavily taxed essential items in the Nation.

(b) It is the sense of the Senate that the assumptions underlying the revenue totals included in this resolution do not include an increase in Federal excise taxes on gasoline and diesel fuel.

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS AND THE COMMITTEE ON RULES AND ADMINISTRATION

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding a Hearing on Thursday, May 11, 1989, beginning at 2:30 p.m., in 485 Russell Senate Office Building on amendments to S. 321, the Buy Indian Act.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding a joint hearing with the Committee on Rules and Administration on Friday, May 12, 1989, beginning at 9:30 a.m., in 301 Russell Senate Office Building, on a bill to establish a National Indian Museum within the Smithsonian Institution.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the public that field hearings have been scheduled before the Committee on Energy and Natural Resources.

The hearings will take place on June 16, 17, and 19, 1989, in San Juan, PR. The time and location of the hearings will be announced at a later date.

The purpose of the hearings is to receive testimony on S. 710, S. 711, and S. 712, legislation to provide for a referendum on the political status of Puerto Rico.

Those wishing to testify must send a brief written summary of their proposed testimony with their name, address, phone number and a short biography to Pat Temple, Committee on Energy and Natural Resources, U.S. Senate, Room SD-364, Washington, DC 20510, no later than Friday, May 26, 1989. The committee will make every effort to accommodate as many people as possible in the limited time available. If there are more requests to testify than can be accommodated, then it will be necessary, in the interest of fairness, to select witnesses at random through a drawing of names. The committee will make every effort to hear as many perspectives on this important issue as possible.

If you would like to submit a written statement for the hearing record, but are unable to testify in person, please send two copies of your statement to Pat Temple, Committee on Energy and Natural Resources, Room SD-364, Washington, DC 20510, with a letter requesting that your statement be made a part of the record.

For further information, please contact Pat Temple at (202) 224-4756. For press inquiries, contact Claire Miller at (202) 224-0091.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON ENERGY REGULATION AND CONSERVATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Energy Regulation and Conservation of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate 2 p.m., May 2, 1989, to receive testimony on S. 247, the State Energy Conservation Programs Improvement Act of 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, May 2 at 3 p.m., to hold hearings on the review of the President's Annual International Narcotics Control Strategy Report [INCSR].

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Tuesday, May 2, 1989, at 9:30 a.m., on hearing subject: "Export Control Over Chemical/Biological Materials—Organizational Challenges for the 1990's."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONSUMERS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Consumer Subcommittee of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on May 2, 1989, at 9:30 a.m., to hold a hearing on "Global Warming: Corporate Average Fuel Economy [CAFE] Standards."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PROJECTION FORCES AND REGIONAL DEFENSE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Projection Forces and Regional Defense of the Committee on Armed Services be authorized to meet on May 2, 1989, at 8:30 a.m., in open session to receive testimony on the future Navy surface forces in review of the fiscal years 1990 and 1991 defense authorization request.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CHILDREN, FAMILY, DRUGS AND ALCOHOLISM

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Children, Family, Drugs and Alcoholism, of the Committee on Labor and Human Resources, be authorized to meet during the session of the Senate on Tuesday, May 2, 1989, at 10 a.m., to conduct a hearing on "Adolescent Substance Abuse: Barriers to Treatment."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, May 2, 1989, at 10 a.m., to hold a hearing on the nomination of Kenneth Winston Starr to be Solicitor General of the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON DEFENSE INDUSTRY AND TECHNOLOGY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Sub-

committee on Defense Industry and Technology of the Committee on Armed Services be authorized to meet on Tuesday, May 2, 1989, at 9:30 a.m., in open session to receive testimony on ballistic and cruise missile proliferation in the Third World.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, May 2 at 10 a.m., to hold hearings on foreign assistance authorization for fiscal year 1990.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Tuesday, May 3, 1989, at 9 a.m., in open session to receive testimony on the amended Defense authorization request for fiscal years 1990 and 1991.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to met during the session of the Senate on Tuesday, May 2 at 1:30 p.m., to hold hearings on State Department nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

AMTRAK'S FUTURE

● Mr. BIDEN. Through much of the 1980's, rail passenger service, and Amtrak in particular, has been a notion under siege. In each of its budget requests of recent years, the Reagan administration called for dismantling Amtrak, and on a yearly basis Congress rejected that proposal. And while the Amtrak system survived, during the Reagan years there was almost no active consideration of the role of rail service in our Nation's transportation plans. It is time for us to look to Amtrak to fill important roles in our future transportation plans.

Since its creation in 1971, Amtrak has largely been viewed as a creature of the Northeast. That is where its resources are concentrated and the region accounts for most of the system's current ridership. Indeed, efficient transportation in the Northeast is as crucial to the economic health of that region as are water projects to California and the arid Southwest or the construction of hydropower dams were to the Northwest.

But the idea that Amtrak should be limited to the Northeast is a shortsighted one. It is a perception that is, unfortunately, a significant roadblock to development of an improved rail system in this country.

What would have happened if the Reagan administration had won its fight, if Amtrak has been terminated? For starters, billions in capital investment would have been wasted, taxpayers would have paid more, and intercity rail service in this country would have ended forever. We would have been much worse off, not only in the Northeast region, but as a nation.

Amtrak survived the constant jabs at its existence by the administration and, in fact, developed an excellent record during that time. Dependence on Federal revenues has been reduced, tracks and control systems along the Northeast corridor have been improved, and ridership is at an all-time high.

A recent front-page article in the New York Times described many of the improvements Amtrak has made in service. The outmoded equipment Amtrak inherited has been updated or replaced. Passengers have noticed the difference. Amtrak carried 21.5 million passengers last year and earned over $1 billion in revenues.

The article also describes what lies ahead for Amtrak. Continuing increases in demand for passenger railroad transportation are testing the limits of Amtrak's resources. Equipment is aging. Capital needs are rising.

In the next few years, we need to look at increasing the resources available to Amtrak so it will be able to meet increasing demands on its existing system. This must be accompanied by continued improvements in ridership, service, revenues and rate of return ratios. Improved performance is a potent argument in support of maintaining our commitment to Amtrak in the short term.

For the long term, we need to look at Amtrak's role in our overall transportation policy. As congestion increases not only in the Northeast, but also in areas like southern California, Florida, and the Great Lakes region, we must drop our national blinders to rail as a possible solution. We cannot continue to address gridlock solely through the addition of more highway lanes or airport terminals.

In addition, we must resist the temptation to view the Nation as seven distinct and unrelated regional economies. The balkanization of our Nation which underpinned so many Reagan administration proposals is a strategy for disaster.

There is a stark contrast between the way our national leadership has denigrated rail transportation and how the Europeans have put it to use. As the Reagan administration was looking to put more and more Americans on to highways or in the air, the European Community was moving in the opposite direction. In fact, the EC has unveiled plans to expand dramatically its high-speed rail system to the corners of Europe, including links to Lisbon, Naples, Stockholm, and Edinburgh.

It is an ambitious plan, one that not even the strongest advocate of rail travel believes will be matched in this country. However, it does set an example of what is possible, of how much more of a role rail travel could have in this country. It is unmistakable evidence that rail is a realistic option.

Any chance of an efficient, albeit smaller rail system in this country must recognize the following points. First, we cannot let the existing system rot in front of us. That is what happened to predecessor railroads and it took more than a decade to recover. We must maintain a solid base to build from.

Second, we must look to fully integrating the system. Passengers who arrive on time in city A, but then face long delays for their connection to city B will not be passengers for long. Similarly, passengers who arrive at city B but have difficulty gaining access to public transportation will quickly find alternatives.

Third, a realistic timetable for establishment of the system must be developed. An up-to-date, widespread, efficient system will not be in place in 5 years or maybe even 10. We need to look at rail in the long-term and plan accordingly.

So as we look to the Federal budget for 1990, it is not unreasonable to think of our transportation needs of the next decade. Does anyone believe that Amtrak could be resurrected tomorrow if it was gutted today? Does anyone believe we can continue to simply add more and more highway lanes ad infinitum? Does anyone believe airports can be easily constructed to handle projected traffic increases?

In recent statements, Secretary of Transportation Samuel Skinner has signalled a much-needed change by this administration in our Nation's policy toward passenger rail service. After a half decade of repeated attacks, Federal policy is beginning to recognize the role Amtrak can have in our transportation policy.

It is a start, not the end, of the development of a balanced program. Congress must make sure that it does not take the same short sighted approach to rail transportation that the railroad companies did in the 1970's. It is a mistake we cannot afford to repeat.●

IMMIGRATION REFORM—S. 448

● Mr. BOSCHWITZ. Mr. President, I am pleased to cosponsor S. 448, legisla-

tion introduced by Senator SIMON to reform our legal system of admitting immigrants to the United States. Two years ago, Congress passed landmark legislation on illegal immigration. Today, I rise to support a bill to assist those who wait patiently to come into the United States legally.

Immigration is one of the keys to America's dynamism and success. Senator SIMON's bill strengthens America's generous immigration policies while maintaining the family as the cornerstone of U.S. immigration. There are a number of features of Senator SIMON's bill that I find particularly attractive—some of which, in fact, I called for when the Senate discussed legal immigration reform last year.

First, S. 448 maintains our current policy of unlimited visas for immediate relatives of U.S. citizens.

Second, the Simon bill doubles the number of visas in the second preference category—spouses and children of permanent residents. Under current law, the waiting period for obtaining a visa for those in this category can be up to 12 years.

Third, S. 448 increases by one-fourth the number of visas available under the fifth preference. This category allows U.S. citizens to petition for their adult brothers and sisters to come to the United States. Fifth preference, however, is already heavily subscribed and the waiting period for a visa in some Asian nations is as long as 15 years.

Finally, Senator SIMON's legislation provides for 54,000 new independent visas to be allocated according to a point system. The proposed system would give points for an applicant's age, education, job skills, and other factors. This category would give an opportunity to those who live in countries that are underrepresented in our current immigration flow.

Mr. President, I think that S. 448 offers a sensible approach to immigration reform. It is my sincere hope that the features of this bill that I have discussed today will be incorporated in the legal immigration reform that Congress enacts.●

CEDAR FALLS HIGH SCHOOL, CEDAR FALLS, IA

● Mr. HARKIN. Mr. President, this week, in our Nation's Capitol, over 950 young people from 44 States have gathered to participate in the National Bicentennial Competition on the Constitution and Bill of Rights. I am proud to announce that a team from Cedar Falls High School, Cedar Falls, IA, is representing my State. These young scholars have worked hard to reach the national finals by winning the district and the State competitions and I would like to wish them the best as they compete for the national title.

The members of the Iowa team are: Chris Babinat, Melissa Barnholtz, Marc Barry, Jonathon Brundrett, Aaron Cain, Brooke Carey, Eric Collins, Warren Curry, Brenda Dahlin, Jackie Dewey, Aaron Durchenwald, Sarah FIsher, Barbara Franke, Nicole Frink, Jerod Gross, Matt Gutknecht, Jason Hamrock, Rick Hansen, Zach Johnson, Darcy Juhl, Susan Kerns, Kimberly Knight, Sheryl Rammelsberg.

Along with the students, their teacher, Kelvin Schuchart deserves much of the credit for the success of the team to date. As well, Linda Martin, the district coordinator, and Barbara Romar, the State coordinator have worked hard to help their team reach the finals.

The National Bicentennial Competition on the Constitution and Bill of Rights is the most extensive educational program in the country developed to educate young people about the Constitution and Bill of Rights. With the support of Congress, the active involvement of Representatives and Senators, and the efforts of thousands of civic and education leaders, the program achievements over the past 2 years have been dramatic: 1,022,320 students have studied the curriculum; 14,381 teachers are teaching the course; 420 congressional districts and the five territories have fully functioning programs; 92 U.S. Senators are supporting the program in their States; and 393 U.S. Representatives are participating in their districts.

The program orovides students with a specially designed 6-week course of study designed to provide upper elementary, middle and high school students with a fundamental understanding of the Constitution and Bill of Rights and the principles and values they embody. Students complete the instructional portion of the program with a test designed to measure their "constitutional literacy" and receive a certificate of achievement signed by their U.S. Representative.

High School participants then enter a nationwide series of competitions at the congressional district, State and National levels. Students testify before a panel of experts at a simulated congressional hearing designed to measure understanding and capacity to apply principles being learned to historical and contemporary events. Each year, the National Bicentennial Competition culminates in 3 days of intensive competition among classes from almost every State in the Union.

Mr. President, the need to educate our young people about the Constitution and Bill of Rights is well documented. Studies have found that only slightly more than half of students surveyed were able to identify the original purpose of the Constitution. Nearly half thought the President could adjourn Congress when he saw fit. Indeed, another survey conducted on behalf of the Hearst Corp. suggested that over half of Americans thought that the Marxist credo "from each according to his ability, to each according to his need" can be found in the Constitution. Most alarming was the finding that a greater proportion of today's students display anti-democratic attitudes than did students in 1952.

The benefits of this educational program are clear and it is making a difference among the over 1 million students who have studied the program. A recent study has shown that the National Bicentennial Competition Program has increased the constitutional literacy of our young citizens. Students in classrooms all over the country are debating the issues that concerned the Founding Fathers and demonstrating how the Constitution's basic principles apply to them today with an extraordinary level of understanding.

The preservation of our freedom and our Nation depends upon our young people, the decision makers of tomorrow. We have much to gain from educating them about the Constitution, the Congress, and the continuing responsibilities of citizenship. I am proud to have students from my State in the national finals and I commend each of them and their teacher for their hard work.●

PETE UCCELLI HONORED

● Mr. WILSON. Mr. President, on Friday, May 5, the San Mateo County unit of the California Division of the American Cancer Society will hold a dinner to honor one of its most prominent volunteers, Pete Uccelli of Redwood City.

Actually, the dinner is advertised as a "roast"—a most apt description because of the good nature of the honoree whose perennially optimistic outlook on life has sustained him and those who know him throughout his years.

Mr. President, I am tempted mightily to take this occasion to join in the roast of Pete Uccelli by inserting in the RECORD fabrications of his life that would challenge the best of joke writers because I know Mr. Uccelli well and know that he would consider it part of the fun. But I am not certain that those who do not know Pete Uccelli would understand the nature of my roast.

Let me simply say, Mr. President, that Pete Uccelli is an inspiration to his community. He is a self-made man who started a small business years ago which today is a major recreational marina. Most of the improvements in the marina were accomplished by Pete himself through his own physical

labor. Given the current value of what he has built, people now accuse him of having buried large cans of money throughout the property over the years.

Because the marina is situated on the sloughs of San Francisco Bay, Pete has wrestled with environmental groups and government agencies to keep what he has built. The debates have been classic, often precedent-setting. And while Pete has been, to put it mildly, a determined warrior, he has never failed to command the respect, even friendship, of his adversaries. Described by admirers as "Redwood City's free soul," Pete Uccelli offers his own definition of capital punishment:

Capital punishment is when the government taxes you to get capital in order to go into business in competition with you and then taxes the profits on your business in order to pay its losses.

When Pete Uccelli talks this way, people listen—even people in government like you and me. But these are not the words of someone who only wails and complains. Pete Uccelli's life is repleat with good deeds and charitable contributions, most of them anonymous.

Hundreds of individuals have been given a chance in life because Pete Uccelli took an interest in their lives. Ask the scores of young people who have been given jobs at his marina. Ask the families who have received vitally needed loans or gifts in kind. Ask the local organizations whose urgent needs have been met at the 11th hour. Ask the young community leaders whose public careers he has supported and encouraged.

In short, Mr. President, the San Mateo County unit of the American Cancer Society is but one of many organizations and individuals who celebrate the nature of this fine man. Even his closest friends are not fully aware of all his charities, but they know his good deeds are legion and that the full extent of his giving will take generations to measure.

Mr. President, there is a sign which, for years, has stood on the road leading away from Pete Uccelli's marina which says, "Arrivederci. You are now entering the United States." The truth is, of course, that no one in this Nation could be more patriotic than Pete Uccelli and no one is more a vital part of his community than Pete Uccelli. Everyone passing that sign realizes the truth and smiles. The sign seems to typify Pete Uccelli's nature. He makes people smile and he gives the world around him a sense of humor while, at the same time, he undertakes the success of his business which provides recreation and which he uses to benefit thousands of others, many of whom will never know who their benefactor is.

I am pleased and proud to ask my colleagues to join me on this occasion to salute Pete Uccelli and the American Cancer Society that honors him.●

FORT HUACHUCA

● Mr. DECONCINI. Mr. President, as you know I am very concerned about the recommendations of the Commission on Base Realignment and Closure. This is an issue of utmost importance to southern Arizona, particularly to the town of Sierra Vista, which could lose economic and community benefits due to the Commission's recommendation concerning the future mission at Fort Huachuca.

Twice in the last month, members of the Sierra Vista City Council came to Washington to see what justification exists for the Commission's recommendations for Fort Huachuca. Mr. President, we still cannot find any justification whatsoever for this realignment. There are no economic or military benefits to moving this command. In fact, all the information we have received from the Army shows this move will not benefit the taxpayer, either in money saved or in improved mission performance.

In testimony before the Subcommittee on Defense Appropriations on April 6, Sandi Morris, a city council member from Sierra Vista, outlined what I consider to be the key points and problems with this move. Mr. President, I ask that this testimony be included in the RECORD.

The testimony follows:

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1990, April 6, 1989, U.S. SENATE, SUBCOMMITTEE ON DEFENSE, COMMITTEE ON APPROPRIATIONS, WASHINGTON, DC

The Subcommittee met at 9:00 a.m. in Room SD-1C6, Dirksen Senate Office Building, Hon. Daniel K. Inouye [Chairman of the Subcommittee] presiding.

Present: Senators Inouye, DeConcini, and D'Amato.

OPENING STATEMENT OF HON. DANIEL K. INOUYE, A U.S. SENATOR FROM HAWAII

Senator INOUYE. The Subcommittee will come to order. Today the Subcommittee will receive testimony from public witnesses on a broad range of topics covered in the defense bill. In order to complete the hearing, we will have to receive the full cooperation of all of you here this morning.

As some of you are aware, today is an historic day, the 200th anniversary of the first meeting of the United States Senate. And as a result, we are having certain historic ceremonies at 11:00, which will mean I will have to vacate.

Finally, City Council Members of the City of Sierra Vista, Arizona, Mr. Jeff Hass and Ms. Sandi Morris.

[No response.]

Senator INOUYE. We will have a recess of five minutes. We are ahead of schedule and maybe these witnesses are on their way.

[Recess.]

Senator INOUYE. For the record, we will stand in recess, subject to the call of the Chair.

[Whereupon, at 10:03 a.m., the Subcommittee was recessed, and reconvened at 10:06 a.m.]

Senator INOUYE. The Senator from Arizona.

STATEMENT OF HON. DENNIS DE CONCINI, A U.S. SENATOR FROM ARIZONA

Senator DECONCINI. Mr. Chairman, thank you very much, and once again my heartfelt appreciation from those of us from Arizona, and particularly southern Arizona, for having these hearings on base closures.

The people of Arizona are very cognizant of the cost of military operations and national security. They want what is best for the country, but they also want to be fair.

Sandi Morris, who is here today from the City of Sierra Vista, is a City Councilperson, and is very familiar with not only the economics of what a base like Fort Huachuca means to all of southern Arizona, but she also is very well aware of the national needs and the security of this country.

Mr. Chairman, I am not here to oppose the base closure legislation. The reason I am here is to appeal to the Congress of the United States that, though the base closure legislation has many positive and promising money-saving devices, we in Congress have an obligation not to implement something that in fact is going to cost money and not be effective.

Part of that process, Mr. Chairman, is what you are willing to sit through today and listen to the rationale of the other side and the statistical figures that point out that some of those judgments reached in the Base Closure Commission report do not make economic sense, are not feasible, and it raises the question then whether they indeed are not in the best interest of national security.

So with that, Mr. Chairman, I would like to introduce Sandi Morris, the Councilmember from Sierra Vista.

Senator INOUYE. Ms. Morris, welcome.

STATEMENT OF SANDI MORRIS, CITY COUNCIL MEMBER, CITY OF SIERRA VISTA, AZ

Ms. MORRIS. Thank you. I would like to ask, Mr. Chairman, that my testimony as written be submitted in its entirety for your consideration.

Senator INOUYE. You may be assured that your full statement will be made part of the record. You may be further assured that I will read it.

Ms. MORRIS. Thank you very much.

I would like to make a few points. I did review very carefully the Base Closure and Realignment Act submitted by the Commission and then began to read their backup data. I further reveiwed the criteria and the guidelines that Congress established when the Commission began its work. There were a number of guidelines that were given to the Commission by Congress.

And included in those guidelines were nine criteria that the Commission did need to look at in making their decisions. I reviewed these nine criteria against the relocation of the Information Systems Command, or ISC, out of Fort Huachuca, Arizona, and into Fort Devens, Massachusetts. The criteria, when applied against that one relocation, does not make sense to me, and so I would like to just go over the criteria and ask for reconsideration for the things I found that I do not understand.

The first criteria was that the Commission look at the impact on current and future mission requirements and readiness. It has already been determined by ISC that 50 to 75 percent of their civilian work force, pri-

marily their engineers and their computer specialists, would not move from Fort Huachuca to Fort Devens.

Many of them have years and years of seniority with ISC and made the move already once when ISC was relocated to Fort Huachuca. Many of them are two to three years from retirement and have just simply said they will retire early, they will look for another position closer to their homes.

Their failure to move with the command will greatly affect the mission effectiveness of ISC. It will further force ISC to begin immediate and heavy recruiting in the Fort Devens work area, and those engineers and scientists are commanding a 65 percent higher salary than the ones currently being paid at Fort Huachuca.

The second criteria was to consider the availability and condition of land and facilities at both locations. The Commission's background data that I read through does show that Fort Devens is landlocked and it is built to capacity. There is not any land for expansion.

Fort Huachuca is very different from that. There is a lot of available land to build if new commands were to come in or to support any growth of the existing commands.

The third criteria was the potential to accommodate contingency mobilization and future force requirements. That again goes back to the availability of land that we have at Fort Huachuca, the availability for expansion, and that is not present at Fort Devens.

The fourth consideration by the Commission was to be one of cost and manpower implications. The Commission's background data as supplied shows that the one-time cost of moving ISC across the country would be right around $218 million.

As ISC has reviewed this move and put together contingency plans, those costs are going up rapidly every day and are coming in at the $500 to $800 million range. So it is significant. The numbers are tripling in terms of dollars as to what that move is going to cost.

Again, those kind of dollars seem to make the move not economically feasible.

Another criteria was the extent and timing of potential cost-savings and to look at a six-year payback. Again, the Army's numbers say that there will never be a payback in the move of ISC to Fort Devens, that in fact there will be annual recurring costs of $18 million per year. Those costs, as well as the one-time costs, are escalating and ISC has projected continuing recurring costs of $31 million—again, an economic consideration that we just find difficult to understand when we compare it to the criteria that the Commission was to be looking at.

Another factor that was to be considered was the economic impact on both communities, both Sierra Vista adjacent to Fort Huachuca and Ayers that is adjacent to Fort Devens. There was an economic impact analysis done at Ayers by the Commission, assuming that Fort Devens was to be closed. With the closure of the base, the economic impact was determined to be minimal. There was not an economic impact study done at all on Sierra Vista or Fort Huachuca.

The seventh of the nine criteria was the community support at both locations. Members of the Commission traveled to Ayers on December the 8th and looked at the community support present near Fort Devens. Commission members did not travel to Fort Huachuca or Sierra Vista and afford our community that same opportunity.

Fort Huachuca and Sierra Vista are one of the two finalists for a base award of community and military coordination and cooperation, and that is not just Army, that is all bases. Fort Huachuca-Sierra Vista was one of the two finalists in that. So the community support is not only recognized by Sierra Vista, but has now been recognized throughout the country.

An environmental impact study was also done on Fort Devens, assuming that Fort Devens was to be closed. With the closure again, there was no environmental impact on the Fort Huachuca area.

Environmental studies were not done on Fort Huachuca because, on reading through the Commission's background data, all of the data supported a co-location of ISC and the Intel School, or ICS, at Fort Huachuca. So all the background information considered assumed that Fort Devens was closing and that ISC and ICS would both be part of Fort Huachuca, so again there was to be no environmental impact and it simply was not studied.

The last thing that the Commission was to consider was the implementation process of making the move. ISC is looking at moving thousands of people across the country, and they were never asked about the implementation process. They were never asked to consider the pros and cons of making the move, the disadvantages, the complications, the problems. It was simply never an issue.

ISC was sitting at Fort Huachuca and were really not at all concerned that they were even to be affected by the Commission's findings.

So in summary, of the nine criteria, again I could not find any of the nine that fit the ISC relocation. I understand now that there is a proposal to have GAO continue to study some of the supporting documentation of the Commission's findings.

I really believe that if GAO would study this thoroughly and we could take the few months that we need to hear what GAO has to say, that we will very clearly either have one of two directions: we will either find that the move was made for a very, very good reason and makes very good sense or we will find out that for some reason the numbers were not complete, the homework was not complete, and that that particular portion of the Act does need to be readdressed.

I do recognize that in some of my comments I seem to throw arrows at the Commission, and please understand that that is not my intent. The Commission had an astronomical amount of work that they were to do in a short period of time.

And in looking through and reading very carefully what the Commission submitted, it is very thorough and the base closure in my opinion make a lot of sense. Some of them, as we know, are not very popular, but they do appear logical.

ISC appears at the very, very end of that document, almost as though it were an afterthought. All the Commission's background data supports the fact that the ISC relocation was an afterthought, that it occurred during the last couple of weeks prior to the Commission being required to submit its recommendations.

So again, it raises some questions. Perhaps the Commission did not have time to accumulate the data it needed that would impact ISC and its move, whether or not it should be done, that they were in a hurry and they were up against a deadline and, because this was the last issue considered, they did not have everything they needed.

Even if that is not true and they did get all of the data that they had asked for and they had time to review it, I think then we do need an explanation of why the move was logical. Again, there could be one, but we would like to know what it is.

Finally I do understand that the Act has to be an all or nothing approach. But in reading it again, I must say that it is very, very good and the closure of all of those bases is certainly something that every taxpayer can identify with and appreciate.

But if there is a mistake or if there is a flaw in part of it, I think we still need to somehow show the flexibility to address the mistake. None of us are perfect. We all make mistakes, and when we make them we have a responsibility to work to get them corrected.

So I asked, if it was a mistake, please let us look at that part of it again.

Again, I want to thank you for your time. As you know, this is a serious issue for Sierra Vista and for Fort Huachuca. And past that, I think it is a very serious issue for the taxpayers if it is in fact to be a recurring annual cost of $31 million, this is not really feasible.

So again, thank you very much for your time and your consideration.

Senator INOUYE. Thank you very much, Ms. Morris.

We held our first hearing on March the 2nd and at that time we received testimony from the two Chairmen of the Commission, Congressman Edwards and Senator Ribicoff. And if my recollection is correct, your senior Senator, Senator DeConcini, asked the question: Is it possible that the Commission could have made an error?

The response was a very candid one: Yes, it is possible that we could have made a mistake. However, the Commissioners said, our books are closed. We have finished our work, we have submitted it. Now it is up to someone else.

That someone else is sitting right here.

As I responded to one of your correspondents from I think Sierra Vista, I said that if the Commission made an error then I think it is incumbent upon the Congress to rectify that.

And I think your Senator should be commended. At his request, we held another hearing, as you know, on March the 4th. At that time, Sierra Vista had an opportunity to more fully present its case.

I can assure you, as I assured my colleague from Arizona, that if the Committee is convinced that a mistake has been made, we will be the first. We may initiate the rectifying legislation to bring about this change. So your testimony, I can assure you, is extremely important and helpful.

Senator DeConcini?

Senator DECONCINI. Mr. Chairman, thank you very much for those remarks and the objectiveness with which this Committee is approaching this issue.

I would ask, Mr. Chairman, that a statement from Mr. Jeff Hass, City Council Member, also from Sierra Vista, who is over in the House right now testifying on the same subject matter, be included in the record.

Senator INOUYE. Without objection.

Senator DECONCINI. And if I could ask Ms. Morris just one question.

You mentioned in your statement, Sandi, that Sierra Vista—that 50 to 75 percent of the people in ISC will not move to Fort Devens. How do you come about with that figure, and have you personally talked to

some of these people and know from personal experience that this is the case?

Ms. MORRIS. I have talked with many of the people that are affected by the possible move. That particular number did come from General Rodgers directly to me.

Senator DECONCINI. He is the commander there, is that right?

Ms. MORRIS. He is the commander of ISC and had done a preliminary study, just encouraging each office to gather that data. And it was put in terms of a yes, I will, no, I will not, maybe I will. There were a lot of options that he told them to consider.

He also further asked, under what conditions would you? And the primary factor was: Hey listen, you moved us across country once; we are the same people that moved here with you when we moved, we were promised that that was it and we would be left alone.

Senator DECONCINI. These are the civilians that are permanent employees there?

Ms. MORRIS. That is correct.

Senator DECONCINI. Making what would be considered relatively high professional salaries?

Ms. MORRIS. We are talking about GS-12's to 15's.

Senator DECONCINI. And did General Rodgers also come up with the conclusion or statement that it would cost as much as 60 percent more to hire the equivalent at Fort Devens?

Ms. MORRIS. 65 percent.

Senator DECONCINI. 65 percent more.

Ms. MORRIS. Yes, sir.

Senator DECONCINI. So those figures were not just something that we all sat around and talked about?

Ms. MORRIS. That is correct.

Senator DECONCINI. These are coming from the Army itself?

Ms. MORRIS. Yes. He did have surveys done in the Fort Devens area and he has put together four different briefings as he continues to study the costs and complications associated with the move.

Senator DECONCINI. And the cost is increasing all the time, is it not, from what General Rodgers told me?

Ms. MORRIS. Yes, sir.

Senator DECONCINI. Thank you.

Mr. Chairman, I have no further questions. I thank the Chairman for his time.

Senator INOUYE. Thank you.

Are you a member of the City Council?

Ms. MORRIS. Yes, I am.

Senator INOUYE. You should be Chairperson.

Ms. MORRIS. Why, thank you. Thank you both for your time. Thank you all for your time.●

EVASION OF COCOM ON HIGH-TECH SALE TO SOVIETS

● Mr. LOTT. Mr. President, I was disturbed to learn that the British Government, over the objections of the administration, is going ahead with a $450 million sale of high technology equipment to the Soviet Union.

According to a report in the Washington Times, the Thatcher government has approved the sale of industrial processors for a factory under construction in Yerevan, Armenia.

The equipment reportedly will provide the Soviet Union with a microcomputer that will be able to direct precision assembly-line production of printed circuit boards—equipment that also has military potential.

The administration argued that the technology to be transferred should first be submitted to Cocom for review. But the British Government did not believe that the technology was covered by Cocom regulations, and rebuffed the United States request.

Great Britain is one of our best friends and allies. And we appreciate Prime Minister Thatcher's steadfast support in the fight against terrorism and for the United States position opposing early negotiations with the Soviet Union on short-range nuclear missiles in Europe.

While there are differences over whether this particular sale should fall under Cocom's regulations, I am concerned that Cocom will be weakened if countries continue to circumvent Cocom restrictions, which have been agreed to by our allies.

I ask that the article, which appeared in the April 27 Washington Times and which is entitled "Britain To Defy U.S. in High-Tech Export to Soviets," be printed in the RECORD.

The article follows:

[From the Washington Times, Apr. 27, 1989]

BRITAIN TO DEFY U.S. IN HIGH-TECH EXPORT TO SOVIETS

(By Bill Gertz)

The British government has approved the export of high-technology manufacturing equipment to the Soviet Union that the Bush administration says violates international export controls.

In what many experts see as a test case of U.S. export control policy, the administration is opposing the $450 million deal between Moscow and a British construction firm, Simon-Carves Ltd., based in Stockport.

The equipment sale would be the largest of its kind between Moscow and a British company, and U.S. officials said it undercuts allied support for restrictions on the transfer of high-technology items to the Soviet Union.

A State Department official, who asked not to be identified, said the dispute involves differences over the "technical interpretation" of whether certain equipment should be licensed under restrictions imposed by the Paris-based Coordinating Committee for Multilateral Export Controls, or COCOM, made up of the North Atlantic Treaty Organization allies and Japan.

"It's an important thing to the British," the official said. "But COCOM regulations are important to us."

The official said both governments were "still talking" about the sale several days ago and that the dispute has not been resolved.

But Michael Price, a spokesman with the British Embassy in Washington, said Tuesday that British and American officials have discussed the issue and that his government has already announced its intention to permit the export of the equipment.

"The Americans had taken a view that the case should be submitted to COCOM. We took a different view," Mr. Price said.

The British government does not believe the technology to be transferred is covered by COCOM restrictions, he said. "Therefore, we're confident we're not granting an export license for anything that would be of strategic concern," said Mr. Price.

Administration officials said British Prime Minister Margaret Thatcher informed President Bush in a letter recently that the deal would go through, in spite of U.S. objections.

As part of the deal, Simon-Carves will transfer programmable industrual processors—precision controllers used in assembly-line production—for a factory now being built in Yerevan, Armenia. The officials said the factory will make equipment used in the production of printed circuit boards.

According to the U.S. officials, Britain did not submit the proposed sale for COCOM review because it would have been rejected by the committee as not permitted under restrictions on the sale of militarily applicable technology.

Mr. Price said he did not know if the terms of the original sale were modified to include less-sensitive technology at U.S. request.

Michael Hurn, a spokesman for Simon Engineering, parent corporation of Simon-Carves, declined to comment on the U.S.-British dispute but said the company worked closely with the British Foreign and Trade offices in setting up the construction project in December 1987.

The plant at Yerevan, which is being built on a 40-acre site and is scheduled for completion by 1991, will manufacture industrial automation equipment, and the disputed high-technology equipment is being built by General Electric Company of London, Mr. Hurn said in a telephone interview from London.

Stephen Bryen, until recently director of the Pentagon's Defense Technology Security Administration, which monitors the transfer of militarily applicable technology to the Soviet bloc, said the equipment involved in the Simon-Carves deal could be exploited by the Soviet military.

Mr. Bryen said the sale was opposed by the U.S. government because it would provide the Soviets with a microcomputer capable of directing precision assembly-line production of printed circuit boards.

Also, the equipment is "ruggedized" to withstand heavy industrial use, and the Soviets have nothing comparable to it, he said.

"The whole transaction itself is not that awful," Mr. Bryen said in an interview. "But what it does is create a precedent for a country to go around the COCOM framework. It's a bad precedent."

In a similar case involving a recent Italian-Soviet deal, COCOM representatives arranged for less-sensitive technology to be transferred, he said.

Frank Gaffney, another former Pentagon policy-maker, said the administration's failure to prevent the sale is an indication of growing pressure from the Western allies to revise export controls to abandon what has been termed COCOM's "no exceptions" policy.

That policy, in effect since the early 1980s, prohibits any exceptions to the ban on exports of certain militarily applicable, high-technology items.

The United States' European allies, including Britain and West Germany, have been pressing for a new policy that would permit technology transfers of controlled materials on a limited, case-by-case basis, Mr. Gaffney said.●

CHAPTER 337, VIETNAM VETERANS OF AMERICA

● Mr. McCONNELL. Mr. President, I recently received a letter from Mr. R. Gordon Williams of Paducah, KY, president of Chapter 337, Vietnam Veterans of America. Mr. Williams brought to my attention the involvement of his chapter in the filming of "In Country," a movie about a young Kentuckian's attempt to understand the effects of the Vietnam conflict on her family. Chapter members and their families performed as extras, and made an important contribution to the filming by providing the realistic perspective of actual Vietnam veterans.

Mr. Williams and all members of chapter 337 deserve praise and recognition for their contribution both to the movie and their nation. Their involvement renewed awareness in western Kentucky of the historical significance of the Vietnam veterans. I am really proud of each and every member of chapter 337 and the families and communities which support them. I would ask that an article which appeared in Veterans magazine on this exciting experience in the life of chapter 337 be included in the RECORD.

The article follows:

CHAPTER 337, VIETNAM VETERANS OF AMERICA

(By Gayle Garmise)

Most people only dream of being in the movies—for VVA Chapter 337 in Paducah, Kentucky, that dream has become a reality. Several members of the chapter and their families are extras in the film "In Country," based on the novel by Bobbie Ann Mason. The move is directed by Norman Jewison, whose other works include "Moonstruck" and "A Soldier's Story," and it stars Bruce Willis and Emily Lloyd. The story centers on a 17-year-old Kentucky girl's attempt to understand the Vietnam War—her father was killed in the war before she was born, and her Uncle Emmett, with whom she is living, suffers from PTSD and Agent Orange exposure. Because the film is shot from the perspective of a teenage girl, a viewpoint no one has yet explored, Mike Mayes, vice president of Chapter 337, believes the film's release "will open up a whole bundle of new questions from the younger generation."

At first, members of the chapter were suspicious when they found out that a film crew was coming to Paducah to make a movie about the effect of the Vietnam War on a small Kentucky town. Too many films have been made by Hollywood portraying veterans of Vietnam as social outcasts who can't readjust to being "back in the world."

This was not the case with "In Country." Chapter members read the script and found a film that deals sensitively with Vietnam veterans. Jewison was especially interested in receiving any suggestions from chapter members

Members' input, along with their presence, has allowed the makers of "In Country" to present Vietnam veterans realistically, and, according to R. Gordon Williams, president of the chapter, "they respected the input we gave them. They would ask us, 'How does this sound? How does this seem? They would come up to us."

Larry McCullaugh, treasurer and chairman of public affairs for the chapter, says that many of the changes that Jewison made were "mainly little things that most people would not notice, but Vietnam veterans would, small things that would stand out like a sore thumb."

The original script, for example, included a scene in which one of the characters notices a National Park Service worker cleaning off yellow paint left on the Vietnam Veterans Memorial to highlight a name. The chapter brought this to Jewison's attention, noting that this type of vandalism at the Wall might put it into someone's head to do just that same thing. "We had the fear that if they were to leave it in, it would leave a bitter taste in some people's mouths," says Williams. Jewison took the scene out.

The chapter's involvement began when Warner Brothers sent Gordon Boos, the assistant director, to set up offices in Paducah in April 1987. There were advertisements in the newspaper for movie extras. The studio's original plan was to link up with a VFW or an American Legion post. The directors were not aware that VVA Chapter 337 was in existence.

After talking with chapter members, Williams contacted Boos to let him know about the chapter and to inform him that the members were interested in being cast as extras. Boos was excited about hearing from a Vietnam veterans' group that wanted to work on the film and called Los Angeles. Boos was given the go ahead to work with Chapter 337.

At the chapter's June meeting, Boos found out about Chapter 337's annual memorabilia party. He expressed interest in attending, and Warner Brothers sponsored the event so that the actors, crew, and chapter members could meet. The actors came to observe and talk to the members and, says Williams, "We sized each other up. It was a good experience."

Members had a chance to meet author Bobbie Ann Mason, who lives in Kentucky. "She was quiet, almost shy," remembers Williams. "She was very likable and friendly and would talk to anyone who wanted to talk to her. She was surprised almost, that all this was happening." Williams recognized Sam, the title character of "In Country," in Mason.

Several chapter members thanked Mason for writing such a sensitive portrayal of Vietnam veterans and their readjustment back into society, and recalls McCullaugh, "she thanked us." He says that Mason was very receptive to the idea of any changes in the script suggested by chapter members, if they believed it would make the film more authentic.

Members of Chapter 337 will appear in the dance sequence of the film, which took four 12-hour days to shoot. According to McCullaugh, the scene will last from six to eight minutes in the final cut of the film. "I'll never look at a movie in the same way again," he says. "When I watch a movie now, I think, 'how long did it take them to film that scene?' "

Jewison, who is a "stickler for perfection," was always having scenes reshot, shouting, "Let's do it one more time. He wants everything on tape before he gets back to Hollywood," muses McCullaugh.

Chapter members can't seem to say enough good things about Jewison, a veteran of World War II. "He is a warm, gentle, and elegant man who is interested in people," says Williams. "He was interested in us as Vietnam veterans."

Williams, McCullaugh, and Mayes all believe that Jewison's sincerity in helping Vietnam veterans by making this movie is genuine. "He had a sincere desire to make the movie enjoyable to watch," Williams relates, "but with a significant message of what Vietnam veterans went through," after they came home.

"He wanted us involved as much as possible," remembers McCullaugh. "Jewison believes we [Vietnam veterans] have been forgotten and have gotten a raw deal. He says that we have our place in history. I have the utmost respect for him."

Mayes points out that Jewison wanted to be sure that the film presented Korean and World War II veterans and members of the American Legion and the VFW. Jewison wanted to show the "tying [of] veterans together."

The members of 337 were so impressed by Jewison, they twice presented him with tokens of their appreciation. While in the middle of filming the dance sequence, several chapter members presented Jewison, who took time off from filming, with a cap bearing a patch of the "Three Soldiers" which stands at the Vietnam Veterans Memorial in Washington, DC.

The second presentation was at the final rap party for the film. The four officers of Chapter 337 gave Jewison a plaque, inscribed: "In grateful appreciation from Vietnam Veterans of America Chapter 337." Mayes notes that Jewison was deeply moved.

"He was really taken," says Williams. "He didn't know what to say. I thought he was going to cry. He said that he should be thanking us for being in Vietnam and for helping [with the film]."

Emily Lloyd, a 17-year-old British actress, lived with a family in Mayfield for a month to observe how Kentuckians speak and go about their daily lives. She handled the western Kentucky dialect well. "If you listen closely, there is an underlying British accent," notes Williams, "but the only people who will really notice it will be from the area [western Kentucky]."

"Lloyd was a delight to be around. "She's so bubbly," says McCullaugh. "She's a great gal. She's got a precocious quality about her." Williams recalls. "The way she thinks and talks is a lot older than her 17 years."

"Emily portrayed the joy, the happiness, the naiveness that we had when we were her age," says Mayes.

Many people may not be acquainted with Lloyd, who was first seen in last year's Wish You Were Here. At this point, more people are interested in Bruce Willis, who is best known for his role as the cocky, often obnoxious character of David on "Moonlighting." The role of Emmett is in direct opposition to most of the roles that Willis has played so far, but listening to 337 members talk about his performance, it seems that Willis may find himself up for an Academy Award.

During the course of filming in Paducah, Willis was often very quiet, preferring to stay in character off the set as well as on, but says McCullaugh, "he was very polite, very cordial. He was nice."

Willis took the part very, very seriously. He was able to "show the hopelessness and despair [of Emmett]," Williams says, "yet [also show] the gritty determination to keep going."

Willis became absorbed in his character, especially when it became time to film the scene at the Vietnam Veterans Memorial, which was, in reality, a replica built in a cow

pasture west of Paducah. In the scene—the filming of which Williams describes as "two of the most intense days I ever spent in my life"—Willis's character finds a name of a close friend on the Wall and lays a Bronze Star by the name. "He [Willis] looks into the Wall," Williams remembers, "and begins crying. He was crying horse tears. I think it was genuine at that point. Jewison had a father-like concern for Bruce and hugged him."

After the filming, Willis thanked chapter members for all that they had done. He told them that members of 337 "gave the company a boost, that they were grateful for that, for what we had done," Williams recalls.

A film is only as good as the cast and crew that put it together, and according to Chapter 337 members, all the people on the set of "In Country" were tremendous. "They put their heart and soul into it," Mayes says, adding that "the crew had the intensity of Jewison. They put forth an extreme effort to make it [the film] real. Everyone pulled together to make it as realistic as they could."

Williams relates that several people involved in making movies have commented that the production company put together to make "In Country" is one of the best assembled in a long time."

Because of the writers' strike, Jewison was able to put together the crew he wanted. He believes that the film has the potential to be one of the finest works he's ever done.

Several workers on the set were Vietnam veterans, and some of them joined VVA. Other people in the cast and crew became VVA associate members. Jim Beaver, one of the actors appearing in the film, is a Vietnam veteran who has also written several scripts for "Tour of Duty" and HBO's Vietnam series. He spent his Saturday morning before leaving town in a mall, signing copies of Chapter 337's book, "Eyewitness," which chronicles the personal experiences of several chapter members and their thoughts and feelings about Vietnam.

Members of the film crew and the chapter became friends during the shooting. When it was time for the company to return to Hollywood, "it was almost like old friends leaving," says McCullaugh. "[This crew] was like a close family," adds Williams.

Chapter 337's involvement with filming "In Country" helped enormously in bringing the chapter to the attention of the Paducah community. Radio stations began calling the chapter for interviews, as did television stations and newspapers. "In 1983, when we started a Kentucky Vietnam veterans' support group," remembers Williams, "we had to bang on their doors to get any attention."

The exposure has brought the chapter a new sense of respect in the community and "an awareness that might have taken years," says Williams. The chapter's involvement in the movie "got people [Vietnam veterans] out of the woodwork and join[ing] the chapter," he says, "which might not have happened otherwise. Everyone's self-esteem went up."

"It helped our image with the public around here," adds McCullaugh. "It put us in a very positive light and helped everybody's ego." The members of the chapter felt that they were representing all Vietnam veterans in the dance scene and would say to each other, "Let's do this right."

Williams, the only member of the chapter who appears in the final scene at the Wall, says that although it sounds corny, he felt he was there "representing VVA and Vietnam veterans around the country, that it was a significant responsibility." He told Willis that he "could feel the presence of the 2.7 million people [Vietnam veterans] and the 35,000 VVA people [members] looking over my shoulder. He [Willis] smiled at that."

"It was a very special moment in my life," continues Williams. "When I was splashing around the boonies in Vietnam, never in my wildest dreams did I think I would be in this movie representing everyone [Vietnam veterans]."

McCullaugh says that filming "In Country" was a once-in-a-lifetime experience. "It's something I'll never forget."

"I think that it [the film] is going to do positive things for Vietnam veterans," adds McCullaugh.

"It's very satisfying," says Williams, speaking about doing the film and seeing oneself up on the screen, "especially for those who have been struggling. It's beyond one's wildest dreams"

Members of VVA Chapter 337 are now concerned how the final cut is going to come out. "Our main concern," says McCullaugh, "is not to embarrass VVA. We want to do them proud. I hope other VVA chapters are happy with what we did."●

TRANSPORTATION SECTOR SUPPORTS STEEL VRA'S

● Mr. HEINZ. Mr. President, opponents of the President's program of Voluntary Restraint Agreements on steel would have us believe that the only people interested in the continuation of VRA's are steel manufacturers. My comments today are another in a series of efforts to prove them wrong. Recently, I entered numerous letters from steel using businesses into the RECORD, businesses that desire the extension of VRA's. Today I will expand the pool of supporters to include transportation companies. These firms are highly varied in their focus and size, yet they are all vital segments of our industrial system.

Usually, when one thinks transportation, one immediately thinks of trucking, and indeed, many trucking companies are in favor of extending the VRA programs. For example, American Transport, Inc., is a trucking company whose largest customers are domestic steel producers. Moreover, they are further involved in the steel industry due to extensive shipping of raw materials, such as aluminum and machinery, to the manufacturers. Tyron Trucking, Inc., is a minority owned company which coordinates the business of 85 owner-operators, extensively involved in the steel industry. In their own words, "These gentlemen own and drive their equipment, bearing large investments, that would suffer substantially if VRA's were withdrawn."

Another crucial category is shipping. Lake Carriers' Association represents 14 American shipping firms located around the Great Lakes. Traditionally, iron ore for steel mills composed 50 percent of their cargo, and much of the limestone and coal which they carried was also destined for steelmakers. During the recession of the early 1980's these companies were forced to scrap 52 cargo ships due to decreased business, and only now are they operating at a high percentage of their capacity. Midland Enterprise Inc., is a different type of shipping business, it is a major inland barge company. The movement of coal, coke, scrap iron, and finished steel products is a major portion of Midland's business. Needless to say, both of these companies cite VRA's as crucial to their future well being.

Mr. President, each day the list of VRA supporters grows longer—longer because it is the right policy for the steel industry and for the country as a whole. I ask the letters I referred to, along with these from other transportation companies in favor of extended VRA's be printed at this point in the RECORD.

The material follows:

AMERICAN TRANSPORT INC.,
Weirton, WV, April 6, 1989.

Hon. JOHN HEINZ,
U.S. Senate,
Washington, DC.

DEAR SENATOR HEINZ: I am writing to you to express the support of American Transport, Inc. for an extension of the steel Voluntary Restraint Arrangement. American Transport is a truck transportation company whose largest single class of customers is the domestic steel producers. In addition to transporting finished products, we also carry a significant amount of raw materials to the facilities of these producers, including machinery, aluminum and refractory products.

Since the enactment of the 1984 VRA program, we have seen the American steel industry rebound somewhat from the precarious position it was placed in as a result of foreign trade practices. There seems to be little doubt that such practices as foreign government subsidization, and subsequent dumping of this foreign steel in our nation, led to a worldwide excess capacity that was strangling our own producers. Since 1984, though, the U.S. steel industry has made significant progress in the areas of productivity, efficiency, and modernization through reinvestment.

The recovery is only beginning, though. We feel that a five-year extension of this program is essential to insure continued recovery and modernization. Our government must renew VRA if it desires, as we do, to chart uninterrupted progress, only recently started.

The 93 employees and 205 full-time independent contractors of American Transport are counting on you—please don't let us down!

Very truly yours,

DAVID HARTMAN,
Vice President.

LAKE CARRIERS' ASSOCIATION,
Cleveland, OH, March 27, 1989.

Hon. JOHN HEINZ,
U.S. Senate,
Washington, DC.

DEAR SENATOR HEINZ: For the second year in a row, U.S.-flag Great Lakes fleets will operate more than 96 percent of their carrying capacity. The dramatic turnaround is

due, in large part, to the Voluntary Restraint Arrangement (VRA) Program on imported steel. However, the VRA Program is scheduled to expire on September 30 of this year. Many members of Congress have recognized the need to extend the VRA Program and co-sponsored S. 378, The Steel Import Stabilization Act. The attached position paper details LCA's support for an extension of the VRA Program.

Thank you for co-sponsoring S. 378, we urge you to vote for its passage as soon as possible.

Very truly yours,

GEORGE J. RYAN,
President.

LAKE CARRIERS' ASSOCIATION POSITION PAPER

VOLUNTARY RESTRAINT ARRANGEMENT

Lake Carriers' Association represents 14 U.S.-flag Great Lakes fleets engaged in the movement of raw materials on the Great Lakes. Iron ore for the steel industry traditionally has accounted for more than 50 percent of all cargo carried by U.S.-flag lakers. A significant share of the limestone and coal carried by fleets is also destined for steelmakers.

Being so dependent upon the steel industry, Great Lakes fleets naturally are commited to an extension of the Voluntary Restraint Arrangement (VRA) Program on steel imports. The gradual lessening of steel imports has allowed steel and Great Lakes shipping to rebound from the dark days of the early- and mid-eighties, but the recovery is far from complete.

To fully understand the need for an extension of the VRA Program, one must realize just how hard a climb faced steel and Great Lakes shipping. In 1981, the last "prerecession" economy, iron ore shipments on the Great Lakes totaled 83.9 million tons. A year later, as a full-fledged recession gripped the nation, iron ore shipments plummeted to 43.1 million tons, the lowest total since the Great Depression of the 1930s.

The recovery in iron ore shipments was slow. Iron ore shipments totaled 58.3 million tons in 1983, and 64.1 in 1984, but then slipped to 58.4 in 1985 and 51.0 in 1986.

During these trying times, U.S.-flag Lakes fleets were forced to trim 52 vessels from their rosters. The premature retirement of these ships cut 1,600 billets from the Lakes maritime industry.

Ironically, steel consumption in the United States during this period did not vary dramatically. Annual steel consumption has continued to average about 100 million tons. But as iron ore shipments and domestic steel production slumped, steel imports soared. The 16.7 million tons imported in 1982 sky-rocketed to 26.2 million tons by 1984. It was at this point that the Reagan Administration introduced the VRA program.

Relief was not immediate. Although the program's announced goal was to limit steel imports to roughly 20 percent of the domestic market, 1985 imports captured 25.3 percent of the U.S. market. The next year, imports commanded 23.1 percent. Only since 1987 have steel imports been limited to approximately 20 percent of the market.

Near achievement of the VRA Program's goal has had a dramatic impact on steel and Great Lakes shipping. 1987 iron shipments totaled 61.7 million tons. 1988 iron ore shipments topped 68 million tons. During 1988, the domestic steel industry operated at 90-plus percent of capacity from March on. U.S.-flag Lakes fleets had more than 95 percent of their available carrying capacity in service for most of the 1988 Lakes shipping season.

The outlook for 1989 is good, but the September expiration of the VRA Program looms ominously on the horizon. There is still an excess of steelmaking capacity worldwide. To believe that foreign steelmakers will not again inundate the U.S. market with subsidized steel is naive.

Nor is the modernization of the domestic steel industry complete. Billions of dollars are yet needed to fully upgrade existing facilities. These funds can be expended only if domestic steelmakers are assured of at least another five years of protection against unfairly traded foreign steel. President Bush has pledged his support to an extension of the VRA Program. Congress should follow suit and quickly so further modernization of the American Steel industry can proceed on schedule.

Vote in favor of S. 378, The Steel Import Stabilization Act.

MIDLAND,
Cincinnati, OH, March 20, 1989.

Hon. JOHN HEINZ,
U.S. Senate,
Washington, DC.

DEAR SENATOR HEINZ: I am writing this letter on behalf of Midland Enterprises Inc., one of the nation's largest inland barge transportation companies whose subsidiaries move over 40 million tons of commerce on our waterways including finished steel products and coal, coke, and scrap iron important to steel production.

We strongly urge you to support extension for an additional five years of the Voluntary Restraint Agreements ("VRAs"), which were negotiated with steel exporting nations in 1984 and which are scheduled to expire in September 1989. In passing the Steel Import Stabilization Act following the Administration's implementation of the VRAs, Congress recognized the need to help our domestic steel producers fight imbalanced foreign competition while at the same time it imposed obligations on domestic producers to reinvest the cash generated by their steel operations back into the steel business. The steel producers have lived up to this obligation and have continued to make great strides in productivity, modernization, and quality. Much of this improvement is due to the existence of VRAs. While this progress has been remarkable and encouraging, it is also clear that much remains to be done to allow our domestic steel producers to build on the gains achieved during the last five years. The U.S. steel industry has done its part to modernize and eliminate antiquated production processes and facilities. This has not been met with a corresponding change in the structural inequities still existing in foreign steel producing nations. Foreign government subsidies and dumping of steel in the U.S. market are two examples of competitive practices which make an extension of VRAs vital to the long-term health of our domestic steel industry.

As a company which counts domestic steel producers among our important customers, we are concerned that a failure to extend VRAs this year will lead once more to plant closures, business failures, and the loss of competitiveness which characterized the steel industry in the early 1980s. We believe the steel industry has done its job in recommitting to the future of steel—we respectfully urge you to make the same commitment to them by supporting an extension of VRAs beyond September 1989.

Sincerely yours,

WILLIAM P. MORELLI,
Associate General Counsel &
Director of Government Affairs.

ALTERNATIVE TRANSPORTATION SYSTEMS GROUP,
Homewood, IL, March 29, 1989.

Hon. JOHN HEINZ,
U.S. Senate,
Washington, DC.

DEAR SENATOR HEINZ: As the President and CEO of a group of companies that provide services to the metal products industry, I am concerned about the upcoming expiration of Voluntary Restraint Arrangements (VRA's) in September, 1989, and their potential non-renewal. Our organizations, which employ 250 people and have approximately 150 leased contractors, provide transportation, warehousing and distribution services to this industry.

For the greater part of the 20th Century, the steel industry has been synonymous with American growth, both in terms of domestic production and foreign trade. However, the condition of the U.S. domestic steel industry sharply deteriorated as a result of growing foreign government intervention in steel industries abroad and resulting massive foreign unfair trade practices. Over 25 U.S. steel firms went bankrupt since 1974 and hundreds of thousands of jobs were lost. There no longer prevailed an element of balance. Our free enterprise system paid dearly for this inequity.

With the birth of the VRA's in 1984, the U.S. steel industry was able to enter into a restructuring phase. Five years is a very short time, yet the progress made in these last five years had been monumental. The U.S. steel industry has made major inroads in refining steel production, increasing labor productivity while reducing associated labor costs, and basically bringing domestic steel production to a competitive position with foreign production. The VRA's have been a major factor in enabling U.S. producers to begin recovery and create an environment which is constructive instead of destructive to both our domestic industry and that of foreign producers; a system of checks and balances that are beneficial to all participating countries.

Even though our organizations are proponents of deregulation, we believe the VRA's are necessary at this time. Extension of the VRA's is critical to the continued restructuring effort and long term sustainment of the U.S. steel industry. To allow these VRA's to expire would appear to be counter productive to all that has been accomplished and may very well be the catalyst to set both foreign and domestic steel industry back into a depressed condition.

It is our firm belief that the extension of the steel VRA program is a key investment in America's future. We respectfully urge your support of this extension. Thank you for your prompt consideration of this issue.

Sincerely,

RICHARD DICKSON,
President.

FARRUGGIO'S BRISTOL AND PHILADELPHIA AUTO EXPRESS, INC.,
Bristol, PA, March 29, 1989.

Hon. JOHN HEINZ,
U.S. Senate, Washington, DC.

DEAR SENATOR HEINZ: On behalf of my company and our 147 employees, we strong-

ly support the extension of the steel Voluntary Restraint Arrangements (VRAs).

Our family owns a trucking company which has been in existence over sixty years. Our employees and our company would be greatly effected by this since 75% of all domestic steel moves by truck. We handle many shipments for U.S. Steel, Fairless Works, Fairless Hills, Pa. and failure to extend this program will greatly effect the Steel industry and, therefore, have a severe impact on our business and our employees.

With VRAs due to expire in September 1989 we feel that prompt action to extend this program for a five year period is critical for the domestic steel industry's future.

VRA renewal, with no changes in existing agreements, is a key step by government to insure that the domestic steel industry's progress in reinvestment, improved productivity and overall efficiency continues.

We truly believe that VRA extension is critical to the long term sustained recovery of the American steel industry from one of the worst depressions in its history. The steel industry is just beginning its recovery and continued support of the VRAs will ensure its longevity.

We respectfully request your support for the extension of the steel VRA program.

Sincerely,

SAMUEL J. FARRUGGIO,
President.

TEAM TRANSPORT, INC.,
Warrendale, PA, March 28, 1989.

Hon. JOHN HEINZ,
U.S. Senate, Washington, DC.

DEAR SENATOR HEINZ: As co-owner of a motor carrier specializing in the transportation of steel, I ask your support of a five year extension of the steel Voluntary Restraint Arrangements (VRAs) which are due to expire in September 1989. We employ over 250 people whose jobs are contingent on the continued revitalization of the troubled domestic steel industry.

As you know, foreign government subsidies and dumping of foreign steel contributed mightily to the deterioration of the American steel industry. Now that the industry has just started to recover, it is extremely important to extend the steel VRAs to insure that this recovery continues.

I urge your support to extend this vital program.

Sincerely,

PHILLIP A. REZZETANO,
Chairman.

TRYON TRUCKING, INC.,
Fairless Hills, PA, March 30, 1989.

Hon. JOHN HEINZ,
U.S. Senate, Washington, DC.

DEAR JOHN HEINZ: VRA's must stay!

Tryon Trucking Inc. supports the extension of the Voluntary Restraint Arrangements, soon to expire in September of this year. Tryon has been in existence since 1964. Our livelihood is derived from hauling steel. For domestic mills such as U.S. Steel, Bethlehem Steel, LTV Steel, and Inland Steel to domestic manufacturers for eventual domestic consumption.

Tryon Trucking is a minority-owned company with nine employees. We utilize about 85 owner-operators who operate for Tryon under a lease agreement. These gentleman own and drive their equipment, bearing large investments that would suffer substantially if VRA's were withdrawn.

The domestic steel industry needs all of our support to continue its return from near collapse facing it back in 1984. VRA's were the right choice then, and are still today. With the VRA's in place domestic mills have felt the beginnings of a recovery.

Jobs have been saved, mills that were in bankruptcy or faced it are coming back, and monies invested in modernization have brought back our competitiveness with the rest of the world.

We feel that if the rules were the same for domestic as well as foreign steel mills, we could compete with their best. But over the years foreign steel has been heavily subsidized by their governments resulting in unfair trade practices and widespread dumping of foreign steel into U.S. markets.

We strongly feel that VRA's must stay to balance the scale. Competition is good and needed as long as it is fair competition, which VRA's have tried to establish.

We all hope here at Tryon, that our support and belief is as strong as ours in America's future.

Thank you for your prompt consideration in this issue.

Sincerely,

ROSALYN MEKLIR,
President.

ALLEGHENY PLANT SERVICES, INC.,
Pittsburgh, PA, April 6, 1989.

Hon. JOHN HEINZ,
U.S. Senate,
Washington, DC.

DEAR SENATOR HEINZ: We at Allegheny Plant Services, Inc., are hoping that you will support the continuation of the Voluntary Restraint Arrangements.

Our firm is a Pittsburgh, Pennsylvania based motor freight company with our major source of revenue closely tied to the steel industry. We have noticed that under the VRA program the steel industry's recovery efforts have resulted in increased work for our firm. A five year extension of the VRA program would ensure continued progress in the domestic steel industry's restructuring, modernization and recovery.

With VRA's due to expire in September 1989, your prompt action is especially important. If the domestic steel industry is going to be able to sustain its competitiveness with foreign steelmakers the VRA extension will be needed.

We feel that the continuation of the VRA program is a critical ingredient in the rebuilding of the American steel industry, and a key factor in making our steel companies successful in the marketplace in the coming decade. We respectfully urge your full support for an extension of the VRA program. Thank you for your attention to this issue.

Very truly yours,

JOSEPH T. ROSS,
President.

UNIVERSAL AM-CAN LTD.,
York, PA, March 21, 1989.

Hon. JOHN HEINZ,
U.S. Senate,
Washington, DC.

DEAR SENATOR HEINZ: I write on behalf of my company, Universal Am-Can Ltd. in support of extension of the steel Voluntary Restraint Arrangements (VRAs). We are a trucking company with a terminal located in the York, PA area. We have terminals located throughout the country with operating revenues in excess of 70 million dollars per year.

With VRAs due to expire in September of 1989, we strongly feel that prompt action to extend this program for a five-year period is critical for the domestic steel industry's further restructuring and modernization. We view VRA renewal as the key step by government to ensure that the domestic steel industry's progress in reinvestment, improved productivity and overall efficiency continues uninterrupted.

As you know, the condition of the domestic steel industry sharply deteriorated over many years as a result of growing foreign government intervention in steel industries abroad and resulting massive foreign unfair trade practices. Such practices were pervasive when the VRA program was instituted in 1984 and they continue today. Two clear examples are (1) the enormous foreign government subsidies that have perpetuated structural world excess capacity in steelmaking and (2) the widespread dumping of foreign steel in the U.S. market.

We strongly believe that VRA extension is critical to the long term sustained recovery of the American steel industry from one of the worst depressions in its history. Most importantly, the U.S. steel industry is just beginning its recovery, and continued support of the VRAs will ensure that its progress continues.

As a key investment in America's future, we respectfully urge your support for the extension of the steel VRA program. Thank you for your prompt consideration of this issue.

Sincerely,

JAMES D. RUNION,
Terminal Manager and
Regional Sales.

MAWSON & MAWSON, INC.,
Langhorne, PA, March 30, 1989.

Hon. JOHN HEINZ,
U.S. Senate,
Washington, DC.

DEAR SENATOR HEINZ: I have managed a trucking company for 36 years. This company has third generation in management and we employ two hundred, fifty-six (256) people. We specialize in transportation of steel and on behalf of myself and employees, I write in support of extension of the Voluntary Restraint Arrangements. Seventy-six percent (76%) of our shipments originate or are delivered to Pennsylvania points. This is why I feel it is imperative that I write to you concerning this matter.

As you can readily understand, because we are totally dependent on the strength of the steel industry in America, we feel strongly that prompt action is necessary to extend this program for an additional five years. We have not fully recovered ourselves from the last recession and the additional five years will aid us in reaching financial health and help our employees retain their employment.

For further stability in American employment, we plead for your support for the extension of the steel Voluntary Restraint Arrangements for a five year period.

Thank you in advance for your support.

Sincerely,

ROBERT J. DURBIN,
President.●

NORTHLAND LUTHERAN HIGH SCHOOL, WAUSAU, WI

● Mr. KASTEN. Mr. President, 2 days ago America celebrated the bicentennial of one of the three branches of our constitutional government—the Presidency that links the America of George Washington with the America of George Bush.

This week, 13 students from my home State of Wisconsin are celebrating the bicentennial of our Constitution in a very special way. The students from Northland Lutheran High School in Wausau—Brenda Bartelt, Laura Buch, Jennifer Martens, Randy Mensching, Andrew Mueller, Mary Jayne Mundt, Jennifer Nienow, Michael Oemig, Jody Russ, Julie Schuch, Chris Stuedemann, Dan Unruh, and Lisa Zettler—have come to Washington to participate in the finals of the National Bicentennial Competition on the Constitution and Bill of Rights.

With a lot of hard work, plus the help of instructor William Mundt and coordinators Ronald Harshman and Julia M. Frohreich, these students have come a long way in mastering our democratic system. I want to wish all of them the best of luck in this competition—and a bright future thereafter.●

RECOGNITION OF AWARD TO LOUISVILLE CHAPTER OF THE SERVICE CORPS OF RETIRED EXECUTIVES

● Mr. FORD. Mr. President, I rise today to pay tribute to the Louisville Chapter of the Service Corps of Retired Executives [SCORE], which has been selected by the Small Business Administration as the national "SCORE Chapter of the Year for 1988." The Louisville chapter is being honored in Washington in connection with the observance of Small Business Week beginning May 7, 1989.

As the recipient of this singular honor, the Louisville SCORE has gained recognition as a role model for volunteer business counseling groups across the Nation. The entire SCORE Program deserves our highest praise for its successful efforts to utilize the experience and skills of retired Americans who can help countless businesses reach their full potential as productive employers in a time of national economic need.

The outstanding accomplishments of the Louisville's SCORE can be attributed to the dedication of many individuals, only a few of whom can be mentioned in this brief tribute. Ben W. Crume, the 1988 chairman of the Louisville chapter and a retired treasurer of the Rock Island Railroad, led the Louisville team's drive to provide expanded service to businesses in the Louisville area.

Improved procedures for problem diagnosis and indepth counseling were developed by Frank Berlin, the chapter's assignment chairman and former owner of the Berlin Department Stores. Retired Army Col. Clifton Stigger, who also served in engineering positions with Colgate-Palmolive Co., helped to forge a program of expanded management training workshops with more detailed counselor training and recruitment of new SCORE volunteers with specific skills needed to further the business goals of the chapter's clients.

Augie Drufke, regional SCORE representative in Louisville and former manager of sales administration with American Steel Foundries, sparked the chapter's successful effort to become the first in Kentucky to gain SCORE accreditation as a top-quality organization in assisting small businesses. District representative Henry Feingold, who had been in retail merchandising with Montgomery Ward and Interstate Stores, played a key role in following through on this effort. William Grim, a former General Electric Co. vice president who helped to develop the chapter's marketing program, is among others who continue to make invaluable contributions to the Louisville SCORE.

The volunteer efforts of retired persons play an increasingly important role in the success of our Nation's small businesses, which truly represent the future of America. With that in mind, Mr. President, I rise to recognize and congratulate our Louisville volunteers, SCORE chapter-of-the-year finalists in Fargo, ND, Boston, MA, Prescott, AZ, and Santa Maria, CA, and all of the other fine SCORE chapters across this Nation.●

TRIBUTE TO DETROIT BRANCH OF THE AAUW

● Mr. RIEGLE. Mr. President, I rise to pay tribute to the outstanding work being done by the Detroit Branch of the American Association of University Women. The American Association of University Women [AAUW] is a 108-year-old organization whose members are graduates of accredited colleges and universities across the Nation. AAUW's mission is "to promote equity for women, education and self-development over the life span and positive societal change."

Founded in 1889, the Detroit Branch of AAUW is the eighth oldest branch in the country and will be celebrating its hundredth anniversary this year. I applaud the members of the Detroit branch for having furthered the work of AAUW by serving in a variety of capacities at the association and division level. The Detroit branch has maintained its commitment to the city of Detroit, the State of Michigan and the Nation through programs that have focused on societal and educational issues, brought new ideas to the fore, and increased citizen awareness. In addition, the Detroit branch has contributed significant sums to the AAUW Educational Foundation for the purpose of offering educational grants and fellowships for women.

In light of their many contributions, I ask that you please join me in commemorating the Detroit branch of the American Association of University Women.●

THE CHICAGO MERCANTILE EXCHANGE TOUGHENS ITS RULES

● Mr. DIXON. Mr. President, last month, the special committee to review trading practice of the Chicago Mercantile Exchange submitted its report and recommendations to the exchange's board of directors.

The proposed package of regulatory changes is broad and far-reaching. I think it is a tough package, and in an editorial published last week, the Chicago Tribune agreed.

As the Tribune editorial points out, the recommendations seem to succeed in meeting two fundamental objectives that can sometimes be in conflict. The package maintains the liquidity and international competitiveness of the futures products traded at the MERC, while ensuring that exchange customers are confident that they are being treated fairly and equitably and that the exchange is taking strong action against any trading abuses.

The recommendations also demonstrate something else that is extremely important—that self-regulation works. Both the Chicago Mercantile Exchange and the Chicago Board of Trade are constantly hard at work to ensure that public confidence in the Chicago Exchanges, and the trading efficiency and international competitiveness of the exchanges, are always maintained.

With the Commodity Futures Trading Act now up for reauthorization, the editorial, and the point it makes about self-regulation, is particularly relevant. I commend the editorial to my colleagues for their review; I think they will find it very persuasive. Mr. President, I ask that the editorial be included at this point in the RECORD.

The editorial follows:

[From the Chicago Tribune, Apr. 26, 1989]

THE MERC FIGHTS FOR SELF-REGULATION

Leo Melamed, architect of Chicago's financial futures market, is an outspoken champion of self-regulation, and it's easy to see why. With Melamed as its chief policymaker, the Chicago Mercantile Exchange has been a consistent industry leader in new products and services while remaining largely free of heavy government interference.

But Melamed knows that self-regulation is a right that can disappear rapidly if an institution doesn't act responsibly. Faced with increasing global competition and a government investigation of industry trading practices, he's fighting hard to preserve that right.

A committee of Merc leaders and industry experts, formed shortly after the federal investigation of the Merc and the Chicago Board of Trade was disclosed by The Tribune in mid-January, has proposed tougher trading rules and penalties. If adopted by the Merc's board of governors and the fed-

eral Commodities Future Trading Commission, they would fundamentally change the way Chicago's futures markets operate. They would eliminate many opportunities for fraud and abuse and deter cheating by imposing harsh fines.

One far-reaching proposal calls for banning most traders from doing business for themselves at the same time they are handling orders for customers. This "dual trading" would be allowed only in a small number of lightly traded commodities. The committee also wants to restrict broker associations or rings, add surveillance staff, appoint non-exchange members to disciplinary committees and suspend a member for six months after a major rules violation. A second offense would result in lifetime expulsion from the exchange.

Merc officials claim some of these changes were in the works before the federal probe was revealed, but the package is clearly a response. It's also a genuine effort to restore public confidence in one of Chicago's most important financial markets by limiting both the possibilities and perception of abuses.

Critics may argue that the Merc is doing too little, too late. But the exchange constantly must balance its duty to keep its own house in order with its need to provide liquid and efficient markets.

Congress should realize that the futures industry has prospered under self-regulation. Even under the cloud of the FBI sting, Merc volume is up 34 percent this year and membership values are at record amounts. If the investigation reveals abuses not covered by these rule changes, further adjustments can be made.

Meantime, lawmakers should not add burdensome regulations that will drive up the cost of trading futures in America and force a successful U.S. industry to yield to foreign competition.●

FAIRNESS IN INTERSTATE TAXATION OF NONRESIDENTS

● Mr. LAUTENBERG. Mr. President, I rise to express my support for legislation introduced by Senator BRADLEY, and cosponsored by Senators DODD, LIEBERMAN, and myself, S. 800, to provide for a moratorium on, and study regarding, certain State tax laws.

Mr. President, this bill responds to a recent change in New York State's tax law that is placing an unfair burden on over 250,000 New Jerseyans and other nonresidents who work in New York. Under the new law, income from sources outside New York will be considered in determining the rate of New York State tax that nonresidents owe on income earned in New York.

In my view, Mr. President, New York's new law is fundamentally unfair. I have no problem with New York taxing income that is earned in New York—that makes sense. What is not fair, though, is basing New York taxes on income earned out-of-State.

Why, for example, should a New Jerseyan have to pay more taxes to New York solely because his or her spouse happens to make money in New Jersey? Take a secretary from New Jersey who earns $15,000 in New York and whose spouse works as a firefighter in Hackensack. Under the New York law, the secretary's $15,000 will be taxed at a higher rate only because of the spouse's income. Yet the firefighter may have absolutely no connection to New York and enjoy not a single benefit from New York's government.

That is not right. And that is why the people of New Jersey are so outraged by this unfair tax.

Mr. President, this bill provides a sensible mechanism for resolving this problem in a manner that meets the needs of New Jersey and Connecticut commuters, and that I hope will also be acceptable to New York. By establishing a moratorium on interstate taxation based on nonresidents' out-of-State income, it would provide relief from the New York law. And by establishing a commission with equal representation from each State, it provides a mechanism for resolving this dispute reasonably and fairly.

I urge my colleagues to support the bill.●

PROVIDING CERTAIN ASSISTANCE TO POLAND

● Mr. SIMON. Mr. President, I am pleased to be an original cosponsor of Senator CARL LEVIN's bill to provide OPIC insurance, reinsurance and financing to worthy projects in Poland. At this critical time in Poland's history, it is important to demonstrate this country's support for the sweeping positive changes going on in Poland.

Private employment accounts for roughly one-third of Poland's work force. In agriculture, three-fourths of the land is in private hands. The agreement negotiated between Lech Walesa's Solidarity and the government authorities could pave the way for a meaningful expansion of United States-Polish trade. OPIC insurance to Poland's nongovernmental sector will encourage such trade, and this is to be welcomed given the new compact between rulers and ruled in that troubled country.

We ought to promote expanded trade with those in Poland who have fought long and hard to move their country toward greater freedom and openness. Building on Poland's already strong base of private economic activity will help move the democratization process along. I am pleased to associate myself with this legislation, and I urge my colleagues to give this measure their support.●

ABOUT EDUCATION

● Mr. SIMON. Mr. President, today I am inserting in the RECORD a thought-provoking article by Fred M. Hechinger that recently appeared in the New York Times. The article clearly demonstrates that America's incompetence in foreign languages and cultural awareness jeopardizes our Nation's future in global affairs. This lack of global perspective damages America's ability to compete in world markets. The more our country becomes competent in foreign languages and cultures, the more enhanced our foreign policy decisions will become.

Recently, Johns Hopkins University set up a National Foreign Language Center to improve the quality of teaching. Also, Connecticut College announced a new International Studies Program to increase student competency in foreign languages and culture. These programs are encouraging, however, there is room for expansion in this area. We must have successful foreign language programs, starting at the grammar school level, in order to build bridges of understanding between America and foreign countries.

Mr. President, I ask that the New York Times article be printed in the RECORD.

The article follows:

[From the New York Times, Mar. 15, 1989]

ABOUT EDUCATION

(By Fred M. Hechinger)

Last month, the nation's governors cited Americans' ignorance of foreign languages and cultures as a threat to this country's future.

"The United States is not well prepared for international trade," said Gov. Gerald L. Baliles of Virginia, chairman of the National Governors' Association. "We do not know the languages, the cultures or the geographic characteristics of our competitors."

It is not surprising if this sounds familiar. In 1979, President Jimmy Carter's Commission on Foreign Languages and International Studies concluded, "Americans' scandalous incompetence in foreign languages also explains our dangerously inadequate understanding of world affairs."

Educators say that for a superpower with an awesome capacity for good or ill on the world stage, the indictment remains serious, as many American businesses struggle to catch up with foreign economic competitors.

The 1979 commission practically wrote the script for the 1989 statement by the governors. It noted that the Japanese have hundreds of sales representatives familiar with American speech and ways. Only a handful of Americans trying to sell United States merchandise in Japan were similarly prepared.

Debacles such as those in Vietnam and Iran, the commission believed, were either caused or aggravated by American ignorance. Why does such ignorance continue after being exposed over and over again? What prevents schools and colleges from doing a better job when educated young people in many other industrial countries are fluent in at least one language other than their own?

One answer is the double myth that Americans are for some reason less able to learn foreign languages and that, anyway, everyone in the world speaks English.

Both answers are wrong. Many Americans who have set their mind to it and have been taught effectively are competent linguists; and as every American traveler knows, far from everyone speaks English. Americans who work abroad without being able to

speak the local language are often limited in their contacts to a small elite group that does not represent the mood of the larger population. Hence the frequent misreading of foreign politics.

Foreign-language educators say that it is only in moments of crisis that foreign language teaching is shored up—for a while.

In reaction to the Soviet launching of Sputnik in 1957, Congress passed the National Defense Education Act to quickly infuse money into language teaching. Foreign languages in elementary schools flourished. Schools bought language laboratories that allowed students to hear and speak the language electronically.

Both made sense. The laboratories augmented the scarce teaching force. Starting 5- and 6-year-olds on a new language worked well because children at that age enjoy new sounds and strange words. By contrast, teenagers who are the usual target of language instruction, are self-conscious.

Yet, by 1978, 20 years after the initial boom, the foreign languages program was comotose. Of 23 states that responded to questions by the Modern Language Association, 17 reported that their program had either died or lost its vigor. Many language laboratories gathered dust in storerooms.

In recent years, there has been a slight rise in interest. But many educators say that is slight improvement against a 53 percent decline in foreign language bachelors degrees between 1970 and 1985.

Reacting to a bad situation, Johns Hopkins University set up a National Foreign Language Center in 1987 to improve the quality of teaching.

This year, Claire L. Gaudiani, the new president of Connecticut College and herself a former language teacher, announced a new International Studies Program that allows students, regardless of their major, to seek advanced competency in a foreign language and apply it to an internship or to study abroad. Included is instruction in the social and cultural setting of countries where the language is spoken.

What can be accomplished was illustrated by teachers like John Rassias of Dartmouth. In 1979, Mr. Rassias immersed 26 New York City Transit Police officers in Spanish for several weeks and sent them back able to communicate with the Spanish-speaking people on their beat.

One graduate summed up a problem that plagues not only the city's subways but misunderstandings on the world stage: "How do you service a community you can't talk to?"●

IRIS AND B. GERALD CANTOR, HONOREES, THE BROOKLYN MUSEUM BALL

● Mr. LAUTENBERG. Mr. President, I rise to pay tribute to an outstanding couple, Iris and B. Gerald Cantor. Mr. and Mrs. Cantor will be awarded the Augustus Graham Medal for their exceptional support of the Brooklyn Museum at the 32d Annual Brooklyn Museum Ball on May 3, 1989.

Mr. Cantor is founder, president and chairman of the board of Cantor Fitzgerald Inc., a financial holding company, and president of the B. Gerald Cantor Art Foundation. He is an officer of the French Order of Arts and Letters, a trustee of the Metropolitan Museum of Art and a member of the Business Committee for the Arts.

He is the world's foremost collector of works by Auguste Rodin. Between 1984 and 1987, Mr. and Mrs. Cantor gave the Brooklyn Museum 58 sculptures by Rodin. Accompanied by a grant, the Iris and B. Gerald Cantor Gallery was named in recognition of this generous gift.

Mrs. Cantor, a museum trustee, is a native of Brooklyn. She is vice chairman of Cantor Fitzgerald Inc., and president of the Iris and B. Gerald Cantor Foundation, established in 1978. She is a trustee of the Los Angeles County Museum of Art, and a governor of New York Hospital-Cornell Medical Center. The couple is involved in philanthropic and cultural activities on the east and west coasts.

The Cantors have also given generously toward acquisitions for the museum. They matched an Andrew W. Mellon Foundation grant to establish a $1.2 million endowment to underwrite scholarly publications devoted to the museum's collection and special exhibitions.

Through the generous patronage of Iris and B. Gerald Cantor and others, the Brooklyn Museum has experienced a renaissance. It has earned its place as a notable and thriving cultural center for the arts.

Mr. and Mrs. Cantor are most deserving recipients of the Augustus Graham Medal. As they are honored on May 3, I pay tribute to them for their generosity and support of the arts, and extend my heartiest congratulations and warmest best wishes.●

BUDGET SCOREKEEPING REPORT

● Mr. SASSER. Mr. President, I hereby submit to the Senate the latest budget scorekeeping report for fiscal year 1989, prepared by the Congressional Budget Office in response to section 308(b) of the Congressional Budget Act of 1974, as amended. This report was prepared consistent with standard scorekeeping conventions. This report also serves as the scorekeeping report for the purposes of section 311 of the Budget Act.

This report shows that current level spending is over the budget resolution by $0.9 billion in budget authority, and over the budget resolution by $0.4 billion in outlays. Current level is under the revenue floor by $0.3 billion.

The current estimate of the deficit for purposes of calculating the maximum deficit amount under section 311(a) of the Budget Act is $135.7 billion, $0.3 billion below the maximum deficit amount for 1988 of $136.0 billion.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 1, 1989.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of congressional action on the budget for fiscal year 1989 and is current through April 19, 1989. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the most recent budget resolution, House Concurrent Resolution 268. This report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the 1986 First Concurrent Resolution on the budget.

Since my last report, dated April 17, 1989, the President has signed into law Implementation of the Bipartisan Accord on Central America Act of 1989 Public Law 101-14). Budget authority, outlay and revenue estimates remain the same as my last report.

Sincerely,

ROBERT D. REISCHAUER,
Director.

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 101ST CONG., 1ST SESS., AS OF APR. 19, 1989

[In billions of dollars]

	Current level [1]	Budget resolution H. Con. Res. 268 [2]	Current level +/− resolution
FISCAL YEAR 1989			
Budget authority	1,233.0	1,232.1	.9
Outlays	1,100.1	1,099.8	.4
Revenues	964.4	964.7	−.3
Debt subject to limit	2,739.5	[3] 2,824.7	−85.2
Direct loan obligations	24.4	28.3	−3.9
Guaranteed loan commitments	111.0	111.0	
Deficit	135.7	[4] 136.0	[5] −.3

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval and is consistent with the technical and economic assumptions of H. Con. Res. 268. In addition, estimates are included of the direct spending effects for all entitlement or other mandatory programs requiring annual appropriations under current law even though the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] In accordance with sec. 5(a)(b) the levels of budget authority, outlays, and revenues have been revised for Catastrophic Health Care (Public Law 100-360).

[3] The permanent statutory debt limit is $2,800 billion.

[4] Maximum deficit amount [MDA] in accordance with sect. 3(7)(D) of the Congressional Budget Act, as amended.

[5] Current level plus or minus MDA.

PARLIAMENTARIAN STATUS REPORT 101ST CONG., 1ST SESS., SENATE SUPPORTING DETAIL, FISCAL YEAR 1989 AS OF CLOSE OF BUSINESS APR. 19, 1989

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			964,434
Permanent appropriations and trust funds	874,205	724,990	
Other appropriations	594,475	609,327	
Offsetting receipts	−218,335	−218,335	
Total enacted in previous sessions	1,250,345	1,115,982	964,434
II. Enacted this session:			
Adjust the Purchase Price for Non-Fat Dry Dairy Products (Public Law 101-7)		−10	
Implementation of the Bipartisan Accord on Central America (Public Law 101-14)	−11		

PARLIAMENTARIAN STATUS REPORT 101ST CONG., 1ST SESS., SENATE SUPPORTING DETAIL, FISCAL YEAR 1989 AS OF CLOSE OF BUSINESS APR. 19, 1989—Continued

[In millions of dollars]

	Budget authority	Outlays	Revenues
Total enacted this session	−11	−10	
III. Continung resolution authority			
IV. Conference agreements ratified by both Houses			
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Dairy indemnity program	(2)	(2)	
Special milk	4		
Food Stamp Program	253		
Federal crop insurance corporation fund	144		
Compact of free association	1	1	
Federal unemployment benefits and allowances	31	31	
Worker training	32	32	
Special benefits	37	37	
Payments to the Farm Credit System	35	35	
Payment to the civil service retirement and disability trust fund [1]	(85)	(85)	
Payment to hazardous substance superfund	(99)	(99)	
Supplement security income	201	201	
Special benefits for disabled coal miners	3		
Medicaid:			
Public Law 100–360	45	45	
Public Law 100–485	10	10	
Family Support Payments to States:			
Previous law	355	355	
Public Law 100–485	63	63	
Veterans Compensation COLA (Public Law 100–678)	345	311	
Total entitlement authority	1,559	1,121	
VI. Adjustment for economic and technical assumptions	−18,925	−16,990	
Total current level as of Apr. 19, 1989	1,232,969	1,100,103	964,434
1989 budget resolution H. Con. Res. 268	1,232,050	1,099,750	964,700
Amounts remaining:			
Over budget resolution	919	353	
Under budget resolution			266

[1] Interfund transactions do not add to budget totals.
[2] Less than $500 thousand.

Note.—Numbers may not add due to rounding.●

CZECHOSLOVAK SOCIETY OF AMERICA

● Mr. SIMON. Mr. President, I would like to commend the Czechoslovak Society of America, which was founded in St. Louis, MO, by immigrants from Czechoslovakia on March 4, 1854. It is the oldest fraternal benefit society in the United States.

For 135 years the CSA Fraternal Life has provided financial and fraternal security for its members and has actively supported patriotic causes. It is devoted to the American principles of freedom and democracy with thousands of young men and women members who served with honor and valor in every conflict involving our country.

The CSA has made generous contributions through acts of charity and financial help to the needy and distressed people of our country. The Czechoslovak Fraternal Life is a family oriented organization which is proud of its heritage, high morals and education standards, along with its promotion of physical fitness through its athletic activities program.

Mr. President, I hope all my colleagues will join me in extending this message of congratulations to the Czechoslovak Society of America on its past accomplishments and wishing them the best in the years ahead. Special congratulations to Mr. George C. Vytlacil, president of Czechoslovak Society of America Fraternal Life on a job well done.●

A TRIBUTE TO THE LATE DR. LOUIS DUPREE

● Mr. HUMPHREY. Mr. President, I was saddened recently to learn of the death of Prof. Louis Dupree, of Duke University. Dr. Dupree was an anthropologist, an educator, and one of the foremost authorities on Afghanistan having spent many years there since his first visit in 1948.

I want to take a few minutes today to discuss the life of this remarkable man.

Where should I begin? I have here his résumé. It is some 37 pages long, evidence that Dr. Dupree was a man of considerable accomplishment. To cover the basic facts, Dr. Dupree was born in Greenville, NC, in 1925. He attended the Coast Guard Academy preparatory school, was a cadet-midshipman in the Merchant Marine Reserve, seeing 12 months sea duty in 1943 and 1944. From 1944 to 1947, he served in the U.S. Army as an officer in the parachute infantry of the 11th Airborne Division in the Philippines and Okinawa. In the Philippines, he did reconnaissance behind Japanese lines and was wounded. Dr. Dupree was proud of his military service, and with good reason. His medals included the Mariner's Medal, Merchant Marine Combat Bar, Combat Infantry Badge, Purple Heart, and Bronze Star.

Dr. Dupree earned his bachelor's in 1949, his masters degree in 1953, and his Ph.D. in anthropology in 1955, all from Harvard University. While there he specialized in Asian archeoglogy and ethnology.

From 1959 to 1983, he was an associate with the American universities field staff, a cooperative research and teaching program of 11 institutions. He taught at Pennsylvania State from 1983 to 1985 when he became senior research associate of Islamic and Arabic Development Studies at Duke University. He also held teaching positions at Duke and the University of North Carolina at Chapel Hill.

He was an adviser on Afghanistan to the Governments of West Germany, France, Denmark, Sweden, Norway, England, and Australia. In the United States, he was a consultant on Afghan affairs to the State Department, the Peace Corps, the National Security Council, the Central Intelligence Agency, the Agency for International Development, the United Nations.

Over his long and distinguished career, Dr. Dupree wrote 23 books and monographs, 194 articles and chapters in books, 16 encyclopedia chapters, 48 book reviews. The list goes on, and on, and on. This is more than some people could accomplish given several lifetime.

In 1973, Dr. Dupree published his book "Afghanistan," A 760-page tome that was nominated for the national book award in history. Sixteen years after it was published by Princeton University Press, "Afghanistan" is regarded as the standard text on the subject.

But having just listed the litany of his accomplishments, let me hasten to add that Dr. Dupree was more than the sum of his works.

I came to know Dr. Dupree because of my interest in the freedom of the Afghan people. As one of the foremost experts on Afghanistan, Louis Duspree was one of the first experts I met with early in 1985 before setting up the Congressional Task Force on Afghanistan. He also was one of the first witnesses before the task force. At our first hearing, Dr. Dupree crystalized the thinking of many of us when he said:

> This is, in my opinion, the most important political and moral issue that faces us at this time and is probably the most important since the Second World War. If you look down the road to the year 2,010, it is quite possible, if things continue the way they are now, that the Soviet Union will be the major economic and political force, not just in Afghanistan, but in the Persian Gulf area.

Thank goodness the freedom fighters seem to have diverted the Soviets from that geopolitical thrust. Dr. Dupree was one of the principal actors who helped change the course of history in that respect.

Over the years we stayed in close contact. His advice and counsel was always wise and informed. When I recommended an Afghan scholar in residence for the Embassy in Islamabad, I recommended Dr. Dupree who was ultimately selected by the late Ambassador Arnold Raphel.

Dr. Dupree was an historian with a sense of adventure. While some chroniclers of the past might do their work in musty libraries, Louis Dupree charged into the field. For example, in 1961, in order to investigate the British retreat from Kabul to Jalalabad from January 16 to 13, 1842, during the first Anglo-Afghan War, Dr. Dupree literally retraced the steps of those soldiers: He and an assistant walked the 116 miles in the dead of winter along the same route the soldiers had taken 121 years before.

What a journey. His account—published in 1976—is enthralling. This is how history should be done; getting out and walking through the sands of

time. It explains why his opinion on Afghanistan was so valued.

The trip was not without its pitfalls: A leaden bureaucracy stalled their departure from Kabul for 2 days; at one point a Mullah presented them with two live artillary shells that had been buried in the town courtyard, he thought they'd like to have them for the villagers had no use for them.

The Dupree home in Kabul was a remarkable gathering place where all sorts of people would drop in for what Dr. Dupree called the 5'oclock follies. He described it in an essay in 1980:

Nancy and I spent about 50 percent of our time outside Kabul. When in Kabul, we let it be known that we did not appreciate being disturbed during the day. We were writing. However, at 5 p.m., the bar opened and all were welcome. And many came. Some days only two or three, other days 20 to 30. It became a tradition. Even Russians came. So did Pakistanis, Indians, Koreans, Germans, French, Swiss, British, etc. . . . Discussions and arguments of all kinds raged, covering all disciplines.

What a wonderfully fascinating place that must have been; full of different people, ideas, and language. Again, it explains why his insights were so sought after.

Dr. Dupree's closest friends talk about his wonderful sense of humor. An example they often give occurred in 1978 when he was taken into custody by the KGB in Kabul on suspicion of being an agent of the CIA. He was subsequently released and suffered no ill effects. He wrote about the experience a few years later and it is a harrowing account of torture and murder that he witnessed before finally being released. But what impressed everyone most about the account is that having survived this experience, he was still able to find something to laugh at with his usual wry sense of the absurd:

[The guards] finally decided to take my books away. No matter, I'd read them all but Edgar Snow's "The Other Side of the River; Red China Today." All the books were returned the next day. "You can have them," I was told. "They are all novels." I don't think Edgar Snow would have been pleased . . . No one questioned me that night, but by guard slept fitfully. He woke up every time a new set of screams penetrated our walls. He drummed his fingers loudly and nervously. I don't think he purposely tried to keep me awake. We didn't talk. He just looked tired and sad in his baggy brown uniform. His AK-47 sat on top of a filing cabinet within easy reach for either of us. A James Bond I'm not.

A James Bond he wasn't, but a scholar, a gentleman, a good friend, a devoted husband, and a man of integrity and principle he was.

Let me take a brief moment to acknowledge in this tribute to Dr. Dupree his wife Nancy Hatch Dupree. More than his partner in life, Mrs. Dupree was also his partner in scholarship. Indeed, in 1988 they spent 6 months in Pakistan with the Afghans as joint Fulbright Senior Scholars.

Finally, I am told that Dr. Dupree's ashes will be returned to Afghanistan, there to be scattered in the land he loved so dearly. A friend and colleague summed him up this way at a memorial service at Duke University:

Few men have had the fortune to so identify themselves with a little known culture and then in crisis to interpret that culture to the world and influence its destiny.

What a splendid compliment. And it is true. Louis Dupree influenced the destiny of Afghanistan, and by curbing Soviet imperialism, he added to the momentum of positive changes now occurring in Moscow.

Dr. Dupree will be missed by many, many, persons, not just in America, but in every corner of the globe.●

TERRY ANDERSON

● Mr. MOYNIHAN. Mr. President, today marks the 1,508th day of captivity for Terry Anderson in Beirut.

On March 16, 1989, the Buffalo News printed an article which chronicles all that has happened since Terry was kidnaped. I ask that it be printed in the RECORD.

The article follows:

TERRY ANDERSON, FORGOTTEN BY TIME

(By Anthony Violanti)

Four years equals 48 months, or 208 weeks, or 1,460 days. But how can the lost moments of Terry Anderson's life be measured?

Is there a numeric value that can be placed on being denied the opportunity to see a newborn daughter, or bid farewell to a dying father and brother?

Those moments have disappeared into a vaccum for Anderson. In his life, time has been suspended. He exists as a hostage in a timeless phantom zone, unsure of the changes in the world and in his family during the past four years.

Four years ago today, Anderson, a Batavia native who was chief Middle East correspondent for the Associated Press, was kidnapped by Muslim fundamentalists in Beirut, Lebanon, Anderson, now 41, sits alone in a small room somewhere in Lebanon. Of the 13 foreign hostages in the Middle East, he has been held the longest.

Four years—a long time by any standard. While Terry Anderson has sat captive, the world has gone about its business. While he has waited, four years of history have come and gone.

Mikhail Gorbachev started a more open policy, glasnost, in the Soviet Union.

Shiite Muslim extremists seized a TWA airliner en route from Athens to Rome.

Actor Rock Hudson died from the sexually transmitted disese called AIDS.

A rock concert called Live Aid raised money to feed starving millions in Africa.

Thousands of men, women and children died in an earthquake in Armenia.

The space shuttle Challenger exploded after liftoff, killing six astronauts and schoolteacher Christa McAuliffe.

Ferdinand Marcos fled the Philippines and was replaced as president by Corazon Aquino.

An accident at the Soviet Union's Chernobyl nuclear power plant killed 23 people and displaced 40,000 more from their homes.

Crack cocaine became a popular, destructive drug in America.

U.S. bombers attacked Moammar Gadhafi's headquarters in Tripoli.

Homelessness became a major U.S. concern.

The United States sold weapons to Iran and used the money to finance contra rebels fighting in Nicaragua.

Oil tankers in the Persian Gulf became targets of Iranian and Iraqi missiles and warplanes. U.S. vessels were sent there to protect the tankers.

Supreme Court nominee Robert Bork was rejected by the Senate.

On Wall Street, the Dow Jones average crashed 508 points in one day.

Gary Hart dropped out of the Democratic presidential primary race after he was reported to have spent a night with a young fashion model.

TV preacher Jim Bakker gave up his ministry after a sex scandal.

George Bush defeated Michael Dukakis and was inaugurated as president.

The USS Vincennes shot down an Iranian airliner by mistake, killing 290 people.

The Soviet Union agreed to end military intervention in Afghanistan.

Iran and Iraq signed a truce to halt their long war, which had killed millions.

Iran's Ayatollah Khomeini ordered the death of author Salman Rushdie for writing a "blasphemous" novel called "The Satanic Verses."

President Bush's choice of John Tower as secretary of defense was rejected by the Senate.

Roseanne Barr became America's favorite TV star.

President Bush promised a "kinder, gentler America."

In Buffalo, the downtown area has undergone a significant face lift.

There is a new baseball stadium called Pilot Field and a new rapid-transit system.

Jimmy Griffin is running for a fourth term as a mayor.

The Buffalo Bills, those perennial losers, finished last season just one victory away from the Super Bowl.

Yes, Buffalo and the world have changed. But perhaps the most significant events that Terry Anderson has missed are personal ones. In 1986, cancer claimed his father, Glenn R. Anderson, 69, and his brother, Glenn R. Anderson Jr., 46.

Four days before he died, Glenn Jr. taped a video message to his brother's captors. He said: "Terry never hurt anybody. Terry loved the people of Lebanon.

"I have made a vow I would not die until I saw Terry. That vow is getting very close to an end. Please release him. I wish to see him one more time. Please release him."

And Terry Anderson has a daughter whom he has never seen and never held. Her name is Sulome; she has curly hair, dimples and a soft, warm smile. She was born weeks after her father was kidnapped in June 1987, Sulome made a videotape for him. It lasted one minute, long enough for her to say: "I love you, Daddy. Come to us, Daddy. Our hearts are broken. Where is Daddy?"

To the world at large, the deaths of Glenn Anderson and Glenn Anderson Jr., and the birth of Sulome, matter little. There are broad geopolitical issues at stake in the fate of Terry Anderson and the other hostages.

But four years have passed. Alone in captivity, a man has a lot of time to think about his family. That was evident on Christmas Eve 1987, when his captors re-

leased a videotape of Terry Anderson. He said: "To my family, I love you and I miss you very much . . ."

Some things never change.●

THE SINGING ANGELS OF CLEVELAND CELEBRATE THEIR 25TH ANNIVERSARY

● Mr. GLENN. Mr. President, today I rise to congratulate the Singing Angels youth chorus on their 25th anniversary. The Singing Angels are the pride of Cleveland, OH, and are an asset to the United States of America. For the past 25 years children from all races, nationality groups and economic levels, as well as handicapped, chronically and progressively ill youngsters have had the opportunity to enjoy life and the rewards of singing to their fullest potential through their participation in the Singing Angels.

The Singing Angels chorus is comprised of 250 young singers. One hundred of these children, ages 6 to 14, form the training chorus, where they hone their singing skills. This chorus makes about 50 appearances each holiday season. The other 150 youngsters, age 8 to 18, perform 80 to 90 concerts a year worldwide, earning them the title of "Cleveland's Good Will Ambassadors."

Since 1964, the Singing Angels, under the direction of founder Bill Boehm, have entertained more than 400 million people, through live performances and television appearances throughout the world. "The purpose of the Singing Angels is to promote the joy of singing among children," says Bill Boehm. "We sing religious, patriotic Broadway songs and good standard pop tunes. One of the best aspects of it all is the pleasure that the kids have in bringing joy to audiences in America and abroad."

Over the years, the Singing Angels' tours have included performances in Malaysia, Hong Kong, Macau, Japan, Canada, Germany, Austria, Hungary, China, Mexico, Italy, Taiwan, Israel, and Romania. They performed for Pope John Paul II in Vatican Square in 1980 and in 1983 in China's Great Hall of the People.

Again, I congratulate Bill Boehm and his Singing Angels on their remarkable accomplishments over the last 25 years. I know the Singing Angels will continue to bring joy to their audiences in Ohio, the rest of the United States and even in other nations for many years to come.●

CONDITIONAL SUPPORT FOR THE NATIONAL ENERGY POLICY ACT

● Mr. DECONCINI. Mr. President, on February 2, 1989, I joined my friend and colleague, Senator TIM WIRTH of Colorado, as a cosponsor of S. 324, the National Energy Policy Act. At that time, I indicated my support for a comprehensive energy package to meet the Nation's energy needs for the 21st century. However, I carefully qualified my support by stating that I did not endorse each and every provision of the bill. Instead, I was endorsing a framework for a discussion on the steps this Nation needed to take to avert any future energy or pollution crisis.

There are certain provisions which I strongly oppose. In particular, I am directing my attention to that part of the legislation which authorizes appropriations for international population and family planning assistance.

I do not believe that it is appropriate to include abortion language in an energy package. Family planning assistance should not be included in discussions about the damaging effects of chlorofluorocarbons on the Earth's atmosphere. International population control has no bearing on the debate surrounding the greenhouse effect, the ozone layer, or the loss of rainforests in the Amazon.

I have many concerns about the future of the Earth's fragile ecosystems. More important, however, is my concern for the protection of a fragile human life. My record is clear on the issue of human life. I am adamantly opposed to abortion except where the life of the mother is at stake. I urge the supporters of this bill to remove those sections of the bill relating to family planning assistance. Despite the many sound provisions in S. 324, I would not support final passage unless the offending international family planning provisions are removed.●

NATIONAL NURSING HOME RESIDENTS' RIGHTS WEEK

● Mr. PRYOR. Mr. President, 1.5 million residents of nursing homes throughout our Nation are joining nursing home staff and interested citizens in celebration of National Nursing Home Resident's Week. In honor of this occasion, I am inroducing a resolution to designate September 9 through September 15 as a week of appropriate ceremonies and activities in recognition of nursing home residents.

Congress has taken some important steps to improve the quality of life for all nursing home residents. I am deeply gratified to have played a role with Senator MITCHELL and others in the inclusion of many nursing home reforms in the Omnibus Budget Reconciliation Act passed in 1987. These reforms include provisons that significantly strengthen residents' rights, so that they may have visitors, privacy, and be free from verbal and physical abuse. A more effective means of oversight has been introduced through unannounced, staggered surveys of facilities by miltidisciplinary teams and additional survey requirements for substandard facilities. Furthermore, enforcement will be enhanced with tougher sanctions against those facilities that provide substandard care and residents will have greater recourse if their grievances are left unanswered. In sum, the legislation passed as part of OBRA will do much to allow nursing home residents to have more say in the decisions that affect their lives. I am pleased to see our Nation moving toward a policy of treating our citizens in nursing homes with greater dignity and respect. But the march should not stop here.

The progress made already for those who have contributed so much to our society should not lead us into a state of complacency. As chairman of the Senate Special Committee on Aging, I will work with Members of Congress on both sides of the aisle to improve the health and general welfare of the elderly in our society. I will conduct hearings and develop legislation to address the challenges such as those posed by rising health care costs, Alzheimer's disease and the lack of adequate quality medical services in rural areas.

Yet, even with these advances, we will still have a long way to go before congressional intent becomes a reality for all residents of nursing homes. A study conducted this past October—October 1988—by the Senate Special Committee on Aging found that "almost 40 percent of the nursing home residents between 65 and 84 were prescribed powerful and potentially dangerous antipsychotic drugs primarily used for the treatment schizophrenia in younger individuals" (serial No. 100-M, p. 34). This means that in that one aspect of care alone, well more than one-third of the nursing homes across the Nation are giving substandard care to those people they are charged with helping and protecting.

It is the spirit of continuing the advancement of care for our Nation's elderly that I introduce this resolution that I believe will send a strong message to both nursing homes and to those agencies charged with enforcement of reform: Congress and the concerned citizens of the United States will not allow our elderly to be forgotten in the laws that are made to protect them.●

BILLY SQUIRES DAY

● Mr. KERRY. Mr. President, I want to take this opportunity to recognize the achievements of a great man, athlete, coach, and friend, Billy Squires.

During Marathon weekend the city of Boston and Mayor Ray Flynn made Sunday, April 16, "Billy Squires Day." This was to acknowledge his achievements as a runner, a coach, and a person.

Billy Squires grew up in Arlington, MA. As a senior in high school he was chosen as a member of the 1952 Parade All-American team. He went on to Notre Dame where he was a four-time All-American in the 800- and 1,500-meter races.

Incredibly, he has been even more successful as a coach. Bill has proved that he has the knowledge to coach running at all levels. He has coached 20 national championship teams. In 1980, Billy was a national olympic marathon coach. He has had numerous individual champions and All-Americans. Bill Rodgers and Alberto Salazar are just two of the running greats that were coached by Billy Squires.

Billy is a world-class coach, not because he coaches world-class runners, but because he'll give anyone a lift or a helping hand.

I ask that an article written by Michael Madden that appeared in the Boston Globe on Sunday, April 16, be printed in the RECORD following my remarks.

The article follows:

PAYING THEIR BILL—TODAY'S "EVENT" AT BC A TRIBUTE TO SQUIRES

(By Michael Madden)

This is Marathon weekend in Boston, and runners abound, bound along, all bound to their quest of 26 miles 385 yards. Over to the side of Heartbreak Hill, though, one man merely wants to run a 440 in 56 seconds. But no heartbreak here; just a warm tale for a warm man.

Tommy Leonard is involved, of course, getting the 28 gold and 28 green balloons to string up in this man's honor. The tape of the Notre Dame fight song, too, and a tape of "You Gotta Have Heart," and maybe a stopwatch, one with slow-moving digits, and it will all happen at the Boston College track, Which is fitting, since all of this . . . and all of them . . . really are For Boston.

Billy Squires will try to run his age in the 440, 56 seconds, this morning at 11:30, the number "56" on Squires' chest, which will happen after the "Squires Stroll," a mile run in which some, if not many, former Squires runners will go after . . . what? . . . 4:15? . . . 5:15? . . . on the watches. "It's all for fun," says Leonard.

But it is also so fitting. The Boston Marathon, marathoning and Squires' guidance of the fledgling Greater Boston Track Club all seemed to blossom together, there in the mid-1970s, until all grew and grew and grew. Thousands of strangers flock to Boston every Patriots Day; Squires is one of the reasons.

Squires was a personal mentor to Bill Rodgers, Greg Meyer, Randy Thomas, Alberto Salazar, Gerry Vanasse and so many others, building the GBTC from little into a national-caliber club, "and this is a natural," says Leonard, "to do something like this for Billy."

It all started with a bet, says Leonard, sitting there in Coach's Corner at the Eliot Lounge, with Squires' friends, "Coach," of course, being the only name for Squires. "A fellow runner from New York [Paul Fetscher] challenged Coach back in November to run his age," says Leonard. "I said, "Boy, I can jump on this. Let's have a testament to the man. I mean, he touches people in so many ways. I think if Billy had become a priest, he'd be a cardinal."

The stakes are a pint of Sam Adams versus $100, Squires' only risk the beer, but Squires' 56th birthday is coming next month and 56 seconds for the quarter is formidable.

"I think he'll do it in 64," says Leonard, "That's not even the point . . . I mean, I don't want to kill the guy. He's just a beautiful human being. Everybody is a friend of Billy."

So 56 is the theme, the 56 slices of pizza that Kenny Valducci gave Squires Wednesday to go with 56 bottles of Sam Adams, and the 56 issues of the New Yorker (one year's subscription plus four back issues), and on and on and on. But 56 is also only the excuse, an excuse to honor a modest, giving man.

Eddie Doyle, a manager of the Cheers bar and the Barley Hoppers Running Club ("We run for fun; we roam for foam"), a regular in Coach's Corner at the Eliot, says he would gladly prefer having Squires as a customer at Cheers than all the Sams and Norms and Dianes of the TV world. "He's just such a wonderful guy," says Doyle.

Freddy Doyle of Nike has the best suggestion ("Why don't you just let him run 56 seconds and stop?") but Squires has lost 15 pounds, is in hard training, and there may be a mob of Squires' friends at BC this morning. Squires' hamstrings are tight, but this is a challenge.

But the challenge is secondary to the warmth, Leonard tried to track down Wes Santee, whom Squires ran against when Santee was at Kansas and Squires at Notre Dame, when miling was the glamour of America's running, and though Santee wasn't located, it is the effort that counted.

"For all of us amateur runners, who like to take an hour each day and run around the [Charles] River, and we come back with a sore ankle and a heel that hurts, Billy would be at the bar [in Coach's Corner], dispensing advice," says Billy DeFranceso. "You'd say, 'Bill, I just ran 4 miles and my leg hurts.' And he'd say, 'Do this,' and 'Do that,' and he'd tell you what to do, give you all sorts of free advice, and it would be the right thing. And that's why this is nice, what we're doing for Billy."

And if Rodgers was Squires' most famous runner, there are so many others to whom Squires gave. Which is why so many may be there this morning, the Notre Dame fight song playing while Squires warms up, the McGuire Sisters on tape while Squires goes after 56 seconds, the same words Squires used to listen to while training to face Wes Santee: "You gotta have heart."

Which Squires does.●

APPOINTMENT TO NATIONAL WOMEN'S BUSINESS COUNCIL

Mr. DOMENICI. Mr. President, in accordance with Public Law 100-533, the National Women's Business Ownership Act of 1988, the following named individual is hereby appointed as a member of the National Women's Business Council: Ms. Sandra R. Herre of Wisconsin.

The PRESIDING OFFICER (Mr. KOHL). It will be duly noted.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business with Senators permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT OF CONFEREES—H.R. 1426

Mr. MITCHELL. Mr. President, is H.R. 1426, a bill to amend the Public Service Act, as passed by the Senate, still at the desk?

The PRESIDING OFFICER. Yes; it is.

Mr. MITCHELL. Mr. President, I move that the Senate insist on its amendment and request a conference with the House on the disagreeing votes of the two Houses and that the Chair be authorized to appoint conferees.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to, and the Presiding Officer [Mr. KOHL] appointed Mr. KENNEDY, Mr. ADAMS, and Mr. HATCH conferees on the part of the Senate.

CORRECTING THE ENGROSSMENT OF S. 767

Mr. MITCHELL. Mr. President, on behalf of Senator BUMPERS, I ask unanimous consent that the engrossment of S. 767, a bill to make technical corrections to the Business Opportunity Development Reform Act, be corrected to reflect the substitute amendment I now send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I ask unanimous consent that a statement by Senator BUMPERS and a section-by-section analysis of the substitute be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection it is so ordered.

● Mr. BUMPERS. Mr. President, I would like to share with my colleagues some background on this bill and then briefly summarize what it does.

On November 15, 1988, President Reagan signed H.R. 1807, the Business Opportunity Development Reform Act of 1988, which became Public Law 100-656. This was the House companion measure to S. 1993, which was considered on this floor last summer. This legislation makes a series of important improvements to the Minority Small Business and Capitol Ownership Development [MSB/COD] Program, which provides small business concerns owned and controlled by socially and economically disadvantaged individuals with an array of special assistance. The overall objective of this assistance is to foster the development

of minority firms, increasing the likelihood of their success in the Nation's economic mainstream. The MSB/COD Program is better known by the provision of the Small Business Act which provides the statutory authority for contract assistance, section 8(a).

During the 100th Congress, both the House and Senate sought to address the program's persistent shortcomings, and especially those problems highlighted by the most recent scandal relating to the Wedtech Corp., through comprehensive reform legislation. H.R. 1807, the Capital Ownership Development Reform Act of 1987, passed the House on December 1, 1987. The Senate companion, S. 1993, the Minority Business Development Program Reform Act of 1988, passed the Senate on July 7, 1988.

The conference committee convened on August 10, 1988. The conference was protracted since substantial differences between the two bills had to be resolved. Key policy issues had to be hammered out. The process continued into the very last days of the 100th Congress. The conference report was filed on October 7, 1988. The House unanimously approved the conference report by voice vote on October 12, 1988, followed by the Senate on October 18, 1988.

Upon review, it was found that the bill text contained a number of errors and omissions. Most of these problems can be traced to the fact that the filed bill had not been reviewed by the House Legislative Counsel and contained substantially more hand-written text than was desirable. To correct some of the more significant omissions and errors, Senator Weicker and I introduced Senate Concurrent Resolution 167, which was passed by the Senate on October 21, 1988. Unfortunately, it was not considered by the House before adjournment.

Subsequent review of the enrolled bill and the text of the public law demonstrated a need for more extensive corrective action. A detailed review of the text was conducted by the staffs of the House and Senate Small Business Committees, the Senate Legislative Counsel, and various staff offices within the Small Business Administration, led by the Office of General Counsel. A draft bill reflecting all of these contributions was then prepared by the Senate Small Business Committee staff with the valuable assistance of the Senate Office of Legislative Counsel.

The bill addressed several types of problems identified in the enacted test of the Business Opportunity Development Reform Act of 1988. First, the bill corrected a number of errors in spelling, capitalization, punctuation, cross-references, and citations to the United States Code. Second, other provisions of the technical corrections bill insert omitted words or citations to the United States Code, or delete duplicative and extraneous text. Next, provisions of the bill add text or rewrite text to attain additional clarity. Finally, provisions of the bill address substantive matters.

Mr. President, I will subsequently seek unanimous consent to insert in the RECORD a detailed section-by-section analysis. At this point, however, I would like to summarize the three substantive changes made to the enacted bill by S. 767.

Section 4 of the bill restores a provision requiring SBA to complete its review of an application for admission to the MSB/COD Program within 90 days of receiving a complete application, thus correcting the chronic and common problem of intolerably lengthy delays in the application process. This provision was inadvertently omitted from the text of the conference report, although it was thoroughly described in the Joint Explanatory Statement of Managers.

Section 20 of the bill adds a new subsection to section 505 of the enacted bill, which created a Commission on Minority Business Development. As enacted, section 505 failed to explicitly assign SBA any role to assist the Commission during its formative stages, although this was clearly the intent of the conferees. The new subsection converts that intent into explicit statutory language.

Section 30 of the bill extends the deadline for the promulgation of final implementing regulations. As enacted, section 801 requires SBA to publish final regulations implementing the statutory changes to the MSB/COD Program within 210 days of the date of enactment, or June 15, 1989. The same provision also specified very tight deadlines for the conduct of public meetings and the publication of proposed regulations. Given the magnitude of the program changes mandated by the legislation, SBA Administrator Abdnor wrote to me requesting an extension of the deadline. Proposed regulations were published on March 23, 1989. They provided only a 30-day comment period because of the statutory deadline for the final regulations. Section 30 of S. 767 modifies section 801, extending the deadline for final regulations an additional 60 days, or until August 15, 1989. This will provide additional time for public comments and for SBA to consider those comments.

A corresponding change to section 803(b) of the act extends the effective date for a broad group of the act's provisions from June 1 to August 15, so that the statutory changes do not take effect before the implementing regulations are available.

Mr. President, the Committee on Small Business unanimously ordered the technical corrections bill reported as an original bill during its organizational meeting on January 31, 1989. Subsequently, concerns were expressed by Representatives of certain members of the House Committee on Small Business with respect to the text of the bill ordered reported. First, they maintained that some of the bill's provisions, designed to clarify text of Public Law 100-656, actually effected substantive changes. Second, one key member of the House Small Business Committee opposed extending the deadline for the final regulations.

After a series of staff discussions, modifications to the bill, as ordered reported by the committee, were agreed to. Principally, they eliminate most of the bill's provisions clarifying text in the act. An amendment in the nature of a substitute embodying these changes was prepared and filed concurrently with the reported bill on April 12.

Mr. President, neither the reported bill, or the substitute that I am about to offer, have any budget implications.

The section-by-section analysis was ordered to be printed in the RECORD is as follows:

S. 767, THE "BUSINESS OPPORTUNITY DEVELOPMENT REFORM ACT TECHNICAL CORRECTIONS ACT," AMENDMENT IN THE NATURE OF A SUBSTITUTE, SECTION-BY-SECTION ANALYSIS

Section 1. Short Title.

This section establishes the short title of the bill as the "Business Opportunity Development Reform Act Technical Corrections Act".

Section 2. Table of Contents.

This section corrects two grammatical errors in the Act's Table of Contents.

Section 3. Definitions.

This section establishes a definition of the term "Business Opportunity Specialist", which is used throughout the Act to describe the Small Business Administration employee who is most directly responsible for providing business development assistant to participants in the Minority Small Business and Capital Ownership Development Program.

The section also inserts an omitted word, "Minority", in the definition of the word "Program", which means the Minority Small Business and Capital Ownership Development (MSB/COD) Program. Given that the term "Program" is a common word, the definition was specified further by adding the phrase "unless otherwise indicated".

Section 4. Program Eligibility.

This section of the bill makes a series of corrections, clarifications, and modifications to Section 201(a) of the Act, which added a series of new subparagraphs to Section 7(j)(11) of the Small Business Act (15 U.S.C. 636)h)(11)).

Paragraph (1) of the section rewrites new Subparagraph (B) (15 U.S.C. 636(j)(11)(B)) to clarify its text and to codify a special provision relating to the eligibility of small business concerns owned by socially and economically disadvantaged Indian tribes which was enacted as a free standing provision, Section 602(d) of the Act.

Paragraph (2) of the section corrects the reference to the SBA office charged with

the management of the MSB/COD Program.

Paragraph (3) of the section corrects the reference to the SBA official responsible for the management of the MSB/COD Program.

Paragraph (4) of the section corrects a grammatical error.

Paragraph (5) of the section makes a clarification to Subparagraph (F)(vi) (15 U.S.C. 636(j)(11)(F)(vi)) regarding the authority of the Director of the Division of Program Certification to make recommendations to the Associate Administrator for Minority Small Business and Capital Ownership Development relating to the decisions by that officer on protests from applicants to the MSB/COD Program who have been denied admission.

Paragraphs (6), (7), and (8) of the section corrects two citations and a capitalization error.

Paragraph (9) restores a provision, which was inadvertently omitted from the text of the bill in the Conference Report, but was described in the Joint Explanatory Statement of Managers. This provision requires SBA to complete its review of an application for the MSB/COD Program within 90 days of receipt of a complete application. Delays in the processing of applications, frequently between 12 and 18 months, has been a chronic problem with SBA's management of the Program. Other provisions of the Act specify organizational changes and authorize additional resources to make possible the attainment of this new requirement.

Section 5. Business Plans.

This section corrects a series of errors in Section 7(j)(10) of the Small Business Act (15 U.S.C. 636(j)(10)), as amended by Section 205 of the Act, relating to capitalization, use of the plural when the singular was intended, and various misspelled words. It also adds a parenthetical phrase after a cross-reference, which captures the substance of the matter contained in the referenced provision.

Section 6. Eligibility Reviews and Eligibility of Native Hawaiians.

Section (a) of this section strikes an extraneous phrase from Section 7(j)(10)(J)(i) of the Small Business Act (15 U.S.C. referenced provision of the Federal Acquisition Regulation, relating to suspension and debarment of prospective government contractors, only provides for the suspension of a firm's eligibility for the award of new Federal contracts for a fixed period of time. It does not impose a permanent ineligibility, nor does it authorize the termination of any existing contract awarded to such a firm, if it is being properly performed in accordance with the contract's specifications, terms and conditions.

Subsections (b), (c), and (d) of this section correct a series of errors relating to capitalization and United States Code citations.

Subsection (d) of this section inserts a twice omitted word, "unconditional", which is critical to Congressional intent regarding ownership of a firm participating in the MSB/COD Program by eligible individuals or entities.

Section 7. Termination and Graduation Standards.

Subsection (a) of this section claries to provisions of Section 7(j)(10) of the Small Business Act (15 U.S.C. 636(j)(10)), as amended by Section 208 of the Act. It also eliminates text which appears twice.

Subsection (b) of this section corrects a U.S. Code citation.

Section 8. Stages of Program Participation.

Subsection (a) of this section makes two corrections to improve the syntax of the provision.

Subsection (b) of this section clarifies the portion of Section 7(j)(13)(E) of the Small Business Act (15 U.S.C. 636(j)(13)(E)), as added by Section 301(b) of the Act, relating to the payment of firm's providing training to participants in the MSB/COD Program under the authority of this provision.

Section 9. Loans.

This section inserts a grammatically necessary word.

Section 10. Contractual Assistance.

Subsections (a) thru (d) of this section correct citational and capitalization errors, and insert an omitted word.

Subsection (e) inserts language that makes clear that any firm availing itself of the authority specified must meet the applicable standards for a "small business concern".

Subsection 11. Status of the Associate Administrator for Minority Small Business and Capital Ownership Development.

This section strikes an extraneous word and clarifies a reference to the Small Business Act.

Subsection 12. Prohibited Actions and Employee Responsibilities.

This section strikes an extraneous word.

Subsection 13. Politically Motivated Activities.

This section strikes an extraneous phrase.

Subsection 14. Reports By Program Participants.

This section corrects errors relating to capitalization.

Subsection 15. Congressionally Requested Investigations.

This section substitutes a phrase that more accurately captures the intent of the Conferees regarding this provision. The provision requires that the SBA Inspector General reply, within 30-days of a request for an investigation made by the Committee on Small Business of either the Senate or the House of Representatives, regarding the disposition of the request, but not the final disposition of the subject matter covered by the requested investigation.

Subsection 16. Contract Performance.

This section clarifies Section 8(a)(21) of the Small Business Act (15 U.S.C. 637(a)(21)), as amended by Section 407 of the Act. The amendment requires the termination of contracts held by a participant of the MSB/COD Program, if the owners of the firm providing eligibility relinquish ownership or control of the firm. The provision permits the Administrator of the Small Business Administration to waive the termination requirement under specified circumstances, provided prior notice is furnished to the SBA. One of the listed circumstances is the incapacity or death of the owners upon whom eligibility is based. The clarification permits after-the-fact notification under such circumstances.

Subsection 17. Due Process Rights.

This section substitutes the word "Administration" for "Administrator" in two places and corrects a U.S. Code citation.

Section 18. Employee Training and Evaluation.

This section inserts an omitted word and corrects a cross-reference.

Subsection 19. Presidential Report on Contracting Goals.

This section inserts an omitted world.

Section 20. Commission on Minority Business Development.

Paragraphs (1) thru (6) of this section of the bill correct a series of errors in Section 505 of the Act, including capitalization, cross-references, and citations.

Paragraph (7) adds a new Subsection (d) to Section 505 clarifies the Conferees' intent that SBA discharge the responsibility to provide support to the Commission during its formative stage. As enacted, Section 505 fails to explicitly assign SBA such a role, and this subsection is intended to make explicit what had been implicit.

Paragraph (8) provides additional time to administratively close out the Commission after the submission of its final report to the President and Congress.

Paragraph (9) substitutes the word "this" for the word "the" in subsection (g) of Section 505 of the Act.

Section 21. Relationship With Other Procurement Programs.

This section of the bill changes to the plural a word that was enacted in the singular.

Section 22. Indian Tribe Exemptions.

Paragraph (1) of this section of the bill corrects a United States Code citation.

Paragraphs (2) and (3) modify Section 602(b)(2) of the Act to make clear the intent of the Conferees that the provision also covers "former reservations" of certain tribes whose lands are now held in trust by the Secretary of the Interior.

Paragraph (4) strikes the provision relating to the special eligibility of small business concerns owned by socially and economically disadvantaged Indian tribes to participate in the MSB/COD Program, which is codified in Section 4 of the bill.

Section 23. Small Business Competitiveness Demonstration Program.

This section of the bill specifies the designation of the program's title by inserting the phrase "in the title".

Section 24. Enhanced Small Business Participation Goals.

This section of the bill corrects a cross-reference.

Section 25. Procurement Procedures and Reporting.

Subsection (a) of this section clarifies that the provision applies to contracting opportunities above the "small purchase" threshold, which is currently set at $25,000. Hence, the provision applies only to contracts whose anticipated award value is "more than $25,000".

Subsection (b) of this section corrects a cross-reference.

Section 26. Designated Industry Groups.

This section of the bill substitutes the correct title for Major Group 16 as reflected in the revised edition of Standard Industrial Classification Manual, issued by the Office of Management and Budget in late 1987.

Section 27. Definition of Participating Agency.

Paragraph (1) of this section inserts a department inadvertently omitted.

Paragraph (2) inserts an omitted word.

Section 28. Alternative Program for Clothing and Textiles.

Paragraph (1) of the section inserts a US Code citation.

Paragraph (2) of the section adds a provision specifying a term for the program reflecting the intent of the Conferees, and moves to Section 721 (Alternative Program for Clothing and Textiles) a reporting requirement pertaining to the alternative program that was enacted as part of Section 722 (Expanding Small Business Participation in Dredging).

Section 29. Expanding Small Business Participation in Dredging.

Paragraph (1) of this section adds a phrase specifying the starting point for the program, reflecting the intent of the Conferees.

Paragraphs (2) and (3) of the section correct syntax by adding an omitted verb to two of the paragraphs of Section 722(b) of the Act.

Paragraph (4) adds a phrase to the end of Section 722(f)(1) to enhance the specificity of the reporting requirement, and deletes the reporting requirement pertaining to the Alternative Program for Clothing and Textiles which was moved to Section 721(d) of the Act by Section 28 of the bill.

Section 30. Regulations.

As enacted, Section 801 (Regulations) requires SBA to publish final regulations implementing the statutory changes within 210 days of the date of enactment (November 15, 1988), or June 15, 1989. The same section also specified very tight deadlines for the conduct of public meetings and the publication of proposed regulations. Given the magnitude of the program changes mandated by the Act, SBA requested an extension of the deadlines. This section of the bill, amending Section 801 of the Act, extends the deadline for the publication of the final regulations an additional sixty days, until August 15, 1989. The purpose of this extension is to provide additional time for public comment and to afford SBA some additional time to more thoroughly consider the comments received. A corresponding change to Section 803 (Effective Dates), made by Section 31 of the bill, extends the effective date for a broad group of the Act's provision from June 1st to August 15th, so that these statutory changes do not become effective before the implementing regulations are available.

Section 31. Amendments to Effective Dates.

Paragraphs (1) and (2) correct an error which delayed the effective date for Section 302 (Loans), until October 1, 1989. The Conferees intended Section 302 of the Act to become effective on June 1, 1989.

Paragraph (3) delays the effective date of the sections of the Act listed in Section 801(b) from June 1, 1989 to August 15, 1989.

Section 32. Effective Dates of This Act.

The amendments made by the provisions of the bill shall apply as if included in the "Business Opportunity Development Reform Act of 1988", Public Law 100-656, at the time of enactment.●

DIRECTING SENATE LEGAL COUNSEL TO TAKE CERTAIN ACTION

Mr. MITCHELL. Mr. President, on behalf of myself and the distinguished Republican leader, Senator DOLE, I send to the desk a resolution to direct the Senate legal counsel to appear as amicus curiae in the name of the Senate in a case pending in the U.S. District Court for the Northern District of California and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 117) to direct the Senate legal counsel to appear as amicus curiae in the name of the Senate in United States, ex rel. Newsham, et al v. Lockheed Missiles and Space Company, Inc.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, on April 13, 1989, the Senate agreed to Senate Resolution 104 to authorize the Senate Legal Counsel to file a brief as amicus curiae in three actions in the United States District Court for the Central District of California. The purpose of those appearances is to defend the constitutionality of the qui tam provisions of the False Claims Act which authorize private persons to bring actions against contractors who have defrauded the Government. To provide incentives for these actions, the False Claims Act permits plaintiffs to recover a portion of the penalties and damages that are owed to the Government. The Department of Justice has not yet appeared to defend the constitutionality of the act.

The qui tam provisions of the False Claims Act have also been challenged by a defense contractor in an action in the U.S. District Court for the Northern District of California. This resolution would authorize the Senate legal counsel to appear in that case in the Northern District of California as amicus curiae on behelf of the Senate to defend the constitutionality of the qui tram provisions of the False Claims Act.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 117) was agreed to.

The preamble was agreed to.

The resolution and its preamble are as follows:

S. RES. 117

Whereas, in United States ex rel. Newsham, et al. v. Lockheed Missiles and Space Company, Inc., No. CV 88-20009 RPA, pending in the United States District Court for the Northern District of California, the constitutionality of the qui tam provision of the False Claims Act, as amended by the False Claims Amendments Act of 1986, Pub. L. No. 99-562, 100 Stat. 3153 (1986), 31 U.S.C. §§ 3729 et seq. (1982 and Supp. V 1987), have been placed in issue;

Whereas, pursuant to sections 703(c), 706(a), and 713(a) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(c), 288e(a), and 288l(a)(1982), the Senate may direct its Counsel to appear as amicus curiae in the name of the Senate in any legal action in which the powers and responsibilities of Congress under the Constitution are placed in issue: Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to appear as amicus curiae in the name of the Senate in United States ex rel. Newsham, et al. v. Lockheed Missiles and Space Company, Inc., to defend the constitutionality of the qui tam provisions of the False Claims Act.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDERS FOR TOMORROW

RECESS UNTIL 10 A.M. TOMORROW

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m. tomorrow, Wednesday, May 3, 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. I further ask unanimous consent that following the time for the two leaders there be a period for morning business not to extend beyond 10:30 a.m. with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESUME PENDING BUSINESS

MR. MITCHELL. Mr. President, I ask unanimous consent that on tomorrow the Senate resume consideration of the budget resolution, Senate Concurrent Resolution 30, at 10:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT ON AMENDMENT NO. 73

Mr. MITCHELL. Mr. President, I further ask unanimous consent that there be a time limitation on the pending Symms amendment of 30 minutes, to be equally divided between Senators SASSER and SYMMS, and that a vote on the Symms amendment occur without any intervening action at 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS FROM 12:30 TO 2:15 P.M.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate stand in recess from 12:30 p.m. until 2:15 p.m. tomorrow, Wednesday, May 3.

Mr. DOMENICI. Reserving the right to object, Mr. President, let the RECORD reflect that in all of the unanimous-consent requests made by the majority leader, if the Senator from New Mexico did not respond, I was present and the RECORD should reflect that they were all acceptable to the Republican minority as indicated by our leader to me, which I now acknowledge.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL WEDNESDAY, MAY 3, 1989, AT 10 A.M.

Mr. MITCHELL. Then, Mr. President, if the distinguished Republican manager of the bill or the distinguished chairman of the committee have no further business and if no Senator is seeking recognition, I now ask unanimous consent that the

Senate stand in recess under the previous order until 10 a.m., tomorrow, Wednesday, May 3.

There being no objection, the Senate, at 7:02 p.m., recessed until Wednesday, May 3, 1989, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 2, 1989:

DEPARTMENT OF STATE

CHIC HECHT, OF NEVADA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE COMMONWEALTH OF THE BAHAMAS.

THOMAS MICHAEL TOLLIVER NILES, OF THE DISTRICT OF COLUMBIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE THE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE EUROPEAN COMMUNITIES, WITH THE RANK AND STATUS OF AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY.

JOSEPH ZAPPALA, OF FLORIDA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO SPAIN.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FRANCIS ANTHONY KEATING II, OF OKLAHOMA, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, VICE J. MICHAEL DORSEY, RESIGNED.

DEPARTMENT OF AGRICULTURE

JAMES E. CASON, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF AGRICULTURE, VICE GEORGE S. DUNLOP, RESIGNED.

FRANKLIN EUGENE BAILEY, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF AGRICULTURE, VICE WILMER D. MIZELL, SR., RESIGNED.

CHARLES E. HESS, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF AGRICULTURE, VICE ORVILLE G. BENTLEY, RESIGNED.

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601(A), IN CONJUNCTION WITH ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be Lieutenant General

MAJ. GEN. JAMES R. HALL, JR. xxx-xx-xxxx UNITED STATES ARMY.

IN THE AIR FORCE

THE FOLLOWING PERSONS FOR RESERVE OF THE AIR FORCE APPOINTMENT, IN THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 593, TITLE 10, UNITED STATES CODE, WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF SECTION 8067, TITLE 10, UNITED STATES CODE, TO PERFORM THE DUTIES INDICATED.

MEDICAL CORPS

To be Colonel

JAMES E. MULLEN, xxx-xx-xxxx

To be Lieutenant Colonel

RICHARD J.R. BYRNE, xxx-xx-xxxx
FLOYD H. SANDERS, xxx-xx-xxxx

THE FOLLOWING REGULAR OFFICERS FOR RESERVE OF THE AIR FORCE APPOINTMENT, IN THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 593, TITLE 10, UNITED STATES CODE.

MEDICAL CORPS

To be Colonel

RALPH J. LUCIANI, xxx-xx-xxxx

To be Lieutenant Colonel

EDWARD L. PARRY, xxx-xx-xxxx

CHAPLAIN

To be Lieutenant Colonel

RICHARD F. FUEGER, xxx-xx-xxxx

THE FOLLOWING U.S. NAVAL RESERVE OFFICER FOR RESERVE OF THE AIR FORCE APPOINTMENT, IN THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 593, TITLE 10, UNITED STATES CODE, WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF SECTION 8067, TITLE 10, UNITED STATES CODE, TO PERFORM THE DUTIES INDICATED.

MEDICAL SERVICE CORPS

To be Lieutenant Colonel

GEORGE RODMAN, III, xxx-xx-xxxx

THE FOLLOWING OFFICERS FOR RESERVE OF THE AIR FORCE (NON-EAD) PROMOTION, IN THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 1552, TITLE 10, UNITED STATES CODE.

JUDGE ADVOCATE

To be Colonel

RICHARD K. WALSH, xxx-xx-xxxx

LINE

To be Colonel

LEO H. FOX, xxx-xx-xxxx

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE AIR FORCE UNDER THE PROVISIONS OF SECTIONS 593 AND 8379, TITLE 10 OF THE UNITED STATES CODE. PROMOTIONS MADE UNDER SECTION 8379 AND CONFIRMED BY THE SENATE UNDER SECTION 593 SHALL BEAR AN EFFECTIVE DATE ESTABLISHED IN ACCORDANCE WITH SECTION 8374, TITLE 10 OF THE UNITED STATES CODE. (EFFECTIVE DATE FOLLOWS SERIAL NUMBER)

LINE OF THE AIR FORCE

To be Lieutenant Colonel

MAJ. ALAN V. BOX, xxx-xx-xxxx 2/11/89
MAJ. JOHN B. CASTLEBERRY, xxx-xx-xxxx 2/10/89
MAJ. PHILIP N. HENRY, xxx-xx-xxxx 2/1/89
MAJ. SAMUEL C. LICHTE, xxx-xx-xxxx 2/3/89
MAJ. JOHN D. MERRIS, xxx-xx-xxxx 2/11/89
MAJ. JAMES M. NEWTON, xxx-xx-xxxx 2/1/89
MAJ. STEVEN G. OXNER, xxx-xx-xxxx 2/9/89
MAJ. MARY D. RIELLY, xxx-xx-xxxx 2/15/89
MAJ. GEORGE T. SIMPSON, xxx-xx-xxxx 1/22/89
MAJ. GEORGE L. SUTTLER, xxx-xx-xxxx 1/26/89
MAJ. PHILLIP C. WEAR, xxx-xx-xxxx 2/4/89

LEGAL CORPS

To be Lieutenant Colonel

MAJ. JOHN W. CLARK, xxx-xx-xxxx 1/20/89
MAJ. JAMES R. RUSSELL, xxx-xx-xxxx 2/4/89
MAJ. JAMES F. WAEHLER, xxx-xx-xxxx 2/9/89

CHAPLAIN CORPS

To be Lieutenant Colonel

MAJ. WALTER J. MYCOFF, JR., xxx-xx-xxxx 2/1/89
MAJ. WILLAIM C. WEINRICH, xxx-xx-xxxx 1/7/89
MAJ. DONALD C. WILLETTE, xxx-xx-xxxx 2/11/89

MEDICAL CORPS

To be Lieutenant Colonel

MAJ. DELWYN R. BAKER, xxx-xx-xxxx 2/11/89
MAJ. DONALD E. HUDSON, JR., xxx-xx-xxxx 11/20/88

NURSE CORPS

To be Lieutenant Colonel

MAJ. MAUREEN E. NEWMAN, xxx-xx-xxxx 9/11/88

THE FOLLOWING PERSONS FOR RESERVE OF THE AIR FORCE APPOINTMENT, IN THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 593, TITLE 10, UNITED STATES CODE, WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF SECTION 8067, TITLE 10, UNITED STATES CODE, TO PERFORM THE DUTIES INDICATED.

MEDICAL CORPS

To be Lieutenant Colonel

JON M. OWINGS, xxx-xx-xxxx
CHARLES E. WOMACK, SR., xxx-xx-xxxx
VICENTE U. YAP, xxx-xx-xxxx

DEPARTMENT OF STATE

BERNARD WILLIAM ARONSON, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF STATE, VICE ELLIOTT ABRAMS, RESIGNED.

DEPARTMENT OF JUSTICE

CAROL T. CRAWFORD, OF VIRGINIA, TO BE AN ASSISTANT ATTORNEY GENERAL, VICE THOMAS M. BOYD, RESIGNED.

DEPARTMENT OF TRANSPORTATION

DAVID PHILIP PROSPERI, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF TRANSPORTATION, VICE WENDY MONSON, DEMOCKER, RESIGNED.

DEPARTMENT OF DEFENSE

DAVID J. GRIBBIN, III, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF DEFENSE, VICE M.D.B. CARLISLE, RESIGNED.

LOUIS A. WILLIAMS, OF WYOMING, TO BE AN ASSISTANT SECRETARY OF DEFENSE, VICE J. DANIEL HOWARD, RESIGNED.

EXTENSIONS OF REMARKS

NATIONAL SECURITY CHALLENGES

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. SKELTON. Mr. Speaker, on April 28, I addressed the seminary at Southwest Missouri State University at Springfield, MO, concerning our present and future national security challenges. I include it herewith:

ADDRESS BY CONGRESSMAN IKE SKELTON, AMERICA'S SECURITY CHALLENGES IN THE 1990's, SOUTHWEST MISSOURI STATE UNIVERSITY, SPRINGFIELD, MO, APRIL 28, 1989

INTRODUCTION

Let me thank Bill Van Cleave for having invited me to address you this evening. At this same time, I want to applaud his efforts in establishing the Center for Defense and Strategic Studies here at Southwest Missouri State. Such well known centers have existed at a number of fine universities along the east and west coasts of our country, and now we have one here at our own Southwest Missouri State University, the heart of the Midwest.

Having looked through the program that you have scheduled for these 2 days, I decided that I would try to touch upon some of the issues of interest to you. At the same time, however, I want to devote some effort to addressing an area of particular interest to me and one that I think is of strategic significance to the United States—developments in Latin America.

First, let me provide some background. Upon coming into office in January 1981, the Reagan administration convinced Congress that cuts in Defense spending in the 1970's, under both the Nixon-Ford administrations and the Carter administration, had left the United States exposed. The humiliation of Iran holding American diplomats hostage for 444 days, along with the Soviet invasion of Afghanistan, convinced the American public that a change was required.

REAGAN'S SECURITY STRATEGY

The chief elements of the Reagan administration security strategy, broadly supported by the Congress, included: an impressive military buildup of both nuclear and conventional forces, the latter symbolized by the 600 ship Navy; a tough position on strategic arms negotiations; an effort to confront the Soviet Union with superior American technology through the Strategic Defense Initiative (SDI); and the willingness to support local resistance forces fighting the Soviets or their proxies in the Third World—in Afghanistan, Angola, Nicaragua, and Cambodia.

These security policies have worked. The Soviets, on the march in the 1970's, are now in the process of cutting costly foreign policy ventures—in Afghanistan, Vietnam, and Angola. While critics of SDI in this country have belittled the idea of strategic defense, SDI captured the attention of the Soviets, not to mention the support of the American public. Not only have we signed the first arms control agreement that has led to the elimination of a whole class of nuclear missiles, but we are probably in the best position since the early 1970's to sign further agreements to reduce both conventional and strategic nuclear forces and at the same time increase stability.

These security policies have brought about a substantial improvement in the international perception of the power and influence on the United States throughout the world. While the actual military balance between the two countries has not changed much, the atmosphere of great concern that marked the beginning of the 1980's has been displaced by one of hope as we look to the 1990's.

President George Bush will put together the national security policy of the United States for the next 4 years. He will encounter many of the same challenges the United States has faced over the past 40 years. He will also confront new ones under very changed circumstances.

Right now, in an effort being coordinated by National Security Adviser Brent Scowcroft, the administration is conducting a fundamental review of U.S. National Security Policy. It is not scheduled to be completed until some time next month. Only then will the administration be ready to proceed to address the security challenges facing this country.

UNITED STATES-SOVIET RELATIONS

The most important piece of old business consists of managing with patience and skill the United States-Soviet relationship. The challenge here is much the same as it has been over the past 40 years: avoiding nuclear war, turning away Soviet thrusts in the developing world, and attempting to transform the competition between the 2 countries into more peaceful ventures.

The dramatic changes taking place in the Soviet Union today hold the promise that we might be watching, if not the end of the cold war, at least the beginning of the end. But the various pledges made by General Secretary Gorbachev: a 14 percent reduction in defense spending and a 500,000 man reduction of active military forces—only touch upon the margins of Soviet military strength. Even if they are carried out, the effort to work out a post-cold war security arrangement will probably take the next 20 years. Now is not the time to become impatient, to try to settle all our outstanding issues with the Soviets in the shortest time possible as some would argue. We came to regret the overselling of detente in the early 1970's later that decade. This time we have an opportunity to learn from our mistakes and practice the kind of tough minded detente that can produce genuine results.

UNITED STATES-ALLIED RELATIONS

If dealing with the Soviet Union continues to be the most important item of old business, equally important is managing our relationships with Japan and Europe. The three—Japan, Europe, and the Soviet Union—are interrelated. Security concerns predominated 40 years ago. Now trade and economic matters with our allies compete with security issues.

Both Europe and Japan are success stories of post-war American foreign policy. We helped friends and former enemies to rebuild their shattered economies after World War II. Thus, our overwhelming economic and military dominance was bound to diminish. Our task now is to manage both security and economic relations with both of these world power centers. Budget and trade deficits have put the United States in rather difficult economic circumstances. A shifting of the military burdens will have to take place to allow us to put our economic house back in order.

A NEW DEFINITION OF SECURITY

As part of this effort, the U.S. Government needs to adopt a broader definition of National security, one that includes economic as well as political/military considerations. Too often economic and security decisions move on separate tracks. While we are stronger militarily today than we were 8 years ago, economically we are weaker. Much greater coordination will be required in the future.

This helps to explain the recent controversy within the administration over the FSX fighter agreement with Japan. The truth is that Japan is both a very valued political ally while at the same time a very tough economic competitor. While State and Defense Department representatives defended the agreement primarily on political and military terms, Commerce Department representatives stressed economic and technological concerns.

Commerce officials managed to get a revised clarification of the terms of the Agreement. Those revisions included tighter provisions on technology transfer and a firm commitment ensuring 40 percent American participation in FSX production. Japan is now reviewing the proposed clarifications. The drama is not yet ended.

This case may signal that a change in policy—in the definition of national security—is in the offing. Only time will tell.

ESTABLISHING OBJECTIVES

In putting together a national security strategy for the 1990's the President must be clear about objectives and priorities. Militarily, the United States has three broad objectives: (1), to deter nuclear war, two, to contribute to the defense of Western Europe and Korea where American troops are stationed, and three to be able to intervene in areas of the Third World where American interests may require such action.

While overriding consideration should be given to deterring nuclear war, we have a very robust capacity to deter such a conflict. Our ballistic missile submarine force, the deployment of thousands of cruise missiles on Navy attack subs and B-52's, the procurement of B-1 bombers, and the improved command and control capabilities that we bought during this decade, will stand us in good stead for years to come.

In Europe, the military balance is not as comfortable as we would like it to be. An imbalance of forces exists between the Warsaw Pact and NATO. Yet until our allies are willing to make a greater contribution to correcting this imbalance, we simply do not have the budgetary resources to correct a

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

problem they appear unwilling to correct. However, despite this imbalance, the situation in Europe is fairly stable. The beginning of negotiations on conventional forces in Europe offers additional hope in this area.

The highest defense priority should be assigned to those capabilities required for intervention in the Third World. We are most likely to see the commitment of U.S. combat forces to emergencies in the developing world before either nuclear war or general war in Europe. Since the Second World War American forces have been committed to a number of such Third World situations. Unfortunately, we are ill-prepared for this type of warfare as underscored by our performance in Vietnam.

The aftermath of that bitter conflict still haunts us. I see it in Congress, and I also see it in the military. In fact, it was Congress, not the uniformed services, that had to promote the establishment of the U.S. Special Operations Command, a unified command of the unconventional warfare forces of the four services. We still have to devote more time and effort on the dilemmas posed by unconventional warfare in the developing world, and develop the doctrine and forces to fight such "small wars." Progress on this front is slow.

DEFENSE BUDGETS

In the 1990's, U.S. security policies will be put together under far more stringent budgetary constraints. Defense spending should be kept around 5 percent of GNP. Allies will have to provide more assistance as noted earlier, but we may also have to reevaluate defense policies here at home. For example, one idea that should be considered is the Nunn-McCurdy plan for voluntary national service, but that may be a costly way to address the decreasing pool of young Americans of military age. However, there will be a debate on the national service plan sooner or later.

LATIN AMERICA

Finally, the one area of the world that will require more attention, creative thought, and greater investment by the United States in the last decade of this century is Latin America. It is here where many of the world's problems can be seen all together: overpopulation, international debt, the international drug cartel, environmental destruction, energy, immigration, and, finally, guerrilla wars in a number of those countries.

For the past 40 years, except for the Kennedy administration's Alliance for Progress, the United States has neglected this region of the world. Yes, the Reagan administration and Congress have devoted more time, effort, and money to Latin America this decade, but compared to resources devoted to Europe, Korea, and the Middle East, Latin America comes in a distant fourth.

As some of you may know, I was the chief Democratic cosponsor of the 1986 legislative package that provided $100 million to the Nicaraguan resistance, the Contras. Unfortunately, the Iran-Contra scandal that November brought all efforts to build public support for the administration's Nicaraguan policy to a halt. And last year in February we lost the effort to renew such support by eight votes in the House. Yet I remain hopeful, I do not believe all is lost.

A critical turning point was reached in the conduct of American foreign policy toward Latin America with the accord on Central America agreed to by the President and congressional leaders on March 24. It marked a new beginning, a bipartisan approach toward dealing with the problems of Central America. And make no mistake about it, a bipartisan approach is an indispensable requirement toward the conduct of a successful foreign policy.

The agreement of March 24 is a good one, probably the best those of us who support the Nicaraguan resistance can get right now. However, it is only the first step, in the effort to put together a comprehensive policy toward not just Central America but all of Latin America.

The first part of the policy includes a good faith effort on the part of the Bush administration to make the Arias peace plan work—the Esquipulas accords, the Sapoa agreements, and the latest agreement by the Central American Presidents of February 14 in El Salvador.

But a good faith effort is not good enough. A well-formulated plan is also indispensable, one that has the support of the various players in the administration, the support of a majority of Congress, and equally important the understanding and support of our friends in Latin America.

Now that we have agreed to provide humanitarian assistance for the Contras we need: One to encourage democratic elements both inside and outside Nicaragua to get ready for the elections next February, and, two to demonstrate genuine U.S. support of the efforts of other Latin American countries to resolve the problems of the region. A third and critical element of such a well-formulated plan must call for getting the Soviets to cut military aid to Nicaragua. We must make the point that U.S. assistance with perestroika in terms of credits and trade is tied to Soviet support of the peace process in this hemisphere.

Just 3 days ago I met with members of the internal opposition and the Nicaraguan resistance. Those 10 individuals described to me their efforts to put together a common program which will lead to the selection of a consensus candidate to contest next February's election in Nicaragua. They have held one meeting in Guatemala and will hold another one next month.

Working together, they have also held meetings with aides to Secretary General of the United Nations and officials at the Organization of American States in Washington. Their effort is to try to get world attention—through the media, international organizations, key Latin and European democratic leaders—to focus attention to developments in Nicaragua. They want to encourage democrats with a small "d" from around the world to support a real opening in Nicaragua. They believe if the world is paying attention, it will be more difficult for the Sandinistas to steal the elections.

No one can predict the outcome of their efforts. They have a tough campaign ahead of them. But they have exhibited courage and intelligence in their public pronouncements. Should they fail due to promises broken by the Sandinistas, we will revisit the issue next February. But at least the argument used by opponents of U.S. policy that we didn't give the peace process a chance will no longer have any merit.

Now that we have the absence of military conflict in Nicaragua, the effort must be to promote a genuine democratic opening using all the diplomatic and political tools provided by the various agreements. Last year the Congress voted for peace in Central America. This year we voted for democracy. Woodrow Wilson once talked of making the world safe for democracy. That grand vision of an earlier era proved illusory. But, making the Western Hemisphere safe for democracy is a goal within our reach. But it will take a good plan and hard work to carry it out. If we are to promote both peace and prosperity in the region, we can do no less.

CONCLUSION

We once had the resources of being the world's policeman. That is no longer the case. On April 4 we celebrated the 40th anniversary of NATO. The time has come to lay the ground work for a revamping of the security policies that have guided us for the past 40 years. Over the next few months we must work out the details of those policies if we are to avoid jeopardizing the security of our country as happened in the late 1970's. This is the challenge confronting our country.

In your deliberations these few days you ladies and gentlemen have the opportunity to contribute to that process. I look forward to reading the practical solutions you will produce in your upcoming volume. Good luck.

IN RECOGNITION OF KENNETH WOOLEY, HOPE, MI

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. SCHUETTE. Mr. Speaker, I rise today to honor Kenneth Wooley, commander of the 11th district VFW post. Ken has a long and impressive history of service to his country and to the Veterans of Foreign Wars.

Ken's dedication and commitment to his country goes back to his entry into the Navy in 1942. Since his term of service Ken has remained active with the VFW. Ken has served as past commander of VFW Post 3651 in Midland. Recently, Ken distinguished himself and the rest of the 11th district by leading them to the Order of Parade. The 11th district was the first of Michigan's 14 districts to accomplish this.

Ken recently retired from Dow Chemical Co. after a career with the Agriculture Research Department. Mr. Speaker, I ask that the House join me in saluting the hard work and dedication of Kenneth Wooley and in wishing Ken, his wife of 39 years Edna, and his two children, Kim and Connie, the best for the future.

A MEDIA BARON'S SUBURBAN STRATEGY

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. RICHARDSON. Mr. Speaker, I had the distinct pleasure to meet Mr. Ralph Ingersoll at a conference in Los Angeles 1 year ago.

He impressed me as an individual concerned about the issues affecting this country. Obviously, from this recent press article, Mr. Ingersoll has already made a difference:

A MEDIA BARON'S SUBURBAN STRATEGY

(By Andrea Gabor)

No one laughed louder than the St. Louis Post-Dispatch publisher in 1986, when the upstart owner of several suburban newspapers declared an advertising war against Missouri's venerable daily. Today, that challenge seems anything but funny as Ralph Ingersoll II prepares to unveil a splashy rival that could give Joseph Pulitzer's flagship daily a run for its money.

If successful, the St. Louis Sun, scheduled to debut this fall, will cap a string of hits for the 42-year-old chairman of Ingersoll Publications. The son and namesake of a visionary Time, Inc., publisher, Ingersoll represents the new breed of press scion more attuned to balance sheets than broadsheets. Less than two decades after seizing control, he has parlayed his father's modest business into a $760 million print empire of more than 200 newspapers, most of them in small towns and suburbs, including more than 40 in the St. Louis area. Now, those backwater gems are providing the financial platform from which the Princeton, N.J.-based firm hopes to launch the first successful metropolitan daily in years. "We are about the business of reinventing newspapers," says Ingersoll of his strategy.

TOUGH BEGINNINGS

It will take more than bravado to build the Sun into a Show Me State must-read. Most major newspapers are competing harder than ever for advertisers against television and direct mail, which can target more-prosperous audiences. Today, few cities boast more than one daily, and St. Louis is no exception. The Post-Dispatch saw its principal rival, the Globe-Democrat, resurrected several times during the 1980s and then finally closed in 1986 after a key department-store advertiser delivered a final blow by withdrawing its ads.

Ironically, it is suburban publications like Ingersoll's that have gained the most from the decline of the great metropolitan dailies. Many of the outlying weeklies are distributed free to readers, luring sponsors with lower advertising rates and an affluent audience. Last week, Ingersoll's Chanry Communications gave Long Island's leading newspaper, Newsday, a jolt by announcing a redesign of Chanry's 76 local papers into a single title with zoned editions and a combined circulation of over 1 million. Ingersoll's *Delaware County Daily Times* helped edge out the *Philadelphia Bulletin* earlier this decade, while the Times Journal Company, publisher of *Army Times*, is expanding its lucrative titles serving the wealthy communities around Washington, D.C. Some large papers, too, hope to cash in on greener suburban pastures. The *Chicago Sun-Times*, for example, just acquired a group of suburban papers even as the rival *Chicago Tribune* is expanding regional editions.

Ingersoll's sizable St. Louis holdings make prospects for the *Sun* much rosier than they might be in other markets. Over the past decade, Ingersoll has snapped up enough dailies and weeklies in the surrounding bedroom communities to give him access to some 1 million households and a stable of advertisers. He also boasts a local printing plant.

His latest St. Louis venture is sure to test Ingersoll's business reflexes. Unlike his father, who earned a reputation for editorial integrity by refusing to accept ads for his acclaimed but short-lived daily, *PM*, Ingersoll II cares most about the bottom line. Past newspaper purchases often involved premium prices, financed with the help of Michael Milken, Drexel Burnham's recently indicted junk-bond whiz. Editorial pages and staff then get pared to pay off the debt and restore profits.

Such practices have hardly endeared Ingersoll to the publishing set. In his book *The Buying and Selling of America's Newspapers*. Loren Ghiglione, president of the American Society of Newspaper Editors, charges that the typical Ingersoll paper "pushes too hard for greater profitability, and in the process, sacrifices journalistic quality." Signs are that Ingersoll plans to keep a tight rein on the *Sun's* purse strings; just 200 employes will be hired for the start-up, a fraction when compared with the 1,700 staffers who put out the *Post-Dispatch*.

Ultimately, the *Sun's* success may hinge as much on Ingersoll's editorial vision as on his financial acumen. To make his publication "as unlike the top paper as possible," he is opting for the racier style of tabloids like the *Toronto Sun*, a sassy paper whose 1971 debut in the Ontario capital was almost as memorable as the scantily clad girls it regularly features on page 3. "Newspapers today seem to be operating on the premise that more information is better, when there is a great deal of hard evidence that society views itself as possessed of too much information," Ingersoll elaborates.

A DIFFERENT MIX

How well St. Louis, accustomed to the liberal *Post-Dispatch*, will receive the proposed mix of large color photographs, short news stories and sports and entertainment features remains to be seen. The formula has certainly proved popular with Canadian readers, who enjoy the *Toronto Sun's* participatory editorial boxing ring. The paper contains ballots to allow readers to voice their opinions on whatever vitriolic issue a covey of columnists and the publisher have chosen to spar over. "The paper is an advocate; we see things in black and white," offers Paul Godfrey, the former Toronto politician who now publishes the *Sun*, noting that when his pages take a position, "the politicians and the public take notice."

The Canadian tabloid turned out to be financially attractive as well. The publication showed a tidy profit in its first year on the stands and helped force out one competitor. The Toronto Sun Publishing Company has started profitable papers in Calgary and Edmonton, and tested the U.S. waters with the purchase of the *Houston Post*, subsequently sold two years ago to Texas tycoon William Dean Singleton. In 1988, the company bought a printing plant near Washington, D.C., and announced intentions to one day battle the *Washington Post* with an eye-catching tabloid. "The formula could work anywhere," says publisher Godfrey.

Ingersoll certainly hopes so. Though the *St. Louis Sun* will eschew featuring a buxom bombshell in each issue, like its Toronto model, it will "drop the pretense of being impartial," says Ingersoll, who has drawn up a list of issues he intends to advocate in his fledgling newspaper. Senior citizens, whom Ingersoll eyes as a rich vein of potential readers, are among the groups slated for special attention. Just as Gannett's *USA Today* focuses on themes of interest to the young professionals who constitute its biggest audience, Ingersoll plans to devote a lot of space to housing, recreation, food and other lifestyle tips that would interest pensioners on fixed incomes.

Ingersoll may well have a winning combination. Though rival *Post-Dispatch* publisher Nicholas Penniman IV contends that the local economy still "isn't vibrant enough to support two daily papers" and that Ingersoll could wind up robbing readership from his own suburban core, others disagree. Newspaper loyalty resembles that of sports fans, notes Everette Dennis, executive director of the Gannett Center for Media Studies in New York. Reading both an urban daily and a suburban paper is no more incompatible than following both major-league baseball and the local high-school team. "Any city that has one newspaper deserves another to keep the first one honest," says Charles Klotzer, editor of the *St. Louis Journalism Review*. More than a few St. Louis conservatives would welcome competition in the media arena; the right-leaning *Globe Democrat* easily won back its core readership, more than 100,000 in 1983, when the Justice Department blocked Newhouse Newspapers from folding the paper, which it had been running under a joint operating agreement with the *Post-Dispatch*. And while *Post-Dispatch* circulation has picked up to 375,000 in recent years, the daily never won all the old *Globe* readers and still claims no more than a 50 percent penetration in the city.

Even with a receptive audience, if other major U.S. newspaper ventures are any guide, Ingersoll can expect to swallow losses for some time. *USA Today*, for example, has lost more than $230 million since its launch in 1985 and has yet to enjoy a full year of profit. *New York Newsday*, a daily started by the respected Long Island paper three years ago, has yet to make major inroads in Manhattan and is surviving thanks to the largess of its Times Mirror parent company.

Ingersoll remains optimistic that the *St. Louis Sun* will establish his bona fides as a media magnate. Nor does he seem content to stop at winning over heartland America. Ingersoll recently picked up several British papers in Coventry and Birmingham, pumping in some $175 million to update the facilities. In addition, he is reportedly working toward establishing a joint venture in Italy, where he is a friend of media mogul Carlo Caracciolo.

Behind Ingersoll's grand ambitions looms the shadow of a brilliant but distant father. "I think it was frustrating [for him] to look back and realize that, for all the building he had done, he had never created an economic base from which he could exercise his judgment free of interference," his son recalls. Ingersoll has proved he can transform a hodgepodge of suburban newspapers into a moneymaking media machine. If he manages to craft the *St. Louis Sun* into a credible alternative, he will be making something of a personal statement as well.

PRIME TIME AGAINST HUNGER

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. LELAND. Mr. Speaker, according to the World Health Organization, 35,000 persons, mostly children, die needlessly of hunger related causes every day. The U.S. Conference of Mayors has stated that, in 1988, requests for shelter by homeless families in American cities increased by 18 percent. The Census Bureau tells us that 32.5 million Americans live below the poverty line; 1 in 5 American children live in poverty.

These are important issues for Americans. Not only do we have a problem within our own communities, we are also touched by the effects of hunger and poverty throughout the world, as they impact our economy, security, and environment. We know how these conditions can dominate a family's life and hamper its future. They have the same effect on the world's family.

As chairman of the House Select Committee on Hunger, I am pleased to announce a new initiative that will educate Americans about these issues, motivate them to action and link them to nonprofit organizations directly involved in fighting hunger, homelessness, and poverty.

Called "Prime Time To End Hunger," the initiative brings together the power of prime time television and the traditional volunteerism of Americans to strengthen and expand ongoing efforts and make them a national priority.

The End Hunger Network, a private voluntary organization, created the initiative and invited the involvement of prime time television producers, telecommunications companies, corporate sponsors and other private groups that are working to alleviate hunger, homelessness, and poverty in the United States and around the world.-

The intention of the campaign is to alert, inspire, and direct Americans to take personal actions that will improve, and possibly save, the lives and health of millions of people while insuring our common future. Prime Time To End Hunger seeks to motivate at least 100,000 viewers to commit to volunteer an hour per week toward ending hunger, homelessness, and poverty in their communities and around the world.

The three major television networks, NBC, CBS, and ABC, have individually agreed to broadcast specific episodes about hunger, homelessness, and proverty on several of their top television shows—for example, the Cosby Show, Cheers, Golden Girls, and Thirtysomething. Each of these shows will use their regular characters and plotlines and integrate issues into their shows, without being dogmatic, preachy or heavy handed. If only the regular viewers were to watch these shows, 292 million Americans would be reached, based on A.C. Neilsen ratings.

The broadcasts are currently planned over a 2-week period in early December 1989, during the holiday season when Americans are customarily generous in responding to their less fortunate neighbors.

In order to move this concern to action, current plans are for each show to display a 900 number at its conclusion for interested individuals. Callers will be sent information about how to volunteer, what to look for in an organization, and what opportunities are available—a volunteer consumer's guide referring to the thousands of nonprofit organizations where they can meaningfully contribute their time, talent, energy, and resources.

In addition to receiving a listing of various local involvement opportunities within 48 hours, callers who give permission will be contacted by their local Voluntary Action Centers shortly after the phone call. The Voluntary Action Center network already exists, featuring more than 300 local centers that currently act as clearinghouses between interested volunteers and recognized local nonprofit organizations.

The local Voluntary Action Centers will interview callers and enable them to discover and choose an appropriate organization, based on their skills, time availability and interests.

No money will be solicited. The Prime Time To End Hunger campaign is not a telethon to raise money. Its purpose is to mobilize hundreds of thousands of concerned citizens to get involved.

The callers will be charged a nominal fee for the cost of the phone call and materials. This fee will be noted every time the number is displayed on television or printed advertising. The caller's willingness to pay for the phone call and some of the cost of materials will demonstrate commitment. Private foundations and corporate sponsors have already been invited to help reduce the already discounted cost of the calls.

It will take an innovative networking of independent telecommunications companies, computerized service bureaus, mailing facilities and nonprofit organizations to respond to the expected 3 to 10 million requests for information about volunteerism. A project of this scope has never before been mounted, yet the technology and the willingness exist.

The problems of hunger, homelessness, and poverty cry out for human involvement. I want to take this opportunity to applaud the creation of Prime Time To End Hunger. It links the value-creating power of popular television with the opportunity for Americans to become involved personally in ending these needless tragedies which erode the strength and health of our Nation and the world.

THREE ESSENTIAL LEVELS OF FOSTER CARE REFORM

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. MATSUI. Mr. Speaker, today 14 of my colleagues and I are pleased to introduce the Child Welfare and Foster Care Amendments of 1989.

The foster care and child welfare system of this Nation is facing enormous challenges. In the last decade there has been an explosion of vulnerable youth needing child welfare and foster care services. In 1976, there were 669,000 child abuse and neglect cases reported. By 1986 the number had more than doubled to over 2 million cases. In addition, the percentage of homeless families with children is increasing. It is estimated that today one-third of the homeless are families with children.

The Adoption Assistance and Child Welfare Amendments of 1980—Public Law 96-272—has had a dramatic effect on the development of programs to help families so that foster care placement would be truly only a last resort. Appropriate early intervention programs started under the 1980 amendments have kept many families together during periods of extreme stress and difficulty. However, the child welfare system is being over-loaded by both the number and nature of desperate families. We are seeing a significant upswing in the number of youth placed in foster care. In 1988, the average monthly number of children in foster care across the Nation was 123,000. In California alone the 1988 monthly average was 25,882.

The youth who are placed in foster care today arrive with drug or alcohol addictions, severe physical or emotional problems, and may be very difficult and violent. They need a tremendous amount of professional help and also a lot of love.

The Child Welfare and Foster Care Amendments of 1989 would focus reforms on three critical levels:

First, the services available to youth currently in foster care;

Second, the support available for foster care providers; and

Third, the efforts of the States aimed at preventing foster care placement.

First, the bill extends help to those vulnerable youth already in the foster care system. The bill would provide for the permanent extension of critical independent living programs for the 50,000 youth in foster care age 16 and older. Independent living programs provide foster care youth with essential skills for making a successful transition to a productive life off the welfare roles. It would allow youth to remain in the foster care system until age 21 if they are participating in an independent living program. Under current law, at age 18 or 19, youth are forced out of the foster care system and expected to make it on their own. The notion of an 18- or 19-year-old having sophisticated life management skills and a job which provides a sufficient salary to pay for an apartment, food, clothing, college, recreation and other expenses is simply unrealistic.

To further help the youth already in the foster care system, the bill would require the States to keep health care records and plans for all foster care youth. There is no current requirement that even a minimal health record be kept in the foster care youth's case plan. The State agency administering the Foster Care Program would be required to ensure that foster care youth eligible for Medicaid are served by the Early Periodic Screening, Diagnosis and Treatment [EPSDT] Program. Foster care youth not eligible for Medicaid would also receive periodic health check-ups with Federal matching funds available for these checkups.

At the second level, the bill extends desperately needed help to the dedicated people who take on the difficult task of working with our country's most vulnerable and needy children. It would provide for appropriate training for all foster care providers with 75 percent instead of 50 percent Federal matching funds. The States would be required to give full consideration to increases in the cost of providing foster care when periodically reviewing the amounts paid for maintenance to foster care providers. An even more critical requirement, the bill would also mandate the States to take into account the costs related to the care of children with extraordinary physical or mental health needs.

Third, the bill would allow the States more flexibility to spend money on services which

support families and help to keep children out of the foster care system. Family preservation services do work to keep families together. Public welfare agencies estimate that less than 14 percent of children of families who received treatment, protective and preventive services were ultimately placed in foster care in 1985.

Our bill would increase the authorization for child welfare services under title IV-B of the Social Security Act from $266 to $400 million. Our bill would also extend through fiscal year 1991, the provision of current law for a State-by-State foster care expenditure ceiling under certain conditions and the authority for States to transfer foster care funds under such a ceiling to use for child welfare services. The limitation on the amount of funds, under an optional ceiling, that a State can transfer to child welfare services will be increased to the difference between the appropriation level and $400 million—the new full authorization level.

Mr. Speaker, I would also like to have the following detailed summary of the "Child Welfare and Foster Care Amendments" appear in the CONGRESSIONAL RECORD:

SUMMARY OF CHILD WELFARE AND FOSTER CARE AMENDMENTS OF 1989

TITLE I. PROVISIONS RELATING TO OLDER CHILDREN IN FOSTER CARE INDEPENDENT LIVING PROGRAMS

Section 101. Foster care eligibility for certain children participating in transition to independent living programs

Under present law in Title IV-E of the Social Security Act, federal matching funds for foster care maintenance payments and administrative costs are limited to programs for children up to age 18, or, at the option of the State, up to age 19 if the child is expected to complete high school before they become 19 years of age.

This provision would give States the option to claim federal matching funds under the Title IV-E program for AFDC related foster care children up to the age of 21 if the child is participating in a foster care transition to independent living program. To be eligible the child must have a "transition to independent living plan," which at a minimum, would include a plan for education and training activities.

Section 102. Permanent extension of independent living programs

Under present law, the Foster Care Independent Living program's authorization will expire on September 30, 1989. This program provided $45 million a year since FY 1987 in grants to States for services to assist many of the 50,000 children in foster care age 16 and older in transition to independent living. Beginning in FY 1989, the program was expanded in two ways. First, States were given the option to serve all foster care children in the State rather than only serving AFDC foster care youth (Title IV-E youth). Second, the States were given the option to allow foster care children to participate in an independent living program for up to six months after the youth leaves the foster care home or agency.

This provision would make this program permanent and increase the authorized entitlement level to $70 million beginning in FY 1990.

TITLE II. HEALTH CARE PLANS FOR FOSTER CARE CHILDREN

Section 201. Development and Management of health care plans for foster care children

Under present law, each child in foster care under the responsibility of the State is to have a written case plan which includes a description of the services which is appropriate for the child. These case plans are to be reviewed periodically to ensure that the placement is appropriate and necessary services are being provided to the child.

This provision would require that each child's case plan include a "health care record". The health care record will include information obtained from the child's parents, the foster care provider responsible for the daily care of the child, the child's health care providers and other providers of services to the child.

The health care record in the case plan will include:

1. Preplacement Health Care Record.—A copy of this record must show that it was completed before placement of the child in foster care or withinn 30 days in the case of an emergency placement. It is to be provided to the foster care parents or child care institution staff to ensure that they are immediately made aware of the child's health and developmental needs that require continuing attention. It is to include: a health history of the child; the child's allergies; current medications; immunizations; any known health and mental health problems; and names and addresses of the child's health care providers and other service providers.

2. Record of Initial Comprehensive Examination.—The record is to show that within 60 days after placement in foster care the child received a comprehensive health examination identical to the assessments required under the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program under the Medicaid program.

3. Health Care Plan.—The Health Care Plan is to be maintained by the foster care agency and include as a minimum: a record of health and dental assessments which are to be identical to the EPSDT assessments and according to the required EPSDT schedule; a record of diagnosis and treatment received; past and needed immunizations; allergies; current medications; and names and addresses of health care providers and others who have information regarding the child's health care status.

4. Abbreviated Summary of Child's Health Care Plan.—The health care record is to indicate that the child's foster care provider maintains and updates a summary of the comprehensive health care plan which documents the health, mental health and dental services provided to the child. (These summaries are currently called the foster child's "Medical Passport" in some States.) There is to be a record that the agency has informed the foster care provider of their responsibilities and that the agency periodically reviewed the Abbreviated Summary to ensure that the child's health care plan is being adhered to and updated.

The State is to ensure that appropriate information from the child's health care record—at a minimum the Abbreviated Summary—stays with the child including: each foster care setting; the child's parent when released to their care; adoptive parents; or to the child when discharged to his or her own care.

The State agency administering the Title IV-E foster care program will have a specific responsibility to ensure that foster care children eligible for Medicaid in a State are served by the EPSDT program. In addition, in the case of foster care children under the responsibility of the State and for whom the State does not provide Medicaid coverage, the State will be required to provide periodic health and dental examinations paralleling those required under the EPSDT program (follow-up treatment is not mandated). Federal matching funds at the same federal matching rate as a State receives for foster care maintenance payments will be available for such EPSDT-like exams for the children not eligible for Medicaid.

The provision will require HHS to develop and disseminate standards of practice related to managing and promoting health care for children in foster care. HHS will also be required to provide technical assistance to public and private agencies and foster care providers related to management of systems for health care records and plans and assuring EPSDT services for foster care children.

TITLE III, TRAINING AND COMPENSATION OF FOSTER CARE PARENTS, STAFF, AND PROVIDERS

Section 301. Training for foster care parents and staff members in child-care institutions

Under present law, a State can receive federal matching funds for AFDC foster care children only if the child is in a foster family home or child-care institution which meets the licensing standards established by the state. Also under present law, fifty percent federal matching funds is available to States for training activities for foster parents and staff of child-care institutions who care to Title-E foster care children.

Under this provision, a State would be required to provide training for foster parents and staff of child care institutions providing foster care which is designed to help them deal with the special problems of foster care children. Foster parents and the staff would be required to satisfactorily participate in the training as a condition of the children in their care being eligible for Title IV-E federal foster care matching funds. The State is to consult with foster parents, staff of child care institutions and representatives of child advocacy organizations in developing their training program. States would receive 75 percent federal matching funds for such training activities compared to the 50 percent match under present law. Child day care costs related to such training activities would also be a cost eligible for such federal matching.

States would be required to begin such training programs no later than July 1, 1990 and the new requirements for Title IV-E foster care providers to participate in training would be effective July 1, 1991. HHS would be required to provide information to the States on training programs which might serve as guidance or models for State foster care provider training programs.

Section 302. Reviews of rates of compensation for foster care parents and providers

Under present law, the State foster care agency is to periodically review the amounts paid as foster care maintenance payments to assure their continuing adequacy. Present law defines "foster care maintenance payments" as "payments to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, and reasonable travel to the child's home for visitation. In the case of institutional care, such term shall also include the reasonable costs of administration and operation of

such institution as are necessarily required to provide the items described in the preceding sentence."

Under this provision, the State would be required to include in their review of rates of payments that "full consideration" be given to increases in the cost of providing foster care and the costs related to the care of children with extraordinary physical or mental health needs.

TITLE IV. INCREASE IN AUTHORIZATION FOR CHILD WELFARE SERVICES UNDER TITLE IV-B OF THE SOCIAL SECURITY ACT AND EXTENSION OF TRANSFER OF FUNDS PROVISION

Section 401. Increase in Authorization

Title IV-B of the Social Security Act authorizes funds for the purpose of assisting States in providing services to children and families in need of child welfare services. The full authorization for the Title IV-B is $266 million. The appropriation for FY 1989 is $246.7 million. This provision would increase the authorization to $400 million beginning in FY 1990.

Section 402. Two-year extension of foster care ceiling and of authority to transfer foster care funds to child welfare services

Under a provision of present law which expires on September 30, 1989, if $266 million is appropriated in advance for a fiscal year for the Title IV-B child welfare services program, there is a mandatory ceiling placed on the federal matching funds for foster care available to each State for that fiscal year. The ceiling for a States is the larger of: (1) the federal foster care funds provided to the State in 1978 indexed by twice the CIP, or (2) a State's share of $100 million based on the number of children under age 18 in the State. Under such a mandatory ceiling, a State can transfer any amount of their allocation under the ceiling to use under the State's child welfare services program.

Under the law which expires September 30, 1989, in years in which the mandatory foster care ceiling was not triggered, a State may elect to accept a ceiling on foster care funds to gain the option to use foster care funds for child welfare services. However, under the optional foster care ceiling, States cannot transfer more foster care funds to Title IV-B services than an amount which is equal to the additional amount of Title IV-B funds it would have received if the full authorization of $266 million would have been appropriated.

Section 402 would extend through fiscal year 1991, the provision of current law for a State-by-State foster care expenditure ceiling under certain conditions and for the authority for States to transfer foster care funds under such a ceiling to use for child welfare services. In addition, the limitation on the amount of funds, under an optional ceiling, that a State can transfer to child welfare services will be increased to the difference between the appropriation level and $400 million—the new full authorization level beginning in fiscal year 1990.

MEDICARE HOME HEALTH CLAIMS

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Ms. SNOWE. Mr. Speaker, today I am introducing a bill to extend the Advisory Committee on Medicare Home Health Claims until October 1, 1990, so the members may evaluate whether its recommendations are being implemented effectively. This committee was established by the Medicare Catastrophic Coverage Act of 1988 to study the increase in the denial of claims for home health services during 1986 and 1987, the ramifications of this increase, and the need to reform the process involved in the denials.

The 11 members of the committee, representatives from home health and visiting nurse agencies, fiscal intermediaries, physician groups, and senior citizen groups, were appointed by the Administrator of the Health Care Financing Administration late last summer and got to work immediately. Their report will be final before it is due, 1 year after the July 1988 implementation of the Catastrophic Act.

Beginning in 1986, there was a dramatic increase in the number of denials of home health services under Medicare. In my own State of Maine, the problem was particularly acute with denial rates averaging 30 percent. This not only meant that many very ill beneficiaries were denied home health services they desperately needed, but that the increase in denials deterred many home health agencies from offering services if there was any doubt about eligibility for Medicare reimbursement. This was also occurring at a particularly critical time when the need for home health services was increasing because of the implementation of the prospective payment system for hosptial care which resulted in earlier discharges and patients needing more intensive followup care at home. Also, as the average age of beneficiaries was increasing, their very frailty increased their need for more home health services.

Since the 1986–87 period of high denial rates, a number of legislative changes have been enacted, which included most of a package of bills that I introduced. However, many administrative process issues and problems remain which can also have significant negative impact on beneficiaries and home health agencies.

When the committee was first constituted, I shared with them my concerns and requested that they address a number of issues which I had stipulated in a request for a GAO study of the denial problem, which they did. During the past 7 months, the committee has held four field hearings in different sections of the country which have had a high incidence of denials. The last hearing was March 29 in Maine, at my request, and I and home health providers of the region testified about the enormous difficulties they had in providing necessary home health services during the period being studied. Members of the committee and staff also have been intensively reviewing internal HCFA policies and procedures affecting eligibility and reimbursement.

After their very thorough and comprehensive study, the committee will be issuing their report to Congress in a few months with a significant number of constructive recommendations for changes to correct the flaws in the current administrative process. But I believe their work is only half done. We all know of excellent studies that have been done and pertinent reports which have been issued, only to sit on a shelf with no followup action or evaluation. I want the recommendations of this committee to work. Therefore, I am introducing this bill to allow the committee some additional time and approximately three meetings for specific, systematic followup evaluation of the implementation of their recommendations. There will be no need for any additional authorization or appropriation of funding.

Mr. Speaker, I believe we must give the committed members of the Advisory Committee on Home Health Claims the opportunity to complete their mission and I request support for speedy action on the bill which I am introducing today.

RABBI GLASNER AND THE DAY OF REMEMBRANCE

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. MOORHEAD. Mr. Speaker, as most of us are aware April 30 through May 7 has been designated "Fifty Years After the Eve of Destruction" by the U.S. Holocaust Memorial Council.

As it is again time to recognize, recollect, and reflect on the Nazis' genocide policies, I would like to relate the story of a friend of mine, Rabbi Juda Glasner, who was a past member of the Holocaust Commission and a survivor of the Holocaust.

In 1944, at the height of World War II, Rabbi Glasner was separated from his wife and 2-year-old son. He was deported to a labor camp in Poland on the Russian front.

Unbeknownst to the rabbi, his wife, Deborah, and son, Moses, were sent to the notorious concentration camp, Bergen Belsen, where they were subject to starvation and deprivation.

Of all the epochal events in history, the Holocaust has fewer happy endings than any other human event. But out of the mire and hopelessness of the Holocaust came a miracle for the Glasners; out of one of the greatest catastrophes in human history there was a happy ending for this devoted family. They were reunited in Switzerland in 1945.

Today, Rabbi Juda Glasner, his wife and two sons continue to serve God, man, and their country.

Mr. Speaker, the Glasner story is a fitting remembrance on this anniversary of the eve of the Holocaust.

GOVERNOR MIFFLIN HIGH SCHOOL STUDENT WINS "DISCOVER EARLY AMERICA" MAP CONTEST

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. YATRON. Mr. Speaker, today I want to give special recognition to Suneeta Krish, a student at Governor Mifflin High School in

Shillington, PA, who recently participated in the "Discover Early America" map contest.

As you know, Mr. Speaker, the Commission on the Bicentennial of the U.S. Constitution is sponsoring a Discover Early America map contest in which schools throughout the United States are competing. The goal of this map contest is to encourage the study of geography and to enhance students' knowledge and understanding of American history.

Suneeta Krish recently won the high school level competition both in Pennsylvania's 6th Congressional District competition and in the statewide contest. I commend Suneeta for participating in this map contest and for her outstanding academic and artistic work. Mr. Speaker, Suneeta Krish represents the best of the 6th Congressional District and the best of Pennsylvania. She can be proud of her success in this competition.

Suneeta's winning entry will be displayed at the Smithsonian Institute, here in Washington, DC, along with the winning entries from the other States. In addition, Suneeta's entry will compete with the other State winners for top national honors. I congratulate Suneeta Krish for her excellent showing in the Discover Early America map contest and wish her the best of luck as she represents the Commonwealth of Pennsylvania in the national competition.

IN HONOR OF MELVIN WINTERS

HON. J.J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. PICKLE. Mr. Speaker, there are a few rare individuals whose contributions over a lifetime make such a great difference to a community that it is simply impossible to imagine what life in that area would be like if they had not given so selflessly of themselves. All too often, we do not recognize the contributions of such leaders until after they have passed on.

Happily I sent personal greetings to the citizens of Johnson City, TX, in honoring one such person recently when the community celebrated Melvin C. Winters Day. In recognizing his contributions, I commented that if the Almighty asked me for the name of one of the best men to ever live in Blanco County, I would answer Melvin Winters without a moment's hesitation.

Melvin and his wife Anita spent a lifetime doing good work and improving the quality of life for others in Johnson City, and it is most appropriate that the city recognize their efforts by saluting him with his own day, which it did on April 18.

I ask that the recount of that celebration published in the Johnson City Record-Courier be inserted in the RECORD following my remarks, so that my colleagues can share in recognizing the outstanding contributions of Melvin and Anita Winters.

COMMUNITY HONORS M.C. WINTERS—ANITA WINTERS HONORED WITH YELLOW ROSE OF TEXAS

(By Shelly Harris)

It is not often that a community has the chance to tell one of its outstanding citizens how much they appreciate him, but through the efforts of two close friends, this community was able to so honor Melvin C. Winters.

Tuesday, April 18, was officially proclaimed Melvin Winter's Day in Blanco County at a special ceremony held at the courthouse with 150 well-wishers looking on.

Corky Cox was one of the planners of the event and as part of the ceremony he told Winters, "We respect you, admire you, and most of all we love you."

If there was one theme throughout the day, it was that Melvin Winters is much beloved by his community.

Sheriff Holton Burleson told of the many community projects Winters has been involved in and of the many individuals he has helped through the years.

"Melvin has a good philosophy and a good set of values," Burleson said, "He has not changed through the years. He is the same friend and man as he was 50 years ago . . . you can't say that of many men."

Ava Cox then spoke and said that Winters "came here as a mule skinner", referring to the days when Winters, as a teenager, began building roads and streets in the Johnson City area.

"On Saturday there were four wagons and mules that hauled the gravel from the river for what we called Casparis Ave.," she said, "they loaded it all with a shovel."

Winters spoke up grinning, "it was a No. 2 scoop" he said.

He and his wife, Anita, were seated in the center of the courtroom facing the commissioners and the different speakers. Family and friends circled the couple, filling the room and the hallways outside.

Bennie Fuelberg, general manager of PEC, read a resolution from the cooperative of which Winters has been a director since 1973 and has served as vice-president since 1983, giving their support of "Blanco County in honoring this great citizen for his service by designating April 18, 1989 as Melvin C. Winter's Day."

A letter was read from Superintendent Quentin Burnett of the JCISD joining in "recognizing and honoring a great citizen of Johnson City."

Burnett wrote of the many years that Winters served on the school board and on different occasions.

"In the times that he served many notable, much needed accomplishments were achieved," the letter said, "Few people may realize that he served on the school board in 1945 when our present elementary was built and also in 1980 when it was expanded."

A mailgram from J.J. Pickle, congressman, said, "If the almighty were to ask me who was one of the best men to ever live in Blanco County, I would quickly say Melvin Winters."

Though it was Melvin Winter's Day, Anita rightly shared the spotlight.

Pickle further said, "You and Anita have spent a lifetime of developing strong friends and doing good things for your community."

Anita Winters was also honored by Gov. Clements by being commissioned a Yellow Rose of Texas. Her name will be included on the role of outstanding Texas women at the State Capital.

At the end of the ceremony, Winters was asked to say a few words, "I've never had anything like this happen in my life," he said, his voice breaking just a little.

Then he said, "The best thing that ever happened in my life was this little lady here," and he patted Anita on the arm. He then went on to say how grateful he was for his family, lifetime business partners and friends.

One of those friends, A.W. Moursund, who was also instrumental in setting aside the day, was unable to attend the ceremony because of business pertaining to the licensing of Longhorn Downs race track.

After the ceremony refreshments were served and friends continued to wish Melvin C. Winters "The best" on his special day.

BEHIND THE DOOR

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mrs. MORELLA. Mr. Speaker, Martin Luther King, Jr., wrote from the Birmingham jail, "Injustice anywhere is a threat to justice everywhere."

Commemorating Dr. King's dream of a more equitable society, one of my constituents, Maple P. Foster of Rockville, has requested that I submit the poem "Behind the Door." This eloquent statement reminds us that although major steps forward have been made in the valient struggle for civil rights, much more still needs to be done. Because of the importance of Ms. Foster's poem, I wanted to bring it to the attention of my colleagues. Following is her poem:

BEHIND THE DOOR

Here I stand behind the door
not because I'm lazy, but because I am poor
It is a symbol of yesterday
That says, "That is just a slight delay".

Here I stand behind the door
with a cry, I can't smile no more
but when I scream in loud protest
the echo back—we are doing our best.

Here I stand behind the door
give me room so I can grow
to be so unfair seems a shame
so do not hand me all the blame

I won't give up with what I know
I once was afraid but not anymore
so step aside and let me go, I've spent
my time behind the door.

MR. GORBACHEV, GAS, AND PERESTROIKA DON'T MIX

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. BROOMFIELD. Mr. Speaker, I was shocked by recent reports that Soviet riot troops allegedly resorted to violence and dispersed poison gas in order to break up a rally in Soviet Georgia. Using gas and sharpened spades to kill innocent marchers betrays the spirit of glasnot as well as Mr. Gorbachev's stated policy of being more sensitive to the legitimate aspirations of the many ethnic groups in the U.S.S.R. I trust that our Government will thoroughly investigate these reports and, if the reports are true, formally protest the Kremlin's use of unnecessary force in Soviet Georgia.

In addition to stepping back from the more openness that has characterized Mr. Gorba-

chev's policies in recent years, Soviet official accounts suggested that the tragic deaths in Georgia were due to the crushing effect of the large crowds at the demonstrations. These claims were clearly without foundation.

After the incident, Soviet officials reportedly tried to suppress news about the bloodshed. The Georgian Health Minister's frank comments about the use of chemical agents in Georgia were intentionally deleted from a news program seen throughout the Soviet Union.

I am deeply concerned about reports that health experts from Moscow and Leningrad had diagnosed the chemical used as being "similar in effect to atropine," a chemical which can cause nerve paralysis, delirium and, in large doses, cardiac arrest.

While the "jury is still out" regarding the details of what happened in that republic, I remain deeply disturbed about the decision of Soviet officials to allow soldiers to use sharpened tools and poison gas in an effort to disperse unarmed nationalist demonstrators. This is clearly not in keeping with the vision of glasnot, and a Soviet policy of being more flexible with nationalist interests in that multiethnic country.

I am concerned about the human rights aspects of this recent tragedy and will work closely with my colleagues on the committee in an effort to obtain more details on this unfortunate incident.

I want to share the following New York Times article concerning this regrettable loss of life in the U.S.S.R. with my colleagues in the Congress.

The article follows:

[From the New York Times, Apr. 20, 1989]

SOVIETS REPORT USE OF TOXIC GAS IN PUTTING DOWN STRIFE IN GEORGIA

(By Bill Keller)

Moscow, April 19.—An official medical commission investigating the clash between Georgian protesters and Soviet riot troops has determined that some of the victims were poisoned by unidentified "chemical agents," the Government newspaper Izvestia reported tonight.

The report followed widespread allegations by Georgian witnesses that the troops used poison gas in the confrontation that left at least 19 people dead and more than 200 injured in the Georgian capital, Tbilisi, on April 9.

While military officials described the substance used to disperse the crowds as "tear gas," the medical commission seemed to suggest that something more toxic had been used.

The Georgian Health Minister, Irakly Menagarishvili, told Izvestia that according to leading toxicologists in Moscow, Tbilisi and Leningrad, "the clinical data already compiled provide us with grounds to say that chemical agents were used in dispersing the demonstration."

"These are atropine-like substances that act as an irritant," the official added. "The victims with symptoms of poisoning are being treated according to procedures recommended by experts."

Atrophine is a toxic alkaloid derived from the belladonna plant, and in large doses can cause paralysis, delirium and death by cardiac and respiratory failure.

NOT SUPPLIED TO TROOPS

But atropine is not believed to be a component in any of the chemical agents issued to Soviet troops, and in fact is widely used as an antidote for nerve gases.

The Izvestia account did not say whether poison had been blamed for any of the deaths, and did not indicate how many of the 138 patients who were hospitalized showed symptoms of poisoning. Izvestia said that all but five patients had been released from the hospital.

While Izvestia's report would have been startling a few years ago, these days the dispatch of commissions to investigate disasters and the prompt disclosure of the findings is not unusual.

The medical commission's findings came amid mounting criticism in the official press of how local authorities handled the demonstration, ranging from charges in the Communist Party newspaper Pravda that officials had withheld important information to a fiercely critical report by six newly elected members of the national Congress of People's Deputies in the weekly Moscow News.

The deputies blamed the riot police for launching the attack, and said the special squads also attacked local policemen who tried to protect the demonstrators.

Most earlier newspaper accounts have alleged that demonstrators provoked the troops with bricks, stones and metal objects, but the deputies faulted local authorities for failing to give adequate warning before the riot police moved in. They also condemned the censorship imposed after the violence.

LITTLE FIRST-HAND NEWS

Georgia has been closed to foreign reporters since the violence, although a curfew imposed after the clash was lifted on Wednesday and the city was reported returning to normal.

According to witnesses, the violence began when special riot troops, wielding shovels and clubs, set upon a mass of 8,000 nationalist demonstrators in Lenin Square, the most extreme of whom were advocating secession from the Soviet Union.

Authorities said most of the victims died of asphyxiation, trampled in the crowd's panic.

But rumors had circulated earlier in Tbilisi that those victims had choked on poisonous gases used by the troops.

Nutza Meskhvili, an artist who took part in the demonstrations said that people had been told by hospital workers that many of the injured and dead had inhaled toxic gases, but that antidotes could not be provided because the army refused to disclose the composition of the gases, alleging military secrecy.

At a meeting in Moscow today of a new writers' group, Aleksandr Gelman, a playwright who was part of the delegation of deputies just returned from Tbilisi, said authorities in Georgia had identified one of the gases used as "Cheryomka 6," named for cherries, but declined to identify a second gas on grounds of secrecy.

CHEMICALS IN STOCK

According to Western specialists, the Soviet chemical arsenal includes several nerve gases, any of which would probably have produced a huge death toll if used against massed demonstrators.

Soviet chemical-warfare troops are sometimes issued various incapacitating chemicals, including chloroacetophenone, the equivalent of mace; diphenylchloroarsine, a tear gas that causes vomiting and diarrhea, and adamsite, another tear gas.

Although none of these is classified as a lethal agent, under some circumstances even tear gas can be fatal.

The Communist Party newspaper Pravda today criticized the military for denying the use of chemicals until Tuesday, when a military spokesman conceded on Georgian television that the riot troops used "tear gas" against the demonstrators.

"Unfortunately, this necessary admission was several days late and was made only after the kindling of passions around this issue had reached a very high level," Pravda said.

Almost from the beginning of the disturbances, the Kremlin has tried to distance itself from the violence and from the responsibility of restoring order in Georgia.

In his message last week in the Republic's people, Mikhail S. Gorbachev, the Soviet leader, said "it depends on you to restore to peace to Georgia."

A TRIBUTE TO MR. ALERAMO "SKIDDY" CASONI OF WHITMAN, MA

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. DONNELLY. Mr. Speaker, I rise today to honor and salute one of my constituents, Mr. Aleramo "Skiddy" Casoni of Whitman, MA. "Skiddy" was born in Italy in 1906 and arrived in the United States in 1915. Mr. Casoni joined the Boy Scouts of America in 1919 as a Lone Scout. Today, 70 years later "Skiddy" is still a member, visiting two of the local camps regularly.

"Skiddy" has been a living example of independence and dependability. Through the 1940's and 1950's for 18 years he has served as scoutmaster and a key member of the search committee that founded Camp Squanto, in Plymouth. "Skiddy" helped plan, design and build the Camp Squanto we know today.

From scoutmaster he went on to serve as neighborhood commissioner, where his guidance inspired many of the young scouts to go on to pursue very fulfilling lives. This is the sort of commitment and dedication that earned him such distinguished honors as the Silver Beaver in 1955 and the St. George Award in 1957. In the 1980's "Skiddy" was presented with the Silver Deer award, the Order of the Arrow Founder's award and the Good Turn award.

Mr. Casoni exhibits the genuine integrity essential to building the character and leadership qualities the Boy Scouts traditionally instill in their members.

In addition to all "Skiddy" does for the Scouts, he is also very active in the Whitman community. His efforts have been recognized and awarded by various groups and associations. The Junior Chamber of Commerce and the Plymouth County Education Association extended their esteem for "Skiddy" by honoring him with their distinguished service awards and the list goes on and on.

On Friday May 5, the Old Mills District of the Old Colony Council of the Boy Scouts of America, will be honoring "Skiddy" for his decades of continual support and devotion, at their annual dinner.

"Skiddy" Casoni is the embodiment of American ideals. As a first generation immigrant he has taught the youth of this country what sincere commitment, solid values, and focused ideals can achieve in America today.

A TRIBUTE TO JACK TOLSON, KOC CITIZEN OF THE YEAR

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. DYSON. Mr. Speaker, I rise today to give special recognition to an outstanding American, Mr. Jerome Tolson, Sr. of Waldorf, Maryland. Jack Tolson was recently selected "Citizen of the Year" by the Maryland State Knights of Columbus.

A member of KOC Bryantown Council No. 2293, he was chosen from entries submitted by KOC councils throughout the State. Jack, who has been active with the Knights for 32 years, was honored along with his wife and family at a statewide Founders Day Mass on April 2.

Mr. Tolson's selection resulted from years of dedicated service to the community particularly since his retirement in 1972. Jack's selfless work is evident in many areas:

He is a Eucharistic minister and participant in all fund raisers at St. Peters Church.

He founded the Waldorf branch of the St. Vincent de Paul Society in the early 1970's and has served as its treasurer for the past 8 years.

In the past 2 years he has personally raised over $4,100 to benefit retarded citizens of Charles County.

He distributes surplus commodities to the poor and elderly for the department of aging services.

Jack is a life member of the Physicians Memorial Hospital Foundation, La Plata, a hospital support group.

He is an active member and former officer of American Legion Post 238 and a member at large of the Lions Clubs of America.

Mr. Speaker, Jack Tolson embodies the distinctively American spirit of voluntarism that has prompted neighbor to help neighbor for over 200 years. I salute this patriot upon receiving his noble award.

BUSH TRANSITION EXPENDITURES

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. BROOKS. Mr. Speaker, according to a report in this morning's Washington Post, the transition operation which was established to assist in putting the Bush-Quayle administration into place has concluded its business having spent only $2.2 million of the $3.5 million that was authorized for this purpose. I want to take this opportunity to congratulate the President and his transition team on running an efficient and lean transition.

Last year, when the Committee on Government Operations was considering the Presidential Transitions Effectiveness Act, the bill which reauthorized funding for transition activities of the incoming and outgoing administrations, we considered the question of the level of funding that would be adequate to carry out the important task of promoting the orderly transfer of power from one President to the next. We concluded that the figure of $3.5 million would substantially equate to the real-dollar authorization the last time that figure was adjusted in 1976. At the same time, however, the committee noted that a Presidential transition is of unique importance to a newly elected Chief Executive, and we attempted to give the incoming President latitude to fashion the sort and scope of transition operation that he deemed appropriate.

As I have noted, President Bush appears to have carried out an exceptionally frugal and cautious transition—although I might observe that he was aided in this goal by the fact that he was undertaking a friendly takeover. Not only did he use less than two-thirds of the funds authorized from the Federal Treasury; he also found it unnecessary to solicit any contributions from the private sector as his predecessor had done.

Mr. Speaker, the newspaper account of the Bush transition team expenditures suggests that the operation was "clean as a hound's tooth" and that as a result no audit of those expenditures would be necessary. Although I have no reason to question this judgment, I intend to request an audit by the General Accounting Office of both the incoming and outgoing transitions' expenditure of public funds at the appropriate time. Some form of audit has been conducted on every transition since the enactment of the Presidential Transition Act of 1963, and my purpose in making this request is simply to reinforce the appropriateness of such action and to ensure that an audit will be available for the historical record.

[From the Washington Post, May 2, 1989]

TRANSITION LEAVES SUBSTANTIAL CHANGE—BUSH-QUAYLE TEAM RETURNS ALMOST $1.3 MILLION TO THE TREASURY

(By Judith Havemann)

The government closed the books on the official Bush-Quayle transition yesterday, returning to the Treasury more than one-third of the money Congress allocated to help the new administration hit the ground running.

The final balance sheet looked like this: $3,500,000 allocated minus $2,209,000 spent means $1,291,000 returned to the taxpayers.

"Clean as a hound's tooth," said Raymond A. Fontaine, comptroller of the General Services Administration, which administered the transition accounts. "The [General Accounting Office] said it wasn't even worth auditing unless some congressman demanded it."

Fontaine, chief transition paymaster, laid down strict rules last summer to keep the transition out of trouble: no luxury hotels, lavish meals, stretch limousines, first-class air fares, car phones or cases of Scotch. As transition czar since Lyndon B. Johnson left the White House in 1969, Fontaine said he knew where trouble lurked.

But such breaches of governmental husbandry failed to occur, Fontaine said. "They took no gifts in kind, no freebies, nothing out of line. They were obsessed with being clean."

Where Ronald Reagan spent $1,745,000 of his $2 million government account, and raised hundreds of thousands more dollars privately, Bush raised no private money, Fontaine said.

Where Reagan had about 400 people on the government payroll and as many as 1,000 more working on the transition, Bush held his staff to about 225, Fontaine said.

Where Reagan had large transition teams within each agency, Bush limited himself primarily to small groups of transition office contacts whose names, ages, previous employment and salaries were publicly disclosed.

"Proportionately," said Fontaine, "this is the leanest transition I've ever seen."

Carl M. Brauer, author of the book "Presidential Transitions," said that while parsimony may be a "good tactic" as an example of frugality, transitions overall must be judged far more broadly.

"I'd say the transition has been good on atmospherics, not so good on substance, very slow on personnel, and leaves up in the air the question of leadership," he said.

The Bush-Quayle transition was the first conducted under new legislation raising the amount of money available to pay for transition expenses from $2 million to $3.5 million. In return for increased public funding, the transition was required to publicly disclose details about staff, salaries and expenses.

In an interview after the inauguration, Sen. John Glenn (D-Ohio), author of the legislation, expressed satisfaction that it had a positive effect on the Bush-Quayle transition.

He said previous transitions made possible an "open season on influence-peddling."

In the past, he said, "we had very tight federal election laws" requiring public disclosure of contributions and "then after the election, when the new government was the most fragile, the most liable to be influenced, we had no controls."

THE THRIFT CRISIS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. LAFALCE. Mr. Speaker, as we rush to judgment in an effort to resolve the savings and loan crisis, there is a real risk that we will create more problems than we will solve. In this regard, I believe that Prof. Paul Craig Roberts raises some very significant issues regarding the legislation currently under consideration and the future of the savings and loan industry in an article published recently in the Los Angeles Times.

I commend this article to the attention of my colleagues as we continue this important debate:

RUSHING TO RESCUE RISKS A PANIC AT S&L'S

(By Paul Craig Roberts)

If President Bush isn't careful, he may have to declare a bank holiday for the nation's savings and loan institutions. That is the most likely consequence of the S&L bill

that is rushing through Congress with the momentum of a wartime measure.

Embarrassed by the S&L crisis and spurred by losses allegedly piling up at $1 billion a month. Congress and the White House are determined to quickly dispose of the issue and "get the crisis behind us." Consequently, legislation to drastically overhaul our financial system is moving from start to finish in three months.

Such a rushed job leaves the bill's architects little time to ponder the possible results, which could include the worst financial panic since 1933 and a squeeze on mortgage financing. The bill is trying to do too much at once. It is dangerous because it is applying extreme measures to a delicate financial structure in the absence of public understanding.

Basically, S&Ls are being forced to rapidly increase their capital base, while other provisions cut their profitability—a main source of new capital—and make them less attractive to potential acquirers.

The bill's basic goals are sound: to replenish the deposit insurance fund and to beef up S&L capital. However, the unrealistic deadline for meeting the capital requirements and contradictory provisions could result in an even greater crisis.

Currently there are 430 insolvent S&Ls including the 200 whose management has been taken over by the government. As of last September, 2,550 solvent institutions remained with assets totaling $1.2 trillion. Last month, the accounting firm of Peat Marwick Main estimated that 870 of these institutions with $450 billion in assets would not be able to meet the new capital requirements by the 1991 deadline. Thus, one effect of the bill could be to triple the number of problem S&Ls.

Under the bill, S&Ls have until 1991 to achieve parity with bank capital requirements. Yet, the squeeze put on their profits and on their attractiveness as takeover or merger candidates by other provisions make this timetable unrealistic. The bill requires S&Ls to pay higher deposit insurance premiums, which comes out of profits. The bill strips away attractive features of thrifts, such as their more liberal branching powers and their affiliated service corporations (insurance and real estate), in the event they are acquired by bank holding companies. Since these are the very features that would make troubled thrifts attractive to commercial banks, capital injections are unlikely from this source.

To top it all off, the bill puts a huge stumbling block in the path of healthy S&Ls interested in taking over troubled ones. A provision of the bill known as the tangible net-worth proposal requires any S&Ls involved in an acquisition to write down the book values of its own assets to current market values. This difference is defined as "good will" and must be deducted from the acquiring S&L's net worth, thus greatly reducing its capital position and, perhaps, throwing it into the "impaired" capital category.

Thrifts that do not meet the new capital requirements are not allowed to grow. This leaves them the options of shrinking in size by selling assets to raise capital or trying to find a merger partner. If the asset sales further depress prices, additional write-downs will follow.

The tangible net-worth proposal applies to "done deals" in which insolvent thrifts have been taken over by healthy ones, in effect turning sound business decisions into unsound ones and allowing federal supervisors to restrict activities.

This is going on while the Federal Reserve's interest-rate policy squeezes thrift profit margins and cuts the market value of assets, and while members of Congress talk about reopening S&L deals that were allegedly too favorable to acquirers.

This hasty and ill-considered change may prove indigestible. Depositors faced with rapid disappearance and merger of familiar thrifts, and statements by government officials of impending closures, provide the ingredients for a run on deposits.

This bill may have the effect of nationalizing the thrift industry, as no private party in his right mind would acquire a troubled thrift under the provisions of the legislation slated for a Rose Garden signing in May.

ABORTION AND THE AMERICAN SOCIETY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. DORNAN of California. Mr. Speaker, it seems that we are never lacking in material on the subject of abortion. This American tragedy is often the subject of not only this House but Americans of all ages. The following is an award winning speech in the preliminary competition of the National Pro-Life Oratorical Society given by Patrick A. Fegan of Gainesville, VA, on March 18, 1989.

Abraham Lincoln, arguably the wisest president the United States has ever had, accumulated an impressive array of quotes of his illustrious career. He once said that if the day ever came when America would fall, it would do so from internal struggle, not because of a foreign aggressor.

Bar none, the greatest evil threatening American society as we know it is abortion. It has been sixteen long years since it was made legal and since that infamous day there has been no sign of it even slowing down. That is not until a unique concept burst into the spotlight. Frustrated, angered, and simply fed up with the minimal progress made by the pro-life movement, a used car salesman turned Evangelical minister, from Binhamton, New York started a refreshing and downright clever method in which to fight abortion in an updated and more successful fashion. His name is Randall Terry and his organization is called Operation Rescue.

Operation Rescue, is a non-violent, civil disobedience approach in protesting against abortions. People involved place themselves in front of the clinic's entrance in the hopes of shutting it down for the day or at the very least, persuading a pregnant mother that abortion is not the answer. They risk arrest, fines, and sometimes even jail sentences. Sometimes the police can get a little nasty, a tad overzealous, in carrying out their duty to arrest the rescuers. All too often, injuries have been sustained such as cuts, bruises, and on a few occasions, broken bones. You would think the ordinary, ignorant bystander would get the impression that those being arrested were guilty of some sort of subversive activity. Perhaps they are drug kingpins and the cops are conducting a surprise sting operation. No. Well, maybe they are a group of low life desperados who roam our city streets robbing, mugging, killing, raping, burning and looting. Could that be it? Wrong again. Oh, I've got it now. That's the local neo-Nazi chapter we've been hearing about on the news. Great. They're busted now. I'm afraid not. Perhaps I should reveal the true nature of the hideous crime you are watching. Prepare yourself. Trespassing. That's right. Trespassing.

You and I both know that the real crime occurs inside the abortion clinic, not outside. Innocent babies in alarming proportions are being murdered. I say murder because I'm at a loss for any other suitable word. Is there any comparison between murder and trespassing? The answer is no but all things that are truly important—in this case—it's life itself, are no longer in perspective. Abortion is one of the many results of America as a nation rejecting God. He is no longer wanted in society. Life is His greatest gift to us and by approving abortion, we're saying "no" to life.

In the time of Mr. Lincoln, a civil war was waged. Today, a war of a different kind is taking place. We learn about the tragedy of the American Civil War in history class where nearly 500,000 men lost their lives. Multiply that number by 50 and you reach the number of lives lost due to abortion. That's 25,000,000 babies killed over 16 years. 1.6 million killed each year. Evidence shows that 98-99% of all abortions are done for personal convenience or economic reasons. Rape, incest, and the life of the mother, therefore, are just part of the smokescreen that is blurring the common sense/visibility of the American people.

I believe and hope, as many of us do, that abortion will come to an end. Why? Because I believe in America and what it stands for. I also believe in the premise upon which our country was founded: that all men are created equal.

Abraham Lincoln wrote the Gettysburg Address in 1863, maybe the most moving and prayerful speech of any president. I wrote the following analogy of the Gettysburg Address and tried to apply it to the tragedy of abortion.

One decade and six years ago our Supreme Court unleashed on this country a new assertion, comprised of selfishness, which contradicted the proposition that all men are created equal.

Now we are engulfed in the effort to save lives, proving that this nation, and other nations, so deceived and so exasperated, can still overcome. We are gathered in a small auditorium of Seton School. We have come to express a fraction of our outrage on behalf of those unborn babies that lost their lives becuase they were not wanted or loved. It is altogether essential and necessary that we should do this.

But in reality we cannot appreciate, we cannot tolerate, we cannot allow abortion to go on. The innocent babies, boy and girl, black and white, who are aborted daily, have been violated far beyond our poor power to comprehend or understand. Society will little care nor show concern about what we say here, but it can never forget what happens to unborn children worldwide. It is for us, the pro-lifers rather to be inspired to end the evil which the unborn everywhere have thus far so dearly suffered from. It is instead for us to be here pledging ourselves to the uphill battle before us—that from the innocent dead we grasp a greater determination to end this crime which claims their helpless yet precious lives. That we here sincerely conclude that no more shall die in vain: That abortion doctors, by the will of God, shall be enlightened with His truth; that government of the

people, born and preborn, by the people, born and preborn, and for the people, born and preborn, shall not perish from the earth.

THE STUDENT LOAN DEFAULT PREVENTION ACT OF 1989

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mrs. ROUKEMA. Mr. Speaker, today I am introducing the Student Loan Default Prevention Act of 1989. This bill is meant to confront head-on the urgent problem of defaults on student loans that rob the federally guaranteed student loan program of available funds that could be used to help pay for the higher education of many deserving students.

We in Congress must take immediate action to stem the flow of the billions of dollars now required to guarantee these student loans. The statistics are startling. Estimates place the cost of paying for defaulted loans at $1.8 billion for fiscal 1989. This figure is equal to half of the total outlays for the program.

The bill that I introduce today attacks the default problem on several fronts. It was drafted with the belief that a solution to the default situation will require greater responsibility on the part of everyone involved—students, schools, lenders and guarantee agencies—to ensure that these loans are repaid.

Since estimates show that learning institutions with high rates of default—rates of 20 percent or more—are responsible for nearly half of all student loan defaults, my bill places its major emphasis on making these institutions more accountable to the guaranteed loan system. Institutions defined as having a high rate of default will not receive disbursement of Federal funds sooner than 30 days after the beginning of the school term. In addition, disbursement of the loan will be made in at least two installments to coincide with the beginning of each term of study. These provisions are necessary because the majority of defaults are attributable to students that drop out during the first term of their first year of school.

My bill will also place more responsibility on lending institutions and guarantee agencies by modifying the 100-percent Federal guarantee provisions of the Higher Education Act of 1965. I do not advocate the elimination of the 100-percent guarantee, but I believe that lending institutions should share the risk incurred when making loans to those enrolling in high default rate schools. My bill provides that the Federal guarantee will be reduced to 95 percent when a lender under this act has one-third or more of its outstanding student loan principal during any consecutive 2-year period with students attending high default rate schools. This is a reasonable approach to encourage lenders to more actively evaluate the risk potential of student loans, while taking into consideration the voluntary nature of their participation in the program and the slim profit margins and high overhead involved with making student loans.

Finally, the Student Loan Default Prevention Act of 1989 places limitations on the recruitment activity and false advertising pursued by some unscrupulous schools. The bill contains several provisions to prevent schools from taking advantage of potential students and to strengthen the accrediting standards and procedures for career training schools.

I urge my colleagues to join me in seeing that we move swiftly to stop the hemorrhaging of our student loan program. We must take every measure to ensure that scarce Federal student aid resources are made available to as many of our deserving and aspiring students as possible.

CAPT. FRED MOOSALLY'S TRIBUTE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. SKELTON. Mr. Speaker, the memorial service at Norfolk on April 24 for the 47 sailors who died aboard the U.S.S. *Iowa* was a fitting and proper tribute to these fine young men. President George Bush spoke at the event. The captain of the ship, Fred Moosally, delivered a deeply moving address. I wish to share it with the Members at this time:

I remember turret two. I remember their faces as they toiled at their guns, sweating an honest sweat that comes from young men dedicated to a great cause. Who chose to serve, to grow, and to learn with others, while securing a place in history for generations after them. I remember their strong hands as they wielded their great charges with an energy I could only marvel at. The energy of their youth which they channeled toward their love of freedom. I remember as they talked among themselves, looking so much like sailors of our past, sharing the exuberance of the times and the dreams of the future. I remember turret two.

They were the life, the spirit, and the soul of our ship. They embodied the ideals of our history and the hope of a brighter tomorrow. They gave of themselves to the goals we all share, and they made the ultimate sacrifice for us. We will not, nor can we ever forget the lessons they taught us.

The crew of *Iowa* shared much with turret two. We shared their enthusiasm, their drive, and their kindness. We worked side-to-side and shoulder-to-shoulder to build a team, a family, a common bond which can never be broken. And though they have left us in body, they will always remain within us.

We came together in times of trouble. We shared the good and the bad, the comedy, and now the tragedy. The grief we share with you their families is deep, but we must go on, for we are the crew of *Iowa*, permanently fused, like the steel of the ship we sail. Our sides are strong, our towers high and our course is set. We are the *Iowa*.

A part of every rivet, every plank and every line. We are the ship. She breathes through us, and she lives as a part of us. As long as she sails the seas we will be a part of her, a part of the *Iowa* spirit. That spirit lives, and the men of turret two will forever be a part of that living spirit.

A TRIBUTE TO HOPE UNITED METHODIST CHURCH ON THE OCCASION OF THEIR 100TH ANNIVERSARY

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. SCHUETTE. Mr. Speaker, it is with great honor that I take this opportunity to honor the congregation of Hope United Methodist Church located in Hope, MI. On Sunday, May 7, the congregation will join in celebrating 100 years of service to the community.

The church was founded on May 7, 1889, with the appointment of the first board of trustees. Settlers from the Hope area joined together to cut logs to be used in the construction of the first church building. The original building dedicated on November 11, 1890, is still being used by the congregation. The Reverend C.H. Theobald was the first minister of the young congregation.

The church has been one of the pillars of this small rural community. Many of the members who are active in the church today are descendants of the first members. They have many of the characteristics of the pioneer spirit which helped mold the mid-Michigan area and develop strength of character in the members of the community. Through good and bad times this community of believers has bonded together to serve their God and community.

Hope United Methodist Church is currently being served by Rev. Donald O. Crumm and has a membership of 167.

Mr. Speaker and Members of the House, please join me in paying tribute to Hope United Methodist Church.

POLITICS GOES WILD IN SOVIET BLOC

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. RICHARDSON. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues a recent article by a former professor of mine from Tufts University, Dr. Arpad von Lazar. A close personal friend of mine, Dr. von Lazar talks about the changing political scene in the Soviet bloc. I believe my colleagues will find his column both interesting and informative:

POLITICS GOES WILD IN SOVIET BLOC

If you want political action on a grand scale go East young man, go East!

Politics is really cooking in the Soviet bloc. Russians go to the polls for the first time in 70 years, and actually manage to unelect some old party hacks, Hungarians seriously consider a multiparty system and the Polish government signs a pact recognizing Solidarity and affirming the role of unions.

If we are to believe our news media, "all is well on the eastern front" and the Cold War is over. Yes, maybe as we knew it, the good old Cold War of rigid alignments, unpassable borders and a plethora of political pris-

oners is over but the United States' problems in dealing with the Soviet bloc are just beginning.

Well, for starters, we should seriously consider and recognize that what is going on over there has a very different meaning from country to country. The Soviet bloc is not a monolith. This much some bright academicians have been saying for two decades, yet it has not sunk in at Foggy Bottom or Capitol Hill.

At the end of the 1980s, we are finally facing a world of European socialist countries, which are socialist but do not want to be socialist, are socialist but do not know what socialist really means or just wish that socialism could fulfill some other purpose, like putting a chicken in every pot or two cars in every garage.

So what do we learn from an event like the Soviet elections? Is the defeat of a regional KGB chief, an aging party boss in the Ukraine or the stellar media hype promotion of ex-party maverick Ligachev important? Does it set a trend?

The most fundamental problem of the Soviet Union is that it is a country in the grips of a twofold wrestling full-Nelson.

On the one hand, the economy is a disaster and it cannot be made to work overnight. On the other hand political demands and regional nationalistic pressures keep accelerating tensions between the government and its citizens, the old and the young and the privileged and the down-trodden. The point is, that as far as the Soviet Union is concerned, the United States can neither help nor harm the processes of *perestroika* and *glasnost*, economic restructuring and political openness.

This is the Soviet's show—a show of attempting to match improved bureaucratic performance with satisfaction of probably impossible consumer demands and ecological zeal with a newly found emphasis for productivity.

The point is that it is just too much to accomplish in too short a time with too little tolerance for failure and loss of face. There simply is no good reason why the Soviets, or for that matter the United States, should assume that the legacy of 70 years will be undone overnight. We should not expect it and we should not assume that it will be painless or without setbacks. Clearly, the Soviet Union needs above all political and not economic reforms, and these will be slow and tortuous in coming.

And the clearer our nation stays from the Soviets move toward a pluralistic mode of governing, the better off we will all be as we watch them cope with the legacy of the Czars, Lenin, Stalin and a hundred-some nationalities within the boundaries of a superpower which knows how to send people into space but cannot figure out a distribution system for dairy products.

By contrast, in countries like Poland and Hungary the real test is not what to do about politics, but rather how to revitalize the economy. In these countries, communism as a singular political hegemony is finished for good. Unlike Russians, Hungarians, Poles or Czechs do not have to be educated in the fine arts of political pluralism—they know it, they remember it, they had it in the first few years of the post World War II era. The United States might as well assume that in the next three to four years we will see the emergence of a multiparty system in Hungary and Poland.

Countries like Hungary should not belong to either the influence spheres of NATO or the Soviet Union. They should be neutral like Finland or Austria. And actually, in terms of their political realities, internal and foreign policies, they are already not far from being there.

For the Hungarians the primary concern is the economy and how to travel the perilous path between socialist rigidity and capitalist irresponsibility. Some of the social concerns of a socialist economy, like full employment (all the while ignoring concerns about productivity, quality standards or competitiveness) are clearly no longer paramount.

If anything, our policy makers, and above all Secretary of State James Baker, should be atuned to the fundamental differences and needs of the changing Soviet bloc. The real strength of the United States should rest on our ability to differentiate between the significance of economic and political changes occurring in that part of the world. And sometimes the most prudent path of action is one of wait-and-see, alas with as little fanfare as possible. But try to sell that message to the media wizards.

PRIVATE BILL FOR THE RELIEF OF YOU WAH LEE

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. MATSUI. Mr. Speaker, today I am filing a personal bill on behalf of Harry Tai and Betty Lee who wish to bring their adopted son You Wah Lee home from China. Mr. and Mrs. Lee are fine members of my community. They are active in the Chinese Grace Bible Church and both are very giving of their time to many friends and neighbors. I believe their situation is one of the rare cases where a private bill is truly warranted. I respectfully ask that my colleagues on the Judiciary Subcommittee on Immigration, Refugees, and International Law give careful consideration to the following facts of this case and allow this good family to be together.

FACTS

In September of 1975, Harry Tai and Betty Lee, naturalized citizens of the United States, adopted You Wah Lee, an 8-year-old Chinese orphan, by virtue of a Certificate of Adoption in Kwangtung, China. In November of 1979, Mrs. Lee traveled to China to formally complete the adoption. Mr. Lee had previously granted his wife power of attorney to jointly adopt You Wah Lee, as his grocery store business did not allow him to accompany her. Prior to that date, the Lees had financially supported their son for 5 years.

In June of 1983, the Lees filed a petition (Form I-600) with the INS to have the beneficiary declared as an immediate relative and brought to the United States (INS File No. A24 968 478 (E-4)). This petition was denied in 1985 due to the Lees' failure to fulfill one requirement during the adoption proceedings. Section 201(b) of the Immigration and Naturalization Act (8 USCS 101(b)(1)(F)) states that an adopted child is eligible if "a United States citizen and spouse jointly . . . personally saw and observed the child prior to or during the adoption proceedings." Since Mr. Lee could not personally attend the final adoption proceedings he believed that by granting power of attorney to his wife, all legal requirements would be met. A subsequent appeal was rejected.

In April 1988 the U.S. District Court for the Northern District of California granted the INS' Motion for Summary Judgment and dismissed the action.

WHY THE PRIVATE BILL SHOULD BE GRANTED

While Mr. Lee admits that he had not personally seen the orphan prior to the adoption, he sincerely believed that the power of attorney he gave to his wife would meet all legal immigration requirements. He believed that his wife was empowered to do everything he could have done with reference to the adoption proceedings and in the eyes of the law he would be considered legally present. He filed the power of attorney with the INS based on this belief.

In addition, Mr. Lee had financially supported You Wah Lee since 1975 and carried on regular correspondence with the boy, attesting to the genuine relationship existing between the Lees and You Wah.

In a prior holding, Matter of Jue (1967, BIA, 12 INN, Dec 296), concerning the ratification of an adoption, the requirement that a married person, in order to adopt a child, must do so jointly with his or her spouse was satisfied where the record established that the male spouse in the United States ratified the adoption by his wife. In the Lees' particular case, in view of the many years of support by both husband and wife of You Wah, certainly a power of attorney specifically given by one spouse to another for this purpose would seen to satisfy the requirements under the law. It is ironic and very tragic for the Lees that the technical requirement of both parties having to see the child by the 16th birthday was held to have not been satisfied because of the economic circumstances of the family, yet for other requirements of equal or greater importance a valid power of attorney is deemed sufficient for the INS.

NOT FOR WOMEN ONLY

HON. OLYMPIA J. SNOWE,

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Ms. SNOWE. Mr. Speaker, we are all aware of the seriousness of the nursing shortage facing this country. The Secretary of Health and Human Services Commission on Nursing found that there were over 137,000 nursing vacancies in the hospital and nursing home sectors alone.

One of the reasons given for this shortage is the expanded career opportunities open to women. Nursing is traditionally thought of as a predominately female profession. In fact an estimated 97 percent of the nurses in this country are female. Therefore, one of the options to consider to increase the supply of nurses is encouraging men to join the profession.

I would, therefore, like to share an article with my colleagues from the Kennebec Valley Medical Center newsletter which discusses 4 of the 22 members of the nursing staff who

are men. Their positive attitudes and professional satisfaction are the best recruiting tools of which I can think.

NURSING NOT A WOMEN'S ONLY PROFESSION
(By Mary Plumer)

When John Rust, RN, greets a patient in the Kennebec Valley Medical Center Emergency Room, he says "My name is John Rust and I'm a nurse." Rust says "I have to do that, otherwise they think I'm a doctor."

The stereotype of nursing as a "women's" profession doesn't go away easily and statistics reinforce it. According to the Maine Nurses Association, of the total nursing population in Maine and nationwide only three percent are men.

MNA Director Anna Gilmore says that percentage hasn't changed in 10 years. "My sense is that there are more men entering the profession, but not enough to change the percentage" despite efforts of her organization and others to include men in literature and posters promoting nursing as a career.

Of the more than 300 nursing personnel at KVMC only 22 are men. Vice President for Nursing Anne Murphy says the hospital's male/female ratio in nursing stays about the same "It's not whether you're a man or woman that makes you a good nurse," says Murphy, "It's all those good, caring reasons you choose nursing as a profession that make it work."

When John Rust of Belgrade was making career choices, he knew he wanted to serve the public and he wanted "the kinds of intrinsic rewards of public service."

Rust enrolled in the nursing program at the University of Maine at Augusta. His wife's profession as a nurse undoubtedly provided some of the inspiration, he says. Deborah Rust is also on the staff of KVMC.

"Nursing provides you with an opportunity to help people at times when they feel, because of illness or injury, that they don't have much control over what's going on with them," says Rust.

"It's a unique privilege to be there for people at a time of need," he says, "because generally when somebody has pain, the only people they let become part of their lives are their very close relatives. The only others they allow to become part of their illness are their nurses and doctors."

Rust is also a paramedic on call to a local ambulance service and a clinical instructor one day a week for the paramedic program at Kennebec Valley Vocational Technical Institute in Fairfield. Rust's students have their clinical experience at KVMC.

Paul Scotti of Hollowell is also an RN in KVMC's Emergency Room. Scotti was in his second year in the engineering program at the Univerisity of Vermont, when he decided to go into nursing instead. Scotti said he had enjoyed his volunteer work on the college-based ambulance and the satisfaction of "seeing people benefit from what you do."

A year ago, when Scotti's wife was transferred by Pizza Hut to become regional manager for Central Maine, he knew he would have no problem finding a job in his profession. "I interviewed at three places in one day and had a job here at the end of the day." Scotti said. He had already received the advanced cardiac life support training recommended for KVMC's Emergency Room nurses.

Scotti says he enjoys the pace and variety of Emergency Room nursing and where some people might not want to work the weekends that are required, he sees "strong benefits to having a weekday off. You can get things done. The stores are open."

Joe Rehmeyer of Liberty is a licensed practical nurse on a medical/surgical unit at KVMC. He has been an elementary school teacher, drug counselor, camp counselor, respiratory therapy technician and served three years in the military. It was while walking the Appalachian Trail from Pennsylvania to Maine that he decided to become an LPN. "I knew I liked the hospital atmosphere," he said.

During that thousand mile, three-and-a-half-month walk Rehmeyer and his fiance also looked the east coast over to see where they wanted to live. "Maine was it," he says. "Now I'm married, have three kids, own a house and am an LPN."

Rehmeyer first became a certified nurses aide and then went to Kennebec Valley Vocational Technical Institute for the one-year LPN course. He's been at KVMC since he graduated in 1981. "This is the longest time I've stayed with a job in my whole life," he says. "I love the patient care."

Nursing, he says, "is a very rewarding, very challenging job. I think it's going to take a long time for men to realize it's not a piece of cake and people work their tails off." Men need to be told, he says, that nursing "is not just a woman's profession. Too many people feel it is."

Rehmeyer works 3 to 11, four days a week by choice. His wife is a resource room teacher and their schedules work out so they don't need babysitters. Besides that, he says, he likes having two days off in the middle of the week, particularly when his wife is off and they can travel without being in weekend crowds.

Jerry Wagener of Montville became a registered nurse seven years ago after retiring from 25 years of school teaching. "It was something interesting to do," says Wagner.

"In a way I still continue teaching. With patients, you're teaching all the time, even with your tone of voice . . . teaching them how to work with pain, accept pain, what to expect during their illness and after. You teach them how to achieve maximum wellness, how to try to modify their lifestyles so that illness doesn't recur."

Beyond the satisfaction of teaching are other rewards from caring for patients. "Most of the time, you see people come in terrible shape, you feel almost as if there is no hope," he says, "and you see them walk out. There's a reward of achievement of some kind."

Wagner says the youngest of his 12 children will be graduating from high school in June and he intends to retire from his second career, although he would like to see more men in the profession.

Nursing is one of two areas where people's lives are in your hands, he says. Teachers of young children can shape a child's life, he says, and "look at a nurse. Every single day we have people's lives in our hands."

Although Wagner is retiring from nursing, it won't be total. He intends to work "on call" in the hospital's per diem pool a few days a month. "Christmas gift money for the grandchildren," he says.

GLENDALE BAR ASSOCIATION CELEBRATES LAW DAY

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. MOORHEAD. Mr. Speaker, the President and the U.S. Congress officially proclaimed May 1 as Law Day U.S.A. Law Day has become an annual nationwide observance of the law's important role in American life and our democracy.

The lawyers of the Glendale Bar Association joined with the lawyers from throughout the United States in observing Law Day as an occasion to help the public better understand their rights and freedoms under the law.

The leaders and residents of Glendale recognize the importance of equality and justice under the law and perpetuate this belief in their work places, in their homes and in their lives.

As it has in the past, the Glendale Bar Association sponsored a Law Day luncheon as a service to the residents of Glendale, a key city in the 22d Congressional District. The featured speaker was Daryl Gates, chief of the Los Angeles Police Department.

Another principle element of the luncheon was the presentation of the Liberty Bell Award to Mr. Charles Briley, an individual who has demonstrated throughout his life a deep and enduring respect for the law and its basic underlying principles.

Mr. Speaker, I appreciate this opportunity to extoll the merits of Law Day and to congratulate the Liberty Bell winner, Mr. Briley, and the Glendale Bar Association for its effective involvement in this important national observance.

TWIN VALLEY HIGH SCHOOL STUDENT GAINS SECOND PLACE IN "DISCOVER EARLY AMERICA" MAP CONTEST

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. YATRON. Mr. Speaker, today I want to give special recognition to Jennifer Smoker, a student at Twin Valley High School in Elverson, PA, who recently participated in the "Discover Early America" map contest.

As you know, Mr. Speaker, the Commission on the Bicentennial of the U.S. Constitution has sponsored a "Discover Early America" map contest in which schools throughout the United States are competing. The goal of this map contest is to encourage the study of geography and to enhance students' knowledge and understanding of American history.

In Pennsylvania's Sixth Congressional District, Jennifer Smoker won second place in the high school level contest. I commend Jennifer for participating in this map contest and for her outstanding academic and artistic work. Mr. Speaker, Jennifer Smoker represents the best of the Sixth Congressional District and

she can be proud of her success in this competition.

A TRIBUTE TO GAITHERSBURG HIGH SCHOOL'S KEY CLUB

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mrs. MORELLA. Mr. Speaker, I am very proud to call to the attention of my colleagues an outstanding group of young people, the members of the Key Club of Gaithersburg (MD) High School, who will receive the 1989 Public Service Excellence Award from the Public Employees Roundtable at the "Breakfast of Champions" on May 4, 1989, on Capitol Hill.

This prestigious national award, given annually to Government agencies and youth and retiree groups that exemplify the highest standards in public service, recognizes Gaithersburg High School's Key Club as an outstanding model of service for young people throughout the United States.

"Caring . . . Our Way of Life," the motto of Key Clubs International, is realized in the lives of these 425 young people who truly have made a difference in the lives of so many children, teenagers, and adults. After school and on weekends, they collected money and delivered toys at Christmastime to children in hospitals and in need; they took school supplies and athletic equipment to a West Virginia community devastated by a flood; they taught handicapped youngsters to ride horses; they raised $1,000 for Special Olympics and held their own Maryland Invitational Special Olympics meet; they visited nursing homes throughout the year; they volunteered at the Gaithersburg Care Center, a clearinghouse for drug abuse information; and they "Bowled for Breath" to raise money for the Cystic Fibrosis Foundation. The entire list of activities includes 29 service projects.

I especially commend Tony Deliberti, an English teacher at Gaithersburg High, who founded the Key Club in 1985 and serves as the club's adviser. His charisma and dedication have inspired hundreds of young people in my district to discover not only the joy of learning but the joy of serving others.

Mr. Speaker, I am very proud to represent these remarkable and dedicated individuals in the Congress of the United States.

UNIVERSITY OF TEXAS MEN'S SWIMMING AND DIVING TEAMS REPEAT AS NATIONAL CHAMPIONS

HON. J.J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. PICKLE. Mr. Speaker, winning a national championship in collegiate athletics is an accomplishment of monumental proportions, but repeating as national champions for a second consecutive year is even more difficult.

Nonetheless, Coach Eddie Reese's University of Texas men's swimming and diving team recently accomplished that feat, winning it's second consecutive national title and their third in this decade. Led by veteran Olympians Shaun Jordan, Doug Gjertsen, and Kirk Stackle, the Longhorns held the No. 1 ranking all year long and defeated runner-up Stanford by 79 points in the national championships in Indianapolis.

And the Longhorns intend to stay No. 1. The squad will lose only three members to graduation this year, and five freshmen who scored in NCAA competition will return as veterans. I want to congratulate the UT men's swimming and diving team on its second straight national title, and I look forward to cheering them on to a third consecutive championship next year.

I insert Doug Smith's article recounting the Longhorns' successful defense of the national title in the RECORD following my remarks:

TEXAS RETAINS NATIONAL TITLE—TWICE IS NICE

(By Doug Smith)

From the moment they climbed out of the pool a year ago as NCAA champions, the Texas Longhorns were tabbed as everybody's favorite to repeat in 1989.

Texas performed according to expectations throughout the season and held the No. 1 ranking all year. When the teams returned to Indianapolis for the 1989 meet, predictions were that the Longhorns would win handily.

Texas appeared loaded with talent and was led by a trio of Olympians: Shaun Jordan, Doug Gjertsen and Kirk Stackle. Even UT Coach Eddie Reese—always the cautious one—admitted the day before the start of the meet: "On paper, you would have to go with us as the favorite."

However, Reese quickly added, "But the meet takes place in the water, not on paper. You still have to go out there and perform well. There are three or four other teams here who can win it. Anything can happen."

What did happen was exactly what the predictions said, as the Longhorns won their second straight NCAA Swimming & Diving Championship and their third in the 1980s under Reese. Jordan, Gjertsen and Stackle showed the talent that had earned them berths on the U.S. Olympic Team last year and their teammates proved that they deserved their advance billing.

The tone for the meet was set early. With Gjertsen on the anchor leg, Texas opened the meet with a victory in the 200-yard freestyle relay. The Longhorns went on to build a 31-point lead after the first day, extended the margin to 70 points after the second day and finished with a winning total of 475 points—79 points ahead of runner-up Stanford.

The NCAA meet had to be especially satisfying to Gjertsen, even though he failed to win an individual event for the first time in three years. Following the Olympics, he spent the fall and winter gradually getting back in top form, and when the national championship came around, he was ready.

Gjertsen played the ultimate *team* man in Indianapolis, as he swam in 13 races during the three-day event. He scored in three individual events: third in the 200-yard freestyle, which he won in 1988, third in the 200-yard individual medley and 15th in the 200-yard backstroke, which he won as a freshman in 1987. But he was spectacular in the relay events. He anchored Texas to four victories, three of them with dramatic come-from-behind sprints.

Jordan continued to solidify his standing as one of the world's top freestyle sprinters. He ranked fifth for the high-point honors at Indianapolis with 50 points, as he won the 100-yard freestyle, finished second in the 50-yard freestyle, sixth in the 200-yard freestyle and swam on three winning relay teams. Three weeks earlier, Jordan had won high-point honors at the Southwest Conference Championship, where he set meet records in the 50-, 100- and 200-yard freestyles.

Stackle spent the week in Indianapolis showing why he's considered one of the world's top breaststrokers. He reversed his finishes of a year ago, winning the 200-yard breaststroke, where he had been runner-up in 1988, and finished second in the 100-yard breaststroke, which he won the year before.

"This was an especially tough year for those guys," Reese said after the meet. "That post-Olympic year can be real, real tough both physically and mentally, but all three of those guys swam really well. It was a great effort."

While Jordan, Gjertsen and Stackle were the headliners, the Texas victory was very much a team effort. Fifteen Longhorns scored in individual events and UT scored in 19 of the 21 events. Texas was shut out only in the 200-yard butterfly and the three-meter springboard dive.

As was the case in last year's victory, relays were a key for the Longhorns. Texas won all three of the relays a year ago—only the second time that had happened in the NCAAs. Two relays were added to the 1989 meet: the 200-yard freestyle and 200-yard medley. While Reese questioned what effect the extra events might have on the meet as a whole, the Longhorns rolled up 192 points in the relays with victories in the 200-yard freestyle, 400-yard freestyle, 800-yard freestyle and 400-yard medley and a third-place showing in the 200-yard medley.

When his team won the NCAA title a year ago, Reese said UT did it by outworking everybody else. At the start of this season, he warned that, "This year's team will have to be sure they don't think they can win it on reputation.

"This was a lot like last year's team," Reese said following the victory. "They are still a very hard-working group, and I hope they like it that way because that's the way we intend to keep it going. You have to keep working harder and harder every year."

Apparently Reese never needed to worry about his team's attitude.

"We were completely focused on what we had to do," said Keith Anderson, who was fourth in the 100-yard butterfly and swam on two of the winning relays. "From the first day we got in the pool last fall and every day all year we trained like we were No. 1 and we intended to stay that way."

UT appears to have a good chance of staying at the top. Graduation will keep only three from returning: captain Andy Gill, who placed fourth in the 100-yard backstroke and seventh in the 200-yard backstroke; Brian Cisna, who was seventh in the 1650-yard freestyle and diver Christian Styren, who placed seventh in the one-meter springboard.

Among the returnees will be five freshmen who scored at the NCAAs: Jason Rhodes, Ethan Saulnier, Matt Stahlman, Jeff Thibault and Alex Wittig.

Gjertsen liked the way the freshmen were introduced to the NCAA meet. "The three of us who were at the Olympics didn't get to

know the freshmen for awhile," Gjertsen said. "It was really sweet to be able to show them what it's like to win."

But he was one of the first to caution that the celebration not last too long.

"The defense of this title starts tomorrow," Gjertsen said after anchoring UT to a win in the final relay. "The way we approach it is that we can't rest on our reputation or what we've done here. That's the way we looked at it all this year and that's the way it's going to be."

COMMUNISM ON PARADE

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. BROOMFIELD. Mr. Speaker, yesterday was May Day, a day once intended to press the demands of workers, but until this year noted mostly for a parade of heavy weapons before the Soviet elite in Red Square.

This year's parade featured banners, floats and balloons. Soviet leaders may be trying to put on a new face, but it is clear to me that Communist Party rulers everywhere are out of touch with working men and women.

Last year, Poland's official May Day celebrations were met by counterdemonstrations led by the Solidarity Labor Union. This year, Chinese students and workers have been mounting massive demonstrations in Beijing.

The implicit promise of communism was that if workers were willing to give up their freedom, they would be granted economic security in return. As it turns out, they now have neither.

Communism may well be on its last legs. I can't think of anyone in his right mind who would mourn its passing.

LEGISLATION TO PROTECT ELEPHANTS

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. DONNELLY. Mr. Speaker, I rise today to express my concern for the horrendous conditions the global ivory markets have created.

Worldwide elephant populations are being devastated by ruthless poachers. The numbers of elephants have fallen so dramatically, these gentle creatures face extinction if nothing is done to protect them.

In the last 10 years, it is estimated that the elephant populations had plummeted from 1.5 million to fewer than 400,000. Experts identified poaching and habitat constrictions combined with growing illegal ivory markets to be the primary causes of the decimation.

In the mid seventies, immediate action was required to stabilize the haphazard practices of an unregulated whaling industry. The present rate of depopulation makes both the Asian and African elephant an endangered species. In fact the rate of elephant deaths today is so high that significant drops in the birth rates are taking place. We are faced with the situation that, unless all poaching is stopped, elephants in Africa will be extinct everywhere on the continent within 24 years.

The most effective means of combating this massacre is to control the international ivory market and its trade practices. Today I am introducing legislation that will protect elephants by addressing the deplorable conditions these ivory markets have created.

My legislation will revoke the most-favored-nation status of any country that continues to traffic in ivory or ivory products. It denies tax credit on income derived from the sale of ivory and ivory products. In addition, this bill imposes criminal penalties on individuals, subject to U.S. law, who continue trafficking in ivory.

I urge my colleagues to join me today, in ending the senseless slaughter of these majestic creatures.

CURTIS BAY YARD CELEBRATES 90TH ANNIVERSARY

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. DYSON. Mr. Speaker, in 1899, Lt. John C. Moore, petitioned the Revenue Cutter Service to purchase the land and locate a shipyard at Curtis Bay, MD. Today, the Revenue Cutter Service is known as the Coast Guard, and the yard at Curtis Bay is commemorating its 90th anniversary of "service to the fleet". I would like to take this opportunity to bring to the attention of my colleagues the accomplishments and contributions of the Coast Guard yard since 1899.

From 1889 to 1910, the Coast Guard yard was the permanent home of the Coast Guard Academy and a central location for repair and construction of cutters and lifeboats. Since 1910, the Coast Guard yard has served as host facility for the Baltimore group and station, as well as the principal shipbuilding and repair facility for the Coast Guard Fleet. The yard is the Coast Guard's largest, most modern plant, responsible for repairs, renovations of vessels and for the manufacturing of equipment particular to the Coast Guard. Over 830 civilian employees and 250 military personnel are currently stationed at the yard and continue to work with as strong a commitment and dedication as their predecessors have since the foundation of the yard.

The Coast Guard is a fully fledged member of this Nation's defense forces. It's primary mission is the protection of life at sea along the U.S. coastline, the policing of our coastal waters against drug smugglers and the protection of our marine environment against pollution from vessels. The Exxon *Valdez* catastrophe is a stark and current reminder of the fundamental role the Coast Guard has in the protection of our coastal resources and environment. The yard has contributed directly to the ability of the Coast Guard to meet all these important responsibilities.

The Coast Guard yard in Curtis Bay, reflects the can do spirit of the U.S. Coast Guard; the dedication of the people who have, in the last 90 years, demonstrated a profound commitment to their trades and professions. The future of the yard offers innumerable opportunities to continue to uphold the tradition of quality and service to the Coast Guard Fleet. I commend the workers of the yard for their outstanding labor.

A TRIBUTE TO MAXINE DE BRUYN

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. VANDER JAGT. Mr. Speaker, it is a great honor to pay tribute today to Maxine De Bruyn, director of Hope College's dance department. I am pleased to have this opportunity to share with my colleagues a glimpse of the many contributions Ms. De Bruyn has made to Hope College and the world of dance.

Ms. De Bruyn has taught at Hope College in Holland, MI, since 1965. She is chairperson of the dance department which offers a curriculum of tap, ballet, jazz, and modern dance. Under her direction, in 1988, Hope College became the first college or university in Michigan to be accredited by the National Association of Schools of Dance. In fact, Hope is only one of three small liberal arts colleges in the entire Nation to receive this approval.

What this accreditation means to Hope students is that now a dance student can either major in a bachelor of arts degree program designed to provide professional training for study in performance, choreography, dance-related careers, and graduate school, or concentrate on a degree program that prepares the student to teach dance in kindergarten through 12th grade.

Last year, Maxine De Bruyn was named to the board of directors of the National Association of Schools of Dance, headquartered in Reston, VA. Beside this appointment, Ms. De Bruyn is president of the Midwest District Association of Health, Physical Education, Recreation and Dance; the vice president of the Michigan Alliance for Arts in Education; and the dance chair for the Commission on Children's Dance for the National Dance Association.

Maxine De Bruyn attended Michigan State University where she received a B.A. and B.S. degree. She then did graduate work at Columbia University with Martha Graham, Alwin Nikolais, Betty Jones, and Daniel Nagrin.

I take great pleasure in sharing with my colleagues a copy of an article that appeared in the Holland Sentinel this year on March 18, entitled "Creativity Is Heart of Dance for De Bruyn." This article, in addition to further detailing her unique accomplishments, underlines the dedication of this remarkable woman to her art, her students, and to education.

Mr. Speaker, it is with profound gratitude and admiration that I share Ms. De Bruyn's outstanding accomplishments and dedication to dance with my colleagues. I know you will join me in congratulating her on her already brilliant and extensive career and wishing her many more years of success and productivity. I can think of few others so deserving of our respect.

The article follows:

CREATIVITY IS HEART OF DANCE FOR DE BRUYN

If dance does nothing more for a person than provide "a leg to stand on to express themselves," its task has been accomplished.

That was Maxine De Bruyn expressing herself as she prepared for another of her multitude of dance courses as chairperson of Hope College's department of dance.

Recognized nationally for her contributions to dance education, De Bruyn is responsible for many of the advancements made in dance at the college and in the Holland area.

"I have been fortunate to pioneer dance at Hope and provide a broader perspective for dance in the community," De Bruyn said. "I had the opportunity to develop dance from a single course to a nationally certified dance major through a team effort from the administration and other supporters."

The dance department and major is now certified by the National Association of Schools of Dance.

De Bruyn said she is grateful for the opportunity to show dance and other arts are an important part of a community.

"I've been able to guide, encourage and motivate the community that arts are OK, especially dance. Dance gives us all a chance to see ourselves in space, using time and energy to communicate our ideas through movements," she said.

De Bruyn added that through dance improvisation "you lay yourself out there naked, not able to hide behind words, paint and notes. You deliver, express and relate ideas through yourself and, in the process, communicate a message.

"Creativity is the heart of dance. As teachers we motivate and facilitate for this process to occur."

It is this ability of dance and the arts to free the creativity in people that makes them such an essential part of life, according to De Bruyn.

"It is in this area of human experience that dance and other creative arts make a significant contribution," she said. "The basic urge to create is ever present.

"Our task as teachers is one of relating and nourishing the impulse so that each individual has the opportunity to enjoy and benefit from that which is rightfully his or her possession—the power to create."

De Bruyn survived eras in Holland of the 1960s and early '70s when she heard the question "Is dance OK?" Gifted with tremendous energy, De Bruyn has been the catalyst for dance in Holland.

"During my presidency of the Holland Area Arts Council, I was able to motivate the board and community that we were capable of establishing a center for the arts and assisted the board in encouraging the city to increase their financial support to the arts," she said. "This was a time when we could have folded as a council, but instead we plowed ahead. Today we have a center."

The Holland Area Arts Center provides something for everyone, but De Bruyn said one of its most important functions is educating children about the arts.

"I have an inner drive that we must educate our children to the arts, and it must start in basic education with classroom teachers and arts specialists," she said.

Dance is one of the human race's oldest and most basic means of expression, De Bruyn reminds her students. Through the body, people sense and perceive the tensions and rhythms of the universe around them and then, using the body as an instrument, express their feelings to the universe, she explained.

From the fabric of a person's perceptions and feelings, he creates the dance, De Bruyn noted, and through this dance one relates to people and to the world.

De Bruyn is convinced a human being needs experiences that aid him in achieving a feeling of wholeness particularly in a period of everexpanding technological developments that place greater emphasis on specialization.

"Even though we know that the human being must have a sense of adequacy and uniqueness to function effectively, our current cultural values are such that the individual is encouraged to conform rather than transform," said De Bruyn.

"All too seldom is one motivated to discover and express oneself in terms of uniqueness," she continued. "Such pressures for conformity tend to be a disintegrating factor that stifle the potential development of the individual as a unique personality."

Chairperson of the dance program and a dance teacher at Hope for 19 years, De Bruyn has been associate professor of dance since 1984. During that tenure she has determined dance education is a process of perceiving, doing, understanding, creating and evaluating.

"A dance emerges because of one's desire to probe for fresh penetrating views of one's life experiences and because of the desire to give outward form to one's unique and imaginative response," she said.

"In order to develop dance, we must have many opportunities to create, and thus expand, one's insight skill and confidence. Dance is a medium for enhancing the quality of life for children, youth and adults."

Her experience has taught her that dance education has the following benefits:

Fosters aesthetic-kinesthetic education.

Promotes movement skills that explore and extend artistic, cognitive and psychomotor potenials of the human being.

Articulates and verifies commitment to man's heritage of dance from all cultures and all races.

Integrates the human capacity to form and transform in and through movement.

Celebrates the human ability to move with power and expressiveness.

Recently, De Bruyn was one of 70 dance professionals selected to attend a conference—"Dance Directions: 1990 and Beyond"—in Bloomington, Minn. Invited by the National Dance Association, which is the largest organization for dance in the United States, participants spent three days addressing the philosophical future and critical issues in dance.

The conference included dance issues, past and future, and suggestions on how the organization could involve school systems in dance programs. Continuing its commitment to dance, the conference gave the professionals "leadership to promote dance, to strengthen quality programs and to produce resources for other professionals in their field", De Bruyn said.

Carrying her message to all ages, De Bruyn is busy promoting "flexibility for the aging". Two days a week she works with a community group, whose members are age 40 and over, at Hope Church and spends two days a week at Warm Friend-Resthaven with older residents. She also leads a volunteer unit at Evergreen Commons assisting in movement programs for day-care recipients.

De Bruyn has also helped expose classroom teachers to the arts through in-service workshops and a new Hope course called "Arts for the Classroom Teacher".

Helped in 1985 by the De Long Endowed Chair in Dance, Hope created a dance major. The late Dorothy De Long was a longtime dance instructor in Holland. De Bruyn said De Long had a successful Holland studio for children for several years, but struggled with the community and its religious views about dance.

There are between 19 and 23 dance courses offered each semester at Hope, De Bruyn said. Fifty-six credits are needed for a major. Hope has six to eight dance majors this year, she said.

De Bruyn is currently president of the Mid-west District, American Alliance of Health, Physical Education, Recreation and Dance. With a membership of 7,129 from Michigan, Illinois, Indiana, Ohio, West Virginia and Wisconsin, the organization consists of school and college administrators, teachers and higher-education researchers.

She is also on the board of directors of the National Association of Schools of Dance.

A resident of Zeeland and a 1959 Michigan State University graduate, De Bruyn took graduate work at Columbia University. She has studied with Martha Graham, Alwin Nikolais, Betty Jones and Daniel Nagrin.

Since 1960, she has spent summer stints at Jacob's Pillow in Massachusetts, American Dance Festival at Duke University in Durham, N.C., and professional companies in New York City.

She has developed summer workshops for gifted and talent youngsters in the Holland and West Ottawa public schools. Participating in the Hope May term, De Bruyn arranges dance residency programs for students with professional dances in New York. She also conducts an annual workshop for high-school cheerleaders from Western Michigan.

Concerned about all ages, De Bruyn, in addition to her work with senior citizens, has students who are teaching dance in the Holland, West Ottawa and Grand Haven school systems.

She has accomplished her mission to enhance the quality of life for children, youth and adults—through dance.

BEAUTIFICATION PROGRAM MADE A DIFFERENCE

HON. H. MARTIN LANCASTER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. LANCASTER. Mr. Speaker, keep America beautiful programs have been implemented all across the Nation. In my home county, Wayne County, NC, under the direction of Caroline Parker, the program has made a difference.

I would like to share with you an editorial, which was published in the Goldsboro News-Argus on February 3, 1989, about our program.

[From the Goldsboro News-Argus, Feb. 3, 1989]

BEAUTIFICATION PROGRAM MADE A DIFFERENCE

(By Bob Jones)

Keep America Beautiful programs are underway across the nation. But Wayne

County has one with a twist—it pays its own way.

Under the direction of Executive Coordinator Caroline Parker, Keep Wayne County Beautiful has made a difference. Attitudes have changed.

For example, clubs, businesses and other organizations have taken on the responsibility of keeping 39 stretches of roadway clear of litter in the Adopt-A-Highway project.

Recycling has been tackled by Mrs. Parker with a vengeance.

During the past year, 16,000 pounds of glass and 14,200 pounds of aluminum have been recycled. Five tons of paper a week have been reclaimed.

The recycling has resulted in positive accomplishments. Keep Wayne County Beautiful has contracted local industries to purchase the waste and is earning money for future projects.

Glass is prepared and sold to Goldsboro Iron and Metal Co. Mrs. Parker said 35 percent of the glass used in the United States today is the result of recycling.

Standard Products buys pure aluminum from which rubber and other substances have been culled.

Celotex recycles paper into roofing shingles and felt.

Mrs. Parker said the collection box at Sears is collecting four tons of paper a week. She urged people to continue to bring paper and glass to the site.

She also is open to suggestion about how the recycling effort can be improved and urged anyone with new ideas to call her at 731-1600.

Keep Wayne County Beautiful is paying for itself—the only such program in North Carolina that does not receive tax dollars and the only one in the nation that has become self-supporting through recycling.

Mrs. Parker has set ambitious goals for the future. They include the annual recycling of 30,000 pounds of glass, 50,000 pounds of aluminum and two million pounds of paper to begin financing other beautification projects.

TRIBUTE TO THE MEMORY OF REV. DR. ELAM G. WIEST

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Ms. OAKAR. Mr. Speaker, I rise today to pay tribute to the memory of Rev. Dr. Elam G. Wiest of Cleveland, OH, who served the greater Cleveland area for more than 50 years.

Reverend Wiest touched scores of lives within the greater Cleveland community, people with whom he shared his civic pride, devotion to his church and love of his fellowman.

Reverend Wiest began his pastorate in 1933. Over the years he served as pastor at the Hough Avenue United Church of Christ and was the protestant chaplain for the Cleveland Fire Department for over 20 years. For the past 12 years, Reverend Wiest and had been pastor of the Brooklyn Heights United Church of Christ. In addition he was a valuable resource to the Senior Resource Center.

The following is a poem found in Reverend Wiest's Bible which he read daily.

MISS ME BUT LET ME GO

When I come to the end of the road
And the sun has set for me
I want no rites in a gloom filled room
Why cry for a soul set free
Miss me a little—but not too long
And not with your head bowed low
Remember the love that we once shared
Miss me—but let me go
For this is a journey that we all must take
And each must go alone
It's all part of the Master's plan
A step on the road to home
When you are lonely and sick of heart
Go to the friends we know
And bury your sorrows in doing good deeds
Miss me—but let me go.

Although we grieve for our loss, we celebrate the dedicated life of Elam Wiest and his entrance into eternal life. Truly, he was a man who walked with God on Earth, and now is with his Master and his beloved Winnie in Heaven.

Born into a loving family on a farm in Lancaster County, PA, Elam Wiest carried this love to the people of greater Cleveland. He was an inspiration to many and a good and faithful shepherd to his flock.

Almost to the very end, he showed boundless enthusiasm, loving concern for others and indefatigable energy. In spite of several severe health problems, Reverend Wiest worked twice as long and twice as hard as many people half his age. And whenever you asked how he was, invariably he replied "fine."

Although his eyesight was failing, he still had a twinkle in his eye and a quickness to his step. Elam often said he wanted to "wear out rather than rust out."

He lived as he had hoped to baptize his great-granddaughter on his 80th birthday and to celebrate the resurrection of our Lord for the last time as pastor of his congregation.

Elam Wiest's work on Earth is finished and we join the Master in saying, "Well done, thou good and faithful servant. Enter now into the kingdom prepared for you from the foundation of the world."

We will miss Elam Wiest, but we will let him go.

NATIONAL RAISIN WEEK

HON. TONY COELHO

OF CALIFORNIA

HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. COELHO. Mr. Speaker, the California raisin industry, which has again won a national first place rating for its California Dancing Raisins television campaign and was in competition with the giants of the advertising world, will be highlighted May 1-7 of this year during the celebration of National Raisin Week.

Sales of raisins from California, where virtually all of the Nation's raisins are produced, are continuing to climb. And, the California raisin industry is entering new territory on both the overseas and domestic fronts in its campaigns to increase the sales of raisins. CALRAB'S latest move in domestic marketing is to license CBS to produce a half-hour Saturday morning children's cartoon television campaign. And, overseas, planning is under way for the kickoff of the industry's first ever consumer pack advertising in Japan, the largest export market for California raisins, with funding by the United States Department of Agriculture's Foreign Agricultural Service.

CALRAB, founded in 1949, is a marketing and research organization funded by the State's raisin growers and packers and created to represent their interests. CALRAB's function is to promote the sale and consumption of raisins both in the United States and abroad through advertising, public relations, and promotional activities. Working in conjunction with the U.S. Department of Agriculture, CALRAB has worked diligently to promote its product in foreign markets. The success of overseas promotional programs for California raisins in Europe and Asia has brought continued U.S. Department of Agriculture assistance in funding of these promotional programs. The California raisin industry's promotional efforts, coupled with the introduction of new products and production management, has brought substantial improvement to the industry's marketing situation.

The California raisin industry is the world's largest raisin industry, producing and processing approximately one-third of the world's raisin supplies. The success of the industry is of great significance to the economic future of many thousands of U.S. residents involved in the production, processing, and marketing of this product that is purchased by millions of consumers for snacking and cooking, or in the myriad of processed products prepared with raisins.

The California Raisin Advisory Board merits special recognition for its aggressive advertising and research activities, which have dramatically increased raisin sales in recent years. In addition, the Raisin Bargaining Association merits high commendation for its achievements in bringing growers and packers together in a concerted effort to give them a better voice in marketing. Special commendation is also due the Federal Raisin Administrative Committee and the Federal Raisin Advisory Board, who operate under Federal marketing orders which have done so much to bring about orderly marketing of raisin crops. Finally and most importantly, all raisin growers and packers deserve a great deal of credit for their efforts on behalf of this vital industry which they, themselves, have created.

The raisin industry, which has been highly successful in its efforts to protect the future of an industry and has worked for many years to do its share in producing healthful and tasty foods for American and overseas consumers, deserves a special salute during National Raisin Week.

ALL SAINTS ELEMENTARY SCHOOL WINS "DISCOVER EARLY AMERICA" MAP CONTEST

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. YATRON. Mr. Speaker, today I want to give special recognition to the students and teachers of All Saints Elementary School who recently participated in the nationwide "Discover Early America" map contest.

As you know, Mr. Speaker, the Commission on the Bicentennial of the U.S. Constitution sponsored a "Discovery Early America" map contest in which schools throughout the United States competed. The goal of this map contest is to encourage the study of geography and to enhance students' knowledge and understanding of American history.

In Pennsylvania's Sixth Congressional District, first place in the middle school level contest was won by Ms. Kristina Wolfe's seventh grade social studies class at All Saints Elementary School in Pottsville, PA. I commend all of the teachers and students who participated in this map contest and congratulate the winners for their outstanding academic and artistic work. These fine young people represent the best of the Sixth Congressional District and they can be proud of their success in this competition.

EXPLOITATION OF ALASKA

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. VENTO. Mr. Speaker, I would like to call my colleagues' attention to the following commentary reprinted from the Minneapolis Star and Tribune.

I review the commentary as a challenge which deserves an affirmative response from this body. It challenges each and every one of us to stand up to political pressure from oil companies and shortsighted individuals. It asks us to avoid easy answers and to make deeper, more thoughtful decisions which our constituents may not appreciate immediately but which people will someday come to appreciate.

More specifically, the commentary asks us to reject efforts to feed our Nation's insatiable appetite for oil by drilling in one of our last untouched wildernesses—the Arctic National Wildlife Refuge.

I hope my colleagues will read this poignant commentary and join me in my efforts to protect the Arctic from those who want to exploit this magnificent wilderness on the northern slope of Alaska.

MEN WHO COURTED ALASKA GAVE HER LOTS OF MONEY, BUT NO RESPECT

(By Don Shelby)

Alaska needs a friend—lots of friends. She's hurting from the effects of 11 million gallons of crude oil on the beaches of Prince William Sound. She's lost thousands of animals and fish and birds. And she's confused these days.

She's not altogether certain, anymore, that she ought to be allowing men with money to have their way with her. It didn't seem to matter much to her, back in her younger days, when the men came and took her gold. She could look into the mirror, then, and tell herself that at least they made her rich. They built her palaces and cities in the mountains and they told her story far and wide.

She was shrewd when they came calling for her copper. She knew what they wanted and she made them pay. She gave them all she had, and they built her railroads. Presidents and kings came calling. They were swept away by her beauty, but it was her tin and silver and platinum and coal they really desired. She understood their lust and she made them pay.

Alaska always attracted a certain type of suitor. He was rich, and to her that made him handsome. He was insensitive to her fragile nature, but acutely aware of the greed beneath her majestic presence.

She drank the riches and in her drunkenness gave away her favors. When she awoke, the men from Japan and China and the Soviet Union had sailed into her waters and dragged their nets over her abundant sea life and left her exhausted. Few believed her when she protested.

When she had very little else to give, she offered her forests. She knew her trees were worth less as lumber than as adornment, and she knew that once taken not even a lifetime could replace them. But the men offered to pay.

It was a pattern she would follow throughout her modern history. But nothing so enriched her as the discovery of a dimension of her multifaceted personality of which even she was unaware.

When the men drilled the wells on Alaska's North Slope, she had no idea that she would become dependent. After 12 years of continuous consumption, demand drew even higher. And as Alaska was slowly being drained of her resources, we stood by helplessly like some codependent spouse, as addicted to her oil as she was addicted to its profits.

She needs a friend these days. She needs a caring but firm friend to help her understand what she has done and what she continues to do to herself. She's much too precious to allow this dependence to continue to degrade her. Those who love her hope the oil spill is the crisis that shakes her awake—the crude oil a pool through which she will see the way out.

Her friends must be firm. It will not be easy for her to change. Eighty percent of everything she earns comes from the oil men who pay her for her trouble. Her friends must remind her that the remembered glories and high times of her youth are exaggerations, that the palaces built by the gold and copper barons have rotted and sunk into the tundra, that the towns they built for her are inhabited by ghosts.

There is a man at the door again, and he's smiling and rich. This time he is inquiring not for her but for her daughter. The Alaskan National Wildlife Refuge is beautiful and untouched—unexplored. Alaska must decide whether to invite the man in. A good friend wouldn't let that happen.

THE NUMBERS GAME

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. COURTER. Mr. Speaker, I rise today to call to the attention of my colleagues a recent editorial appearing in the Newark Star Ledger newspaper. I ask that the text of the editorial, "The Numbers Game," be reprinted in the RECORD immediately following my remarks.

The editorial accurately described the high stakes game of deception that is now being played with our Nation's Superfund Program. The Environmental Protection Agency keeps adding sites to the Nation's list of toxic waste dumps eligible for Federal assistance and cleanup, yet to date only 50 sites have received Federal attention. The fanfare surrounding the announcement of additional Superfund sites is only creating a false impression of action while adding to the already unacceptable list of more than 800 sites.

The days of patting ourselves on the back for the wonderful job we are doing to protect the environment are over. The stakes of inaction grow more costly every day. It won't suffice for EPA to just keep adding dumps to the eligible list while presenting a false facade of action. We need to get cleanup underway on the over 800 toxic sites now on the list, and until meaningful cleanup is undertaken in the Superfund program, as the Star Ledger poignantly states, "Mr. Reilly's credibility, and that of the Bush administration as effective pollution fighters hangs in the balance."

THE NUMBERS GAME

It sounds wonderful. Every year or so the federal Environmental Protection Agency (EPA) announces it has taken a new look at the sites of toxic pollution and has made additions to the superfund cleanup list. In other words, Uncle Sam is on the ball, working hard toward the big cleanup.

The most recent announcement from Washington just arrived. The EPA added 101 sites, including six in New Jersey, to the list of the nation's most dangerous hazardous waste sites. There are now 890 sites eligible for federal funding, including 273 proposed for a special priorities list. New Jersey leads the nation, with cleanup slated for 107 sites here.

In other words, the feds are giving us action. Or are they?

The superfund, the much-touted federal cleanup program, was enacted in 1980. The EPA claims—and some critics believe its claim is extravagant—that it has been "removing the public health threat at "nearly 50" sites. Even if its conclusions are accepted, this is not a very good record. Cleaning up "nearly 50" sites on a list that now includes 809 sites means that the preponderance of hazardous waste sites remain unattended to.

What the EPA has been doing is playing a form of the numbers game. It appends, with great fanfare, additional sites to its cleanup list, creating the illusion that something is about to happen. But most of the time, the illusion is all there is.

The EPA would do better if it could shorten the list, not lengthen it. If it were able to cross sites off the list because they had been

cleaned up, it would have a shorter list, but a less polluted nation.

The EPA has noted that the cleanup job is time consuming and more difficult to conduct than was previously believed. Washington has pledged a new effort to get to the root of the problem.

William Reilly, the EPA's new head, has recognized that progress has come slowly, much too slowly. Mr. Reilly says he feels frustrated and is considering ways to speed up the cleansing process.

That will require real effort and determination, and it may mean tougher enforcement on some companies that are the biggest polluters. Mr. Reilly's credibility, and that of the Bush administration, as effective pollution fighters hangs in the balance.

PROPOSED POLITICAL STATUS PLEBISCITE IN PUERTO RICO GETS INTERNATIONAL ATTENTION

HON. JAIME B. FUSTER

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. FUSTER. Mr. Speaker, in recent weeks my colleagues have heard me tell of national interest in the proposed political status plebiscite in Puerto Rico among the options of federated statehood, full independence or an enhancement of the existing commonwealth status. President Bush advocated such a referendum in his budget speech February 9 to a joint session of Congress, and enabling legislation to this effect was introduced on April 5 in the Senate.

Now, Mr. Speaker, I should like to share with my colleagues an example of international interest in the proposed plebiscite and to mention that several embassies in Washington have contacted my office about this important matter. I am thus attaching today for the benefit of my colleagues a resolution recently approved by the Andean Parliament, at its March 4th meeting held in Quito, Ecuador. Members of the Andean Parliament are Bolivia, Colombia, (headquarters of the organization), Ecuador, Peru and Venezuela. The text follows:

[Decision No. 229/VII]

PLEBISCITE TO BE HELD IN PUERTO RICO REGARDING FINAL POLITICAL STATUS

THE ANDEAN PARLIAMENT CONSIDERING

That, we have been advised about the recent agreement among Puerto Rican political leaders to request that the President of the United States, George Bush, and the North American Congress take legislative action to facilitate consultation of the Puerto Rican people, through a plebiscite, so that it can freely, voluntarily and democratically express itself regarding its preference among the status alternatives of Independence, Statehood and Commonwealth.

That, said consultation of the people be carried out according to the principles of self determination of all peoples, guaranteed by international law.

DECIDES

1. To exhort the President, the Congress of North America and the people of Puerto Rico that once the popular will is known through the plebiscite, they will look for mutually agreed mechanisms to carry out the decision.

2. Whatever the final decision of the Puerto Rican people may be, the Andean Parliament is confident that the friendship ties linking Puerto Rico to Latin America and Andean nation peoples will be maintained and that the common bonds of origin, history, language and culture and the shared devotion to democratic institutions and processes will be strengthened.

Quito, March 4, 1989.

WILFRIDO LUCERO BOLANOS,
President, Andean Parliament.
CARLOS JARAMILLO,
Secretary General, Andean Parliament.
MILOS ALCALAY,
Executive Secretary, Andean Parliament.

TO AUTHORIZE ISSUANCE OF A CERTIFICATE FOR THE VESSEL "NANCY ANN"

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. PORTER. Mr. Speaker, I would like to announce my introduction of legislation that would grant a waiver to a vessel located in Illinois. The vessel is operated by Margaret Montvid, a licensed U.S. merchant marine captain, and her husband. The Montvids' daughter purchased the vessel for $30,000, and invested an additional $15,000 in refurbishings with the understanding that it would be redocumented for a Great Lakes trade endorsement before the start of the Coho salmon season, which began in April of last year.

Title 46 of the United States Code, together with the Jones Act, requires that vessels engaged in domestic coastwide trade be built and documented in the United States. These laws apply to all vessels, regardless of size or intended use. Furthermore, these provisions of law permanently terminate the coastwide privileges for U.S.-built vessels which are later sold to foreign citizens. If a U.S. citizen subsequently purchases such a vessel, a legislative waiver of these documentation and coastwise provisions is required.

The legislation I am introducing today would provide such a waiver to the vessel *Nancy Ann,* official number 901962. This vessel is listed as a Baja 31 Fisherman built in 1975 by the South Hampton Marine Co. in Berlin, NJ. This company went out of business in 1975 and the company's manufacturing agent, Premier Sport's Marine, had also failed. Mrs. Montvid has been unable to locate only 2 of the vessel's past 11 owners, including the Premier Sport's Marine. The marine loan security sent certified letters to all of the other owners. However, only through Mrs. Montvid's repeated phone calls did these previous owners respond.

Upon making a binding agreement, the present owner purchased the vessel in early 1988 and was informed by her salesman that documentation would be easily obtained and that he would handle the documentation process. However, the salesman was unable to find all the required documents and was subsequently released from his position for his negligence. The owner's intent was to make the vessel available for charter by 10 passengers or less in the waters of Lake Michigan. The charter would be in the nature of a fishing excursion in that area.

It has now been well over a year since the vessel was purchased and a great deal of energy and money has been invested into this boat. This legislation would allow the Montvids' to join those commercial charters already in operation at the new Northport marina near Zion, IL.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding sections 12105 and 12106 of title 46, United States Code, and sections 27 and 27A of the Merchant Marine Act, 1920 (46 U.S.C. App. 883, 833-1), the Secretary of the department in which the Coast Guard is operating may issue a certificate of documentation for the vessel *Nancy Ann* (United States official number 901962).

C.E. COLE INTERMEDIATE SCHOOL WINS "DISCOVER EARLY AMERICA" MAP CONTEST

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. YATRON. Mr. Speaker, today I want to give special recognition to the students and teachers of C.E. Cole Intermediate School who recently participated in the "Discover Early America" map contest.

As you know, Mr. Speaker, the Commission on the Bicentennial of the United States Constitution sponsored a "Discover Early America" map contest in which schools throughout the United States competed. The goal of this map contest is to encourage the study of geography and to enhance students' knowledge and understanding of American history.

In Pennsylvania's Sixth Congressional District, first place in the elementary school level contest was won by Mrs. Carol Hess' fifth grade social studies class at C.E. Cole Intermediate School in Muhlenberg, PA. I commend all of the teachers and students who participated in this map contest and congratulate the winners for their outstanding academic and artistic work. These fine young people represent the best of the Sixth Congressional District and they can be proud of their success in this competition.

HIKING THE GAS TAX HURTS AMERICA

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. SHUSTER. Mr. Speaker, one of the worst deficit reduction ideas being floated around Washington is a big hike in the gas tax. The argument goes like this: We must increase taxes to reduce the deficit. A tax on

motor fuels is easy to collect. It provides a big bang for the buck—$1.1 billion for each penny. And it would force energy conservation. A 50-cent per gallon gas tax could go a long way toward reducing the deficit. All true.

But equally true are the enormously negative impacts of a gas tax not dedicated to transportation improvements:

The ecomony would be badly hurt. Wharton Econometrics estimates that a 30-cent gas tax not dedicated to transportation would cause nearly a $30 billion decline in GNP; a 4-percent or 500,000-car decline in auto production; a 2.4-percent decline in housing construction; 225,000 jobs lost in the first year, with 525,000 lost by the second year. Income tax revenue would decline by nearly $2.7 billion annually; personal savings rate would decline by nearly 8 percent; and the Consumer Price Index would rise by nearly 1 percent. Additionally, government payments would increase for unemployment, welfare, and food stamps. Data Resources, Inc., estimates that such a gas tax would only reduce the deficit by 27 cents for every dollar raised over a 5-year period because of its detrimental effects on the economy.

Badly needed transportation improvements will not be funded because, according to the Congressional Research Service, reduced travel will diminish the current State and Federal gas taxes dedicated to highway programs by $1.5 billion annually. Nor could additional gas taxes be considered to meet the growing needs. Over $50 billion is needed to repair America's 260,000 deficient bridges. About $20 billion in Federal funds is needed annually simply to help maintain the Federal aid highway system at current standards, while only $12.2 billion is now being spent. One hundred and seventy-seven million vehicles clog our highways. Vehicle miles traveled have increased over 30 percent in the past decade. Experts predict a 400-percent increase in traffic delays by the 1990's. Gridlock is becoming a daily nightmare.

Rural Americans, who drive 40 percent more miles than urban Americans, would shoulder most of the burden. Nor do most of them have a public transit alternative. A 50 cent gas tax annually would cost the average Wyoming driver $635, while costing the average Washington, DC, driver only $235.

The working poor would be the hardest hit. They already spend 1.6 percent of their income on gas taxes, compared to only 0.2 percent for upper income Americans.

Conservation, not from fuel efficiency, but from a forced decline in travel on the highways means a decline in the American standard of living.

In 1956, President Eisenhower and the Congress promised the American people that their gas taxes would be put into the highway trust fund to be used only for transportation improvements. It's the fairest tax there is. The people who use the highways pay the tab. And it's a pay-as-you-go system that has not contributed 1 penny to the deficit. Any increase in the gas tax should be dedicated to meeting America's transportation needs. A $30 billion increase in highway construction would create 2 million jobs. According to the Department of Commerce, every dollar of construction investment creates $2.23 in additional economic activity.

If additional taxes are needed, imposing a new fuel tax on cars, trucks, buses, trains, boats, and planes is one of the worst alternatives. Taxing bread or milk—and surely no one would propose that—makes more sense. At least such a tax would not be geographically unfair, would hit all Americans, and would be a tax on consumption rather than production.

Interestingly, the chorus of voices chanting most loudly for a new gas tax, by and large, speak for the affluent and/or urban America: Paul Volcker, Alan Greenspan, Felix Rohatyn, several big city congressmen and big city newspapers. Those who lust after new taxes might want to consider a 1-percent tax on the $7.5 trillion stock and bond market transactions each year. It would generate $75 billion annually, discourage churning in the market, and promote long term investing.

Gasoline already is one of the most heavily taxed essentials in America, approaching 40 percent of the price at the pump. So let's not gum up America's economic engine.

CAMPAIGN FINANCE REFORM FOR THE HOUSE

HON. MARTIN OLAV SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. SABO. Mr. Speaker, I believe that campaign finance reform is needed to restore public confidence in the electoral process. Too often spending and fundraising have gotten out of hand and competition is stifled because it is too hard for candidates to raise the money needed to mount a serious challenge. We need to bring order to a system that can be excessively costly and reassure the American people that our elections have integrity.

I am grateful for the opportunity to serve on the Speaker's bipartisan task force on campaign finance reform. I hope that this panel can reach agreement on the best way to improve the way we finance congressional elections.

Although there seems to be widespread belief that something is wrong and change is needed, there is no clear agreement about what the major problems are. Before we can agree on a solution I think we need to reach a consensus about what the problem is that we are trying to solve.

In my judgment, the major problem is the high cost of contested races. I don't think campaign spending and financing is a problem in all House races. But campaign spending can skyrocket when races are hotly contested. Then candidates are forced to spend too much time fundraising and it is difficult for a serious challenger to run a competitive race.

In the 1987–88 election cycle, 23 House candidates spent more than $1 million; 140 general-election candidates spent more than $500,000.

As you know, the 1976 Supreme Court decision Buckley versus Valeo ruled that any spending limits must be voluntary. The Court held that limitations on overall campaign expenditures and the use of personal funds place an unconstitutional restriction on the ability of candidates to engage in protected first amendment rights. In other words, they infringe on their freedom of speech. Because of this Court decision, we need to offer public financing to induce candidates to voluntarily accept spending limits. We need to offer a benefit in exchange for an agreement to abide by certain limits.

SPENDING LIMITS AND PUBLIC FINANCING

Today I introduced legislation that is designed to address this particular problem. It offers a unique, simple, and straightforward approach to limit general election campaign spending and provide some public financing for U.S. House races.

Here is how my plan would work:

Candidates for the U.S. House would be eligible to receive public financing if they agree to abide by a $400,000 spending limit. Candidates would first have to raise $50,000 to show that there is a reasonable amount of support for their candidacy. The threshold is needed to ensure that only serious and viable candidates receive public money.

To qualify for public financing, candidates can contribute and/or lend no more than $20,000 of their personal money to their own campaign. In addition, no more than $1,000 of a candidate's personal money can count toward the $50,000 fundraising threshold.

If a candidate refuses to accept the limits and declines public financing, his or her opponent could also exceed the limit and still get public financing. Besides this inducement to abide by the spending limits, I think public pressure would also encourage candidates to stay within the limits.

Public financing would come from a $2 checkoff on Federal income tax returns. It would be similar to the current $1 checkoff we have for Presidential campaigns. In this case, however, taxpayers would indicate which political party's candidate gets their "contributions." They would check Democrat or Republican or they could write in a third political party.

This money would go into a House of Representatives General Election Trust Fund. The amount of public financing candidates could draw from the fund would depend on the number of people in their particular district who selected their party. In other words, the amount of money available would vary from district to district, depending on local, individual decisions.

Some other prominent proposals provide public financing through the use of matching funds. Under that system, a candidate receives public funds to match contributions from private contributors. In Presidential primaries, for example, individual contributions of $250 or less are matched.

The $2 checkoff is an alternative to using matching funds. It matches individual, local decisions with each party's candidates.

The checkoff is also an alternative to restoring tax credits for political contributions. Prior to the Tax Reform Act of 1986, taxpayers could get a 50-percent credit for campaign contributions up to $100. Tax credit advocates argue that promotes individual participation and decision making concerning contributions.

In a sense, the checkoff can be thought of as a $2 "tax credit." Although it does not affect tax liability, it lets individuals decide how much public financing should be available and which political party's candidate should get the money.

LIMITING PERSONAL LOANS

A separate provision in my bill prohibits candidates from lending their campaigns more than $50,000. This limitation would apply regardless of whether or not they accept public financing. It would be constitutional because the candidate's freedom of speech would still be protected. Candidates who did not want to accept public financing could still contribute as much of their personal resources as they wanted. They just could not lend their campaigns the money with the hope of getting it back.

SOURCE OF CONTRIBUTIONS

Other prominent campaign finance reform proposals in some way change the limits on individual and political action committee [PAC] contributions. PAC's in particular have come under attack. My bill does not alter the respective $1,000 and $5,000 limits for individual and PAC contributions.

Individuals and PAC's make political contributions for a variety of reasons. They may signify personal attachment to, or ideological agreement with, a candidate or party. Individuals or groups may contribute because they believe the donation opens doors for them. Some reasons may be more noble than others, but I don't think the motivation for giving differs substantially whether it is an individual or a PAC.

While there has been a great deal of discussion and analysis about the role PAC contributions play, there has been correspondingly little review of the impact of individual contributions. I have not seen any evidence that convinces me that we should change the rules governing these two kinds of contributions. I believe the current relationship between the two is appropriate.

The potential for abuse, of course, exists with all kinds of campaign contributions. Most discussions focus on large PAC or individual donations. But I think excessive and demagogic direct-mail appeals for small-dollar contributions, which frighten people and bend the truth, can often be even more damaging.

COMPREHENSIVE SOLUTION NEEDED

My bill does not address every issue that needs attention. We must deal with independent expenditures, for example. Too often these expenditures are unfair and damage the political process. There is little accountability for them. For spending limits to work, we must also find a way to control independent expenditures.

My bill also does not address the need to change the way Senate races are financed. Without a doubt, campaign financing is a bigger problem for Senate races than for House races.

Although my bill does not address all of the issues surrounding campaign finance, I believe it offers a unique approach that should be part of a comprehensive package. It is an approach that could move us a long way toward restoring the integrity of our electoral system.

As we seek ways to improve the way we finance campaigns, we must recognize that no solution will be perfect and no solution will be permanent. We should accept the fact that campaign financing will periodically need modification. An improvement today may turn into an unanticipated problem tomorrow. Closing one loophole may encourage creative people to open another. Then we will have to revisit the issue.

I hope, however, that the complexity of the problem does not diminish our resolve to tackle it. Voters must believe that any able candidate can compete and that the choice of the majority will prevail at the ballot box. For our representative form of democracy to continue to flourish, it is essential that the American people have confidence in our electoral system. Today that confidence is not as high as it should be. Through our work we can help restore the American people's faith in our Government.

SPEECH COMMEMORATED UNIVERSITY OF TEXAS AT EL PASO HISTORICAL MARKER

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. COLEMAN of Texas. Mr. Speaker, Dr. W.H. Timmons, professor emeritus of history at the University of Texas at El Paso, recently gave a stirring speech at the dedication of the historical marker commemorating UTEP's diamond jubilee. UTEP is the second oldest academic component of the University of Texas system, and I would like to commend Dr. Timmons and bring his speech to the attention of my colleagues here in the House.

The speech is as follows:

SPEECH GIVEN BY DR. W.H. TIMMONS, UTEP CAMPUS, APRIL 6, 1989

Members of the Board of Regents of the University of Texas System, Chancellor Hans Mark, Ladies and Gentlemen: You will find the text of this historic marker which we are dedicating today in the printed program. It carries the approval of the Texas Historical Commission, the supervisory authority for the Texas historical marker program. Since portions of the original text had to be condensed or deleted because of space limitations on the marker, I should like to share with you this morning the full, complete, original text as it was initially written and submitted to the Texas Historical Commission.

The University of Texas at El Paso is the second oldest academic component of the University of Texas System. On April 16, 1913 the Texas Legislature created the State School of Mines and Metallurgy. The City of El Paso donated the site east of Fort Bliss which included buildings of the El Paso Military Institute. the Board of Regents of the University of Texas on April 28, 1914 formally established the Texas School of Mines and Metallurgy with Stephen H. Worrell as dean.

After a fire in October 1916 destroyed the Main Building, the school was moved to the present site above the downtown area, on twenty-three acres donated by El Pasoans. The dean's wife, noting the similarity between the campus site and the Himalayan terrain of Bhutan pictured in the National Geographic (April 1914), suggested the architectural style adopted in 1917 and used since that time. By the end of 1918, five buildings had been completed. They were Main, Burges (now Graham Hall), Chemistry (now Quinn Hall), the power plant (now part of Geology) and the mill.

Designated a branch of the University of Texas in 1919, the school was renamed by the Board of Regents: College of Mines and Metallurgy. In 1927 the College added liberal arts and teacher training courses with the closing of El Paso Junior College. The Bachelor of Arts degree was authorized in 1931, the same year the first president of the College, John G. Barry, took office.

The Master of Arts degree dates from 1940 and the doctoral program (in Geology) from 1974. Enrollment passed 1,000 in 1939. The record high was 15,836 in 1977. Reflecting increases in degree programs, graduate work, and enrollment, the institution's name was changed in 1949 to Texas Western College and in 1967 to The University of Texas at El Paso.

The first three administrative heads of the institution were deans: Stephen H. Worrell (1914-22), John W. Kidd (1923-27), and C.A. Puckett (1927-31). Presidents were John G. Barry (1931-34), Dossie M. Wiggins (1934-48), Wilson H. Elkins (1949-54), Dysart E. Holcomb (1955-58), Joseph R. Smiley (1958-60, 1969-72), Joseph M. Ray (1960-68), Arleigh B. Templeton (1972-80), Haskell M. Monroe, Jr. (1980-87), and Diana Natalicio (1988—). At present six colleges and a graduate school comprise the academic structure, and there are 595 full-time and part-time faculty. The campus consists of 357 acres and 55 buildings.

In closing, I wish to express my deep appreciation for the opportunity to present this historic marker to The University of Texas at El Paso. For one who has been associated with this institution for more than half of its 75 years that we celebrate today, it has been a particularly memorable occasion.

A CONGRESSIONAL SALUTE TO THE WILLIAMS, WESLEY, AND KARATSU FAMILIES

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to three outstanding families for preserving and upholding the values of the family while devoting their energies to ensuring that Long Beach and its institutions are ever responsive to the needs of the entire citizenry. William and Eleanor Williams, Ovid and Lillie Mae Wesley, and Hideo and Jeanne Karatsu will all be honored on May 3, 1989, by the Family Service of Long Beach at the "1989 Family Life Awards." This occasion gives me the opportunity to express my sincere appreciation for their many years of hard work and unending commitment to their families and the Long Beach community.

William and Eleanor Williams are to be commended for their dynamic leadership and a lifetime of participation in the religious, civic, philanthropic, and professional associations of Long Beach. William Williams, now practicing

law as a partner in the firm of Pray, Price, Williams & Russell, received his juris doctorate—JD—from Southwestern University, Los Angeles, in 1953. His involvement in the legal profession extends to his membership in the American Bar Association, California Bar Association, L.A. County Bar Association, and the Long Beach Bar Association. He is also a member of the Association of Trial Lawyers of America and the California Trial Lawyers Association. In addition to his extensive association with the legal profession, he also devotes a considerable amount of time to social and civic organizations. He is a member of the Downtown Long Beach Lions, Salvation Army Advisory Board, Bixby Hill Community Association, Southern California Tuna Club, Neptune Masonic Temple Association, El Bekal Shrine, Boys Club of America, as well as numerous others. Some of his past and present memberships in civic organizations include the Long Beach Armed Services Commission, the Downtown Parking and Improvement Commission and the Long Beach Board of Water Commissioners. As if the contributions of William Williams are not enough, his wife, Eleanor, is also quite involved in the Long Beach community.

Born at Seaside Hospital in Long Beach, Eleanor Williams attended public schools in Westminster and Huntington Beach. Some of the organizations that she has lent her services to include the Long Beach Law Auxiliary and the Las Damas De La Plaza—Community Hospital Organization. She was given an honorary lifetime membership in the Long Beach Boys and Girls Club. It would seem that the many hours that both Eleanor and William Williams devote to the Long Beach community would leave little time for a family, however, this is clearly not the case. The Williams' have two children, Drew Williams, a student at San Diego State, and Julie Williams, an account executive for the Orange County Register. As you could imagine, Mr. Speaker, the Williams family is well respected in my district and worthy of recognition during the "1989 Family Life Awards."

Another fine family that I wish to extend my thanks and congratulations to is that of Ovid and Lillie Mae Wesley. Both were born in Texarkana, TX, and were married in 1942. Shortly after the marriage, they migrated to Long Beach, CA, after Wesley's discharge from the U.S. Army. Both began to carve out an impressive community service record with an eye on improving the overall quality of life in Long Beach. Lillie retired in May 1980 as district manager of Long Beach Recreation and Community Services. During her service with Recreation and Community Services, she was recognized by the National Parks and Recreation publication of "Who's Who." She also received numerous other awards including the 1977 Woman of the Year Award for outstanding community service by Veterans Park Advisory Council, 1978 Most Outstanding Recreation Manager in southern California, 1980 City Employee of the Year Award, and was awarded a gold card life membership in Chi Kappa Rho, Gamma Chapter. Aside from the numerous awards she received, she was also active in a number of civic and social organizations. Her involvement in the NAACP led to her election to that organization's executive board as well as her election as president of the Ladies Auxiliary of NAACP. She was also a member of the mayor's task force and served as vice president of the Central Area Advisory Council. Not to be outdone by his wife, Ovid Wesley has also been quite active in the community.

Like his wife, Ovid retired in 1980 and dedicated even more of his time to his family and his community. Through most of his adult life, Ovid has been a deacon in the Baptist Church. In the early 1960's, he was one of the founders of First Providence Baptist Church. For the past several years, he and Lillie have belonged to St. Mark Baptist Church, where he is a deacon. Ovid is a man who translates his faith into action. When the city sponsored a program to provide free dead-bolt locks for the homes of seniors, Ovid volunteered his time and talent as an installer. The Central Facility Center's food bank assembles "brown bags" for the handicapped and seniors, and Ovid is one who delivers them to their homes. When neighbors and friends need a ride to an appointment, Ovid can be counted on to provide the transportation if they can't drive.

Even through Ovid and his wife possess an overwhelming compassion for those that are less fortunate and those that are in need, their deepest compassion is to each other and to their family. Their marriage, which spans over four decades, provided them with a fine daughter, Anita, a graduate of California State University, Long Beach, and her husband, Eddie, a master machinist foreman with the U.S. Navy. Perhaps the greatest joy of their daughter's marriage was the birth of their granddaughter, Tracie, who turned 8 on April 27, 1989. It is only fitting that Ovid and Eleanor Wesley, who have given so much of themselves, should be honored by the Family Service of Long Beach.

The last family that I wish to pay tribute to, is that of Hideo and Jeanne Karatsu. I salute them for preserving strong family ties while engaging in exemplary community involvement through medical, humanitarian and youth-benefiting activities. Both of these giving and caring individuals were born in Los Angeles. They extend their love and concern to Long Beach, the surrounding community, their son Douglas, 20, a junior at UCLA, and their daughter, Amy, 18, a freshman at UCSD.

Hideo Karatsu attended public schools in Los Angeles and received his bachelor of arts degree from UCLA In 1954. After serving in the U.S. Navy from 1955 to 1957, he attended Marquette University Medical School and graduated in June of 1962. His time after medical school was spent interning at Orange County General Hospital and as an anesthesiology resident at Harbor General Hospital. He began private practice at the Long Beach Community Hospital in 1965, before moving into his current private practice of anesthesiology at the Los Alamitos Medical Center. Currently he is serving as chairman of Los Alamitos Medical Center's department of surgery and secretary of the medical staff.

Jeanne Karatsu, like her husband, also attended Los Angeles public schools and received her bachelor's degree from UCLA. Upon earning her degree, she embarked on a career in education. She has worked as a teacher at Fremont High School in Los Angeles, Riverside High School in Milwaukee, WI, and at Santa Ana Valley High School, in Santa Ana. In addition to her teaching, she has devoted a great deal of time to community activities. Jeanne was commissioner of the American Youth Soccer Organization, member of the Quality of Life Task Force, member of the Blue Ribbon Task Force on Restructuring City Government, member of the Blue Ribbon Task Force on School Facilities Use, and the Long Beach Community Auxiliary. Currently she is chairman of the Long Beach-Yokkaichi, Japan Sister City Committee, member of the board of directors for the Long Beach Day Nursery, member of the Municipal Sports Advisory Board, and member of the Long Beach Symphony Guild Board.

My wife, Lee, joins me in extending our congratulations to all of these fine families as they are honored by the Family Service of Long Beach. They are truly remarkable people who have devoted their talents and energies to enriching the lives of so many other people. We wish the families of William and Eleanor Williams, Ovid and Lillie Mae Wesley, and Hideo and Jeanne Karatsu, all the best in the years to come.

BILL TO LIMIT COMPENSATION PAID BY USPS TO EXPERTS AND CONSULTANTS

HON. MICKEY LELAND

OF TEXAS

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. LELAND. Mr. Speaker, Mr. HORTON and I introduced H.R. 3592 in the 100th Congress when we learned that the USPS had paid $900 a day to an individual consultant who functioned, in effect, as a postal employee. He worked in an office at USPS headquarters; his clerical support was provided by postal employees; his office supplies were furnished by the USPS; his telephone bills and other expenses were paid by the USPS. The USPS even provided professional staff made up of postal employees to assist in the consulting project.

The consultant collected $156,000 in compensation for 7½ months of work as well as $14,000 for expenses. The compensation is almost twice the total pay which a senior postal executive would have earned in an entire year if compensated at the maximum salary.

The same individual was then rehired 10 months later at the same rate of pay for the purpose of evaluating the results of his recommendations. Not surprisingly, he found that his recommendations were working quite well. During this second work period, which lasted for 130 days, he pocketed another $117,000 and, I assume, several thousand dollars more for expenses. The rate at which the consultant was compensated is the equivalent of an annual salary of $234,000. Incredibly, that was three times the salary of the Postmaster General. Senior officials in many large corporations do not earn that much.

H.R. 3592 passed the House on June 20, 1988 and remained in the Governmental Affairs Committee of the Senate when the 100th Congress ended. The bill which we introduce today is identical to H.R. 3592. It shall limit the rate of pay at which the USPS may compensate experts and consultants to the same rate at which executive departments and agencies may compensate experts and consultants.

The use of consultants is widespread throughout the Federal Government. The needs of the executive branch which have given rise to engaging consultants have been satisfactorily met under the limits on compensation imposed by existing law. I am confident that the needs of the USPS with respect to consulting services can be met within those same limits. Moreover, this measure will contribute significantly toward controlling postal costs which must be as high a priority in this Congress as it was in the 100th Congress.

INTRODUCTION OF THE FACSIMILE ADVERTISING REGULATION ACT OF 1989

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. MARKEY. Mr. Speaker, I rise today to introduce the Facsimile Advertising Regulation Act of 1989, a bill to make it possible for businesses and individuals, who rely on telephone facsimile machines in their daily activities, to free themselves from the cost and intrusion of the unwanted advertising that is increasingly finding its way into their offices and homes.

Two years ago the telephone facsimile machine was an office oddity, today it is a necessity. According to the American Facsimile Association, this year alone, more than 2.5 million facsimile machines in this country will transmit and receive over 30 billion pages of information. FAX machine sales will top an estimated $2.5 billion and telephone line charges for FAX transmission will approach $4.8 billion. By any measure, FAX is big business and getting bigger. These numbers are expected to triple in the next 3 years as the cost of machines continues to decline. Certainly, a phenomenon called the "FAX explosion" is here and with it has come another phenomenon—"junk FAX".

Advertisers offering everything from FAX supplies to real estate deals have seized on the FAX machine as a high probability way to solicit potential clients. Coupled with a computer or automatic dialer, an advertiser's FAX machine can deliver tens of thousands of unsolicited messages a week to other FAX machines across the country. There is a burgeoning industry developing around the sales of computerized directories of FAX phone numbers and some enterprising advertisers are building their own national data bases of FAX numbers by offering gifts to people who provide them with other people's numbers.

Simply put, the problem is this: Unsolicited advertising is beginning to clog FAX lines, restricting the owners' ability to use their machines for the purposes they originally bought them for and generating operating costs the users can't control. Unlike junk mail, which can be discarded, or solicitation phone calls, which can be refused or hung up, junk FAX ties up the recipient's line until it has been received and printed. The recipient's machine is unavailable for business and he or she incurs the high cost for supplies before knowing whether the message is either wanted or needed.

This bill would not eliminate FAX advertising, for certainly we must acknowledge that telephone solicitation, when conducted properly, is an established, lawful marketing practice. But this bill would return a measure of control to FAX machine owners by giving them a mechanism to specify that they do not want to receive unsolicited advertising and requiring advertisers to honor that choice.

I urge my colleagues to examine and support this legislation, not as a restriction on commercial practices, but as an affirmation of an individual's right to choose to be free from unwanted intrusions.

REPORT ON TRIP TO ISRAEL

HON. CHUCK DOUGLAS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. DOUGLAS. Mr. Speaker, on March 31, 1989, I joined two other colleagues from the House of Representatives in a meeting with Prime Minister Shamir of Israel as part of a weeklong trip to Israel. Maryland Representatives KWEISE MFUME and BEN CARDIN and I met for 45 minutes with Prime Minister Shamir at his office in Jerusalem.

We conveyed to the Prime Minister our concern about the need for movement toward peace, while at the same time expressing our clear recognition of the legitimate security needs of Israel. The key problem is attempting to work out a solution concerning the West Bank territories held militarily by Israel. Prime Minister Shamir indicated his support for some form of local elections to choose an indigenous leadership from the territories to represent the people living there. He stated, however, that such a leadership should not be controlled out of Tunis or Libya through the PLO.

I told the Prime Minister that I agreed with his concern because, based upon my meetings and observations, the people living in the West Bank area would like to have a peaceful resolution of their future, but feel threatened by the PLO. In the market places in the West Bank, for instance, stores close at noon because merchants will have their stores burned if they defy the PLO order to close at that time. Elias Freij, of Bethlehem, an Arab mayor with whom I met and who has called for moderation, was recently threatened by Yasser Arafat with "10 bullets in the chest" for merely proposing local elections to elect a council that would negotiate with Israel.

My visit gave me a great panorama of views, from those of U.S. Ambassador Brown to Mayor Teddy Kollek, of Jerusalem and Mayor Elias Freij, of Bethlehem. I met with former general, and now Minister of Industry, Ariel Sharon, who offered views very different from those of another former general, and now Minister of Science, Ezer Weizman. I visited the Knesset, met Judiciary Committee counterparts from the Likud and Labor parties, and tried, through these discussions, to capture the essence of an Israel struggling for security in an uncertain and often threatening Arab world.

Unfortunately, the PLO continues to be a terrorist organization. I visited the Golan Heights and spent a day with Israeli military units on the frontline. They told me they had just captured three terrorists the day before who had crossed the border from Lebanon.

Deputy Foreign Minister Benyamin Netanyahu told me that:

A declaration of peace is a very effective way to wage a war with western democracies. It is obvious that the PLO has not revoked article 19 of its official charter calling for the eradication of Israel and therefore the United States must understand the legitimate needs of Israel for safe borders and security on its eastern flank.

Recent comments by Abu Iyad, first deputy to Arafat, and Sheikh Abad Al-Hamid El-Saysekh, Chairman of the Palestine National Council have, in my view, contradicted Arafat's declaration of accepting Israel by calling for a "phased plan," some land now, the rest later.

When you travel from Jerusalem in Israel to the West Bank town of Bethlehem, only 5 minutes away, you realize how short distances are in a country that is approximately the size as New Hampshire. The other problem that the United States must recognize is that, of the 22 Arab governments, not a single one has a democratically elected parliament or respects freedom of the press and freedom of assembly.

Israel's apparent military superiority over its Arab neighbors is a misperception because Israel is phenomenally outmanned. As an example, Iraq used 1 million troops to fight Iran, compared to the 100,000 men and women who serve full time in the Israel Army. Israeli is not convinced that it now retains the competitive advantage that it held just 15 or 20 years ago.

I was able to travel throughout the West Bank and went from the Golan Heights down to the Dead Sea in meeting with Arabs and Jews to better understand this extremely important area to world peace. I believe the answer is local elections by the Arabs living in the West Bank and Gaza so that the people can choose their own leaders. Real negotiations could then follow. This is the better road to a just and lasting peace.

COMMON SENSE IN CRANFORD, NJ

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. RINALDO. Mr. Speaker, the far-ranging Anti-Drug Act passed in the last sessions of Congress recognizes the urgent need to involve Americans at every level, from the

President and Members of Congress to our local community leaders and families, in waging a vigorous and sustained effort to eliminate the demand for drugs that has led to an unprecedented wave of crime and violence in our country. The new drug czar, William Bennett, testified at the Senate confirmation hearings that he will emphasize prevention and education in order to reduce the demand side of the drug problem. Mr. Bennett recognizes that it will be a long and difficult undertaking.

To accomplish our goal of a drug-free America, I am proud of the effort underway in Cranford, NJ, by an organization known appropriately as Common Sense. Between May 13–20, Common Sense will sponsor with other community organizations a series of events designed to make people aware of the initiatives in Cranford to combat drug and alcohol abuse. Common Sense is a nonprofit Cranford community organization formed in 1981 through the efforts of the Cranford Youth Advisory Committee and others to help develop a healthy environment for young people through the elimination of the improper use of drugs and alcohol.

The success of Common Sense comes through informal positive discussions held among youth, parents, and community leaders. Once the youth and parents see other youth and parents with the same concerns that they have, which have the support of the community, Common Sense communication and support has a positive influence on the situation.

Most of the Common Sense effort is preventative. This is not a professional organization. There are a number of programs and organizations available to those in need of professional help and Common Sense refers individuals and families to them. Its efforts concentrate on building an environment and attitude which will minimize situations that could ultimately lead to problems requiring professional help.

Some examples of Common Sense efforts include:

Use of professional athletes to work and talk with youths.

Meetings with parents and youth to discuss the problems of drug and alcohol abuse.

Hiring a community substance abuse counselor, use of County Defenders Against Drugs [DAD's] in elementary schools.

Support and coordination of efforts of the PTA, clergy, youth council volunteer groups.

I wish to commend the members of the board of directors of Common Sense for their interest and concern in helping us meet this national crisis.

CLINTON MAGNUSSEN, ARIZONA SMALL BUSINESS PERSON OF 1989

HON. JON L. KYL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. KYL. Mr. Speaker, my friend Clint Magnussen, president of the Kurta Corp. of Phoenix, has been chosen Arizona Small Business Person of 1989.

In announcing the decision, SBA District Director Jim Guyer said, "The selection of Clint Magnussen and Kurta Corp. exemplifies this year's Small Business Week theme, small business is America's future. Clint is a dedicated entrepreneur who is leading Kurta to the forefront in the field of computer input systems."

This is only one of the recent honors conferred on Magnussen's Kurta Corp. In November, PC magazine named one of Kurta's products, the IS/1 cordless cursor, the "1988 Hardware Product of the Year."

While the decline of the dollar on world markets has hurt many American businesses, Kurta has taken this decline and turned it to its own and Phoenix's advantage. A little over a year ago, most of Kurta's products were manufactured in Seoul, South Korea; by June that will have changed almost completely, as the company will have shifted manufacture of all but one of its components to Phoenix, creating new jobs and causing profits to continue to rise.

When Clint took over Kurta in 1982, the business was on the verge of bankruptrcy. Since then, he has seen the company through some minor slowdowns, avoiding layoffs, and building it into the leader in the industry and the community that it is today.

Magnussen has also been a leader in the Phoenix business community working in community service projects. He was one of the founders of the South Mountain Business Forum, a coalition of south Phoenix businesses which united to monitor the quality of life in the south Phoenix community. SMBF activities have included saving a park from commerical development and a project to place traffic lights and stop signs at busy intersections where the city has no plans for their installation. Several Kurta employees also participate with him in an annual Christmas Sharing Drive that provides a complete Christmas for needy families.

Clint and his wife Audrey and their two children, Kathryn and Christopher, live in Paradise Valley in the Fourth Congressional District.

CONGRESSIONAL SALUTE TO JAYE TARANTINO, PRESIDENT OF BELLEVILLE, NJ, CHAMBER OF COMMERCE

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. ROE. Mr. Speaker, it is with the greatest pride that I rise today to salute a truly outstanding community and business leader from my Eighth Congressional District of New Jersey who is being honored for her efforts in making her community a far better place to live.

I am speaking of Jaye Tarantino, the president and former chairman of the board of the Belleville Chamber of Commerce who will be honored for her many outstanding accomplishments with a testimonial dinner on Sunday, May 7, 1989, at the Chandelier Restaurant in Nutley, NJ. I know this event will not only be a great source of pride to Jaye, but also to her parents, Rose and Joseph Gorlin and her brother, Mitchell Gorlin.

Mr. Speaker, Jaye has done so much for Belleville in so many different capacities during the past decade, it is hard to know where to begin. She arrived in Belleville in 1979 as the owner and chef of a restaurant known as Tarantino's. This fine establishment, which featured a unique combination of Jewish and Italian cuisine, became known far and wide for its superb food and outstanding service.

It was 1982, under Jaye Tarantino's strong leadership of the Belleville Chamber of Commerce, that this thriving municipality experienced a rebirth. That year she was elected president of the Belleville Chamber of Commerce, the first woman to hold that position. Since that time, Jaye has served as chairman of the board of the chamber of commerce—1984–87—and in 1988, she was reelected to another term as president of the chamber.

During her first term as chamber president in 1982, Jaye worked vigorously to give Belleville a positive self-image. That year she coined the phrase, "It's better in Belleville," which soon became more than a slogan in Belleville. It became a way of life. Under the chamber's leadership, Belleville became the first city in Essex County to hold a Pick-6 lottery bonus drawing; the township provided free parking to patrons during the holidays to draw people to the local downtown shopping areas; the arrival of Santa Claus in Belleville each year has become the highlight of the city's Christmas season and the annual Belleville-Nutley Columbus Day parade has truly become a major event in New Jersey.

Mr. Speaker, in her many efforts to make Belleville a better place to live, Jaye Tarantino has served on or chaired more than a dozen committees dealing with community and civic activities. She has served as chairman of the Columbus Day parade ball and cochairman of the 150th anniversary ball. She has also served on the committee leading the celebration of Belleville's 150th anniversary. In addition, she has constantly interacted with important local groups such as Kiwanis, the Optomists, the Policeman's Benevolent Association [PBA], veterans groups, the Belleville Board of Education and the Junior Women's Club, in an effort to bring all segments of the township together with the aim of making it a better place to live.

For her ceaseless efforts on behalf of her community, Jaye Tarantino has been the recipient of numerous plaudits and honors. In 1986, she was named "Outstanding Young Woman of America." In 1984 the New Jersey General Assembly passed a special resolution recognizing her numerous contributions to her community. She has been similarly honored by the Kiwanis Club of Belleville and PBA Local No. 28.

Mr. Speaker, I appreciate this opportunity to present a portrait of a truly outstanding individual whose efforts on behalf of her community stand as a model for all of us. I invite you and our colleagues to join me in saluting Jaye Tarantino of Belleville, NJ, whose untiring efforts have made not only her community, but her State and our Nation a better place to live.

THE 100TH ANNIVERSARY OF THE EVERETT SAVINGS BANK

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. MARKEY. Mr. Speaker, I wish to offer my congratulations to the Everett Savings Bank on the 100th anniversary of its incorporation.

In February 1889, the Massachusetts State Legislature passed a bill allowing for the incorporation of the Everett Savings Bank. Incorporation officially took place on March 1, 1889, and the doors of the bank opened for business for the very first time on May 11, 1889, thus providing the town of Everett with its first bank.

The first corporators meeting for the new bank was held on April 11, 1889. At this meeting the corporators agreed that the bank would open for business in the Cannell Brothers Building at 218 Broadway at 2 p.m. on May 11. In those days, the bank was to be open for business weekdays from 2 p.m. to 4 p.m. and Saturday evenings from 7:30 p.m. to 8:30 p.m.

At this first meeting, the corporators elected Wilmot R. Evans as the bank's first president. Woodbury A. Ham and Robert M. Barnard were elected vice presidents.

The corporators of the Everett Savings Bank expressed a hope at their first meeting that the new bank would receive support from the community, and that savings deposited at the bank "gathered together would promote the local prosperity." The new president, Wilmot R. Evans, pledged to operate on the motto "Dollars on the right side of the ledger, friend or foe, that's clean business."

One hundred years later, much has changed in the town of Everett, but the Savings Bank of Everett is still working to promote the prosperity of the Everett community. At the end of the business day on May 11, 1889, 63 people had opened accounts at the new bank, depositing a total of $4,570. Today, the bank has approximately 40,000 accounts and assets of over $206 million. Banking hours have increased from the original 11 hours a week back in 1889 to 64 hours a week today—plus 24-hour electronic banking.

The citizens of Everett have supported the savings bank over the years, and the bank in turn has maintained a commitment of service and support to the city. Back in 1890, the Everett Savings Bank lent the money that allowed Everett to purchase a new fire engine. Today, the bank supports various civic organizations in Everett and offers two annual $4,000 scholarships to deserving high school seniors.

In the last 100 years, the Everett Savings Bank has had eight presidents. Wilmont R. Evans served as president from 1889 to 1891. He was followed by James P. Stewart (1891–1910), Columbus Corey (1910–1918), Dudley Bailey (1918–1929), Edgar A. Cate (1929–1957), Stanley R. Gardiner (1957–1968), and David J. Carlberg (1985–present).

I know that Everett Savings Bank President David Carlberg and all those who work at the bank are looking forward to moving the institution forward into its second century of operation. While there have been many changes in the world of banking since the Everett Savings Bank first opened its doors in 1889, the bank's mission statement remains that of providing "high quality financial services to customers at a price which will generate a desirable return to both the customer and to the bank." I am pleased to offer my congratulations on the 100th anniversary of the savings bank's founding, and I join with others in the community in offering my best wishes for a successful future.

FEDERAL PRISON SYSTEM IMPROVEMENT ACT OF 1989

HON. LAMAR S. SMITH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. SMITH of Texas. Mr. Speaker, the answer to this country's crime problem is crime control, not gun control. Crime statistics show that only about 4 percent of homicides nationally are committed with rifles. Obviously, any plan to ban a portion of these weapons is an attempt to capitalize on the emotions surrounding this issue that will have little impact on crime.

Recently I introduced the Federal Prison System Improvement Act of 1989, a bill which seeks to address the less glamorous and largely ignored area of prisoner confinement.

The Federal prison system inmates population is currently 50 percent over capacity. The Federal inmate population has grown by over 20,000 inmates since January 1981. There are certain Federal institutions that are operating at over 200 percent of rated capacity. This situation will only worsen in the years to come.

The Federal Bureau of Prisons estimates that the 1986 Drug Abuse Act, omnibus drug bill of 1988, sentencing guidelines and career offender provision of the Comprehensive Crime Control Act of 1984 will compound the predicted growth of Federal inmates culminating in a Federal inmate population of at least 83,500 by 1995. Other estimates indicate that it may rise to as high as 125,000.

The Federal Bureau of Prisons currently has 12,892 bed spaces approved and funded in various levels of construction. This includes 13 new prisons and several expansion projects. The Prison Bureau also has plans which call for construction of more than 20,000 additional bed spaces over the next 4 years. If these bed spaces are fully authorized and funded, the Federal prison system will still be 30 percent overcrowded in 1995 when all beds are online. This percentage uses the low inmate population estimate of 83,500. In short, we are not prepared to deal with the issue of getting tough with criminals if we don't do a better job of planning and building the space to confine them.

My bill, which is simple in concept, takes the first step toward a necessary solution to the problem of overcrowded Federal prisons. It directs the administration to develop a plan to reduce overcrowding and to house criminals convicted of Federal crimes in "emergency confinement facilities" if necessary. No longer will the public or the criminal have reason to believe that the length of prison confinement will be influenced by available space.

This legislation would demonstrate congressional commitment to the premise that the criminal must pay when a violent crime is committed.

Currently, law-abiding Americans, and criminals themselves, know that the chances of actually doing time are 1 in 1,000 for every felony committed. Criminals view prison sentences and the criminal justice system as an occupational game.

Individual States have taken giant strides in addressing the issue of prison facilities. California officials indicate that massive prison construction and mandatory sentences initiated in that State several years ago are already reaping benefits in reduced crime rates. My own home State of Texas is currently involved in the most aggressive prison construction program in history. Over 13,000 additional prison bed spaces are under construction with a request for 11,000 more pending before the legislature.

We are fortunate that because of the fine work of Federal Bureau of Prisons officials, the Federal prison system is not currently under court order to eliminate overcrowding. It is our responsibility to eliminate the pressure before the balloon bursts.

I urge my colleagues to join me in sending the message that we are serious about crime reduction in this country and support the Federal Prison System Improvement Act of 1989.

H.R. 2191, THE PRIVATE HEALTH INSURANCE PROMOTION ACT OF 1989

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. RANGEL. Mr. Speaker, the Tax Reform Act of 1986 included a provision which for the first time imposed a Federal income tax on the Nation's Blue Cross and Blue Shield plans. For more than 60 years the plans were exempt from taxation as social welfare organizations based Congress's recognition that making health insurance protection available to the broadest segment of the population was a unique activity that benefited the public as a whole. While there may have been some justification for revoking the tax exempt status of certain plans which acted more like commercial providers than social welfare organizations, I am convinced that the across-the-board removal of the tax exempt status of all the plans was not a good decision. Consequently, I am today introducing with my colleagues, Mr. DOWNEY, Mr. MCGRATH, Mr. MCHUGH, Mr. LENT, Mr. GILMAN, Mr. TOWNS, and Mr. MANTON, H.R. 2191, the Private Health Insurance Promotion Act of 1989, to restore the tax exempt status of certain qualified Blue Cross and Blue Shield plans.

I am concerned about the estimated 35 million Americans who are not covered by health insurance. As you know, Mr. Speaker, some of our colleagues in both the House and the

Senate have introduced bills that would provide for universal health coverage for all Americans. While I endorse their efforts and support their approach, these proposals are long-term solutions which may be hard to achieve in the near future because of the constraints of the budget deficit. I continue to believe that the most immediate, direct, and effective approach is to encourage the widest possible participation from the private sector in meeting the health care needs of the greatest number of our citizens.

The restoration of tax exempt status for certain qualified Blue Cross and Blue Shield plans will encourage those insurers to help in Federal, State, and local efforts to reach the goal of universal coverage.

I am convinced that my proposal offers an effective way to involve the private sector in our efforts to provide the broadest possible coverage for millions of Americans that do not have health insurance. This bill sets out nine specific criteria, which are summarized below, for distinguishing between companies providing services to the public so beneficial as to qualify them under the social welfare standard of section 501(c)(4) of the Tax Code, and those that are more like commercial providers. The effect of this legislation would be to encourage more Blue Cross and Blue Shield plans to follow practices assuring the availability of insurance coverage with low premium rates for millions of Americans, such as those in high risk categories, that need it.

Mr. Speaker, the overwhelming social, economic, and medical problems that confront our society because of the lack of universal health care require Congress to act quickly to encourage the greatest possible cooperation between Federal, State, and local governments and the private sector. My bill will help to encourage vigorous efforts by Blue Cross and Blue Shield plans to participate fully in efforts to provide health insurance to the broadest segment of the population. Restoring the tax exempt status of plans that meet the criteria set forth in H.R. 2191 is a very good way of doing so and I urge my colleagues to support it.

I include the following summary of the bill:

SUMMARY

In 1986, the GAO Report to Congress which concluded that there were insufficient distinctions between the practices of certain Blue Cross-Blue Shield organizations and commerical insurers to merit retaining their differences in tax status, also recognized that Congress may want to offer special tax treatment for those insurers who provided coverage for "high-risk" individuals. The GAO proposed four criteria for consideration. Briefly, these criteria include: (1) continuous open enrollment; (2) medical services for high-risk conditions; (3) coverage to high-risk individuals at the same rates charged to others; and (4) coverage without regard to age or employment status. (GAO Report to the Chairman, Subcommittee on Health, Committee on Ways and Means, July, 1986, p. 20).

H.R. 2191, the "Private Health Insurance Promotion Act of 1989," contains these criteria and more. Section 2 amends subsection (m) of section 501 of the Internal Revenue Code of 1986 by inserting a new paragraph containing nine criteria that must be met if an organization is to be exempt from taxation.

Parts (A) through (I) of Subsection 2(a)(3) contain the nine criteria which determine whether or not an organization can qualify for tax-exempt status. (A) requires that "substantially all" the organization's activities be related to providing health insurance and clarifies that other activities related to its health business will not deprive it of its tax-exempt status.

Part (B) requires that at least 10 percent of the total health insurance provided excluding supplemental Medicare coverage is for individuals and small groups.

Part (C) requires the organization to provide full-year open enrollment for individuals and small groups, including conversions. This satisfies the first GAO requirement mentioned above and makes access to health insurance much easier than when a plan has only one or two opportunities to join per year.

Part (D) covers the second, third and fourth GAO requirements by mandating full coverage of "preexisting conditions" of high-risk individuals without a price differential within that community, reasonable waiting periods in accordance with state law or regulation, no cancellation of coverage for heavy usage, and no discrimination due to age, income, or employment status for those over age 65.

Part (E) requires the organization to set its premiums on the generally non-discriminatory community rated basis.

Part (F) states that none of the organization's net earnings can go to private shareholders or individuals, thus preserving its non-profit character.

Part (G) mandates that the organization return at least 85 cents in benefits for every dollar of premiums. This is calculated as a 3-year average in its individual, small group, and Medicare supplemental business.

Part (H) requires the organization to have been created, and continue to operate, under state law as a tax-exempt entity, except for taxes on property. The organization must also be subject to state regulation as to its premium rates and reserves.

Part (I) requires the organization to allow individuals leaving a group plan the option of converting to a community rated individual plan without a waiting period regardless of the individual's health and the size of his former group. State law defines what a "small group" means, but if there is no applicable state law in existence it means 15 or fewer individuals. Finally, any state insurance department assessment are not to be treated as taxes..

Subsection (b) of Section 2 amends Section 833(c) of the Internal Revenue Code to conform to the tax-exemption carved out above.

Subsection (c) makes the above changes in Section 2 effective for tax years beginning after December 31, 1988.

Section 3 repeals the rules relating to taxation of Blue Cross-Blue Shield organizations as insurance companies. Subsection (a) sunsets the "special deduction" provision of Section 833 of the Internal Revenue Code, but leaves in place those provisions that make those plans taxable as stock insurance companies. This sunsetting provision should generate enough revenues to more than offset whatever losses might occur from restoring the tax-exempt status to the organizations which meet the nine criteria set forth in Parts (A) through (I) of Section 2 of this bill. The language in subsection (b) makes technical changes in the Code to reflect subsection (a).

The effective date of the amendments made by Section 3 apply to tax years beginning after December 31, 1991. The disparity in effective dates between Section 2 and Section 3 was chosen to give Blue Cross and Blue Shield organizations time to comply with the criteria and gain tax-exempt status if they do not already meet the standards contained in Section 2. This date may need to be adjusted as more data becomes available from the Joint Tax Committee.

SUPPORT REAL CAMPAIGN REFORM!

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. BENNETT. Mr. Speaker, with permission, I include at this point a statement by former U.S. Senator William Proxmire, relating to House Joint Resolution 10, legislation which proposes a constitutional amendment to limit the amount of money that may be spent on political campaigns.

Many of us recognize that political campaigns have become far too expensive. Congress has responded in part to this problem by enacting legislation to limit the amount of money that a political action committee [PAC] may contribute to a candidate. Unfortunately, this valuable legislation has been circumvented by the proliferation of PAC's. We also enacted legislation to limit campaign contributions, but this failed when the courts held that our constitutionally protected freedom of speech prohibits a legislatively imposed limitation on campaign expenditures.

Pending legislation establishes a voluntary system of campaign spending limitations. That legislation has some merit, but my constituents and I have little enthusiasm for subsidizing congressional races by taxpayers. Moreover, once one candidate exceeds the voluntary limitation the other candidate will be compelled to likewise exceed the limitation, or be at a serious disadvantage.

I believe the only way we may successfully limit campaign expenditures is through a constitutional amendment. Since constitutional amendments must be ratified by the States, House Joint Resolution 10 simply gives the people of this great Nation an opportunity to let their voice be heard at the local level, on a State by State basis. American voters will decide whether they think political campaigns have become too expensive. We should give voters that choice! Mr. Speaker, herewith is the statement recently made by former U.S. Senator William Proxmire, whose leadership for things of benefit to America and its citizens has made him revered in all areas of our country:

STATEMENT BY FORMER SENATOR WILLIAM PROXMIRE ON THE BENNETT CONSTITUTIONAL AMENDMENT

Congressman Charles Bennett has proposed a constitutional amendment that would for the first time in our history permit across the board restrictions and limitations on the amount of money that can be spent on political campaigns. As one who has run for statewide office nine times in Wisconsin, and who has served in the United States Senate for thirty one years, I believe there is no single action that would

do more to reduce corruption in American politics than the Bennett amendment.

Today, money, big money, more and more frequently buys elections. Our majors, our Governors, our Congressmen, even our Presidents, with their growing dependence on "soft money," run campaigns based squarely on what money can buy. And money buys plenty in politics today. It buys pollsters who tell the candidate how to trigger a favorable response (at that moment) from his constituents, and how to demean and discredit his opponent. It buys the high priced media experts who can tailor a campaign message to reach the mind and hearts of the voter. It buys the hundreds of thousands of dollars spent in local elections, and the millions of dollars spent in state and national elections to pay for special interest letters. Letters telling labor one thing, management something else, one message for the elderly, another for the young. The messages may conflict, but who knows?

Above all big money buys access to radio and television. With several hundred thousand dollars a candidate can sweep into thousands of living rooms with his message. Opponents are forced to spend hundreds of thousands of dollars in response or voters begin to change their reference between the candidates, even with all other things being equal.

In this process what determines who wins our elections? What determines who will be your Mayor, your Governor, your United States senator, your Congressman, and yes, your President? The answer is obvious, more and more often it's the candidate with the most money.

And where does the money come from? Much of it comes from organized interest groups: the realtors, the bankers, the insurance interests, the labor unions and others. Why do they contribute? Is it because they believe in the character of the candidate? Is it because they support the same political principles the candidate supports? Is it because they believe the candidate is more competent, more honest, better informed on local, state, national and international issues? Unfortunately, too often the bigger contributor pushes money into the campaign of the candidate who will give the contributor the tax break he wants; a more lenient attitude towards pollution from the contributor's polluting plant; an advantage in selling a higher priced, or a lower quality, product to the Defense Department or the city transportation Department.

Sure, some public officials rise above this ill concealed system of bribes. But many do not. As political contributions increase in America in special interests call the tune. Your taxes are higher. The air you breathe and the water you drink is more polluted. The prices you are charged are higher. Our country is less competitive. It is weaker.

What do we do about this? Members of Congress have introduced legislation to limit campaign contributions. But the courts have told us that the constitutional freedom of speech permits candidates to contribute as much to their campaigns as they wish from their own pockets. Congress can, and has, limited the amount Political Action Committees and individuals can contribute to a particular campaign but it is too easy to evade these limitations. Contributors can use their families and friends to funnel contributions to their chosen candidate. There is no end to the number of political action committees an industry can organize. There can be literally hundreds, or even thousands, of Bank, or Savings and Loans, or Insurance, or securities, or labor, or farm, political action committees for every single industry. Each of them can contribute $5,000 per election cycle to the same candidate.

What Charles Bennett has done in his proposed legislation is to go right to the heart of this problem, Mr. Bennett's amendment to the constitution would limit the amount of money that can be spent in a campaign. The Bennett amendment is an absolutely essential first step in taking big money out of American politics, and returning government to the people and for the people. I encourage each of you to endorse this amendment and return integrity to our electoral system.

HOUSE ARMED SERVICES TAKES SOVIET TESTIMONY ON GORBACHEV PROPOSALS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. ASPIN. Mr. Speaker, I am today announcing that the House Armed Services Committee is embarking on a series of hearings and direct contacts with Soviet officials aimed at fashioning United States defense budgets in this period of change and uncertainty in the Soviet Union.

This is a major initiative by the committee. We must put together defense budgets for this year and the next few years. That will be hard enough to do given the deficit. But the problem is compounded by uncertainty about the Soviet Union.

We are dealing with a moving target. The Soviets are talking about unilateral moves that have not yet been implemented. We don't know if Gorbachev will succeed or even survive. If he succeeds, we don't know where Soviet defense programs will be several years from now. If he is replaced, we don't know if his successors will completely reverse or merely modify his plans.

The committee has several planned events. Let me outline them for you.

First, the committee's defense policy panel will hold a hearing May 9 with Soviet officials from the Institute for the USA and Canada, the chief Moscow think tank on superpower relations, which frequently surfaces ideas that end up as policies. As chairman, I will host a series of small roundtable discussions with the same Soviets May 9 and 10. The group will be led by Andrey Kokoshin, a deputy director of the Soviet Institute for the USA and Canada, and Roald Sagdeyev, former director of the Soviet Space Research Institute who was just elected to the new Soviet legislature by the Academy of Sciences.

Second, Marshal Sergey Akhromeyev, formerly chief of the Soviet General Staff and now a personal adviser to President Gorbachev, has agreed to testify before the committee's defense policy panel, with a date in June anticipated.

Third, I have spoken with the Soviet Embassy about a committee trip to the Soviet Union over Memorial Day that will take members of the committee to military sites and installations never before seen by Western visitors.

Fourth, a series of hearings are planned to include administration and private sector analysts who have been watching the evolution within the Soviet Union. This will include input from the administration's strategic review, once that effort has been completed.

Fifth, a briefing on the net assessment, which has been prepared by the Joint Chiefs of Staff, will be provided the committee. This will help establish a basis for assessing Soviet and American comparative military capabilities prior to any Soviet cutbacks.

Those are the chief components of this committee initiative.

Gorbachev is talking about dramatic revisions in the Soviet military. Here in the United States, we're so used to managing responses to an increasing Soviet threat that we have little idea how to cope with a decreasing threat. The committee initiative is designed to help both the committee and the American public think through the implications, which could be far reaching.

The committee initiative has already begun. The committee has held hearings on the Gorbachev reforms, including testimony from Kokoshin. Staff resources have been deployed to assess the Gorbachev proposals and their impact on U.S. military strategy and structure and we have issued two reports—on the existing balance and on Gorbachev's intentions. More reports are planned.

Let me underscore two cautions:

First, we have to see whether the Gorbachev reforms are carried out. So far, they are essentially a series of speeches and promises. If the pledges are carried out, we'll see some impact by the time we are working on the defense budget next year and can take the changes into account in fashioning the fiscal year 1991 defense budget.

Second, only the executive branch can negotiate agreements with the Soviets. But because of that, a congressional committee is in a better position for expansive give-and-take and exploration of new ideas. We can air new ideas with a Soviet think tank that American and Soviet diplomats could never discuss directly precisely because the diplomats are negotiators.

THE FRESH MUSHROOM PROMOTION, RESEARCH, AND CONSUMER INFORMATION ACT

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. PANETTA. Mr. Speaker, I am pleased today to introduce legislation which will authorize a promotion, research, and consumer education and information program for fresh mushrooms. I am joined by my colleagues, Hon. RICHARD SCHULZE, Hon. CHARLES HATCHER, Hon. BILL EMERSON, Hon. TONY COELHO, Hon. MIKE SYNAR, Hon. HARLEY STAGGERS, Hon. BILL GRANT, Hon. SAM GEJDENSON, Hon. ROBIN TALLON, and Hon. MIKE ESPY in sponsoring this legislation.

The Fresh Mushroom Promotion, Research, and Consumer Information Act would strengthen the fresh mushroom industry's po-

sition in the marketplace, maintain and expand existing markets, and develop new markets and uses for fresh mushrooms.

The bill and the program it would authorize are patterned after the extremely successful promotion and research programs that currently exist for dairy, beef, and pork. All of these programs, I hasten to add, are paid for by the producers themselves at no cost to the taxpayer. The same would be true for the mushroom promotion and research program.

This legislation would provide for the Secretary of Agriculture to issue an order, which would set up assessment procedures for producers and first handlers of mushrooms and an administrative framework for the operation of the program. The order would cover all varieties of cultivated mushrooms commercially grown or imported into the United States for the fresh market. Mushrooms used in processing would not be included.

The bill includes provisions for the Secretary to establish a mushroom council made up of producers to administer the order, and for payment of an assessment of ½ cent per pound for the first year, and 1 cent per pound for the second year of the program. However, producers or importers of less than 500,000 pounds of mushrooms per year would be exempt from the assessment.

Mr. Speaker, last year over 112.5 million pounds of mushrooms were produced in California, with a value to the growers of over $110 million. Nationally, fresh mushrooms sales reached a level of over 468 million pounds last year. Compared with processed mushrooms, fresh product represented 74 percent of total production.

I am very proud of the size, scope, and success of California's great agricultural base. Our producers have led the way in producer funded and operated commodity promotion programs.

The benefits to the producer and the consumer of these programs are numerous. The producers take no more responsibility in the marketing of their product and, therefore, in their economic well-being.

Information provided by these types of programs on the commodity's nutritional benefits, as well as on proper selection, storage, handling, and preparation of the product is an important service to the consumer. At a time when consumer confidence in the healthfulness of some parts of our food supply has been shaken, such information is extremely valuable.

I would also point out that the research component of the program authorized by this bill and the results of that research, should help to ensure the safety and healthfulness of our food supply. As Federal research dollars have declined, I believe it is highly commendable that American agricultural producers are joining together and pooling their resources in these efforts to improve their product and strengthen their position in the marketplace.

Mr. Speaker, I urge my colleagues to support this important legislation.

HONORING ITALIAN-AMERICANS OF THE YEAR

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. HERTEL. Mr. Speaker, I rise today to honor two Italian-Americans from Michigan who have been chosen as "Italian-Americans of the Year" by the Italian Study Group of Troy, MI Anthony Filippis, Sr., of Royal Oak, MI, and Andrea Alati-Allemon of Troy, MI, will be honored by the Italian Study Group at the club's 15th annual Festa Italiana on Sunday May 7, 1989.

Anthony and Andrea willfully serve the citizens of the Detroit community. Through their many activities they touch many with their dedication and generosity.

Anthony Filippis motivates us all through his many courageous accomplishments and serves as a role model for handicapped youth. He dedicates his life to prosthetics development and has two artificial limbs himself, having lost both legs below the knee in a train accident as a child. Anthony is the cofounder of Wright and Filippis, a company specializing in prosthetic devices and equipment for the physically handicapped. He is committed to the advancement for the physically handicapped through his work at his Detroit-area stores. Anthony brings light to many through his continued participation in charity activities, including Easter Seals Telethon, Wheelchair Daze, amputee basketball, Detroit Free Press International Marathon and other events.

Andrea Alati-Allemon is a truly remarkable person. She exemplifies a strong family person dedicated to people. She is a graduate of Michigan State University with a degree in social work. She has dedicated herself to raising three children and actively serving our community. Andrea has three sons, Tony, 21, Paul, 19, and Bob, 17. Tony and Paul currently attend Michigan State University, Andrea's alma mater. Her distinction as a community servant is reflected by her numerous service activities including PTA president, Smith Middle School, Troy; Senior Citizen Annual Dinners by Troy Kiwanis; member of St. Anastasia Veronica, A Christian service group; and Athens High School Athletic Boosters.

My dear colleagues, I ask that you join me in congratulating Anthony Filippis, Sr., and Andrea Alati-Allemon for being named Italian-Americans of the year. On behalf of the citizens of the State of Michigan, I thank Anthony and Andrea for their commitment to serving our communities.

NOTRE DAME SPRING FESTIVAL

HON. BILL SARPALIUS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. SARPALIUS. Mr. Speaker, in this day and age, no one can question the value of a good education, or the wisdom in a community providing a wide variety of quality educational opportuntities for its citizens.

I am fortunate that the people of my district, the 13th District of Texas, recognize this. Throughout my district, communities strive daily to make the best education possible available to their children.

Wichita Falls is no exception. The city provides a fine public primary and secondary education for its young and is home to a first-class institution of higher learning, Midwestern State University.

But, Wichita Falls also is a community that understands how important it is to encourage alternatives to public education, for some families are best served by a different environment than that found in the public schools. Wichita Falls historically has made sure these alternatives are available to those who seek them.

Notre Dame School stands today as a shining example of this foresight and wisdom. The school offers an outstanding curriculum firmly rooted in the basics of education—English, math, science, and history. It also provies students with numerous extra-curricular opportunities, fielding football, basketball, baseball, and countless other athletic and academic teams.

This weekend, Notre Dame School will have its 13th annual spring festival. It is a time of renewal, when those who so avidly support the school can come together to enjoy fellowship and to lay plans for a future as bright and successful as Notre Dame's past.

I want to take this opportunity to congratulate Notre Dame School, its students, faculty, parents and everyone involved in this year's spring festival and to wish them all good luck for the future. I am sure you and everyone here will want to join with me in sending these best wishes.

THE GREAT "FIRRE" OF 1989

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. GRADISON. Mr. Speaker, I've been at the forefront of those calling for speedy action on the savings and loan legislation. Yet, after careful consideration of the work product so far, I have come to the conclusion that unless the House makes substantial revisions it would be best to start over.

Two years ago we went through a similar drill. When that S&L legislation was before this body I made three general arguments against it:

First. That the financing was inadequate to do the job;

Second. That the off-budget accounting was wrong; and

Third. That the policy reforms were inadequate.

These arguments are still valid today:

First. The resources being provided are inadequate.

The Congressional Budget Office's assessment of the bill (S. 774) reported by the Senate Banking Committee concludes that the administration has underestimated the costs of the bailout, largely by using book value instead of the market value of assets, so that

the costs could exceed the $74 billion provided in the bill by some $30 billion—April 13, 1989. If this isn't an invitation to revisit the problem, I don't know what is.

Second. The off-budget accounting is wrong, both politically and financially, and will prove unnecessarily costly.

The bill's financing scheme guarantees an additional cost to American taxpayers of hundreds of millions of dollars a year for three decades solely because of the design of the plan.

The administration has failed to make a cogent argument for the off-budget financing, while experts are solidly against it. For example, CBO, in their cost estimate of the bill reported by the Senate Banking Committee states: "CBO believes * * * that REFCORP would be a Government entity, and should be included in the budget" (p. 4). And the General Accounting Office, in the prepared testimony of Comptroller General Charles A. Bowsher before the House Ways and Means Committee on April 18 states: "* * * any use of Federal money to resolve the problem should be on-budget. * * *" (p. 1).

And while the administration and Members of Congress were adamantly against changing Gramm-Rudman for the comparatively inconsequential bipartisan budget agreement, it is apparently all right to change that law for the S&L legislation (see section 725). At the same time, economists are generally of the view that the bailout is an economic wash—taking the money out of the credit market and putting it right back in—so the costs of the bailout could legitimately be exempted from the deficit targets without violating the spirit or intent of Gramm-Rudman. The huge extra cost brought about by off-budget financing is unnecessary.

Third. The reforms contained in the Senate-passed bill ensure administrative chaos and invite scandal.

I want to expand on this third point for the RECORD.

With only eight dissenting votes and few substantive changes, the Senate passed on April 19 the administration's savings and loan bailout bill, more formally known as the "Financial Institutions Reform, Recovery, and Enforcement Act of 1989" (S. 774). This bill [FIRRE] is presently being considered by the House Banking Committee. Strong pressures are being brought to bear on the House to pass this legislation quickly and in a form closely approximating that of the Senate bill.

Even the briefest perusal of this huge bill—564 pages for the Senate Banking Committee's reported bill—indicates severe deficiencies in the underlying organizational structure for implementing the intent of the bill. The deficiencies range from fundamental constitutional questions regarding the delegation of sovereign powers to private parties to problems of detail resulting from conceptual inconsistencies between related provisions.

FIRRE is extremely detailed on minor matters and vague on fundamentals. It is a potpourri of provisions, many of which are only tangentially related to the basic issue that prompted the bill in the first place. Sloppy drafting and a lack of legal coherence makes me wonder whether the administration's bill was subjected to any systematic professional legislative review and clearance by the Office of Management and Budget.

Nevertheless, the Senate did pass the bill. I am encouraged that the Senate Banking Committee improved on the administration's proposal, and that the full Senate improved on the committee's work. But unless the House makes dramatic changes, the result will be a substantial reduction in the President's legal authority and managerial capacity to regulate the thrift industry. Similarly, Congress will experience a substantial reduction in its capacity to oversee the actors in the troubled thrift sector. I don't think this is what most people have in mind when they think of S&L reform.

This bill establishes a series of independent actors, unaccountable in any significant sense to politically responsible officials or the Congress. They will be able to expose the U.S. Treasury to major obligations, while managing their new entities principally for the benefit of the officers of the corporations the legislation creates.

Given FIRRE's size and detail, I will cite some of its legal and structural deficiencies. These deficiencies are only suggestive of the basic lack of conceptual integrity which underlies this bill. In my opinion, these deficiencies will make the law essentially unadministrable.

RESOLUTION TRUST CORPORATION AND OVERSIGHT BOARD

Section 501 of S. 744 provides for the establishment of a Resolution Trust Corporation [RTC]. "The Corporation shall be under the direction of the Oversight Board. The Oversight Board and the Corporation shall not be an agency or executive agency for purposes of title 5, United States Code" (CONGRESSIONAL RECORD, April 19, 1989, p. S. 4343).

What, precisely, does it mean to not be an agency of the United States?

Under law, an "executive agency means an executive department, a Government corporation, and an independent establishment"—U.S.C. 105). As such it is the organizational term with the most encompassing definition. Conceptually, an entity is either an agency of the United States, or it is something else. For an entity properly to be considered an agency of the United States, it must have been created pursuant to law, be considered an arm of the sovereign power with authority to act with the force of law, and be subject to all the laws applying to agencies except where exempted in a general managerial statute or in its enabling statute.

If an entity is established by Congress, but is not to be considered to be an agency of the United States, then it is not subject to any of the provisions of the United States Code except for those provisions specifically denoted in the enabling statute. In essence, nonagencies are considered private and subject to the laws and court precedents generally applicable to private bodies.

Agencies of the United States must be managed by officers of the United States. These officers must be duly appointed by the President or the executive officer delegated this authority. Agencies are assigned the attributes of the sovereign, the first attribute generally being the legitimate right to use coercion to enforce its will. The sovereign may, for instance, tax citizens and corporations and impose penalties on those who resist paying their taxes.

Conceptually, a sovereign is indivisible and cannot assign its attributes to private parties and remain a sovereign. Therefore, a nonagency of the United States should not be managed by officers of the United States and should not be able to force and enforce its will upon other nonagencies or on Government agencies.

The Resolution Trust Corporation is a nonagency which is assigned authority to enforce laws, for example, "In carrying out its activities, the Corporation shall possess all the rights, powers, duties, and obligations provided in sections 11, 12, and 13 of the Federal Deposit Insurance Act * * *." (CR, p. S 4343).

Yet the RTC, a nonagency, is to be run by a board of directors, called the Oversight Board, consisting of 5 members; the Secretary of the Treasury, the Chairman of the Federal Reserve Board, the Attorney General, and two members from the private sector appointed by the President. This mixed five-member board, three officers of the United States and two private citizens, is not an advisory board but is to be actively involved: "The Oversight Board shall review and have overall responsibility over the work, progress, management and activities of the Corporation. The Oversight Board shall approve or disapprove, in its discretion, any regulation, policy, procedure, guideline, statement, contract, and other action of the Resolution Trust Corporation." (CR, p. S 4344).

Putting these senior Government officials on the Oversight Board invites political and administrative conflict of interest and also misleads the public as to the likely participation of these individuals. For example, it is a simple fact that the primary responsibility of the Attorney General is the enforcement of the laws of the United States; he has no institutional interest in managing the RTC.

Given this reality, the Attorney General is likely to delegate his Oversight Board responsibilities to a subordinate. Yet as noted above, the role of the Oversight Board is anything but perfunctory. This bill requires that the Oversight Board and its staff actively manage the RTC.

This bill provides that private persons—the two members of the Oversight Board from the private sector—operating under private law, for example, not under the conflict of interest statutes governing officers and employees of the United States, shall have authority to "manage" the RTC and "approve or disapprove * * * any regulation, et cetera." The backgrounds required of these two individuals invites a legal and financial conflict of interest—"the two private sector members shall be appointed by the President and shall have substantial experience in the management of large business organizations engaged in real estate, finance, or development activities," CR, p. S 4344). This is precisely the type of relationship between the regulator and the regulated that we should be avoiding.

This Corporation is authorized to hire its own staff and to "hire, promote, compensate, and discharge officers and employees of the Corporation, without regard to title 5, United

States Code." (CR, p. S 4344). It appears that this bill authorizes three new personnel systems, and possibly more. The proliferation of personnel systems within the Federal Government is not in the public interest. If higher salaries are necessary, these can be arranged using normal procedures, including legislative action, within the civil service system without the undesirable effects that can follow from new, poorly conceived personnel systems. A typical question when personnel systems, distant if not immune from congressional oversight, are created for each new nonagency: Should the Hatch Act apply?

In short, the employees of this Corporation, already not employees of the United States, are further insulated from any of the responsibilities and rights normally associated with Federal civil servants. This entity, while authorized to establish its own personnel system, is also permitted to "utilize the personnel of the agencies of the three Government members—Oversight Board—without additional compensation." (CR, p. S 4344). The meshing of Federal and private employees in one office is fraught with legal and administrative problems.

To insure that the RTC is not considered part of the Government—notwithstanding all the governmental responsibilities and privileges it is assigned in the act—it is permitted "to mortgage" its real property if it so desires, and is also permitted to "obtain insurance against loss," presumably real property loss. (CR, p. S 4344).

If you are confused as to whether or not the RTC is really governmental or private, this is understandable. I suspect the designers of this legislation wanted a body that was essentially undefinable, an entity that lives in the twilight zone between the public and private sectors, that can draw upon the advantages of each as circumstances warrant.

And if all this is not confusing enough, another provision states: "The Federal Deposit Insurance Corporation shall be the primary manager of the Corporation in accordance with an agreement between the Federal Deposit Insurance Corporation and the Corporation." (CR, p. S 4344). I interpret this to mean that the Corporation is instructed to contract-out its activities to the FDIC, yet it seems to me, from what I just cited above, that the Oversight Board is also the primary manager.

This Corporation, the RTC, a nonagency of the U.S. Government, is nonetheless empowered to issue regulations with the force of law. These regulations, however, "shall be promulgated and enforced without regard to subchapter II of chapter 5 of title 5, United States Code." (CR, p. S 4345). This means that these rules shall be promulgated without regard to the procedures provided by the Administrative Procedures Act. Does Congress really want this Corporation to be able to promulgate regulations without following the procedures of the Administrative Procedures Act?

But the real question is this: What is a nonagency of the United States, with private officers and employees among its staff, doing promulgating rules with the force of law in the first place.

RESOLUTION FUNDING CORPORATION (REFCORP)

This bill does not provide any appropriated funding for the Resolution Trust Corporation. Instead, it stipulates a convoluted scheme for private funding of the RTC through another nonagency, the Resolution Funding Corporation [REFCORP]:

Notwithstanding any other provision of law [a most dangerous phrase in lawmaking that is found throughout this bill] * * * the Chairman of the Office of Savings Associations—a new agency of the United States, discussed in the following section—is authorized and directed to charter a corporation to be known as the Resolution Funding Corporation. (CR, p. S 4347).

The REFCORP will be under the management of a directorate composed of three members; two members selected by the Oversight Board from among the presidents of the Federal Home Loan Banks, and the Director of the Office of Finance of the Federal Home Loan bank Board—an officer that the Federal Home Loan Bank Board believes is a private person; and since the FHLB Board is scheduled to be reorganized into the Office of Savings Associations, the Director will be a subordinate to the Chairman of the OSA. Thus, once again, we have officers of the United States selecting officers of a nonagency.

The REFCORP is a shell corporation: "The Funding Corporation shall have no paid employees." The Directorate may, "with the approval of the Chairman of the Office of Savings Associations, authorize the officers, employees, or agents of the Federal Home Loan Banks to act for and on behalf of the funding corporation in such manner as may be necessary to carry out the functions of the funding corporations." (CR, p. S 4347). What does this mean? It means that private employees of the—private—Home Loan Banks will be in charge of administering the functions of this Corporation, functions that involve the imposition of assessments upon the Banks.

"Each Federal Home Loan Bank shall invest in nonvoting capital stock of the funding corporation at such times and in such amounts as the Oversight Board may prescribe." (CR, p. S 4347). In my view, the mandatory nature of the assessments passes the duck test, and is therefore a form of taxation, a power reserved to the sovereign and not delegated to private parties.

The absurdity of the REFCORP-RTC relationship is most fully appreciated when one realizes that, under the plan, money borrowed by REFCORP and transferred to the RTC will be officially scored as an offsetting receipt to the on-budget RTC; that is, it will reduce the deficit. CBO, which is now out of the official deficit scorekeeping loop, has it right when they pointed out in their cost estimate of FIRRE:

REFCORP would be a government entity, and should be included in the budget. REFCORP would be created by the government for the sole purpose of borrowing funds and transferring them to a federal agency—RTC. REFCORP actions would be controlled by regulations prescribed by the RTC OVERSIGHT Board, which would consist of three federal officials. It could not pay dividends to or otherwise benefit its nominal owners, the Federal Home Loan Banks. In fact, the funds "invested" by the Federal Home Loan Banks would not be an investment at all but would more closely resemble a tax, since there is nothing voluntary about their contribution. The bill would also give REFCORP the authority to collect assessments on federally-insured thrifts, a function normally reserved for government agencies. Furthermore, the Treasury would pay most of the cost of REFCORP borrowing by covering most of the interest costs. This estimate, therefore, treats REFCORP as an on-budget government entity. Its borrowing is treated as means of financing, like Treasury bonds, and not as income (offsetting collections) to the government (p. 4).

The Government Accounting Office is nearly as blunt as the CBO, and points out the egregious extra costs associated with REFCORP. In the prepared statement cited above, GAO states:

Classifying REFCORP as an off-budget GSE would minimize the short-term deficit impact because REFCORP's $50 billion payment to the RTC would then be treated as private GSE money flowing from outside the government to a federal corporation. In other words, the money the government receives from REFCORP would be treated as a federal collection rather than a federal borrowing. Under established budgetary conventions, collections are offsets that reduce (by the amount of the collections) the budget's reported net outlays. On the other hand, amounts borrowed by the government are not counted as offsetting collections, and for good reason—to do so would permit the government to balance its books through borrowings.

We and others have pointed out that this off-budget REFCORP approach would have the longer-term consequence of increasing Treasury's interest costs over those that Treasury would pay if it, rather then REFCORP, borrowed the funds and made them available for resolution actions. This is because REFCORP's borrowings would carry higher interest costs than Treasury's. According to the administration, REFCORP would have to pay 25 basis points more than Treasury would have to on 30-year bonds, adding $3.8 billion to Treasury's interest costs over the life of the program. There are other estimates of higher added interest costs (p. 7-8).

OFFICE OF SAVING ASSOCIATIONS

Section 301 of the bill provides for the dissolution of the Federal Savings and Loan Insurance Corporation [FSLIC], presently a wholly owned, on-budget Government corporation under the supervision of the Board of the Federal Home Loan Bank Board [FHLBB], and the transfer of many FSLIC functions to a new body [OAS] and to the FDIC. FSLIC had been operating under provisions of the Government Corporation Control Act, as amended (31 U.S.C. 9101), a law that will not be applicable to the new bureau.

There is established an Office of Savings Associations. The Office shall be a bureau in the Department of the Treasury. All power and authority vested in the Federal Home Loan Bank Board or its Chairman immediately prior to enactment of the FIRRE Act are, except as otherwise provided in that Act or the Federal Home Loan Bank Act, vested in the Chairman of the Office of Savings Associations." (CR, p. S 4326).

What this provision says is that there shall be a bureau in the Treasury run by a single Administrator who will have the title of "Chairman" although there is no "Board" to chair. This may be unprecedented in the annals of

the executive branch. This "Chairman" is appointed for a term of 5 years. The key phrase, however, is that all the authorities previously residing in the Federal Home Loan Bank Board are vested in the Chairman of the Office of Savings Associations [OSA], not in the head of the Department, who is apparently regarded by the drafters of this legislation as being only nominally superior to the Chairman of the OSA.

A major recommendation of the First Hoover Commission (1949), and a practice generally considered essential to responsible and accountable Government, is to assign the full legal authority for performing a function to the head of a department, not to a subordinate officer. The head of a department may delegate authority or the Congress may provide for the delegation of authority, but the basic authority and responsibility should reside in the individual accountable for the performance of the department.

In this instance, the authorities residing on the Federal Home Loan Bank Board and its Chairman should have been transferred to the Secretary of the Treasury for delegation to a bureau chief, in this case the Chairman or head of the OSA.

By delegating authority directly to a subordinate officer in a department, this law virtually guarantees that there will be conflict between the officers of the department and the officers of the agency regarding fundamental policy issues and operational matters. If there is a difference of opinion between the Secretary of the Treasury, who is presumably the person being held responsible by the President, and the Chairman of the OSA, whose views will ultimately prevail?

Proper legal and managerial principles suggest that the Secretary of the Treasury should be superior and the Chairman of the OSA inferior in both legal and political relationships. FIRRE violates this principle by placing a bureau in a department but then substantially insulating this bureau and its chief from accountability to the department head and through him to the President.

Consider the following legal construct:

The Chairman shall perform his or her duties under the general direction of the Secretary of the Treasury. Nothing in this section may be construed to permit the Secretary of the Treasury to intervene in any matter or proceeding before the Chairman. (CR, p. S 4326).

How's that again? Which sentence is legally operative?

As if to almost ensure that the OSA is accountable to no one in the executive branch, we find this:

Whenever the Chairman transmits any legislative recommendations, testimony, or comments on legislation to the President or the Office of Management and Budget, he or she shall concurrently transmit copies thereof to the Congress. No officer or agency of the United States [including the Secretary of the Treasury?] shall have any authority to require the Chairman to submit legislative recommendations, or testimony, or comments on legislation to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress. (CR, p. S. 4326).

I recognize this language does not establish a precedent, but I believe such a requirement violates the spirit, if not the letter, of the Constitution. It goes to the heart of the doctrine of the Separation of Powers. An agency within the executive branch must be ultimately responsible to the President, and this provision makes that impossible.

By design, these provisions create a separate, and largely unaccountable, policy, administrative and personnel fiefdom for the Chairman of the OSA.

A major technique for further insulating an agency from accountability to either the departmental head or relevant congressional committee is to take the compensation schedule and agency funding out of the normal appropriations process for the department. Section 301 of S. 774 reads in part:

The salaries of the Chairman and other employees of the Office and all other expenses thereof may be paid from assessments levied under this Act, and the funds derived from such assessments may be deposited by the Chairman in the same manner as authorized under section 5234 of the Revised Statutes and shall not be construed to be Government Funds or appropriated monies * * *." (CR, p. 7199)

Salaries of the Chairman and other employees of the OSA may be considered nonappropriated funds—a debatable public policy choice—but they are nonetheless funds of the U.S. Government. There is confusion apparent here between funds appropriated and those funds of Government agencies derived from assessments, user fees, or other charges. These assessments are no less Government funds than the revenue collected by Government corporations—for example, FSLIC—under authority of the Government Corporation Control Act. The OSA is an agency of the United States and its assessments are funds of the Government.

Another glaring weakness in the legislation is the excessive delegation authority assigned the Chairman of OSA: "The Chairman may, notwithstanding any other provisions of law, delegate to any duly authorized employee, representative, or agent any power vested in the Chairman by law." (CR, p. S. 4326).

And further in the law, the Chairman appears to be assigned a major authority over another agency. "Notwithstanding any other provision of law, State or Federal, or the constitution of any State, or of this section, the Chairman shall have power and jurisdiction to appoint the Federal Deposit Insurance Corporation as sole conservator or receiver of an insured State saving association. . . ." (CR, p. S 4330).

What is being created in this legislation is an office within a department where the head of the department is effectively being shutout of the critical policy and management decisions, although the head of the department will ultimately be held accountable for those decisions by the Congress. This is a prescription for political and administrative conflict. It risks domination by the interest groups presumably being regulated by the OSA.

Isn't that what helped get us into this situation in the first place? The question deserves some exploration.

One of the major criticisms of the Federal Home Loan Bank Board and its complex subordinate organizational structure was that it encountered difficulty in separating its savings and loan promotion mandate from its savings and loan regulatory responsibilities.

The Federal Home Loan Bank Board was often accused of having been captured by the institutions it was supposed to regulate and by special interest groups such as the U.S. League. We can debate whether this accusation has any substance, but the fact is that the Board encountered difficulties in separating its promotional and regulatory responsibilities, and many observers have singled this out as a principal cause of the current mess. In response, FIRRE sets the stage for a continuation of this fundamental conflict in agency purposes and mission.

FEDERAL HOME LOAN BANK AGENCY

The complex web of organizations with overlapping and ambiguous authority to regulate the remnants of the savings and loan industry continues with the establishment of still another agency, called the Federal Home Loan Bank Agency. This agency, however, is not located within a department:

There is established as an independent agency in the executive branch the Federal Home Loan Bank Agency. The Agency shall supervise the Federal Home Loan Banks and shall promulgate and enforce such rules, regulations, and orders, as are necessary from time to time for carrying out the provisions of this Act and all other laws it is his [sic] duty to implement. (CR, p. S 4351).

The mission of the Agency is to "ensure that the Federal Home Loan Banks carry out their housing finance missions . . ." (CR, p. S 4351). The Agency will be under the direction of a Board of Directors consisting of a president and two members appointed by the President.

To assure that the Agency is able to pay high salaries and not be under those pesky civil service rules, the bill states:

The Agency may employ, direct, and fix the compensation of such employees, attorneys and agents as it deems necessary to carry out its duties . . . Notwithstanding any other provisions of this Act, no officer, employee, or agent of the Banks shall be a Federal officer or employee under any definition of either term in section 2104, 2105, 5331, 5541, 5561, 5701, 7103, 8101, 8311, 8331, or any other provision of title 5, United States Code. (CR. p. S 4351).

This obtuse language means, in short, that these employees, promulgating regulations and enforcing laws, shall not be considered employees of the United States. Like the Office of Savings Associations, pay to employees of this Agency of the United States, "shall not be construed to be Government funds or appropriated moneys, or subject to apportionment for the purposes of chapter 15 of title 31 or any other authority." (CR. p. S 4351).

The Federal Home Loan Bank Agency, like the other entities created in this act, is a hybrid of governmental and private authorities and personnel. The purpose is to avoid the regular lines of political, administrative, and financial accountability normally associated with agencies of the U.S. Government. The provisions involving the authorities, organization, personnel, or finances of the entities authorized in this bill will distance the administration

from responsibility and will make it more difficult for Congress to exercise its proper oversight function.

ADDITIONAL ORGANIZATIONAL CHANGES

Perhaps to take advantage of the urgency of this legislation, a variety of additional proposals are included in the small print. In fact, this bill has become something of the proverbial legislative Christmas tree for special interest proposals. Two such proposals are worth highlighting.

First. Federal Asset Disposition Association: In 1985, the Federal Home Loan Bank Board [FHLBB] created the Federal Asset Disposition Association [FADA] to assist FSLIC in the management and disposition of acquired assets. In July 1985, the Federal Savings and Loan Advisory Council recommended that the FHLBB charter FADA as a private savings and loan association and provide capital for this venture from Federal funds. Thus, FADA was initially capitalized at $25 million from FSLIC, a Federal on-budget Government corporation, owning 100 percent of the stock of the FADA.

From the beginning, the operations of FADA were plagued with legal and management difficulties and it lost considerable sums of money. The first president of FADA received an annual salary of $250,000 plus generous bonuses, making her perhaps the most highly compensated Federal employee in history.

A 1988 GAO report concluded that FADA "was illegally established as a federally chartered savings and loan association"—GAO/GGD-89-26. GAO also determined that FADA employees, irrespective of the opinion of the FHLBB or of private law firms hired by FADA, were Federal employees and thus were subject to Federal laws. FADA and FHLBB have essentially ignored the GAO opinion.

This bill serves as a vehicle to take care of the FADA problem. It reads:

> The Corporation—Resolution Trust Corporation—shall convert the Federal Asset Disposition Association to a corporation or other business entity and sell such other corporate entity or business entity, or dissolve and wind up the affairs of such Association. (CR, p. S 4345).

Instead of dissolving the FADA and returning its assets and functions to the FSLIC, or its successor agency, this bill provides for the selling to the private sector of an illegally created, 100 percent federally owned entity. Precedence for such a transaction is unknown, at least to this Member. The principal beneficiaries of such a transfer, if approved by Congress—and it should be recalled that FADA was never created or authorized by statute in the first place—are the incumbent officers of the Association.

Congress should consider the consequences that will follow from this precedent-setting transaction of selling a governmental agency to an unspecified private party. When Congress determined to fully privatize Conrail, there was full debate and an agreed upon plan for protecting the public interest in the divestiture of this publicly held asset. No such plan is provided in this bill and indeed there has been no serious congressional review of this particular proposal.

Second. Federal Home Loan Mortgage Association—Freddie Mac:

Perhaps the most glaring inconsistency in this huge bill is created by the proposed changes for Freddie Mac, the Government-sponsored enterprise established by law in 1970 to help make an active secondary market in home mortgages. Freddie is currently controlled by the Federal Home Loan Bank Board; its stock is owned by thrift institutions across the country. Freddie's quasi-governmental status confers on it enormous advantages over would-be competitors: sovereign immunity, antitrust immunity, exemption from SEC registration, exemption from State and local taxation, and the credit priority enjoyed by the Government in liquidations and bankruptcies.

Title XI of FIRRE would expand Freddie's board to 18 and provides that the Secretaries of Housing and Urban Development and Treasury have nominal oversight, making Freddie similar to Fannie Mae. In effect, however, this move would weaken Government oversight of what is risky enterprise.

While FIRRE would toughen capital and deposit insurance requirements on savings and loans, thereby driving an increased proportion of the mortgage business into the secondary market—the domain of Fannie Mae and Freddie Mac—FIRRE fails to impose capital requirements on either Freddie or Fannie. In Freddie's case, this means permitting it to continue funding $226 billion of mortgage backed securities plus its current portfolio of $34 billion of assets with only $1.6 billion of stockholder equity—a capitalization rate of only 0.6 percent.

The inconsistency is apparent. One part of the bill protects the public by imposing new and stringent—relative to present—capital requirements on thrifts. Yet the same bill puts the public at greater risk by weakening regulatory oversight authority and failing to impose any capital standards on entities who are principally responsible for generating the thrift industry's necessary liquidity. It's worth noting that this proposal, which some have called privatization, would retain Freddie's competitive advantages cited above.

CONCLUSION

This bill is fundamentally flawed throughout in terms of its financial, legal, conceptual, and management provisions. There is a deliberate blurring of governmental and private authorities, personnel, and functions. At least five new entities are created, two agencies of the United States, and three nonagencies of the United States. In the case of the nonagencies, however, they will be ultimately managed by officers of the United States.

In the complexity of this bill, legal authorities are not clarified, and thus it is apparent that various agencies, for example, FDIC, OSA, Federal Home Loan Bank Agency have similar, if not overlapping, responsibilities. The decision to have many boards, many agencies, and many programs is hardly a prescription for improving the lines of managerial accountability in the financial institutions regulatory field.

We need clearly defined authorities and responsibilities and they ought to converge on a single, senior official—that is, the Secretary of the Treasury. Resources need to be adequate to do the job, and the job should be fully funded with appropriated funds, and with the accounting on-budget but off Gramm-Rudman.

Responsibility for regulatory functions should be assigned solely to agencies of the United States, managed by officers and employees of the United States, employed and functioning under the personnel, compensation, and conflict of interest laws of the United States, except where absolutely necessary to deviate. Actions of the agencies should be subject to routine and regular departmental scrutiny. The Government Corporation Control Act should be made to apply where appropriate. Finally, the whole set of transactions should be audited by the General Accounting Office.

The Budget Act of 1974 set in motion efforts to escape the constraints of the new budget process. The off-budget Federal Financing Bank [FEB] became a vehicle for off-budget funding of Government programs—for example, FmHA. There was also a huge increase in Government credit activity, especially loan guarantees—which only show up in the budget in the case of default.

In 1985, we tightened the budget process by passing the Gramm-Rudman-Hollings law and, while we have loosened this law—and do so again in FIRRE—it too has spawned a series of highly creative budget evasion schemes. Some of these didn't make it—for example, the Corporation for Small Business Investment, or COSBI, which would invest in risky small business investment company, SDIC, debentures with over 95 percent of its capital coming from Uncle Sam. But some have made it; in 1987, Congress created and provided $11 billion to the financing corporation, FICO, to shut down zombie thrifts, only to be followed the next year by creation of the Farm Credit System Assistance Board, FCSFAC, at a cost of $4 billion, to close insolvent farm credit institutions.

Now, as a further testimony to Congress' and the administration's desire to appear not to violate Gramm-Rudman, and thus continue the charade that we are making real progress against the deficit, we are about to provide $50 billion off-budget to create REFCORP and get it going.

One would think we would have learned by now that we should pay attention to the safety and soundness of financial entities—both Government agencies and quasi-Government agencies—before they go belly-up. The liabilities of these entities are enormous, and regardless of how they are defined in law, whether or not their guarantees carry an explicit Government guarantee, or whether they are privately owned, the taxpayer is at risk.

I don't know where the next crisis will come from, but whatever the source may be, we can be fairly certain we will not have a legal and institutional mechanism in place to see it coming and head it off.

FIRRE is a poorly designed bill that will not solve the issue at hand. Its enactment virtually guarantees that we'll have to revisit the issue, again. As much as anything else, its passage will demonstrate that we have yet to learn from our experience. Passing FIRRE in its present form shirks our responsibilities as elected representatives.

Mr. Speaker, I've worked in the securities business all my adult life. Before coming to Congress, I served for 5 years as Chairman of

the Federal Home Loan Bank of Cincinnati. Yet my experience with the thrift industry specifically and the financial sector generally is only tangentially related to my concerns about this legislation. Simply put, this bill is bad public policy. I believe its enactment into law will invite more anguish and risk more scandals.

Quite apart from its financial deficiencies and budgetary weaknesses, this bill creates an unmanageable and unaccountable regulatory system for the beleaguered savings and loan industry. They deserve better; both Congress and the executive branch deserve better; and most importantly, the American people deserve better.

TRIBUTE TO MSGR. THOMAS J. McCORMACK

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. GARCIA. Mr. Speaker, it is with great pride that I pay tribute to Msgr. Thomas J. McCormack an outstanding leader in the field of education in my district of the South Bronx. I want to congratulate Monsignor McCormack on his 37 years of outstanding service to Cardinal Hayes High School. His unique efforts of striving toward the school's motto "For God and Country" have made the South Bronx a better place for all of us.

Through his many years at Cardinal Hayes High School, Monsignor McCormack has experienced the transformation of a predominately white to black and Hispanic student body. This change in demographics did not impede his conviction toward teaching and guiding students to demand the most of themselves. Like Jaime Escalente, who successfully taught college calculus to a high-risk, drop out group of Hispanic students in east Los Angeles, Monsignor McCormack is an example for the rest of the Nation's educators. His dedication to his profession clearly demonstrates that a young mind is always willing and eager to learn if given the opportunity, the challenge, and the support.

His skills as an educator and his efforts as a humanitarian are truly inspired by God. That is, his efforts are not a result of the art of a learned man but rather the result of a devoted individual, dedicated to the cause for which the school stands for "God and Country".

Mr. Speaker, I commend Msgr. Thomas McCormack whose work truly reflects the words of Theodore Roosevelt "To educate a man in mind and not in moral is to educate a menace to society."

YOM HASHOAH

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. THOMAS A. LUKEN. Mr. Speaker, today is Yom Hashoah, Holocaust Remembrance Day. This day is designated each year by Congress and the state of Israel to commemorate the brutal deaths of more than 6 million Jews, including 1½ million Jewish children, who perished under the cruelties of the Nazi regime.

In 1933 there was an estimated Jewish population of more than 8 million in Europe. By 1945 nearly 6 million Jews or 67 percent of that population had been wiped out. This didn't happen over night. It occurred in a slow, institutionalized process that separated the Jews from the larger population in Europe. They were systematically removed from positions of respect and dignity, forced into a second class status, used for slave labor, abused in medical experimentation, and finally senselessly murdered in concentration camps and buried without dignity in mass graves. This process was instituted under the Nurenberg laws in 1935. The laws declared Jews to be second class citizens, unable to maintain any type of wealth, forbidden to fraternize with non-Jews, and forced out of professional careers. This process culminated in the mass extermination camps whereby the victims were marched into gas chambers and killed, often times being required to dig their own graves beforehand. In one 2-month period, during the summer of 1942, 300,000 Jews from the ghetto of Warsaw were gassed at the Treblinka death camp. Those who survived the camps were subject to lifelong psychological and physical trauma. The memory of those who were lost in the Holocaust shall live on as a reminder to all of those who cherish freedom, democracy, and human dignity.

We gather in the House and across America to remember and commemorate this grim and terrible period of recent history. We take this time out every year for the victims of the Holocaust so that through their memory we can ensure that never again will a people face a threat to their existence like the Holocaust. Today, we also remember the survivors, and their courage, their faith, and their indomitable spirit. The Nazis destroyed them physically, but they could not extinguish their devotion to their heritage, to their legacy, and to their religion.

The systematic program of genocide must continue to be remembered and studied if we as a free democratic nation are to prevent its recurrence. As Jews around the world every spring teach their children of their historical freedom from slavery in their holiday of Passover, so do we teach our children about the Holocaust. For the next generation, the Holocaust will become just one more event in history, if we do not continue to remind and teach our children of the tragic proportions of its significance. Holocaust Remembrance Day gives us the opportunity to remember these events in order not to repeat them.

CAMPAIGN FINANCE REFORM

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. PEASE. Mr. Speaker, I would like to call your attention to a comprehensive campaign finance reform bill which I am introducing today. I certainly hope that you will support this effort to stem the increasing costs involved in seeking office, to lessen the influence of PAC's on our system, and to get all of us candidates out of the cycle of continuous fundraising. I want to see more individuals participating in the political system—both by making contributions and by actually running for office. Too many people don't want to make contributions to a campaign because they feel that PAC's are running the show, and they don't want to run for office themselves because they think it costs too much money. Allow me to explain how I want to change our system.

First, my bill would limit campaign spending to $400,000 for each election cycle—both primary and general races. It also adopts the proposal that permits candidates to use no more than $50,000 of their personal money per cycle.

Candidates who accept spending limitations would be entitled to the lowest available rates for both broadcast and newspaper advertising as well as reduced postage rates.

My bill also includes a provision which would provide a 100-percent tax credit for contributions to candidates in the congressional district in which the individual resides—one credit per year limited to $100 for individuals and $200 for couples filing joint returns. The credit would apply only to contributions to candidates who accept spending limits.

Mr. Speaker, I report with some pride that the 100-percent tax credit idea, now a part of other bills besides my own, is a proposal I first introduced in the House shortly after my arrival here in 1977.

My bill would also repeal a loophole which allows Members of Congress elected before January 8, 1980, to convert their excess campaign funds to personal use. This practice, while legal, violates the spirit of the law.

My bill would significantly change the rules governing PAC contributions. PAC's would no longer be able to contribute to candidates whose campaign treasuries exceeded $100,000 at the start of an election cycle. Single PAC contributions would be limited to $1,000 as opposed to the present $5,000 limitation. Members' PAC's would be eliminated. PAC's would only be allowed to contribute to one candidate per race, and they would only be allowed to make contributions during the actual election year. Also, contributors to PAC's would be able to designate how the PAC spends his or her money, and PAC's would be required to spend at least half of each contribution to support a candidate in the congressional district where the donor resides.

I have also included a provision that would end the practice of bundling, and make intermediaries or conduits accountable for their contributions.

In addition, I would like to see more accountability for so-called independent expenditures. My bill includes a provision that requires anyone making an independent expenditure through a broadcast communication on television to display a statement setting forth the name of the person making the expenditure and any connected organization. Should such an expenditure be made through a printed ad-

vertisement, the communication will also include an identifying statement.

I urge my colleagues to join me in supporting this bill.

IN HONOR OF MAY 10, 1989, THE DAY OF THE TEACHER, LITTLE LAKE SCHOOL DISTRICT, SANTA FE SPRINGS, CA

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. TORRES. Mr. Speaker, I ask my colleagues in the House of Representatives to join me in honoring the teachers and employees of the Little Lake School District.

On May 10, 1989, the Little Lake School District will hold a celebration in honor of the Day of the Teacher. This day has been set aside to pay tribute to the many current and retired teachers of the Little Lake School District who have committed their lives to the instruction and growth of our youth.

On this day, the school district will pay special recognition to the 1988–89 Teacher of the Year, Joyce Gordon. The Teacher of the Year Award is given to a teacher who has demonstrated outstanding teaching and has gone above and beyond the call of duty. Mrs. Gordon is such a person. She is a teacher who understands the complexities that go into the learning process. More importantly, she understands children. To quote Mrs. Gordon,

All children can learn. All need differing amount of time, repetition, or experience. It gives me great joy to hear a child say, "How come I understand it when you show me?" I believe that teaching is an art, mediated by science. Adults can see the science, tempered by the art, but children feel the art and respond with their hearts to the science.

On May 18, the school district will also host a celebration in honor of "Classified Employees Day." At this meeting instructional aides, secretaries, clerks, maintenance staff, and cafeteria workers will be honored for their commitment and dedication to education. They are to be commended for their contributions to the needs of the students in the school district. The welfare and safety of our young people is by these outstanding employees. It takes special people to care and educate our Nation's students. I am proud that those fine people have chosen to work in my community.

Mr. Speaker, the Little Lake School District is one of the finest school districts in the State of California. The loyalty of the people being honored reflects the district's outstanding relationship with its employees. I ask my colleagues to join me in a salute to the teachers and employees of the Little Lake School District for adding something special to education.

THE IMPORTANCE OF BEING ERNEST

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. GREEN. Mr. Speaker, I should like to take this opportunity to honor a man who holds a special place in the history and in the hearts of those who have had the good fortune to know him—Ernest W. Michel. On May 10, 1989, the United Jewish Appeal-Federation of Jewish Philanthropies of New York will honor Ernest at a dinner marking his retirement from his position as executive vice president of the UJA Federation of New York. I should like to share some of his achievements with you.

In 1922, Mr. Michel was born in Manheim, Germany. When he reached his early twenties, he faced the horror of World War II. Through those years, he endured the atrocities of Kristallnacht and 11 different concentration camps, before his liberation in 1945. Freed from oppression, Ernest fought back. Using the byline "Former Auschwitz Inmate—104995,' he wrote as a special correspondent while covering the Nuremberg trials.

In 1946 Ernest began to build a new life for himself on this side of the Atlantic as he steamed into the New York Harbor aboard the S.S. *Marine Flasher.* He first worked as a copy boy, then as a reporter and columnist for the Port Huron Times-Herald.

In 1948, he joined the staff of the United Jewish Appeal where he successfully worked until 1967, when he acted as a special consultant to help create the Appel Juif de France. Ernest returned to New York once again in 1970 to become the executive vice president for the United Jewish Appeal of Greater New York.

Ernest continues educating the public about the horrors of World War II through special events such as the World Gathering of Jewish Holocaust Survivors and the Remembrance Week observance of the 50th anniversary of Kristallnacht, for which I led a special order in the House of Representatives.

This man is a true inspiration to us all. Not only is he one of the "survivors," but with his courage and intelligence he has distinguished himself as a dedicated leader and a model human being.

PRECLEARANCE BILL

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. GIBBONS. Mr. Speaker, today I am introducing legislation which would significantly expand U.S. Customs presence at overseas airports. The purpose of this bill is to increase preclearance inspectional operations by U.S. Customs officers stationed in foreign countries with international airports that have high volume air passenger traffic to the United States.

Presently, customs has preclearance inspection sites in Canada, Bermuda, and the Bahamas where travelers preclear customs formalities prior to departure for the United States. My proposal would seek to expand this program to other key U.S trading partners.

I believe this bill recognizes the realities of the world trading system today. We must balance the increasing globalization of international commerce and the need to promote facilitation of goods, services and people across international borders on the one hand, with the interdiction of illegal drugs and combating the ever-increasing terrorist threat to U.S citizens on the other.

Specifically, the bill would require the administration to initiate bilateral negotiations with foreign countries for the purpose of entering into agreements that authorize U.S. Customs officers to be stationed in foreign countries with high volume airports. The legislation sets forth negotiating objectives to authorize Customs officers to carry out inspections, searches, seizures, arrests, and other appropriate duties of passengers, cargo, and air carriers.

Mr. Speaker, it is my intent to not only provide faster and more efficient service to international travelers coming to the United States, but also to provide increased safety and security to all travelers.

TRIBUTE TO HON. GILDA OLIVEROS

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. SMITH of Florida. Mr. Speaker, it is with great pleasure that I bring to the attention of this House a very special individual from Florida's 16th District, Mrs. Gilda Oliveros of the city of Hialeah Gardens, FL. On March 14, 1989, Mrs. Oliveros added yet another impressive accomplishment to a distinctive career by becoming the first Cuban-born woman to be elected mayor of an American city.

Mrs. Oliveros has served the city of Hialeah Gardens as a councilwoman and, since 1987, finance director. When Mrs. Oliveros took office, the city had a large deficit. However, under her leadership, the deficit not only was eliminated, but the city also ended fiscal year 1988 with a surplus.

In addition, Mrs. Oliveros has also been the liaison to the beautification board, and with her guidance, the board planned and built the American Veterans Memorial in Veterans Park in Hialeah Gardens. She also has taken a special interest in senior citizens and has worked diligently to expand the city's services for the elderly.

I am very proud to have the opportunity to pay tribute to one of the many outstanding Cuban-Americans in my congressional district and community. Mrs. Oliveros symbolizes the significant accomplishments and contributions that Cuban-Americans have made to enhance life in south Florida. She is the embodiment of a proud people who have come not merely to reside in this country, but also to help shape its future.

It is truly an honor to recognize the accomplishments of Mayor Oliveros, and I am sure that my colleagues join me in congratulating her on her recent election.

THE OCCASION OF THE DAYS OF REMEMBRANCE OF THE HOLOCAUST

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Ms. PELOSI. Mr. Speaker, it is now almost 50 years since the beginning of World War II. Despite the passage of time, the terrible sadness brought about by this conflict continues to remain prominent in our thoughts and memories. The carnage associated with the war, and in particular, the Holocaust, are unequaled in human history. It is fitting that today we bear witness to the dead and living victims of the Holocaust by commemorating the Days of Remembrance in our Nation's Capitol.

The names Auschwitz, Belzec, Maidanek, Dachau, and others, are symbols of great human suffering, as well as man's capability for complete moral failure. Millions of men, women, and children living in areas under Nazi domination were transported to these centers of destruction in cattle cars, where some were worked to death and others destroyed immediately. The Nazi effort to "Germanize" Europe was felt most heavily by the Continent's Jews, although large numbers of Poles, Russians, and others selected for their political beliefs or sexual preference were included as well. Hitler's efforts to exterminate the Jews, known as the "final solution," resulted in some 6 million Jewish deaths alone. Genocide, the effort to destroy a whole people, was the greatest of Nazi sins against mankind.

Like the special commemoration of Kristallnacht last November, today's memorial service provides an important opportunity to recall the suffering which began five decades ago, and continues to be felt so vividly in our own present day. We must never forget.

VAULTING TO THE TOP

HON. TERRY L. BRUCE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. BRUCE. Mr. Speaker, from time to time, communities around the State of Illinois are reminded of the excellent quality of student-athletes at the University of Illinois. The NCAA championship of the men's gymnastics team provided an excellent reminder this year.

Trips by the women's volleyball and men's basketball teams to their respective final fours would have made for outstanding years individually. But the gymnasts earning Illinois; first NCAA championship in 31 years has made this year the most memorable all-around athletic year in University of Illinois history.

By pushing each other to excel every day, the team made this NCAA championship a reality. They pushed David Zeddies to the level that earned him the Nissen Award as the top senior gymnast and Coach Yoshi Hayasaki to his recognition as NCAA National Coach of the Year. Through maintaining the intensity and effort they have shown in recent years, particularly this year, I am sure that all those involved with the men's gymnastics team will succeed in every endeavor.

To win the NCAA team title takes hard work, talent, desire, and an ability to work together that will serve the team members well as they complete studies and move on to business, engineering, or even the Olympics.

As a fellow Illini, I am proud to offer my congratulations on an outstanding year.

THE SEEING EYE—60 YEARS OF SERVICE

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. GALLO. Mr. Speaker, this year marks a milestone in the history of a national organization that has assisted thousands of our fellow Americans who seek independence to lead satisfying, productive lives.

The Seeing Eye, Inc., of Morristown, NJ, is celebrating 60 years of service to blind Americans by providing qualified individuals with seeing-eye dogs.

The Seeing Eye began because of one woman's love for the German shepherd and one man's desire for independence in spite of his blindness.

The result of this union of love and hope was a nonprofit school founded January 29, 1929, in Nashville, TN, by Dorothy Harrison Eustis and Morris Frank.

Their determination and tenacity, combined with the knowledge and guidance of Jack Humphrey, animal trainer, and Willi Ebeling, German shepherd breeder, laid the groundwork for an organization which has given dignity and freedom to more than 5,000 individuals.

Seeing-eye dogs begin their lives at the school's state-of-the-art breeding facility designed specifically for their care. Since 1942, seeing-eye puppies have been carefully and lovingly raised for the first year of life by children in the 4–H Seeing-Eye Puppy project.

The 1-year-old dogs return to the school and are trained in guide work by instructors during a thorough 12-week course. They are than carefully matched with an incoming class of blind students.

The students and dogs live and work together at the school for 1 month. Once they return home, followup services are provided for the life of the dogs.

The dedicated staff, volunteers, and friends of the seeing eye deserve our congratulations and our thanks for their efforts on behalf of thousands of blind people across the United States, Canada, and Puerto Rico who, for 60 years, have had the opportunity to lead productive, satisfying lives with the help of canine eyes to guide them.

HOLOCAUST REMEMBRANCE DAY

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. LEHMAN of Florida. Mr. Speaker, today is Yom Hashoah, Holocaust Remembrance Day. This day is designated each year by Congress to commemorate the heinous deaths of more than 6 million Jews and millions of non-Jews who were murdered under the viciousness of Hitler's Nazi regime.

We assemble again today to remember the Holocaust in order that it not be repeated. Yom Hashoah is a ceremony of remembrance, in which we celebrate life and reaffirm our eternal remembrance of those who died and the causes for their deaths.

This day is an embedded reminder of the atrocities that occurred during the Holocaust. Our children must be taught of the horror of the attempt to exterminate the Jewish people, so that history does not ever repeat the malicious killing of innocent people.

Yom Hashoah is a day to Zachor—to remember. And remember is what we must do to ensure that the Holocaust never happens again.

CARMELLA LEO RECOGNIZED FOR OUTSTANDING SERVICE TO COLLEGE COMMUNITY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. FLORIO. Mr. Speaker, it is with great pride that I bring to the attention of my colleagues Ms. Carmella Leo of the First Congressional District in New Jersey who will retire from the Gloucester County College on May 26, 1989.

The college community—which she has served so admirably for more than 20 years—is certainly the beneficiary of her tireless efforts and unwavering dedication to the betterment of the school. Always responding with distinction to her responsibilities, Carmella has served as a role model to her colleagues and countless students over the years.

I respectfully ask that my colleagues join with me in paying tribute to Carmella and wish her much success and happiness in the many years. Also, I would like to enter into the RECORD the text of a resolution on her behalf as prepared by the Gloucester County Board of Chosen Freeholders, sponsored by the Honorable Joseph L. Manganello:

RECOGNIZING CARMELLA LEO FOR HER OUTSTANDING SERVICE TO GLOUCESTER COUNTY COLLEGE

Whereas, Carmella Leo has proven herself to be an asset to Gloucester County College since her employment on August 5, 1968, working tirelessly on behalf of both faculty and students; and,

Whereas, Carmella, who has always made herself available to assist with the many activities associated with the smooth running

of a college campus, has been instrumental to the success that Gloucester County College now enjoys; and,

Whereas, Carmella has been invaluable to the Liberal Arts Area where she has worked as a Clerk-Typist and Team Coordinator for over twenty years; and,

Whereas, Carmella Leo has won the respect of all those who have been fortunate enough to have been associated with her; and,

Whereas, Carmella's retirement on May 26, 1989 will constitute a great loss to her many friends, co-workers, the students and faculty members of Gloucester County College.

Now, therefore, I, John R. Maier, as Director and on behalf of the Board of Chosen Freeholders of the County of Gloucester, do hereby commend Carmella Leo for her years of dedication and commitment to Gloucester County College and we extend our best wishes upon her retirement and in all future endeavors.

In witness thereof, the Director and Clerk have caused these presents to be executed, and the Seal of the County of Gloucester to be affixed this 3rd day of May, 1989. Signed: John R. Maier, Director, Gloucester County Board of Chosen Freeholders.

INTRODUCTION OF THE FACSIMILE ADVERTISING REGULATION ACT OF 1989

HON. CHRISTOPHER SHAYS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. SHAYS. Mr. Speaker, today I join Mr. MARKEY, Mr. RINALDO, Mr. FRANK and Mr. STARK in introducing legislation to limit unsolicited fax advertisements.

I'm sure some of you have heard this complaint from your constituents: "We're even receiving 'junk mail' over our fax machines!" We want to put an end to the problem before it simply becomes unmanageable.

Specifically, the Facsimile Advertising Regulation Act requires common carrier companies to maintain lists of customers not wishing to receive fax advertisements and prohibits the use of the fax machine or any other electronic device to send unsolicited ads to these customers. In addition, any fax machine manufactured after the bill's enactment and used to distribute unsolicited advertising must identify the date and time of the transmission and the name and telephone number of the sender on each transmitted page.

Not only are unsolicited fax transmissions costly and annoying, but they are also an invasion of privacy. This legislation takes an important step toward protecting the rights of consumers who do not wish to receive these intrusive transmissions.

THE AIRPORT INFRASTRUCTURE IMPROVEMENT ACT

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. BOEHLERT. Mr. Speaker, I'd like to take this opportunity to announce my introduction of the Airport Infrastructure Improvement Act. Enacted, this bill will help us solve two important problems confronting our country. The first, improving our Nation's aviation infrastructure. The second, coming up with real solutions to our budget deficit.

Here's the situation. For years now, my colleagues and I on the Public Works Committee have been calling for removal of our transportation trust funds from the unified Federal budget. On the Aviation Subcommittee, I've joined my colleagues on both sides of the aisle in the fight to take the airport and airways trust fund off budget. Why? Because we currently have $6 billion in funds sitting idle in that account while we deny funding to nearly 7 billion dollars' worth of eligible airport and airway safety and capacity improvement projects. Currently the money is used to artificially pare down the budget.

Last year, we on the subcommittee made the argument that if the traveling public should pay taxes of 8 percent on every ticket they buy, then they should certainly expect that money to go toward enhancing air safety and capacity in the system—after all, that's what we tell them we're doing with their money. The rest of my colleagues in this body agreed to that motion, and we passed the Airport and Airway Safety and Capacity Act in 1987.

The current law requires a 50-percent reduction in aviation user fees in fiscal year 1990 if the appropriations for fiscal years 1988 and 1989 fall below 85 percent of authorized levels. This "trigger" was included in the legislation to restore faith with aviation passengers who are seeing their taxes collected and hoarded while important programs go under funded.

Here's the immediate problem: The trigger will go into effect on October 1, resulting in a loss of $1 billion in revenue to the Federal Government. In other words, in a time of frantic searching for revenue savings and revenue raisers to bring our budget deficit down, we're about to lose $1 billion in legitimate revenues. No smoke and mirrors here—this is real revenue. And it's revenue that doesn't violate the "no new taxes" pledge.

One solution to this problem would be to rescind the 1987 law. However, besides being nearly impossible to accomplish over the heads of the authorizing committee, that solution is shortsighted and wrong. An even worse solution would be to let the trigger go into effect, thereby losing an opportunity to address our infrastructure problems, and losing the opportunity to preserve $1 billion in revenue.

A more appropriate solution is this: Spend an additional $320 million out of the aviation trust fund—the minimum amount needed to avoid the trigger—and, by doing so, reap $1 billion in revenue. That's a net savings of $680 million, or around 5 percent of the total budget savings we need to find to beat back sequestration.

My bill takes this approach by simply raising the obligation ceiling in the grants in aid portion of the trust fund by $320 million. There are billions of dollars worth of eligible projects waiting for funding under this program, so finding a use for the money is the easiest part. The bill also allows the Budget Committee flexibility in finding an offset for this proposal. According to CBO, that offset amounts to only about $57 million due to the spend-out rate of this account.

I'm hopeful that this legislation will be taken up as part of the supplemental appropriations package now progressing through Congress. If ever there was a chance to kill two birds with one stone, this is it.

MANY ALTERNATIVE FUELS CAN HELP CLEAN UP THE AIR

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. DORGAN of North Dakota. Mr. Speaker, last week I introduced House Resolution 140, calling on the Environmental Protection Agency to strongly encourage cities that are not in compliance with air quality standards to implement mandatory programs for the use of clean-burning alternative fuels.

My resolution specifically mentions ethanol, methanol, and compressed natural gas, but I do not mean to suggest these are the only viable, clean-burning alternative fuels. After I had introduced the resolution, others came to me and pointed out that propane is also a viable clean-burning fuel, and there may be others.

Propane, like other alternative fuels, can be made from domestic resources, providing an opportunity to increase the Nation's energy independence. Propane also burns very cleanly. EPA testing on a 1988 Ford vehicle showed reductions in carbon monoxide emissions by 40 to 80 percent when operated on propane rather than gasoline. In addition, the hydrocarbons emitted by a propane-fueled engine are 47 percent less reactive than those emitted by a gasoline engine.

Propane gas, also known as LP, is a proven automotive fuel. Almost 4 million motor vehicles around the world operate on propane, over 1.5 million of them in the United States, according to a propane trade association. Propane is already competitive with other fuels. Vehicle owners would need only to install compatible engines to start using this fuel.

Mr. Speaker, the combination of air quality problems and our growing dependence on foreign oil leads us to look toward alternative fuels as a viable strategy to address both problems. Cities should be strongly encouraged to adopt alternative fuels programs if they have not complied with the ambient air quality standards of the Clean Air Act. A range of options are available, and all them can improve the quality of life of millions of Americans. I urge my colleagues to join me by cosponsoring this resolution.

RETIREE HEALTH CARE: PROMISES TO KEEP

HON. ROD CHANDLER
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 2, 1989

Mr. CHANDLER. Mr. Speaker, The retiree health benefits promised to many of the Nation's workers may be put at risk by an exposure draft released by the Financial Accounting Standards Board on February 14. The temptation is to shoot the messenger, but FASB isn't creating a liability, it is merely bringing it into focus.

Regardless of how one feels about the merits of the proposed ruling, FASB has focused considerable attention on a terribly important issue. It was easy enough, and I would add that it was good citizenship, for employers to promise retiree health benefits in the 1960's. Health care costs were lower, life expectancy was lower, and there were fewer retirees. The current level of health care inflation, and the sheer size of the work force that is approaching retirement, will make those promises, more difficult to keep.

The way employers finance these benefits can be contrasted to the funding of pension plans. Pension contributions are set aside when the promise is made—while people are still in the work force—and the employer deducts the contribution to the plan. Most retiree health benefits aren't prefunded, but are financed on a pay-as-you-go basis. FASB is suggesting that this retiree health care liability should be noted on a company's ledger as it is accrued. That requirement will radically alter the balance sheets of a number of companies, and, as a result, many employers will be tempted to back away from these promises.

The tax treatement can be contrasted as well. Contributions to pension plans are, for the most part, deductible to the employer. Employers usually have to wait until benefits are provided to deduct the costs for providing retiree health coverage.

My friend and colleague from Alabama [Mr. FLIPPO] and I have introduced two bills addressing this challenge. One addresses the more narrow issue of retiree health care, and the second addresses the need for a more coherent national retirement policy.

In recent years, the need to raise revenue and the need to address perceived abuses has resulted in a rather piecemeal approach to retirement income policy. That's understandable, but the result doesn't always make sense.

For instance, a plan sponsor sitting on a tremendous surplus in a pension plan can't transfer the assets to a retiree health plan. But plan sponsors can and do use pension resources to finance corporate takeovers. Granted, an excise tax has to be paid if a plan is terminated in a corporate takeover, but shouldn't good public policy encourage the use of pension surpluses to meet the needs of retirees?

Or to give another example: Current law provided for 5-year vesting in order to broaden pension coverage. But in an increasingly mobile work force, employees are taking lump sum distributions, as they change jobs, and spending them. At retirement, the money is long gone. That hardly serves our policy interest.

Mr. Speaker, retiree health benefits and retirement income policy are part of the same fabric. Without adequate retirement income, people can't meet their out-of-pocket expenses. And in the absence of adequate health coverage, medical costs will deplete a retiree's resources.

That's why the second bill the gentleman from Alabama and I have introduced addresses both retiree health and pension policy.

H.R. 1866 would allow plan sponsors to fund retiree health accounts under section 401(h). Retiree health policy can and should be coordinated with pension policy.

It would allow plan sponsors to use surplus pension assets to fund retiree health benefits.

In a world without a free lunch, the bill eliminates asset reversions. Employers would no longer be allowed to terminate pension plans and take reversions. Surplus pension funds could be used to fund retiree health plans, or ESOP's—as provided under existing law—but plan sponsors would have to give up reversions.

If plan sponsors can't take asset reversions, there's really no need for the 150 percent fullfunding limitation. The bill would repeal the limitation, so plan sponsors could fund heavily in profitable years as a hedge against lean years.

To make sure that retirees have the income they need to meet their out-of-pocket medical expenses, the bill attempts to broaden pension participation and to make sure money originally set aside for retirement is actually there when an individual retires.

Under the bill, any employee whose employer doesn't offer a qualified pension plan would be allowed to set up a salary reduction SEP [Simplified Employer Plan]. The employee would have to find someone to administer the SEP, a bank or a savings and loan, for instance, and the employer would be obliged to forward the employee's contribution to the institution.

Finally, in order to establish once and for all that assets accumulated on a tax-favored basis will actually provide retirement income, the bill would prohibit distributions before retirement and would prohibit lump sum distributions. The money would have to be paid out in a stream of payments over the life expectancy of the retiree.

We've also introduced the provisions related to prefunding retiree health coverage and the transfer of surplus pension assets in a separate bill, H.R. 1865.

A section-by-section summary of these two measures follows:

SECTION-BY-SECTION SUMMARY OF H.R. 1866 CHANDLER-FLIPPO RETIREE HEALTH AND PENSION BILL

Section I. Short title. This Act may be cited as the "Retiree Health Benefits and Pension Preservation Act of 1989."

Section II. Findings. As the United States prepares for the retirement of the baby boom generation, the largest generation in our nation's history, the need for a strong commitment of employer and individual resources for pension and medical care is greater than ever. Accordingly, the Congress hereby finds that:

1. Adequate income and health care coverage are both necessary for a secure retirement and are inextricably linked.

2. Old-Age, Survivors, and Disability Insurance provides a base for retirement income security, but is not designed to be the sole source of retirement income. Retirement income security is enhanced by multiple sources of income: Social Security Act coverage, employer-provided pension coverage and savings. The vitality of the employer-provided pension system is critical.

3. Likewise, Medicare is a primary payor for medical coverage for retirees, but cannot provide complete coverge. Employer-sponsored plans and private coverage can provide a useful supplement.

4. A healthy pension system is not only critical to the security of the nation's workers and retirees, it is an important source of investment capital and, therefore, critical to a strong economy.

5. Tax policy should encourage employers to sponsor pension and retiree health coverage.

6. While tax-favored coverage should be provided on a fair and equitable basis, the rules of enforce non-discrimination should not be so administratively cumbersome as to discourage the provision of benefits. Plan sponsors need flexibility to deliver diverse benefits to meet diverse needs.

7. Retirees need adequate retirement income, in addition to insurance, to supplement Medicare.

8. Our tax laws should provide a meaningful incentive for every working American to contribute to a pension plan.

9. Our tax policy should favor remaining in the work force and should not favor early retirement. As Americans live longer, people should be encouraged to retire at later ages.

10. Resources accumulated on a tax-favored basis for pension and health case should be used solely for those purposes.

11. Employers should be encouraged to pre-fund retiree health and long-term care benefits because pre-funding is cost-effective and provides for greater benefit security.

TITLE I—EXPANSION OF POST-RETIREMENT HEALTH CARE AND LONG-TERM CARE BENEFITS WHICH MAY BE PROVIDED BY PENSION PLANS

Section 101: Pension plans permitted to provide expanded post-retirement health care benefits and to provide long-term care benefits.

Section 101(a): Safe harbors for the providing of medical and long-term care benefits. Creates safe harbors for prefunding medical and long-term care coverage associated with a pension plan by waiving the requirement that the coverage be subordinate to the pension plan. The subordination requirement is waived to the extent that coverage in a defined benefit plan does not exceed $2500 in annual premium costs for retiree health benefits and/or $2500 in annual premium costs for long-term care coverage, or to the extent that employer contributions under a defined contribution plan do not exceed $825 a year for medical coverage and/or $825 a year for long-term care coverage. These amounts are indexed in the same manner as the section 415 limits.

Section 101(b): Medical and long-term care benefits subject to section 415 limit. Contributions to these 401(h) retiree medical and/or long-term care accounts must fall within the existing pension contribution limits, and separate accounts must be main-

tained for medical and long-term care benefits.

Section 101(c): Cash or deferred arrangements may be used to fund accounts for retiree medical and long-term care benefits. Employer contributions to 401(k) plans may be used to fund 401(h) retiree medical and/or long-term care benefits.

Section 101(d): Effective date. The amendments made by this section shall apply to years beginning after the date of enactment.

Section 102: Withdrawal or transfer of excess assets from single employer defined benefit pension plans without plan termination to fund retiree medical and long-term care benefits.

Section 102(a): Amendment of Internal Revenue Code of 1986. General Rule: Surplus pension plan assets may be withdrawn provided that (1) the amount withdrawn does not exceed the excess of 125% of current liability, (2) the employees and the Treasury Secretary are notified of the withdrawal, and (3) the amount withdrawn is immediately transferred to a 401(h) for the plan participants. (The amount that can be withdrawn within a 5-year period is limited by an averaging rule.)

Section 102(b): Amendments to the Employee Retirement Income Security Act of 1974. ERISA is amended in the same manner as the Internal Revenue Code is amended in Section 102(a).

Section 103: 100 percent excise tax on employer reversion; exception for transfers of assets to accounts for retiree medical and long-term care benefits.

Section 103(a): Increase in tax on employer reversions. The fifteen-percent excise tax on reversions of qualified pension plan assets is increased to 100%. Reversions on which the 100% excise tax has been paid will be excluded from income (so the tax liability for a reversion does not exceed 100%).

Section 103(b): Special rules permitting transfers from overfunded plans to fund accounts for retiree medical and long-term care benefits. Money transferred from a reversion to 401(h) retiree health and/or long-term care accounts shall not be included in the gross income of the plan sponsor or subject to the excise tax.

Section 103(c): Effective date. The amendments made by this section shall apply to transfers after the date of enactment of this Act.

Section 104: Repeal of the 150 percent full funding limitation.

TITLE II—CERTAIN EMPLOYERS REQUIRED TO OFFER SIMPLIFIED EMPLOYEE PENSIONS FUNDED BY SALARY REDUCTION ARRANGEMENTS

Section 201: Requirement that certain employers offer simplified employee pensions.

Section 201(a): General Rule. Employers with five or more employees performing more than 1,000 hours of service during the previous calendar year are required to arrange a salary reduction SEP for any employee with one year of service who has reached the age of 21. This requirement does not apply to any employer who offers a qualified plan. The employee is responsible for selecting a trustee (e.g. a bank, savings and loan, investment broker) to administer the plan. The employer's responsibility is limited to forwarding the salary reduction contribution to the trustee within seven days after the pay period. (Under current law, salary reduction SEP contributions are limited to $7,627 per year.)

Section 201(b): Contributions not subject to Social Security or unemployment taxes.

Section 201(c): Effective date. The amendments made by this section shall take effect one year after the date of enactment.

Section 202: Limitation on distributions from qualified retirement plans.

Section 202(a): Plan qualification requirements. As a condition of plan qualification, distributions may not be made before a participant reaches the age of 59½, and distributions must be made in a stream of payments (or annuity) form over the life expectancy of the participant.

These limitations do not apply.

—to distributions made to a beneficiary (or estate) upon the death of the participant, to a disabled participant or in the event of a participant's separation from service after reaching the age of 55. In the case of early retirement, distributions must be made in a stream of payments form.

—to direct transfers to eligible retirement plans.

—to distributions to a participant for medical expenses to the extent that they are deductible under section 213 or attributable to long-term care expenses.

These plan qualification requirements apply to all section 401 plans, to section 403(b) annuities, to section 404(a) annuities, individual retirement accounts and individual retirement annuities.

Section 202(b): 20-percent additional tax and distributions violating qualification requirements. Any distribution which is not permitted under the provisions of section 202(a) of the bill is subject to a 20 percent excise tax.

Section 202(c): Effective dates. In the case of plans in existence on the date of enactment, the amendments made by this section shall apply to distributions made two years after the date of enactment. In the case of new plans, the section shall take effect upon enactment.

Section 203: Pension portability. The Treasury Secretary shall conduct a study of the current rules applicable to transfers of assets between qualified plans and between qualified plans and individual retirement accounts or annuities when an employee separates from service. The report and recommendations shall be submitted to Congress within six months of enactment.

SECTION-BY-SECTION SUMMARY OF H.R. 1865 CHANDLER-FLIPPO-PRYOR RETIREE HEALTH BILL

Section I. Short title. This Act may be cited as the "Retiree Health Benefits Preservation Act of 1989."

Section II. Pension plans permitted to provide expanded post-retirement health care benefits and to provide long-term care benefits.

(a) Safe harbors for the providing of medical and long-term care benefits. Creates safe harbors for prefunding medical and long-term care coverage associated with a pension plan by waiving the requirement that the coverage be subordinate to the pension plan. The subordination requirement is waived to the extent that coverage in a defined benefit plan does not exceed $2500 in annual premium costs for retiree health benefits and/or $2500 in annual premium costs for long-term care coverage, or to the extent that employer contributions under a defined contribution plan do not exceed $825 a year for medical coverage and/or $825 a year for long-term care coverage. These amounts are indexed in the same manner as the section 415 limits.

(b) Medical and long-term care benefits subject to section 415 limit. Contributions to these 401(h) retiree medical and/or long-term care accounts must fall within the existing pension contribution limits, and separate accounts must be maintained for medical and long-term care benefits.

(c) Cash or deferred arrangements may be used to fund accounts for retiree medical and long-term care benefits. Employer contributions to 401(k) plans may be used to fund 401(h) retiree medical and/or long-term care benefits.

(d) Effective date. The amendments made by this section shall apply to years beginning after the date of enactment.

Section III. Withdrawal or transfer of excess assets from single employer defined benefit pension plans without plan termination to fund retiree medical and long-term care benefits.

(a) Amendment of Internal Revenue Code of 1986. General Rule: Surplus pension plan assets may be withdrawn provided that (1) the amount withdrawn does not exceed the excess of 125% of current liability, (2) the employees and the Treasury Secretary are notified of the withdrawal, and (3) the amount withdrawn is immediately transferred to a 401(h) for the plan participants. The amount of any withdrawal which meets with requirements of this section shall not be included in the gross income of the employer maintaining the plan and is exempt from the excise tax on reversions. (The amount that can be withdrawn within a 5-year period is limited by an averaging rule.)

(b) Amendments to the Employee Retirement Income Security Act of 1974. ERISA is amended in the same manner as the Internal Revenue Code is amended in Section 102(a).

SENATE—*Wednesday, May 3, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 10 a.m., on the expiration of the recess and was called to order by the Honorable HERBERT KOHL, a Senator from the State of Wisconsin.

The PRESIDING OFFICER. The invocation this morning will be delivered by the Reverend William R. Snyder, pastor of St. John's Lutheran Church, Minneapolis, MN.

PRAYER

The Reverend William R. Snyder offered the following prayer:

Dear God, Creator of all humankind and our universe, I lift my voice in prayer for the Members of this august body. They bear an awesome burden as leaders of our land of liberty. Truly, the awesome burden they bear with its peculiar pressures and complex challenges is beyond the comprehension of private citizens such as myself.

Being aware of their awesome burden, O Lord, I send heavenward one preeminent petition on their behalf. I ask only that they may perceive the truth perceived by the founders of our democracy. Those magnificent men also bore an awesome burden. But, like the children of Israel, who were led from bondage to freedom by a cloud during the day and a pillar of fire by night, our Nation's founders perceived that they did not need to bear their awesome burden alone. For Thou, O Lord, didst will to lighten their load by leading them in their struggle for freedom.

May the present Members of the Senate see that they, too, need not bear their awesome burden alone. For it is Your will to walk with them; it is Your divine desire to share the burden. May the Senators see and rejoice in this ancient truth of Scripture. May they let Thee, the author of liberty, lighten their load by letting Thee lead them in the deliberations, decisions, and deeds. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 3, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HERBERT KOHL, a Senator from the State of Wisconsin, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. KOHL thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I yield to my friend and distinguished colleague, the Senator from Minnesota.

The ACTING PRESIDENT pro tempore. The acting Republican leader, the Senator from Minnesota is recognized.

THE VISITING CHAPLAIN

Mr. BOSCHWITZ. I thank the majority leader and I thank the President.

I only would want to add my voice of welcome to Pastor William Snyder, who has been an esteemed member of the clergy in Minnesota for 29 years, and has served during that entire period at St. John's Lutheran Church in Minneapolis, MN. It is known to me in a number of ways. But because I know so many of the congregants, I have been at his church and have enjoyed his friendship over the years.

So I welcome Pastor Snyder to the Senate and I was moved by his prayer.

I thank the leader.

THE SCHEDULE

Mr. MITCHELL. Mr. President, this morning following the time for the two leaders, there will be a period for morning business not to extend beyond 10:30 a.m. with Senators permitted to speak therein for up to 5 minutes each.

At 10:30 the Senate will resume consideration of Senate Concurrent Resolution 30, the budget resolution, with the Symms sense-of-the-Senate amendment pending. The Symms amendment will be considered under a time limitation of 30 minutes. The vote on the Symms amendment will occur at 11 a.m.

There is a total time limitation of 49 hours and 2 minutes remaining on the budget resolution. Senators should be on notice that other votes in relation to the budget resolution are possible, indeed likely, throughout today's session.

The Senate will stand in recess from 12:30 p.m. until 2:15 p.m. today, and at 2:15 we will resume debate on the budget resolution.

RESERVATION OF LEADER TIME

Mr. MITCHELL. Mr. President, I reserve the remainder of my leader time and reserve the time of the Republican leader as well.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m. with Senators permitted to speak therein for not to exceed 5 minutes each.

Several Senators addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Nebraska [Mr. EXON].

Mr. EXON. I thank the Chair.

SOVIET ADVICE ON ARMS CUTS

Mr. EXON. Mr. President, I ask that a front page story in yesterday's Washington Times be printed in the RECORD immediately following my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EXON. The headline is "Hill Will Invite Soviet Advice on Arms Cuts."

This story was the first that most of us had heard of a new and, in my view, startling development in the House of Representatives. It seems that there is a dedicated plan developing over in that body to have Soviet military authorities testify in the House to help them shape our national security needs. It all sounds ludicrous. It sounds ludicrous to me, Mr. President, but there it is all spelled out for us.

If the Congress cannot make decisions on national security without official public testimony and advice from Soviet military planners, then we are in more peril than I had envisioned.

To use an old wisdom from Pogo, we have indeed "met the enemy, and it is us."

Evidently, Gorbemania has struck with vengeance in the Halls of Congress. We have initiated our own phrase to mimic the Soviets, and it is parrotstroika.

Mr. President, I have no quarrel with legitimate dialog with the leadership of the Soviet Union at all levels. That certainly is a plus. But seeking official testimony from their military leadership on how we should fund national defense is at best scary. There remains a difference clearly prescribed in the Constitution between the executive and legislative branches of our Government. Unfortunately, it is becoming more blurred all the time.

The President sets foreign policy and makes agreements with foreign powers. The Congress does not. We only have an advise and consent role and a role of hoping that the Executive will listen to us. If we are going that far afield, why not invite Mr. Qadhafi over to give us expert testimony on stopping terrorism?

I have encouraged, and I have applauded our seemingly improving dialog with the Soviets. I was the first Senator to publicly endorse the Reagan-Gorbachev accord for intermediate range missiles.

I want all of that to continue, and I think it is healthy. But this proposal throws caution to the four winds. We should not make the committee process a forum for Soviet propaganda. The administration, according to this article, has not objected. If that is true, then the administration is obviously part of the problem, in my view. Let us not allow this mania to spread to the U.S. Senate.

I yield the floor.

EXHIBIT 1

[From the Washington (DC) Times, May 2, 1989]

HILL WILL INVITE SOVIET ADVICE ON ARMS CUTS

(By Peter Almond)

Congress will ask the Soviets to help it make cuts in the U.S. military budget by providing firsthand information on their military plans.

The unprecedented move—seeking expert testimony from the nation's chief global adversary—was to be formally announced today by the House Armed Services Committee.

It will include a series of hearings and other direct contacts with Soviet military officials intended to help the committee decide where to make cutbacks in the U.S. armed forces.

Committee Chairman Les Aspin, Wisconsin Democrat, described the proposed action as a "major initiative." He said the committee intends to supplement classified Defense Intelligence Agency briefings with direct Soviet inputs, including visits to Soviet military installations never before seen by Western officials.

Neither White House, nor Defense Department, nor State Department officials have expressed any objection to the congressional contacts—unprecedented in their intensity—as long as members do not try to negotiate any deals with the Soviets.

Rep. Bill Dickinson, Alabama Republican and ranking minority member of the committee, said he agrees the Soviet situation is fluid and has to be examined carefully before the committee approves Defense Secretary Richard Cheney's budget.

But he said if the objective of the contacts is to justify opening up the budget package he will object. All kinds of defense programs would come under attack and Mr. Cheney's package would become unwrapped, he said.

"We are dealing with a moving target," Mr. Aspin said of the Soviet defense plans, knowledge of which is vital to the United States as it prepares to cut or delay major weapon systems.

"The Soviets are talking about unilateral moves that have not yet been implemented," Mr. Aspin said. "We don't know if Gorbachev will succeed or even survive. If he succeeds, we don't know where Soviet defense programs will be several years from now. If he is replaced, we don't know if his successors will completely reverse or modify his plans.

"Here in the United States, we're so used to managing responses to an increasing Soviet threat that we have little idea how to cope with a decreasing threat. The committee initiative is designed to help both the committee and the American public think through the implications, which could be far-reaching."

The first of the planned contacts is Friday, when committee members meet in the House with a group of retired Soviet generals and admirals.

Next Tuesday the committee members will begin a series of small "roundtable" meetings with a group led by Andrey Kokoshin, deputy director of the Soviet Institute of the USA and Canada, and Roald Sagdeyev, former director of the Soviet Space Research Institute and arms control adviser to the Kremlin.

Over Memorial Day, the committee expects to visit the Soviet Union, with a possible unprecedented visit to a Soviet SS-24 rail-mobile intercontinental missile—the already-deployed Soviet answer to the 10-warhead MX missile the administration intends to put on rails.

Later in June, Marshal Sergei Akhromeyev, former chief of the Soviet General Staff and now a personal adviser to President Mikhail Gorbachev, is due to testify before the House committee here. A number of other contacts are expected in a Soviet legislative blitz on Congress.

According to State Department officials, representatives of most Western nations refuse to testify to Congress, preferring to deal directly with the administration.

"Only the executive branch can negotiate agreements with the Soviets," Mr. Aspin agreed, "But because of that, a congressional committee is in a better position for expansive give-and-take and exploration of new ideas. We can air new ideas with a Soviet think tank that American and Soviet diplomats could never discuss directly, precisely because the diplomats are negotiators."

Over the weekend, Mr. Aspin sent a memorandum to members of the procurement and military nuclear systems subcommittee saying the committee is faced with "some far-reaching decisions concerning the B-1B" bomber.

According to his staff, the controversial plane's electronic countermeasures system will cost about $1.2 billion to defeat expected advances in Soviet radars and still won't meet Air Force specifications. The Air Force also reportedly plans to ask for an extra $300 million next year for the technologically troubled B-2 Stealth bomber—effectively delayed two years.

Many Democrats in Congress, however, want to cut funding for those expensive and advanced weapons—such as the B-1 and B-2 bombers—designed to meet what many insist is a receding Soviet threat.

The key to many of the advanced U.S. programs is Soviet military planning, which to U.S. officials is still uncertain. Only old T-55A and T-62 tanks have so far been taken out of Hungary and East Germany, and military production remains at high levels, according to defense officials. Edward Rowny, President Bush's senior arms-control adviser, on Friday cited General B.V. Snetkov, commander of the Group of Soviet Forces in East Germany, as saying in the publication Sovietskaya Rossiya on April 18.

"Some of the most modern tanks being withdrawn from East Germany will remain in the Army's arsenal, others will be mothballed, and yet others will have their guns and machine guns removed and will perform 'peaceful service' in the national economy. . . ."

Said Mr. Rowny: "This contradicts Gorbachev." On Jan. 18, he said, Mr. Gorbachev said that none of the 10,000 tanks to be cut in Europe would remain in the army's active inventory or in storage.

"On SNF [short-range nuclear forces] and conventional forces, the Soviets have created a credibility gap so wide one could drive a tank through it," he said.

Yesterday, however, a former presidential arms control adviser, Paul Warnke, presented a report calling for President Bush to match Soviet moves towards "defensive defense" with similar actions, including opening talks on short-range missiles with the Soviets—an issue that is dividing the NATO alliance.

Mr. ADAMS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Washington [Mr. ADAMS].

WHITE PLAGUE OF CRACK

Mr. ADAMS. Mr. President, within the last 3 weeks the Subcommittee on the District of Columbia for Appropriations has held hearings bringing in the chief of police, the Mayor, the prosecuting officials, the treatment officials and the jail officials to do something about the white plague of crack which is on the streets and, in particular, to stop the homicides which have caused Washington, DC, to have more homicides in the first 3 months of this year than the city of Beirut.

Mr. President, last week during the work period for the Senate, I had the occasion to spend 2 full days meeting with the local government officials, city and county, in my hometown of Seattle. I wanted to talk with them about drug abuse, about crime, homelessness, discrimination, poverty, the various things that surround drug abuse and are destroying our inner cities.

In meetings with the Seattle mayor, Charles Royer, Police Chief Patrick Fitzsimons, King County prosecutor, Norm Maleng and with many dedicated men and women who run local nonprofit social service agencies, public housing projects, detoxification centers and homeless centers, I heard a consistent theme: The growing problem of crack cocaine threatens to engulf the institutions of local government, particularly the criminal justice system.

Mr. President, the criminal justice system in my hometown is overburdened and strained at the seams. This is because of the crack cocaine, the white plague, that is sweeping America. In 1988 the King County prosecuting attorney—and King County is the county that encompasses Seattle and its suburban cities—filed 1,949 felony drug cases, an increase of 106 percent over the previous year. This year, 2,775 cases are projected, an increase of 42 percent on top of the 106 percent which was last year's record.

To give some historical perspective, Mr. President, the county prosecutor filed a total of 2,731 felony cases for all types of crime in 1978. In 1989 they will file more cases than that on drugs alone.

Now, Mr. President, I have been a U.S. attorney, and I have some idea of the impact that this type of load places on a prosecutor's office. I am going to discuss the other parts of the system, but in this particular area, I will be introducing legislation—and I hope we will have support of others—to expand the Federal program which allows through cross-designation the shifting of Federal prosecutors to local prosecutors' offices and local prosecutors to Federal courts, in order to help both with workload and to be certain that the law enforcement experience throughout the whole area is consistent.

Now, Mr. President, the increase of 1,100 cases in 1988 alone was completely a result of the drug tidal wave. Mr. President, words alone are just inadequate to describe what I observed riding in an unmarked police car in my hometown: Crack dealers plying their deadly trade in broad daylight, rock cocaine houses located in previously quiet and stable residential neighborhoods, one of which was located directly across the street from a day care center. This is because they have developed careful schemes to avoid arrest for probable cause. It is not that the police are ignoring them. It is that with a system of runners, scouts, and other guerrilla tactics, that are used against the police, they stay open as long as they can, because the profits are enormous. The Seattle police department still has control of its streets, but it is only with increased numbers of officers who are trained and a total strategy with the help of the community and the difficult use of civil and criminal abatement laws that they are hanging on.

Another thing, Mr. President, that is just appalling to me, and I just cannot believe that we allow this in the United States and that this Congress has been a part of it: Chief Fitzsimons showed me a demonstration of more than the 1,500 weapons, including combat assault weapons, seized last year. These include a deadly array of easily converted semiautomatic weapons. There is no doubt that an officer with a service revolver would be dramatically overmatched by a drug dealer holding a Chinese or Israeli assault weapon of the type confiscated in Seattle last year.

They confiscated 1,500 weapons, including dozens of semiautomatic rifles, but what is worse, under the present State law in the State of Washington, the police have to auction these weapons, because they are not illegal nationally, after they have seized them. These are the weapons used by the young gangs.

I want to echo the remarks of the Senator from Nevada, who talked about Nevada and what has moved in Nevada and on the west coast, including the State of Washington. Over 400 individuals were arrested in Seattle last year from California who were associated with Los Angeles-based gangs who specialize in the distribution of crack cocaine.

Line officers risk their lives every day, Mr. President, and citizens of Seattle have told me how frustrating it is to know that on first offenses, particularly, known drug dealers are back on the streets faster and selling crack faster than the officers can get there. This needs to change. The State of Washington has changed its sentencing after they catch them more than once. Heavy sentences are being used to try to keep the California and other gangs out of the city.

Mr. President, I want to share a few additional thoughts with you just for a moment, and then I will stop. There are two sides to this story. Seattle is a city at risk and a city under attack, but it is also a city that deserves a great deal of credit and needs an ongoing commitment from the Federal Government.

I not only visited the police, I also visited with programs responsible for some of the success stories in treatment. There is treatment in Seattle, and it does work and it has a positive impact. This war must be be fought on the international front by shutting down the drug cartels, and on the local front by increased law enforcement, but ultimately it must be fought in the streets and the neighborhoods and in the schools and in the treatment centers of our cities.

We can win this war that we are fighting in Seattle and Washington, DC, by a whole series of programs that involve places like the El Ray center, and the detoxification center; they involve extended treatment programs, and we can treat these people. They can be treated. It takes a lot of dedication and it takes removal from the streets for an extended period of time.

We need help, Mr. President. I want to know what has happened to the remaining of the $2.8 billion we said we were going to spend. We have only spent $918 million. That will be a job of mine, to help my city and yours, and this poor city, during the course of the next year, and I hope I will be joined by my colleagues.

Like many other local jurisdictions around my State and this Nation, Seattle has begun to grasp the enormity and complexity of this problem. The bad news is that the problem is growing; the good news is that Seattle has a will to solve it, and a number of programs in place to address the problem now. I hope that in the months to come, we will seek out those already successful programs—those with a track record of performance—and see that the Federal Government does its part to see that those programs are adequately funded in our crucial national effort to rid our country of this white plague: crack cocaine. During the past 8 years while the Federal Government was reducing its previous levels of support for public housing and community development, the citizens of Seattle addressed the growing problem of homelessness by bringing together the various community nonprofit groups in a survival services coalition. Beginning with an initial $500,000 appropriation from the city's general fund, those providers coordinated their efforts to share $4.8 million of community development block grant funds. The current $5.2 million in the city's survival services fund is the most rapidly growing portion of Seattle's city budget.

Mayor Royer explained to me how critical these CDBG funds have become in leveraging additional sources from the private sector in providing vital services to the citizens of Seattle. The proof was in the streets and neighborhoods of the city: At the St. Martin's Shelter on Westlake Avenue, I met with previously homeless elderly men. Rehabilitated with CDBG, McKinney Act, and other local funds, St. Martin's is proof that Seattle cares about those chronically homeless men who have been found on the streets of downtown Seattle for years. I could see the pride in the eyes of one gentleman who offered to show us his room at St. Martin's, a man who had come back from the depths of despair and found new meaning and dignity in his life because of this project.

I also visited the El Ray, a home for the chronically mentally ill, funded

through a variety of Federal, State, and local sources. Many of these residents would be aimlessly wandering the streets, vulnerable to abuse or housed in an already overcrowded county jail were it not for the El Ray. This shelter provides crucial stability to individuals who are unable to function in the general society, but the El Ray provides safety and the hope of a gradual transition back to self-sufficiency.

During a walking tour of Seattle's international district, I met with a wide variety of service providers who work with the city's growing community of immigrants and refugees from Southeast Asia and other Pacific Rim countries. Most of the programs have relatively modest allocations of block grant funds as small as $24,000 per year, yet they return many times the investment with vital services.

I visited a housing rehabilitation project in the drug-troubled neighborhood in southeast Seattle. Located in a former apartment complex that had become a haven for cocaine dealers, the project, known as Gale Place, will provide housing for low-income families. This effort is a stunning example of what can be accomplished when private nonprofit organizations work with city government to address a problem together.

In addition to the crack houses, a very important area of concern, Mr. President, is the danger that residents of public housing in our cities, towns, and rural areas are the silent victims of increased drug trafficking.

As chairman of the Appropriations Subcommittee on the District of Columbia, I recognize the extent of the problem in the District. Drug dealers and their customers have forced many to become prisoners in their own homes.

In my own State, Mr. President, we are doing more than "taking back the streets." We are also moving up to the front door and "taking back the home that was stolen."

And, Mr. President, this is occurring not because of some directive from Washington, DC, but because communities have decided to help themselves.

The residents and staff of public housing authorities in my State have banded together with the local police, the YMCA, the banking and business community, school districts, and other groups to defend themselves from the devastation brought to them by drug dealers. Let me give you some examples of what has been accomplished. In Seattle, the residents asked for a hotline to the local police staffed by volunteer residents. Consequently, because each neighborhood centralized their communications, the local police became more confident that any call received would be true and accurate. In turn, they targeted the community and increased their presence.

In Everett, WA, the residents have taken this a few steps further, volunteering to patrol their community and coordinate their actions with the local police.

In Bremerton, WA, residents and staff are very creative, attempting to raise money to implement a police bicycle patrol on their grounds.

But, Mr. President, we all know that the answer is not strictly one of law enforcement. These Washington State communities realize that they must also reach out to their surrounding neighborhoods for assistance. They have taken that step and I am proud to say that the response has been positive.

For instance, in the summer kids are provided alternative activities, including arts, drama classes and cultural activities, sponsored by the arts and business community.

Crisis intervention, day care and employment training are also being provided to residents by local and State funded nonprofit groups and Government agencies.

Mr. President, these strategies reflect community cooperation. They are creative innovations developed and funded by grassroots communities, and they work.

Mr. President, last month, the National Association of Housing and Redevelopment Officials published a task force study pointing out that we not only provided very little money to support the antidrug effort in public housing, but also that additional programs and enforcement measures were needed. One member of that task force came from my State, Mr. Harry Thomas, executive director of the Seattle Housing Authority. Mr. Thomas initiated a program on his own, but needs help if he is to reach all the residents.

That is why, Mr. President, I seek to shortly introduce legislation that will encompass some of the additional measures mentioned in the study. But most importantly, in the meantime, I ask my colleagues to help those who are trying to help in all the domestic and police activities I have outlined. Let us meet the drug bill's promise and appropriate the necessary money to do what is right.

The ACTING PRESIDENT pro tempore. The Senator from North Carolina is recognized.

Mr. SANFORD. I thank the Chair.

(The remarks of Mr. SANFORD pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The ACTING PRESIDENT pro tempore. The Senator from Nevada [Mr. REID] is recognized.

WETLANDS EXHIBIT

Mr. REID. Mr. President, while reading the Washington Post this morning, I noticed an article announcing the opening of a new wetlands exhibit at the National Zoo. I am happy that the zoo is gaining a new exhibit, but at the same time I am forced to remember the main purpose of a zoo.

A zoo brings exotic wildlife to our attention and, like a museum, a zoo preserves samples of wildlife that may be disappearing in nature.

Mr. President, I hope this is not the beginning of an era when the only place our children will be able to see wetland habitats that once covered millions of acres of land will be in a zoo exhibit. If we are not better stewards of our natural wetland areas, that may be exactly what will happen.

In the western part of my own State of Nevada, for example, wetlands that recently covered 50,000 acres only a few years ago have shrunk to less than 3,000 acres today. Much of what is left is deadly to the very wildlife that inhabit it.

This has come about not due to the actions of nature because those marshes have been there for at least 5,000 years, but due to decisions by man—largely in the form of actions by the Federal Government and the Federal courts.

I plan to offer legislation within the next 60 days to purchase water exclusively for the wetlands.

I am aware of the difficulty of finding Federal funds for this kind of project in the context of tight budget constraints. But I believe that the Federal Government created this devastation for the wetlands and it has the responsibility to help mitigate this devastation.

I made these points yesterday to Interior Secretary Lujan in the Appropriations Committee. He knows that I will be looking to him for support, and he indicated a willingness to help.

The Bush administration said there will be no net loss of wetlands. Mr. President, I am going to find out if that, in fact, is going to be the case.

The Washington Post article this morning pointed out that one of the species inhabiting the new zoo wetland exhibit will be the brown pelican.

Western Nevada wetlands used to produce some 16,000 white pelicans each year. Now sadly more white pelicans die each year than are born each year in the habitat.

I hope that the day is not coming when the only place that our children can see the white pelican, whose flight used to block out the noonday sun in Nevada's skies, is in an artifical exhibit in a zoo.

The ACTING PRESIDENT pro tempore. The Senator from Washington [Mr. GORTON] is recognized.

RESPONSIBILITY

Mr. GORTON. Mr. President, I would like to begin my remarks with the words of William Butler Yeats, poet and Senator of the Irish Free State. "Things fall apart," Yeats said.

The Centre cannot hold. * * * The blood-dimmed tide is loosed, and everywhere The ceremony of innocence is drowned; The best lack of conviction, while the worst Are full of passionate intensity.

I regret that Yeats' 1920 reference serves to describe much of the management of and preoccupation with the natural environment in the United States today.

Mr. President, our Nation today is confronted by two unreasonable extremes. On the one hand we have self-appointed priests of nature who tell us that virtually no food is pure enough for us to eat, that nature is so fragile and weak that almost any human activity will eventually bring the world to an end, and that judgments about man and nature are not a matter of what will work and what will not work, but, rather, a contest of good and evil. Though these self-appointed priests revere nature, they do not respect its strength, and curiously, almost nothing created by human hands or designed by human minds seems, in their view, "natural" enough to warrant respect. Most of them are usually from large cities, and they usually call for radical changes in the lifestyles of others, but not of themselves. Tomorrow, I will speak further on this subject.

On the other hand, we are also too often confronted by the arrogant officers of an industrial system who give lip service to environmental concerns, but eventually show those concerns to be a sham, finally revealing that their true watchword to be avoidance of responsibility. More often than not they succeed in bringing down honorable businesses along with themselves. The wreck of the *Exxon Valdez* is a study in miniature of this general theme. The chairman of Exxon came before Congress to reassure the Nation of his concern, but succeeded only in humiliating his company, ignoring his responsibility, and undercutting the cause of American energy independence. His performance was a disgrace.

Usually, they send a monkey to take the hit, but this time the organ grinder showed up.

I suggested to Mr. Rawl, the Exxon chairman, that he emulate the example set by the Japanese at the time of the JAL 747 crash, and resign. Resignation should, on occasion, be an American practice, too. For the chairman of this organization is responsible for retaining an alcoholic captain, for operating tankers with incompetent crews, for maintaining inadequate equipment stockpiles, for responding to the Nation's worst oil disaster like Keystone Kops, and for swiftly heaping arrogance atop incompetence. Do you recall Mr. Rawl's April 3 letter to the American people, on the back pages of newspapers, in which he addressed the citizens of this country as if they were begging for a job? Is there anyone who actually believes his statement that "Exxon has moved swiftly and competently to minimize the effect this oil will have on the environment, fish and other wildlife"?

I am appalled that a company like Exxon, after having received immense monetary benefits from public oil resources, would be so reckless in its preparation for, or prevention of, a clearly foreseeable disaster. Until we have seen the resignation of Mr. Rawl and other top executives responsible for the gross degradation of a once vital and pristine environment, the people of this Nation cannot and should not renew their faith in this huge corporation.

While such an honorable action is more common in the Japanese culture, it is not unheard of in our own country. The Northrop Corp. announced recently that longtime chairman Thomas V. Jones would step down at the end of the year. This was the latest in a series of senior-level resignations from the corporation since many of the company's major arms contracts come under Federal criminal investigation.

There are other examples of successful and honorable corporate social action in the face of disaster. Johnson & Johnson's management was required to make tough choices with their product Tylenol. Management did the right thing in removing the product after being the target of a poison scare for which the manufacturer bore no responsibility. But it understood what really matters—the health and safety of the consumer—and that consumer confidence flows from a belief that the company does indeed have his or her best interests at heart. That company acted responsibly and has been rewarded.

Faith was renewed and the public continues to buy its products.

But, Mr. President, I am sorry to report that Exxon's arrogant and irresponsible attitude continues unabated. Last week, 33 days after the *Exxon Valdez* disaster, the *Exxon Philadelphia* lost power only 9 miles off the coast of the State of Washington's uniquely beautiful and fragile Olympic Peninsula. At one point, the Coast Guard estimated that it would drift aground in 5 hours. Thankfully, it did not, although no credit is due Exxon. This 19-year-old tanker, laden with 22 million gallons of North Slope crude, drifted for 7½ hours before tugs could reach it.

In my statement for the April 6 Senate Commerce Committee hearing on the Valdez oilspill, I stressed the critical need for a serious examination of the state of aging oil tankers. Every day that we delay such an assessment takes us one day closer to another disaster. The *Exxon Philadelphia* incident confirms my fear. We are allowing time bombs to travel through sensitive ocean ecosystems.

It is beyond comprehension that Exxon could not have detected and prevented such a major equipment failure within 33 days on an aging tanker plying that same, fateful Alaska route.

Today, all public faith in the Exxon Corp. has been destroyed. And to their regret other oil companies know that, rightly or not, they suffer by association. But Exxon's executives will not take personal responsibility; they will not act honorably. They will not do what is necessary to restore public confidence in their corporation or their industry. So others must act for them.

First, I applaud those who have called for a boycott of Exxon products. That boycott should continue until the irresponsible Exxon officers are gone.

Second, this Congress should consider what actions can best prevent a recurrence of a disaster of the *Exxon Valdez*. In the opinion of this Senator, far too much of our attention has been focused on how to deal with such a disaster after it has occurred, and too little attention focused on how to prevent it in the first place. In my view, we simply are not going to be able to provide all of the Nation's, or the world's, hundreds of oil ports and waterways with sufficient equipment to deal with a 15- or 50-year tragedy, but we can make it far more painful to the corporation that causes such a tragedy.

Any new legal approach should make it absolutely clear that the corporation causing the disaster is fully liable for the entire monetary amount of its damages, liberally measured, and without regard to whether or not the Coast Guard or some other Federal agency has taken full control over the response to the disaster. In addition, the responsible corporation should be subjected to an additional fine in an amount no less than the cost of the damages which it has caused.

And finally, a corporation like Exxon should be subjected to a penalty analogous to that which will be visited upon the captain of the *Exxon Valdez* or, indeed, on any other drunken driver. It should be prohibited for an extended period of time, measured in years, from extracting, transporting, purchasing, or selling petroleum or its products derived from the oil sources involved in the disaster, in this case Alaska. The prospect of giving market share to its more responsible competitors will be a sanction which would induce corporate responsibility

in even so obtuse a citizen as Mr. Rawl.

Mr. President, I believe devoutly that our system of free enterprise has created more benefit for more people than any other system ever devised. As a matter of public policy, the United States has long permitted private parties to develop public resources. But with the privilege to profit comes the responsibility to protect. That privilege is a two-edged sword. When corporations forget or ignore their public responsibilities, they must risk more than loss of profit, they must risk loss of privilege.

Loss is a risk that private enterprise understands. Risk is the adrenalin, the watchful eye, the goad to responsible behavior of private enterprise. But to Exxon, clearly, the mere risk of cleaning up the Valdez disaster was acceptable, and so it allowed a disaster to happen. We must increase the risk to the Exxons of this world enough so that their own calculation of loss will create a climate of concern which, in this case, a sense of obligation and honor so signally failed to create.

It is not beyond human ingenuity to develop a system by which a ship can be piloted on a wide straight channel day after day and year after year without running aground. It is merely a matter of responsibility. From responsibility will flow the necessary organization, judgment, concern, and commitment. We should expect no less and we must act swiftly and decisively when our expectations are not met. The best need not lack conviction and the centre need not fall.

Tomorrow, Mr. President, I will discuss another spectrum of irresponsibility—that demonstrated in recent careless journalism and by some who purport to advocate a cleaner environment.

EXTENDING MORNING BUSINESS FOR 5 MINUTES

The ACTING PRESIDENT pro tempore. The time for morning business has expired.

Mr. REID. Mr. President, I ask unanimous consent that the time for morning business be extended for 5 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

(The remarks of Mr. REID pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The ACTING PRESIDENT pro tempore. The Senator from Kansas is recognized.

Mr. DOLE. I thank the Chair.

(The remarks of Mr. DOLE pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

THE MINIMUM WAGE

Mr. DOLE. Mr. President, on another matter, I understand the conferees met on minimum wage yesterday afternoon and reached some agreement on the minimum wage. I read in the morning paper that there was some chance of a compromise. I want to set the record straight. The President will not yield on this issue. He has said from the start it is $4.25, and a 6-month training period. And that is where it is.

The conference committee says $4.55 an hour and a 2-month training wage, which will not be acceptable to President Bush. He will veto the bill. It is my hope and I believe that the veto will be sustained.

What happens after that will be up to those who are throwing away 90 cents, throwing away 90 cents an hour for working people because they cannot get it all; the other 30 cents.

To me, that is not an exercise of good judgment, political or otherwise. But that is a judgment made by the Democratic leadership; rather than to take 90 cents. The President has gone three-quarters of the way. Now they say oh, the President ought to compromise. The President compromised at the outset. He said right up front, he said in his campaign we should increase the minimum wage. Some believe he went too far. Some did not want to go to $4.25, which would be an increase of $3.35 over a 3-year period, $3.35 per hour.

I would say to my friends who support the conference report, it is going to be vetoed. There is no doubt about it. I am as certain as I am standing here it will be vetoed and I believe the veto will be sustained by the House; if not by the House, in the Senate.

Then I would say that after that it is anyone's guess. It will be up to the leadership who throw away 90 cents per hour for those working poor and others.

I would also reindicate that the minimum wage, in itself, is probably now a misnomer. If you look at the profile of those who receive the minimum wage, they are not working poor people. They are for the most part single, not heads of households. As I said they are unmarried, they are under 25 years of age and they are not the people who have been referred to many, many times on the Senate floor.

So, I regret that the conference acted so quickly and, in effect, asked for a confrontation with the President. But I can advise those who did, the President, without any hostility, feels strongly about this. He will stand his ground. I believe, in the long run, whatever he does will be sustained by those of us who have a little different view.

THE NATIONAL BICENTENNIAL COMPETITION ON THE CONSTITUTION AND BILL OF RIGHTS

Mr. DOMENICI. Mr. President, I take a moment today to say "good luck" to the students who have come to Washington, DC, this week to participate in the National Bicentennial Competition on the Constitution and Bill of Rights.

This competition is one of the most extensive educational programs in our country. Funded by Congress and cosponsored by the Commission on the Bicentennial of the United States, the goal of this program is to educate our young people about the history and principles of our Constitution and Bill of Rights, which are the foundation for this great Nation.

This worthwhile program was first implemented in 1987, the bicentennial of the framing of the Constitution, and will continue through 1991, the bicentennial of the ratification of the Bill of Rights. Over the past 2 years, over 1 million students have studied the program's curriculum.

This year, over 950 students have traveled to our Nation's Capital to represent 44 States in the final competition mock hearings. The competition began Monday, and I understand that it should be completed on Thursday.

Like my fellow colleagues, I am very proud of the accomplishments of these young students. They have worked very hard to reach the national finals, winning at both the district and State levels before earning the opportunity to compete on the national level.

I am particularly proud of the team that earned the right to represent the people of New Mexico. Our State's finalists consist of 17 bright and hard-working students from Mr. Gray Tripp's third-hour civics class at Moriarty High School in Moriarty, NM.

The team members are: Brad Adams, Harlan Anderson, Wesley Berger, Jenni Garber, Yvonne Gardner, Debi Garry, Nathan Goddard, Kelly Grassham, Franca Harding, Shannon Helm, Tim Hix, Ben Martinez, Sean McCormick, Lee Miller, David Pachta, Troy Satterfield, and Penni Wright.

Each of these young students spent long hours over many weeks learning about the principles and values that embody the Constitution and Bill of Rights.

Each has done an outstanding job.

Their teacher, Mr. Tripp, also deserves a great deal of recognition. His ability to instill an understanding of these documents is undeniable.

Following a 6-week course, his students earned the opportunity to compete with other schools from their

congressional district by scoring at least 70 percent on a national eligibility exam.

On February 10, Mr. Tripp's civic class competed against several other outstanding civic classes from New Mexico, winning the honor of representing the State of New Mexico this week.

I want Mr. Tripp and his students to know how very proud all of us from New Mexico are of their achievements. Whatever the outcome of the final competition, they are indeed winners in my book, and I commend them on a job well done.

COL. JAMES N. ROWE: AN AMERICAN HERO LOST

Mr. HELMS. Mr. President, on May 1, Col. James N. "Nick" Rowe was buried in Arlington National Cemetery, the victim of a cold-blooded murder by Communist terrorists while driving to work at the Joint Military Advisory Group Headquarters in Manila.

Colonel Rowe had been sent to the Philippines to do what he had done so well throughout his life, advising free people how to defend themselves against those intent on destroying their liberties.

Mr. President, Nick Rowe was an American hero. After being sent to Vietnam with the Special Forces in 1963, he was captured by the Vietcong and left to rot in a cage for 5 years. He escaped execution only by pretending he was an engineer. However, an American "peace group" informed the North Vietnamese that Nick was a member of the Special Forces, which immediately marked him for death.

The Vietcong planned to shoot Nick Rowe, but he foiled their plans. At a moment when his executioners were briefly distracted by American helicopter gunships, he killed one of his guards and made a dash for the jungle. An Army chopper saw a man in VC pajamas running through the woods and locked him on target. When the man turned around the gunners noticed that he had a long beard and was shouting in English. The helicopter immediately landed and carried Nick Rowe back to freedom.

Mr. President, Nick Rowe was the only American officer to escape from the clutches of the Vietcong in South Vietnam.

In the years following his escape, Nick Rowe had many roles. He was an artillery officer, intelligence officer, and spokesman for "Operation Homecoming," the program for returning prisoners of war. He even retired from the Army for 7 years. He wrote several books and entered politics in his home State of Texas.

In 1981, Colonel Rowe returned to the Army as a special instructor at the Special Forces Schools at Fort Bragg. Prior to his last assignment in the Philippines, he commanded the 1st Special Warfare Training Battalion at the John F. Kennedy School for Special Warfare. While stationed in North Carolina, he worked tirelessly on behalf of Vietnam veterans and MIA's across the State.

Mr. President, Colonel Rowe died in the service of his country. This brief statement cannot do justice to his life. But I wanted to note the passing of a true patriot, a man of ideals, and a dedicated servant of free men everywhere. The greatest tribute that can be paid to Nick Rowe would be for the rest of us to continue the fight against Communist aggression in the Philippines, in Nicaragua, in southern Africa, and anywhere tyranny prevails. A man of Nick Rowe's stamp will be greatly missed.

THE ORIGIN OF THE PHRASE "ZERO TOLERANCE" BY MAJ. GEN. JAMES A. GRIMSLEY, JR., USA

Mr. THURMOND. Mr. President, the phrase "zero tolerance" is widely recognized to describe one of the Federal Government's major approaches to the current drug epidemic. The phrase is now being used by Federal and State officials, employers, and people from every walk of life. It reflects society's growing intolerance for those who abuse drugs.

Recently, I received a letter from South Carolina State Representative Mickey Burriss informing me that William Bennett, Director of the Office of National Drug Control Policy and former Secretary of Education, first heard the expression "zero tolerance" during a visit to The Citadel. While on a visit to The Citadel, Dr. Bennett heard the term used on a number of occasions by cadets to describe the policy of Maj. Gen. James A. Grimsley, president of The Citadel, as it relates to drug abuse on campus.

Although it is not clear where the phrase "zero tolerance" was born, it is worth noting that it was first heard by the Director of the Office of National Drug Policy on a visit to The Citadel in South Carolina. I commend General Grimsley for the imposition of his "zero tolerance" policy and for providing Dr. Bennett with the phrase which is now so commonplace among the people of this Nation.

A LEGACY OF LEADERSHIP, COMMITMENT, AND VISION

Mr. PELL. Mr. President, it is with mixed emotion that I ask for recognition today of the meritorious achievements of Mary Hatwood Futrell, a woman whose name has become synonymous with education in this country. Mrs. Futrell, president of the National Education Association since 1983, is stepping down from office this August having served an unprecedented three terms. She leaves behind a legacy of commitment and success for which we are both grateful and proud, and it is with great sadness that we say goodbye and wish her well as she leaves the post of President.

Mary Hatwood Futrell is a truly remarkable woman whose extensive list of accomplishments is most impressive. Her career began more than 20 years ago as a high school business teacher. Her leadership in the National Education Association started on the local level in 1973 when she became president of the Education Association of Alexandria, VA. She went on to become the president of the Virginia Education Association, where she served two terms.

As President of the VEA Mary waged many successful battles on behalf of Virginia teachers. For example, in 1977 when the Virginia Supreme Court banned collective bargaining for public employees and struck down negotiated agreements that had worked well for Virginia teachers, Mary Hatwood Futrell took action. On February 5, 1977, she led 7,000 teachers in a march on Capitol Square in a show of support for education funding and collective bargaining legislation. At that time, it was the largest march ever to take place in Virginia.

Similarly, when the retirement system for Virginia teachers was threatened by the General Assembly in 1978, and the grievance system was also under attack, the VEA under Mary Futrell's most able direction engaged in a "Fair Play for Teachers" campaign.

Mary brought the same dedicated spirit to the national level, where she has held many positions spirit to the national level, where she has held many positions since the early 1970's. She served on the NEA Resolutions Committee from 1972 to 1975, and was elected in 1976 to chair the NEA's Southeast Regional Council. In 1978, in the closing days of her second term as VEA president, Ms. Futrell was elected to the NEA board of directors. Two years later she was elected to the NEA office of secretary-treasurer, and was reelected to that position in 1982. In 1983 she was elected President of the 1.9 million-member NEA, and has been reelected twice.

To say that the genuine, profound and unwavering support which has followed Ms. Futrell throughout her career is well-earned is an understatement. She is a teacher's teacher in every sense, and she has been tireless in striving to improve American education.

In 1985 Ms. Futrell initiated Operation Rescue, a national campaign focused on reducing the national drop-

out rate. The project has awarded over $556,000 in grants to 21 dropout prevention programs around the country since its inception. This program is but one example of her deep concern for disadvantaged children, as well as her remarkable resolve to initiate and enact change where needs are not being served.

The list of Mary Hatwood Futrell's achievements, board membership, acknowledgements, and honors and awards is far too extensive to enumerate here today. There is no question, however, that her efforts have touched the lives of hundreds of thousands of educators, students and parents who have been the beneficiaries of her work. From her support for the passage of the equal rights amendment, to her service on the Advisory Council to People for the American Way and the Leadership Conference on Civil Rights, and to her dedication for the improvement of quality and access in education, she serves as a shining example of active participation in our democracy.

Mary Hatwood Futrell's departure as president of the Nation's largest organization of teachers, professors, and allied school employees will be sorely felt. I am confident, however, that the fine legacy she has established at the National Education Association, a legacy of dedication, diligence, and thoughtful purpose, will be vigorously carried on long beyond her tenure. I am equally certain that her strong voice on behalf of education will not disappear, but will continue to ring out whenever she spots educational needs or sees injustice. We owe much to Mary Hatwood Futrell and we wish her well in her future endeavors.

IMPACT AID FUNDING

Mr. PRESSLER. Mr. President, today I testified before the Senate Appropriations Subcommittee on Labor, Health and Human Services, and Education, regarding the serious need for full funding of the Impact Aid Program. I would like to share that testimony with my colleagues today on the Senate floor.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR LARRY PRESSLER BEFORE THE LABOR, HHS, EDUCATION APPROPRIATIONS SUBCOMMITTEE

Mr. Chairman, thank you for this opportunity to testify before the Education Subcommittee on behalf of the 39 South Dakota school districts which rely heavily on Impact Aid funding. Over 10,000 Category "A" and Category "B" students in South Dakota depend on Impact Aid assistance to provide a firm foundation for their educational opportunities. I am here today to lend my support for full funding of this vital program. An appropriation of $785 million, the full FY 1990 Impact Aid authorization, is necessary for the maintenance of quality educational programs in federally impacted school districts.

South Dakota has a particularly large number of schools located on or near Indian reservations with large Indian populations. One such district is Shannon County School District, located on the Pine Ridge Indian Reservation. Approximately two-thirds of this district is non-taxable Indian land. Approximately 85 percent of the student population from the entire reservation live in the school district, and these students are dependent upon the schools for a free public education for all students from pre-school to age 21. These schools are the means for both the State of South Dakota and the United States government to meet their educational obligations to the Indian people.

However, State and Federal budget reductions have undercut the schools' ability to offer an educational program that actually prepares Indian students to succeed in modern society. Unemployment rates on South Dakota's Indian reservations can be as high or higher than 80 percent. I think we would all agree that the only true hope of the Indian people to break the chains of severe poverty is education. Impact Aid is a significant contributing factor to the schools' ability to promote the economic and intellectual achievement of the Indian people.

Another example of a district that depends heavily on Impact Aid assistance is the Douglas School System, located on Ellsworth Air Force Base near Rapid City, South Dakota. Approximately 75 percent of the children educated in the Douglas School System are military dependents. More than 50 percent of this school system's budget comes from Federal aid. The Federal ownership of property in the district severely reduces local property tax revenues for school purposes. Federal activities cause an influx of persons into this community, resulting in an increased number of children to be educated.

Public Law 81-874 and Public Law 81-815 recognize the basic responsibility of the federal government to compensate for lost revenue resulting from federal activity or ownership. Impact Aid is not a benevolent supplemental federal program. It is the realization of our nation's commitment to pay its fair share of the cost of education for federally connected children.

Another concern of mine is funding for school construction under Public Law 81-815. It is imperative that the School Construction Program be fully funded. The Department of Education has many more school applicants awaiting funds than funds available for construction.

One example is the Douglas School District. All of the current school facilities in this district were constructed between 1951 and 1965. Between 1984 and 1989, the district's enrollment increased by 487 students. In 1986, Douglas was forced to establish classroom facilities at an old abandoned Nike Missile Site where 184 first graders now attend school. Because of increased enrollment and the additional space required for special programs mandated by the state and federal government, Douglas is in desperate need of additional school facilities. An increase of 450 military personnel and their dependents is expected soon because of the new Strategic Training Center at Ellsworth Air Force Base. At a minimum, Douglas needs a new middle school to accommodate 668 students in grades 6-8, an addition to the high school for more classrooms, an auditorium, and new physical education areas at a total cost of $10.9 million. Because of the very limited tax base in this heavily federally impacted district, Douglas can raise only about $150,000 per year for capital outlay funds. Currently, it has only $1 million available for school construction. Even with this great need for additional facilities, Douglas is behind approximately fifty school districts in the waiting line for school construction funds.

Concerned parties recognize the fact that the School Construction Program requires review. Last year I sponsored a successful amendment to the Hawkins-Stafford Elementary and Secondary School Improvement Amendments that initiated a thorough study of the need for financial assistance for school construction. This study should provide Congress with the proper information for any necessary redirection of the School Construction Program.

In conclusion, it is my earnest hope that Congress will recognize the extreme dependence of many school systems on Impact Aid. Loss of Impact Aid funds would be devastating to those school districts that have no other revenue. Congress should appropriate the full $785 million in funding authorized for this program. Our nation cannot move forward without a well-educated citizenry to lead the way.

A SUPERB EXERCISE IN CITIZENSHIP

Mr. PELL. Mr. President. We are all only too aware of the startling statistics which reflect the level of citizenship participation and literacy in this country. With only one out of every five eligible voters under the age of 30 taking advantage of the right to vote, and with so few young people understanding the purpose and importance of our Constitution, it is clear that we must do all that we can to turn the tide of political apathy into a wave of active and informed citizenship participation.

The National Bicentennial Competition on the Constitution and Bill of Rights addresses the problems of lethargy and disinterest in our Nation's youth by sparking their interest through a nationwide competition. The competition, which is supported and funded by the Congress, is the most extensive educational program in the Congress, is the most extensive educational program in the country developed specifically to educate young people about the Constitution and the Bill of Rights. This week the participants from 44 States are here in our Nation's Capital to compete in the final round of the competition.

The tremendous success of this program is most commendable. Although it has only been in operation for two years, the achievements are remarkable. Over 1 million students have studied the curriculum, which covers the basic ideas and philosophies of the Founding Fathers, how the Constitution was written, how and why our Government was organized, how our system of checks and balances and

separation of powers operates, and how the Constitution protects an individual's basic rights. Most important is the emphasis placed upon the role and responsibilities of the citizen in a democracy. Over 14,000 teachers are teaching the course; 420 congressional districts, and the five territories have fully functioning programs; and 92 U.S. Senators and 393 U.S. Representatives support and participate in the program.

The 6-week instructional program on which the competition is based is designed to provide upper elementary, middle and high school students with a basic understanding of the fundamental values and principles embodied in the Constitution and the Bill of Rights. Once the instructional portion of the program is completed, a test is administered to measure the student's Constitutional literacy. Students from various high schools then compete at the congressional district and State level. They participate in mock congressional hearings where they testify before a panel of judges on various aspects of the Constitution, Bill of Rights, and significant historical and current events. The culmination of this competition is a 3-day intensive national competition among the winners of each State competition.

These active and enthusiastic competitors are with us here in Washington, DC, this week for their 3 day competition. I am very proud of all of the participants, and I am particularly pleased that there are 24 Rhode Islanders from West Warwick Senior High School participating in the competition. I would like to commend each and every one of these students for their diligence and commitment, and for representing our State so well. I would also like to call attention to their instructor, Michael Trofi, and to the district and State coordinators, Carlo Gamba, Ed Melucci, and Henry Cole. The team from Rhode Island could not have reached the finals without the dedicated efforts of these find individuals.

In a very real sense there are only winners in this program, for the competition is based on the important concept that the health and integrity of our democracy depends upon a well educated and active citizenry. Thus, the more our young people learn about our government and the principles upon which it was founded, the stronger our Nation will be. We must do all that we can, therefore, to cultivate a deeper and more comprehensive understanding of our democracy and of the importance of being a responsible citizen. I am very pleased that the National Bicentennial Competition on the Constitution and the Bill of Rights has been so successful, for we are all most certainly the beneficiaries of that success.

THE NATIONAL BICENTENNIAL COMPETITION ON THE CONSTITUTION AND THE BILL OF RIGHTS

Mr. THURMOND. Mr. President, in our Nation's Capital this week, more than 950 young people from 44 States are participating in the National Bicentennial Competition on the Constitution and the Bill of Rights. As a member of the National Advisory Committee for this program, I am especially proud to announce that a team from R.B. Stall High School of Charleston Heights, SC, will be representing my State. These young scholars have worked diligently to reach the national finals by winning the district and the State competitions, and I would like to take this opportunity to wish them the best as they compete for the national title.

The distinguished members of the team from South Carolina are: Jacquelin Marie Addison, Morgan Wade Alley, Russell W. Baxley, Kristen Michelle Black, Michael Edward Brown, Darwina S. Bugarin, Janet Marie Coker, William Laprince Dasinger, Barbara Ann Ellis, Jaime Cameron Facchino, Steven Aaron Gabriel, Michell Nicole Glover, Bernadett Marie Malamug, Demetrice F. McBride, Derrick Alexander McFadden, Barbara Sabrina Montgomery, Candelania Tongco Nagal, Meredith Denise Phillips, Tricia Dian Rice, Joel Eugene Rogers, Bernette Dorainy Shaw, Dawn Estelle Snyder, Michael Andrew Strohm, Jodi Michelle Tetterton, Joel Kyle Varner, John Jui-Cheng Wahlers, Ronald Eugene Welch, and Leslie Michelle Wilson.

These fine students are not alone in their hard work. Their teacher, Ms. Karen Cabe-Gibson, deserves much of the credit for the success of the team. In addition, the district coordinator, Ms. Kathy Worthington, and the State coordinator, Mr. Jack Hanna, have also contributed a great deal of time and effort to help the team reach the finals.

The National Bicentennial Competition on the Constitution and the Bill of Rights is the most extensive educational program in the country developed to educate young people about the Constitution of the United States.

The program provides students with a 6-week course of study designed to provide upper-elementary, middle and high school students with a fundamental understanding of these historic documents and the principles they embody. Students complete the instructional portion of program with a test intended to measure their constitutional literacy and receive a certificate of achievement signed by their U.S. Representative.

High school participants then enter a nationwide series of competitions at the congressional district, State, and national level. Students testify before a panel of experts at a simulated congressional hearing to measure their capacity to apply the principles they have learned to historical and contemporary situations. Each year, the National Bicentennial Competition culminates in 3 days of intensive competition among classes from almost every State in the Union.

Mr. President, the need to educate our young people about the Constitution and the Bill of Rights is both vital and well-documented. Studies have found that only slightly more than half of the students surveyed were able to identify the original purpose of the Constitution. Nearly half thought the President could appoint Members of Congress and one-third thought he had the right to adjourn Congress.

The benefits of this educational program are clear and it is having a definitive and tangible impact on the more than 1,000,000 students who have studied the program. A healthy and productive dialog regarding the issues that concerned the Founding Fathers is taking place as I speak today, on the last day of the National Competition.

The preservation of our precious freedom and the future of our Nation depend on our young people, the decisionmakers of tomorrow. We have much to gain, on a personal level as well as on a national level, by educating our young people about the Constitution, the Congress, and the continuing responsibilities of American citizenship. I am proud to have students from my State in the national finals and I commend each of them and their teacher for their hard work.

ADMINISTRATION STANDARD LINE ON CUBA IGNORES CHANGES

Mr. PELL. Mr. President, in anticipation of the intense media coverage that was bound to come with the Gorbachev visit to Cuba, and in an effort to dismiss the idea that a warming in relations is underway, news reports stated that the Department of State sent a cable to our embassies around the world to remind our foreign service personnel that United States policy toward Cuba has not changed, is not changing, and in essence, is what it has been for the past 30 years. According to these news reports of the obviously leaked cable, it stated that United States policy toward Cuba would not change until Cuba shows significant change in the human rights situation and ends its unacceptable behavior abroad.

Yet, I want to point out that a large number of political prisoners were released in response to the visit of Cardinal O'Conner last year, and Cuba has been releasing the rest of the political prisoners whose numbers according to

Amnesty International, as of the end of 1987, are estimated to be down to between 100 to 200 in the category of prisoners held for crimes against state security. During my meeting with Fidel Castro, I urged that all of the additional prisoners be released including pardoning the "plantados," those who have been in prison for as much as 25 years. Since the visit, several of the "plantados" have been released and I believe that others will follow. Improved relations between the Cuban Government and the Catholic Church has resulted in visits by clergy to their communicants and adherents in prison. Some of the improvement in Cuba, in the prisons for example, is due in large part of the pressure emanating from the international human rights community.

The report of the United Nations Human Rights Commission's visit to Cuba last September, made public in Geneva this past February, found that there have been improvements in the human rights situation, especially in the area of church-state relations and in the treatment of political prisoners. At its March meeting in Geneva, the UN Commission passed a resolution thanking the Cuban Government for its cooperation and its reaffirmation to continue cooperation in the human rights sphere and to keep the Secretary General informed. The Commission's resolution also welcomed the willingness of the Cuban Government to maintain direct contact with the Secretary General on issues and questions contained in the human rights report.

The fact that a number of human rights groups have emerged and are actively engaged in working for human rights improvement in Cuba is a positive development. The Cuban Government tolerates the existence of the Cuban Committee for Human Rights, the Cuban Commission for Human Rights and National Conciliation, the Cuban Human Rights Party as well as other groups dedicated to improving the situation. The leaders of these groups boldly appeared on U.S. TV and gave many interviews to reporters as they took advantage of the attention given the Gorbachev visit to publicize their plight.

There is still much room for improvement in the human rights situation as evidenced by the UN report and others such as Americas Watch as well as by the Cuban Government's response to the human rights leaders who were active during the Gorbachev visit. Some of them were subjected to harrassment and arrest; two have been sentenced to 9 months in prison and three other activists have been sentenced to 3 months. Others were held for a short time before being released. It is obvious that members of these groups function in less than free conditions. Cubans, generally, do not have the right to freely assemble and to conduct open meetings or to openly criticize the Government. Basic political liberties are denied. Even before the Gorbachev visit there were reports that those activists who have met with international visitors have met with bad treatment. During my meetings with Cuban officials I urged the Cuban Government to take a more enlightened approach toward these groups. As I noted in my report, official recognition of their status within Cuban society would be desirable. I also recommended in my report that the Cuban Government grant regular access for visits by the international human rights organizations.

In short, I will be the first to say that Cuba has a long way to go in improving its human rights situation, as do other nations of varying political stripes, nations with which the United States maintains a normal relationship. Nevertheless, the administration cites human rights as a obstacle to a relationship with Cuba. I believe, to the contrary, that a normal relationship with Cuba would go far in moving toward a real improvement in the human rights situation of the Cuban people.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

OMNIBUS CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEARS 1990, 1991, AND 1992

The ACTING PRESIDENT pro tempore. Under the previous order the Senate will now resume the consideration of the pending business, Senate Concurrent Resolution 30, which the clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 30) setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992.

Pending:

Domenici (for Symms) Amendment No. 73, to express the sense of the Senate that the assumptions underlying the reserve totals included in the resolution do not include an increase in Federal excise taxes on gasoline and diesel fuel.

The Senate resumed consideration of the concurrent resolution.

The ACTING PRESIDENT pro tempore. The pending question is on the Symms amendment, No. 73, under which there shall be 14 minutes of debate to be equally divided and controlled by the Senator from Tennessee [Mr. SASSER] and the Senator from Idaho [Mr. SYMMS].

The Chair recognizes the Senator from Idaho.

Mr. SYMMS. Mr. President, was it equally divided or 14 minutes on each side?

The ACTING PRESIDENT pro tempore. Fourteen minutes equally divided. There will be a vote at 11.

Mr. SYMMS. Mr. President, I would ask unanimous consent, at the end of the amendment, to modify it and say: "in order to reduce the Federal deficit."

The ACTING PRESIDENT pro tempore. The amendment will be so modified.

The amendment, as modified, is as follows:

At the end of the concurrent resolution, add the following new section:

FUEL EXCISE TAXES

SEC. . (a) The Senate finds that—

(1) Federal excise taxes are regressive in that a lower income individual must use a higher percentage of his income to pay the taxes than a higher income individual;

(2) adding 10 cents or more per gallon to the cost of fuel will have a devastating effect on the Nation's economy in that such an increase would—

(A) reduce the gross national product by $10 billion in the first year,

(B) reduce automobile production by 1.3 percent,

(C) reduce housing construction by 0.9 percent,

(D) increase unemployment by 80,000 in the first year and 180,000 by the third year,

(E) reduce petroleum refinery output by 1.2 percent,

(F) reduce income tax revenues by almost $1 billion annually,

(G) reduce personal savings by nearly 3 percent, and

(H) increase the Consumer Price Index by 0.3 percent;

(3) it would be discriminatory for one portion of the Nation's population, highway users, to pay an additional tax in order to reduce the Federal deficit, thereby forcing this segment to shoulder a greater share of our Nation's financial burden;

(4) it would be inequitable for individuals to contribute to Federal deficit reduction based on the number of miles driven per year;

(5) Federal highway and public transit programs are funded at levels significantly lower than documented needs requiring States to provide funds to fill that shortfall;

(6) an increase in the Federal tax on gasoline and diesel fuel—

(A) inhibits the ability of State and local governments to raise revenues to fund transportation projects, and

(B) reduces the revenues for State and local government fuel taxes unless State and local governments increase their taxes; and

(7) total motor fuel taxes (including State and local taxes) account for nearly 25 percent of the retail price of gasoline and about 29 percent of the retail price of diesel fuel making motor fuel among the most heavily taxed essential items in the Nation.

(b) It is the sense of the Senate that the assumptions underlying the revenue totals included in this resolution do not include an increase in Federal excise taxes on gasoline and diesel fuel in order to reduce the Federal deficit.

Mr. SYMMS. The amendment, very simply Mr. President, expresses the sense of the Senate that excise taxes on gasoline and diesel fuel should not be increased to reduce the deficit. I think it is timely and important that we in the Senate express ourselves on this matter during the consideration of the budget resolution.

Those who are charged with the responsibility of raising revenues required under the budget agreement should know in advance that there is strong opposition to the use of fuel taxes to meet those general revenue targets.

Mr. President, most of my major objections to the proposed fuel tax increase are incorporated in the findings section of this amendment, but I want to highlight just a few of them for those Senators who may not have had the opportunity to read or hear the amendment.

First and foremost, among these, as former chairman and now ranking member of the subcommittee with jurisdiction over the Federal-aid highway program, I oppose raising fuel taxes to reduce the deficit because of the precedent-setting violation of the user fee principle entailed in that proposal.

To date, the Congress has never raised transportation user fees expressly for nontransportation purposes. For more than 30 years now, Mr. President, the Federal motor fuel and truck taxes have been used almost exclusively to finance the Federal-aid highway program and for the past 7 years, the mass transit program, and we have constructed the most extensive, successful public works project in the history of the Interstate and Defense Highway System.

That remarkable achievement would never have been possible if not for the strong, sustained support of the American motorists who are willing to pay significant fuel taxes because of the direct and substantial benefit to them in the form of a faster, safer, network of highways and bridges.

Once we raised the fuel taxes for purposes wholly unrelated to the improvement of that highway system, we will abrogate the principle of user fees and destroy the public support for the revenue-raising mechanism that has made possible much of our highway and mass transit airport and waterway transportation network.

Aside from that most important issue, Mr. President, I do believe also that it is just simply inequitable and plain wrong to try to reduce the deficit by hiking taxes on people who drive. The burden share of this problem will end up on the backs of the working poor, particularly low-income rural laborers who have to drive distances to get to work. Almost 80 percent of the Americans earning less than $10,000 a year drive to work. As a percentage of their income, those workers would pay almost three times as much for deficit reduction as people earning higher wages and rural Americans who drive further to work, school, the grocery store, so forth, would pay almost 40 percent more per household for deficit reduction than their city cousins. I am not surprised some of the strongest advocates for a fuel tax for deficit reduction represent mostly urban constituents. In addition, we have tremendous unmet highway and bridge needs. The Federal Highway Administration estimates that we need an investment by all units of Government of approximately $5 billion per year to maintain our bridges and $30 to $35 billion per year to maintain our highways in a barely adequate condition.

In 1987, all units of the Government invested $31 billion in highways and bridges. So we are obviously falling behind. As recent bridge collapses in Tennessee and New York would indicate, we are falling behind. We have much work to do, and we should not be diverting the focus of user fees on fuel to any other purpose other than transportation.

At the same time, Mr. President, the cash balance in the highway trust fund is approximately $15 billion—$10 billion in the highway account; $5 billion in the mass transit account—and growing. Who is going to take up the slack and try to save the transportation infrastructure while Congress withholds highway trust funds in order to make the deficit look better? The States are the next obvious choice. That is where it has to be.

Many of them are trying to fill that role. They are doing the right thing, but an increased Federal fuel tax will significantly erode the tax base most States have to work with. I think many of us felt that we were very lucky when the Surface Transportation Act passed in 1982 and the extra nickel a gallon was added and even more for trucks on diesel fuel; that fuel prices in general, crude oil prices because of deregulation of oil and other factors, recession and so forth, were on the decline. So it did not cause the political upheaval that it would have caused with fuel prices on the rise. Believe me, Mr. President, State legislators and Governors and local officials will not be able to rally the political muscle to do what they need to do for their local transportation needs if, in fact, this Congress starts using Federal fuel taxes as a method to reduce the deficit.

A recent report by the Road Information Program entitled "1989 State Highway Funding Methods" indicates that in 1988, 17 States increased gasoline or diesel taxes; 12 States raised fees on trucks and buses; 5 States increased car registration fees; 3 States passed major bond issues to fund highway projects; other States will consider highway tax increases during 1989 and 1990.

I believe States can and will provide a greater share of funds necessary to meet our transportation program needs, but we will make it almost impossible for them if Congress raises Federal fuel taxes to reduce the deficit.

This year, 13 State legislatures approved resolutions opposing a Federal fuel tax increase to reduce the deficit. Similar resolutions will be considered in a total of 30 States during this legislative session.

I ask unanimous consent that a list of those 30 States and the status of their gas tax resolutions be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE RESOLUTIONS SPECIAL REPORT—SUMMARY

Alabama: SJR 32 passed the House and Senate. HJR 90.
Alaska: HJR 15 passed the House.
Arizona: SCR 1002.
Arkansas: HCR 1010, passed the House and Senate.
California: AJR 17 passed the Assembly and Senate.
Delaware: SJR 3 has passed the House and Senate.
Georgia: HR 112 passed the House and Senate.
Idaho: HJM 1, passed the House and Senate.
Indiana: HCR 30 passed the House. HJR 9 and SCR 19 passed the House.
Iowa: SCR 7 passed the Senate.
Kansas: SCR 1606 and CFR 1614 passed the Senate and House.
Maine: Joint resolution.
Maryland: HJR 9 has passed the House.
Minnesota: S. 173, H. 363 was approved by the House.
Mississippi: SCR 505.
Missouri: SCR 4 passed the Senate. HCR 14 passed the House.
Montana: HJR 8 passed the House and Senate.
Nebraska: LR 28 passed the House and Senate.
North Carolina: S. 346. H. 447.
North Dakota: HCR 3034 has passed the House and Senate.
Ohio: HCR 12.
Oklahoma: SCR 8.
Oregon: HJM 1 and HJM 2, passed both houses.
Pennsylvania: SR 24 passed the House.
Rhode Island: HR 7130, passed the House.
South Carolina: S. 359 passed House. H. 3494 and H. 3496.
Texas: SCR 15.
Utah: HJR 5 has passed both houses.
Vermont: JRH 44.
Wyoming: SJR 6, passed the Senate but failed to be considered by committee in the House prior to adjournment.
April 13, 1989.

Mr. SYMMS. Mr. President, the States are not alone in opposing a fuel tax increase for deficit reduction. More than two-thirds of the American people also oppose such an increase, according to a recent poll commissioned by fuel users for equitable

levies and conducted by Penn & Schoen Associates of New York. And almost 800 national and regional organizations, including the American Farm Bureau Federation, the International Union of Operating Engineers, the NAACP, and the National League of Cities, have gone on record against using Federal fuel taxes for deficit reduction.

I ask unanimous consent that a list of the national and regional organizations to which I have just referred be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS ON RECORD AGAINST USING MOTOR FUELS TAXES FOR DEFICIT REDUCTION

NATIONAL AND REGIONAL ORGANIZATIONS

American Assoc. of State Hwy. & Transp. Officials.
American Automobile Association.
American Bus Association.
American Car Rental Association.
American Consulting Engineers Council.
American Council of Highway Advertisers.
American Farm Bureau Federation.
American Hotel and Motel Association.
American Legislative Exchange Council.
American Motorcyclist Association.
American Petroleum Institute.
American Public Works Association.
American Recreation Coalition.
American Retreaders Association.
American Road & Transportation Builders.
American Sightseeing International.
American Ski Federation.
American Society of Travel Agents.
American Transit Association.
American Trucking Associations.
Americans for Democratic Action.
Associated Builders and Contractors, Inc.
Associated General Contractors of America.
Association of Retail Travel Agents.
Coalition Against Regressive Taxation.
Conference of National Park Concessioners.
Congressional Black Caucus.
Construction Industry Manufacturing Association.
Consumer Alert.
Eastern Reg. Conf. of the Council of St. Govs.
Gray Line Sight-Seeing Association.
Highway Users Federation.
Hotel Sales and Marketing Association International.
Internat. Assoc. of Amusement Parks & Attractions.
Internat. Assoc. of Convention & Visitor Bureaus.
International Union of Operating Engineers.
Mid-Atlantic Food Dealers Association.
Mid-Continent Highway Users Conference.
Mid-Continent Oil & Gas Association.
Midwest Truckers Association.
Mountain States Tire Dealers.
National Aggregates Association.
National Air Transportation Association.
National Asphalt Pavement Association.
National Association for the Advancement of Colored People.
National Assoc. of Governors' Hwy. Saf. Reps.
National Association of Counties.
National Association of Regional Councils.
National Association of Towns and Townships.
National Association of Truck Stop Operators.
National Association of Wheat Growers.
National Campground Owners Association.
National Capitol Area Transportation Federation.
National Caves Association.
National Conference of State Legislatures.
National Council of Area and Regional Travel Orgs.
National Council of La Raza.
National Council of State Travel Directors.
National Council of Travel Attractions.
National Grange.
National Industrial Transportation League.
National League of Cities.
National Ready Mix Concrete Association.
National Restaurant Association.
National Rural Letter Carriers' Association.
National Safety Council.
National Ski Areas Association.
National Stone Association.
National Taxpayers Union.
National Tour Association.
National Urban League.
New England Association of Independent Tire Dealers.
New England Bus Association.
New England Council.
New England Wholesale Food Distributors Association.
Northwest Tire Dealers Association.
Northwest/Pacific Rim Transportation Conference.
Petroleum Marketers Association of America (PMAA).
Private Truck Council of America.
Recreation Vehicle Industry Association.
Regular Common Carrier Conference.
Rubber Manufacturers Association.
Safety Council of the Ozarks.
Salt Institute.
Transportation Action Committee.
Travel Industry Association of America.
Travel and Tourism Government Affairs Council.
Tri-State Gasoline and Automotive Dealers Assoc.
Truck Trailer Manufacturers' Association.
U.S. Conference of Mayors.
United States Owners of America.
United Commercial Travelers of America.
United States Tour Operators Association.
United States Travel Data Center.
Western Assoc. of State Hwy. and Transp. Officials.
Western Oil and Gas Association.

STATE ORGANIZATIONS

Alabama—American Consulting Engineers of Alabama.
Alabama Automobile Association.
Alabama Farm Bureau.
Alabama Highway Users Conference.
Alabama Highway Users Federation.
Alabama Retail Association.
Alabama Service Station Association.
Alabama State Highway Department.
Alabama Governor Guy Hunt.
Alaska Highway Users Conference.
Arizona—Phoenix Board of Realtors.
Arizona—Phoenix Streets & Traffic Department.
Arizona Association of Realtors.
Arizona Automobile Association.
Arizona Highway Users Conference.
Arkansas—Association of Arkansas Counties.
Arkansas Association of General Contractors.
Arkansas Automobile Association.
Arkansas Automobile Dealers Association.
Arkansas County Judges Association.
Arkansas Farm Bureau.
Arkansas Forestry Association.
Arkansas Good Roads Transportation Association.
Arkansas Highway Users Conference.
Arkansas Independent Insurance Agents.
Arkansas Manufactured Housing Association.
Arkansas Motor Carriers Association.
Arkansas Oil Marketers Association.
Arkansas Petroleum Council.
Arkansas Poultry Federation.
Arkansas Retailers Association.
Arkansas Sheriff's Association.
Arkansas State Highway and Transportation Department.
Arkansas State Highway Commission.
California—Automobile Club of Southern California.
California—San Diego Highway Development Association.
California—So. Cal. Ready Mix Concrete Association.
California—So. Cal. Rock Products Association.
California—Southern California Trans Action Commission.
California Asphalt Council.
California Asphalt Pavement Association.
California Bus Transportation & Housing Agency.
California Dump Truck Owners Association.
California Farm Bureau Federation.
California Grape & Tree Fruit League.
California Highway Users Conference.
California Institute of Public Transportation.
California State Automobile Association.
California State Grange.
Colorado—Adolph Coors Company.
Colorado—Aries Properties, Inc.
Colorado—Centennial Engineering, Inc.
Colorado—City of Westminster County.
Colorado—Club 20.
Colorado—Cordell, Smith, Littleton Company.
Colorado—Denver Regional Council of Governments.
Colorado—Felsburg, Holt and Ullevig.
Colorado—Mountain States Tire Dealers Association.
Colorado—Muller Engineering Company.
Colorado—National Highway 50 Federation.
Colorado—Turn Key Traffic Engineering and Construction.
Colorado—W470 Highway Authority.
Colorado—Wagner Equipment Company.
Colorado—Wyoming Hotel and Motel Association.
Colorado AAA.
Colorado Cattlemen's Association.
Colorado Chamber of Commerce.
Colorado Concrete Paving Association.
Colorado Contractors Association.
Colorado Department of Highways.
Colorado Governor Roy Romer.
Colorado Highway Commission.
Colorado Highway Users Conference.
Colorado Legislature (Joint Resolution).
Colorado Municipal League.
Colorado Petroleum Association (RMOGA).
Colorado Propane Association.
Colorado Springs Chamber of Commerce.
Colorado State Grange.
Connecticut AAA.

Connecticut Construction Industries Association.
Connecticut Highway Users Conference.
Connecticut Independent Fuel Merchants Association.
Connecticut Petroleum Council.
Delaware—New Castle County Chamber of Commerce.
Delaware Department of Transportation.
Delaware Highway Users Federation.
Delaware Petroleum Council.
D.C.—National Capital Area Transportation Federation.
Florida—Southern Florida Highway Users Federation.
Florida Asphalt Contractors.
Florida Associated Industries.
Florida Auto Service Council.
Florida Chamber of Commerce.
Florida Department of Transportation.
Florida Farm Bureau.
Florida Highway Users Federation.
Florida Limerock and Aggregate Institute, Inc.
Florida Petroleum Council.
Florida Petroleum Marketers Association.
Florida S & S Enterprises, Inc.
Florida Taxwatch Inc.
Florida Trucking Association.
Georgia—Georgians For Better Transportation.
Georgia—The RBA Group.
Georgia Association of Petroleum Retailers.
Georgia Business Council.
Georgia Department of Transportation.
Georgia Dump Truck Association.
Georgia Highway Users Conference.
Georgia Motor Trucking Association.
Georgia Municipal Association.
Georgia Tire Dealers and Retreaders Association.
Hawaii Highway Users Federation.
Hawaii Department of Transportation.
Idaho—Peasley Transfer and Storage.
Idaho Automobile Dealers Association.
Idaho Bean Commission.
Idaho Highway Users Conference.
Idaho State Governor.
Idaho Transportation Council.
Idaho Wheat Commission.
Illinois—AMOCO Oil Company.
Illinois—Automotive Wholesalers.
Illinois—Chicago Association of Commerce & Industry.
Illinois—Chicago Association of Commerce and Industry.
Illinois—Chicago Motor Club.
Illinois—Chicago Motor Club (AAA).
Illinois—Midwest Petroleum Marketers Association.
Illinois—Midwest Truckers Association.
Illinois—Moline Consumers Company.
Illinois—Wagner Casting Company.
Illinois—Warning Lites of Illinois.
Illinois Concrete Council.
Illinois Highway Users Conference.
Illinois Department of Transportation.
Illinois Farmers Union.
Illinois Hotel Association.
Illinois Movers and Warehousers Association.
Illinois New Car & Truck Dealers Association.
Illinois Oil and Gas Association.
Illinois Petroleum Marketers Association.
Illinois Road Builders.
Illinois Rural Letter Carriers Association.
Illinois State Grange.
Illinois Township Officials.
Illinois Truck Stop Association.
Illinois Trucking Association, Inc.
Indiana—Association of Indiana Counties.
Indiana—Build Indiana Council.
Indiana—Consulting Engineers of Indiana.
Indiana—Hoosier Motor Club (AAA).
Indiana—Indianapolis Chamber of Commerce.
Indiana Asphalt Pavement Association.
Indiana Automotive Service Association.
Indiana Chamber of Commerce.
Indiana Concrete Paving Association.
Indiana Constructors, Inc.
Indiana Department of Highways.
Indiana Equipment Dealers Association.
Indiana Farm Bureau.
Indiana Farmers Union.
Indiana General Assembly—Joint Resolution.
Indiana Highway Users Conference.
Indiana Highway for Progress.
Indiana Independent Gasoline Marketers.
Indiana Mineral Aggregates Association.
Indiana Motor Truck Association.
Indiana Oil Marketers Association.
Indiana Petroleum Council.
Indiana Recreation Vehicle Council.
Indiana Retail Council.
Indiana Retail Grocers Association, Inc.
Indiana State Grange.
Iowa—Motor Club of Iowa.
Iowa AAA Motor Club.
Iowa Association of Business and Industry.
Iowa Automobile Dealers Association.
Iowa Farm Bureau Federation.
Iowa Good Roads Association.
Iowa Highway Users Conference.
Iowa Lodging Association.
Iowa Motor Truck Association.
Iowa Petroleum Marketers.
Kansas—Greater Topeka Chamber of Commerce.
Kansas—KOA of Topeka.
Kansas—Lawrence Chamber of Commerce.
Kansas—Lenexa Chamber of Commerce.
Kansas—Shawnee County Department of Public Works.
Kansas—Wichita Area Chamber of Commerce.
Kansas—Wichita Automobile Dealers Association.
Kansas Association of Counties.
Kansas Automobile Club.
Kansas Chamber of Commerce and Industry.
Kansas Contractors Association.
Kansas Highway Users Conference.
Kansas Legislature (Joint Resolution).
Kansas Motor Car Dealers Association.
Kansas Motor Carriers Association.
Kansas Sand & Concrete Association.
Kansas State Grange.
Kentucky—Hinkle Contracting Corporation.
Kentucky—Kentuckians for Better Transportation.
Kentucky—Louisville Automobile Club.
Kentucky—Plantmix Asphalt Industry of Kentucky, Inc.
Kentucky Association of Highway Contractors.
Kentucky Auto Wholesalers.
Kentucky Farm Bureau Federation.
Kentucky Highway Users Conference.
Kentucky Petroleum Council.
Kentucky Petroleum Marketers Association.
Louisiana—Capital City Area Safety Council.
Louisiana—Central Louisiana Chamber of Commerce.
Louisiana—Alexandria Chamber of Commerce.
Louisiana—Howard, Needles, Tammen and Bergendorf.
Louisiana—North Louisiana Safety Committee.
Louisiana Asphalt Pavement Association.
Louisiana Association of Business and Industry.
Louisiana Association of General Contractors.
Louisiana Automobile Association.
Louisiana Crushed Stone Association.
Louisiana Farm Bureau.
Louisiana Good Roads Association.
Louisiana Highway Users Federation.
Louisiana Mid-Continent Oil and Gas Association.
Louisiana Motor Transport Association.
Louisiana Oil Marketers Association.
Louisiana Safety Council.
Maine—Brunswick Transportation Company.
Maine—Lewiston-Auburn Area Chamber of Commerce.
Maine—President of the Senate.
Maine—Scott Motor Transport Company.
Maine—Speaker of the House.
Maine—The President of the Senate.
Maine—The Speaker of the House.
Maine Associated General Contractors.
Maine Auto Dealers Association.
Maine Better Transportation Association.
Maine Coca Cola Bottling Plants.
Maine Department of Transportation.
Maine Farm Bureau Association.
Maine Highway Users Conference.
Maine Innkeepers Association.
Maine Legislature (Joint Resolution).
Maine Merchants Association.
Maine Motor Transport Association.
Maine Petroleum Association.
Maine Radio and Television Company.
Maine Rural Letter Carriers Association.
Maine Seat Belt Coalition.
Maine State Grange.
Maine Turnpike Authority.
Maryland—Eyre Bus Service.
Maryland—Greater Wash-Md Svc. Sta. & Auto Repair Assoc.
Maryland—John S. Connor, Inc.
Maryland Ratrie, Robbins and Schweizer.
Maryland Asphalt Association.
Maryland Highway Users Federation.
Maryland Highways Contractors Association.
Maryland Motor Truck Association.
Massachusetts—American Eagle Motor Coach.
Massachusetts—Bay State Gasoline Retailers Association.
Massachusetts—Boston Chamber of Commerce.
Massachusetts—GTE.
Massachusetts—Independent Taxicab Owners of Boston.
Massachusetts—International Union of Oper. Engineers Local #4.
Massachusetts—Internat. Union of Oper. Engineers.
Massachusetts—New England Passenger Transp. Assoc.
Massachusetts AAA.
Massachusetts Associated Industries.
Massachusetts Department of Transportation.
Massachusetts Farm Bureau Federation.
Massachusetts Highway Users Conference.
Massachusetts Hotel & Motel Association.
Massachusetts Motor Transportation Association.
Massachusetts Rural Letter Carriers Association.
Massachusetts State Grange.
Michigan—Associated Petroleum Industry of Michigan.
Michigan—Calhoun County Road Commission.

Michigan—County Road Association of Michigan.
Michigan—Eaton Corporation.
Michigan—General Motors Corporation.
Michigan—Hillsdale City Road Commission.
Michigan—Independent Insurance Agents of Michigan.
Michigan—Kalamazoo County Board of Commissioners.
Michigan—Mid-Continent Highway Users Conference.
Michigan—N.W. Ayer, Inc.—Detroit.
Michigan—Rockwell International.
Michigan—The Highway Users Federation of Michigan.
Michigan AAA.
Michigan Association of Convenience Stores.
Michigan Beer & Wine Wholesalers.
Michigan Board of County Road Commissioners.
Michigan Chamber of Commerce.
Michigan Department of Transportation.
Michigan Farm Bureau Federation.
Michigan Grocers Association.
Michigan Manufacturers Association.
Michigan Motor Carriers Association.
Michigan Oil and Gas Association.
Michigan Petroleum Association.
Michigan Public Transit Association.
Michigan Retailers Association.
Michigan Road Builders Association.
Michigan State Building and Construction Trades Council.
Michigan State Grange.
Michigan Truck Stop Operations.
Michigan Trucking Association.
Minnesota—Automobile Club of Minneapolis.
Minnesota—Indianhead Truck Lines.
Minnesota—Land O' Lakes, Inc.
Minnesota—Minneapolis AAA.
Minnesota—Sport Shack, Div. of Regent Enterprises.
Minnesota Asphalt Pavement Association.
Minnesota Association of Cooperatives.
Minnesota Association of Countries.
Minnesota Automobile Dealers Association.
Minnesota Farm Bureau.
Minnesota Farmers Union.
Minnesota Highway Users Federation.
Minnesota Petroleum Council.
Minnesota Service Station Association.
Minnesota State Auto Association.
Minnesota Timber Producers Association.
Minnesota Trucking Association.
Mississippi Department of Highways.
Mississippi Highway Users Conference.
Mississippi Poultry Association.
Missouri—Adair City Commission.
Missouri—Associated General Contractors of Missouri.
Missouri—Associated General Contractors of St. Louis.
Missouri—Barton Company Commission.
Missouri—C. and H. Tire Service, Inc.—St. Louis.
Missouri—Caldwell County.
Missouri—Chamber of Commerce of Greater Kansas City.
Missouri—Chemtech Industries, Inc.
Missouri—City of Cape Giradeau.
Missouri—County of Pettis.
Missouri—Crawford, Bunte & Brammeier.
Missouri—Engineers Club of St. Louis.
Missouri—Franklin County Auditor.
Missouri—Fred Weber, Inc.
Missouri—Greater St. Louis Automotive Association.
Missouri—Greater St. Louis Highway Users Committee.
Missouri—Heavy Constructors Assoc. of Kansas City, Missouri.
Missouri—KPL Gas Service.
Missouri—M-D Transit Company.
Missouri—Mid-Missouri Oil Company.
Missouri—Pike County Court.
Missouri—Sitton Motor Lines.
Missouri—Springfield Chamber of Commerce.
Missouri—St. Cloud Area Planning Organization.
Missouri—St. Louis Regional Commerce and Growth Assoc.
Missouri—The Reinforced Earth Company.
Missouri—University of Missouri—Rolla.
Missouri—Heavy Constructors Assoc./ Greater Kansas City.
Missouri Association of Counties.
Missouri Association of County Commissioners.
Missouri State Highway Patrol.
Missouri Auto Club.
Missouri Chamber of Commerce.
Missouri Concrete Association.
Missouri Consulting Engineers Council.
Missouri Dump Truckers Association.
Missouri Farm Bureau Federation.
Missouri Highway Users Committee.
Missouri Highway Users Conference.
Missouri Highway and Transportation Commission.
Missouri House of Representatives.
Missouri LP Gas Association.
Missouri Limestone Producers Association.
Missouri Motor Carriers Association.
Missouri Oil Council.
Missouri Retailers' Association.
Missouri Rural Letter Carriers.
Missouri Rural Letter Carriers Association.
Missouri Safety Council.
Missouri School Bus Contractors' Association.
Missouri Tire Dealers & Retreaders Association.
Missouri Transportation and Development Council.
Missouri-Kansas Highway Users Federation.
Missouri/Kansas Automotive Wholesalers Association.
Montana AAA.
Montana Automobile Dealers Association.
Montana Chamber of Commerce.
Montana Contractors Association.
Montana Highway Users Federation.
Montana Innkeepers Association.
Montana Motor Carriers Association.
Montana Petroleum Association.
Montana Stock Growers Association.
Montana Taxpayers Association.
Montana Wood and Products Association.
Nebraska—League of Nebraska Municipalities.
Nebraska—Better Nebraska Association.
Nebraska—Oglesby, Brown, Thomas, Peterson and Orton.
Nebraska Association of County Officials.
Nebraska Department of Roads.
Nebraska Economic Development Commission.
Nebraska Farm Bureau.
Nebraska Feeders Association.
Nebraska Highway Users Federation.
Nebraska Livestock Feeders Association.
Nebraska Lodging Association.
Nebraska Petroleum Council.
Nevada Department of Transportation.
Nevada Highway Users Conference.
New Hampshire Alliance for Safety Belts.
New Hampshire Associated General Contractors.
New Hampshire Automobile Dealers Association.
New Hampshire Business & Industry Association.
New Hampshire Association of Commerce & Industry.
New Hampshire Department of Transportation.
New Hampshire Farm Bureau Federation.
New Hampshire Highway Users Conference.
New Hampshire Motor Transport Association.
New Hampshire Municipal Association.
New Hampshire Petroleum Council.
New Hampshire Rural Letter Carriers Association.
New Jersey—Potters Industry—Haysbrouck Heights.
New Jersey—Trap Rock Industries, Inc.—Kingston.
New Jersey—Wagner Division, Cooper Industries.
New Jersey Asphalt Pavement Association.
New Jersey Highway Users Conference.
New Jersey Petroleum Council.
New Jersey Safety Council.
New Mexico—Elf Asphalt, Inc.
New Mexico—Navajo Refining Company.
New Mexico Automobile Association.
New Mexico Highway Users Conference.
New Mexico State Highway & Transportation Department.
New York—Broggy's Trucking, Inc.
New York—Broome County Department of Public Works.
New York—D.A. Cameleu Distributors, Inc.
New York—Dav-Ed Sales Corporation.
New York—ETC Transport.
New York—Edwards & Moncreif Engineers.
New York—Genesee Valley Regional Market Authority.
New York—Genesee-Finger Lakes Highway Users Council.
New York—Highway Users Council of Western New York.
New York—International Association of Machinists.
New York—RTR Transportation Corporation.
New York—Rochester Asphalt Materials, Inc.
New York—Route 62 Association.
New York—United Commercial Travelers of New York.
New York—New York Associated General Contractors.
New York State Asphalt Pavement Association.
New York State Grange.
New York State Highway Users Conference.
New York State Petroleum Council.
New York State Rural Letter Carriers' Association.
New York State Traffic Safety Boards.
North Carolina—Carolinas Motor Club.
North Carolina—Winston Salem AAA.
North Carolina Automobile Dealers Association.
North Carolina Automotive Wholesale Association.
North Carolina Beer Wholesalers.
North Carolina Brick Association.
North Carolina Cattlemen's Association.
North Carolina Department of Transportation.
North Carolina Farm Bureau Federation.
North Carolina Highway Users Conference.
North Carolina Lumber Dealers Association.
North Carolina Motor Club.

North Carolina Paving and Asphalt Association.
North Carolina Petroleum Marketers Association.
North Carolina Trucking Association.
North Dakota—Associated General Contractors.
North Dakota—Burleigh County Highway Department.
North Dakota—Keene Transportation.
North Dakota—Midwest Motor Express Inc.
North Dakota—Midwest Motor Express, Inc.
North Dakota AAA.
North Dakota Association of Counties.
North Dakota Association of General Contractors.
North Dakota Automobile Dealers Association.
North Dakota Farm Bureau.
North Dakota Farmers Union.
North Dakota Gasoline Retail Dealers & Jobbers Assoc.
North Dakota Highway Users Conference.
North Dakota League of Cities.
North Dakota Motor Carriers Association, Inc.
North Dakota Petroleum Council.
North Dakota Petroleum Dealers and Jobbers.
North Dakota State Highway Department.
North Dakota Tourism Promotion.
Ohio—Car and Truck Renting and Leasing Association.
Ohio—Flexible Pavement of Ohio.
Ohio Aggregates Association.
Ohio Automobile Association.
Ohio Chamber of Commerce.
Ohio Contractors Association.
Ohio Farm Bureau Federation.
Ohio Petroleum Council.
Ohio Retail Merchants Association.
Ohio Transportation Users Conference.
Ohio Trucking Association.
Oklahoma—Association of Central Oklahoma Governments.
Oklahoma—City of Jones.
Oklahoma—City of Midwest City.
Oklahoma—Elk City Chamber of Commerce.
Oklahoma—HTB, Inc.
Oklahoma—Tulsa Automobile Dealers Association.
Oklahoma—Tulsa Chamber of Commerce.
Oklahoma Associated Motor Carriers.
Oklahoma Association of General Contractors.
Oklahoma Automobile Association.
Oklahoma Automobile Club.
Oklahoma Automotive Wholesalers.
Oklahoma City Chamber of Commerce.
Oklahoma Farmers Union.
Oklahoma Federation of Women's Clubs.
Oklahoma Highway Safety Office.
Oklahoma Highway Users Federation.
Oklahoma Independent Insurance Agents.
Oklahoma Municipal League.
Oklahoma Restaurant Association.
Oklahoma Rural Letter Carriers Association.
Oklahoma State Grange.
Oklahoma Traffic Engineering Association.
Oklahoma Women Highway Safety Leaders.
Oregon—Portland Cement Association.
Oregon Building and Construction Trades Council.
Oregon Department of Transportation
Oregon Highway Users Conference
Oregon State Grange
Pennsylvania—Associated Petroleum Industries of Penn.
Pennsylvania—Koppers Company—Pittsburg.
Pennsylvania—Senate Transportation Committee.
Pennsylvania—State Association of Township Superv.
Pennsylvania—USX Corporation.
Pennsylvania Aggregates & Concrete Association.
Pennsylvania Asphalt Pavement Association.
Pennsylvania Associated Constructors.
Pennsylvania Association of Milk Dealers.
Pennsylvania Farmers Association.
Pennsylvania Highway Information Association.
Pennsylvania Highway Users Conference.
Pennsylvania Manufacturers Association.
Pennsylvania Petroleum Association.
Pennsylvania Recreational Vehicle and Camping Association.
Rhode Island—Maguire Group.
Rhode Island—South Central New England AAA.
Rhode Island Department of Transportation.
Rhode Island Highway Users Conference.
Rhode Island Motor Truck Association.
South Carolina Asphalt Pavement Association.
South Carolina Automobile & Truck Dealers Association.
South Carolina Chamber of Commerce.
South Carolina Department of Highways.
South Carolina Farm Bureau.
South Carolina For Better Transportation.
South Carolina Highway Users Conference.
South Carolina Petroleum Marketers Association.
South Carolina State Senate.
South Carolina Trucking Association.
South Dakota—Black Hills, Bad Lands & Lakes Assoc.
South Dakota AAA.
South Dakota—Associated General Contractors.
South Dakota—Association of Cooperatives.
South Dakota Automobile Association.
South Dakota Automobile Dealers Association.
South Dakota Chamber of Commerce.
South Dakota Department of Tourism.
South Dakota Farm Bureau.
South Dakota Farmers' Union.
South Dakota Governor George S. Mickleson.
South Dakota Great Lakes Association.
South Dakota Highway Users Conference.
South Dakota Industry and Commerce Association.
South Dakota Motor Carriers Association.
South Dakota Petroleum Council.
South Dakota Petroleum Marketers.
Tennessee—Louisville Auto club.
Tennessee (East) AAA.
Tennessee Association of Business.
Tennessee Grocers Association.
Tennessee Highway Users Conference.
Tennessee Oil Marketers Association.
Tennessee Petroleum Council.
Texas—Amarillo Chamber of Commerce.
Texas—City of New Waverly.
Texas—Gifford-Hill and Company.
Texas—Houston Chamber of Commerce.
Texas—Houston-Galveston Council of Governments.
Texas—Huntsville-Walker County.
Texas—Southland Corporation.
Texas Aggregates and Concrete Association.
Texas Association of Counties.
Texas Auto Dealers Association.
Texas Automobile Association.
Texas Farm Bureau.
Texas Good Roads/Transportation Association.
Texas Highway Users Conference.
Texas Hot Mix Asphalt Pavement Association.
Texas LP-Gas Association.
Texas Lone Star Gas Association.
Texas Mid-Continent Oil and Gas Association.
Texas Motor Transportation Association.
Texas Oil Marketers Association.
Texas Safety Association.
Texas State Department of Highways.
Utah—Cummins Intermountain, Inc.—Salt Lake City.
Utah Department of Transportation.
Utah Highway Users Conference.
Utah Petroleum Association (RMOGA).
Vermont Associated General Contractors.
Vermont Associated Industries.
Vermont Automobile Association.
Vermont Bus and Truck Association.
Vermont Highway Users Conference.
Vermont Petroleum Association.
Vermont Rural Letter Carriers Association.
Virginia—Carter Machinery Company.
Virginia—Pierce & Bing.
Virginia—Potomac AAA.
Virginia—Richmond Regional Planning District Commission.
Virginia—Roanoke Citizens & Taxpayers Group.
Virginia Aggregates Association.
Virginia Agricbusiness Council.
Virginia Building Material Association.
Virginia Car and Truck Renting and Leasing Association.
Virginia Gasoline & Auto Repair Association.
Virginia—H.D.R. Engineering, Inc.—Alexandria.
Virginia Motor Vehicle Conference.
Virginia Petroleum Council.
Virginia Ready-Mixed Concrete Associaton.
Virginia Road & Transportation Builders Association.
Washington—McDonald and McGarry Company.
Washington—Seattle Chamber of Commerce.
Washington AAA.
Washington Asphalt Paving Association.
Washington Automobile Dealers Association.
Washington Building Trades Council.
Washington County Road Administration Board.
Washington Department of Transportation.
Washington Highway Users Federation.
Washington State Grange.
Washington State Legislature (Joint Resolution).
Washington State County Road Administration Board.
Washington Trucking Association.
West Virginia—Bluefield Automobile Club.
West Virginia Farm Bureau.
West Virginia Highway Users Conference.
West Virginia Motor Truck Association.
West Virginia Petroleum Marketers Association.
West Virginia Service Station Dealers Association.
Wisconsin—AMPI—Morning Glory Farms Region.
Wisconsin—Admiral Transport Corporation.

Wisconsin—American Motor Corporation.
Wisconsin—Badger Coaches.
Wisconsin—Greyhound Lines, Inc.
Wisconsin AAA.
Wisconsin Automobile & Truck Dealers Association.
Wisconsin Farm Bureau.
Wisconsin Federation of Cooperatives.
Wisconsin Food Processors Association.
Wisconsin Governor Tommy G. Thompson.
Wisconsin Highway Users Conference.
Wisconsin Manufactured Housing Association.
Wisconsin Manufacturers & Commerce.
Wisconsin Motor Carriers Association.
Wisconsin Motorcycle Dealers Association.
Wisconsin Petroleum Council.
Wisconsin Restaurant Association.
Wisconsin Retail Hardware Association.
Wisconsin Rural Letter Carriers' Association.
Wisconsin State Grange.
Wisconsin Truck Center.
Wyoming—Admiral Transport Corporation.
Wyoming—Barnard Insurance.
Wyoming—Greybull Area Chamber.
Wyoming—US West Communications.
Wyoming Association of General Contractors.
Wyoming Automobile Association.
Wyoming Beer Distributors Association.
Wyoming Highway Users Federation.
Wyoming Petroleum Association (RMOGA).
Wyoming State Highway Department.

Mr. SYMMS. Mr. President, this amendment is the text of Senate Resolution 63, which I submitted in February. As of Monday, 224 of our House colleagues—more than a majority—had signed on as cosponsors of the House companion resolution. So without having a vote, the House is already on record on this matter. I believe it is very important for the Senate to go on record as well.

Finally, I want to remind my colleagues that President Bush has made clear his opposition to a fuel tax increase for deficit reduction. Just last October, the President wrote to the American Automobile Association, saying:

As President, I will oppose any attempt to raise taxes to balance the budget. That means gas taxes, too.

In the same letter, he noted:

A gas tax increase to balance the budget would particularly hurt lower wage earners, families with both spouses working, and farmers and residents of Western States who have to drive long distances. I think it is ironic that, at a time when there is genuine concern for the working poor, liberal policymakers would consider so regressive a measure.

Less than a month ago, Transportation Secretary Skinner wrote to all 50 Governors reiterating the administration's strong opposition to a Federal fuel tax increase. He referred to the President's letter to the triple A and added:

I believe that proposals to increase the Federal gasoline tax to reduce the deficit represent the most serious and imminent threat facing the highway program in recent history. I will continue to oppose enactment of such legislation.

I ask unanimous consent that the letters to which I have referred by President Bush and Secretary Skinner be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF TRANSPORTATION,
Washington, DC, April 11, 1989.

Hon. GUY HUNT,
Governor of Alabama,
Montgomery, AL.

DEAR GOVERNOR HUNT: When I met with the National Governors' Association Committee on Transportation, Commerce and Communications on February 27, 1989, I urged against an increase in the Federal motor-fuels tax for budget purposes. I am writing at this time to reiterate the Administration's position on this matter of mutual interest.

In a letter to the American Automobile Association, the President strongly stated his opposition to the use of a Federal gasoline tax to reduce the budget deficit would seriously damage the "user pays" principle that has long been a basic tenet of the Federal-aid highway program and the Highway Trust Fund. Futhermore, higher motor fuel taxes are not an effective or equitable way to reduce the deficit. Several studies have shown that fuel tax increases would result in slower economic growth and reductions in other tax revenues.

The use of Federal fuel tax revenues to reduce the deficit would also decrease the funds available for transportation programs at both the federal and state levels of government. Additionally, a gas tax increase to balance the budget would particularly harm lower wage earners, families with both spouses working, farmers, and residents of States who have to drive long distances.

I believe that proposals to increase the Federal gasoline tax to reduce the deficit represent the most serious and imminent threat facing the highway program in recent history. I will continue to oppose enactment of such legislation and I appreciate your support.

Sincerely,

SAMUEL K. SKINNER.

WASHINGTON, DC, *October 19, 1988.*

Mr. J. KAY ALDOUS,
Vice President, Public and Government Policy, American Automobile Association, Falls Church, VA.

DEAR MR. ALDOUS: Thank you for your letter of October 5, 1988, and your question regarding the possible imposition of a federal gasoline tax increase to fund deficit reduction. It gives me the chance to say what I've said so many times before: *No New Taxes*!

The problem with the deficit *isn't* that we *tax too little*, its that we *spend too much*. A gas tax increase to balance the budget would particularly hurt lower wage earners, families with both spouses working, and farmers and residents of Western states who have to drive long distances. I think it's ironic that, at a time when there is genuine concern for the working poor, liberal policy makers would consider so regressive a measure.

Let me say it one more time: As President, I will oppose any attempt to raise taxes to balance the budget. That means gas taxes, too. I hope you and your members will join me in fighting for a more productive economy, with more jobs—and for a budget balanced not on the backs of the taxpayers, but through budgeting and prudent management.

Sincerely,

GEORGE BUSH.

AMERICAN AUTOMOBILE ASSOCIATION,
Fall Church, VA, May 2, 1989.
Telegram to all Senators.

DEAR SENATOR: Senator Steve Symms intends to offer the text of Senate Resolution 63, expressing opposition to an increase in the federal excise tax on gasoline to balance the budget, as an amendment to the Senate Budget Resolution. The American Automobile Association, serving more than 30 million members, strongly urges your support for that amendment.

Senate Resolution 63 recognizes that a gas tax for deficit reduction would be regressive, economically harmful, and detrimental to the nation's highway system. More importantly, it responds to the vast majority of Americans who oppose raising the gas tax to fund the deficit.

This opposition is shared by President Bush. In a letter to AAA last October, Mr. Bush stated it firmly: ". . . A gas tax increase to balance the budget would particularly hurt lower wage earners, families with both spouses working, and farmers and residents of Western states who have to drive long distances . . . Let me say it one more time: As President, I will oppose any attempt to raise taxes to balance the budget. That means gas taxes, too . . ."

Again, AAA urges your opposition to a gas tax increase to fund deficit reduction.

Sincerely,

JOHN ARCHER,
Managing Director, Government Affairs.

Mr. SYMMS. Mr. President, I urge my colleagues to take this opportunity to send a clear message to motorists and Government and industry leaders that we will not support, and they need not fear, a Federal fuel tax increase to reduce the deficit in 1990. I believe that message will have a very positive effect in all segments of the economy and in the financial markets.

I thank the ranking member on the committee and the distinguished chairman of the committee. I understand they are going to accept this amendment.

The PRESIDENT pro tempore. The Senator from Tennessee, Senator SASSER.

Mr. SASSER. Mr. President, we feel the sense-of-the-Senate resolution offered by the Senator from Idaho has merit. This is a sense-of-the-Senate resolution. It does not have the force of law. It is not binding. I do find myself in disagreement with some of the statistics that the Senator from Idaho cites in his amendment relative to some of the adverse effects that might occur if the gas tax were raised.

But in the main, the Senator from Idaho is correct. The gas tax is a regressive tax. In my State of Tennessee, for example, the carpenter or the bricklayer who travels 75 miles round trip to work, which is not unusual in many States, driving a small 4-year-old Chevrolet, pays the same gas tax as

the millionaire driving in his Cadillac Fleetwood Brougham down to his stock brokerage office, for example.

It is a regressive tax. With the idea being advanced by many that the gasoline tax should be a tool to reduce the deficit, I would say that the gasoline tax in prior times has been dedicated to a particular purpose, and that particular purpose has been to build highways and to rehabilitate highways with a portion of it in one sense being dedicated to mass transit. But the concept behind the gasoline tax was that it was a user fee, a user fee to be paid by those who use the highways, reserving a small portion of it for mass transit, that being deduced to be good public policy and to encourage people to use mass transit and construct mass transit rather than to use automobiles.

I think the thrust behind the gasoline tax proposal by the Senator from Idaho is a good one, and I think it is commendable.

He raises another point that I find myself in agreement with, and that is that the gasoline tax historically, and I think simply by virtue of what has occurred over the past decades, has been reserved primarily to the States as a vehicle by which the States raise revenue to perform their share of highway construction and highway maintenance.

So I do not think that we ought to be terming the gasoline tax here as a means of reducing the deficit except as an absolute last resort. It is regressive. It would do violence to the initial concept that the gasoline tax was indeed a user fee and it would be taking from the States, I think, one of the few tax sources that is available to many State governments for maintaining their highways, roads, bridges, and that is the gasoline tax.

I commend the Senator from Idaho for offering this sense-of-the-Senate resolution.

Mr. DOMENICI. Mr. President, without seeking the concurrence of the distinguished Senator who proposes this amendment, we ran well into his time. We assumed he was going to have much more time. I understand we are not going to ask for a rollcall vote. In a sense, we are going to save the Senate some time between 11 and at least 11:15 which would have been a rollcall vote. So I ask unanimous consent that I be permitted to speak for 2 minutes, after which time the vote which was scheduled to occur would occur.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BOND. Reserving the right to object, I will not object.

The ACTING PRESIDENT pro tempore. The Senator from Missouri, Senator Bond.

Mr. BOND. Mr. President, I ask if the distinguished ranking member would expand that to include 2 minutes for me?

Mr. DOMENICI. I have no objection. I make that request.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I understand the distinguished chairman is prepared to accept the amendment on his side, and I am prepared to accept it on our side. I would just like to make an observation for the Senate with reference to gasoline taxes.

I would like to flip the coin and suggest that before we start talking about gasoline taxes, we ought to start talking about incentives to produce more oil from the domestic reserves that we have in the United States. I do not think there is any evidence that unless a gasoline tax became almost prohibitive that it would result in more conservation.

If the tax goes up by 5 cents, I do not think there is any evidence that it will really conserve much energy. On the other hand, our reserves of crude oil are going down. Our dependence on foreign oil is going up. My best estimate of the trade situation is that, for the rest of this year, we will spend between $45 billion and $50 billion to buy oil and related products from overseas. I believe small incentives to recover that oil which is in the ground that needs enhanced recovery techniques will dramatically increase the American reserves. I submit to those who are interested in our growing dependence, we ought to seriously consider building in some incentives to recover that oil that is in the ground, that we know is there, that we cannot get out because it is difficult. We do not have to drill another well. We merely have to provide some incentives to get that oil out of the ground.

Later on, if the discussion ensues on this issue, I think I could convince any Senator willing to listen that the cheapest way to decrease our dependence on foreign oil is to add incentives for tertiary recovery of the oil we now know is in the ground here in the United States. In fact, for about 35 cents in incentives per barrel, we will produce a 25-percent add-on to American reserves and save between $100 billion and $130 billion in foreign oil acquisition in the next decade.

Mr. SYMMS. Will the Senator yield for 1 minute?

Mr. DOMENICI. I will be pleased to yield.

Mr. SYMMS. I thank the Senator for his comments. I might say the reason I am not asking for a record vote to demonstrate that the Senate supports this position unanimously is we have Senators at the White House, and to accommodate the majority leader I have decided not to ask for the vote. The public needs to recognize, as does the House Ways and Means and Senate Finance Committees, this is a unanimous vote in the Senate.

Mr. DOMENICI. It seems obvious to me that the Senator has won, by an overwhelming vote. The fact that both sides are willing to accept this amendment is a credit to the position of the Senator. The rollcall vote, in this Senator's opinion, does not carry any more weight than the fact that both sides of the aisle are willing to accept this amendment without the necessity of a vote. I compliment the Senator on his amendment.

Mr. SYMMS. I thank the Senator.

The PRESIDING OFFICER (Mr. BRYAN). The Senator from Missouri is recognized.

Mr. BOND. Mr. President, I think we can all agree that the Federal budget deficit is a huge problem, but we cannot quite agree on how to solve it in the long run. Unfortunately, there are some who have apparently been talking about balancing the budget by raising the gasoline tax.

Recently I met with the chief highway engineer of the State of Missouri, who said that the proposed increase in the gas tax was "one of the darkest clouds we have seen on the horizon for motorists in a long time."

Our State is second in the Nation in gasoline consumption per vehicle, fourth highest in consumption per driver. Since Missourians tend to go to the gasoline pumps more often than other Americans, this type of tax increase means Missourians would pay more than residents of other States. They would be paying more, based not on the ability to pay, but on how much they have to drive to work, farm, school, or other activities.

Hiking the gasoline tax would also make it more difficult for Missouri businesses to compete internationally, because our transportation costs would become much higher.

Higher taxes would also mean an increase in the cost of highway construction. Highway construction uses many large trucks and other vehicles which consume great amounts of gasoline. We are in the midst of several major highway construction projects, and a increase in construction costs would end up being counterproductive, because part of the tax income would simply go to pay the now higher cost of the project.

In addition, tourism in Missouri, our second largest industry, would clearly suffer from a gas tax increase. We are proud to rank seventh in the Nation in tourism, but we would find, as we did in the 1970's when gas prices rose sharply, people would drive only when necessary thus higher prices for gasoline will keep people at home just as vacation time is upon us.

I believe a gas tax hike to reduce the budget deficit is unwise. It is not the

proper way to go. I commend President Bush for having promised no new taxes. I firmly support him and I hope that we will totally eliminate consideration of the gasoline tax as we talk about ways to bring the Federal deficit under control.

I thank my colleagues, and our chairman and the ranking member for accepting this amendment. I yield the floor.

Mr. KASTEN. Mr. President, I rise today to express my strong support for the amendment of the Senator from Idaho [Mr. SYMMS]. The case against the proposal to increase gasoline taxes—both in economic and in human terms—is compelling.

Last November, the American people expressed themselves in no uncertain terms on the issue of tax increases. One candidate promised that he would not increase taxes. The other candidate didn't make that promise.

We all know who won, but some of us are pretending not to remember—and calling for those very same tax increases that the American people vetoed in November.

The Symms amendment would put the Senate on record against one particularly regressive tax increase proposal. Families earning between $10,000 and $30,000 spend more than twice as much of their income on gasoline as those making over $50,000. Any increase in this tax would have a disproportionately harsh effect on the poorest citizens—those who can least afford an extra pinch on their income.

Furthermore, an increase in the gasoline tax would cause serious harm to economic growth. It would hamper savings and investment, and cause a significant increase in production costs. Wisconsin and the Midwest would be especially hard hit by the increased cost of transportation.

This would reduce the rate of job creation, and start throwing many Americans out of work.

That is real human suffering we would cause, and to what prupose? Just so we could violate the will of the people and enact an entirely unnecessary tax increase. I should like to ask my colleagues if they honestly believe this is the best we can do in this Chamber.

If it is, I submit we ought to just give it up and go back to the Articles of Confederation.

Fortunately, we can do better than this—and Senator SYMMS has pointed the way. An "aye" vote on this amendment would put the Senate back on the side of the American people, and the wisdom they expressed in voting booths all across this land just 6 months ago.

At a time when America faces an unprecedented competitive threat from foreign economies, we can ill afford to enact new handicaps on our own businesses and workers. We have to figure out ways to reduce the burden of taxation on our people—whether it be capital gains, gasoline, or any other kind of tax—instead of increasing it yet again to pay for a new round of congressional profligacy.

Mr. President, I urge all my colleagues to be responsible representatives of the needs of the American community—and therefore to vote for this amendment.

The PRESIDING OFFICER. All time has expired. Under the previous order as amended, the hour of 11:05 having arrived, The Senate will now vote on the Symms amendment No. 73 without any intervening action.

Mr. SASSER. Mr. President, we are agreeable to accepting the Symms amendment. I would like to yield 3 minutes off the bill to the Senator from North Carolina.

The PRESIDING OFFICER. If there is no objection——

Mr. DOMENICI. Reserving the right to object, and I will not, I ask unanimous consent that Senators WARNER and CONRAD be added as original cosponsors of the Symms amendment. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is the Senator from Tennessee seeking approval to delay the vote from 11:05, the time previously prescribed under the unanimous-consent agreement?

Mr. SASSER. I ask unanimous consent to delay the vote until 11:10 in order to allow the Senator from North Carolina to speak.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from North Carolina is recognized.

Mr. SANFORD. Mr. President, I commend my distinguished colleague from Idaho for this amendment and for alerting us to the possibility that a gasoline tax might be used to take care of the general revenue problems.

I go back many, many years to maintain a position that gasoline taxes ought to be used for roads and bridges. When I was Governor, I removed all of the diversions that took our taxes and used them for other purposes, and I maintain that position today. I do not think we ought to use gasoline taxes for general revenue purposes, and specifically I do not think we ought to use gasoline taxes to reduce the deficit.

But I rise to point out that we have been using gasoline taxes to reduce the deficit.

I think we ought to agree that before this year is through, we stop this practice. We have roads in need of repair, we have bridges falling down, we have highway needs in every State in the Union, yet we are piling up surpluses in the trust fund, not for any measure of prudence, but purely because we want to use these balances and other trust funds to conceal the deficit. So we are, in a very direct way, using gasoline taxes to reduce the deficit.

Now, I propose that we, of course, adopt this amendment as the firm principle, and that as soon as we get this budget resolution passed and delivered to the White House we come back and talk about highway needs; we do not need to wait for 1 year or 2 or 3 to have a new highway bill, but that we release these trust fund moneys that have been improperly held for the purpose of making the deficit seem to be less, and release them for the safe use and convenience of the people who paid these taxes to put our highways and bridges in better shape.

Mr. President, I thank the Chair, and I yield back the remainder of any time I might have been allotted.

The PRESIDING OFFICER. Under the previous order, the hour of 11:10 having arrived, the Senate will now vote on the Symms amendment No. 73, as modified.

The amendment (No. 73), as modified, was agreed to.

Mr. SYMMS. Mr. President, I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I understand here at the beginning, in the interest of comity, we were attempting to move from an amendment on our side to an amendment on their side, and I understand Senator EXON is next, after which Senator SPECTER would follow.

I wonder if that is the case, if we might have a brief quorum call while we are confirming that.

Mr. SYMMS. I ask unanimous consent that Senator BURNS be added as an original cosponsor to the Symms amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 74

(Purpose: To call for further deficit reduction)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], proposes an amendment for himself, Mr. SASSER, and Mr. DECONCINI numbered 74.

At the end of the resolution insert the following new section:

"SEC. . It is the sense of the Senate that—

(a) had Congress used the economic and technical assumptions of the Congressional Budget Office, the deficit would have been $109,800,000,000 for fiscal year 1990, $135,300,000,000 for fiscal year 1991, and $134,800,000,000 for fiscal year 1992;

(b) by July 1, 1989, the participants in the Bipartisan Budget Agreement Between the President and the Joint Leadership of Congress should begin negotiations on an agreement for the budget for fiscal year 1991 based upon Congressional Budget Office economic and technical assumptions; and

(c) the participants in those negotiations shall—

(1) seek a budget package in 1989, the outyear effects of which would led to balancing the Federal budget;

(2) examine broad-scale budget options and recommend legislative changes necessary to implement those options; and

(3) consult fully with appropriate Congressional, Executive, and private parties.

Mr. DOMENICI. Will the Senator yield for 1 minute.

Mr. EXON. I am glad to yield to the Senator.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Senator COHEN be added as an original cosponsor to the Symms amendment which was agreed to.

The PRESIDING OFFICER. Without objection, it is ordered.

Mr. DOMENICI. I thank my friend.

Mr. EXON. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. EXON. I thank the Chair.

Mr. President, I rise to offer this amendment which will put some realistic figures in the Senate budget resolution.

Since coming to the Senate, I have fought a sometimes lonely battle to bring some fiscal discipline to the Federal budget process.

I have authored a constitutional amendment to require the President to submit to the Congress and for the Congress to enact a balanced Federal budget. I have introduced a bill to grant the President line item veto authority, and I have offered legislation to tie the Federal debt ceiling to the budget resolution and require that increases in the Federal debt match the promises of the Federal budget.

I have long opposed the ill-fated Gramm-Rudman law, because it works to reduce deficit projections but not deficits. The Gramm-Rudman law encourages, if not forces, phony budgets, accounting gimmicks, and spending shifts, rather than consistent, steady, and meaningful efforts to reduce Federal deficit spending.

It has replaced fiscal realism with fiscal fakery. The truth about the Gramm-Rudman law is that if it is to meet its promise of a balanced budget by 1993, the only way that promise can be met, given the present fiscal condition, is through unacceptable, gut-wrenching spending cuts in domestic and defense spending programs or through massive tax increases; either of these options could trigger a full blown depression and emasculate our national security.

Mr. President, rather than meet the promises of Gramm-Rudman, there has been a 3-year attempt to fake that promise. Spending has been shifted from one year to another. Accounts have been moved off budget, and Social Security and other trust fund surpluses are used to falsify the size of the deficit. The pronouncements in the Rose Garden about this budget only added to the Gramm-Rudman charade.

We have become a nation of make-believe budgeters. The fact that our noses have not grown longer and longer proves that we are prevaricating humans and not Pinocchios.

Mr. President, this amendment seeks to add some degree of truth to the budget. The Nation has been hooked on a 9-year budget-busting binge of borrow and borrow and spend and spend. Like an addict, there is a failure to acknowledge the deficit crisis and deal with it in a straightforward manner. I submit, Mr. President, that if the American people were given the truth about this situation, they would support a steady plan of shared sacrifice to deal with this Nation's serious deficit problem.

Mr. President, the first step of reform is to recognize that there is a problem. The budget resolution before the Senate uses rosy economic and technical assumptions of the President's Office of Management and Budget. The present group makes Dave Stockman's shenanigans appear as an exercise in virtue.

Before the curse of Gramm-Rudman, the Congress always relied on the more realistic economic and technical assumptions of the Congressional Budget Office. The amendment that I offer today will express on the face of the resolution the deficit using the more realistic assumption of the Congressional Budget Office, and express the sense of the Senate that when negotiators return to the bargaining table to work on the 1991 multiyear budget resolution, the negotiators employ the economic and technical assumptions of the nonpartisan Congressional Budget Office, the way we always did before.

This amendment offers truth. It reveals that if more realistic CBO assumptions were used, the deficit for 1990 would be more than $109 billion, not the $99.4 billion noted in the resolution. Most disturbing is that the amendment reveals to the American people that if this budget were enacted, the budget in 1992 would be $134.8 billion, a full $106.8 billion over the promised deficit of the Gramm-Rudman law.

This amendment will hammer home the point that President Bush's compromise agreement does not reduce the deficit as much as claimed, and that the task of deficit reduction is far from being accomplished. This amendment continues my efforts to add truth in budgeting, and in the Senate Budget Committee, I was successful in adding a section which expresses the deficit, without the use of federally dedicated trust funds. That provision revealed, Mr. President, that even using the President's economic assumptions, the deficit in 1990 would be a whopping $239.7 billion. Let me repeat that. The deficit in 1990 had we not been using these trust funds, would be $239.7 billion. That is $140 billion of Social Security and other trust funds that are now being used to fake the true size of the Federal budget deficit.

The American people will soon realize that much of the claimed deficit reduction of the last few years is merely an accumulation and spending of Federal trust funds. It is time that the Congress tell the American people the truth, and that is that there is no trust and no money in the so-called trust fund. When the trust fund register is open, there will be no cash, only an IOU from Uncle Sam, already the largest debtor nation in the world.

Mr. President, this amendment will express the deficit using the economic and technical assumptions of the Congressional Budget Office, and this amendment will provide the American people with the truth about the budget. Mr. President, I urge my colleagues to support this amendment and thereby vote for truth in budgeting.

I yield the floor.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. SASSER. What this amendment does is display the Congressional Budget Office economic and technical assumptions for fiscal 1990 and directs that we use CBO's economic and technical assumptions for the 1991 budget negotiations. Now, frankly, I think this is a constructive proposal, because it does recognize that less optimistic forecast of the Congressional Budget Office; it recognizes that perhaps their forecast, while being less optimistic, might be more realistic. But it does so without undoing the work of the negotiators to actually implement the assumptions we used for this year's budget proposal.

Now, I do think it is significant to note that even using the economic assumptions of the Congressional Budget Office, that we are still able to get this deficit under the $110 billion Gramm-Rudman-Hollings target, if we use these less optimistic, and some say more realistic, CBO economic and technical assumptions.

CBO's higher interest rate assumptions increase the deficit projection by some $9 billion. That is still within the $10 billion cushion set under Gramm-Rudman-Hollings for economic forecasting error. There have been a lot of statements made about sleight of hand, dishonesty, fiscal legerdemain. Now, I would submit, Mr. President, that the differences between OMB's economic assumptions and CBO's economic assumptions here are less than 7 percent; $9 billion in a Federal budget that will total slightly over $1 trillion. Percentagewise, that is less than one-tenth of 1 percent, and that is the basis of all of this breast-beating by hairy-chested individuals, saying that we need to use CBO assumptions, we need to be honest, and that we are not being honest with the American people.

Let us be honest with them, and we find that under the CBO assumptions we are still under the Gramm-Rudman-Hollings targets.

So, so much for that show of integrity.

We move on then to the Gramm-Rudman-Hollings law itself. We are frustrated with that. We say we ought not to have a Gramm-Rudman-Hollings law. Well, perhaps we ought not to have it, but a majority of this body has voted for it time after time after time. It has been supported by two successive Presidents and, let us face it, the Gramm-Rudman-Hollings Act is nothing more than the failure of this body, the previous administration, and the other body to face up to the truth of these deficits.

These deficits are overwhelming. But I would say this in defense of the distinguished Senator from New Mexico, who has worked so diligently on this budget now for almost a decade, and say it in defense of my own tenure, Mr. President, short though it is, as chairman of the Senate Budget Committee, these deficits are continuing to come down. They are coming down in actual dollars. They are coming down as a percentage of gross national product. That is the good news.

This budget agreement that we bring to the floor today has $20 billion in hard deficit reduction contained in it. Sure, we would like to do more, but that is the best we can do given the parameters we have to operate under this year.

Now, some rail against the fact that, well, you use OMB economic assumptions when you calculate the deficit measures that must be taken, when you calculate the deficit targets under the Gramm-Rudman-Hollings law.

That was decreed by the Supreme Court of the United States, and I happen to still believe in the separation of powers here in this Government. I think that has served us very well for over two centuries. And I well remember the sigh of relief that went through this Chamber when we heard that the Supreme Court said, "You've got to use OMB economic assumptions. You may not use the Congressional Budget Office economic assumptions in calculating whether or not you meet the Gramm-Rudman-Hollings target because that would violate the separation of powers."

Most Senators in this body said: "Hosannah, that means that we can use the more optimistic OMB economic assumptions and we will not have to cut our programs or we won't have to raise taxes to meet the Gramm-Rudman-Hollings targets."

That is what was said around this body from the Supreme Court decree that we use OMB economic assumptions.

Later on today, Senators are going to have the opportunity to make a frontal assault on this deficit, and I welcome them to the floor. They can offer their amendments to raise revenues. Let us see those tax amendments come on the floor of this body. Let us see how many votes they get.

We just had one Senator here offer an amendment which I think was well taken. We accepted it. But this was a sense-of-the-Senate resolution that we not raise gasoline taxes.

We are going to have another sense-of-the-Senate resolution later on today, I suspect, and that sense-of-the-Senate resolution will say we cannot raise income taxes, and I would suggest to my colleagues that that resolution will pass this body by an overwhelming margin, that those who are so concerned about the deficit can vote against that and then they can offer their own income-tax-raising amendments if they wish.

Now we will have plenty of opportunities during the course of these next 2 or 3 days for Senators to come to this floor. If they do not wish to offer revenue amendments, then they can offer their amendments as to how we may make savings by cutting various and sundry programs.

Why do we not cut $20 billion off defense? What Senator will offer that amendment? Why do we not reduce Medicare by $5 billion? What Senators will offer that amendment? Why do we not reduce Medicare? Why do we not cut education? What Senators will offer those amendments?

I suspect, Mr. President, that when the final rollcall is taken here on this budget resolution 2 or 3 days down the line, we will find that this body has been silent on the question of making savings by cutting some of these very vital programs, and rightfully so, because many of these programs should not be subject to cuts. They really need adds. Many of them have been starved for funds over the past 8 to 10 years.

So, Mr. President, I would just conclude by saying that there is some merit in the amendment offered by the Senator from Nebraska. I support his amendment. I support his effort to move us more in the direction of being more accurate in the economic and technical assumptions that we use in putting together a budget resolution, but let us not forget that these economic assumptions are just our best guess. We are wrong just as often as we are right, and economic assumptions that may not look valid today may, 12 months from now, look very, very accurate indeed. And one that looks valid today, 12 months from now may look very, very inaccurate indeed, also.

So, Mr. President, I commend to my colleagues the amendment of the Senator from Nebraska and urge its adoption.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I yield myself off the resolution on our side as much time as I might take.

Mr. President, I have no doubt that the amendment, the sense-of-the-Senate resolution which is neither part of the budget process nor part of the budget, will pass. I am not going to vote for it. I would like to tell the Senate why.

First of all, I am going to leave the economic assumptions alone for a minute and just without reading it verbatim talk about some of the other language in the amendment.

Frankly, Mr. President, last night when we opened debate on this budget resolution, the distinguished chairman and I talked about the historic nature of what took place in the last 30 or 40 days. That activity brought us this resolution here on the floor of the U.S. Senate, and our conversation bears just a slight repeating.

Who are the players who have been missing in years past who are part of this? The Democratic leaders of the House, not just the Budget Committee, the Republican leaders of the House, not just part of the Budget Committee, the chairmen of the Appropriations and Finance Committees and Ways and Means Committee, and the President of the United States.

They sat together and set the ground rules to put together a budget resolution and to negotiate.

Now, frankly, Mr. President, I have the greatest respect for my friend from Nebraska, but I do believe that it

is indeed presumptuous on our part to say now in a resolution we are going to tell that group how to negotiate in July or August—hopefully, thank God, we have committed to try. We are going to tell them what economic assumptions they ought to use.

For those who want to vote for it, my interpretation is they will vote for it because they want to tell the negotiators what to do.

Clearly, we cannot tell the President of the United States and the joint leadership of both Houses, "When you go back to the negotiating table, we hope you continue this historic process. We are going to tell you here today, even though that has never been done before, how you ought to do it."

Frankly, Mr. President, I do not believe we can bind them. I do not believe we can tell that group what to do.

It is only because they are leaders that we are here today with a budget resolution. You know, it is a marvel. There is no statute law that said: Go to the White House and meet and come out of there with some instructions and then, before you approve this, approve kind of a statement of principles.

You know, Mr. President, there is not anything that says the President is bound to do that. There is nothing that says Speaker WRIGHT is bound by it or Leader MITCHELL is bound by it. It is because they chose voluntarily to help this process work this year that we are here today.

So I really do not believe adopting this amendment, in all deference to my good friend from Nebraska, has any chance of telling that group of people what to do. The group wants to meet again, and they have expressed their desire to meet again. They intend to continue to negotiate. So perhaps for all of those who want to vote for this, maybe we can say it is an expression of what we hope the negotiators will do. And, if it is that, I see no harm in voting for it.

But, Mr. President, if there is some assumption here that the Congressional Budget Office of the United States is a better predictor of economic indicators in the United States than the Office of Management and Budget, I am here to tell you that that is not true. As a matter of fact, I would just like to share a little bit with the Senate about who has been right more times than not and make it very, very current. I am looking at CBO's report from February of 1988.

It says:

> We now anticipate that the economy will experience a pronounced slowdown in growth in early 1988 but will regain strength in the second half of 1988 and 1989.

CBO was wrong. They were wrong, desperately wrong. As a matter of fact, we did not have a pronounced slowdown, we had a pronounced acceleration in the growth of the American economy.

Somebody from the outside has seen fit to review OMB and CBO forecasts. If you insist that the best economics are the pessimistic economics, then have at it. I choose to say that economists are not scientists. I choose to say that something very dramatic is happening in the world, and they offer us some good advice, but their assumptions are more like the prayer of a preacher than they are a scientist's conclusions. They are filled with hope or pessimism, depending upon how they happen to feel.

They are filled with speculation and they are filled with goodwill, perhaps. But science, it is not.

I was going to ask some questions of a Senator who was challenging whether or not we are being terribly optimistic, and thus deceiving ourselves about this deficit, but I will just ask myself the question.

Would the Senator care to speculate with us, for the period between 1980 and 1986, comparing six different forecasting projections, including OMB, how CBO did on forecasting 3-month T-rate bills?

Mr. President, interest rates are the variable most people are arguing about right now.

Answer: CBO ranked last of the six in forecasting accuracy.

Another question I would ask myself: Does the Senator know that a GAO evaluation of economic forecasting in 1986 concluded, "Neither OMB or CBO has been substantially less accurate than the private sector forecasters in forecasting the upcoming year, and neither has had a greater tendency to overpredict or underpredict than have the private sector in forecasting the Treasury bill rates"? Guess what this question is going to hypothesize: Who was closest to the actual fact? OMB. Not CBO.

I merely give you that because, when added to other things, I do not really believe we need any attempted instructions to this leadership-formed group that I have just described, as they lock arms in an effort to put a 1991 budget together or to make the evaluation of where the 1990 budget is come July or August. I do not think, based on that, that we need to tell them what kind of economic assumptions they ought to use. Nor should we tell them how they ought to put themselves together in an effort to be bipartisan and Executive for the first time in history.

So, Frankly, on the one hand, I think the amendment is rather innocuous. I have no objection if people want to vote for it. I will not vote for it. I would not vote for it if it were binding, which it is not. If it really had the capability of telling this negotiating group—which is doing this voluntarily, with no law—to do, I would not vote for it. They got together as leaders and said we have to try to do something better. If we could tell them how to proceed I would really seriously question whether we ought to tell them to do it this way.

Last but not least it is amazing that the U.S. Congress will rely, for the next 4 years, on a blunt instrument called Gramm-Rudman-Hollings. Its automatic, across-the-board cuts take effect if we fail to do our business right. We rely on that blunt instrument. That is what is forcing us to do our job.

I have a slightly different reason than my good chairman as to why OMB was chosen. Incidentally, Mr. Chairman, I believe the U.S. Supreme Court told us we had to use OMB, because we had tried to use GAO and they had found GAO to be an executive branch and to create a conflict because it was more congressional than executive. Having said that, I agree with the rest of his statement.

The truth of the matter is that for purposes of pressing ourselves to stay on a path of reduced deficits, we wrote a substantive law that said the Office of Management and Budget does the economic assumptions, does the across-the-board cutting, God forbid that we need to use that. CBO will give an advisory outlook in advance, just so everybody can take a look and make sure that OMB is not being terribly outrageous.

We have said Gramm-Rudman-Hollings is the method forcing Congress to do what we must do to reduce deficits. We have said OMB will control when the time comes to figure out what we have to do. And now this amendment would like to instruct a group that we do not have any power to instruct, in a sense of the Senate resolution: You choose another set of economics. We somehow have decided that OMB is just too optimistic, or they are just too wrong.

Mr. President, last week, or the week before, on the week before that, my friend, the chairman, spoke correctly. You heard people running around saying this budget resolution that was produced by that historic umbrella that I just described has a real chance in the next 2 or 3 years of doing some real things. Believe you me, we are not going to get the deficit reduction people think we are going to get from that side of the aisle unilaterally. The chairman is right. It will not spring up over there. It will not spring up over here. It will not spring up in the House.

It requires Democrats, Republicans and a President to work together. Or, if they decide they are not going to work together, they confine a politically confrontational issue that will get the deficit down that they believe

they can win on. I regret to be so blunt about it, but that is about where we are, and I do not believe there is a politically unilateral way to do it. We have tried that.

It is going to be done through continued bipartisan executive negotiations or probably we are going to have a sequester sometime down the line. If not in July or August, next year. We will have one.

Having said that, let me get back to the point. People wanted us to make sure we really stated it right in this budget: "You better tell us what CBO's deficit estimate is because obviously you all are using such optimistic assumptions, you are using such exaggerated expenditure reductions, your assumptions are all so wrong. This deficit is way off the $100 billion mark."

Well, that was a month ago. That was even 2 weeks ago. Now I at least say, as my chairman has, they finished their work; the Congressional Budget Office, with a new director, says we are off by $9 billion.

CBO says if you do everything you are supposed to do in that budget resolution, the deficit is not $99.4 billion. It is $109 billion. I repeat, not $119 billion, not $144 billion, not $160 billion—$109 billion. I hate to say this because it sounds like I am really cavalier about $9 billion. But let me tell you, if the difference between OMB and CBO's estimates of the Federal Government's expenditures at the end of a year when all is done is $9 billion apart, hallelujah. I assure you, it is either a victory for conspiracy because to be that close, my first hunch would be they sat down and wrote the same numbers. On the other hand, if they are only that far apart, perhaps rather than assume that they conspired, because it is so phenomenal to be so close, perhaps one could assume that they are getting better at projecting it. I have no real evidence of the latter, but let us just assume that.

So, Mr. President, needless to say, I am not going to urge Republicans on my side, the minority, to vote "no" because, frankly, I think I have expressed myself enough here for people to know why I am not going to vote for it.

I hope in my explanation I have been as generous as I could be to the sponsor. I hope I also have been objective, and I also hope that it will serve as a purpose for those who truly do not believe we have done enough.

I said last night, and I congratulate the chairman for repeating it here today, if we have not done enough deficit reduction, the purpose of bringing things to the floor of the Senate is for those who think we can do better, to offer amendments.

If they want to cut more, we would like to see where. If they want to raise taxes, we would like to see how much. If they want to reform entitlement programs, it would surely be nice to know at least in what general categories the reform would come. If they would like to really reform the ag programs and cut $5 billion or $6 billion, it would be nice to know about it. If they would like to change Medicare, we would like to have them come down here and let us see how. We are not even sure we can get the $2.7 billion in recommended savings. Medicare is going up about 13 percent automatically, and we are trying to get that growth down to something like 11 percent in this resolution. No cuts; just instead of growing at 13 percent, grow at 11 percent. If somebody else would like to get that down to grow at 8 or 9 percent, we will do the arithmetic, we will help them with their amendment. Anybody can give them the numbers, and we will put it in there. That is really what budgeting is about.

I am very pleased to know that it is no longer an issue of economic assumptions. Is CBO right? OMB right? It seems to me that for now we can say they are both right. They are clearly within the ballpark of economic assumptions for today's effectiveness of that science, and we will meet the Gramm-Rudman targets if we implement this budget as prescribed and required by law. Maybe CBO will say we are slightly off when we get there, but I believe we do not need any additional instructions.

All the numbers are in this resolution. Everybody can look at it and see what they are under CBO assumptions. We will be glad, if they think there is some other forecaster out there that is better than both, if somebody would like to come down and say why do we not pick the best forecaster we have had in the last 10 years. I do not know who it is. At one point it was IBM. For about 4 or 5 years running, we tried to see who was closest. It was not CBO; it was not OMB. It was a little economist sitting at IBM who had the best forecast. We will figure this budget out for you with these economists. I do not know what is going to turn out right. I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. I thank my friend from Tennessee, and I thank the Chair. I am going to be very brief. I do not know that I have too much quarrel with most of the statements made by the manager of the bill who I have the highest respect for and worked with on the Budget Committee ever since I have been here.

The facts of the matter are, we have a budget process that is in considerable disarray.

Mr. President, I quote from the Omaha World Herald, April 29, "Washington's Failure Reflects in Budget Plan."

Mr. President, I ask unanimous consent that the text of this editorial be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EXON. Mr. President, I simply want to point out, all too often we cannot see the forest for the trees. I want to point out that last October, during that snapshot that we took on October 1, we magically came within the Gramm-Rudman dictates, but 90 days later, we were off by some $30- to $40 billion. I wish to point out that while we promised that the budget would be reduced October 1 to $136 billion, today that budget officially is approaching $170 billion. Something is amiss. We can play with these figures back and forth. We can say who is to blame and who is not to blame. The point is that this amendment unfortunately cannot bind and the managers of the bill know this full well, but what this amendment expresses is in its simplest term and form that the Senate is saying we have not done a very good job and we expect a better job to be done in the future.

Mr. President, unfortunately, I think we are bound up so tight when we got ourselves into the Gramm-Rudman straitjacket that we cannot move, and almost everything that we do is to somehow convince even with smoking mirrors or even with leaving major portions of the budget off budget so it does not show up, anything in the world to drive us somehow to those goals that were set in Gramm-Rudman which, regardless of whose assumptions we use, I suggest we are not going to meet.

To show you how bad and how far off track I think we are, Mr. President, I want to say that if this budget is adopted—I assume it will be—the OMB assumes that in 1992 the budget will be out of balance by $65 billion. CBO says it will be out of balance by $134 billion, and during that year under Gramm-Rudman we are supposed to get down to $28 billion.

More than anything else, it shows that we are spinning our wheels. Until the Congress comes to the realization that there is only one way Gramm-Rudman can work, and that is to amend it beyond the 5-year plan so that it can be a realistic, if it gets realistic, then I believe we have a chance to do responsible budgeting. I yield the floor.

EXHIBIT 1

[From the Omaha World Herald, Apr. 29, 1989]

WASHINGTON'S FAILURE REFLECTS IN BUDGET PLAN

Whatever happened to the political candidates who spent much of 1988 promising

that they would do something about the federal budget deficit? Surely some of them were elected in November. But recent events in Washington haven't provided much evidence of their existence.

President Bush met with the congressional leaders several days ago and announced a bipartisan federal budget agreement for the 1991 fiscal year. Bush said the package would cut the 1991 deficit as much as the law requires.

Analysts outside the government said the package would do no such thing. They said the plan ignores the more practical ways of reducing a budget deficit—cutting spending or raising revenues—and uses sleight-of-hand cost-shifting tactics and wildly unrealistic assumptions about the nation's economic growth.

Spending in 1991 would be made to seem lower by listing certain items "off budget," for example. That means that the money would be spent but not reflected in the deficit. Other "savings" would be contrived by paying some 1991 bills before the end of the 1990 fiscal year.

In neither case, obviously, would less be spent. Appearances count more than reality in federal budgeting these days.

Sen. Bennett Johnson, D-S.C., put it this way: "The so-called bipartisan budget does not cut the budget at all. It involves no pain, no difficulty, no political sacrifice and it fools no one."

Things may be worse than they appear. Sen. J. James Exon, D-Neb., a critic of the bipartisan compromise budget, noted recently that the government had a surplus of $97 billion in certain federal trust funds last year. The surplus, he said, allowed the government to say it had a $155 billion deficit for 1988 when the true figure was $252 billion.

Exon says the budget isn't likely to be balanced anytime soon.

The situation isn't helped by Bush's "read-my-lips" opposition to new taxes. By ruling out one of the most practical deficit-cutting tools, the president made it less likely that a realistic compromise, with a modest tax increase and straight-forward spending reductions, could be achieved.

A few days after the budget package was announced, a budget fight in the House demonstrated the unpopularity of fiscal restraint. As Otis Pike, a former Democratic congressman from New York, describes the situation in his column on the More Commentary page, Rep. Tom Foley, D-Wash., "got his head handed to him" when the House voted 252-172 against modest across-the-board cuts that he had proposed to help pay for an inflated supplemental spending bill.

As Pike noted, a lot of factors worked against the Foley amendment. The Associated Press said it was killed by "minority Republicans and enough Democrats seeking to protect their favorite programs."

That phrase seemed to confirm that little has changed in Washington. The government is still going down the road of fiscal irresponsibility. Deficit-cutting is a worthy subject for campaign rhetoric, but in Washington the real action is in protecting pet programs.

Mr. DOMENICI. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, a lot has been said about the $146 billion target which ended up being exceeded by the time we finished the year and looked back. I want to, just for the record, remind Senators of what we did because we tend to blame the process or we tend to blame economics. So let me just quickly tell the Senate: $136 billion was the target, with a $10 billion window for error.

Is that not interesting? We assumed the economics can be off $10 billion. In this case we are only off $9 billion, I say to the chairman, which is interesting, if the CBO forecast is right. But postsequester there is a big gap in this law. There is a period of time during which you can add expenditures and you are not bound by the supermajority rules of Gramm-Rudman-Hollings. It is one of the big places you can drive through Gramm-Rudman-Hollings. Everybody knows that. We filled that $10 billion with spending making the new deficit $146 billion. Consequently there is no room for the errors that come with economics and, yes, there were economic errors, economic adjustments, and, yes, there was an underestimate of the cost of FSLIC for that year.

So for those who say it is this kind of economic assumptions that causes the mistakes when you wrap it all up. I submit that there are a lot of other reasons for the discrepency beyond the propriety of the economic assumptions. I have a chart showing the plusses and minuses with which I would like to conclude my remarks on this issue. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Changes in 1989 deficit since October 15 G-R-H Report

[In billions of dollars]

October 15 G-R-H report deficit	146
Changes between October and January:	
Asset sales not included in G-R-H	−7
Defense spending	+4
Deposit insurance	+9
Interest	+8
Other spending	+1
Revenues	−2
Total changes, October to January	+14
OMB January current services deficit	160
Changes since January:	
FSLIC	+2
Interest	+3
Revenues	−3
Total changes, since January	+3
OMB February current services deficit	163

Note.—Details may not add to totals due to rounding.

Mr. DOMENICI. I yield the floor.

Mr. SASSER. Mr. President, I see no Senators wishing to speak in support of or opposition to the Exon amendment. I suggest we are ready to proceed to a vote.

The PRESIDING OFFICER. Are the Senators prepared to yield back their time?

Mr. SASSER. I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Nebraska controls 47 minutes.

Mr. EXON. I will be glad to yield back my time. I understand we would like to go to a vote, and I yield back the remainder of any time that was assigned to me.

Mr. DOMENICI. Mr. President, with the chairman's permission, I should like to propose this consent agreement. Senator SPECTER, from Pennsylvania, has been waiting his turn. I wonder if we might agree that when we are finished voting on the amendment of the distinguished Senator from Nebraska, the next matter of business would be the Specter amendment.

The PRESIDING OFFICER. Is there objection?

Mr. SASSER. I think that would be proper. The Senator from Pennsylvania has been waiting here most of the morning to call up his amendment.

The PRESIDING OFFICER. Without objection, the unanimous-consent agreement is amended to reflect the request of the Senator from New Mexico.

Mr. DOMENICI. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts [Mr. KENNEDY] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. MCCAIN] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 54, nays 44, as follows:

[Rollcall Vote No. 58 Leg.]

YEAS—54

Adams	Exon	Metzenbaum
Baucus	Ford	Mikulski
Bentsen	Glenn	Mitchell
Biden	Gore	Moynihan
Bingaman	Graham	Nickles
Boren	Harkin	Nunn
Bradley	Heflin	Pell
Breaux	Hollings	Pryor
Bryan	Inouye	Reid
Bumpers	Johnston	Riegle
Burdick	Kerrey	Robb
Byrd	Kerry	Rockefeller
Conrad	Kohl	Sanford
Cranston	Lautenberg	Sarbanes
Daschle	Leahy	Sasser
DeConcini	Levin	Shelby
Dixon	Lieberman	Simon
Dodd	Matsunaga	Wirth

NAYS—44

Armstrong	Gorton	McConnell
Bond	Gramm	Murkowski
Boschwitz	Grassley	Packwood
Burns	Hatch	Pressler
Chafee	Hatfield	Roth
Coats	Heinz	Rudman
Cochran	Helms	Simpson
Cohen	Humphrey	Specter
D'Amato	Jeffords	Stevens
Danforth	Kassebaum	Symms
Dole	Kasten	Thurmond
Domenici	Lott	Wallop
Durenberger	Lugar	Warner
Fowler	Mack	Wilson
Garn	McClure	

NOT VOTING—2

Kennedy McCain

So the amendment (No. 74) was agreed to.

Mr. EXON. I move to reconsider the vote by which the amendment was agreed to.

Mr. SASSER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. SHELBY). The Senator from Tennessee.

Mr. SASSER. Mr. President, I think under the previous agreement, the Senator from Pennsylvania wishes to offer an amendment at this time.

The PRESIDING OFFICER. He has a right to do that.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senate is not in order. The Senate will come to order.

The Senator from Pennsylvania.

Mr. SPECTER. Might I preliminarily inquire as to the schedule? I understand that we are to recess at 12:30.

The PRESIDING OFFICER. The Senator is correct.

Mr. SPECTER. And reconvene at 2:15?

The PRESIDING OFFICER. The Senator is correct.

AMENDMENT NO. 75

(Purpose: To provide funds to relieve State prison overcrowding and to provide additional funds for the Bureau of Alochol, Tobacco and Firearms)

Mr. SPECTER. I thank the Chair.

Mr. President, in the intervening 5 minutes, I shall begin the presentation. At this time I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] proposes an amendment numbered 75.

Mr. SPECTER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, increase the amount on line 8 by $200,000,000.

On page 25, increase the amount on line 9 by $200,000,000.

On page 28, decrease the amount on line 23 by $200,000,000.

On page 28, decrease the amount on line 24 by $200,000,000.

Mr. SPECTER. Mr. President, this amendment is a relatively modest reallocation of $200 million from the Government travel allowance to critical needs in law enforcement with respect to prisons and Bureau of Alcohol, Tobacco and Firearms agents.

Mr. President, this amendment would allocate some $30 million for Bureau of Alcohol, Tobacco, and Firearms and some $170 million for prisons.

The allocations for travel, Mr. President, have been exhaustively analyzed by the Congressional Budget Office in February 1989, and that analysis shows that of the $2 billion currently allocated on employee travel, aside from military travel, there is, conservatively stated, at least $200 million in excess.

Mr. President, at this time I ask unanimous consent that a summary be printed at the conclusion of my statement, so the reasons and documentation for this figure may appear of Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOMENICI. Can we have order, Mr. President?

The PRESIDING OFFICER. The Senator is correct. The Senator from Pennsylvania has the floor. The Senate is not in order. The Senator from Pennsylvania is entitled to be heard.

Mr. SPECTER. I thank my distinguished colleague from New Mexico, and I thank the Chair for securing order.

Mr. President, the problems on crime in America have been comprehensively documented by numerous studies by national commissions. There have been many bills introduced since the 97th Congress. For the past 9 years, this Senator has introduced bills. Some have been enacted, but relatively little has been done on the problem of crime in this country. Largely, this major problems remains unattended. Mr. President, might we have order in the Senate? Staff are talking, and the Senate is generally not in order.

The PRESIDING OFFICER. The Senate will come to order. The Senate is not in order.

Mr. SPECTER. The Senate is still not in order, and there are staff on the floor who are talking.

The PRESIDING OFFICER. The Senate will come to order. The Members will take their seats.

The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, as I was saying, the problem of crime in this country is largely unattended. Federal, State, and local governments are really accessories to crime in this country by failing to take adequate steps to provide for domestic defense.

Mr. President, the Senate is still not in order. It is somewhat difficult to proceed in a coherent manner.

The PRESIDING OFFICER. The Senate will be in order. There are too many people walking around. The Senate is not in order, and if the people will leave the Senate floor that are walking around, or either sit down, the Senator from Pennsylvania is entitled to be heard. He is exactly right.

Mr. SPECTER. Mr. President, I am sure there will be more order at 2:15 when there is nobody around. It is a competitive issue, as to whether you want people to hear what you have to say. But it is hard to hear if the Senate is not in order.

Mr. President, the problem of crime in our society is truly a complex issue. It involves underlying causes of crime, involves difficult issues of arrest, apprehension, prosecution, conviction, and sentencing, and it is vital that we move ahead on all fronts.

In tackling the problems of the underlying causes of crime, we deal with the complex issues of education, of job training, of housing, of family structure, and we ought to make more of an effort in moving in that very vital direction.

In dealing with the issue of crime itself and the problems of prosecution, conviction and incarceration, it is necessary to move not only on career criminals, which has been a major thrust of this Senator's activities, but it is also necessary to move in the direction of realistic rehabilitation where that is possible, dealing with youthful offenders, with some second offenders, and certainly with first offenders.

During my tenure as chairman of the District of Columbia Subcommittee of the Appropriations Committee, that subcommittee and the full committee and the Congress directed itself at major rehabilitation efforts.

I see by the Chair's nodding that we have reached the hour of 12:30 p.m., the time designated for termination of our proceedings, so at this point, Mr. President, I shall obviously observe that time sequence and shall return at 2:15 p.m. to continue this presentation.

I thank the Chair and yield the floor.

RECESS UNTIL 2:15 P.M.

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 p.m. having arrived, the Senate will now stand in recess until the hour of 2:15 p.m.

Thereupon, at 12:30 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to

order by the Presiding officer [Mr. ROBB].

OMNIBUS CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEARS 1990, 1991, AND 1992

The Senate continued with the consideration of the concurrent resolution.

The PRESIDING OFFICER. The Senator from Pennsylvania.

AMENDMENT NO. 75, AS MODIFIED

Mr. SPECTER. Mr. President, at the time the Senate recessed there was pending the amendment which I had submitted just a few minutes before recess.

Mr. President, at this time, after consultation with the Parliamentarian, I seek to modify my amendment to provide, in place of the $200 million figure, a figure of $100 million in each of the categories.

The PRESIDING OFFICER. The Senator has a right to modify his amendment. That modification will be accepted.

The amendment, as modified, is as follows:

On page 25, increase the amount on line 8 by $100,000,000.

On page 25, increase the amount on line 9 by $100,000,000.

On page 28, decrease the amount on line 23 by $100,000,000.

On page 28, decrease the amount on line 24 by $100,000,000.

Mr. SPECTER. Mr. President, I have made that modification because I have learned in the intervening hour and 45 minutes, that there are other Senators who plan to utilize the travel allocation to seek funds for other important programs and, after further analysis, I have concluded that the $100 million would be sufficient for the purposes this Senator seeks to achieve. I therefore propose to allocate $30 million to the Bureau of Alcohol, Tobacco and Firearms and to allocate $70 million for prison construction, which would permit the addition of some 35,000 additional prison beds, as I shall amplify during the course of my presentation. It is highly likely that the 35,000 beds would be probably as much as could be accommodated in the course of the 1-year period, if this amendment were to be successful, and that program was to go forward, Mr. President.

Mr. President, the amendment which I have submitted is a relatively modest reallocation of some $100 million on our $1.1 trillion Federal budget. It is a reallocation from Government travel to critical needs concerning prisons and the Bureau of Alcohol, Tobacco and Firearms agents.

The allocations to prison and to firearms agents have been selected, Mr. President, as the two most critical aspects of the criminal justice system. Although many are in need of additional funding, those two aspects, in the judgment of this Senator, are the two most important.

The amendment provides, Mr. President, that the funding would come from travel allotments. The Congressional Budget Office has specified in some detail that there is at least $200 million in excess travel funds which could be reallocated without doing any damage to that function. And that is other than military travel.

Mr. President, the problems of crime in America have been comprehensively documented by numerous studies and national commissions. It is beyond any question one of the major problems faced by this country today. Many bills have been introduced—a fair number by this Senator—including legislation pending since the 97th Congress which would allocate 1 percent of our Federal budget to crime control or denominated as domestic defense which has been woefully neglected.

The Armed Career Criminal Act provides for the Federal Government to enter into street crime for the first time. It was enacted by the Congress as part of the 1984 Comprehensive Control Act and was amended in 1986 to include drug offenses and other violent offenses, in addition to robbery and burglary.

So there have been some advances, Mr. President, but by and large the problem of crime in America has gone largely unaddressed. It is a serious thing to say, but I believe it to be true, that Federal, State, and local governments have been accessories to crime in America by failing to take adequate action to provide for domestic defense against criminals in this country.

Each year 20,000 Americans die through homicide, a staggering figure representative of the overwhelming statistical evidence of crime in America on robberies and burglaries, rapes and arson and yet very little has been done to grapple with this very major problem.

Crime is obviously a complex subject underlying many aspects of our lives in this country. The underlying causes of crime are with us today as they have been with us for decades and really centuries. Poverty, lack of housing, lack of adequate education, lack of job training, lack of jobs, lack of family structure, all are integral parts of the underlying causes of crime in this country, and more has to be done by the Congress of the United States in addressing those issues. At the same time, realizing that more action is necessary to address the underlying causes of crime, Mr. President, I submit that it is simultaneously necessary, as a matter of first aid, as well as working on the long-range cures, to address the issues of arrest, prosecution, conviction, rehabilitation, where possible, and incarceration where rehabilitation is not possible.

Mr. President, we have in this country today perhaps 400,000, perhaps 500,000 career criminals who are not behind bars. Public safety requires that as to career criminals they be incarcerated virtually permanently. The armed career criminal bill of 1984 provides for a mandatory sentence of 15 years to life. With respect to offenses committed prior to the effective date of the sentencing guidelines, a 15-year sentence is a life sentence under the Federal system because after 15 years, a convict is eligible for parole. Those crimes are denominated as someone who is convicted of three or more serious felonies, like robbery, burglary, drug sales or other serious offenses.

Mr. President, before we can move against the career criminals and, in effect, throw away the key, it is necessary that we direct our attention to rehabilitation where that is practical—rehabilitation for youthful offenders, for juveniles, rehabilitation for first offenders, and rehabilitation for some second offenders.

In the District of Columbia, we have made some significant strides on literacy training and on vocational training, on programs initiated during the period of 1983 to 1986 when I had the opportunity to chair the District of Columbia Subcommittee of Appropriations. Those programs, while undergoing certain growing pains, are now moving ahead and show some real promise. Legislation has been produced which would encourage States to undertake rehabilitation efforts on these juvenile offenders, first offenders, and some second offenders.

Mr. President, I believe that it is indispensable that rehabilitation be tried before we say to the repeat offender who becomes a career criminal, "we are finished with you; in effect, you have a life sentence." In effect, we are throwing away the key because it is necessary to protect our society from those career criminals.

For many years, there has been a recognition by the State governments under the so-called habitual offenders statutes, when someone is a three-time loser or, in some States, a four-time loser, those habitual offenders are subject to sentencing to life imprisonment. Unfortunately, the States have not utilized these habitual offender statutes. One bill which is pending before the Congress now would encourage States to use the habitual offender statutes by providing for Federal incarceration where the States use their habitual offender or career criminal statutes to put people in jail for life.

Mr. President, the prevailing attitude in America is that crime does pay. Fifty years ago I believe it was accurate to say that the attitude of the

criminals was crime does not pay. But today the attitude is just directly reversed. There is an attitude that the would-be criminal will take a chance because the odds are with him, in effect, little or nothing will be done to the criminal.

You find a criminal justice system, Mr. President, which has four principal attributes: First, the criminal is unlikely to be caught; second, the apprehended criminal is unlikely to be convicted; third, the convicted criminal is unlikely to be imprisoned; and, fourth, the imprisoned criminal is unlikely to be imprisoned for a sufficient length of time. The result is that society is unprotected.

As a result, there has been, for years, a coast-to-coast crime wave. It is no wonder that a jogger in Central Park in New York City is attacked by a group of young thugs who are engaging in being wild. It is no surprise that in Los Angeles, CA, gangs commit drug offenses and murders, and those gangs have spawned their way across the country until today they roam in central rural Pennsylvania. It is no wonder that Washington, DC, is the murder capital of the year with the statistics rising daily, now at 167 homicides so far this year. But Washington, DC, is not unique; Chicago is close behind, Detroit is close behind, Philadelphia is close behind, and so are many other major American cities. Whereas the statistics in Washington show a 55-percent increase in homicides, it is 37 percent in Chicago, and 36 percent in Philadelphia.

Mr. President, I am hopeful that the administration and Congress will address the crime problem comprehensively. Certainly there are sufficient bills which are pending at the present time, one of which is my bill which would allocate 1 percent of the Federal budget to crime control, some $10 billion to $11 billion a year.

Today, Mr. President, this amendment addresses only two issues and in a relatively modest way: Prisons and the Bureau of Alcohol, Tobacco and Firearms. Why does this amendment address these two issues? Because the most critical bottleneck in the criminal justice system today is the prison system.

Why the Bureau of Alcohol, Tobacco and Firearms? Because that unit has achieved the most remarkable effect on directing law enforcement efforts to armed career criminals who are caught with a firearm, to drug dealers who are caught with a firearm, to felons who are caught with a firearm in a way that the effectiveness ought to be enhanced by an additional appropriation, as suggested in this amendment, of some $30 million.

Mr. President, the prison overcrowding crisis is growing. When I reviewed the statistics preparatory to filing this amendment, I was surprised at how bad it has become, and I have been a student of the prison situation in this country for more than 25 years since being district attorney of Philadelphia.

Today we have a situation of prison overcrowding which is truly astounding. The facts are that 45 of the 50 States are either under a court order or have litigation pending against them because of overcrowding and because of prison conditions. The courts in this country have directed the operation of prison systems in entire States or in at least 1 institution in a State in some 45 of our 50 States. It is easier to identify the States not under court supervision than to identify the 45 which are. Only Minnesota, Montana, Nebraska, North Dakota, and New Jersey are not under court order or have litigation pending—really an astounding situation.

In addition to the 45 States which are under court order, there are the District of Columbia, the Virgin Islands, and Puerto Rico, all 3 of our so-called jurisdictions analogous to States. Beyond the States under court order, there are at the present time 102 large local jail systems under a court order as to population and 118 large local jail systems under a court order as to conditions.

Mr. President, the extraordinary seriousness of this situation is seen in the debate which frequently is undertaken on this floor about the undesirability of having the courts in this country undertake legislative responsibilities. Most of us in the Congress, most Americans would agree with the proposition that it is up to the legislative bodies to establish public policy through legislation in a democratic process, and the courts ought to interpret the law rather than to make the law. But when Congress and the State legislatures default in their obligations, the consequence in our society has been to have the courts make the rules, essentially undertaking the legislative responsibility. In some circumstances, the courts are compelled to act as the executive branch essentially undertaking what is the responsibility of the Executive in the Federal system, the President, or undertaking the responsibility of the State Governor.

We wonder why the courts have arrogated so much power unto themselves, but when we take a look at the history of this country and find the ineffectiveness, inability, unwillingness of the Congress of the United States to address the problem of segregation, leaving it finally to the Supreme Court of the United States in Brown versus Board of Education, we see that the legislatures were unwilling or unable to act to correct a major problem, and finally in 1954 it was left to the Supreme Court of the United States. We have seen that repeatedly on major social institutions—the right to counsel in Gideon versus Wainwright and the right to remain silent in Miranda versus Arizona, where the courts have undertaken legislative and executive responsibilities.

Mr. President, today the Federal courts are running the prison systems in this country. At this time there are nine entire State systems and Puerto Rico under court order. There are 28 States, the District of Columbia and the Virgin Islands where the courts are running at least 1 institution under a court order, and in 8 States prison overcrowding litigation is pending.

Mr. President, the States have taken some action to relieve prison overcrowding but it is totally insufficient. At the present time construction is under way, according to statistics from the National Institute of Corrections in the Federal Bureau of Prisons, for some 63,500 beds. Additional prison construction is planned for 78,000 additional beds and requests have been made for construction of some 72,000 beds beyond that. But much of that is on the drawing board and much of it is unlikely to result.

Mr. President, I ask that the Senate be in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. SPECTER. Mr. President, I have asked Michael Quinlan, the Director of the Federal Bureau of Prisons, to conduct an up-to-date survey on the status of State prisons in the United States, and I take this opportunity to compliment Mr. Quinlan for his response to a long series of inquiries which this Senator has made, and to compliment the Department of Justice and Acting Assistant Attorney General Carole Crawford for providing a great deal of statistical data which underlie the pending amendment.

Mr. President, I ask unanimous consent that there be included in the RECORD at the conclusion of my remarks an analysis State-by-State which was compiled by the National Institute of Corrections as of April 25, 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. SPECTER. Mr. President, with its inclusion in the RECORD it is unnecessary for me to specify the statistics shown thereon, but it will suffice to comment that it shows a very serious situation on prisons in this country and the urgent need for additional prison space.

Mr. President, so many of those who are incarcerated in State prisons really constitute a Federal problem because they are involved in drug trafficking, which has been recognized to be a Federal responsibility, violation of the

Firearms Act, which is again acknowledged to be a Federal responsibility, or they are career criminals traveling in interstate commerce.

Mr. President, there are a key set of statistics summarized on three pages compiled with the assistance of Michael Quinlan, the Director of the Bureau of Prisons, which I ask unanious consent to have incorporated in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. SPECTER. I thank the Chair. Placing these in the RECORD will enable me to abbreviate my remarks. It is too late to make a short speech on this subject, but it can be a shorter speech.

These projections, Mr. President, show that by the year 1994 there will be a necessity for some 868,500 prison beds, so that no matter how fast the States are moving at the present time the States are falling hopelessly behind.

Mr. President, this year we will have a unique opportunity to utilize the closing of Federal military installations to add prison beds at a very low cost. Michael Quinlan, the Director of the Bureau of Prisons, has informed this Senator that it is possible to take a military installation and, for a very low cost of approximately $2,000 a bed, convert those installations to accommodate minimum security inmates, and he bases that on the existing use of Federal military facilities at Eglin Air Force Base where they currently have some 800 inmates, Maxwell Air Force Base, 750; Tyndall Air Force Base where they now have 105 and expect to expand to 300, Pensacola where they have 200, Homestead where they have 90, Seymour Johnson in North Carolina; Duluth, MN, where there is a closed Air Force base which will accommodate some 600 inmates; and Big Springs, TX.

The costs are much under the average costs for prison construction where they are on the whole about $50,000 a bed. Maximum security cells cost somewhere in the $65,000 range. This varies from State to State for some minimum installations at the $30,000 to $35,000 cost per bed. But by using military bases, it is possible to have this expansion for some $2,000 a bed.

It is also less expensive to operate these prisons according to Michael Quinlan. At Eglin, it costs $6,200 an inmate per year because in those minimum security surroundings they are able to have one supervisor, one prisoner personnel for every 10 inmates compared for example to maximum security at Marion, IL, where it is a 1-to-1 ratio. So that as these military installations come on line, it is possible with the use of some $70 million to provide some 35,000 additional jail cells.

The utilization of these jail cells will have a very positive effect in a number of ways. First, it will relieve overcrowding, and what the courts have held to be an unconstitutional deprivation of rights by the overcrowding.

Second, it will enable the States to incarcerate more individuals. Of course, that runs contrary to the issue of overcrowding but today you have an additional 114,000 people in confinement in State institutions so that if we have 35,000 additional beds, there can be some relief from overcrowding and there can be some additional prisoners.

The statistics are ominous, Mr. President, when we take a look at the number of premature releases in this country. In 1985, there were 19,000 inmates released prematurely because of prison overcrowding. The facts are that judges do not sentence people convicted of serious crimes to jail where they should be sentenced, where the judges would like to impose those sentences, because of overcrowding. That is supported by testimony before the District of Columbia Subcommittee in 1986 by Chief Judge Ugast of the D.C. Superior Court and confirmed by Chief Justice Pryor, the Chief Judge of the D.C. Appellate Court, the Court of Appeals.

The situation on prison overcrowding has become so serious that even when first-degree murderers are convicted in some cases they are released immediately because of the absence of jail space as illustrated by a case in Arkansas this year, in Little Rock, where a man was convicted of murder in the first degree, sentenced to 25 years in jail, and immediately released because of the absence of prison space.

Mr. President, this is a lengthy presentation already but it is a somewhat abbreviated presentation to encapsulate the overwhelming problems of prison overcrowding as those problems relate directly to public safety, and the fact that approximately 20,000 convicts are released prematurely a year. The statistics from the Department of Justice show that about 28 percent of convicts commit repeat offenses, and there is an urgent need for this increased jail space.

Mr. President, the second facet of this amendment would allocate some $30 million to the Bureau of Alcohol, Tobacco and Firearms to supplement the very effective work which that unit is doing on armed career criminals, drug dealers who are caught with firearms, and felons in possession of a firearm.

In the relatively brief period of time since these enhanced penalties have been on the books, from October 1, 1986, to May 1, 1989, a period of just 2½ years, prosecutions have been brought against 8,454 defendants. While some of those are still in process, the conviction rate has been 92 percent, and the average sentence has been 12 years in jail.

The Congress has allocated additional funds in fiscal year 1988 and 1989, and if it were undertaken in the year 1990 it could have a very profound benefit by putting some additional 350 to 500 agencies in the field to concentrate on these serious criminals who commit violent offenses, drug offenses with firearms.

The effectiveness of this unit is illustrated by their efforts in Washington, DC, which had been confidential up until recently, but there has been a public disclosure, and now it is appropriate to give some of the specifics on what has been undertaken here in Washington, DC, by the Bureau of Alcohol, Tobacco and Firearms.

There has been a special task force working in this jurisdiction for the period of March and April of this year, and in that 60-day period there have been 119 criminal investigations initiated involving firearms and narcotic traffickers, and some 103 individuals arrested for firearms and narcotics violations. They are being prosecuted under the statutes which provide for the mandatory sentences of 15 years to life for three-time felons and mandatory sentences of 5 years for the armed traffickers.

This is possible as a result of the availability of these agents who have been added to the Federal task forces as a result of legislation which has been initiated under these provisions.

I want to thank Mr. James Pasco, Assistant Director of the Bureau of Alcohol, Tobacco and Firearms, for making these statistics available and for demonstrating the effectiveness of this particular unit.

With the addition of some $30 million and some 350 to 500 additional agents, there can be a very heavily targeted and very effective direction against drug dealers and career criminals in this country.

Mr. President, in a sense, I regret the length of the presentation, now some 34 minutes. This is just a thumbnail description.

It is my hope that before many days or weeks or months have elapsed, the Senate will undertake an analysis of a comprehensive crime program which will take into account investigations, court docketing and prosecutions, and rehabilitation and prison space. But this, I would suggest, is a minimal response to the very serious problem of crime in America today. It would establish a priority by the U.S. Senate on prisons and on violations relating to firearms.

A similar resolution was introduced last year, and it passed by a vote of 76 in support with only 18 against.

While that amendment was dropped in conference, because it did not have the support of the leadership, that expression by the Senate was very helpful in securing a significant additional appropriation from the Appropriations Committee on which I served. The additional personnel has enabled the Bureau of Alcohol, Tobacco and Firearms to bring these 45 men and women into Washington, DC, today to work on a problem of major national importance. This result has come about due to the efforts of many Senators—Senator DOLE was on this issue a decade ago, and he has left the Judiciary Committee for other more important responsibilities—but many Senators have articulated this problem.

I think that some will see this on C-SPAN II, if anyone is watching in America today—and I make that comment during the Tower proceedings, Mr. President, and my switchboard was soon flooded with calls from people who were watching on C-SPAN II. Therefore, I will point out that in a sense, a budget resolution is monopoly money. It comes down to real money when we talk about the appropriations process, but a very strong vote will reaffirm the concern of the U.S. Senate on prisons. It is impossible, rationally, not to have that concern when 45 States are under a court order or in litigation. It is impossible not to have the concern about career criminals or drug dealers carrying firearms, who are a menace on the streets of this country, when you take a look at the thousands of convictions, thousands of prosecutions, and the 92 percent conviction rate, and the average sentence of 12 years, from these specialists in the Bureau of Alcohol, Tobacco and Firearms. Therefore, I ask my colleagues to provide a resounding vote in support of this amendment.

Mr. President, at this time I ask unanimous consent that there be added as cosponsors, Senator HEINZ, Senator D'AMATO, Senator HATCH, Senator WILSON, and there may be others, but those have indicated an interest in cosponsoring in the course of the day.

The PRESIDING OFFICER. Without objection, those cosponsors will be added.

Mr. SPECTER. I yield the floor.

EXHIBIT 1

[Congressional Budget Office, February 1989]

REDUCING THE DEFICIT: SPENDING AND REVENUE OPTIONS—A REPORT TO THE SENATE AND HOUSE COMMITTEES ON THE BUDGET—PART II

FWF-08—REDUCE EXPENSES FOR FEDERAL NONDEFENSE TRAVEL

[In million of dollars]

Savings from CBO baseline	Annual savings					Cumulative 5 yr savings
	1990	1991	1992	1993	1994	
Budget authority	190	200	210	220	230	1,050
Outlays	180	200	210	220	230	1,050

Nondefense agencies currently spend about $2.0 billion on employee travel. Appropriation action requiring a 10 percent across-the-board cut in travel costs for nondefense agencies would save, relative to the CBO baseline, $1.0 billion over five years.

Recent budget reduction efforts have reduced either travel funds specifically or the general operation funds from which travel expenses are paid. The continuing resolution for 1988, for example, cut 15 percent from the funds that certain agencies requested for travel. According to the General Services Administration, which manages travel arrangements for civilian personnel, other reductions in travel costs have been achieved through continued improvements in procurement methods. Nevertheless, travel expenses for nondefense agencies, which last year averaged $1,700 per civilian employee (except postal workers), have increased faster than inflation. By the end of 1989, average annual costs per employee will have increased an estimated 37 percent over the 1985 level, while prices in general will have increased by only 14 percent during the same period. Although improvements effected by agencies have prevented some unnecessary travel expenses, further changes in travel management or outright reduction in the amount of travel could produce additional savings.

Carrying out this option would probably require limitations in successive annual appropriation measures, patterned after the selective one enacted last year, that would direct the President to determine for specific agency accounts the amount of funds to be withheld from obligation. The President could be required either to apply a uniform percentage reduction necessary to achieve a specified total outlay savings or to allocate the reduction among agencies based on their particular mission requirements. The legislative mandate could require the President to report his actions to the Congress and to provide for use of apportionment and other accountability controls.

Proponents argue that an across-the-board reduction in 1990 would prompt agencies to pursue cost-saving practices more aggressively. Such practices include better monitoring of costs, eliminating low-priority travel, and greater use of innovative procurement methods like negotiated discounts for high-volume travel, commercial charge cards, and travel offices.

On the other hand, enactment of a 10 percent reduction in travel expenses could create difficulties for agencies that rely heavily on travel for effective management and for carrying out mandated programs. Agencies with many field offices, inspection sites, or contractors, for example, might have to reduce service, face inefficiencies, or incur added costs for items such as telecommunications. Moreover, as possible management improvements and cuts in low-priority travel are exhausted, the risk of inefficiencies increases. Instead of cutting travel, the government might be better served by encouraging more employee review of field operations. Reducing funds for particular types of expenditures—such as travel, energy consumption, purchase of supplies, and so on—is a rigid approach that prohibits the most efficient and effective use of available resources. From this perspective, focusing reductions on travel is less preferable and more difficult to carry out than a general reduction in agency operating expenses.

EXHIBIT 2

PRISON POPULATION, CONSTRUCTION, AND FUNDING SUMMARY, NATIONAL INSTITUTE OF CORRECTIONS, APR. 25, 1989

State	Prison population		Projected (year)	Pop. trend	Capac. 1988	Local custody	Court cap	Other place	Rel. mech.	Beds under construction	Beds planned	Additional beds requested	Number likely to be funded	Source of funds	Population initiatives
	1983	1988													
Alabama	9,856	12,610		Up	11,162	0									
Alaska	1,631	2,588	3,034 (1993)	Up	2,793	NA	No	0	Yes	70	0	250	0		No.
Arizona	6,889	12,158	17,589 (1993)	Up	12,240	136	No	0	Yes	1,700	1,488	1,450	1,450	(?)	No.
Arkansas	4,248	5,519	8,143 (1992)	Up	5,330	4,248	No	0	No	2,080	0	1,000	(1)	Tax	Yes.
California	39,375	76,171	136,640 (1994)	Up	46,229	(1)	No	0	No	13,882	37,190	2,200	(1)	Bond	Yes.
Colorado	3,244	5,997	8,000 (1992)	Up	4,985	350	Yes	123	No	500	816	500	500	Tax	Yes.
Connecticut	5,474	8,005	25,434 (1993)	Up	7,153	NA	Yes	0	Yes		4,600	1,350	1,350	(?)	Yes.
Delaware	3,188	3,166	4,450 (1992)	Up	2,090	NA	Yes	0	Yes	0	600				Yes.
District of Columbia	4,344	8,705	12,500 (1994)	Up	7,417	NA	Yes	742	Yes		500	1,000	1,000	Bond	Yes.
Florida	28,344	24,732	40,000 (1990)	Up	35,618	0	Yes	0	Yes	4,736	0	8,843	8,843	Tax	Yes.
Georgia	15,358	18,787	NA	Up	17,296	4,085	Yes	0	Yes	5,210	0	500	500	Tax/bond	No.

PRISON POPULATION, CONSTRUCTION, AND FUNDING SUMMARY, NATIONAL INSTITUTE OF CORRECTIONS, APR. 25, 1989—Continued

State	Prison population		Projected (year)	Pop. trend	Capac. 1988	Local custody	Court cap	Other place	Rel. mech.	Beds under construction	Beds planned	Additional beds requested	Number likely to be funded	Source of funds	Population initiatives
	1983	1988													
Hawaii	1,700	2,367	NA	Up	1,691	NA	Yes	45	No	898	0	800	(?)	Bond/tax	Yes.
Idaho	1,187	1,548	2,000 (1990)	Up	1,163	170	Yes	227	No	96	0	0			Yes.
Illinois	15,595	21,081	25,235 (1994)	Up	20,100	(1)	No	0	No	728	720	720	(?)	(?)	Yes.
Indiana	9,295	11,406	13,000 (1994)	Up	10,412	0	Yes	0	Yes		2,216	2,400	1,200	Tax	Yes.
Iowa	2,814	3,034	4,200 (1994)	Up	2,858	0	Yes	0	No	386	0	386	250	Tax	Yes.
Kansas	3,705	5,936	NA	Up	4,293	(1)	Yes	49	No	1,504	0	1,024	(1)	Bond	Yes.
Kentucky	4,773	7,119		Up	6,469										
Louisiana	12,812	16,149	16,000 (1990)	Stable	12,330	4,000	Yes	4,000	Yes	584		NA	NA		
Maine	1,092	1,297	2,500 (1995)	Up	934	0	No	0	No	144	200	200	200	Bond	Yes.
Maryland	12,617	14,276	NA	Up	11,352	69	Yes	118	No		244	0			Yes.
Massachusetts	4,482	6,733	8,873 (1995)	Up	3,891	NA	No	525	No		2,036	390	240	Bond	Yes.
Michigan	14,510	27,713	NA	Up	21,454	(1)	Yes	(1)	Yes	2,000	1,864	0			Yes.
Minnesota	2,113	2,799	3,309 (1992)	Up	2,964	0	No	0	No	0	0	500	500	Bond	Yes.
Mississippi	5,588	7,438	8,965 (1990)	Up	6,318	1,370	Yes	0	No	1,120	1,500	0			Yes.
Missouri	8,103	12,354		Up	12,800										
Montana	903	1,272	560 (1995)	Up	784	0	No	0		96	175	0			Yes.
Nebraska	1,828	2,205		Up	1,651										
Nevada	3,188	4,881	8,367 (1995)	Up	4,637	0	Yes	0	No		0	1,594	1,594	Bond	Yes.
New Hampshire	479	1,019	1,700 (1995)	Up	774	0	No	0		290	0	0			No.
New Jersey	9,192	16,936	19,674 (1990)	Up	12,172	2,382	No	0	No	1,147	1,987	(?)	NA	Bond	Yes.
New Mexico	1,977	2,825	NA	Up	2,671	71	No	0	No	300	100	200	200	Tax	No.
New York	30,510	44,560	NA	Up	40,095	1,100	No	0	No	2,874	0	4,000	(?)	Bond	Yes.
North Carolina	16,371	17,069	17,000 (1990)	Stable	14,767	0	Yes	17	Yes		1,400	200	200	Tax	Yes.
North Dakota	410	466	563 (1995)	Up	516	0	No	0	No		0	0			No.
Ohio	18,007	26,113	33,359 (1992)	Up	18,482	(1)	No	0	No	1,410	850	0			Yes.
Oklahoma	7,872	10,488	13,000 (1991)	Up	7,378	0	Yes	0	Yes	380	285	875	875	Tax	Yes.
Oregon	3,952	5,991	72,048 (1994)	Up	4,077	0	No	0	Yes	1,700	1,600	24,500	500	(1)	Yes.
Pennsylvania	11,767	17,879	21,046 (1991)	Up	12,972	(1)	No	0	No	2,500	1,000	0			Yes.
Rhode Island	1,157	1,906	2,500 (1990)	Up	1,546	NA	Yes	0	Yes		312	192	192	(?)	Yes.
South Carolina	9,576	13,745	15,750 (1990)	Up	11,793	400	Yes	0	No	1,590	1,584	1,616	808	Bond	Yes.
South Dakota	826	1,020	NA	Up	1,170	0	No	0	No	0	64	0			Yes.
Tennessee	8,201	7,491	10,000 (1994)	Up	7,754	2,613	Yes	(1)	Yes	1,244	2,165	2,052	2,052	Tax	Yes.
Texas	35,258	40,437	NA	Up	39,244	8,000	Yes	0	Yes	13,404	11,900	11,000	11,000	Bond	Yes.
Utah	1,274	2,004	3,400 (1994)	Up	2,464	0	No	0	Yes	624	623	0			Yes.
Vermont	497	811	1,190 (1995)	Up	587	0	No	0	No	50	90	0			Yes.
Virginia	10,093	14,184	16,776 (1992)	Up	11,460	2,700	No	0	No		0	1,528	1,528	Tax	Yes.
Washington	5,658	5,816	8,636 (1994)	Up	5,914	(1)	Yes	63	No	0	0	400	400	Bond	Yes.
West Virginia	1,611	1,458	2,097 (1994)	Up	1,547	224	Yes	0	Yes	0	0	700	700	(?)	Yes.
Wisconsin	4,845	6,287	8,040 (1993)	Up	4,683	(1)	Yes	0	Yes	155	775	340	340	Bond	No.
Wyoming	721	962	NA	Up	950	0	No	0	No	50	60	200	200	(?)	No.
Total	404,929	577,474			481,430	31,918		5,909		63,452	78,094	72,190	36,622		

[1] Unknown.

EXHIBIT 3

FACTSHEET ON PRISON AND JAIL OVERCROWDING

I. Prison overcrowding (sentenced):

State January 1, 1989	114,990
Federal January 1, 1989	20,816

II. Jail overcrowding (detention before trial): June 30, 1987 21,454

III. Criminals prematurely released because of overcrowding:

19 States in 1985	18,617
14 States in 1984	17,365
15 States in 1983	21,420

IV. Criminals convicted and not incarcerated because of insufficient prison space (Testimony of Chief Judge Ugast, D.C. Superior Court, and Chief Judge Pryor, D.C. Ct. of Appeals)..... (1)

V. Defendants released of insufficient detention space..... (1)

[1] Thousands

VI. Prison systems under court order December 1, 1988.

The entire State systems and Puerto Rico—under court order. 28 States, DC, VI—at least one institution under court order. 8 States—prison overcrowding litigation pending.

VII. Jail systems under court order June 30, 1987.

The 102 large local jail systems under court order re: population.

The 118 large local jail systems under court order re: conditions.

VIII. Federal inmate population growth:

1987	43,800
Projected by 1992	79,000
Projected by 1997	118,000
Projected by 2002	156,000

IX. Total inmate population growth:

1980	329,821
1981	369,930
1982	413,806
1983	437,248
1984	464,567
1985	502,507
1986	545,133
1987	581,609
Projected by 1994	[1] 868,500

[1] Bureau of Prisons projections.

SUPPORTING AUTHORITY FOR FACTSHEET ON OVERCROWDING

I. Prisons overcrowding. In its bulletin entitled "Prisoners in 1988" the Bureau of Justice Statistics reported the following figures on prison overcrowding as of January 1, 1989, using the lowest measure of capacity:

	Population	Capacity	Overcrowding
Total	627,402	491,596	135,806
Federal	49,928	29,112	20,816
State	577,474	462,484	114,990

II. Jail Overcrowding. In Table 8 of its bulletin entitled "Jail Inmates 1987" the Bureau of Justice Statistics reported that as of June 39, 1987, there were 224,811 inmates in the largest local jail systems (100 or more inmates), and that those jails had a rated capacity of 203,457. Thus, jails were overcrowded by 21,454 inmates.

III. Criminals prematurely released because of overcrowding. In its 1984 and 1985 bulletins on prisoners, the Bureau of Justice Statistics reported that in 1983, 1984 and 1985, states used emergency procedures to release 18,617, 17,365 and 21,420 prisoners, respectively. The Bureau has not compiled this statistic since 1985.

IV, V. Criminals convicted and not incarcerated because of insufficient prison space/Defendants released because of insufficient detention space. In a hearing before the District of Columbia Appropriations Subcommittee chaired by Senator Specter on June 11, 1986, Chief Judge Ugast of the D.C. Superior Court reported that prison overcrowding had become a sentencing factor that caused judges to refrain from imposing prison sentences in some cases. Chief Judge Pryor of the D.C. Court of Appeals concurred in this assessment. It is reasonable to assume that this phenomenon, although difficult to quantify, exists nationwide and extends to a court's decision to detain or release the defendant pending trial.

VI. Prison systems under court order. In its December 1, 1988 status report on the courts and the prisons the National Prison Project reported that there are nine entire state prison systems and the Puerto Rico prison system under court order. Twenty-eight states, the District of Columbia and the Virgin Islands have at least one major institution under court order, and litigation is pending in eight states, although a court order has not yet been issued. The only states not affected are Minnesota, Montana, Nebraska, New Jersey and North Dakota. The Report details the legal status of every jurisdiction's prison system.

VII. Jail systems under court order. A Bureau of Justice Statistics list of 102 local jurisdictions under court order to reduce jail population is attached. See also Attachment B, in which the Bureau reports that in 1987, 118 local jurisdictions were under court order to improve jail conditions.

VIII. Federal Inmate Population Growth. As part of its June 18, 1987 supplementary report on the new federal sentencing guidelines the U.S. Sentencing Commission projected the federal prison population into the next century. The study, prepared with the Bureau of Prisoners, forecasts that the 1987 population of 48,300 will almost double in five years.

XI. Total Inmate Population Growth. Table 1 of the bulletin entitled "Prisoners in 1987" demonstrates the growth in total inmate population (state and federal) from 1980 to 1987. Assuming the same rate of growth in the next seven years, the prison population in 1994 would be 833,397. In fact, the rate of growth is likely to increase during the coming years because of improved enforcement, new drug laws and mandatory minimum penalties. As a result, the Bureau of Prisons projects a total inmate population of 868,500 as of 1994.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield myself time.

The PRESIDING OFFICER. The Chair recognizes the minority floor manager, Senator DOMENICI.

Mr. DOMENICI. I yield my time off the resolution so as not to detract from the time in opposition.

Mr. President, might I say, while the distinguished junior Senator from Pennsylvania is on the floor of the Senate, I congratulate him. I congratulate his efforts on this issue, not only for today, but for last year, the year before that, and the year before that.

Frankly, as I see it, the citizens of the United States support law enforcement. I have never seen the people of my State and citizens that I heard from across this land who more frequently, more violently, and with more assurance, say, "Arrest those who sell drugs. Arrest those who use firearms illegally. Arrest hardened criminals." And they do not stop there. In fact, they are getting tired of saying, "Arrest." They say, "Put them in prison." Is that not right, I ask my friend from Pennsylvania, across this land?

Mr. SPECTER. I agree.

Mr. DOMENICI. They are saying to every elected official, "We want those kinds of people off our streets."

Now, Mr. President, the anomaly is that nobody wants to pay for prisons. I see the occupant of the Chair. He was a Governor. I am not sufficiently familiar with the Chair's State, but I would venture a guess that he had a difficult time—even when the State legislature said, "Here is some money"—to locate a prison; especially to locate a prison near a large metropolitan area, from whence the criminals came that we were picking up, arresting, prosecuting and putting away.

As a consequence, we have a drug war—and I am going to continue the analogy—with no prison camps, and that is for sure.

Now, having said that, the Senator from Pennsylvania has been telling us this. He has been saying that we cannot build State prisons because that is their problem, but why do we not build more Federal prisons and improve the ones we have? If I recall correctly—and the Senator may correct the exact nature of his thrust—but I gathered from another thrust of the Senator's that he was saying we know how to define hardened criminals. Let us have task forces go after them, and then make sure they go to prison. I am not sure of the exact nomenclature of that thrust, but I understand it very certainly to be one of the Senator's notions.

Mr. SPECTER. If the Senator will yield for a moment on that.

Mr. DOMENICI. I will be pleased to.

Mr. SPECTER. We have identified, since 1972, the career criminals in this country and a battle plan. I served in 1972 on the National Commission of Criminal Justice Standards and Goals, where a blueprint was outlined; and that blueprint was incorporated in the legislation which this Senator introduced in 1981, each of the Congresses, the 97th through the 101st Congress, and the same anomaly is inconsistent in the Congress. We spent $300 billion a year on defense, where not one American has been killed, but 20,000

Americans are killed a year as a result of homicides.

I do not begrudge the defense budget. I think it is necessary. But in the allocation of priorities, and I say to this Senator, that 1 percent of the national budget, $10 billion, $11 billion, would be minimal to direct to this kind of problem; and I say that with great affection for the Senator from New Mexico. We could reduce violent crime by 50 percent in this country, if we dealt with career criminals whom we have identified.

When the Senator refers to the Senator from Virginia, or the five Senators here on the floor at the present time, from New Mexico, Virginia, Tennessee, Illinois, and Pennsylvania, and all of our States are among the 45 which are either under court order or subject to litigation, so that each of us has a very personalized responsibility, in addition to our generalized obligations as U.S. Senators.

Mr. DOMENICI. I thank the Senator.

Mr. SPECTER. I thank the distinguished Senator for yielding.

Mr. DOMENICI. Mr. President, the word I was searching for that described his thrust was "career criminals."

I need not repeat my laudatory comments with reference to his activities. Having said that, I do not think what I am about to explain to the U.S. Senate is going to have much effect. I believe the fact is that we do not have enough prisons, that we can always spend more money, and should, on law enforcement, and in particular, in the area that the Senator is talking about. I do not believe my explanation of what we are doing here on this budget resolution in the Senate will really have much effect, because I think people might want to express themselves with reference to this issue.

Let me see if, in the early stages of this budget process, I might explain as simply as I can, after all these years, what we really do here and what we do not do.

Then, obviously, I will yield to our chairman, and if the distinguished Senator would like to, I would like to have a conference with him privately, and with the chairman, and talk about this issue as it relates to this process. I already told the Senator that with reference to his thrust, what he would like to see us do, I support it. I support what the Senator is trying to do.

Having said that, let me, as simply as I can, tell the Senator what the budget process is all about. If you add up all of the money that we are saying is here in this budget resolution, to be spent for things like those my friend from Pennsylvania is talking about, they all come within one general category: domestic discretionary accounts.

What that means, Mr. President and Members of the Senate, is that the allocation of the pot of money, discretionary domestic accounts, will be determined by the Appropriations Committees of the House and the Senate, both in terms of how much they spend for each and every program of this country and how much they divide up among their domestic subcommittees.

We do not. They do.

Now, Mr. President, Members of the Senate, we have $157.5 billion in budget authority for domestic discretionary accounts. We have $181.3 billion in the expected annual outlays from those accounts. Those are two numbers. I am going to round them for discussion to $157 billion and $181 billion.

(Ms. MIKULSKI assumed the chair.)

Mr. DOMENICI. Now, Madam President and Members of the Senate, the first point I want to make is that my good friend from Pennsylvania does not add 1 penny nor subtract 1 penny from that total. Whether we adopt his amendment here or not, the appropriators are going to spend $157 billion in program authority and they are going to spend $181 billion in the expected outlays.

Frankly, if we were back writing the Budget Act again from 13 years ago, the suggestion of this Senator would be that we have those two numbers on the floor of the Senate and nothing else for a budget. We should say our recommendation is that you spend $157 billion in new program authority for all of the discretionary accounts, and that you do that in a way that yields an outlay expenditure of $181 billion.

Why do I say that? Madam President, I say that because that is the effect of this resolution regardless of what amendments are offered, regardless of what we say in this budget resolution is our best idea of how it would be spent.

Essentially, the Appropriations Committees take those numbers and divide them up among their committees and spend it on a myriad of domestic programs, perhaps as many as 2,000. They put a little more in one since last year; they put a little less in another. And maybe they even cut one; maybe they eliminate one. Incidentally, we have eliminated three in the last few years, for those who are wondering how well we have done in changing Government.

Having said this, if there is anyone worried that this budget resolution is recommending that we spend more on domestic discretionary this year than last year, let me tell you the percentage change. The level of domestic discretionary program authority is going to go up 10.2 percent. In outlays, it is going to go up 6 percent. That means the appropriators who are going to specify the spending of this money are going to have $10.2 billion more in budget authority to spend and the expected outlays can be 6 percent higher than the previous year.

What I regret to tell the Senator from Pennsylvania is this: Even if we adopt his amendment, the appropriators are going to allocate the money from this budget to the subcommittee that pays for those programs, and they are going to decide whether they are going to build more prisons or not. They are going to decide among a whole bunch of competing programs whether they are going to add what he is assuming we are going to add or not. None of this is said by way of criticism.

What I am trying to say is that we really do come down here with amendments asking that we switch money around in this big account of $157 billion that I have just described. Forgive me here, for I do not have any better word, we do it as if the vote is real.

I am not suggesting that there is not merit in stating your case, in making a case, in giving symbolic treatment to a problem. But what I am suggesting is that if you take $100 million out of one place in this $157 billion and put it in another, you have effectively asked that some of the others be reduced.

That is simple arithmetic.

If you add $100 million, you take it out of something. You are not taking it out of the air. You are taking it out of a function that has other moneys allocated to it under an assumption that it be spent there. So the $100 million is going to come out of some other function of Government.

My good friend from Pennsylvania has found an interesting way to do it, and I commend him for it. We choose in the budget resolution to have one function into which we put cross-cutting assumptions about travel, administrative costs, and other expenses. The Senator is asking that the savings come out of there. But essentially, what the Senate must know is that that whole account gets distributed to all the Appropriations Subcommittees to be used for all of Government, including, for example, education.

As a matter of fact, I must say to my friend, one of the biggest spenders of travel money, once you get it over into their account, is the very function of Government you choose to increase. That agency alone, the Department of Justice, that you want to increase is expected to spend $222 million on travel this next fiscal year. So on the one hand, we have to take a little bit away from function 750 for travel and then add a little bit, maybe a little more, in the assumptions of this amendment.

I have said all this, but I really am not trying to defeat the Senator's amendment at this point. I am merely hoping that Senators will not assume that we can come down here and say

we are going to take $200 million out of this and add it to education, and that is what will really happen to education when the appropriations get it.

It is not so.

Or that we will take $200 million out of the function that has Coast Guard, because we do not like Coast Guard, and we will put it in law enforcement because we like it. That really will not happen ultimately, but you can force somebody down here to decide whether they are going to like one better than the other. Maybe someone will conclude it is a vote that effectively changes the ultimate result, when as a matter of fact that ultimate result will occur in about 2 or 3 months, when the appropriators decide how they are going to spend the $157 billion that this budget allows them.

So, we have never found a way to make this point. But I would say that this group of budgeteers at least those who produced this resolution, have taken a very strong lesson from the Senator from Pennsylvania's admonitions in the past. As a matter of fact, we have put report language in this budget resolution that endorses the President's proposals for prison construction, including two additional Federal prisons, a new metropolitan detention center, and increased capacity at nine existing institutions.

We have put that in our report on this budget resolution and we have given the President every bit of money he asked for in our assumptions. I use the work "assumption," because that is all it is. The appropriators will decide the actual priority of prisons. In this resolution, the President asked for $401 million, a $102 million increase over 1989, and we made that assumption. For the BATF, which is the agency of concern to the distinguished Senator, we assumed—and I use the word assumed for we will not know the effect until the appropriators decide—$250 million, which is $32 million higher than the President asked for.

So, I say to my good friend that there are other items in here indicating the strong recommendation—where we can recommend, where we can assume that we are on his side. I believe this budget resolution has more money in it proportionally for the areas of his concern—and again I say that these are assumptions and we do not know for sure—but more assumptions, more language, more hortatory language implying what we would hope would happen for prisons and BATF than in any previous budget resolution in history.

I do not believe that this is all done in a vacuum. I think it has been done because we are hearing your message and we are hearing the message of the people who are saying: We have got to get those career criminals off the street, into prisons. We have got to get those people convicted of drug smuggling and selling, arrested, tried quickly, and put in prison.

So, Madam President, I say to my colleague he has won. He has won the first battle. It is in the resolution. If his amendment is accepted he will add at least another emphasis of the urgency. I am not sure my colleague will get the money in appropriations, nor is he. But I submit that we are beginning to move in the right direction.

Having said that, I very much want to be cooperative. On the other hand, I clearly think we could reach the point of diminishing returns if we have untold numbers of amendments that move money around without being binding, just to have us state our position or our priority. And I assume we will have some additional ones.

So, with that, Madam President, let me just suggest, I would like to hear from our chairman. Then, with the Senator's permission, I would like a brief conference with him to explain our problem which I think he is cognizant of, in terms of other amendments. We would like to know how many we have got of this type so we can kind of pick our way through the thicket and get this resolution completed in the not too distant future.

I yield the floor.

The PRESIDING OFFICER. the Senator from Tennessee.

Mr. SASSER. Madam President, I congratulate the distinguished Senator from Pennsylvania for offering this amendment, and for his concern about the prison shortage in the United States. The distinguished Senator from Pennsylvania, prior to coming to this body, was the attorney general of the State of Pennsylvania, where he compiled a most commendable record as the chief law enforcement agent of that great Commonwealth.

I think it is altogether fitting and proper that he should come before his colleagues today and admonish them that we need to do more in the field of prison construction. We need to do more in the field of law enforcement.

But let me just follow on, if I may, on some of the remarks made by the distinguished ranking member of the committee; that is, Mr. DOMENICI.

This law enforcement function in the budget, function 750, that includes law enforcement, had an increase this year, in a year of great fiscal austerity, of 13.5 percent in budget authority; an increase of over 12 percent in total outlays.

This resolution presently before the Senate complies with every single one of the Bush administration's requests with regard to law enforcement programs, including requesting increases for the Federal Bureau of Investigation; the Drug Enforcement Administration, and the very important work that they do; the Immigration and Naturalization Service, and the Customs Service.

The President requested funding for additional Federal prison construction, including two additional Federal prison complexes, one new metropolitan detention center, and for enlarging the capacity at nine existing Federal penal institutions so that they could accommodate an additional number of prisoners. It also contains increased funding for the U.S. court system, for U.S. marshals, and the U.S. attorneys.

Madam President, I say all that by way of coming around to the conclusion that both the administration and the Budget Committee, as expressed through this resolution, share the concerns of the Senator from Pennsylvania. I would differ with him in one minor matter and that is the amendment offered by the Senator from Pennsylvania.

It would, I think, do violence to the established procedure that we have had in times past, of trying to allocate funding dealing with the drug crisis, with 50 percent going to criminal law enforcement and 50 percent going to education to prevent young people and others from succumbing to the temptation that is pushed upon them by unscrupulous individuals and by their own life circumstance—to use drugs. And also, for those of our citizens who have made that tragic and sometimes fatal mistake—fatal for some—rehabilitation to assist those in kicking the habit and returning to a normal, productive life for those who wish to do so.

The amendment before us would allocate more funding or seek to direct more funding to the criminal end of drug enforcement than to the education and rehabilitation end. But having said that, I think this is an amendment that has substantial merit. But I would say to my friend from Pennsylvania, the distinguished junior Senator, that the final determination, as has been pointed out, will be made by the Appropriations Committee. It will be made by the Subcommittee on Commerce, Justice, State, the Judiciary, and Related Agencies under the chairmanship of the distinguished Senator from South Carolina. And I would not wish to even speculate on what decision might be made there, except to say that I would not be at all surprised if the appropriations looked at the increases that are contained in this function already and said: That is quite enough. We will use excess funding above and beyond that for some other crucial priorities that are facing us.

Madam President, I suggest the absence of a quorum.

Mr. DOMENICI. And that it be charged equally.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SASSER. Madam President, I ask unanimous consent that further proceedings under the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. Madam President, I ask unanimous consent that the pending Specter amendment be set aside temporarily.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 76

(Purpose: To provide funding for Health Care Services for people with AIDS and an expedited drug approval process)

Mr. SASSER. Madam President, on behalf of the distinguished Senator from Massachusetts [Mr. KENNEDY], the distinguished Senator from Utah [Mr. HATCH], the distinguished Senator from California [Mr. CRANSTON], and the distinguished junior Senator from California [Mr. WILSON], I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Tennessee [Mr. SASSER], for Mr. KENNEDY for himself, Mr. HATCH, Mr. CRANSTON, Mr. WILSON, Mr. CHAFEE, and Mr. MOYNIHAN, proposes an amendment numbered 76.

Mr. SASSER. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

TRAVEL CUTS

On page 10, line 17, decrease the figure by $2,000,000.

On page 10, line 18, decrease the figure by $2,000,000.

On page 11, line 23, decrease the figure by $15,000,000.

On page 11, line 24, decrease the figure by $15,000,000.

On page 13, line 6, decrease the figure by $4,000,000.

On page 13, line 7, decrease the figure by $4,000,000.

On page 14, line 13, decrease the figure by $15,000,000.

On page 14, line 14, decrease the figure by $15,000,000.

On page 15, line 20, decrease the figure by $11,000,000.

On page 15, line 21, decrease the figure by $11,000,000.

On page 16, line 25, decrease the figure by $2,000,000.

On page 17, line 1, decrease the figure by $2,000,000.

On page 18, line 7, decrease the figure by $2,000,000.

On page 18, line 8, decrease the figure by $2,000,000.

On page 21, line 17, decrease the figure by $2,000,000.

On page 21, line 18, decrease the figure by $2,000,000.

On page 22, line 23, decrease the figure by $2,000,000.

On page 22, line 24, decrease the figure by $2,000,000.

On page 24, line 2, decrease the figure by $6,000,000.

On page 24, line 3, decrease the figure by $6,000,000.

On page 25, line 8, decrease the figure by $15,000,000.

On page 25, line 9, decrease the figure by $15,000,000.

On page 26, line 12, decrease the figure by $11,000,000.

On page 26, line 13, decrease the figure by $11,000,000.

On page 28, line 23, decrease the figure by $7,000,000.

On page 28, line 24, decrease the figure by $7,000,000.

HEALTH (FUNCTION 550)

On page 19, line 10, increase the figure by $94,000,000.

On page 19, line 11, increase the figure by $94,000,000.

Mr. SASSER. Madam President, this amendment will save the Federal Government as well as State and local governments a substantial amount of money. As I mentioned before, it is cosponsored by Senators KENNEDY, HATCH, CRANSTON, and WILSON, and the purpose of this amendment is to provide the budget and outlay authority for the AIDS health services provision of the omnibus health legislation which was passed with overwhelming support during the 100th Congress, and the purpose of that legislation was to expedite the approval by the Federal Drug Administration of lifesaving new drugs for AIDS patients and others.

According to the National Center for Health Services Research, the health care cost for the dreaded disease of AIDS will total $3.5 billion in 1989, $4.7 billion in 1990, $6 billion by 1991, and $7.5 billion in 1992. There are inner-city hospitals and public health care systems that are already buckling under the burden of these new AIDS cases. We find that many of the inner-city hospitals and public health care systems simply do not have the financial resources in reserve to deal with this problem. We need full funding for this bipartisan program to provide States with resources to develop cost effective alternative AIDS care programs. Home care and outpatient service programs will lower the total cost of AIDS across the board, both to the Federal Government, State and local governments, and we think also to those individuals who are affected.

The leadership of the Labor Committee of this body also wishes to ensure that the 1990 budget will provide adequate funds to allow the Federal Drug Administration to expedite the review and approval of drugs that will save lives and overall health care costs.

Now, this amendment would add $100 million to function 330 for these programs. The transfer is funded with an offset that reduces the budget for other governmental functions—as a matter of fact, an offset for domestic travel by Federal domestic agencies by 5 percent. The Congressional Budget Office has concluded that if carefully planned and implemented, this reduction in the domestic travel budget could be achieved without substantial interruption.

Madam President, I yield back my time relative to this Kennedy amendment.

I ask my distinguished colleague from New Mexico, does he wish to speak on this amendment?

Mr. DOMENICI. Madam President, I have no objection to this amendment. Whatever I have said regarding its ultimate effectiveness with reference to how the money is spent still applies. Whatever I have said regarding the previous amendment applies equally to this amendment. As a consequence rather than repeat it I merely suggest it is true that we cannot affect line item expenditures with amendments here. This funding could be used for other items in function 550, such as NIH or mental health. I understand its intent. I do not believe it does any material violence to the overall agreement and can be taken to conference with reference to the Budget Committee's allocations with a sense of understanding that it is the Senate's desire we give consideration to it.

Mr. HATCH. Madam President, I am pleased to join with the senior Senator from Massachusetts in support of this amendment to the budget resolution. This resolution would reduce Government travel across the board by 5 percent and instead allocate that budget authority and outlays to budget function 550. The end result would be a $94-million increase in budget authority and outlays for budget function 550. In addition, there would be a shift of $6 million within function 550 from travel to health related programs. The total shift for health related service would therefore be $100 million.

Madam President, I support this amendment because the additional funding will already help some of our under or unfunded health programs. Specifically, I support this amendment's funding targeted to two areas—to provide home health care services for low-income families and persons with AIDS and increase funding for the Food and Drug Administration.

The Centers for Disease Control estimate 250 Americans are already infected with the AIDS virus. Without this amendment, it may be difficult to provide adequate funding of the services we have authorized for those patients.

Several studies show that home health care services for AIDS patients can reduce the cost of treating that disease by up to 90 percent. Funding for home health care services is an in-

vestment we must make. We also need to continue the funding for our home health care demonstration projects, so we can continue to look for more cost-effective ways of providing health care services to low-income families in the home.

Five States are currently working on building their network for home care programs. We should continue to support these efforts and build them in the other 45 States. In addition, this amendment will help us provide adequate funding for the Food and Drug Administration. Funding needed to approve new drugs for AIDS patients and funding needed so that FDA can fulfill its other responsibilities.

Madam President, the FDA must keep pace. A review of the current state of the FDA reveals that its resources have been far outpaced by the growth of the technologies that it regulates. The resulting lack of adequate resources has had a negative impact on the FDA's ability to accomplish its broad mission. The FDA has 1,000 fewer employees today then they did a decade ago and in the last 8 years we have given them responsibility for 23 new and important programs. To adequately administer these new programs would require the FDA to have an additional 390 people.

We cannot expect the FDA to meet today's demands with yesterday's level of resources. We cannot expect the FDA to continue to exercise their responsibilities to the American public and the 90,000 businesses that they regulate without adequate resources. The FDA is responsible for assuring that we have safe and effective drugs, medical devices, and safe foods and cosmetics. In no other area is this more apparent than the FDA's effort to speed new drugs to those with AIDS. In addition to FDA's responsibility for assuring safe and effective drugs, they also assure a safe blood supply and blood products.

Madam President, I am proud of the FDA's effort, but we need to provide them with the resources to move ahead. It is important to each American that the FDA have adequate resources to protect our food supply. When the FDA was founded over 50 years ago food processing was in its infancy, today FDA is responsible for inspecting over 67,000 food processing plants.

I have testified before the Agriculture Appropriation Subcommittee about FDA funding. I asked them to fund the activities at $550 million. Such funds will have to be transferred to the Agriculture Appropriations Subcommittee. In the near future, I hope to testify before the HHS Appropriations Subcommittee about other health priorities. Nevertheless, public health service programs which help us to treat and conquer diseases in compassionate settings deserve our support. I urge my colleagues to approve this amendment.

Madam President, at this time I want to raise an additional issue relating to programs under the 500 function. This function provides budget authority for various education and handicapped services, and I applaud the Budget Committee's effort to raise this authority.

In the near future, I will urge my colleagues on the Senate Appropriations Subcommittee on Labor, Health and Human Services, and Education and Related Agencies to target $1 million to programs that support the Special Olympics. I can think of no other program in America that does so much for our citizens with disabilities; and I am truly committed to matching Federal dollars with the hundreds of thousands that are donated from the private sector.

Madam President, we all know of the work of the Special Olympics in providing Americans with disabilities an opportunity to excel. It gives them a chance to be a winner and achieve a status that has been too often denied them—the status of being a gold medalist.

This program is spearheaded by Sergeant and Eunice Shriver and the entire Kennedy family. They have fostered its development and seen it become the important national effort that it is today. I applaud my colleague, the senior Senator from Massachusetts, for his dedication, energy, and time for this program. I commend you, your family, and others. It is now time for the Federal Government to provide additional financial support for this worthwhile program.

Mr. CRANSTON. Madam President, I rise in strong support of the amendment by the Senator from Massachusetts [Mr. KENNEDY] to transfer $100 million from nondefense travel budgets to function 550 for AIDS activities.

Madam President, function 550, which provides budget authority for all health programs except Medicare, did not fare well under the budget process. It received an increase of $900 million over the fiscal year 1989 funding levels, which is only $300 million over the CBO baseline.

Yet, many health programs are in desperate need of additional funding—drug treatment and prevention, childhood immunizations, initiatives to combat infant mortality, including expanding Medicaid, and AIDS. I am very concerned that without additional budget authority, these programs—and the people they serve—will suffer.

This amendment would provide additional budget authority for AIDS activities in order to fund a number of new programs that were enacted as part of Public Law 100-607 last year. Among other things, that law contained many provisions designed to help communities provide health services to people who have AIDS or who are infected with the HIV.

Madam President, I was pleased that the Bush budget included an increase for research and other public health activities concerning AIDS. At the same time, however, I was very disappointed that no funding was proposed for the health care services provisions authorized by Public Law 100-607. Funding for these programs was recommended by the professionals in the Department of Health and Human Services, but that request was turned down. Clearly, the very modest funding increases currently provided for function 550 would not accommodate these programs.

Madam President, the AIDS epidemic continues to worsen. It is not going away. Communities and counties all across the country are increasingly feeling the strain on their health care systems from AIDS. One program that this budget amendment is intended to fund would help States and communities set up home and community-based services so that people with AIDS would not have to rely exclusively on hospitals for care. The Bush budget also left unfunded a program that I authored to establish three demonstration projects to provide subacute care—less than hospitalization but more than home care—to people with AIDS.

Finally, I believe that within the spectrum of health-care services for people with AIDS, we need to ensure that people with AIDS have access to all potential life-prolonging drugs. Although we succeeded in extendng the current program to help provide AZT to people with AIDS who cannot afford it through the end of this fiscal year, we must find a more permanent solution to the problem.

Madam President, this amendment is essential to ensure that States and communities begin to put in place services for the tens of thousands of Americans living with AIDS. We must start that process now. I urge all my colleagues to support this amendment.

Mr. KENNEDY. Madam President, I wish to thank the distinguished leadership of the Budget Committee for their wilingness to entertain the proposal made by me, and the ranking minority member of the Labor Committee. It is cosponsored by Senators CRANSTON, WILSON, BENTSEN, and BRADLEY. Given the stark economic realities that the Budget Committee confronted in planning for fiscal year 1990, I believe they have charted a financial course that is both responsible and responsive to the critical needs of our Nation.

In particular, the committee deserves praise for the foresight it has exhibited in earmarking funds for those key programs that represent an

investment in the future of this great Nation.

The education of tomorrow's problem solvers and a continued commitment to strengthening America's unparalled scientific and technological infrastructure are truly the things that make us strong.

Above all, I believe the committee has distinguished itself by providing adequate spending authority for essential social programs. It is our commitment to reach out and help those who are less fortunate, those who are in trouble, those who are in pain that ultimately allows us to call ourselves a civilized and compassionate people.

It is in this connection that I propose an amendment which I strongly believe will save the Federal Government—as well as State and local governments—many times the amount of funding that needs to be invested today.

As you know, during the 100th Congress, the Senate worked long hours to construct a comprehensive Federal plan to address the AIDS health crisis which confronts our Nation. This legislation was overwhelmingly approved by the Senate and the House. I am pleased to report to you that many of the provisions of Public Law 100-607 are already being implemented.

However, there is one particularly essential provision of that law which has not yet been addressed by the administration and is not provided for in the committee's budget mark for function 550: that is a thoughtful program of financial assistance to the States to permit them to meet the rapidly rising cost of providing health care services to people with AIDS.

The human immunodeficiency virus represents a human disaster that no one could have anticipated just a decade ago. In many American communities, AIDS has already unleashed pain and loss of life equal to that of a natural disaster. Yet, unlike an earthquake or flood, this new and unpleasant surprise of nature did not arrive suddenly and then mercifully abate. AIDS is a disaster that is continuing to unfold. And—according to every estimate and every leading expert—we are still far from the eye of the storm. Barring a breakthrough in treatment research, the number of new AIDS cases diagnosed each year in the United States will increase for at least the next 3 to 5 years—possibly far longer.

For many of the institutions and agencies that have been handed the responsibility of picking up the pieces of the AIDS tragedy, the impact of this epidemic is rapidly growing unmanageable. There is no system in place for meeting the totally unanticipated health care costs that AIDS has brought with it.

In coping with the AIDS emergency, we are using costly, acute-care health facilities to deliver services that could be provided far more efficiently and economically in other settings.

According to the latest studies of the National Center for Health Services Research, in the 10-month period ending in August 1988, there has been a 72-percent increase in new AIDS cases diagnosed.

Even when the estimators factor in a reduced lifetime care cost of $60,000 per patient, the forecast is that AIDS health care costs will total $3.5 billion this year, rising to $4.7 billion in 1990, $6 billion in 1991, and $7.5 billion in 1992.

These staggering projections assume that the average per-patient cost will remain the same between now and 1992.

Inner-city hospitals and health care systems do simply not have reserve resources to meet the AIDS emergency. As a result, some care facilities and publicly funded health programs are being overwhelmed by the burdens imposed by the HIV epidemic.

In response to this deepening problem, last year in the Congress we charted a plan for action that could help lower the total bill for AIDS care. Public Law 100-607 authorized $100 million in funding to stimulate the development of alternative care systems that would permit AIDS patients to receive care on an outpatient basis or in the home.

It has been demonstrated—beyond a shadow of a doubt—that alternatives to hospitalization can be effectively employed in the care of people with AIDS. Moreover, these home and ambulatory services can dramatically reduce the total care bill for an individual patient.

I was proud to work with the distinguished ranking minority member of the Labor Committee, the Senator from Utah, in shaping these provisions of the bill—provisions designed to reduce the extraordinary expenses now facing the cities, States, and Federal health care payors of last resort.

The legislation we passed into law last year provided for the creation of several demonstration AIDS care projects that employ community-based organizations to deliver lower cost, more appropriate mental health, counseling, and subacute care service to people with AIDS. By proposing this amendment, we intend that resources be available to initiate these programs as well.

Last, it is the intention of the leadership of the Labor Committee that adequate funding be available to enable the Food and Drug Administration to continue to expedite its procedures for the review and approval of lifesaving new drugs. In particular, we wish to ensure that the FDA can attract top-level scientists to its staff, provide them with offices and labs, and—when necessary—initiate its own research to answer key questions about potentially promising AIDS treatments.

The amendment before us adds $100 million in budget authority and outlays to function 550 for AIDS health care services programs authorized in subtitle B of Public Law 100-607 and for expediting drug review and approval by the FDA. It is funded by an offsetting reduction in domestic agency travel budgets of 5 percent.

We have much to be proud of in the budget compromise brought to the floor by the committee. I hope the Senate will choose to support this amendment which ultimately will save expenditures at all levels of government and help insure a humane and compassionate response to this Nation's No. 1 health priority.

I ask unanimous consent that certain material pertinent to this subject be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Hellinger, F.J. (Cost and Financing Cluster, Division of Extramural Research, NCHSR, Dept. of Health and Human Services, Room 18A-09, Parklawn Building, 5600 Fishers Lane, Rockville, MD 20857). National Forecasts of the Medical Care Costs of AIDS 1988-1992. *Inquiry* 24(4): 469-484. Win, 1983." . . . One major finding is that projections derived from recent data suggest that the number of AIDS cases reported in the future will be greater than previously estimated. There has been a 72% increase in the number of AIDS cases reported between the 10-month period from January 1987 through October 1987 and the 10-month period from November 1987 through August 1988. This increase is larger than the 48% previous increase between 10-month periods, and it is the first time that the rate has increased. The effect of the increased estimate of the number of future AIDS cases is tempered by our forecast that the cost of treating an AIDS patient will remain at the relative low level of $60,000 per lifetime in real 1988 dollars. . . . Based on an estimate of $60,000 per patient holding between 1988 and 1992, the analysis forecasts the cumulative lifetime medical care costs of treating all AIDS patients diagnosed with AIDS to be about $2.6 billion in 1988, $3.5 billion in 1989, $4.7 billion in 1990, $6.0 billion in 1991, and $7.5 billion in 1992. . . ."

REPORT OF THE PRESIDENTIAL COMMISSION ON THE HUMAN IMMUNODEFICIENCY VIRUS EPIDEMIC, JUNE 1988

CHAPTER TEN: FINANCING HEALTH CARE

Equitable financing of the HIV epidemic has been one of the greatest challenges placed before our health care delivery system. This epidemic has magnified flaws in the methods and mechanisms of the health care financing system in this country and magnified the impact on the delivery of quality care and services.

The Commission believes that the financing issue is one of the most difficult problems of the HIV epidemic. It is not easy to answer the questions about treating AIDS and HIV infection apart from other devastating sicknesses and diseases. If we make changes in our financing system, do we do it only for those with HIV or do we do it for everyone? Allocating limited health care re-

sources when the needs are so great presents a significant challenge.

The catastrophic financial impact that HIV infection has had on the personal lives of many was shared with the Commission during four days of public hearings. Persons with symptomatic HIV infection testified on the obstacles they must overcome when becoming ill as a result of HIV: the constant fear of losing a job and thereby a means of paying for health insurance; a daunting number of forms to be filed for various assistance programs and, very often, a long waiting period before receiving benefits, if at all; and the painful process of "spending down"—using up most resources on medical bills if insurance is unavailable and income and assets are too high—in order to qualify for Medicaid benefits. The obstacles faced by these persons point out the limited access to quality care, as well as the limitations of financing illness care in general across the nation.

Our current pluralistic approach to financing health care involves a combination of private and public funding. A person with HIV infection pays for care either out-of-pocket, through private health insurance, or through the public health system involving either Medicaid or Medicare.

Medicare provides health insurance benefits for persons over age 65 and qualified disabled persons while Medicaid provides medical services for the needy and medically needy. For a disabled individual to qualify for the Medicare program, a 24-month waiting period (which may total 30 months or more when disability waiting periods and administrative processing time are taken into account) must be completed while receiving a Social Security Disability Insurance benefit. For Medicaid health coverage, generally the individual must be receiving benefits under either Aid to Families with Dependent Children (AFDC) or Supplementary Security Income (SSI) programs, or must "spend down" on medical bills according to individual state requirements.

Section I. Financing comprehensive care

In the public hearings on finance, the Commission addressed the problems of equitable financing of care for persons with HIV infection and discovered linkages with the broader issues of financing our health care system. The issues brought to the surface by the HIV epidemic have been part of our health care financing system for a long time: the impact of catastrophic illnesses; increasing costs of inpatient services (including funds for recruitment and retention of nurses); lack of alternatives to hospital care; and adequate reimbursement mechanisms.

For example, the costs for treating a person with symptomatic HIV infection are high, but are comparable to other high-priced treatments, such as those for cancer or heart disease. Hospitals are not adequately reimbursed for care provided to those with HIV infection, but this is true for many other illnesses. Cost-effective alternatives to hospital care in general should be encouraged, particularly for persons with HIV infection, but financial incentives are generally lacking to generate the appropriate level of services.

A number of factors, however, set apart the HIV epidemic from other health care crises. One factor is that the overall costs to the nation both in terms of medical care and lost productivity are large and will continue to grow as the prevalence of HIV infection increases. This disease has struck many persons in their prime earning years, challenging the established approach for financing care for episodic illnesses and creating the potential for an imbalance in the system over the long term. In addition, a few geographical areas are harder hit than other parts of the country. While this situation has created an immediate funding crisis for large urban areas, the impact of the HIV epidemic on the financing of care is beginning to more broadly felt throughout the nation.

Costs of Care

The costs of inpatient care for a person with AIDS are high, but are comparable to other high-cost medical conditions or illnesses. Current estimates of lifetime hospital costs for a person with AIDS are under $100,000 and annual treatment costs are approximately $40,000. In comparison, the estimated costs of a liver transplant are $175,000, of end-stage renal disease $158,000, and of a heart transplant $83,000.

Nationwide, the costs for the provision of medical care to persons with AIDS are projected to increase from about $1.1 billion in 1985 up to $8.5 billion in 1991. As a proportion of United States personal health care expenditures, medical care costs for treating AIDS will grow from 0.2 percent to 1.4 percent over the same period. Total costs to the nation associated with AIDS—personal medical care and services, lost income, decreased consumption, and insurance payouts—were approximately $8.7 billion in 1986 and are projected to reach a total of $66.5 billion in 1991, based on the projection of 173,000 cases of AIDS.

To put these costs in perspective, catastrophic illnesses cost the nation about $56 billion each year. If taken together, heart disease, stroke, cancer, and motor vehicle accidents account for about 20 percent of national medical expenditures. Total national health care expenditures exceeded an estimated $425 billion in 1986.

A major obstacle to encouraging more cost-effective, out-of-hospital care has been a lack of data on actual cost savings for such care. We have heard testimony that case-managed care, used in determining appropriate levels of care, can save as much as $12 for every one dollar spent on AIDS case management. Better data on the savings of out-of-hospital care should be available after June of this year when the Health Resources and Services Administration (HRSA) will be evaluating the costs of outpatient and clinic services to determine cost-effectiveness of patient support services.

Reimbursement for Care

Both public and private health insurance reimbursement is based on the expected costs of a service. If the individual has no health insurance or inadequate coverage, the unreimbursed costs must be paid out-of-pocket or the hospital and other patients incur the cost for provision of service. Unreimbursed care in public hospitals must eventually be compensated by the community through general revenues.

While reimbursement has been inadequate from both public and private payers to hospitals for the costs of treating persons with HIV infection and AIDS, the problem is felt most acutely in the public hospital systems, particularly in the South. The average national inpatient cost of caring for a patient with AIDS has been estimated at about $630 per day. The Medicaid reimbursement rate in the South, however, averages about $282 per day and in other regions of the country about $500 per day.

Reimbursement has also been inadequate in promoting care in alternate, more appropriate settings. The Medicaid program, the primary payer for most individuals with AIDS, is restrictive in reimbursement levels for certain types of facilities. For instance, care for a person with AIDS in a long-term care institution can cost an estimated $200 per day, but in most states Medicaid reimburses only about $50 per day. State Medicaid programs also do not adequately cover outpatient services needed by community-based programs to help individuals with AIDS.

Provision of Services

A major problem in the provision of services for persons with AIDS in that public and private payers set limits on the extent of services that are covered and in many instances the excluded services are those that are most relevant in the care of persons with AIDS. Federal law requires that the state Medicaid program provide certain services, such as inpatient and outpatient care, physician services, and skilled nursing services at home for eligible persons. The states then have the option to provide other services, such as home health care aides, clinic services, and personal care services.

In order to encourage more innovation in providing health care for persons with AIDS, several states have activated additional options under their Medicaid programs. New Jersey and New Mexico were the first two states in the country to use a waiver authorized under Section 2176 of the Omnibus Budget Reconciliation Act of 1981. This waiver allows states to provide cost-effective home and community-based care for persons with AIDS. California applied and was recently approved for the Section 2176 service waiver. Excercising other options, New York has started a system for providing a range of care for AIDS patients and is collecting data on the costs of this care. This model program which could be used or modified in treating other illnesses or medical conditions demonstrates how payment can be tied to the delivery of an appropriate range of services.

States should continue to explore the set of options at their disposal under the Medicaid waiver program to provide appropriate, cost-effective services to persons with AIDS and extend those services to all persons with symptomatic HIV infection. We have heard testimony, however, indicating that significant administrative problems exist in obtaining approval for these waivers. The waiver review process is burdensome and includes administrative requirements, which may be unnecessary.

Another problem in the provision of services is a scarcity of resources available for dealing with HIV infection in both the inpatient setting and in providing community-based, out-of-hospital care, particulary in areas that are disproportionately affected by HIV. While there are excess hospital beds in many parts of the country, New York City is currently experiencing a shortage of beds, and it projects a need for approximately 1,300 to 1,500 beds by 1991 to care for AIDS patients. In these hard-hit areas, there is an inadequate provision of long-term care, a lack of capital funding to provide facilities, and/or a lack of treatment facilities for intravenous drug abusers.

In addition to providing care for those with acute illnesses, most public hospital systems provide much of the acute care for drug abusers with HIV-related illnesses. In the New York City Health and Hospital Corporation system, 75 percent of the

people with AIDS are drug users or the children of drug users.

The issue of financing services for persons with HIV infection brings into focus another problem inherent with funding care for episodic illnesses—that of linking the reimbursement stream and licensure requirements of a facility to the general health status of the residents of a facility. Some facilities can provide services, such as drug treatment, testing, counseling, information, and education, while also providing a place for patients to live. A continuous funding stream must be available to support care for individuals with HIV infection and to reimburse the facility adequately for costs. This is particularly true in the case of HIV-infected children who are abandoned in hospitals—boarder babies. These children could be better cared for in alternative residential settings, such as foster homes or group homes. Current state licensing, Medicaid, and Supplemental Security Income regulations restrict support for these types of facilities because the care being provided is in a setting other than the currently allowed, fully licensed Skilled Nursing Facility or Intermediate Care Facility.

While the Commission recognizes that some suggested major adjustments will not happen in the near future, the current situation calls for immediate action to provide funding necessary to help the hardest hit areas and provide care for people in desparate need of assistance. This would mean providing targeted assistance in the form of block grants to the hardest hit areas and encouraging cost-effective care through enhanced reimbursement from the federal government. The administrative hurdles of the waiver programs should also be reviewed and trimmed back to encourage innovative programs of care as soon as possible.

In the medium term, the data being collected currently and under proposed demonstration projects will provide the information and experience upon which a long-term strategy can be developed and implemented.

Obstacles to Progress

Data is lacking on the costs of treating AIDS and HIV infection, the cost-effectiveness of various care modes, and the sources of payment.

There are limited community support systems for HIV-infected persons to facilitate out-of-hospital care and to provide emotional and financial assistance.

Incentives and supporting regulations are lacking for continuity of care, for appropriate, cost-effective alternatives to inpatient care, and for adequately managed care starting from initial diagnosis.

The private and public health care reimbursement systems emphasize institutional care and are unresponsive to alternative health services, which may be more desirable from the patient's perspective and more cost-effective over the long term.

Incentives are lacking for development of alternative care facilities. Administrative roadblocks exist for expansion of housing, and funding streams are inadequate to support existing facilities.

Recommendations

Financing Cost-Effective Care

10-1 The Health Care Financing Administration should continue actively to encourage states to take advantage of a number of options available in their Medicaid programs. These options include, but are not limited to, amending plans to provide case management services targeted to certain groups such as persons with HIV infection; adopting hospice benefits useful to persons with AIDS; applying for home and community-based services waivers (Section 2176 waivers); applying for "freedom of choice" waivers permitting case management service mechanisms and innovative reimbursement methods to be used for services to persons with HIV infection; and developing special incentive payment rates for services to persons with AIDS and other patients with high-cost care requirements.

10-2 The Health Care Financing Administration (HCFA) should change the Medicaid waiver review process, streamlining and eliminating aspects of the application process which delay approval, expanding the availability and size of the waiver program, and providing more flexibility for testing innovative treatment alternatives. To this end, HCFA should convene a meeting of state officials or spokesmen, including state Medicaid directors, in order to discuss specific changes in the waiver review process as well as a minimum package of benefits that should be reimbursed for care of symptomatic HIV patients.

10-3 The Health Care Financing Administration, in conjunction with the Health Resources and Services Administration, should encourage additional demonstration projects of reimbursement mechanisms to providers for cost-effective care of very ill patients, including experimentation in capitation, prepaid care, and use of case management by various providers. The results of these demonstration programs should be compiled and distributed to federal and state officials for consideration in legislation and program changes.

10-4 Private health insurers should begin reviewing and revising the services eligible for reimbursement and the rates of reimbursement to cover adequately program costs, such as home health care, focusing on appropriate and cost-effective services for individuals with HIV-related illnesses.

10-5 In light of some states' experiences with Diagnostic Related Group (DRG) reimbursement for HIV-related illnesses, the Health Care Financing Administration should consider whether to create a system of well-defined Medicare and Medicaid DRGs which takes into account the full costs of caring for an individual with various manifestations of HIV infection, including the costs of implementing the Centers for Disease Control's Universal Infection Control Precautions.

10-6 The Health Care Financing Administration should establish a demonstration project which increases the federal Medicaid matching rate for states that give providers a higher rate for promoting long-term care, comprehensive home care, outpatient services, and case management of a full range of services, including coordination with other providers, to encourage cost-effective care for HIV-infected patients.

10-7 The Health Care Financing Administration should amend federal Medicaid regulations to allow non-hospital-based drug rehabilitation programs in a residential setting to receive federal reimbursement and to promote expansion of residential programs. This may entail exempting these programs from inclusion in the definition of Institutions for Mental Diseases.

10-8 States should re-evaluate Medicaid and Supplemental Security Income reimbursement levels for supportive housing programs for people with AIDS and review how facilities are licensed in order to provide in a residential setting the level of care needed for homeless persons.

10-9 The Department of Housing and Urban Development should increase funding to encourage state and local governments, in concert with foundations and private enterprises, to establish programs to subsidize supportive housing for persons with HIV infection.

10-10, 2-9 The Health Care Financing Administration should encourage states to provide exceptions to limits on state Medicaid payments for providing necessary inpatient care for infants in hospitals with disproportionately large Medicaid patient populations.

Targeted Assistance

10-11, 2-11 The Health Care Financing Administration and the Health Resources and Services Administration should institute a program of special project grants to private and public agencies for the development or expansion of outpatient services and home care.

10-12 The Health Care Financing Administration, together with the Health Resources and Services Administration, should establish a stop-loss provision for Medicaid which would provide block grants to states when the proportion of Medicaid funds spent on AIDS care exceeds a predetermined level, similar to the provision under the Supplemental Unemployment Benefit Program.

SECTION II. FINANCING HEALTH INSURANCE COVERAGE

Access to adequate health care has been hindered by a lack of health insurance in general. As many as 35 million Americans may be without health insurance coverage. In one public hospital in Texas dealing with a large proportion of AIDS patients, fully 75 percent of its patients had no health insurance.

The lack of adequate health insurance among persons wth AIDS is an even greater problem. The uninsured make up a larger proportion of persons with AIDS than among the general population (20 percent vs. 16 percent) and persons with AIDS have a much greater reliance on Medicaid than the general population (40 percent vs. nine percent). Private health insurance and Medicaid cover about the same proportion of funding for individuals with AIDS (40 percent), but private insurance coverage among the general population is much higher (62 percent). This situation will become worse as the proportion of intravenous drug abusers among persons with AIDS continues to rise and if private insurance limits coverage for persons with AIDS.

The reasons vary for the lack of adequate or any health coverage among persons with HIV infection: small employers may be unable to provide affordable health benefits; employees losing their jobs may be unable to pay high premiums to continue benefits or may not be able to obtain other coverage as a result of preexisting illness exclusions; employees may have inadequate health coverage from self-insured companies which are exempt from state insurance regulations under the Employee Retirement Income Security Act (ERISA).

Inadequate coverage still persists, notwithstanding the provisions established under the Consolidated Omnibus Budget Reconciliation Act (COBRA). COBRA allows an employee and his or her dependents to continue employer-provided coverage for 18 months after losing his or her job if the employee pays the premium at a cost of no more than 102 percent of the employer's premium. This enables the former em-

ployee and dependents to continue private health insurance for at least part of the 24-month waiting period to qualify for Medicare and avoids the problem of spending down to qualify for Medicaid. The Commission believes that the provision of adequate health insurance benefits through COBRA can be accomplished with a program of financial assistance to the disabled person unable to afford the high premiums until qualifying for Medicare and this would be preferable to a reliance on the Medicaid program.

The financial impact of the HIV epidemic on the employer is unclear, particularly on the ability of the small business to provide health insurance benefits. Information is not available on the extent to which small businesses have been turned down for coverage or have experienced large increases in insurance premiums because of AIDS cases among employees.

The Commission has heard testimony indicating that our pluralistic approach to financing care, involving a mix of public and private resources, can provide adequate health insurance coverage if some adjustments are made. Others have suggested that, short of a national health insurance system, there could only be a patchwork approach to financing care for persons with HIV infection. In light of the connection between the lack of adequate health insurance for persons infected with HIV and the lack of adequate health insurance in the general population, the Department of Health and Human Services should evaluate the problems of financing our overall health care system and determine what changes should be made to provide full access to comprehensive health care. There is a need to reinforce private health insurance coverage, making it more comprehensive while pursuing innovative approaches to financing care.

State uninsurable risk pools, now operating in 15 states and under consideration in 13 others, have provided a partial solution to comprehensive coverage of the uninsurable, but they face several problems. Experts have testified that the deficits in most of these pools are disproportionately financed by the small and medium-sized firms paying for group health insurance since many of the larger companies are self-insured and thereby exempt from contributing to high-risk pools. In addition, high premiums and coinsurance charges preclude many of the individuals in need of this health coverage from participating. On the other hand, such programs in some states are threatening to strain state budgets.

A reinforcement of the current pluralistic system, while adjustments are made and existing gaps in coverage are filled, should enable all persons to gain access to necessary care.

Obstacles to Progress

With the large number of uninsured persons and the diversity of the population needing comprehensive care, the financing of health care costs in general is currently inadequate and will continue to become an increasingly greater problem as the number of persons progressing to symptomatic HIV infection increases.

Health care benefit eligibility and coverage provisions are inadequate for HIV-infected persons losing employment, applying for individual coverage, or near or below the poverty line.

A pluralistic approach involving public and private financing of HIV-related care is being jeopardized by inadequate insurance coverage of HIV-infected individuals.

Information is not available on the impact of AIDS or HIV infection on the insurance costs of small businesses.

The potential of Medicaid financing for the care of persons with AIDS varies substantially according to where the person lives because basic eligibility levels and the "spend down" provisions associated with Medicaid are established by the state and vary enormously.

The potential of Medicare financing for the care of persons with AIDS is limited because of the two-year waiting period to qualify for Medicare benefits.

The funding for health care coverage of persons with uninsurable risks is not equitably shared, and costs incurred by individuals in state uninsurable risk pools are substantial as are the pool losses, while the coverage is limited.

Recommendations

10-13 The Secretary of Health and Human Services, in conjunction with an independent outside body, should evaluate our current system of health care financing and recommend changes needed to achieve access to and provision of health care for all segments of our society.

10-14 In the course of the evaluation described in (10-13), consideration should be given to two major options:

Extending the COBRA provision beyond the 18-month period for employee-paid, group rate premiums from the employer's health insurance coverage to provide adequate coverage for the former employee until qualifying for Medicare. Consideration should be given to providing federal assistance to help pay the private insurance premium for persons unable to pay the full premium.

Decreasing the waiting period for qualifying for Medicare from 24 months to 12 months in order to provide health insurance coverage after the 18-month COBRA provision has expired. Consideration should be given to providing federal assistance to help pay the private insurance premium for persons unable to pay the full premium.

10-15 The federal government should experiment with providing tax incentives for insurers to provide community-rated, open-enrollment policies. The federal government also should make available refundable tax credits to be used for purchasing insurance by people who do not receive any employer health insurance and provide premium subsidies for private health insurance for persons unable to pay the full premium.

10-16 The federal government should conduct a study examining the extent to which HIV has presented special underwriting problems in the small group health insurance market.

10-17 The federal government should encourage all states to enact a qualified state pool for medically uninsurable individuals with the following provisions:

The federal government should experiment with providing technical assistance to states to ensure adequate coverage, financing from a combination of private and public sector funds, adequate provision of benefits, and mandated case management;

The federal government should consider amending the Employee Retirement Income Security Act (ERISA) to include self-insured plans in pool funding; and

The federal government should consider establishing a risk pool fund, administered by a non-profit or limited-profit corporation acting as a reinsurance organization and should be the source of stop-loss subsidies for state risk pools. The Health Care Financing Administration should evaluate the various sources of public and private financing that would be available for this fund to cover administrative losses and to subsidize costs to patients.

10-18 The federal government should require that all patients using 50 percent or more federal dollars for their care participate in a case-managed system.

Medicaid

10-19 The Health Care Financing Administration should consider requiring states to move toward a minimum Medicaid eligibility floor at 50 percent of poverty within two years and implement a phased-in plan for moving to 100 percent of poverty, giving states the option of further raising the income threshold for the disabled.

10-20 The Health Care Financing Administration should consider amending regulations to enable individuals to retain eligibility to Medicaid benefits, although entitlement to Supplemental Security Income benefits may be lost when becoming entitled to Social Security Disability Insurance benefits.

10-21 States should consider enacting medically needy provisions under their Medicaid programs, if they have not done so.

10-22 States should consider expanding their medically needy programs by allowing low-income individuals to pay an income-related premium for the purpose of buying into Medicaid.

10-23 The Health Care Financing Administration should re-evaluate the regulations which stipulate eligibility requirements for hospice care under the Medicaid program and consider the impact of waiving the six-month prognosis requirement for persons with AIDS.

Social Security

10-24 The Social Security Administration should consider proposing a statutory change allowing individuals with symptomatic HIV infection, as well as other disabled persons, to work when they are healthy enough to resume working with earnings offsetting a percentage of benefits, but without disqualifying them for eligibility to their Social Security Disability Insurance benefits, much like the provision of the Supplemental Security Income program under Section 1619 of the Social Security Act.

10-25 Those agencies providing assistance to HIV-infected individuals (such as the Social Security Administration and the Health Care Financing Administration) should consider streamlining the processes of enrollment in programs and reducing the bureaucratic red tape.

[National Organizations Responding to AIDS]

FISCAL YEAR 1990 AIDS APPROPRIATIONS RECOMMENDATIONS, APRIL 1989 CONGRESSIONAL BRIEFING

HEALTH RESOURCES AND SERVICES ADMINISTRATION

We support sufficient funds for continuation and expansion of the demonstration care programs. We also urge funding for the subacute care demonstration programs and early intervention programs created in P.L. 100-607 (which are authorized at $10 million each).

We support an additional $50 million to fund the newly authorized home health care progam (under P.L. 100-607). This progam would assure access to home health care for thousands of persons with AIDS,

ultimately saving the federal government money in reduced hospitalization costs for Medicaid patients.

ENDORSEMENTS

AIDS Action Council.
American Academy of Pediatrics.
American Association for Counseling and Development.
American Association for Marriage and Family Therapy.
American Association of University Affiliated Programs.
American College Health Association.
American Federation of State, County and Municipal Employees.
American Foundation for AIDS Research.
American Home Economics Association.
American Nurses' Association.
American Psychiatric Association.
American Psychological Association.
American Public Healh Association.
American Red Cross.
American Social Health Association.
Americans for Democratic Action.
Association for Retarded Citizens of the United States.
Association of Maternal and Child Health Programs.
Association of Schools of Public Health.
Center for Population Options.
Child Welfare League of America.
Chronic Fatigue Syndrome Information Institute, Inc.
Committee for Childen.
Consortium of Social Science Associations.
Disability Rights Education and Defense Fund, Inc.
Hospice Association of America.
Human Rights Campaign Fund.
National AIDS Network.
National Association for Home Care.
National Association of Community Health Centers, Inc.
National Association of Counties.
National Association of People with AIDS.
National Association of Protection and Advocacy Systems.
National Association of Public Hospitals.
National Association of Social Workers.
National Association of State Alcohol and Drug Abuse Directors.
National Council on Alcoholism.
National Council on La Raza.
National Family Planning and Reproductive Health Association.
National Gay and Lesbian Task Force.
National Leadership Coalition on AIDS.
National Network of Runaway and Youth Services.
National P.T.A.
National Puerto Rican Coalition.
Planned Parenthood Federation of America.
Service Employees International Union.
Society for Hospital Social Work Directors.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. SASSER. Madam President, I ask unanimous consent that Senator BENTSEN be added as a cosponsor to the Kennedy-Hatch AIDS amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. Madam President, has all time been yielded back?

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. SASSER. I yield back my time.

Mr. DOMENICI. If I had any, I yield it back.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment (No. 76) was agreed to.

Mr. SASSER. I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SASSER. Madam President, I ask unanimous consent that Senator BRADLEY be added as a cosponsor of the Kennedy-Hatch amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SASSER. Madam President, I ask unanimous consent that further proceedings under the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. Madam President, I ask unanimous consent that the pending Specter amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 77

(Purpose: To call for truth-in-budgeting by removing the Social Security trust funds from the deficit reduction calculations)

Mr. HEINZ. Madam President, I am sending a very simple amendment to the desk that will do three things. It will call for freezing at the fiscal 1990 level assumed in the budget resolution the amount of Social Security trust funds which can be used in calculating and reducing the deficit. Second, it calls for taking Social Security out of the deficit and deficit reduction calculations in measured steps beginning no later than fiscal 1994. Third, it calls for Congress to develop a strategy to reduce the non-Social Security deficit to zero. This is in the form of a sense-of-the-Senate resolution. I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment of the Senator from Pennsylvania [Mr. HEINZ].

Mr. MOYNIHAN. Madam President, will the Senator yield? I believe the understanding is that I was a sponsor of the amendment?

Mr. HEINZ. Madam President, I ask unanimous consent that the Chair please add the Senator from New York as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. HEINZ], for himself, Mr. HATCH, and Mr. MOYNIHAN, proposes an amendment numbered 77.

Mr. HEINZ. Madam President, I ask unanimous consent that reading of the amendment, which is a sense-of-the-Senate amendment, be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the concurrent resolution add the following new section:

SOCIAL SECURITY TRUST FUNDS SURPLUSES

SEC. . (a) FINDINGS.—The Congress finds that—

(1) under current law, the Social Security trust funds are included in calculations of the Federal budget deficit for purposes of comparison with the maximum deficit amount under the Balanced Budget and Emergency Deficit Control Act of 1985 and for purposes of determining across-the-board cuts under such Act;

(2) the inclusion of the Social Security trust funds in the calculation of the Gramm-Rudman-Hollings targest creates the illusion that the Federal budget deficit is being brought into balance when in fact the operating budget deficit is continuing to grow;

(3) Social Security trust funds surpluses are currently being lent to the Treasury of finance the operating budget deficit, which is primarily dedicated to current consumption;

(4) the National Economic Commission concluded that the Congress must have in place by no later than 1993 measures which alter current budgetary practices in order to create true Social Security reserves;

(5) the use of the Social Security trust funds surpluses for current consumption denies such surpluses' intended purpose of providing income for future retirees and increasing national savings, investment, productivity, and the gross national product;

(6) without such increases in national output and wealth, future workers will be unable to honor the claims of retirees without a significant increase in taxes or reduction in Social Security benefits;

(7) the use of Social Security trust funds surpluses as a source of national savings would bolster the economic capacity of the United States, allowing Social Security benefit claims to be honored at the same time future workers enjoy an increased standard of living; and

(8) the intended and legitimate purposes of the Social Security trust funds could best be protected by excluding such funds from the calculations of the Federal budget deficit reduction targets.

(b) SENSE OF THE SENATE.—It is sense of the Senate that—

(1) The Congress should continue the commitment to keep the Social Security program secure for the Nation's retired and disabled citizens;

(2) the Congress should enact legislation that defines the Federal budget deficit to exclude the surplus (or deficit) from the Social Security trust funds for all purposes;

(3) the Congress should include, for the purposes of calculating Federal budget deficits and deficit reduction targets of fiscal year 1991 and subsequent fiscal year, as amount which is not greater than the amount of Social Security trust funds sur-

plus included in fiscal year 1990 budget resolution;

(4) in order to create a true balanced operating budget, the Congress should, beginning on later than the fiscal year 1994 budget, accurately reflect the Federal budget deficit by excluding all Social Security revenues and expenditures from such deficit and any deficit reduction calculations; and

(5) to the extent non-Social Security deficits exist after fiscal year 1994, the Congress should develop a strategy which continues Federal budget deficit reduction measures, in order to create a true balanced Federal budget.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Madam President, it is my understanding that the Heinz-Moynihan-Hatch amendment has been accepted on both sides. It has been cleared with the distinguished ranking member of the Budget Committee, Senator DOMENICI, so I urge its adoption at this time.

The PRESIDING OFFICER. Do Senators yield back their time on the amendment?

Mr. DOMENICI. Madam President, I yield back any time I might have had.

Mr. SASSER. Madam President, I yield back any time I have with the stipulation that the Senator from Pennsylvania and the Senator from New York would be given time off the bill not to exceed 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does the Senator from Pennsylvania yield back his time on the amendment?

Mr. HEINZ. With the exception of the time that has been granted to me for later discussion, the answer is "yes, I do."

The PRESIDING OFFICER. The question is now on agreeing to the amendment of the Senator from Pennsylvania.

The amendment (No. 77) was agreed to.

Mr. HEINZ. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SASSER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Madam President, I want to thank the chairman of the Budget Committee, the distinguished Senator from Tennessee, and the distinguished ranking member, Senator DOMENICI, for their rapid action on this amendment.

I am going to speak very briefly because I have seen the list of the amendments that is on the desk of the two Senators that I just mentioned. I do not want to take very much time. The point of the amendment is to begin to put into practice—and to put this body on record that it is our intention to put this sense of the Senate into practice beginning with the next budget cycle recommendations that have been made repeatedly by economic authorities, by the National Economic Commission, and by the General Accounting Office. The GAO has given us a very comprehensive report, indeed one that was requested by the distinguished Senator from New York, entitled "Social Security, the Trust Fund Reserve Accumulation, the Economy, and the Federal Budget," dated January of this year

Briefly, and I will be brief, in its March 1989 report to the President, the National Economic Commission, which I just cited, reached, insofar as I can tell reading the report, one true consensus recommendation. The NEC recommended the legislation in order to gradually eliminate the non-Social Security Federal budget deficit, and to safeguard against the use of the Social Security Trust Fund surpluses to finance future Federal spending.

And the sense-of-the-Senate amendment that I have offerd and which the Senate has approved adopts a conceptual plan for accomplishing this goal by not counting any more of the surpluses in future years than we are counting this year. That is an amount around $60-some-odd billion. Assuming we do our job under Gramm-Rudman, by 1993 we will have reduced the reported deficit to zero. Then in measured steps we will need to end our reliance on the Social Security trust fund reserves which are now counted as deficit reduction and, indeed, to secure them and reserve them for their intended purpose.

As I think most Members of this body recall, we made a fundamental shift in the Social Security System back in 1983 when we adopted the solvency amendments. What we did when we acted to protect America's largest retirement program was to begin to accumulate reserves, very large reserves. Unfortunately a few years later when we adopted what we have come to call the Gramm-Rudman-Hollings Deficit Reduction Act, what we did—was we started using the Social Security, or if you prefer OASDI trust fund surpluses, as if they are net revenues. Therefore used to reduce the deficit. For example, in this budget resolution, we count some $56 billion in Social Security trust fund surpluses in order to achieve the just under $100 billion reduction target.

Madam President, the problem of course is fairly clear; the surpluses in the Social Security trust fund that we are treating as if they are revenues today and spending as if they are revenues today will also one day have to be expended to pay Social Security retirement benefits. That is why we are collecting them. When that day comes, unless we change our course, we will have to either slash Social Security benefits because we will not have the money to pay for them, or we will have to engage in some other very difficult choices in order to redeem what will by then be the huge borrowing from the Social Security trust fund. We will have to do that by either raising taxes or by reducing non-Social Security spending or borrowing still more from the public.

Of course, I also think a question of truthfulness is involved. If in 1983 when Gramm-Rudman-Hollings runs out and if—and I think we all recognize that it is a tough challenge and perhaps a big "if"—we have in fact complied with the deficit reduction requirements and actually our performance meets those Gramm-Rudman-Hollings targets, we will report the deficit as zero in the year 1993. What is the problem with that? Is that not our goal? Yes, except that is not what the deficit will be. The actual non-Social Security, or if you will operating Federal budget deficit, will not be zero. It will be at least $103 billion. That is the amount of the fiscal 1993 projected OASDI trust fund surplus.

In sum—I do not mean to sound harsh, but the reality is a harsh reality—we are today, unless we follow through on the sense-of-the-Senate amendment we have just adopted, operating under the illusion that the Federal budget deficit is being brought into balance when in fact it is really not. According to the Congressional Budget Office's baseline projections which assume current policy—they do not assume Gramm-Rudman-Hollings—the real budget deficit will actually grow from the level today of some $200 billion-and-some to $233 billion in fiscal 1993 if the Social Security surpluses are excluded.

More significantly, by the time we reach fiscal 1994, what will happen is the Federal public debt—while we will report it as something around $2.5 trillion—will in fact not be $2.5 trillion. It will be over $4 trillion because we will have borrowed and we will have spent from now until then roughly $1.5 trillion that should have accumulated unobligated for other purposes in the Social Security trust funds.

By the way, a side effect of that is that we would be paying, in 1994 alone, almost $46 billion in additional interest, that we would not otherwise have to pay. Our interest payments are projected by CBO to reach as much as $252 billion, if we keep doing what we are doing. Of course, the thrust of our amendment, Senator MOYNIHAN, Senator HATCH, and my amendment, is for us to change our ways.

Let me give you the plus side of what we are trying to do. The plus side is that there are tremendous benefits to our economy, if we reserve the

Social Security surpluses for their intended purposes and do not spend them as deficit reduction revenues, as we are doing now. In its January 1989 report, the General Accounting Office tells us that if we simply continue what we are doing, namely, mask the large deficits, we are going to miss a great opportunity to really put these surpluses in Social Security to real economic purpose. That economic purpose, in fact, that you achieve from national savings is productive investment, improved productivity, and international competitiveness. We have a number of years ahead of us, Madam President, when we can really grow with the benefit of the savings that these surpluses represent.

We lose that opportunity, if we spend them as if they are deficit reduction revenues. The point of our amendment is to put the Senate on record as saying, enough is enough. It is time to turn over a new leaf so that we can write some brighter pages in the future economic history and in the future of our country.

Madam President, I ask unanimous consent to have printed in the RECORD at this time a list of economists supporting the concept of removing Social Security trust fund surpluses out of the Federal deficit calculations.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

Robert Ball, former Commissioner of SSA; Charles Schultz, Director of Economic Studies Program, Brookings Institute; Herbert Stein, former chairman of the Council of Economic Advisers; Henry Aaron, Brookings Institute; Gary Burtless, Brookings Institute; Barry Bosworth, Brookings Institute; Alicia Munnell, Senior Vice President and Director of Research at the Federal Reserve Bank of Boston; Allan Binder, Chairman, Economic Policy, Princeton University; and Thomas Mann, Brookings.

Mr. HEINZ. If I have no time left, I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Madam President, I rise in support of the amendment which Senator HEINZ has been generous enough to allow me to be a cosponsor on, and to elaborate very briefly on some of the remarks he has made.

The first is to say and to recall that the Senator at one point, said he did not wish to be harsh; and I think those of us who have worked with him—and we are now in our 13th year together in this body—know that he is often forceful but he is never harsh. But increasingly there are those voices on the subject which are harsh, and I would refer to one of the most respected editorial pages in New York State, that of the Rochester Democrat and Chronicle; and I hasten to tell my friend from Pennsylvania the word "democrat" goes back to the early 19th century and need not have any immediate association.

The Democrat and Chronicle is perhaps the flagship of the Gannett newspaper chain. Not long ago it said there is a word for what we are doing with the Social Security trust funds, and that word is "thievery." That word will be heard more as it begins to dawn on the American people what we are doing with their trust fund, not just a revenue, a trust fund. We are using it for current consumption on matters altogether unrelated to the reasons the tax is collected and deposited with the Treasury.

The Senator from Pennsylvania very nicely said that if we continue what we are now doing, we will not have the money to pay the benefits of the next generation of Social Security recipients, the ones now paying into it for the current retirees. I think he would agree that the correct notion is that our economy will not produce the revenues, the money, to do so. In that sense, you cannot just save money in a trust fund.

Madam President, there are two things to be said. On the one hand, we have an enormous opportunity; on the other hand, we are wasting it. The Senator from Pennsylvania must be surely the first person who had a kind word, or any word, to say about the report of the National Economic Commission, of which I was a member, and which I say I regret, because, in fact, there was unanimity, certainly consensus, in the Commission on one point, which is that balancing the budget at this time, after the 1980's, is in no way adequate to our needs. We must go into surplus.

Of our 200 years, Madam President, we have been in surplus for about 103, deficit for about 97. In the 1980's we tripled the national debt. We borrowed, in 8 years, an amount equal to the amount borrowed during World War II. We have to pay it back, use that surplus. The present deficit eats up two-thirds of private savings.

The way back to a savings rate that would produce an economy 50 years hence that will support our needs is to save the Social Security surplus by reducing the privately held Treasury debt. And both Republicans and Democrats were explicit that that is what we must do. The amounts are prodigious.

We knew what we were doing in 1983 when we put this legislation, the present revenue stream, in place. It is the largest, most powerful revenue stream in the history of public finance. The funds are growing at $159 million a day, over $1 billion a week. By 1997 the trust funds will have a $1 trillion cumulative reserve, but it will be a bookkeeping entry, if it has been spent on other things. If it has been invested in the economy, it will be an incomparable change in our circumstance, and we do not have much time. The Senator from Pennsylvania, his amendment puts both sides of the aisle—and we agree on this—on notice,

I say, Madam President, that I have today submitted a bill that goes one step further—we had thought of it as a sense-of-the-Senate amendment to the present proposal, and then said let us just keep the idea simple at this point. It goes beyond that. It says that when the Gramm-Rudman deficit targets are "met," by spending Social Security trust funds on—you name it, whatever you like least in the budget—we will stop that deception, we will stop that—to use the word of the Democrat and Chronicle—thievery. And we will then get about the business of balancing the budget in the operating budget.

In fiscal 1993 we are supposted to be at zero. I do not think we will, but regardless of that, the bill provides for incrementally reducing the deficit in the non-Social Security budget to zero over fiscal years 1994-96. By taking the Social Security trust funds out of these deficit calculations, we will produce growing surpluses in the overall budget, and in 3 years' time, we will be saving all of the surplus in the trust funds. We will quadruple national savings by those simple steps. By 1997 we can have a situation where the present savings rate will be quadrupled.

And absent that, do not talk about protectionist measures in South Korea. We will have spent ourselves and underinvested ourselves out of the world markets and out of a standard of living in the next generation equal to this one.

Madam President, I make one point. What we would do if that does not happen; the legislation now introduced would cut the Social Security payroll tax back to a level to finance Social Security on a pay-as-you-go basis, so the money is not there to be diverted to inappropriate and indeed immoral uses.

And I note, Madam President, this is not a partisan statement.

If I am running out of time, I will ask to be extended just a few minutes. It will take another minute.

The PRESIDING OFFICER. The Senator has 2 more minutes remaining.

Mr. MOYNIHAN. That is all I need.

In the concluding passage of the second part of the National Economic Commission report, there is a simple statement, and I will read it. It says, "Let no one suppose that a Democratic Congress will much longer allow a payroll tax"—a payroll tax—"to be used to service a $2 trillion to $3 trillion debt owned in vastly disproportionate amounts by wealthy individuals and institutions. It already requires nearly one-half the revenues of the income tax to pay the interest on

the debt. This is surely the largest transfer of wealth from labor to capital in the history of our political arithmetic." Hamilton's term. "But at least it is a graduated tax. By 1992, the trust fund reserves will have reached 100 percent of annual outlays, a considerable reserve. By 1994, 150 percent. If in the next 5 years no arrangements are made to save the future income to the funds, Congress, you may depend on it, will return to pay-as-you-go financing."

And the passage concludes, "This is not a threat. It is a political reality and indeed an ethical imperative. The Nation has struggled for a generation to ratify the 16th amendment to the Constitution. We are not about to see it effectively repealed by refom in the financing of Social Security."

Mr. HEINZ. Madam President, will the Senator yield?

Mr. MOYNIHAN. I am happy to yield to my friend.

Mr. HEINZ. Madam President, first I thank the Senator from Pennsylvania, who could have called for the regular order at any time during these proceedings and could have therefore brought about a vote, an immediate vote on his amendment, for his forebearance, and I appreciate more than I can say the opportunity for Senator MOYNIHAN and me to complete our remarks on this matter that I know he shares a great interest in.

I would just say to my good friend and colleague from New York that I hope every Member of this body heard what I thought was an extremely eloquent explanation.

The PRESIDING OFFICER (Mr. KERREY). The time yielded to the Senator from Pennsylvania and the Senator from New York has expired.

Mr. HEINZ. I ask for 1 additional minute.

The PRESIDING OFFICER. Do the Senators yield?

Mr. SASSER. I yield 1 minute to the Senator from Pennsylvania.

Mr. HEINZ. The Senator from New York has made a very important observation, and that is that the method we are using to finance what some of us have termed illusory reductions in the Senate budget deficit is a taxation method that is extraordinarily regressive, the payroll tax.

Now, as long as that taxation is being reserved for the people who will benefit from it, namely the retirees, present and future, I think there is a social compact, a national agreement that that is acceptable policy. But to divert those payroll taxes for other purposes is not. It is my hope that what has been called on occasion deception and illusion, thievery, fiscal vagary, and worse, will in future budgets come to an end.

I thank the Senator from New York for his profound interest and great and effective advocacy of this cause.

Mr. MOYNIHAN. I thank my friend from Pennsylvania.

AMENDMENT NO. 75

Mr. SASSER. Mr. President, what is the pending business?

The PRESIDING OFFICER. The question recurs on the amendment of the junior Senator from Pennsylvania [Mr. SPECTER].

Mr. SASSER. Has all time been yielded back on the Specter amendment?

The PRESIDING OFFICER. It has not.

Mr. SPECTER. Mr. President, I have just about another 2 minutes to speak, if I may, and of course I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, before the distinguished junior Senator from Pennsylvania uses his 2 mintues, might I yield myself 1 minute on the issue just addressed?

The PRESIDING OFFICER. The Senator has that right.

Mr. DOMENICI. I yield 1 minute.

I am not going to discuss the issue before us on the Social Security trust fund, other than to say this is a unique situation in American fiscal policy.

We have never asked the American taxpayer, however, one calls the taxes that are imposed for Social Security, to be taxed now and to put the tax money away for a very, very future date. We have never done that. We thought we did in Social Security but we never have. It turned into a pay-as-you-go-program. It is a very unique situation, unique because we never did it before, unique because we may not understand its fiscal and economic ramifications.

But suffice it to say that most who have looked at it say that a plan should be devised to reach a balanced budget without using those reserves is achieved. Whether it should be achieved next year or the year after, whether it is any of the negative things that have been spoken here today or not, it is obvious that we must begin to implement the concept that I have just described and make sure we understand its significance for America's future and for the beneficiaries whose money we must assure.

I have a reform bill that says we ought to do this, if not next year as recommended here, or the year after, that we ought to get it into an orderly fashion, reliable, and achievable.

I thank those who have cooperated. We will take this to conference. Obviously it is a sense-of-the-Senate resolution. It does not change substantive law of the land which is inconsistent with the content of the resolution. Nonetheless, the ideas and the discussion I believe is healthy, salutary, and good, good for our beneficiaries and good for our country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, is the pending business my amendment to transfer $100 million, $70 million for prison construction and $30 million for Bureau of Alcohol, Tobacco and Firearms?

The PRESIDING OFFICER. The pending question is the amendment of the Senator from Pennsylvania.

Mr. SPECTER. I thank the Chair.

Since some time has elapsed since debate on the subject, I shall take just a moment, and first I should like to thank the distinguished chairman of the Budget Committee, Senator SASSER, and the distinguished ranking member, Senator DOMENICI, for their very kind comments about this amendment and to thank them even more for their statements that they will be supporting this amendment so that any extended additional rebuttal or argument is unnecessary.

I acknowledge what Senator DOMENICI has said about the budget process, but I believe it will send a strong signal to appropriators to have a very strong vote in favor of this amendment.

Last year a similar amendment passed by a vote of 76 in favor, with only 18 against, and with the chairman and the ranking member in support of this amendment I am hopeful the vote will be even stronger at this time.

But it was useful last year in the appropriations process when the distinguished chairman of the Subcommittee on Treasury, Senator DECONCINI, added additional funds which brought the Bureau of Alcohol, Tobacco and Firearms even more resources to contribute to the approximately 8,000 arrests of armed career criminals and drug dealers in possession of a firearm. The $70 million for prison construction will take advantage of a unique opportunity with the availability of abandoned military installations where we can construct as many as 35,000 additional beds.

I urge my colleagues to support this amendment.

I thank the Chair and yield the floor.

Mr. LIEBERMAN. Mr. President, I would like to speak in favor of the amendment offered by my distinguished colleague from Pennsylvania. One of the most difficult problems in the war on drugs is the lack of prison space. In my own State, drug-related arrests, prosecutions, and convictions have dramatically increased in the

past few years, largely as a result of increased Federal and State funding. The criminal justice system is mobilized to fight drug dealers, but it is crippled by the lack of prison space and treatment facilities.

Criminal defendants are now serving only 10 percent of the sentences they receive. People with 2- and 3-year sentences are out of prison in just a few months. This kid of minimal jail time provides little or no deterrence to the kind on the street, who can easily pocket $500 a day running drugs. Narcotics officers in the State and local police find themselves arresting the same people over and over. The lesson on the street is obvious: drug dealing pays, and the consequences if you're caught are not severe.

One other consequence of prison overcrowding deserves mention. Judges who are aware of the lack of prison space and the minimal hard time a defendant will serve, often try to sentence defendants to in-patient treatment facilities as an alternative to incarceration. As a result, such facilities are increasingly filled with criminal defendants, and the addict who wants help but hasn't been convicted of a crime finds himself at the end of an unendurably long waiting list for treatment.

Mr. President, my State has embarked on a major program to expand its prison facilities. But more immediate and less expensive alternatives are desparately needed. Senator SPECTER's amendment addresses a critical issue, and I support it.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield back any time I have.

Mr. SASSER. Mr. President, I yield back any time I may have on this amendment.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from Pennsylvania.

On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG] is necessarily absent.

The PRESIDING OFFICER (Mr. LIEBERMAN). Are there any other Senators in the Chamber who desire to vote?

The result was announced, yeas 97, nays 1, as follows:

[Rollcall Vote No. 59 Leg.]

YEAS—97

Adams	Bond	Breaux
Baucus	Boren	Bryan
Bentsen	Boschwitz	Bumpers
Bingaman	Bradley	Burdick
Burns	Hatfield	Murkowski
Byrd	Heflin	Nickles
Chafee	Heinz	Nunn
Coats	Helms	Packwood
Cochran	Humphrey	Pell
Cohen	Inouye	Pressler
Conrad	Jeffords	Pryor
Cranston	Johnston	Reid
D'Amato	Kassebaum	Riegle
Danforth	Kasten	Robb
Daschle	Kennedy	Rockefeller
DeConcini	Kerrey	Roth
Dixon	Kerry	Rudman
Dodd	Kohl	Sanford
Dole	Lautenberg	Sarbanes
Domenici	Leahy	Sasser
Durenberger	Levin	Shelby
Exon	Lieberman	Simon
Ford	Lott	Simpson
Fowler	Lugar	Specter
Garn	Mack	Stevens
Glenn	Matsunaga	Symms
Gore	McCain	Thurmond
Gorton	McClure	Wallop
Graham	McConnell	Warner
Gramm	Metzenbaum	Wilson
Grassley	Mikulski	Wirth
Harkin	Mitchell	
Hatch	Moynihan	

NAYS—1

Hollings

NOT VOTING—2

Armstrong Biden

So the amendment (No. 75), as modified, was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment as modified was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Ms. MIKULSKI. Would the chairman of the Budget Committee yield to discuss the fiscal year 1990 budget allocation?

Mr. SASSER. I would be happy to yield to the Senator from Maryland, the Chair of the Appropriations Subcommittee on VA, HUD, and Independent Agencies.

Ms. MIKULSKI. I would like to commend the Budget Committee chairman for his fight to guarantee there will be sufficient funds in the budget resolution to replace the 23,000 section 8 assisted housing contracts due to expire in fiscal year 1990.

I note, however, that the technical language in section 8 of the budget resolution, designed to accomplish this purpose, is drafted in a way that makes allocating funds to the Subcommittee on VA, HUD, and Independent Agencies difficult.

I recognize that this was an unintended negative consequence of drafting by the Budget Committee. I would ask the distinguished chairman of the Budget Committee if he is willing to take appropriate action in conference with the House, to provide maximum flexibility to the Appropriations Subcommittee on VA, HUD, and Independent Agencies to address this serious problem with assisted housing. I understand that the House budget resolution does not contain this language, and therefore this will be an item to be addressed in the upcoming conference.

Mr. SASSER. I thank the Senator and want to assure her that I intend to work with her in developing a solution in conference that provides her with maximum flexibility for her subcommittee's work during the regular appropriations process later this year.

Ms. MIKULSKI. I thank the Senator for his work on this issue and his leadership on this most serious issue before the Nation with respect to affordable housing.

The PRESIDING OFFICER. The Chair recognizes the Senator from Tennessee.

Mr. SASSER. Mr. President, we are in the mode now of receiving amendments to the resolution.

May I inquire, Mr. President, of the Senator from California [Mr. CRANSTON] and the Senator from West Virginia [Mr. ROCKEFELLER] if they wish to propose their amendments at this time?

Mr. CRANSTON. We are almost ready, but not quite.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. Will the Senator from Tennessee yield?

Mr. SASSER. Mr. President, I suggest the absence of a quorum.

Mr. SYMMS. Mr. President, if the Senator will yield for a question.

Mr. SASSER. I withhold the request.

Mr. SYMMS. I just wanted to make a couple of inquiries. The chairman of the Finance Committee is on the floor now. He might want to respond to a colloquy, and I might not need to offer my amendment.

Mr. SASSER. I will be pleased to yield to the Senator from Idaho. I think his question is directed to the distinguished chairman of the Finance Committee.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Before we engage in that colloquy, and I certainly want to accommodate and thank the Senator, I wonder if we might, while Senator DOLE is on the floor and the majority leader is here, with the concurrence of the majority leader and the Republican leader, if Senator SASSER and I might begin to tell the Senators we would like to know if they have amendments. We are not trying to rush anyone, but we are moving along quite well.

I think the distinguished chairman would join in asking our leadership if they might join us in asking Senators, if they are not ready with their precise amendments, could they, before the evening is out, let the floor know if they have amendments. We know of

four or five. We are ready to go with them. I think it would be helpful to the Senate if we knew before we quit this evening just how many amendments we have.

Mr. SASSER. Mr. President, I concur fully in the statement made by the distinguished ranking member. I do believe we ought to have a compilation of amendments that we are aware of at the present time, and I think it would be very helpful if we sent the word out and requested all Senators to be alerted as to what other amendments mights be offered.

I would even go further and perhaps suggest to the majority leader and the minority leader for their consideration that at some juncture we try to seek a unanimous-consent request when all Senators have had an opportunity to alert us as to what their amendments be or if they wish to offer amendments and that we seek a unanimous-consent request at a time certain that amendments would be prohibited from being offered that have not already been put in line for consideration.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. I think the suggestion made by the managers is a very constructive one. What I would propose to the distinguished Republican leader is that we both put out hotlines to our respective Members requesting that anyone who intends to offer an amendment come to the floor or otherwise notify the managers by 6 o'clock with the intention that we will continue this evening hopefully making good progress until about 7 o'clock, in accordance with the schedule as previously announced, and that between 6 and 7 we could put together a unanimous-consent agreement identifying the remaining amendments with then hopefully some indication that we could complete action on this legislation by the end of the day tomorrow.

If that occurs, we will have completed action on the budget resolution in what will be a record time for this decade, and that will enable us then, having done so in much less time, many fewer legislative days than had been anticipated, to go out over a long weekend without any votes on Friday, Monday, or possibly Tuesday if we can complete action by that time.

So I would like to ask if the distinguished Republican leader concurs in that suggestion?

Mr. DOLE. I thank the majority leader. I certainly do. I commend the managers of the bill, both Senator SASSER and Senator DOMENICI. I understand at this point we may have only seven amendments on this side. We are not urging any more. In fact, if anybody would like to withdraw one of the seven, it would be satisfactory, but we will make a check and we will indicate by 6 o'clock. Senators should let us know because at that time the managers will put together a final list and get an agreement that no more amendments will be in order. Is that the request?

Mr. MITCHELL. That is my intention. I might ask Senators to notify the managers, if they can do so, what amount of time they would like to have for their amendment to be considered. We have a great deal of time, much more than necessary, remaining, but I would like if we could, without attempting to limit any Senator to a time less than that he or she feels necessary for full discussion of the amendment, to indicate to the managers what they would like. I think then we can proceed and have that ready for presentation to the Senate between 6 and 7 this evening.

Mr. SASSER. Mr. President, I thank the leaders for their attention. I might say to my colleagues on this side of the aisle, we have seven to eight amendments or resolutions that we anticipate will be offered at this time. I do not mean to characterize a colleague's resolution or amendment as minor, but some of them are amendments that I think can be handled expeditiously, perhaps a couple of them or three by way of a colloquy. Furthermore, some might even be accepted with the concurrence of the distinguished ranking member, Senator DOMENICI. So I am encouraged. I think we are moving along expeditiously and making good progress.

Mr. FORD. Mr. President, will the distinguished Senator yield to me for a question?

Mr. SASSER. I yield to the distinguished Senator from Kentucky for a question.

Mr. FORD. Is there a possibility that those amendments that will be acceptable at a certain time could maybe be taken en bloc? I think I have one that is acceptable. It does not do anything moneywise. It talks a little bit about a 2-year process. It does not do anything with appropriating or anything else.

Mr. SASSER. I am familiar with the amendment. I am not aware of whether Senator DOMENICI is or not. We can discuss it. As presently configured, it would be acceptable to this side, and I think we can move on it.

Mr. FORD. I just thought if we had some amendments like that we could put together and consider en bloc, we could get rid of them in one fell swoop. I would not request a vote on ours.

Mr. SASSER. Certainly that is something we can discuss. I thank the Senator for his very constructive suggestion. I think that suggestion could move us along in a much speedier fashion.

Mr. DOMENICI. Mr. President, I concur and we will try our best. Let me thank the two leaders for joining us on the floor and informing the Senate in their leadership role they would very much like to know by 6 o'clock, between 6 and 7. All we need to know is if you have an amendment and what it is about. That will permit us to constructively organize your time, the Senate's time, and ours. I thank them for that.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho [Mr. SYMMS].

Mr. DOMENICI. Mr. President, I believe I must yield some time to my friend. How much time does the Senator need?

Mr. SYMMS. I will try to do it in 5 minutes.

Mr. DOMENICI. It is a very important subject. Take what the Senator needs.

Mr. SYMMS. Ten minutes.

Mr. DOMENICI. I yield 10 minutes.

Mr SYMMS. Mr. President, later I would like to offer an amendment to the budget resolution to provide funding in fiscal year 1990 for the repeal of section 89 of the Internal Revenue Code of 1986.

Some of my colleagues want substantial modification instead of repeal, but the revenue estimate that I will be using in my amendment is a dollar amount that the Joint Committee on Taxation assures me will be sufficient to cover any reduction in revenue from any change whatsoever in section 89.

Mr. President, this has not been an easy amendment to write. Under the Budget Act, we have to come up with a number that we can associate with any substantive policy proposal, in order to allow for the costs, or revenues, from such a policy initiative. The Joint Committee on Taxation cannot tell us how much the repeal of section 89 would cost. Back in 1986 they said, in the revenue estimates for the Tax Reform Act of 1986, that it would raise $72 million the first year, $128 million the second year, $140 million the third year, and $154 million the fourth year. Where did these numbers come from? Why can they not tell us today how much section 89 is supposed to be worth now, if we repeal it?

I understand they have been working on an estimate of the budgetary impact of section 89 for some months now. In my amendment, I have provided for $300 million as the so-called lost revenue from repealing section 89.

But, Mr. President, the point I really want to make here today is very different. In my own opinion, repealing section 89 should not cost anything to the Treasury. I think the entire impact of section 89 has been misconceived.

When the revenue estimates were done in 1986 by the Joint Committee on Taxation, calculations and estimates were made of the potential reve-

nue to be gained assuming all discriminatory benefits packages were no longer tax deductible, but as best as I can determine, no allowance was made for the practical compliance costs by American business.

Mr. President, that is a very serious fault in the revenue estimating process. The revenue estimators are professional economists and highly skilled in the work they do. But this Congress simply cannot be put into the position of making policy for our Nation on the basis of numbers that have no solid foundation. We are here to make policy—policy that always has serious implications for the efficiency of our economy, and in many, many cases has a dramatic impact on productivity, competitiveness, employment and unemployment, not to mention our national savings and investment rates and our trade balance.

This Congress simply cannot be put into the position of making policy on the basis of revenue estimates, when the substantive issues are so clear—an excessive regulatory burden, the loss of efficiency and productivity, and the plain common sense that the GNP will be smaller, not larger, with the enforcement of section 89. There are some things in economics that are not based on computers and statistics, but upon common sense.

Of course, we have to keep our fiscal house in order and understand that Government programs have to be paid for by either increasing revenues or by trading off older and less important spending programs for new ones. Of course we have to have estimates of how much a program is going to cost in order to determine if we can afford it, but Mr. President, we also have to have the ability to use the good judgment and common sense that the people of the United States elected us to use as Senators.

A few weeks ago, my colleague from Wisconsin [Mr. KASTEN] offered an amendment to the minimum wage bill to delay the effective date of section 89 for 1 year. He was challenged under the rules of the Budget Act because, supposedly, delay would mean a loss of revenue. The Senate voted 56 to 43 in favor of the Senator's amendment, but it failed for lack of the necessary 60 votes.

Mr. President, there is no evidence that repeal of section 89 will lose revenue to the Treasury—there is merely an estimate. Section 89 has never produced 1 cent. I don't believe section 89 ever will produce revenue for the Treasury, because the costs of compliance with it will be a deductible business expense for employers.

I believe the costs of compliance will more than offset any revenue gain—and more important, when businessmen try to comply with section 89 they are going to be spending money on something they would not otherwise invest in. They are going to have less real resources for doing new, productive things—things the consumers want.

Our entire society is going to be worse off because of the misdirection of resources involved in compliance with section 89. That will mean lower GNP and a lower tax base in the future. And yet, our number crunchers do not take those additional economic factors into consideration.

With the announcement on Monday by Secretary of the Treasury Nicholas Brady that section 89 will not be enforced until after October 1, the administration itself has eliminated the issue for the current fiscal year. I suppose we ought to be able to adopt the Kasten amendment right now without a budget point of order against it.

My point, Mr. President, is that the American people elected us to the U.S. Senate to use our judgment, our experience, and our knowledge of the way the world works to make laws and public policy decisions. We are not being allowed to do our job when we are blindly following misleading numbers.

Some critics of the Joint Tax Committee and the Congressional Budget Office, which does the estimates on the spending side, are not in fact just impartial scientists. So critics have accused them of having an agenda of their own, and they may be using the power of the revenue estimate and the power of the outlay estimate to force a policy decision. I am not one to criticize the Joint Committee—and I want to say that I am very pleased that Chairman ROSTENKOWSKI has recently appointed an academic advisory board to assist the joint committee to do a better and more professional job.

But I do want to criticize the budget process when it lets inaccurate numbers determine policy. The purpose of my amendment to the budget resolution for fiscal year 1990 is to make sure that the funds for fixing section 89 are in the budget. I do not want to fall into the same trap as the Senator from Wisconsin when he tried last month to delay section 89 for 1 year.

As a member of the Budget Committee, I am simply exercising my prerogative to do something that is properly a function of the Senate Finance Committee—and I just want to make sure the Senate Finance Committee has the full freedom of action when the opportunity comes later this year.

Mr. President, some of our colleagues want a substantial modification of this act. The amendment that we have prepared for several Senators including Senators BOSCHWITZ, WALLOP, BOND, HATCH, KASTEN, LOTT, BURNS, and MCCONNELL was a very difficult amendment to prepare because of the complications with respect to the Budget Act and how we could come up with a number that we could associate with any substantial policy proposal and still not have an impact with respect to the entire budget process.

Mr. President, the Joint Tax Committee has had a difficult time trying to tell us what the repeal or delay for 1 year of section 89 would cost.

I would like to ask the distinguished chairman of the Finance Committee in a moment if he would agree with me that we think the necessary funds are already in the net revenue framework, and therefore it may not be necessary to offer this amendment and get this issue back on the floor for a lengthy debate again today.

We could do it. We could vote it. I think we know that 56 Senators voted for the Kasten amendment 2 weeks ago on the floor. It was not enough for the parliamentary 60 vote requirement, but 56 Senators voted for it in spite of the parliamentary difficulties to delay the effective date of section 89 off, which now has been done by the executive branch.

If section 89 is not drastically reformed or repealed outright we will have good, hardworking Americans who are now carried on health plans dropped from those health plans. And a certain percentage of those people have members of their family with chronic illness or disease. I came in contact with several families like that last week in Idaho who were concerned about their small companies dropping those plans, and having people left out who would not be able to get health insurance from anyone because of the problems they already have in their intergroup plan.

So I think it is important that we address this problem and not allow the revenue estimating process to interfere with what we are trying to do. Congress simply cannot be put in the position of making policy on the basis of revenue estimates when the substantive issues are so clear with an excessive regulatory burden, the loss of efficiency, and productivity, it is plain common sense that the GNP will be smaller, not larger, with the enforcement of section 89.

But I would like to engage Senator DOMENICI and Senator BENTSEN, in a discussion if I could have their attention. I ask Senator DOMENICI if he or Senator BENTSEN—I see the chairman is on the floor—could speak to this issue so we could avoid going to a vote on this amendment, which I think has a lot of popular support, although it does have the potential for another parliamentary dispute that I would like to avoid here on the floor.

Mr. BENTSEN. Let me state first on the question of the budget, that I believe this amendment is a budget buster. A $300 million budget buster. I think the $5.3 billion revenue figure we are talking about in the budget res-

olution is a net figure. This amendment as I understand it would reduce the $5.3 billion down to $5 billion. As a result, I would strongly oppose it if it were offered.

I share the Senator's concern about the complexities of section 89. What you have there is a piece of legislation that had a very worthy objective, but frankly it is not working. The additional burdens of administration on employers, and particularly small employers have to be relieved. The problem caused by section 89 are going to be corrected, whether or not the amendment is offered and whether or not it is adopted.

I have previously stated that I would hold hearings on section 89 and I am holding those hearings next week in the Finance Committee. It is a very complex piece of legislation. I think it requires substantial surgery, a major change. I stated in the debate on the floor the other day that I would be introducing legislation after we have those hearings, to correct the complexity of section 89 and to ease the administrative burden for employers. I will be pushing that legislation very hard. I hope for and assume I will have the support of the distinguished Senator from the State of Idaho in those efforts.

Mr. SYMMS. I thank the chairman. If I could just follow on through, I appreciate what the chairman is saying. As to the parliamentary problem and the budgetary problem here within the framework of the budget rules, the authors of this amendment have gone to a lot of trouble to come up with what we finally decided was $300 million.

Let us just say, if the chairman's plans of reform did not become a reality—there are 300 sponsors in the other body calling for outright repeal, and if it were repealed after our hearings, after the deliberations, and after the consultations of the best minds we can focus on this—does the Senator believe we could still meet the targets of this budget in the Finance Committee, let us say, if it were delayed for one more year?

That is the question I want to ask. That is the problem this amendment would correct. But it actually makes room for $300 million so-called revenue loss. I do not believe there is any revenue loss there. But I am not the one who wrote the rules.

Mr. BENTSEN. The Joint Tax Committee feels there is revenue loss, but they have had a difficult time, as the Senator stated, coming up with the exact numbers. I am somewhat sympathetic to them. The size of their staff is small and they receive an incredible number of complex revenue requests. Revenue estimating is not an exact science. It is more of an art. In the past, these estimates have not always been right. Yet they have to live with them. So they are trying their best to get good, solid numbers to get the estimate right the first time.

I must also state that I am not at all happy with this budget resolution for many reasons. I have told that to the managers of the bill, but all in all, the managers have done an extraordinary job trying to put this compromise together. I salute them for that. I expect to vote for this budget resolution, but I think there are going to be further negotiations as to some of the revenue problems and some of the other concerns I have expressed.

So as to the question of this issue being fit in, I would say again to the Senator that I intend to make major changes to section 89. And I will be joined in that effort by the Finance Committee. The Senator from Idaho is a major part of that committee. We will make every effort to take care of this problem. I also hope we do some things that I think have to be done on the catastrophic supplemental premium, but all of those changes are in addition to what we are looking at now in this budget resolution. We will have to find the dollars to do them.

That is where I anticipate we will be negotiating, with the administration, and with the leadership here on the floor, seeing how we will accomplish those goals. That is, to my way of thinking, still an open-ended deal. We will have to raise that money to fix section 89 and to collect inequities in the catastrophic premiums—we will also look at the expiring research and development tax credits. We have an enormous trade deficit on our hands. The last thing we should be doing is trying to cut back on research and development. It is so important for our country to remain competitive. If you look at the expiring R&D tax credit and the other expiring provisions, you are looking at in excess of $3 billion of additional revenue loss. We have to resolve those issues too.

I am hanging in there on this budget resolution with the idea we have some more negotiating yet to do. The difficult revenue decisions are a major issue still to be resolved.

Mr. SYMMS. I thank the Chairman.

The PRESIDING OFFICER. The Chair wishes to advise the Senator from Idaho that the time allocated has expired.

Mr. DOMENICI. I yield 5 additional minutes to the Senator.

Mr. SYMMS. I thank the distinguished Chairman.

For my part, I will work with the chairman of the Finance Committee to try to resolve this issue and will not offer this amendment now. There are other cosponsors. I will let those Senators speak for themselves. I do not plan to go ahead. I think the chairman, I might just say, has put his finger on the problem. We are going to have to do something in the Finance Committee. We have the R&D tax credits.

We have reduction in the capital gains right now, and that is an issue the President is very interested in, and a lot of people on both sides of the aisle are interested in that, also. We have the catastrophic insurance question for the seniors, and we have this issue that we are going to have to address.

Mr. DOMENICI. Will the Senator yield?

Mr. SYMMS. Yes.

Mr. DOMENICI. Might I say to my good friend, the Chairman, the Senator has, in a few minutes, with reference to this issue, section 89, stated it better than almost anyone that has jurisdiction. It will not work the way it is. The Senator knows that from talking to his people. We have to do something for the small businessman, and, Mr. Chairman, we have to have some provision that gives somebody that we can trust, either the insurance company or the proprietor, an easy way to tell the truth; sign a statement, define what discriminatory is, and sign a statement saying we no longer have a discriminatory plan. Maybe you could ask the insurance company if they are going to put the plan in, and they will file an affidavit. I guarantee you that if they had to say here is the definition of discriminatory, and we signed it under oath, that ABC company does not have a discriminatory health plan, I believe you would get the biggest cheers from the community. They can get no one. They cannot get the insured; they cannot get accountants; they cannot get their lawyers to tell them they have a plan.

You know what is going to happen? A lot of them will cancel.

Mr. BENTSEN. This is what we are seeking to avoid. We are trying to encourage coverage, not discourage it. The rules must be feasible and practical, something that is not onerous to the administration, something that does not cost more to administer than the benefits you get out of it.

Mr. DOMENICI. Mr. President, let me say to my friend from Texas, I have been on this floor a few times when we used the Budget Act to deny a substantive consideration of legislation. I believe that if your distinguished committee under your leadership does not substantially modify section 89, the budget waiver, the next time it comes up here, is going out the door, because it almost lost last time; two votes.

I do not believe this body is going to be patient for another year and use the budget process, which says we may be losing some taxes, as a way to not get an up or down vote on either repeal or major modification. This is said only in honesty. I never came down here and argued to waive the

Budget Act. I voted to waive it, but I did not come down here and argue. I think I will get a lot of Senators, if we have to do it again—not if your good committee is serious in doing something—but if it is going to be used to block action, it is going to lose next time.

Mr. SYMMS. I totally agree with my two colleagues here on the floor.

Mr. President, I talked to people in my State last week who came to me and expressed a concern, because they are employees with small businesses who have simply sat around the table and said, "We do not know what to do; if we have to comply with this, we are going to throw our plans out." Some of these people out there, and every Senator in this Chamber has such constituents, will not be insurable because of an already chronic problem that they have, the health of a member of their family or themselves. They are not insurable as individuals, and they will be left out without a group plan. We have to fix it, and we cannot allow this.

I want to say, Mr. Chairman, I think that Ron Pearlman and others on the Joint Tax Committee understand this, and we have to go by some rules here. But sometimes these numbers cannot possibly fit the reality, because it simply is tax deductible for employers to spend money to pay lawyers and accountants, and it will end up costing the Treasury money, no matter what revenue estimate numbers somebody comes up with. I think that is the issue we have to deal with.

I am happy to yield to the chairman.

Mr. BENTSEN. I am delighted to have the Senator withdraw his amendment. We share a serious concern over this problem. I have given this high priority for our committee, and we will discuss this in the forthcoming week.

I know we have strong support on that committee to fix these rules, on both sides of the aisle. We have to do major surgery to section 89 and make it work in the real world.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Tennessee.

Mr. SASSER. Mr. President, I thank the Senator from Idaho for withdrawing his amendment, and I wish to express my appreciation to the distinguished chairman of the Senate Finance Committee and the Senator from Texas, for his cooperation in working to try to bring this budget resolution to the floor.

I say that knowing full well that the distinguished chairman has profound reservations about this resolution, which he has expressed to me privately, and which he has expressed publicly. I wish to advise my friend from Texas that if and when this budget resolution leaves this body, that is not the end of it, as far as this Senator is concerned.

I think that we need to walk hand-in-hand with the distinguished chairman of the Finance Committee in meeting those obligations under this resolution that have been assigned to him and his committee. I believe that the administration also has an obligation to walk hand-in-hand with the chairman of the Finance Committee and his committee members, as they search for ways to meet the revenue obligations that are passed on to them by this particular resolution.

I want to assure the Senator from Texas that I intend to work with him through this whole process, and I do not intend to see the procedures of this body used to try to force the chairman of the Finance Committee or his committee to take a unilateral action without the full support of the majority of this body and without the full support of the administration.

I wish to thank, once again, my distinguished friend for his support of this resolution, even though it may be somewhat tepid. Even that tepid support, I think, is critical and crucial to its final passage.

Mr. BENTSEN. I certainly appreciate the comments of the able chairman of the Budget Committee. We will be looking forward to working with him in that regard. We have some major issues to try to resolve in taking care of the needs of our country.

The PRESIDING OFFICER. Who wishes to be recognized?

The Chair recognizes the Senator from Tennessee [Mr. SASSER].

Mr. SASSER. Mr. President, do we have other Senators wishing to offer an amendment at this time?

Mr. President, I see no Senator offering an amendment.

Mr. MATSUNAGA addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Hawaii [Mr. MATSUNAGA].

Mr. MATSUNAGA. Will the chairman yield for a unanimous-consent request?

Mr. SASSER. I yield to the Senator from Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. MATSUNAGA. I thank the Chair.

(The remarks of Mr. MATSUNAGA pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. SASSER. Mr. President, at this time I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 78

(Purpose: To state the sense of the Senate regarding anti-drug funding)

Mr. MOYNIHAN. Mr. President, I send to the desk an amendment for myself, Mr. D'AMATO, Mr. BIDEN, Mr. GRAHAM, Mr. DECONCINI, Mr. KENNEDY, Mr. CRANSTON, and Mr. COATS, and I ask for its immediate consideration.

The PRESIDING OFFICER (Mr. DASCHLE). The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for himself, Mr. D'AMATO, Mr. BIDEN, Mr. GRAHAM, Mr. DECONCINI, Mr. KENNEDY, Mr. CRANSTON, and Mr. COATS, proposes an amendment numbered 78.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the resolution insert the following new section:

"SEC. . It is the sense of the Senate that this resolution should support the funding increases provided in the Anti-Drug Abuse Act of 1988 and that such funding should be consistent with the need to maintain the even balance in that Act between new spending to reduce drug supply and new spending to reduce drug demand."

Mr. MOYNIHAN. Mr. President, I rise to propose an amendment that will reaffirm our commitment to fund the programs we authorized in the Anti-Drug Abuse Act of 1988, and restate the principle embodied in that act that our efforts to reduce the supply of drugs must be balanced with an equivalent effort to reduce the demand.

The present language in the Budget Resolution needs elaboration in this regard. Function 750, which covers administration of justice, specifically states support for the funding increases provided in the Anti-Drug Abuse Act of 1988 for law enforcement. Function 550, however, which covers health, makes no mention of drug abuse treatment, prevention, or research.

The Senate will recall that, in the course of the spring and summer and then the fall of 1988, an intense debate took place about the problem of drug use in this Nation, and particularly the epidemic—and that is certainly a fair term—of the use of crack cocaine. Crack is a form of cocaine which appeared in the Bahamas in 1983, reached New York City in 1985, and has spread like cholera throughout the country since. It is the most powerful euphoriant that has ever

been encountered by the medical profession.

We developed a conceptual divide, you might say. On one side was the matter of supply, which is the question of the provision of drugs to users around the country. Almost all of our drugs come in from abroad, although much of the marijuana used in this country is grown in our national forests. That gives a sense of the complexity of the supply side. This is, surely, a law enforcement question. It is a border interdiction question. It is a street crime question. And we, certainly, had no disposition in the least to downplay the necessity of law enforcement.

But we did declare that up until that time the supply side issues had absorbed most of our attention, most of our energy, and almost all of our money. The fact that our commitment to law enforcement would continue was agreed, and we included in the legislation a number of provisions to extend and, indeed, add to our supply side programs. These were to be overseen by our national drug director, a position which has now been very ably and energetically filled by Dr. Bennett.

We provided two deputies to Dr. Bennett: one for demand reduction and the other for supply reduction. And that was a matter of deliberate choice, Mr. President and Members of the Senate. It was a matter of policy choice that supply would come second and demand would come first. Because in the end we judged that only when the demand for illegal drugs recedes will we make any real impact on drug abuse.

And we also concluded, Mr. President, that in order to bring about a reduction in demand we would need to find pharmacological treatments for drug addiction. The existing talking therapies, when they are effective, are nevertheless so labor intensive, that there is no serious prospect of ever applying them on the scale required by what is indeed, a medical emergency.

Mr. President, we learned that while there was a pharmacological treatment for opium-based drugs, that is to say methadone, there was none for coca-based drugs, such as cocaine and crack. Methodone is a morphine substitute developed in Germany during World War II when natural supplies of opiates were cut off, and its use as a treatment for heroin users was developed by Dr. Vincent Dole at the Rockefeller University in New York City in the 1960's. It was not without some reluctance that the medical profession finally acknowledged the importance of his work. Our challenge was to find some counterpart drug for the cocaine derivatives.

We were aware that morphine and heroin are depressants. They are properly termed narcotics. Cocaine, by contrast, and especially crack cocaine, is a stimulant and stimulant drugs have very different physiological effects. We assumed that medical science was advanced to such a point that we could ask questions like these and pursue answers to them.

I am happy to report to the Senate a development of great interest. I learned of this yesterday in a conversation with Dr. Fred Goodwin, the most able and distinguished Administrator of the Alcohol, Drug Abuse and Mental Health Administration. Dr. Goodwin informed me that at the University of Minnesota there is a research project under way on an anticonvulsant drug called carbamazepine, which, in conjunction with therapy, has been found to diminish cocaine use in humans.

The Minnesota study found that 40 percent of cocaine addicts given carbamazepine in conjunction with therapy reduced their use of cocaine to an unprecedented average of 1½ days out of every 100. That is a record which, if it should hold for a larger population, would be quite extraordinary.

So, Mr. President, we have some news of great interest on the treatment side. Unfortunately, in the budget resolution, and I am sure that this was an oversight, the references to the drug legislation adopted in the final hours of the last Congress were only to be found in budget function 750, which has to do with law enforcement, there was no reference whatever in function 550, which has to do with health.

This amendment states the sense of the Senate that we intend to provide funds for research, and that we intend to provide funds for treatment where it shows promise. There is no way out of this public health emergency, which is transcending into an emergency of public order, unless we move in this direction. That was what Congress intended.

Mr. President, in my city of New York, some 600,000 mostly young people abuse crack. Those who wish to hold on to life must wait months to enter a treatment program that might help. If they want drugs they will find them. Money spent on interdiction and drug eradication alone will not help them overcome addiction. Money spent first on research and then on treatment will.

I wish the President's budget reflected those priorities. We originally intended that 60 percent of new antidrug funding be on the demand side, 40 percent on the supply side. We ended up about 55–45, but let us settle on the idea of an equal allocation of resources.

I will make one final point, Mr. President. Two weeks ago here in the city of Washington, after several years work there was an enormous arrest of a group of major cocaine distributors: those who brought it in, allocated it to markets, saw that it was sold on the streets, and murdered, as we are told, those who got in their way. We broke the kingpins; we busted them, and with the death penalty having been authorized in our legislation, we may in the end execute some of them.

But in this morning's press, Mr. President, we learn that 2 weeks later the amount of cocaine available on the streets of Washington is as great as it ever was. The fact is our legislation expected such effects. We anticipated them. We thought through the problem, and we produced legislation that called for treatment. And I hope the executive branch is hearing this. I am happy to see how widely this sense-of-the-Senate amendment has been accepted on the Senate floor, and I urge our distinguished managers to insist on it in the conference, as we have had great difficulty making this point with the House of Representatives.

I thank the President. I thank the Chair.

I urge my colleagues to support the amendment, and I ask that an op-ed I wrote that appeared in the New York Times on February 26, 1989, be printed in the RECORD as well as a New York Times article dated May 3, 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

EXHIBIT 1

[From the New York Times, Feb. 26, 1989]

YES, WE DO NEED A "METHADONE CLONE"

(By Daniel Patrick Moynihan)

WASHINGTON.—Recent calls for developing a "methadone clone" for cocaine are altogether right. We have a public health emergency on our hands, and there is no prospect of an effective response without some pharmacological treatment.

May I offer two comments in the context of the Anti-Drug Abuse Act, which passsed in the closing hours of the 100th Congress? The basic thrust of the legislation was to get beyond the definition of drug abuse as a law enforcement problem. It is surely that. But it is also, and more importantly, a public health problem.

Conceptually, we spoke of reducing "supply on the one hand and demand on the other." Supply is the realm of law enforcement: smuggling, dealing. Demand is finding a way to reduce drug use. We put these ideas in the statute. There was to be a "Director of National Drug Control Policy." The celebrated czar William J. Bennett has been confirmed in this post. He is to have two deputies: Deputy Director for Demand Reduction and a Deputy Director for Supply Reduction. Note that demand comes first.

The central policy initiative embodied in the act calls for "treatment on request." Specifically, Section 2011, entitled "Purposes," calls on the Federal Government "to increase, to the greatest extent possible, the availability and quality of treatment services so that treatment on request may be provided to all individuals to rid themselves of their substances abuse problems." [My emphasis.]

This was and is a sweeping proposal. We understood this. And we had no illusion that large-scale treatment could be provided by existing therapies. A pharmacological block for cocaine will be indispensable. Until one appears, "treatment on request" must remain an aspiration rather than a program.

I believe we also understood that a "methadone clone" for cocaine, while absolutely necessary, would not in itself be sufficent. Few cocaine addicts, it should be noted, use cocaine alone. For them, overcoming addiction means swearing off alcohol, heroin PCP, marijuana. Drug addiction is a chronic relapsing disease.

But crack is the most vicious form that the species—us, that is—seems ever to have encountered. It appeared in the Bahamas in 1983, in New York in 1985 and has since spread in a classic epidemiological pattern. From first use to debilitation takes only about six weeks. At that point victims are likely to look for treatment or at least to be prepared to try treatment if it's offered. A pharmacological block will be needed to mount any effort proportionate to the size of the afflicted population.

And the size? No one knows, but responsible estimates put the number of crack users in New York City alone at as many as 600,000. The city has only 1.1 million inhabitants between the ages of 15 and 24. That much I offer as fact. What follows comes under the heading of conjecture. Important, as the saying goes, if true. It has to do with prestige in science.

Treatment in the form of methadone maintenance was developed by Drs. Vincent P. Doe and Marie Nyswander in New York City in the early 1960's. The drug works by "blocking" the effect of heroin—a trade name, incidentally, of Bayer aspirin folk. Tested on employees in Germany a century ago, it made them feel "heroic."

Once a patient is taking methadone, the various "talking" therapies have a chance. The medication works. Arguably, it broke the heroin epidemic of the 1960's. Were Dr. Dole and Dr. Myswanter thanked? Shall we say, sort of? The medical profession cared little about the disease, and correspondingly little about its treatment. Last year, Dr. Dole received a Lasker Award, his partner (and wife) having, in the meantime, died. That's about it.

There is such a thing as prestige in science and it tends to allocate resource. The person who cracks the AIDS puzzle will get a Noble Prize. We should make clear that we will be just as appreciative of those who discover a pharmacological block for cocaine. There is work in progress. And some clues. But no guarantee.

In the meantime, Ronald Reagan's last budget cut the research funds available to the National Institute on Drug Abuse.

[From the New York Times, May 3, 1989]

AFTERMATH OF A CAPITAL DRUG RAID: COCAINE AND CRIME FLOURISH STILL

(By B. Drummond Ayres, Jr.)

WASHINGTON, May 2.—What was probably the biggest drug raid ever in this city has provided its own elation and letdown for law-enforcement officers who are struggling against the nation's worst cocaine epidemic.

The raid, which took place two weeks ago and resulted in the much-publicized arrest of 18 people, led some long-frustrated police officials to boast at first that one of the largest and most violent cocaine distribution operations in the District of Columbia had been eliminated.

But now, the officials say, other drug dealers have moved in to pick up the slack left in the market by the raid—as they have in other cities where drug trade flourishes.

MURDERS AT RECORD PACE

Narcotics agents report that cocaine and crack, an extremely potent derivative of cocaine, are as plentiful as ever on the streets of the nation's capital. And the murder rate, attributed mainly to drug-related violence, continues at a record pace, with one more person dying overnight.

"There's just as much cocaine and crack out there as ever before," said Andrew Johnson, an agent of the Drug Enforcement Administration. He and agents from the city's police force spent 18 months investigating the drug operation and planning the raid.

"It's going to take a lot more big raids and a lot more coordination of the whole anti-drug effort before we turn this thing around," Mr. Johnson said, "It's going to take not only arrests like this and cutting off the drug supplies coming in, but also there's got to be a lot of rehabilitation and education to cut the demand. But we're working, we're working."

No one disputes that the April 15 raid was the most important yet in the District's struggle to control an epidemic that has cost the lives of some 300 drug dealers and users and has seen more than 46,000 street arrests over the last several years. But measuring the precise street-level effect of the raid is more complicated.

By some initial estimates, the operation broken up by the raid controlled upward of 50 percent of the cocaine trade here, selling as much as a ton of cocaine a year, and the operation's "enforcers" were involved in perhaps 30 of the 300 drug murders. But officials now say the operation handled 20 percent of the city's cocaine trade and its enforcers were involved in three or four slayings.

DRUG VOID QUICKLY FILLED

Either way, the officials add, it is a measure of the intractability of the drug problem here, and the lucrative nature of the drug business, that in less than two weeks other dealers were able to move in and fill a significant void. Indeed, the officials say, the void may have been filled almost immediately because at no point since the raid have undercover agents detected any fluctuation in the street price of cocaine or crack.

"There's been no change in price, no change at all," said an agent who is an expert on drug marketing.

As for the city's murder rate since the raid, it has climbed steadily. As of Tuesday morning the toll stood at 167 people dead this year, and the police estimate that perhaps three-fourths of the slayings were drug-related. Last year at this time there had been 107 slayings.

While law-enforcement officials are disappointed that the April raid did not produce more clear-cut results, they nevertheless view it as an important development.

Jay B. Stephens, the United States Attorney for the District of Columbia, has called the raid "the most significant law-enforcement operation" in the fight against Washington drug dealers, a fight that now involves a number of Federal law-enforcement agencies as well as the local police and is being closely monitored by Congress and William J. Bennett, the director of national drug control policy.

MESSAGE FAILS TO GET THROUGH

Police Chief Maurice T. Turner Jr. of Washington said the other day that the raid "sends a message that we are serious, that we are going to close down this drug distribution market." But shortly thereafter, the chief learned firsthand that the message still has some distance to travel.

A 13-year-old boy he befriended last year in an effort to steer the boy away from a life of drugs and delinquency was arrested and charged with selling drugs. Chief Turner had helped the boy get a job selling cookies, had sent him to summer camp, away from the drug-infested housing complex where he was growing up, and had invited him for periodic visits to police headquarters.

For all the bad news coming out of the District about drugs and crime, there also are several bits of good news, although police officials are hesitant to attach too much significance to them just yet.

Washington's overall crime rate, which increased 17 percent last year, driven in part by drug-related thefts, has risen only 7 percent this year. Further, tests show drug use in only about two of every three people arrested, as opposed to almost three of every four a year ago.

"I don't want to overstate things, but we just might be leveling off in this epidemic," said Stephen E. Rickman, a crime statistics specialist for the city.

"Experts say that unlike a lot of drugs, crack is a drug that people tend to burn out on, can't take for years and years," he added. "Maybe that is beginning to happen in Washington."

Mr. KENNEDY. Mr. President, there is no issue that is more important to the American people than the war against drug abuse. The widespread use of illegal drugs has wrecked the lives of countless families and has turned many of our inner cities into war zones.

Law enforcement and interdiction are important elements of our war against drug abuse. But we must recognize that the key to an effective strategy against this scourge is an adequate program of demand reduction—education to prevent our young people from starting down the path of substance abuse and treatment to cure those already addicted. There is no army big enough to seal our borders against shipments of illegal drugs; there are not enough prison cells to hold all those who seek to profit from these fatal substances.

The record shows that education and prevention are our most cost-effective methods of fighting the war on drugs. Both national surveys and the results of exemplary State programs, like the one in my home State of Massachusetts, show that education can make a tremendous difference in the use of illicit substances by young people. Among high school seniors—a group for which we have annual measurements of use of illegal substances—use has declined as knowledge of the dangers of drug abuse has grown. Students who recognize the dangers of use of drugs are five times less likely

to use drugs than those who do not think drug use is risky.

But, according to NIDA, there are more than seven million Americans who are so already deeply involved with illegal drugs that their ability to break their habit without treatment is very questionable. Studies have shown conclusively that good treatment can be effective, with the improvements persisting even after patients have been followed for as long as 5 years. Savings in law enforcement and reduced crime alone make treatment cost effective.

Despite the key role of prevention in treatment in confronting this scourge, the Federal effort has disproportionately emphasized interdiction and law enforcement. According to administration figures, less than 30 percent of Federal funds are allocated for prevention and treatment. Less than 12 percent of Federal funds are allocated for treatment, although implementing the congressionally mandated program of assuring treatment for every addict wishing to end his addiction will be an extremely costly endeavor.

This resolution puts the Senate on record for supporting the funding increases included in the Anti-Drug Abuse Act of 1989 and for maintaining the even balance in new funding between supply reduction and demand reduction included in that bill. This resolution represents the bare minimum commitment that the Congress should make, and I urge my colleagues to support it.

Mr. BIDEN. Mr. President, I am pleased to join my colleague, Senator MOYNIHAN, as a cosponsor of this amendment. Simply stated, this amendment puts the Senate on record as supporting full funding for the 1988 Anti-Drug Abuse Act. Put another way, this amendment calls for the Senate, the House and the President to live up to the commitment that we all made last year when we passed the drug bill.

The Anti-Drug Abuse Act of 1988, which was enacted with overwhelming bipartisan support, authorized approximately $2.8 billion in new spending for antidrug programs. However, we appropriated only $950 million in additional spending. As a result, almost $1.8 billion in antidrug programs remain unfunded.

This amendment takes a first step in providing full funding for the 1988 drug bill. At the same time, we cannot ignore the tight budget situation that we now face. It is absolutely clear that we need to make real progress in reducing the Federal budget deficit.

I believe that the most appropriate way to take effective action against our No. 1 domestic program—drug trafficking and abuse—is to raise the revenue needed to support these programs. Last year, I offered an amendment to pay for the 1988 drug bill. My amendment would have raised excise taxes on cigarettes and alcohol to pay for the additional drug programs. The modest increases I proposed—2 cents per pack of cigarettes, less than a penny per bottle of beer, 40 cents per quart of hard liquor, and 5 cents per bottle of wine—would have raised enough revenue to pay for all of the unfunded programs in the drug bill. Unfortunately, the Senate did not accept my amendment.

The dilemma that many of my colleagues face today—the choice between increased spending for antidrug programs and efforts to reduce the budget deficit—reinforces the need to reconsider my excise tax proposal. And I intend to offer this amendment at the appropriate time if the Senate cannot agree on how to live up to the commitment that we made last year by providing full funding for the drug bill.

The amendment offered by Senator MOYNIHAN is a step in the right direction. The amendment will put the Senate on record as supporting full funding in the 1990 budget for the programs that we created less than 6 months ago.

At the same time, this is only a first step. We need to follow through on this amendment by making the tough choices necessary to find the money to pay for last year's drug bill. I urge my colleagues to support this amendment and, when the time comes, to support a binding proposal to pay for the antidrug programs that we authorized last year.

Mr. CHAFEE. Mr. President, I am pleased to be a cosponsor of this sense-of-the-Senate resolution calling for the budget resolution to support the funding increases enacted in last year's Anti-Drug Abuse Act.

When the Senate passed the Omnibus Anti-Drug Abuse Act last fall we made a serious commitment to solving out national drug problem. We devoted a great deal of time and energy to creating a comprehensive piece of legislation to address the myriad of issues that contribute to our overall drug problem.

When Senators came together from both sides of the aisle to put together an omnibus bill that could be offered on a bipartisan basis, we set some important ground rules. The most important ground rule was to ensure that whatever funding was available for the drug bill would be appropriated evenly; half for interdiction efforts and half for education, prevention, and treatment programs.

As Senator MOYNIHAN has stated, this was a very deliberate decision on the part of those Senators participating in the bill's development. We agreed that channeling our efforts solely toward either supply or demand reduction would not address the whole issue. Reducing the supply of drugs is only effective if we simultaneously reduce the demand for drugs. We believed that both were equally important, and therefore the funding should be evenly divided.

We stuck to our agreement and the legislation was approved by the Senate. Although we were unable to fully fund the measure, the funding that was available was divided evenly between interdiction and treatment programs.

This is all very important in relation to our current debate on the budget resolution for fiscal year 1990. The Budget Committee report specifies that moneys should be increased in the law enforcement and education functions with relation to the drug crisis. In the health function, however, there is no direction provided to ensure that treatment programs are funded at a comparable level.

It is my hope that in our effort to provide more funding for the drug bill, we will continue to support the even split between supply and demand established in the drug bill. Thus, I urge my colleagues to support Senator MOYNIHAN'S sense-of-the-Senate resolution to fund each of these important approaches to the drug problem about equally. This would be in keeping with the spirit of the law and the intent of those who participated in its development.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I congratulate and commend the distinguished Senator from New York for offering this sense-of-the-Senate resolution. It is consistent with the Drug Act of 1988, and it is my conviction that this sense-of-the-Senate resolution offered by our friend from New York will be a substantial embellishment to this resolution, as it moves on to fruition. I think he does show very clearly in this amendment that there should be a balance between new spending to reduce the drug supply and to reduce drug demand.

The distinguished Senator from New York is dealing with the drug problem in a balanced fashion on the supply side as well as the demand side, and so I commend him for offering this sense-of-the-Senate resolution.

Mr. President, I will yield back any time that I might have remaining on this resolution.

Mr. SYMMS. Mr. President, I might say I have one request for one speaker who wants to speak in favor of the amendment for 4 or 5 minutes. That is Senator COATS from Indiana. There is no opposition to the amendment on this side.

The PRESIDING OFFICER. The Chair will inform the Senators the Senator from Idaho only has time on the resolution. The Senator from Tennessee has time on the amendment.

Mr. SASSER. Mr. President, does the Senator from Indiana wish to speak in favor of the resolution?

Mr. SYMMS. The Senator from Indiana wants to speak in favor of the amendment.

Mr. MOYNIHAN. I believe the distinguished Senator is in favor of the amendment.

Mr. COATS. I am speaking in favor.

Mr. SASSER. I will be pleased to yield 5 minutes to my friend from Indiana.

Mr. COATS. Mr. President, we are in the middle of a war against drugs that is as painfully real as any war we've ever known—a conflict made all the more traumatic by the fact that it selects its victims from among the young. But as we choose the weapons we will use to press that fight, it is vital to ask, what exactly are we targeting? What is the root cause of the drug crisis?

Is it fields of poppies? Little plastic bags of white powder? Tiny pills that promise escape? The answer, of course, is none of the above. When we speak of a drug crisis, we are really talking about a crisis of personal belief and behavior, a crisis of individual motivation and action. Our challenge is not just to destroy illegal substances—we could never burn them fast enough. No, our challenge is to change minds and deter actions.

It is to convince those who would supply illegal drugs that their punishment will be sure and swift—that their short-term profit will never outweigh their long-term pain.

And it is to convince our youth that there is a drug-free standard we expect and demand that they meet, though I believe we must offer compassionate rehabilitation to those who fail to meet that standard.

Our goal must be to create a society purged or its last hints of lingering tolerance when it comes to drug abuse—and that means much more than fighting the distribution of some chemical. It means a more complex and comprehensive struggle aimed at a social consensus that punishes abuse in word and deed while caring for those who bear the burden of addiction.

I am convinced that the drug bill we passed last year recognizes this important fact and is specifically designed to meet the challenge of drugs on a broad front. It attacks international supply and street dealers. It emphasizes education and rehabilitation. It embodies a comprehensive drug policy that promises to make a real difference in our communities and homes across America.

But virtuous motives, trammelled by inertia and timidity, are no match for an aggressive and highly profitable drug trade. Sincerity should not be the measure of our success. There is little value in the words of the well-meaning if they lack the resolution to act. So I was disturbed to find that of the $2.7 billion we authorized for use in the war against drugs, only $1 billion was appropriated. And a few months ago I signed a letter along with the distinguished Senator from New York [Mr. MOYNIHAN], the distinguished Senator from Georgia [Mr. NUNN], and some others calling for full funding of the Anti-Drug Abuse Act.

Today we have the opportunity to prove the seriousness of our resolve by voting for a sense of the Senate resolution that would support that funding. It asks that we appropriate the remainder of the money authorized so overwhelmingly by the Congress—divided I think appropriately among treatment, education, research, law enforcement, and drug interdiction. Providing that money would give teeth to our efforts and reaffirm our commitment to solutions that meet this challenge at every point of struggle and need. And I strongly urge my colleagues to support it.

I thank the Senator for the time. I commend the senior Senator from New York for his resolution.

Mr. MOYNIHAN. Mr. President may I congratulate the distinguished Senator from Indiana on a very forceful and persuasive statement. It is exactly in that spirit that we approach this legislation and with more of it we shall hope something will come from it.

Mr. SASSER. Mr. President, I believe that all has been said on this resolution that Senators wish to say. I yield back any time I might have remaining on the amendment.

Mr. SYMMS. I yield back any time on this side on the amendment.

The PRESIDING OFFICER. The time was divided between the Senator from New York and the Senator from Tennessee. Does the Senator from New York yield back all time?

Mr. MOYNIHAN. Yes. All time is yielded back with great appreciation to the distinguished managers.

The PRESIDING OFFICER. All time having been yielded back the question is on agreeing to the amendment offered by the Senator from New York.

The amendment (No. 78) was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SYMMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Idaho.

AMENDMENT NO. 79

(Purpose: To increase funding for the United States Travel and Tourism Administration and decrease funding for Amtrak)

Mr. SYMMS. Mr. President, I send an amendment to the desk on behalf of the distinguished Senator from Wyoming, Mr. [WALLOP].

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. SYMMS], for Mr. WALLOP, proposes an amendment numbered 79.

Mr. SYMMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 14, line 13, increase the amount by $2,000,000.

On page 14, line 14, increase the amount by $2,000,000.

On page 15, line 20, decrease the amount by $2,000,000.

On page 15, line 21, decrease the amount by $2,000,000.

Mr. WALLOP. Mr. President, the amendment I am offering here today will transfer $2 million from Transportation function 400 for the National Railroad Passenger Corporation, commonly known as Amtrak, to function 370—Commerce—for the U.S. Travel and Tourism Administration. As has been the case for a number of years, the President's budget originally proposed eliminating funding for Amtrak, but the bipartisan agreement on this budget resolution has again continued the Federal subsidy for Amtrak to the tune of $584 million.

This is not the first time that I have come to this Senate floor to take issue with Federal subsidies for Amtrak. With this amendment, I would simply like to ensure that Amtrak continues on a fiscally responsible course and works to further diminish its reliance on Federal funds. While $2 million is not an extraordinary amount of money in the context of this trillion dollar plus budget resolution, the reason I selected that figure is because that is the amount—calculated for inflation—that Amtrak claims to be saving by the elimination of service from my State of Wyoming in 1983.

Although the first transcontinental passenger railroad, the Union Pacific, was routed through my State of Wyoming, we are now without any rail passenger service for the first time in more than 100 years. While it is not my intent to belabor that fact, I believe that $2 million could be better expended by the U.S. Travel and Tourism Administration to improve their ability to promote the United States abroad.

Mr. President, this budget resolution proposes $13.8 million for the U.S. Travel and Tourism Administration for fiscal year 1990. Compared to what other countries allocate for their tourism-related counterparts to USTTA, this proposed budget seems rather austere.

In point of fact, many countries devote more than twice the funds that the United States does to tourism related activities. With that in mind, it is not surprising to me that in recent years a greater number of Americans have traveled abroad than foreigners have visited the United States. If we are to become more competitive in attracting foreign visitors to our beautiful country, I believe it bodes well for us to allocate additional funds to USTTA for that specific purpose.

According to the U.S. Travel and Tourism Administration, their marketing and policy strategies would be severely limited under a budget that would in essence be reduced to $10 million if $3.2 million of that budget is earmarked for the 1992 World's Fair. For example, under a budget of only $10 million, the USTTA would not be able to persuade more of our country's 1 million small, tourism-related companies to compete for foreign business by networking with U.S. airlines, ground operators, and regional marketing groups. As a State with the largest number of small business per capita, I find that statistic quite staggering.

Mr. President, at the end of last year, the U.S. Travel and Tourism Administration sponsored a series of press briefings in London, Paris, and Frankfurt to promote Yellowstone National Park. This mission, which was composed of representatives from the National Park Service, the Forest Service, the States of Wyoming and Montana and the U.S. Travel and Tourism Administration, was intended to help put to rest the fear that yellowstone was so severely damaged by last year's fires that it is no longer worth visiting.

While that cooperative effort was successful, I am still concerned that advanced reservations for Yellowstone's summer season are down an alarming 23 percent from last year. That decline is directly attributed to the perception on the part of the public that Yellowstone was greatly damaged by the fires, thus drastically changing the experiences of the park. It is my hope that the addition of $2 million will encourage the USTTA to travel to Europe once again to promote Yellowstone and indeed all of the United States.

I believe more than half the Members of this body belong to the Senate tourism caucus. I would hope that as members of that group, my colleagues would join me in supporting additional funds for tourism. The travel and tourism industry is one of the largest employers in the United States—it is probably the second largest employer in Wyoming. In 1985 alone, tourists spent $2.3 million a day in Wyoming and contributed over $65,000 a day in State taxes. For that reason alone, I am sure this will be a difficult vote for many of those here in this Chamber.

Mr. President, because of our tremendous deficit problem, we can only afford programs that served important national needs. Funding tourism programs through advertising campaigns and tourism missions is vital if we are able to compete effectively in the global economy. My amendment will ensure that the Federal Government is not only being fiscally responsible, but fiscally reasonable. I hope my colleagues will support me in that endeavor.

Mr. SYMMS. Mr. President, the amendment is a legitimate endeavor by the Senator from Wyoming to move $2 million from Amtrak's $584 million over to the U.S. Travel and Tourism Administration. I believe it has been cleared on both sides of the aisle. I do not think any further time is required.

The PRESIDING OFFICER. Is there further debate? The Senator from Tennessee.

Mr. SASSER. Mr. President, the amendment offered by the distinguished Senator from Wyoming is acceptable and I would yield back any time remaining on the amendment.

Mr. SYMMS. I yield back any remaining time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Wyoming.

The amendment (No. 79) was agreed to.

Mr. SYMMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SASSER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 80

(Purpose: To increase funding for Department of Veterans' Affairs health care)

Mr. ROCKEFELLER. Mr. President, on behalf of myself, Mr. HARKIN, the distinguished chairman of the Veterans' Affairs Committee, Mr. CRANSTON, Mr. DECONCINI, and Mr. RIEGLE, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. ROCKEFELLER], for himself, Mr. HARKIN, Mr. CRANSTON, Mr. DECONCINI, and Mr. RIEGLE, proposes an amendment numbered 80.

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

TRAVEL CUTS

On page 10, line 17, decrease the figure by $3,000,000.

On page 10, line 18, decrease the figure by $3,000,000.

On page 11, line 23, decrease the figure by $22,000,000.

On page 11, line 24, decrease the figure by $18,000,000.

On page 13, line 6, decrease the figure by $5,000,000.

On page 13, line 7, decrease the figure by $5,000,000.

On page 14, line 13, decrease the figure by $22,000,000.

On page 14, line 14, decrease the figure by $18,000,000.

On page 15, line 20, decrease the figure by $15,000,000.

On page 15, line 21, decrease the figure by $12,000,000.

On page 16, line 25, decrease the figure by $1,000,000.

On page 17, line 1, decrease the figure by $1,000,000.

On page 18, line 7, decrease the figure by $3,000,000.

On page 18, line 8, decrease the figure by $2,000,000.

On page 21, line 17, decrease the figure by $1,000,000.

On page 21, line 18, decrease the figure by $1,000,000.

On page 22, line 23, decrease the figure by $1,000,000.

On page 22, line 24, decrease the figure by $1,000,000.

On page 25, line 8, decrease the figure by $22,000,000.

On page 25, line 9, decrease the figure by $18,000,000.

On page 26, line 12, decrease the figure by $15,000,000.

On page 26, line 13, decrease the figure by $12,000,000.

On page 28, line 23, decrease the figure by $8,000,000.

On page 28, line 24, decrease the figure by $6,000,000.

PRINTING AND REPRODUCTION CUTS

On page 9, line 14, decrease the figure by $400,000.

On page 9, line 15, decrease the figure by $360,000.

On page 10, line 17, decrease the figure by $2,400,000.

On page 10, line 18, decrease the figure by $2,160,000.

On page 11, line 23, decrease the figure by $15,200,000.

On page 11, line 24, decrease the figure by $3,680,000.

On page 13, line 6, decrease the figure by $3,000,000.

On page 13, line 7, decrease the figure by $2,700,000.

On page 14, line 13, decrease the figure by $12,400,000.

On page 14, line 14, decrease the figure by $11,160,000.

On page 15, line 20, decrease the figure by $5,200,000.

On page 15, line 21, decrease the figure by $4,680,000.

On page 16, line 25, decrease the figure by $800,000.

On page 17, line 1, decrease the figure by $720,000.

On page 18, line 7, decrease the figure by $5,400,000.

On page 18, line 8, decrease the figure by $4,860,00.

On page 19, line, 10, decrease the figure by $11,800,000.

On page 19, line 11, decrease the figure by $10,620,000.

On page 21, line 17, decrease the figure by $5,000,000.

On page 21, line 18, decrease the figure by $4,500,000.
On page 22, line 23, decrease the figure by $4,200,000.
On page 22, line 24, decrease the figure by $3,780,000.
On page 25, line 8, decrease the figure by $5,600,000.
On page 25, line 9, decrease the figure by $5,040,000.
On page 28, line 23, decrease the figure by $34,200,000.
On page 28, line 24, decrease the figure by $30,780,000.

VETERANS' HEALTH CARE INCREASE VETERANS' BENEFITS AND SERVICES (FUNCTION 700)

On page 24, line 2, increase the figure by $230,000,000.
On page 24, line 3, increase the figure by $198,000,000.

Mr. ROCKEFELLER. I believe this is a very important amendment which has been agreed to by both sides.

I ask for the attention of the manager of this bill so that he might dispense with this amendment in the regular manner and I would be glad to speak about it after that has been done.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, we have considered the amendment offered by our distinguished friend from West Virginia, and I find that there is much on which to commend and congratulate the Senator from West Virginia for his insight in introducing this very worthwhile amendment. I find it acceptable on our side of the aisle.

I inquire of the distinguished ranking member his view.

Mr. DOMENICI. Mr. President, I, too, have no objection to the amendment, and again I state rather than repeat the detailed explanation that I made when the junior Senator from Pennsylvania offered an amendment to move money around from various functions as to the ultimate effectiveness of it, I would just tell the Senate that the same argument would hold now. Nonetheless, it appears to be that the Senator from West Virginia desires to make a point with reference to the function that contains veterans' expenditures.

And frankly, I am concerned about that function. That has a lot of things competing when it gets to appropriations between housing, veterans, National Science Foundation, and the space program. Obviously, it is an anomaly to have this many competing. I would rather have a little extra money on the veterans side to be sure that we come out right when we end up in that appropriations fight rather than less.

So I have no objection to the amendment.

Mr. HARKIN. Mr. President, I rise in strong support of the Rockefeller-Harkin-Cranston-DeConcini-Riegle amendment adding funds for the Department of Veterans' Affairs. As I travel around Iowa talking to veterans, I am constantly reminded of the plight of medical care in VA hospitals. Some of my most discouraging mail comes from veterans—veterans who have been denied health care due to inadequate funding for the Department of Veterans' Affairs.

Our VA medical system is in critical condition. Services such as alcohol and drug treatment centers, nursing homes, and home care services have been cut back or eliminated. Equipment has not been replaced or repaired to save money for immediate medical care. And thousands of veterans have been denied medical treatment.

These men and women have served our country well. Many lost limbs and suffered other injuries in the defense of our country. Certainly the least we can do is to provide for their proper health care.

But even veterans who did not suffer injuries in combat have depended on veterans hospitals over the years. Now the veteran population is aging, and their medical needs are skyrocketing. To suddenly throw them out of the VA medical system due to budget shortfalls is a breach of faith. Many do not have private health insurance, and cannot get reasonable health insurance due to advanced age or failing health. How can we betray these veterans?

Worse yet, cutbacks in medical services and equipment in VA hospitals have reduced the quality of care for those veterans who still qualify. Many veterans or, more often, their families, have talked to me and written to me about horror stories regarding medical treatment at VA medical centers. All are proud to have served our country, but they feel betrayed late in life. One veteran, after suffering from inadequate care, pleaded with his wife not to take him to the VA hospital when a fatal illness developed.

Saddened by this deterioration of VA medical service, many of us asked the administration last summer to submit a supplemental appropriation for the VA. Nothing happened.

In January, we again wrote, pleading for additonal funds for the VA budget. No increases were made.

And so today, I join with Senators ROCKEFELLER, CRANSTON, DECONCINI, and RIEGLE, in offering this amendment to shift $230 million in budget authority and $198 million in outlays to the Department of Veterans' Affairs. While this is far less than the $600 million VA shortfall identified last summer, it should help to stem the hemorrhaging of the VA medical system.

Mr. President, our veterans made a commitment to defend our country, to give their lives, if needed. In return, we, as a nation, made what should have been a sacred commitment to the health of our returning veterans. We have not kept our end of the bargain. This amendment will help to restore our commitment to our brave men and women who proudly served us with courage and dedication.

Mr. SASSER. Mr. President, I suggest that we yield back all time on the amendment at this juncture, and then reserve time for the Senator from West Virginia to speak on his amendment off of the resolution itself.

Will the Senator yield back all time?

Mr. ROCKEFELLER. The Senator from West Virginia yields back all remaining time.

Mr. SASSER. I yield all time back I have remaining.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment offered by the Senator from West Virginia.

The amendment (No. 80) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from West Virginia is now recognized under time allocated under the resolution.

Mr. SASSER. May I inquire how much time the Senator will require?

Mr. ROCKEFELLER. Less than 10 minutes; between 9 and 10 minutes.

Mr. SASSER. Mr. President, we will yield back to the Senator from West Virginia such time as he may consume not to exceed 10 minutes.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for between 9 and 10 minutes.

Mr. ROCKEFELLER. I thank the Chair. I thank the distinguished manager of this bill, my good friend, the Senator from Tennessee.

In fact, Mr. President, we have just adopted an extraordinarily important amendment, and one that affects millions of sick and disabled veterans who have served this Nation in its hour of need. They in turn of course turn to the Department of Veterans' Affairs health care facilities for their health care. These health care facilities and the health care budget for those facilities are in desperate crisis, and the amendment that has just been passed will in fact go a long way toward solving that crisis. Our amendment would provide for badly needed funding, to wit, $230 million in budget authority and $198 million in outlays for the Department of Veterans' Affairs health care facilities.

To make our budget amendment both budget neutral and consistent with the bipartisan budget agreement, it provides for reductions in printing

and employee travel funding, and a variety of other ways.

Mr. President, testimony provided at hearings of the Veterans' Affairs Committee have made it excruciatingly clear that the VA is currently experiencing an fiscal year 1989 shortfall that is having a devastating impact on veterans' health care programs. VA medical center directors, physicians, nurses, veterans' service organizations representatives, and other familiar with VA medical programs have described under oath the current state of affairs as not only a crisis but the worst financial crunch that they have ever seen in the history of veterans' affairs health care.

Thousands of veterans are being told to go elsewhere or that they must wait long periods of time which in effect amounts to a denial of care. Numerous programs and services are being curtailed or eliminated altogether, including alcohol and drug treatment centers, VA nursing homes, community nursing home care, home care services, and hospice care programs, to name only a few.

In addition, a huge backlog in replacement medical equipment totaling over a half billion dollars has developed in recent years as VA medical center directors have postponed equipment purchases, a natural thing for them to do in a budget crisis, in order to find the dollars that they need at a higher priority to avoid deep cuts in health care personnel.

But this effort at juggling resources and trying to defer has now been carried on for as long as it possibly can be. Outdated and wornout medical equipment and the lack of any equipment are posing a threat to the quality of care, and in fact to patient safety at many VA facilities.

In addition, VA health care staffing has already dropped by over 3,000 full-time employee equivalents, down from a level that was mandated in fact by Congress for fiscal year 1988.

According to the VA's Chief Medical Director, Dr. Gronvall, the funding level proposed in this amendment just passed is exactly what is needed to provide for a balanced VA medical program with the fiscal year 1988 mandated staffing level restored. Dr. Gronvall also stated that the $340 million dire emergency supplemental appropriation which the House Appropriations Subcommittee has recommended should, if it is provided soon enough, enable the Veterans' Administration to build back up to the full-time equivalent level by the end of the current fiscal year.

Thus the supplemental on the one hand of this amendment, and this amendment, will together enable the VA to recover from what is an extraordinarily serious crisis that is doing harm and has caused suffering in this current fiscal year. The funding levels proposed in the budget resolution for VA discretionary accounts, the CBO baseline level, provided for over $11 billion in budget authority and over $11 billion in outlays.

These are inadequate funding targets of VA medical care in fiscal year 1990 for one extremely obvious reason. Baseline figures for fiscal year 1990 are obviously based on the fiscal year 1989 funding levels and we all know very well that the fiscal year 1989 funding for VA health care is grossly deficient.

We must not allow the glaring inadequacies that we are experiencing in fiscal year 1989 to set any kind of a pattern for the next fiscal year 1990.

Mr. President, in conclusion, I would wish to point out that this is really, this amendment that has just been passed, a very conservative approach to meeting VA health care funding needs. In the Veterans' Affairs Committee March 15 recommendation to the Budget Committee what we asked for in fact was $634 million over the baseline; in other words, $404 million more than we are asking for today. Thus we are taking a pragmatic approach. We are seeking to achieve what we believe is realistic to expect at this point, and I will point out that this amendment passing does not exactly restore happiness to VA medical care.

There is a lot of our work which we have not completed, a lot of our work which we have not done, and that is something which we will have to take up. But for the moment, Mr. President, we have met the critical crisis and have turned this matter to the benefit of the veterans to whom we owe so much.

I thank the Chair.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. SASSER. Mr. President, will our distinguished Senator from Georgia withhold for just a moment? It is my understanding that the Senator from California [Mr. CRANSTON] wishes to speak on behalf of this particular amendment. We had, I think, reserved some time, if I am not mistaken. Will the Senator from Georgia withhold for just a few moments?

Mr. FOWLER. I am delighted to yield to my friend from California, the distinguished democratic whip, for whom I have the greatest admiration. I am pleased to be here in order to hear his remarks.

Mr. CRANSTON. I thank the Senator from Tennessee for his great leadership at the moment, I thank my friend from Georgia, and I thank the Senator from West Virginia for his leadership on the very, very important issue to American veterans.

Mr. President, as chairman of the Veterans' Affairs Committee, I rise in support of the Rockefeller-Harkin-Cranston-DeConcini-Riegle amendment. I congratulate the Senator from West Virginia [Mr. ROCKEFELLER], a valued member of our committee, for his initiative and leadership in this matter. I also congratulate the Senator from Iowa [Mr. HARKIN], a great friend of veterans, as is the Senator from West Virginia, for his leadership on this amendment. And I note also the strong support of the Senators from Arizona [Mr. DECONCINI], and Michigan [Mr. RIEGLE].

Mr. President, this amendment would provide for badly needed funding—$230 million in budget authority and $198 million in outlays—to shore up the Department of Veterans' Affairs health-care system, which has been devastated by inadequate fiscal year 1989 funding. To make the amendment both deficit neutral and consistent with the bipartisan budget agreement, we provide for corresponding, pro rata reductions in printing and reproduction accounts—a cut of $105.6 million in budget authority and $95 million in outlays—and employee travel spending in domestic discretionary accounts—a cut of $126 million in budget authority and $103 million in outlays.

BACKGROUND: FISCAL YEAR 1989 SHORTFALL

VA is currently experiencing an extremely serious fiscal year 1989 funding shortfall. On September 9 and 20, 1988, our committee held hearings to investigate reports of inadequate funding levels within the VA health-care system. At those hearings, VA medical center directors, doctors, and nurses virtually unanimously described, under oath, the fiscal state of affairs as a "crisis" and "the worst financial crunch" they had ever seen in VA health care. In connection with the hearing, the VA's Chief Medical Director [CMD] testified that funding for VA health-care facilities for fiscal year 1989 was $635 million less than was needed to operate them at the fiscal year 1988 level. Although the then-Administrator of Veterans' Affairs later advised that the shortfall was $432 million, after analyzing that figure I believe the CMD's estimate was the more accurate. Neither the CMD's nor the Administrator's figure included any amount to reduce the enormous backlog of medical equipment—currently well over a half billion dollars.

Prior to fiscal year 1989, VA was surviving by transferring funds from capital investment dollars to personal services to help maintain employment levels. This "cannabalizing" of the system has caused the VA infrastructure to weaken, has created the huge medical equipment backlog, and has brought VA to the brink of jeopardizing patient care. As a result, because

adequate funds were not available for fiscal year 1989, the VA decided it could no longer risk compromising the quality of care furnished and, instead, the CMD consciously chose to reduce services, close specific programs, and decrease the workload. Our committee has received reports from VA facilities that thousands of veterans are being told, after years of receiving VA care, to go elsewhere or that they must wait long periods of time—in many cases a denial of care in and of itself—before receiving certain types of care or prostheses.

FISCAL YEAR 1990 NEEDS

As a result of the committee's March 6 budget hearing, at which testimony was presented which continued to confirm the devastating effects of the VA budget shortfall on the availability and quality of the care being provided and on the ability of VA to recruit and retain qualified health-care professionals, we recommended a total of $699.1 million over the fiscal year 1990 CBO baseline for VA medical care. This figure was derived after a painstaking analysis of the VA budget which showed the inadequacy of that budget to meet the critical needs of veterans. For example, $64 million is needed in fiscal year 1990 to provide for fiscal year 1989 unfunded pay raise costs not included in the fiscal year 1990 CBO baseline; $232 million is needed for current and projected unfunded special salary rates not included in the fiscal year 1990 CBO baseline; $87.2 million is required to cover the unfunded costs of furnishing care to AIDS victims, $16 million is needed to cover unfunded costs for drug and alcohol programs, and at least $100 million is needed to make a dent in the staggering $713.2 million backlog in equipment purchases.

On April 6, 1989, our committee held a further oversight hearing on the adequacy of the VA budget. At that hearing, the CMD confirmed the large number of program reductions and closures which had been reported from the field. He advised that 390 individual restrictive actions have been taken by VA medical centers across the country in response to the budget shortfall. These include cutbacks or closings of drug and alcohol abuse treatment centers, VA nursing home care units, fee-basis readjustment counseling payments, fee-basis community nursing home care, home-care programs, and acute-care beds. In fact, 26 percent of all VA facilities have reduced the number of their operating beds and another 26 percent have reduced their patient workloads.

In addition to the testimony of the CMD at our April 6 hearing, we also heard from VA physicians, nurses, social workers, administrators, and others with intimate knowledge of the VA health-care system. I was concerned and moved by the examples these witnesses provided of the types of patients being turned away from VA facilities and the conditions under which health-care professionals are expected to practice. One California social worker told of a terminally ill female veteran who has been treated by VA health-care professionals for over 7 years. She was sent a letter telling her she no longer could receive VA care as of February of this year. Another example was of a veteran who had contracted a serious infection as a result of poor quality, inexpensive equipment being used. Another was of a VA medical center having to contract out a test because the VA facility could not afford a $240 replacement part in its own equipment.

A health-care system with adequate funding would not experience such problems.

In addition to cutting back on services and programs, VA has reduced the number of full-time equivalent employees [FTEE] within VA medical centers. On October 24, 1987, 3 weeks into fiscal year 1988, the VA employed 195,177.5 FTEE. By March 25, 1989, this figure showed a dramatic decrease of 4,025.8 FTEE—to 191,151.7—and a further decrease of 232.2 FTEE—to 190,919.5—by April 8, 1989, only 2 weeks later. These decreases are occurring at a time when the severity of illness of veterans is worsening and their health-care requirements are dramatically increasing.

PROPOSED FISCAL YEAR 1990 FUNDING LEVELS

The funding levels proposed in the budget resolution—the CBO baseline level—which is $11.308 billion in BA and $11.19 billion in outlays are inadequate funding targets for VA medical care in fiscal year 1990 for one very obvious reason: Baseline figures for fiscal year 1990 are based on the fiscal year 1989 spending levels, and it is now painfully clear that the fiscal year 1989 funding in this area is grossly deficient. We must provide for additional funding so that the glaring inadequacies I have just described that are being experienced in fiscal year 1989 and have given rise to the need for a dire supplemental appropriation are not built into the fiscal year 1990 funding levels.

According to VA's CMD, in a January 25, 1989, letter to the chairman of the House Committee on Veterans' Affairs and his testimony at our April 6 hearing, the funding level proposed in this amendment, $11.538 billion, is the amount that is needed to provide for a balanced VA medical program with the fiscal year 1988 mandated staffing level—194,720 FTEE—restored. The CMD also stated in his April 6 testimony that the $340 million dire emergency supplemental appropriation recommended by the House Appropriations Committee should, if provided soon enough, enable VA to build back up to the 194,720 FTEE level by the end of the current fiscal year.

Thus, that supplemental and this amendment would together enable VA to recover the very serious harm suffered thus far in the current fiscal year. Mr. President, it is expected that tomorrow the House will accept a leadership amendment increasing discretionary spending in the veterans function to a level of $120 million above that being proposed in our amendment. Our amendment is the maximum for which we can find acceptable offsets, although the House level is preferable, and I hope that the House level, if it is so increased, will prevail in conference.

OFFSETTING REDUCTIONS

Mr. President, as I have indicated, in order to ensure that our amendment is deficit neutral and consistent with the bipartisan budget agreement, we have provided for pro rata offsetting reductions in printing and employee travel funding in other domestic discretionary accounts. The reductions total $105.6 million in budget authority and $95 million in outlays in printing and reproduction costs and $126 million in budget authority and $103 million in outlays for employee travel.

I recognize that spending in both of these areas is in general a necessary cost of governmental operations. However, I believe that we have reached the point where all possible belt-tightening in administrative areas such as these is absolutely essential if we are to be able to keep faith with our Nation's veterans by preserving VA's ability to furnish quality care to veterans who rely on it for health-care services. Thus, I believe that, as a matter of priorities, these offsetting reductions are justified as the only realistic approach that we can find in order to provide the resources that are so greatly needed in order to bolster the faltering VA health-care system.

CONCLUSION

Mr. President, I am very grateful to the Senators from Tennessee and New Mexico, who serve as the chairman and ranking minority member, respectively, of the Budget Committee, for their wonderful cooperation in facilitating the consideration of and supporting this terribly important amendment this afternoon. They have been most helpful and accommodating as have been their staffs.

This amendment puts us on the track towards an fiscal year 1990 appropriation level for VA medical care that should put an end to the current VA fiscal crisis and sustain the funding level in the forthcoming supplemental for fiscal year 1989 now pending in the other body.

I thank all concerned very much. This is a very important amendment. I thank the Senator from Georgia for his patience and courtesy.

Mr. FOWLER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, may I inquire of my friend, the distinguished Senator from Georgia, does the Senator wish to speak on this resolution?

Mr. FOWLER. I do.

Mr. SASSER. May I inquire of my distinguished friend how much time he will require?

Mr. FOWLER. About 30 seconds on that resolution. Then, if the Chair will indulge me, I wish to ask him for about 4 additional minutes.

Mr. SASSER. Mr. President, I will be pleased to yield to the distinguished Senator from Georgia 5 minutes on the resolution.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I wonder if my friend from Georgia will permit me to make a minor unanimous-consent request.

Mr. FOWLER. Of course.

Mr. DOMENICI. We handled the veterans' amendment by the distinguished Senator from West Virginia by adopting it and then having remarks.

First, I ask unanimous consent that I be shown as a cosponsor, that I be permitted to be an original cosponsor to the Rockefeller amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Since we handled it in the way that we did, to accommodate certain people here, I ask unanimous consent that it be in order for any Senator that desires to become an original cosponsor, to do so before the close of business today.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. FOWLER. Mr. President, also both as a veteran and as a member of the Independent Agencies Subcommittee on Appropriations, which handled veteran affairs, I ask unanimous consent to be an original cosponsor.

The PRESIDING OFFICER. Under the previous order, it is so ordered.

Mr. FOWLER. I thank the Senator from West Virginia [Mr. ROCKEFELLER], and my friend from California [Mr. CRANSTON], and all those in addressing a critical need for the veteran affairs services, which this amendment will go a long way to meet.

HISTORICALLY BLACK COLLEGES AND UNIVERSITIES AND THE BUDGET

Mr. FOWLER. Mr. President, there are over 100 historically black colleges and universities [HBCU's] located primarily in the South and Southwest. These institutions, many of which are over 100 years old, have an unparalleled record of educating black Americans. Over 85 percent of black professionals were educated at HBCU's. Presently, 30,000 black Americans graduate from these schools—accounting for almost 40 percent of the baccalaureates earned by blacks, even though HBCU's enroll only about 20 percent of the blacks in higher education. Despite the overall decline in black college enrollment and the perilously high drop in black male college students, there has been an absolute increase in the number of black males and females enrolled in HBCU's. Even with this fine record, it is no secret that a number of these institutions face difficult times.

Over the past 3 years, the Federal Government has demonstrated its commitment to enhancing the development of HBCU's. The budget resolution we have before us today recognizes and embellishes this commitment. This year and last, the House budget resolution contained increased funding assumptions for HBCU's, and, although the Senate's fiscal year 1990 resolution does not have a line item, we are no less committed to these initiatives. While recognizing our current budget constraints, we certainly plan to work to strengthen their programs, management, faculties, and facilities. Indeed, I am pleased to see the bipartisan spirit with which this effort is being approached.

There is no doubt that the health and growth of these institutions is an issue very close to the hearts of the thousands of students they serve. The actor Bill Cosby and his wife Camille recently made a substantial contribution to one of the 10 HBCU's in my State. This kind of gift, while extremely helpful, is certainly atypical. Many of the alumni of our HBCU's simply cannot afford to make sustaining contributions to their schools and, in the past, these schools never received Federal support comparable to that of their counterparts. This is, in part, why the Federal Government must continue programs which create a stable environment in which these institutions can continue to grow.

I want to commend the work of the National Association for Equal Opportunity in Higher Education [NAFEO] which has just celebrated its 20th anniversary. Founded in 1969, this organization has been very successful in bringing national attention to the unique role HBCU's have played in the advancement of a higher education agenda for blacks.

The survival of these institutions is crucial to maintaining our cultural heritage, our national traditions and goals of access and choice in higher education. It is also essential to our success as a nation to develop the full potential of our human resources by reaching out and opening the door of opportunity in education to all our citizens. I would urge my colleagues to continue to support Federal initiatives for historically black colleges and universities.

The PRESIDING OFFICER. The Senator from Illinois.

AMENDMENT NO. 81

(Purpose: To provide increased funding for education, training, and social services)

Mr. SIMON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The Clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON] proposes an amendment numbered 81.

Mr. SIMON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

NATIONAL DEFENSE

On page 7, line 2, decrease the figure by $3,000,000,000.

On page 7, line 3, decrease the figure by $2,000,000,000.

EDUCATION AND TRAINING

On page 18, line 7, increase the figure by $3,000,000,000.

On page 18, line 8, increase the figure by $2,000,000,000.

SENSE OF THE CONGRESS

At the end of the resolution insert the following new section:

"SEC. . It is the sense of the Congress that—

(a) of the amounts set forth for Education, Training, Employment, and Social Services (function 500) in section 5 of this resolution, increased funding shall be provided for Head Start, drug education, elementary, secondary, and post-secondary, education, programs aimed at disadvantaged and handicapped students, drug-free schools, teacher training, and historically Black colleges and universities; and

(b) this resolution also includes funding for new initiatives in Smart Start, literacy, and child care."

Mr. SASSER. Mr. President, may I inquire of the distinguished Senator from Illinois approximately how long he thinks he will be involved in debate on this amendment?

Mr. SIMON. I would like about 20 minutes, and I would enter into an agreement to have 20 minutes on my side and 20 minutes on the other side.

Mr. DOMENICI. I wonder if the good Senator might make that 15 on each side?

Mr. SIMON. I really would like to take 20 here, and maybe I will not take the full 20. A few people have spoken to me about the possibility of speaking on it also. If I do not take the full 20, I may have to yield a few minutes to others.

Mr. SASSER. That is fine.

Mr. President, I would indicate to my friend from Illinois that 20 minutes to a side is satisfactory. The majority leader earlier has indicated a desire to adjourn at 7 p.m., and with

20 minutes to a side and with a rollcall vote, that would bring it out pretty close to 7 p.m. So that is satisfactory.

Mr. SIMON. I have no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement?

Mr. FOWLER. Mr. President, reserving the right to object, and I will not object, I wonder, with the agreement of the chairman, if we could announce to the body the vote would occur at 6:25?

Mr. SASSER. I was distracted. Would the Senator please restate his question?

Mr. FOWLER. I reserve the right to object, and certainly will not object. I wonder, in order to facilitate the request of the majority leader in accordance with what the chairman just said, if we might be able to announce, all things being considered, that the vote will occur at 6:45.

Mr. SASSER. Mr. President, I propose that as a unanimous-consent request, and I ask unanimous consent tha a vote on the Simon amendment occur not later than 6:45 this evening.

The PRESIDING OFFICER. Is there objection to the time agreement and second, to the time set for the vote at 6:45 p.m.?

Mr. DOMENICI. That means we could vote earlier if we do not use all the time; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. My second inquiry is we are not here now agreeing this would of necessity be an up-or-down vote. If somebody would desire to table it, it is privilege; is it not?

The PRESIDING OFFICER. The agreement as proposed would require a vote on the amendment and would preclude a motion to table.

Mr. DOMENICI. I object.

Mr. SASSER. Mr. President, I ask unanimous consent that the vote occur on or in relation to the Simon amendment no later than 6:45 p.m.

The PRESIDING OFFICER. Is there objection to the request?

Mr. SIMON. Mr. President, reserving the right to object, I could not hear. The Senator from Tennessee is saying the first vote will occur at 6:45 p.m., is that correct? I want to make sure I protect the 20 minutes here.

Mr. SASSER. That is correct.

Mr. DOMENICI. Yes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Who yield time?

The Senator from Illinois.

Mr. SIMON. Mr. President, I ask for a recorded vote on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SASSER. Mr. President, if the distinguished Senator from Illinois would yield a moment, I ask unanimous consent that no amendments be in order to the Simon amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. Is it not such that until all time is yielded the yeas and nays cannot be ordered on this amendment?

The PRESIDING OFFICER. The yeas and nays can be ordered, but a vote cannot occur until such time as all time has expired.

Mr. DOMENICI. Parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. Does the ordering of the yeas and nays on the agreement preclude, when all time has expired, a motion to table and a request for yeas and nays on the same?

The PRESIDING OFFICER. It does not.

Mr. DOMENICI. I thank the Chair.

Mr. SIMON. Let me assure my colleague from New Mexico that if for some reason he should decide to accept my amendment, I would not ask for the yeas and nays. It would be a good way to save a little bit of time. I do not expect my colleague from New Mexico to agree to that.

Mr. DOMENICI. The Senator's assumption is correct.

Mr. SIMON. What this amendment does, Mr. President, is relatively simple. It says let us move $3 billion in budget authority and $2 billion of outlay from the defense function over to the education function.

That is less than 1 percent on the defense function. It is an appreciable increment on the education function. If you take a look at what we are spending in education in this country, if you exclude the school lunch program, it amounts to less than 2 percent of the budget.

I do not know of another country, rich or poor, that devotes only 2 percent of its national budget to education, and we have all kinds of needs.

Just today, the Secretary of Education made an announcement about our failure to move ahead in the field of education in this Nation. He appeared on the "Today Show" this morning and the Secretary of Education today said:

> We have not made any progress in the last 3 years. It is hard to say why. I still believe that we have not focused on the fundamental issues of trying to get everybody involved in the education of children.

Then later on in the program, he is quoted as saying:

> Today about 3,600 students will drop out of school. I think it is a disaster that we must turn around.

Mr. President, it is a disaster that we have to turn around. We have spent a lot of time on this floor on the savings and loan crisis, and no one suggests that it is not an important problem. But let me tell you, compared to the education problem, it is nowhere near as significant to the future of this country. That is the reality. And we are going to have to pay attention to it.

Let me just give you a few quick examples. We know from tests in Ypsilanti, MI; New York University; and elsewhere where you have intensified preschool education programs that you have a dramatic change in the dropout rate, teenage pregnancy rate, and the crime rate. We know it. It is not theory.

The superintendent of schools of Philadelphia testified before the Education Subcommittee and told about the results of intensified preschool education over a period of years for the disadvantaged in Philadelphia. And when she was finished, I said, "What percentage of the young people in Philadelphia are you reaching who need this help?"

She said, "About 20 percent."

It means that 80 percent are falling through the cracks.

Our first competitor in the world today economically is Japan. And if you were to take a look at this budget, and I say this with all due respect to my two colleagues who are carrying on a conversation down there, Senator DOMENICI and Senator SASSER, could we have some order, Mr. President?

The PRESIDING OFFICER. (Mr. GRAHAM). The Senator will be in order.

Mr. SIMON. With all due respect to my two colleagues, who have done a thankless job and have done, I think, considering what they have, with the problems they face in terms of the administration not being willing to face the revenue problem, they have done a good job; not one that any of us are very excited about, but it is a respectable job.

But we have to recognize if we are going to compete with Japan, there are going to have to be some changes in our priorities.

If you were just to look at the budget in isolation and you were to say what is the great problem faced by this Nation, you would say, well, there is really only one great problem and that is the Soviet military might. I do not for a moment suggest that we can ignore that might. I do suggest we ought to be paying attention to our competitive situation with other countries.

Japan today, for example, has a 2-percent dropout rate. You look at almost any urban area in this Nation, and you will have a dropout rate of one-third to one-half. And then you look at the composition of that, and

you will see disproportionately minorities as part of that dropout population.

And then you take a look at the statistics for Arkansas, for New Mexico, for Tennessee, for Florida, and you recognize that today 18 percent of the work force in this Nation is composed of minorities. By the end of this century, which is not very far off, it is going to be 29 percent. What kind of a future are we building for our country? The dropout rate in the State of Louisiana is 46 percent. And you look at our budget and you would think everything is rosy in the field of education. We are going to have to do something.

Just this morning, I heard our distinguished colleague, the senior Senator from Hawaii, Senator INOUYE, talk about the problems of attracting adequately educated people into the Armed Forces of the United States. We are going to have to do something about the field of education if we are going to do the right kind of a job for this Nation. And that means preschool education, it means literacy.

Let me give you another example, and this affects a lot of your constituents in Iowa, New Mexico, Tennessee, Florida, and elsewhere. In the last 9 years, the cost, on the average, of education, higher education, has grown by 40 percent when you exclude the inflation factor; grown by much more when you add inflation. Student aid has grown by 3 percent. Should it surprise anyone that when you look at particularly certain groups in our country, there is a decline in people going to college?

Last year, Japan graduated twice as many electrical engineers as we did. Japan has half our population. Who is ahead in the field of electronics today in the world? Well, you could get into an argument whether Japan or the United States is ahead. Who is going to be ahead 10 years from now? I submit, my friends, there is no argument about who is going to be ahead 10 years from now because we have ignored this area of education.

One of the things that we ought to be looking at in education is something we have made a lot of speeches about on the floor—drug education. You know, it is not enough to make speeches on the floor. We have to do something concrete. One of the concrete things we have to do is to provide drug education.

We have done it with the ordinary cigarette. It is amazing how many meetings you go to now and dinners you go to now where no one smokes.

But we are going to have to do that same slow methodical process on the question of illegal drugs. We have to get the message across to the people that when they use drugs it is like lighting a match at a service station. It can explode on you.

Drug education. We are going to have to provide some funding.

Just the other day, there was an announcement by Fortune magazine and Allstate Insurance of the results of a survey of the Fortune 500 top executives. It is very interesting what they have to say.

Ninety-six percent of executives heading America's largest corporations think that the system represents a problem for the Nation, including 48 percent who believe that it poses a very big problem. A large majority of corporate executives in America's largest companies, 87 percent, report that their companies are concerned about the problems of the American public education system; including 51 percent who indicate that their companies are very concerned about these problems.

Over half, 58 percent, report that it is difficult for their companies to hire new employees with good basic education skills. Hiring new employees with good education skills is considered tougher now than it was 10 years ago. And it is expected to be even more difficult 10 years from now. Almost half indicate that their company's productivity has been reduced as a result of poor basic education skills in their work force.

Yet, my friends, we are doing almost nothing about the whole problem of illiteracy. I have been able to get a few dollars here and there. In the Library Services Construction Act and the VISTA Literacy Corps, I was able to get adopted and we have funded that. But we are just tinkering at the edges on that whole problem.

Talking about the companies here now, of those which compete internationally, 3 out of 10 believe that their company's ability to compete effectively against foreign companies is reduced due to the poor basic education skills of their workers. At the present time they report on average 35 percent of their work force has some college education. In the next 10 years they indicate that on average 45 percent of their work force will need to have some college education.

And yet, we are not doing the things that are necessary to see that we have the young people going to college. And, frankly, not just young people. We have to face this problem.

Now, I am a realist, Mr. President. I know, with my two distinguished colleagues who head the Budget Committee on both sides of the aisle, it is not likely that we are going to be adopting my amendment. But let me tell you the time has to come when we face up to this problem and the sooner we do it the better. We simply cannot continue to drift.

The President of the United States has said he wants to be the education President. I want to make him the education President. But we are not going to do it with this budget. We are not going to move ahead as this Nation ought to move ahead.

The President has suggested a few programs costing a total of $422 million. My friends, $422 million is one-thirtieth of 1 percent of the total budget. That is not doing anything significant about this problem of education.

The question is whether we are going to face up to our problems. I think that is the question on the budget in a variety of ways. I hope next year we are going to face up to the deficit problem. We clearly are not going to do it this year. I hope next year, assuming my amendment does not carry here today, I hope that next year we will do something significant.

The function of a budget is to say what our priorities are. And while we have modified the proposals of the administration slightly—and there have been improvements and I commend both Senator SASSER and Senator DOMENICI for those improvements—the reality is we are going to have to do much, much better. We are going to have to really say what our priorities are as a nation if the United States of America is to achieve its potential.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, how much time is remaining to those who oppose the amendment?

The PRESIDING OFFICER. The Senator from Tennessee controls 19 minutes and 52 seconds.

Mr. SASSER. Mr. President, let me say to my distinguished friend that I certainly agree with the thrust of his amendment. I agree with what the Senator is trying to do.

I bow to no one in this body in my support of education. I do believe quite strongly that a free public education was the very foundation on which this great American experiment in Government was built and it has been the principal ingredient and the principal catalyst both in our success politically and in our success economically.

We are falling behind in education. Of that, there is no doubt. I think our failure as a Nation to address ourselves to our educational priorities can be seen in some of our economic problems. It certainly can be seen, I think quite clearly, in many of the social problems that plague our great inner cities. It can be seen in the development of what some have come to characterize as an underclass, which I think does great violence to the egalitarian tradition of this great country of ours.

But, having said all that, Mr. President, I would urge my colleagues to let their heads be their guides this evening rather than their hearts. I

must reluctantly oppose the amendment offered by my great, good friend from Illinois. I know how strongly he feels on the issue of education. He has been a distinguished educator himself in his time.

But we entered into a bipartisan budget agreement, Mr. President, a solemn agreement, with the President of the United States, the administration, our colleagues in the House of Representatives. And basic to that agreement was the stipulation that we would fence off certain functions of the budget. We would fence off defense and set it at a certain level, a prescribed level, in the agreement. We would have a certain prescribed level for domestic discretionary spending. There would be a third prescribed level for international affairs.

My distinguished friend from Illinois seeks to transfer $3 billion in budget authority and $2 billion in outlays from the defense function, function 050, to function 500, to be used for education, job training, and child care.

While on the surface that is very, very attractive, I would say to my colleagues, if we breach this solemn agreement entered into with the administration and with our colleagues in the House of Representatives, that these appropriations bills as they emerge from this body will be vetoed by this President. He, in my judgment, will not allow appropriations bills to move forward which would cut defense below the prescribed amount in our agreement and increase domestic discretionary spending beyond the agreed-upon level.

Let me also say that the Budget Committee was not unmindful of the concerns of the Senator from Illinois. We increased function 500 by 11 percent; by $3 billion in budget authority over fiscal year 1989. That was the largest increase in any domestic discretionary function in the budget.

I think that signals the desire of the Senate Budget Committee, in a bipartisan way, to allocate just as much as we possibly can under the fiscal constraints we presently operate under, to this very, very important function.

One final note, Mr. President. If we were to reduce defense spending by the $3 billion in budget authority and $2 billion in outlays proposed by our distinguished and able colleague from Illinois, this would be the fifth consecutive year that defense spending has declined in real terms. We have already cut defense outlays by almost $5 billion under President Bush's initial proposal; $10 billion below the proposal of President Reagan for this year. As well motivated as the Senator from Illinois is, as much as I agree with his rationale, as much as I would like to say yes and urge my colleagues to vote in favor of his amendment, it simply and unhappily is impossible under the present circumstances given the agreement we have entered into.

I would say as solace, that we have done well by education in this budget resolution. The increases there are larger than in any segment of the entire domestic discretionary function.

How much time is remaining to the opponents, Mr. President?

The PRESIDING OFFICER. The Senator from Tennessee is controlling 13 minutes, 45 seconds.

Mr. SARBANES. Would the Senator yield for a question?

Mr. SASSER. I would yield for a question; yes.

Mr. SARBANES. If I understood the Senator correctly, the proposal of the Budget Committee contains in it a very significant increase for the education function. Is that correct?

Mr. SASSER. Yes, the Senator from Maryland is quite correct. It contains an increase of $3 billion in budget authority over fiscal year 1989. That is an increase of 11 percent over budget authority for fiscal year 1989.

Mr. SARBANES. And, as I understand it, because of the negotiations in fact what is now before us represents an increase over the budget that the administration had submitted for the education function; is that right?

Mr. SASSER. That is correct. This is a very substantial increase over the amount that the administration had submitted originally for the education function.

Mr. SARBANES. And, finally, the understanding, or the agreement that was reached with respect to the budget, to shift money from a military function to a domestic function would, in effect, violate the agreement; is that correct?

Mr. SASSER. The Senator is correct. That would breach the agreement. In essence, it would void the agreement. It would mean that appropriations bills moving out of the Appropriations Committee would then be subject to a veto by the President and I would be fairly certain that any bill moving out to cut defense in this magnitude would be defeated.

Mr. DOMENICI. Would the Senator yield on that?

Might I say to the distinguished Senator from Maryland, maybe I can put it this way. This agreement between the President and joint bipartisan agreement between both Houses says this: If you are going to cut defense, any savings goes directly to reduce the deficit. It is not to be spent somewhere else. I think that is essentially it.

We have three categories and if you are going to cut them, you cannot move them from one to another. In this case we would be reducing defense and spending it elsewhere which would, indeed, violate not only the spirit but the literal written understanding between the President and the bipartisan bicameral leadership of both Houses.

Mr. SARBANES. I thank the Senator.

Mr. SASSER. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. I yield to my distinguished friend from New Mexico.

Mr. DOMENICI. Mr. President, I am going to be brief.

Far be it from me to dispute the objective statements of my good friend from Illinois as to the status of education in the United States. Frankly, one of the situations that should be most embarrassing to Americans is that we sent our system of educating or trying to educate everyone, without caste, off to some of our competitor countries like Japan. They took it, hook, line, and sinker, and said it is great. And we are a little upset, as we should be, because they are doing it better than we are.

If we think they are going to stop because they are, we probably are kidding ourselves and we had better set our minds as a people to meeting the challenge of educating all our young people much better than we are today.

I agree with that premise, not 100, not 1,000, but 1 million percent.

Now, having said that, Mr. President, anybody who thinks it is not the function of every city in America, every county in America, every State in America, every schoolboard, every parent, every teacher to get involved in improving this educational system, they are mistaken.

If they think the addition of this money today will fix this system, then I guarantee you that they do not understand the nature of our problem. If $2 or $3 billion on the Federal side, which is just a tiny bit of the education dollar, would change that system, I would urge my friend who is sitting in the Chair to join me here, and we would find the money.

We are spending this year at least $330 billion as a people on education. This amendment would ask that we add nine-tenths of 1 percent to that. I really cannot believe it will solve our problems. We have already added 11 percent to the education budget in this budget resolution, '89 versus '90. We have clearly outdone our President. We ask for his recommendations now, and we hope the appropriators will spend every penny we recommended, and if they can find other money from other programs, that they spend it in education.

But essentially we have also dramatically reduced defense, and we have agreed that you will not take out of defense at this low level and spend it elsewhere. So essentially if you want to kill everything and start over and have no budget this year, adopt the amendment. If you do not, vote for

the tabling amendment that I understand the majority and minority leaders will make. I yield the floor.

The PRESIDING OFFICER. Who yields time? The majority leader.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the following amendments and one motion to recommit be the only amendments in order to the budget resolution under the following time limitations where indicated, including the pending Simon amendment.

A Sanford sense-of-the-Senate resolution on deficit and interest figures with 30 minutes equally divided; a Hollings budget freeze amendment with 2 hours equally divided; a Kohl motion to recommit with 30 minutes equally divided; a Ford-Roth biennial budget process amendment with 30 minutes equally divided; an Armstrong Social Security earnings test amendment with 90 minutes equally divided with a possible Sasser second-degree amendment thereto with 40 minutes equally divided; a Kasten sense-of-the-Senate resolution concerning income tax rates, 40 minutes equally divided with a possible Levin-Sasser second-degree amendment thereto, 40 minutes equally divided; a Packwood reserve fund for child care amendment, 1 hour equally divided; a Bond sense-of-the-Senate resolution that a national air space plane should be fully funded, 20 minutes equally divided; a Helms across-the-board spending cut amendment, 1 percent and 5 percent, with 20 minutes equally divided; a Dole drug assistance amendment with 30 minutes equally divided; a Wilson legislative branch funding amendment with 40 minutes equally divided; a Boschwitz sense-of-the-Senate resolution on the use of current level baseline, 40 minutes equally divided, with a possible Sasser second-degree amendment thereto also with 40 minutes equally divided; a Roth sense-of-the-Senate resolution on the debt limit with 30 minutes equally divided, with a possible Sasser second-degree amendment thereto also with 30 minutes equally divided; a D'Amato sense-of-the-Senate resolution on prisons with 20 minutes equally divided; and a Heinz sense-of-the-Senate resolution on the World Health Organization and PLO participation with 20 minutes equally divided.

I further ask unanimous consent that no other motions to recommit be in order and that no points of order be waived by this agreement.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Who yields time? The Republican leader.

Mr. DOLE. Mr. President, I just say quickly I think there are a number of amendments on our side that hopefully will not be offered. The staff just threw in everything they had on their desk since it was late, and maybe we will never hear from them again.

The PRESIDING OFFICER. Who yields time? The Senator from Illinois.

Mr. SIMON. Mr. President, I yield 3 minutes to the Senator from Colorado.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Will the Senator from Illinois withhold for just a moment?

Mr. SIMON. I will withhold; yes.

MODIFICATION TO THE UNANIMOUS-CONSENT AGREEMENT

Mr. SASSER. Mr. President, I ask unanimous consent that the unanimous-consent agreement just propounded by the majority leader be altered to add one final amendment, a sense-of-the-Senate amendment by Senator WIRTH dealing with global climate change that would allow 20 minutes equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object, as I understand it, we would not be waiving any points of order under the Budget Act with reference to that?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. I have no objection.

Mr. DOLE. Mr. President, no objection.

The PRESIDING OFFICER. Without objection, it is so ordered. The majority leader.

Mr. MITCHELL. Mr. President, I further ask that the previous unanimous-consent agreement be amended to add an amendment by Senator HELMS regarding AIDS with respect to which there will be 20 minutes equally divided, and that no points of order be waived with respect thereto.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I further ask that the unanimous-consent agreement be amended to include a provision for a Kennedy amendment with respect to AIDS with 20 minutes equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. That is both Helms and Kennedy.

Mr. MITCHELL. I would like to pose a question to the Chair to clarify. It is my understanding that under the unanimous-consent agreement that no amendments would be in order to the Kohl motion to recommit; am I correct in that regard?

The PRESIDING OFFICER. That provision has not been stipulated or agreed to.

Mr. MITCHELL. Then I ask that the agreement be amended to add that.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object, could the majority leader just tell us what it is?

Mr. MITCHELL. The Kohl amendment is a motion to recommit the budget resolution to the committee for a period of 3 days.

Mr. DOMENICI. Is it to the committee or to the conference, to the group the President appointed?

Mr. MITCHELL. I believe it is to the committee.

Mr. DOMENICI. I have no objection.

The PRESIDING OFFICER. Is there objection to the request? Without objection, it is so ordered.

The test of the agreement follows:

Ordered, That during the further consideration of S. Con. Res. 30, a concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1990, 1991, and 1992, the following motion and amendments be the only motion and amendments in order, with the time thereon to be equally divided and controlled:

Armstrong—Social Security Earnings Test amendment, 90 minutes, with a possible Sasser 2nd degree amendment thereto, on which there shall be 40 minutes.

Bond—Sense of the Senate amendment that National Air Space Plane should be fully funded, 20 minutes.

Boschwitz—Sense of Senate amendment on the use of current level baseline, 40 minutes, with a possible Sasser 2nd degree amendment thereto, on which there shall be 40 minutes.

D'Amato—Sense of the Senate amendment on prisons, 20 minutes.

Dole—Drought assistance amendment, 30 minutes.

Ford/Roth—Biennial Budget Process amendment, 30 minutes.

Heinz—Sense of the Senate amendment on World Health Organization and P.L.O. participation, 20 minutes.

Helms—Across the board spending cut amendment (1% and 5%), 20 minutes.

Helms—AIDS amendment, 20 minutes.

Hollings—Freeze amendment, 20 minutes.

Kasten—Sense of the Senate amendment concerning income tax rate, 40 minutes, with a possible Levin/Sasser 2nd degree amendment thereto, on which there shall be 40 minutes.

Kennedy—AIDS amendment, 20 minutes.

Kohl—Motion to recommit, with no amendments in order thereto, 30 minutes.

Packwood—Reserve Fund for child care amendment, 1 hour.

Roth—Sense of the Senate amendment on debt limit, 30 minutes, with a possible Sasser 2nd degree amendment thereto, on which there shall be 30 minutes.

Sanford—Sense of Senate amendment on deficit and interest figures, 30 minutes.

Wilson—Legislative Branch funding amendment, 40 minutes.

Wirth—Sense of Senate amendment on global warming, 20 minutes.

Ordered further, That no other motions to recommit be in order, and no points of order be waived by this agreement.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, for the benefit of Senators, there will be

one more rollcall vote this evening on the Simon amendment, which I will shortly move to table. With this agreement now, it will be possible to complete action on this budget resolution tomorrow. So Senators should be on notice that we will have an early start tomorrow. If all of the amendments are offered and all of the time used, it will be a very full day with many votes. It is likely that not all amendments will be offered and that not all the time will be used, but there will undoubtedly be several votes tomorrow.

I thank all of my colleagues for their cooperation and the restraint they have shown in this matter. This will be dealing with the budget resolution in record time for this decade, and I am very grateful to all my colleagues and, in particular, to the chairman and ranking member of the Budget Committee for their work in this regard.

Mr. SIMON. Mr. President, I yield 3 minutes to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Illinois has yielded 3 minutes to the Senator from Colorado.

Mr. WIRTH. Mr. President, I thank the Chair, and I thank the distinguished chairman of the committee for propounding the unanimous-consent request to make my amendment in order.

Mr. President, the distinguished Senator from Illinois has very clearly made the case of the need for this important amendment. Perhaps most of us, when we examine the state of the Nation, become deeply alarmed by the growing gap between rich and poor and what that means for the health of the Nation. The amendment of the Senator from Illinois begins to address this basic inequity. It does not solve all the problems, but it is a start in the right direction.

One in five children in this country today are living in poverty. More than 5 million youngsters are living in families with incomes of less than $5,000. This social deficit reflected in our educational achievement, and is the consequences of how we are spending money. In 1980, when we last had an enlighted administration, higher education was accessible to a great percentage of young people in this country. That has declined significantly as the cost of sending our children to public universities has gone up 28 percent, and in private universities more than 50 percent. This amendment starts to address that question as well. Seventy-five percent of eligible poor children were enrolled in chapter I—our largest Federal program helping poor youngsters in school—in 1980; 50 percent are enrolled today. The gap is getting wider and wider, and we should address that and should support the President's request that he be known as an education President.

The only question remaining is how are we going to fund education. There has been an agreement reached by the leadership. I understand that and respect it. I remind my colleagues that in looking at the budget agreement that was reached, the OMB estimate suggests we will be at $299 billion for defense, but if we look at the estimates of CBO, we are going to be at a little more than $303 billion. We are going to have to come down from $303 billion to $299 billion, just to reconcile the difference between the administration and Congress.

I remind the Senator from Illinois that his amendment helps us to move along in that direction. It seems to me we can read and interpret these numbers any number of ways. But by supporting the amendment, we are going to help bring the defense budget down to where the leadership agreement would finally have us.

I questioned Secretary Cheney about that in hearings before the Armed Services Committee today. I pointed out to him—and he did not disagree—that if you take the numbers provided by the CBO, we are going to have to cut an additional $3.8 billion out of defense than projected by the administration. From where is it going to come? That is a question that we on the Armed Services Committee, and those on Appropriations will have to carefully consider. But I know where it should go. We ought to tranfer it to support the amendment of the Senator from Illinois.

Mr. SIMON. Mr. President, I yield myself the final 3 minutes.

The PRESIDING OFFICER. The Senator from Illinois is controlling 2 minutes 30 seconds.

Mr. SIMON. I hope my colleagues will take a careful look at this amendment. I have great respect for the chairman of the committee, but when he says the President will veto appropriations if we do not get this amount, what we are talking about in outlays is two-thirds of 1 percent so we can do a little more in the field of education. I do not believe the President of the United States is going to veto defense appropriations because it is two-thirds of 1 percent below the agreement. We have to do something, and while it is true we have added some in the education function, we have all kinds of needs—drug education; we have added a child care program, a preschool education program that Senator KENNEDY is sponsoring, a literacy program. I heard Senator DOLE on television this morning do a superb job talking about the needs of the disabled. We are supposed to be funding the disability program, the handicapped education program at a 40-percent level and we are funding it at an 8-percent level.

My friends, we can do better. Finally, because my friend from Tennessee used the phrase "the underclass," unfortunately, it is real in our society today. The great division in this Nation today is not between black and white, not between Hispanic and Anglo, not even between rich and poor. It is between people who have hope and people who have given up. Two things will give people hope. One is a job and the second is seeing your children or yourself move ahead educationally. This is a small step to move us in the right direction, and I hope this body has the good sense to start thinking about our priorities.

The PRESIDING OFFICER. The Senator from Illinois has yielded the floor.

EDUCATION FOR OUR NATIONAL SECURITY

Mr. KERRY. Mr. President, I rise in strong support of the Simon amendment to increase Federal education spending. Our national security is at risk because our education system is at risk.

Today, the Secretary of Education released a major report concluding that our educational system is stagnant. This is an outrage. We must make more of a commitment to educate our children, to reduce the dropout rate, to increase literacy. We all know the benefits of education. It is imperative that we make the investment in education necessary to turn things around.

We must invest in the education of our children, and especially in the early education of our children. If our children do not learn to read, do not learn to compute, do not learn to think clearly, they will not be able to serve in our Armed Forces, to learn the technical skills necessary to operate the weapons and support systems upon which our modern defenses are built.

If our children are not well educated, we will not be able to compete effectively in world markets. Our labor force is shrinking; we need better educated workers who will be able to adjust to changing labor markets. Our international competitiveness is not only a key factor in our standard of living, but a critical national security issue.

Increased funding for education is not the only answer to our education crisis. We need more involvement in our schools by parents, our communities, our businesses. But increased funding is important.

I strongly believe that this funding should be directed to educating children in our elementary and secondary schools and in early childhood programs. Our children's imaginations must be captured at an early age. They must be challenged by their teachers. Our teachers need support and encouragement. Our schools need resources. Many of our urban schools lack the basics: textbooks and other

supplies. It is difficult for teachers to teach without the basics.

A $3 billion cut in defense outlays on top of a $4.2 billion cut in the resolution is a significant reduction in defense spending. But education is crucial to our strength and position in the world. increased spending, on the right education programs, will enhance our position in the world in the long run and enhance our national security.

Mr. MITCHELL. Mr. President, in seeking the unanimous-consent request I used time of the opponents, and I ask unanimous consent that I now have 1 minute to speak in opposition to this amendment, following which I will move to table it.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, all of us have the greatest respect for the Senator from Illinois and sympathy with his objective. It is a valuable and noble one. We all want to improve education. But this agreement includes a $3 billion increase in the function which includes education. This is an 11-percent increase, the largest increase of any domestic discretionary program.

This agreement goes a long way toward increasing funding for education—not as far as the Senator from Illinois would like, not as far as I would like, nor the Senator from New Mexico, nor anyone else, but we made an agreement. I believe it is a responsible and fair agreement. It is especially responsible and fair when one considers most other areas of the budget are being reduced. We are providing here an 11-percent increase, $3 billion for the function which includes education.

So I urge my colleagues to join with me and the distinguished Republican leader in tabling this amendment. Difficult as that may be, it is the responsible course of action. We have made a deal. Let us keep the deal and let us go forward with the responsible and fair budget agreement.

Mr. President, on behalf of the distinguished Republican leader and myself, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second. There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Arkansas [Mr. PRYOR], and the Senator from Michigan [Mr. RIEGLE] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG] and the Senator from Vermont [Mr. JEFFORDS] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 64, nays 31, as follows:

[Rollcall Vote No. 60 Leg.]

YEAS—64

Bentsen	Gore	McConnell
Bond	Gorton	Mitchell
Breaux	Graham	Moynihan
Burns	Gramm	Murkowski
Byrd	Hatch	Nickles
Chafee	Heflin	Nunn
Coats	Heinz	Packwood
Cochran	Helms	Roth
Cohen	Humphrey	Rudman
Cranston	Inouye	Sanford
D'Amato	Johnston	Sarbanes
Danforth	Kassebaum	Sasser
Daschle	Kasten	Shelby
Dodd	Kennedy	Simpson
Dole	Kerrey	Stevens
Domenici	Lautenberg	Symms
Durenberger	Lieberman	Thurmond
Exon	Lott	Wallop
Ford	Lugar	Warner
Fowler	Mack	Wilson
Garn	McCain	
Glenn	McClure	

NAYS—31

Adams	Dixon	Mikulski
Baucus	Grassley	Pell
Bingaman	Harkin	Pressler
Boren	Hatfield	Reid
Boschwitz	Hollings	Robb
Bradley	Kerry	Rockefeller
Bryan	Kohl	Simon
Bumpers	Leahy	Specter
Burdick	Levin	Wirth
Conrad	Matsunaga	
DeConcini	Metzenbaum	

NOT VOTING—5

Armstrong	Jeffords	Riegle
Biden	Pryor	

So the motion to lay on the table the amendment (No. 81) was agreed to.

Mr. DOMENICI. I move to reconsider the vote by which the motion was agreed to.

Mr. SASSER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I believe there was a unanimous consent agreement that the Rockefeller amendment could have cosponsors before the close of business this evening.

I send to the desk a list of eight Senators and ask unanimous consent that they be made original cosponsors of the Veterans' Administration funding, the Rockefeller amendment. They are Senators GRASSLEY, BOSCHWITZ, WILSON, MCCLURE, MCCONNELL, WARNER, STEVENS, and GRAMM.

The PRESIDING OFFICER. Without objection, it is so ordered.

The majority leader is recognized.

THE TRAGEDY OF RURAL HOMELESSNESS

Mr. SANFORD. Mr. President, this morning I attended the initial meeting of the Rural Development Task Force. A widely expressed view in that meeting was that Federal programs do not adequately serve the rural areas of this country. I would like to suggest that the Federal Government and the Nation as a whole lacks the awareness of the terrible problems associated with poverty in rural America.

For example, let's look at the homeless and housing crisis facing this country. Homelessness is a problem all Senators are aware of. Indeed, a problem that all of America is aware of. Homelessness is a national tragedy played out in the shelters and streets of our cities. And shockingly, the players in this national tragedy are increasingly the working poor and families, young women and children.

For a variety of reasons, the media, and therefore the Nation, has focused on the plight of the homeless in our major cities. And while there is no doubt that the problems of the urban homeless are severe, homelessness is also increasing dramatically in small towns and rural America. In a recent study of 2,200 rural and urban counties, the Housing Assistance Council found that one-fourth of all stays at homeless shelters were made by rural individuals.

The rural homeless are, by and large, proud and independent people who are victims of economic events beyond their control. They are victims of the family farm crisis of the 1980's, and the downturn in natural resource markets. And, unfortunately, they are the victims of the misguided policies of the past administration.

The rural homeless represent the worst symptom of the housing disease that has struck rural America. According to the National Housing Task Force some 4.3 million low-income households, living in small towns and rural areas, have a serious housing problem. Approximately 2 million households live in substandard housing, usually without adequate plumbing. Over 200 nonmetropolitan counties in this country have poverty rates above 20 percent and substandard housing rates above 10 percent.

Despite the serious rural housing problems, the budget for Federal rural housing programs has been reduced by approximately 50 percent since fiscal year 1985. Section 502 homeownership loans have been reduced from $2.3 to $1.26 billion while rural rental housing loans have fallen from $940 to $550 million.

We as a nation must face the plight of the rural homeless and ill-housed, and we must do so quickly. Despite my problems with much of the budget resolution we are considering today, I was pleased to see that it includes a significant increase in rural housing funds. I hope that increase reflects a change in

the priorities of Congress and the Bush administration.

During this year, I plan to fight for adequate funding for rural housing programs and homeless assistance efforts. I also plan to support the comprehensive housing legislation offered by my colleagues Senator CRANSTON and Senator D'AMATO. At today's meeting of the Rural Development Task Force, I was pleased to hear Senator CRANSTON's pledge to ensure that rural America receives its fair share of additional funds provided by the National Affordable Housing Act.

Mr. President, I ask unanimous consent that an article entitled, "As Farms Falter, Rural Homelessness Grows," from the New York Times, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 2, 1989]

AS FARMS FALTER, RURAL HOMELESSNESS GROWS

(By Isabel Wilkerson)

In a steady stream driven by bleak economics in America's farm country, a new class of homeless people is emerging from rural areas: farm families and others who are out of work because farms are faltering.

Some crowd into big-city shelters in Minneapolis, Chicago, Des Moines and Omaha, where they can find leads for jobs and anonymity. Others make their way to country hamlets that are little more than detours off a dirt road, where church basements and other makeshift shelters fill up as quickly as they open.

"Rural homelessness is growing faster than we can keep track of it," said Bill Faith, who heads the Ohio Coalition for the Homeless. "People are living in railroad cars and tarpaper shacks. Shelters in tiny towns we've never heard of are operating at or above capacity and are turning people away."

While there are few definitive statistics on how many people are homeless outside metropolitan areas, the Housing Assistance Council, a rural advocacy group in Washington, found that rural people accounted for a fourth of all stays at homeless shelters in 2,200 rural and urban counties it surveyed across the country last year. The problem is even more acute in heavily agricultural states like South Dakota, where rural people account for close to 90 percent of the state's 4,000 homeless, said Ruth Henneman, who runs the state's community assistance program.

"They try to keep it secret as long as they can," said Margaretann Sweet, a psychologist who counsels homeless people in Charlotte, Mich. "Some are ashamed to tell their friends they've lost their farm. Owning land and working hard to keep it is central to self esteem here."

The same spirit of independence and self-reliance that attracts people to farming has kept many rural people from seeking help until their circumstances become desperate. One farmer, ashamed to use food stamps in his rural hometown, drove his family seven hours from Minnesota to South Dakota in the middle of the night to get food at a 24-hour convenience store.

SOME HAVE TRIED SUICIDE

"Some of them have attempted suicide before coming into the city because, for them, coming to the city means failure," said Sue Watlov Phillips, who heads the Minnesota Coalition for the Homeless and is regional vice president for the National Coalition for the Homeless.

While drug use or mental illness propel many of the urban homeless into the streets, in rural areas the cause of homelessness is more likely to be downturns in farming and related businesses.

"Rural homelessness is a more clearly economically caused homelessness," said Dr. Fredric Solomon, director of the Division of Mental Health and Behavior Medicine of the Institute of Medicine, which studied the problem last fall.

The study defined the rural homeless as farm families, the working poor, migrants and others who are without shelter or living in temporary quarters. Many experts on rural life include the thousands of families that have lost their farms but remain as caretakers, facing eviction when all the legal dealings are finished.

That is what happened to Donald and Marilyn Bahlof, farmers in their early 60's who lost their 280-acre place near Denison, Iowa, in January and are now staying in a friend's house with their combine and tractor outside. The farm had been in the family for nearly 100 years.

"You don't want to go to town, you don't want to see people," Mrs. Bahlof said.

HUSBAND CAN'T FIND ENOUGH WORK

Among the hardest hit are low-paid workers in secondary businesses that depend on farming.

Wanda Belling, a 33-year-old mother of three from the tiny town of Erie, N.D., took her family to a homeless shelter in Fargo last March, after her husband's tree-trimming business failed because few of his farmer customers could afford the service. "He wasn't able to find enough work to get us through the winter," Mrs. Belling said. "Business has been bad ever since the drought last year. Sometimes we haven't been able to afford toilet paper. I left because I was worried about the children."

Often rural people show up penniless at city shelters, having exhausted their savings trying to survive on their own. "They prefer that they never be connected with the system," said Ms. Philips. "They'll stay out there as long as they can. They'll use up all their resources before asking for help. That makes it harder for us to help them get reestablished."

Maureen French, a 31-year-old woman from Fargo, N.D., did not know where to turn when she lost her clerical job at a construction company that had been hurt by downturns in oil and agriculture.

Too proud to admit she was homeless, she went by day to a part-time job at a nursing home and by night, she slept in cars that people had left unlocked.

FRIENDS WERE ASTONISHED

With her father dead, her mother retired to Wisconsin, no relatives nearby, estranged from her former husband and unable to pay her rent, she thought she had few alternatives. "Friends were astonished and uncomfortable with her homelessness," she said. "It was as if I had a social disease," she said, "They acted as if it might be contagious."

In late March, Ms. French worked up the "courage and humility," she said, to ask for shelter. She is now staying at a women's shelter in Fargo, and seeking a job that will pay enough for her to afford an apartment.

Unlike cities that have developed extensive shelter systems, many rural states are just now beginning to assess the severity of their homelessness and are finding it difficult to help the homeless people who are isolated in the countryside.

Advocates for the homeless say that because services for the homeless are scarce in rural areas, and because there is a stigma attached both to those who seek and those who provide such help, it is difficult to know just how big the problem is.

One barrier is the reluctance of some financially strapped towns and counties to help outsiders. "These communities are saying, 'We'll take care of our own, but we don't want any transients,' " said Mr. Faith of the Ohio Coalition for the Homeless. "They'll say, 'We'll put you up for a night or two but then you've got to get on down the road.' "

In Hawley, Minn., homeless advocates have housed out-of-work farm workers, displaced by automation, in a shelter on a farm. There, on a 54-acre plot of land, homeless men grow tomatoes, squash, pumpkins and sweet corn, some to eat and some to sell to pay for the electricity.

CANNOT AFFORD TO START

Clarence Schuenke tends the three cows. Mr. Schuenke is a 59-year-old former farmer and hired hand. He said he would like to raise cattle himself, but cannot afford to get started.

Mr. Schuenke lived on the streets of nearby towns and in shelters until he was referred to the farm shelter a year and a half ago. "This is like home," Mr. Schuenke said. "I go out and give the cows a bail of hay. They're awful glad to see me."

Currently, there are three other homeless men living at the farm in Hawley. "They talk about leaving all the time," said Barb Martens, who runs the shelter. "For some of them coming here is giving up. They don't want to see themselves as desperate homeless people. But that's good because that means they have enough faith in themselves to feel they can make it on their own."

S. 782—OCS AIR EMISSIONS

Mr. CRANSTON. Mr. President, I am pleased today to cosponsor legislation, S. 782, which would transfer authority to regulate air emissions on the Federal Outer Continental Shelf from the Department of Interior to the EPA. The legislation was introduced by my colleague from California, Senator WILSON, and is identical to legislation introduced in the 100th Congress which I cosponsored.

Mr. President, I have been working on this issue for a long time, and I consider it to be of the extreme importance. In the 100th Congress, language addressing this exact problem was included by the Committee on Environment and Public Works into S. 1894, the Clean Air Standards Attainment Act of 1987. It was a recognition of the fact that the Interior Department has failed miserably in regulating offshore air emissions which are significantly impacting onshore air quality.

It is the Department of Interior—not the EPA—that has jurisdiction over air quality on the Federal OCS even though the EPA has jurisdiction not only of air quality onshore but also over State waters which comprise the first 3 miles offshore.

Dividing air quality jurisdiction based on some fictional wall which supposedly lies 3 miles offshore is ridiculous especially in light of the fact that those offshore emissions are directly impacting onshore air quality. A platform 3.1 miles offshore can have the same damaging impact on onshore air quality as a platform located 2.9 miles out, yet we regulate them entirely differently.

Mr. President, we have essentially created a double standard as a result of splitting jurisdiction over air quality. Onshore sources labor under rigorous air quality standards while offshore sources are regulated under extremely lax standards.

To make matters worse, local air pollution districts are required by the EPA to take into account the impact of offshore air emissions in putting together their air quality management plans, yet they have absolutely no authority to curb or regulate those emissions. Consequently, the local air pollution districts must turn to onshore sources for the necessary reductions.

The solution, Mr. President, is simple. The solution is to transfer the authority over air emissions coming from the Federal Outer Continental Shelf to the agency with the expertise and the mandate to protect air quality—the EPA.

We should place jurisdiction of offshore air quality under the more stringent requirement of the Clean Air Act and require of offshore sources what we already require of onshore sources.

The existing regulatory framework of splitting jurisdiction over air quality between two Federal agencies is not working. It is not protecting our air quality, and it defies logic. In fact, the two Federal agencies are working against each other, and it is the coastal areas that are caught in the middle. On the one hand, these areas are either facing potential sanctions from the EPA or have already been sanctioned for failure to attain the standards. At the same time, another Federal agency is actively promoting offshore development, the emissions of which are hindering these same areas from reaching attainment.

I am presently working closely with the committee to make sure that similar language is incorporated into the new clean air legislation presently being drafted. In addition I understand that Congressman WAXMAN is planning to insert similar language dealing with this problem into the House clean air legislation.

By transferring authority of OCS air quality to EPA—the agency that should have had the authority to begin with—we will be ensuring that we have one coherent policy to protect our air quality to be carried out by the agency with the mandate and expertise to protect our air.

AGREEMENT BETWEEN THE UNITED STATES AND THE EUROPEAN ECONOMIC COMMUNITY CONCERNING FISHERIES OFF THE COASTS OF THE UNITED STATES—MESSAGE FROM THE PRESIDENT—PM 39

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to 16 U.S.C. 1823(b), was referred jointly to the Committee on Commerce, Science, and Transportation and the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with the Magnuson Fishery Conservation and Management Act of 1976 (Public Law 94-265; 16 U.S.C. 1801 *et seq.*), I transmit herewith an agreement effected by exchange of notes on September 15, 1988, and February 27, 1989, extending for the period of 2 years from July 1, 1989, until July 1, 1991, and amending to conform with current U.S. law, the Agreement between the Government of the United States of America and the European Economic Community Concerning Fisheries off the Coasts of the United States, signed at Washington on October 1, 1984. The exchange of notes together with the present agreement constitute a governing international fishery agreement within the meaning of section 201(c) of the act.

U.S. fishing industry interests have urged prompt consideration of this agreement, and, similarly, I request that the Congress give favorable consideration to this agreement at an early date to avoid disruption of ongoing cooperative ventures.

Since 60 calendar days of continuous session, as required by the legislation, may not be available before the current agreement is scheduled to expire, I recommend the Congress consider passage of a joint resolution.

GEORGE BUSH.

THE WHITE HOUSE, *May 3, 1989.*

AGREEMENT BETWEEN THE UNITED STATES AND ICELAND CONCERNING FISHERIES OFF THE COASTS OF THE UNITED STATES—MESSAGE FROM THE PRESIDENT—PM 40

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to 16 U.S.C. 1823(b), was referred jointly to the Committee on Commerce, Science, and Transportation and the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with the Magnuson Fishery Conservation and Management Act of 1976 (Public Law 94-265; 16 U.S.C. 1801 *et seq.*), I transmit herewith an agreement effected by exchange of notes on November 23, 1988, and January 17, 1989, extending for the period of 2 years from July 1, 1989, until July 1, 1991, and amending to conform with current U.S. law, the Agreement between the Government of the United States of America and the Government of the Republic of Iceland Concerning Fisheries off the Coasts of the United States, signed at Washington on September 21, 1984. The exchange of notes together with the present agreement constitute a governing international fishery agreement within the meaning of section 201(c) of the act.

U.S. fishing industry interests have urged prompt consideration of this agreement, and, similarly, I request that the Congress give favorable consideration to this agreement at an early date to avoid disruption of ongoing cooperative ventures.

Since 60 calendar days of continuous session, as required by the legislation, may not be available before the current agreement is scheduled to expire, I recommend the Congress consider passage of a joint resolution.

GEORGE BUSH.

THE WHITE HOUSE, *May 3, 1989.*

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTION SIGNED

At 2:17 p.m., a message from the House of Representatives announced that the Speaker has signed the following enrolled joint resolution:

S.J. Res. 62. Joint resolution designating May 1989 as "National Stroke Awareness Month."

The enrolled joint resolution was subsequently signed by the Acting President pro tempore [Mr. KOHL].

At 4:43 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 481. An act to designate the building located at 2562 Hylan Boulevard, Staten Island, NY, as the "Walter Edward Grady United States Post Office Building";

H.R. 1486. An act to authorize appropriations for fiscal year 1990 for the Maritime Administration, and for other purposes; and

H.J. Res. 135. Joint resolution to designate the week beginning May 7, 1989, as "National Correctional Officers Week."

The message also announced that the House has agreed to the following

concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 71. A concurrent resolution authorizing the 1989 Law Enforcement Torch Run for Special Olympics to be run through the Capitol Grounds.

MEASURES REFERRED

The following bills and joint resolution were read the first and second times by unanimous consent, and referred as indicated:

H.R. 481. An act to designate the building located at 2562 Hylan Boulevard, Staten Island, NY, as the "Walter Edward Grady United States Post Office Building"; to the Committee on Governmental Affairs.

H.R. 1486. An act to authorize appropriations for fiscal year 1990 for the Maritime Administration, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.J. Res. 135. Joint resolution to designate the week beginning May 7, 1989, as "National Correctional Officers Week"; to the Committee on the Judiciary.

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 71. A concurrent resolution authorizing the 1989 Law Enforcement Torch Run for Special Olympics to be run through the Capitol Grounds; to the Committee on Rules and Administration.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, May 3, 1989, he had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 62. Joint resolution designating May 1989 as "National Stroke Awareness Month."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents which were referred as indicated:

EC-996. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to repeal the mandatory timetable for implementation of marketwide service payments under Federal milk marketing orders; to the Committee on Agriculture, Nutrition, and Forestry.

EC-997. A communication from the Deputy Assistant Secretary of the Air Force (Logistics), transmitting, pursuant to law, notice of a study of maintenance analysis and structural integrity information system at Tinker Air Force Base, OK; to the Committee on Armed Services.

EC-998. A communication from the Director for Administration and Management, Office of the Secretary of Defense, transmitting, pursuant to law, notification of the intent of the Department of the Navy to exclude the clause concerning examination of records by the Comptroller General; to the Committee on Armed Services.

EC-999. A communication from the Deputy Assistant Secretary of the Air Force (Logistics), transmitting, pursuant to law, notice of the conversion of the base information transfer center and postal service center function at Kelly Air Force Base, TX, to performance by contract; to the Committee on Armed Services.

EC-1000. A communication from the Director of Contracts Policy, Naval Facilities Engineering Command, Department of the Navy, transmitting, pursuant to law, notice of determinations and findings to restrict competition in the conversion of family housing units at U.S. military bases in the Philippines to joint venture companies of the United States and the Republic of the Philippines; to the Committee on Armed Services.

EC-1001. A communication from the Secretary of the Navy, transmitting, for the information of the Senate, the intention of the Department of the Navy to give a MK-14 Torpedo shell to the town of Albany, Australia; to the Committee on Armed Services.

EC-1002. A communication from the Assistant Attorney General of the United States, transmitting, pursuant to law, the report of the Attorney General on the administration of the Equal Credit Opportunity Act for the calendar year 1988; to the Committee on Banking, Housing, and Urban Affairs.

EC-1003. A communication from the Director of the Administrative Office of the United States Courts, transmitting, pursuant to law, a report on administration under the Right to Financial Privacy Act of 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC-1004. A communication from the President of the United States, transmitting, pursuant to law, notification of the extension of the Nicaraguan emergency beyond the anniversary date of May 1, 1989; to the Committee on Banking, Housing, and Urban Affairs.

EC-1005. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the National Oceanic and Atmospheric Administration Marine Fisheries Program Authorization Act to authorize appropriations for fiscal years 1990, 1991, 1992, and 1993; to the Committee on Commerce, Science, and Transportation.

EC-1006. A communication from the Acting Secretary of the Air Force, transmitting, pursuant to law, notice of the waiver of the set-aside provision for technology transfer; to the Committee on Commerce, Science, and Transportation.

EC-1007. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for carrying out the Landsat program for fiscal years 1990 and 1991; to the Committee on Commerce, Science, and Transportation.

EC-1008. A communication from the Acting President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on Tied Aid Credit Practices; to the Committee on Banking, Housing, and Urban Affairs.

EC-1009. A communication from the Deputy General Counsel of the Department of Transportation, transmitting, pursuant to law, copies of the fiscal year 1990 budget requests of the Federal Aviation Administration; to the Committee on Commerce, Science, and Transportation.

EC-1010. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for the National Telecommunications and Information Administration for fiscal years 1990 and 1991; to the Committee on Commerce, Science, and Transportation.

EC-1011. A communication from the Acting Administrator of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the February report on progress on developing and certifying the Traffic Alert and Collision Avoidance System; to the Committee on Commerce, Science, and Transportation.

EC-1012. A communication from the Deputy Associate Director for Collection and Disbursements, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain overpayments of offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-1013. A communication from the Deputy Associate Director for Collection and Disbursements, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain overpayments of offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-1014. A communication from the Assistant General Counsel of the Department of Energy, transmitting, pursuant to law, notice of a meeting related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-1015. A communication from the Secretary of Energy, transmitting, pursuant to law, notice that he intends to recommend to the President a delay in the submission of the biennial National Energy Policy Plan until April 1, 1990; to the Committee on Energy and Natural Resources.

EC-1016. A communication from the Deputy Associate Director for Collection and Disbursements, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain overpayments of offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-1017. A communication from the Deputy Associate Director for Collection and Disbursements, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain overpayments of offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-1018. A communication from the Deputy Associate Director for Collection and Disbursements, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain overpayments of offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-1019. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, a study of problems associated with plastic debris in the New York Bight; to the Committee on Environment and Public Works.

EC-1020. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the annual report on progress and accomplishments under the Superfund Innovative Technology Evaluation Program for fiscal year 1988; to the Committee on Environment and Public Works.

EC-1021. A communication from the Secretary of Labor, transmitting, pursuant to law, the quarterly report on the expenditure and need for Worker Adjustment Assistance Training Funds for the quarter

ended December 31, 1988; to the Committee on Finance.

EC-1022. A communication from the Managing Trustee and the Trustee of the Federal Supplementary Medical Insurance Trust Fund, transmitting pursuant to law, the annual report of the Board for 1989; to the Committee on Finance.

EC-1023. A communication from the Managing Trustee and Trustees of the Federal Old-Age and Survivors Insurance Trust Fund, transmitting, pursuant to law, the annual reports on the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund for 1989; to the Committee on Finance.

EC-1024. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled "Issues in Medicaid Estate Recoveries"; to the Committee on Finance.

EC-1025. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on children in foster care under voluntary placement agreements for fiscal year 1987; to the Committee on Finance.

EC-1026. A communication from the President of the United States, transmitting, pursuant to law, a report on the activities of countries within the United Nations and its specialized units; to the Committtee on Foreign Relations.

EC-1027. A communication from the Acting Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the provision of emergency military assistance to Jamaica up to a total of $10 million; to the Committtee on Foreign Relations.

EC-1028. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to April 27, 1989; to the Committee on Foreign Relations.

EC-1029. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-21 adopted by the Council on April 4, 1989; to the Committee on Governmental Affairs.

EC-1030. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-22 adopted by the Council on April 4, 1989; to the Committee on Governmental Affairs.

EC-1031. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 8-23 adopted by the Council on April 4, 1989; to the Committee on Governmental Affairs.

EC-1032. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports issued by the General Accounting Office during March 1989; to the Committee on Governmental Affairs.

EC-1033. A communication from the Director of the Information Security Oversight Office, transmitting, pursuant to law, the annual report of the Office for fiscal year 1988; to the Committee on Governmental Affairs.

EC-1034. A communication from the Special Counsel of the Merit Systems Protection Board, transmitting, pursuant to law, a report on the investigation into allegations of violations of law and regulation and a gross waste of funds at the Bureau of Mines, Washington, D.C.; to the Committee on Governmental Affairs.

EC-1035. A communication from the Inspector General, Department of Health and Human Services, transmitting, pursuant to law, notice of a proposed computer matching program; to the Committee on Governmental Affairs.

EC-1036. A communication from the Secretary of the Postal Rate Commission, transmitting, pursuant to law, the annual report of the Commission under the Government in the Sunshine Act for calendar year 1988; to the Committee on Governmental Affairs.

EC-1037. A communication from the Special Counsel to the Merit Systems Protection Board, transmitting, pursuant to law, a report on the allegations of waste and mismanagement at the Defense Reutilization and Marketing Office, Alameda, California; to the Committee on Governmental Affairs.

EC-1038. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, a report on an altered Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1039. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, the annual report of the Commission under the Government in the Sunshine Act for calendar year 1988; to the Committee on Governmental Affairs.

EC-1040. A communication from the Secretary of the Naval Sea Cadet Corps, transmitting, pursuant to law, the annual audit report of the Corps for calendar year 1988; to the Committee on the Judiciary.

EC-1041. A communication from the Freedom of Information Act Officer of the Environmental Protection Agency, transmitting, pursuant to law, the annual report of the Agency under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-1042. A communication from the Executive Director of the Securities and Exchange Commission, transmitting, pursuant to law, the annual report of the Commission under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-1043. A communication from the Solicitor of the United States Commission on Civil Rights, transmitting, pursuant to law, the annual report of the Commission under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-1044. A communication from the Acting Assistant Attorney General of the United States (Legislative Affairs), transmitting a draft of proposed legislation to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1990, and for other purposes; to the Committee on the Judiciary.

EC-1045. A communication from the Chairman of the United States Sentencing Commission, transmitting, pursuant to law, a report of amendments to the sentencing guidelines and reasons for the amendments; to the Committee on the Judiciary.

EC-1046. A communication from the Secretary of Education, transmitting, pursuant to law, the annual report of the Department of Education under the Freedom of Information Act for calendar year 1988; to the Committee on the Judiciary.

EC-1047. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report of the Refugee Resettlement Program for fiscal year 1988; to the Committee on the Judiciary.

EC-1048. A communication from the Chief Justice of the United States, transmitting, pursuant to law, amendments to the Federal Rules of Criminal Procedure which have been adopted by the Supreme Court; to the Committee on the Judiciary.

EC-1049. A communication from the Chief Justice of the United States, transmitting, pursuant to law, amendments to the Federal Rules of Appellate Procedure which have been adopted by the Supreme Court; to the Committee on the Judiciary.

EC-1050. A communication from the Chief Justice of the United States, transmitting, pursuant to law, an amendment to the Bankruptcy Rules which has been adopted by the Supreme Court; to the Committee on the Judiciary.

EC-1051. A communication from the Controller of the Boys Clubs of America, transmitting, pursuant to law, the annual report of the Boys Club of America for calendar year 1988; to the Committee on the Judiciary.

EC-1052. A communication from the Director of the Administrative Office of the United States Courts, transmitting, pursuant to law, the annual report on applications for court orders made to Federal and state courts to permit the interception of wire, oral, or electronic communications during calendar year 1988; to the Committee on the Judiciary.

EC-1053. A communication from the Director of the Administrative Office of the United States Courts, transmitting, pursuant to law, the annual report of the Office and the reports of the proceedings of the Judicial Conference of the United States held during 1988; to the Committee on the Judiciary.

EC-1054. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on plans for evaluating projects in nurse education and plans to disseminate information developed by such nurse education projects; to the Committee on Labor and Human Resources.

EC-1055. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for Assistance to States for Education of Handicapped Children; to the Committee on Labor and Human Resources.

EC-1056. A communication from the Chairman of the Board and the Executive Director of the Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the annual report of the Corporation for fiscal year 1988; to the Committee on the Judiciary.

EC-1057. A communication from the Secretary of Education, transmitting pursuant to law, the annual report of the Helen Keller National Center for Deaf-Blind Youths and Adults for the 1988 program year; to the Committee on Labor and Human Resources.

EC-1058. A communication from the Secretary of Education, transmitting pursuant to law, the annual report of the activities of the National Technical Institute for the Deaf; to the Committee on Labor and Human Resources.

EC-1059. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize the Secretary of the department in which the Coast Guard is operating to collect fees

for certain Coast Guard Services, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-1060. A communication from the Secretary of Energy, transmitting a draft of proposed legislation to maintain a competitive, financially strong, and secure uranium enrichment capability in the United States by reorganizing the uranium enrichment enterprise, and for other purposes; to the Committee on Energy and Natural Resources.

EC-1061. A communication from the Secretary of the Interior, transmitting, pursuant to law, a copy of the New Area Report, Study of Alternatives, for the Albuquerque West Mesa Petroglyphs, New Mexico; to the Committee on Energy and Natural Resources.

EC-1062. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report on water quality effects from the impoundment of waters by dams; to the Committee on Environment and Public Works.

EC-1063. A communication from the Inspector General, Department of Health and Human Services, transmitting, pursuant to law, a report on financial arrangements between physicians and health care businesses; to the Committee on Finance.

EC-1064. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to repeal the Airport and Airway Tax Reduction Trigger; to the Committee on Finance.

EC-1065. A communication from the Secretary of Education, transmitting, pursuant to law, Indian Education—Formula Grants—Local Educational Agencies; to the Committee on Labor and Human Resources.

EC-1066. A communication from the Secretary of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, and other provisions of law, to provide technical and conforming amendments to implement the "Department of Veterans Affairs Act of 1988, Public Law 100-527"; to the Committee on Veterans' Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-74. A joint resolution adopted by the Legislature of the State of Illinois; to the Committee on Armed Services:

"SENATE JOINT RESOLUTION No. 23

"Whereas, the closure of Chanute Air Base and Fort Sheridan has been recommended by the Federal Commission on Base Closure and Realignment; and

"Whereas, the Commission relied heavily on reports and documents, some of which may have been over 10 years out of date, and did not rely on personal inspections or testimony to update this information; and

"Whereas, the Commission never considered the closure of the 1,500 foreign bases the United States Military maintains, or how the future closure of any of these bases will impact domestic military basing needs; and

"Whereas, these incomplete data have led to substantial errors of fact in the report, such as the failure to note $170,000,000 worth of capital improvements at the Chanute facility; and

"Whereas, the flaws in this report need to be reexamined within the framework of a broad rethinking of America's military basing policy, both foreign and domestic; and

"Whereas, the nature of this process requires that this report be rejected in toto or not at all; and

"Whereas, frugality demands not simply the closure of bases, but the closure and restructuring of the correct bases; and

"Whereas, the flaws in this report cast serious doubt as to whether it recommends the closure of the correct bases; therefore, be it

"Resolved, by the Senate of the Eighty-Sixth General Assembly of the State of Illinois, the House of Representatives concurring herein, that we urge the rejection of the Commission report and urge that our colleagues in the United States House and Senate demand that the commission be reconvened to reconsider their report and issue a more accurate one; and be it further

"Resolved, That suitable copies of this preamble and resolution be presented to the Speaker of the United States House of Representatives, the President Pro Tempore of the United States Senate, the Illinois Congressional Delegation and the Secretary of Defense."

POM-75. A resolution adopted by the Arkansas Legislative Council relative to the application and interpretation of the 10th amendment to the Constitution of the United States; to the Committee on the Judiciary.

POM-76. A resolution adopted by the Federal Bar Association congratulating the members of the Senate and the House of Representatives on the occasion of the bicentennial of the Congress; ordered to lie on the table.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unaminous consent, and referred as indicated:

By Mr. SANFORD:

S. 901. A bill to provide Federal recognition for the Lumbee Tribe of Cheraw Indians of North Carolina; to the Select Committee on Indian Affairs.

By Mr. DOLE (for himself, Mr. DURENBERGER, Mr. CHAFEE, Mr. HEINZ, Mr. DANFORTH, Mr. DOMENICI, and Mr. GORTON):

S. 902. A bill to amend the medical assistance program under title XIX of the Social Security Act to increase coverage for pregnant women and infants and for childhood immunizations, and for other purposes; to the Committee on Finance.

By Mr. REID:

S. 903. A bill to provide for accountability with regard to environmental compliance and to provide notice and an opportunity to comment on designations of special use airspace; to the Committee on Environment and Public Works.

By Mr. GRAHAM:

S. 904. A bill to permit issuance of a certificate of documentation for employment in the coastwise trade of the United States for the vessel the *African Queen;* to the Committee on Commerce, Science, and Transportation.

By Mr. LIEBERMAN:

S. 905. A bill to amend title VI of the Communications Act of 1934 to restore the right of State and local regulatory agencies to regulate cable television rates and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. METZENBAUM:

S. 906. A bill to provide access to check cashing services; to the Committee on Banking, Housing, and Urban Affairs.

S. 907. A bill to provide access to basic banking services; to the Committee on Banking, Housing, and Urban Affairs.

S. 908. A bill to require lenders to compile and make available mortgage loan and commercial loan information necessary to assess compliance with nondiscrimination requirements; to the Committee on Banking, Housing, and Urban Affairs.

S. 909. A bill to amend the Community Reinvestment Act of 1977 to require written evaluations; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CHAFEE:

S. 910. A bill to temporarily suspend the duty on theobromine; to the Committee on Finance.

S. 911. A bill to temporarily suspend the duty on chlorhexanone; to the Committee on Finance.

By Mr. McCAIN:

S. 912. A bill to establish administrative procedures to extend Federal recognition to certain Indian groups; to the Select Committee on Indian Affairs.

By Mr. DASCHLE:

S. 913. A bill to amend the Internal Revenue Code of 1986 to allow individuals to direct that part or all of their income tax refunds be contributed to a trust fund established for the relief of domestic and international hunger, and to establish a commission to oversee the distribution of such contributions; to the Committee on Finance.

By Mr. MATSUNAGA:

S. 914. A bill to amend the Internal Revenue Code of 1986 to extend the solar, geothermal, and ocean thermal energy tax credits for 5 years; to the Committee on Finance.

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S. 915. A bill to amend the Energy Policy and Conservation Act with respect to the Strategic Petroleum Reserve; to the Committee on Energy and Natural Resources.

By Mr. GORE (for himself, Mr. HOLLINGS, Mr. DANFORTH, and Mr. PRESSLER):

S. 916. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. McCAIN:

S. 917. A bill to expand the powers of the Indian Arts and Crafts Board, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. BOREN (for himself, Mr. WILSON, Mr. PRYOR, Mr. NICKLES, Mr. FOWLER, and Mr. SPECTER):

S. 918. A bill to enable producers of fresh mushrooms to develop, finance, and carry out a nationally coordinated program for fresh mushroom promotion, research, and consumer information, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PRYOR (for himself, Mr. BOND, Mr. FOWLER, Mr. BOREN, Mr. HEFLIN, Mr. CONRAD, Mr. KASTEN, Mr. SASSER, Mr. BURDICK, Mr. THURMOND, Mr. MCCONNELL, Mr. NUNN, Mr. NICKLES, Mr. GRASSLEY, Mr. COCHRAN, Mr. LOTT, Mr. SHELBY, Mr. DASCHLE, Mr. BUMPERS, Mr. KOHL, Mr. GRAHAM, Mr. PRESSLER, Mr. KERREY, Mr. EXON, Mr. DURENBERGER, Mr. HOLLINGS, Mr. DIXON, and Mr. DANFORTH):

S. 919. A bill to enable producers of soybeans to develop, finance, and carry out a nationally coordinated program for soybean promotion, research, and consumer information and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GORE (for himself, Mr. HOLLINGS, Mr. DANFORTH, and Mr. PRESSLER):

S. 920. A bill to authorize appropriations for the fiscal years 1990 and 1991 for the Office of Commercial Space Transportation of the Department of Transportation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. KOHL (for himself, Mr. KERREY, Mr. KASTEN, and Mr. SIMON):

S. 921. A bill to amend the Social Security Act and the Public Health Service Act to make certain modifications in the medicare program with respect to payments made under such program to hospitals located in rural areas, to improve the delivery of health services to individuals residing in such areas, and for other purposes; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 922. A bill to reduce the rate of payroll taxes and the resulting surplus in the social security trust funds unless the Federal deficit in the non-social security budget is incrementally reduced to zero; to the Committee on Finance.

By Ms. MIKULSKI (for herself and Mr. HATCH):

S.J. Res. 116. Joint resolution to designate the week beginning October 8, 1989, as "National Infertility Awareness Week"; to the Committee on the Judiciary.

By Mr. BURDICK:

S.J. Res. 117. Joint resolution to designate the week of November 19, 1989 through November 25, 1989 and the week of November 18, 1990 through November 24, 1990, as "National Family Week"; to the Committee on the Judiciary.

By Mr. RIEGLE (for himself, Mr. LUGAR, Mr. SARBANES, Mr. BRADLEY, Mr. BOSCHWITZ, Mr. GLENN, Mr. SHELBY, Mr. KERRY, Mr. MOYNIHAN, Mr. MITCHELL, Mr. MATSUNAGA, Mr. HEINZ, Mr. SIMON, Mr. HOLLINGS, Mr. MACK, Mr. BURDICK, Mr. CHAFEE, Mr. GORE, Mr. DURENBERGER, Mr. REID, Mr. DOLE, Mr. KERREY, Mr. LEVIN, Mr. METZENBAUM, Mr. DASCHLE, Mr. LIEBERMAN, Mr. BUMPERS, Mr. WALLOP, Mr. JEFFORDS, Mr. CRANSTON, Mr. GORTON, and Mr. BENTSEN):

S.J. Res. 118. Joint resolution designating October 6, 1989, as "German-American Day"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. CRANSTON:

S. Res. 118. Resolution expressing the condolences of the Senate to the family of Colonel James Nicholas Rowe, United States Army; to the Committee on Foreign Relations.

By Mr. WILSON (for himself, Mr. HEINZ, Mr. BAUCUS, Mr. CRANSTON, Mr. DANFORTH, Mr. D'AMATO, Mr. DOLE, Mr. SARBANES, Mr. MCCAIN, Mr. DOMENICI, Mr. GORE, Mr. BINGAMAN, Mr. MITCHELL, Mr. HATFIELD, Mr. ROCKEFELLER, Mr. GRASSLEY, Mr. REID, Mr. LOTT, Mr. RIEGLE, Mr. SANFORD, Mr. DECONCINI, Mr. MURKOWSKI, Mr. LEVIN, Mr. ARMSTRONG, and Mr. WIRTH):

S. Res. 119. Resolution concerning the 1986 agreement between the United States and Japan regarding the Japanese semiconductor market; to the Committee on Finance.

By Mr. LUGAR:

S. Con. Res. 32. Concurrent resolution congratulating the Council of Europe on the 40th aniversary of its founding; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SANFORD:

S. 901. A bill to provide Federal recognition for the Lumbee Tribe of Cheraw Indians of North Carolina; to the Select Committee on Indian Affairs.

LUMBEE RECOGNITION ACT

Mr. SANFORD. Mr. President, over 100 years ago Lumbee tribal leaders in southeastern North Carolina asked Congress to acknowledge formally their special heritage as native Americans. Last year, as the tribe celebrated their centennial of that first request, Senator DANIEL INOUYE and I introduced legislation fully recognizing the Lumbee Tribe of Cheraw Indians of North Carolina—by amending the Lumbee Act of 1956. The bill was favorably reported by the Senate Select Committee on Indian Affairs. However, the bill never reached the Senate floor.

In December 1987, the Lumbee Indians came to Washington and filed a fully documented petition for Federal acknowledgment with the Bureau of Indian Affairs. I felt then, as I do now, that theirs is a special case that makes it necessary to circumvent the usual recognition process.

First, due to the backlog of petitions at BIA—recognition of the Lumbee petition could be up to 10 years away. Such a delay makes it unlikely that tribal members whose expertise was so vital to the completion of the petition will be available for consultation when the BIA begins its consideration.

Second, the extraordinary administrative burden and cost of processing the Lumbee petition can be avoided; and last, the strong possibility that the Lumbee Tribe may fall outside the scope of the administrative process due to the 1956 Lumbee Act.

In drafting this legislation, I have kept in mind both budgetary restraints and the immediate needs of other federally recognized tribes. "The Lumbee Recognition Act" appropriates no new money and provides that the Lumbee Indians will receive BIA services only after Congress has appropriated the necessary funds.

In closing, Mr. President, I would like to address concerns that have been expressed about this legislation circumventing the Department of Interior acknowledgement process. Since 1888, several bills have been introduced to recognize the Lumbee Tribe and, in response to those bills, the Department of the Interior has examined the tribes history and condition in detail. The Department found that the Lumbees constitute an Indian community, but nonetheless opposed the bills for various reasons. The Lumbee Tribe has been studied enough and they have waited long enough. Let us not neglect these people any longer.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 901

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Lumbee Recognition Act".

SEC. 2. PREAMBLE.

The preamble to the Act of June 7, 1956 (70 Stat. 254) is amended—

(1) by striking out "and" at the end of each clause,

(2) by striking out ": Now therefore," at the end of the last clause and inserting in lieu thereof a semicolon, and

(3) by adding at the end thereof the following new clauses:

Whereas the Lumbee Indians of Robeson and adjoining counties in North Carolina are descendants of coastal North Carolina Indian tribes, principally Cheraw, and have remained a distinct Indian community since the time of contact with white settlers;

Whereas the Lumbee Indians have been recognized by the State of North Carolina as an Indian tribe since 1885;

Whereas the Lumbee Indians have sought Federal recognition as an Indian tribe since 1888; and

Whereas the Lumbee Indians are entitled to Federal recognition of their status as an Indian tribe and the benefits, privileges, and immunities that accompany such status: Now, therefore,".

SEC. 3. FEDERAL RECOGNITION.

The Act of June 7, 1956 (70 Stat. 254) is amended—

(1) by striking out the last sentence of the first section, and

(2) by striking out section 2 and inserting in lieu thereof the following:

"FEDERAL RECOGNITION

"SEC. 2. Federal recognition is hereby extended to the Lumbee Tribe of Cheraw Indians of North Carolina. All laws and regula-

tions of the United States of general application to Indians and Indian tribes shall apply to the Lumbee Tribe of Cheraw Indians of North Carolina and its members.

"SERVICES

"SEC. 3. (a) The Lumbee Tribe of Cheraw Indians of North Carolina and its members shall be eligible for all services and benefits provided to Indians because of their status as federally recognized Indians, except that members of the Tribe shall not be entitled to such services until the appropriation of funds for these purposes. For the purposes of the delivery of such services, those members of the Tribe residing in Robeson and adjoining counties shall be deemed to be resident on or near an Indian reservation.

"(b) Upon verification of a tribal roll under section 4 by the Secretary of the Interior, the Secretary of the Interior and the Secretary of Health and Human Services shall develop, in consultation with the Lumbee Tribe of Cheraw Indians of North Carolina, a determination of needs and a budget required to provide services to which the members of the tribe are eligible. The Secretary of the Interior and the Secretary of Health and Human Services shall each submit a written statement of such needs and budget with the first budget request submitted to the Congress after the fiscal year in which the tribal roll is verified.

"(c)(1) The Lumbee Tribe of Cheraw Indians of North Carolina is authorized to plan, conduct, consolidate, and administer programs, services, and functions authorized under the Act of April 16, 1934 (48 Stat. 596; 25 U.S.C. 452, et seq.) and the Act of November 2, 1921 (42 Stat. 208; 25 U.S.C. 13), popularly known as the Snyder Act, pursuant to an annual written funding agreement between the Lumbee Tribe of Cheraw Indians of North Carolina and the Secretary of the Interior which shall specify—

"(A) the services to be provided, the functions to be performed, and the procedures to be used to reallocate funds or modify budget allocations, within any fiscal year, and

"(B) the responsibility of the Secretary of the Interior for, and the procedure to be used in, auditing the expenditures of the Tribe.

"(2) The authority provided under this subsection shall be in lieu of the authority provided under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450, et seq.).

"(3) Nothing in this subsection shall be construed as affecting, modifying, diminishing, or otherwise impairing the sovereign immunity from lawsuit enjoyed by the Lumbee Tribe of Cheraw Indians of North Carolina or authorizing or requiring the termination of any trust responsibility of the United States with respect to the Tribe.

"CONSTITUTION AND MEMBERSHIP

"SEC. 4. (a) The Lumbee Tribe of Cheraw Indians of North Carolina shall organize for its common welfare and adopt a constitution and bylaws. Any constitution, bylaws, or amendments to the constitution or bylaws that are adopted by the tribe must be consistent with the terms of this Act and shall take effect only after such documents are filed with the Secretary of the Interior. The Secretary shall assist the tribe in the drafting of a constitution and bylaws, the conduct of an election with respect to such constitution, and the reorganization of the government of the tribe under any such constitution and bylaws.

"(b)(1) Until the Lumbee Tribe of Cheraw Indians of North Carolina adopts a constitution, the membership of the Tribe shall, subject to review by the Secretary, consist of every individual who is named in the tribal membership roll that is in effect on the date of enactment of this Act.

"(2) The review of the membership roll of the Lumbee Tribe of Cheraw Indians of North Carolina shall be limited to verification of compliance with the membership criteria of the Tribe as stated in the Lumbee Petition for Federal Acknowledgment filed with the Secretary by the tribe on December 17, 1987. The Secretary shall complete his review and verification of the tribal roll within twelve months after the date of enactment of this Act.

"JURISDICTION

"SEC. 5. (a)(1) The State of North Carolina shall exercise jurisdiction over—

"(A) all criminal offenses that are committed on, and

"(B) all civil actions that arise on,

lands located within the State of North Carolina that are owned by, or held in trust by the United States for, the Lumbee Tribe of Cheraw Indians of North Carolina or any member of the Lumbee Tribe of Cheraw Indians of North Carolina or any dependent Indian communities of the Lumbee Tribe of Cheraw Indians of North Carolina.

"(2) The Secretary of the Interior is authorized to accept on behalf of the United States, after consulting with the Attorney General of the United States, any transfer by the State of North Carolina to the United States of any portion of the jurisdiction of the State of North Carolina described in paragraph (1).

"(3) The provisions of this subsection shall not affect the application of section 109 of the Indian Child Welfare Act of 1978 (25 U.S.C. 1919).

"(b) Section 5 of the Act of June 18, 1934 (Chapter 576; 25 U.S.C. 465), and the Act of April 11, 1970 (84 Stat. 120; 25 U.S.C. 488 et seq.), shall apply to the Lumbee Tribe of Cheraw Indians of North Carolina with respect to lands within the exterior boundaries of Robeson and adjoining counties, North Carolina.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 6. (a) There are authorized to be appropriated such funds as may be necessary to carry out the provision of this Act.

"(b) In the first fiscal year for which funds are appropriated under the authority of subsection (a), proposals for expenditures of such funds shall be submitted by the Lumbee Tribe of Cheraw Indians of North Carolina to the Select Committee on Indian Affairs of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives at least 60 calendar days prior to any expenditure of such funds by the Tribe.".

By Mr. DOLE (for himself, Mr. DURENBERGER, Mr. CHAFEE, Mr. HEINZ, Mr. DANFORTH, Mr. DOMENICI, and Mr. GORTON):

S. 902. A bill to amend the medical assistance program under title XIX of the Social Security Act to increase coverage for pregnant women and infants and for childhood immunizations, and for other purposes; to the Committee on Finance.

MEDICAID PREGNANT WOMEN, INFANTS, AND CHILDREN AMENDMENTS

Mr. DOLE. Mr. President, today I am introducing S. 902, the administration's Medicaid Pregnant Women, Infants, and Children Amendments of 1989. I am joined by my distinguished colleagues, Senators DURENBERGER, CHAFEE, HEINZ, DANFORTH, DOMENICI, and GORTON.

President Bush has announced his commitment to improving the health care of lower income Americans. Key to that commitment is the targeting of populations most at risk, namely expectant mothers and their babies. This bill proposes to make health care available to a greater number of low-income pregnant women and infants, and it addresses a shocking problem in this country, our high infant mortality rate.

The National Commission to Prevent Infant Mortality has reported that the United States ranks 19th among industrialized nations in the area of infant mortality. A child born in Japan, Hong Kong, Ireland, Australia, Canada, Singapore, or any of the 12 other industrialized nations has a better chance of being alive on his or her first birthday than infants born in this country.

Forty thousand infants in America each year do not live to celebrate their first birthday. And the black infant mortality rate remains nearly twice the 9.3 deaths per thousand births among white Americans.

Many of those deaths, and many childhood disabilities as well, could be avoided with good prenatal care. The bill I am introducing today is a small but important step toward increasing access to such care for the most needy expectant mothers and infants in our society.

First, it would provide coverage for all pregnant women and infants with incomes up to 130 percent of poverty. Under current law, States will be required next year to provide coverage to women and infants who are at or below the poverty level.

Second, an expectant mother would be presumed to be eligible for medical assistance by just producing her food stamp card. This is important, because a woman would not have to wait 2 full months for her Medicaid card before she received the prenatal care which is so critical to the health of her offspring and to her health as well.

Another feature of the bill is Medicaid payment for immunization for children under 6 whose families receive food stamps. This would provide an additional measure of protection for low-income youngsters. Immunization against childhood diseases is an effective means to assuring good health in early life.

We know that currently the largest number of immunizations are provided in a clinic setting rather than in private physicians' offices. As I understand it, it is not the administration's intention to undercut these efforts,

but rather to expand the opportunities for access to services.

As a further part of this initiative, the administration proposes to initiate a 2-year $40 million demonstration program which would improve coordination of Federal programs: Medicaid, maternal and child health, and women, infants, and child nutrition programs. The focus of this effort would be to reduce infant mortality and morbidity through case management, outreach, and education in States with high rates of infant mortality.

The cost of the expansions proposed by the President would be offset by gradually reducing the special Federal matching payments for certain administrative costs under Medicaid, so the bill would not burden taxpayers or increase the deficit. None of the matching rates would be reduced below the usual administrative matching payment, which is 50 percent. It is the administration's view that the enhanced matching payments were initiated to encourage States to undertake certain administrative improvements. Once those improvements are implemented, the administration believes those higher payments are difficult to justify. Clearly, this is one of those issues where there is likely to be some disagreement. Some may have other means of financing these benefit expansions; I would hope there is an open mind on this point.

Mr. President, this bill is by no means an end to our efforts. There are some further things some of us would like to consider that would make access to care even less difficult. I am hopeful that we can reach an agreement on some additional issues and present further legislation for consideration. But this is a first, and very important step on the part of the Bush administration.

S. 902 and the demonstrations the Department plans to carry out would implement improvements proposed by President Bush in "Building a Better America", the President's message to the Congress in February of this year. It is one of the President's highest priorities, and I urge my colleagues to support it.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD along with a section-by-section summary.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 902

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCES IN ACT

SECTION 1. (a) This Act may be cited as the "Medicaid Pregnant Women, Infants, and Children Amendments of 1989".

(b) The amendments in the Act apply to the Social Security Act, unless otherwise specifically stated.

EXPANDED COVERAGE FOR PREGNANT WOMEN AND INFANTS

SEC. 2. (a)(1) Section 1902(1)(1) (42 U.S.C. 1396a(1)(1)) is amended, in the matter after subparagraph (C), by striking out "who are not described in any of subclauses (I) through (III) of subsection (a)(10)(A)(i) and".

(2) Section 1902(1)(2)(A) (42 U.S.C. 1396a(1)(2)(A)) is amended—

(A) in clause (i), by striking out "the percentage provided under clause (ii)" and inserting instead "130 percent";

(B) by striking out "(A)(i)" and inserting instead "(A)"; and

(C) by striking out clauses (ii) and (iii).

(b)(1) Section 1902(1)(2)(B) (42 U.S.C. 1396a(1)(2)(B)) is amended—

(A) by striking out "not described in subparagraph (A) or (B)" and inserting instead "described in subparagraph (C)";

(B) by striking out "individuals not described in such subparagraphs" and inserting instead "such individuals"; and

(C) by striking out ", or, if less, the percentage established under subparagraph (A)".

(2) Section 1902(1)(4)(B) (42 U.S.C. 1396a(1)(4)(B)) is amended by striking out "clause (ii) of".

(c) The amendments made by this section shall become effective April 1, 1990 (subject to section 6 of this Act).

PRESUMPTIVE ELIGIBILITY OF PREGNANT WOMEN

SEC. 3. (a)(1) Section 1902(a)(10) (42 U.S.C. 1396a(a)(10)) is amended—

(A) by striking out "and" at the end of subparagraph (D);

(B) by inserting "and" at the end of subparagraph (E); and

(C) by adding after subparagraph (E) the following new subparagraph:

"(F) for making medical assistance available for ambulatory prenatal care for pregnant women determined to be presumptively eligible pursuant to section 1920;".

(2) Section 1902(a)(47) (42 U.S.C. 1396a(a)(47)) is repealed.

(b)(1) Section 1920(a) (42 U.S.C. 1396r-1(a)) is amended to read as follows:

"SEC. 1920. (a) A State plan under this title shall provide for making ambulatory prenatal care available to a pregnant woman during a presumptive eligibility period, in accordance with the provisions of this section and with regulations promulgated by the Secretary.".

(2)(A) Section 1920(b) (42 U.S.C. 1396r-1(b)) is amended in paragraph (2)—

(1) by redesignating such paragraph as paragraph (3);

(2) by moving such paragraph two ems to the left; and

(3) by inserting "For purposes of this section," before "the term".

(B) Section 1920(b) (42 U.S.C. 1396r-1(b)) is further amended by striking out all that precedes paragraph (3), as redesignated, and inserting instead the following:

"(b)(1)(A) The State plan shall provide for a period of presumptive eligibility for any pregnant woman in any case where the State agency or a qualified provider makes a determination, on the basis of preliminary information, that her family income does not exceed the applicable income level of eligibility under the State plan.

"(B) As an alternative to any other criteria the State may establish for the determination described in subparagraph (A), the State agency or qualified provider making the determination shall accept as sufficient evidence of presumptive eligibility of a pregnant woman a currently valid food stamp card declaring such woman's entitlement to benefits under the Food Stamp Act of 1977.

"(2)(A) Subject to subparagraph (B), the presumptive eligibility period for such woman shall be the 60-day period beginning on the date when the determination described in paragraph (1) is made.

"(B) The presumptive eligibility period shall end on the fourteenth day after the date of the determination described in paragraph (1), in the case of any woman who fails to file an application for medical assistance on or before such fourteenth day.".

(3) Section 1920(c)(2) (42 U.S.C. 1396r-1(c)(2)) is amended by striking out "subsection (b)(1)(A)" and inserting instead "subsection (b)(1)".

(4) Section 1920 (42 U.S.C. 1396r-1) is amended by striking out subsection (d) and inserting instead the following new subsections:

"(d) The State plan shall—

"(1) provide assurances satisfactory to the Secretary that the State is making reasonable efforts to secure participation of sufficient numbers of qualified providers in all geographic areas of the State to permit prompt determinations with respect to the presumptive eligibility of pregnant women in accordance with this section; and

"(2) provide for outreach and public education programs in geographic areas of the State with high rates of adverse pregnancy outcomes (as determined in accordance with criteria specified by the Secretary) designed to inform low-income women of the need for and availability of prenatal care.

"(e) The Secretary shall require any State which is providing medical assistance to its residents under a waiver granted under section 1115(a) to meet the requirements of this section in the same manner as if the State had in effect a plan approved under this title.".

(c) The amendments made by this section shall become effective October 1, 1989 (subject to section 6).

COVERAGE OF IMMUNIZATIONS OF CHILDREN

SEC. 4. (a) Section 1902(a)(10) (42 U.S.C. 1396a(a)(10)), as previously amended by section 3, is further amended—

(1) by striking out "and" at the end of subparagraph (E);

(2) by inserting "and" at the end of subparagraph (F); and

(3) by adding after subparagraph (F) the following new subparagraph:

"(G) for making medical assistance available for immunizations of children in accordance with section 1926;".

(b) Title XIX is amended—

(1) by redesignating section 1926 as section 1927; and

(2) by inserting after section 1925 the following new section:

"COVERAGE OF IMMUNIZATIONS OF CHILDREN

"SEC. 1926. (a) Notwithstanding any other provision of this title or any other provision of law, the State plan shall provide for reimbursement of any participating provider for immunization of any child eligible for medical assistance for immunizations under the State plan, regardless of whether such child could have obtained such immunization from an entity providing immunizations free of charge.

"(b)(1) The State plan shall provide for making medical assistance available in ac-

cordance with this section for immunizations of children under age 6 who are receiving assistance under the Food Stamp Act of 1977.

"(2) The State plan shall not require individuals receiving assistance under the Food Stamp Act of 1977 to make separate application for medical assistance as a condition of receiving benefits under the State plan in accordance with the section.

"(c) The Secretary shall require any State which is providing medical assistance to its residents under a waiver granted under section 1115(a) to meet the requirements of this section in the same manner as if the State had in effect a plan approved under this title.".

(c) The amendments made by this section shall become effective July 1, 1990 (subject to section 6 of this Act).

PHASEOUT OF INCREASED MATCHING RATES FOR ADMINISTRATIVE COSTS

SEC. 5. (a)(1) Section 1903(a)(2) (42 U.S.C. 1396b(a)(2)) is amended—

(A) in subparagraph (A), by striking out "75 per centum" and inserting instead "68.75 percent for each calendar quarter in fiscal year 1990, and 56.25 percent for each calendar quarter in fiscal year 1991,";

(B) in subparagraph (C), by striking out "an amount equal to 75 percent" and inserting instead "for each calendar quarter during—

"(i) fiscal years 1990, 1991, and 1992, an amount equal to 75 percent,

"(ii) fiscal year 1993, an amount equal to 68.75 percent, and

"(iii) fiscal year 1994, an amount equal to 56.25 percent,"; and

(C) in subparagraph (D)—

(i) in clause (ii), by striking out "85 percent" and inserting instead "80 percent";

(ii) in clause (iii), by striking out "80 percent" and inserting instead "70 percent";

(iii) in clause (iv), by striking out "fiscal year 1994 and thereafter, an amount equal to 75 percent" and inserting instead "fiscal year 1994, an amount equal to 60 percent".

(2) Effective with respect to calendar quarter beginning after September 30, 1994, section 1903(a)(2) (42 U.S.C. 1396b(a)(2)) is repealed.

(b)(1) Section 1903(a)(3) is amended—

(A) in subparagraph (A)(i), by striking out "90 per centum" and inserting instead "80 percent for each calendar quarter in fiscal year 1990, and 60 percent for each calendar quarter in fiscal year 1991,";

(B) in subparagraph (A), by striking out "(A)(i) and inserting instead "(A), and by striking out clause (ii);

(C) in subparagraph (B)—

(i) by striking out "75 per centum" and inserting instead "68.75 percent for each calendar quarter in fiscal year 1990, and 56.25 percent for each calendar quarter in fiscal year 1991,"; and

(ii) by striking out "(A)(i)" and inserting instead "(A)"; and

(C) in subparagraph (C), by striking out "75 per centum" and inserting instead "68.70 percent for each calendar quarter in fiscal year 1990, and 56.25 percent for each calendar quarter in fiscal year 1991,".

(2) Section 1903(r) (42 U.S.C. 1396b(r)) is amended by adding at the end the following new paragraph:

"(9) The provisions of the preceding paragraphs of this subsection with respect to Federal matching rates and per centum reductions of those rates shall be effective only with respect to calendar quarters prior to October 1, 1989.".

(3) Section 1902(a)(25) (42 U.S.C. 1396a(a)(25)) is amended in subparagraph (A)(ii) by striking out "shall—" and all that follows and inserting instead "shall be integrated with, and be monitored as a part of the Secretary's review of, the State's mechanized claims processing and information retrieval system under section 1903(r);".

(4) Section 1902(a) (42 U.S.C. 1396a(a)) is amended, effective with respect to calendar quarters after September 30, 1989,

(A) by striking out "and" at the end of paragraph (51);

(B) by striking out the period at the end of paragraph (52) and inserting instead "; and"; and

(C) by inserting after paragraph (52) the following new paragraph:

"(53) provide for the operation of mechanized claims processing and information retrieval systems approved by the Secretary which (A) permit efficient, economical, and effective administration of the plan and are compatible with the claims processing and information retrieval systems used in the administration of title XVIII; (B) provide an effective method of verifying, by sampling techniques or other methods approved by the Secretary, whether services billed by all participating providers were furnished as claimed to individuals entitled to medical assistance under the State plan; and (c) would have qualified for full Federal financial participation in accordance with the provisions of section 1903(r) as in effect prior to October 1, 1989.".

(5)(A) Section 1158(b) (42 U.S.C. 1320c-7(b)) is amended by striking out "75 percent (as provided in section 1903(a)(3)(C))" and inserting instead "the percentage provided in section 1903(a)(3)(C)".

(B) Effective with respect to calendar quarters beginning after September 30, 1991, section 1158 (42 U.S.C. 1320c-7) is amended—

(i) by striking out the subsection designation "(a)"; and

(ii) by striking out subsection (b).

(6) Effective with respect to calendar quarters beginning after September 30, 1991, section 1903(a)(3) (42 U.S.C. 1396b(a)(3)) is repealed

(c)(1) Section 1903(a)(4) (42 U.S.C. 1396b(4)) is amended by striking out "100 percent" and inserting instead "87.5 percent for each calendar quarter in fiscal year 1990, and 62.5 percent for each calendar quarter in fiscal year 1991."

(2) Effective with respect to calendar quarters beginning after September 30, 1991, section 1903(a)(4) (42 U.S.C. 1396b(a)(4)) is repealed.

(d)(1) Section 1093(a)(5) (42 U.S.C. 1396b(a)(5) is amended—

(1) by inserting "(other than for administrative costs)" after "expended during such quarter";

(2) by inserting "(A)" after "(5)"; and

(3) by adding after subparagraph (A), as redesignated, the following new subparagraph:

"(B) an amount equal to 80 percent for each calendar quarter in fiscal year 1990, and 60 percent for each calender quarter in fiscal year 1991, of the sums expended during such quarter which are attributable to administrative costs directly relating to the activities described in subparagraph (A);".

(2) Effective with respect to calendar quarters beginning after September 30, 1991, section 1903 (a)(5) (42 U.S.C. 1396b(a)(5)) is amended—

(A) by striking out "(5) (A)" and inserting instead "(5)"; and

(B) by striking out subsection (B).

(e) Section 1903(a)(7) (42 U.S.C. 1396b(7)) is amended by striking out "section 1919(g)(3)(B)" and inserting instead "section 1919(g)(3)(C)".

(f) Effective October 1, 1994, section 1903 (42 U.S.C. 1396b) is amended—

(1) in subsection (a), by redesignating paragraphs (5), (6), and (7) as paragraphs (2), (3), and (4), respectively; and

(2) in subsection (b)(3), by striking out "subsection (a)(6)" and inserting instead "subsection (a)(3)".

(g) The amendments made by this section shall become effective October 1, 1989.

GRACE PERIOD FOR STATE LAW AMENDMENTS

SEC. 6. Where the Secretary of Health and Human Services determines that State legislation is required in order for a State plan under title XIX of the Social Security Act to meet additional requirements imposed by this Act, such State plan shall not be regarded as failing to comply with the requirements of such title XIX solely on the basis of its failure to meet these additional requirements before the first day of the first calender quarter beginning after the close of the first regular session (or other session in which such legislation would be in order) of the State legislature that begins after the date of enactment of this Act.

SUMMARY OF MEDICAID PREGNANT WOMEN, INFANTS, AND CHILDREN AMENDMENTS OF 1989

SHORT TITLE; REFERENCES IN ACT

Section 1 would assign the draft bill the short title the "Medicaid Pregnant Women, Infants, and Children Amendments of 1989".

EXPANDED COVERAGE FOR PREGNANT WOMEN AND INFANTS

Section 2(a) amends section 1902(1) of the Social Security Act (the Act) to require States, by April 1, 1990, to provide Medicaid coverage to pregnant women and infants whose income does not exceed 130 percent of the income poverty line. (Under current law, as amended by P.L. 100-360, States must provide Medicaid to pregnant women and infants with incomes not exceeding 100 percent of poverty by July 1, 1990; this proposal will raise the income level and advance the deadline for this new mandatory coverage.)

Subsection (b) makes minor and conforming amendments.

Subsection (c) provides that the amendments made by this section become effective April 1, 1990.

PRESUMPTIVE ELIGIBILITY OF PREGNANT WOMEN

Section 3(a) amends section 1902(a)(10) of the Act to require States to provide Medicaid coverage for ambulatory prenatal care for pregnant women determined to be presumptively eligible pursuant to section 1920 of the Act. (Under current law States are permitted, but not required, to provide this coverage).

Subsection (b) amends section 1920 of the Act (which permits limited Medicaid coverage for presumptively eligible pregnant women) to provide that this coverage is mandatory. The State agency or qualified provider making presumptive eligibility determinations would have to accept as sufficient evidence of presumptive eligibility a food stamp card issued in a pregnant woman's name.

Women determined to be presumptively eligible would be eligible for ambulatory prenatal care under the State plan for 60

days from the date of the determination, provided they applied for full Medicaid coverage not later than 14 days after that date. In order to eliminate provider uncertainty as to whether services they provide to a presumptively eligible woman will be reimbursed, this subsection deletes the provision of current law under which presumptive eligibility terminates on the date of a State determination of ineligibility.

Subsection (b) also amends section 1920 to require the State plan (1) to provide assurances satisfactory to the Secretary that the State is making reasonable efforts to secure participation of sufficient numbers of qualified providers to permit prompt presumptive eligibility determinations in all geographic areas of the State; and (2) to provide for outreach and public education programs in geographic areas of the State with high rates of adverse pregnancy outcomes, designed to inform low-income women of the need for and availability of prenatal care.

The new requirements added by this section would apply to Arizona, which provides Medicaid coverage to its residents under a section 1115 waiver, as well as to States with a plan approved under title XIX.

Subsection (c) provides that the amendments made by this section become effective October 1, 1989.

COVERAGE OF IMMUNIZATIONS OF CHILDREN

Section 4(a) amends section 1902(a)(10) of the Act to require State plans to provide Medicaid coverage for immunizations of children in accordance with section 1926.

Subsection (b) adds a new section 1926 of the Act concerning coverage of immunizations of children.

Section 1926(a) requires the State plan, notwithstanding any other provision of law, to provide for Medicaid reimbursement for immunizations given eligible children by any participating provider, regardless of whether the children could have obtained the immunizations elsewhere free of charge.

Subsection (b)(1) requires the State plan to provide Medicaid coverage for immunizations of children under age 6 who are receiving food stamps.

Subsection (b)(2) provides that the State plan shall not require individuals receiving food stamps to make a separate application for Medicaid in order to receive coverage for immunizations under this section.

Subsection (c) provides that these new requirements shall also apply to Arizona, which provides Medicaid coverage to its residents under a section 1115 waiver rather than under title XIX.

Subsection (c) provides that the amendments made by this section shall become effective July 1, 1990.

PHASEOUT OF INCREASED MATCHING RATES FOR ADMINISTRATIVE COSTS

Section 5 amends section 1903(a) of the Act to phase out most matching rates for administrative costs in excess of 50 percent. Rates will be limited to 75 percent of the excess over a 50 percent matching rate for the first year of the phaseout, and to 25 percent of the excess for the second year; in the third percent. Reductions of enhanced matching rates currently in effect would begin with FY 1990; reductions would be delayed for recently enacted enhanced matching rates that have not yet gone into effect.

Subsection (a) amends section 1903(a)(2) (concerning compensation and training of professional medical personnel and supporting staff). Those costs currently matched at 75 percent would be matched at 68.75 percent for FY 1990, 56.25 percent for FY 1991, and 50 percent thereafter. The 75 percent matching for preadmission screening and resident review of nursing home patients (which becomes effective October 1, 1990) would be reduced to 68.75 percent for FY 1993, 56.25 percent for FY 1994, and 50 percent thereafter. The matching rates for nursing home survey and certification (under current law 90, 85, 80, and 75 percent, for FYs 1991, 1992, 1993, and succeeding fiscal years respectively) would be reduced to 80 percent for FY 1992, 70 percent for FY 1993, 60 percent for FY 1994, and 50 percent thereafter.

Subsection (b) amends section 1903(a)(3) (concerning Medicaid management and information systems (MMIS)). The matching rate for costs of design, development, or installation of such systems (currently 90 percent) would be reduced to 80 percent for FY 1990, 60 percent for FY 1991, and 50 percent thereafter. The matching rates for operation of such systems and for certain medical, utilization, and quality reviews (currently 75 percent) would be reduced to 68.75 percent for FY 1990, 56.25 percent for FY 1991, and 50 percent thereafter.

Subsection (b) also makes conforming amendments, including amendments (1) making applicable only to quarters prior to October 1, 1989, the provisions of section 1903(r) for reducing the enhanced MMIS matching for failures to achieve certain systems objectives, and (2) amending State plan requirements under section 1902(a) to eliminate references to penalty reductions of MMIS matching rates and to add the MMIS requirements currently located in subsections (a)(3) and (r) of section 1903.

Subsection (c) amends section 1903(a)(4) (concerning immigration status verification). The matching rate for costs of this activity (currently 100 percent) would be reduced to 87.5 percent for FY 1990, 62.5 percent for FY 1991, and 50 percent thereafter.

Subsection (d) amends section 1903(a)(5) (concerning family planning services). The current 90 percent matching rate would be retained for costs attributable to provision of services. For related administrative costs, the matching rate would be reduced to 80 percent for FY 1990, 60 percent for FY 1991, and 50 percent thereafter.

Subsection (e) makes a technical amendment to correct a cross-reference.

Subsection (f) makes conforming amendments.

Subsection (g) provides that the amendments made by this section shall become effective October 1, 1989.

GRACE PERIOD FOR STATE LAW AMENDMENTS

Section 6 provides that, where the Secretary determines that State legislation is required in order for a State Medicaid plan to meet additional requirements imposed by this bill, States will be allowed a grace period to meet these new requirements ending at the beginning of the quarter following the close of the first regular session of the State legislature (or other session in which the needed amendments would be in order) that begins after enactment of this bill.

By Mr. REID:

S. 903. A bill to provide for accountability with regard to environmental compliance and to provide notice and an opportunity to comment on designations of special use airspace; to the Committee on Environment and Public Works.

AIRSPACE PROTECTION ACT

Mr. REID. Mr. President, as we consider clean air legislation in the days ahead, there is an air quality issue of a different kind that requires attention. It is an issue that is readily apparent in Nevada, but is assuming equal importance in other parts of the country.

I am speaking, Mr. President, about the use of our Nation's airspace by the military.

Since 1978, the number of square miles of special use airspace has increased by 34 percent. More than 1 million square miles of airspace over the United States falls within some kind of special military control. I repeat that—1 million square miles. According to the Federal Aviation Administration, nearly 40 percent of Nevada's airspace is controlled in some way by the military. Consider, Mr. President, that Nevada is the seventh-largest State in area in the United States and 40 percent of that is covered by the military.

This special use airspace greatly affects those who live nearby—whose children play under the buzz and roar of supersonic jets executing maneuvers.

Heavy airspace use also takes its toll on the environment, and often restricts commercial and private aircraft from passing through, requiring such planes to make lengthy, costly detours.

I voice these criticisms not because I oppose the military's airspace needs, but because I disagree with their methods of withdrawing airspace from the public.

Those affected have not been included in the decisionmaking process. There is no accountability to ensure that airspace designations are in compliance with the National Environmental Policy Act of 1969.

I am proud to contribute to a strong national defense, and I am glad that Nevada has afforded the military with some many fine opportunities.

The two most advanced pilot training bases in the world are in Nevada—at Nellis Air Force Base and Naval Air Station Fallon. Nevada's skies also provide the Thunderbirds, the Air Force ambassadors to the world, with the means to perfect their precision flying routines.

Nevada and other States throughout the United States provide opportunities for the military. In turn, the military protects and defends our country, which is no small task. But the military should provide Americans with the chance to participate in decisions that affect our way of life. We want to participate in the airspace designation and withdrawal process. Today, I am introducing the Airspace Protection Act of 1989.

The bill will require the Secretary of Defense to give proper advance notifi-

cation of any plans to designate airspace for military special use.

Notice will be given to appropriate State leaders. Notice will also be given to the Secretary of the Interior, if planned airspace designations are above any unit of national parks or wilderness and wildlife areas.

Residents in the affected region would be alerted through newspaper announcements. As the military has co-opted airspace in Nevada, I have been disturbed to witness that my constituents were denied any meaningful opportunity to participate in the process and affect the military's decision.

I do not speak and introduce this legislation in a vacuum, Mr. President. Both the Air Force at Nellis and the Navy at Fallon want more. They have told me so.

Those left out of the loop include environmentalists, State aviation officials, county land managers, small airplane owners and pilots, farmers, university ecologists, ranchers, and commercial aviation representatives. The existing process entails no more than the military getting a rubber stamp of approval from the Federal Aviation Administration.

Last August, the General Accounting Office issued a report entitled, "Airspace Use: FAA Needs To Improve Its Management of Special Use Airspace." GAO found that ineffective management by the FAA has led to the inefficient and inappropriate use of airspace. My bill reinforces the FAA's responsibility and builds accountability into a process where there now is none.

The bill requires the FAA to regularly review airspace designations and to determine their continued justification. A 1987 private study for the Navy, called "Project Blue Air," found that Navy and Marine controlled special use airspace was used only 22 percent of the reserved time, and the airspace was often used for other than the intended purposes.

If the military reserves airspace for training, and then does not use it, there is a flaw in the process. My bill will correct that flaw.

Finally, the legislation I propose today will require the FAA to assume responsibility for compliance with the National Environmental Policy Act.

Although the FAA now has that responsibility, they do not exercise it. Our military is vitally important to our Nation's well-being, but so are the beautiful valleys and deserts, and the ever-diminishing species of birds and wildlife that dwell on the land and in the sky.

The legislation proposed today will create a greatly needed network of communication and accountability between the military, the Federal Government, and the American people. I encourage my colleagues to support this measure, and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 903

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SPECIAL USE AIR SPACE

SEC. 101. SHORT TITLE.—This act may be cited as the "Airspace Protection Act of 1989."

SEC. 102. DEFINITIONS.—As used in this Act—

(1) "special use airspace" is defined in accordance with regulations promulgated by the Federal Aviation Administration;

(2) "expansion of a special use airspace" means any increase in the physcial dimensions of a special use airspace previously designated; and

(3) "designated" or "designation" means allocated, awarded, set aside, granted, or otherwise made available, and such term includes the expansion of a special use airspace.

SEC. 103. NOTIFICATION.—(a) Effective upon the date of enactment of this Act, in the administration of the provisions of section 102 of the National Environmental Policy Act of 1969, and the laws and regulations of the United States relating to the designation of military special use airspace including but not limited to, prohibited areas, restricted areas, military operation areas (including but not limited to airspace for military training, research, development, testing and evaluation), the Secretary of Defense shall ensure that written notice, including an opportunity to comment on any such proposed special use airspace designation, shall be provided to—

(1) the Governor of any State over which airspace is sought to be designated as special use airspace;

(2) the head of an Indian tribe on any Indian lands, if such lands are likely to be affected by any such designation; and

(3) the Secretary of the Interior, if such designation includes airspace above any unit of the National Park System, the National Wildlife Refuge System, the National Wild and Scenic Rivers system, the National Trails System, or the National Wilderness Preservation System administered by the Department of the Interior.

(b) In addition to the notice required under subsection (a), notice of any significant proposed designation including an opportunity to submit written comments shall be published in newspaper of general circulation (rather than legal papers) within the affected area.

(c) Upon the request of any Governor made within thirty days following the receipt of proposed designation of an airspace pursuant to subsection (a), the Secretary of Defense (in coordination with the FAA) shall hold a public meeting and consider oral and written comments prior to making a detemination with respect to such designation. The notice provided pursuant to subsection (a) shall advise the Governor of the right to request a public meeting and the thirty day time limit.

SEC. 104. FAA RESPONSIBILITY.—(a) The Administrator of the Federal Aviation Administration shall, in consultation with the Council on Environmental Quality, adopt procedures to assure that designations of special use airspace are in compliance with the National Environmental Policy Act of 1969 no later than ninety days after enactment of this section.

(b) The Administrator of the Federal Aviation Administration shall establish procedures for the review of each special use airspace designation not less than every three years. If in the course of any such review, it is determined that the use of such airspace cannot justify the continued designation of such special use airspace, such designation shall be terminated or modified by the Administrator.

By Mr. LIEBERMAN:

S. 905. A bill to amend title VI of the Communications Act of 1934 to restore the right of State and local regulatory agencies to regulate cable television rates, and for other purposes; to the Committee on Commerce, Science, and Transportation.

CABLE CONSUMER PROTECTION ACT

Mr. LIEBERMAN. Mr. President, I rise to introduce the Cable Consumer Protection Act of 1989. This bill would authorize reregulation of cable television by States and franchising authorities. This will allow States to put a halt to the staggering rise in cable TV rates and stem the cable industry's abuse of its monopoly powers. My colleague from Connecticut, Congressman CHRIS SHAYS, is introducing companion legislation in the House.

Back in 1987, as attorney general of Connecticut, I asked the Supreme Court to review an FCC decision that effectively blocked regulation of cable television in 90 percent of the communities in the country. By defining effective competition under the Cable Communications Policy Act of 1984 loosely, the FCC ensured that competition would be found to exist everywhere and that States would be precluded from regulating cable TV prices. Higher rates were the inevitable result. Last year, I joined Connecticut Consumer Counsel Jim Meehan in calling for the reregulation of cable TV by Congress because of the huge rate increases in our State.

Facing virtually no competition, and freed from possible regulation, cable companies steadily have raised their prices in Connecticut and throughout the country. Since deregulation took effect in 1986, Cablevision of Southern Connecticut raised its rates 61.5 percent. Waterbury Community Antenna raised rates 73.1 percent, and Laurel Cablevision of Waterbury imposed a 134-percent increase on its subscribers. On a national level, the price of basic cable service has increased over 30 percent since 1987. According to the U.S. Labor Department, cable TV prices were the highest component of the commodities and services in the Consumer Price Index in 1988. And there is no end in sight. The Commerce Department expects a 14-percent increase in the cable industry's revenues this year, enabling the industry to reap $14.5 billion.

The time has come to bring consumer protection back to cable TV. It is one thing for the Government to foster the growth and development of a fledgling industry, as Congress purported to do by deregulating cable television in the 1984 act, and quite another to allow a powerful industry to continue extracting monopoly rents from the nation's consumers.

Today, over half the households in America subscribe to cable TV. In Connecticut, that figure is much higher. For many of them, it is their main source of news, information, and entertainment. The cable companies claim that competition exists in the industry, but it's like a railroad baron in the 1800's claiming competition from the pony express. Almost no cable subscribers are in the position of being able to choose between competing cable systems—over 99 percent of the Nation's cable systems enjoy a local monopoly. These companies are free from both competition and regulation. They not only can raise their prices at will, they can also drop parts of their basic service packages without reimbursing customers who have paid for the service. Regulation may not be the answer to every consumer problem, but it is needed now to protect cable TV subscribers.

The Cable Consumer Protection Act of 1989 would terminate section 623 of the 1984 Cable Act 180 days after enactment of the bill, thereby allowing State and local regulation of cable rates. The bill would also allow States or franchising authorities to change cable rates when there has been a change in cable service. Such rate changes would require 60 days' notice and an opportunity for a hearing. It would also allow States to deny a cable franchise renewal or a transfer of ownership or control of a cable system on the ground of extensive media ownership. Finally, the bill would require cable systems to carry adequate local broadcast stations as part of their service in order to be eligible for certain Federal copyright protection.

Some day, competition in the cable industry may eliminate the need for this type of legislation. But for now, this bill will provide consumers with the protection from gouging by cable companies that they need and deserve.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 905

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Cable Consumer Protection Act of 1989".

SEC. 2. FINDINGS.

The Congress finds that—

(1) since 1984, when Congress restricted most States' ability to directly regulate the cable television industry, cable customers have been adversely affected by drastically increased prices and programming changes that do not reflect customers' needs or their original franchise agreements;

(2) in 1988 cable television rates increased 10.6 percent nationally, while the overall inflation rate was 4.4 percent, making the cable increase rate the highest among the commodities and services tracked by the Department of Labor to determine the inflation rate; and

(3) although the Cable Communications Policy Act of 1984 was intended to "promote competition in cable communications and minimize unnecessary regulations that impose undue economic burden on cable systems," it has created regional monopolies among the cable operators.

SEC. 3. RESTORATION OF REGULATORY AUTHORITY OF STATE AND LOCAL GOVERNMENTS.

(a) AMENDMENT.—Section 623 of the Communications Act of 1934 (47 U.S.C. 543) is amended by adding at the end thereof the following new subsection:

"(i) The limitations contained in this section with respect to the authority of any State or franchising authority to regulate the rates for the provision of cable service (or any other communications service provided over a cable system to cable subscribers) shall cease to be effective on 180 days after the date of enactment of this subsection. Nothing in this title shall be construed to prevent any State or franchising authority from regulating such rates after such date.".

(b) CONFORMING AMENDMENTS.—

(1) REGULATION AS COMMON CARRIER OR UTILITY PERMITTED.—Section 621(c) of the Communications Act of 1934 (47 U.S.C. 541) is amended by striking "Any cable system" and inserting "Except as otherwise expressly provided by State law, a cable system".

(2) FRANCHISE MODIFICATIONS SUBJECT TO RATE ADJUSTMENTS; UNILATERAL AUTHORITY TO REARRANGE TIERS ABOLISHED.—Section 625(d) of such Act (47 U.S.C. 545(d)) is amended to read as follows:

"(d) To the extent permitted by State law or the franchising agreement, a State or franchising authority may require, after public notice and opportunity for a hearing, the alteration of rates following any change in service by a cable operator pursuant to this section. A State or franchising authority shall issue a final decision on such an alteration of rates within 60 days after the date such public notice is issued.".

SEC. 4. REVIEW OF OWNERSHIP PATTERNS PERMITTED IN RENEWAL DECISIONS.

(a) AMENDMENT.—Section 613(d) of the Communications Act of 1934 (47 U.S.C. 533(d)) is amended to read as follows:

"(d) A State or franchising authority may prohibit the ownership or control of a cable system by a person because of such person's ownership or control of media of mass communications or other media interest, but a State or franchising authority shall not enforce any such prohibition by any means other than—

"(1) by granting or denying a renewal of the franchise; or

"(2) by granting or denying an application to transfer ownership or control of the cable system.".

(b) CONFORMING AMENDMENTS.—

(1) PRE-1984 OWNERSHIP INTERESTS NOT PROTECTED.—Section 613(f) of the Communication Act of 1934 (47 U.S.C. 533(f)) is amended by striking "This section" and inserting "Except as provided in subsection (d), this section".

(2) OWNERSHIP AS BASIS FOR RENEWAL DECISIONS.—Section 626 of such Act (47 U.S.C. 546) is amended—

(A) in subsection (c)(1)—

(i) by striking "and" at the end of subparagraph (C);

(ii) by striking the period at the end of subparagraph (D) and inserting "; and "; and

(iii) by inserting after subparagraph (D) the following:

"(E) the operator's compliance with any ownership restrictions imposed in accordance with section 613(f).".; and

(B) by striking "subparagraphs (A) through (D)" each place it appears in subsections (d) and (e)(2)(B) and inserting "subparagraphs (A) through (E)".

SEC. 5. MUST-CARRY REQUIREMENTS.

(a) COMPLIANCE WITH MUST-CARRY RULES REQUIRED FOR COMPULSORY LICENSE PRIVILEGES WITH RESPECT TO LOCAL BROADCASTS.—Section 111(c) of title 17, United States Code, is amended in paragraph (1) by striking out "where the carriage of the signals" and all that follows through the end of such paragraph and inserting in lieu thereof the following:

"where—

"(A) the carriage of the signals is permissible under the rules, regulations, or authorizations of such Commission; and

"(B) the cable system complies with section 640 of the Communications Act of 1934.".

(b) FEDERAL COMMUNICATIONS COMMISSION CERTIFICATION OF CARRIAGE.—Title VI of the Communications Act of 1934 is amended by adding at the end thereof the following new section:

"COMPLIANCE WITH MUST-CARRY REQUIREMENTS

"SEC. 640. (a) A cable system complies with the requirements of this section if Federal Communications Commission certifies that the cable system—

"(1) carries, as part of the basic tier of cable service regularly provided to all subscribers at the minimum charge and to each televison receiver on which subscribers receive cable service, in full and in their entirely, the signals of television broadcast stations in accordance with section 76.5 and 76.51 through 76.62 of title 47 of the Code of Federal Regulations as in effect on December 10, 1987; and

"(2) carries each such station on the cable channel on which it was carried on July 19, 1985, or on the channel number assigned to such station by the Commission, at the election of the television broadcast station, or on such other cable channel as may be acceptable to the televison broadcast station.

"(b) The requirements of this section shall not be subject to an expiration date.".

By Mr. METZENBAUM:

S. 906. A bill to provide access to check cashing services; to the Committee on Banking, Housing, and Urban Affairs.

S. 907. A bill to provide access to basic banking services; to the Committee on Banking, Housing, and Urban Affairs.

S. 908. A bill to require lenders to compile and make available mortgage loan and commercial loan information necessary to assess compliance with

nondiscrimination requirements; to the Committee on Banking, Housing, and Urban Affairs.

S. 909. A bill to amend the Community Reinvestment Act of 1977 to require written evaluations; to the Committee on Banking, Housing, and Urban Affairs.

FINANCIAL SERVICES LEGISLATION

Mr. METZENBAUM. Mr. President, I rise today to introduce a series of bills to ensure that low- and moderate-income Americans get a fair break in the financial services arena.

I tried to offer consumer-related banking measures when the Senate considered the savings and loan rescue package 2 weeks ago. I thought it was an appropriate vehicle on which to attach proposals to provide for the cashing of Government checks, low-cost banking accounts, and to eliminate discriminatory lending practices.

If the U.S. Government can ask middle- and low-income Americans to bail out sick thrift institutions to the tune of billions and billions of dollars it seems to me that in return—at the very least—we should offer these Americans specific assurances that financial institutions would serve their needs in the future.

Some of my colleagues on the Banking Committee objected to my offering consumer proposals during the S&L debate. I did not offer them. However, I have been assured that they would be the subject of hearings this year.

I would hope that we will get more than just another hearing on these matters. I want to alert my colleagues that I will continue to push for favorable consideration of these issues. In that context and to help move the process along, I am today introducing the following bills:

GOVERNMENT CHECK CASHING

Many low-income persons, disabled veterans, and senior citizens cannot find a financial institution to cash their Social Security and other benefit checks. The problem is that many depository institutions simply will not cash Government checks for noncustomers at any price. This bill will guarantee that all Americans have a safe and affordable place to cash their Government checks.

The Government Check Cashing Act of 1989 will allow individuals to register for Government check cashing services with the financial institution of their choice. Once registered, an individual would be able to cash, with proper identification, a Federal, State, or local government-issued check. Banks and savings and loans could only charge a fee equal to the actual cost of cashing the check, as determined by the Federal Reserve Board.

BASIC BANKING

A recent study by the General Accounting Office disclosed that 1 in 5 American families—nearly 16 million families—make do without any banking account whatsoever. One obvious factor for this is the high cost of banking services. Many Americans cannot maintain a minimum balance, cannot afford monthly fees, and cannot risk $20 charges for returned checks.

The Basic Banking Services Access Act of 1989 would require banks and savings and loans to offer low-cost "lifeline" accounts to the general public. Under this bill, individuals could register for these accounts, and would be allowed at least 10 withdrawals a month through checks or automated teller machines. A maximum of $25 could be required to open and maintain the account.

HOME MORTGAGE DISCLOSURE

Earlier this year, an investigative report issued by the Atlanta Journal-Constitution found that savings and loan institutions reject black applicants for home loans twice as often as whites. The findings could not be explained on the basis of applicant income, since high-income blacks were rejected at the same rate as low-income whites.

As part of a consent decree signed with the savings and loan industry 10 years ago, the Federal Home Loan Bank Board has been collecting data on the race, sex, and marital status of loan applicants. But the information was never analyzed until the Atlanta paper obtained it through the Freedom of Information Act.

The Fair Lending Oversight and Enforcement Act of 1989 would require lenders to compile and make available to the public data on mortgage and commercial loan applications submitted and rejected by race, sex, and income. Its sole purpose is to end discriminatory lending practices.

COMMUNITY REINVESTMENT DISCLOSURE

The Community Reinvestment Act of 1977 requires regulators to examine the level of local reinvestment by financial institutions and to assign a rating to those institutions. The purpose is to determine the extent to which financial institutions have met the needs of the local community, specifically low- and moderate-income persons, small businesses, and small farms.

This is an admirable law—but it would be of even greater value if the findings required by it were made public. This would improve the accountability of financial institutions to the communities in which they are based. My bill would require written disclosure of community reinvestment evaluations and ratings.

I ask unanimous consent that the text of the four bills be printed in the RECORD in their entirety.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 906

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Check Cashing Act of 1989".

SEC. 2. GOVERNMENT CHECK CASHING SERVICES.

(a) REQUIREMENT TO OFFER SERVICES.—Each depository institution shall offer a government check cashing service that meets the requirements of this section.

(b) TERMS AND CONDITIONS OF SERVICE.—A government check cashing service offered by a depository institution meets the requirements of this section if it is a service—

(1) which is available to individuals (or to members, in the case of a credit union) for the purpose of cashing government checks in amounts of $1,500 or less if the individual presenting the check is the individual to whom the check has been issued;

(2) which does not require other account relationships with such depository institution;

(3) which does not require the individual to meet any prerequisite which discriminates against low-income individuals in order to use such service;

(4) for which fees, if any, for cashing government checks do not exceed an amount needed to recover all related costs, including fraud losses, as determined by the Board based on actual cost studies;

(5) which allows the customer to designate not less than 3 offices of such depository institution at which such customer may cash government checks upon presentation of—

(A) a copy of the registration provided in accordance with subsection (d) of this section; and

(B) an identification card in the form described in subsection (d)(2)(D) of this section.

(c) EXCEPTION.—A depository institution is not required to provide a government check cashing service under this Act to any individual who has—

(1) a transaction account at any other depository institution, or

(2) a government check cashing relationship at any other depository institution.

(d) REGISTRATION REQUIREMENTS.—

(1) IN GENERAL.—The Board of Governors of the Federal Reserve System shall prescribe such regulations as may be necessary to establish the customer registration program required to use a government check cashing service.

(2) MINIMUM REQUIREMENTS.—Regulations prescribed by the Board under paragraph (1) of this subsection shall contain, at a minimum, the following requirements:

(A) Each depository institution shall provide for registration in all of its deposit taking offices staffed by individuals employed by such depository institution.

(B) Registration shall be by means of an application containing the application date, and the name, address, date of birth, and handwritten signature of the applicant as well as other information the Board determines to be reasonably necessary to facilitate registration of customers for the purpose of this section.

(C) At the time of account registration, an applicant may be required by the depository institution to sign a document in which he states whether he has or has applied for any transaction account or other government check cashing service.

(D) At the time of service registration, an applicant may be required to present an

identification card in such form as the Board may require, which includes the signature and a photograph of such customer.

(E) The applicant shall be provided a copy of the completed service registration evidencing the fact that the registration has been received and filed with the depository institution within 15 days of such filing.

(3) REJECTION FOR INTENTIONAL MATERIAL MISREPRESENTATION.—If the depository institution determines that an intentional material misrepresentation has been made in the information required to enable use of a government check cashing service, the depository institution may reject such registration.

(e) INFORMATION ON SERVICE.—Upon request by any individual, a depository institution shall provide such individual with a written summary describing the service offered by such depository institution which meets the requirements of this section.

(f) GOVERNMENT CHECK DEFINED.—For purposes of this section, the term "government check" means any check which was issued by—

(1) the United States, any State, or any agency of the United States; or

(2) any agency of the State in which the check is presented for cashing purposes (in connection with a government check cashing service), any local unit of local government of such State, or any agency of any such unit of local government.

(g) SPECIAL RULE FOR CREDIT UNIONS.—Any credit union which, in the ordinary course of business, cashes checks for members shall cash any government check in an amount of $1,500 or less for any member without charge if the member presenting the check is the individual to whom the check has been issued.

(h) SPECIAL RULE FOR CERTAIN DEPOSITORY INSTITUTIONS.—A depository institution which does not cash checks for customers shall not be required to provide government check cashing services pursuant to this Act.

(i) PREVENTION OF FRAUD LOSSES.—

(1) IN GENERAL.—The Board may, by regulation or order, suspend any requirement of this section for any classification of checks if the Board determines that—

(A) depository institutions are experiencing an unacceptable level of losses due to check-related fraud with respect to such class of checks; or

(B) there is reasonable cause to believe that such class of checks is being used in a scheme to defraud.

(2) REPORT TO CONGRESS.—Within 10 days of issuing any order or prescribing any regulation under paragraph (1), the Board shall submit a report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing the reason for the order or regulation and the evidence considered in making the determination to issue an order or prescribe a regulation.

(j) CONSUMER RIGHTS.—Notwithstanding any other provision of law, the Board may promulgate regulations to ensure that any individual shall have the right to require that any recurring government check issued to that individual be directly deposited in an account held by that individual in a depository institution, taking into account the safety and soundness of the institutions involved and the efficient operation of the payments system.

SEC. 3. POSTING OF NOTICES.

(a) NOTICE REQUIRED.—Each depository institution shall post a conspicuous notice in the appropriate area of each location where deposits are accepted that informs account holders and potential account holders that government check cashing services are available pursuant to this Act.

(b) CONTENTS OF NOTICE.—Any notice required under subsection (a) shall clearly explain the material features and limitations of government check cashing services, so that customers can reasonably be expected to understand the terms of the service offered.

SEC. 4. ADMINISTRATIVE ENFORCEMENT.

(a) ADMINISTRATIVE ENFORCEMENT.—Compliance with the requirements imposed under this Act and regulations prescribed by the Board under section 6 shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act—

(A) by the Comptroller of the Currency with respect to national banks;

(B) by the Board with respect to member banks of the Federal Reserve System (other than a national bank); and

(C) by the Board of Directors of the Federal Deposit Insurance Corporation with respect to banks the deposits of which are insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System);

(2) section 5(d) of the Home Owners' Loan Act of 1933, section 407 of the National Housing Act, and sections 6(i) and 17 of the Federal Home Loan Bank Act, by the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation) with respect to any depository institution which is subject to any provision of such sections; and

(3) the Federal Credit Union Act, by the National Credit Union Administration Board with respect to any insured credit union.

(b) ADDITIONAL ENFORCEMENT POWERS.—

(1) VIOLATION OF THIS ACT TREATED AS VIOLATION OF OTHER ACTS.—For purposes of the exercise by any Federal depository institutions regulatory agency of any such agency's powers under any Act referred to in subsection (a), a violation of—

(A) a requirement imposed under this Act shall be deemed to be a violation of a requirement imposed under that Act; and

(B) any regulation prescribed by the Board under section 6 shall be deemed to be a violation of a regulation prescribed by such agency under such Act.

(2) ENFORCEMENT AUTHORITY UNDER OTHER ACTS.—In addition to any Federal depository institutions regulatory agency's powers under any provision of law referred to in subsection (a), each such agency may exercise, for purposes of enforcing compliance with any requirement imposed under this Act, any other authority conferred on such agency by any other law.

SEC. 5. CIVIL LIABILITY.

(a) IN GENERAL.—Any depository institution that fails to comply with any requirement imposed under this Act or any regulation adopted pursuant to this Act with respect to any person shall be liable to such person in an amount equal to the sum of—

(1) any actual damage sustained by such person as a result of the failure; and

(2)(A) in the case of an individual action, such additional amount as the court may allow, except that liability under this subparagraph shall not be less than $100 nor greater than $1,000; or

(B) in the case of a class action, such additional amount as the court may allow, except that—

(i) as to each member of the class, no minimum recovery shall be applicable; and

(ii) the total recovery under this subparagraph in any class action or series of class actions arising out of the same failure to comply by the same depository institution shall not be more than the lesser of $500,000 or 1 percent of the net worth of the depository institution.

(b) AMOUNT OF DAMAGES.—In determining the amount of award in any class action, the court shall consider, among other relevant factors—

(1) the amount of any actual damages awarded;

(2) the frequency and persistence of failures of compliance;

(3) the resources of the depository institution;

(4) the number of persons adversely affected; and

(5) the extent to which the failure to comply was intentional.

(c) OTHER RELIEF.—Upon application by an aggrieved party, the appropriate United States district court or any other court of competent jurisdiction may grant such equitable and declaratory relief as is necessary to enforce the requirements imposed under this Act.

(d) COSTS AND FEES.—In the case of any successful action under subsection (a) or (c), the costs of the action, together with a reasonable attorney's fee as determined by the court, shall be added to any damages awarded by the court under such section.

(e) GOOD FAITH RELIANCE.—No provision of this Act imposing liability shall apply to any act done or omitted in good faith in conformity with any official rule, regulation, or interpretation thereof by the Board or in conformity with any interpretation or approval by an official or employee of the Federal Reserve System duly authorized by the Board to issue such interpretations or approvals under such procedures as the Board may prescribe therefor, notwithstanding that after such act or omission has occurred, such rule, regulation, interpretation, or approval is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

(f) JURISDICTION.—Any action under this section may be brought in the appropriate United States district court without regard to the amount in controversy, or in any other court of competent jurisdiction. No such action shall be brought later than one year after the date of the occurrence of the violation.

SEC. 6. REGULATIONS.

The Board shall prescribe such regulations as it may determine to be appropriate to carry out the provisions of this Act.

SEC. 7. DEFINITIONS.

For purposes of this Act—

(1) FEDERAL DEPOSITORY INSTITUTIONS REGULATORY AGENCY.—The term "Federal depository institutions regulatory agency" means—

(A) the Comptroller of the Currency with respect to national banks;

(B) the Board with respect to member banks of the Federal Reserve System (other than national banks);

(C) the Board of Directors of the Federal Deposit Insurance Corporation with respect to federally insured depository institutions described in clause (i), (ii), or (iii) of section 19(b)(1)(A) of the Federal Reserve Act (other than national banks and member banks of the Federal Reserve System);

(D) the Federal Home Loan Bank Board with respect to federally insured depository institutions described in clause (v) or (vi) of section 19(b)(1)(A) of the Federal Reserve Act; and

(E) the National Credit Union Administration Board with respect to federally insured depository institutions described in clause (iv) of section 19(b)(1)(A) of the Federal Reserve Act.

(2) BOARD.—The term "Board" means the Board of Governors of the Federal Reserve System.

(3) DEPOSITORY INSTITUTION.—The term "depository institution" means any federally insured depository institution described in clauses (i) through (vi) of section 19(b)(1)(A) of the Federal Reserve Act.

(4) STATE.—The term "State" has the meaning given to such term in section 3(a) of the Federal Deposit Insurance Act.

(5) GOVERNMENT CHECK CASHING RELATIONSHIP.—The term "government check cashing relationship" means a relationship between an individual and a depository institution under which a government check cashing service is provided pursuant to section 2(b) of this Act.

(6) TRANSACTION ACCOUNT.—The term "transaction account" has the meaning given such term by section 19(b)(1)(C) of the Federal Reserve Act.

SEC. 8. EFFECTIVE DATE.

This Act shall take effect on the expiration of the date which is 180 days after the date of enactment of this Act.

S. 907

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Basic Banking Services Access Act of 1989".

SEC. 2. BASIC FINANCIAL SERVICES ACCOUNT.

(a) BASIC FINANCIAL SERVICE ACCOUNT REQUIRED.—Each depository institution shall offer a basic financial services account which—

(1) may be used to obtain, at the election of the customer, basic transaction services; and

(2) meets the requirements of this section.

(b) ACCOUNT REGISTRATION.—

(1) IN GENERAL.—The Board of Governors of the Federal Reserve System shall prescribe such regulations as may be necessary to establish the customer registration program required to open a basic financial services account under subsection (a).

(2) MINIMUM REQUIREMENTS.—Regulations prescribed by the Board under paragraph (1) of this subsection shall contain, at a minimum, the following requirements:

(A) Each depository institution shall provide for registration in all of its offices staffed by individuals employed by such depository institution.

(B) Registration shall be by means of an application containing the application date, and the name, address, date of birth, and handwritten signature of the applicant as well as other information the Board reasonably determines to be necessary to facilitate registration of customers obtaining basic transaction services pursuant to this section.

(C) At the time of account registration, an applicant may be required to present an identification card in such form as the Board may require, which includes the signature and a photograph of such customer.

(D) The applicant shall be provided a copy of the completed account registration evidencing the fact that the registration has been received and filed with the depository institution within 15 days of such filing.

(3) REJECTION FOR INTENTIONAL MATERIAL MISREPRESENTATION.—If the depository institution determines that an intentional material misrepresentation has been made in the information provided to open a basic financial services account, the depository institution may reject such registration.

(c) REQUIREMENTS FOR ALL BASIC FINANCIAL SERVICES ACCOUNTS.—No account offered by a depository institution meets the requirement of this section with respect to basic financial service accounts if such account—

(1) requires other account relationships with such depository institution; or

(2) requires the individual to meet any prerequisite which discriminates against low-income individuals in order to open such account.

(d) ACCOUNTS PROVIDING BASIC TRANSACTION SERVICES.—A basic financial services account offered by a depository institution meets the requirements of this section with respect to providing basic transaction services if it is an account—

(1) which is available for such purpose only to individuals (or to members, in the case of a credit union) who have $1,000 or less on deposit at such depository institution;

(2) which the maintenance fee, if any, that includes all service charges and fees for routine transactions, does not exceed the minimal, reasonable amount as established by the Board of Governors of the Federal Reserve based on data submitted from actual time studies and as a reflection of net, processing costs;

(3) which does not have a minimum opening or minimum balance requirement of more than $25;

(4) which, in the case of any depository institution which offers transaction accounts (as defined in section 19(b)(1)(C) of the Federal Reserve Act) in the ordinary course of business, permits checks, share drafts, negotiable orders of withdrawal, or similar instruments to be drawn on the account for purposes of making payments or other transfers to third parties;

(5) which permits not less than 10 withdrawals per month (including withdrawals described in paragraph (4)), whether by check, share draft, negotiable order of withdrawal, or other means;

(6) for which the depository institution is required to provide—

(A) a detailed monthly statement listing all transactions for the month involved; or

(B) a passbook in which the depository institution enters all transactions for such account;

(7) which does not require the individual to exclusively use automated teller machines or other nonteller services for such purpose;

(8) with respect to which, at the election of the individual, the depository institution may allow regularly recurring payments to the individual to be made by the payor to the depository institution for direct deposit into the account of such individual; and

(9) which may be closed after notice to the individual by reason of the occurrence of—

(A) overdrafts with respect to the account of such individual on 3 separate and distinct occasions within any 6-month period; or

(B) a pattern of fraudulent activity involving the account of such individual.

(e) INFORMATION ON ACCOUNTS.—Upon request of any individual, a depository institution shall provide such individual with a written summary describing the account offered by such depository institution which meets the requirements of subsection (a).

SEC. 3. POSTING OF NOTICES.

(a) NOTICE REQUIRED.—Each depository institution shall post a conspicuous notice in the appropriate area of each location where deposits are accepted that informs account holders and potential account holders that basic financial services accounts which provide basic transaction services are available pursuant to this Act.

(b) CONTENTS OF NOTICE.—Any notice required under subsection (a) shall clearly explain the material features and limitations of basic financial services accounts, including basic transaction services, so that customers can reasonably be expected to understand the terms of the account offered.

SEC. 4. ADMINISTRATIVE ENFORCEMENT.

(a) ADMINISTRATIVE ENFORCEMENT.—Compliance with the requirements imposed under this Act and regulations prescribed by the Board under section 6 shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act—

(A) by the Comptroller of the Currency with respect to national banks;

(B) by the Board with respect to member banks of the Federal Reserve System (other than national banks); and

(C) by the Board of Directors of the Federal Deposit Insurance Corporation with respect to depository institutions insured by the Federal Deposit Insurance Corporation (other than national banks and member banks of the Federal Reserve System);

(2) section 5(d) of the Home Owners' Loan Act of 1933, section 407 of the National Housing Act, and sections 6(i) and 17 of the Federal Home Loan Bank Act, by the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation) with respect to any depository institution which is subject to any provision of such sections; and

(3) the Federal Credit Union Act, by the National Credit Union Administration Board with respect to any insured credit union.

(b) ADDITIONAL ENFORCEMENT POWERS.—

(1) VIOLATION OF THIS ACT TREATED AS VIOLATION OF OTHER ACTS.—For purposes of the exercise by any Federal depository institutions regulatory agency of any of such agency's powers under any Act referred to in subsection (a), a violation of—

(A) a requirement imposed under this Act shall be deemed to be a violation of a requirement imposed under that Act; and

(B) any regulation prescribed by the Board under section 6 shall be deemed to be a violation of a regulation prescribed by such agency under such Act.

(2) ENFORCEMENT AUTHORITY UNDER OTHER ACTS.—In addition to any Federal depository institutions regulatory agency's powers under any provision of law referred to in subsection (a), each such agency may exercise, for purposes of enforcing compliance with any requirement imposed under this Act, any other authority conferred on such agency by any other law.

SEC. 5. CIVIL LIABILITY.

(a) CIVIL LIABILITY.—Except as otherwise provided in this section, any depository institution which fails to comply with any requirement imposed under this Act or any regulation prescribed under this Act with respect to any person is liable to such person in an amount equal to the sum of—

(1) any actual damage sustained by such person as a result of the failure;

(2)(A) in the case of an individual action, such additional amount as the court may allow, except that the liability under this subparagraph shall not be less than $100 nor greater than $1,000; or

(B) in the case of a class action, such amount as the court may allow, except that—

(i) as to each member of the class, no minimum recovery shall be applicable; and

(ii) the total recovery under this subparagraph in any class action or series of class actions arising out of the same failure to comply by the same depository institution shall not be more than the lesser of $500,000 or 1 percent of the net worth of the depository institution involved; and

(3) in the case of any successful action to enforce any liability under paragraph (1) or (2), the costs of the action, together with a reasonable attorney's fee as determined by the court.

(b) CLASS ACTION AWARDS.—In determining the total amount of an award in a class action, the court shall consider, among other relevant factors—

(1) the amount of any actual damages awarded;

(2) the frequency and persistence of failures of compliance;

(3) the resources of the depository institution;

(4) the number of persons adversely affected; and

(5) the extent to which the failure of compliance was intentional.

(c) BONA FIDE ERRORS.—

(1) GENERAL RULE.—A depository institution may not be held liable in any action brought under this section for a violation of this Act if the depository institution demonstrates by a preponderance of the evidence that the violation was not intentional and resulted from a bona fide error, notwithstanding the maintenance of procedures reasonably adapted to avoid any such error.

(2) EXAMPLES.—Examples of a bona fide error include clerical, calculation, computer malfunction and programming, and printing errors. An error of legal judgment with respect to a depository institution's obligation under this Act is not a bona fide error.

(d) JURISDICTION.—Any action under this section may be brought in any United States district court, or in any other court of competent jurisdiction, within one year after the date of the occurrence of the violation involved.

(e) RELIANCE ON BOARD RULINGS.—No provision of this section imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule, regulation, or interpretation thereof by the Board, or in conformity with any interpretation or approval by an official or employee of the Federal Reserve System duly authorized by the Board to issue such interpretation or approval under procedures prescribed by the Board, notwithstanding, the fact that after such act or omission has occurred, such rule, regulation, interpretation, or approval is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

(f) NOTIFICATION OF AND ADJUSTMENT FOR ERRORS.—A depository institution shall not be liable under this section or section 4 for any failure to comply with any requirement imposed under this Act with respect to any account if—

(1) before—

(A) the end of the 60-day period beginning on the date on which the depository institution discovered the failure to comply;

(B) any action is instituted against the depository institution by the account holder under this section with respect to such failure to comply; and

(C) any written notice of such failure to comply is received by the depository institution from the account holder,

the depository institution notifies the account holder of the failure of such institution to comply with such requirement; and

(2) the depository institution makes such adjustments as may be necessary with respect to such account to ensure that—

(A) the account holder will not be liable for any amount in excess of the amount actually disclosed with respect to any fee or charge;

(B) the account holder will not be liable for any fee or charge imposed under any condition not actually disclosed; and

(C) interest on amounts in such account will accrue at the annual percentage yield, and under the conditions, actually disclosed (and credit will be provided for interest already accrued at a different annual percentage yield and under different conditions than the yield or conditions disclosed).

(g) MULTIPLE INTERESTS IN 1 ACCOUNT.—If more than 1 person holds an interest in any account—

(1) the minimum and maximum amounts of liability under subsection (a)(2)(A) for any failure to comply with the requirements of this Act shall apply with respect to such account; and

(2) the court shall determine the manner in which the amount of any such liability with respect to such account shall be distributed among such persons.

(h) CONTINUING FAILURE TO DISCLOSE.—

(1) CERTAIN CONTINUING FAILURES TREATED AS 1 VIOLATION.—Except as provided in paragraph (2), the continuing failure of any depository institution to disclose any particular term required to be disclosed under this Act with respect to a particular account shall be treated as a single violation for purposes of determining the amount of any liability of such institution under subsection (a) for such failure to disclose.

(2) SUBSEQUENT FAILURE TO DISCLOSE.—The continuing failure of any depository institution to disclose any particular term required to be disclosed under this Act with respect to a particular account after judgment has been rendered in favor of the account holder in connection with a prior failure to disclose such term shall be treated as a subsequent violation for purposes of determining liability under subsection (a).

SEC. 6. REGULATIONS.

The Board shall prescribe such regulations as such agency may determine to be appropriate to carry out the provisions of this Act.

SEC. 7. DEFINITIONS.

For purposes of this Act—

(1) APPROPRIATE FEDERAL DEPOSITORY INSTITUTIONS REGULATORY AGENCY.—The term "appropriate Federal depository institutions regulatory banking agency" means—

(A) the Comptroller of the Currency with respect to national banks;

(B) the Board with respect to member banks of the Federal Reserve System (other than national banks);

(C) the Board of Directors of the Federal Deposit Insurance Corporation with respect to federally insured depository institutions described in clause (i), (ii), or (iii) of section 19(b)(1)(A) of the Federal Reserve Act (other than national banks and member banks of the Federal Reserve System);

(D) the Federal Home Loan Bank Board with respect to federally insured depository institutions described in clause (v) or (vi) of section 19(b)(1)(A) of such Act; and

(E) the National Credit Union Administration Board with respect to federally insured depository institutions described in clause (iv) of section 19(b)(1)(A) of such Act.

(2) BOARD.—The term "Board" means the Board of Governors of the Federal Reserve System.

(3) DEPOSITORY INSTITUTION.—The term "depository institution" means any federally insured depository institution described in clauses (i) through (vi) of section 19(b)(1)(A) of the Federal Reserve Act.

(4) STATE.—The term 'State' has the meaning given to such term in section 3(a) of the Federal Deposit Insurance Act.

SEC. 8. EFFECTIVE DATE.

This Act shall take effect on the expiration of the date which is 90 days after the date of the enactment of this Act.

S. 908

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fair Lending Oversight and Enforcement Act of 1989".

SEC. 2. INFORMATION REGARDING INCOME LEVEL, RACIAL CHARACTERISTICS, AND GENDER OF MORTGAGORS AND MORTGAGE APPLICANTS.

Section 304(b) of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803(b)) is amended—

(1) in paragraph (2), by striking "and" after the semicolon at the end;

(2) in paragraph (3), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

(4) the number and dollar amount of mortgage loans involving mortgagors or mortgage applicants grouped according to income level, racial characteristics, and gender.".

SEC. 3. INFORMATION REGARDING LOAN APPLICATIONS.

(a) GENERAL REPORTING REQUIREMENT.—Section 304(a)(1) of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803(a)(1)) is amended by inserting after "that institution" the following: "(or for which the institution received applications)".

(b) CONFORMING AMENDMENTS.—

(1) The last sentence of section 304(a)(2) of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803(a)(2)) is amended by inserting after "originated or purchased" the following: "(or which applications were received)".

(2) Section 304(g)(1) of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803(g)(1)) is amended by inserting after "made" the following: "(or for which applications are received)".

(3) Section 304(g)(2) of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803(g)(2)) is amended by inserting after "approved" the following: "(or for which applications are received)".

(4) The first sentence of section 311 of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2810) is amended by inserting after "approved" the following: "(or for which applications are received)".

SEC. 4. APPLICABILITY OF REPORTING REQUIREMENTS TO ALL MORTGAGE LENDERS.

Section 303(2) of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2802(2)) is amended—

(1) by striking ", or" and inserting a comma; and

(2) by inserting before the semicolon at the end the following: ", or any person not otherwise referred to in this paragraph who originates or purchases mortgage loans".

SEC. 5. COMMERCIAL LOAN REPORTING REQUIREMENT.

(a) REPORTING OF TOTAL AMOUNTS.—Section 304(a) of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803(a)) is amended—

(1) in paragraph (1), by inserting "and commercial loans" after "mortgage loans";

(2) in subparagraphs (A) and (B) of paragraph (2), by inserting before "mortgage" each place it appears the following: "commercial loans to borrowers whose principal place of business is located and"; and

(3) in the last sentence, by inserting "or commercial loans" after "mortgage loans".

(b) REQUIRED ITEMIZATION.—Section 304(b) of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803(b)), as amended by section 2, is amended—

(1) by inserting "(1)" after the subsection designation;

(2) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively; and

(3) by adding at the end the following new paragraph:

"(2) Any item of information relating to commercial loans required to be maintained under subsection (a) shall be further itemized in order to disclose for each such item—

"(A) the number and dollar amount of commercial loans that are small business loans, as defined by the Board;

"(B) the number and dollar amount of commercial loans that are guaranteed or otherwise sponsored by the Small Business Administration or any other Federal agency; and

"(C) the number and dollar amount of commercial loans involving borrowers or applicants grouped according to income level, racial characteristics, and gender.".

(c) DEFINITIONS.—Section 303 of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2802), as amended by section 4, is amended—

(1) in paragraph (2), by inserting "or commercial loans" after "mortgage loans" each place it appears;

(2) in paragraph (3), by striking "and" after the semicolon at the end;

(3) in paragraph (4), by striking the period at the end and inserting "; and"; and

(4) by adding at the end the following new paragraph:

"(5) the term 'commercial loan' means a loan that is reportable as a commercial or industrial loan in the report of condition required by the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, or the Federal Home Loan Bank Board, or in a statement of financial condition required by the National Credit Union Administration Board.".

SEC. 6. EFFECTIVE DATE.

The amendments made by this Act shall be applicable to the portion of calendar year 1989 that begins 60 days after the date of the enactment of this Act, and to each calendar year beginning after December 31, 1989.

S. 909

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. COMMUNITY REINVESTMENT ACT.

The Community Reinvestment Act of 1977 (12 U.S.C. 2901 et seq.) is amended by adding at the end the following:

"SEC. 807. WRITTEN EVALUATIONS.

"(a) REQUIRED.—

"(1) IN GENERAL.—Upon the conclusion of each examination of a financial institution under section 804, the appropriate Federal financial supervisory agency shall prepare a written evaluation of the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods.

"(2) PUBLIC AND CONFIDENTIAL SECTIONS.—Each written evaluation required under paragraph (1) shall have a public section and a confidential section.

"(b) PUBLIC SECTION OF REPORT.—

"(1) FINDINGS AND CONCLUSIONS.—The public section of the written evaluation shall—

"(A) state the appropriate Federal financial supervisory agency's conclusions for each assessment factor identified in the regulations prescribed by the Federal financial supervisory agencies to implement this Act; and

"(B) discuss the facts supporting such conclusions.

"(2) EMPHASIS ON SPECIFIC TYPES OF CREDIT.—The statement, discussion, supporting facts, and conclusions shall place special emphasis on the regulated financial institution's record of serving the housing credit needs of low- and moderate-income persons, small business credit needs, and small farm credit needs.

"(3) ASSIGNED NUMERICAL RATING.—The public section shall also contain the institution's numerical rating, as required by the regulations implementing the Community Reinvestment Act of 1977 in effect on the date of enactment of this section.

"(c) CONFIDENTIAL SECTION OF REPORT.—

"(1) PRIVACY OF NAMED INDIVIDUALS.—The confidential section of the written evaluation shall contain all references that identify any customer of the institution, any employee or officer of the institution, any person or organization that has provided information in confidence to a Federal financial supervisory agency.

"(2) OTHER TOPICS NOT SUITABLE FOR DISCLOSURE.—The confidential section shall also contain any inflammatory statements or other such statements which, in the judgment of the appropriate Federal financial supervisory agency, are not properly subject to disclosure to the institution or the public.

"(3) NONDISCLOSURE TO DEPOSITORY INSTITUTION.—The confidential section shall not be disclosed to the institution or the public, unless the appropriate Federal financial supervisory agency determines that such disclosure would be in the public interest.".

By Mr. CHAFEE:

S. 910. A bill to temporarily suspend the duty on theobromine; to the Committee on Finance.

S. 911. A bill to temporarily suspend the duty on chlorhexanone; to the Committee on Finance.

TEMPORARY SUSPENSION OF DUTY ON CERTAIN CHEMICALS

● Mr. CHAFEE. Mr. President, I am introducing two bills today for the purpose of suspending the current duty on two chemicals—theobromine and chlorhexanone. These two chemicals are used in the manufacture of pentoxifylline, which is the active ingredient in the product Trental used in the treatment of arterial disease.

These two chemicals are used by the Pharmaceutical Production Division of Hoechst Celanese Corp., which is located in Coventry, RI, to produce pentoxifylline. The final product, Trental, is manufactured in Bridgeport, NJ.

I have been advised that neither theobromine nor chlorhexanone is commercially available in the United States, and thus the current duty is an unnecessary added expense for the domestic manufacturing industry. Industries which are dependent upon imports are already facing higher costs as a result of the devaluation of the dollar. We do not need to continue unnecessary duties which add to their expenses. I am therefore proposing to suspend the duty on these two chemicals until December 31, 1992.

Mr. President, I ask unanimous consent that these two bills be printed in the RECORD, following my statement.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 910

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. THEOBROMINE

Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new subheading:

"9902.30.07	Theobromine (provided for in subheadings 2939.90.50 and 2939.90.10).	Free ...	No change ...	No change ...	On or before 12/31/92".

SEC. 2. EFFECTIVE DATE.

The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the date that is 15 days after the date of enactment of this Act.

S. 911

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CHLORHEXANONE

Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new subheading:

"9902.30.07	Chlorhexanone (provided for in subheading 2914.70.50).	Free ...	No change ...	No change ...	On or before 12/31/92".

SEC. 2. EFFECTIVE DATE.

The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse for consump-

tion, on or after the date that is 15 days after the date of enactment of this Act.●

By Mr. McCAIN:

S. 912. A bill to establish administrative procedures to extend Federal recognition to certain Indian groups; to the Select Committee on Indian Affairs.

FEDERAL RECOGNITION FOR CERTAIN INDIAN GROUPS

● Mr. McCAIN. Mr. President, I rise today to introduce legislation to establish administrative procedures to extend Federal recognition to certain Indian groups. This bill is intended to provide consistency and fairness in an area which has too often been characterized by inconsistency and the lack of fairness.

There can be no doubt that the Congress holds the full authority to regulate relations between the Federal Government and the tribes. The commerce clause of the Constitution is explicit in this regard and the Federal courts have consistently affirmed this authority. From the earliest times, the Congress has acted to recognize the unique government-to-government relationship with the tribes. I emphasize the word "recognize." The fact of the existence of an Indian tribe is distinct from the fact of recognition. In the matter of recognition we are concerned with the Federal/tribal political relationship. There are, and always have been, some Indian tribes which have not been recognized by the Federal Government. This lack of recognition does not alter the fact of the existence of the tribe, it merely means that there is no formal political relationship between the tribe and the Federal Government.

Over the years, our courts have ruled that recognition, while solely within the authority of the Congress, may also be conferred through actions of the executive branch. Indeed both the President and the Secretary of the Interior have historically acted in ways which the courts have found to constitute recognition of Indian tribes. During 1978, the Secretary of the Interior promulgated regulations specifically establishing criteria and procedures for the recognition of Indian tribes. It should be noted that the Secretary did not act in the absence of substantial pressure. Various Indian tribes, both recognized and unrecognized, as well as the Select Committee on Indian Affairs were very active in urging the Secretary to establish uniform procedures and criteria to be utilized in making recognition decisions. Subsequent Congresses have acquiesced in the Secretary's regulations by annually appropriating funds to provide for the review of tribal petitions for recognition. Since 1978, tribal groups have filed 114 petitions for recognition. The Branch of Acknowledgment and Research of the Bureau of Indian Affairs has acted on 19 of these petitions. Of this number 11 petitioners were denied recognition and 8 were granted recognition.

In 1978, 1983, and 1988 the Select Committee on Indian Affairs held oversight hearings on what has come to be known as the Federal acknowledgment process [FAP]. At each of these hearings the record has clearly shown that FAP is not working properly. For petitioners, the process is costly, too lengthy and sometimes arbitrary. For the Department of the Interior, the process is most often frustrating primarily due to the lack of staff and resources needed to fairly and promptly review all petitions. At the present time, about ten employees of the BIA's Tribal Government Services office are involved in the administration of FAP. The annual cost to the Federal Government is estimated at $450,000.

The record from our previous hearings reveals a clear need for the Congress to provide direction and funding to the BIA for the recognition process. I believe that the bill which I am introducing today will go a long way toward resolving the problems which have plagued both petitioners and the Department over the years. This bill is not an attempt to rewrite the existing body of laws that apply to the recognition process. It incorporates the secretary's existing recognition criteria. By doing so, the bill avoids the need to reevaluate prior decisions of the Department and the need for tribal groups to file new petitions. The bill provides realistic timeliness to guide the Department in the review and decision process. Some petitioners have waited 10 or more years for even a cursory review by the BIA. This bill requires the Secretary to compete an intial review within 18 months from the date of the filing of the petition. The overall review and decision process cannot exceed 6 years. Any petition which is still pending after 6 years will become subject to review by the Federal courts.

To ensure fairness, the bill provides for appeals of adverse decisions to the Department's Office of Hearings and Appeals. Final decisions on appeal are subject to further review in the Federal courts. To ensure promptness, the bill authorizes increased funding for the Department. The present annual funding level of $450,000 would be increased to $1.5 million. In addition, all petitions would be processed on a first-come first-served basis to avoid arbitrary decisions about the priority for processing applications. To assist petitioners in the preparation and filing of their petitions, the Administration on Native Americans of the Department of Health and Human Services is authorized to provide up to $500,000 per year in grants to unrecognized tribal groups.

This bill will also provide some finality for both the petitioners and the Department. The Department has had a process for recognizing Indian tribes, in one form or another, since the 1930's. Great uncertainty has existed in the Department as well as among tribal groups about when or how this process might be concluded. I believe that it is in the interest of all parties to establish a clear deadline for the completion of the Department's recognition process. Accordingly, the bill requires all interested tribal groups to file their petitions within 6 years of the date of enactment. The Department is required to complete action on all petitions no later than 12 years after the date of enactment. Of course, it will still be possible for any tribal group seeking recognition to directly petition the Congress.

Mr. President, I would be remiss if I did not take a moment to compliment my distinguished colleague from Hawaii, the chairman of the Select Committee on Indian Affairs, Senator INOUYE. It is largely due to his leadership and diligence that the problems involved in the recognition process have come to light. Senator INOUYE, along with several of our colleagues, has also introduced a bill, S. 611, to correct the deficiencies in the Department's handling of recognition petitions. As always, I appreciate and respect Senator INOUYE's leadership and initiative.

There are several provisions of S. 611 with which I have difficulty. First, S. 611 appears to authorize the establishment of a substantial new bureaucracy within the Department, including a new office and a new appeals authority. The cost for this is about twice the amount contained in my proposal. In this time of severe spending constraints, I question the need to expend large sums to establish another layer of bureaucracy. Second, S. 611 provides for a system of preferences and automatic recognition in certain circumstances. While I certainly agree that the Department needs firm direction from the Congress, I am not at all certain that it is sound policy to automatically extend recognition to a tribal group simply because the Department misses a statutory deadline for processing petitions. Nor am I convinced that certain petitioning groups should be treated preferentially with respect to other petitioners. Third, I am troubled by provisions in S. 611 which will reopen previously settled claims for recognition. There must be some finality in this process. We should not, at this late date, alter the Department's established criteria and then reopen closed matters for another review. It is this same concern for finality which has led me to include provisions in my bill to ensure that there are definite timelines for

the completion of the Department's recognition process.

Mr. President, we work from a strong bipartisan spirit in the Select Committee on Indian Affairs. Senator INOUYE has labored long and hard to preserve and promote that spirit. We are in agreement that legislation is needed to correct the problems which exist in the Department's recognition process. We are also in agreement on key aspects of the solution. I am confident that any differences which are evident in our approaches to this issue can and will be readily resolved in our mutual desire to promote sound Federal Indian policy and provide for the well-being of all Native Americans.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 912

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PURPOSES

SECTION 1. The purposes of this Act are to—

(1) establish an administrative procedure for the recognition of the existence of certain Indian tribes;

(2) extend to Indian groups the protection, services, and benefits available from the Federal Government pursuant to the Federal trust responsibility;

(3) extend to Indian groups the immunities and privileges available to Federally recognized Indian tribes as well as the responsibilities and obligations of such Indian tribes;

(4) ensure that the special government-to-government relationship between the United States and Indian tribes has a consistent legal and historical basis in order to recognize the inherent sovereignty of Federally recognized Indian tribes;

(5) provide clear and consistent standards of administrative review of recognition petitions for Indian groups; and

(6) expedite the administrative review process by providing definitive timeliness for review and adequate staff and resources to process recognition petitions.

DEFINITIONS

SEC. 2. For purposes of this Act—

(1) The term "Secretary" means the Secretary of the Interior or a representative designated by the Secretary of the Interior.

(2) The term "Assistant Secretary" means the Assistant Secretary of the Interior for Indian Affairs or a representative of that Assistant Secretary.

(3) The term "Department" means the Department of the Interior.

(4) The term "Bureau" means the Bureau of Indian Affairs of the Department of the Interior.

(5) The term "area office" means the area office of the Bureau of Indian Affairs.

(6) The term "Indian tribe" means any Indian group that—

(A) is located within any of the States of the United States, and

(B) is recognized by the Secretary of the Interior to be an Indian tribe.

(7) The term "Indian group" means any Indian entity that—

(A) is located within any of the States of the United States, and

(B) is not recognized by the Secretary of the Interior to be an Indian tribe.

(8) The term "petitioner" means any entity which has submitted, or submits, a petition to the Secretary requesting recognition that the entity is an Indian tribe.

(9) The term "autonomous" means having its own tribal council, internal process, or other organizational mechanism which the Indian group has used as its own means of making decisions independent of the control of any other Indian governing entity. Autonomous must be understood in the context of the culture and social organization of that Indian group.

(10) The term "member of an Indian group" means an individual who is recognized by an Indian group as meeting its membership criteria and who consents to being listed as a member of that group.

(11) The term "member of an Indian tribe" means an individual who—

(A) meets the membership requirements of the Indian tribe, as set forth in its governing document or recognized collectively by those persons comprising the governing body of the Indian tribe, and

(B) has continuously maintained tribal relations with the Indian tribe or is listed on the tribal rolls of that Indian tribe as a member, if such rolls are maintained.

(12) The term "historical" means dating back to the earliest documented contact between—

(A) the aboriginal Indian group from which the petitioners descended, and

(B) citizens or officials of the United States, colonial or territorial governments, or if relevant, citizens and officials of foreign governments from which the United States acquired territory.

(13) The term "continuously" means extending from generation to generation throughout the Indian group's history essentially without interruption.

(14) The term "indigenous" means native to the area that constitutes the contiguous 48 States of the United States in that at least part of the group's aboriginal range extended into what is now the area that constitutes the contiguous 48 States of the United States.

(15) The term "community" means any people living within such a reasonable proximity as to allow group interaction and a maintenance of tribal relations.

(16) The term "other party" means any affected person or organization other than the petitioner who submits comments or evidence in support of, or in opposition to, a petition.

(17) The term "petition" means a petition submitted to the Secretary under section 3(a).

PETITIONS FOR RECOGNITION

SEC. 3. (a)(1) Any Indian group that is indigenous and is ethnically and culturally identifiable (including any Indian group whose relationship with the Federal Government was terminated by statute) may submit to the Secretary, during the 6-year period beginning on the date of enactment of this Act, a petition requesting that the Secretary recognize that the Indian group is an Indian tribe.

(2) The provisions of this Act do not apply to—

(A) Indian tribes, organized bands, pueblos or communities which are already recognized by the Secretary to be Indian tribes and are receiving services from the Bureau; or

(B) splinter groups, political factions, communities, or groups of any character which separate from the main body of an Indian tribe that, at the time of such separation, is recognized as being an Indian tribe by the Secretary, unless it can be clearly established that the group, faction, or community has functioned throughout history until the present as an autonomous Indian tribal entity.

(b) Any petition submitted under subsection (a) by an Indian group shall be in a readable form which clearly indicates that it is a petition requesting the Secretary to recognize that the Indian group is an Indian tribe and shall contain each of the following:

(1) A statement of facts establishing that the petitioner has been identified from historical times until the present, on a substantially continuous basis, as Indian or aboriginal. A petitioner shall not fail to satisfy any requirement of this subsection merely because of fluctuations of tribal activity during various years. Evidence to be relied upon in determining the substantially continuous Indian identity of the petitioner shall include one or more of the following:

(A) Repeated identification of the petitioner by Federal authorities.

(B) Longstanding relationships of the petitioner with State governments based on identification of the petitioner as Indian.

(C) Repeated dealings of the petitioner with a county, parish, or other local government in a relationship based on the Indian identity of the petitioner.

(D) Identification of the petitioner as an Indian entity by records in courthouses, churches, or schools.

(E) Identification of the petitioner as an Indian entity by anthropologists, historians, or other scholars.

(F) Repeated identification of the petitioner as an Indian entity in newspapers and books.

(G) Repeated identification of the petitioner as an Indian entity by, and dealings of the petitioner as an Indian entity with, Indian tribes or recognized national Indian organizations.

(2) Evidence that—

(A) a substantial portion of the membership of the petitioner lives in a community viewed as Indian and distinct from other populations in the area, and

(B) members of the petitioner are descendants of an Indian group which historically inhabited a specific area.

(3) A statement of facts which establishes that the petitioner has maintained tribal political influence or other authority over its members as an autonomous entity throughout history until the present.

(4) A copy of the present governing document of the petitioner or, in the absence of a written document, a statement describing in full the membership criteria of the petitioner and the procedures through which the petitioner currently governs its affairs and members.

(5) A list of all known current members of the petitioner and a copy of each available former list of members based on the petitioner's own defined criteria. The membership must consist of individuals who have established, using evidence acceptable to the Secretary, descendancy from an Indian group which existed historically or from historical Indian groups which combined and functioned as a single autonomous entity. Evidence acceptable to the Secretary of tribal membership for this purpose includes (but is not limited to)—

(A) descendancy rolls prepared by the Secretary for the petitioner for purposes of distributing claims money, providing allotments, or other purposes;

(B) State, Federal, or other official records or evidence identifying present members of the petitioner, or ancestors of present members of the petitioner, as being an Indian descendant and a member of the petitioner;

(C) church, school, and other similar enrollment records indicating membership in the petitioner;

(D) affidavits of recognition by tribal elders, leaders, or the tribal governing body as being an Indian descendant of the Indian group and a member of the petitioner; and

(E) other records or evidence identifying the person as a member of the petitioner.

NOTICE OF RECEIPT OF PETITION

SEC. 4. (a) Within 30 days after a petition is submitted to the Secretary under section 3(a), the Assistant Secretary shall send an acknowledgment of receipt in writing to the petitioner and shall have published in the Federal Register a notice of such receipt including the name, location, and mailing address of the petitioner and such other information that will identify the entity submitting the petition and the date the petition was received by the Secretary. The notice shall also indicate where a copy of the petition may be examined.

(b) The Assistant Secretary shall also notify, in writing, the Governor and attorney general of any State in which a petitioner resides.

(c) The Assistant Secretary shall publish the notice of receipt of the petition in a major newspaper of general circulation in the town or city nearest the location of the petitioner. The notice will include, in addition to the information described in subsection (a), notice of opportunity for other parties to submit factual or legal arguments in support of, or in opposition to, the petition. Such submissions shall be provided to the petitioner upon receipt by the Assistant Secretary. The petitioner shall be provided an opportunity to respond to such submissions prior to a determination on the petition by the Assistant Secretary.

PROCESSING THE PETITION

SEC. 5. (a)(1) Upon receipt of a petition, the Assistant Secretary shall conduct a review to determine whether the petitioner is entitled to be recognized as an Indian tribe.

(2) The review conducted under paragraph (1) shall include consideration of the petition, supporting evidence, and the factual statements contained in the petition.

(3) The Assistant Secretary may also initiate other research for any purpose relative to analyzing the petition and obtaining additional information about the petitioner's status and may consider any evidence which may be submitted by other parties.

(b) Prior to actual consideration of the petition and by no later than the date that is 18 months after the date on which the petition is submitted to the Secretary, the Assistant Secretary shall notify the petitioner of any obvious deficiencies, or significant omissions, that are apparent upon an initial review of the petition and provide the petitioner with an opportunity to withdraw the petition for further work or to submit additional information or a clarification.

(c)(1) Except as otherwise provided in this subsection, petitions shall be considered on a first come, first served basis, determined by the date of the original filing of the petition with the Secretary. The Assistant Secretary shall establish a priority register including those petitions pending before the Department.

(2) Petitions that are submitted to the Secretary by Indian groups whose relationship with the Federal Government was terminated by a statute—

(A) shall receive priority consideration over petitions submitted by any other Indian groups, and

(B) shall be considered on an expedited basis.

(d) The petitioner and other parties submitting comments on the petition shall be provided notice of—

(1) the date on which the petition comes under active consideration, and

(2) the name, office address, and office telephone number of the primary Bureau staff member reviewing the petition, the backup to this staff member, and the supervisor of this staff member.

(e) A petitioner may, at its option and upon written request, withdraw its petition prior to publication in the Federal Register by the Assistant Secretary of proposed findings under section 6(a) and may, if it so desires, resubmit an entirely new petition. Such petitioners shall not lose their priority date by withdrawing and resubmitting their petitions, but the time periods provided in section 6(a) shall begin to run upon active consideration of the resubmitted petition.

PROPOSED FINDINGS AND DETERMINATION

SEC. 6. (a)(1) Within 1 year after notifying the petitioner under section 5(d) that active consideration of the petition has begun, the Assistant Secretary shall make a proposed finding on the petition and shall publish the proposed finding in the Federal Register.

(2) The Assistant Secretary may delay making proposed findings on a petition under paragraph (1) for 180 days upon a showing of due cause to the petitioner.

(3) In addition to the proposed findings, the Assistant Secretary shall prepare a report on each petition which summarizes the evidence for the proposed findings. Copies of such report shall be available to the petitioner and to other parties upon written request.

(4) Upon publication of the proposed findings under paragraph (1), any individual or organization wishing to challenge the proposed findings shall have a response period of 120 days to present factual or legal arguments and evidence to rebut the evidence upon which the proposed findings are based.

(b)(1) After consideration of any written arguments and evidence submitted to rebut the proposed findings made under subsection (a)(1), the Assistant Secretary shall make a determination, on behalf of the Secretary, of whether the petitioner is recognized by the Secretary to be an Indian tribe.

(2) The determination required under paragraph (1) shall be made, a summary of the determination published in the Federal Register, and a copy of the determination and summary delivered to the petitioner, by no later than the date that is 60 days after the close of the 120-day response period described in subsection (a)(4).

(3) Any determination made under paragraph (1) shall become effective on the date that is 60 days after the date on which the summary of the determination is published under paragraph (2).

(c) In making the proposed findings and determination under this section with respect to any petition, the Assistant Secretary shall decide to recognize the petitioner on behalf of the Secretary as an Indian tribe if—

(1) the petition meets all the requirements of section 3(b), and

(2) two-thirds of the membership of the petitioner are not members of any other Indian tribe.

The Assistant Secretary shall not make such findings or determination of recognition of the petitioner if all the requirements described in paragraphs (1) and (2) have not been met by the petitioner.

(d) If the Assistant Secretary determines under subsection (b)(1) that the petitioner should not be recognized to be an Indian tribe, the Assistant Secretary shall analyze and forward to the petitioner other options, if any, under which application for services and other benefits of the Bureau may be made.

(e) A determination by the Assistant Secretary that an Indian group is recognized as an Indian tribe shall not—

(1) have the effect of depriving or diminishing the right of any other Indian tribe to govern its reservation as such reservation existed prior to the recognition of such Indian group, or

(2) have the effect of depriving or diminishing any property right held in trust or recognized by the United States for such other Indian tribe prior to the recognition of such Indian group.

APPEALS

SEC. 7. (a) By no later than 60 days after the date on which the summary of the determination of the Assistant Secretary with respect to a petition is published under section 6(b), the petitioner may appeal the determination to the Office of Hearings and Appeals of the Department.

(b) The decision made by the Office of Hearings and Appeals of the Department on an appeal brought under subsection (a) shall—

(1) be considered to be final action by the Department on the petition,

(2) be delivered to the petitioner and a summary of the decision published in the Federal Register, and

(3) be subject to judicial review under chapter 7 of title 5, United States Code.

(c) If a petitioner prevails in the administrative review described in subsection (a), or in judicial review of the final Department action on the petition, the petitioner shall be eligible for an award of attorney fees and costs under the provisions of section 504 of title 5, United States Code, or section 2412 of title 28 of such Code, as the case may be.

TIME LIMIT FOR DEPARTMENTAL ACTION

SEC. 8. (a) If—

(1) the Assistant Secretary has not published a summary of a determination made under section 6(b) with respect to a petition, or

(2) such a determination is made, appealed to the Office of Hearings and Appeals of the Department, and a summary of the decision of the Office has not been published,

before the date that is 6 years after the day on which the petition was submitted to the Secretary, the petition shall be treated as having been denied by the Department on the day after such date.

(b) The denial of a petition by reason of subsection (a) shall be considered final action by the Department on the petition and the petition shall be subject to judicial review in the form of trial de novo under chapter 7 of title 5, United States Code.

IMPLEMENTATION OF DECISIONS

SEC. 9. (a) Upon recognition by the Secretary that the petitioner is an Indian tribe, the Indian tribe shall be eligible for services and benefits from the Federal Government that are available to other Federally recognized tribes and entitled to the privileges and immunities available to other Federally recognized Indian tribes by virtue of their status as Indian tribes with a government-to-government relationship to the United States, as well as having the responsibilities and obligations of such Indian tribes. Such recognition shall subject the Indian tribes to the same authority of Congress and the United States to which other Federally recognized tribes are subject.

(b) While the Indian tribes that are newly recognized under this Act shall be eligible for benefits and services, recognition of the Indian tribe under this Act will not create an immediate entitlement to existing programs of the Bureau. Such programs shall become available upon appropriation of funds by law. Requests for appropriations shall follow a determination of the needs of the newly recognized Indian tribe.

(c) Within 6 months after an Indian tribe is recognized under this Act, the appropriate area office shall consult and develop in cooperation with the Indian tribe, and forward to the Assistant Secretary, a determination of the needs of the Indian tribe and a recommended budget required to serve the newly recognized Indian tribe. The recommended budget will be considered along with other recommendations by the Assistant Secretary in the usual budget-request process.

LIST OF RECOGNIZED INDIAN TRIBES

SEC. 10. By no later than the date that is 90 days after the date of the enactment of this Act, and annually thereafter, the Secretary shall publish in the Federal Register an up-to-date list of all Indian tribes which are recognized by the Federal Government and receiving services from the Bureau.

REGULATIONS

SEC. 11. The Secretary is authorized to prescribe such regulations as may be necessary to carry out the provisions and purposes of this Act.

GUIDELINES AND ADVICE

SEC. 12. (a) By no later than the date that is 90 days after the date of enactment of this Act, the Secretary shall make available suggested guidelines for the format of petitions, including general suggestions and guidelines on where and how to research required information. These examples of petition format, while preferable, shall not preclude the use of any other format.

(b) The Assistant Secretary shall, upon request, provide suggestions and advice to petitioners for their research into the petitioner's historical background and Indian identity. The Assistant Secretary shall not be responsible for the actual research on behalf of the petitioner.

ASSISTANCE TO PETITIONERS

SEC. 13. (a)(1) The Commissioner of the Administration for Native Americans of the Department of Health and Human Services may award grants to Indian groups seeking Federal recognition to enable the Indian groups to—

(A) conduct the research necessary to substantiate petitions under this Act, and

(B) prepare documentation necessary for the submission of a petition under this Act.

(2) The grants made under this subsection shall be in addition to any other grants the Commissioner of the Administration for Native Americans is authorized to provide under any other provision of law.

(b) Grants provided under subsection (a) shall be awarded competitively based on objective criteria prescribed by the Commissioner of the Administration for Native Americans under regulations.

AUTHORIZATION OF APPROPRIATIONS

SEC. 14. (a) There are authorized to be appropriated for the Department of the Interior for the purpose of carrying out the provisions of this Act, $1,500,000 for the fiscal year in which this Act is enacted and for each of the 12 succeeding fiscal years.

(b) There are authorized to be appropriated for the Administration for Native Americans of the Department of Health and Human Services for the purpose of carrying out the provisions of section 13, $500,000 for the fiscal year in which this Act is enacted and for each of the 12 succeeding fiscal years.

SECTION-BY-SECTION ANALYSIS ON S. 912, A BILL TO ESTABLISH ADMINISTRATIVE PROCEDURES TO EXTEND FEDERAL RECOGNITION TO CERTAIN INDIAN GROUPS

Section One sets forth the purposes of the Act.

Section Two provides the definitions of terms used in the Act.

Section Three sets out the criteria for determining which Indian groups may petition for federal recognition under this Act. Subsection (a) of this section provides any Indian group seeking federal recognition must file a petition with the Secretary before 6 years from the date of enactment of this Act. Subsection (b) of this section sets out the form and content of a petition for federal recognition.

Section Four provides that within 30 days after a petition for federal recognition has been submitted the Assistant Secretary will provide notice of receipt of said petition to the petitioner and publish a notice of receipt of said petition in the Federal Register. Subsection (b) of this section provides that the Assistant Secretary shall notify in writing the Governor and Attorney General of any State in which the petitioner resides. Subsection (c) provides that the Assistant Secretary shall publish the notice of receipt in a major newspaper of general circulation and provide notice of opportunity for comment to the petition.

Section Five provides the criteria for review of the petition for federal acknowledgement to be used by the Assistant Secretary. Under this section, the Assistant Secretary may conduct additional research in order to analyze the petition. In subsection (b) of this section the Assistant Secretary is required to provide notice to the petitioner of any deficiencies or significant omissions within 18 months from the date the petition is submitted after the initial review of the petition. Subsection (c) provides the order of review by the Assistant Secretary shall be first come first served as determined by the date a petition was originally filed. This order of review shall be established in a priority register for those petitions which are pending before the Department. This section also provides that petitions by Indian groups previously terminated by the Federal government shall be given priority by the Assistant Secretary and processed on an expedited basis. Subsection (e) provides that a petitioner may withdraw their petition without losing their priority date for purposes of determining the order of review.

Section Six sets a one year deadline for the Assistant Secretary to make a proposed finding on the petition after active consideration of the petition has begun. This finding shall be published in the federal register. Under subsection (a) of this section, the Assistant Secretary may extend the period for making proposed findings for a period of 180 days upon a showing of due cause. In addition, the Assistant Secretary shall make a summary report of the evidence supporting the proposed findings. The petitioner shall have 120 days in which to respond to the proposed findings of the Assistant Secretary. In subsection (b) of this section, the Assistant Secretary shall make a determination of whether the petitioner is recognized as an Indian Tribe after consideration of petitioner's response to the proposed findings. Within 60 days from the expiration of the 120 day response period the Assistant Secretary shall publish a summary of the determination in the federal register and deliver a copy of the determination to the petitioner. Under subsection (c) of this section two-thirds of the membership of the petitioner shall not be members of any other Indian tribe. This section also sets out the standards for review of the petition for federal recognition. Subsection (e) of this section provides that recognition of an Indian group under this Act shall not have the effect of depriving or diminishing any pre-existing property right held in trust for any other Indian tribe or the right of any other Indian tribe to govern its own reservation.

Section Seven sets out the statute of limitations for administrative review of the determination of the Assistant Secretary, the process for judicial review of the final agency action, and the availability of attorneys fees and costs for the petitioner should they prevail.

Section Eight sets a statutory limit of six years for the Department to consider a petition for federal recognition. If the Department has not made a final determination on a petition after six years the petition is presumed denied and subject to judicial review in the form of a trial de novo.

Section Nine provides the method of implementing decisions to recognize the petitioner as an Indian Tribe and the Assistant Secretary shall conduct a determination of the needs of the recognized tribe and a recommended budget for the delivery of services to the recognized tribe within six months of the decision to recognize the Indian tribe.

Section Ten requires that the Secretary publish in the Federal Register within 90 days of enactment of this Act, and annually thereafter, an up to date list of all federally recognized Indian tribes.

Section Eleven authorizes the Secretary to prescribe such regulations as may be necessary to carry out the provisions under the Act.

Section Twelve provides that the Secretary shall make available suggested guidelines for petitions under this Act and shall provide advice to petitioners upon request.

Section Thirteen provides that the Commissioner of the Administration for Native Americans may award grants to groups seeking federal recognition to assist them in the preparation of their petitions.

Section Fourteen authorizes appropriations necessary to carry out the provisions of this Act.●

By Mr. MATSUNAGA:

S. 914. A bill to amend the Internal Revenue Code of 1986 to extend the solar, geothermal, and ocean thermal energy tax credits for 5 years; to the Committee on Finance.

EXTENSION OF ENERGY TAX CREDITS

● Mr. MATSUNAGA. Mr. President, I am introducing legislation today to extend for 5 years the present solar, geothermal, and ocean thermal tax credits of 10 percent.

The recent oil spill in Alaska has reminded the Nation that our present over-dependence on fossil fuels for so much of our energy requirements makes us vulnerable not only in economic and national security terms—because of our dependence on oil from foreign sources—but most assuredly in environmental terms as well. Together with such other environmental concerns as global warming and acid rain, the Valdez disaster points to the need to broaden our national energy mix. This means, of course, that we must increase our utilization of those sources of energy recognized as being environmentally benign; namely the renewable energy sources, which surely are economically competitive with oil when social and environmental costs are fully reflected in the price equations.

Renewable energy is making a surprisingly significant contribution to our country's energy needs and to our economy at the present time, Mr. President. Renewable sources today produce enough energy to meet our entire country's needs for 1 month of the year. That's about $18 billion worth of energy. In terms of electricity, renewable energy today is making a bigger contribution than is nuclear power by supplying enough power to serve 58 million homes every year. Our renewable sources are not only providing electric power, but they are also heating homes and fueling cars. Furthermore, the renewables can be furnished in modular increments which closely match energy demands, do not require massive, long-term capital commitments, and which can be brought into production relatively quickly.

Our Nation has been a pioneer in renewable energy technology; yet, increasingly we are losing our place to foreign competition which is more alert to our technological achievements than we ourselves seem to be. It has been difficult for our innovators in this field to achieve economies of scale which lead to competitive pricing. I submit, Mr. President, that it is in the national interest to advance our self sufficiency in energy by encouraging the development of the renewables, which offer significant advantages in terms of dependability of supply and great environmental advantages. The bill which I am introducing today seeks to level the playing field a bit for the producers of renewables by providing them, in effect, a tax discount for the social costs which we as a nation avoid by their use. I submit, Mr. President, that it represents a truly modest discount, if the actual social costs involved were fully determined.

The extension of existing tax credits provided in my bill would be for 5 years, which I submit, Mr. President, is a time period that affords a realistic planning horizon for those contemplating a renewable energy investment. Given the lead time for such projects, it is the minimum timeframe for encouraging projects that are not yet well advanced.

I urge my colleagues who are interested in the renewable energy field to join me in cosponsoring and supporting this important measure.●

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S. 915. A bill to amend the Energy Policy and Conservation Act with respect to the strategic petroleum reserve; to the Committee on Energy and Natural Resources.

ESTABLISHMENT OF A STRATEGIC PETROLEUM RESERVE IN HAWAII

● Mr. MATSUNAGA. Mr. President, I am today introducing with the senior Senator from Hawaii [Mr. INOUYE] as cosponsor, a bill which would revise a bill, S. 668, we introduced earlier in the session, to establish a regional strategic petroleum reserve [SPR] in Hawaii so that it will be able to benefit from the protection afforded by the SPR program.

Our bill is designed to overcome certain interpretative problems and technical concerns raised by the U.S. Department of Energy to certain provisions contained in S. 668.

In my estimation, current law provides for the establishment of regional reserves in States which do not have overland access to domestically produced crude oil. The Department of Energy, however, has failed to implement this provision. It is my hope and expectation that passage of the bill being introduced today will convince the administration that it is mandated under existing law to establish an SPR in Hawaii. Hawaii is exceptionally vulnerable to any oil supply disruption and SPR storage on the gulf coast cannot be expected to provide timely relief in an emergency.●

By Mr. GORE (for himself, Mr. HOLLINGS, Mr. DANFORTH, and Mr. PRESSLER):

S. 916. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

NASA AUTHORIZATION ACT

● Mr. GORE. Mr. President, today I am introducing, by request, the fiscal year 1990/1991 NASA authorization bill. I am joined by the distinguished chairman of the Commerce, Science, and Transportation Committee, Senator HOLLINGS, by the ranking member of the Commerce, Science, and Transportation Committee, Senator DANFORTH, and by the ranking member on the Subcommittee on Science, Technology, and Space, Senator PRESSLER.

Mr. President, the President's proposed fiscal year 1990 budget request for NASA is $13,274.5 million, compared to a fiscal year 1989 operating plan of $10,879.5 million. The operating plan includes the $196.5 million in funding transferred from DOD to NASA for the space shuttle recovery efforts and the Advanced Launch Systems Program. The fiscal year 1990 budget request represents an increase of approximately 22 percent or $2.4 billion.

The fiscal year 1991 budget request of $14,635.0 million represents an increase of 10 percent over the proposed fiscal year 1990 level. The fiscal year 1991 budget request is merely NASA's best estimate of the run-out of the fiscal year 1990 budget. OMB would not permit NASA to include the costs for any new starts or new initiatives in the fiscal year 1991 budget request.

Mr. President, based on the Science, Technology, and Space Subcommittee's review, there are no real surprises in the fiscal year 1990 budget submission—it's more of the same, for example a request for a significant budget increase that is barely adequate for the tasks at hand but hard to justify during times of fiscal austerity.

One interesting new element in the fiscal year 1990 budget submission is the assumed funding of several NASA activities through third-party financing. This element of the budget was an OMB initiative meant to show support for commercial space activities, and has the effect of artificially reducing the fiscal year 1990 NASA budget request by approximately $208 million.

The committee intends to explore all of these third-party financing options at hearings scheduled during May.

Besides these commercial initiatives, the fiscal year 1990 budget includes one new start, two new initiatives, as well as a new line item for university space science and technology academic programs. The new line item includes $5 million for the Space Grant College and Fellowship Program—an initiative of Senator BENTSEN in fiscal year 1988 and an activity strongly endorsed by the subcommittee.

The fiscal year 1990 new start included in the NASA budget request is the joint comet rendezvous asteroid flyby mission [CRAF]/Cassini mission to Saturn. An amount of $30 million is

requested for CRAF/Cassini in fiscal year 1990, and the total estimated cost of the spacecraft and instruments is $1.6 billion through 1996.

The two initiatives contained in fiscal year 1990 are the high speed civil transport initiative—$25 million in fiscal year 1990 and a total estimated cost of $250 million over 5 years—and a new space station technology initiative for in-space flight experiments, at a cost of $16.2 million.

In addition, the fiscal year 1990 NASA budget request includes $440 million for ongoing global change-type activities, including $24 million to initiate the definition activities for the Earth observation satellite—the space station polar platform.

Mr. President, not all activities fared well in the fiscal year 1990 budget request. The advanced communications technology satellite [ACTS] was zeroed out for the fourth time, the gravity probe B mission was terminated, a proposed new start for a series of Explorer class Earthprobe missions was rejected, a total ozone mapping survey instrument for a U.S. spacecraft was deleted, an initiative to procure institutional lab equipment was eliminated, shuttle-C was not funded, and the Pathfinder space technology budget request was well below expectations. Finally, with respect to the request for research and personnel management, although the NASA budget assumes 700 additional civil service slots, the increase in the personnel account will be strained to accommodate these slots as well as other increases in fiscal year 1990.

In addition, the proposed authorization include legislative language for inventions made in outer space, the withholding of technical data, privately financed facility projects, a multiyear authorization of appropriations for the space station and a cap on the total space station expenditures. In addition, NASA has submitted separate contingent liability language for an advanced solid rocket motor facility under separate cover.

Mr. President, the real issue for the committee and the Congress, however, is how will the NASA budget request fare in the congressional budget process where it has been cut for the last 4 fiscal years. To give you a better perspective of this issue, I have prepared a table, and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—PERCENTAGE OF PROPOSED $2,400,000,000 INCREASE FOR MAJOR PROGRAM AREAS

	Amount	Percent
Space flight and communications	$675,000,000	28
Space station	1,150,000,000	48
Space science and applications	165,000,000	7
RMPM/construction of facilities	207,000,000	9
Space/aeronautics R&T	159,000,000	7
Other	20,000,000	1
Total increase	2,377,000,000	

TABLE I.—PERCENTAGE OF PROPOSED $2,400,000,000 INCREASE FOR MAJOR PROGRAM AREAS—Continued

New starts and new initiatives included in proposed fiscal year 1990 budget augmentations

	Millions
CRAF/Cassini (new start)	$41
Aeronautics augmentation (high speed and high performance)	33
In-space flight experiment (new technology initiative)	16
Voyager interstellar mission	15
Commercially developed space facility integration	4
Research, studies	40
Construction of facilities	50
Total	[1] +199

[1] 8 percent of the proposed $2,400,000,000 increase.

Mr. GORE. Mr. President, the table breaks down the NASA budget request in terms of funds requested for new initiatives contained in the fiscal year 1990 budget request and funds requested for ongoing activities. As you can see, the bulk of the increase, 92 percent, is for ongoing programs, and only 8 percent is for new initiatives. Nearly 52 percent of the proposed increase in ongoing programs is for the space station program—$1.15 billion—and an additional 20 percent of the increase is for space shuttle production and operations.

Mr. President, fiscal year 1990 is a critical year for the Nation's civil space program and a critical test of the congressional commitment to this program. During the next few months, this Congress will be required to determine the level of funding for NASA in fiscal year 1990. More importantly, this Congress will be required to determine the scope and direction of the civil space program for the decade of the 1990's and even into the 21st century.

Mr. President, this is the year when the Congress will be required to decide if the civil space program is a national priority and, therefore, a budget priority. This is the year when the Congress will have to decide if we are willing to provide the resources and challenges needed to retain our talented civil servant base. This is the year when the Congress must decide if we are to honor our commitments to our allies and our promise to the American public to deploy a permanently manned space station.

On July 20 of this year, we will celebrate the 20th anniversary of the landing of the *Eagle* on the face of the Moon. I am hopeful that the Congress will mark that celebration, not with just a celebration of the past, but with a commitment to the future. And I am hopeful that this Congress will turn the dreams of today into the realities of tomorrow.

Mr. President, I ask unanimous consent that the text of the bill and its section-by-section analysis be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 916

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. That there is hereby authorized to be appropriated to the National Aeronautics and Space Administration to become available October 1, 1989:

(a) For "Research and development," for the following programs:

(1) Space Station Freedom, $2,050,200,000; further, for the Space Station Freedom, $2,980,500,000 to be available for obligation October 1, 1990 and to remain available until September 30, 1992; and further, for the Space Station Freedom, $3,494,400,000 to be available for obligation on October 1, 1991 and to remain available until September 30, 1993: *Provided,* That for the Space Station Freedom revised baseline, the funds appropriated for U.S. program development will not exceed $13.0 billion in fiscal year 1984 terms, adjusted for inflation and commercial participation;

(2) Space transportation capability development, $639,000,000;

(3) Physics and astronomy, $894,500,000;

(4) Life sciences, $124,200,000;

(5) Planetary exploration, $396,900,000;

(6) Space applications, $579,700,000;

(7) Technology utilization, $22,700,000;

(8) Commercial use of space, $38,300,000;

(9) Aeronautical research and technology, $462,800,000;

(10) Transatmospheric research and technology, $127,000,000;

(11) Space research and technology, $338,100,000;

(12) Safety, reliability and quality assurance, $23,300,000;

(13) Tracking and data advanced systems, $19,900,000;

(14) University Space Science and Technology Academic Program, $35,000,000.

(b) For "Space flight, control and data communications," for the following programs:

(1) Space shuttle production and operational capability, $1,305,300,000;

(2) Space transportation operations, $2,732,200,000;

(3) Space and ground network, communications and data systems, $1,102,100,000.

(c) For "Construction of facilities," including land acquisition, as follows:

(1) Construction of addition for Space Systems Automated Integration and Assembly Facility, Johnson Space Center, $10,500,000;

(2) Construction of addition to Mission Control Center, Johnson Space Center, $17,800,000;

(3) Construction of addition to Simulator/Training Facility, Johnson Space Center, $3,800,000;

(4) Modifications for Expanded Solar Simulation, Johnson Space Center, $2,000,000;

(5) Modifications of Process Technology Facility for Space Station, Marshall Space Flight Center, $4,000,000;

(6) Replace Cooling Towers, Launch Complex 39 Utility Annex, Kennedy Space Center, $4,600,000;

(7) Replace Launch Complex 39, Pad A Chillers and Controls, Kennedy Space Center, $1,200,000;

(8) Replace Roofs, Launch Complex 39, Kennedy Space Center, $11,000,000;

(9) Replace Vehicle Assembly Building Air Handling Units, Kennedy Space Center, $1,800,000;

(10) Upgrade Orbiter Modification and Refurbishment Facility to Orbiter Processing Facility #3, Kennedy Space Center, $26,000,000;

(11) Modification of High Pressure Industrial Water System, Stennis Space Center, $2,000,000;

(12) Replacement of High Pressure Gas Storage Vessels, Stennis Space Center, $3,000,000;

(13) Construction of natural resource protection at various locations, $3,800,000;

(14) Refurbish bridges, Merritt Island, Kennedy Space Center, $4,500,000;

(15) Rehabilitation of Spacecraft Assembly and Encapsulation Facility II, Kennedy Space Center, $3,500,000;

(16) Rehabilitation of Central Heating/Cooling Plant, Johnson Space Center, $2,800,000;

(17) Construction of Data Operations Facility, Goddard Space Flight Center, $12,000,000;

(18) Construction of Quality Assurance and Detector Development Laboratory, Goddard Space Flight Center, $7,500,000;

(19) Modernization of South Utility Systems, Jet Propulsion Laboratory, $5,400,000;

(20) Construction of 40 x 80 Drive Motor Roof, Ames Research Center, $1,000,000;

(21) Modifications to Thermo-Physics Facilities, Ames Research Center, $4,600,000;

(22) Modifications to 14 x 22 Subsonic Wind Tunnel, Langley Research Center, $1,000,000;

(23) Modifications to National Transonic Facility for Productivity, Langley Research Center, $7,600,000;

(24) Modifications to 20-Foot Vertical Spin Tunnel, Langley Research Center, $1,900,000;

(25) Rehabilitation of Central Air Systems, Lewis Research Center, $2,400,000;

(26) Rehabilitation of Central Refrigeration Equipment, Lewis Research Center, $7,200,000;

(27) Rehabilitation of 8 x 6 Supersonic and 9 x 15 Low-Speed Wind Tunnels, Lewis Research Center, $6,800,000;

(28) Rehabilitation of Hypersonic Tunnel, Plum Brook, $4,100,000;

(29) Repair and Modernization of the 12-Foot Pressure Wind Tunnel, Ames Research Center, $27,600,000;

(30) Construction of Automation Sciences Research Facility, Ames Research Center, $10,600,000;

(31) Construction of Supersonic/Hypersonic Low Disturbance Tunnel, Langley Research Center, $6,900,000;

(32) Modifications for Seismic Safety, Goldstone, CA, Jet Propulsion Laboratory, $2,600,000;

(33) Repair of facilities at various locations, not in excess of $750,000 per project, $28,000,000;

(34) Rehabilitation and modification of facilities at various locations, not in excess of $750,000 per project, $36,000,000;

(35) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $500,000 per project, $10,000,000;

(36) Environmental compliance and restoration, $30,000,000;

(37) Facility planning and design not otherwise provided for, $26,300,000;

(d) For "'Research and program management," $2,032,200,000;

(e) For "Inspector General," $8,795,000;

(f) Notwithstanding the provisions of subsection 1(i), appropriations hereby authorized for "Research and development" and "Space flight, control and data communications" may be used (1) for any items of a capital nature (other than acquisition of land) which may be required at locations other than installations of the Administration for the performance of research and development contracts, and (2) for grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to ensure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for "Research and development" and "Space flight, control and data communications" pursuant to this Act may be used in accordance with this subsection for the construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $500,000, unless the Administrator or the Administrator's designee has notified the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science and Transportation of the Senate, of the nature, location, and estimated cost of such facility.

(g) When so specified and to the extent provided in an appropriation act, (1) any amount appropriated for "Research and development," for "Space flight, control and data communications" or for "Construction of facilities" may remain available without fiscal year limitation, and (2) contracts may be entered into under "Research and program management" for maintenance and operation of facilities, and for other services to be provided during the next fiscal year.

(h) Appropriations made pursuant to subsection 1(d) may be used, but not to exceed $35,000, for scientific consultations or extraordinary expenses upon the approval or authority of the Administrator, and his determination shall be final and conclusive upon the accounting officers of the Government.

(i)(1) Funds appropriated pursuant to subsections (1)(a), (b), and (d) may be used for the construction of new facilities and additions to, repair, rehabilitation, or modification of existing facilities, provided the cost of each such project.

(2) Funds appropriated pursuant to subsection (1)(a) and (b) may be used for unforeseen programmatic facility project needs, provided the cost of each project, including collateral equipment, does not exceed $500,000.

(3) Funds appropriated pursuant to subsection (1)(d) may be used for repair, rehabilitation or modification of facilities controlled by the General Services Administration, provided the cost of each project, including collateral equipment, does not exceed $500,000.

MULTI-YEAR AUTHORIZATION

SEC. 2. There is authorized to be appropriated to the National Aeronautics and Space Administration, for other than Space Station Freedom, $11,654,700,000 for fiscal year 1991, and $12,176,500,000 for fiscal year 1992, for the purpose of carrying out the programs authorized in section 1 of this Act.

ADMINISTRATOR'S REPROGRAMMING AUTHORITY

SEC. 3. Authorization is hereby granted whereby any of the amounts prescribed in paragraphs (1) through (37), inclusive, of subsection 1(c)—

(a) in the discretion of the Administrator or the Administrator's designee, may be varied upward 10 percent, or

(b) following a report by the Administrator or the Administrator's designee to the Committee on Science, Space and Technology of the House of Representatives and the Committee on Commerce, Science and Transportation of the Senate, on the circumstances of such action, may be varied upward 25 percent, to meet unusual cost variations.

The total cost of all work authorized under paragraphs (a) and (b) shall not exceed the total of the amounts specified in section (1)(c).

SPECIAL REPROGRAMMING AUTHORITY FOR CONSTRUCTION OF FACILITIES

SEC. 4. Where the Administrator determines that new developments or scientific or engineering changes in the national program of aeronautical and space activities have occurred; and that such changes require the use of additional funds for the purposes of construction, expansion, or modification of facilities at any location; and that deferral of such action until the enactment of the next authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities; the Administrator may transfer not to exceed ½ of 1 percent of the funds appropriated pursuant to section (1)(a) and (1)(b) to the "Construction of facilities" appropriation for such purposes. The Administrator may also use up to $10,000,000 of the amounts authorized under section (1)(c) for such purposes. The funds so made available pursuant to this section may be expanded to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site reparation, appurtenances, utilities, and equipment. No such funds may be obligated until a period of 30 days has passed after the Administrator or the Administrator's designee has transmitted to the Committee on Science, Space and Technology of the House of Representatives and the Committee on Commerce, Science and Transportation of the Senate a written report describing the nature of the construction, its cost and the reasons therefore.

LIMITATIONS ON AUTHORITY

SEC. 5. Notwithstanding any other provision of this Act—

(a) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science, Space and Technology or the Senate Committee on Commerce, Science and Transportation,

(b) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by subsections 1(a), 1(b), and 1(d),

(c) no amount appropriated pursuant to this Act may be used for any program which has not been presented to either such committee,

unless a period of 30 days has passed after the receipt by each such committee, of notice given by the Administrator or the Administrator's designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

AMENDMENT TO SPACE ACT—WITHHOLDING OF TECHNICAL DATA

SEC. 6. Section 303 of the National Aeronautics and Space Act of 1958, as amended, is amended, by adding "(a)" after "303," by removing "and" before "(B)," and by adding after "national security" the following: ", and (C) information withheld under subsection (b) below." At the end of section 303(a), add the following new section:

"(b) Notwithstanding any other provision of law, the Administrator may prescribe regulations, in consultation with concerned agencies, under which the Administration is authorized to withhold, or to require the withholding, from public disclosure any technical data in the possession of, or under the control of, the Administration, if such data may not be exported lawfully outside the United States without an authorization or license under the Export Administration Act of 1979 (50 U.S.C. App. 2401-2420) or the Arms Export Control Act (22 U.S.C. 2751 et seq.). However, technical data may not be withheld under this section if regulations promulgated under either such Act authorize the export of such data pursuant to a general, unrestricted license in such regulations."

AMENDMENTS TO SPACE ACT—INVENTIONS IN OUTER SPACE

SEC. 7(a). Amendment. Section 305 of the National Aeronautics and Space Act of 1958, as amended, is amended by adding at the end the following new subsection:

"(m) Any invention made, used or sold in outer space on an aeronautical and space vehicle (as defined in section 103(2)) under the jurisdiction or control of the United States shall be considered to be made, used or sold within the United States for purposes of this Act, except with respect to any space vehicle or component thereof that is specifically identified and otherwise provided for by an international agreement to which the United States is a party."

(b) Effective Date.

(1) In General. Subject to subsections (2), (3) and (4) of this section, the amendments made by section (a) shall apply to all United States patents granted before, on or after the date of the enactment of this Act, and to all applications for United States patents pending on or filed on or after such date of enactment.

(2) Amendments Not to Affect Prior Decisions. The amendments made by section (a) shall not affect any final decision made by a court or the Patent and Trademark Office before the date of the enactment of this Act with respect to a patent or an application for a patent, if no appeal from such decision is pending and the time for filing an appeal has expired.

(3) Amendments Not To Affect Certain Pending Cases. The amendments made by section (a) shall not affect the right of any party in any case pending in a court on the date of the enactment of this Act to have the party's rights determined on the basis of the substantive law in effect before such date of enactment.

(4) Amendments To Be Prospective in Application. Subject to subsections (2) and (3) of this section, the amendments made by section (a) shall not apply to any process, machine, article of manufacture, or composition of matter, and embodiment of which was launched prior to the effective date of this Act.

AMENDMENT TO SPACE ACT—PRIVATELY FINANCED FACILITY PROJECTS

SEC. 8. The National Aeronautics and Space Act of 1958, as amended, is amended by adding the following new section:

PRIVATELY FINANCED FACILITY PROJECTS

SEC. 313. Notwithstanding the provisions of any other law, the Administration is authorized to enter into contracts, leases or agreements providing for private financing of special purpose facility projects, on government or nongovernment sites, for the exclusive or nonexclusive use of the Administration, its contractors or subcontractors: Provided, That such authorization may not be utilized unless the Administrator determines that such privately financed construction or modification is in the best interests of the Government: Provided further, That no project considered for private financing shall be initiated unless it has been submitted to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space and Technology of the House of Representatives and Committees on Appropriations of the House of Representatives and of the Senate and 30 days have passed after the Administrator's notification of a proposed action hereunder: Provided further, That if, pursuant to the above stated provisions, the Administrator authorizes privately financed construction or modification, the Administration is authorized, notwithstanding any provision of law, to the contrary, to assume in the resultant contract, lease or agreement, contingent liability in excess of available appropriations relating to the Government's potential termination for its convenience of such contract, lease or agreement, if such contract, lease or agreement limits the amount of the payments that the Federal Government is allowed to make under such contract, lease or agreement to amounts to be provided in advance in appropriations Acts.

GEOGRAPHICAL DISTRIBUTION

SEC. 9. It is the sense of the Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible, and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

TITLE

SEC. 10. This Act may be cited as the "National Aeronautics and Space Administration Authorization Act, 1990."

SECTIONAL ANALYSIS OF S. 916

SECTION 1

Subsections (a), (b), (c), (d), and (e) would authorize to be appropriated to the National Aeronautics and Space Administration, funds, in the total amount of $13,273,995,000, as follows: (a) for "Research and development," a total of 14 program line items aggregating the sum of $5,751,600,000; (b) for "Space flight, control and data communications," a total of 3 line items aggregating the sum of $5,139,600,000; (c) for "Construction of facilities," a total of 37 line items aggregating the sum of $341,800,000; (d) for "Research and program management," $2,032,200,000; and (e) for "Inspector General," $8,795,000.

Subsection 1(e) is a new appropriation account for the Inspector General.

Subsection 1(f) would authorize the use of appropriations for "Research and development" and "Space flight, control and data communications" without regard to the provisions of subsection 1(i) for: (1) items of a capital nature (other than the acquisition of land) required at locations other than NASA installations for the performance of research and development contracts; and (2) grants to nonprofit institutions of higher education, or to nonprofit organizations, whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities. Title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Moreover, each such grant shall be made under such conditions as the Administrator shall find necessary to ensure that the United States will receive benefit therefrom adequate to justify the making of that grant.

In either case, no funds may be used for construction of a facility in accordance with this subsection, the estimated cost of which, including collateral equipment, exceeds $500,000, unless the Administrator notifies the specified committees of the Congress, of the nature, location, and estimated cost of such facility.

Subsection 1(g) would provide that, when so specified and to the extent provided in an appropriation act, any amount appropriated for "Research and development," "Space flight, control and data communications," or for "Construction of facilities" may remain available without fiscal year limitation. Subsection (2) states that amounts appropriated for the "Research and program management" appropriation are available for contracts for maintenance and operation of facilities and for other services for this fiscal year and for the next fiscal year. This language has been changed to that found in the "Research and program management" section of the NASA appropriations bill in order to clarify the authority and reconcile potential problems resulting from the differing formulations.

Subsection 1(h) would authorize the use of not to exceed $35,000 of the "Research and program management" appropriation for scientific consultation or extraordinary expenses, including representation and official entertainment expenses, upon the authority of the Administrator, whose determination shall be final and conclusive.

Subsection 1(i)(1) would provide that of the funds appropriated for "Research and development," "Space flight, control and data communications," and "Research and program management," not in excess of $100,000 per project (including collateral equipment) may be used for construction of new facilities and additions to existing facilities, and for repair, rehabilitation, or modification of facilities.

Subsection (2) would provide that not to exceed $500,000 per project of "Research and development" and "Space flight, control and data communications" funds may be used for facility repair or modification due to unforeseeen programmatic needs.

Subsection (3) would provide that not in excess of $500,000 per project (including collateral equipment) of funds appropriated for "Research and program management" may be used for work on facilities owned or leased by the General Services Administration.

SECTION 2—MULTI-YEAR AUTHORIZATION

Section 104 of P.L. 100-685, the National Aeronautics and Space Administration Authorization Act of 1989, provided that commencing in FY 1990 and every year thereafter, the President submits to Congress a 3-year budget request for NASA. This section authorizes appropriations for FY 1991 and FY 1992 in amounts necessary to carry out the President's FY 1990 budget for all programs other than Space Station Freedom. A three-year authorization of appropriations for Space Station Freedom is included in sec. 1(a) of this bill.

SECTION 3—ADMINISTRATOR'S REPROGRAMMING AUTHORITY

Section 3 would authorize upward variations of the sums authorized for the "Construction of facilities" line items of 10 percent at the discretion of the Administrator or the Administrator's designee, or of 25 percent following a report by the Administrator or the Administrator's designee to the Committee on Science, Space and Technology of the House of Representatives and the Committee on Commerce, Science and Transportation of the Senate on the circumstances of such action, for the purpose of meeting unusual cost variations. However, the total cost of all work authorized under these line items may not exceed the total sum authorized for "Construction of facilities" under subsection 1(c).

SECTION 4—SPECIAL REPROGRAMMING AUTHORITY FOR CONSTRUCTION OF FACILITIES

Section 4 would provide that not more than one-half of 1 percent of the funds appropriated for "Research and development" and "Space flight, control and data communications" may be transferred to and merged with the "Construction of facilities" appropriation, to be available for the construction of facilities and land acquisition at any location if the Administrator determines that new developments or scientific or engineering changes in the national aeronautical and space program have occurred; and that such changes require the use of additional funds for the purpose of construction, expansion or modification of facilities at any location; and that deferral of such action until the next authorization act is enacted would be inconsistent with the interest of the Nation in aeronautical and space activities. Additionally, up to $10,000,000 of "Construction of facilities" funds may be used for these purposes. However, no such funds may be obligated until 30 days have passed after the Administrator or the Administrator's designee has transmitted to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science and Transportation of the Senate a written report containing a description of the construction, its cost, and the reasons therefore.

SECTION 5—LIMITATIONS ON AUTHORITY

Section 5 would provide that, notwithstanding any other provision of this Act—

(a) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science, Space, and Technology or the Senate Committee on Commerce, Science and Transportation,

(b) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by subsections 1(a), 1(b) and 1(d), and

(c) no amount appropriated pursuant to this Act may be used for any program which has not been presented to either such committee,

unless a period of 30 days has passed after the receipt by the House Committee on Science, Space, and Technology and the Senate Committee on Commerce, Science, and Transportation of notice given by the Administrator or the Administrator's designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

SECTION 6—AMENDMENT TO SPACE ACT—WITHHOLDING OF TECHNICAL DATA

This section would amend the National Aeronautics and Space Act of 1958, as amended, to provide NASA the authority to withhold, or require the withholding, from public disclosure certain technical data that is subject to export control under the Export Administration Act of 1979 (50 U.S.C., App. 2401-2420) or the Arms Export Control Act (22 U.S.C. 2751 et seq.) The technical data subject to this amendment is only that data subject to those Acts and their implementing regulations and procedures. The amendment will provide NASA greater flexibility to manage high technology in its possession or under its control in a manner consistent with national policy regarding the export thereof. The amendment is similar to a provision amending the Freedom of Information Act (FOIA) originally contained in S. 774, the Freedom of Information Reform Act, as introduced in 1983 in the 98th Congress as well as to authority provided to the Department of Defense in section 1217 of the FY 1984 Defense Authorization Act (Pub. L. 98-84, 10 U.S.C. 140c).

As recognized by the Senate Judiciary Committee in its report (S. Rep. 98-221) accompanying S. 774, an anomaly exists between efforts to restrict the export of certain data important to the United States on the one hand, while allowing its public release under FOIA on the other. This anomaly comes about because nonproprietary technical data of the type that is subject to export control in the possession of any agency may also be subject to release under FOIA. Such release could be unrestricted and thereby obviate the requirement for an export license, or the release could even be to a foreign requester under FOIA. The purpose of this provision is to redress that anomaly.

In removing a similar provision from S. 774 by amendment on the Senate floor in 1984, Senator Orrin Hatch (sponsor of the bill and Chairman of the Judiciary Committee's Subcommittee on the Constitution, which had jurisdiction over the bill) noted that the DoD Authorization bill had been enacted (referring to Pub. L. 98-84) to address this problem area for the DoD, and then continued:

"There remain other areas with the potential of creating a problem, for instance, technical data with military or space application in the possession of NASA. In light of time constraints on this bill, it would be wisest to pursue other potential problem areas at another time. Accordingly, with a major part of the problem addressed by the proposed 10th exemption already enacted, it is the intent of this amendment to defer other concerns in this technical data area until another time." C.R., Feb. 27, 1984, S. 1797.

This amendment will resolve the matter for NASA, as suggested by Senator Hatch.

In developing its implementing regulations under the proposed amendment, NASA will coordinate its efforts with other agencies (such as the Department of Defense) who have similar authority, as well as with the agencies that administer the export control laws, in an effort to achieve standardized procedures and uniform treatment for technical data subject to the withholding authority to the maximum extent practicable. Such coordination would include identifying categories of technical data that would require continuing interagency coordination prior to release. Also, NASA will assure that its implementing regulations exclude any technical data of another agency, a copy of which may be in the possession of NASA, consistent with present NASA policy set forth in 14 C.F.R. Part 1206. Rather, such data will be treated in accordance with whatever authority such other agency may have.

SECTION 7—AMENDMENT TO SPACE ACT—INVENTIONS IN OUTER SPACE

The purpose of this amendment is to provide clarity and certainty as to the applicability of U.S. patent laws to activities in outer space. This is important to commercial entities who need to know, with certainty, that their activities in space will receive the same patent protection that they would if conducted here on Earth. Removing that element of risk from the decision process of these companies will greatly increase the chances that they will proceed with their plans for activities in space.

This provision is intended to be consistent with U.S. international law obligations, including Article VIII of the Outer Space Treaty, which provides that "[a] State Party to the Treaty on whose registry an object launched into outer space is carried shall retain jurisdiction and control over such object, and over any personnel thereof, while in outer space or on a celestial body." Thus, this provision should not be interpreted to apply to a foreign-registered space object unless there is a specific agreement with the registering State in this regard.

Another aspect is that it will provide flexibility in implementing agreements with foreign partners who will be cooperating with the United States in the development and use of the Space Station Freedom. This is possible by the exception to the strict application of U.S. patent law, for space vehicles that are specifically identified and otherwise provided for by an international agreement to which the United States is a party. Such an exception has been made, for example, regarding the applicability of 35 U.S.C. 184 (concerning filing of [patent] applications in foreign countries) in the international agreement for the Space Station Freedom.

The language of the proposed amendment is identical to that in H.R. 4316 which was passed by the House of Representatives on September 16, 1986, and H.R. 1510 which was passed by the House on October 5, 1988. Prior to such passage the bill was subject to hearings by the Subcommittee on Courts, Civil Liberties and the Administration of Justice, Committee on the Judiciary; and by the Subcommittee on Space Science and Applications, Committee on Science, Space and

Technology. It has also received substantial support from private industry and the private patent bar.

SECTION 8—PRIVATELY FINANCED FACILITY PROJECTS

The National Aeronautics and Space Administration (NASA) recognizes the importance of commercial investment and involvement in the construction and modification of facilities utilized in the United States civil space program. NASA, however, currently lacks the legal authority necessary to fully utilize these important tools. This amendment to the FY 1990 NASA Authorization Bill gives NASA that authority.

This amendment would amend the National Aeronautics and Space Act of 1958 (P.L. 85-568), as amended, providing permanent legislation which would allow NASA, notwithstanding any law to the contrary, to enter into contracts, leases or agreements providing for private financing of such special purpose facility projects, on government or on nongovernment sites, and for the exclusive or nonexclusive use of NASA, its contractors, or subcontractors whenever the Administrator of NASA determines that it is in the best interest of the Government to do so. The amendment would preclude the initiation of such privately financed facility projects until 30 calendar days had passed following the Administrator's notification to the authorizing and appropriation committees of proposed actions.

NASA also currently lacks legal authority to assume, in resultant contracts, leases or agreements, contingent termination liability in excess of available appropriations. Since it is highly improbable that private parties will provide financing for facility projects unless their investments in the projects are protected through Government assumption of contingent liability in the event they are terminated by the Government, it is necessary to the success of these privately financed facility projects that NASA be provided that authority. This amendment gives NASA the necessary authority.

SECTION 9—GEOGRAPHICAL DISTRIBUTION

Section 9 would express the sense of the Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible.

SECTION 10—TITLE

Section 10 would provide that the Act may be cited as the "National Aeronautics and Space Administration Authorization Act, 1990."●

● Mr. HOLLINGS. Mr. President, I am pleased to be a cosponsor of this measure and would like to associate myself with the remarks of the distinguished Chairman of the Subcommittee on Science, Technology, and Space.

Mr. President, I have long been an ardent and vocal supporter of this Nation's space program, and I believe that this Nation must maintain its leadership in space.

Over the course of the last 20 years, this Nation has invested over $250 billion in space, and we have amazed the world with our technological prowess. However, the race for space has taken on a totally different look in the 1980's. No longer is it a race between the United States and the U.S.S.R. to manifest technological superiority. Today, there are many nations in the race for space and in the race for the markets and technologies of tomorrow.

Will the United States win this race?

Yes, if we are willing to make the necessary commitment and to pay attention to the warning signals. Unfortunately, we have not done either over the course of the last few years.

Mr. President, 2 years ago, the Business Higher Education Forum issued a report entitled "Space: America's New Competitive Frontier." In that report was a most telling statement:

Foreign countries have targeted and are winning major world market shares in the rapidly growing high-technology and service industries, largely because the United States is failing to utilize fully its competitive strengths.

America's steel, auto, consumer electronics and clothing industries all have been victimized by overseas competition and the U.S. lead is threatened in several other areas of commerce. It is ironic that the nation that has made the greatest contribution of space technology to the world should now he in danger of losing that lead as well.

The facts, however, are undeniably clear. According to the Congressional Office of Technology Assessment (OTA), during this decade "advanced foreign capabilities have or will become comparable to those of the United States in virtually every area of civilian space technology except manned flight." Competition is especially prevalent in four areas: Space Transportation; Materials Processing; Remote Sensing; Satellite Communications.

Mr. President, over the course of the last few years, I have been puzzled by the debate that has been taking place in the U.S. Senate. On the one hand, I hear Members discuss what we are going to do, but on the other hand, I do not see anyone providing the necessary resources. The civil space program, perhaps more than any area of the budget, has been a victim of this inconsistency.

On the one hand, I hear Members talk about possible manned missions to Mars and to the Moon and the deployment of a permanently manned space station, but on the other hand, we cut the NASA budget request each year to where we are putting ongoing activities in jeopardy.

Let me give you an example of what I mean. The current operating plan for NASA in fiscal year 1989 is $10.9 billion. The run out of those ongoing activities' budget requirements in fiscal year 1990 is $14.0 billion—yet the fiscal year 1990 budget request is only for $13.3 billion, and it assumes several new starts.

Mr. President, you cannot get there from here, and it is time for the Congress and the administration to either ante up the funding required to implement the program we currently have on the table, or it is time for us to realign the program to the available budget resources.

Mr. President, on more than one occasion, I have stood on the floor of the Senate and argued that we need to pay our bills and pay for our priorities. The civil space program is an investment in the Nation's future, and we must be willing to make that investment.

I hope that in the next few months the Congress will address the gap between the dreams of our civil space program and its budget realities and that we will prepare authorization and appropriations bills and budget resolutions that adequately finance this program.

A wise man once said: "The tragedy of life doesn't lie in not reaching your goal. The tragedy lies in having no goal to reach. It is not a disgrace to reach for the stars, but it is a disgrace to have no stars to reach for."

Mr. President, let us make sure that our actions this year on the NASA budget keep our children's dreams, and our children's children's dreams alive. Let us give NASA the resources required to maintain U.S. leadership in space and to turn the dreams of today into the realities of tomorrow.●

By Mr. McCAIN:

S. 917. A bill to expand the powers of the Indian Arts and Crafts Board, and for other purposes; to the Select Committee on Indian Affairs.

PROTECTION OF INDIAN ARTS AND CRAFTS

● Mr. McCAIN. Mr. President, I rise today to introduce with my distinguished colleague, Senator INOUYE, a bill to protect Native American arts and crafts from the increasing threat of counterfeit imports and cheap imitations which are being represented as genuine Native American artwork. It is my hope that this legislation will bring greater assurances to the consumer that the Indian arts and crafts they purchase are indeed authentic and that Indian artisans are not unfairly penalized by counterfeiting and misrepresentation in the marketplace. My bill is identical to the bill introduced in the House by my Arizona colleague, Congressman JON KYL.

Many Indian artisans depend on the sale of their arts and crafts as their sole source of income or as a supplement to the transfer payments received such as food stamps, AFDC or general assistance from the Bureau of Indian Affairs. Congressman KYL mentioned a couple of disturbing figures in his introductory statement: "The Commerce Department, in a 1985 report to Congress, estimated that imported imitation Native American handicrafts are siphoning off 10 to 20 percent from genuine manufacturers' markets. Commerce also found that much of the counterfeit market is made up of jewelry that undersells the genuine articles made by craftsmen such as the Navajo, Hopi, and Zuni by

as much as 50 percent." Congressman KYL goes on to point out that: "If the income derived from their craftwork becomes too low, younger generations are discouraged from learning the crafts and they can die out altogether." What a sad day that would be if the American Indian—having been sorely treated as a people for so long—would lose a precious part of their heritage through counterfeit and misrepresentation.

Yet, through some fairly simple changes to current law, we can assist Indian artisans throughout the country to protect the products they craft and provide a greater degree of confidence in the purchases made by the consumer. My bill would allow the existing Indian Arts and Crafts Board within the Bureau of Indian Affairs to license and register trademarks of an Indian artisan. The bill would also strengthen the criminal penalties for misrepresentation of Indian artwork and would provide civil remedies for Indian artisans and others to obtain compensation from those who participate in the misrepresentation of Indian produced goods and products. Finally, the Indian Arts and Crafts Board would be able to recommend complaints to the Justice Department for further action.

Mr. President, I invite my colleagues to join Senator INOUYE and me in cosponsoring this legislation. I ask unanimous consent that a copy of the bill be inserted in the RECORD at this point:

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 917

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DECLARATION REGARDING REGULATION OF TRADE IN INDIAN ARTS AND CRAFTS.

Clause 3 of section 8 of article I of the Constitution of the United States confers on Congress the power to regulate commerce with the Indian tribes. In the recognition of this authority and the obligation it entails, the Congress finds and declares that trade in Indian arts and crafts shall be protected.

SEC. 2. POWERS OF INDIAN ARTS AND CRAFTS BOARD.

Section 2 of the Act entitled "An Act to promote the development of Indian arts and crafts and to create a board to assist therein, and for other purposes" (25 U.S.C. 305a) is amended—

(1) in the first sentence—

(A) by striking "the Board" and inserting "the Secretary of the Interior through the Board"; and

(B) by striking "Indian wards of the Government" and inserting "Indian individuals"; and

(2) by amending clause (g) to read as follows: "(g)(1) to create for the Board, or for an individual Indian or Indian tribe or group, trademarks of genuineness and quality for Indian products and the products of an individual Indian or particular Indian tribe or group; (2) to establish standards and regulations for the use of Government-owned trademarks by corporations, associations, or individuals, and to charge for such use under such licenses; (3) to register any such trademark owned by the Government or a trademark owned by an individual Indian, or Indian tribe or group, in the United States Patent and Trademark Office without charge; and (4) to pursue in the courts any appeal or defense proceeding with respect to any final determination of that office;"

SEC. 3. REFERRAL FOR CRIMINAL AND CIVIL VIOLATIONS.

(a) CRIMINAL.—The Indian Arts and Crafts Board may receive complaints of violations of section 1159 of title 18, United States Code, and refer complaints of such violations to the Federal Bureau of Investigation for appropriate investigation. After reviewing the investigation report, the Indian Arts and Crafts Board may recommend to the Attorney General of the United States that criminal proceedings be instituted under that section, which shall be prosecuted in appropriate cases.

(b) CIVIL.—The Indian Arts and Crafts Board may recommend that the Secretary of the Interior institute a civil action under section 1159(c) of title 18, United States Code, which shall be commenced in appropriate cases.

SEC. 4. MISREPRESENTATION OF INDIAN PRODUCED GOODS AND PRODUCTS.

(a) IN GENERAL.—Section 1159 of title 18, United States Code, is amended to read as follows:

"§ 1159. MISREPRESENTATION OF INDIAN PRODUCED GOODS AND PRODUCTS

"(a) It is unlawful to offer or display for sale any good, with or without any Government trademark, as Indian produced, an Indian product, or the product of a particular Indian or Indian tribe or group, resident within the United States, when such good is not Indian produced, an Indian product, or the product of the particular Indian or Indian tribe or group.

"(b) Whoever knowingly violates subsection (a) shall—

"(1) in the case of a first violation, be fined in accordance with this title, imprisoned for not more than one year, or both; and

"(2) in the case of subsequent violations, be fined in accordance with this title, imprisoned for not more than 1 year and 6 months, or both.

"(c)(1) Whoever is aggrieved by a violation of subsection (a) may, in a civil action—

"(A) obtain injunctive or other equitable relief;

"(B) recover the greater of—

"(i) treble damages,

"(ii) in the case of any aggrieved individual purchaser, liquidated damages of not less than $1,000 for each violation;

"(iii) in the case of any aggrieved Indian, Indian tribe or group, or competing producer, supplier, or retailer, not less than $1,000 for each day on which subsection (a) is violated.

"(2) In addition, a court may award punitive damages and the costs of suit and a reasonable attorney's fee.

"(d)(1) A civil action under subsection (c)(1) may be commenced—

"(A) by the Attorney General of the United States upon request of the Secretary of the Interior on behalf of an Indian or an Indian tribe or group;

"(B) by the Attorney General of the State in which the violation occurred; or

"(C) by an Indian tribe or group on behalf of its members.

"(2) Any amount recovered pursuant to paragraph (1) shall be paid to the individual Indian or Indian tribe or group concerned, except that—

"(A) in the case of paragraph (1)(A), the Attorney General may deduct from the amount recovered the amount for the costs of suit and reasonable attorney's fees awarded pursuant to subsection (c)(2) and deposit the amount of such costs and fees as a reimbursement credited to appropriations currently available to the Secretary at the time of receipt of the amount recovered;

"(B) in the case of paragraph (1)(B), the amount recovered for the costs of suit and reasonable attorney's fees pursuant to subsection (c)(2) may be deducted from the total amount awarded under subsection (c)(1), and if the violation does not concern an individual Indian, Indian tribe or group, then the entire award may be retained by the State; and

"(C) in the case of paragraph (1)(C), the amount recovered for the costs of suit and reasonable attorney's fees pursuant to subsection (c)(2) may be deducted from the total amount awarded under subsection (c)(1).

"(e) As used in this section—

"(1) the term 'Indian' means any individual who is a member of an Indian tribe;

"(2) the terms 'Indian product' and 'product of a particular Indian tribe or group' has the meaning given such term in regulations which may be promulgated by the Secretary of the Interior; and

"(3) the term 'Indian tribe' means any Indian tribe, band, nation, Alaska Native village, or other organized group or community which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.".

(b) CONFORMING AMENDMENT.—The item relating to section 1159 in the table of sections for chapter 53 of title 18, United States Code, is amended to read as follows:

"1159. Misrepresentation of Indian produced goods and products.".

SEC. 5. PENALTY FOR COUNTERFEITING INDIAN ARTS AND CRAFTS BOARD TRADE MARK.

Section 1158 of title 18, United States Code, is amended by striking "fined not more than $500 or imprisoned not more than six months," and inserting "fined in accordance with this title, imprisoned not more than 1 year and 6 months,".●

By Mr. BOREN (for himself, Mr. WILSON, Mr. PRYOR, Mr. NICKLES, Mr. FOWLER, and Mr. SPECTER):

S. 918. A bill to enable producers of fresh mushrooms to develop, finance, and carry out a nationally coordinated program for fresh mushroom promotion, and consumer information, and for other purposes; to the Committee on Agriculture, Nutrition and Forestry.

FRESH MUSHROOM PROMOTION, RESEARCH, AND CONSUMER INFORMATION ACT

● Mr. BOREN. Mr. President, today I am pleased to introduce legislation, along with Senators WILSON, PRYOR, NICKLES, FOWLER, and SPECTER that would authorize a promotion, re-

search, and consumer education program for fresh mushrooms.

The goals of the program would be to strengthen the fresh mushroom industry's position in the marketplace, maintain and expand existing markets for fresh mushrooms, and develop new markets and uses for fresh mushrooms.

Many of my colleagues may be surprised to learn that Oklahoma also has a thriving fresh mushroom production industry. As our farmers continue to face challenging economic situations, it is this type of diversification and use of the latest technology that will keep agriculture as our Nation's No. 1 industry.

Another important part of the equation for the future success of American agriculture is marketing. American farmers must now be prepared to take an active role beyond production into marketing and related efforts to increase demand for their product. Promotion, research, and consumer education programs such as the one that would be authorized under this legislation are specifically designed to enhance consumer demand for an agricultural commodity and the products made from it.

The implementation of a fresh mushroom promotion, research, and consumer education program would be subject to a referendum among fresh mushroom producers. If approved it would serve as the vehicle to most effectively and successfully achieve the marketing goal for mushroom producers on an industry-wide basis. It is important to note this is a self-help effort, funded and operated by the producers themselves, with no cost to the Federal Government. And as Federal resources become more scarce, producers will simply have to move in this direction of taking on more responsibility.

The general approach taken by this legislation is similar to that used in promotion and research legislation for other commodities. It will provide for the issuance by the Secretary of Agriculture of an order providing assessment procedures applicable to producers and first handlers of mushrooms and establishing an administrative framework for the operation of the program. The order would cover all varieties of cultivated mushrooms commercially grown or imported into the United States for the fresh market. Mushrooms used in processing would not be included.

The bill includes provisions for the establishment by the Secretary of Agriculture of a Mushroom Council made up of producers to administer the order, and payment of an assessment of ½ cent per pound for the first year, and 1 cent per pound for the second year. However, producers or importers of less than 500,000 pounds per year would be exempt from the assessment.

Mr. President, I find it commendable that the mushroom industry, which does not receive any type of Federal support, has united behind this self-help effort to become more aggressively involved in the marketing of their product. They deserve our support through enactment of this legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 918

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Fresh Mushroom Promotion, Research, and Consumer Information Act".

FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) FINDINGS.—Congress finds that—

(1) fresh mushrooms are an important food that is a valuable part of the human diet;

(2) the production of mushrooms plays a significant role in the Nation's economy in that mushrooms for the fresh market are produced by hundreds of mushroom producers, distributed through thousands of wholesale and retail outlets, and consumed by millions of people throughout the United States and foreign countries;

(3) mushroom production benefits the environment by efficiently using agricultural byproducts;

(4) mushrooms for the fresh market must be high quality, readily available, handled properly, and marketed efficiently to ensure that the benefits of this important product are available to the people of the United States;

(5) the maintenance and expansion of existing markets and uses, and the development of new markets and uses, for fresh mushrooms are vital to the welfare of producers and those concerned with marketing, using, and producing mushrooms for the fresh market, as well as to the agricultural economy of the Nation;

(6) the cooperative development, financing, and implementation of a coordinated program of fresh mushroom promotion, research, and consumer information are necessary to maintain and expand existing markets for fresh mushrooms; and

(7) mushrooms for the fresh market move in interstate and foreign commerce, and fresh mushrooms that do not move in such channels of commerce directly burden or affect interstate commerce in fresh mushrooms.

(b) POLICY.—It is declared to be the policy of Congress that it is in the public interest to authorize the establishment, through the exercise of the powers provided in this Act, of an orderly procedure for developing, financing through adequate assessments on mushrooms for the fresh market produced domestically or imported into the United States, and carrying out an effective, continuous, and coordinated program of promotion, research, and consumer information designed to strengthen the fresh mushroom industry's position in the marketplace and to maintain and expand existing domestic and foreign markets and uses for fresh mushrooms and develop new markets and uses for fresh mushrooms.

(c) CONSTRUCTION.—Nothing in this Act may be construed to provide for the control of production or otherwise limit the right of individual producers to produce mushrooms.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "Council" means the Mushroom Council established under section 5(a) of this Act;

(2) the term "Secretary" means the Secretary of Agriculture;

(3) the term "Department" means the Department of Agriculture;

(4) the term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or any other legal entity;

(5) the terms "fresh mushrooms" and "mushrooms for the fresh market" include all varieties of cultivated mushrooms commercially grown within the United States or imported into the United States that are introduced into the channels of commerce, except for mushrooms that are commercially marinated, canned, frozen, cooked, blanched, dried, packaged in brine, or otherwise processed, as may be determined by the Secretary;

(6) the term "producer" means any person engaged in the production of mushrooms who owns or who shares the ownership and risk of loss of such mushrooms and who produces, on average, over 500,000 pounds of mushrooms for the fresh market per year;

(7) the term "importer" means any person who imports, on average, over 500,000 pounds of mushrooms for the fresh market annually from outside the United States or who act, with respect to an amount of mushrooms for the fresh market that, on average, exceeds 500,000 pounds annually, as agent, broker, or consignee of any person or nation that produces mushrooms outside the United States for sale in the United States;

(8) the term "first handler" means any person, as described in an order issued under this Act, who receives or otherwise acquires mushrooms from a producer and prepares for marketing or markets such mushrooms, including mushrooms of the person's own production;

(9) the term "marketing" means the sale or other disposition of mushrooms in any channel of commerce;

(10) the term "commerce" means interstate, foreign, or intrastate commerce;

(11) the term "United States" means the fifty States of the United States of America and the District of Columbia;

(12) the term "promotion" means any action determined by the Secretary to enhance the image or desirability of fresh mushrooms, including paid advertising;

(13) the term "research" means any type of study to advance the image, desirability, marketability, production, product development, quality, or nutritional value of fresh mushrooms;

(14) the term "consumer information" means information and programs that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation, and use of fresh mushrooms; and

(15) the term "industry information" means information and programs that will lead to the development of new markets and marketing strategies, increased efficiency, and activities to enhance the image of the fresh mushroom industry.

ISSUANCE OF ORDERS

SEC. 4. (a) GENERAL.—To effectuate the declared policy of section 2(b) of this Act, the Secretary, subject to the procedures provided in subsection (b), shall issue orders under this Act applicable to producers, importers, and first handlers of mushrooms for the fresh market. Any such order shall be national in scope. Not more than one order shall be in effect under this Act at any one time.

(b) PROCEDURES.—(1) The Secretary may propose the issuance of an order under this Act, or an association of mushroom producers or any other person that will be affected by this Act may request the issuance of, and submit a proposal for, such an order.

(2) Not later than 30 days after the receipt of a request and proposal by an interested person for an order, or when the Secretary determines to propose an order, the Secretary shall publish the proposed order and give due notice and opportunity for public comment on the proposed order.

(3) After notice and opportunity for public comment are given, as provided in paragraph (2), the Secretary shall issue the order, taking into consideration the comments received and including therein provisions necessary to ensure that the order is in conformity with the requirements under this Act. Such order shall be issued and, after approval by producers and importers of mushrooms as provided in section 6(a), shall become effective not later than 120 days following publication of the proposed order.

(c) AMENDMENTS.—(1) The Secretary, from time to time, may amend any order issued under this section.

(2) The provisions of this Act applicable to an order shall be applicable to amendments to the order.

REQUIRED TERMS IN ORDERS

SEC. 5. Each order issued under this Act shall contain the following terms and conditions:

(a) MUSHROOM COUNCIL.—(1) The order shall provide for the establishment of, and selection of members to, a Mushroom Council that shall consist of at least four members and not more than nine members. The members of the Council shall be fresh mushroom producers and importers appointed by the Secretary from nominations submitted by producers and importers in the manner authorized by the Secretary, subject to the provisions of paragraph (2): *Provided*, That no more than one member may be appointed to the Council from nominations submitted by any one producer or importer.

(2) In making appointments, the Secretary shall take into account, to the extent practicable, the geographical distribution of mushroom production throughout the United States, and the comparative volume of mushrooms for the fresh market imported into the United States. In establishing such geographical distribution, a whole State shall be considered as a unit and such units shall be organized into four regions that shall fairly represent the geographic distribution of mushroom production within the United States. Importers shall be represented as a separate region. The Secretary shall appoint one member from each region that produces or imports, on average, at least 35,000,000 pounds of fresh mushrooms annually. Subject to the nine member limit on the number of members on the Council provided in paragraph (1), the Secretary shall appoint an additional member to the Council for each additional 50,000,000 pounds of production or imports per year, on average, within the region.

(3) The term of appointment to the Council shall be for three years, except that the initial appointments shall to the extent practicable be proportionately for one-year, two-year, and three-year terms. Council members shall serve without compensation but shall be reimbursed for their expenses incurred in performing their duties as members of the Council.

(b) POWERS AND DUTIES OF THE COUNCIL.—The order shall define the powers and duties of the Council, which shall include only the following powers:

(1) To administer the order in accordance with its terms and provisions;

(2) To make regulations to effectuate the terms and provisions of the order;

(3) To appoint members of the Council to serve on an executive committee;

(4) To propose, receive, evaluate, and approve budgets, plans, and projects of fresh mushroom promotion, research, consumer information, and industry information, as well as to contract with appropriate persons to implement plans or projects;

(5) To develop and propose to the Secretary voluntary quality and grade standards for fresh mushrooms;

(6) To receive, investigate, and report to the Secretary complaints of violations of the order;

(7) To recommend to the Secretary amendments to the order; and

(8) To invest, pending disbursement under a plan or project, funds collected through assessments authorized under this Act, only in obligations of the United States or any agency thereof, in general obligations of any State or any political subdivision thereof, in any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System, or in obligations fully guaranteed as to principal and interest by the United States.

(c) PLANS AND BUDGETS.—

(1) The order shall provide that the Council shall submit to the Secretary for approval any plan or project of promotion, research, consumer information, and industry information.

(2) The order shall require the Council to submit to the Secretary for approval budgets on a fiscal year basis of its anticipated expenses and disbursements in the implementation of the order, including projected costs of promotion, research, consumer information, and industry information plans and projects.

(3) No plan or project of promotion, research, consumer information, or industry information, or budget, shall be implemented prior to its approval by the Secretary.

(d) CONTRACTS AND AGREEMENTS.—(1) To ensure efficient use of funds, the order shall provide that the Council may enter into contracts or agreements for the implementation and carrying out of plans or projects of fresh mushroom promotion, research, consumer information, and industry information, including contracts with producer organizations, and for the payment of the cost thereof with funds collected under the order. Any such contract or agreement shall provide that (A) the contracting party shall develop and submit to the Council a plan or project together with a budget or budgets that shall show estimated costs to be incurred for such plan or project; (B) the plan or project shall become effective on the approval of the Secretary, and (C) the contracting party shall keep accurate records of all of its transactions, account for funds received and expended, and make periodic reports to the Council of activities conducted, and such other reports as the Council or the Secretary may require.

(2) The order shall provide that the Council may contract with producer organizations for any other services. Any such contract shall include provisions comparable to those provided in subparagraphs (A), (B), and (C) of subparagraph (1).

(e) BOOKS AND RECORDS.—The order shall require the Council to (1) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe; (2) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and (3) account for the receipt and disbursement of all funds entrusted to it.

(f) ASSESSMENTS.—

(1) The order shall provide that each first handler of mushrooms for the domestic fresh market produced in the United States shall collect, in the manner prescribed by the order, assessments from producers and remit the assessments to the Council. The order also shall provide that each importer of mushrooms for the domestic fresh market shall pay assessments to the Council in the manner prescribed by the order. Any person marketing mushrooms of that person's own production directly to consumers shall remit the assessments on such mushrooms directly to the Council in the manner prescribed in the order.

(2) The order shall provide that the assessments shall be used for payment of the expenses in implementing and administering the order, with provisions for a reasonable reserve, and to cover those administrative costs incurred by the Secretary after the order has been promulgated under this Act. The rate of assessment prescribed by the order shall be one-half per pound of mushrooms for the fresh market in the first year of the order, and one cent per pound of mushrooms for the fresh market, in the second year of the order; and therafter, the assessment rate prescribed by the order may not exceed two cents per pound of mushrooms.

(3) No assessment may be collected on mushrooms that a first handler certifies will be exported as fresh mushrooms.

(g) PROHIBITION.—The order shall prohibit any funds collected by the Council under the order from being used in any manner for the purpose of influencing government action or policy, except that such funds may be used by the Council for the development and recommendation to the Secretary of amendments to the order as prescribed in this Act and for submission to the Secretary of voluntary grade and quality standards for mushrooms under the Agricultural Marketing Act of 1946.

(h) BOOKS AND RECORDS.—(1) The order shall require that each handler of mushrooms for the fresh market or importer of fresh mushrooms maintain, and make available for inspection, such books and records as may be required by the order and file reports at the time, in the manner, and having the content prescribed by the order. In addition, the Secretary shall authorize the use of information regarding handlers and importers that may be accumulated under a law or regulation other than this Act or regulations under this Act. Such information shall be made available to the Secretary as is appropriate to the administration or enforcement of this Act, the order, or any regulation issued under this Act.

(2) All information obtained by the Secretary under paragraph (1) of this subsection shall be kept confidential by all officers and employees of the Department, and only such information so obtained as the Secretary deems relevant may be disclosed by them and then only in a suit or administrative hearing brought by the request of the Secretary, or to which the Secretary or any officer of the United States is a party, and involving the order. Nothing in this paragraph may be deemed to prohibit (A) the issuance of general statements based upon the reports, of the number of persons subject to the order or statistical data collected therefrom, which statements do not identify the information furnished by any person, or (B) the publication, by direction of the Secretary, of the name of any person violating the order, together with a statement of the particular provisions of the order violated by such person.

(3) No information obtained under the authority of this Act may be made available to any agency or officer of the Federal Government for any purpose other than the implementation of this Act and any investigatory or enforcement act necessary for the implementation of this Act. Any person violating the provisions of this paragraph, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for not more than one year, or both, and if an officer or employee of the Council or the Department, shall be removed from office.

(4) Nothing in this subsection shall authorize the Secretary to withhold information from a duly authorized committee or subcommittee of Congress.

(i) OTHER TERMS AND CONDITIONS.—The order also shall contain such terms and conditions, not inconsistent with the provisions of this Act, as necessary to effectuate the provisions of this Act.

REQUIREMENT OF REFERENDA

SEC. 6. (a) INITIAL REFERENDUM.—Within the 60-day period immediately preceding the effective date of an order, as provided in section 4(b), the Secretary shall conduct a referendum among producers and importers of mushrooms who, during a representative period as determined by the Secretary, have been engaged in the production or importation of mushrooms for the fresh market. The purpose of the referendum shall be to ascertain whether the order shall go into effect. The order shall become effective, as provided in section 4(b), only if the Secretary determines that it has been approved by not less than a majority of those eligible and voting in the referendum.

(b) SUCCEEDING REFERENDA.—No sooner than three years following the effective date of an order, the Secretary may conduct a referendum on the request of a representative group comprising 30 percent or more of the number of producers and importers of mushrooms who, during a representative period as determined by the Secretary, have been engaged in the production or importation of mushrooms for the fresh market to determine whether producers and importers favor the termination or suspension of the order. The Secretary shall suspend or terminate collection of assessments under the order within six months after the Secretary determines that suspension or termination of the order is favored by at least two-thirds of those eligible and voting in any such referendum who, during a representative period as determined by the Secretary, have been engaged in the production or importation of mushrooms for the fresh market, and shall suspend or terminate the order in an orderly manner as soon as practicable after such determination.

(c) COSTS OF REFERENDUM.—The Secretary shall be reimbursed from any assessments collected by the Council for any expenses incurred by the Department in connection with the conduct of any referendum under this section, except for the salaries of Government employees. Referenda conducted pursuant to this section shall be conducted in such a manner as determined by the Secretary.

PETITION AND REVIEW

SEC. 7. (a) IN GENERAL.—Any person subject to an order issued under this Act may file with the Secretary a petition stating that the order or any provision of the order or any obligation imposed in connection therewith is not in accordance with law and requesting a modification thereof or an exemption therefrom. The petitioner thereupon shall be given the opportunity for a hearing on the petition, in accordance with regulations issued by the Secretary. After such hearing, the Secretary shall make a ruling on the petition, which shall be final if in accordance with law.

(b) DISTRICT COURT JURISDICTION.—The district courts of the United States in any district in which such person is an inhabitant or carries on business are hereby vested with jurisdiction to review such ruling, if a complaint for that purpose is filed within 20 days after the date of the entry of such ruling. Service of process in such proceedings may be had on the Secretary by delivering a copy of the complaint to the Secretary, pursuant to such regulations as the Secretary may prescribe. If the court determines that such ruling is not in accordance with law, it shall remand such proceedings to the Secretary with directions either (1) to make such ruling as the court shall determine to be in accordance with law, or (2) to take such further proceedings as, in its opinion, the law requires. The pendency of proceedings instituted pursuant to subsection (a) of this section shall not impede, hinder, or delay the United States or the Secretary from obtaining relief pursuant to section 8 of this Act.

ENFORCEMENT

SEC. 8. The Secretary may issue orders to restrain or prevent any person from violating an order or any regulation issued under this Act and may assess a civil penalty of not more than $1,000 for violation of the order, following an opportunity for an administrative hearing, whenever the Secretary believes that the administration and enforcement of this Act and the order would be adequately served by such a procedure. The district courts of the United States are vested with jurisdiction specifically to enforce and to prevent and restrain any person from violating, the order or any regulation made or issued under this Act. Any civil action authorized to be brought under this section shall be referred to the Attorney General for appropriate action.

INVESTIGATIONS: POWER TO SUBPOENA AND TAKE OATHS AND AFFIRMATIONS: AID OF COURTS

SEC. 9. The Secretary may make such investigations as the Secretary deems necessary for the effective administration of this Act or to determine whether any person subject to the provisions of this Act has engaged or is about to engage in any act that constitutes or will constitute a violation of any provision of this Act or of any order or regulation issued under this Act. For the purpose of such investigation, the Secretary may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any records that are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States. In the case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of the person and the production of records. The court may issue an order requiring such person to appear before the Secretary to produce records or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof. Process in any such case may be served in the judicial district in which such person is an inhabitant or wherever such person may be found.

SAVINGS PROVISION

SEC. 10. Nothing in this Act may be construed to preempt or supersede any other program relating to mushroom promotion organized and operated under the laws of the United States or any State.

AUTHORIZATION

SEC. 11. There are hereby authorized to be appropriated such funds as are necessary to carry out the provisions of this Act. The funds so appropriated shall not be available for payment of the expenses or expenditures of the Council in administering any provisions of an order issued under this Act.●

By Mr. PRYOR (for himself and Mr. BOND, Mr. FOWLER, Mr. BOREN, Mr. HEFLIN, Mr. CONRAD, Mr. KASTEN, Mr. SASSER, Mr. BURDICK, Mr. THURMOND, Mr. MCCONNELL, Mr. NUNN, Mr. NICKLES, Mr. GRASSLEY, Mr. COCHRAN, Mr. LOTT, Mr. SHELBY, Mr. DASCHLE, Mr. BUMPERS, Mr. KOHL, Mr. GRAHAM, Mr. PRESSLER, Mr. KERREY, Mr. EXON, Mr. DURENBERGER, Mr. HOLLINGS, Mr. DIXON, and Mr. DANFORTH):

S. 919. A bill to enable producers of soybeans to develop, finance, and carry out a nationally coordinated program for soybean promotion, research, and consumer information, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

SOYBEAN PROMOTION, RESEARCH, AND CONSUMER INFORMATION ACT

Mr. PRYOR. Mr. President, today I rise to introduce legislation that is entitled the Soybean Promotion, Research and Consumer Information Act of 1989. I, along with over 20 of my colleagues, introduce this bill at the request of a large number of soybean farmers from across the Nation who see the need for such a program to be enacted.

This bill's intention is to establish a farmer controlled nationwide soybean promotion and research program which will expand export markets,

protect domestic markets, develop new and improved uses for soybeans and soybean products, and to raise consumer awareness of the benefits of these products. In face of ever-increasing foreign competition and an increase in world demand for soybeans, legislation such as this is timely and necessary.

The world market has seen a 4- to 5-percent increase in demand for soybeans and soybean products on a yearly basis. At the same time, we have witnessed South American soybeans, Malaysian palm oil and coconut oil from the Philippines capture these new markets and make gains in traditional U.S. markets. This occurrence is not a coincidence * * * South American soybean producers have a 2-percent checkoff; the Malaysians have the equivalent of a 7.7-cent per-bushel checkoff; and the English have 2.5 cents per bushel checkoff on rapeseed. Such a combination as this has resulted in billions of dollars of losses for U.S. soybeans. Our legislation will go a long way toward correcting this situation.

Enacting such legislation will not only assist in market security, but will be very beneficial in promotion of the many benefits associated with American soybeans and their byproducts. For example, in an independent poll recently taken, just over 85 percent of U.S. consumers couldn't identify soybean oil as a cooking oil. I seriously doubt that many people in this country are aware of the potential role soy ink could play in our printing industry. Soy ink provides many advantages in its uses, which some papers in Arkansas and other States are currently proving, yet very few realize this is even a reality. Soybean byproducts can even be used in biodegradeable plastics, thereby gaining yet another market while being a sensitive product within the environment. This is simply the tip of the iceberg in possible uses. The research conducted with this program will also assist farmers in lowering their production costs, which is extremely important in the South. It doesn't take long, Mr. President, to realize the tremendous positive impact this type of program could carry for U.S. farmers.

It is important to mention that this legislation is introduced with wide spread support from within the Nation's soybean industry. This is a program that they desire, one in which they have taken great strides in developing, and one in which reflects many of their needs. This bill is not perfect, however. There are concerns which remain that need to be addressed, and there is certainly work to be done in crafting a final package which carries support from throughout the agriculture community, and I fully intend to see that such agreement is reached.

Today we have taken a critical first step in addressing some serious needs of the soybean industry. I hope this bill will move in a timely fashion through the Senate Agriculture Committee, and will then be supported by a large majority of my colleagues in this Chamber once it is taken up by the full Senate. I urge other Senators who want to help this segment of our farming community to join me and a majority of our colleagues on the Senate's Committee on Agriculture, Nutrition, and Forestry in supporting this legislation.

Mr. BOND. Mr. President, on several occasions over the past 2 years, I have addressed this body regarding the long-term viability of our domestic soybean industry. We have focused on issues covering the entire spectrum of production, processing and consumption—from the trade distorting subsidies of our competitors and the inflexibility of our own farm programs to the health concerns associated with tropical oils.

In retrospect, it is clear that we have spent too much time addressing supply and not enough examining demand. Self-help measures such as producer funded promotion efforts are revolutionizing the way in which agricultural commodities are marketed. No longer are producers content solely with maintaining traditional markets, the key to long-term viability is the development of new markets—whether they be for human consumption, livestock feed or industrial use.

Today, I am pleased to join my good friend Senator PRYOR and 24 of our colleagues in introducing legislation to help restore America as the world's preeminent supplier of soybeans and soybean products. The Soybean Promotion, Research and Consumer Information Act will enable farmers to develop, finance and implement a coordinated national program.

There are 26 States which now have checkoff programs for soybeans—with total receipts around $14 million. My home State of Missouri has had tremendous success with their State program.

Mr. President, the American Soybean Association [ASA], with some 30,000 dues paying members has been working on this legislation for several months. Hundreds of meetings and interviews were conducted across the Nation to gauge the views of soybean producers. The culmination of their efforts was the recent vote of ASA's 270 voting delegates in support of the legislation.

Many Members of Congress are now familiar with producer-funded promotion and research programs. We see adds on television for "Pork—The Other White Meat, Milk—It Does A Body Good, and Beef—Real Food For Real People." While these programs have received widespread attention, cotton, eggs, and potatoes also have checkoff programs. Several other agricultural commodities are in the process of developing similar authorizing legislation.

What do we hope to achieve? Is there a real need for a national checkoff? These are fair questions and there are logical answers. First of all, a nationwide checkoff will provide significant funds, with some degree of consistency, for advertising—or consumer awareness. Many consumers do not realize the importance of soybeans and soybean products. A recent study indicated that 85 percent of U.S. consumers cannot identify soybean oil as a cooking oil.

Second, increased market development activities will expand exports. With world demand for oilseeds increasing approximately 4 percent annually, and growing competition from the European Community and South America, the United States must continue to expand existing markets and aggressively seek new ones.

Third, additional research could cut production costs and improve our competitiveness in world markets. The development of new uses for soybeans may open vast new markets. We are now learning firsthand of the opportunities associated with products such as newspaper ink derived from soybean oil. I am pleased that several publications in Missouri are now utilizing this vital renewable natural resource.

Given the severity of our Nation's Federal budget deficit, producer funded research is becoming more of a necessity. Our Nation's soybean producers understand this and are to be commended for their foresight in ensuring that this important research continues.

Mr. President, other agricultural promotion programs have proven the benefits of the self-help concept. Not only are farmers willing to invest in their future, but they now have both the enthusiasm and experience to ensure success.

Before closing, I would like to recognize the leadership of Mr. Don Hiel in developing this important legislation. As chairman of the ASA's Soybean Check-Off Committee, Don has had the extremely difficult task of creating a program which achieves its goal yet maintains broad support among soybean producers. Through his dedication and hard work, Don has done just that. I commend him for a job well done.

I am confident hearings will be held soon in the Senate Agriculture Committee and look forward to passing a bill with broad, bipartisan support.

By Mr. GORE (for himself, Mr. HOLLINGS, Mr. DANFORTH, and Mr. PRESSLER);

S. 920. A bill to authorize appropriations for the fiscal years 1990 and 1991 for the Office of Commercial Space Transportation of the Department of Transportation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AUTHORIZING APPROPRIATIONS FOR THE OFFICE OF COMMERCIAL SPACE TRANSPORTATION

● Mr. GORE. Mr. President, today I am introducing, by request, the fiscal year 1990 and fiscal year 1991 Department of Transportation's Office of Commercial Space Transportation authorization bill. I am joined by the distinguished chairman of the Commerce, Science, and Transportation Committee, Senator HOLLINGS, the ranking member of that committee, Senator DANFORTH, and the ranking member of the Subcommittee on Science, Technology, and Space, Senator PRESSLER.

Mr. President, recently, the first commerical expendable launch vehicle was launched in the United States. And if all goes according to plan, there will be eight more commercial expendable launch vehicle launches in 1989.

In light of this increase in the level of activity and the advent of a commercial expendable launch vehicle industry in the United States it is absolutely critical that the Office of Commercial Space Transportation of the Department of Transportation have the resources required to license and regulate this industry.

It also is important that this office have the resources required to monitor recently negotiated expendable launch vehicle agreements with the Peoples Republic of China and with our foreign competitors.

Mr. President, the fiscal year 1990–91 Office of Commercial Space Transportation authorization bill requests $4.392 million in fiscal year 1990 and such sums as may be necessary in fiscal year 1991 to carry out the activities of this office.

The Subcommittee on Science, Technology, and Space intends to review closely this request and other pertinent policy matters at a hearing on May 17th.

Furthermore, the Subcommittee intends to review the office of Commerical Space Transportation's implementation of the Commercial Space Launch Amendments of 1988 and the level of support being rendered this nascent industry by the Federal Government.

Mr. President, the successful emergence of a U.S. commercial expendable launch vehicle industry that meets the obligations and commitments of the United States requires a well-structured and well-supported Office of Commercial Space Transportation. During the next month, it is the intention of the Subcommittee on Science, Technology and Space to review the requirements of this Office, to compare them to the administration's budget request, and to formulate a fiscal year 1990 authorization bill.

Mr. President, at this point, I would ask unanimous consent that the complete text of the fiscal year 1990–91 Office of Commercial Space Transportation authorization bill and its section-by-section analysis be inserted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 24 of the Commercial Space Launch Act (49 U.S.C. 2623) is amended to read as follows:

"SEC. 24. There are authorized to be appropriated for the purpose of carrying out this Act $4,392,000 for fiscal year 1990 and such sums as are necessary for fiscal year 1991. Sums appropriated for research and development shall remain available until expended."

SECTION-BY-SECTION ANALYSIS

Section 1 of the bill would authorize appropriations for fiscal year 1990 and 1991 for the Department of Transportation's Office of Commercial Space Transportation programs. A total of $4,392,000 would be authorized for the activities of this Office in fiscal year 1990 and such sums as may be necessary for that purpose would be authorized for fiscal year 1991. Appropriations made for research development would be available until expended, because these activities typically involve a series of contracts where one cannot begin until an earlier one is completed.●

By Mr. KOHL (for himself, Mr. KERREY, Mr. KASTEN, and Mr. SIMON):

S. 921. A bill to amend the Social Security Act and the Public Health Service Act to make certain modifications in the medicare program with respect to payments made under such program to hospitals located in rural areas, to improve the delivery of health services to individuals residing in such areas, and for other purposes; to the Committee on Finance.

RURAL HEALTH IMPROVEMENT ACT

Mr. KOHL. Mr. President, I rise today with my colleagues from Nebraska, Illinois and Wisconsin to introduce the Rural Health Improvement Act of 1989.

Between 1980 and 1987, Wisconsin lost 6 rural community hospitals out of 161 closures nationwide. In the last 18 months, we have lost three more facilities. By and large the increased number of closures are in small communities. Likewise, inpatient occupancy rates have been dropping substantially in smaller community hospitals: A 27.9-percent decline in occupancy during 1983–87 for community hospitals with fewer than 25 beds, 21.2 percent for those with 25–49 beds and 17.4 percent for those with 50–99 beds.

In fiscal year 1989, 25 percent of the 138 hospitals in Wisconsin are predicted to have Medicare operating margins that are negative by −9.7 percent or more—one quarter of our hospitals losing money under Medicare, Mr. President. It is clear that the problem is not just a rural one either. Inner city hospitals seem to be struggling with numbers of public pay—Medicare and Medicaid—patients. Case mix, not necessarily geographical location, seems to be a critical factor. I think we must be sensitive to that as we try to address the plight of health care in rural areas. We can't just reach down into the pockets of the urban hospitals and pull out some magic bandaid, without risking the health of the medic.

While there has been a great deal of attention paid to hospital closures and the loss of access to care in certain communities, there has been considerably less discussion of those hospitals that are teetering on the brink, those hospitals that are operating under negative margins. What is happening there? Is access to quality care being guaranteed in facilities that are struggling to survive?

There appears to be a substantial gap in Medicare operating margins between urban and rural hospitals under PPS. Because of that particular trend, there is wide discussion of eliminating the urban-rural differential under Medicare. It is my understanding that first year costs of that proposal are approximately $775 million; the alternative to new spending would be an across the board cut of 2 percent from urban hospitals. I don't know that the urbans could absorb that cut, and I don't know where we think we will find $775 million in increased funding. I am concerned that dealing solely with the differential—because it is an obvious inequity—will not care the wound, but rather just patch it up for a while. I am open to all suggestions for improving access to quality care in both urban and rural areas and the differential is certainly one of those components. I look forward to working with my colleagues in the search for sound solutions.

A March 18 Madison Capital Times article, "Small-town hospitals face some big-time difficulties" identified low Medicare reimbursement as an obstacle to maintaining quality health care. My sense is that there are several factors: declining inpatient volume under a system that provides financial incentives for inpatient services, hospital size coupled with the inability to compensate for inadequate public sector reimbursement through private payments, local economics and demographics and difficulties in competing for health care providers, among others.

The legislation that I introduce today attempts to address various aspects of the problem. The House

author, Congressman OBEY, and I have tried to reflect the concerns expressed in our own State of Wisconsin. It is our hope that these approaches will be given serious consideration by the Senate Finance, Labor and Appropriations Committees.

Title I proposes Medicare Program changes, most significantly the adoption of the Prospective Payment Assessment Commission [ProPac] recommendation for a PPS update for all hospitals. Under this recommendation, rural hospitals would benefit from a 5.6-percent payment increase. Large urban hospitals would receive an update of 5 percent, with hospitals in Metropolitan Statistical Areas of less than 1 million receiving a 4.5-percent update. To the extent possible under the PPS geographically based differential, these updates offer a fairer, more reflective fix to the negative operating margin trends. At the same time it is fiscally responsible given the limitations imposed by our budget deficit.

To address hospital concerns that wage bases presently do not reflect their costs of acquiring and retaining health care professionals, we require the Secretary to figure wages based on regional, rather than local data and to factor for the different wages paid professional and non-professional staff. We require an annual update as opposed to the present 3-year update. Medicare payment rates should reflect the most current data available.

We also ask the Secretary to study alternative reimbursement systems for rural and small hospitals. If indeed the current system encourages hospitals to maintain the same number of beds, even though they may be underutilized, if we are encouraging inpatient, rather than outpatient care—if there is some way to give small hospitals that provide an irreplaceable service to the community a fair shake, then let's determine what that is, and do it.

The rural hospital transition grant program has already been of outstanding assistance to may facilities and I commend the authors of that program. I am supportive of expanding it and I would hope that the Secretary would give special attention to grants for demonstration projects that establish new cooperative models for delivery of rural health care. In Wisconsin, cooperatives are effective means of health care delivery. It seems to me that there is potential for similar models in Washington, Minnesota, and New York to be used in other areas. Questions regarding credit systems, supplies, buying associations, capitalization and competition must be addressed. But a few well placed demonstrations and an increase in research and development in this area could yield solid answers.

Special concerns are expressed for the sole community provider and rural referral centers. Clearly the issues of providing universal access to quality care hinge on the support of these services.

We propose to place the newly developed Office of Rural Health Policy in the Office of the Assistant Secretary for Health and to establish an agricultural health and safety program within the Office of Rural Health. Injuries and deaths in agricultural work are over four times higher than in other work environments. This is a tragic waste of human potential.

Title II includes reforms to the Public Health Service Act to encourage attention to underserved rural areas for the purpose to recruiting nurses and family practitioners. Our colleague from Montana has consistently provided leadership in this area and I want to commend him for that.

Section 205 of title II authorizes the Secretary to provide funding for cost-containment-quality assurance programs modeled after the Health Information Technology Center proposed by the Medical College of Wisconsin.

Health care expenditures in the United States amounted to more than $500 billion last year. That is an absolutely staggering figure, Mr. President. And what do we get for our buck? Do all Americans have universal access to quality health care? A recent New York Times editorial by Joseph Califano, former Secretary of the Department of Health, Education and Welfare, suggested not. He further argued that 25 percent of that money is wasted.

Ironically, efforts to provide cost-effective health care have been hampered by the very tools that were designed to aid them. The growth of technology over the last several decades has led to the development of medical diagnosis capabilities never before imagined. With this growth has come a virtual explosion of information that must be synthesized and managed for proper clinical decisionmaking.

The healthcare provider, in a social environment that demands decisionmaking in the context of quality assessment, cost containment and bioethical considerations, is faced with the enormous task of bringing to bear on patient care, diagnostic and therapeutic information about the patient, knowledge of the disease itself and accumulated experience with that disease through local, regional or national data bases. The inability to manage this information often results in health care that sacrifices quality for cost containment, or abandons cost containment in an effort to assure quality.

If we are to meet the health care needs of our society within today's fiscally constrained environment, it is critical that we develop new means of effectively managing medical information.

The Health Information Technology Center offers to address this crisis through linking rural and urban health professionals throughout the region and nation by means of improved communication. We ought to be encouraging more proposals like this.

I thank my colleagues for their consideration of these proposals, and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 921

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rural Health Improvement Act of 1989".

TITLE I—MEDICARE PROGRAM CHANGES

SEC. 101. MEDICARE PAYMENTS TO RURAL HOSPITALS.

(a) SPECIFYING UPDATE FACTOR FOR FISCAL YEAR 1990.—Section 1886(b)(3)(B)(i) of the Social Security Act is amended—

(1) in subclause (IV), by inserting "before the date of the enactment of the Rural Health Improvement Act of 1989" after "fiscal year 1989",

(2) by striking "and" at the end of subclause (IV), and

(3) by amending subclause (V) to read as follows:

"(V) for fiscal year 1989 on or after the date of the enactment of the Rural Health Improvement Act and for fiscal year 1990, the percent recommended by the Prospective Payment Assessment Commission (in its report of March 1, 1989) for fiscal year 1990 with respect to all hospitals located in the respective type of area.".

(b) RECOMMENDATIONS TO ADJUST AREA WAGE FACTOR.—The Secretary of Health and Human Services shall report to Congress, by not later than 1 year after the date of the enactment of this Act, recommendations—

(1) for appropriate adjustments in payment amounts under section 1886(d) of the Social Security Act to reflect different degrees of severity of illness within discharges classified in the same diagnosis-related group;

(2) to modify the hospital area wage factors under section 1886(d)(3)(E) of such Act to reflect, in the case of hospitals located in a rural area, wages for professional personnel on a regional basis (rather than merely for the rural area involved) and to take into account the differential impact of contract labor costs and noncontract labor costs on hospitals in rural areas;

(3) to recalculate the standardized payment amounts under section 1886(d) of such Act to reflect the most current information on costs incurred by hospitals; and

(4) regarding the exclusion from the calculation of a hospital's wage index those wages paid to hospital employees who are assigned or allocated to the operation of an attached, but distinct, long-term care facility.

(c) ANNUAL UPDATE OF WAGE FACTORS.—Section 1886(d)(3)(E) of the Social Security Act (42 U.S.C. 1395ww(d)(3)(E)) is amended

by striking "(and at least every 36 months thereafter)" and inserting "and annually thereafter".

(d) STUDY OF ALTERNATIVE REIMBURSEMENT SYSTEMS.—The Secretary of Health and Human Services shall provide for a study of alternative reimbursement systems under the medicare program for hospitals (particularly small hospitals) located in rural areas. The Secretary shall report to Congress on the study, and make recommendations for appropriate changes in legislation to provide for such alternative reimbursement systems, by not later than 6 months after the date of the enactment of this Act.

(e) REVIEW BY PROSPECTIVE PAYMENT ASSESSMENT COMMISSION.—The reports required under this section shall be reviewed by the Prospective Payment Assessment Commission, which shall submit a written review of each such report to Congress within 60 days of the date of transmittal of the report to Congress.

SEC. 102. INTERIM PROVISION TO ENSURE ADEQUATE PAYMENTS FOR INPATIENT HOSPITAL SERVICES FURNISHED BY MEDICARE-DEPENDENT, SMALL, RURAL HOSPITALS.

Section 1886(d)(5) of the Social Security Act (42 U.S.C. 1395ww(d)(5)) is amended by adding at the end the following new subparagraph:

"(G)(i) For cost reporting periods beginning after September 30, 1989, and ending before October 1, 1991, the Secretary shall provide for an additional payment amount for each medicare-dependent, small, rural hospital (as defined in clause (ii)) to ensure that the total of the payments made to the hospital under this section (including this clause) for any such cost reporting period is at least equal to the reasonable costs associated with the hospital's operating costs of inpatient hospital services for medicare beneficiaries for that period. In determining the reasonable costs of a hospital under the previous sentence, the Secretary may not apply limits which would limit reimbursement based on average costs incurred by hospitals. In the case of a hospital receiving payments on a periodic interim basis under section 1815(e)(1) and entitled to additional payment amounts under this subparagraph, such additional payment amounts shall be included in the payments made under section 1815(e)(1).

"(ii) In clause (i), the term 'medicare-dependent, small, rural hospital' means, for a cost reporting period with respect to which such clause applies, a subsection (d) hospital—

"(I) that is receiving payments based on the rural standardized amount and has no more than 100 beds; and

"(II) for which period at least 60 percent of inpatient hospital services (determined, at the hospital's option, on a per diem basis or on a discharge basis) are attributable to inpatients who are entitled to benefits under part A.".

SEC. 103. MODIFICATIONS WITH RESPECT TO SOLE COMMUNITY HOSPITALS.

Section 1886(d)(5)(C)(ii) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(C)(ii)) is amended—

(1) by striking the first sentence and inserting the following new sentence: "With respect to a subsection (d) hospital which is a sole community hospital, payment under paragraph (1)(A) for any cost reporting period or fiscal year beginning on or after October 1, 1989, shall be equal to the sum of—

"(I) 75 percent of the greater of the hospital's target amount (as defined in subsection (b)(3)(A), but determined without the application of subsection (a)), or a target amount determined by the Secretary in the same manner, but using information from the most recent cost reporting period or periods available; and

"(II) 25 percent of the greater of the applicable regional or national DRG prospective payment rate determined under subsection (d)(3).''; and

(2) by adding at the end thereof the following new sentence: "In determining the factors that constitute a sole community hospital for purposes of the preceding sentence the Secretary shall consider—

"(I) the time needed to travel to the nearest alternative source of appropriate inpatient care;

"(II) in those cases where the Secretary determines a hospital's eligibility for sole community hospital status using criteria related to such hospital's share of beneficiaries eligible for benefits under this title or total population of such beneficiaries in the area served by the hospital, the Secretary shall then take into account the total number of patients (whether or not such patients are eligible for benefits under this title) who seek health services unavailable in the area served by such hospital, without regard to the number of beds in such hospital; and

"(III) such other factors that the Secretary considers relevant.".

SEC. 104. SPECIAL ATTENTION OF RURAL HOSPITAL TRANSITION GRANT PROGRAM ON COOPERATIVE MODELS.

(a) IN GENERAL.—Section 4005(e)(1) of the Omnibus Budget Reconciliation Act of 1987 is amended by adding at the end the following new sentence: "The Secretary shall give special attention to grants for demonstration projects that establish new cooperative models for delivery of rural health care.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to grants for fiscal years beginning with fiscal year 1990.

SEC. 105. TREATMENT OF REGIONAL REFERRAL CENTERS.

(a) EXTENSION OF REGIONAL REFERRAL CENTER CLASSIFICATION.—Any hospital that is classified as a regional referral center under section 1886(d)(5)(C)(i) of the Social Security Act as of September 30, 1989, including a hospital so classified as a result of section 9302(d)(2) of the Omnibus Budget Reconciliation Act of 1986, shall continue to be classified as a regional referral center for cost reporting periods beginning on or after October 1, 1989, and before October 1, 1991.

(b) CONTINUATION OF PAYMENT RATE.—In determining the amount that is payable under section 1886(d) of the Social Security Act for a discharge on or after October 1, 1989, from a hospital that is classified as a regional referral center for purposes of payment under such section, the Secretary of Health and Human Services shall use the average standardized amount that is applicable to discharges from a hospital that is located in an urban area (other than a large urban area) in the region in which the hospital so classified is located (as such terms are used in such section).

SEC. 106. OFFICE OF RURAL HEALTH POLICY.

(a) LOCATION OF OFFICE.—Section 711(a) of the Social Security Act (42 U.S.C. 912(a)) is amended by inserting "in the Office of the Assistant Secretary for Health" before "in the Department of Health and Human Services".

(b) ESTABLISHMENT OF AGRICULTURAL HEALTH AND SAFETY PROGRAM.—Section 711(b) of such Act (42 U.S.C. 912(b)) is amended—

(1) by striking "and" at the end of paragraph (3),

(2) by striking the period at the end of paragraph (4) and inserting ", and", and

(3) by adding at the end the following new paragraph:

"(5) establish a program to establish policy with respect to agricultural health and safety and to make grants with respect to agricultural health and safety.".

(c) LIAISON WITH HCFA.—Section 711 of such Act is further amended by adding at the end the following new subsection:

"(c) The Director of the Office and the Administrator of the Health Care Financing Administration shall establish a liaison for the purpose of coordinating policies concerning rural health under this Act and under the Public Health Service Act.".

TITLE II—PUBLIC HEALTH SERVICE ACT PROGRAMS

SEC. 201. SPECIAL EMPHASIS ON NEEDS OF RURAL AREAS IN ASSIGNMENT OF MEMBERS OF NATIONAL HEALTH SERVICE CORPS.

Section 333(c)(1) of the Public Health Service Act (42 U.S.C. 254f(c)(1)) is amended by inserting before the semicolon the following: ", with special emphasis on the health manpower needs of rural areas".

SEC. 202. NURSING SET-ASIDE IN NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP AND LOAN REPAYMENT PROGRAMS.

Section 338G(b) of the Public Health Service Act (42 U.S.C. 254q(b)) is amended to read as follows:

"(b) FUNDING.—

"(1) There are authorized to be appropriated such sums as may be necessary for scholarship and loan repayments under this subpart.

"(2) Of the amounts appropriated pursuant to paragraph (1) for a fiscal year, the Secretary shall, with respect to individuals eligible for scholarships and loan repayments under this subpart, make available not less than 50 percent for such scholarships and loan repayments for such individuals who—

"(A) are attending programs for the education of nurse practitioners (as defined in section 822); and

"(B) agree to serve in a health manpower shortage area with a shortage of nurse practitioners (as determined under section 332).".

SEC. 203. ESTABLISHMENT OF PROGRAM FOR AGRICULTURAL HEALTH AND SAFETY.

Part C of title III of the Public Health Service Act is amended by inserting after section 327A the following new section:

"SEC. 327B. EDUCATION AND TRAINING IN AGRICULTURAL HEALTH AND SAFETY.

"(a) IN GENERAL.—The Secretary, acting through the Director of the Centers for Disease Control, shall establish a program of education and training in agricultural health and safety.

"(b) AUTHORITY FOR GRANTS AND CONTRACTS.—In carrying out paragraph (1), the Secretary may make grants to, and enter into contracts with, public and nonprofit private entities.".

SEC. 204. DEVELOPMENT BY SECRETARY OF MODEL STATE LAW FOR UNINSURED WITH RESPECT TO HEALTH.

(a) IN GENERAL.—The Secretary of Health and Human Services shall conduct a study for the purpose of developing a model State law with respect to providing health insur-

ance to individuals with no health insurance or with inadequate health insurance.

(b) REPORT.—The Secretary of Health and Human Services shall, not later than 1 year after the date of the enactment of this Act, complete the study required in subsection (a) and submit to the Congress a report describing the model State law developed as a result of the study.

SEC. 205. ESTABLISHMENT OF REGIONAL COST-CONTAINMENT-QUALITY ASSURANCE DEMONSTRATION CENTERS.

Part C of title III of the Public Health Service Act as amended by this Act, is further amended, by inserting after section 327B the following new section:

"SEC. 327C. HEALTH INFORMATION TECHNOLOGY CENTERS.

"(a) IN GENERAL.—The Secretary of Health and Human Services, in accordance with the provisions of this section, shall make grants to eligible medical colleges—

"(1) to establish model regional cost-containment-quality assurance networks; and

"(2) to—

"(A) develop, construct, and acquire equipment, materials, and facilities, and

"(B) develop training programs, conduct research, disseminate information, and other activities designed to improve the quality and cost effectiveness of health care in rural and urban areas.

"(b) DEFINITION.—For the purposes of this section, the term 'eligible medical college' means a private, freestanding, not-for-profit medical college which agrees to establish, pursuant to regulations to be prescribed by the Secretary, a quality assurance cost-containment network and which must, at minimum—

"(1) have previously developed and maintained a statewide bioethics network;

"(2) have demonstrated ability to develop, maintain, and analyze, international registries or other data bases; and

"(3) have experience consulting with HCFA on hospital mortality or other quality assurance related research.

"(c) AUTHORITY FOR GRANTS AND CONTRACTS.—The Secretary is authorized to make such grants, and enter into such contracts, as are necessary to carry out the purpose of this section.".

SEC. 206. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect October 1, 1989, or upon the date of the enactment of this Act, whichever occurs later.

Mr. SIMON. Mr. President, I am honored to be an original cosponsor of the Rural Health Improvement Act of 1989 with my distinguished colleague from the State of Wisconsin, Senator KOHL.

Congress has an obligation to insure that Americans living in rural areas have access to quality health care services even though these areas have limited resources, geographic diversity, and low population densities. This legislation addresses several critical health care concerns of the elderly residing in rural areas.

The Rural Health Improvement Act of 1989 proposes to raise Medicare payments to all hospitals by the percentage recommended by the Prospective Payment Assessment Commission in its March 1, 1989, report to the Department of Health and Human Services. Under existing law, all hospitals are assumed to get a market basket update of about 5.4 percent.

This legislation requires the Secretary of HHS to figure wages based on: First, different wages paid professional and nonprofessional staff; and, second, wages paid professionals on a regional rather than local basis. The wage factor would be updated annually instead of every 3 years. Actual costs incurred by hospitals would be figured on a more timely basis. Alternative reimbursement systems for rural and small hospitals would be developed.

Additionally, this legislation addresses the need for improvements in the Rural Hospital Transition Grant and Public Health Service Programs.

Americans in both urban and rural areas face significant challenges in the years ahead. The combination of economic pressures and Medicare changes has caused a string of hospital closings nationwide in the last 5 years. Fifteen hospitals in the State of Illinois have closed during that time period.

Our health care system faces a serious and growing crisis. For the poor and medically indigent citizens, high quality, comprehensive health care is difficult to obtain and becoming more inaccessible. Poor and rural communities have been the hardest hit.

I applaud Senator KOHL for the development of a comprehensive approach to the rural health care problem. I am pleased to have been asked to cosponsor this legislation. I urge my colleagues in the Senate to give this legislation swift consideration and support.

By Mr. MOYNIHAN:

S. 922. A bill to reduce the rate of payroll taxes and the resulting surplus in the Social Security trust funds unless the Federal deficit in the non-Social Security budget is incrementally reduced to zero; to the Committee on Finance.

SOCIAL SECURITY TRUST FUND SAVINGS ACT

● Mr. MOYNIHAN. Mr. President, I rise today to introduce legislation that offers us the opportunity to positively transform the American economy by quadrupling our national savings rate. The bill would require us to produce a unified budget surplus equal to the Social Security trust fund surplus, and thereby increase national savings and investment and provide for the retirement of the baby boom. I think it appropriate to speak briefly on this legislation as the Senate continues its consideration of the budget resolution for the next fiscal year.

I should note at the outsde that, quite significantly, the Republican majority and Democratic minority of the National Economic Commission, on which I served, were in complete agreement on the need to achieve this budget surplus goal. As you know, Mr. President, the NEC released its report on the budget deficit and the economy on March 1, 1989.

We surprised ourselves. Or at least I was surprised. Nominally we ended up a divided Commission. That became inevitable at about 9:15 P.M. e.s.t. last November 8, when exit polls showed that Mr. Bush would be elected, having pledged no new taxes. Our Republican appointees were thereupon bound not just to support the pledge but to affirm that a flexible freeze would get the budget into balance. Our side could not do that, and so there are majority and minority reports. However, the commission had two goals. First was the short-term issue of the deficit. Second, the long-term issue of economic growth. This latter issue took us directly to the question of the Social Security surplus.

It was by no means inevitable that we would agree on this issue. But we did. I dare to suggest that we did because of a set of exceedingly chastening facts.

The first has to do with the enormity of the fiscal excess of the 1980s. In the two Reagan terms, the United States incurred almost as much debt as was required to wage the Second World War. After each of our wars, from the Revolution on, we have had to go into sustained periods of surplus to pay off the debt. If you like, we now have the moral equivalent of a war debt.

The second fact concerns the impact of current borrowing on future economic growth. We are in the process of beggaring the next generation and those that follow. Our NEC witnesses pounded away at this. Volcker, Rivlin, Greenspan, Bergsten, Brock. Start up savings again or be known as a political generation that quite literally sold its country.

Enter the Social Security surplus, which presents us with an historic opportunity to turn around the fiscal mess of the 1980's. The Republican NEC report frames the point as follows:

> The prospect of large Social Security reserves provides an opportunity both to protect the Federal government's Social Security promises and to increase investment in our nation's economic future. This will require altering current practice so that Social Security's reserves are used to create a surplus in the unified budget, not serve simply to offset deficits. (P. 15.)

The Democratic report states:

> The reserves of [the Social Security Trust Funds] are already rising at $1 billion per week. Over the next three decades these trust funds are expected to accumulate surpluses of something over $3 trillion, excluding interest. Will we save it so that it will be available for productive investment? That is the issue. (P. 51; emphases in original.)

The Democrats go on to conclude:

> After a decade of prolonged and stultifying debate the budget remains unbalanced.

And it is likely to remain unbalanced unless and until there is seen to be something larger at stake than merely the performance of duty. * * * We need something more; something to stir the blood. Something touched with civic courage and national achievement. * * * A budget surplus. (P. 56.)

A unified budget surplus equal to the Social Security trust fund surplus. That is also the recommendation of the General Accounting Office in their eye-opening report, "Social Security: The Trust Fund Accumulation, the Economy, and the Federal Budget," released January 19, 1989. The GAO goes on to suggest that if Congress cannot manage to balance the non-Social Security budget, then we should give serious consideration to lowering Social Security taxes and returning the Social Security system to pay-as-you-go financing. In other words, Congress put these surpluses in place back in 1983 to serve as reserves against the retirement of the baby boom in the next century, and if we are only going to use the surpluses to finance deficits rather than saving them as intended, then we ought not to have them at all. This sentiment was also firmly expressed in the Democratic NEC report.

Mr. President, obviously two very important matters are intertwined here: the need to increase our national savings and investment to improve economic performance, and the need to guarantee the ability of the Social Security trust funds to pay promised benefits. Let me first say a few words about savings.

To put it bluntly, we simply don't save enough. In the 1950's, 1960's, and 1970's, our net national savings as a percent of net national product ran about 8 percent. In 1987 it was 2 percent. The components of national savings are, of course, private savings and Government savings. Net private savings of 6.1 percent of net national product were offset by a Federal budget deficit of 4.1 percent of NNP in 1987. Put another way, the deficit ate up the equivalent of two-thirds of our net private savings that year. As a result, only 2 percent of NNP was available for net investment in the United States in 1987, compared to a net investment rate four times as large during the three previous decades. Naturally, with such low investment rates we can expect little economic growth.

Now for the good news—or, I should say, potentially good news. In January 1983, the National Commission on Social Security Reform, on which I served with the distinguished Republican leader, Senator DOLE, agreed on a plan to put Social Security on a sound financial footing for the next 75 years. We put the plan into law in the Social Security Amendments of 1983. As a result of that legislation, the Social Security trust fund reserves are now growing at the rate of $159 million a day and rising. Cumulative trust fund reserves are projected to reach $1 trillion in 1997, and peak at $11.9 trillion in 2030.

I said this was potentially good news because obviously we have here a revenue stream that could do wonders for our savings and investment, and provide for the retirement of the baby boom, if only we don't squander the opportunity by not recognizing it.

Unfortunately, we are not on the right path at present. Growing Social Security surpluses are not currently contributing to savings because they are being used to help finance growing deficits in the operating budget. Under the Gramm-Rudman-Hollings deficit reduction scheme, the deficit in the operating budget is offset by trust fund surpluses to make the deficit look smaller. The deficit in the operating budget for the current fiscal year will be $215 billion, according to Congressional Budget Office estimates of February 1989. But this will be offset for Gramm-Rudman purposes by an off-budget Social Security trust fund surplus of $56 billion this year. We provided for taking the trust funds off-budget as part of the 1983 Social Security reforms. By 1994 the operating budget deficit will grow to $247 billion under the CBO baseline projections, and the Social Security surplus will be $117 billion. One can easily see the folly. Increasingly large budget deficits eating up increasingly large Social Security surpluses—surpluses we put in place back in 1983 to serve as reserves against the retirement of the baby boom in the next century.

Mr. President, we must change course. We must seize this historic opportunity to put the American economy back on a path of rising productivity and living standards. We must balance the non-Social Security budget and dedicate our Social Security surpluses to increased savings. This bill would require just that.

As you know, Mr. President, Gramm-Rudman calls for a balanced budget, inclusive of the Social Security trust funds, in fiscal year 1993. This legislation would pick up where Gramm-Rudman leaves off and get about the task of eliminating the deficit in the operating budget. It establishes deficit targets for the operating budget of $64 billion in fiscal year 1994, $28 billion for fiscal year 1995, and zero for fiscal year 1996. Thus, in fiscal year 1994 we would have an overall budget surplus of $89 billion, since we will have an estimated trust fund surplus of $117 billion that year, and by fiscal year 1996 the overall surplus would be equal to that year's surplus in the Social Security trust funds.

The bill further requires the Director of the Congressional Budget Office to report to the Congress by October 20 of each year 1994-96 on whether that year's budget will meet the deficit target. If the CBO Director's report indicates that the target will not be met, old-age, survivors, and disability insurance taxes for employers and employes each would be lowered from 6.2 percent of covered wages to 5.1 percent. The intent here is to return Social Security to pay-as-you-go financing if we cannot manage to save the trust fund surpluses. If taxes are lowered under this provision, the bill provides a schedule of future OASDI tax rate increases to keep the system in long-range actuarial balance on a current financing, or pay-as-you-go, basis. As I indicated earlier, Mr. President, lowering Social Security taxes if we cannot save the trust fund surpluses was recommended in both the Democratic NEC report and the GAO study.

Mr. President, I urge the Senate's favorable consideration of this bill to stimulate the economy, improve the American standard-of-living, and guarantee Social Security for a half century and more.●

By Ms. MIKULSKI (for herself and Mr. HATCH):

S.J. Res. 116. Joint resolution to designate the week beginning October 8, 1989, as "National Infertility Awareness Week"; to the Committee on the Judiciary.

NATIONAL INFERTILITY AWARENESS WEEK

● Ms. MIKULSKI. Mr. President, I rise today with my colleague from Utah, Senator HATCH, to introduce a resolution to designate the week beginning October 8, 1989, as "National Infertility Awareness Week."

Mr. President, soon millions of American families will celebrate Mothers Day with joy and laughter and giftgiving. But it will be a day of pain, sadness, and frustration for those couples whose unsuccessful efforts to have children have left them feeling that their lives are incomplete. Often these couples seek medical treatment for their infertility problems; they spend an estimated $1 million each year doing so. But over half remain unsuccessful, and many feel exploited in the process. There is no regulation, by either government or professional trade organizations, of clinics providing infertility treatments. There are no standards for measuring success rates. And there is virtually no policing of misleading or deceptive advertising.

Mr. President, infertility problems affect one out of every six American couples of childbearing age—about 10 million people. Couples confronting infertility require education, counseling, support, and medical treatment. Thus, it is important to spotlight this problem and to recognize those who are trying to do something about it.

That is why it has become increasingly important that couples be made aware of their rights and options with regard to childbearing. And that is why Congress should call the attention of the public to the problems faced by infertile couples and the alternatives open to them through the designation of the week beginning October 8, 1989, as "National Infertility Awareness Week."

I urge my colleagues to join me in sponsoring National Infertility Awareness Week, so that through this modest declaration we might improve the public's knowledge of this growing problem the ways we can address it.●

By Mr. BURDICK:

S.J. Res. 117. Joint resolution to designate the week of November 19, 1989, through November 25, 1989, and the week of November 18, 1990, through November 24, 1990, as "National Family Week"; to the Committee on the Judiciary.

NATIONAL FAMILY WEEK

● Mr. BURDICK. Mr. President, I am pleased to rise today to once again introduce a joint resolution to asking the President to proclaim Thanksgiving Week as National Family Week for 1989 and 1990.

I am glad to continue the fine tradition of National Family Week, which was enacted in 1972 and every year since 1976. In these years, dozens of organizations have observed this special week through participation in and sponsorship of a wide variety of activities. The Boy Scouts have joined their young members with their parents for family dinners, and the American Legion and the Family Service Association of America have held special events. In addition, the Governors of every State and the mayors of many cities have issued their own proclamations and joined in the celebration.

Of course, the true celebration of Family Week is not through any official organization or government sponsorship. It is around the dinner table as families gather from wherever they have been dispersed to come together for our uniquely American holiday of Thanksgiving. It is certainly appropriate to recognize the family significance of this annual fall festival, when we each give thanks for our many blessings: for our health, for our good fortune, and most of all for our families.

I invite each of my colleagues to join me by cosponsoring this joint resolution.●

By Mr. RIEGLE (for himself, Mr. LUGAR, Mr. SARBANES, Mr. BRADLEY, Mr. BOSCHWITZ, Mr. GLENN, Mr. SHELBY, Mr. KERRY, Mr. MOYNIHAN, Mr. MITCHELL, Mr. MATSUNAGA, Mr. HEINZ, Mr. SIMON, Mr. HOLLINGS, Mr. MACK, Mr. BURDICK, Mr. CHAFEE, Mr. GORE, Mr. DURENBERGER, Mr. REID, Mr. DOLE, Mr. KERREY, Mr. LEVIN, Mr. METZENBAUM, Mr. DASCHLE, Mr. LIEBERMAN, Mr. BUMPERS, Mr. WALLOP, Mr. JEFFORDS, Mr. CRANSTON, Mr. GORTON, and Mr. BENTSEN):

S.J. Res. 118. Joint resolution designating October 6, 1989, as "German-American Day"; to the Committee on the Judiciary.

GERMAN-AMERICAN DAY

● Mr. RIEGLE. Mr. President, I am pleased to introduce, along with my colleague from Indiana, Mr. LUGAR, Senate Joint Resolution 118, which designates October 6 as "German-American Day."

For over 300 years, the German people have contributed toward the growth of American culture. Since the arrival of the first German immigrants on October 6, 1683, in Germantown, PA, German-Americans have enriched our Nation with the benefits of their frugal labor and creative endeavors. Many of the phenomenon now considered "all American" have been the result of German influence. Hot dogs descended from German cuisine, blue jeans were invented by German-American Levi Strauss, baseball boasts the accomplishments of German-American Babe Ruth, and our ancestors forged their way across the American frontier by way of the German Conestoga wagon.

Today nearly one in every four Americans, some 50 million of us, claim at least partial German ancestry. In my own State of Michigan, there are approximately 2.5 million citizens of German descent, and I am proud to count myself among them.

However, our nations are not bound by heritage alone. Both Germans and Americans remain proud defenders of such common values as democracy, personal freedom, human dignity, and rule of law. The first German settlers were among the early patrons of education in America, providing us with both kindergarten and classroom chalkboards. The colonial trial of German-American John Peter Zenger established the precedent for freedom of the press in the United States. Thomas Nast expounded upon this principle and led our Nation in the fight against corruption, exploitation, and prejudice with his clever cartoons. Revolutionary hero General Von Steuben and President David "Ike" Eisenhower, both famous Americans of German descent, fought bravely and stood for these democratic principles.

Today, our German allies stand as a bastion of security and freedom among a divided Europe. Through both our cooperation in NATO and the strong cultural ties of our peoples, Americans and Germans continue a freindship based upon shared ideals and common heritage.

Today, I urge my colleagues to join Senator LUGAR and myself in commemorating the many invaluable German contributions to the America of the past, the present, and the future.●

ADDITIONAL COSPONSORS

S. 190

At the request of Mr. MATSUNAGA, the names of the Senator from South Dakota [Mr. PRESSLER] and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of S. 190, a bill to amend section 3104 of title 38, United States Code, to permit certain services-connected disabled veterans who are retired members of the Armed Forces to receive compensation concurrently with retired pay without reduction in the amount of the compensation and retired pay.

S. 342

At the request of Mr. DANFORTH, the names of the Senator from Alabama [Mr. SHELBY] and the Senator from North Carolina [Mr. SANFORD] were added as cosponsors of S. 342, a bill to amend the Internal Revenue Code of 1986 to provide that certain credits will not be subject to the passive activity rules, and for other purposes.

S. 355

At the request of Mr. RIEGLE, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 355, a bill to amend the Internal Revenue Code of 1986 to extend through 1992 the period during which qualified mortgage bonds and mortgage credit certificates may be issued.

S. 357

At the request of Mr. SYMMS, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 357, a bill to provide that the Secretary of Transportation may not issue regulations reclassifying anhydrous ammonia under the Hazardous Materials Transportation Act.

S. 366

At the request of Mr. BAUCUS, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 366, a bill to amend title XVIII of the Social Security Act to make certain payment reforms in the Medicare Program to ensure the adequate provision of health care in rural areas, and for other purposes.

S. 369

At the request of Mr. BOSCHWITZ, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 369, a bill to seek the eradication of the worst aspects of poverty in developing countries by the year 2000.

S. 370

At the request of Mr. CHAFEE, the name of the Senator from Wisconsin

[Mr. KOHL] was added as a cosponsor of S. 370, a bill to amend the Land and Water Conservation Fund Act and the National Historic Preservation Act, to establish the American Heritage Trust, for purposes of enhancing the protection of the Nation's natural, historical, cultural, and outdoor recreational heritage, and for other purposes.

S. 464

At the request of Mr. SANFORD, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 464, a bill to promote safety and health in workplaces owned, operated, or under contract with the United States by clarifying the United States' obligation to observe occupational safety and health standards and clarifying the United States' responsibility for harm caused by its negligence at any workplace owned by, operated by, or under contract with the United States.

S. 488

At the request of Mr. FOWLER, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 488, a bill to provide Federal assistance and leadership to a program of research, development and demonstration of renewable energy and energy efficiency technologies, and for other purposes.

S. 507

At the request of Mr. SIMON, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 507, a bill to prohibit investments in, and certain other activities with respect to, South Africa, and for other purposes.

S. 527

At the request of Mr. BAUCUS, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 527, a bill to amend title XVIII of the Social Security Act to reclassify certain hospitals as sole community hospitals, and for other purposes.

S. 563

At the request of Mr. MATSUNAGA, the names of the Senator from Washington [Mr. GORTON], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of S. 563, a bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the Armed Forces to receive retired pay concurrently with disability compensation after a reduction in the amount of retired pay.

S. 564

At the request of Mr. MATSUNAGA, the names of the Senator from Florida [Mr. GRAHAM] and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of S. 564, a bill to provide for an Assistant Secretary of Veterans' Affairs to be responsible for monitoring and promoting the access of members of minority groups, including women, to service and benefits furnished by the Department of Veterans' Affairs.

S. 570

At the request of Mr. DANFORTH, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 570, a bill to amend the Internal Revenue Code of 1986 to enhance the incentive for increasing research activities.

S. 652

At the request of Mr. KENNEDY, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 652, a bill to revise the format of the Presidential report to Congress on voting practices in the United Nations.

S. 721

At the request of Mr. BAUCUS, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 721, a bill to amend title XIX of the Social Security Act to provide coverage for certain parental and postnatal care services, and for other purposes.

S. 753

At the request of Mr. GORE, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 753, a bill to provide a special statute of limitations for certain refund claims.

S. 811

At the request of Mr. BENTSEN, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 811, a bill to amend the Internal Revenue Code of 1986 to provide notice to any taxpayer of amounts withheld in excess of such amounts reported on a tax return by such taxpayer.

SENATE JOINT RESOLUTION 73

At the request of Mr. BOSCHWITZ, the names of the Senator from Missouri [Mr. BOND], the Senator from North Dakota [Mr. BURDICK], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Indiana [Mr. COATS], the Senator from Connecticut [Mr. DODD], the Senator from Kansas [Mr. DOLE], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Alabama [Mr. HEFLIN], the Senator from North Carolina [Mr. HELMS], the Senator from South Carolina [Mr. HOLLINGS], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Michigan [Mr. LEVIN], the Senator from Florida [Mr. MACK], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Idaho [Mr. MCCLURE], the Senator from Maine [Mr. MITCHELL], the Senator from New York [Mr. MOYNIHAN], the Senator from Nevada [Mr. REID], the Senator from Michigan [Mr. RIEGLE], the Senator from Virginia [Mr. ROBB], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from California [Mr. WILSON], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of Senate Joint Resolution 73, a joint resolution to designate the week beginning October 29, 1989, as "Gaucher's Disease Awareness Week."

SENATE JOINT RESOLUTION 104

At the request of Mr. MITCHELL, the names of the Senator from California [Mr. CRANSTON] and the Senator from Connecticut [Mr. DODD] were added as cosponsors of Senate Joint Resolution 104, a joint resolution to express the sense of the Congress with respect to the health of the Nation's children.

At the request of Mr. DOLE, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from South Dakota [Mr. DASCHLE] were added as cosponsors of Senate Joint Resolution 104, supra.

SENATE JOINT RESOLUTION 113

At the request of Mr. DIXON, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of Senate Joint Resolution 113, a joint resolution prohibiting the export of technology, defense articles, and defense services to codevelop or coproduce the FSX aircraft with Japan.

SENATE CONCURRENT RESOLUTION 20

At the request of Mr. PRESSLER, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of Senate Concurrent Resolution 20, a concurrent resolution expressing grave concern over the rapidly deteriorating condition of ethnic Albanians living in the Socialist Federal Republic of Yugoslavia.

SENATE RESOLUTION 63

At the request of Mr. SYMMS, the names of the Senator from Mississippi [Mr. COCHRAN], the Senator from Utah [Mr. HATCH] and the Senator from Kentucky [Mr. MCCONNELL] were added as cosponsors of Senate Resolution 63, a resolution expressing the sense of the Senate that the Federal excise taxes on gasoline and diesel fuel shall not be increased to reduce the Federal deficit.

SENATE RESOLUTION 113

At the request of Mr. HEINZ, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of Senate Resolution 113, a resolution to discontinue the use of polystyrene foam products in the Senate Food Services.

AMENDMENT NO. 73

At the request of Mr. DOMENICI, the names of the Senator from Virginia [Mr. WARNER], the Senator from North Dakota [Mr. CONRAD], the Senator from Montana [Mr. BURNS], and the Senator from Maine [Mr. COHEN] were added as cosponsors of amendment No. 73 proposed to Senate Con-

current Resolution 30, an original concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992.

SENATE CONCURRENT RESOLUTION 32—CONGRATULATING THE COUNCIL OF EUROPE ON ITS 40TH ANNIVERSARY

Mr. LUGAR submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 32

Whereas the Council of Europe has played a crucial role in fostering greater unity among the European democratic nations during the 40 years of its existence;

Whereas the Council of Europe and the United States share the same fundamental commitment to genuine pluralistic democracy, the protection of human rights and individual freedoms, and peaceful cooperation among the nations of the world;

Whereas the Council of Europe and the United States have established a valuable and longstanding relationship of dialogue and cooperation at parliamentary and intergovernmental levels on issues of mutual and worldwide concern, particularly in the areas of human rights, law, culture, and health care;

Whereas the Congress and the Parliamentary Assembly of the Council of Europe have participated in the Strasbourg Conference on Parliamentary Democracy; which is devoted to strengthening pluralistic democracy worldwide; and

Whereas when the Council of Europe celebrates its 40th anniversary on May 5, 1989, Finland will become the 23rd member of the Council, which will then include every democratic European nation: NOW, therefore, be it resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) congratulates the Council of Europe on the 40th anniversary of its founding and on its outstanding contributions to the process of democratic European unity; and

(2) wishes the Council of Europe success in its further work towards greater unity, based on democracy and human rights, among the democratic European nations and a more just and peaceful world.

SENATE RESOLUTION 118—EXPRESSING THE CONDOLENCES OF THE SENATE TO THE FAMILY OF COL. JAMES NICHOLAS ROWE, U.S. ARMY

Mr. CRANSTON submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 118

Whereas on April 21, 1989, Colonel James Nicholas Rowe was brutally assassinated by communist rebels in Manila, Republic of the Philippines;

Whereas Colonel Rowe was actively serving as Chief, Ground Forces Division, U.S. Army Element, Joint U.S. Military Assistance Group, Philippines, in Manila;

Whereas Colonel Rowe's distinguished military service included five years as a Prisoner of War in the Republic of Vietnam from which he escaped with greater gallantry and courage;

Whereas Colonel Rowe's awards and decorations included the Silver Star, Legion of Merit, two awards of the Bronze Star Medal, two awards of the Purple Heart, Meritorious Service Medal, National Defense Service Medal, Vietnam Service Medal, Army Service Ribbon, Vietnam Campaign Medal, and the Republic of Vietnam Gallantry Cross Unit Citation. He also held the Combat Infantryman's Badge, Special Forces Tab, Ranger Tab, and the Master Parachutist Badge;

Whereas Colonel Rowe was serving in the Philippines as a coordinator of American Foreign Military Salescases for the Armed Forces of the Philippines Ground Forces in accordance with Section 515 of the Foreign Assistance Act;

Whereas in the course of his service Colonel Rowe served with the highest distinction and in the highest tradition of the United States military;

Whereas in pursuit of his duties Colonel Rowe was playing an instrumental role on behalf of American policy to support the reestablishment of democracy in the Philippines under the Government of President Corazon C. Aquino. Now, therefore, be it

Resolved, That in deepest sadness on the death of Colonel James Nicholas Rowe by hostile forces in the Republic of the Philippines, the Senate—

(1) extends its deepest sympathies to the family of Colonel Rowe, especially including his wife, the former Mary S. Whitford, and his four children, Deborah, Christina, Stephen and Brian;

(2) expresses its profound admiration for Colonel Rowe and his service to this country;

(3) condemns the heinous act of terrorism perpetrated by the New People's Army against an American citizen serving the cause of Philippine democracy in the service of United States foreign policy interests;

(4) renews its support of the democratic struggle undertaken by the people of the Philippines and President Aquino despite continued hostility and terrorist attacks by the communist-led New People's Army; and

(5) urges the President to—

(A) continue his support for the Multi-lateral Aid Initiative to the Philippines so important to that nation's long-term stability, and

(B) provide the means by which the democratic nation-building process to which Colonel Rowe dedicated his life can continue.

Mr. CRANSTON. Mr. President, one of America's most decorated war heroes was brutally assassinated on April 21, 1989, in Manila, the Philippines.

Col. James Nicholas "Nick" Rowe, U.S. Army, was shot down by the Communist terrorists of the New People's Army.

For over 5 years Colonel Rowe had been a prisoner of war in the Republic of Vietnam, dramatically escaping captivity New Year's Eve in 1968. His decorations and awards included the Silver Star, Legion of Merit, two awards of the Bronze Star and Purple Heart.

Despite his long and dangerous service on behalf of his country in Southeast Asia, Colonel Rowe requested an assignment to the Philippines because of his wish to contribute to the process of re-establishing democracy under President Corazon Aquino.

Assigned as Chief of the Ground Forces Division, U.S. Army Element, at the Joint U.S. Military Assistance Group, Colonel Rowe was responsible for the operations of our foreign military sales program to the Philippines. His responsibilities did not involve him in that Nation's counterinsurgency program but in the effort to reprofessionalize the Armed Forces of the Philippines, so badly misused and demoralized under former President Ferdinand Marcos.

Colonel Rowe believed in the Philippines. He believed in the struggle of the Filipino people to bring democracy, peace, and prosperity to their troubled land. He died because of his beliefs.

I submit this resolution today in honor of Colonel Rowe's memory and as a reminder that we are called upon to carry out the same mission as Colonel Rowe to support President Aquino's daily struggle to promote democratic, not violent Communist, change in the Philippines.

SENATE RESOLUTION 119—RELATING TO BARRIERS TO SEMICONDUCTORS

Mr. WILSON (for himself, Mr. HEINZ, Mr. BAUCUS, Mr. CRANSTON, Mr. DANFORTH, Mr. D'AMATO, Mr. DOLE, Mr. SARBANES, Mr. MCCAIN, Mr. DOMENICI, Mr. GORE, Mr. BINGAMAN, Mr. MITCHELL, Mr. HATFIELD, Mr. ROCKEFELLER, Mr. GRASSLEY, Mr. REID, Mr. LOTT, Mr. RIEGLE, Mr. SANFORD, Mr. DECONCINI, Mr. MURKOWSKI, Mr. LEVIN, Mr. ARMSTRONG, and Mr. WIRTH) submitted the following resolution; which was referred to the Committee on Finance.

S. RES. 119

Whereas, in 1986 Japan entered into an Agreement with the United States which included a provision to increase foreign access to the Japanese semiconductor market;

Whereas, the Agreement envisaged gradual and steady growth of foreign producers; share of the Japanese market from the 8.5 percent level in 1986, until by 1991 it was to exceed 20 percent;

Whereas, in 1987 the Senate found by a vote of 93-0 that the Government of Japan had failed to meet the commitment of the 1986 U.S.-Japan Semiconductor Agreement, and resolved that the President should immediately take all appropriate and feasible actions under Section 301 of the Trade Act of 1974 to remedy and prevent further violation of the Agreement by Japan;

Whereas, in early 1987 the President found that Japan's failure to abide by its commitments was "inconsistent with the provisions of, or otherwise denies benefits to the United States under, the (Agreement); and is unjustifiable and unreasonable, and constitutes a burden or restriction on U.S., commerce;" and in response, the President imposed market access-related sanctions

under section 301 of the Trade Act of 1974 in the amount of $165 million annually;

Whereas, it is now the midpoint of the Agreement which should place foreign market share at above 14 percent, although it is currently only 10.5 percent, approximately the level it has averaged for the last two decades, including the period when imports into Japan were formally controlled.

Whereas, Japan's failure to live up to its market access commitments has a serious adverse effect on the U.S. semiconductor industry, costing U.S. producers an estimated $490 million in lost sales in 1988, an amount projected to grow to $1.6 billion annually by 1991;

Whereas, these lost sales figures substantially understate the effects on employment, investment in research and development, technological leadership and competitiveness, and national security that results from lack of full access to Japan, the world's largest semiconductor market;

Whereas, semiconductors are the heart of computer technology and numerous related fields, such as defense equipment, workstations, supercomputers, high definition television, robotics and automotive technology;

Whereas, the actions which were the object of the 1985 section 301 petition have not changed, and Japan is currently still in violation of the agreement it entered into;

Whereas, former President Reagan stated, and U.S. Trade Representative Hills recently reaffirmed, that the sanctions would be maintained until there was "firm and continuing evidence. . . that access to the Japanese market has improved;"

Whereas, resolution of the semiconductor case has important implications for solving the trade problems facing numerous other U.S. industries in Japan, including workstations, fiber optics, supercomputers, and telecommunications;

Whereas, the policy of resolving trade disputes through negotiations is not credible if, after successful negotiation of an agreement, the other party fails to abide by it; and

Whereas, Japan has a strong interest in maintaining access to the U.S. market for both those current products which include semiconductors, such as automobiles and consumer electronic goods, and in emerging technologies, such as HDTV; Now therefore, be it

Resolved, That it is the Sense of the Senate:

(1) that Japan has not lived up to the terms of its agreement with the United States in an area of vital importance to our nation's economic health and national security;

(2) that the Administration convey to the Government of Japan that its continuing violation of the Agreement is unacceptable;

(3) that the President, the U.S. Trade Representative, the Secretary of State, and the Secretary of Commerce seek a prompt remedy for the violation, placing the highest priority on obtaining full access to the Japanese market for semiconductors in accordance with the U.S.-Japan Semiconductor Agreement; and

(4) that the President and the U.S. Trade Representative, pursuant to statute, take all measures necessary to achieve compliance with the Agreement.

Mr. WILSON. Mr. President, 2 years ago, I took to the Senate floor to complain about Japan's failure to live up to a trade agreement it had entered into with us—the United States-Japan Seniconductor Agreement.

This agreement required Japan to end dumping of computer chips in the United States and in third countries. It also required Japan to eliminate its barriers to imports of foreign computer chips.

While Japan's predatory trade practices in the chip market had started in the mid-1980's, while the U.S. chip industry filed a 301 trade case in 1985, while in 1986 Japan agreed to end these practices, in 1987 they had not stopped their attempts to manipulate the international market.

So, I offered a resolution condemning Japan's failure to live up to the terms of its agreement with us, and by a vote of 93 to 0, the Senate passed the resolution.

Shortly after that vote, President Reagan retaliated against Japan with $300 million in punitive tariffs.

When Japan ending its dumping of chips, these sanctions were reduced to $165 million.

Yet, these remaining sanctions have not done the job—they have not induced Japan to open its market to U.S. chips.

That is why I am again on this floor complaining about a problem that long ago should have been resolved.

With my good friend from Pennsylvania, Senator HEINZ, and more than 20 of our colleagues, I am offering a resolution calling for increased efforts to bring Japan into compliance with the chip agreement that it signed with great fanfare 3 years ago.

Japan's blatant disregard for the computer chip agreement cannot and should not be tolerated any longer. Tokyo's continuing intransigence cost U.S. producers last year nearly $500 million in lost sales and thousands of jobs, and if this situation is not resolved, the costs will grow even greater.

This U.S. semiconductor industry is critical to the U.S. future of high technology, and the Nation's economic health and security. Therefore, the unfair trading practices by Japan that continue to have such serious adverse effects on our industry are as troubling as any that we face.

Mr. President, I will have more to say when the Wilson-Heinz resolution is brought back to the floor by the Finance Committee.

AMENDMENTS SUBMITTED

OMNIBUS CONGRESSIONAL BUDGET RESOLUTION

EXON (AND OTHERS) AMENDMENT NO. 74

Mr. EXON (for himself, Mr. SASSER, Mr. DECONCINI, and Mr. CONRAD) proposed an amendment to the concurrent resolution (S. Con. Res. 30) setting forth the congressional budget for the U.S. Government for fiscal years 1990, 1991, and 1992, as follows:

At the end of the resolution insert the following new section:

SEC. . It is the sense of the Senate that—

(a) had Congress used the economic and technical assumption of the Congressional Budget Office, the deficit would have been $109,800,000,000 for fiscal year 1990, $135,300,000,000 for fiscal year 1991, and $134,800,000,000 for fiscal year 1992;

(b) by July 1, 1989, the participants in the Bipartisan Budget Agreement Between the President and the Joint Leadership of Congress should begin negotiations on an agreement for the budget for fiscal year 1991 based upon Congressional Budget Office economic and technical assumptions; and

(c) the participants in those negotiations shall—

(1) seek a budget package in 1989, the outyear effects of which would lead to balancing the Federal budget;

(2) examine broad-scale budget options and recommend legislative changes necessary to implement those options; and

(3) consult fully with appropriate Congressional, Executive, and private parties.

SPECTER (AND OTHERS) AMENDMENT NO. 75

Mr. SPECTER (for himself, Mr. HEINZ, Mr. D'AMATO, Mr. HATCH, and Mr. WILSON) proposed an amendment, which was subsequently modified, to the concurrent resolution (S. Con. Res. 30), supra, as follows:

On page 25, increase the amount on line 8 by $100,000,000.

On page 25, increase the amount on line 9 by $100,000,000.

On page 28, decrease the amount on line 23 by $100,000,000.

On page 28, decrease the amount on line 24 by $100,000,000.

KENNEDY (AND OTHERS) AMENDMENT NO. 76

Mr. SASSER (for Mr. KENNEDY, for himself, Mr. HATCH, Mr. CRANSTON, Mr. WILSON, Mr. BENTSEN, and Mr. BRADLEY) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

TRAVEL CUTS

On page 10, line 17, decrease the figure by $2,000,000.

On page 10, line 18, decrease the figure by $2,000,000.

On page 11, line 23, decrease the figure by $15,000,000.

On page 11, line 24, decrease the figure by $15,000,000.

On page 13, line 6, decrease the figure by $4,000,000.

On page 13, line 7, decrease the figure by $4,000,000.

On page 14, line 13, decrease the figure by $15,000,000.

On page 14, line 14, decrease the figure by $15,000,000.

On page 15, line 20, decrease the figure by $11,000,000.

On page 15, line 21, decrease the figure by $11,000,000.

On page 16, line 25, decrease the figure by $2,000,000.

On page 17, line 1, decrease the figure by $2,000,000.
On page 18, line 7, decrease the figure by $2,000,000.
On page 18, line 8, decrease the figure by $2,000,000.
On page 21, line 17, decrease the figure by $2,000,000.
On page 21, line 18, decrease the figure by $2,000,000.
On page 22, line 23, decrease the figure by $2,000,000.
On page 22, line 24, decrease the figure by $2,000,000.
On page 24, line 2, decrease the figure by $6,000,000.
On page 24, line 3, decrease the figure by $6,000,000.
On page 25, line 8, decrease the figure by $15,000,000.
On page 25, line 9, decrease the figure by $15,000,000.
On page 26, line 12, decrease the figure by $11,000,000.
On page 26, line 13, decrease the figure by $11,000,000.
On page 28, line 23, decrease the figure by $7,000,000.
On page 28, line 24, decrease the figure by $7,000,000.

HEALTH (FUNCTION 550)

On page 19, line 10, increase the figure by $94,000,000.
On page 19, line 11, increase the figure by $94,000,000.

HEINZ (AND OTHERS) AMENDMENT NO. 77

Mr. HEINZ (for himself, Mr. MOYNIHAN, Mr. HATCH, and Mr. GRAHAM) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the end of the concurrent resolution add the following new section:

SOCIAL SECURITY TRUST FUNDS SURPLUSES

SEC. . (a) FINDINGS.—The Congress finds that—

(1) under current law, the Social Security trust funds are included in calculations of the Federal budget deficit for purposes of comparison with the maximum deficit amount under the Balanced Budget and Emergency Deficit Control Act of 1985 and for purposes of determining across-the-board cuts under such Act;

(2) the inclusion of the Social Security trust funds in the calculation of the Gramm-Rudman-Hollings targets creates the illusion that the Federal budget deficit is being brought into balance when in fact the operating budget deficit is continuing to grow;

(3) Social Security trust funds surpluses are currently being lent to the Treasury to finance the operating budget defict, which is primarily dedicated to current consumption;

(4) the National Economic Commission concluded that the Congress must have in place by no later than 1993 measures which alter current budgetary practices in order to create true Social Security reserves;

(5) the use of the Social Security trust funds surpluses for current consumption denies such surpluses' intended purpose of of providing income for future retirees and increasing national savings, investment, productivity, and the gross national product;

(6) without such increases in national output and wealth, future workers will be unable to honor the claims of retirees without a significant increase in taxes or reduction in Social Security benefits;

(7) the use of Social Security trust funds surpluses as a source of national savings would bolster the economic capacity of the United States, allowing Social Security benefit claims to be honored at the same time future workers enjoy an increased standard of living; and

(8) the intended and legitimate purposes of the Social Security trust funds could best be protected by excluding such funds from the calculations of the Federal budget deficit reduction targets.

(b) SENSE OF THE SENATE—It is the sense of the Senate that—

(1) the Congress should continue the commitment to keep the Social Security program secure for the Nation's retired and disabled citizens;

(2) the Congress should enact legislation that defines the Federal budget deficit to exclude the surplus (or deficit) from the Social Security trust funds for all purposes;

(3) the Congress should include, for the purposes of calculating Federal budget deficits and deficit reduction targets for fiscal year 1991 and subsequent fiscal years, an amount which is no greater than the amount of Social Security trust funds surplus included in the fiscal yea 1990 budget resolution;

(4) in order to create a true balanced operating budget, the Congress should, beginning no later than the fiscal year 1994 budget, accurately reflect the Federal budget deficit by excluding all Social Security revenues and expenditures from such deficit and any deficit reduction calculations; and

(5) to the extent non-Social Security deficits exist after fiscal year 1994, the Congress should develop a strategy which continues Federal budget deficit reduction measures, in order to create a true balanced Federal budget.

MOYNIHAN (AND OTHERS) AMENDMENT NO. 78

Mr. MOYNIHAN (for himself, Mr. BIDEN, Mr. GRAHAM, Mr. DECONCINI, Mr. KENNEDY, Mr. CRANSTON, and Mr. COATS) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the end of the resolution insert the following new section:

SEC. . It is the sense of the Senate that this resolution should support the funding increases provided in the Anti-Drug Abuse Act of 1988 and that such funding should be consistent with the need to maintain the even balance in that Act between new spending to reduce drug supply and new spending to reduce drug demand.

WALLOP AMENDMENT NO. 79

Mr. SYMMS (for Mr. WALLOP) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

On page 14, line 13, increase the amount by $2,000,000.
On page 14, line 14, increase the amount by $2,000,000.
On page 15, line 20, decrease the amount by $2,000,000.
On page 15, line 21, decrease the amount by $2,000,000.

ROCKEFELLER (AND OTHERS) AMENDMENT NO. 80

Mr. ROCKEFELLER (for himself, Mr. HARKIN, Mr. CRANSTON, Mr. DECONCINI, Mr. RIEGLE, Mr. MATSUNAGA, Mr. LEVIN, Mr. BRADLEY, Mr. BINGAMAN, Mr. COHEN, Mr. GRASSLEY, Mr. BOSCHWITZ, Mr. WILSON, Mr. MCCLURE, Mr. MCCONNELL, Mr. WARNER, Mr. STEVENS, Mr. GRAMM, Mr. PRESSLER, Mr. DOMENICI, and Mr. FOWLER) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

TRAVEL CUTS

On page 10, line 17, decrease the figure by $3,000,000.
On page 10, line 18, decrease the figure by $3,000,000.
On page 11, line 23, decrease the figure by $22,000,000.
On page 11, line 24, decrease the figure by $18,000,000.
On page 13, line 6, decrease the figure by $5,000,000.
On page 13, line 7, decrease the figure by $5,000,000.
On page 14, line 13, decrease the figure by $22,000,000.
On page 14, line 14, decrease the figure by $18,000,000.
On page 15, line 20, decrease the figure by $15,000,000.
On page 15, line 21, decrease the figure by $12,000,000.
On page 16, line 25, decrease the figure by $1,000,000.
On page 17, line 1, decrease the figure by $1,000,000.
On page 18, line 7, decrease the figure by $3,000,000.
On page 18, line 8, decrease the figure by $2,000,000.
On page 21, line 17, decrease the figure by $1,000,000.
On page 21, line 18, decrease the figure by $1,000,000.
On page 22, line 23, decrease the figure by $1,000,000.
On page 22, line 24, decrease the figure by $1,000,000.
On page 25, line 8, decrease the figure by $22,000,000.
On page 25, line 9, decrease the figure by $18,000,000.
On page 26, line 12, decrease the figure by $15,000,000.
On page 26, line 13, decrease the figure by $12,000,000.
On page 28, line 23, decrease the figure by $8,000,000.
On page 28, line 24, decrease the figure by $6,000,000.

PRINTING AND REPRODUCTION CUTS

On page 9, line 14, decrease the figure by $400,000.
On page 9, line 15, decrease the figure by $360,000.
On page 10, line 17, decrease the figure by $2,400,000.
On page 10, line 18, decrease the figure by $2,160,000.
On page 11, line 23, decrease the figure by $15,200,000.
On page 11, line 24, decrease the figure by $3,680,000.
On page 13, line 6, decrease the figure by $3,000,000.
On page 13, line 7, decrease the figure by $2,700,000.

On page 14, line 13, decrease the figure by $12,400,000.
On page 14, line 14, decrease the figure by $11,160,000.
On page 15, line 20, decrease the figure by $5,200,000.
On page 15, line 21, decrease the figure by $4,680,000.
On page 16, line 25, decrease the figure by $800,000.
On page 17, line 1, decrease the figure by $720,000.
On page 18, line 7, decrease the figure by $5,400,000.
On page 18, line 8, decrease the figure by $4,860,000.
On page 19, line 10, decrease the figure by $11,800,000.
On page 19, line 11, decrease the figure by $10,620,000.
On page 21, line 17, decrease the figure by $5,000,000.
On page 21, line 18, decrease the figure by $4,500,000.
On page 22, line 23, decrease the figure by $4,200,000.
On page 22, line 24, decrease the figure by $3,780,000.
On page 25, line 8, decrease the figure by $5,600,000.
On page 25, line 9, decrease the figure by $5,040,000.
On page 28, line 23, decrease the figure by $34,200,000.
On page 28, line 24, decrease the figure by $30,780,000.

VETERANS' HEALTH CARE INCREASE VETERANS' BENEFITS AND SERVICES (FUNCTION 700)

On page 24, line 2, increase the figure by $230,000,000.
On page 24, line 3, increase the figure by $198,000,000.

SIMON (AND CONRAD) AMENDMENT NO. 81

Mr. SIMON (for himself and Mr. CONRAD) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

NATIONAL DEFENSE

On page 7, line 2, decrease the figure by $3,000,000,000.
On page 7, line 3, decrease the figure by $2,000,000,000.

EDUCATION AND TRAINING

On page 18, line 7, increase the figure by $3,000,000,000.
On page 18, line 8, increase the figure by $2,000,000,000.

SENSE OF THE CONGRESS

At the end of the resolution insert the following new section:

SEC. . It is the sense of the Congress that—

(a) of the amounts set forth for Education, Training, Employment, and Social Services (function 500) in section 5 of this resolution, increased funding shall be provided for Head Start, drug education, elementary, secondary, and post-secondary education programs aimed at disadvantaged and handicapped students, drug-free schools, teacher training, and historically Black colleges and universities; and

(b) this resolution also includes funding for new initiatives in Smart Start, literacy, and child care.

KASTEN (AND OTHERS) AMENDMENT NO. 82

(Ordered to lie on the table.)

Mr. KASTEN (for himself, Mr. DOLE, Mr. HATCH, Mr. BOSCHWITZ, Mr. MCCONNELL, Mr. GRAMM, and Mr. SYMMS) submitted an amendment intended to be proposed by them to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the end of the concurrent resolution, add the following new section:

INCOME TAX RATES

SEC. . (a). It is the sense of the Senate that the assumptions underlying the revenue totals included in this resolution do not include an increase in the income tax rates provided in current law.

NOTICES OF HEARINGS

SUBCOMMITTEE ON AGRICULTURAL CREDIT

Mr. LEAHY. Mr. President, I wish to announce that the Subcommittee on Agricultural Credit of the Committee on Agriculture, Nutrition, and Forestry will hold a hearing regarding the implementation of the Agricultural Credit Act of 1987, by the Farmers Home Administration. The hearing will be held on May 9, 1989, at 9:30 a.m. in room 332, Russell Senate Office Building.

Senator KENT CONRAD will preside. For further information please contact Suzy Dittrich of the subcommittee staff at 224-5207.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON RULES AND ADMINISTRATION

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, May 3, 1989, at 9:30 a.m., to hold a hearing on S. 874, the National Voter Registration Act of 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SUPERFUND, OCEAN AND WATER PROTECTION

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Subcommittee on Superfund, Ocean and Water Protection, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Wednesday, May 3, beginning at 10 a.m., to conduct a hearing on legislation to protect the quality of the air indoors (the Indoor Air Quality Act of 1989, S. 657).

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, May 3, at 2:30 p.m. to hold a nomination hearing on Herman Cohen to be an Assistant Secretary for African Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee of Foreign Relations be authorized to meet during the session of the Senate on Wednesday, May 3, at 10 a.m. to hold hearings on the future of "United States-Soviet Relations: East-West Economic Relations."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, May 3, 1989, at 2:30 p.m. to conduct a hearing on "Restoring American Productivity: The Role of Education and Human Resources."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Wednesday, May 3, 1989, at 3 p.m. in open session to consider the nomination of H. Lawrence Garrett III to be Secretary of the Navy.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Wednesday, May 3, 1989, at 9 a.m. in open session to receive testimony on the amended defense authorization request for fiscal years 1990 and 1991.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONSUMERS

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Consumer Subcommittee of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on May 3, 1989, at 2 p.m. to hold an oversight hearing on the Liability Risk Retention Act of 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on May 3, 1989, at 10 a.m. to hold a hearing on the Oversight of the Trade Act of 1988.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SOUTHINGTON HIGH SCHOOL, SOUTHINGTON, CT

● Mr. LIEBERMAN. Mr. President, this week, in our Nation's Capitol, over 950 young people from 44 States have gathered to participate in the National Bicentennial Competition on the Constitution and Bill of Rights. I am proud to announce that a team from Southington High School in Southington, CT, is representing my State. These young scholars have worked hard to reach the national finals by winning district and State competitions, and I would like to wish them the best as they compete for the national title.

The members of the Connecticut team are: Melissa Connerton, Dana Fitzsimons, Samantha Florian, Nova Forrest, Eric Foster, Patrick Gingras, Angela Hunt, Christopher Kelland, Mark Killinger, Candace Martin, Jennie Nagle, Michael Parsons, James Pavlick, Jennifer Pendell, Mark Porada, Jeffrey Puglielli, Francis Pullaro, Christopher Ross, Michele Small, Sean Sullivan, Tracie Waack, Geoffrey Witham, and Elizabeth Yoon.

Along with the students, their teacher, Dan Murawski, deserves much of the credit for the success of the team to date. Elizabeth Bassett, the district coordinator, and Denise Merrill and Joani Byer, the state coordinators, have worked equally hard to help their team reach the finals.

The National Bicentennial Competition on the Constitution and Bill of Rights is the most extensive educational program in the country developed to educate our young people about the Constitution of Bill of Rights. With the support of Congress, the active involvement of Representatives and Senators, and the efforts of thousands of civic and education leaders, the program's achievements over the past 2 years have been dramatic. Students in classrooms all over the country have debated the issues that concerned the Founding Fathers and have demonstrated how the Constitution's basic principles apply to them today.

Mr. President, the preservation of our freedom and our Nation depends upon our young people, the decisionmakers of tomorrow. We have much to gain from educating them about the Constitution, the Congress, and the continuing responsibilities of citizenship. I am proud to have students from my State in the national finals and I commend each of them and their teacher for their hard work.●

ENERGY TECHNOLOGY FOR SURVIVAL

● Mr. BOSCHWITZ. Mr. President, I would like to submit an article by the president of the World Resources Institute, Gus Speth, entitled "Energy Technology for Survival."

Mr. Speth has highlighted the difficult issues confronting us because of worldwide environmental degradation. His article notes that the decline in the world's environment is not simply a result of pollution from industrialized nations; developing countries often face more severe environmental problems than developed countries. These problems, both in the developed and developing world contribute to the trend toward global warming.

Mr. Speth has proposed that many measures which may begin to limit the effects of global warming may be difficult to implement. One area he discusses in detail is that of energy efficiency. He cites data supporting the possibility of reducing Americans energy consumption by 40 percent by the year 2020 A.D. The rate of efficiency achieved would be similar to that of the 1973-1985 period in this country. Mr. Speth also discusses the promises for renewable forms of energy in replacing fossile fuels. Finally he calls for U.S. leadership in the international arena to achieve the long term goals of global control of emissions.

Legislation I introduced on March 16, 1989, the Global Warming Response Act, addresses several of the issues raised by Mr. Speth in this article. I believe it is imperative that the United States take a strong leadership role in addressing these environmental issues.

Mr. President, I ask that a copy of "Energy Technology for Survival" be printed in the RECORD.

The article follows:

ENERGY TECHNOLOGY FOR SURVIVAL

(By James Gustave Speth)

Despite the efforts of two decades, the earth is being polluted on a vast and uprecedented scale. This is partly a result of explosive growth in human population and economic activity: would population has tripled in this century, and the $13 trillion world economy is 20 times larger than in 1900. Partly it reflects a shift from natural products to synthetic ones and growth of new industries involving highly toxic chemicals and radioactive substances.

The problem is no longer confined to the industrialized world. Cities in the Third World are frequently more polluted with sulfur dioxides and particulates than cities in industrial countries, and Third World populations are highly exposed to pesticides and other toxic chemicals. Meanwhile, the definition of "pollution" has had to expand to cover substances like carbon dioxide and chlorofluorocarbons (CFCs) once thought to be harmless.

These trends have combined to change pollution from a local problem to a global one. Air pollution is a good illustration: The summer of 1988 was a painful reminder that urban air pollution is a continuing health threat. At the same time, acid rain and smog were killing forests and fish, damaging crops, and changing ecosystems over vast regions of the globe. The depletion of the stratosphere's ozone layer became a matter of such concern that an international treaty was negotiated to reduce CFC emissions, but the treaty has already been shown to be inadequate. Probably most serious of all, the buildup of "greenhouse gases" in the atmosphere continues, threatening far-reaching changes in global climate.

The time to address pollution problems is now, and the way to address them is together. Energy policy is one key to many aspects of atmospheric pollution, because of the link to fossil fuels. The twentieth century's technologies have been raised on abundant fossil fuels—first, coal, then oil and natural gas. Burning these fuels pours well over 200 million tons of sulfur and nitrogen oxide pollutants into the atmosphere each year. Atmospheric carbon dioxide, one of the greenhouse gases implicated in global warming and climate change, has increased by 2.5 percent since the beginning of the century.

The scale and momentum of the economic activity that is the source of these problems are difficult to comprehend. It took all of human history to grow to the $600 billion world economy of 1900. Today the world economy grows by more than this amount every two years, and each year's expansion almost equals the size of the South American economy. Imagine, just as a thought experiment, what would happen if greenhouse gases, wastes, and pollutants increased proportionally to this growth and expanded five-fold by the middle of the next century.

Yet most nations have two long-term goals: improving environmental quality and achieving large increases in economic activity. No genius is required to see that reconciling these two goals will be one of the dominant challenges for political leaders in the 1990s and beyond. It will require international cooperation on an almost unprecedented scale. And it will require a massive shift to technologies that facilitate economic growth while sharply reducing pressures on the natural environment.

Although the importance of lifestyle changes should not be underestimated, in this limited sense one might say that only technology can save us. In much of the world, economic growth is necessary just to meet basic human needs. The question becomes what technologies will produce this growth.

Some answers become clear by focusing on what needs to be done, aggressively and globally, to address global warming and climate alteration—and these measures would also save the earth's stratospheric ozone shield and greatly reduce ground-level air pollution. They can be stated simply but will be implemented only with great difficulty:

Sharply increase the efficiency with which fossil fuels are used.

Introduce nonfossil energy technologies on a priority basis.

Phase out chlorofluorocarbons completely in this century and replace them with benign technologies.

Promote a large-scale international effort to halt deforestation in the tropics and move to net forest growth globally.

Stabilize world population at somewhere around eight to nine billion people.

Other necessary steps include using natural gas as a transitional fossil fuel, provided methane leakage is prevented, and using traditional pollution control measures to reduce sulfur and nitrogen oxide emissions.

The potential for energy efficiency gains is enormous, particularly in the United States, which is only half as energy efficient

as West Germany, Japan, and many other industrial nations. A study reported in late 1987 by Robert Williams in the British magazine Energy, concluded that Americans could reduce total energy and fossil fuel use by about 40 percent by 2020, while still doubling gross national product per capita, by aggressively promoting existing energy-efficient technologies in automobiles, building insulation, and industrial processes. The required rate of improvement in energy use per capita is not unheard of: Americans achieved it in the period 1973-85.

During that time, energy prices climbed sharply. As the board of the Environmental and Energy Study Institute recently put it: "We have learned that price is the single most effective means through which to stimulate efficiency improvements. Therefore, in this time of relatively low energy prices, tax options must be courageously explored."

A gasoline tax and a tax on carbon dioxide emissions are both worth serious consideration. In addition, regulatory measures, such as auto and appliance efficiency standards, and consumer information and finance programs are needed to achieve desired energy efficiency.

The automobile industry is pivotal. In the United States, cars, trucks, buses, and airplanes account for 30 percent of carbon dioxide emissions and 40 percent of both nitrogen oxides and volatile hydrocarbons, including some of the methane, another greenhouse gas. If Americans gradually traded their gas guzzlers for more efficient vehicles, the risks of climate change and the need for oil imports would both decrease.

Fortunately, much of the needed technology is at hand. New cars sold in the United States doubled in mileage per gallon, from 13 to 25, between 1973 and 1985. Ford, Honda, and Suzuki have cars in production that could double this again to 50 miles per gallon; Toyota has a prototype family car that could achieve almost 100. Volvo already has a five-passenger car that goes 70 miles per gallon and is reportedly affordable, crashworthy, and able to accelerate to 60 miles per hour in 11 seconds. One can only hope that Detroit is not far behind.

On the supply side, the available nonfossil fuel candidates are renewable energy sources and nuclear power. The choice is sure to be hotly debated. Renewable energy of many varieties is the best hope for the future—solar electric devices and heat collectors, small-scale hydropower, wind power, and biomass energy. Although the major breakthrough into commercial application is still some years away, solar electric technologies are undergoing impressive cost reductions. By the end of this century they should be competitive with conventional fuels.

It is doubtful that nuclear power will provide a major part of the answer to global warming in the United States. Its public acceptability is too low and its price is too high. Cramming nuclear power down the throats of an unwilling public and unwilling investors in order to solve the greenhouse problem would only set the stage for prolonged confrontation and stalemate. And what would happen to nuclear power if there were one or two more major accidents like Three Mile Island and Chernobyl?

There are safer and cheaper alternatives for now, including the vast potential for increasing efficiency in the generation and use of electricity. For the longer term, research should aim at reinventing nuclear power in a way that could gain public and investor confidence; we may need it one day. But before a new nuclear system could be commercialized in the next century, the price of photovoltaic and other solar energy systems will probably be competitive.

The view is still common that local and regional air pollution issues should be addressed first, then, at some point in the future, we should address the global issue of greenhouse gases. But the failures of clean air efforts have prolonged an issue of the 1970s into the present. Simultaneously, the realization that past actions may already have destined the planet to 2-5 degrees global average warming is forcing what was thought to be an issue of the next century into the present. Atmospheric issues are linked in ways that scientists are still discovering, and the scientists are far ahead of policymakers.

In all these areas, in seeking treaties and in setting an international example by acting on its own, U.S. leadership could not be more important. The world is not exactly waiting for the United States, but neither will it get very far without it.●

MAIDA TOWNSEND

● Mr. LEAHY. Mr. President, 8 years ago a Vermont school teacher left the classroom to take over the reins of the Vermont chapter of the National Education Association.

Maida Townsend is retiring as president of a union that has grown in influence and membership during her unprecedented four terms.

She has raised public awareness of Vermont's need for educational excellence, a goal shared by teachers and parents.

The Vermont chapter of the NEA has flourished under Maida's leadership into the largest union of its kind in our State. It has become a potent political force for beneficial change in both the workplace and the classroom.

Maida Townsend will return to the classroom—a better classroom today than 8 years ago thanks to her vision and leadership.

Martha O'Connor, former chair of the Vermont Board of Education, perhaps said it best:

Maida cares about teachers and cares about kids.

It would be hard to improve upon that.

Mr. President, I would like to attach this tribute to Maida Townsend that appeared in the Rutland Herald on May 2, 1989, and ask that it be reprinted in the RECORD.

The article follows:

TOWNSEND LEAVES A STRONGER UNION

(By Christopher Graff)

MONTPELIER.—Maida Townsend, whose activism turned Vermont's teachers into a political force, is stepping down as head of Vermont's largest teachers' union.

In her eight years as president of the Vermont chapter of the National Education Association, Townsend boosted the prestige and power of the organization, giving the group considerable clout in state politics.

Vermont-NEA's strength was seen most recently in the surprising win by Democrat Paul Poirier, a teacher, in the September primary election for the U.S. House.

Poirier, commenting Monday on Townsend's departure, said he remembered how controversial her tactics and approach seemed eight years ago.

"I started out as one of her early critics, and I ended up one of her staunchest supporters," said Poirier, who now works for an electric utility. "Obviously a lot of what we accomplished as teachers came from her activism. The teachers in this state needed someone like her to champion their cause."

"Maida cares about teachers and cares about kids," said Martha O'Connor, who chaired the state Board of Education for the past four years. "I have great respect for Maida. She and I disagreed often in how to get things done, with her tending to be more confrontational, but I never questioned her love for education."

Townsend said Monday her decision not to seek another term stemmed from a desire to return to teaching.

"It's very simple, I want to get back into the classroom," she said, "Eight years is a long time to be away from what you love most in the world."

Vermont-NEA has grown from 5,530 members when Townsend took office in 1981 to 7,308 this year. This week teachers across the state are voting for a new president, with Marlene Burke of Rutland, Vermont-NEA vice president, and Robert Owen of Barre, head of the local teachers' union, vying for the job.

The results are expected to be announced within three weeks, with Townsend's term ending June 30.

Eight years ago Townsend was teaching French and English at Vergennes Union High School when she was elected president. At the time the Burlington resident thought she would spend two years in the job, like her predecessors.

But during those two years, the membership voted to lift the two-year cap on the tenure of presidents, setting the stage for Townsend's eight activist years in office. And with the strong support she holds with the members, there is no doubt she could have been re-elected this year.

"I feel very good about my part in the last eight years," she said. "And while I love my work here dearly, I am leaving it to return to the work that is my life."

She said this decade had been one of great changes in education. "This education situation is so much stronger today than it was," she said.

"The opportunities and the equality of opportunities for kids across the state today are much more substantial, much more appropriate than they were at the beginning of the decade."

She said there were many reasons why this decade has been so good to education, but that a more activist stand by teachers was a chief one.

"It has been in the '80s that Vermont school employees have really come to terms with the fact that every decision made in education is, at its base, a political decision," she said. "State school employees have rolled up their sleeves and gotten involved."

She said much remains to be done. "We have a dropout rate of approximately 1,200 kids every year. That's simply not acceptable and that kind of problem is not something the schools can solve alone."

These future fights, though, will find someone else at the head of Vermont-NEA.

For Maida Townsend there is a simple fact governing her future: "I am a teacher, I need to teach.●

SUPREME COURT'S DECISION TO REVIEW MISSOURI VERSUS JENKINS

● Mr. HUMPHREY. Mr. President, I am pleased to report that on April 24, the Supreme Court agreed to review the Eighth Circuit Court of Appeals' decision in Missouri versus Jenkins, the judicial taxation case. The lower court decisions in the Jenkins litigation seek to establish the shocking precedent that unelected Federal judges have the power to impose new taxes and tax increases on the American people.

I am hopeful that the Supreme Court will reverse this outrageous usurpation of the legislative power. But this Congress need not rely on the vagaries of litigation to prevent Federal courts from imposing taxation without representation. Under Article III of the Constitution, we have the power, and in my view the duty, to make it clear that Federal courts do not have jurisdiction to impose or increase taxes. The Judicial Taxation Prohibition Act (S. 34), which I introduced at the outset of this Congress, will do just that. I am pleased to say that Senators GRASSLEY, SYMMS, THURMOND, HELMS, COATS, and MCCLURE have joined me in cosponsoring this important legislation, and I welcome additional cosponsors.

Missouri versus Jenkins represents the ultimate extreme in judicial activism. As the State of Missouri stressed in its Supreme Court brief, "In 200 years, no Federal court ever before assumed the power to mandate a hike in tax levies." The State's brief went on to say:

> Thanks to the orders below, the (Kansas City School District) has now become a judicial enclave, where the court selects the programs to meet its chosen goals, directs State and local officials to execute those programs, and then sets tax rates to supply additional funding. This arrogation of authority—subject only to review by the courts themselves—exceeds any known boundaries of judicial review.

Some may argue that the court was justified in imposing new taxes in the Jenkins case because it was seeking to improve racial balancing in the schools by requiring massive expenditures to improve the attractiveness of magnet schools. Putting aside the question of whether scarce public funds for education should be devoted to achieving a court's notion of acceptable racial balance, this argument proves far too much.

It rests on the premise that a judge may impose tax increases whenever he considers it necessary to remedy a constitutional violation as he sees fit. For example, innumerable Federal judges have ruled that prisons they consider overcrowded create a constitutional violation, even though the State may be doing its best to expand the prisons with limited State revenues. Under the Jenkins decision, the courts can simply order a new State tax or tax increase in order to fund the additional prison space the judge considers necessary. In other words, the voters and their elected representatives would be deprived of their democratic power to decide on tax levels or how those revenues can be expended. It would all be decided by a single, unelected district court judge. So much for democracy.

Coming from the great State of New Hampshire, I am especially outraged by the notion of Federal judges usurping the legislators' power to decide taxing policy. Through discipline and frugality, New Hampshire continues to prosper without the need for either a State income or sales tax. New Hampshire citizens and their legislators have consistently rejected the adoption of these taxes.

But under the Jenkins decision, some Federal judge could unilaterally overrule New Hampshire's chosen tax policies and order the State to adopt a State income tax. All it would take would be some sweeping judicial decision that New Hampshire's prisons are overcrowded, for example, and that additional State funds must be raised to build new prisons in keeping with the judge's notions of space and comfort.

Mr. President, our Founding Fathers did not overthrow the tyranny of George III so that he could be replaced 200 years later by judicial tyrants. Our Constitution and our democratic principles demand that democratically elected legislatures retain the exclusive power to levy taxes. We in Congress need not wait and hope for one court to restore a power that was improperly usurped by another court. So I urge the Senate Judiciary Committee to promptly report S. 34, the Judicial Taxation Prohibition Act. And I urge all my colleagues to support this bill to abolish the tyranny of judicial taxation.●

ARTHUR SPIEGEL HONORED

● Mr. LIEBERMAN. Mr. President, I rise today in recognition of the friendship, dedication, and inspiration Arthur Spiegel has provided to the people of New Haven, CT, particularly within its Jewish community. This Sunday, May 7, 1989, the Jewish Federation of Greater New Haven will honor Mr. Spiegel with a Lifetime Achievement Award in honor of his 25 years of service to the organization.

I am proud of my association with Arthur Spiegel. He is not only a valued and trusted friend; he is a role model for us all. In his lifetime, Arthur has accomplished more than most of us can only hope to achieve.

In 1948, Arthur served in the Israeli Army during the War of Independence, helping to bring about development of this young Jewish Nation.

His service to the Jewish community of New Haven began in 1965 when he was the Connecticut regional director of the Anti-Defamation League of B'nai B'rith. He later moved on to become the executive director of the New Haven Jewish Federation.

Arthur received his education as a historian and political scientist at Hebrew University in Jerusalem, then pursued graduate studies at the London School of Economics and Columbia University. He has been nationally recognized for his expertise on Jewish history, American and European Jewry and Modern Israel, and he has been named scholar-in-residence on a number of educational excursions to Israel, the Middle East, and Eastern Europe.

Arthur has provided a foundation for those who follow, and has exhibited leadership and devotion. As a noted observer of the events which shape the issues and policies of the Jewish community in this country and abroad, Arthur has openly shared his knowledge with all who are willing to listen.

Mr. Spiegel has noted that the great strength of the American Jewish community is volunteerism. His own sharing spirit has touched so many people, that I take this opportunity to express my appreciation for Arthur's enduring faith, exemplary leadership, and dedication to the public interest. He richly deserves the Lifetime Achievement Award, and I join with his many friends in Connecticut in thanking him for all he has done for us and wishing him and his wife Merle a wonderful future of health, happiness, and satisfaction.●

THE NEED FOR A CEASE-FIRE IN LEBANON

● Mr. LIEBERMAN. Mr. President, I deplore the violence that has racked Lebanon since the recent fighting began in March. We must take several steps to bring the fighting to a halt. First, U.N. Secretary General Javier Perez De Cuellar should be sent immediately to Beirut and Damascus to seek a permanent cease-fire. Second, we must apply strong pressure on Syria not to resume its shelling of Lebanese military forces and civilians. To this end, we should urge the Soviet Union to use its influence on Syria to adopt a more conciliatory approach. Third, we must send medical supplies immediately to Lebanon and airlift wounded Lebanese to the United States for medical treatment.

Nearly 300 people have been killed and nearly 1,000 have been wounded in the indiscriminate shelling of the

Christian and Moslem areas of Beirut. I have been particularly haunted by photos of children who have lost houses, lost parents, lost limbs. This is the tragedy that lies behind these numbers.●

THE HOLOCAUST MEMORIAL OF THE JOLIET, IL, JEWISH CONGREGATION

● Mr. DIXON. Mr. President, I rise before you today to commemorate the dedication of the Holocaust Memorial by the Joliet, IL, Jewish congregation. As May 2, 1989, is the International Day of Remembrance for the 6 million victims of the Holocaust of 1938–45, and the week of May 7, 1989, is Jewish Heritage Week, it is particularly fitting that the memorial should be dedicated at this time.

The original bronze memorial, which was 2 years in the making, stands 7 feet tall, and is flame-shaped. The hands in the flames separate into three points, symbolizing the Hebrew prayer to God. The sculpture itself is placed into a bed of stones, as the stones solemnize the victims of the Holocaust. The black base is inscribed with the words: "Thou Shalt Not Forget."

So, Mr. President, let us join our voices with those who will be dedicating the memorial this Sunday in Joliet, IL, many of whom are concentration camp survivors, as they remember the Holocaust and proclaim never again.●

CHICAGO MERCANTILE EXCHANGE

● Mr. DIXON. Mr. President, I would like to take this opportunity to present, for insertion into the RECORD, an editorial from the April 26 edition of the Chicago Tribune. The Tribune's editorial makes some noteworthy points about the status of the Chicago Mercantile Exchange which I would like to share with my colleagues.

The editorial follows:

THE MERC FIGHTS FOR SELF-REGULATION

Leo Melamed, architect of Chicago's financial futures market, is an outspoken champion of self-regulation, and it's easy to see why. With Melamed as its chief policymaker, the Chicago Mercantile Exchange has been a consistent industry leader in new products and services while remaining largely free of heavy government interference.

But Melamed knows that self-regulation is a right that can disappear rapidly if an institution doesn't act responsibly. Faced with increasing global competition and a government investigation of industry trading practices, he's fighting hard to preserve that right.

A committee of Merc leaders and industry experts, formed shortly after the federal investigation of the Merc and the Chicago Board of Trade was disclosed by The Tribune in mid-January, has proposed tougher trading rules and penalties. If adopted by the Merc's board of governors and federal Commodities Futures Trading Commission, they would fundamentally change the way Chicago's futures markets operate. They would eliminate many opportunities for fraud and abuse and deter cheating by imposing harsh fines.

One far-reaching proposal calls for banning most traders from doing business for themselves at the same time they are handling orders for customers. This "dual trading" would be allowed only in a small number of lightly traded commodities. The committee also wants to restrict broker associations or rings, add surveillance staff, appoint non-exchange members to disciplinary committees and suspend a member for six months after a major rules violation. A second offense would result in lifetime expulsion from the exchange.

Merc officials claim some of these changes were in the works before the federal probe was revealed, but the package is clearly a response. It's also a genuine effort to restore public confidence in one of Chicago's most important financial markets by limiting both the possibilities and perception of abuses.

Critics may argue that the Merc is doing too little, too late. But the exchange constantly must balance its duty to keep its own house in order with its need to provide liquid and efficient markets.

Congress should realize that the futures industry has prospered under self-regulation. Even under the cloud of the FBI sting, Merc volume is up 34 percent this year and membership values are at record amounts. If the investigation reveals abuses not covered by these rule changes, further adjustments can be made.

Meantime, lawmakers should not add burdensome regulations that will drive up the cost of trading futures in America and force a successful U.S. industry to yield to foreign competition.●

HONORING REAR ADM. THOMAS CHARLES LYNCH

● Mr. DIXON. Mr. President, I would like to take this opportunity to speak about a dear friend and colleague of mine, Rear Adm. Thomas C. Lynch. With the exception of a short break when he served as commander, destroyer squadron 26 from October 1985 through January 1987, Tom has been a vital link as chief liaison officer between the U.S. Navy and the U.S. Senate since October 1982. During this period it has been my privilege to work with Tom on numerous occasions, covering a variety of naval and military issues.

Simply put, Tom is an outstanding member of our naval community. After graduating from the U.S. Naval Academy in June 1964, he began his first sea duty tour as main propulsion assistant on board the U.S.S. *Stribling* (DD–867). This tour was followed by a long list of distinguished service including: The Naval Destroyer School in 1967; assignment as assistant director, candidate guidance office, U.S. Naval Academy; service in the Office of the Chief of Naval Operations, here in Washington, DC; and command of the U.S.S. *Truett* (FF–1095) during the *Truett*'s deployment to the Mediterranean Sea and the Middle East.

Tom is always available to help in resolving problems. His amiable manner and readiness to be of assitance will not be forgotten. There are many stories about Tom which show his great character. Yet, when I think about Tom, it is not the $100 million Navy contract or $1 billion carrier proposal that I recall. Rather, I remember a specific case that I encountered during my first years in the U.S. Senate. My office was asked to assist a young man from Illinois who had run into minor difficulties in the Navy. These difficulties posed a potential for great impact on this young man's ability to achieve success in the future.

Tom went out of his way to help. He asked the young man to personally come up to my office where Tom and I could talk with him, and see if we could not assist him in helping himself. Just a couple of weeks ago, over 5 years after the original meeting, Tom asked me how that young man was doing. I was happy to tell him that the young man had returned to college, was engaged to be married and was, indeed, a credit to his mother and stepfather.

My staff and I are sorry to see Tom go, but I know that he will fulfill his new duties as commander of cruiser destroyer group No. 12 in Mayport, FL, with a vigor which few can equal. Tom is indeed a credit to his service and our Nation.●

SECOND GRADERS EXPRESS CONCERN OVER TRAGIC ALASKAN OILSPILL

● Mr. ADAMS. Mr. President, the tragedy of the oilspill in Alaska has left its mark not only on the shores of Prince William Sound but has made us all keenly aware of the horrors of environmental damage. There is no way to express our grief about the loss of fish and wildlife. We also grieve for the loss of a way of life for many Alaskans who are dependent on the sea for their livelihoods.

As a Senator from a State with a beautiful and pristine coast and the equally environmentally sensitive Puget Sound, I have heard from many constituents who not only want to see this latest oilspill cleaned up quickly but want assurances that it will not happen to us. The following letters are excellent examples of the deep concern my constituents have for the environment and its protection. The authors are all students in Mrs. Jeanne Jones' second grade class at Griffin School near Olympia, WA. I believe their words best describe the thoughts and concerns of a generation who want to inherit a clean and safe environment.

From Morgan Beck:

Is there anything being done about the oil spill right now? I don't like it at all, I want the animals to have their habitats back. We are talking about the oil spill in science. What can be done? My idea is we can put skimmers on the bottom of the water, and put absorbing cloths on the top of the water. I want some big ships to go out and clean it up.

From Kristoffer Harris:

I'm concerned about the oil spill. It has killed many animals. How can we prevent another oil spill? We should get more people. The Alaska shore is covered with oil it will take many weeks to get the oil out of the water. There will be many ships out in the water. Many fish, birds, otters have been killed.

From Crystal Hartley:

I'm not happy about the oil spill. I hope that doesn't happen again! What could the people that are cleaning do to clean up the oil faster? Can you make a law that you must test all of the captains before they drive a ship with oil? I'm concerned about the oil spill! I hope next time the captain will use a double hull ship. I feel sorry for the seals and sea otters because they are dying! Is there any way to save seals and sea otters? Animals are dying because their habitat is taken away!

From Meleah Hickman:

I'm concerned about what's happening in Alaska about the animals. Why wasn't the captain driving? Oil drivers should use double hulled tanks not single tanks. I hope the oil clean up job gets done fast. I hope you can get a lot of help. Use the booms, the cloth, use anything that will clean up the oil.

From Kevin Johnson:

I'm concerned about the oil spill. What are you doing about it? I have many ways to prevent an oil spill in Puget Sound and they are to keep men following behind the ship. Also to make the ships' metal thicker. Also I think you should make the landing port bigger.

From Forrest Kievit:

I'm concerned about the oil spill in Alaska. I hope the oil spill gets cleaned up soon. I don't want there to be an oil spill in the Puget Sound. I wish there was a magic fairy so she can clean it up. I wish there wasn't an oil spill. I wish there could be an oil cleaner-upper so the oil spill would get cleaned up faster. The oil cleaner-upper would look like a bucket so they clean it up.

From Taya Lee:

I am concerned about this oil spill. I think the captain should of picked out the double hull ship. I care about the oil spill. Do you think we should go to Alaska and help clean up the oil?

From Morgan Oliveira:

I wish I could help do something about the oil spill. I want people to help clean up the water. Can you ask people to help clean up? What if someone wanted to go fishing? I want people who drive oil ships to just use the double hull ships. It is sad that animals are dying because of the oil spill. When animals die they can't come back so I feel very sad.

From Mathew Ronne:

I am concerned about the oil spill. I am talking business. Why don't the people work faster and I mean faster. Make the skimmers bigger. If we are talking business then you write back letters. Write all you know about the oil spill.

From Ryan Williams:

I am concerned about the Alaska oil spill. They are killing the fish. The company should get more machines that pick up the oil. The ships should have stronger tanks.

Mr. President, as you can see by these thoughtful letters, many young people are deeply concerned about the Alaskan oilspill. I hope my colleagues will take their concerns to heart as we establish public policy to keep our environment clean and safe for generations to come.●

HONORING EMIL PRIEST

● Mr. LEVIN. Mr. President, on August 20, 1988, Emil Priest was fishing with his 9-year-old grandson, Quentin, when a power boat, traveling at high speed, ran over their boat. Quentin was knocked unconscious and fell into the water.

Quentin, wearing a lifejacket, was floating face down in the water. His grandfather couldn't swim, so he paddled the damaged boat to Quentin's side, pulled his grandson into the boat, and began giving him mouth-to-mouth resuscitation.

Meanwhile, two men who had heard the crash launched a boat and came to investigate. They towed the damaged boat to shore, and a rescue team was summoned. Quentin was rushed to the hospital, where he regained consciousness. The doctors determined that if it were not for Emil Priest, little Quentin would not be alive today.

Emil Priest will soon receive the Red Cross Certificate of Merit. I want to congratulate him on receiving that award.

Mr. President, I also want to express my great respect for Emil Priest. He could not swim, but he ignored that weakness to help someone in need. We can all learn from his courage and selflessness.

Because he acted when he had to, Emil Priest will be able to take Quentin fishing in the future. That is his greatest award.●

STOP THE FSX AGREEMENT

● Mr. PRYOR. Mr. President, I would like to add my cosponsorship to the resolution to disapprove the sale of 7 billion dollars' worth of United States fighter technology to the Japan Defense Agency.

Mr. President, I firmly believe that we must help to bolster the defenses of all of our allies, and Japan is an important ally, but we should not do so at the expense of United States industrial competitiveness in the world market.

The Bush administration has made an effort to make the transfer of F-16 technology to Japan more palatable to those who were opposed to the initial so-called FSX deal. However, the proposal is still not in America's best interests.

Last February, I joined a number of Senate colleagues in an attempt to delay the technology transfer until it could be adequately analyzed in the context of its impact on America's aviation industry's international competitive position.

Just this week, the General Accounting Office gave a briefing to certain Senators that challenges one of the primary arguments used by the administration to support the agreement. In short, the GAO found that while Japan knows exactly what they are getting from us, which is valuable information on the F-16, the world's most advanced fighter aircraft, we have little idea what we will actually receive in return. What little we do know indicates that the return will be limited, at best.

Mr. President, I ask that a New York Times article on the GAO report be printed in the RECORD following my statement.

Mr. President, we offered to sell F-16's directly to the Japan Defense Agency but they turned us down, saying that they preferred to build their own jet fighter. Without consulting Congress and behind closed doors, certain members of the administration crafted the agreement before us today that serves the wants of the Japan Defense Agency and the short-term profits of certain United States corporations, but it does not serve the long-term needs of America.

We are not turning our backs on Japan. Japan is an important military ally, and as one of the world's strongest economic forces, Japan is an important trade and economic ally. We want to support Japan and encourage its efforts to field a defense force that is more self-sufficient. By turning down the FSX agreement we are saying that we cannot and will not unnecessarily damage our interests in an effort to serve theirs.

The article follows:

[From the New York Times, May 3, 1989]

JAPAN DEAL QUESTIONED BY GAO

(By Clyde H. Farnsworth)

WASHINGTON, May 2.—The General Accounting Office has challenged one of the Bush Administration's arguments for going ahead with a $7 billion agreement to produce a jet fighter with the Japan Defense Agency.

President Bush approved the deal on Friday, saying it was in "the strategic and commercial interests of the United States." Supporters of the plan have frequently mentioned that the United States would have access to certain Japanese technology.

But the G.A.O., the investigative arm of Congress, has concluded that the technology the United States is expected to receive from Japan is already well known to the American aircraft industry and in some cases is 10 years old.

CLASSIFIED BRIEFINGS

The G.A.O. findings, which are being provided to legislators in classified briefings this week, are expected to be reported in an unclassified version at a hearing next Tuesday of the Senate Foreign Relations Committee.

The report could strengthen Congressional opponents of the plan.

The briefings provide "further evidence that we are giving away our technology for political expediency," said Senator Alan J. Dixon, Democrat of Illinois, a leading opponent.

Commerce Secretary Robert A. Mosbacher, who had persuaded President Bush to strengthen the FSX fighter accord to protect American trade interests, said that "there are lots of differences of opinion" on the technology.

"FEEL PRETTY SAFE"

"Even if they're right, we now have the FSX deal set up so that we haven't transferred any technology that's going to give the Japanese the ability to move from making this plane into a lot of other commercial and other types of airplanes and bring them up to our technological position," he said in an interview. "So I think we can feel pretty safe about it."

Opponents say the United States will let the Japanese learn aircraft systems integration, helping them meet their goal of competing against the United States in aerospace around the turn of the century.

Congress has 30 days to kill the deal. Resolutions of disapproval were introduced today in both chambers.

Because of the changes that the Bush Administration negotiated with Japan, opponents of the deal face an uphill fight. Even they acknowledge that the Administration obtained more favorable terms.

The agreement includes steps to protect the transfer to Japan of technology—another source of complaint by opponents of the deal—and it gives American companies about 40 percent of the production work on the plane. That will add $2 billion to American trade accounts.

The safeguards on American technology flowing to Japan relate to computer codes, called source codes, that are the basis of programs that enable pilots to control the aircraft and weaponry electronically.

There are two groups of source codes—those used in the flight computer, which translates the pilot's commands into actual instructions to parts of the plane, and those used in the mission computer, which controls the weapons, the inertial navigation system, radar and electronic countermeasures.

The flight computer technology, in which the United States holds a significant lead, is easily applicable to commercial aircraft.

Japan had wanted full access to both codes, but the United States has said it never agreed to provide the flight computer source code to the Japanese.

A formula was worked out in an agreement between Secretary of State James A. Baker 3d and Japan's Ambassador to the United States, Nobuo Matsunaga. Under the compromise, the United States will provide Japan with access to the source codes affecting fire control, which will be granted to make the project viable.

The Japanese will have to write their own source code to drive the other functions of the mission computer—navigation, radar, and so on.

ACCESS FOR THE U.S.

Mr. Matsunaga said the United States "will have full access to technologies other than radar, electronic countermeasures, inertial reference system and mission computer hardware," all equipment that Japan is developing itself.

In announcing the agreement, President Bush said: "I want to assure you that sensitive source codes for the aircraft's computer will be strictly controlled. Access will be granted to only those codes that are essential to the project."

Japan said earlier that it would build the new fighter independently if it could not reach a deal with the United States. The Defense and State Departments had pressed for a coproduction deal.

The Defense Department has argued that the deal cements security ties between the two nations and helps Japan fulfill an important strategic mission in the Pacific.

Many Congressional critics, and some Administration officials, including the United States trade representative, Carla A. Hills, wanted the Japanese to buy aircraft directly from General Dynamics.

NOT SERIOUSLY PURSUED

The G.A.O. review said that was never seriously pursued by American negotiators.

The G.A.O. analysts said one area where the United States was supposed to benefit is in phased array radar, a radar system that uses computers to track several targets simultaneously.

But the G.A.O. found that such technology has been known by Hughes Aircraft, Texas Instruments and other companies for 10 years.

The Japanese are also said to be able to make an entire wing from composite materials, a mixture of carbon fibers and resins baked for greater strength, lightness and heat resistance.

DRAWBACKS OF COMPOSITES

But the G.A.O. said Boeing, McDonnell Douglas, Lockheed and Northrup, which have been working on composites for years, have found drawbacks in a single-wing composite concept for military aircraft.

The American companies are said to have gone well beyond the Japanese in composite technology to such materials as thermal plastics which have advantages of easier repair and greater sturdiness.

In a three-month study, G.A.O. officials questioned the Pentagon, other Federal agencies and the major aircraft companies. They made no inquiries in Japan.

Under terms of the agreement, the United States is transferring designs of the F-16, developed by General Dynamics, to Mitsubishi Heavy Industries, the Japanese prime contractor.

Japan will pay $480 million to the United States for the F-16 technology, which cost American taxpayers $5 billion to $7 billion.

AMERICAN TECHNOLOGY

Some of the American technology may be old, since the aircraft dates back to the late 1960's. General Dynamics has developed more advanced versions of the plane, and the technology from these models will not be shared.

The G.A.O. confirmed independently what has been widely rumored about the American Government's negotiating process with Japan.

Even though the issue concerned the nation's commerce, including the future competitive position of the aerospace industry, the G.A.O. said that only the Pentagon represented the United States and that the Pentagon took account of only political and security considerations, not commercial consideration.

The G.A.O. officials noted that their agency had also been critical of a 1982 coproduction arrangement with Japan, covering the F-15 fighter, and recommended that commercial factors be weighed in future agreements.●

PRESCHOOL EDUCATION

● Mr. SIMON. Mr. President, it is becoming clearer and clearer that we are going to have to do more on preschool education.

While the bulk of my brief remarks here will be on the need for preschool education and one outstanding example of it, let me hasten to add that we have to do more to prepare the parents of our children if we are to move our children where they should go.

That is why illiteracy programs are so important. That is why jobs programs are so important. Today I saw an article in which Pastor San Juan Cafferty said:

There is also very persuasive data that it is not education that predicts economic success, but economic success that predicts education. In other words, if you give the parents a job, the child is more likely to graduate from high school.

We have to do more to give opportunity and hope to adults if their children are to emerge successfully.

But having said that, it is also true that we are going to have to do infinitely more on the preschool side of things. That is why the proposal of Senator KENNEDY, which I am honored to cosponsor, which he has called Smart Start is so important.

An exciting experiment is taking place on the south side of Chicago in the Robert Taylor Homes. That is a massive public housing project that most people associate with devastation rather than excitement.

There is an article in Chicago magazine entitled, "Baby, Baby" by Penelope Mesic that I urge my colleagues to read.

The inspiration for this program is an unusual business leader in Chicago, Irving B. Harris. Saying he is the inspiration for it is downplaying his role. He has also put the financial pieces together from private sources, including his own, and from Federal, State, and local resources.

Other key players, either in administering the program or in backup, are Gina Barclay McLaughlin, Bernice Weissbourd, and Judy Carter.

Startling things are said in this article, and let me just quote a few of them out of context. For example—

Employers are not eager to hire 18-year-olds who read at a fourth-grade level, so the cost to society of the poorly prepared preschooler grows with the child. When Irving Harris calculated what the rest of us pay to maintain an individual from birth to age 30, he was appalled to discover that it amount-

ed to $300,000. "Retardation and various handicapping conditions are expensive," says Harris.

At another point, it notes of the massive housing project—

A baby in Cuba or Chile has a better chance of reaching its first birthday than one in the Robert Taylor Homes. The average cost of care for a low-birth-weight baby is $25,000. At Robert Taylor more than 20 percent of all babies weigh less than the safe minimum.

What they are doing is attempting to find women, largely young women and in most cases teenagers, who are pregnant and working with them from pregnancy on to develop healthy, happy children who have some potential.

Another item to note: "The odds are good that happier parents will raise children who are better able to learn." Perhaps the summation of the whole article and whole enterprise are the words in the article by the author, "What is humane is also cost effective."

I note also that the people with this exciting project are also critical of the Chicago police, and I am taking the liberty of sending a copy of my statement in the CONGRESSIONAL RECORD to the Chicago police. Let me say in fairness to the Chicago police that they labor under great difficulty, and by and large I have been impressed by the work of the Chicago police.

But the article notes that the Robert Taylor Homes house less than 1 percent of the city's population but have 10 percent of its violent crime.

When a gun-carrying boyfriend interrupted a program being sponsored by the Beethoven project, the police station next door was called, but it took 30 minutes for an officer to respond.

The article notes in retrospect—Gina Barclay McLaughlin—is less upset by the intruder than by the police. "I feel helpless because we were not supported. I've seen kids as young as 9 engaged in gang warfare and the police don't intervene. It's like we don't even exist." It will be years before the full effect of this project can be determined. But I have to believe they are giving people hope who otherwise have little hope.

If this Nation were to rid itself of one of the nuclear aircraft carrier flotilla we are now planning to build at a cost of $18 billion, and use $9 billion of it to reduce the deficit and the other $9 billion to help preschool education programs like the Beethoven project, I cannot help but believe this Nation would be ahead.

In the meantime, we are building a future for our society and for too many children that is anything but pleasant.

Irving Harris is quoted in the article as saying, "Shutter ye complacent ones."

Here on the floor of the U.S. Senate, I'm sure he would say, "Shudder, you Senators, for your shortsightedness in determining what the priorities are."

I urge my colleagues to read the article that I ask to insert in the RECORD.

The article follows:

[From Chicago magazine, April 1989]

BABY, BABY

(By Penelope Mesic)

It is a Sunday at the Cosmopolitan Community Center on Chicago's South Side. A young woman, powerfully built and dressed in bright blue, steps to the microphone. Her hand rests on something white, like a dishtowel thrown over one shoulder, which at closer range proves to be a sleeping baby elaborately dressed in a cascade of ruffles. The woman bends forward to speak to the friendly crowd. This is a Naming Ceremony at which babies from the Center for Successful Child Development are introduced to the community, and the audience is full of fellow parents. But the mother stammers, overcome with shyness. The baby's father nudges her encouragingly; she hides her face with one hand. After a moment, with his arm around her, the father grins and announces the child's name himself.

More mothers come forward. Names echo over the sound system: Chakita Slaughter, Patience Wilson, Hurlost Ricky Hazley, Jr., Kennedy Blount. A bouncy girl of about 17, in a sweat shirt and ponytail, looks deep into the serious eyes of her infant son before she speaks his name. A big, sweet-faced man hoists a child into the air and says firmly, "Antonia!" A slim woman whose high cheekbones and narrow jaw give her a smoldering Lauren Bacall look speaks in a low voice as if afraid of disturbing the baby in her arms, then flashes a sudden, exuberant smile. After the last mother has come forward, the Reverend Hardy, a trim man with close-cropped gray hair and beard, shouts, "Our thanks for your increasing this community. Call on us when you need us."

It cannot be message that the families—black welfare recipients from the Robert Taylor Homes—can have heard too often. When they read about themselves in the newspaper as the urban poor, the permanent underclass, the truly disadvantaged, the dispassionate words wound them like deliberate insults. Every phrase reflects society view of them as unwanted and of their "increase" as nothing to celebrate.

When the rest of us speak of the urban poor, we never think of shy people. We never think of a baby startled, then laughing, because his father has proudly boomed out his name. We never think of faces like these, full of character and the plain intention to do good. The Robert Taylor Homes are fenced off from the rest of Chicago by major highways and their occupants by our unwillingness to regard them as being like ourselves.

In a few years a teacher will be telling Chakita and Kennedy to line up for gym, or helping Antonia and Patience with their reading. In 18 years, the children from the Naming Ceremony will be looking for jobs. Only one thing in their bleak surroundings suggests they will have any better luck—in school or in life—than their parents. That one thing is a breakthrough program that aims to take all the children born in the six Robert Taylor Buildings that are in the Beethoven School District, and do everything necessary to make sure that those children reach school ready to learn.

Called the Center for Successful Child Development, it is nicknamed the Beethoven Project after the local elementary school. The program, which opened in 1986, has taken over an entire floor in a Robert Taylor building at 4848 South State Street. There, parents will be given the support they need to provide their children with the best possible care, James Compton, president of the Chicago Urban League, which offers community backing for the center, approves wholeheartedly. "If all the ingredients are put in place—health care, education, parents—these children will come out comparable to children in the rest of the city, in the suburbs, anywhere. If we have a chance, this is it."

The Beethoven Project is attracting national attention as well, as the best hope for ending the cycle of poverty that keeps generation after generation on welfare. That may be because it is the brain child of philanthropist Irving B. Harris, who has 30 years of experience in developing programs to benefit families and children. White-haired and conservatively dressed, Harris has a direct glance and a tall man's quick, gawky stride. Slyly he draws attention to his age—which is 78—by referring to "a young friend in his 50s."

Even so, it is hard to think of Harris as old. His office, outfitted with an electronic stock ticker, is a modern bay of glass and blond wood that overhangs the La Salle Street financial district. Harris has wrung matching funds from the U.S. Department of Health and Human Services. He has pulled together welfare agencies, child-development experts, and the Chicago Housing Authority. His passionate commitment to this project is not an old man's quality.

To avoid being dismissed as a bleeding heart or a do-gooder, Harris sticks strictly to business. Deflecting questions about his personal involvement, which annoy him, he says, "I'm just trying to get the biggest bang for my buck!" As he tells it, the program has its orgins in his asking teachers how children could fail in something as basic as kindergarten.

A long-time associate of Harris's, Bernice Weissbourd, explains why children can't learn. "There's a pattern of defeat. If a child starts kindergarten verbally behind, he doesn't understand. If he's had experiences detrimental to learning—no one listening, responding, or stimulating his interest—he has no desire to do well. Often it's not the parents' fault. They're so beset with problems that they don't have the time or the attention to give."

While Weissbourd emphasizes that this problem is reversible and all children can be helped, she also acknowledges that what typically happens is a pattern of accumulated failure. When class time is taken up by the behavioral or learning problems of a few children, even the best teacher short-changes the rest of the class. Soon everyone falls behind, the problem is compounded from year to year, as children are less and less ready for succeeding grades. In 12 of Chicago's high schools, Harris discovered, out of 1,000 18-year-olds, 60 percent had dropped out by 12th grade, and of those remaining, only 24 could read at their grade level. What the other 976 had learned, at the cost of roughly $4,000 a year each, was the frustration of repeated failure.

Without the help of the Center for Successful Child Development, the infants at the Naming Ceremony, whatever their innate abilities, would probably fail, too. All are destined to attend Beethoven Elementa-

ry School, which one local authority describes as "the poorest-achieving school in school in Chicago, probably in the nation."

Employers are not eager to hire 18-year-olds who read at the fourth-grade level, so the cost to society of the poorly prepared preschooler grows with the child. When Irving Harris calculated what the rest of us pay to maintain an individual from birth to age 30 he was appalled to discover that it amounted to $300,000. "Retardation and various handicapping conditions are expensive," says Harris. "There are thousands of instances of child abuse reported, so you have to pay caseworkers. There's the cost of remedial education and its special teachers. There's welfare, medicaid, teen-age parenting, and law enforcement. A year in prison costs, as much as a year at Yale." After this mention of his alma mater, Harris adds, with deceptively mild sarcasm, "Of course, prison runs all year long and Yale lets out in the summertime."

For only $10,000 per child, the Beethoven Project aims to prepare an entire kindergarten class to enter school ready to learn. This seems like a simple thing. But Bernice Weissourd, president of Family Focus—an organization to help families with young children—cites research done at a preschool program at the Henry Horner Project in Chicago. "One-third of the children would have done OK without a support system. One-third benefited enormously. But one-third you couldn't reach. These children had already had such bad experiences in their first three years, and their families had such problems, that we couldn't make a real difference." It is children like the ones in the final third, of course, who cause the rest to be shortchanged. So the effort must begin earlier, before the age of three.

The Beethoven Project begins not with children, nor even with infants, but with the rumor of pregnancy. When its 14 family advocates—most of them women who live in the Robert Taylor Homes or nearby community—hear of a girl who is pregnant, a pair of them (for safety's sake) pay her a visit and ask what they can do to help. It is not an idle question. A baby in Cuba or Chile has a better chance of reaching its first birthday than one in the Robert Taylor Homes.

A major problem is low birth weight. One of the people who helped develop the Beethoven Project is Judy Carter, a clever, motherly woman who is indignant on the subject of this often preventable problem. "Babies who are just too little to do well—low-birth-weight babies, premature babies—usually have to be hospitalized. They need help breathing and special feeding. They're susceptible to infection. They often have handicaps." The average cost of care for a low-birth baby is $25,000. At Robert Taylor more than 20 percent of all babies weigh less than the safe minimum. "Often you can raise the birth weight," says Carter, "just by giving the mom supplemental nutrition. That means enough of the right kind of food, basically. It costs about $30 a month." She waits for the discrepancy to sink in: the $25,000 for hospital care, the $30 a month for prenatal care. "It' crazy, isn't it?"

Another thing that would help is the kind of monthly checkup that suburban mothers take for granted. "It's not unheard of for a 15-year-old to see a doctor for the first time when she goes to the hospital to have her baby," says Gina Barclay McLaughlin, executive director of the Beethoven Project. "Many of the younger teen-agers wait till their last trimester. The reason is denial, or fear, or just that the waiting list to see a doctor is too long. Even our older mothers say, 'It can't be,' and put off seeing a doctor." The family advocates arrange for prenatal checkups. Later they see to the baby's health care. "We find out what's needed and try to provide it," says McLaughlin. "Some of our parents were afraid to put the child on the concrete floor in their apartment because of pest control—they didn't want the baby crawling in the chemicals. So we found them a playpen."

The child's physical well-being is the family advocate's first concern. But just as important is the child's emotional health, which is directly affected by what one parent at the program's drop-in center calls "parenting skills." Most learning is done very early. The complex coordination of grasping and walking, the acquisition of language, the connection of cause and effect, and above all the basic way that people relate to one another are all mastered in the first few years of life. It is hard to unlearn a lack of self-confidence or the quick use of violence. Luckily, happier lessons have equal permanence.

McLaughlin believes there is one essential ingredient. "It's feeling valued or special as a child that makes a difference." She adds sadly, "So many of our parents never had that. They never had a trusting relationship. So it's hard for them to pass the feeling on. We want to help mothers with the goals they have for themselves as adults—education, a job, fixing their place up. When the parents get satisfaction out of life, they can treat their kids well."

The odds are good that happier parents will raise children who are better able to learn. Behavioral problems are not necessarily the result of physical abuse. More often the cause is neglect or ignorance of what a child needs: affection, talk, and play to stimulate the senses and nourish the emotions. Parents at Robert Taylor are encouraged to think of themselves and their child as valuable and of the world as a place they can master.

That this miracle of positive thinking can be achieved is demonstrated by what Marshall Ray tells in interviewer at the Naming Ceremony. Ray is the father of the first baby born into the Beethoven Project, and as he talks, he glances down at curly-haired Marshall Jr. on his lap. "I've matured," Ray says. "I've developed the patience to play with him. The baby's fun. Guys who think the baby's the girl's problem and complain she's got no time for them now—they're missing out. Your friend has got to be the child."

When Marshall Ray, Jr., lolls back and grins up into his father's face; when Bernice Weissbourd talks about a child's basic nature as "a sponge" for learning; when Judy Carter describes the simple health-care measures that can avert serious handicaps in newborns; when Iriving Harris shows that what is humane is also cost effective, it's hard to see how the Beethoven Project could fail. Why, then, does Judy Carter say, "Irving's a real unusual person. I can't think of anyone else who would take the kind of risk he's taking"?

To understand the risk, you have only to look at the Robert Taylor Homes. Frank Lloyd Wright angrily called high-rises "filing cabinets for people," but what he would call these 28 grim 16-story brick buildings is probably unprintable. They stand in 92 square acres of treeless waste. All the architectural elements that confer identify and status—lobby, central entrance, facade, nameplate—are utterly lacking here. Visitors stop, baffled, at the foot of a rectangular solid with no visible access. Tangles of graffiti menace the eye while the nose is assailed by the reek of dark stairs used as a urinal. Stairwells at opposite corners of the building are its only entrance, unless you count an elevator, which the experienced regard as suicide to use.

Fifteen thousand people are registered with the housing authority. Another 3,000 or 5,000 or so—who's going to count them?—live here unofficially. All are black and most rely on public aid. They live in terror and isolation from their neighbors. "I don't tell people which apartment is mine," says Gail, a mother at the Beethoven Project's drop-in center. "I know where she lives," says another center regular. She laughs and shakes her head. "But you don't go knocking to see who your neighbors are."

That's because the Robert Taylor Homes which houses less than one percent of the city's population witness ten percent of its violent crime, Gail shrugs in the direction of the courtyard. "Every weekend, somebody's shot out there. I heard a lady raped in front of my door. All this screaming. Nothing I could do." The only solution, another mother agrees, is to keep your children inside all day long. But she suddenly voices what is obviously a long-standing worry. "If I keep them in, does that mean when they do get out, they'll just go wild?"

A graver worry is what to do when children—particularly boys—reach the age of 10 or 11. "Their families try to send them to an auntie's or a cousin's away from here," says McLaughlin, "to keep them out of the gangs. When we have a parents' meeting the talk always turns to that topic: How do we keep our children safe? The extended family has been the salvation of blacks in this country."

McLaughlin grew up five blocks from the program she now heads, the oldest of 11 children. She is attractive the way a lighted window in a snowstorm is attractive—literally drawing you nearer with a promise of comfort and warmth. McLaughlin recalls an incident in which an irate boyfriend carrying a gun came looking for a young woman at the drop-in center last Christmas, when the place was packed with children. It was staff workers who had to confront him. The police station is next door—a 30-second walk away—but it took 30 minutes for an officer to respond. By that time, the staff had calmed things down. In retrospect McLaughlin is less upset by the intruder than by the police. "I feel helpless because we were not supported. I've seen kids as young as nine engaged in gang warfare and the police don't intervene. It's like we don't even exist." Of the neighborhood McLaughlin simply says, "Our families have an idea of beautiful things for their children, but the environment works against it. Your surroundings tell you you're not worth very much. And the danger is ever present."

Violence takes all the forms we can imagine, plus a few so bizarre that they border on nightmare. Another Beethoven Project worker, Haroldine Bourelly, points out that Robert Taylor has vacancies, despite a long waiting list and severe overcrowding. "There can be 14 people in an apartment meant for four. But families won't take an apartment if the one next door is empty. Squatters break into the empty one, rip out the medicine chests between the two units, and crawl through. They take everything, even your doors."

By doing $240,000 worth of renovations and repairs the Beethoven Project has transformed an entire floor of ten vacant and vandalized apartments. Even so, the surroundings impose fresh difficulties. "When we were about done, the pipes burst and sewage was running down our walls and flooding the place," McLaughlins says. "Then just after we opened last winter, we had no heat. How could we ask mothers to bring their babies here?" Even now, problems continue. "We got donations of sewing machines, so our mothers could make clothes for themselves and their babies, but the electrical is inadequate. All the lights go out when we try to sew."

"These problems remind us what our families put up with," McLaughlin adds. "They have no heat and bad plumbing, too. One of our mothers was stuck in an unheated elevator for three hours with her new baby. I was afraid they'd freeze to death. The people who live here have such patience."

Judy Carter, who also talks about the routine hardships of raising a family in Robert Taylor, points out the central difficulty: "There's no way people can live on what welfare provides." The Federal "poverty line" is the minimum income that will sustain life. According to Federal poverty guidelines, a family of three needs $24.45 a day to survive. Families on welfare in Illinois (and 32 other states) receive less than half that amount. "We persist as a nation in not being able to provide the bare necessities for subsistence," says James Compton. "The government's not denying it. There's no debating it's too little." Life is a constant scramble to come up with the necessities. "These families lack the simplest things," says McLaughlin. "There's no bed for the baby. Most moms don't have strollers, so going out for groceries you either have to carry the baby up and down stairs too, or leave your child." Confronted with widespread need, it's hard to know where to start. "The biggest problem is focusing our efforts," Carter says.

In fact, the Beethoven Project seems both thorough and extensive, an island of cheer and cleanliness and safety. Its décor is nursery white with color from posters and toys. Its 10,000 square feet has been divided to meet the needs of 34 staff members and an ever-growing number of program participants. In a preschool classroom, a young teacher glances up from laying out the tissue paper and glue for a crafts project. In a lounge with racks of parenting magazines, two mothers swap complaints about how giddy and lazy most young girls their sisters age have become. One mother puts on a hoity-toity voice: "She said, 'I'm not going to cut potatoes; I'm going to buy some fries.'" The other woman rocks with laughter.

Just beyond is the center's small kitchen, used to prepare lunches and give demonstrations in nutrition. Today it is warm and smells of baked chicken. A circle of toddlers, who have sung their way through the standard preschool repertoire, are now seated at a round table and are feeding themselves morsels of chicken and bread and butter. They look up to stare at visitors, then one solemnly offers another his carrot stick.

As McLaughlin points out the tiny cubicle of the nurse practitioner, whose presence is making health care far more accessible, young family advocates in training breeze by on the way to their staff room. Laughing and talking, they pause while one, a slim woman in a dazzling yellow dress, twirls so that her skirt flares out sharply. An older, full-fledged advocate, preoccupied with notes on a family visit, looks up and smiles.

At the back of the center there are offices for administrators and for a team of social scientists, headed by Sydney Hans of the University of Chicago, who observe and evaluate the program. While cozy and entirely adequate, there is nothing luxurious about the place. "We don't want to become an attractive nuisance," Irving Harris says. "If we kept more than a day's worth of food there, it would be stolen."

Slowly, parents from the six buildings in the Beethoven School District are beginning to bring their children to the center. The families who need its services the most will of course be the hardest to reach. "Some of these people may be beyond help," Judy Carter says. They watch TV or sleep 16 hours a day. They have no hope. A lot suffer from clinical depression." Many are mistrustful. "Some social service providers have been punitive and disrespectful. They've looked down on our families. And parents misread our motives. One woman couldn't smile. Couldn't interact. She said, 'Every time I turn around someone's trying to help me. Do they think I can't take care of myself? Everybody acts like my three kids are a mistake I made.'" Gina smiles. "We're winning her trust. You don't see results right away. You just hope and trust there's something going on under there."

Other Robert Taylor residents are cynical. They have seen countless programs open with fanfare and close in oblivion. "There seems to be some law ordained in heaven," Irving Harris complains, "requiring foundation trustees to favor innovative projects that they can fund for one to three years. In my experience, most new social programs are lucky if, in their third year, they are beginning to operate more or less as planned." But with funding and programs scheduled well into the future—one big date is 1993, when the first group of children will start kindergarten—Harris hopes the Beethoven Project will have time to take root.

Meanwhile, we can talk about Robert Taylor Homes, the parents, the family advocates, the fund-raisers, and the policy makers. But at the heart of their effort is something incalculable: a group of children, most still wordless, feeling the world with their eyes, pressing their faces into their mothers' necks, and meeting what only they can recognize as comfort or indifference by the stiffening of a muscle or a gentle answering squeeze. There is a song taught often in Chicago's schools that begins, "I believe that children are our future." Like the future, the nature of each child is not so much hidden from us as waiting to develop from our own actions.

The only moment when Irving Harris abandons the role of a "plain, unfeeling man of business," to borrow Charles Dickens's description of a secretly softhearted banker, and lets indignation enter his voice, is when he speaks of children so damaged in their development that they have no feelings for others. "They're like little animals," says Harris. "They become people who can commit sickening crimes without regret." Echoing the great social scientist Charles Silberman, who in turn was quoting Isaiah, Harris's comment on further neglecting our city's children is "Shudder, ye complacent ones."

But if the Beethoven Project has a message it is that teaching is accomplished not by fear but by affection. So think instead of a cheerful room on the second floor of 4848 South State Street. A confused visitor is shaking hands and exchanging names with family advocates, mothers, program directors, and drop-in center workers. Just as the last hand is released another, much smaller figure steps forward. A child of three in a denim jumper, her pale brown hair in a tightly curling ponytail, plants her feet wide apart, smiles radiantly, and holds out her hand. Queen Victoria as a child could not have had better manners or a more confident bearing than this child boldly and happily greeting an utter stranger.

A welfare worker whom the years have made skeptical, when told about this child and her confident air, at first sees nothing in it. "She was just imitating the people around her," he says. Then he stops, realizing that that, of course, is the point.●

TERRY ANDERSON

● Mr. MOYNIHAN. Mr. President, today marks the 1,509th day of captivity for Terry Anderson in Beirut.

Since Terry's kidnaping, his family has found hope in the smallest fragments of information about his well-being. I ask that an article from the May 6, 1988, Buffalo News, describing his sister's plan to visit former hostage Marcel Fontaine in Paris, be printed in the RECORD.

The article follows:

SAY HOPES FRENCH EX-HOSTAGE WILL HAVE DETAILS ON BROTHER

(By Mike Vogel)

BATAVIA.—Buoyed by word that one of the hostages released in Beirut Wednesday had spent time in captivity with her brother, Terry Anderson, Peggy Say said she may travel to Paris this weekend for a meeting.

Mrs. Say said she is trying to contact the ex-hostage and may meet with him as soon as possible.

(Earlier wire service reports incorrectly identified Marcel Carton, 62, another hostage released Wednesday, as the one who had most recently seen Anderson, an Associated Press correspondent. That was corrected Thursday to Marcel Fontaine, 45.)

Mrs. Say said that she would travel to France if she gets word that Fontaine (she said Carton because of the previous misidentification) "will agree to see me."

"It's vitally important for me to talk to somebody who's seen Terry. It's important to me to know if Terry knows what's going on."

Carton, Fontaine and Jean-Paul Kauffmann, 44, spent three years in Lebanon as captives of pro-Iranian extremists and were held in the same building as Anderson and other American hostages for at least part of that time.

"They may even have shared a cell," she said of Fontaine. "I understand they were playing chess together. They must have talked and maybe he knows something about what he is thinking. I'm hoping he can give me some indication of what I should do next."

"I want to know everything that he can remember that Terry has said. How Terry is holding up, his emotional health, his physical health, whether Terry thinks there is something we are not doing that we should be doing, we meaning friends and family," she said.

Anderson was kidnapped March 16, 1985, in Beirut and Mrs. Say plans to talk to Fontaine as soon as possible to learn "every

single detail, every word that he remembers."

Mrs. Say said she wants to give the former hostage time with his family before any meeting and said she would not leave before Sunday.

Mrs. Say again was critical of the U.S. government's lack of success in freeing American hostages.

"It almost appears that the French government places a higher priority on the lives of their people than the American does," she said. "We're very hopeful that the U.S. would pursue whatever channels the French had used, but I find it embarrassing that the U.S. would criticize France for dealing with the terrorists."

"I'm not a political wizard . . . but it seems to me that their rationale that they won't negotiate because they want to bring an end to terrorism . . . is irrational," she said. "What they are saying is that they know of no other solution to this situation than to let these men die."

Mrs. Say said she had few details on Anderson's recent condition and has heard very little so far about Fontaine's knowledge of him.

"I do know that he still plays chess, so I assume that his mental health is still intact," she added.

Mrs. Say noted that France had publicly thanked Iran and Syria for their efforts in helping gain the hostages' release and urged Americans to write to the Iranian and Syrian missions at the United Nations to urge similar help for the American hostages.

She added that she is happy for the families of the French hostages, saying that "my heart is very much with them today."●

IMAGE OF THE NURSING PROFESSION

● Mr. SIMON. Mr. President, I rise today to give tribute and recognition to the thousands of nurse professionals serving the American people and to support the Illinois Hospital Association's "Nurses: Who Cares?" initiative.

Of the many professions open to young people today, nursing is one of the few where it truly can be said that those who choose it as a career do so because of a noble desire to help their fellow man.

The hours are long and the work can be grueling, but the rewards are great: nurses save lives and ease pain. They play a crucial role in the delivery of health care services. They administer medication, monitor ever-changing vital signs, change IV's and catheters, and tend to their patients' comfort. In short, the significance of their work touches every patient.

Unfortunately, we would never realize or understand the critical and demanding nature of nursing if we were to rely on prime-time media as the sole source of our information. Many television shows have themes which portray health care professionals at work, but the nurses are rarely portrayed in a positive or factual way.

We are in the midst of a growing national nursing shortage. It is estimated there are currently 165,000 job openings for registered nurses in hospitals and nursing homes across the country. Unless these positions are filled, there could be a dangerous deterioration in the ability of these institutions to provide quality health care.

Yet it is no surprise that young people are rejecting nursing as a career, considering how many of them are watching these television shows that portray nursing in a negative way.

Therefore, I urge the television networks, along with script writers, producers, directors, actors, and actresses to think long and hard on how they depict nurses in their shows, and to adopt a more responsible attitude by portraying nurses in a more realistic light.●

IN MEMORY OF RAY SEARS

● Mr. LUGAR. Mr. President, those of us in Indiana who consider ourselves runners, are saddened by the death of our very dear friend Ray Sears, at 82 years of age. Ray was not only a personal friend, but an extraordinary inspiration for thousands of Hoosiers that took up running at any age.

Ray Sears was a teenage track star at Greencastle High School and the world indoor record holder in 1934 for the 2-mile run with a time of 9 minutes, 7 seconds. He was also an alternate in the 1,500-meter event for the 1932 U.S. Olympic team.

Ray graduated from Butler University and coached its track and cross-country team for 4 years. He was also a coach for 10 years at Marion High School, a year in California, and 6 years at Hartford City High School.

Ray also organized many local road races, including the annual Bears of Blue River Classic. Occasionally he wrote a column of fitness for the Shelbyville News.

Ray had participated in each of the Dick Lugar Runs for the last 10 years, and was often the winner of the senior division. In early 1988, Ray estimated he had logged over 128,000 running miles, and his running continued. In fact, he celebrated his 82d birthday at a road race.

Ray was still in perfect health. Remarkably, his death was not of natural causes, but from being hit by a car while walking.

Ray Sears' survivors are daughters Sally Tinney and Susan Jane Martin, and five grandchildren. He was the widower of June Marie Sears.

Ray Sears told the Indianapolis Star in 1988 that "The aging process keeps going, but while you're around you might as well enjoy it and keep in shape." Those are wise words for each of us.

Ray Sears was a dynamic leader and example to the young and old. His physical stamina and durability were impressive. His spirit was inspirational. He touched thousands of lives and his legacy will continue to guide each of us toward a healthier and happier life.●

HONORING CIVIL RIGHTS ADVOCATE HYMAN BOOKBINDER

● Mr. METZENBAUM. Mr. President, one of our Nation's great advocates for civil rights and social justice was recently honored by the Hebrew Union College-Jewish Institute of Religion in New York City. My friend Hyman Bookbinder was awarded a doctorate of humane letters by HUC-JIR during founders' day ceremonies on March 22.

It is fitting for a leading religious institution such as the Hebrew Union College to single out a man who has symbolized religion's role in public policy. As the former Washington representative of the American Jewish Committee, Hyman Bookbinder played an important role over many years in the great policy debates of our time.

A self-described "public policy junkie," Bookbinder has been an asset to the American Jewish community and to the Nation as a whole. He offered some contemporary observations on our national priorities now and into the future during the founders' day proceedings, and I commend them to my colleagues' attention.

Mr. President, I ask that remarks made by Hyman Bookbinder upon the receipt of his honorary degree be printed in the RECORD.

The remarks follow:

REMARKS OF HYMAN BOOKBINDER AT FOUNDERS' DAY SERVICE, HEBREW UNION COLLEGE-JEWISH INSTITUTE OF RELIGION

I am, of course, personally most gratified at receiving this great honor today from this distinguished institution—and to be in the company of such distinguished co-honorees. If my work over these many years does indeed warrant this personal recognition, I do feel proud. But I see this primarily as a recognition of the *kind* of work I have been associated with—public advocate, public critic, public defender—or, if you please, yes, public interest lobbyist. If my particular responsibilities—in the labor movement, in the American Jewish Committee, from time to time in the government itself—have brought me more public exposure than others, I have the responsibility and the satisfaction in telling you that there are many effective and tireless workers in this field of public interest advocacy—in the Jewish community and in the general community—most of whom have been and will probably always be unidentified and unrecognized.

I have always been a public policy junkie. I really mean *always*. Born into a world that soon exposed me to depression, to war, and to the Holocaust, and born into a family headed by parents who had fled from lands that threatened programs, I early acquired a compulsive interest in public affairs. Why could society not do better to avoid the pain and injustice and hopelessness I saw in so many ways and so many places? It was my good fortune all my life to be able to combine career development with furtherance of what I thought was sound public policy.

Today, to have that good fortune recognized is most heart-warming, but it is also sobering. Sobering because it compels me to ask how much this world—and this country in particular—has really moved during my lifetime to significantly reduce that pain and injustice and hopelessness I sensed more than 60 years ago.

Surely this audience today does not need my help in drawing up a balance sheet. Of course there have been victories, there have been improvements for people generally and for Jews in particular. But the list of problems still unsolved plus the many new ones is tragically long—terrorism, anti-Semitism, apartheid, crime, hunger, homelessness, drugs, AIDS, skinheads, teen-age pregnancies, family disarray—and so much more.

Public policy—i.e., governmental action—is not necessarily responsible for the persistence of these problems. Nor is it the certain reliver of these problems. But the role of government *is* critical—and what that role should be has always been the subject of sharp controversy. That's what politics is all about; that's what elections are all about. But in the United States—more than in any other country, including other great democracies—public policy and government actions have been importantly affected by the power of public opinion and public advocacy throughout the life of an administration and of a Congress, not only on election day.

Five words in the very first of our constitution's bill of rights—"right to petition the government"—provide the mandate for this powerful aspect of American democracy. In our pluralist society, each group is permitted to advocate and even press its own agenda, but, in the final analysis, it must be able to demonstrate that its interests are compatible with, and dependent upon, the general interest. No groups in America have understood this better than the Jewish community and the labor movement; it has been my privilege to serve both groups in the promotion of their particular interests as well as what they deemed to be in the general interest.

It has become a political cliche these days to refer to the "powerful Jewish lobby"—too often carelessly called the "Israel lobby." I have often said that the Jewish lobby is not as strong as some think, but not nearly as weak as some would like. Jews have interests. We intend to defend them. We do not apologize for whatever strength and influence we have. Tragically, there were times when our strength—our ability to affect government action—was not effective enough. We had not yet learned how to use the precious right of advocacy; our people suffered dire consequences as a result. We are determined not to let that happen again. Let me give you a poignant illustration.

Last month, the National Archives in Washington opened a major exhibit on this right to petition, called "American Voices: 200 Years of Speaking Out." The exhibit gives prominent display to the letter written on December 2, 1942 by Rabbi Stephen Wise to President Roosevelt informing him of new, conclusive proof of the "overwhelming disaster" that was befalling the Jews of Europe, of whom two million had already been killed. We now know that this and other appeals to the White House did not bring the actions that were required. Four million more Jewish lives were to be lost. The Jewish community in America suffered a major failure. Not a failure of not caring. Rabbi Wise and many other Jewish leaders cared deeply, and they did much to urge action on the immigration front, the diplomatic front, and the military front itself. Their actions, however, were basically in the "shtatlanes" mode—working quietly behind the scenes, trying to persuade top political leaders on the basis of reason and compassion. There is nothing wrong in *Shtatlanes* tactics; we use them still. But what we had not yet learned in those years was the use of political and advocacy and coalitional tools to compel attention to our community's needs.

It is painful, it is mind-boggling, to ask this question: If in 1942, or '43, or '44, we had already developed the strength we have today—to round up 80 to 90 Senators, or 350 to 400 Congressmen—or to bring 250,000 American Jews to the Mall in Washington, as we did 15 months ago on behalf of Soviet Jews—if we had in the Forties had that strength, to demand of Roosevelt that he make available one single war plane to bomb the railroad tracks to Auschwitz, what might have happened? Remember, in Auschwitz alone, that death factory was consuming Jews at the rate of 10,000 a day. If those tracks had been knocked out for even a week, some 70,000 Jews might have been saved. A month of disarray might have saved 300,000.

Is it wrong for me to wonder whether some or all of the 80 members of my mother's and father's families in Poland—grandparents and uncles and aunts and cousins I never got to know—might thus have survived the Holocaust? I assume that many of you are in a position to ask the same question.

So American Jews have developed the skills for mobilizing our community and the general community on behalf of the security of our people—in Israel, in the Soviet Union, in our own country. But we have never forgotten that we are only six million Jews—less than 3 percent of all Americans. We must be able to persuade at least another 48% that our case is just, our concerns real, and that America's own ideals and interests are in harmony with ours. Getting this support, I am convinced, is not the job alone of the professional Washington-based Jewish lobby. In a very real sense we must think of the entire Jewish community as that lobby—the totality of Jewish influence in the country exercised by a wide range of secular and religious institutions, and by individuals publicly recognized as Jewish leaders and spokespersons. And in the larger sense we must think of the allies and the friends the Jewish community has acquired across the land—the churches, women, labor, civil rights, education, urban affairs and so many other groups in our society. We have won these allies, these friends, in two ways: by educating and appealing to them on the merits of our case, and by demonstrating our interest and commitment to the broader community's agenda.

By and large, we have grounds for satisfaction in having done our work effectively in the two major areas affecting the security of our people. The American people and the American government, under both Democratic and Republican administrations, have been overwhelmingly supportive of a secure Israel and of the right of Soviet Jews to emigrate or to live as proud Jews in the Soviet Union. But we cannot ever take that support for granted. And surely not today. Only last month, an ominous warning came to friends of Israel in an unprecedented opinion poll finding that *53%* of Americans expressed *disapproval* of Israel's current policies.

How should American Jews react to such a warning? As an advocate, I ask myself two sets of questions: First, are we doing everything we should to help American officials and the American public understand the problems and the fears and the needs of Israel? Are we reminding them that Israel is a genuine democracy now involved in a historic debate about how best to achieve security for Israel and justice for the Palestinians? But, second, I feel compelled to ask myself also: has something of significance happened to challenge the merit of the pro-Israel case? What kind of advice, or guidance, can we offer Israel to prevent or minimize erosion of American support?

This is not the occasion for me to address this last question. But I do assert the right—nay, the obligation—of Jews to ask such questions, and to find appropriate ways to discuss them with our Israeli friends.

But we are Americans, and our efforts must be directed primarily at our own American government, to help shape American public policies on a wide range of issues, foreign and domestic. These efforts, for reasons that are unfortunately too obvious, have been largely dominated by the US-Israel relationship. As a result, the "Jewish lobby" is seen by too many Americans as being concerned solely with Israel. There is no need to apologize for giving the highest priority to that issue. But it is not our only priority. I can give personal testimony to how active and effective the Jewish community has been in the pursuit of social justice for all people. We have resisted attempts to breach the wall of separation between church and state, not for our sake alone but for a pluralism that serves the needs of all Americans. Despite some strains, Jews have remained faithful to the cause of civil rights. Jews have remained champions of generous but responsible immigration policy. Education, housing, health care, women's rights, environment—there is no monolithic view among Jews on how best to address these issues. But there is interest, and there is energy expended on them.

No part of the American Jewish community has been more actively and passionately involved in pursuit of social justice than its rabbinate. I've seen it at first-hand in the civil rights struggles, in the war on poverty, in the critical area of safeguarding the wall of separation between church and state. And I am particularly proud—with all due respect to the other denominations—of the Reform rabbinate. Reform rabbis have been in the front ranks of every battle for social justice.

There are some in our community who argue against involvement in these broader public issues, believing that our immediate Jewish problems require all of our attention and energies and resources. My response has always been that I am proud that over the years we have defined our Jewishness, our Judaism, as a commitment to justice for *all* people, to peace for *all people, to freedom for all* people. Such a commitment to universal justice does not short-change our Jewish interest; it is, in fact, the only way to protect such interests. There is no conflict between our great love and great hopes for this blessed land and our deep feelings for Israel and for our Jewishness; not only are such feelings compatible, they are mutually reinforcing.

But as a pragmatic lobbyist, if you please, I see this broader activity also as a necessary strategy to establish credibility, to make friends, to win trust. "How can Zion-

ism equal racism," we want Congressmen and black leaders and journalists to ask themselves, "when Jewish representatives we work with or observe day after day are promoting fair housing and fair employment and fair immigration policies?"

The Jewish community cannot, of course, engage in every struggle for social justice. But some things cry out for our understanding, our compassion, and our enlightened self-interest. For example, twenty-five years ago, this nation declared war on poverty. But we gave up too soon. Several years of progress were followed by too many years of deterioration.

There are 13 million poor children in America today. Each day, thousands of babies are being born who, unless we take the necessary steps, both public and private, to help them, will be poor until the day they die. Can society be indifferent to today's babies becoming the parents of another generation of poor children? In Proverbs we read, "He that giveth to the poor shall not lack, but he that hideth his eyes shall have many a curse." Yes, a socieity that closes its eyes to poverty and its causes will surely be cursed with tensions and turmoil and disruptions. These children of poverty have no lobby of their own. We must be one of their voices.

I cannot conclude my remarks here today without noting a very special and relevant anniversary. There are many, many truly distinguished earlier honorees of this great institution who make me so proud to be added to their numbers—but no one more than the giant of Yiddish literature whom you honored 31 years ago. Later this week I will be returning to Washington with my dear Ida to celebrate the 100th anniversary of the birth of her father-in-law, H. Leivick, of blessed memory. Whenever I think of Leivick, I recall that magical moment several years ago during a Yom Hashoah ceremony held in the East Room of the White House. In the presence of the President, the Secretary of State, Congressional leaders and other high government officials—and with TV cameras recording the scene for all America to see—Elie Wiesel spoke, as only he can speak. He concluded his remarks by reciting a few short lines from one of Leivick's greatest poems—Eybik (forever)—lines that say all that has to be said about the agony of the Jewish people, but also of their determination, their confidence, their strength. The very idea of a Holocaust survivor speaking Yiddish lines in the house of the President of the world's greatest nation was enough to bring tears to most of us. But what lines!

Die velt nemt mich arum mit shtechiker hent,
Un trugt mir zum feier, un trugt mir zum sheiteh;
Ich bren un ich bren, un ich ver nit verbrent;
Ich haib zich oif vieder, un shpan avec veiter.
The world surrounds me with its thorny hands,
And carries me to the fire, to the flames;
I burn and I burn, but am not consumed;
I rise once again, and go on my way.

The flames of 45 years ago no longer consume our people. But the pain and the fears they caused are with us still. No shouting flames anywhere today—but the quite smoldering embers of those flames come to life from time to time, in one place or another. Could those embers be stoked again into full flames? Today's skinheads perhaps can be ignored, but how can they fail to remind us of the Nazi crew-cuts? So we need to be vigilant. But vigilance alone will not be enough. Only if we conscientiously and effectively heed both parts of Hillel's most familiar admonition . . . Only if we continue to be for ourselves, but not only for ourselves, will we not have to fear the question, "Who will be for us?"

What a privilege it has beeen for me to participate these many years, along with so many of you, in the pursuit of Jewish security and Jewish fulfillment in harmony with the pursuit of social peace and social justice for all people.●

IN MEMORY OF STEVEN MARTIN SCHAEFER

● Mr. SIMON. Mr. President, a few weeks ago tragedy struck the campus of Southern Illinois University in Carbondale. Steve Schaefer, a junior at SIU-C, was killed in a house fire after alerting several friends of the danger.

The fire occurred in the early morning hours on April 1. Steve was the first to notice it, and went through the house waking his roommates and houseguests, pounding on doors and urging them out of the building. Steve saved the lives of several friends who were in the house, but was unable to make it to safety.

Steve is survived by his parents, a brother, two sisters, and a number of other relatives and friends. At SIU-C he was active in the campus radio station. He also enjoyed working with the Boy Scouts.

I met Steve's uncle at a recent town meeting in Elk Grove, IL. In an effort to honor Steve, and preserve his memory, I am nominating him for the Carnegie Hero Fund Commission Award. The Carnegie award is presented in recognition of "outstanding acts of selfless heroism * * * and bravery." Clearly, Steve Schaefer deserves this medal of honor.

I ask my colleagues to pause with me to reflect upon the life and the heroism of Steven Schaefer. We want to remember him, and share our prayers and sympathy with his family.●

POLISH CONSTITUTION DAY

● Mr. SARBANES. Mr. President, today is Polish Constitution Day. Exactly 198 years ago, inspired by the experience of the new United States of America and faithful to the principle "My Liberty and Yours," the Polish nation adopted a constitution which guaranteed fundamental human rights, religious freedom, and equal justice under law. That constitution remains a remarkable achievement in the history of the Polish people, and by the standards of any age or people it remains an eloquent declaration of political freedom and religious tolerance. It is an expression of the courageous spirit which against all odds has survived centuries of violence and oppression, and which lies at the heart of the events now taking place in Poland.

Polish Constitution Day provides us with a special opportunity to join with our fellow citizens of Polish heritage in reflecting on the course of Polish history and in expressing hope that the long, arduous struggle for freedom will now bear fruit. And it provides us with an opportunity to pay tribute to the manifold contributions which Polish-Americans have made to our communities and to our national life.

We see that contribution everywhere: in our public life, in commerce and industry, in our schools and universities, in the arts and sciences. It is as old as the Nation itself—older, in fact. In 1608, 12 years before the Pilgrims' landing at Plymouth Rock, the first glass factory in the new world was built by Polish artisans in Jamestown, VA. In the American Revolution, inspired by the ideals of liberty and individual freedom, Polish citizens of the young colonies rallied to the new Nation even as it was being created.

So, too, did those two great heroes of the War of Independence who made the journey from Poland for the purpose of rallying to the American cause. Newly arrived in 1776, Thaddeus Kosciuszko played a critical role in the battle of Saratoga, choosing and then fortifying the battlefield and helping to turn back British General Burgoyne's offensive in what became a turning point in the war. Arriving in 1777, Count Casimir Pulaski was promptly commissioned by the Continental Congress, and as a brigadier general led a legion from Baltimore and neighboring areas in repulsing the British attack on Charleston.

That same indomitable spirit has enabled the Polish nation to survive in the face of the most terrible adversity. For nearly 130 years, following the partitions of 1792 and 1795, the Polish State ceased to exist. It was literally erased from the globes and atlases of the world, and denied a seat at the world's conference tables. Poland's sovereignty was restored in 1919, but for the past 50 years Poland has been subjected almost continuously to brutal occupation and harsh and repressive government.

The memories of the past decade are very vivid today. The emergence in 1980 of Solidarnosc, the Solidarity Labor Federation, was followed a year later by the banning of the labor movement, the imprisonment of its leaders, and the imposition of martial law on the nation. Despite the action taken against Solidarity, however, it was not possible to suppress the spirit which brought Solidarity to life. The working men and women of Poland stood fast. The union and its affiliated organizations became the rallying point in the continuing Polish quest

for justice and liberty. The recently announced reform measures returning legal status to Solidarity and pledging multiparty elections this summer reflect a new chapter, but far from the final chapter, in that quest. They are hopeful signs to all who support the determination of the Polish people to live by the principles laid down in the Polish Constitution.

On the 198th anniversary of the adoption of the Polish Constitution, I join Americans everywhere in the Nation in paying tribute to the Polish people. Their courageous commitment to the principles set forth in the Constitution are a profound inspiration to us all.

On this Polish Constitution Day, therefore, we look forward not to the final chapter in that question, but to a new chapter. We can look forward with hope, but with no illusions about the difficult challenges that lie ahead. The reform program gives reason for hope, but not overconfidence. The path ahead will not be easy.●

ORDERS FOR TOMORROW

RECESS UNTIL 9 A.M.

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m. tomorrow morning, Thursday, May 4, 1989.

MORNING BUSINESS

I further ask unanimous consent that on tomorrow, following a time for the two leaders, there be a period for morning business not to extend beyond 10 a.m., with Senators permitted to speak therein for up to 5 minutes each.

RESUME CONSIDERATION OF SENATE CONCURRENT RESOLUTION 30

Mr. President, I ask unanimous consent that at 10 a.m., the Senate resume consideration of Senate Concurrent Resolution 30, budget resolution.

The PRESIDING OFFICER (Mr. ROCKEFELLER). Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, to my knowledge, the only Senator who seeks to speak as if in morning business is Senator WILSON, and the distinguished ranking member has no further action. I therefore ask unanimous consent that the Senator from California [Mr. WILSON] be recognized to speak for 5 minutes as though in morning business, and that upon the completion of his remarks, the Senate stand in recess under the previous order until 9 o'clock tomorrow morning, Thursday, May 4.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. WILSON. I thank the Chair.

(The remarks of Mr. WILSON pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senior Senator from California.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL THURSDAY, MAY 4, 1989, AT 9 A.M.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 9 a.m. tomorrow morning.

Thereupon, the Senate, at 7:14 p.m., recessed until Thursday, May 4, 1989, at 9 a.m.

HOUSE OF REPRESENTATIVES—*Wednesday, May 3, 1989*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

May Your spirit lead us, O God;
May Your strength support us;
May Your wisdom guide us;
May Your grace forgive us;
May Your love surround us; and
May your peace that passes all human understanding be with us all our days. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. SMITH of Mississippi. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SMITH of Mississippi. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 299, nays 107, not voting 28, as follows:

[Roll No. 38]

YEAS—299

Ackerman	Brown (CA)	Dixon
Akaka	Bruce	Donnelly
Alexander	Bryant	Dornan (CA)
Anderson	Bustamante	Downey
Andrews	Byron	Dreier
Annunzio	Callahan	Duncan
Anthony	Campbell (CA)	Durbin
Applegate	Campbell (CO)	Dwyer
Archer	Cardin	Dymally
Atkins	Carper	Dyson
Barnard	Carr	Early
Bartlett	Chapman	Eckart
Barton	Clarke	Edwards (CA)
Bates	Clement	Edwards (OK)
Bennett	Coelho	Engel
Bereuter	Coleman (TX)	English
Berman	Collins	Erdreich
Bevill	Combest	Espy
Bilbray	Conte	Evans
Boggs	Conyers	Fascell
Bonior	Cooper	Fazio
Borski	Costello	Feighan
Bosco	Coyne	Fish
Boucher	Darden	Flake
Boxer	Davis	Flippo
Brennan	de la Garza	Foglietta
Brooks	Dellums	Foley
Broomfield	Derrick	Ford (MI)
Browder	Dicks	Ford (TN)
Frank	Long	Rowland (CT)
Frenzel	Lowey (NY)	Rowland (GA)
Frost	Luken, Thomas	Russo
Gallo	Manton	Sabo
Garcia	Markey	Saiki
Gaydos	Martinez	Sangmeister
Gejdenson	Matsui	Sarpalius
Gephardt	Mavroules	Savage
Gibbons	Mazzoli	Sawyer
Gillmor	McCloskey	Saxton
Gilman	McDermott	Scheuer
Gingrich	McEwen	Schiff
Glickman	McHugh	Schneider
Gonzalez	McMillen (MD)	Schulze
Gordon	McNulty	Schumer
Gradison	Meyers	Sharp
Grant	Miller (WA)	Shaw
Green	Mineta	Shumway
Guarini	Moakley	Shuster
Hall (OH)	Mollohan	Sisisky
Hall (TX)	Montgomery	Skaggs
Hamilton	Moody	Skeen
Hammerschmidt	Morella	Skelton
Hansen	Morrison (CT)	Slattery
Harris	Morrison (WA)	Slaughter (NY)
Hatcher	Mrazek	Smith (FL)
Hawkins	Murtha	Smith (IA)
Hayes (IL)	Myers	Smith (NE)
Hayes (LA)	Nagle	Smith (NJ)
Hefner	Natcher	Smith (VT)
Hertel	Neal (MA)	Solarz
Hoagland	Neal (NC)	Spratt
Hochbrueckner	Nelson	Staggers
Hopkins	Nielson	Stallings
Horton	Nowak	Stark
Houghton	Oakar	Stearns
Hoyer	Oberstar	Stenholm
Hubbard	Obey	Stokes
Huckaby	Olin	Studds
Hughes	Ortiz	Swift
Hutto	Owens (NY)	Synar
Jenkins	Owens (UT)	Tallon
Johnson (CT)	Packard	Tanner
Johnson (SD)	Pallone	Tauzin
Johnston	Panetta	Thomas (GA)
Jones (GA)	Parker	Thomas (WY)
Jontz	Patterson	Torres
Kanjorski	Payne (NJ)	Torricelli
Kaptur	Payne (VA)	Towns
Kasich	Pease	Traficant
Kastenmeier	Pelosi	Traxler
Kennedy	Penny	Udall
Kennelly	Perkins	Unsoeld
Kildee	Pickett	Valentine
Kleczka	Pickle	Vento
Kolter	Poshard	Visclosky
Kostmayer	Price	Walgren
LaFalce	Pursell	Watkins
Lancaster	Quillen	Waxman
Lantos	Rahall	Weiss
Laughlin	Ravenel	Weldon
Leath (TX)	Ray	Wheat
Lehman (CA)	Regula	Whitten
Leland	Richardson	Wilson
Lent	Rinaldo	Wise
Levin (MI)	Ritter	Wolpe
Levine (CA)	Robinson	Wyden
Lewis (GA)	Roe	Wylie
Lipinski	Rohrabacher	Yates
Livingston	Rose	Yatron
Lloyd	Rostenkowski	

NAYS—107

Armey	Coughlin	Goss
Baker	Cox	Grandy
Bentley	Craig	Hancock
Bilirakis	Crane	Hastert
Bliley	Dannemeyer	Henry
Boehlert	DeLay	Herger
Buechner	DeWine	Hiler
Bunning	Dorgan (ND)	Holloway
Burton	Douglas	Hunter
Chandler	Emerson	Hyde
Clay	Fawell	Inhofe
Clinger	Gallegly	Ireland
Coble	Gekas	Jacobs
Coleman (MO)	Goodling	James
Kolbe	Murphy	Smith, Robert (NH)
Kyl	Oxley	Smith, Robert (OR)
Lagomarsino	Parris	Snowe
Leach (IA)	Pashayan	Solomon
Lewis (CA)	Paxon	Spence
Lewis (FL)	Petri	Stangeland
Lightfoot	Rhodes	Stump
Lowery (CA)	Ridge	Sundquist
Lukens, Donald	Roberts	Tauke
Machtley	Rogers	Thomas (CA)
Madigan	Roth	Upton
Marlenee	Roukema	Volkmer
Martin (IL)	Schaefer	Vucanovich
Martin (NY)	Schroeder	Walker
McCandless	Schuette	Walsh
McCollum	Sensenbrenner	Weber
McCrery	Shays	Whittaker
McDade	Sikorski	Wolf
McGrath	Slaughter (VA)	Young (AK)
McMillan (NC)	Smith (MS)	Young (FL)
Michel	Smith (TX)	
Miller (OH)	Smith, Denny (OR)	
Moorhead		

NOT VOTING—28

Aspin	Dingell	Miller (CA)
AuCoin	Fields	Molinari
Ballenger	Florio	Pepper
Bateman	Gray	Porter
Beilenson	Gunderson	Rangel
Brown (CO)	Hefley	Roybal
Courter	Jones (NC)	Vander Jagt
Crockett	Lehman (FL)	Williams
DeFazio	McCurdy	
Dickinson	Mfume	

□ 1221

Mr. LANCASTER and Mr. LAUGHLIN changed their vote from "nay" to "yea."

Mr. WILSON changed his vote from "present" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Rhode Island [Mr. MACHTLEY] kindly lead us in the Pledge of Allegiance?

Mr. MACHTLEY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 1385. An act to make permanent the Martin Luther King, Jr., Federal Holiday Commission, and

H.R. 1426. An act to amend the Public Health Service Act to make technical corrections relating to subtitles A and G of title II of the Anti-Drug Abuse Act of 1988, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 1426) "An act to amend the Public Health Service Act to make technical corrections relating to subtitles A and G of title II of the Anti-Drug Abuse Act of 1988, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KENNEDY, and Mr. ADAMS, and Mr. HATCH to be conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 767. An act to make technical corrections to the Business Opportunity Development Reform Act of 1988.

The message also announced that pursuant to Public Law 100-533, Mr. DOMENICI on behalf of the minority leader appoints Ms. Sandra R. Herre of Wisconsin, from private life, as a member of the National Women's Business Council.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
May 2, 1989.

Hon. JIM WRIGHT,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in clause 5 of rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House at 4:15 p.m. on Tuesday, May 2, 1989, and said to contain the following message from the President whereby he transmits the first Comprehensive Triennial Report of Immigration, 1989.

With great respect, I am,
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

FIRST COMPREHENSIVE TRIENNIAL REPORT ON IMMIGRATION, 1989—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on the Judiciary.

(For message, see proceedings of the Senate of yesterday, Tuesday, May 2, 1989, at page S4609.)

GROSS ABUSE OF HUD PROGRAMS BY FORMER TOP ADMINISTRATION OFFICIALS

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANTOS. Mr. Speaker, I am announcing today a series of hearings by the Subcommittee on Employment and Housing of the Government Operations Committee to examine the shocking revelations of gross abuse involving former high-ranking officials of the Department of Housing and Urban Development and others. My subcommittee is determined to get to the bottom of this potentially sordid affair.

If the results of the investigation conducted by the inspector general of HUD stand up under scrutiny, the American taxpayer may have been overcharged more than $400 million to accommodate sweetheart deals pushed by so-called housing consultants such as former Interior Secretary James Watt. Mr. Speaker, James Watt's only known experience in the field of housing was making Bambi homeless.

At the same time, Mr. Speaker, I want to commend our new HUD Secretary Jack Kemp for his swift and determined action in cleaning up the mess that was left by the former administration, and his commitment to a competitive bidding process for housing rehabilitation funds.

NEW JERSEY SPORTSMEN JOIN IN LITTER CLEANUP EFFORT

(Mr. SAXTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAXTON. Mr. Speaker, litter, litter everywhere, and finally last week in New Jersey somebody was doing something about it.

Mr. Speaker, I never thought I would stand in the well of this House and talk about trash, but I saw something last weekend that I think everyone should know about. I would like to commend the Burlington County Federation of Sportsmen led by a young man named Bill Bruner, who gathered at the Indian Mills Gun Club near Atsion Lake in the Wharton Tract, part of the New Jersey pinelands, with hundreds of volunteers and covered literally hundreds of square miles of territory in my district and in Congressman HUGHES' district to pick up old discarded washing machines, tires, and litter of all kinds.

We, Mr. Speaker, can take an example from them. They did a great job in bringing public attention to the problem and cleaning up a terrible mess in the southern part of our State. I think that the American people should look to them as an example of what we can do when we work together as volunteers.

PROGRAMS FOR POOR CHILDREN ADDRESSED IN UPCOMING BUDGET RESOLUTION

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, children who begin life with less than a full chance for excellence are our most important priority. For poor children, the barriers are particularly high, the challenge especially great. Lack of health care, violence, abuse and neglect, and poor educational opportunities are a part of every day life for these children. Many have been left in economic limbo, living in families where work is done every day but poverty is the way of life.

I am pleased that the budget resolution we will debate today adds new Federal resources to proven programs like health care and Head Start and that new funds are set aside for a child care initiative. I hope we can go even further than this and provide relief to the 5½ million households where someone is working full time, all year but the family is still poor.

The reason for my interest is simple: The gap between rich and poor in this country is widening at an alarming rate. To continue to ignore it, my friends, undermines the basic tenets on which our country was founded, making a mockery of America as the land of opportunity. It also invites social dislocation of proportions that we probably cannot today imagine.

ENERGY DEVELOPMENT SHOULD NOT FALL VICTIM TO "EXXON VALDEZ" OILSPILL

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, the *Exxon Valdez* accident has all but sounded the death knell for proposals to lease the potentially oil rich Arctic National Wildlife Refuge. Opponents of Outer Continental Shelf development have clamored for even more prohibitions.

This is tantamount to shutting down the airlines because of one plane crash.

The *Exxon Valdez* was a tragic accident, a tragic transportation accident—not an oil development accident. This should tell us we do not want to increase our reliance on oil imports which are transported by tankers.

Whatever our response to Valdez, oil will continue to flow to U.S. refineries, carried by tankers. If we shut off domestic exploration we will have done nothing to reduce the risks of tanker accidents and everything to ensure our continued dependence on foreign oil.

Conservation will merely affect the growth of oil imports, it will not replace them.

Similarly the strategic petroleum reserve is not a panacea, but merely a thumb in the dike. In 1985 the reserve held enough oil to displace 115 days of oil imports. It now holds less than 81 days supply because of our growing reliance on imports.

Our Nation is dependent on petroleum. We can and should increase conservation. We can and should continue to fill the strategic petroleum reserve. And we can and should continue to explore for and develop our domestic resources.

There are risks to any form of energy development. There are also risks—both to our environment and to our national security—in reliance on imports for 44 percent of our consumption.

Before the *Valdez* accident tens of thousands of tanker runs had been completed from Valdez without a serious mishap. That is a record many industries would be proud of and one that should not be overlooked.

We should not respond to one crisis by creating another one.

□ 1230

CHILDREN AND POVERTY

(Mrs. KENNELLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. KENNELLY. Mr. Speaker, recent reports of poverty in American families translate into shameful statistics. Our infant mortality rate is the highest of 21 industrialized countries. Only a portion of our children are receiving the childhood immunizations that all children should receive. Nearly 1 million of our children leave high school without graduating each year, and less than half of those who stay in school can read well enough to perform even moderately complex tasks.

No one has been able to come up with a comprehensive answer to these problems, but we do have the tools to chip away at the mountain rock by rock. We in the Congress have initiated several programs that have successful records in improving child health, nutrition, and education. WIC, Medicaid, and Maternal and Child Health Programs provides care for pregnant women and their children. Our community health centers immunize children against diseases for which we found the cure decades ago. Head Start and early intervention education programs offer poor children a running start at education, and reduce the level of delinquency and school dropouts later on in life. These programs only serve a fraction of the eligible population. We know how to solve these problems. We are foolish if we do not fully fund these successful and important programs.

THE FAMILY AND MEDICAL LEAVE ACT

(Mr. GRANDY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRANDY. Mr. Speaker, I note with interest that our Committee on the Budget has earmarked around $200 million for rural development. I am pleased with that. I am pleased that we are approaching rural development, but I am concerned that we are probably once again practicing rural disintegration, and by that I mean the pending consideration of H.R. 770, the Family and Medical Leave Act.

Mr. Speaker, 10 weeks of mandated family leave, 15 weeks of mandated medical leave, much of it intermittent, 50 employees, and in 3 years 35 employees. That, Mr. Speaker, in most communities, and probably most districts, is a big business, not a small business, and small business is not the only part of small town and rural America infrastructure that is going to be affected by this. We are talking about fire departments, police departments, vocational institutions, small colleges, hospitals and nursing homes, our rural infrastructure, exactly the ranks we are trying not to deplete.

Mr. Speaker, H.R. 770 is long on intent, short on implementation. Vote no.

INTRODUCTION OF A BILL FOR AMERICANS WHO DO NOT HAVE MEDICAL INSURANCE

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, today I am introducing a bill to deal directly and specifically with one of our society's most pressing problems, 37 million Americans who have no health insurance whatsoever. I believe that my proposal, among many others, is superior to the others because it gives all citizens access to health insurance at an affordable price. It will not put an unreasonable burden on employers. It has a very limited role for the Government. Its costs, while not cheap, are not excessive. The insurance will be provided by private insurance companies, no new bureaucracy. The participants will pay part of the costs of their coverage, what they can afford.

In addition, Mr. Speaker, the plan is completely voluntary. It does not force anything on anyone. It just fills in a very large gap in our existing health care insurance system.

I urge my colleagues to consider cosponsorship.

THE EXPORT ENHANCEMENT PROGRAM

(Mr. WEBER asked and was given permission to address the House for 1 minute.)

Mr. WEBER. Mr. Speaker, the President is to be commended for announcing yesterday that the Export Enhancement Program will be used to facilitate the sale of a million and a half bushels of wheat to the Soviet Union. This decision is good for America, and it is good for agriculture, and for it he is being criticized both for doing too much and for doing too little.

Mr. Speaker, some on my side of the aisle say that this is just a giveaway to the Soviet Union. That is because they do not understand the policy. We are engaged in a global price war in agricultural commodities led by the European Community. Our response to that, to protect our own agricultural industry, has been the Export Enhancement Program.

Furthermore, we are not lending money to the Russians, as some has suggested. They are a cash-on-the-barrelhead customer and among the promptest payers for agricultural commodities.

Some on the other side of the aisle have said that the President is doing too little. I do not agree with that. This is the first decision on EEP in this administration. It is a good decision, and it establishes the precedent that we will treat the Soviets just as we do all of our other good-paying customers.

Furthermore, if we are concerned about the use of EEP, we ought to lift the congressionally imposed cap and appropriate the billion dollars the Secretary of Agriculture has asked for.

IT IS TIME TO ISSUE AN ARREST WARRANT ON GENERAL NORIEGA

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute.)

Mr. TRAFICANT. Mr. Speaker, we have tried to talk people out of using drugs. We even ask people to say no in this country. The truth is it is time to stop talking and take some action.

Mr. Speaker, General Noriega was indicted for smuggling drugs into America. He sits down there in Panama, and he laughs at us. He gerrymandered an election this week. While he is doing all that, we keep saying no to drugs.

I say that it is time, Mr. President, to serve an arrest warrant on General Noriega. It is time to get the Americans to act in a strategic area that really affects the defense of this Nation. I say it is time to stop saying no and bring that drug smuggler to America under lock and key, not

having control of the locks in the Panama Canal.

Mr. Speaker, it is time to really say no.

THE STUDENT LOAN DEFAULT PREVENTION ACT OF 1989

(Mrs. ROUKEMA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, yesterday, I introduced legislation that will confront the urgent and growing problem of student loan defaults. Defaults are robbing the federally Guaranteed Student Loan Program of much-needed funds that could be used to help pay for the higher education of deserving students. Estimates place the cost of paying for defaulted loans at $1.8 billion—and that's for 1989 alone. These costs are expected to exceed $2 billion for 1990. This is money that could have been applied for loans to deserving students.

My bill, the Student Loan Default Prevention Act of 1989, will require greater responsibility from everyone who benefits from the Federal loan program—students, schools, lenders, and guarantee agencies. And it must be the responsibility of Congress to pass a student loan default bill this year.

THE FSX DEAL STINKS

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute.)

Mr. APPLEGATE. Mr. Speaker, I say to the President, "Mr. President Bush, your FSX deal stinks. It's a bad deal for the American people."

Mr. Speaker, the problem is that nobody asks the American people, and the American people are angry. Just ask anybody who has lost their good manufacturing jobs. Ask the businesses who have lost the contracts and the profits. Just ask any of America's veterans.

Mr. President, we cannot afford to keep on selling America to the Japanese. We have sold them our financial institutions, our farms, our businesses, our high technology, and we are losing jobs, and we continue to lose jobs.

Mr. Speaker, we are becoming Japan's stepchild, and, if we do not put a stop to it now, America's future does not look too good. We must reject this agreement.

INTRODUCTION OF RADON TESTING FOR SAFE SCHOOLS ACT

(Mr. GORDON asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. GORDON. Mr. Speaker, today I am introducing the Radon Testing for Safe Schools Act. This bill is in response to growing concern about the lung cancer risk that children, teachers, and school administrators face in schools every day.

This risk comes from exposure to radon, a radioactive gas that is the second largest cause of lung cancer in America.

The Radon Testing for Safe Schools Act requires the Environmental Protection Agency to conduct sample radon tests in schools to determine "hot spots" in every State. It then requires local education agencies in these designated hot spots to test every school in high risk areas. To help needy schools pay for testing, the bill establishes a Loan/Grant Assistance Program.

We know that high levels of radon greatly increase the chances of contracting lung cancer.

We know that children are more vulnerable than adults to radon.

We know that schoolchildren and teachers in some schools are being exposed on a daily basis to unacceptably high levels of radon.

Now, parents, teachers, and school administrators need to know which schools are at-risk to radon contamination.

We need nationwide testing of radon levels in schools.

I hope you will join me in sponsoring this legislation to take the first steps toward radon-safe schools.

PUT OIL IMPORT FEE OUT OF ITS MISERY

(Mr. CONTE asked and was given permission to address the House for 1 minute.)

Mr. CONTE. Mr. Speaker, just when you thought that we had put that cockamamie idea of an oil import fee out of its misery, my dear friend from Missouri, DICK GEPHARDT, is trying to bring it back.

Yes, Mr. Speaker, that regressive, burdensome, unfair, inflationary oil import fee has limped back into the economic picture.

It seems every time we shoot it down, somehow, someway, it crawls back to haunt us again. Like a low-budget horror flick, the oil import fee has more lives than Shirley MacLaine.

It is time to put this idea to rest, Mr. Speaker, out of its misery, and out of our misery. The well-meaning gentleman from Missouri is wrong, and the millions of voters north of the Mason-Dixon line will tell him the next time he visits.

Let us send a message to those who want to burden our businesses, give hardship to our poor, and pamper our oil industry. No, no, no, Mr. Speaker.

EXXON SHOULD SET UP A TRUST FUND TO CLEAN UP OILSPILL

(Mr. SCHEUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHEUER. Mr. Speaker, the American public continues to be appalled and outraged at Exxon's lackadaisical halfhearted halfsteps to clean up the awful damage that it has done to Alaska's coastline, Alaska's beaches, Alaska's fishing industry, and the economy of Alaska, as well as the whole variety of damages done to the wildlife of that great State.

Exxon wants Mother Nature to clean up 200 miles of the dreadful damage Exxon has done to the Alaskan coastline.

And Exxon wants to pollute Alaska and its local communities further by burning and burying the foul residue of its spill.

And Exxon suggests, local and State antipollution regulations may need to be suspended so Exxon can burn and bury its Valdez oil sludge.

Mr. Speaker, 10,000 American consumers have joined me in cutting up their Exxon credit cards since I did it 2 weeks ago in this House, and yesterday 6 environmental and consumer organizations joined in.

All of us are sending a signal to Exxon that is unmistakable, and Exxon cannot fail to get the message.

I call upon Exxon right now to show that it is responding to the felt outrage of the American people by establishing a cleanup trust fund to repair the damages to the beaches, the wildlife, the fishing industry, and the economy of Alaska.

I call upon Exxon to set up an *Exxon Valdez* cleanup trust fund with an initial balance of at least $1 billion.

And I call upon them to suspend any further stockholder dividends until they have done this.

I have called upon the Secretaries of Energy, Interior, Commerce, and the EPA to do a quick 60-day study of the total level of damages.

Then we will know if a $1 billion trust fund is enough. And we can go from there.

QUIT PASSING LEGISLATION THAT AMERICANS DO NOT WANT NOR NEED

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, every now and then we miss the point when we pass legislation here, and when we do, it is a doozy. For example, last year we passed the catastrophic health care bill and today thousands of our elderly constituents are telling us we gave

them what they did not want and what they do not need, what they cannot use and what they cannot afford.

Also, Mr. Speaker, we sought to protect the rights of workers when we passed section 89 in the tax bill, and today it is turning out to be an unreasonable burden on exactly those workers that we thought we were going to protect.

Mr. Speaker, we are about to do it again. I am told that we will soon be entertaining parental leave legislation on the floor of this House. If we pass that bill, we will once again hear from our constituents that we have given them what they do not want, what they do not need, and what is an unreasonable imposition on their freedom of choice as working men and women in America negotiating their benefits package with responsible employers.

Let us not do it, Mr. Speaker. Let us represent the interests of the people who hired us.

SUPPORT A BUDGET THAT RECOGNIZES IMPORTANCE OF EDUCATING ALL OUR CHILDREN

(Mr. SAWYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAWYER. Mr. Speaker, the budget proposal presented to us by President Bush last January could have been a disastrous step backward for education in this country. Today, however, I am glad to support a budget that recognizes the importance of educating all of our children.

This budget remembers those children who have special needs of our education efforts. These are the children served by chapter 1, remedial reading and math classes, by Head Start, by education for the handicapped and bilingual education.

This budget recognizes that these are programs of proven value. They fight illiteracy. They reduce the number of high school dropouts. They give children the skills they need to become productive adults, and this budget knows that we must invest early in our children's education, or we will be forced to invest in other ways later on.

These kids are our only hope to bolster our economy and to support an increasingly aged population.

Mr. Speaker, if we cannot take care of those children, we cannot take care of our future.

IN SUPPORT OF EXPORT ENHANCEMENT PROGRAM

(Mrs. MEYERS of Kansas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MEYERS of Kansas. Mr. Speaker, I rise in support of President Bush's decision yesterday to sell 1.5 million tons of wheat to the Soviet Union under the Export Enhancement Program.

I believe this action sends a signal that America is going to be competitive and aggressive in agricultural trade, and it sends a strong message to other countries that the United States will not accept European subsidization of grain without fighting back.

This grain sale wi'' help us regain lost markets and lost credibility as a consistent supplier, and will help us maintain a strong position at the GATT negotiating table.

To counter the argument that this particular sale is not enough, I would like to stress that this sale is to cover Soviet near term requirements, and if further Soviet requirements emerge in the future, those needs can be discussed and responded to at that time.

Mr. Speaker, again I strongly support this sale, especially in light of the benefit it will provide to wheat farmers in the State of Kansas.

□ 1250

MISSISSIPPI RIVER NATIONAL HERITAGE CORRIDOR ACT

(Mr. ESPY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ESPY. Mr. Speaker, I am glad to be joined by several of my distinguished colleagues in bringing attention to H.R. 2174, the Mississippi River National Heritage Act of 1989. Our bill was introduced yesterday with 51 original cosponsors.

This bill would create a Federal-State commission comprised of 15 members representing each affected State and the Federal executive branch. They are charged with recommending to Congress the boundary of the region and consolidating information about the 10-State corridor, including economic development, tourism, recreation, cultural, and natural resources.

I was joined by 43 cosponsors when introducing the bill in the 100th Congress, and the corridor bill received favorable support in committee. I am optimistic about the prospects for passage this year, and glad to have the support of my colleagues from all parts of this great Nation who share a strong desire to ensure that one of our most precious of natural gifts is developed in a careful way. The Mississippi River is a national treasure, a living, working river.

By raising the national and international profile of this great river, and offering one source for disseminating information about the river, I believe we'll be on our way to preserving this national resource for generations to come. H.R. 2174 will help guide Federal policy regarding this important cultural and economic resource; and I urge my colleagues to join us as cosponsors.

MISSISSIPPI RIVER NATIONAL HERITAGE CORRIDOR ACT

(Mr. ALEXANDER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ALEXANDER. Mr. Speaker, today I join with nearly 50 of my colleagues in cosponsoring the Mississippi River National Heritage Corridor Act.

The bill would establish a temporary commission to address the logistics of designating the river region as a national heritage corridor.

The designation would enhance one of the richest, most culturally distinct landmarks in the world.

And, the resulting increase in tourism in the eastern Arkansas district that I represent would enhance the economy of one of the poorest areas of the country.

Last year, in this impoverished region of Arkansas, tourism accounted for 6,122 jobs with total payroll of $46.2 million. More than 2 million visitors to the area spent $265 million, contributing $2.5 million in local taxes and $13 million in State taxes in 1988.

I urge my colleagues to support this initiative.

THE BEAUTIFUL MISSISSIPPI RIVER

(Mr. SMITH of Mississippi asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Mississippi. Mr. Speaker, we have a natural resource in Mississippi which is rich in history and folklore, has provided a way of life for millions of Americans for generations and generations, and is a source of much of the commerce in our great State.

This treasure is the Mississippi River, and it may be one of our most cost-efficient jobs programs.

I am proud of our river. I want to see it protected, and I want to see a policy put into effect which will stimulate the enhancement of its resources as part of an environmentally balanced development plan.

That is why I am very proud to join with my colleagues from Mississippi and the other nine States through which the Mississippi River flows, in cosponsoring the Mississippi River National Heritage Corridor Act.

I urge all my colleagues to join us in preserving, protecting, and enhancing this wonderful treasure for all Americans in the generations to come.

THE CONGRESSIONAL BLACK CAUCUS QUALITY OF LIFE FISCAL YEAR 1990 BUDGET

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, the quality of life budget centers around our most precious national resource—our children. It does more than just talk about a kinder and gentler nation. It makes a genuine commitment by increasing funding for: Health care, especially prenatal and pediatric; quality teaching and student assistance, from preschool through professional school; better housing and job-training programs, especially in the inner cities; and national determination to end the destruction caused by the drug epidemic.

The quality of life budget reduces the military budget by about 5 percent in outlays, and 10 percent in budget authority for fiscal year 1990. Reductions are made in nuclear weapons and active force levels. Our European allies will pay a greater share of defending their borders.

The quality of life budget rejects large cuts proposed by President Bush in social programs and substantially increases spending in education, health, housing, employment, training, and fighting the drug crisis.

The quality of life budget raises new revenues by adjusting tax surcharges on the very highest income individual and corporate taxpayers who received the largest tax reductions under Reagan.

The quality of life budget meets the Gramm-Rudman-Hollings deficit target and in fact reduces the deficit to $92.4 billion compared to $99.4 billion under the budget resolution. And it does this without bogus asset sales.

INTRODUCTION OF FAIR HOUSING ACT AMENDMENTS

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, today I will introduce legislation to amend the Fair Housing Act to allow adult communities more time to comply with regulations published by the Department of Housing and Urban Development in January. My bill will give communities until December 31, 1989 to put facilities in place which would qualify them for an exemption under the act.

While I admire the law's purpose of eliminating discrimination, it is obvious that Congress intended to recognize that adult communities have a purpose that we should protect. I am disturbed that the law was enacted so hastily that communities that wanted to comply with the new regulations did not have enough time to do so.

The senior citizens of this country have worked hard and paid their dues. If we are going to change the rules in the middle of the game, let's at least give them the time they need to adjust.

THE WIC PROGRAM

(Mr. WEISS asked and was given permission to address the House for 1 minute.)

Mr. WEISS. Mr. Speaker, apparently President Bush's idea of reducing the deficit is to cut programs which save money. His approach to funding the vital WIC program is a stark example of this shortsightedness. In his own budget proposal, the President placed WIC among a list of programs from which he proposes a cut of $10 billion.

WIC, the supplemental food program for women, infants and children is a proven means of preventing infant death and unhealthy babies. Moreover, it saves significant amounts of money.

Each dollar spent to provide nutrition to help a pregnant woman under the WIC program saves more than $3 in a child's infancy alone by reducing rates of prematurity and low birthweight. Sadly, because of underfunding, the WIC nutrition program still serves less than 50 percent of those eligible.

It is up to Congress to demonstrate more concern and better money sense than the President. I urge the House to work toward a more generous and reasonable level of funding for the WIC program.

FOCUSING ON ALZHEIMER'S DISEASE

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILIRAKIS. Mr. Speaker, just last week I had the great honor of hosting President Bush in my district of Florida. The President came to Palm Harbor, FL, not for a social visit or politics, but because we face a very serious illness in this Nation—Alzheimer's disease. Last week, Mr. Bush dedicated a wing of St. Mark's Village in Palm Harbor that is designed solely for the use of Alzheimer's victims.

The President's visit is symbolic of both the seriousness of this issue and the level of commitment many of us share to finding a cure for this dreaded disease and, in the meantime, to providing care and assistance to Alzheimer's patients and their families.

Over 4 million Americans suffer from the ravages of Alzheimer's, which can take as long as two decades to run its ravenous course through the body. In addition, by the year 2040 there may be as many as 7.4 million people affected by the disease. This does not include the numbers of families who have been and will be affected severely by the care they provide for relatives and loved ones who can no longer take care of themselves.

I hope all my colleagues will join me in sponsoring and supporting Alzheimer's initiatives to relieve the suffering and pursue a cure.

INTRODUCTION OF THE RESERVE OFFICERS PERSONNEL MANAGEMENT ACT

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, today I am introducing the Reserve Officers Personnel Management Act [ROPMA]. The bill is one of the most important pieces of legislation for the management of Reserve component officers in modern times. This is supported by the Defense Department and most Reserve military organizations.

ROPMA revises, updates and standardizes the laws governing the personnel management of Reserve officers. It provides a modern personnel system to meet the challenges of the missions, equipment and force structure of today. ROPMA reduces duplication and aligns the Reserve system in a fashion similar to what we did a few years ago for the active components with a bill called DOPMA.

This bill has one other major function. It establishes a new codification system for the Reserve forces, that is, it consolidates the many sections spread throughout title 10 into a new subtitle dealing exclusively with the Reserve components.

I hope my colleagues will join me in making these needed changes for our Reserve forces.

TEXAS ASSOCIATION OF SCHOOL BOARDS OPPOSES MANDATED FAMILY LEAVE

(Mr. BARTLETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTLETT. Mr. Speaker, as the 101st Congress got underway, we were not hearing much about the mandated parental and medical leave bill, and many of us felt that it was a bad idea whose time had not come. But, we are now hearing rumors that this bad idea will soon be voted on in the House.

This year the proponents of the bill say they have developed "special provisions for public elementary and secondary schools" which they claim address the concerns of the school

boards associations. The Texas Association of School Boards just wrote to me to point out why this bill is still a bad idea:

1. The bill, if enacted, would disrupt the classroom setting for students and teachers.

2. The bill allows no flexibility for school boards in establishing leave policies for maternity, adoption, and medical leave.

3. The bill favors one group of employees over another since those most able to afford unpaid leave are treated preferentially.

4. The Department of Labor oversight of and jurisdiction over leave policies would encumber appropriate local flexibility and would impose on districts additional and unnecessary government controls.

5. The bill disregards the negative consequences on learning and educational achievement created by the sustained absence of those engaged in instruction.

The Texas Association of School Boards actively opposes passage of this legislation. Before you decide where you are on the bill, you should check with your own school boards association. You may be surprised to learn that they oppose this legislation too.

UNITED STATES SHOULD REJECT FSX DEAL

(Mr. THOMAS A. LUKEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS A. LUKEN. Mr. Speaker, remember 40 years ago the line, "What is good for General Motors is good for America?" That one did not sell, but this morning in the Post we have a new one: "What is good for General Dynamics is good for America."

This is the way the administration is trying to sell the FSX deal, cut the individual contractors in. The United States should reject the FSX deal. We should not make a gift to Japan so that they can take over in the international field of civil and military sales and manufacture of aircraft.

Mr. Speaker, during the last 30 years in my community in Cincinnati we have lost our world leadership in the machine tool industry and seen much of our automobile production pass to Japan.

Currently the United States spends about $50 billion defending the Pacific Rim. Meanwhile, Japan spends virtually nothing on its own defense. The threat that Japan will build its own craft, I think, is a hollow one. As a matter of fact, they are almost totally dependent upon the United States in military security, and we should not under any circumstances encourage this foray into the military field. We are carrying the Japanese on the taxpayers' backs.

LOW-INCOME HOUSING REHABILITATION PROGRAM

(Mr. WISE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WISE. Mr. Speaker, we all commend HUD Secretary, Jack Kemp, for blowing the whistle on favoritism, abuse, and overpayments to developers involved in the low-income housing rehabilitation program. There must be a thorough investigation of this abuse. Hundreds of millions of dollars are at issue, much of it going to former Reagan administration officials, much of it going to former housing officials.

There would be a great tragedy, however, if this abuse results in an extended freeze on this important program. Think for just a second. Many of the people under investigation supported great reductions in the important low-income housing programs. The final irony would be if the questionable actions of those who were enriched by the program they once opposed would result in the elimination of the program for the people who truly need it.

So go get 'em, Secretary Kemp, but while getting the wrongdoers what they deserve, please get the low-income people the housing they deserve.

DEACON VLADIMIR RUSAK ARRIVES IN UNITED STATES

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, we have the honor today to welcome Russian Orthodox Deacon Vladimir Rusak to Washington, DC, having arrived in the United States less than 3 weeks ago. Deacon Rusak has devoted his life to researching, compiling, and writing a comprehensive history of the Soviet persecutions of the Russian Orthodox Church since the 1917 revolution. In his editorial capacity with the official Russian Orthodox publication, Journal of the Moscow Patriarchate, Deacon Rusak was in a unique position to have access to otherwise unavailable documentation on the brutal murders of Russian Orthodox clergy after the revolution. For this, Deacon Rusak has suffered persecution and severe hardship. For his boldness, candor, and intellectual honesty, he has endured unspeakable deprivations.

Mr. Speaker, faced with arrests, losing his job on the editorial staff of the Journal, his position as a deacon in the church, and eventually a 7 year sentence in the strict regime camp, Oblast Perm Camp 35, and 5 years internal exile, Deacon Rusak refused to recant his writings. In fact, in his 1983 appeal to the World Council of Churches, he wrote, "I believe in the Lord, I love my Church . . . and wish to serve her—but not by a compromise of conscience . . . it is unnecessary for the Church to board any ship when she can walk on the waters."

In an interview with "Open Doors," Deacon Rusak was asked if there were special prayers that helped during the difficult times. He said: "I have one personal prayer, if you could call it that. 'Lord, give me wisdom, patience and strength.' This prayer was my constant companion."

Deacon Rusak is truly one of God's prized saints and has paid a dear price for his faithfulness and commitment to truth.

Deacon Rusak's sentence to 12 years in a hard labor camp and internal exile was decided on September 27, 1986. Mr. Speaker, the Soviet authorities tried their best to silence Deacon Rusak's expository writings but Rusak agreed to have his book published in the West in 1987 knowing full well the possible consequences of this endeavor. This is truly a man of rare courage and religious depth. During the millennial celebrations in the Soviet Union in 1988, the Soviets kept Deacon Rusak in an isolation cell for 23 days—a 5- by 10-foot cell with no heat and obviously no room to lie down. His time in the isolation cell, ironically, coincided with President Reagan's meeting in Moscow with Mr. Gorbachev.

Following much pressure and humanitarian requests from many in the West, the Soviets allowed Deacon Rusak to be released after completing 2½ years of his sentence. With little promise of what they refer to as rehabilitation and the required permits to have a residence or seek work, Deacon Rusak petitioned to emigrate. Mr. Speaker, I am pleased to report that Deacon Rusak and his wife, Galina, are free having arrived in the United States in mid-April. The United States is honored to have this inspiring man of God living here.

Members and staff are invited to meet Deacon Ruzak this evening from 5 to 7 at EF-100. I will be hosting this reception along with the Congress of Russian-Americans and the International Society for Human Rights.

I yield back the balance of my time.

RURAL AMERICA NEEDS SUPPORT IN WAR ON DRUGS

(Mr. LAUGHLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAUGHLIN. Mr. Speaker, while a great deal of attention has been fo-

cused on the drug problem in large cities such as Washington, DC, urban areas are no longer the all inclusive area for drug abuse. We in rural Texas are facing an almost insurmountable task in relation to the interdiction of illegal drugs.

The drug dealers are recognizing how easy it is to sell drugs to our children. The wide open areas and sparse population make the transporting and manufacturing of drugs all too attractive and interdiction extremely difficult.

Of the 22 counties of the 14th Congressional District which I represent, law enforcement officials confiscated over $25 million worth of drugs in one county alone last year. In this same county, officials confiscated an 18-wheel tractor trailer containing 500 pounds of cocaine.

This is why I am asking for funding for drug interdiction initiatives such as the National Narcotics Border Interdiction System. Through this program, State and local agencies are able to purchase used equipment from the Federal Government. A specialized narcotics unit was once considered a luxury in a rural area. However, as drug dealers expand into these areas, the need grows more urgent by the day. The time for talking about the drug problem has passed. We must send a clear message to drug dealers and pushers that we mean business and fund the war on drugs.

THE FAMILY AND MEDICAL LEAVE ACT OF 1989

(Mr. FAWELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAWELL. Mr. Speaker, there is little question that the Family and Medical Leave Act of 1989, nicknamed Parental Leave, was crafted with good intentions. But, Mr. Speaker, this act covers a lot more than parental leave for the birth of a baby. It is a new Uniform Employee Leave Act for all of America's employers: For-profit, not-for-profit, sectarian, and secular, with 50 or more employees. The bill takes a one-size-fits-all approach to providing employee leave. It makes the sweeping assumption that all of America's employers are alike and can easily absorb the costs and inefficiencies associated with this bill. Even the Education and Labor Committee conceded that this is not always the case—the committee recognized that, in the interest of student learning, local discretion by duly-elected local boards is necessary and appropriate in designing employee leave policies for public elementary and secondary school employees. Shouldn't this same discretion be granted to numerous other organizations as well? What would happen to the trauma unit in a hospital when a critically important employee decided to take leave, intermittently or otherwise, according to the Federal mandate? Might not a temporary or replacement employee, or worse yet, no replacement worker at all, jeopardize the orchestrated teamwork of a life-saving operation? And what about employees at nuclear research facilities? Police and firefighters? The list goes on and on.

These examples only serve to illustrate the complexities involved in a uniform Federal mandate of employee leave. The thousands of different employers back home are not bereft of the right instincts in addressing employee leave policies for public and private employees. Albert Schweitzer has said that hardly anyone ever got a good idea who didn't carry it too far. Such is the sad truth with H.R. 770.

FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989—H.R. 1278

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, last night at 11:30, after meeting since yesterday morning at 9, the House Banking Committee approved by a vote of 49 to 2, H.R. 1278, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

Naturally, each of us on the Banking Committee won some, lost some in the lengthy amendment process.

It took 4 days of markup to approve the Bush administration's rescue plan for the savings and loan industry in the full Banking Committee, preceded by 4 additional days of markup in the Financial Institutions Subcommittee.

President George Bush, Banking Committee Chairman HENRY GONZALEZ, subcommittee Chairman FRANK ANNUNZIO, and all of the staff deserve our appreciation.

Hopefully, this complex but badly needed legislation will be on this House floor for consideration later this month.

HAPPY BIRTHDAY TO THE HONORABLE HENRY B. GONZALEZ

Mr. HUBBARD. Mr. Speaker, lastly, a happy 73d birthday to an outstanding 28-year veteran of our House of Representatives—Chairman HENRY GONZALEZ.

INTRODUCTION OF LEGISLATION DISCOURAGING PAYMENTS FOR HONORARIA

Mr. SCHULZE. Mr. Speaker, I quote part of a line from a column recently that ran in the Washington Post, and it starts off by saying:

At a time when the acceptance of honoraria by Congressmen has become the most blatant breach of ethics in Washington. * * *

Mr. Speaker, according to the press, there is something evil about honoraria or speaking fees being paid to Members of Congress. If this is the case, then legislation I am introducing today will discourage the receipt of such payments and advantage our Government coffers.

My bill will impose an 80 percent excise tax on honorarium by Members of Congress and others, where less than one-half of their income is attributable to such fees. My legislation is apt to be controversial. However, I view it as a mechanism to open a serious dialog on the issue of honoraria. Is it wrong or evil to accept money for expressing one's views? Is it unethical for those with power, influence or simply knowledge, to share their views?

I look forward to receiving comments from my colleagues on my legislation and urge my colleagues to cosponsor the bill to move forward with this important dialog.

MISSISSIPPI RIVER NATIONAL HERITAGE CORRIDOR ACT OF 1989

(Mr. PARKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PARKER. Mr. Speaker, it is with a great deal of pleasure that I join with my colleagues from Mississippi in asking the Members of this body to support the Mississippi River National Heritage Corridor Act of 1989. The Corridor Commission will be charged with developing "an environmentally balanced economic development plan of the corridor region."

The Mississippi River and the corresponding corridor has great value on many different levels. This Commission will be an invaluable asset in planning for the future of the region. With this legislation, we can help insure the integrity of the region and save this national treasure for future generation.

□ 1310

PRESIDENT PASSES TEST WITH RELATION TO AGRICULTURAL COMMUNITY

(Mr. GUNDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUNDERSON. Mr. Speaker and my colleagues, this past week the President of the United States has really faced his first test as President in relation to the agricultural community of this country. And I am happy that in my opinion he has not only

passed that test, he has passed it with very flying colors.

The basic fact is the President looked at the potential of the additional sale of wheat to the Soviet Union. He had to answer two questions. First, should agriculture be used as a tool of foreign policy in this Nation? President Bush said "no" and he said an emphatic "no." That is the signal that will carry on, I hope, for the next 8 years.

In addition, he had to answer the question of whether or not we as a Government should use every possible tool to help American agriculture maintain its market share abroad and to that the President answered an emphatic yes.

These two considerations by the President and the conclusion which he has made are positive signs about the commitment of this Nation to not only maintain but to expand its market influence abroad.

I look forward to working with the President in that regard.

FUNDING FOR CHILDREN'S PROGRAMS

(Mr. SLATTERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SLATTERY. Mr. Speaker, in 1989, $73.1 billion, less than 7 percent of the $1.1 trillion Federal budget, was invested in our children. That included all spending on education, compensatory education, WIC, Head Start, Job Corps and job training, child care, aid to families with dependent children, Medicaid, and all other programs that effect our children.

The Federal Government is not just failing to adequately invest in our children, it's leaving them a pile of unpaid bills. At last check our children were handed nearly $2 trillion of unpaid bills during the last 8 years.

If we expect our children to pay these bills and maintain our standard of living while competing in a global economy, we must make investing in children an American priority.

The ancient Scriptures teach us, "A good man leaveth an inheritance to his children's children."

Mr. Speaker, with these wise words in mind, I urge my colleagues in the House to support the children's package contained in the 1990 budget resolution.

SOVIET UNION CONSIDERING DEPLOYMENT OF CHEMICAL WEAPONS INTO AFGHANISTAN

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, I would like to first join my colleague and good friend from Kentucky [Mr. HUBBARD] in extending best wishes for a happy 73d birthday to the distinguished chairman of the full Committee on Banking, Finance and Urban Affairs, the gentleman from Texas [Mr. GONZALEZ]. And also to say that as we adjourned at nearly midnight last night in the Committee on Banking we all made the request that the leadership bring as expeditiously as possible this banking bill which was reported out, to the House floor so that as we look at the cost of about $1 billion a month to keep a number of savings and loans afloat, we will successfully be able to bring that problem to a successful resolution.

Mr. Speaker, I would also like to say that I am pleased to join with my colleague DANA ROHRABACHER, of California, in cosponsoring a resolution which lets the Soviet Union know that they will be fully accountable for the fact that they are considering deployment of chemical weapons into Afghanistan.

It is clearly a violation of the 1925 Geneva protocol, the 1972 bacteriological weapons treaty and we must let them know that.

I urge all my colleagues to join with us in cosponsoring this important resolution.

APPLICATION OF EXPORT ENHANCEMENT PROGRAM TO SOVIET GRAIN SALES

(Mr. ENGLISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ENGLISH. Mr. Speaker, I noted with a great deal of interest that several are struggling today to defend the decision by President Bush to apply the Export Enhancement Program to only half a sale.

When the Soviet Union came calling wanting to purchase 3 million metric tons of grain from this country, the President responded that we would indeed be willing to compete for one-half of that order. This comes in light of the fact that just a few days ago representatives of the Bush administration came before the Committee on Agriculture telling us that the very program that makes this country's farmers competitive, the Export Enhancement Program, is in abeyance.

So the question arises today was this an attempt by President Bush to make everyone happy? Was it done as a change in policy? Does this mean that the President is indeed going to be willing to help the farmers? Or does this indeed mean it is another foreign policy use of agriculture in an attempt to help Mr. Gorbachev?

Mr. President, the Nation's farmers are awaiting your answer.

SOVIET USE OF POISON GAS AGAINST FREEDOM FIGHTERS IN AFGHANISTAN

(Mr. ROHRABACHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROHRABACHER. Mr. Speaker, there is ominous news today from Afghanistan. There is increasing evidence that the Soviet Union and its puppet government in Afghanistan may be preparing to unleash a poison gas attack upon freedom fighters outside the city of Jalalabad.

The Soviet Union cannot permit this to happen and expect there will be no price to pay. The Soviet Union will be held accountable for any use of poison gas against the freedom fighters in Afghanistan.

Any use of poison gas will directly impact on the level of cooperation the Soviet Union can expect whether in economics or in the diplomatic level between the United States and the Soviet Union.

Mr. Speaker, I am proposing today a sense-of-the-Congress resolution that will express that fact, that should poison gas be introduced into Afghanistan it will affect the level of cooperation this House would agree to in terms of economic cooperation and diplomatic cooperation between the Soviet Union and the United States and I would ask my colleagues for support of this resolution.

FUNDING FOR WOMEN, INFANTS AND CHILDREN IN THE BUDGET RESOLUTION

(Mr. RAHALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RAHALL. Mr. Speaker, while I support the Dellums substitute offered on behalf of the Congressional Black Caucus to the fiscal year 1990 budget resolution, failing that I will support the budget resolution before us today.

I am extremely pleased that the "children's initiative" a proposal including an increase of $1.7 billion above 1989 levels for low-income, high-priority programs was adopted by the Budget Committee.

The particular funding proposals of concern to me are for nutrition and food assistance programs under the jurisdiction of the Education and Labor Committee on which I serve, and for Medicaid funding especially targeted to serve women, infants, and children.

I know that, with an increase of $15 million for child nutrition programs, and the child-specific increase of $115 million under Medicaid, we will be able to bring more eligible participants into these essential national programs.

Mr. Speaker, I am enormously happy to note that the budget resolution contains an increase of $150 million beyond inflation for WIC, the Special Supplemental Food Assistance Program for Women, Infants and Children. As you know, for the past 2 years the Budget has "assumed" this same increase of $150 million for WIC, but as in last year's case, only $55 million were actually appropriated. Just think what we could do if WIC could be considered as mandatory spending instead of discretionary spending. We could then more or less guarantee that when $150 in increased spending for WIC is assumed in the budget resolution as it is today, it would actually get appropriated. Over a 5-year period, the Congress could realize the dream it has of making this successful, vital program available to all the eligible WIC population.

Such assurance would benefit women, infants, and children in West Virginia, which ranks second nationally in the growth of residents living below the poverty line and most assuredly it would benefit the Nation.

While I am truly excited by the recommended education funding increases included in the budget resolution, it is critical to this process that we remember we cannot educate those children if they are desperate with hunger. That is why I have chosen to speak out in support of child nutrition program funding increases as represented in the budget resolution, as well as for the child-specific increase in Medicaid for children in need.

AN ENVIRONMENTAL MISTAKE IN ONE PART OF THE WORLD WILL LITERALLY AFFECT THE LIVES AND WELL-BEING OF INNOCENT PEOPLE MANY MILES AWAY

(Mr. DURBIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DURBIN. Mr. Speaker, a lesson that we have learned on this tiny planet Earth is that an environmental mistake in one corner of the world may literally affect the lives and well-being of innocent people living many miles away.

There is a perfect example today in Asia.

Several weeks ago because of a disagreement over the trade treaty India announced an economic blockade of Nepal. They closed 13 of the 15 border crossings between those 2 countries, forcing shortages of petroleum and kerosene in Nepal.

As a result, the Nepalese have been cutting trees at five times the annual rate before the blockade to provide fuel for heating and cooling. This environmental destruction in Nepal is a direct result of India's effort to isolate this tiny, poor, and landlocked kingdom.

It is sad and ironic that this environmental degradation may ultimately lead to devastating flooding in both Bangladesh and in India.

In the name of nonviolence, in the name of peaceful coexistence, in the name of environmental sanity in the region, India's blockade of Nepal must end and negotiations must begin.

□ 1320

PROVIDING FOR CONSIDERATION OF HOUSE CONGRESSIONAL RESOLUTION 106, CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1990

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 145, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 145

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 106) setting forth the congressional budget for the United States Government for the fiscal years 1990, 1991, and 1992, and the first reading of the resolution shall be dispensed with. All points of order against consideration of the concurrent resolution for failure to comply with the provisions of clause 2(l)(6) of rule XI and with section 305(a)(1) of the Congressional Budget Act of 1974, as amended (Public Law 93-344, as amended by Public Law 99-177) are hereby waived. After general debate, which shall be confined to the concurrent resolution and shall continue not to exceed five hours, including a period of two hours on the subject of economic goals and policies, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget, the concurrent resolution shall be considered as having been read for amendment under the five-minute rule. It shall be in order to consider an amendment if offered by the chairman or ranking minority member of the Committee on the Budget, said amendment shall be considered as having been read shall be debatable for not to exceed thirty minutes, equally divided and controlled by the proponent and a Member opposed thereto, and shall not be subject to amendment. No further amendment to the concurrent resolution shall be in order except the amendments printed in the report of the Committee on Rules accompanying this resolution, to be offered by the Member designated or his designee, said amendments shall be considered in the order designated and shall be considered as having been read. Each of said amendments shall be debatable for the period specified in the report, to be equally divided and controlled by the Member offering said amendment and a Member opposed thereto, said amendments shall not be subject to amendment and shall be in order even if a previous amendment in the nature of a substitute has been adopted, and all points of order against said amendments are hereby waived. If more than one of the amendments in the nature of a substitute made in order by this resolution has been adopted, only the last such amendment which has been adopted shall be considered as having been finally adopted in the Committee of the Whole and reported back to the House. It shall be in order to consider the amendment or amendments provided in section 305(a)(5) of the Congressional Budget Act of 1974, as amended, necessary to achieve mathematical consistency. At the conclusion of the consideration of the concurrent resolution for amendment, the Committee shall rise and report the concurrent resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the concurrent resolution to final adoption without intervening motion.

The SPEAKER pro tempore (Mr. Bosco). The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentlewoman from Illinois [Mrs. MARTIN], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 145 is a modified closed rule providing for the consideration of House Concurrent Resolution 106, the congressional budget resolution for fiscal year 1990.

This rule waives clause 2(l)(6) of rule XI, which requires a 3-day layover of reported legislation, and section 305(a)(1) of the Congressional Budget Act, which requires a 5-day layover of a budget resolution, against the consideration of the concurrent resolution. The rule provides for a total of 5 hours of general debate on the budget resolution, including 2 hours on the subject of economic goals and policies, with the time equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget.

With regard to amendments, the rule makes in order an amendment, if offered by the chairman or ranking minority member of the Committee on the Budget, addressing funding levels for veterans' programs. This amendment will be debatable for 30 minutes and will not be subject to further amendment.

No other amendment to the budget resolution will be in order under this rule except four amendments in the nature of substitutes printed in the House Report 101-45 accompanying this resolution. These amendments, which are not subject to further amendment, must be offered in the order designated in the report, as follows: First, an amendment in the nature of a substitute offered by Mr. DANNEMEYER or his designee; second, an amendment in the nature of a substitute offered by Mr. DELLUMS or his designee; third, an amendment in the nature of a substitute offered by Mr.

KASICH or his designee; and fourth, an amendment in the nature of a substitute offered by Mr. GEPHARDT or his designee. Each amendment is debatable for up to 1 hour, except the Dellums amendment, which is debatable for up to 3 hours.

The rule waives all points of order against the four amendments, and provides for their consideration by what is known as a king-of-the-hill procedure whereby it is in order to consider each amendment even if a prior amendment was adopted. If more than one amendment is adopted, only the amendment adopted last in time shall be considered as having been adopted and reported back to the House.

Finally, the rule makes in order such amendments as may be necessary to ensure the budget resolution's mathematical consistency pursuant to section 305(a)(5) of the Congressional Budget Act.

Mr. Speaker, House Concurrent Resolution 106 implements the April 14 bipartisan budget agreement that was negotiated by congressional leaders and the Bush administration. Like the agreement, the resolution calls for approximately $28 billion in deficit reduction, divided roughly evenly between spending cuts and revenue increases. The resolution incorporates the agreement's specific ceilings on fiscal year 1990 appropriations for defense, domestic, and international affairs programs; its targets for revenue increases; and $8.3 billion in savings in entitlements and other mandatory programs. Finally, the budget resolution establishes a fiscal year 1990 deficit of $99.7 billion, slightly under the Gramm-Rudman target of $100 billion for fiscal year 1990.

Mr. Speaker, House Resolution 145 provides for adequate consideration of and amendments to the concurrent resolution on the budget. I urge all Members to support this rule and I reserve the balance of my time.

Mrs. MARTIN of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at the outset I want to commend the adminisration and the bipartisan budget agreement at the beginning of the budget process instead of waiting until the end as was done 2 years ago.

I appreciate that there is much in that agreement to be faulted in terms of how they got their numbers and how they didn't achieve a long-term solution to the deficit. But as its authors proclaim, it is an important first step. I guess I would only observe that if you keep taking the first step each year, you won't get anywhere. Some would even say we are walking backwards because the deficit seems to get bigger every year we claim we are reducing it more.

Having said that, Mr. Speaker, I would hasten to add that I have never seen resentment against the leadership and the budget process running higher than I did this year, judging from the testimony we heard in the Rules Committee yesterday.

And I am not just talking about frustration and resentment from the general membership, but from Budget Committee members as well. And it's certainly not confined to the minority party, as is usually the case. If anything, it's greater among elements of the majority party who feel they have been shutout from the major decisions which really dictate all of our spending and priorities outcomes for the rest of the year.

Mr. Speaker, let's face it. No matter how we make our budgets, somebody is going to feel left out, frustrated, angered, and resentful. In fact, as the former acting ranking Republican on the Budget Committee, I can testify to the thankless task budgeting is. Not only can't you please everybody; you actually manage to anger everybody in one way or another. Either you are spending too much on defense or too little; and you are always slighting the hundreds of underfunded domestic needs programs. When you are slicing up such a limited pie to begin with, everybody goes home hungry and angry.

You may recall that prior to the October budget summit agreement in 1987, the standard operating procedure around here was to have our protracted and partisan budget and spending battles from April through October or November each year, and then miraculously pull something out at the last minute that was acceptable to the administration.

A lot of Democrats were happy with that because they had their own Democratic Party budget to contrast to what the administration had requested. Sometimes congressional Republicans had their own substitutes and sometimes they didn't. But usually they were angered that the majority budget was shoved down their throats without consultation or negotiation.

And you may recall that most responsible members of both parties said at that time that there must be a better way. We have to negotiate with the White House early in the year on a budget agreement. But now that we have that, people are complaining in both parties that they weren't a party to the bipartisan leadership budget agreement and moreover they are being discouraged from even offering amendments.

Mr. Speaker, just as the way we make budgets is subject to criticism, so too is the way we make the rules to consider those budgets. Whoever it was that said that people shouldn't see how laws or sausages are made would not be surprised by the kind of baloney we grind out at budget time every year here in the House. I am sure those Members who bothered to draft amendments that weren't included in this rule must feel like they went through a meat grinder in the Rules Committee yesterday, and were left as discarded scraps on the floor.

Under this modified closed rule we have plenty of general debate time—up to 5 hours. Then we may have a 30-minute debate on a veterans' amendment if offered by the chairman or ranking Republican on the Budget Committee. And following that we will consider just four major substitutes under a king-of-the-mountain approach, in the following order: First, the Dannemeyer substitute; second, the Dellums Black Caucus substitute; third, the Kasich substitute; and fourth, the Gephardt substitute. Each substitute is debatable for 1 hour except Dellums, which is given 3 hours. None is subject to further amendment.

Mr. Speaker, we had numerous other requests before the Rules Committee for amendments to be made in order. But all those other requests were denied. Two of my Illinois colleagues, Mr. RUSSO and Mr. DURBIN, both Democrats and both members of the Budget Committee, had separate amendments to alter priorities. Both had offered their amendments in the Budget Committee and lost. And yet they were denied a chance to offer their amendments on the floor today. Likewise, the gentleman from Missouri [Mr. BUECHNER], a Republican member of the Budget Committee, was not allowed to offer his offsetting amendment.

One of the excuses given by the Rules Committee was that we would only consider complete substitutes. Both my Illinois colleagues were scrambling at the last minute to convert their amendments to thicker substitutes to comply. But, unlike years past, no letter was sent out by the Rules Committee establishing such ground rules. I can understand why they and other Members must have felt like Alice at the Queen's croquet party: The rules kept changing to suit the powers that be.

But flying blind is not confined to the Rules Committee. It's what we are being asked to do here today on the floor in taking up the budget resolution under these conditions.

Mr. Speaker, this rule, like many before it, makes in order consideration of a budget resolution, the report on which was only filed yesterday. It is therefore necessary in this rule to waive clause 2(l)(6) of rule 11 which says it is not in order to consider a budget resolution until the report is available to Members for at least 10 days. And the rule waives section 305(a) of the Budget Act which says you can't consider a budget resolution

until the report is available for at least 5 days.

How's that for two conflicting Alice-in-Wonderland rules? Naturally, the Rules Committee resolved that conflict by waiving both rules, and saying you don't need to have a printed report to consider this budget resolution. Heaven forbid if you should know what it is you are voting on. That's becoming more and more the attitude around here these days.

And that goes double when it comes to the substitutes made in order by the rule. It used to be that we required that they be printed in the CONGRESSIONAL RECORD, something that comes to every Member's office first thing in the morning. But nowadays the amendments are printed in the Rules Committee report which usually is not available when you vote on that rule; and it certainly is not delivered to every Member's office.

Mr. Speaker, former Democratic Speaker Champ Clark once said in response to criticisms of secret caucus legislating that "the people don't care how we do things; they are only interested in results." I do not think he is entirely right about that. The results are most important, but the way of getting there also matters.

I would have preferred to allow some of these amendments that were denied. But that preference must be held against the desire to finally move the budget process. So here is an imperfect rule which is not open that can produce a budget agreement early in the cycle.

Each Member will have to determine if the process or the result in this case should be the paramount interest. Indeed, some would say this rule is a good match for this budget—incredibly imperfect, but the best available.

□ 1330

Mr. DERRICK. Mr. Speaker, I would like to take this opportunity to commend the gentlewoman from Illinois [Mrs. MARTIN] on an excellent statement. This is her first time, or perhaps her second time, on the floor as a member of the Rules Committee, and we are delighted to have her.

Mr. Speaker, for purposes of debate only, I yield 5 minutes to the distinguished gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I thank the distinguished acting chairman of the committee for yielding me this time.

Mr. Speaker, I want to start out by saying that I am going to support this rule and I am going to support this bill with reservations. I think the gentleman from Minnesota [Mr. FRENZEL], the ranking minority member, has done a tremendous job, although I disagree with him in one respect. I would like to see him be a little more involved with our cities and urban areas. I hope he gets that into his priority list. If he would do that, I think we would do fine.

I would also like to commend the gentleman from California [Mr. PANETTA] for the tremendous job he has done. He deserves our support.

I am going to support this budget resolution with reservations for two reasons. No. 1, it calls for some additional taxes which the Ways and Means Committee will levy, although I am opposed to further taxes. I think the American people are taxed too heavily, and that is not a political statement. I think there has to be another way.

But second of all, it continues to give a little bit more money, although they call it moderate, to the defense buildup in this country. Let us take a look at what we have with all these defense costs.

We have an MX missile that they performed a study on after spending billions and billions of dollars and found out that it had a flawed guidance system and it cannot fly straight.

They have a B-1 bomber that was literally shot down by a pelican. Somebody said here on the House floor, "Do you realize a pelican weighs 29 pounds?" What does a missile weigh, and what is its thrust?

We have an M-1 tank, and if they shot it from dockside, it could not hit the ocean. That is what the studies are saying.

And the last one is our great Triad. Our nuclear submarines really do deter and help this country, but they tested one of its nuclear-launched missiles and it performed a cartwheel.

Either we are going to get P.T. Barnum in charge of the Pentagon or we had better take a look at the money we are throwing down the drain, because America is going bankrupt and our cities and our urban areas and our infrastructure are falling apart.

I am not going to get into $600 hammers and $5,000 coffee pots and $300 toilet seats, but I just want to say one thing to the Members today. A one-inch screw, a regular wood screw, is called by the Pentagon in one of its procurement bids an external screw, and it costs $20. That $20 external screw costs 3 cents in your local hardware store, and it is the same quality. I say, let us cut the malarkey around here. Let us call it what it is. It is not an external screw; it is a taxpayers' screw. Let us start saving the taxpayers of this country some money.

I plan to vote with reservations for the budget resolution, but I plan to put Members on notice, if other Members do not do it, that I will offer amendments later. I plan to offer amendments to the Defense bill that would cut it from last year's level, and I plan to offer a Buy American amendment. I want some support on that Defense bill. I get everybody's pat on the back, and then they do a number on me in conference.

Here is what I am saying to the Members: You have let the generals and the admirals program this Congress when they say if we do not buy those cheaper made goods overseas, we are going to ruin our national defense. I say it is time that we tell the generals and admirals that we can hire them a hell of lot cheaper from Korea, too.

We are spending too much money on defense. We are not getting the bang for our buck, and we could be saving some taxpayer's dollars. We do not need increased revenues, and it is time we put our priorities where they match.

So, Mr. Speaker, with those reservations, let me say I am tired of aggravating everybody, and I will go along and support this with reservations, looking very carefully at the Dellums amendment.

Mrs. MARTIN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I thank the distinguished gentlewoman from Illinois for yielding me this time.

Mr. Speaker, last week a Member from Massachusetts, the gentleman from Massachusetts [Mr. FRANK] took the opportunity during a 1-minute speech to criticize we Republicans, and myself and the Republican whip by name, for what he perceived as a double standard concerning our support for a closed rule on the Central American aid package.

I would say to the Member from Massachusetts—and I am not referring to my friend, the gentleman from Massachusetts [Mr. MOAKLEY]—that he has misunderstood the nature of our complaints against closed rules.

Those of us on this side of the aisle complain about closed rules or modified closed rules when those rules are clearly the product of a closed-door seance to which the minority, that is, us Republicans, are not invited.

When a less-than-open rule is blatantly designed for one purpose, to serve the interests of the majority leadership, you can expect to hear some noise from this side of the aisle, particularly from me. But when a rule is produced in good faith and the minority leadership has been fully consulted and involved in its preparation, we will support it. This issue is not closed rules as such; the issue is gag rules, and I trust that a noted civil libertarian like the gentleman from Massachusetts can understand what we are saying.

Before agreeing to support this modified closed rule, our Republican leadership asked our membership for any amendments they might want to offer on this side of the aisle, and

those amendments are made in order by this rule.

□ 1340

Mr. Speaker, I thank the Democratic leadership. I thank the gentleman from Massachusetts [Mr. MOAKLEY], and certainly the gentleman from South Carolina [Mr. DERRICK] for their cooperation in being fair on this rule.

Mr. Speaker, I do not know about the Democratic side of the aisle, but no Republican is being gagged on this side of the aisle. Therefore I kind of reluctantly support something other than an open rule. I will support this rule and urge all of my Republican colleagues to do the same.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 4 minutes to the distinguished gentleman from Massachusetts [Mr. MOAKLEY].

Mr. MOAKLEY. Mr. Speaker, I thank the gentleman from South Carolina for yielding me this time.

Mr. Speaker, yesterday the Rules Committee met for the consideration of a rule for this budget resolution. The committee made in order four committee substitutes to the budget resolution. One of them is the substitute to be offered by the gentleman from Missouri [Mr. GEPHARDT]. When that substitute is considered, I will urge my colleagues to vote it down.

The Gephardt substitute contains language that would impose a $5 a barrel fee on crude oil, and a $5.50 fee on petroleum products. This type of fee would in effect shift billions of dollars from oil consuming States to a handful of petroleum producing States. What you would have would be an economic boom for a small number of States, at the expense of some of the largest States in the country.

And these States would not necessarily be limited to the Northeast. Some of the largest oil consuming States are Florida, Georgia, and California.

But the principal beneficiaries of this type of fee would be the major oil companies, who neither need nor deserve this type of windfall.

Admittedly, the fee would raise some revenues that could offset the national deficit, but in no way would it make a substantial dent. This small fiscal benefit would be obtained at staggering costs to households who can least afford the burden.

An oil import fee would be felt directly by consumers in higher gasoline prices at the pump, higher prices for home heating fuel, and higher prices for aviation fuel.

At the present time the price of gas has risen to about $1.10 cents a gallon. With an oil import fee, who is to say how high the price of gas will rise? The region I represent as well as the whole of New England, is dependent on low price home heating oil. The people who would be most affected by an oil import fee would be low-income families and elderly residents who are living on an already strained fixed income. Why should these people be forced to pay a higher price, when the price is already too high.

Also, Mr. Speaker, with the airlines being forced to pay a higher price for aviation fuel, you can be sure to see an increase in already high airfares. The bottom line Mr. Speaker, is that the people who can least afford it will be hit with an additional tax, while the people who least need it will reap all the benefits.

However, Mr. Speaker, the harm of an oil import fee woud not be limited to these direct and immediate costs. The fee would have a trickle down effect that would affect not only gas prices, but also industries across the country, ranging from homebuilding, utilities, and interstate transportation.

Like a sleeping oil slick on the ocean, an oil import fee would spread over the entire economy. Consumers will pay the fee at the gas pump, certainly, but they will pay for it—again and again—in every purchase they make. It will appear at the cash register every time they buy a product which uses oil in manufacturing, packaging, or transportation.

Mr. Speaker, I urge my colleagues to vote "yes" on the rule. It provides a fair and orderly procedure to address a number of issues, including the Gephardt substitute. But on the Gephardt substitute, I urge my colleagues to vote "no."

Mrs. MARTIN of Illinois. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, the 1 minute I asked for, with the indulgence of the Chair, is to thank the acting chairman of the Committee on Rules, the gentleman from Massachusetts [Mr. MOAKLEY] for his courtesy to its new member and to the gentleman from South Carolina [Mr. DERRICK] who have been most kind to me.

Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, I rise in support of House Resolution 145, the rule under which the budget resolution will be handled in this House.

Normally, I do not vote for closed rules. The budget resolution, however, is definitely not normal. Our precedents on this rule are that single-shot amendments are usually not made in order, and macroamendments that offer options that extend to many functions are made in order. This rule follows precedent.

It is as fair a rule as can be fashioned under the existing circumstances. It takes in account the needs of both majority and minority. It is the best rule for the budget. I urge its adoption.

Mr. FLIPPO. Mr. Chairman, now more than ever, we need a balanced budget amendment. The severity of our current financial situation merits nothing less than an amendment to the American Constitution. Our legislative efforts thus far to cut the deficits have all failed. The time has come to enact serious measures that cannot be easily circumvented. Only constitutional reform of budget and tax powers can put an end to our disgraceful and dangerous budget deficits.

We should authorize this amendment, not only for the sake of the overwhelming majority of Americans who support it today, but also for the sake of our children and grandchildren. The coming generations will be shackled with the debt that we have created unless we take action now. If the current trend is allowed to continue, future generations will be paying off our debt well into the 21st century. It is high time to put the full force of our Nation's Constitution into our efforts to get the deficits under control.

We have gone to such lengths in our futile efforts to camouflage our own fiscal irresponsibility, that we have borrowed from our surplus trust funds to give the appearance that our debt is smaller than it actually is. I believe the real deficit should not be hidden behind accounting tricks.

As the current savings and loan crisis has clearly demonstrated, some believe it is better to move Government transactions off-budget and maintain a facade of fiscal responsibility than to be honest with American citizens about how we are spending their tax money.

The Bush administration has suggested putting the rescue package for savings and loans off budget and is willing to spend an extra $4.5 million just to give the voting public the false impression that we are staying within the budget restraints outlined in Gramm-Rudman.

I strongly disagree with this mode of operation. I believe that instead of continually finding new ways to cover up our record-breaking deficits, we need to concentrate our efforts on reducing those deficits.

The balanced budget amendment to the Constitution is long overdue. I strongly encourage my colleagues to join with us in doing our duty to provide good and honest government for the citizens of the United States of America.

Mrs. MARTIN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. DERRICK. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Speaker, I thank my distinguished colleague, the gentleman from South Carolina [Mr. DERRICK] for his generosity.

Mr. Speaker, I rise in support of the rule that is before the body at this moment, and I do so both as a Member of the House of Representatives and also as the chairperson for the Congressional Black Caucus.

I would second like to thank the Members on both sides of the aisle of the Committee on Rules for their graciousness in providing an opportunity for the members of the Congressional Black Caucus to offer an alternative budget to this body and to this Nation.

Mr. Speaker, we think we have an exciting and serious set of alternatives. We have stepped up to the plate and made the difficult decisions. We think

we have engaged in real deficit reduction and also addressed the human misery of the people in this country without smoke and mirrors.

So, Mr. Speaker, I thank my colleagues for providing an opportunity for those of us who pose the alternative to have the same amount of time that the Budget Committee will have to bring their budget to the floor. We have been graciously granted 3 hours to be evenly divided on both sides of the aisle in order to discuss, debate, and otherwise consider what I perceive to be a superior alternative, and I thank my colleagues, and I yield back the balance of my time.

Mrs. MARTIN of Illinois. Mr. Speaker, I yield back the balance of my time.

Mr. DERRICK. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DERRICK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore (Mr. Bosco). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1990

The SPEAKER pro tempore. Pursuant to House Resolution 145 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 106).

The Chair designates the gentleman from Pennsylvania [Mr. GRAY] as the Chairman of the Committee of the Whole, and requests the gentleman from Illinois [Mr. YATES] to assume the chair temporarily.

□ 1348

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 106) setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992, with Mr. YATES [Chairman pro tempore] in the chair.

The Clerk read the title of the resolution.

The CHAIRMAN pro tempore. Pursuant to House Resolution 145, the concurrent resolution is considered as having been read the first time.

The gentleman from California [Mr. PANETTA] will be recognized for 2½ hours and the gentleman from Minnesota [Mr. FRENZEL] will be recognized for 2½ hours. Said time will include a period of 2 hours on the subject of economic goals and policies.

The Chair recognizes the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the concurrent resolution of the budget for fiscal year 1990 as reported by a bipartisan majority of the Committee on the Budget. The resolution agreed to by the Committee implements the bipartisan budget agreement between the Democratic and Republican congressional leadership and the President of the United States, and it meets the Gramm-Rudman deficit reduction target for fiscal year 1990.

□ 1350

I believe it represents the best possible budget that Congress can produce for 1990, given the many constraints under which it was developed.

I want to thank and commend the ranking member of the Budget Committee, the gentleman from Minnesota [Mr. FRENZEL]. Without his hard work and cooperation during the negotiations with the White House in the development of the budget resolution, I am not sure that this process would be able to be where it is at today. It has been a pleasure to work with him and I look forward to a solid working relationship with him throughout this year and in the future.

I also want to commend the members of my committee, both Democrats and Republicans. They represent a diversity of viewpoints, of geographic areas, of constituencies, and yet because of their commitment, their hard work and their cooperative attitude during a difficult and oftentimes frustrating process, we have produced a document that achieves some of the basic goals that we all share, and I believe sets the stage for stronger budgets in the future.

The purpose of a budget resolution is to essentially set targets for spending in functional areas, to meet the requirements of the Gramm-Rudman law and to provide guidance on priorities within that budget resolution; but ultimately it is up to the Appropriations Committee, to the authorizing committees, it is ultimately up to the House of Representatives to make it happen, to make it enforceable. Enforceability of a budget resolution is essential.

It is not enough for us to stand up here and present budgets which might reflect one viewpoint or another if they have no chance of succeeding, if they have no chance of being enforced.

The nature of the times makes it much more difficult to put together a budget. What we have are constituencies competing for fewer and fewer resources. The crisis of the deficit is a crisis of diminishing resources at the Federal level. We are not only in a situation where we have been borrowing significantly from abroad to the extent that our net debt is now $500 billion to foreign investors. We are borrowing from trust funds; we are borrowing from ourselves. The ultimate consequence of that is that we are allocating more and more of the Federal budget in interest payments on that debt. Today 15 percent of the budget is nothing but interest payments on our overall debt. That is $170 billion this year, $170 billion that is not going for education or nutrition or health care or any of the other areas that we might consider priorities. It is going just to pay those who lend us the money to pay our bills.

We are a Nation that is starving for resources at the present time. That is a crisis. It is not only impacting our ability to deal with priorities that face this Nation, it is impacting on our economy. It is impacting on our future. For that reason, it is essential to address the issue of the budget deficit because the deficit by its very nature is a reflection of our inability to deal with and manage resources.

We expect that before September we will have to increase the debt ceiling in this country to above $2.8 trillion. That is a reflection in and of itself of our failure to properly manage the resources that we have.

The answer is obviously to take strong steps to reduce the deficit. The nature of the Federal budget is such that there are not a lot of remaining choices, and we are talking about tough choices that have to be made if we are going to achieve the kind of bold deficit reduction that all of us time and time again have said is necessary.

Out of a trillion dollar Federal budget, approximately 27 percent is defense; 44 percent are entitlement programs, including Social Security and other retirement and pension programs; health care programs now make up about 10 percent of that number; 4 percent go into programs impacting on the poor; 3 percent for agricultural programs. Those are the core of the entitlement programs, 44 percent of the Federal budget, and with 15 percent of the Federal budget now just interest payments on the debt, that is over 85 percent of the Federal budget in three areas alone. The remaining 12 to 14 percent of the budget is everything else. It is the operations of Government. It is health

research. It is education. It is transportation. It is drug enforcement. It is the homeless. It is housing. It is Amtrak. It is everything else, an area of the budget that has been cut about 25 percent over the last 8 years.

If you are serious about getting the deficit down, then obviously our challenge is to find savings in defense, find savings in entitlements and raise sufficient revenues to help pay the bills. All three have to be part of that kind of package.

Unfortunately, we have had a political logjam on those issues over the last 8 years, one party taking one position on some of these issues, the other party taking another position, and we have been at loggerheads.

Ultimately confrontation creates a situation in which we simply do not have either the political will or the courage to address the principal issues that need to be addressed if we are serious about reducing the deficit.

We now approach a new administration and a new Congress. To the credit of this President, he has reached out to the Congress to try to deal with this issue. He has not, as we experienced in the last administration, sought to confront the Congress. He has sought to reach out and cooperate and work with the Congress, and that is to his credit and we welcome that, because if we can reduce the level of confrontation, then we have a chance to try to walk in the right direction together, because these choices cannot be made, the tough choices I talked about on defense, on entitlements, on taxes, cannot be made unless they are bipartisan. That is a reality. So to the President's credit and to the credit of the leadership in the Congress, the effort here was to try to come together to develop an agreement, an approach that both sides could work together on and try to achieve in a bipartisan spirit.

Now, the agreement that we arrived at, that was announced by the leadership and the President, is admittedly not the kind of bold approach that anyone who negotiated believes is necessary. It is at best a step in the right direction.

We were operating obviously under a number of constraints, and you all know those constraints as well as I do. When the President of the United States said, "Read my lips, no new taxes," new revenues were removed from the table. When revenues were removed from the table, very frankly there was not a willingness to then deal with other areas of domestic spending savings. You are not going to see entitlements put on the table. You are not going to see other areas that ought to be on the table, that should be part of a bold package entered into, because if you are going to achieve that bold package, everything needs to be there. That was not the case, and we recognized that. That is a reality.

□ 1400

The President had taken a position of no new taxes. It was clear that the Congress was not going to proceed to enact new taxes on its own without the support of the President, and so clearly those who feel that somehow there is an alternative here which will simply raise new taxes, well that is not going to happen. That is not a viable alternative. The votes are not here to do it, and the support is obviously not there in terms of the administration.

Second, can we then turn to spending reductions? That is what the Reagan budget did. It said essentially that we are not going to raise taxes but we will take $22 billion out of the domestic side of the budget, $18 billion out of the entitlement programs, another $4 or $5 billion more out of domestic spending. Those are the programs we have identified as being key priorities in our society today.

It was clear that on the spending side we were not simply going to charge ahead and put all of the domestic discretionary on the table, and the same thing was true with regard to entitlements, and the same thing is true with regard to defense. Although we put some constraints on defense spending, it is clear we were not going to go at defense in a substantial way, because the votes are not here to sustain that.

The third alternative is to go for sequestration under Gramm-Rudman, which is the across-the-board automatic cut that would take place if we fail to reach the Gramm-Rudman targets. There were Members who were discussing the possibility that maybe we ought to enact a sequestration budget. What does that mean? What does that do? Not only does it represent failure on the part of the Congress to deal with this issue, not only does it represent failure on the part of both the President and the Congress to come together to try to resolve the issues that we face, but what it means is that we do not have the courage to deal with these issues up front. We would rather have an automatic process make our judgments, and that is what Gramm-Rudman is all about. It says that when we cannot come together, we will cut everything across the board and take 50 percent out of defense, 50 percent out of nondefense, and we will reach these targets automatically.

What does that mean? It would mean this year, if we had to reach a $100 billion deficit target, cutting $28 billion or more; $14 billion to $15 billion of that would come out of defense, the largest defense cut in the post-Vietnam era, striking largely at personnel, maintenance, readiness, the kind of vital ingredients we need for a strong defense in this country.

On the domestic side we are talking about $14 billion to $15 billion in cuts in the most sensitive and important programs in the Federal budget. Even though Gramm-Rudman protected some of the entitlement programs and some of the low-income programs, the reality is that a sequestration on the domestic side would decimate education. It would cut the vital educational programs that we have in this country. It would cut housing programs, low-income-housing programs. It would cut AIDS research. It would cut drug enforcement across the board. It would cut transportation. It would cut mass transit. It would cut basic programs that even the President of the United States today says are absolutely essential to deal with if we want to produce a kinder and gentler nation. That is the alternative.

Are Members going to vote for sequestration? Absolutely not. They should not. It is an admission of failure if we did.

Recognizing those alternatives, we are not going to adopt new taxes. We are not suddenly going to put this major burden on the spending side. We are not going to adopt that sequestered budget.

What are we left with? We are left with having to work around the edges as we did here, and that is essentially what happened. We basically struggled to come up with what savings we could in order to, in a credible way, try to achieve the Gramm-Rudman targets. We entered these negotiations with some key goals. We knew that we could not do the bold approach, but in the very least we wanted to balance defense and nondefense spending restraints. We wanted to balance revenues as well as spending cuts, dollar for dollar, as best we could, and we wanted to protect vital priorities that we think are important for this Nation in terms of the people of this country and, lastly, we wanted to achieve as much credible deficit reduction as we could.

I have said it before, and it has to be repeated: Under those kinds of circumstances, under those kinds of constraints, we achieve the best possible deficit-reduction plan that we could. This proposal does provide deficit reduction. Make no mistake about it. I know it has been the target of a number of attacks from a number of different sides, but when we look at the key ingredients, there is deficit reduction to be achieved here.

In revenues, we accepted the $14.2 billion in revenues contained in the Bush budget as a number, but of that number, $5.3 billion is going to have to be raised by the Committee on Ways and Means and the Senate Finance Committee working together with the President to try to develop a revenue package. That is not going to be easy to do. There are a lot of objections from all sides as to what ingredients

go into that $5.3 billion. It is tough. It is not going to be easy. But it is a number that is real if the parties will work together to achieve it.

The $2.7 billion has to be enacted in user fees, and that will not be easy to do. Authorizing committees are going to have to come forward and enact new legislation to try to achieve user fees in a number of areas. We have been through a lot of those battles in the past, but it is real when it happens, and we intend to work with these committees to see that it does happen.

In addition, we have IRS compliance of about $500 million that we are hoping to achieve. We are looking at $8 billion to $9 billion in real revenues that are contained in this resolution. We know they will be difficult to achieve.

We have roughly $8 billion to $9 billion in deficit reduction as well on the spending side. According to CBO $4.2 billion of that comes out of defense on the outlay side. That is very close to a freeze level on the outlay side on defense.

In addition, we achieve entitlement savings of $4 billion to $5 billion in real savings. I know that we have something like about $6.8 billion identified, but I am being frank and honest here that of that total about $4 billion to $5 billion are going to involve some tough choices by the Committee on Ways and Means, by the Committee on Agriculture, by the Committee on Post Office and Civil Service, by other committees that are going to have to respond to the savings requirements that we have provided here. The balance of some of these proposals involve some extensions of current law to achieve additional savings and removing some areas off budget such as the post office.

Let me just mention on that issue that the only way the post office gets removed off budget is if we come up with a savings package that shows that they are gradually going to assume responsibility for some of the expenditures that we now pay for out of the General Treasury. If they are to be removed off budget, we have got to assume those responsibilities, and we think that we have an approach here that makes sense.

In addition, along with debt service and some of the other proposals that are here, we are looking at another $4 billion to $5 billion, or roughly $22 billion, that we achieve in deficit reduction along with asset sales of $5.7 billion.

There are some hard decisions here. There is some real deficit reduction here that will move us in the right direction.

Second, what we have also done is to try in this agreement to protect the vital priorities that we think are important for our society. What we have done here in this agreement is reverse an 8-year trend of reductions from nondefense discretionary. We have provided $3.6 billion in budget authority above inflation to try to deal with vital nondefense discretionary spending areas. We have protected the low-income programs at full inflation. We have provided funding for the leadership's children's package, funding for Head Start, for the WIC Program, for maternal child health, for community health, for National Health Service Corps, for child care, a vital area which both the President and the Congress have identified as an area in which we need legislation this year. We have provided sufficient funding here to cover that.

Education also receives a significant increase. Medicaid is increased to try to cover additional expenditures for pregnant women, child nutrition.

In addition, we fully fund the McKinney homeless proposal. We provide full funding for the President's crime initiative. We provide more funding than the President for the war on drugs. AIDS funding is set at $1.9 billion again, above the President.

We also try to provide some vital help here for investment in the future, in science and space; we provide at least $200 million for the National Science Foundation, and we also adequately fund the collider as well as the major NASA programs.

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The veterans' programs also receive a significant increase here, and tomorrow we will provide additional money to try to deal with the crisis that veterans are not facing in terms of health care in this Nation.

Out of 13 functional areas 5 receive increases above inflation, 4 are increased at inflation, and another 4 are at or above this year's levels.

We have identified in this resolution vital priorities that need attention in our society.

Third, this is a bipartisan agreement, and I believe it is vital, as I have said, that if we are to achieve deficit reduction we have to build an atmosphere of trust and cooperation, because the choices are too tough. We have taken an important step in that direction. Admittedly there is a gamble involved here. The gamble here is that the Congress and the President have to take the next step. In our agreement we said we need to continue to negotiate, to look at our economy, to develop the kind of bold package that needs to be developed for the future, because all of us recognize that more needs to be done.

What we have done in this agreement, what we have done in this budget resolution is basically establish the framework for more. We cannot just suddenly reach out and pass a bold package here, either on the Democratic side or the Republican side. It is not going to happen. The only way we arrive at that point is by building a relationship of trust and cooperation, and we have done that in this agreement, and we have done that in the course of putting together this budget resolution.

The test of how good this agreement is will be how good the next agreement is. That is really what we are facing in terms of goals that we have outlined in this budget resolution.

Last, let me say this, and I know it is a statement that is often made when we debate the budget, but this is the only game in town, ladies and gentlemen. My colleagues, this is the only game in town in terms of developing a budget resolution for the Congress that is supported by the White House and supported by the leadership. If we fail, if we fail to enact this budget resolution, there are no alternatives.

The alternative is institutional chaos. The Budget Committee and the leadership on both sides will struggle to come forward with a budget resolution that can be passed in both the House and the Senate.

If we want that kind of chaos, if we want to sent that kind of message to the investment community not only here but throughout the world, then defeat this package, because that is the signal that will be sent. If we fail to pass this package, then we will be saying to the American people that there is a failure of leadership on both the part of the Congress and the President to deal with what is a major crisis.

If we succeed, if we can pass this budget resolution, not only do we have a chance to try to deal with some of the priorities in our society, but we will meet our responsibilities to put a resolution in place, to have the Appropriations Committee begin its work, to enact its 13 bills and to avoid a continuing resolution or appropriation bill at the end of the year that piles all the spending into a huge bill, something we have all denounced. This gives us the chance to pass all 13 appropriation bills in a rational way.

Last, if we succeed in passing this budget resolution, the focus will be on the President and on all of us to take the next step, to work together to come up with the kind of bold solution that we need in order to truly control the deficit situation.

For all those reasons, my colleagues, I urge the Members to consider the alternative, consider the other possibilities, consider the chaos that can result if we do not pass this budget resolution, and in the end I think you will come to the only judgment that you ought to come to, which is to vote in favor of this concurrent resolution.

The following is a function-by-function summary of the committee's recommendation:

Function 050: National defense—the committee recommends $305.50 billion in budget authority and $229.20 billion in outlays, representing a decrease of $3.70 billion in budget authority and $4.20 billion in outlays from the baseline but an increase of $7.8 billion in budget authority and $2.5 billion in outlays over fiscal year 1989, sufficient to provide for a strong national defense. This is consistent with the bipartisan budget agreement.

Function 150: International affairs—the committee recommends $18.3 billion in budget authority and $16.7 billion in outlays, representing a decrease of $0.150 billion in budget authority and $0.025 billion in outlays from the baseline. This is consistent with the bipartisan budget agreement.

Function 250: General science, space and technology—the committee recommends $14.425 billion in budget authority and $14.125 billion in outlays, an increase of $1.1 billion in budget authority and $0.525 billion in outlays above the baseline. The committee assumes that funding for the National Science Foundation, Department of Energy general science programs, including the superconducting super collider, and NASA, including the space station, will be increased by a total of $1.725 billion in budget authority and $0.95 billion in outlays from the fiscal year 1989 program level.

Function 270: Energy—the committee recommends $5.800 billion in budget authority and $3.800 billion in outlays, a decrease of $0.650 billion in budget authority and $0.475 billion in outlays from the baseline.

Function 300: Natural resources and environment—the committee recommends $17.075 billion in budget authority and $17.525 billion in outlays, a decrease of $0.775 billion in budget authority and $0.550 billion in outlays from the baseline. The committee assumes increased funding for the superfund program, EPA operating programs, and National Oceanic and Atmospheric Administration programs. The committee also assumes that funding for land acquisition through the land and water conservation fund will be above the baseline level.

Function 350: Agriculture—the committee recommends $18.050 billion in budget authority and $14.975 billion in outlays, a decrease of $2.125 billion in budget authority and $2.000 billion in outlays from the baseline. Consistent with the bipartisan budget agreement, the recommendation assumes that program changes will be enacted to achieve spending reductions in farm commodity programs of $0.600 billion in 1990, as well as in 1991 and 1992. It also assumes other changes in advance deficiency payments and the Farm Credit System Financial Assistance Corporation consistent with the bipartisan budget agreement.

Function 370: Commerce and housing credit—the committee recommends $13.275 billion in budget authority and $8.150 billion in outlays, a decrease of $12.450 billion in budget authority and $12.150 billion in outlays from the baseline. Without prejudging final House action, it assumes enactment of the administration's proposal for responding to the thrift institution crisis, the accounting for which makes up most of the reduction from baseline spending in this function. The committee also assumes enactment of legislation reclassifying the Postal Service as an off-budget agency, consistent with the budget agreement. The committee further assumes baseline spending for the Rural Housing Loan Program.

Function 400: Transportation—the committee recommends $29.850 billion in budget authority and $29.025 billion in outlays, a decrease of $0.150 billion in budget authority and $0.325 billion in outlays from the baseline. The committee assumes an increase of $0.500 billion in budget authority and $0.300 billion in outlays above the 1989 program level for Federal Aviation Administration programs. Combined with an assumed rescission of $382 million in prior year contract authority currently unavailable for obligation under the Airport Improvement Program, sufficient budget authority would be available to fund the President's fiscal year 1990 request for aviation programs. This would enable the FAA to increase the number of air traffic controllers and aircraft maintenance inspectors as well as modernize equipment and facilities under the National Airspace System plan.

Function 450: Community and regional development—the committee recommends $7.150 billion in budget authority and $6.775 billion in outlays, a decrease of $0.175 billion in budget authority and $0.200 billion in outlays from the baseline. The committee assumes baseline or higher funding for low-income high-priority programs, including Bureau of Indian Affairs operations and construction and homeless programs. The committee recommendation also assumes additional funding for existing negotiated Indian water rights settlements.

Function 500: Education, training, employment and social services—the committee recommends $42.025 billion in budget authority and $39.075 billion in outlays, an increase of $3.000 billion in budget authority and $0.650 billion in outlays from the baseline.

In education, the committee recommendation reflects funding levels proposed in the leadership children's package, providing increases for key programs, some of which I have already described. This function also includes the funding for the new child care/early development legislation and Head Start.

Function 550: Health—the committee recommends $57.850 billion in budget authority and $56.225 billion in outlays, an increase of $0.625 billion in budget authority and $0.425 billion in outlays from the baseline. The recommendation assumes above-baseline funding for maternal and child health block grants, community health centers, an infant mortality initiative, and child immunizations and vaccines. Baseline funding is assumed for other low-income health programs. The recommendation reflects funding levels proposed in the leadership children's package, which includes maternal and child health block grants, community health centers, child immunizations, and the national health service corps. The recommendation also assumes full funding for programs under the Stewart B. McKinney Homeless Assistance Act. AIDS research and treatment programs are assumed to be funded at $1.9 billion. Further, an increase of $200 million for Medicaid initiatives to combat infant mortality, improve child health, make community-based services available to the frail elderly and individuals with mental retardation, and require coverage of hospice services is assumed.

Function 570: Medicare—the committee recommends $123.850 billion in budget authority and $98.350 billion in outlays, which represent no change in budget authority and a decrease of $2.400 billion in outlays from the baseline. The committee assumes $2.3 billion in medicare outlay reductions. The program changes to achieve these savings will be determined by the committees of jurisdiction.

Function 600: Income security—the committee recommends $185.700 billion in budget authority and $145.650 billion in outlays, an increase of $0.525 billion in budget authority and a decrease of $0.525 billion in outlays from the baseline. The recommendation assumes baseline or higher funding for high priority low-income programs, including low-income home energy assistance, programs for the homeless, women, infant, and Children Nutrition Program, the Commodity Supplemental Food Program, and subsidized housing programs. The committee calls for WIC funding at $150 million over the baseline. The recommendation also assumes $15 million in new entitlement authority for expansion of child nutrition programs, including the summer feeding and school breakfast programs.

Function 650: Social Security—the committee recommends $316.975 billion in budget authority and $249.075 billion in outlays, which represents no change in budget authority and a decrease of $0.125 billion in outlays from the baseline. Consistent with the bi-

partisan budget agreeement, the committee assumes full funding of all Social Security benefits, including a cost-of-living adjustment.

Function 700: Veterans benefits and services—the committee recommends $31.000 billion in budget authority and $29.800 billion in outlays, a decrease of $0.400 billion in budget authority and $0.700 billion in outlays from the baseline. The recommendation assumes an addition of $0.600 billion in budget authority and $0.450 billion in outlays for discretionary programs within the Department of Veterans' Affairs, which it is recommended be targeted to veterans medical care, including $0.100 billion for AIDS patient care and treatment at VA medical facilities.

I intend to offer an amendment to increase funding for veterans programs, primarily to address concerns about veterans medical care.

Function 750: Administration of justice—the committee recommends $10.400 billion in budget authority and $9.950 billion in outlays, an increase of $0.075 billion in budget authority and a decrease of $0.050 billion in outlays from the baseline. The committee assumes baseline or higher funding for low-income programs, including the Legal Services Corporation and the Juvenile Justice Program, as well as baseline spending for the judicial branch.

Funds are also included in the recommendation to fund fully the President's crime initiative, while funding for antidrug abuse programs is assumed at a level above the President's budget request. The committee assumes full funding for all the President's proposed increases for antidrug abuse programs—many of which are found in other functions—but rejects his proposed decreases.

Function 800: General government—the committee recommends $10.050 billion in budget authority and $9.675 billion in outlays, a decrease of $0.275 billion in budget authority and $0.475 billion in outlays from the baseline. The committee assumes funding for the Internal Revenue Service consistent with the bipartisan budget agreement. With respect to Japanese-American reparation payments, the committee assumes that the funding level in the fiscal year 1989 supplemental appropriation bill and the fiscal year 1990 appropriation bill will be sufficient to compensate those eligible individuals 70 years old and above.

Function 900: Net interest—the committee recommends $181.025 billion in budget authority and outlays, a decrease of $1.075 billion from the baseline. The reduction represents savings produced by the outlay and revenue policy changes recommended by the committee.

LEADERSHIP CHILDREN'S PACKAGE ASSUMED IN BUDGET RESOLUTION [1]

[Additions above a freeze]

	BA	O	Function
Discretionary			
Head start	317	143	500: Education, training, employment and social services.
WIC	231	215	600: Income security.
Maternal and child health	113	68	550: Health.
Child immunization	34	19	Do.
Community health	66	46	Do.
National Health Service Corps	29	17	Do.
Child care/early development	1,800	550	500: Education, training, employment and social services.
Education	1,710	285	Do.
Entitlement			
Medicaid [2]	115	115	550: Health.

[1] In addition, this assumes the remaining low-income/high priority programs would be protected at the baseline.

[2] This amount reflects only the Medicaid increase attributable to children; the budget resolution's total Medicaid increase is $200 million in budget authority.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN pro tempore (Mr. YATES). The gentleman from California [Mr. PANETTA] has consumed 26 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Michigan [Mr. SCHUETTE], a member of the Budget Committee.

Mr. SCHUETTE. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to this resolution. I am opposed to the budget agreement that is now before this House.

In doing so, it is not out of a lack of respect for nor awareness of the superior and sincere effort by the gentleman from California [Mr. PANETTA], the chairman of the committee, or the gentleman from Minnesota [Mr. FRENZEL], or their respective leadership and colleagues on each side of the aisle in trying to structure a budget agreement. But my reasoning takes three shapes.

First, this process is a mess. Second, substance. There is an absence of meaning and real deficit reduction. Third, what are America's priorities for the future?

First, in terms of this process, today's process, how Congress works or does not work, is a coverup for inaction, postponing for tomorrow or the next day tough issues in terms of real deficit reduction. We need to reform the budget process. Senator DOMENICI in the other body and I have introduced a bill which includes among other things a 2-year budgeting process like most people in America do, and having a budget resolution that carries the force of law with Presidential signature instead of meaningless, unenforceable targets.

Second, substance. There is a fair amount of hocus-pocus here, numbers that do not count. How many times can we sell AMTRAK or $5.7 billion of assets? And the sale of $5.3 million of revenues from Ways and Means; there is an absence of specificity in the capital gains reduction.

Third, priorities for the future. I know we can take 435 Members of Congress and get 435 ideas of what is important for the future. But there is one challenge for my State of Michigan or America, and that is the war on drugs; that was not addressed sufficiently. It is international terrorism in its most sophisticated form. So we need to meet it head on. Everybody votes for it, but let us pony up the money. It is wrong that it is underfunded. We have not addressed it in this budget, we have not addressed it in the past, and it is wrong to underfund it by $1 million. We have not met the challenge here.

So in closing, my colleagues, when the budget process has failed and needs reform, that is one reason I am voting against it. Second, the budget lacks depth and substance and true budget reduction. Third, when there is a challenge for America's future with respect to the war on drugs and it is underfunded, that is a shame, and we are not doing enough in that area.

So these are my reasons for voting against this budget agreement, and I share these with my colleagues and friends.

Mr. FRENZEL. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, I join with my colleague, the new chairman of the House Budget Committee, in support of House Concurrent Resolution 106, the budget resolution for fiscal year 1990.

Before discussing the resolution, let me take a moment to compliment LEON PANETTA on the way he has handled both the development of this resolution and the budget negotiations leading to it. This is a fledgling flight for both of us and I am glad to be traveling in the company of such a committed and congenial chairman.

His persistence and devotion to the development of the best possible budget resolution and budget agreement has been a source of inspiration for me. We know we can do better in fiscal year 1991, but I doubt anyone could work harder than LEON PANETTA did this year.

It seems that there is no such thing as a "typical" budget year and once again we have proved that rule. The path toward the fiscal year 1990 budget was unique in a number of ways. To begin with, this is the inaugural year of a new administration. This meant that in addition to the budget submitted in early January by the outgoing President, we received the budget plan of the new Bush administration in February. Of course

that has happened before. What made this budget cycle truly different, however, was that extensive consultations between the new administration and the congressional leadership took place before the House and Senate began to develop the congressional budget resolution rather than after the budget process had broken down.

These lengthy negotiations produced the Bipartisan Budget Agreement [BBA] which underpins the budget resolution before us today. The BBA served several purposes. First, it prevented a stalemate from developing over budget priorities. By reaching an early agreement, the BBA made it possible to move the budget resolution along the legislative track more or less on schedule. That we missed the April 15 deadline for completing action on the budget resolution is scarcely noteworthy. The more urgent deadline of May 15 is still within reach. After that date, even if a budget resolution has not been agreed on, appropriations bills can be taken up on the floor. So it is important that the budget resolution be agreed to in time to provide guidance and discipline to the appropriations process.

Early agreement on the BBA also showed that the President and the Congress can work together on fiscal policy. The BBA signaled that fiscal gridlock would not be permitted to stymie an orderly fiscal process. Article 13 of the BBA indicates that we intend to resume negotiations to tackle the daunting task of reaching the fiscal year 1991 target. For Republicans, this is a key ingredient of the budget agreement and to our support today of the budget resolution.

The substance of the BBA is just as important as its impact on the process. The agreement, and the budget resolution on which it is based, draws a very fine line between the priorities of the new Bush administration and the priorities of the democratically controlled Congress.

As a Republican, I am particularly pleased that large revenue increases were rejected in both documents. The BBA and today's budget resolution allow $5.3 billion in additional revenues—exactly the amount requested by President Bush in his budget plan.

The defense figure, while not as high as the administration would have liked, is set at a level President Bush believes is acceptable. Similarly, it is important that our international programs not be held hostage to deficit reduction, and the BBA specifies an amount to be set aside for them.

I am much less happy about the treatment of domestic discretionary spending and entitlements. Here we fell victim to the "baseline syndrome." Working from an incomprehensible starting point, we counted as savings policies that ordinary people would view as increases. We evaded entitlement cuts for the most part, and those that were agreed to tended to be cosmetic rather than the true article. Discretionary domestic spending was allowed to rise $3.6 billion above the baseline, nearly $10 billion above the fiscal year 1989 level under which we are currently operating.

The remaining slippery parts of the budget resolution are just as filled with gimmicks: asset sales we really do not expect to occur and user fees we really do not expect to impose.

The "slide by" nature of this budget leaves us perilously dependent on foreign capital to fund our domestic investment. Our need for foreign capital, the result of both a low-personal savings rate and large Federal deficits, makes our economy especially vulnerable to economic forces outside our immediate control.

Reducing our Federal deficit is the most direct way to improve our national savings rate and to reassure our creditors that we will not indefinitely rely on them to fund our economic growth. Unfortunately, this budget resolution does little to convince international credit markets of our long term commitment to fiscal responsibility.

However, despite the frustration of not producing more real savings, the budget resolution nevertheless deserves our support as another step toward more significant deficit reduction in 1991.

The essential elements of this budget resolution are the aggreage function totals which follow from the agreed upon levels of the bipartisan budget agreement. The recommendations and funding assumptions contained in the committee report reflect nothing more than the preferences of some members of the Budget Committee. These recommendations are in no way binding to appropriators, authorizers or entitlers, nor should they be.

I would hope that future budget resolutions would contain even less in the way of nonbinding committee report language. The Budget Committee has authority to set and enforce aggregate budget totals, and to give reconciliation instructions. Our budget resolution should reflect this role and not seek to overstep it.

Although this resolution fails many of the tests of a sound fiscal policy, I plan to support it as the best agreement obtainable under the circumstances. With the breathing room that this agreement provides, I fervently hope that we will be able to move rapidly into negotiations on deficit reduction in fiscal year 1991.

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Mr. Chairman, having said wonderful things about the Chairman of the Committee on the Budget, I would love to ask him to engage in a bit of an exchange.

Mr. Chairman, although the Budget Committee recommends only total amounts for budget functions, we often have specific priorities in mind, and these are indicated in our report language. One of our priorities is funding for the Export-Import Bank. Our report mentions the amount of $500 million in budget authority. I just want the record to reflect that we hope this figure will serve as a floor. We did not intend this to indicate a maximum amount, but a minimum funding level for the Eximbank. In your opinion is that the intention of the committee?

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. I thank the gentleman for yielding.

Mr. Chairman, that was the intention of the committee. It was really intended that this number be a minimum funding level for the Export-Import Bank.

Mr. FRENZEL. I thank the gentleman for his contribution.

Mr. Chairman, I reiterate my suggestion that while in the best of all possible worlds we might be voting on a utopian budget resolution, we are faced instead with what is merely an acceptable one. Because it is the only option other than chaos, I strongly recommend a positive vote.

Mr. Chairman, I reserve the balance of my time.

Mr. PANETTA. Mr. Chairman, I yield 7 minutes to the gentlewoman from California [Mrs. BOXER], a member of the Committee on the Budget, and I would like to express my deepest thanks and appreciation for the great work and cooperation that she provided during the markup on the budget resolution.

Mr. Chairman, she was extremely valuable in a number of areas to try to provide adequate funding for priorities, particularly on the AIDS issue and also the offshore drilling issue with which the gentleman in the chair is very familiar.

Mrs. BOXER. I thank the Chairman very much.

Mr. Chairman, it certainly has been a privilege to serve as chairman of his task force on health and human services. Now that the long and exhausting process of drafting the House budget resolution is almost at an end, I would like to take the opportunity to thank some very deserving colleagues and to share some of my reflections on what we have accomplished.

Is this a perfect budget? No, it is not. It is not perfect from the standpoint of the Democrats or the Republicans.

But I think given the constraints, given the alternatives it is indeed the very best that could have been achieved. I really do want to congratu-

late the Chairman, the gentleman from California [Mr. PANETTA]. He was able to build a consensus despite formidable obstacles.

The difficulty the chairman faced in his negotiations with the administration were really minor compared to what we Democrats had in store for him in the Democratic caucuses. But he conducted himself, did my chairman, like a real statesmen throughout. I think the chairman pulled off a small miracle today. Of course, credit is due to Mr. FRENZEL for his outstanding contribution to this bipartisan budget.

I would also like to thank those of my colleagues who served with me on the Task Force for Human Resources: on the Democratic side, BOB WISE, MARTY SABO, MARCY KAPTUR, DALE KILDEE, MIKE ESPY, BERNIE DWYER, and DICK DURBIN; on the Republican side, BILL GOODLING, JACK BUECHNER, JOHN KASICH, and HELEN BENTLEY.

Our task force held hearings on some of the real hot spots in this year's budget, the kid programs, AIDS, Medicare, and veterans programs. Our task force hearings and deliberations played a major role in shaping this budget resolution.

My colleagues on the Human Resources Task Force deserve much of the credit. I must say that some of the witnesses that we had at our hearings deserve much of the credit, people like Dr. Brazilton, who came in and talked about how we are losing our kids, we are losing them to drugs, losing them to poverty and we have to make children a priority in this budget. There is no question that we did just that.

What we have before us today is a kinder and gentler budget but not just in words, in numbers.

By adopting the recommendations embodied in the leadership initiative for children, we have laid the groundwork for expansions of Head Start, WIC, maternal and child health care, child immunizations, community health centers, the National Health Service Corps, Medicaid, child care, and education.

By increasing funds for these programs we are investing in our kids, expanding the availability of health and education benefits and will give thousands of children and their parents a boost in their struggle to break the bonds of poverty and despair.

Furthermore, we staved off 50 percent of the Medicare cuts and gave all Federal employees a raise of 3.6 percent.

Mr. Chairman, that is not what they deserve but it is a heck of a lot better than the 2 percent or the 2.5 percent that President Bush at first was pushing.

We won a substantial increase in AIDS funding. It is not enough, but it is substantial. It is up about 47 percent to $1.9 billion.

I think this budget resolution reflects an awareness that the circle of victims of this horrible epidemic is widening to include drug users, the toughest group to reach, Mr. Chairman, and infants, the most vulnerable group. They cannot speak for themselves. We must.

When you hear that 1 of every 64 babies born in the Bronx is being born AIDS-posititive, we know we have a job to do.

The Budget Committee also included language urging the Health and Human Services director to set up a special commission on pediatric AIDS. I hope the administration will take heed of that recommendation.

Obviously if I could start from scratch, I would come up with a budget resolution really different from the one that we have before us today. I believe we could go a lot further to help our kids, make education and health benefits more widely available, to really fight the war on drugs and to trun the tide on AIDS; but to do that, Mr. Chairman, we needed new revenues in this budget and it just was not to be. You have to cope with the realities.

I was also disappointed that the Committee on Rules did not allow an amendment by Mr. DURBIN and myself which would have transferred some more dollars from the overbloated military budget into the domestic side. But that was not to be.

But every budget is a patchwork of compromise and I believe the Committee on the Budget has put together a resolution of which we can all be proud.

□ 1430

Make no mistake about this budget, it moves Members in the correct direction. In budget authority. If Members compare George Bush's numbers to the numbers before Members today, domestic discretionary is up in budget authority by $13.1 billion. Military spending is down in budget authority by $5.8 billion.

Mr. Chairman, that is a shift that I think is long overdue and that is the reason I am really proud to support this budget because of this shift in priorities.

Finally, I would like to express my gratitude to the Budget Committee staff. Some of them are on this floor today. They worked tirelessly and they give meaning to the expression "grace under pressure." Without intending to slight anyone, I am not going to single out the staffers, but let the word go out that this Member of Congress knows that they did a stellar job.

So, Mr. Chairman, to work with you as your chairman of one of your task forces has been indeed a great privilege for me. I have 1 more year to give of my service until I am off the committee, and I assure the chairman as hard as I worked this year, I will work harder next year under your able leadership. I thank the chairman for this opportunity to play a small role in the framing of this budget resolution.

Mr. FRENZEL. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from California [Mr. DANNEMEYER], whose amendment has been made in order and will be presented tomorrow.

Mr. DANNEMEYER. Mr. Chairman, I appreciate the gentleman from Minnesota [Mr. FRENZEL] yielding time to me. I would like to congratulate both the gentleman from California [Mr. PANETTA] and the gentleman from Minnesota [Mr. FRENZEL] for leading the effort to develop a bipartisan budget resolution. I do not intend to vote for it. I have a great deal of respect for the work that they did. I think the problem that they have in developing this budget resolution is the unwillingness, up until now, for this institution to come to grips with the fundamental defect that is driving the budget deficit that we know exists in this country today, namely, monetary instability.

In a way, I want to express my thanks and appreciation to the Secretary of State James Baker for the work that he did as Secretary of Treasury under the Reagan administration for his kind concern for real estate values in California. Because when he deliberately set a policy for this country of debasing the American dollar versus world currencies in September 1985, he did wonders for the real estate market in my home State. The rationale is quite simple for a Japanese businessman. He would have to put up 230 yen of his currency to buy a dollar in September 1985, and the Secretary of Treasury of the U.S. Government says we are going to drive down the value of the dollar, and 2½ years later a Japanese investor can buy a dollar with 130 yen. It is no accident that Japanese business people have tremendous interest in real estate all over the United States. It is a big bargain.

The defect that Mr. Baker was working with and we are still facing today is variable exchange rates, a dollar backed by nothing, and the instability which that brings to our system.

The gentleman from California [Mr. PANETTA] related that the interest cost in the next fiscal year will be something like $170 billion. That is one of the games we play, and I am not casting aspersions on him. He is just merely dealing with the literature we put out. The gross interest expense of maintaining this paper dollar system in fiscal year 1990 will be $248 billion. We reduce it to $170 billion by deducting from the gross interest expense what we paid to the bonds held by

Government trust funds representing probably $80 billion. The true measure of the deficit is not what we say Gramm-Rudman-Hollings targets to be. The true measure of the deficit is how much are we going to increase the national debt by in fiscal year 1990. Answer, right out of the pages of OMB, it is $238.4 billion. That is the projected increase in the national debt in fiscal year 1990. In the decade of the 1980's, those Members who have been privileged to serve here will have witnessed the addition to the national debt of close to $2 trillion. When we began in the year 1980 we had a national debt of about $1 trillion. When we end the decade of the 1980's our national debt will have escalated to practically $3 trillion.

The budget alternative I will present to the House tomorrow contains one change that is fundamental that has to take place sooner or later concerning how we run the monetary affairs of this country. It would achieve a reduction in gross interest expense of some $32 billion in fiscal year 1990 by selling gold-backed bonds, something this Nation has not done for over 50 years. We believe that the interest cost expense on those bonds would come to about a point and a half as opposed to the existing interest expense of 8½ percent on the sale of debt by the Treasury of the United States.

We should recognize that in fiscal year 1990 the general fund deficit will be $241 billion. We allegedly reduce that total to $92.5 billion by crediting against the general fund deficit $148.5 billion of trust fund money. Now we all know what happens to people in the private sector when they take trust fund money for private purposes. They put those people in jail. In fact, we have a member of the former administration, Colonel North, standing in the criminal dock of a courtroom in this city, as we speak, defending himself from the charge that he used trust fund money raised for the Contras for his own personal purposes. We know that we teach our children, in any event, and our criminal laws say a person shall not use trust fund money for general fund purposes, although we are extensively doing that today and in the proposed budget resolution now pending before the House.

Sometimes Members ask well, how can we reduce the interest cost on a bond that currently is sold by the Treasury at an average of 8.5 percent down to 1.5 percent? We have no further to go than what a corporation in this country engaged in the mining business, the gold mining business, did last year. The Newmont Mining Co. borrowed half a billion dollars of gold bullion from the Bank of Nova Scotia and sold the gold bullion for cash in the gold market and retired half a billion dollars of their debt. They were carrying that debt at an average interest rate of 8 percent a year, and to repay that gold to the Bank of Nova Scotia, they gave a contract to return it in 5 years which carried an interest rate of 2.5 percent. Through this process they have reduced the carrying costs on their debt of half a billion dollars from 8 percent to 2.5.

If this corporation is smart enough to use their gold resources to do that, the U.S. Government can do the same thing. We can sell a gold-backed bond for an interest rate of about a point and a half.

Other persons ask, well, who in the private sector, somebody with credentials, advocates that this is a policy alternative that we can pursue? How about Alan Greenspan, Chairman of the Federal Reserve Board. In 1981 he wrote an article in the Wall Street Journal saying we should pursue this very policy alternative that I am talking about, namely, to sell bonds backed by gold.

Why is it that we can sell gold backed by a bond for an interest rate so low? Simple. When a lender of capital realizes that when they get the money back, it will buy what it bought when it was lent, that by definition is honest money. That is what a bond backed by gold will achieve. It will assure to the lender of capital when they get their capital back it will buy what it bought when it was lent. That is missing in the ingredient today, missing, for instance, in the budget alternative that the Committee on the Budget produced. Members will please note that in the categories they have identified one which says "Allowances;" there are $19.3 billion of unspecified reductions that are to be achieved in order to reach the spending totals that are talked about from the Committee on the Budget.

Now my understanding of the Committee on the Budget was that they were to adjust the spending categories so as to achieve the target. Well, they have just finessed the whole issue of $19.3 billion of spending reductions to be achieved somehow, and they are unidentified. That to me is not the way a Committee on the Budget should be bringing a budget resolution to the floor.

□ 1440

Mr. Chairman, I think that defect alone speaks to the lack of credibility of the work product they have brought to us. The basic defect that our friends on the Budget Committee are working under is that we can continue to run the Government of the United States on the basis of a paper-backed dollar. The Members will note that on May 1 the Wall Street Journal ran an article showing the results of a poll conducted by that newspaper and NBC, and in it the statement appeared that the golden years are over. The point of the Wall Street Journal article was the reality that Americans have conducted that we are now in an era of declining living standards rather than increasing living standards. Heretofore we have always hoped and dreamed for our kids that the next generation will live better than we do. The polls in America say that this is no longer true.

The problem is that with the step that was taken back in August 1971, when we shut the gold window by the action of President Nixon, we let the inflation genie out of the bottle. Our dollars are backed by nothing except the promise to issue more dollars.

We can restore the living standards of this country, increase productivity, and provide for capital accumulation to the extent that we recognize a defect in the existing monetary system of our country.

We can eliminate that entire budget deficit in 4 years without gimmickery if we refinance the maturing short-term debt by issuing gold bonds. Members may realize perhaps that within the next year we will have a trillion dollars of our debt come due, and by refinancing that debt with gold-backed bonds, we can drive down the interest expense in a way that is at a level where we can live with it.

The precise details of the budget alternative that I am talking about are as follows:

A KINDER AND GENTLER BUDGET

DEAR COLLEAGUE: When the House takes up the First Concurrent Resolution on the Budget for FY 1990, we plan to offer a substitute which meets Gramm-Rudman-Hollings targets without raising taxes, gutting defense, playing games with retirement COLA's, or making cuts in benefit programs. Deficit reduction is attained through refinancing interest on public debt, a tax amnesty program, and higher revenues as a result of attaining a balanced budget by FY 1993.

This is the current picture:

[Outlays in billions of dollars (CBO baseline)]

	Fiscal year—		Change (percent)
	1989	1990	
Defense	298	303	+1.7
Medicare	87	101	+16.1
Social Security	233	249	+6.9
Net Interest	169	182	+7.7
All other programs	355	380	+7.0
Total Outlays	1,142	1,215	+6.4
Revenues	976	1,059	+8.5
Deficit	166	156	(−6.4)

Note that net interest comprises 116.7% of the entire deficit in FY 1990. Interest on debt ($264 billion), excluding trust fund income, comprises 169.2% of the deficit! This is where savings should come from.

It is educational to compare stated deficits with actual increase in debt. We are told that the 1990 deficit will be $156 billion (CBO) under current policies or $91 billion under the President's budget (which is similar to the $92 billion estimated in the Reagan FY 1990 budget). All of these fig-

ures are highly misleading. A far more accurate barometer of red ink is the public debt. Check page 105 of the United States Budget in Brief, FY 1990. Gross federal debt is projected to grow from $2.869 trillion in FY 1989 to $3.107 trillion in FY 1990—an increase of $238 billion. CBO projects an even greater $279 billion increase in debt (from $2.865 trillion in FY 1989 to $3.144 trillion in FY 1990). So how is the real deficit reduced to the stated deficit? By cheating. The federaal fund deficit of $241 billion (Reagan, FY 1990) is offset by $149 billion in trust fund revenue. This accounting gimmickry is illegal in the private sector and ought to be abandoned by the Federal government.

TABLE 1.—RECEIPTS, OUTLAYS, AND DEBT, 1980–92

[In billions of dollars]

Description	Actual	Estimate											
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Receipts:													
On-budget:													
Federal funds	350.9	410.4	409.3	382.3	419.6	459.5	473.5	537.8	560.2	593.8	643.6	695.7	744.2
Trust funds	94.7	106.0	122.1	147.3	158.1	197.5	206.9	216.6	232.2	250.2	270.5	285.5	300.1
Interfund transactions	−41.6	−47.4	−57.1	−76.4	−77.3	−109.1	−111.5	−113.7	−124.9	−135.3	−143.8	−153.2	−163.9
Total on-budget	403.9	469.1	474.3	453.2	500.4	547.9	568.9	640.7	667.5	708.7	770.4	828.0	880.4
Off-budget (trust funds)	113.2	130.2	143.5	147.3	166.1	186.2	200.2	213.4	241.5	266.9	288.9	312.5	331.8
Total receipts	517.1	599.3	617.8	600.6	666.5	734.1	769.1	854.1	909.0	975.5	1,059.3	1,140.5	1,212.2
Outlays:													
On-budget:													
Federal funds	433.5	496.2	543.4	613.2	637.8	725.9	756.5	760.2	813.1	877.2	884.6	924.6	946.3
Trust funds	84.8	94.2	107.9	124.4	125.4	152.7	161.8	163.5	173.2	184.3	190.8	204.1	221.2
Interfund transactions	−41.6	−47.4	−57.1	−76.4	−77.3	−109.1	−111.5	−113.7	−124.9	−135.3	−143.8	−153.2	−163.9
Total on-budget	476.6	543.0	594.3	661.2	686.0	769.5	806.8	810.0	861.4	926.2	931.7	975.6	1,003.6
Off-budget (trust funds)	114.3	135.2	151.4	147.1	165.8	176.8	183.5	193.8	202.7	210.9	220.1	231.7	240.8
Total outlays	590.9	678.2	745.7	808.3	851.8	946.3	990.3	1,003.8	1,064.0	1,137.0	1,151.8	1,207.3	1,244.4
Surplus or deficit (−):													
Federal funds	−82.6	−85.8	−134.2	−230.8	−218.2	−266.4	−283.0	222.4	252.9	283.4	[1] −241.0	228.9	−202.1
Trust funds	8.8	6.8	6.2	23.1	32.9	54.1	61.8	72.7	97.8	121.9	148.5	162.1	169.8
Total surplus or deficit (−)	−73.8	−78.9	−127.9	−207.8	−185.3	−212.3	−221.2	−149.7	−155.1	−181.5	[2] −92.5	−66.8	32.2
On-budget	(−72.7)	(−78.9)	(−120.0)	(−208.0)	(−185.6)	(−221.6)	(−237.9)	(−169.3)	(−193.9)	(−217.5)	(−161.3)	(−147.6)	(−123.2)
Off-budget	(−1.1)	(−5.0)	(−7.9)	(0.2)	(0.3)	(9.4)	(16.7)	(19.6)	(38.8)	(56.0)	(68.8)	(80.8)	(91.0)
Debt outstanding, end of year:													
Gross federal debt	908.5	994.3	1,136.8	1,371.2	1,564.1	1,817.0	2,120.1	2,345.6	2,600.8	2,868.8	[3] 3,107.2	3,335.6	3,537.1
Held by the public	709.3	784.8	919.2	1,131.0	1,300.0	1,499.4	1,736.2	1,888.1	2,050.2	2,193.8	2,285.0	2,351.2	2,382.9

[1] Real deficit. [2] Phony deficit. [3] 238.4 increase in debt.

Note.—For all years, transactions of the social security trust funds are presented off-budget.

TABLE 4.—OUTLAYS BY FUNCTION AND SUBFUNCTION, 1980–92

[In billions of dollars]

Function and subfunction	Actual									Estimate			
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Administration of justice:													
Federal law enforcement activities	2.2	2.4	2.5	2.9	3.2	3.5	3.6	4.1	5.1	4.7	5.5	5.7	5.8
Federal litigative and judicial activities	1.3	1.5	1.5	1.6	1.8	2.1	2.2	2.5	2.9	3.2	3.2	3.2	3.2
Federal correctional activities	0.3	0.4	0.4	0.4	0.5	0.5	0.6	0.7	0.9	1.2	1.5	1.7	1.9
Criminal justice assistance	0.7	0.5	0.3	0.2	0.1	0.1	0.2	0.3	0.4	0.4	0.4	0.3	0.3
Total administration of justice	4.6	4.8	4.7	5.1	5.7	6.3	6.6	7.5	9.2	9.4	10.6	10.9	11.1
General government:													
Legislative functions	1.0	1.0	1.2	1.2	1.3	1.4	1.4	1.4	1.6	1.7	1.7	1.7	1.7
Executive direction and management	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.3
Central fiscal operations	2.6	2.6	2.6	3.1	3.3	3.5	3.6	3.9	4.8	5.5	5.7	5.7	5.8
General property and records management	0.3	0.1	0.2	0.2	0.2	0.1	0.5	0.1	−0.2	0.1	0.2	0.5	0.1
Central personnel management	0.2	0.2	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.2	0.2	0.2	0.2
General purpose fiscal assistance	8.6	6.9	6.4	6.5	6.8	6.4	6.4	1.6	1.8	1.9	1.8	1.9	2.0
Other general government	0.6	0.7	0.5	0.8	0.6	0.5	0.5	0.8	1.9	0.9	0.7	0.7	0.8
Deductions for offsetting receipts	−0.4	−0.2	−0.2	−0.6	−0.5	−0.5	−0.1	−0.6	−0.7	−0.4	−0.5	−0.6	−1.0
Total general government	13.0	11.4	10.9	11.2	11.8	11.6	12.5	7.6	9.5	10.0	10.0	10.3	9.9
Central federal credit activities											−7.2	−7.9	−7.4
Net interest:													
Interest on the public debt	74.8	95.5	117.2	128.6	153.8	178.8	190.2	195.2	214.1	235.6	[1] 248.1	251.8	247.5
Interest received by on-budget trust funds	−9.7	−11.5	−14.0	−15.3	−17.0	−21.8	−26.6	−29.7	−34.5	−39.8	−44.7	−49.2	−52.5
Interest received by off-budget trust funds	−2.3	−2.3	−2.1	−1.8	−3.3	−4.1	−4.3	−5.3	−7.4	−11.2	−14.9	−19.7	−24.0
Other interest	−10.2	−13.0	−16.1	−21.7	−22.4	−23.4	−23.3	−21.7	−20.4	−18.9	−18.4	−17.1	−16.4
Total net interest	52.5	68.7	85.0	89.8	111.1	129.4	136.0	138.6	151.7	165.7	[2] 170.1	165.7	154.5
On-budget	(54.9)	(71.0)	(87.1)	(91.6)	(114.4)	(133.5)	(140.3)	(143.9)	(159.2)	(176.9)	(185.0)	(185.4)	(178.5)
Off-budget	(−2.3)	(−2.3)	(−2.1)	(−1.8)	(−3.3)	(−4.1)	(−4.3)	(−5.3)	(−7.4)	(−11.2)	(−14.9)	(−19.7)	(−24.0)

[1] Interest. [2] Less trust fund income.

Why not attack the deficit where it looms the largest and hurts the least? Interest payments. In February, 1988, the Newmont Mining Corporation borrowed 1 million ounces of gold from the Bank of Nova Scotia for 5 years at 2.5% interest. It then sold the bullion for nearly $500 million and used the proceeds to reduce its 8% debt by one-third. The federal government can

adopt a similar approach by issuing gold bonds at 1% interest (which is the rate at which it is believed the Bank of Nova Scotia borrowed its gold). $676 billion in debt will roll over in 1989 at an average rate of 8.3%. Reducing interest costs from 8.3% to 1% would achieve significant savings in debt payment. Federal Reserve Board Chairman Alan Greenspan propounded a gold bond refinancing scheme in 1981, a concept echoed by investment banker and former U.S. Ambassador to France Evan Galbraith.

DANNEMEYER FISCAL YEAR 1990 BUDGET SUBSTITUTE

[In billions of dollars]

	Fiscal year—					
	1989	1990	1991	1992	1993	1994
Baseline [1]:						
Revenues	975.5	1,059.3	1,140.5	1,212.2	1,281.4	1,345.0
Outlays	1,141.8	1,214.9	1,286.6	1,348.2	1,415.7	1,488.7
Deficit	166.3	155.6	146.1	136.0	134.3	143.7
G–R–H target	136	100	64	28	0	0
Deficit reduction:						
Gold bonds [2]	0	−24.7	−59.8	−76.2	−86.6	−95.0
Gold bonds [3]	0	−7.7	−3.4	−.1	0	0
Tax amnesty [4]	−15.0	−15.0	−15.0	−15.0	−15.0	−15.0
Higher GNP [5]	−4.2	−14.4	−28.8	−43.8	−60.6	−80.4
Total	−19.2	−61.8	−107.0	−135.1	−162.2	−190.4
Net deficit	147.1	93.8	39.1	.9	(+27.9)	(+46.7)

[1] CBO revised baseline, 3–3–89.
[2] Outlay savings in net interest from reduction of interest on existing debt.
[3] Outlay savings in net interest from reduction of interest on new debt.
[4] Revenue increase.
[5] Revenue increase.

COMPONENTS

Interest savings

Approximately $676 billion of marketable public debt falls due within one year (1989), bearing a current average interest rate of 8.3%. Moreover, $1.548 trillion of marketable debt will roll over within a ten-year period. We are paying about $250 billion per year to finance that debt, a sum far exceeding the annual budget deficit. Considerable budget savings can be achieved by reducing those payments.

By issuing long-term (40 year) gold bonds at 1% interest, we can reduce the interest on debt by 7.3%. Savings are estimated to be $25 billion in the first year (FY 1990), half of the $49 billion total potential savings (since not all debt will be converted at the same time at the beginning of the year, but is staggered throughout the year).

Tax amnesty

A score of states have conducted amnesty programs which have produced considerable revenues, in some cases far exceeding even the most optimistic forecasts. According to the National Bureau of Economic Research, tax evasion at the federal level was estimated by the end of 1986 to be $100 billion annually. States such as Illinois have reported that amnesty programs have recovered the equivalent of 1.5% of total revenues. Accordingly, a similar program should bring in approximately $15 billion to the federal coffers.

Analyses of a federal tax amnesty program have concluded that from $7 to $47 billion can be collected; most projections have been in the $10 and $20 billion range. Furthermore, once previously unreported or underreported income is added to the tax rolls, state experience indicates that equivalent amounts should be collected in subsequent years.

It is proposed that an amnesty program be implemented for a three month period during an IRS "off season" such as July through September, 1989. Interest and penalties would be waived during this period on unreported or delingent tax liability. IRS enforcement capabilities were enhanced by the Tax Reform Act of 1986; delinquent taxpayers would have the option of taking advantage of the amnesty program or facing more severe penalties.

Higher GNP

Reduced interest on debt and additional revenue from a tax amnesty program are anticipated to decrease the budget deficit by $19 billion in FY 1989 and $54 billion in FY 1990. A significant reduction in the deficit—and, more importantly, a real trend towards a balanced budget within four years—will have a positive effect on the economy, including trade and overall productivity. Hence, it is projected that real GNP will attain a higher level of growth beginning in 1989, analogous to projections by the Office of Management and Budget. For purposes of this substitute, OMB GNP projections are used, beginning in 1989. This higher level of real GNP will generate $4.2 billion in additional revenue in FY 1989 and $14.4 billion in FY 1990 (extrapolating from CBO "rule of thumb").

Eagle bond refinancing formula

[Dollars in billions]

	1st-year effect
1. Amount of marketable debt maturing in a given year	$675.9
2. Current effective interest rate (percent)	8.3
3. New gold bond rate (percent)	1.0
4. Maximum annual savings (total savings ultimately derived from the reduction in rates)	$49.3
5. Average annual savings (pro-rated on an annual basis; half of maximum savings will be achieved in a given year since not all debt is converted at once at the beginning of the year)	$24.7
6. Carryover (the difference between maximum and average annual savings is carried over into the subsequent year since all maturing debt will eventually be refinanced at the new gold bond rate)	[1] 0
7. Net annual savings (total of average annual savings plus carryover from previous year)	$24.7
8. Cumulative annual savings (the total in a given year of net annual savings plus cumulative savings from the previous year, since savings, once achieved, constitute a permanent reduction in interest costs)	$24.7

[1] $24.7 billion to next year.

DEBT INTEREST REDUCTION

[Dollar amounts in billions]

Year	Maturing marketable debt	Percent		Maximum annual savings	Average annual savings	Prior year carryover	Net annual savings	Cumulative annual savings
		Current effective rate	Gold bond rate					
1	675.9	8.3	1.0	49.3	24.7	0	24.7	24.7
2	276.3	8.6	1.0	21.0	10.5	24.6	35.1	59.8
3	144.0	9.1	1.0	11.7	5.9	10.5	16.4	76.2
4	112.1	9.3	1.0	9.2	4.6	5.8	10.4	86.6
5	95.4	8.9	1.0	7.5	3.8	4.6	8.4	95.0
6	61.9	9.7	1.0	5.4	2.7	3.7	6.4	101.4
7	63.9	9.8	1.0	5.6	2.8	2.7	5.5	106.9
8	48.9	7.6	1.0	3.2	1.6	2.8	4.4	111.3
9	29.1	8.7	1.0	2.2	1.1	1.6	2.7	114.0
10	40.6	8.8	1.0	3.2	1.6	1.1	2.7	116.7
10-year total	1,548.1							892.6

TAX PAYMENTS BY INCOME GROUPS, 1981–86

[Dollars in millions]

Adjusted gross income	1981	1982	1983	1984	1985	1986
Total individual income taxes paid:						
$0 to $14,999	$26,571	$23,940	$21,037	$19,075	$17,847	$16,623
$15,000 to $29,999	80,475	74,296	67,000	63,269	61,412	61,124
$30,000 to $49,999	88,322	86,363	84,736	87,280	91,295	94,839
$50,000 to $99,999	52,156	51,732	55,179	66,114	77,859	89,105
$100,000 to $999,999	43,633	49,387	55,781	52,066	61,568	81,666
Over $1 million	4,901	6,955	10,231	14,121	15,728	33,694
Total	296,058	292,582	293,964	301,923	325,710	377,051

TAX PAYMENTS BY INCOME GROUPS, 1981–86—Continued

[Dollars in millions]

Adjusted gross income	1981	1982	1983	1984	1985	1986
Percent of total taxes:						
$0 to $14,999	9.0	8.2	7.2	6.3	5.5	4.4
$15,000 to $29,999	27.2	25.4	22.8	21.0	18.9	16.2
$30,000 to $49,999	29.8	29.5	28.8	28.9	28.0	25.2
$50,000 to $99,999	17.6	17.7	18.8	21.9	23.9	23.6
$100,000 to $999,999	14.7	16.9	19.0	17.2	18.9	21.7
Over $1 million	1.7	2.4	3.5	4.7	4.8	8.9
Under $50,000	66.0	63.1	58.8	54.3	52.4	45.8
Over $50,000	34.0	37.0	41.3	45.8	47.6	54.2

If anyone believes that the key to lower deficits is higher taxes, think again. Those who are economically better off are paying a greater share of taxes, contrary to convenient political rhetoric. Tax increases are not the solution to budget deficits. It's time to deflate the debt bubble.

We solicit your support for this budget substitute. Information on the implementation of gold bonds is available through Bill Dannemeyer's office (contact Ben Naslund x 54111). If you have any questions, we will be pleased to discuss this proposal with you.

Sincerely,

Robert C. Smith, Robert K. Dornan, Wally Herger, Barbara Vucanovich, Clyde C. Holloway, Bob Walker, Tom DeLay, James V. Hansen, Bob Stump, Norman D. Shumway, Dan Burton, Dana Rohrabacher, Dick Armey, Toby Roth, Bill Dannemeyer, Jim Inhofe, Ron Packard, Carlos Moohead, *Members of Congress.*

BRING BACK OPTIMISM—BRING BACK GOLD BONDS

(By Bill Dannemeyer)

A stark change in expectations is revealed by a recent Wall Street Journal/NBC news poll. Despite seven years of solid economic growth, Americans who think the standard of living is falling outnumber, for the first time, those who think it is rising. In a feature front-page article (May 1, 1989) the Wall Street Journal concludes that "the Golden Years are over". In the past decade and a half, the economy's ability to provide greater returns to every working American has faltered. And there are some trends, such as the rapid buildup of debt, and the perennial banking crisis, that portend even more for the future.

The article is ominously entitled: "Losing Faith". It stresses that at the heart of the debate over living standards lies a troubling paradox. The word is going through a whirlwind of technological changes, with advances emerging almost daily in fast-moving fields such as microelectronics, computers, and biotechnology. But those technological changes are not fueling economic growth as they did in the past. "The computer revolution has shown up everywhere—except in productivity figures", complained one economist interviewed by the paper. The problem of stagnating living standards is tied up with the problem of the sharp decline in growth of productivity. Advances in manufacturing technology provide the basis for increase in productivity which, in turn, form the foundation for a steady rise in material well-being. The bottom line is that inflation-adjusted wages in the U.S., which were increasing at the average rate of almost 2% per annum during the decades before 1971, have been declining at the average rate of one-half percent since.

Although the Journal cites the budget deficit and the debt spiral as the greatest threat to future living standards, its analysis stops short of offering a comprehensive solution. It fails to see the significance of 1971. That year sticks out, like a sore thumb, in every statistics and every chart. 1971 was the year when America's promises to pay lost their meaning—the year when President Nixon "closed the gold window", and Congress abdicated its Constitutional responsibility to define what a dollar is. 1971 marked the beginning of an era of capital decumulation and capital destruction, affecting agriculture, industry, and even banking. It marked the beginning of the era of soft dollars, making it possible for foreigners to move in and to snap up surviving American assets at bargain-basement prices. It unveiled skyrocketing and volatile commodity prices. It invented "stagflation". It ushered in a regime of high and volatile interest rates. It heralded a regime of low and uncertain bond values. It made the savings rate collapse. It put the debt-spiral into high gear. The evidence is overwhelming that the root cause of our troubles goes back to the quality of promises men live by.

The speedy restoration of rising living standards, productivity, and capital accumulation will become possible as soon as we are ready to address the issue of quality of promises. To bring back the American Dream, we must bring back gold bonds. We could eliminate the entire budget deficit in four years without gimmickry, if we refinanced the maturing short-term debt by issuing gold bonds. A new breeze of confidence in America's promises would change the atmosphere in the world economy. Foreign scavengers, who are picking up the pieces after our real-estate, bond, and stock markets crashed, would be driven out. A new era of reconstruction could start, to rebuild the capital base of America's industry, agriculture, and banking. The time-hallowed virtue of thrift would be given a new lease on life. The money-changers and speculators, who drive currency and bond values down so that they could drive them up again, and make a killing at both ends of the swing at the expense of the productive elements in society, would be chased out of the temple. Pessimism, as if by magic, would disappear and give way to a new, creative optimism.

Unfortunately, ignorance and vested interest stand in the way. The men in charge of monetary and fiscal policy are usurpers of powers, powers which by the Constitution belong to Congress. They will not yield without a fight. At any rate, it is not clear that Congress is ready to reassert itself and its monetary powers.

The saddest part of the Wall Street Journal/NBC poll concerns our children. America's dynamism has always been due to the belief that each generation would live better than the last. According to the results of the poll, this has now changed. In a painful awareness striking at the heart of American life, the majority no longer assume that their children will be better off than they are.

We cannot honestly say to our children that we have done everything in our power to save their patrimony. We haven't tried hard enough to bring down interest rates. The regime of high interest rates is not an act of God. It entirely is man-made. It has to do with the nature of promises. Gold bonds command high value, and can be sold at a low rate of interest, because of the superb nature of the promise they embody. Paper bonds command low value, and can only be sold at high coupon-rates, because all they promise to pay at maturity is another promise of the same dubious value. There are two possibilities. Either those promises are believed; then we saddle our children with an impossible debt burden which increases at double-digit rates. Or, at one point in time, those promises will be disbelieved; in this case we bequeathe a credit collapse to our children, possibly with a Great Depression in its wake.

As the polls show, the American people are intelligent enough to realize that their children have been deprived of their birthright. They are looking for leaders who would restore their rights. People may not know all the answers. It is the duty of their leaders to study the principles of public finance and credit, and come up with the solution: bring back the promise of future, by bringing back gold bonds. Only then can we say that we have done everything within our power to make our children's future bright. Only then can we say, with pride, that the Golden Years are not over; they have just begun.

Mr. PANETTA. Mr. Chairman, I yield 1 minute to the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, I thank the chairman of the committee for yielding time to me. I offer my congratulations to him and to the members of the committee for the impossible job they are confronted with.

I do not wish to belabor the difficulty of that job, but I wish to report that I opposed the rule for the reason that I wish to emphasize that an amendment which I had offered was not made in order, an amendment that would begin the process of changing the manner of accounting that we now use to calculate the deficit.

Under the present system we use the surplus trust funds of Social Security and other trusts to reduce the Federal funds deficit to the unified budget figure. This distorts the true deficit by

about $100 billion. And, as we go about the imaginary process of reducing the unified deficit the actual fact is that the real deficit, the Federal funds deficit, rises each year. I do not believe that we can solve this deficit problem until the people understand it. The people will not understand that problem until they are told the truth.

Mr. Chairman, focusing on reducing the unified budget deficit as Presidents and Congresses do, we are fighting little more than 60 percent of the problem.

The American people must be told the whole truth about the deficit. Until they understand the real problem, the American voters will provide neither the kind nor the level of public support needed by the Congress and the President to make the hard choices deficit reduction requires.

There are tens of billions of dollars in the gap between the Federal funds deficit and the unified budget deficit. For fiscal year 1988, it was a $97.8 billion gap. The Congressional Budget Office has estimated there will be a $127 billion gap at the end of fiscal 1989.

The dollars being used as a bridge between the Federal funds deficit and the unified budget deficit are the yearly surpluses gathered into the Social Security and other trust funds. These billions of dollars are loaned to the treasury through interest-earning notes.

The Nation must get its political arithmetic in order. Decisions must be made to permit the Federal Government to pay its bills, meet its expenses and strengthen its credit.

We have to be vigilant in the Congress to deal with issues in an honest way. The method currently used in the White House and the Congress for dealing with the budget deficit at least creates the impression of sleight of hand. It could well be a factor in the cynical view the public takes of the Congress and Government in general.

This impression results from the deficit arithmetic. Surplus revenues in the Social Security and other trust funds are subtracted from the Federal funds deficit. The unified budget deficit figure is the result.

Trust fund revenues are collected for specific uses. They are earmarked funds. The bill will come due. Fiscal problems of the Nation can only deepen if current deficit accounting practices are allowed to continue unchecked.

NEED FOR CHANGE

Serious problems arise from the unified budget deficit accounting method.

First. The American people's trust in the ability of the President and the Congresses to put the Nation's fiscal house in order is eroded.

Second. A critically important opportunity to increase the rate of national savings and investment in a sound, strong economic future for the Nation is being lost. Instead of the trust fund surpluses being invested in activities to generate jobs, and, thereby, increasing the revenue stream to the Federal Treasury, they are being spent for current Government operations.

Third. U.S. national security is weakened as American political and economic policies by pressures from the foreign lenders who already own nearly 20 percent of the U.S. Federal debt held by the public.

Fourth. Using the trust fund surpluses to offset current Government expenses limits the chance for the baby boom generation of workers to build the Social Security reserves that will be needed to ease the Nation's financial strain in funding their Social Security retirement benefits. It threatens the ability of the Social Security system to deliver on pension benefit promises to future generations.

Fifth. Letting the Federal funds deficit to rise even while the unified deficit falls increases the share of Federal spending which must be dedicated to paying interest on the Federal debt.

Sixth. And, perhaps most important of all, the prospect is diminished that the American people will soon support the tough choices which must be made before a catastrophe forces those decisions.

FEDERAL FUNDS DEFICIT GROWTH

As I have already indicated, the problems created by the current method of deficit accounting have ballooned since 1982.

From 1969 through 1982 the separation between the Federal funds and the unified deficits widened and narrowed with some regularity. Since 1982 it has eroded from a $6.3 billion crack to a $97.8 billion gap. CBO's most recent baseline budget estimates indicate this could grow to a $180 billion Grand Canyon by 1994.

Since the passage of the Gramm-Rudman-Hollings deficit reduction scheme in 1985, the temptation to restrict trust fund spending to force a build up of surplus funds has become will nigh irresistible. The objective, of course, has been to give the impression that more deficit cutting progress is being made than hard facts show.

Tables at the end of this speech show the Federal funds/unified budget deficit history in the 1969 through 1988 period and the Federal funds and unified budget deficit results of CBO's most recent baseline budget estimates.

CONCLUSION

I regret having to go against this rule. But, I regret even more that it does not afford all of us an opportunity to vote for truth in budget deficit accounting.

Tables follow:

TABLE I.—HOW DO YOU GET FROM THE FEDERAL FUNDS DEFICIT TO THE UNIFIED BUDGET DEFICIT? SUBTRACT THE SOCIAL SECURITY AND OTHER TRUST FUNDS SURPLUSES?

[In billions of dollars; + surplus, — deficit]

Fiscal year	Federal funds deficit	Social Security	Trust funds	Other unified budget	Difference between deficits
1969	−4.9	+3.7	+4.4	+3.2	8.1
1970	−13.2	+5.8	+4.5	−2.8	10.5
1971	−29.9	+3.0	+3.8	−23.0	6.8
1972	−29.3	+3.0	+2.9	−23.4	5.9
1973	−25.7	+.5	+10.3	−14.9	10.8
1974	−20.1	+1.8	+12.2	−6.1	14.0
1975	−60.7	+2.0	+5.4	−53.2	7.4
1976	−76.1	−3.2	+5.6	−73.7	2.4
1977	−63.1	−3.9	+13.4	−53.6	9.5
1978	−71.9	−4.3	+17.0	−59.2	12.7
1979	−58.5	−2.0	+20.3	−40.2	18.3
1980	−82.6	−1.1	+9.9	−73.8	8.8
1981	−85.8	−5.0	+11.8	−78.9	6.9
1982	−134.2	−7.9	+14.2	−127.9	6.3
1983	−230.8	+.2	+22.9	−207.8	23.1
1984	−218.2	+.3	+32.6	−185.3	32.9
1985	−266.4	+9.4	+44.8	−212.3	54.1
1986	−283.0	+16.7	+45.1	−221.2	61.8
1987	−222.3	+19.8	+53.1	−149.7	72.6
1988	−252.9	+38.8	+59.0	−155.1	97.8

Data source: "Budget of the United States Government: Historical Tables, Fiscal Year 1990," submitted to the 101st Cong. by the President.

TABLE II.—1989–94 BASELINE BUDGET PROJECTIONS OF THE CONGRESSIONAL BUDGET OFFICE

[In billions of dollars]

Fiscal year	Federal funds deficit	Surplus		Unified budget deficit	Difference between deficits
		Social security	Other trust funds [1]		
1989	−281	+56	+66	−159	127
1990	−282	+68	+68	−146	136
1991	−292	+79	+66	−147	145
1992	−294	+90	+64	−140	154
1993	−301	+103	+63	−135	−166
1994	−309	+117	+62	−130	179

[1] The "Other Trust Funds" column includes surpluses in the following trust funds: Medicare, Military Retirement, Civilian Retirement, Unemployment, Highway and Airports and Airways.

Data source: Tale A–1. Baseline Budget Projections (by fiscal year), "An Analysis of President Reagan's Budgetary Proposals for Fiscal Year 1990," Congressional Budget Office, February 1989, and the Congressional Budget Office.

Mr. PANETTA. Mr. Chairman, I yield 5 minutes to the distinguished chairman of the Committee on Ways and Means, the gentleman from Illinois [Mr. ROSTENKOWSKI], and I want to take this occasion to thank him for the cooperation he provided us during our discussion of the budget resolution.

Mr. ROSTENKOWSKI. Mr. Chairman, I rise in support of the budget resolution. First, however, I must say that this resolution is not my preferred choice of a budget package for fiscal year 1990. I was hoping that this would be the year that we produced a significant multiyear deficit reduction package. Unfortunately, we lacked the political will on both sides of the aisle to bite the bullet, to take some pain. The Democrats did not want to cut entitlements; the President didn't want to raise taxes. Considering these circumstances, I think the budget resolution before us today represents the only viable alternative.

Let me explain what the resolution means for the Committee on Ways and Means. We have some tough deci-

sions ahead. We will have to find $2.3 billion of savings in the Medicare Program. This will not be easy, especially considering the growing concern for beneficiaries and hospitals.

The committee is also instructed to raise $5.3 billion in revenues and $400 million in additional, unspecified deficit reduction. The subject of taxes has been a sticky one since President Bush first told voters to read his lips. The Committee on Ways and Means will enter into good faith negotiations with the President on revenues, but I want the Budget Committee and this House to understand that if we cannot reach an agreement with the President, the Democrats on the Ways and Means Committee will not raise revenues on their own. I will not encourage or support a revenue increase that does not have the support of the President and a majority of Members on both sides of the aisle in my committee. I will not repeat the partisan divisions that resulted in our committee's reconciliation markup in the fall of 1987.

I commend the Budget Committee and its chairman, LEON PANETTA, on making the best of a difficult situation. I urge my colleagues to support this budget resolution as an intermediate step toward a more credible dificit reduction effort next year.

Mr. Chairman, I am hoping that the good chairman and the ranking member of the Budget Committee will continue their negotiations with the administration. There is no way that we can continue their "blue smoke and mirrors," this rosy scenario dance that we have been doing, and get our economic house in order.

Mr. Chairman, I commend the gentleman from California [Mr. PANETTA], and I thank him for giving me this opportunity to speak.

Mr. FRENZEL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. GRADISON].

Mr. GRADISON. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of the budget resolution—not especially enthusiastic support—but nonetheless support. The summiteers have worked long and hard: They deserve our thanks and our respect. Their efforts give promise of orderly and timely action on appropriations without a huge catch-all continuing resolution. And after the smoke and mirrors and optimistic economic assumptions are discounted, there is a good chance that the fiscal year 1990 deficit will be lower then this years'.

Having said all this, however, I don't expect the fiscal year 1990 Gramm-Rudman-Hollings deficit target to be met. Taking into account anticipated off-budget activities, Federal demand on the credit markets is unlikely to ease very much in the year ahead. And the increase in domestic discretionary spending hardly suggests a resolve to restrain future outlays.

My enthusiasm for this budget has diminished as I have reflected on last week's debate on the so-called dire emergency supplemental. I may have misread what happened, but it suggested to me that the House has a greater appetite for deficit reduction than the summiteers thought possible.

Perhaps the best attitude to adopt about this budget is summed up in the immortal words of my fellow Cincinnati Reds fans: "wait till next year."

□ 1450

Mr. PANETTA. Mr. Chairman, I yield 4 minutes to another distinguished member of the Committee on the Budget, the gentleman from New Jersey [Mr. GUARINI].

Mr. GUARINI. Mr. Chairman, I rise in support of this bipartisan budget resolution. I want to commend our budget chairman, the gentleman from California [Mr. PANETTA] and the gentleman from Minnesota [Mr. FRENZEL], the ranking member of the Republicans, for this valiant effort to forge a bipartisan consensus not because it is bold, although I rise in support of it, not because it is credible, not because it is courageous; it is not. I support this budget resolution, Mr. Chairman, because it is the best we can do under the circumstances, because it is bipartisan, which is important, because it is fair, because it is bold and because we indeed need to act.

Mr. Chairman, this budget is a kinder and gentler one. By essentially freezing most discretionary accounts the committee has funded $10 million in budget authority for high priority initiatives, health, education, child care, space, housing and veterans. These are all priority items.

Unfortunately, Mr. Chairman, this budget is indeed too kind and too gentle in the funding of the war against drugs. Funding for antidrug-abuse programs is only slightly more than the President requested.

Last year we passed the bill and declared war on drugs, yet today we are more than $1.4 billion short of full funding of the bill that we passed in 1988. We declared war, but we did not finance it. Funding for drug abuse treatment and rehabilitation is now underfunded by $930 million for fiscal year 1990, and funding for State and local government is $240 million short. State and local governments do not have adequate resources to declare the war that is necessary in the streets and communities across America.

Mr. Chairman, we must win this war against drugs, but to win it we have to fight it, and to fight it we have to pay for it. We need full funding for the drug bill, and at least we have in the budget resolution report language that calls for full funding by 1991, which is some consolation.

Mr. Chairman, I urged the President yesterday in a meeting that the select committee had with the President, and I urge the leadership and the Committee on Appropriations today to work to fund our drug scourage to eliminate it and contain it by using the maximum resources available.

In addition, Mr. Chairman, I am also disappointed at our modest efforts to reduce the overall deficit for the coming year. After Black Monday we did declare another war, a war against the deficit. We promised bipartisanship, and we kept that promise. We promised political courage, but we fell short. We established a bipartisan national economic commission. It was an historic breakthrough. It presented a great and important historic opportunity.

However, Mr. Chairman, we lost that opportunity, and, when the President said, "Read my lips," it was the kiss of death, and that is the tragedy of the American economy, and it will be for our children who will someday have to pay for the debts that are being incurred by the fiscal instability that we are exercising today and these last number of years.

Mr. Chairman, this budget is the best that we can do, and I urge my colleagues to vote for it. Let us hope we can avoid a fiscal crisis, and let us hope that we can begin today with a new bipartisan effort to really deal with the deficit in the years ahead.

Mr. FRENZEL. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from Kentucky [Mr. ROGERS], a member of both the Committee on Appropriations and the Committee on the Budget.

Mr. ROGERS. Mr. Chairman, I want to thank the chairman of our committee and the ranking member, the gentleman from California [Mr. PANETTA] and the gentleman from Minnesota [Mr. FRENZEL] for so many hours and hours of labor, and negotiations and work all over this city, indeed all over the Nation, on the Nation's behalf in this resolution.

Mr. Chairman, I am very, very disappointed that I cannot vote for the work product of the committee. I have fallen off the log to vote against this resolution because I think we have missed an opportunity, a golden opportunity, perhaps the only one we will see in a long time, to really get at the deficit in fiscal year 1990.

We are told, "Well, stay with us because in fiscal year 1991 we're really going to make some progress on the deficit. Wait until next year," and of course we are talking about an election year next year, and I doubt anything can be done next year.

In looking at the product of the committee, I looked for two things really; first, whether or not we were really going to make some programs

on cutting the deficit and reaching Gramm-Rudman targets; and, second, whether we were really going to equitably fund the Nation's priorities in the coming fiscal year, and I find that the budget resolution fails on both scores.

Therefore, Mr. Chairman, I must vote no. We are not just using smoke and mirrors here; we are blowing smoke, and we are using trick mirrors as we try to tell the Nation that we have a legitimate budget resolution.

Are we really approaching the deficit reduction that we have to make in this fiscal year? I think not for the reason that we are using false revenue estimates. We are not going to have 5.5-percent interest on Treasury bills, 6 months. We are not going to have 7.5-percent prime rate interest. That is blowing smoke.

Why try to wink with each other and even wink with the White House while we hoodwink the American people on these false economic assumptions? Listen. Let us open our eyes and see what really is there.

We also take on budget those trust funds in the Government that have some money, and we take off budget those trust funds who owe money, and so we count Social Security. It is fat and growing fatter each day, and so let us keep it on budget so we can use those moneys so we do not have to cut spending to get below Gramm-Rudman's targets.

In addition we keep on budget the highway trust funds and the airport trust funds, all those fat funds we want to keep with us, but we kick out, we eject from the room, those trust funds and other types of funds that owe money.

The Postal Service we say goes off budget, or we are going to make it pay $500 million to go off, but the 1.8 million that they are in the red every year we will not count. We will take that off budget. We are still going to spend it. We are just not going to count it.

In addition we take off budget the savings and loan problem, something we do not want to realize exists. Let us close our eyes, and maybe it will go away. It only costs $50 billion next year. Let us take it off budget so we do not have to worry about it.

So, Mr. Chairman, we are using smoke and mirrors. We say we are going to save money by selling assets, and I say to my colleagues, "Do not resort to things that don't cause continuous savings. Let's tackle the structural deficit. One-time sales don't get you there."

Mr. Chairman, we say we are going to sell $5.7 billion worth of assets. Well, it has never happened before. It likely will not happen again. Even if we do, if we sell some of our assets; for example, loans, next year we are not going to get the principal and interest payments on those loans which will help us next year in dealing with the deficit.

In addition, Mr. Chairman, we say we are going to save $477 million by accounting methods in dealing with food stamps. We are saying we are not going to count the $477 million of unused food stamps. Well, one of these days those people could come in and claim the moneys in those food stamps that are out.

We say we are going to save $2.7 million in user fees on Federal services and a half a billion dollars in IRS compliance, whatever that means.

Then we say in the farm programs we are going to cut those back, we are going to save a billion point nine, but half of that, $850 million, is saved by bringing it back from fiscal year 1990 to fiscal year 1989. We are going to pay it out this year instead of next year, but we say, therefore, we have saved $850 million.

No. 2, the revenues: The chairman of the Committee on Ways and Means has said that it is very unlikely that we will raise the revenues that the budget resolution says we must.

Equitable funding: We do not fund the drug war in this resolution. Make no mistake about it. We are raising the drug war by 2.5 percent in outlays over last year when it was said that we were going into Congress to fully fund a war on drugs.

In addition we put at risk the space station and the superconductor/super collider by willfully underfunding that function, and yet $9.5 billion in increases are in three functions, these high priority, low-income programs that are larded all through this budget, and yet defense is barely hanging on to last year's outlays.

So, Mr. Chairman, I say to my colleagues that equitable funding priorities are not in this budget. It makes a feeble attempt at deficit reduction using smoke and mirrors, and, Mr. Chairman, I just simply cannot swallow such a big load at one time.

□ 1500

Mr. PANETTA. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from West Virginia [Mr. WISE], a member of the Budget Committee.

Mr. WISE. Mr. Speaker, before I begin, I would like to join with others and thank very much the staff of the Budget Committee to this person who has been on it only less than a year and who has been very helpful to me in helping to understand this process.

I know there is a lot of dissatisfaction with this budget and I have some problems with it. We all do. Some would tax more, some would cut much more. Others express complaints that we need to dare to be bold. I guess the other option is do we dare to do anything, because if you do not vote for this budget resolution, in effect you are not daring to do anything. You are not putting us on any kind of a downward path toward the Gramm-Rudman reduction limits.

I think it is important to point out that indeed there are real cuts in this budget, $8 billion to $9 billion in real deficit reduction cuts out of the military side and out of the domestic side and out of the entitlement side, and there are a little over $5 billion in real revenues and they are not going to be easy, either, and asset sales, and user fees, particularly the user fees; so there are some tough questions coming up ahead.

There are $9 billion more in domestic discretionary programs and for those of us from areas such as Appalachia, from energy producing regions, and those of us who are concerned about education and senior citizens and health care, this budget offers a lot. If you are a senior citizen, for instance, you know that Medicare will not be cut the $5 billion that was originally projected. The cuts will be limited at the most to a little over $2½ billion, and every effort is made to spare the recipients of those services.

Indeed, the health programs, too, will also receive the funding they need.

If you are concerned about education, as many of us are in West Virginia, you know that education receives an increase in the vital functions that are important, not the cuts that in effect were proposed earlier.

You know that Head Start and the Job Corps do not receive a cut. They receive an increase; Head Start, a program that Republicans and Democrats alike agree is a success.

To the hundreds of low income women who have sent me and many others of Congress postcards with birthday candles commemorating the WIC, the Women, Infants and Children program, take heart. This program is not being cut. It is being increased under this budget.

To those of us in the Appalachian region concerned about the Appalachian Regional Commission, take heart. The Appalachian Regional Commission is preserved.

Those of us in West Virginia who want to see Corridor-H and Corridor-G and Corridor-L and the other important highways, four-lane highways completed, that are so necessary for economic development, the assumption is that the ARC will receive funding again this year.

To those of us concerned about the fact this country has no energy policy, we made an attempt, many of us in the budget process, to keep us moving in directions that make us energy independent; so fossil fuel research, research into coal and natural gas and other alternate fuels is not only

funded, but in some areas we tried to increase it.

Global warming and environmental research is also funded and funding is assumed in this budget.

Those who are concerned about veterans' programs know that much of the funding that was scheduled to be cut is restored in this budget.

The only alternative, Mr. Chairman, is sequestration. That is cutting across the board. That will mean gutting the defense of this country as you cut willy-nilly across the board in the defense budget, as well as domestic programs, and that is not a reasonable alternative.

No, this is not the best possible budget that could be out there. We have to agree that this is a starting point, not an ending point. I am encouraged that the Budget Committee did adopt language that I offered for consideration of a deficit reduction account; that is that the Congress looked at the very real possibility of creating an account, perhaps with trustees much like the Social Security fund, in which any new revenues which might be raised in the future or be raised are deposited in this account only for deficit reduction, not for additional spending, and so that the public can scrutinize this account, that it be sacred, that everyone knows it will not be touched, so that we can take some steps forward from this budget today.

Mr. Chairman, I urge a favorable report on this budget resolution.

Mr. FRENZEL. Mr. Chairman, I yield 9 minutes to the distinguished gentleman from Ohio [Mr. KASICH] who has an amendment that is made in order and will be presented tomorrow morning.

Mr. KASICH. Mr. Chairman, I thank the gentleman for the time.

Let me right off the bat congratulate and compliment the chairman of the committee, the gentleman from California [Mr. PANETTA] and the ranking member, the gentleman from Minnesota [Mr. FRENZEL] for the many hours of work they have done.

I also want to take this time to thank the chairman for what I think has been an awful lot of fairness in this committee. Republicans feel as though we have been dealt with evenhandedly, and I want to salute the gentleman for a real bipartisan approach to the problem.

In terms of the gentleman from Minnesota [Mr. FRENZEL], the more I get to know the gentleman the more I think we ought to have 434 more BILL FRENZEL's, because he is a fantastic guy with an awful lot of integrity and a lot of courage.

Let me after saying that, tell you that I myself have been very disappointed with the agreement that we have come up with. It is probably the best that we can do when you take into account the political considerations that this Congress makes on not just a daily or an hourly rate, but basically a minute-to-minute decisionmaking process. It gets down to that there is simply too much politics.

When I took a look at what the resolution provides, I was very disappointed. In fact, when it first came out, I called some of my friends on the committee and said, "We really did no heavy lifting in this budget, isn't that true?"

And they said, "Yes, that is true, John, but we probably got the best that we could get."

I spent the weekend thinking about the budget and I came back to Washington and I sat down with the President's Budget Director and talked to my colleagues and what I really came down to was that there is no way I can support this budget resolution.

I had an option of either saying that I was not going to support the budget resolution, voting no and leaving the floor, or trying to develop a constructive proposal on my own. What that meant was making deeper deficit cuts, but doing so in such a manner that I thought there was a chance that I could garner support from both sides of the aisle for the proposal and it was something that is practical and workable.

Now, everybody is going to receive a "Dear Colleague" letter in their offices. In that "Dear Colleague" letter, it is going to have some of the numbers in terms of what my proposal is, what the 1989 outlay level was and what the Budget Committee outlay numbers are.

Let me tell you what I have done to illustrate how little we have actually done in this budget agreement. The only thing that I have done different than the budget agreement is to freeze the defense budget outlays at the 1989 level, to freeze all discretionary programs at the 1989 level, to take the President's number on Medicare, which still provides for a 10 percent increase in Medicare funding, and to freeze the foreign aid function at the 1989 level.

Let me go through that one more time. We freeze defense at the 1989 level. We freeze discretionary programs at the 1989 level. We take the President's numbers on Medicare, which provides for a 10 percent increase, and we also freeze the foreign aid function at the 1989 level.

I do not—and I want to repeat—do not touch the cost-of-living agreements or the cost-of-living provisions in any of the Federal programs, not Social Security, not Federal retirement, not military retirement.

I also provide for a pay raise for Federal employees.

I make no touches whatsoever on the entitlement programs, only excepting those provisions that were agreed to by the budget summit.

Doing that very little change from the summit agreement, the Kasich proposal, the alternative budget, will save $8 billion more in deficits than the budget agreement.

Now, people are always interested in supporting things on the budget that can reduce the deficit, but still is responsible. So I ask all of you, does it not make good sense to save $8 billion, $8 billion plus in deficits, by only freezing defense discretionary programs and international affairs functions at the 1989 level.

You see, there is no heavy lifting at all involved. It is very solid, simple, basic proposal that will allow us to make greater gains on the deficit than we do under this proposal.

Now, here is what is particularly interesting about this budget. By doing this in the 1991 fiscal year, we provide in the outyears a 3 percent or an inflation increase in budget authority for all the programs in the Federal budget and all the programs we have frozen.

You know that the deficit in the year 1991 is only $70 billion, which is only $6 billion off the Gramm-Rudman targets.

□ 1510

We do not have that under this deal, and what I want to tell the Members today is I personally believe that we have not only postponed until tomorrow what we are unwilling to do today, and I also want to argue to the Members that not only do we postpone to tomorrow what we ought to do today, we postponed it in the first year of a new President's term, we have a new Congress, and in a year when we ought to be doing some heavy lifting in this House of Representatives, the heavy lifting that dominated the Presidential campaign, and we do no heavy lifting. We put off to an election year what we are unable to do today. I think people would take bets that if we were unwilling to do any heavy lifting in this year, we certainly will not be able to do it next year.

Mr. Chairman, what particularly frightens me is what could happen in 1991 is that I believe we will have billions of dollars' worth of tax increases that we are slowly but surely waltzing ourselves into, a $50 billion or $75 billion or $100 billion tax increase.

I do not worship at any shrine when it comes to taxes, but I want to tell the Members something that the gentleman from Minnesota [Mr. FRENZEL] told me a couple of week ago. The gentleman from Minnesota said, "I do not object to taxes, but the problem with the Congress, and if we think back to 1982 when we raised spending by $99 billion," and I was a candidate back then by the way, and I did not criticize my opponent at all for raising those taxes, because maybe they were necessary, and what we do is that tax in-

creases last forever, and they are accompanied by spending cuts, but the spending cuts only last until the next supplemental appropriation bill comes along, and then we take the revenues from the tax increase and we fill in the cuts.

What I am asking the Members to do, and I know this is going to be tough, and I know I am not going to win this vote. I am not going to win it, because the liberals do not like the fact that I freeze discretionary spending, and the Republicans are not going to like it because it goes against the summit agreement that the President supports. But I ask the Members in their heart of hearts, do they not think that we ought to save $8 billion more in deficits by enacting a modest, a very modest, freeze program that does not threaten the retirees in this country, that does not threaten the entitlement programs, but simply freezes discretionary spending, foreign aid and the defense budget at the 1989 level? Do they not think we owe it to ourselves as a Congress to try to do some heavy lifting?

No one yet in this body has stood up and sung the praises of this budget resolution. I do not know anybody who likes this budget resolution. Everybody says, "Hold your nose and vote for it." This is something that is $8 billion in lower deficit, and it is not something that we have to hold our noses and vote for. This is something we can vote for and feel pretty darn good about, so I ask the Members on both sides of the aisle to take a look at the numbers. They will be coming to their offices. I ask them to recognize what we are proposing here. I think it is something politically they can support.

Mr. Chairman, something beyond that, it is something that the people of this country want to see happen, lower deficits and not the kind of heavy lifting that one would think one would have to do in order to cut $8 billion off this budget summit agreement.

Tomorrow we will formally present the amendment, and I earnestly, earnestly elicit the support of the Members for a proposal that I think makes good economic sense for this country.

Mr. WISE. Mr. Chairman, I yield 2½ minutes to the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. Mr. Chairman, the gentleman from California [Mr. PANETTA] is certainly one of my heroes in this Congress. He is certainly one of the most able Members, and he has my total respect. In fact, he has been a genius. He has pulled a rabbit out of the budget hat.

But I would like to ask my colleagues to take a look for a minute at the rabbit. Let us get straight exactly what we are doing in this budget "compromise" as we calculate off of the CBO baseline of $147 billion deficit.

First of all, the compromise removes $19.9 billion, almost $20 billion, with economic assumptions that are extremely rosy, extremely unrealistic. Nobody in this body believes interest rates are going to plummet to 5.5 percent by 1990. Second, we save $11 billion with various gimmicks: asset sales, pushing certain costs such as agriculture payments into fiscal year 1989 when they are really in 1990, taking the Post Office off budget, and various other gimmicks.

So there are a total of $30.9 billion in unrealistic economic assumptions and gimmicks.

Third, this budget has $16.7 billion in actual deficit reduction. How are those reductions carried out? There are $5.3 billion in "hard" new taxes, unspecified but actual new taxes. My colleagues should not vote for this budget resolution unless they are prepared to also vote for those new taxes. Then there are $1.7 billion in user fees, again mostly unspecified, but including Coast Guard fees, and so forth. Again, Members should not vote for the budget unless they plan to later vote for these fees.

Fourth, this budget has $2.4 billion by simply extending current law or current policy, particularly in Medicare where this budget resolution assumes implictly that we will continue or renew currently lapsing policy that requires Medicare beneficiaries to pay 25 percent of benefits under part B, doctor costs.

Fifth, there is $1.1 billion in debt service.

Finally, there is $6.8 billion in actual spending cuts. That $6.8 billion in spending costs is real—the only real item in the budget other than the hoped-for tax and fee increases. So as we strive to tackle the $147 billion CBO baseline deficit, this budget proposes to cut only $6.8 billion in spending, or less than 5 percent of the deficit. Even if we add the $5.3 billion in hard tax increases, the combined effort of taxes and cuts is only $12.1 billion or less than 9 percent of the $147 billion deficit. This means that we have to cut the remaining $100 million-plus in the final 2 years before we hit our commitment of zero deficit by the end of fiscal year 1992. Is that realistic?

The inadequacy of this deficit-reduction compromise only makes our task harder—much harder—over the next 2 years.

If you came down here from Mars and surveyed our deficit woes and I told you that we were becoming bonded to foreign and international financial servitude, and then I told you that they were going to cut less than 5 percent of the deficit in terms of spending restraint, you would wonder whether we are taking the problem sufficiently seriously.

We are only going to make the problem much more difficult next year.

Mr. Chairman, I would recommend that we send this budget compromise back to the drawing boards and, with all due respect, come back with a serious deficit-reduction package for 1990.

Mr. FRENZEL. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. BARTON], who is, although not a member of the committee, a Member who has followed this budget very closely in its progress to date.

Mr. BARTON of Texas. Mr. Chairman, I appreciate the opportunity to address the pending budget resolution. I rise in support of the budget resolution. I think the committee is to be commended for doing an extremely conscientious job on an extremely difficult subject.

Mr. Chairman, I would point out that under this budget, next year in outlays, we are going to have increased spending of $50.1 billion. I would point out that national defense on the outlay account is going to go up approximately $5 billion. I would point out that the science, space, and technology account is going to go up approximately $1.5 billion. I would point out that in many of the functional accounts spending is going to increase, but at the same time I would point out that according to OMB and CBO projections, the deficit is going to go down from $135.3 billion to $99.7 billion.

Mr. Chairman, we can talk all day about a perfect world and what we do not like with this budget, but the reality is that we do not live in a perfect world. This is a good budget. It deserves to be voted on by both the Republicans and the Democrats in the House of Representatives, and I strongly encourage a "yes" vote.

Mr. PANETTA. Mr. Chairman, I yield 3½ minutes to the gentleman from Mississippi [Mr. ESPY], another distinguished member of the Committee on the Budget and one who has been very cooperative, particularly on rural issues.

Mr. ESPY. Mr. Chairman, it should not go unnoticed that as we debate this budget resolution for fiscal year 1990 that we are doing so under the gaze and under the watch of the former chairman of the Committee on the Budget, one of the most impressive chairmen that I have ever served under, the gentleman from Pennsylvania [Mr. GRAY].

Mr. Chairman, this Member now has had a chance to serve under two distinguished chairmen, the gentleman from Pennsylvania and the gentleman from California [Mr. PANETTA].

I rise today in support of the House budget resolution. As many of my colleagues have already stated, this might not be the boldest approach to

deficit reduction in fiscal year 1990, Mr. Chairman, but it is my considered opinion that given the circumstances and within the limitations, fiscal, practical, political, this is about the best that we could do. This is a positive first step toward working together with the administration to decrease the enormous Federal debt that faces us.

Among the most pressing issues and among the frustrations that I have witnessed that we have had to face, as a member of the Committee on the Budget, has been the preservation of rural programs which affect Mississippi, which affect all of rural America.

I have worked diligently to ensure that the rural programs have not been reduced further.

Mr. Chairman, there is some good news in this budget resolution. This resolution, which I stand to support today, strongly rejects many of the Rural and Agricultural Program reductions and terminations proposed in the administration's fiscal year 1990 budget. It also reverses an 8-year decline in the Rural Housing Loan Program to fund it at the baseline. This will provide 4,500 new housing units which are critically needed in rural areas to replace substandard housing.

The budget resolution also protects the low-income, high-priority programs at the baseline and even provides for some increase above the baseline. For example, one program that I am particularly concerned about is the WIC Program, Supplemental Feeding Program for Women, Infants, and Children Nutrition Program.

□ 1520

This resolution, Mr. Chairman, provides $150 million for WIC above the baseline, which will serve an additional 300,000 women, infants, and children.

We also have language in this budget resolution to strongly endorse the WIC Program, and an adequate program for historically black colleges.

So I just stand this afternoon to urge my colleagues to pass this resolution. It is better for the Congress to act on these collective priorities than to allow an arbitrary computer cut to slice vital programs we all deem important.

Mr. Chairman, I would like to thank the chairman of the committee for making this time available, and thank him for a job well done under exceedingly difficult circumstances.

Mr. FRENZEL. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from New York [Mr. HOUGHTON], a member of the Budget Committee.

Mr. HOUGHTON. Mr. Chairman, I rise in support of House Concurrent Resolution 106, and I do so I repeat, enthusiastically. I stand here not talking to those Members who have made up their minds. I am talking to those Members who possibly are on the fence.

I never met a budget that I did not think had tremendous inadequacies in all the years that I have been in budgeting. But the question we have to ask is does it meet our targets, and the answer is yes. Does it help more than it hurts, and the answer is yes. Does it move us in the right direction, and the answer is yes. And frankly, does it set the stage for the larger task, and I think the answer is yes.

Budgeting is not something which comes down from on high in table form. It is a matter of negotiation, and so much so here. In my prior profession I used to have a little bit more authoritative view of budgeting. This is not so here. It is a matter of negotiation. There are different voices, there are different power sources, there is a consensus building.

I ask those Members who say we have missed a golden opportunity and I ask those Members who say we are not doing the right thing at the moment; where were they when we were meeting as a Budget Committee with not only members of the administration but also members of other committees? Not a single dollar was laid on the table in support of budget cuts which they feel so strongly about. Until that happens, nothing is going to happen as far as this budget is concerned.

Frankly, Mr. Chairman, I feel this way: The budget is fair, it has been worked on carefully, it moves us in the right direction, and we ought to get on with the task.

Now what is the task? There are two tasks. First of all is the task of doing what we say we are going to do. It is not a bad goal to strive for. We were supposed to go from 1988 to 1989 to $136 billion in terms of our deficit, and from $172 billion in 1988 to $136 billion in 1989. What has happened? Although these were budget figures and things which we agreed with, actually if we take the first half year we are $10 billion in spending over what we were last year. So we are already $10 billion over that $36 billion drop which we expected, and that is what could happen this year. So the first task is to make sure that these guidelines we set out here in this budget resolution are kept.

The second task then is to take a look at 1991 and 1992 to see that we do those important things which we have started this year. If we have the will and if we put the numbers together, we can do this thing.

Mr. PANETTA. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Virginia [Mr. OLIN].

Mr. OLIN. Mr. Chairman, I thank the chairman of the Budget Committee for yielding time to me.

Mr. Chairman, the proposed budget does have many excellent features. Certainly a great deal of work went into it. The chairman and the members of the committee are to be congratulated for that. It does represent a bipartisan compromise, it does recognize a number of specific priorities, and it shifts some funds in that direction. It will permit an orderly appropriations cycle.

But Mr. Chairman, I think we all recognize that with the level of expenditures, the uncertainty of the revenues, and the questionable economic assumptions, this means that this budget, for all that it is, will probably not result in any deficit reduction at all. We will be lucky if it holds the line.

Our actual deficit in 1989 is expected to be $164 billion, up substantially from 1988. This budget says in 1990 we are going to get that deficit down by $64 billion to $100 billion. Do not bet on it.

It is very clear that this budget has overestimated the growth of revenue and underestimated the growth in spending. Mr. Chairman, there is no guarantee that next year will be the year that we will bite the bullet. That was supposed to be this year. As painful as it would be, I think we should make a real budget, a real cut in the deficit this year.

In its present form, I cannot support the budget and I plan to vote against it.

Mr. FRENZEL. Mr. Chairman, I yield myself 15 seconds to announce to the House that the committee report has reached the floor, and I know the Members will have great interest in that.

Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, there are a number of things that I have problems with this budget, but I want to discuss a fairly targeted issue, that of the issue of science as it relates to this budget, because there have been a couple of representations that this budget somehow, because the spending for science goes up, that this is really a bill which is good for science. Let me say this is good for science in the same sense as giving a cigarette to a guy who is just about to be shot by a firing squad is good for him. It gives a little out there, and it seems compassionate from the standpoint of science, but the fact is what we are going to do is shoot the program, and it is going to end up very, very dead in many regards.

For example, this cuts the President's request for general science, space, and technology by

$1,125,000,000, and the Senate budget cuts it by even more, so the compromise could be a very devastating blow. This means that the already threatened space station, Freedom, which needs about $2 billion just to keep it on track this year, really ends up threatened by this particular budget.

If at the very best what we can do with this budget is put the space station on a delayed sequence, which would mean it would be completed sometime after the turn of the century, further cuts beyond this particular budget could actually have an outright cancellation of the station in the prospects, and if we delay it until after the turn of the century we are likely to end up with a space station that costs us twice as much as was originally planned. It seems to me it would be a tragic mistake to stop investing in the future while subsidizing the past.

My ultimate complaint about this budget is that that is really what we are doing. We subsidize a lot of the past and fail with this budget to invest in the future.

We will hear much talk on this floor over the next few months about competitiveness. The problem is competitiveness has to begin with investment. It particularly has to begin with investment in science. In order to do the things that we want to do in terms of economic competitiveness in the world, we have to develop aerospace, materials, manufacturing, electronics, telecommunications, computing skills. All of those kinds of things have to be developed and we have to put the money toward it. This budget fails to do that.

For that reason, I am going to vote against the budget, and I think all Members who believe that we should be investing in the future rather than subsidizing the past should join in a no vote.

Mr. PANETTA. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mr. DONNELLY].

Mr. DONNELLY. Mr. Chairman, I rise in support of the resolution. I think under the circumstances, both politically and economically, the committee did a very commendable job.

However, at this point in the debate I would like to raise a red flag regarding a substitute that will be offered tomorrow by my colleague, the gentleman from Missouri [Mr. GEPHARDT], that would instruct the Committee on Ways and Means to adopt legislation which would require a $5 per barrel oil import fee.

□ 1530

Mr. Chairman, I regret having to oppose my friend, DICK GEPHARDT, on this issue, but the policy of imposing an oil import fee is wrong and economically devastating.

Let me say, Mr. Speaker, that I agree almost in total with my colleague from Missouri on his spending priorities. But the issue is this: Should areas of the country—specifically, the Northeast and Midwest—pay disproportionately for these spending plans? The costs of governance should be spread evenly, around all areas of the country.

We all know the arguments for and against an oil import fee. This proposal has been percolating since President Eisenhower first considered it in 1959. As the sponsor of a resolution expressing the sense of the House in opposition to an oil import fee, I know the down side of this proposal, and I want to articulate some of these points.

First of all, an oil import fee disproportionately affects citizens of the Northeast and Midwest who rely heavily on imported oil for home heating. I cannot understand why my colleague's amendment does not carve out an exemption for home heating oil at the very minimum. The proposal also unfairly penalizes those in lower income brackets who pay a disproportionate share of their income in energy costs. Tax policy should be neutral by region; and no one should be asked to pay for more than their fair share.

In addition, numerous studies have shown that an oil import fee would increase costs to consumers by as much as $35 billion, while only raising $7 to $8 billion in revenue. This excessive burden on consumers would be inflationary; a 1982 study by the Library of Congress showed that a $5 per barrel oil import fee would increase inflation by half a percentage point, while reducing the gross national product by 1.4 percent. At a time when our economy is dangerously close to a recession, we cannot afford new inflationary pressures.

Another point to consider is America's obligations under international treaties such as the General Agreement on Tariffs and Trade, which the Gephardt amendment would almost certainly violate. At a time when our Nation has such a huge trade deficit—we cannot afford to invite our trading partners to retaliate against us. On the trade deficit, Mr. GEPHARDT is absolutely right—and I supported the Gephardt amendment—but an oil import fee invites retaliation that we cannot afford.

This proposal also contains a "recapture" proposal, which is presumably designed to get back some of the profits which domestic oil producers would make. But that is at the heart of what is wrong with this proposal: It is a transfer of wealth from the nonenergy producing States to energy producing States. It is an unconscionable shift from the principle of taxation that no one region of this country should pay more than its fair share.

Mr. Speaker, in one sense, I agree with Mr. GEPHARDT on a larger point—our Nation does not have a rational energy policy. We have fossil fuel plants which burn fuels which pollute our air and cause acid rain; we have nuclear powerplants that will not open because nearby residents live in justifiable fear of disaster; we have oil companies whose lack of care cause disastrous oilspills; America is held hostage by an oil cartel in the Middle East who control the world's supply of oil. America needs a coherent energy policy and I couldn't agree with Mr. GEPHARDT more on that point. But the solution, that we must reduce dependence on foreign oil by imposing a recessionary, inflationary tax, is wrong.

I urge the House to oppose this amendment which pits one region of the country against the other, which will damage our economy, and which does not respond to the real need for a consistent energy policy in America. On January 3, former President Reagan noted his opposition to an oil import fee, President Reagan was right then, President Bush is right now when he opposes the proposal, and the House should reject the amendment.

Mr. FRENZEL. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Pennsylvania [Mr. CLINGER], a pioneer promoter of the capital budget.

Mr. CLINGER. Mr. Chairman, I would like to enter into a colloquy with the distinguished chairman of the Committee on the Budget, if the gentleman would agree, for the purpose of discussing an important issue in the report accompanying the budget resolution, capital budgeting.

Mr. PANETTA. Mr. Chairman, would the gentleman yield?

Mr. CLINGER. I yield to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. I thank the gentleman for yielding.

Mr. Chairman, I would be happy to do so. We have done a fairly extensive piece, as the gentleman knows who has put in a lot of time into this effort. Basically as a result of the work that he has done, we have reflected a great deal of data in the committee report which expresses the committee's concerns about the usefulness of capital budgeting as a planning tool and its applicability to the Federal budgeting process.

The budget report makes a couple of recommendations:

One, the committee encourages further study and debate on the issue. Two, the committee directs the Congressional Budget Office to provide Congress with data on investment spending components of the baseline budget, for aggregates and functional categories, including both physical asset spending and human and knowledge capital spending categories, and estimates of depreciation of Federal

physical assets to the extent that CBO determines feasible.

Capital budgeting serves as a major planning tool for private sector companies and—to some degree—for State and local governments. We believe greater study and discussion of this issue is necessary to determine if capital budgeting has a role in the Federal budget process.

I want to thank Mr. CLINGER for his leadership on this issue, and for his thoughtful suggestions about improving the budget process. I recommend to all Members that they take the time to familiarize themselves with the issue as presented in the committee report.

Mr. CLINGER. I thank the gentleman, the chairman of the committee.

Mr. Chairman, I also want to express my tremendous appreciation for his leadership and his willingness to include this section on capital budgeting in the committee report. I also want to express my appreciation to the ranking member of the committee, the gentleman from Minnesota [Mr. FRENZEL] for his support and assistance.

Mr. Chairman, I also want to recognize and give thanks to my good friend and colleague, JIM OBERSTAR, for his invaluable assistance and his willingness to help; to my colleague and neighbor AMO HOUGHTON, for his critical and constructive support; to the Comptroller General and his staff, especially Mr. Jim Kirkman and Mr. Charles Culkin who have invested an incalculable number of hours providing me with skillful guidance and technical resources.

Mr. Chairman, I believe capital budgeting—if properly developed for the Federal Government—would be a tremendous informational tool to Congress and the White House.

Capital budgeting does not change the process by which Congress operates, nor does it impose any new requirements on Congress or the White House.

In the simplest terms, capital budgeting merely distinguishes between funds budgeted for our Government's operating expenses from funds budgeted for the acquisition of physical assets. In these times of deficit reduction and limited spending, I believe capital budgeting can be especially useful as we work each year to devise a spending plan for our Federal Government.

Capital budgeting is meant to be a useful planning tool, to help focus public attention on the Nation's physical infrastructure needs. It is not offered as a ruse to promote pet projects; it is not offered as a device to undermine this country's investment in human and knowledge capital; nor is it offered as a gimmick to diminish the size of our Nation's deficit.

Capital budgeting can be constructed to operate within the framework of a unified budget. It is meant to help Members better decide how to allocate scarce Federal resources merely by giving a bit more information, and the more information, and the more information we have, the better we'll be able to plan for our country's future.

Mr. Chairman, for illustrative purposes only, I am submitting a table summarizing the Federal Government's capital investments for fiscal year 1988 to appear in the RECORD immediately following my statement. This table was developed by GAO and is offered for as an example of how a Federal capital budge might look.

In closing, I again offer my sincerest thanks to the chairman Mr. PANETTA, for his leadership and for the dedication and skill he brings to this very, very, difficult task.

Operating budget	*Actual 1988*
Operating revenues:	
General taxes	$519.5
Payroll and other earmarked taxes	335.0
Fees, royalties, and earnings	36.0
Total operating revenues	890.5
Operating expenses:	
Civil functions	599.9
Defense functions	219.3
Interest on debt	151.7
Asset consumption charge	50.0
Credit subsidy costs:	
Direct loans	1.0
Loan guarantees	8.7
Total operating expenses.	1,030.6
Operating surplus/deficit (−)	−140.1
Capital budget: Capital revenues.	18.4
Capital investments:	
Financial asset disbursements, less subsidy costs	−13.8
Physical asset additions	105.9
Total capital investments	92.1
Asset consumption charge	−50.0
Net capital investments	42.1
Capital financing requirements	−23.7
Items not affecting funds: Loan guarantee subsidy costs	8.7
Unified budget financing requirements	−155.1
National Defense (050):	
Operating	219,342
Capital	71,019
Total	290,361
International Affairs (150):	
Operating	12,914
Capital	−2,443
Total	10,471
General Science, Space, and Technology (250):	
Operating	8,443
Capital	2,398
Total	10,841
Energy (270):	
Operating	−975
Capital	3,272
Total	2,297
Natural Resources and Environment (300):	
Operating	5,502
Capital	9,104
Total	14,606
Agriculture (350):	
Operating	31,974
Capital	−14,764
Total	17,210
Commerce and Housing (370):	
Operating	15,183
Capital	3,625
Total	18,808
Transportation (400):	
Operating	9,150
Capital	18,122
Total	27,272
Community and Regional Development (450):	
Operating	6,267
Capital	−973
Total	5,294
Education, Training, Employment, and Social Services (500):	
Operating	31,563
Capital	375
Total	31,938
Health (550):	
Operating	44,285
Capital	205
Total	44,490
Medicare (570):	
Operating	78,878
Capital	0
Total	78,878
Income Security (600):	
Operating	129,335
Capital	0
Total	129,332
Social Security (650):	
Operating	219,341
Capital	0
Total	219,341
Veterans Benefits and Services (700):	
Operating	27,183
Capital	2,245
Total	29,428
Administration of Justice (750):	
Operating	9,069

Operating budget	Actual 1988
Capital	154
Total	9,223
General Government (800):	
Operating	8,704
Capital	770
Total	9,474
Central Federal Credit Activities (870):	
Operating	0
Capital	0
Total	0
Net Interest (900):	
Operating	151,748
Capital	0
Total	151,748
Allowances (920):	
Operating	0
Capital	0
Total	0
Undistributed Offsetting Receipts (950):	
Operating	−36,967
Capital	0
Total	−36,967
Summary of outlays by budget function:	
Operating	970,939
Capital	93,106
Total	1,064,045

Mr. PANETTA. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California [Mr. WAXMAN], a Member who has been very involved with regard to health care issues.

Mr. WAXMAN. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of the Budget Committee's resolution. I particularly want to commend Chairman PANETTA, Mrs. BOXER, and Mr. BERMAN for their efforts to make this resolution more responsive to the health care needs of the poor.

This resolution has some strong points. It provides the resources for some important Medicaid initiatives. It protects low-income, high priority programs from cuts. It makes funding available for a critical children's initiative.

I am disppointed that this resolution could not find more funds for AIDS. And I have serious reservations about the provisions relating to Medicare.

But on balance, this resolution is a better budget than the one we would have under sequestration. I intend to vote for it, and I urge my colleagues to do so.

This resolution sets aside a modest amount of funding to make long-overdue improvements in the Medicaid Program for mothers and children, for the disabled, and for the elderly.

For pregnant women and infants, the resolution allows us to reduce infant mortality be extending Medicaid coverage to all those with incomes below 185 percent of the Federal poverty level. This requirement would be phased in over several years, beginning as proposed in the Bush budget, at 130 percent of poverty on April 1, 1990.

For children, the resolution allows us to make a cost-effective investment in good health by extending Medicaid to those in families with incomes below poverty. Again, this coverage would be phased in over time, beginning with children 6 or younger, and moving up 1 year at a time until all those below 18 are covered.

For the frail elderly and for the disabled, the resolution allows States to offer home and community-based services to the frail elderly and to individuals with mental retardation. This will end the longstanding institutional bias in the Medicaid Program, giving clients and their families an alternative to nursing home placement.

Finally, the resolution allows us to extend the hospice benefit under Medicaid to all States, giving terminally ill patients the option of dying with dignity outside of a hospital or nursing home.

These initiatives are modest in cost. The resolution provides the funds to begin each of these programs. According to preliminary CBO estimates, they can be started in the fourth quarter of fiscal year 1990 for the $200 million set aside in the resolution. In fiscal year 1991 and fiscal year 1992, CBO estimates the full-year cost of these initiatives at $725 million and $876 million, respectively.

So, for a relatively modest amount of money, we can make significant improvements in Medicaid. We can make it a more responsive and caring program for the disabled and elderly. And we can make a significant investment in better health for our children.

This Nation must begin to invest in its children. We are seriously—seriously—underinvested in our future generation.

Our infant mortality rate is a disgrace. A disgrace. We stand 18th in the world, behind Spain, Singapore, and Hong Kong.

Nearly 12 million children in this country—one out of every five—were completely uninsured in 1986. Nearly a third of all poor children have no health insurance of any type. No private health insurance. No Medicaid. Nothing.

Immunization rates for preventable diseases like polio, pertussis, and tetanus are declining.

This Nation will probably fail to meet the Surgeon General's 1990 goals for reducing low birthweight, providing early prenatal care, and improving immunization rates against polio.

We will not be able to turn this around immediately. But we have to start. Now.

That's what the children's initiative in this resolution does. It puts resources into existing, proven programs to help them stem the erosion of our children's health.

I've already mentioned the extensions of Medicaid coverage to poor and working poor pregnant women, infants, and children.

The children's initiative will also protect children from preventable diseases by expanding the childhood immunization program.

It will increase access to primary care services by children living in underserved urban and rural areas by giving community health centers more resources to work with.

And it will expand the ability of states to meet the needs of pregnant women, infants, and children with special health care needs through the maternal and child health block grant.

It is hard to imagine a more cost-effective use of Federal funds, or a more intelligent investment in our Nation's future.

This resolution calls for a $2.3 billion reduction in Medicare. Cuts of this magnitude follow a decade of cutbacks in the Medicare Program. In my view, they cannot be made in any responsible or sensible way. Over the last 8 years, we have reduced Medicare expenditures by over $30 billion. We cannot continue to shortchange our commitment to this program without expecting repercussions in quality and access and beneficiary satisfaction with Medicare.

The report of the Budget Committee indicates their intention that none of the savings be achieved by reducing services or increasing costs to beneficiaries. That is a directive I welcome. The report also urges extreme caution relative to Medicare provider changes which may negatively affect health care access and quality. Again a laudable objective, and one the committees of jurisdiction have tried to achieve.

But who are we kidding here? This kind of double-talk maintains the fiction that we can continue to slash Medicare without anyone being harmed. The Budget Committee must surely recognize that this is not the case. The Members of the House must recognize it. When you limit DRG payments or reduce physician fees so they lag behind private payment rates, this has a serious effect. Eventually, it reduces the quality and quantity of care. Medicare beneficiaries know they are being pushed out of hospitals more quickly, they know their access to physicians is suffering. Medicare payments cannot lag behind inflation year after year without resulting in a deterioration of our health care system.

Many Members of this House have indicated concern that years of Medicare DRG limits have put many hospitals in a precarious financial state, and

are affecting quality of care particularly in rural and large urban hospitals. I am sympathetic to that. But part B of the Medicare Program cannot absorb the bulk of these cuts without equally serious impacts on quality of care. If we keep paying physicians less than private payors do, who can believe that our Medicare population will not be shortchanged. Access will be harder. Visits will be shorter. Quality will be affected. If we are compelled to make part B absorb $1 billion of these cuts, we will have to put a total freeze on physician payments. We cannot do more. We cannot responsibly do that. So our choices will not be happy ones. And our constituents who depend on Medicare will be the losers.

Finally, there is the matter of AIDS—the most serious public health epidemic our Nation has faced in decades. Much to its credit, the committee has recognized that this Nation must invest substantially in prevention, research, and education activities if we are to contain AIDS. However, I am disappointed that the amount the resolution provides for these purposes is less than the administration's own scientists and public health experts have recommended. We should be able to do better than this. I would hope that the Appropriations Committee, in its deliberations, will look closely at the professional judgments of these scientists as to what can and should be done.

Mr. Chairman, while this resolution obviously has its problems, it is clearly the best of the budget choices before us at this time, and I urge my colleagues to support it.

□ 1540

Mr. FRENZEL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I have the highest respect for the Committee on the Budget and for the chairman and for the vice chairman. I congratulate the Committee on the Budget for their work this year. Last year it was May 21 before we had a budget resolution. This year we are ahead of schedule. Last year we ended up passing all 13 appropriation bills moments before the fiscal year started for the first time in years and years and years, so the process works. We are on track again, supposedly, but we have to look not only at the process, we have to look at the substance.

Mr. Chairman, there is precious little substance to find encouragement in about this budget. Courage is in short supply in the document, but gimmicks, Mr. Chairman, abound. Asset sales, unspecified revenues, user fees we all know will not happen, spending shifted between fiscal years, it is all here.

All of the typical little budget lies are found in this document. All are there and they add up to fraud, Mr. Chairman, and they allow this document supposedly to squeeze in under the Gramm-Rudman target.

We have heard Members saying the deficit reduction will have to wait until next year. Well, Mr. Chairman, we blew it. This was the year to do it. We have a new President, we are not up for reelection, the markets are jittery and expecting results, and the public is strongly behind the deficit reduction, and yet Congress remains in gridlock.

Clearly we are not capable of truly cutting the deficit within our current mindset. Until Republicans and Democrats put their priorities on the table and forge a real agreement, nothing will happen. Republicans must take a look at revenues and cuts in defense spending, Democrats must be willing to consider cuts in discretionary spending and entitlements. That is what all Members know must be done, Mr. Chairman, a true deficit reduction, and once again we have not done it.

The biggest budget gimmick the Congress has used hides $64 billion in deficit. The real deficit in the Committee on the Budget's budget is not $99.7 billion, it is more like $165 billion. This is the Social Security reserve which remains on budget.

This money has to be there to guarantee the benefit of young people entering the work force today when they reach retirement age, and what it is setting up doing is guaranteeing deficit spending. Until the reserve is taken off budget, this same kind of irresponsible and gutless approach will be followed.

Mr. Chairman, I urge Members to oppose the budget resolution. It is fanciful enough, and what we need is rock solid deficit reduction and we need it now.

The CHAIRMAN. The Committee will rise informally in order that the House may receive Sundry messages.

MESSAGES FROM THE PRESIDENT

The Speaker pro tempore (Mr. BEILENSON) assumed the chair.

The SPEAKER pro tempore. The Chair will receive the messages.

SUNDRY MESSAGES FROM THE PRESIDENT

Sunday messages in writing from the President of the United States were communicated to the House by Mr. Kalbaugh, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

□ 1545

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1990

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Mississippi [Mr. MONTGOMERY], the chairman of the Committee on Veterans' Affairs, with whom we have worked closely in terms of trying to deal with the veterans.

Mr. MONTGOMERY. Mr. Chairman, I support the budget resolution. I was not pleased with the earlier resolution as reported by the committee relating to veterans' programs; however, the distinguished chairman of the committee, the gentleman from California [Mr. PANETTA] and the very able ranking minority member of the committee, the gentleman from Minnesota [Mr. FRENZEL] have listened to our concerns and we are now in agreement on function 700.

Mr. Chairman, I have the highest regard for Chairman PANETTA, Mr. FRENZEL, and all members of the Budget Committee. They had a very difficult mission. The constraints placed on them by the administration and congressional leadership summit agreement relating to discretionary spending left them with a limited number of options. I'm not totally happy with the priorities given to the spending levels for defense or domestic programs. I have difficulty in agreeing to a resolution that contains several billions of dollars for new programs when the deficit makes it impossible to fund existing programs. But what the Budget Committee is proposing in the resolution is about the best the committee can do under the circumstances and I will support the resolution.

Should the resolution be adopted, discretionary spending for veterans' programs will be set at $13,350 million, an increase of $264 million above CBO baseline. This means that the Department of Veterans' Affairs can carry over into fiscal year 1990 the level of services the Department is currently providing during this fiscal year with just a little to spare. Hopefully, hospitals can purchase some medical equipment and supplies that are now desperately needed.

I do not want to mislead any Member. The funding level contained in this resolution is not going to solve all of the problems veterans now face in getting medical care. In my view, we will have to do some restructuring of the current hospital system next year. We can no longer afford to live with a straightline budget year after year. We have done it for 10 or more years

now and it is beginning to have an adverse impact on the entire system.

But, we have held our own in this resolution, and I want to thank our own very able ranking minority member, the gentleman from Arizona [Mr. STUMP] for his leadership and support. I'm grateful to the gentleman from Texas [Mr. LEATH], and the gentlelady from Ohio [Ms. KAPTUR], for their efforts in the Budget Committee for our veterans.

Finally, I want to thank those members of the Rules Committee who supported our efforts, especially the gentleman from New York [Mr. SOLOMON], the former ranking minority member of our committee; the acting chairman of the committee, the gentleman from Massachusetts [Mr. MOAKLEY]; and the very able gentleman from South Carolina [Mr. DERRICK] who always stands in the veterans' corner. We are grateful for the support of all these people.

I urge my colleagues to join me in supporting the resolution.

□ 1550

Mr. FRENZEL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. REGULA], a former member of the Committee on the Budget.

Mr. REGULA. Mr. Chairman, we enter into this decade and into the 21st century, we are going to be faced with severe management decisions as we budget and appropriate. We are going to be in an era of limited resources and great demands, and the only way we can address those matters is by having a better management approach to the way we deal with the Nation's fiscal policies.

One thing that I would point out is that we need a 2-year budget process, 1 year to establish the 2-year package and the second year to look at what we have done and to analyze whether or not our management is cost effective. Are we getting value received in terms of the delivery of services?

Second, I think it is important that prospectively we should establish a contingency fund in the budget. We do that in the management of most of the private sector. For example with building construction or whatever type of enterprise we are involved in, there is a contingency fund. Even cities and villages provide for that in their budgets. We found out a few weeks ago when we dealt with the supplemental that suddenly we have a target and no funds to meet the needs or the contingencies that arise during the period of the fiscal year.

I have checked and found that with the nondefense discretionaries, the average over the last 3 years has been a supplemental amount of about 1.7 percent of the current budget. It seems to me that it would be good budgeting to put in a 2-percent contingency fund so we can address the contingency needs in the form of a supplemental and not be faced with the type of action on a supplemental that happened here recently, and, therefore, we could still be within the targets; it would be a realistic budget in terms of the Gramm-Rudman responsibilities.

Mr. Chairman, these are simply management suggestions, and I think they should be considered in the future.

Mr. PANETTA. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. BEILENSON].

Mr. BEILENSON. Mr. Chairman, I thank the gentleman for yielding time to me, and I rise in opposition to the budget.

Mr. Chairman, as one of the three Democratic members of the Budget Committee who voted against this budget resolution in committee, I would like to let our colleagues know the reason for my opposition.

Much as we all appreciate the hard work and valiant efforts of the chairman, Mr. PANETTA, and the ranking minority member, Mr. FRENZEL, and much as we appreciate the willingness of the administration to negotiate in a nonconfrontational way on the budget, the agreement which was finally reached and is reflected in this resolution falls so far short of what is demanded of us that it does not deserve our support.

It is not as if this were a new problem for Congress, one which we had never discussed or acted upon before. We have been concerned about our deficit situation now for a half dozen years or more; we know what needs to be done, yet if we adopt this resolution we will be refusing, one more time, to take the steps necessary to really start bringing our budget deficit under control.

This resolution is yet another attempt to slip by, for just 1 year, by using phony economic assumptions, moving spending off budget, advancing next year's payments to this year, assuming better tax compliance, extending existing reforms due to expire, assuming asset sales that almost certainly won't occur, and using other gimmicks to comply with the Gramm-Rudman-Hollings targets, as described in the list below. The result will be a deficit of at least $145 to $160 billion next year; we will not come close to achieving the $100 billion deficit that the committee claims this resolution will achieve. Thus, although this resolution complies with Gramm-Rudman-Hollings, we will not be bringing down our deficit by $36 billion, as the law intends.

In fact, in the last 2 years, while we were complying with Gramm-Rudman-Hollings, the deficits have gone up, not down. Two years ago, the deficit was $149 billion; last year it was $155 billion; this year it will be about $163 billion. And if we did not count the surplus Social Security revenues—which are supposed to be saved to pay for retirement benefits in the next century—this year's deficit would be about $219 billion.

If the President isn't going to tell the American people the truth, then Congress must. And the simple truth is that we cannot make significant progress on the deficit problem without raising taxes and restraining the growth of entitlement programs, along with every other area of the budget.

I believe that the Budget Committee has done a great disservice to the House of Representatives—and, more importantly, to our country—by reporting this resolution rather than one that provides for real, substantial, long-term reductions in our annual deficits. The overwhelming majority of Members of this body have repeatedly expressed concerns about the grave dangers of the huge budget deficits we have been running this decade, averaging about $180 billion annually. This budget plan, which provides a very meager amount of spending cuts and revenue increases, is not an adequate response to those concerns.

I urge Members to reject this budget resolution so that the President and congressional leaders will be forced to go back to the negotiating table and return to us with a more serious response to what most of us believe is the No. 1 problem facing our Nation.

The following is a list of components of the concurrent resolution on the budget for fiscal year 1990 which are either phony, counterproductive, or unlikely to be enacted:

First. Economic assumption: The plan starts with OMB's baseline of $127.4 billion for fiscal year 1990, $19.9 billion lower than the more realistic CBO baseline.

Second. Better tax compliance: The plan assumes an extra $500 million in revenues from better IRS enforcement.

Third. Farm payments: $850 million in Farm Program savings comes from moving a 1990 payment to 1989, increasing this year's deficit but lowering next year's.

Fourth. Farm credit: $420 million is saved by keeping a farm credit program off budget instead of moving it on budget, as originally planned.

Fifth. Food stamps: The plan takes credit for about $500 million savings in food stamps by wiping off the books previously issued food stamps which have not yet been redeemed.

Sixth. Medicare: Most of the $2.3 billion savings in Medicare are expected to come not from new reforms but from simply extending existing measures which were due to expire.

Seventh. Post Office: The plan claims a savings of $1.7 billion by taking the post office off budget.

Eighth. Debt service: The plan assumes savings of $1.1 billion in interest payments. Since the economic assumptions and much of the savings and revenues are phony, so are the debt service savings.

Ninth. Asset sales: The plan assumes new revenues of $5.7 billion for asset sales. Because asset sales can no longer contribute to avoiding the Gramm-Rudman trigger, Congress hasn't been enacting them.

Tenth. Veterans' loans sales: The plan assumes new revenues of $500 million from the sale of veterans loans. Even if enacted, this will cause a loss of future revenues, so it's counterproductive.

Eleventh. User fees: The plan assumes $2.7 billion worth. Year after year such fees are proposed and rejected.

Twelfth. Revenues: The President wants to get the $5.3 billion in new revenues from low-

ering the capital gains tax, which Congress staunchly opposes; Congress wants real new revenues, which the President staunchly opposes. The standoff on this issue means that the tax increases probably won't be enacted.

Mr. PANETTA. Mr. Chairman, I yield 40 seconds to the gentleman from New Jersey [Mr. PALLONE], who wants to engage in a colloquy with me.

Mr. PALLONE. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, earlier this year the Bush administration proposed three new user fees which I object to and which have a negative impact on my district. One was a $25 boat stamp or Coast Guard user fee. Another was a $20 salt water fishing license, and the third was a 1.75-percent tax on commercial fish sales.

I see that the budget resolution basically mandates that the Committee on Merchant Marine and Fisheries reduce its budget allocation by approximately $200 million, which pretty much comports with the amount of money that would be raised by the President's proposal. I wanted to know whether or not the resolution mandates that.

Mr. PANETTA. Mr. Chairman, if the gentleman will yield so that I may respond, what we do in the budget resolution is to provide another $20 million which goes to the Committee on Merchant Marine and Fisheries. We indicate it could be done with user fees, but the ultimate decision will be made by that committee as to how it produces those savings, but we do not mandate that they necessarily have to come from that area of savings.

Mr. PALLONE. Mr. Chairman, I thank the gentleman very much.

Mr. PANETTA. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. HUCKABY], a member of the Budget Committee.

Mr. HUCKABY. Mr. Chairman, I thank the committee chairman for yielding this time to me. I would like to commend Chairman PANETTA and the ranking minority member, the gentleman from Minnesota [Mr. FRENZEL], for the many, many hours of work and the outstanding job they did.

Let us face it, it is hard to get excited about this budget. There is really not a lot of money in there for exotic things such as the manned space station or the Super Collider. The bills are not roaring on Wall Street in anticipation of a big vote tomorrow and a major deficit reduction. This is more or less a tread-water budget, a standstill budget.

But I rise in support of this budget. It is really the only game in town and it does make progress, It does make progress toward reducing this deficit, some $27 billion of progress. According to the estimates, the deficit will be less than $100 billion.

However, those are the Bush administration numbers. To use CBO numbers, we are saying the deficit would be some $20 billion greater than this. Basically the numbers are for increasing revenues, $14 billion, and for decreasing defense, $14 billion, and we are decreasing entitlement programs $8 billion. This gives us some $27 billion in reductions, and then we have to make adjustments for these estimated differences of another $20 billion.

This is a problem that an awful lot of Members have with the budget that is before us today, in estimating the differences between the CBO and the administration.

However, Mr. Chairman, even taking this into account, we are making progress in reducing the deficit, and I urge my colleagues to vote aye.

Mr. FRENZEL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas [Mr. ARMEY], a member of the Budget Committee.

Mr. ARMEY. Mr. Chairman, let me thank the gentleman for yielding me this time, and let me begin my remarks by expressing my sincere compliments to both the chairman of the committee, the gentleman from California [Mr. PANETTA] and the ranking member, the gentleman from Minnesota [Mr. FRENZEL], two Members of this body for whom I have a great deal of respect and personal regard.

Let me also say that I do appreciate the fact that the two gentleman, along with the other negotiators in this process, did hard work and did make a very sincere effort. It was not, I believe, a particularly difficult process, at least to that point where tempers and moods and good humor were concerned. It was a congenial process, and many people have already said, and I think I might be inclined to agree, that the gentlemen who conducted the negotiations did perhaps as well as we could expect them to do.

Unhappily, for somebody like myself, who is so committed to deficit reduction through innovative cost reduction and program revision, I am afraid that the best they can do translates into good-enough-for-government work, and, Mr. Chairman, where I come from good-enough-for-government work is not good enough.

Mr. Chairman, I am concerned about the economic assumptions and the predilections by which this budget was prepared, and I am afraid that when it is all said and done and the smoke has cleared and we peer through the looking-glass at this result and the final numbers are in, after the fact, we will not have made a real reduction in the deficit. And, we most certainly will not have made what is even more important in fact than a deficit reduction, and that is a serious revision and productive reconstruction of the spending programs of this country, particularly in the private sector with domestic programs, where we need to get more discrimination between those who truly need the assistance of their fellow citizens through the Federal Government and those who take advantage of the largesse of the American people as they do in fact generously respond to the needs of their fellow citizens.

I am particularly distressed over the $5.3 billion in unspecified revenues. I fear that here we may have laid an egg that will hatch into a duck or a goose or a duckling or some other hideous monster that is going to come back and haunt us. I recognize that there is a possibility that that egg may hatch a preferential tax treatment for capital gains, but I fear that may not be the result.

I am particularly fearful of increase in taxes, Mr. Chairman, because I just finished, as more of us did in the last 2 weeks, filling out my income taxes, and I can say to the Members that I pay too much, and I would like to see this Congress spend this money like it is my money, with care, with attention, with frugality, and with responsiveness to the real needs of the American people. That I do not find in this budget.

Mr. PANETTA. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. KILDEE], a new member of the Budget Committee, who has been extremely cooperative and very effective in helping in terms of the final product that resulted in the budget resolution, particularly in areas of domestic discretionary spending for the needs of our society.

Mr. KILDEE. Mr. Chairman, I rise today in strong support of the House budget resolution as approved by the House Committee on the Budget.

I would like to commend our chairman, LEON PANETTA, for the masterful job he has done on this resolution.

Within the very tight budget constraints which we are currently facing, and despite stiff opposition from the Bush administration to forthrightly deal with those tight financial conditions, he managed to reach an agreement with the White House which:

Achieves the $100 billion Gramm-Rudman deficit target through balanced deficit reduction measures—half from new revenues and half from spending cuts,

Provides prudent restraint in the growth of the Pentagon's budget.

Rejects the inhumane Bush cuts in Medicare and Federal retirees and pay,

Soundly rejects the "black box" in which President Bush wanted to put most domestic discretionary programs.

Mr. Chairman, I would like to focus my remarks on the last point, regarding domestic discretionary programs.

Under his budget, President Bush proposed a flexible freeze for most domestic discretionary programs.

In the aggregate, these programs, which the administration identified as being of lower priority, would have been frozen at the same level of outlays they received in fiscal year 1989.

Some people called this Bush's black box, because we were never sure which programs were in and which were out.

I termed it the piranha pool, because in order for your program to grow, it would have to take a bite out of someone else's program.

President Bush, the education President, proposed to increase funding for some education programs, while totally eliminating others.

However, at the same time, he threw almost the entire Department of Education into the black box or piranha pool, including compensatory education, handicapped education, vocational education, and Pell grants, to name just a few programs.

An outlay freeze on these education programs, many of which are forward funded, would have had a devastating impact.

For example, appropriations for compensatory education, our Nation's first line of defense against the dropout problem, would have to be cut by more than $800 million from the fiscal year 1990 baseline in order to keep outlays at the fiscal year 1989 level of outlays.

This would have resulted in hundreds of thousands of poor children being denied the opportunity to succeed in school and, ultimately, to succeed in our society.

In my opinion, Chairman PANETTA's major success in his negotiations with the White House was smashing President Bush's black box.

The agreement which he, majority leader FOLEY, and Senate Budget Chairman SASSER worked out with the administration not only covers the domestic discretionary programs for inflation on the outlay side, but provides these programs with a $3.6 billion increase in budget authority over baseline.

This increase over inflation, while not large, gave the House Budget Committee the flexibility it needed to craft a budget resolution which begins to address some of the many pressing social needs of this country, needs which for the last 8 years have been neglected and ignored.

As an educator, I am particularly pleased with the significant increase over last year's funding for function 500, education, training, employment, and social services.

With the help of Chairman PANETTA and the excellent recommendations of the Speaker's Task Force on the American Family, chaired by majority whip TONY COELHO, this budget resolution provides: $1.7 billion increase for education programs; $1.8 billion for child care; $300 million increase for Head Start; $230 million increase for Women, Infants, and Children Feeding Program; and significant increases for other health programs aimed at serving the needs of children.

Mr. Chairman, due to the tenacity of our Chairman LEON PANETTA and the work of the House Budget Committee, this is, at least relatively, the kinder and gentler budget we can all support.

In his budget speech to us in February, President Bush challenged the 101st Congress to be the education Congress.

Mr. Chairman, this resolution which we bring to the floor today is our down payment on meeting that challenge.

It allows us to say that we have begun to reverse the shortsighted budget priorities of the last administration by restraining growth in the Pentagon's budget in order to provide long-overdue increases for programs such as education, child care, nutrition, and health, which are an investment in our Nation's future—our children.

Mr. Chairman, I strongly urge all Members of this body to support this more balanced, more sensible, and more humane budget resolution.

□ 1600

Mr. FRENZEL. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. CONTE], the senior Republican appropriator and pillar of fiscal sobriety.

Mr. CONTE. Mr. Chairman, I want to, first of all, compliment the gentleman from California [Mr. PANETTA] and the gentleman from Minnesota [Mr. FRENZEL] for their leadership and all of their hard work in bringing out a budget resolution.

Mr. Chairman, there would be only two things worse than passing this budget resolution—not passing it, and passing the Gephardt amendment.

Budget resolutions have never been my favorite thing. Time consuming, unenforceable, long on detail and short on leadership, political to the extreme, budget resolutions have mucked up the works and held up the appropriations process.

Two years ago we got a break. With the November budget summit conference of 1987, involving all the key players, responding to the stock market crash, we put together a 2-year agreement that let us do our work in a fiscally responsible and timely way.

This year, we got instead the Budget Plateau conference, involving the Budget Committee and the administration, dedicated not to fiscal discipline, but to the proposition of beating the Gramm-Rudman-Hollings deficit target of $100 billion.

Out of that came the slide-by budget, slipping, sliding, winking, and blinking its way to a bottom line that says Peewee's magic words.

There are two good things in here. First, in theory, it agrees with the point I have been making strenuously this year.

The point is that meaningful deficit reduction must come from entitlements and new revenues. Discretionary spending has been controlled to the point of no return. Look at last week's supplements. There is no more funny money left in appropriations, at least none that makes it through the House.

And this budget resolution puts the major burden on entitlements, program reform and new revenues, which is where it should be.

Second, this budget resolution, like the Senate, requires a Coast Guard user fee as one of the revenue measures.

Hallelujah. Glory be. The Coast Guard is getting a user fee.

And you better believe I will be birddogging this one to make sure the Merchant Marine Committee does not miss the boat.

But beyond that, the program reforms and savings called for in the resolution are largely gimmicks, one-time affairs, it feels good and then it is over. Rosy economic assumptions, sweeping reality under the rug. Moving expenditures between fiscal years, like a shell game. There is not a lot of real deficit reduction in this resolution. And it is only 1 year in scope, so that we will be back in the soup next year, with even worse problems to confront.

But it is a start. And we have to start someplace, fast.

We are already a month behind where we were last year, when we got all 13 appropriations bills enacted separately for the first time in 12 years. If we have got an agreement, a framework, a basis for further action, let us go with it and get on with the job.

It ain't perfect, but it sure as blazes is better than nothing.

And it sure as heck is better than the amendment being cooked up by the gentleman from Missouri [Mr. GEPHARDT] to impose an oil import fee. That is the most unwise, inadvisable prescription for disaster that has surfaced on this House floor this year.

If you need money, the gentleman, the spokesman for the disenfranchised, is proposing, go after the poor, so they cannot heat their houses in the winter.

The gentleman, the defender of American manufacturing, proposes, make American industry less competitive by increasing their costs.

The gentleman, the Representative of a farming State, proposes, boost the farmer's costs right at the start of the growing season.

The gentleman, the proponent of a healthy economy, proposes, give inflation a healthy boost, so our interest rates will increase even higher.

I hope the gentleman, the candidate for the highest office in this land, realizes that if he goes forward with this proposal, he can write the Northeast off in any of his future plans, because this proposal is a dagger to the heart of the mother of invention of the American miracle.

It is something that will not be forgotten, not by this gentleman in the well, and not, I can assure you, by the constituents I represent.

Vote for the budget resolution, and vote against Gephardt.

Mr. PANETTA. Mr. Chairman, I yield 2 minutes to the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. Mr. Chairman, I thank the gentleman from California [Mr. PANETTA] for yielding this time to me.

Mr. Chairman, I was curious. I was trying to discern throughout the presentation of my friend, the gentleman from Massachusetts [Mr. CONTE], whether he was for or against this budget. For the first 4 minutes I thought he was probably going to be against it, but then he ended up saying it was better than nothing. We have disagreement on a lot of things, including the Gephardt amendment, which we will discuss at some greater length tomorrow, but I must say that the support for this budget seems to be that it is better than nothing, and I am not so sure of that.

I would like to come here and support a budget. I think that would be nice, but the interesting thing is that all of these people who come to this well of the House and speak about the budget know darn well that this is not a budget with a $100 billion deficit. Everybody knows that. The deficit at the end of this year, this next fiscal year, is going to be at least $195 billion, and we all know it.

Why? Because the $100 billion is reduced by $68 billion from the Social Security revenues which should not be applied to the budget deficit, but it is.

Gramm-Rudman is the deficit reduction mechanism that says:

> Let's take the money we collect from the working people, that we call Social Security that is supposed to go to a trust fund, and let's hook it up to the operating budget so that the operating budget deficit looks smaller.

So, Mr. Chairman, take away $68 billion from Social Security funds that is used to make the deficit look smaller. Then, take away some phony assumptions like 3 percent interest rates in 1993—and I will bet there is not one Member of Congress that believes that—and we have got ourselves a budget deficit of $195 billion.

Now why am I concerned about that? Because as the last President left town, he waved and told all of us, "Things have gotten a lot better. Things are really improving around here. The deficit, in fact," he says, "is getting lower, getting better."

Mr. Chairman, the only reason he could say that is because we are taking massive amounts of Social Security revenues, trust fund surpluses, year after year that are designed to be forced savings. We are going to need these surpluses after the turn of the century and to use them improperly for reducing the operating budget deficit is wrong, in my judgment, and it has to stop.

Mr. Chairman, I wish we could have stopped it now. We could not even get on the floor of this House, through the Committee on Rules, a simple, soft sense of Congress resolution admonishing us and the White House to stop it.

I am going to vote against this budget because I do not think it is the right way for us to do our business.

Mr. FRENZEL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, I am an optimist, and I am also a Cubs fan. Obviously I am used to being disappointed. Our center fielder in the spring has a new arm and a 360 batting average. But midseason both are dismal. Our starting pitchers are 12 and 2 before the All-Star break and 2 and 12 afterwards, and now we even have night baseball so our misery can extend beyond the shadows.

Mr. Chairman, this budget is a lot like a typical Chicago Cubs season, promising in the spring, wait until next year come the All-Star break.

□ 1610

Well, Mr. Chairman, it is with reluctance and dissatisfaction that I rise to support the budget resolution which is before the House of Representatives today. During my time in Congress I have been saying we must do something about the Federal budget deficit—and I have been voting that way, too. I have not been afraid to cast votes against programs that are mismanaged and that we cannot afford.

The Congress simply cannot afford to continue to do nothing about the deficit. Right now we are facing the prospect of higher interest rates. Failure to act on the deficit encourages these high rates. We need to cut the budget to lower interest rates and to keep our recovery on track. The Federal Reserve Board chairman wrote me on April 7—and I quote—"Lower interest rates are much to be desired and will be realized * * * only as a consequence of reducing inflationary pressures and the implementation of a credible program for a substantial multiyear reduction in the Federal budget deficit."

I want to emphasize the words Mr. Greenspan used—"credible, substantial, multiyear". A budget agreement which incorporated those goals would really be something. But this resolution, quite frankly, does only slightly more than nothing. It is a start, but an inauspicious one. It is a beginning, but not a hopeful one. As a Chicago Cubs fan, I am used to being disappointed. And so far, this budget season has been much like a Cubs season—starting out with promises, but quickly falling to disappointment. There is one difference. I will never lose faith in the Cubs; I'm beginning to lose faith in the Congress.

I started out this budget year in the hope that we would do something about the deficit. In February I initiated a letter to the bipartisan House leadership, urging them to enter into budget negotiations with the Bush administration. More than 40 of my colleagues joined me in that letter. The letter urged out leadership to work with administration officials to come up with a tough but fair budget; one that was based on realistic economic assumptions, that froze spending, and that did not raise taxes.

All our letter asked for was honest and fair efforts to produce an honest and fair budget. I am not sure that we got either honesty or fairness. We have $14.2 billion in new revenues, but we do not know where they will come from. We are going to sell some assets here, raise some user fees there, and increase taxes somewhere else. We save money by moving the Postal Service off budget, by canceling old and unused food stamps, by paying farmers early, and by moving the farm credit rescue off budget—for the second time.

It is true that these changes will reduce the budget's bottom line for fiscal year 1990. But the changes will do almost nothing to address the long-term spending habits of Congress. We need to reform the Congressional budget process. The President must have enhanced rescission authority. We ought to make the budget resolution a joint resolution rather than merely an concurrent resolution. We must follow the budget calendar. And we must be honest about our economic assumptions. This budget resolution could have taken us in that direction. It did not.

We did, however, get a promise in the budget agreement. In the resolution is the following mutual understanding—

> The President and the Congressional leadership will continue to consult closely to seek opportunities for further deficit reduction and to explore policy and process changes which would reduce the deficit * * * In order to facilitate progress toward that objective, the bipartisan Budget Committee Leadership, the Secretary of the Treasury, and the Director of the Office of

Management and Budget shall continue discussions in consultation with the bipartisan leadership of the appropriate committees of the House and Senate.

Consult, seek opportunities, explore policy and process changes, facilitate progress, continue discussions, et cetera, et cetera. This sounds an awful lot like the swan song of Cub fans—wait until next year.

Mr. Chairman, the Congress and the American people have waited long enough—it is time to take action. Let's get this almost meaningless resolution out of the way, and get down to serious work on limiting spending and balancing the budget.

Mr. PANETTA. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. DE LA GARZA], the distinguished chairman of the Agriculture Committee.

Mr. DE LA GARZA. Mr. Chairman, I rise to discuss briefly the impact of the budget on agriculture and the jurisdiction that we have in our committee.

First, let me say that we commend the gentleman from California [Mr. PANETTA] and the gentleman from Minnesota [Mr. FRENZEL] and the members of the committee.

I know there are arguments pro and con here, but I am satisfied that they did their best within the availability of the resources that they have, within the rules, and for that they are to be commended, and I most sincerely do so.

First, let me say that we were somewhat dissatisfied with a kinder, gentler administration that targeted its budget cuts to an already overburdened agriculture. The percentage of agriculture spending, my dear friends, in the total trillion dollar budget is slightly over 4 percent. But yet we were initially burdened with 16 percent of the cuts.

I have some budget charts that I would like to share with you. This, my dear friends, the top part is the budget and the little tiny part at the bottom is all that is spent for agriculture.

Now let me say that in the past 8 years we have reduced spending in the agricultural sector for farm supports, et cetera, about $30 billion. We have been responsible. Led by the distinguished chairman of the Budget Committee, the gentleman from California [Mr. PANETTA], who has worked with us and continues to work with us as a member of the Agriculture Committee, we have met our part of the reduction in the budget, over $30 billion since 1981.

Now whether it was real cuts or whether it was paper reductions, I do not know. We did not set up the accounting system. We did not set up the rules, but we met the number that they allocated to us.

Now, $2.4 billion is what was allocated to us here in this budget which includes accounting changes in the Food Stamp Program; $1.9 billion of that come out of traditional agriculture programs under the jurisdiction that we deal with; $850 million is because of transfer of deficiency payments from 1 fiscal year to another fiscal year; $420 million is the so-called Bumpers amendment that we will recoup by repealing that amendment. And then $600 million is left for us to go find and make the reductions.

I might add, though, that under the $5.7 billion of Federal asset sales, agriculture will have a share of that. And on receipts from user fees, agriculture will also have a share of that.

I am here to tell you that we will do the utmost that we can to try to meet that $600 million. I do not know if we can or not, but we will do the best we can. I commit myself and our committee to that. But again, let me remind my colleagues that we are the best fed people in the world, and for the least amount of disposable income per family of the major industrialized countries of the world.

Here you see the blue lines that are the major budget functions. At the end here, you see you have already spent 94 percent of the Federal budget when you get to the agriculture function. That is us at the very end.

There is this misconception, or perhaps ignorance, that we read in the editorials in many of the prominent periodicals, of the high cost and impact agriculture has on the budget.

My friends, here it is. The total trillion dollar budget. For farm supports, can you see the little line at the bottom? That is what we spent. That is 1.15 percent. That is what we have spent on agriculture out of the trillion dollar budget.

They stumble over more money than that in 1 week at the Pentagon. That is what we spend. So hopefully, you see we are not happy with what the administration recommended. We do compliment the committee for doing the best that they could. As we have done for the past 8 years, agriculture will be there to do its part to meet our budget reduction goals. We will be responsible.

I do not know if we can get your $600 million target. I will say to the gentleman from California [Mr. PANETTA], we are going to try our darndest.

Mr. FRENZEL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Louisiana [Mr. MCCRERY], a member of the Budget Committee.

Mr. MCCRERY. Mr. Chairman, I rise in support of the Bipartisan Budget Agreement. I do so with some doubts, but not with reluctance. I support the Bipartisan Budget Agreement not because it is a good budget, it is not. But I believe passage of this agreement will send a signal to the markets, and our allies, that the Congress and the White House stand ready to work together for the remainder of this year, developing a more comprehensive, more meaningful agreement for fiscal year 1991. An agreement that will require sacrifice across the board, but an agreement that will achieve real deficit reduction, perhaps even approaching in an honest manner the Gramm-Rudman target for 1991, and therefore providing hope that, by 1993, we will finally achieve our goal of a balanced budget with full employment.

Mr. PANETTA. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. SANGMEISTER].

Mr. SANGMEISTER. Mr. Chairman, I thank the gentleman for yielding this time. I, too, would like to compliment the chairman and the ranking member for all the work that they have done on this budget, but like many others here today, I do have some reservations that I think ought to be put on record.

Mr. Chairman, I rise today in support of the Budget Committee's resolution, though I do so with some reservations as there appears to be no immediate, reasonable alternative. Specifically, I am gravely concerned about the $2.3 billion reduction in the Federal Medicare Program. Over the past several years Medicare has repeatedly borne the brunt of cutbacks that have substantially affected the survivability of our rural hospitals. In Illinois alone, over 14 hospitals have been forced to close their doors in the past 2 years.

Medicare has been hit for a $32 billion reduction during the last decade. I ask you, Mr. Chairman, what are the chances of any industry surviving that kind of loss of revenue? How could President Bush have proposed, in good conscience, another $5 billion cut?

Fortunately, through the Budget Committee's tireless efforts, this resolution scales back the President's original proposed cut from $5 billion to $2.3 billion. Still, I am concerned that Medicare beneficiaries will suffer from impeded access to readily available quality care within a reasonable distance of their residence.

For the last decade, physicians have been expected to absorb rising costs or freeze their fees while continuing to provide state-of-the-art quality care. Dr. Noel Bass, a distinguished Medicare-participating surgeon from my district recently sent me a letter expressing his concern that the Medicare population will soon be disenfranchised from medical services by physicians who either refuse to take on additional Medicare patients or refuse to take care of Medicare patients entirely. Put simply, Mr. Chairman physicians will refuse to treat Medicare patients.

Our alternative to today's resolution is sequestration. If we allow sequestration, there are small gains for the Federal Medicare Program but the cost to other equally worthwhile programs would be devastating. The bottom line, Mr. Chairman, is we are shirking our responsibility again, to seriously address and provide adequate health care to the millions of Medicare beneficiaries.

□ 1620

Mr. FRENZEL. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri [Mr. HANCOCK].

Mr. HANCOCK. Mr. Chairman, I rise today in opposition to this budget resolution, and I must say that this was a difficult decision for me to make. On one hand this resolution embodies an admirable and desirable compromise between Congress and the administration. My friends on the Budget Committee have worked long and hard on this bill. I am well aware of that, and I commend them for their hard work. I do believe that if we are to solve the continuing problem of the Federal deficit, it will require deep and strong bipartisan cooperation between Congress and the Bush administration.

But what is needed most to attack this problem is real, substantive proposals to narrow the deficit. And, unfortunately, this bill contains very little substance. Instead, it relies on various shades of gray to meet the Gramm-Rudman targets, and the icing on the cake is $5.3 billion of "unspecified" revenue increases.

Now, excuse me for giving a short history lesson here, but some of my freshman colleagues might benefit from a recitation of the recent budget negotiations which occurred before our election. In 1987, President Reagan and Congress negotiated an agreement at the budget summit to save nearly $46 billion in 1989, including $14 billion of tax increases. The 1989 deficit was projected to be $136 billion under the agreement. Critics charged that the agreement relied on smoke and mirrors to satisfy Gramm-Rudman. Advocates responded that it was a useful and necessary bridge to future agreements. Well, here we are nearing the end of the 1989 fiscal year and the deficit is at $165 billion and rising. Taxes went up and the savings went up in smoke.

Now we hear that this agreement, also including revenue increases, is a bridge to more substantial agreements in the future. Well, my friends, I am concerned that if we do not act soon, the deficit river will be too wide to bridge. If we can not take action on the deficit during an off-year, do we really expect to do so during an election year, when all of our various constituencies truly make themselves known?

Many people will vote for this bill on emotion—it feels good to see Congress and the President negotiating in the name of progress. But tax increases do not make me feel good. Please do not vote for this bill on emotion. Vote for it if Members have come to the conclusion that it substantially attacks the deficit; and if Members seriously evaluate it and conclude that it lacks substance, then I ask them to join me in voting against it.

Mr. PANETTA. Mr. Chairman, I yield 4½ minutes to a former member of the Committee on the Budget, the distinguished gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman, I first want to commend the Committee on the Budget and its chairman and ranking member for the work that was done to put together the budget resolution.

Having served on the committee, I know how difficult it is to construct a budget resolution that can gain a majority of both Houses and ultimately the executive branch and be implemented, but I rise today to offer an alternative to that budget, because of my deep belief that it does not do enough. It does not go far enough. It does not do enough to address what I believe are the most important challenges that face our country today and in the days ahead.

What I have tried to do, and I hope the Members will take the time to examine this alternative and to think it through before they vote, but what I have tried to do is to raise additional revenue by an oil import fee which I feel very strongly about for reasons I will state in a moment, and then to both use those dollars to reduce the deficit by about $3 billion over the budget resolution, and then to spend some moneys in a number of areas which I will outline in a moment which I feel are urgent spending needs or are areas that are in great need to increase the competitive strength and the competitive edge of the United States.

Before I get to the spending, I would like to explain the oil import fee. I think an oil import fee is killing two birds with one stone. It both brings in revenue to allow us to lower the deficit or to do some needed spending, but it does it in a way that becomes the foundation of an energy program which I do not think our country has today.

I would urge the Members to look at the chart which is to my right which I think tells the entire story of what is happening to us on energy. Since 1983 our production of energy in the United States has gone up for a bit and then has gone straight down so that we are now producing in the United States a little less than 8,000 barrels a day. At the same time that our production has been going down precipitously, consumption of energy in the United States has gone back on the upswing to the point where we are now consuming about 17,500 barrels a day, which is about the kind of consumption that we were engaging in in the early 1970's before the oil cutoff and the price spike that we felt in energy prices. An oil import fee would be the foundation of bringing down consumption and raising production so that we are no longer vulnerable and dependent on other countries for oil. I think in terms of raising revenue, it makes a great deal of sense.

Where do I spend the money in this alternative? First, $3 billion to reduce the deficit; second, we have full funding of the omnibus drug bill that we passed last year; third, I take out all of the Medicare cuts that are in the budget that are coming out of the Committee on the Budget; I fund Head Start so that 50 percent of the youngsters in the country who are eligible for Head Start will be in the Head Start Program rather than the 18 percent we have today. I fund the National Institutes of Health for AIDS research with $150 million. I have low-income energy assistance so people in the parts of the country that heat with home heating oil would be helped. There are a lot of other spending priorities presented in this budget.

In short, I would urge the Members to look at this budget, to look at the way it raises additional revenue, to look at the way that it spends money and reduces the deficit. I think that if Members will do that, they will conclude, with me, that it is a sensible budget, that it is a better budget than is on the floor, and I would urge Members to vote for a more commonsense approach.

Gephardt Substitute to House Concurrent Resolution 106

[Deficit reduction plan]	*Billions*
New revenue gain (above committee mark) oil import fee program	$9.0
New fiscal year 1990 outlays (above committee mark) (see below for selected programs)	−5.845
Additional deficit reduction	3.155
Net deficit reduction	30.855

Deficit (fiscal year 1990 under Gephardt plan) = 96.57 billion.

PROGRAM PRIORITIES

(The Gephardt proposal would increase the outlays for the following selected programs):

	Millions
Full funding of omnibus drug bill (including education, treatment, prevention, and law enforcement programs)	$668
Medicare	2,550
Headstart and job training programs	867
EPA operations/global warming research	100
National Instituties of Health research/AIDS research	150
Low Income Home Energy Assistance Program	730
Rural Economic Development	51

	Millions
Veterans programs	150
Energy conservation plan/home weatherization	430
National Science Foundation	100
Advanced technologies/foreign commercial service	150
Mass transit programs	10

GEPHARDT SUBSTITUTE TO FISCAL YEAR 1990 BUDGET RESOLUTION

[By function in billions of dollars]

	Committee resolution	Gephardt amendment	President's proposal	Gephardt over (+)/under (−) committee mark
Total:				
Budget authority outlays	$1,350.925	1,357.435	1351.025	+6.410
Outlays	1,165.250	1,171.095	1165.250	+5.845
Science, Space and Technology:				
Budget authority	14.425	14.525	15.550	+.100
Outlays	14.125	14.175	14.800	+.050
Energy:				
Budget authority:	5.800	6.500	4.025	+700
Outlays	3.800	4.230	3.250	+.430
National Resources and Environment:				
Budget authority	17.075	17.278	15.200	+.203
Outlays	17.628	17.628	16.725	+.103
Agriculture:				
Budget authority	18.550	18.550	17.375	
Outlays	18.600	18.600	14.375	
Commerce and Housing credit:				
Budget authority	13.275	13.425	13.675	+.150
Outlays	8.150	8.240	6.150	+.090
Transportation:				
Budget authority	29.850	30.004	28.875	+.154
Outlays	29.025	29.054	28.025	+.029
Community and Regional Development:				
Budget authority	7.150	7.267	6.235	+.117
Outlays	6.775	6.834	6.250	+.059
Education, Employment, and Social Services:				
Budget authority	42.025	44.580	37.875	+2.555
Outlays	39.948	39.948	37.575	+.873
Health:				
Budget authority	57.850	59.081	55.975	+1.231
Outlays	56.225	56.903	54.650	+.678
Medicare:				
Budget authority				
Outlays	98.350	100.90	95.80	+2.550
Income Security:				
Budget authority	185.70	186.5	182.95	+.819
Outlays	145.65	146.3	141.70	+.747
Social Security:				
Budget authority				
Outlays	2.490	2.490	2.490	
Veterans Benefits:				
Budget authority	31.000	31.217	30.025	+.217
Outlays	29.800	29.964	29.200	+.164
Administration of Justice:				
Budget authority	10.400	10.642	10.250	.242
Outlays	9.950	10.005	9.875	.055
General Government:				
Budget authority:	10.050	10.072	10.125	.022
Outlays	9.675	9.692	10.175	.017
Allowances:				
Budget authority			−256	
Outlays			−256	

Revenues	Billions
$5 import fee/revenue	7.70
Recapture/revenue	+3.80
Total	11.5
West. Hemisphere allowances	−2.5
Net gain	9.0
New fiscal year 1990 outlays	−5.845
Net deficit reduction (above committee mark)	3.155

Deficit for fiscal year 1990=96.57 billion.

Mr. FRENZEL. Mr. Chairman, I yield 5 minutes to a member of the Committee on the Budget, the gentleman from Missouri [Mr. BUECHNER].

Mr. BUECHNER. Mr. Chairman, I have heard a lot of people get up here today and talk about holding their nose and that this is the best thing on the table, that they cannot find anything else, they are not happy with it.

Mr. Chairman, I think we ought to be real candid about what we have here. We have a marriage. It is a marriage of a groom down the street named George Bush and a bride which is the House and the Senate, and it is a shotgun marriage. They did not want to be together. The bride wanted a guy named Dukakis to be the groom, and the groom wanted 400-some-old people to be the other partner, and that is not the way it is.

Somebody walked up with a shotgun and said, "You are going to get married," and that is the electorate. The electorate is out there, and they are going to shake their fingers at us, and we are shaking our finger at ourselves saying that this budget is not what we want, and they are going to complain, and they are going to say, "You could have done more." We could have done more.

The reason we are not doing more? Why are we not cutting more? Why are we not reducing the deficit more? That is because of politics. Politics works both ways.

Mr. Chairman, the people back home do not want us to cut programs; well, not their programs. The people up here do not want to cut programs, not their programs.

□ 1630

If the bring in all of the chairs and the vice chairs of the committees, they will tell my colleagues to balance the budget on the back of the other committees.

What we have out of this marriage is a child and it is called this budget. This is an ugly child. This child has more freckles, and scars, and bad-looking hair, and it is fat, and it stutters, but it is our child. And the trouble with this child is that nobody wants it to come to the family picnic because it is going to embarrass us. But we do not have another child to replace it. We do not have to love this child, but it is our responsibility to be honest and show it to the American public

and explain that until the American public is willing to take less, is willing to have less spent on their programs, this is the child that is going to come to the picnic, and it is going to kick the other kids.

I will tell you what this child is going to do, it is going to deny us an amount of money that we ought to be putting into science, space, and technology. As we talk about politics in this budget, we are going to miss out on vision. We are going to put money into education, we are going to try to stem the flow of good people out of the educational system, we are going to try to cut illiteracy, but we are going to deny the vision this country needs in science, space, and technology. We are not going to really have a space program that we ought to have, and that is politics. We are probably going to cause some problems within a myriad of other programs, and that is politics. We are going to want to offer a lot to people that we cannot deliver, and that is politics.

But, Mr. Chairman, if this marriage maybe had a little bit more love in it, the kid would not have looked so bad. But unfortunately, that is not reality, that is not politics.

I wish we had more vision, I wish budget could offer more for the long range of this country, not just the next election, but the long range. And in 1991, I hope we do not have the birth of a second ugly child.

Mr. FRENZEL. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Oregon [Mr. DENNY SMITH], a member of the committee.

Mr. DENNY SMITH. Mr. Chairman, I rise in opposition to this budget resolution that is before us today. This is the fifth budget that I have worked on in the years that I have served on the committee, and as usual, this budget is no different. It is based on questionable economic assumptions, fudged numbers, the old smoke and mirrors, and somehow, some way, miraculously, the Appropriations Committee and the rest of the membership are to get together and implement these suggestions that are in this budget.

Speaker after speaker has come before us today saying that this is not a perfect document, that this is the best that we can do. The problem is that we never try to do any better. I have heard this for the past 9 years, and the deficit problem is in fact getting worse. The numbers are getting bigger, and we are changing the way we fudge the numbers.

First off, I guess I should say that the gentleman from California [Mr. PANETTA] and the gentleman from Minnesota [Mr. FRENZEL] have done a good job of trying to put this child, as the previous speaker has said, together. This is a problem that we have to deal with each year. Our problem in the Budget Committee is that we do not have any way to really enforce the numbers that we come up with.

Maybe if we have that enforcement mechanism we could ensure that we did not have any supplementals, that we did not have any further spending beyond the areas that we have agreed to. The cuts that everyone bemoans and that we have talked about on the floor here today are in reality increases in actual spending from the fiscal 1989 levels, and it is one of the problems we have.

When I came to the Congress we were spending $660 billion. This resolution, I believe, calls for $1,165,000,000,000 in 9 years. But in any event, we have an increase in revenues this year of approximatley $90 billion so that we are not short of revenues, we are short of courage. We have $14 billion worth of increased revenues, or at least increased dollars that will come from either asset sales or revenue changes that contribute to this $90 billion increase.

In my estimation we should do the same thing that I have been saying the entire time I have been here in the Congress. That is, we should freeze the budget at the present level of spending, nobody gets any increase, except for demographics, and nobody gets any decreases. But we do not have the political courage to go in and make any decreases, but we in fact do have an opportunity to freeze the spending.

I guess in the final analysis this budget will pass. It is an agreement that will allow the committees to go forward, and so from that standpoint I probably ought to vote for it. I happen to think that we ought to do better, we can do better and should. I would just say to the chairman and ranking member, I think it is up to this committee and to the members on this committee to be sure as we go on down through this year that we have no more Budget Act waivers, that we have no more backdoor spending in supplemental appropriation bills, and that we have no more cheating on the numbers and the economics. I think with those things we could, in fact, reach the numbers on this budget and that we should reach those numbers if we are to do the best job for our constituents and for the Members of this body in trying to get the deficit under control.

Mr. FRENZEL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New Jersey [Mr. GALLO], a member of the Budget Committee.

Mr. GALLO. Mr. Chairman, as a new member of the Budget Committee, I would like to express my appreciation to our ranking member, Mr. PANETTA, for their long hours of tireless effort and the excellent work they have done in bringing this budget resolution to the floor. This is not a perfect budget; but, we do not live in a perfect world. Whatever we may think of this resolution as a budget, I feel that it is important to recognize that it is also a political agreement and, under the circumstances, a pretty good one.

Given the conflicting goals and limitations they were required to work within, the budget summit negotiators produced a workable agreement. Although this bipartisan budget agreement does not completely satisfy the desires of Republicans or Democrats, liberals or conservatives it is a document that all should be able to live with.

This resolution adheres to the budget summit agreement and avoids Gramm-Rudman sequestration. If we fail to pass this resolution and implement the agreement, we face prolonged budgetary conflict between Congress and the White House, uncertainty in financial markets and a potentially devastating sequestration order.

Neither side felt that it had sufficient support to enact its own agenda. This was one of the major reasons for the budget summit negotiations. Compromise at this time is preferable to stalemate. Members who disagree with my assessment will be offering substitute amendments tomorrow. That is their right; but, I think we now have a realistic agreement that deserves our support.

I would like to see the budget process reformed so that in the future we will have a wider array of more palatable alternatives to choose from. Multiyear budgeting, the line-item veto, a balanced budget amendment, capital budgeting and the use of a current expenditures baseline are all reforms which would allow us to produce more realistic budgets in a more timely fashion.

It would be a mistake, however, to expect budget process reform to substitute for fiscal responsibility, political resolve or unity of purpose. No amount of accounting manipulation will allow us to spend more money then we take in without producing a deficit. No series of automatic financial directives will ever relieve us of the responsibility of setting priorities, funding the programs we can afford and eliminating the ones we cannot. Finally, no bipartisan compromise can take the place of agreement between Congress and the President about the basic purpose of Government.

The voters have chosen a President who is Republican and conservative. They have chosen a Congress that is basically Democrat and liberal. Divided Government requires concessions from all parties in order to avoid stalemate. The budget resolution before us today reflects these concessions. It is not the best budget that any of us is capable of writing; but, it is the best

compromise we have been able to achieve.

I request the support of my fellow Members for this resolution, which is the result of bipartisan negotiation and cooperation.

Mr. GREEN. Mr. Chairman, I shall with reluctance support House Concurrent Resolution 106, the concurrent resolution on the budget for fiscal year 1990. I do so because I think it is important that there be some agreement on reducing the deficit, and I see no prospect for a better one than is embodied in this resolution.

However, I think it is important that my colleagues understand what they are doing today. Though we are told there are cuts in entitlement programs, in fact there are enormous increases. The Budget Committee gets away with that legerdemain because it has adopted a unique system of bookkeeping under which increases are treated as nonincreases so long as they do not exceed inflationary and other normal program growth increments. Thus, as one reads the Budget Committee report on this resolution, one sees comparisons only with a mysterious baseline. Our colleagues on the Budget Committee apparently do not want us to know what we actually are spending on programs this year, which is significantly lower than the baseline. For example, last year the Appropriations Committee conference report provided $103 billion in budget authority and $86 billion in outlays for Medicare. This year's budget resolution cites a baseline of $123 billion and proposes spending $123 billion in budget authority. The fiscal year 1989 budget provided $278 billion in budget authority and $233 billion in outlays for Social Security. This year's budget resolution assumes a baseline of $317 billion and proposes spending $317 billion in budget authority. The same example follows for Medicaid, food stamps, and some other entitlement programs.

Where we shall all pay the piper is on domestic discretionary spending. In essence the Budget Committee has decided to dump virtually all of the fiscal pain on the Appropriations Committee. This budget resolution increases domestic discretionary spending only from $178.9 billion to $181.3 billion, or $2.4 billion—a 1⅓-percent increase—well below the inflation rate. Contrast this to the $585 billion this budget resolution proposes spending on entitlement and other mandatory programs. To give one some idea of what that means, the administration's proposed increase in the Space Program would use up the whole increase in discretionary spending, leaving nothing for increasing the homeless or drug programs, unless, as I suspect is not the case, the House is prepared to accept such cuts as the 38-percent cut—$750,000,000—in the Wastewater Treatment Program proposed by the administration.

In short, the numbers may look easy, but don't criticize those of us on the Appropriations Committee when, later this year, we have to turn those domestic discretionary numbers into program reality.

Mr. GOODLING. Mr. Chairman, I rise today in support of the budget resolution for fiscal year 1990. Like many of my colleagues on both sides of the aisle, I do so purely because of the promise contained in the agreement that discussion of fiscal years 1991 and 1992 between the White House and the bipartisan congressional leadership will begin immediately.

This resolution has positive aspects. It places emphasis on the future in two very important and productive ways. First, it gives proper priority to educating our greatest national resource, future generations. Second, by increasing the Senate mark for both education and science and space, it decouples an insidious and unproductive tradition in Congress: the tradeoff between scientific research and education.

This decoupling is one of a number of ways in which Chairman PANETTA and ranking minority member FRENZEL have managed to overcome previous tensions within the committee and the Congress regarding the budget. I look forward to a short conference with the Senate, and even more so to the chairman and ranking member's application of their not inconsiderable skills to the formulation of more substantive agreements for future fiscal years.

Mr. FRENZEL. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I think we are at the point of conclusion of the general debate on the budget resolution, and I would like to say for myself that I congratulate the Members on the high level of debate and the close analysis of the resolution.

□ 1640

I would like to restate the positions that the distinguished chairman of the committee, Mr. PANETTA, and I made when we started. That is that this is indeed our baby, to use the language of the distinguished gentleman from Missouri, it is the best child that we could produce under the circumstances.

At least I for one am going to love it. I urge all Members to be supportive of this budget resolution.

We are now going to fade into the sunset temporarily and others are going to pursue the debate that is annually provided on the Full Employment and Balanced Growth Act of 1978.

On the Republican side the distinguished chairman of the Republican conference, the gentleman from California [Mr. LEWIS] will be leading the debate and controlling the time. But before I turn over the time to him, I would like to state that the Full Employment and Balanced Growth Act of 1978" or more commonly referred to as the Humphrey Hawkins Act, states that capital formation, both public and private should be a national goal. Section 207(a)(4) of the act clearly promotes the goal of reducing the impediments to capital formation. Section 207(a)(4) states:

* * * an important goal of national policy shall be to remove obstacles to the free flow of resources into new investment, particularly those obstacles that hinder the creation and growth of smaller businesses because general national programs and policies to aid and stimulate private enterprise are not sufficient to deal with the special problems and needs of smaller businesses. * * *

One of the most evident obstacles hindering the Nation's ability to commit resources to new investment opportunities today is the high rate of tax placed on private investors when realizing capital gains.

The Humphrey-Hawkins Act promotes full employment, low rates of inflation, and balanced growth which is in itself a principal avenue to high and sustained rates of capital formation. Section 207(a)(2) states:

* * * high rates of capital formation are necessary to ensure adequate rates of capacity expansion and productivity growth, compliance with governmental health, safety and environmental standards, and the replacement of obsolete production equipment. * * *

I would like to urge my colleagues to consider that the reduction in the capital gains tax is sound economic policy; and would encourage long-term capital formation, spur capital investment and savings, enhance productivity, and help small and emerging businesses to form and expand more efficiently.

High rates of capital formation are most easily achieved when the cost of capital is low; that is, the real rate of interest. A cut of the capital gains tax to 15 percent as proposed by President Bush is consistent with the original intent of the Humphrey-Hawkins Act to encourage investment and allow small businesses an opportunity for start-up and expansion.

I would now like to turn to the distinguished gentleman from California to further the original goals of the Humphrey-Hawkins Act and present to the House the Republican Conference's proposals to ensure greater economic opportunity for all through the American Economic Opportunity Act, Mr. LEWIS of California.

Mr. Chairman, because I think the discussions tonight are not going to deal with this subject, I did want to raise that question of how important it is to make a strong statement in favor of capital gains tax differential.

Mr. Chairman, with that short statement, I now yield all of my remaining time which I estimate to be 70 minutes to the distinguished gentleman from California [Mr. LEWIS], the chairman of our Republican conference. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. LEWIS] be permitted to yield that time in any fashion he desires.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PANETTA. Mr. Chairman, I believe we still have some time on our side.

The CHAIRMAN. The gentleman from California [Mr. PANETTA] has 1 hour and 6 minutes remaining and the gentleman from California [Mr. LEWIS] has 1 hour and 9 minutes remaining.

Mr. PANETTA. Mr. Chairman, I yield myself 3 minutes before yielding the balance of my time to the distinguished chairman of the Joint Economic Committee.

Mr. Chairman, this does conclude the portion of the debate involving the Budget Committee and the budget resolution. It has been a good debate. I appreciate the participation of the Members from both sides of the aisle, and also I appreciate and respect the views of all Members which have been presented here both for and in opposition to the budget resolution.

I think everyone recognizes the limitations that we deal with; that is one of the realities. It took us 8 or 9 weeks working together, negotiating with the White House, day in and day out, to walk through all of the limitations, to understand what all the alternatives were available, what alternatives were not available and to try to struggle to some kind of agreement.

Now the Members themselves have to go through that same process in a shorter period of time. I think ultimately Members themselves have to recognize the limitations that are here, whether they be political, political leadership, the politics of the issues that have been developed by either party, whether it is the constituencies themselves that want to protect the programs that serve those constituencies or whether it is our failure to project the depth of the crisis that faces this country to the American people in terms of our deficit crisis; whatever those limitations are, they are there, they are real and they are something we all have to deal with.

The choice ultimately comes down to this, comes down to a budget that was crafted as a compromise between the President and the joint leadership of the Congress, trying to do the best we can under those circumstances, or no budget at all, and institutional chaos.

That, essentially, is the choice that faces the Members of the House of Representatives as we approach our vote tomorrow.

The House will have an opportunity to make its choices on a number of different amendments, and we will see how those alternatives develop because the amendments basically provide a good array of choices that could be alternatives to this budget, whether it is raising taxes, like the oil import fee, or whether it is raising taxes and reducing defense more substantially, or whether it is developing a freeze across the board or whether it is developing other approaches.

The Members will have the opportunity to look at a vast array of alternatives. But ultimately I believe that the membership, itself, will come down to the decision that we on the Budget Committee had to make, that this was the best we could do with those limitations. There are some points that argue in favor of it. It is bipartisan. It was crafted in conjunction with the White House. It does provide for some meaningful deficit reduction. It does protect the priorities that the Congress has established in the past and that we need to continue in the future and most importantly it sets the stage for an additional effort to try to achieve the bold approach to deficit reduction.

Those are important points, they are points that I believe should be of impetus here in terms of convincing Members to support this budget resolution.

With that, Mr. Chairman, I yield the balance of my time to the distinguished chairman of the Joint Economic Committee, the gentleman from Indiana [Mr. HAMILTON], and I ask unanimous consent that he be entitled to yield his time as he chooses.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I appreciate the opportunity to speak during this portion of debate set aside for "Economic Goals and Policies." That is a broad heading, and I will be covering some broad areas as well over the next hour.

I will be joined today by several of my Republican colleagues as we discuss a special legislative initiative: the American Economic Opportunity Act. But first, I will address economic policy more generally.

The Humphrey-Hawkins Full-Employment Bill and Balanced Growth Act of 1978, contained, among other things, the mandate that guides our discussion today. That is, to debate U.S. economic goals and policies.

Simply stated, the main purpose of this 4 hours of Humphrey-Hawkins debate is to discuss ways to reach full employment. My friends, according to many economists we have reached full employment.

So after 8 years of economic policies guided by Ronald Reagan and George Bush, perhaps we should rename the Humphrey-Hawkins Full Employment Act the Reagan-Bush Full Employment Act.

Nevertheless, some critics, unwilling to say "uncle" have identified a new threat to our economy—overemployment. In other words, too many people are working and now run the risk of labor shortages. Perhaps they would prefer higher unemployment, inflation and slow growth, as well. Perhaps we should enact a statute calling for 4 more hours to debate this new phenomenon.

The nay-sayers have been shadowing this Nation's economic growth for some time now. We've been hearing that the recession is just around the corner every year since the last recession—7 years ago.

The rest of the world must be quite puzzled as they witness the latest round of self-flagellation and guilt over the success of our economy.

The nay-sayers rush to criticize while the world rushes to imitate.

More and more nations are abandoning central planning and adopting free-market economic policies. The faint stirrings of democracy in old-line Communist nations like the U.S.S.R. and China have become roaring torrents inciting the people. They will now witness the power of a "real" revolution—where economic and political freedom are inseparable.

Meanwhile, back at home, the good news continues. No one can stand here and say this country will never experience an economic downturn. And certainly there's work to be done on the deficit. But if the sky is falling someone should tell the record high number of Americans who are working, competing, and winning.

The first quarter GNP figure for 1989 was a whopping 5.5 percent, bringing the annual rate of U.S. economic output to over $5 trillion for the first time. Even if we factor out the effects from last summer's drought the growth rate is robust by historical standards.

The overall jobless rate for March was 4.9 percent and the civilian worker rate was 5 percent. Both rates are at their lowest since December 1973. Over the past year the unemployment rate has fallen six-tenths of a percentage point: an impersonal sounding fact that happens to mean that 700,000 Americans found employment in the last year alone.

The unemployment rate for blacks hasn't been lower since September 1974; for women it's the lowest rate since 1970, for Hispanics it's the lowest rate since records were kept in 1973.

Real income of the median family—the family right in the middle of the income distribution—set a new record in 1987 and continues to grow.

Even our personal savings rates have increased.

Back in 1986 in the preface to the report of the Joint Economic Committee, the chairman said, "we must face the fact that, since the mid-1970's, economic performance has continued to be very disappointing." I am not sure which country he was referring to.

He went on to say that "neither party has developed economic policies that produce sustained levels of eco-

nomic growth without inflation." I take issue with that statement as well. We are now in the 78th month of economic expansion: The longest peacetime expansion in the 20th century.

There is a reason for that expansion: it is the Republican economic policies of the Reagan-Bush administration.

Its foundation was laid back in 1981 with the Economic Recovery Tax Act [ERTA], that cut personal tax rates 23 percent across the board and indexed tax brackets for inflation, and attempts to reign in excessive Government spending and regulation.

The only thing I agree with from that JEC report was when it said, "The important question for tomorrow's policy is: where do we go from here?" To that question I propose an answer—the American Economic Opportunity Act, which I will introduce in the House within the next 2 weeks. A companion package will be introduced in the Senate.

There are several of my colleagues here today who will describe their individual bills and proposals that comprise this act.

The American Economic Opportunity Act is a comprehensive economic blueprint, a Republican vision for economic opportunity into the 1990's. It consists of new and existing legislation, covering such broad subject areas as:

Budget and tax reform: including a lowering of the capital gains rate, inflation indexing the capital gains base and tax deductible IRA contributions, and calling for the enactment of a flexible budget freeze for fiscal year 1991 and budget reforms;

Economic opportunity for the poor: Including urban homesteading, enterprise zones, changes in the earned income tax credit, and assistance for home ownership by tapping into existing IRA's;

International economic policy: Including creating a North American trade accord with Canada, the United States and Mexico.

Proconsumer regulatory changes: Including the sunsetting of the ICC and full deregulation of natural gas.

Mr. HEFLEY. Mr. Chairman, I rise today to applaud my friend, the gentleman from California [Mr. LEWIS], for his leadership. Mr. LEWIS is here outlining the provisions in the American Economic Opportunity Act, a wide-ranging bill that could help the American people in so many ways. The current debate over the 1990 budget resolution is an appropriate place to set out our plans for building on the economic successes of the past years.

The American Economic Opportunity Act incorporates some of the best ideas floating around Congress. Ideas that I have long endorsed and have encouraged my colleagues to support. Ideas that make sense to the American people.

The specifics of the bill have been mentioned already, but good ideas can always stand to be repeated. Included in this bill are:

A provision to lower Gramm-Rudman-Hollings deficit targets by the amount of any tax increases.

A provision to lower capital gains taxation.

A provision to increase retirement savings.

Provisions to make sense of the budget and appropriations process by endorsing a flexible freeze, giving the President the power to lower line-item appropriations, and begin budget considerations from the level of last year's expenditures.

Provisions to help the working poor through home ownership assistance and expansion of the earned income tax credit.

Provisions to reduce trade barriers to U.S. exports.

Provisions to expand deregulation and sunset the Interstate Commerce Commission.

I am particularly proud to have played a role in bringing the last portion of this bill before the House. The portion of Mr. LEWIS' bill that sunsets the ICC is based on a bill I introduced in the 100th Congress (H.R. 5384), which I have reintroduced today in the 101st Congress.

I want to invite all my colleagues to sign on in support of both these bills. Mr. LEWIS and others will outline the specifics of other portions of the American Economic Opportunity Act; I will give the details of my proposal to phase out the ICC.

Established in 1887, the ICC served this country well as its responsibilities grew from railroads to pipelines, to trucking and bus lines, and on to water carriers and freight forwarders. But times have changed and the ICC's responsibilities have dwindled. The remaining responsibilities, chiefly the regulatory duties as defined by the Staggers Act, can be assumed by another agency in a less costly way.

That is what my bill and Mr. LEWIS' bill proposes. The ICC's rail freight functions would be transferred to the Department of Transportation. Residual responsibilities would shift to the Federal Trade Commission and the Department of Justice.

Recognizing the dedicated work of the career employees of the ICC, the bill protects their status by ensuring their transfers to the agencies that assume the roles they held at the ICC. The only ones left out will be the political appointees.

This is a chance to streamline the operations of the executive branch. It is painless savings because no one will be less served because of the change.

We spend about $40 million a year to keep the ICC running. I am not suggesting that all of that can be saved, but eliminating the fat there will mean that we will not have to cut substantive programs in other agencies.

□ 1650

Mr. LEWIS of California. Mr. Chairman, I yield 5 minutes to the vice chairman of the Committee on the Budget, the gentleman from Minnesota [Mr. FRENZEL], to discuss his bill to change the budget baseline and his views on the overall impact of the budget process.

Mr. FRENZEL. Mr. Chairman, I rise in general support of the gentleman from California's [Mr. LEWIS] American Economic Opportunity Act, but I want to specifically talk about budget process for a moment.

I have already discussed the need to reestablish a capital gains differential, and I consider that to be one of the most important elements of the package, but now I want to talk a little bit about truth in budgeting and about the current services baseline.

I recently introduced what my junior Senator has the effrontery to call the commonsense budget act which would change the way Congress approaches the Federal budget. The bill would require the President and the congressional Committee on the Budget to draft their budget based on actual prior year spending levels, rather than on a comparison with the current services baseline. My junior Senator and I used to have some common business interests, and jointly we used to get disgusted with business gobbledygook and business reports that we felt were simply fuzzing up the landscape and making it more difficult for business people and their customers to understand the nature of the business or the nature of the arrangement. We have the same strong feeling about the way that the Congress feels with the budget, particularly with respect to what is called the baseline. There are a lot of baselines being used, and the word is tossed about with probably some lack of care. We have a CBO baseline, we have a current services baseline, we have a Senate Committee on the Budget baseline, we have a House Committee on the Budget baseline, and we have another form called a WODI baseline, and there are probably many more. We used to have the Gradison baseline until Gramm-Rudman-Hollings No. 2 took that out of existence. All of them purport to tell Members what would happen to the Federal Budget if no laws were changed, and we continued on the current course and speed, and because all of them are different, one wonders why we need so many and one gets a pretty good idea why we need to restore some sanity to our comparison.

President Bush, in his State of the Union message, furnished the genesis of our plan by stating that he was going to compare his budget with what happened in the previous year. He said that that is the way businesses keep score, that is the way families keep score, that is the way individuals keep score, and the way we could. That is exactly what the Panetta-Frenzel budget plan does, it says we will compare our suggestions for the future year with what we did in the past year and then the public will understand it.

No sense in talking about silly ephemeral, whimsical, arbitrary budget baselines, which even the most experienced of these mavens have

great disagreements. Let us talk about something we agree on, where we have been, not where we think some Members might want to go, and some Members may not want to go. For that reason, we would simply require the simple comparisons and throw out the baselines which do not mean anything to our constituents and mean different things to those Members who deal with them every day.

This to me seems to be a very simple concept, a little truth in advertising. Do not talk about something that no Member understands, do not talk about something that all Members disagree about. Let us talk about something that our constituents understand. We will start from last year's outlays and then we will compare them to next year's BA and next year's outlays, and let us see how they compare, instead of talking about making all these great cuts and sacrifices, we will actually be discussing increases, because that is what always happens.

In the budget that has just been presented to the House and on which we will vote tomorrow, we are talking about cuts, cuts from a baseline. What is the baseline? No Member knows. In actuality, that budget is going to provide for about 4.6 more outlays, at least as we compute them, than will have been spent in 1989, the current year. So that is what our baseline and our proposal would call for in the future, that is a comparison with the previous year, something that is understood by all the people.

Mr. Chairman, I thank the gentleman for yielding me this time.

□ 1700

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. HAMILTON].

Mr. HAMILTON. I thank the Chair.

First, I want to express my appreciation to the chairman of the Budget Committee, the gentleman from California [Mr. PANETTA] for yielding me the balance of his time, and I commend both the committee chairmen, the gentleman from California and the gentleman from Minnesota [Mr. FRENZEL] for the excellent manner in which they proceeded with regard to the almost impossible task of negotiating a budget resolution.

Mr. Chairman, I do want to clarify the time situation, if I may, at the outset. It is my understanding that the time that is remaining has been equally divided between myself and the gentleman from California [Mr. LEWIS]?

The CHAIRMAN. The gentleman is correct.

Mr. HAMILTON. And, Mr. Chairman, how much time is remaining?

The CHAIRMAN. The gentleman from Indiana [Mr. HAMILTON] has 63 minutes on his side and the gentleman from California [Mr. LEWIS] has 57 minutes remaining.

The gentleman from Indiana [Mr. HAMILTON] is recognized for 63 minutes.

Mr. HAMILTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the debate on the budget resolution is really a debate about the most important economic issue facing the United States this year, and for the past 7 years: the Federal budget deficit. The deficit threatens our economic stability in the short run, and erodes our standard of living over the long run.

My concern is that, despite the best efforts of our negotiators, we are about to postpone real action on this vital issue for 1 more year. Our hope is that this resolution will permit a more comprehensive bipartisan agreement 1 year from now. But it will also allow the problem to fester and worsen, and will take serious chances with the health of the economy over the intervening months.

I. WHY WORRY ABOUT THE DEFICIT?

In the course of its annual hearings on the President's Economic Report, the Joint Economic Committee heard representatives of the Reagan administration and the Bush administration, and private witnesses from every part of the political spectrum. Although these witnesses did not agree on everything, the one thing on which they did agree was the importance of reducing the Federal budget deficit.

Why is there such unanimity on this issue among economists who are so prone to disagree on virtually everything else?

The heart of the economic problem caused by our budget deficit is its drain on our Nation's savings. The U.S. savings rate is among the lowest in the industrial world. The most important single factor has been the Federal deficit, which has absorbed $150 billion to $220 billion of domestic savings per year since 1983. But there has also been a decline in private savings during the 1980's, despite high real interest rates and the reduced taxes on savings enacted as part of the 1981 tax cut.

Many of the witnesses who testified before the Joint Economic Committee judge that the U.S. economy shows evidence of continuing vitality in the short term. Economic forecasters who testified expect the economy to continue growing this year, although at a somewhat slower rate than during 1988.

However, the deficit could trigger an interruption of growth in the short run, even though we have run large deficits for most of this decade without such an episode. Because of the deficit, and also because our private sector saves so little, we have become dependent upon credit from abroad to finance our consumption. The months leading up to the stock market crash of October 1987 demonstrated that foreign private investors, and even foreign central banks, can be unpredictable lenders; it was a slowdown in the flow of foreign private investment in our bond markets, with insufficient offsetting lending by foreign central banks, that led to an increase in interest rates and ultimately perhaps to the stock market crash.

In short, the U.S. economy, in successfully weathering the budget deficit thus far, is rather like an airplane that has proven itself more rugged than we expected. It has pleased us in taking more rough landings and more turbulence than we thought it could bear. We could express our pleasure by throwing it into one more storm or one more steep dive; or, perhaps more wisely, we could treat it more gently in the future, lest some hidden structural damage caused by our previous abuse should bring on the disaster that we used to fear.

Despite these lingering risks in the short-term outlook, however, many of our witnesses expressed their greatest concern over the long-term outlook for the U.S. economy, again largely because of the effects of the Federal budget deficit. The fact that the deficit has not resulted in a major economic crisis has lulled many into thinking that the deficit is having only minor consequences. But as our witnesses testified, the real problem is, to quote Harvard professor Benjamin Friedman, "the slow, gradual, subtle, corrosive nature of the damage that the deficit is doing in our economy." By focusing only on the short-term consequences of the deficit, we have been missing the long-term perspective—the effect of the deficit on savings, investment, productivity, and long-term economic growth.

During the 1980's, the U.S. economy was able to grow by using unemployed workers and slack capacity. But with the economy currently nearing full employment, the only way to achieve adequate economic growth in the future is through increased productivity growth. This prospect is clouded by the persistent shortfall of savings and investment in the American economy.

The deficit has directly caused a significant slowdown in saving, but investment has also declined. From 1951 through 1980, this Nation saved and invested on a net basis about 7.5 percent of its GNP. In this decade, net investment has fallen to about 5 percent of GNP. To support even this reduced level of investment, our shortfall of savings has forced us to import savings from abroad—meaning that foreigners will collect a share of the returns to these investments. This erosion of our net foreign investment has proceeded to the point where the Nation already

has become a net debtor. If and when foreigners cease lending to us, this erosion will change form and become a reduction of investment in the United States, and so we will have fewer factories and machines to generate income in the future. Either way, we and our offspring will be poorer as a result. Perhaps even more distributing, our capacity to provide for the national defense and to uphold standards of international conduct around the world will be reduced.

Both the competitive position of U.S. industry and the productivity growth of the U.S. economy have been impaired by the shortfall in savings and investment. Despite the decline in the dollar since 1985, the U.S. merchandise trade deficit has been stuck at about $10 billion per month since last summer, and few economists expect much improvement. Since the beginning of 1986, nonfarm productivity has grown at an annual rate of less than 1 percent—far below the 2.5-percent average rate of productivity growth between 1948 and 1972—and witnesses could find no reasons to project higher increases for the years immediately ahead. There has been an impressive rise in manufacturing productivity in recent years, resulting from foreign competition, but that growth is beginning to taper off.

Therefore, the budget deficit, by contributing to our shortfall of savings and investment, will with certainty erode our future standard of living. To avoid this unfortunate consequence, the Nation must live within its means.

II. HOW BUDGETING HAS GONE WRONG

What we need now, in a nutshell, is realistic and prudent budgeting. Over the last few years, we have developed considerable skill and sophistication in meeting the Gramm-Rudman-Hollings deficit reduction targets—without reducing the deficit. In fact, we have become so adept that we are deceiving ourselves and harming the Nation. The administration and the Congress must share the blame.

Someone aptly applied the phrase "smoke and mirrors" to the process of budgeting in this era of large deficits and declining deficit targets. The phrase covers an array of techniques for creating the appearance of addressing a problem that in fact is left for another day.

The smoke in the phrase is the use of optimistic economic assumptions, or what might be called best case budgeting. If we assume that real economic growth will proceed robustly into the future, we can show that Federal revenues will grow more rapidly and that Federal income support program costs will grow more slowly. And if we assume at the same time that interest rates will decline, we can show that the costs of servicing the national debt will be less. Taken together, optimistic assumptions on growth and interest rates can make the projected deficit far smaller than the actual deficit is likely to be.

The mirrors are accounting gimmicks that reduce the measured deficit in 1 year by shifting outlays into other years. In the past, we have manipulated the numbers in some ingenious ways. In perhaps the most notorious example, the fiscal year 1987 deficit was reduced by $2 billion by pushing forward a military pay day from the last day of fiscal year 1987 to the first day of 1988. Such manipulation has absolutely no effect on the deficit's drain on our national savings. Of course, the greatest accounting fiction is our use of the Social Security reserve—which is supposed to be accumulating to cover future benefits—to reduce our measured budget deficit.

Our attention to meeting Gramm-Rudman-Hollings targets has encouraged this kind of manipulation and diverted attention from the real issues we must face. In fact, Gramm-Rudman-Hollings has nothing to do with reducing the deficit; it requires only that we reduce the projected deficit. Apart from fiscal year 1987, actual deficits for the past 5 years were never within $10 billion of the Gramm-Rudman-Hollings targets, and the fiscal year 1987 result relied heavily upon accounting gimmicks.

The clearest evidence of our failure to develop a rational fiscal policy is that the deficit has increased for the last 2 fiscal years, even though the Gramm-Rudman-Hollings deficit reduction requirements were met, and even with a short-term economic performance that has exceeded our expectations. If our economic policies had been anywhere near the mark, the good fortune on economic growth and interest rates would have put the deficit below the Gramm-Rudman-Hollings targets. Instead, the deficit for the current fiscal year will come in more than $30 billion above the target. Our smoke and mirrors appear to have fooled the system, but in fact, we have fooled ourselves.

My greatest fear today is that the revision of Gramm-Rudman-Hollings has advanced these budgetary games to a new and higher level. In effect, the new law creates a sophisticated division of labor between the administration and the Congress: they provide the smoke, and we provide the mirrors.

Under the new law, OMB writes the definitive economic forecast. The sitting administration has every incentive to claim that the economy will grow more rapidly and that interest rates will fall, because it reflects well on their policies and it reduces the spending cuts and tax increases they must propose to meet the deficit reduction targets. Of course, it is in the interest of the Congress to decry the optimism of the administration's forecast. But it is also in our interest to accept that forecast, because it is the binding standard under Gramm-Rudman-Hollings, it minimizes the degree of pain that we must impose, and it avoids the conflict involved in creating our own forecast. So the administration's economic outlook inevitably rules the day.

A forecast that is optimistic in the short run means that the Congress can use timing manipulation to meet the deficit targets; more realistic assumptions would make the deficit larger, and would require real policy changes. A forecast that is optimistic for the long run as well completes a loop by making the postponement of the problem appear more reasonable. If assumed continuing rapid economic growth and declining interest rates will make the deficit disappear within a few years anyway, there seems to be little cost in pushing some outlays into the future, even with interest. This raises the future deficit, encourages optimistic economic assumptions in the next year, and thereby renews the cycle.

It is this loop of smoke-and-mirrors compliance with Gramm-Rudman-Hollings in the short run, and the postponement and compounding of the problem in the long run, that has led to the stretching out of the deficit problem. And it is only because the economy has performed well in the short run that this process could continue for so long. Had the economic performance been less satisfactory, especially with a recession, the deficit would have been driven upward. If we continue with best case budgeting, we continue to run that risk. And we are most ill-prepared to deal with a recession—with the deficit already too high to allow fiscal stimulus to cushion the economy's fall, and with monetary policy forced to maintain high interest rates to attract foreign capital.

III. THE FISCAL YEAR 1990 BUDGET RESOLUTION

Most regrettably, the fiscal year 1990 budget resolution continues this destructive policy loop. It begins with the customary optimistic deficit target, and reaches it largely through the usual array of accounting gimmicks, accomplishing little true deficit reduction. The result is an unjustifiable risk of economic instability in the short run, a larger debt burden for our children and grandchildren in the long run, and greater pain when the time comes to meet the next deficit target in 1991.

A. OPTIMISTIC ECONOMIC ASSUMPTIONS

The administration's economic outlook for fiscal year 1990 assumes rapid real growth in an economy near to full employment. But unlike the past few years, we no longer have the ability to increase output by putting unemployed workers and factories back to use. To maintain the recent pace of

our economy, we must have productivity growth accelerate as the economy approaches full employment; in all other post-World War II expansions, productivity growth slowed as the economy reached full employment, and productivity growth for the past 2 years has been 1 percent or less. Likewise, the forecast assumes that interest rates will fall as the economy expands—another unlikely outcome. The administration putting forward this economic outlook is rather like a gambler on a lucky streak deciding that he can roll sevens forever—sooner or later he is sure to lose all his money.

No one can say that these fortunate outcomes will not materialize this year, but few reputable economists would bet on this forecast. Federal Reserve Board Chairman Alan Greenspan, testifying before the Joint Economic Committee in January, said, "It is feasible. Is it probable? No, it is not." The survey of 39 private economic forecasts known as the Blue Chip Forecast showed none with both a higher growth rate and lower interest rates. For the record, 2 of the 39 forecasts showed very slightly higher growth, but had 2 percentage point higher interest rates; 1 forecast had very slightly lower interest rates, but had 2 percentage points lower growth.

The comparsion between the administration's economic forecast and that of the Congressional Budget Office is instructive. Because their assumptions on economic growth and interest rates are more cautious, and because of technical estimating differences as well, the CBO projects a fiscal year 1990 deficit $18.8 billion higher than the administration. And based on the economic performance to date, even the CBO projections appear to be optimistic; a forecast equal to the average of the latest blue chip survey would have the deficit another $3 to $5 billion higher.

It may be true that economic expansions die not of old age, but only because of policy mistakes. But planning the Nation's fiscal policy on the basis of an overly optimistic economic forecast is one of the most serious economic policy mistakes we could make. The implications for the economic expansion do not require elaboration.

B. THE BEST "UNDER THE CIRCUMSTANCES"

It has been said that our congressional negotiators attained the best possible budget agreement under the circumstances, and I believe that to be true. The agreement does build an atmosphere of bipartisan comity, and it may lead to further negotiations, and our negotiators deserve credit for that. But it is important that we understand how impossible the circumstances were, and why they were so.

The circumstances included an administration that would posit such overly optimistic economic assumptions.

The circumstances also included an administration willing to specify increases in spending, but unwilling to specify sufficient reductions in spending or increases in taxes to pay for them.

The circumstances included a slow erosion of our economic strength, rather than an air of crisis.

The circumstances included a Congress unwilling either to cut spending or to increase revenues sufficiently to reduce the deficit, and a people therefore increasingly accustomed to receiving more government than they had to pay for.

The circumstances also included, to my regret, the body of congressional nonnegotiators who provided no visible support to our negotiating team. While it is extremely difficult for 435 individuals to speak with one voice, we could have—indeed, we should have—called out for honest economic assumptions. At the very least, we should have made it clear that however rosy the economic assumptions, we should reach the deficit target through honest improvements in fiscal policy.

C. ACCOUNTING GIMMICKS

A budget resolution is not expected to include specific steps to reduce the deficit. The resolution is a planning document used to set targets. In my view, however, it is ominous that this resolution, either in print or between the lines, provides for almost half of its total outlay reduction through accounting gimmicks.

The resolution provides for $5.7 billion of savings through asset sales—which are widely understood to increase the budget's true deficit burden on the economy by decreasing receipts in later years.

The resolution achieves $850 million in "savings" by advancing agricultural deficiency payments from fiscal year 1990 to fiscal year 1989—achieving no true reduction in the deficit.

The resolution provides for another $420 million in "savings" by postponing putting the farm credit system on budget—with no real budgetary effect.

The resolution "saves" another $1.7 billion by taking the Post Office off budget—another accounting fiction.

The resolution "saves" yet another $477 million by canceling lost or damaged food stamps that would almost certainly not have been cashed in any event.

The resolution provides for $10.2 billion in other outlay savings. Most of these savings have not yet been specified; much of what is known involves only the continuation of expiring provisions of the law, and some of the steps provide for nonrecurring savings. It is possible that the balance of these savings will be legislated in an honest and realistic fashion; but the precedents are not good.

Finally, on the revenue side of the ledger, the agreement calls for $8.5 billion in additional revenues. Of these, $5.3 billion are unspecified, though the administration hopes for a supply-side miracle via a capital gains tax cut. A pickup of $500 million is assigned to improved compliance, although past experience indicates that compliance improvements require long lead times. The last $2.7 billion is to come from increased user fees.

D. THE HARM CAUSED BY THIS AGREEMENT

Admittedly, the budget process is far from over; but in my own judgment, this is an agreement reached for the sake of having an agreement—any agreement. The major achievements are forestalling the Gramm-Rudman-Hollings sequestration, and postponing the pain we all know is necessary. The agreement is a holding action; it achieves far less true deficit reduction than the numbers would suggest.

The world financial markets appear willing to indulge us 1 more year of procrastination on the deficit; but we cannot take this for granted. The behavior of the markets is not scientifically determined, with precise and infinitestimal adjustments. The stock market decided over a very short time in October 1987 that its assessment of the future was far too optimistic; this budget resolution provides no assurance that the Nation's financial future is secure.

But even assuming no short-term financial market reaction, this budget resolution dims the Nation's long-term economic prospects. The rosy economic assumptions mean that deficit reduction will almost certainly fall short of our actual target. And the asset sales that comprise much of the known deficit reduction action increase the long-term deficit; much of the rest of the agreement has absolutely no enduring effect. The national debt will be higher than Gramm-Rudman-Hollings dictates, and our future interest burden will be higher than if we had achieved the deficit reduction target. Further, the Nation, in both the public and the private sectors, will make fewer of the investments that we need to ensure future growth and prosperity.

E. IMPLICATIONS FOR FISCAL YEAR 1991

And, finally, consider the budgetary implications for fiscal year 1991. At the very most, this resolution will provide $18.7 billion of actual deficit reduction for fiscal year 1990. If it reduces the fiscal year 1991 deficit by the same amount, and if the economy follows the CBO economic forecast—and so far it is performing more poorly—the baseline deficit for fiscal year 1991 will be about $127 billion. The Gramm-Rudman-Hollings target for fiscal year 1991 is $64 billion, leaving necessary deficit reduction policy action of $63 billion—or more than

three times what is in this year's agreement.

By putting off deficit reduction again this year, we are leaving ourselves a stern political test for next year—assuming that the financial markets extend us that much grace. In an election year, we will need to impose enough pain to make good on the substantial part of the Gramm-Rudman-Hollings deficit reduction mandate, or face the wrath of those financial markets.

We should also consider the risk that this may be the year when the administration does not roll a seven, and when the economic performance proves worse than anticipated. In that case, the rest of the world will likely view any shortfall of our efforts relative to the deficit reduction targets as a sign of a persistent lack of will, and will punish our currency in the international financial markets. The result would be the collision of a recession and rising interest rates that we have feared for most of this decade.

So while this may be a good time to temporize on deficit reduction from a political point of view, it is a terrible time to evade our responsibilities from an economic point of view. Now, we have a window of opportunity with a growing economy, and we can take action relatively painlessly; but as unemployment falls and inflation creeps upward, the risks of continued procrastination can only grow. If we are determined to continue indefinitely with accounting gimmicks rather than true deficit reduction, we must some day face terminal frustration in the markets causing a genuine financial crisis.

IV. THE REMAINING TASK OF DEFICIT REDUCTION

So what do we need to do to set our fiscal house in order?

We need realistic, prudent budgeting. The first step is to adopt reasonable economic assumptions, and here, under the revised Gramm-Rudman-Hollings provisions, Presidential leadership is essential. The second step is to provide honest policy changes to achieve the necessary deficit reduction, and this requires congressional leadership with Presidential cooperation. Assessing blame for our current predicament serves no useful purpose.

We Members of the Congress must convey to the administration and to our congressional negotiators our determination that the deficit must come down: that we must fulfill our contract with succeeding generations to pass on a Nation stronger than we received, and that we must therefore pay our bills and not pass them on to our children. We must therefore be willing to make the essential tough choices if both sides will join in the process.

Nor should we underestimate the task before us. The latest CBO baseline budget deficit for fiscal year 1993 is $135 billion. The Gramm-Rudman-Hollings deficit reduction target is zero. To achieve that target would require a 45-percent across-the-board cut in Social Security benefits; or the elimination of all Federal means-tested entitlement programs, plus $16 billion more; or a 60-percent across-the-board cut in nondefense discretionary spending; or a 39-percent across-the-board cut in defense; or a 23-percent individual income tax surcharge; or a 105-percent corporate income tax surcharge; or a $1.42 per gallon increase in the Federal excise tax on gasoline.

As should be obvious, the deficit reduction task is enormous. Spending cuts alone, in my view, cannot solve the problem. The deficit is simply too large for the necessary cuts to be politically acceptable; there are not enough easy cuts to avoid reducing needed public investment in infrastructure, research and development, education, and environmental protection. And the deficit figures probably make an inadequate allowance for the FSLIC cleanup, the nuclear waste cleanup, the next century's bulge in Social Security benefits, and other contingencies for which a prudent Nation ought to plan. On the other hand, a large tax increase is not politically realistic. Therefore, the deficit solution, in my view, should be a package deal which must touch on many areas of Federal spending, and must include a moderate tax increase.

We do not need cleverness, and we do not need to win a game; we need honesty and will, and we need to bring the deficit down. Failing that, we erode the Nation's future. This Member has determined that he will vote for no future budget resolution that fails to meet these standards of realistic and prudent budgeting.

□ 1730

Mr. Chairman, I yield such time as she may consume to the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. Mr. Chairman, I rise in support of an amendment that will be offered tomorrow to meet this Nation's obligations to our veterans. Only by allowing a vote on this amendment will this Congress fulfill that obligation. The President of the United States, and the other body, have proposed budget levels that cut medical care to our veterans. For the past several years now, this critically important hospital system has had no effective increase in funds to meet its growing needs. There are nearly 10 million World War II veterans—average age 67 years—who are seeking care at our hospitals and outpatient clinics. Many are being turned away or are being put on long waiting lists. Hospital wings are being closed. Nurses and doctors are being stretched to the limit in our veterans' medical system. This situation is simply intolerable for a nation that claims to be gentler and kinder. We owe them more than fancy speeches and parades. We need to keep our commitments to them.

President Bush's budget promises many new programs in other areas, but not for veterans. The other body has proposed a budget level that does nothing to meet the growing demands on this system. The number of veterans seeking nursing home care has risen by 67 percent. The number of outpatients treated by the Department of Veterans' Affairs has increased by 29 percent. Even though we try to minimize the number of hospital visits, they are increasing at a rate of 7 percent. The number of AIDS patients being treated by the DVA accounts for 10 percent of all AIDS patients in the United States. Over one-third of this Nation's homeless are veterans.

Without additional funding for Veterans' hospitals and medical care, 12 to 15 medium-sized hospitals will be forced to close their doors. Patients are already being turned away. Equipment is outdated and hospital clinics are being understaffed. When the VA has to turn patients away, additional burdens are placed on other Federal programs such as Medicare and Medicaid. The facts are that a patient can be treated in a veterans facility at a lower cost to the taxpayer than through a totally private care system, where costs truly seem to be out of control.

Our amendment will simply shift 0.14 percent from all other domestic discretionary functions to veterans' medical care. Currently, funding for discretionary veterans' programs is at a level of $13.134 billion, or $48 million above the CBO baseline. The rule will make in order an amendment to increase that amount by $216 million, bring the total to $13.350 billion which is $264 million above the CBO baseline.

Mr. Chairman, I urge my colleagues to join me in support of this amendment to provide our Nation's veterans some evidence that we have not, nor will not, ever forget our obligation and gratitude to them.

Mr. LEWIS of California. Mr. Chairman, I must tell the Members that I was not lightly impressed by the remarks by my colleague, the gentleman from Indiana. His suggestion that the Joint Economic Committee might seriously consider using realistic economic assumptions and that perhaps we should consider paying our bills rather than passing them on to our children is refreshing, indeed. I mean, with such suggestions on this floor, the Humphrey-Hawkins Full Employment Act would soon become a taxpayers' holiday for those in America who are observing.

Mr. Chairman in the interests of discussing one of the more critical opportunities that we have in terms of our economic enterprise zones, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SCHULZE] who would suggest we cannot overlook the importance of revitalizing our inner cities and our rural communities.

Mr. SCHULZE. Mr. Chairman, I thank the gentleman and praise him for his leadership in providing us with the opportunity today to discuss economic proposals important to current and future generations of American citizens.

Robert Kennedy once said that "to fight poverty without the power of free enterprise is to wage war with a single platoon while great armies are left to stand on the side." There is no army on Earth greater than the people driving the economy of our Nation. Yet they are burdened more than ever with redtape, high taxes, especially on labor, and the high cost of capital. Although America has enjoyed the longest period of continued economic growth in its modern history, there are localities and citizens which have been left behind. We now have a solution pending before this body to restore economic opportunity to these pockets of despair. The solution is enterprise zones.

Since 1982, 32 States have enacted enterprise zone legislation. Surveys show that State zones have created over 100,000 new jobs, retained almost 70,000 jobs, and encouraged almost $9 billion in investment. This experiment has been successful and should be advanced to the Federal level. It is time to move forward with the enterprise zone concept enacted into law in 1987 and put teeth in the plan to revitalize urban and rural areas which have fallen into despair.

I would surmise that each Member of this body represents an area where an enterprise zone is needed. In my district, the city of Chester, PA, is a prime candidate. Penn State University found that Chester's location along the Delaware River, its labor force, available property and access to regional markets, make it one of the best locations for establishing a business in the Northeast. Yet, Chester is ravaged by poverty and drug abuse. It has little or no tax base and poor services. For a business to relocate or move to Chester, Federal tax incentives must be provided. Each one of us represents a Chester.

In Lyndon Johnson's first State of the Union Address in 1964, he outlined goals for which we should all strive. LBJ said that "unfortunately many Americans live on the outskirts of hope—some because of their poverty, some because of their color, and all too many because of both. Our task is to help replace their despair with opportunity." Well, it has been 25 years and our goals have not been realized.

Mr. Chairman, I am not ready to wait any longer, and our Members aren't either. The President supports enterprise zone legislation. So does the Democratic leadership. HUD Secretary Jack Kemp supports it. And our GOP leadership is on board. It's time to give hope to those we have left behind for the past 25 years and enact strong and effective enterprise zone legislation.

Mr. LEWIS of California. Mr. Chairman, in an effort to figure out this confusing and broken budget process, I yield 7 minutes to the gentleman from California [Mr. COX] to discuss his budget process reform.

Mr. COX. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of the American Economic Opportunity Act and, in particular, this portion which would provide budget process reform.

Mr. Chairman, a properly functioning Federal budget process should focus the attention of our policymakers on the macroeconomic decisions that we make. An effective budget process would, it seems to me, do the following things: First, it would encourage early consultation and cooperation between the Congress and the President. It would produce decisions on overall budget levels early in the budget year. It would require annual or biennial decisions on appropriate spending levels for all Federal spending, not just those arbitrarily deemed controllable. It would tie each individual spending decision to an overall budget, and it would prevent embarrassing annual shutdowns of the Federal Government.

In his first address to a joint session of this Congress given in this Chamber just a short while ago, President Bush asked us to deliver to him comprehensive budget process reform. Did he do so because he recognizes, as all of us must, that the Nation's budget process has broken down to the point that even most of us find the system almost incomprehensible?

Virtually no Member of the Congress has even read the huge spending bills we adopt. The typical yearend appropriations resolution is too long, too complex, and too tardy to expect the President to read it either.

□ 1740

Most in Congress probably do not even realize it when rules are broken or flat out ignored. On my very first day in this body the Speaker pledged that we would pass 13 appropriation bills by the August recess. In so doing, he pledged to us to violate the law which requires that those 13 appropriation bills be passed by June 15.

Imagine the consequences if we, as taxpayers, decided blithely to ignore that April 15 deadline. But when it comes to $1 trillion, this Congress waives many of the most important requirements of its own budget process.

When the Congress does so, sidesteps its own legal requirements, the consequences of its failure to make important budget decisions produces predictable results. Lobbyists, special interests, and pork barrelers have disproportionate influence on this topsyturvy add-on process of deficit spending.

As senior associate counsel to President Reagan, I was privileged to participate in the White House working group on budget reform which met for the better part of a year in the Roosevelt Room of the White House. The participants included representatives of virtually every Cabinet department and agency, and the proposal of the working group has formed the basis of the overhaul of the Congressional Budget Impoundment Control Act that is included in the American Economic Opportunity Act.

Our proposal calls on Congress to enact on or before May 15 each year a simplified budget that would fit onto one page. This budget law, once passed by the Congress and signed by the President, would set not only just guidelines but legal limits in 19 separate categories. The budget categories would cover all aspects of spending except Social Security and interest on the debt. Of course, within each category there is room for discretion as to how the money would be spent. The goal, however, is to make the Congress show fiscal responsibility.

This new approach does not tell Congress how much to spend it simply holds us to making a budget decision, just as a family or a business allocates money for various categories of annual expense.

What if Congress does not make up its mind to adopt this simplified budget law by May 15? In the absence of a binding budget law, it would take a two-thirds supermajority to pass any spending bills. That is a powerful incentive to pass a budget first before any spending begins.

If Congress fails to act by the beginning of the fiscal year on October 1, then the previous year's budget level determines the ceiling for the coming year. Congress is held to last year's budget in those particular categories. This automatic continuing resolution would ensure that we do not face these embarrassing governmentwide shutdowns. Government services would continue, but at a controlled level.

I think we recognize that since Congress does not like to be saddled with previous years' constraints, it would have a strong incentive to produce a

workable budget law by the middle of each year. This is one of our major objectives, to generate rational planning by Congress on how to spend the taxpayers' money and to do it in a timely fashion on a schedule the way that businesses and families budget their money.

Once Congress passes a budget law and the President signs it, any spending above the set ceiling is only possible by a two-thirds majority of Congress. The reason for this is to discourage unplanned spending. Additional spending beyond the budget is permitted only if it is deemed truly necessary by a large majority in Congress.

The President in that case could use enhanced rescission authority to pare that overbudget spending back to the limits earlier agreed upon by Congress and the President. Of course, a bipartisan consensus in Congress could, as in the case right now, override that rescission.

Right now the Federal Government's income from taxes is approximately $1 trillion a year. That is hardly play money. Yet each year we fail to live within our means, adding new deficit spending which is in reality debt that either we or our children and grandchildren are going to have to pay.

The Gramm-Rudman-Hollings targets are aimed at addressing these gargantuan deficits, and although that law helps, it does not go to the heart of the problem: an undisciplined, runaway budget process. It is time to harness this wild animal.

Our budget process reform bill will be ready for submission in this session. I am confident a bipartisan majority of Democrats and Republicans are ready to show the American people that Congress is serious about its responsibility to the taxpayers, to our economy, and to future generations.

Mr. LEWIS of California. Mr. Chairman, to present another element of the American Economic Opportunity Act, I yield 5 minutes to my colleague, the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong support of the American Economic Opportunity Act, and to bring to the attention of my colleagues a specific provision of the act which I have introduced. Since 1981, this country has enjoyed unparalleled peacetime economic growth, and to the amazement of some this growth continues today. The restoration of our economic condition can be largely attributed to the policies we adopted which freed up the people of the country to use their personal initiative to create opportunity for themselves. But while we have made significant progress, there remains a significant amount of work to be done. The American Economic Opportunity Act and my legislation which has been included in it would continue to expand the opportunities of the American people.

One problem facing people in this country who want to buy a home is obtaining the needed capital for a down payment. I am pleased to draw to the attention of my colleagues the feature of this bill which I have authored to help create greater opportunity for those who wish to purchase their first home. My legislation, H.R. 243, the first time home buyers bill, would help by allowing first-time home buyers to use IRA savings toward the down payment on a principal residence without tax penalty.

My legislation, as a part of the American Economic Opportunity Act represents a low-cost, workable, straightforward, and sensible alternative to people who currently have no opportunity to buy a home because they lack the money required to make a downpayment. What I have proposed is a mechanism which will allow people to use existing savings as a downpayment on a first-time principal residence.

The first-time home buyers bill offers a workable first step toward addressing part of the problem of spiraling housing costs. It is not a cure-all, but it does focus on one part of the housing problem and offers a positive, affordable solution for those lacking sufficient cash-on-hand for a down payment. For example, it would be especially helpful to those wanting to purchase a home in regions of the United States where housing costs are particularly prohibitive such as Boston, New York, southern California and the district I represent. If other investments are permissible under current IRA restrictions, good sense dictates that IRA savings should be freed for usage in the most major investment made by most people—buying a home.

This measure has a broad base of support. Yet, it has been brought to my attention that the Ways and Means Committee may decline consideration of this bill without even one hearing. This is troubling if, in fact, the Ways and Means Committee does refuse to even consider this worthy approach to making housing more affordable. This is especially true—and surprising—given the support expressed for this concept by the 1988 Democratic Presidential candidate, Michael Dukakis, during the recent campaign. In addition to the support this concept has received from Mr. Dukakis, my specific bill has been endorsed by Jack Kemp, Secretary of Housing and Urban Development. Senator D'AMATO of New York, a Republican, and Senator CRANSTON of California, a Democrat, have offered legislation in the Senate containing the exact same concept as that contained in my legislation. In fact, H.R. 243 has been cosponsored by a number of Democrats in this body, including some from the inner cities of New York and Detroit where the lack of affordable housing has resulted in acute homelessness. This legislation is also endorsed by the National Association of Realtors, the National Association of Home Builders, the National Lumber and Building Materials Dealers Association, and the California Board of Realtors, among others. Clearly, broad based, bipartisan support for my legislation has been established. I have understood that housing affordability is as much a priority of the majority party as it is the minority party and it is my hope that the Ways and Means Committee will consider by worthy, popular, and bipartisan initiative. For those who wish to purchase a home in America, this bill deserves a fair hearing.

It is my hope that my colleagues will support the legislative initiatives proposed in the American Economic Opportunity Act as well as the specific provision to help first-time home buyers which I have added to this measure.

□ 1750

Mr. LEWIS of California. Mr. Chairman, I appreciate the contribution of my colleague the gentleman from California.

Mr. Chairman, in order to bring Mexico, Canada, and the United States together to negotiate common trade concerns, I yield 5 minutes to the gentleman from Arizona [Mr. KOLBE] to discuss his ideas about North American trade.

Mr. KOLBE. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, today we begin consideration of the first concurrent resolution on the budget for fiscal year 1990. It is appropriate that we open this debate with consideration of the economic goals and priorities for the United States in the final decade of this century.

Today, I join my colleagues in outlining the American Economic Opportunity Act—a blueprint for continued economic strength and success into the 21st century. I want to take this opportunity to commend my colleague, JERRY LEWIS, for taking a leadership role in bringing together this proposal.

The American Economic Opportunity Act is really the fusion of many separate proposals addressing various aspects of our economic policy from budget and tax reform, to investment in our human resources, and everything in between.

My contribution to the American Economic Opportunity Act is in the area of trade—specifically our economic and trade relations with Mexico. De-

spite its strategic and economic importance Mexico has been largely overlooked, dismissed as a regional or border concern in Congress.

As we consider our agenda for the last decade of the 20th century, we can ill-afford to continue to ignore this important relationship. With this in mind, I will be working with my colleague from California to develop a section of the bill addressing United States-Mexico economic relations to recognize the importance of this relationship now and in the future, and to provide a base for future legislative initiative.

Ultimately it is my hope that the United States and Mexico will, and my conviction that we must, enter into an agreement to ensure even freer flow of trade across our border. I believe that the negotiation of a free trade agreement between the United States and Mexico—along the lines of that concluded last year between the United States and Canada—is no longer a question of if, but when.

As our third largest trading partner and a neighbor with whom we share a 2,000-mile border, Mexico represents a significant strategic and economic interest that will only increase in importance. Already our economies are closely intertwined, and recent economic reforms in Mexico virtually assure an even larger economic partnership between the United States and Mexico.

Over the past several years Mexico and the United States have enjoyed an increasingly cooperative relationship which reflects the growing interdependence of our two economies. In recent years this relationship has been marked by increasing growth in bilateral trade and investment, with two-way trade totaling $44 billion in the past year. All indications are that Mexico and the United States will continue to realize increasing growth in bilateral trade, and will enjoy greater economic competitiveness within the global community as a result of this cooperation.

One important reason for this increased cooperation is the great changes taking place in Mexico. Mexico, a country which thrives on revolution, is today going through a new revolution, only this revolution is economic rather than political. In the past several years Mexico has joined the GATT, sold off or closed hundreds of parastate firms, eliminated nearly all licensing restrictions on trade, and reduced tariffs and quotas across the board. Today Mexico has the lowest average tariff rates of any developing country.

President Salinas has continued the reform policies begun by President De la Madrid and is extending these reforms. Plans are to sell off more state-owned firms—notably the telephone company which is being prepared for sale. Word from Mexico City is there will soon be new, more favorable laws on foreign investment and greater protection for intellectual property rights.

In the past several years Mexico has transformed its economy from an inward-looking closed economy, to a vibrant, open, market-based economy. This new openness makes Mexico an attractive place for businesses looking to increase their competitive standing, and to secure a position in a dynamic new market. With the successful completion of the United States-Canada Free-Trade Agreement, the prospect of a similar agreement with Mexico cannot be overlooked by United States policymakers looking to enhance United States competitiveness.

I believe we are entering a "golden age" of relations between our countries. We now enjoy a relationship stronger than ever before. There is a recognition on both sides of the border that we share a stake in each others' futures, and there is a corresponding commitment to ensure that these futures are bright.

This recognition of our mutual interest has in recent days elevated discussions of economic security, stability, and growth in U.S. policy circles. The significance of the Brady plan for debt reduction should not be underestimated as a signal of United States determination to put in place policies which contribute to the economic viability of Mexico and other debtor nations.

Beyond this immediate concern, though, there is also growing interest—on both sides of the border, and in both governmental and business circles—to continue efforts to bring our economies closer together, to continue to negotiate reductions in the barriers that still stand in the way of bilateral trade.

As Europe continues to march toward internal integration by 1992, it is in our interest to forge this economic alliance that will allow our nations to remain not only competitive in the new global setting, but to truly exercise a leading role in the world economy.

Many will say that we are not ready for such an agreement. I concur in this assessment. Many great challenges face both of our nations. Certainly, it would be premature to suggest that the United States and Mexico could implement such a sweeping agreement tomorrow, or even next year. But it is important to set this as our goal, and to make conscientious decisions on policies that will build a foundation for such an agreement, and not erect barriers against this progress. That commitment needs to be made now, today.

Already forces in motion, both in Mexico and the United States, both in government and in private business are pushing us toward this end. The only party that has not actively entered into this discussion is Congress. A free trade agreement between the United States and Mexico will not happen soon, nor will it become a reality without protracted negotiation. Nor will it become a reality without Congress' involvement and our total commitment.

Mr. Chairman, today we consider a budget for fiscal year 1990. But the decisions we make today will be felt far beyond 1990. Let us make our vision one for the next generation and the next century. Building an economic partnership with Mexico as we have with Canada should be that union.

Mr. LEWIS of California. Mr. Chairman, I appreciate the contribution of my colleague, the gentleman, from Arizona. I am particularly appreciative of his understanding of the importance of opening trade opportunities with our Latin American neighbors, particularly Mexico.

Mr. Chairman, I yield such time as he may consume to a member of the Joint Economic Committee, and vice chairman of the Committee on Banking, Finance and Urban Affairs, the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman in May we entered the 78th consecutive month of the longest peacetime economic expansion in U.S. history. Its groundwork was laid by the Reagan-Bush policies of reducing tax and regulatory barriers to the flow of resources into production, thereby boosting economic growth. Sustained, noninflationary economic growth is the key test of economic policy because it is the best way to create jobs and a higher standard of living. Economic policies of the past 8 years have passed this test.

Nowhere has the positive effects of our economic policy been more strongly felt than in the labor market. The Civilian unemployment rate, at 5 percent, is at a 15-year low. Testimony received before the Joint Economic Committee says that one result is the decline in the number of "discouraged workers," those who have dropped out of the labor force because they have given up hope. In fact, the level of discouraged workers hasn't been at this low a level since 1979. The evidence suggests that many of them have become encouraged workers.

During this expansion 20 million new jobs have been added to business payrolls. The proportion of the working age population employed has reached an all time high of 63 percent. In addition, the employment-population ratio of black workers is also at a record level. While we cannot afford to become complacent so long as one American who wants a job doesn't have one, the progress made to date is most encouraging.

Moreover, most of the new jobs created in the economy are good jobs. Over half of the jobs generated in the last year are in managerial and professional occupations. This shows why a major challenge of public policy in the years ahead will be to improve the quality of education. The challenge is that the new jobs tend to be of better quality, requiring more skills, education, and training.

A healthy economy makes it easier to reduce the budget deficit, provided Congress resists the urge to intrude further into the economy. Our economy is projected to grow so as to generate an average of $74 billion of additional revenue in each of the next 5 fiscal years under current law. If we use this additional revenue for deficit reduction instead of higher spending, the deficit can be eliminated by 1993 without new taxes. On the other hand, if Congress creates new programs and expands existing ones, pushing Federal spending higher, the deficit will not be reduced. Spending control is absolutely essential for success in restoring fiscal responsibility.

Mr. Chairman, I rise in support of the compromise budget agreement negotiated by the President and congressional leadership. Though it will not solve our budget problems, bipartisan cooperation has borne fruit in this encouraging first step. I would have liked to see more real spending restraint. However, I trust that this budget agreement will be quickly followed by a more aggressive one to deal with the fiscal 1991 deficit, and I look forward to seeing that one implemented.

□ 1800

Mr. HAMILTON. Mr. Chairman, I yield 3 minutes to the distinguished chairman of the Committee on the Budget from California [Mr. PANETTA].

Mr. PANETTA. Mr. Chairman, I just want to take this time to commend the gentleman from Indiana [Mr. HAMILTON], chairman of the Joint Economic Committee, for what is his usual, which is a very careful, statesmanlike, and I think serious analysis of the situation with regard to the deficit and our overall economy. I think the most important role that the Joint Economic Committee could play at this point in time is to try to educate the American public as to these issues, because very frankly we are representatives of the people, and to some extent we will do the right thing and the people will recognize that that indeed needs to be done and we are willing to provide that leadership.

There are several points that I think need to be stressed. One was with regard to the issue of the deficit and the depth of the crisis that is there. I think there is a growing argument in this country that somehow there has been too much crying wolf on the deficit issue, and to some extent those who have said we are going to face crisis have been proven wrong, as the recovery continues to grow and yet, and yet underneath it we recognize that there is some very serious problems being reflected through the deficit including increased borrowing, that we are a debtor nation, increasing interest rates because of the nature of that borrowing and the impact that has on inflation and our economy, and the underlying savings levels throughout this Nation. We could probably run this size of a deficit if we had a greater savings base and investment base in this country, .nd that is being eroded, and I think the gentleman did an important job in pointing that out.

Second, on Gramm-Rudman there is no question that there are smoke and mirrors tied to Gramm-Rudman, but he gives too much credit to Gramm-Rudman. The fact is, without your Gramm-Rudman, these are tactics used in terms of developing budget resolutions over the years prior to Gramm-Rudman. Probably the most important consequence of Gramm-Rudman is the fact that the Office of Management and Budget determines the assumptions on the economy, and the history has been that the Office of Management and Budget under any administration is going to provide very optimistic views of where the economy is going. It is much easier to reduce the deficit through optimistic assumptions about the economy, and obviously having to do it through either tax increases or spending reductions, and that is a weakness with regard to Gramm-Rudman. That is one of the serious weaknesses. When the Office of Management and Budget determines whether Gramm-Rudman is breached and we go to sequestration, they will call the shots in terms of the economy and have a great deal of room to decide whether or not we go to sequestration or not. That is wrong. That has to change in terms of the ability of OMB allowed to make those determinations.

The third part that I think is very important is also the element of sacrifice. We had not said to the American people, "Enough," that sacrifice is going to have to be involved here, and indeed we are going to deal with the deficit issue.

The President, when he came before the Congress, talked about new initiatives, kinder, gentler, and never mentioned the word sacrifice. The problem we have now is the American public assumes that somehow they do not have to face the issue of a tax increase or additional revenues or cuts in benefits, that somehow we can have it all, and that is simply not the case anymore. We are a Nation starving for resources and we are a nation that ultimately is going to have to implement that sphere of sacrifice in this country so that our children can enjoy a better life, but right now that is not the case.

In conclusion, our system of democracy operates on the basis of two things, either leadership or crisis. I guess our hope in this budget resolution is that we take a gamble that the right leadership will be there to make the right decisions, but if not, we surely will face crisis.

Mr. LEWIS of California. Mr. Chairman, I cannot help but be fascinated by the commentary of the chairman of the Committee on the Budget about our budgetary process. The selective calling on OBM figures versus CBO figures is a sort of smoke and mirrors we have had around here for a long, long time, and indeed, it is that sort of simplistic use of those budget projections that have caused many a Member to suggest that we would be better off if we were to eliminate the Committee on the Budget entirely.

As we try, Mr. Chairman, to hold the line on taxes and meet the Gramm-Rudman deficit target, nonetheless, let me yield 5 minutes to the gentleman from Missouri [Mr. BUECHNER].

Mr. BUECHNER. Mr. Chairman, when the so-called experts talk about the deficit, most say that Congress and the President must agree to a tax increase in order to solve the deficit problem.

However, those who believe we need a tax increase to solve our Nation's fiscal problems—and I do not support this belief—make two false assumptions. First, they assume that the American people are undertaxed.

In fact, taxes will consume 19.6 percent of gross national product [GNP] in 1990. In only 5 years of this century have tax burdens been this heavy.

Furthermore, since 1982, the Treasury has been enjoying an unprecedented $60 to $80 billion annual fiscal dividend through rising tax receipts. Even without new taxes, Federal revenues will rise to over $1 trillion for the first time in history.

Furthermore, OMB estimates that tax receipts will increase by over $80 billion in 1990 without any changes in the Tax Code.

How is this possible?

Every time someone enters the workforce or earns a payraise, additional revenues flow to Washington.

The second error is that they assume a tax increase will be used to decrease the deficit.

However, Dr. Milton Friedman stated:

> Higher taxes will not eliminate the deficit. They will, after a brief delay, simply increase spending. Taxes have been going up for 50 years without any apparent success in eliminating deficits. That experience suggests Congress will spend whatever the tax system yields plus the highest deficit the public will accept.

This statement is backed up by the fact that since 1980, spending has increased $550 billion,—over 93 percent.

And the American public knows this.

According to a poll conducted by the Roper Organization in January of this year, the following question was asked:

If taxes were raised, do you think the money would be used to cut the budget deficit, or do you think the government would find new ways to spend the additional money?

Seventy percent said Congress would "find new ways to spend the additional money," and only 12 percent said we would "cut the budget deficit."

By a 6-to-1 margin, the public knows what the facts prove, that Congress spends every last dollar we can get our hands on.

How can we guarantee that additional taxes will be used to reduce the deficit?

This is where my bill comes in.

My bill, H.R. 449 would amend Gramm-Rudman-Hollings to require any increase in taxes be matched by an equal decrease in the GRH budget targets.

This legislation would amend the Congressional Budget and Impoundment Control Act of 1974, which contains the budget deficit targets of the Gramm-Rudman Act. It would require the deficit target figures set by Gramm-Rudman to be reduced if Congress increases revenues by means of a tax increase or other revenue enhancement. These would be a dollar-for-dollar match between the tax increase and the Gramm-Rudman targets. This legislation would go into effect for the next fiscal year, and would apply to all tax legislation enacted through the House Ways and Means Committee.

An example of how this bill would work if enacted into law: If Congress raised taxes by $20 billion for fiscal year 1990, the Gramm-Rudman target deficit for 1990 would be lowered by $20 billion from $100 billion to $80 billion. The additional revenues could not go to new spending.

In summary, increasing taxes will not reduce the deficit under the current structure of GRH. Instead, increased taxation allows Congress to meet the Gramm-Rudman target at a higher level of spending. In short, the deficit does not decrease when taxes are increased. That is why we need to amend GRH to tie tax increases to reductions in the GRH budget targets.

That is why this bill is needed.

Mr. HAMILTON. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. PEASE].

Mr. PEASE. Mr. Chairman, I thank the gentleman for yielding time to me.

I rise, regrettably, in opposition to the resolution. As much as I would like to believe otherwise, I am afraid that we are about to see another year go by without any credible progress in reducing the deficit.

□ 1810

I do not mean to impugn those who negotiated the agreement before us today. Indeed I am a great admirer of my colleague and classmate, the gentleman from California [Mr. PANETTA], but I also realize that in order to maintain a spirit of cooperation with the administration, our negotiators brought back a deal that they knew would be very disappointing to many Members.

As much as I would like to support this resolution, in good conscience I cannot. It is clear to me, as it is to others, that this budget resolution relies on unrealistically optimistic economic projections, accounting maneuvers, and one-time savings to barely reach the deficit of $100 billion specified under Gramm-Rudman. Even more troubling is the fact that over 40 percent of the total deficit reduction in the resolution is the result of adopting the administration's economic and programmatic assumptions. What if those assumptions are too optimistic, as CBO and most responsible economists believe they are? Where will that put us next year when we have to hit a deficit of $64 billion?

Mr. Chairman, we are setting ourselves an impossible task for next year if we go along with the rosy scenario embodied in the Budget Committee's recommendation. The resolution calls for more than $14 billion in revenues, but let us take a look at how those revenues would be raised. Asset sales are by nature one-time pickups. Compliance efforts and user fees are legitimate revenue raisers, but they have little growth potential to help out in future years. The so-called hard revenues that the administration has in mind for us are a cut in the capital gains tax which, after a one-time pickup, is almost surely a money loser, as well as the new Medicare tax on State and local employees in Ohio and other States which was rejected by Congress repeatedly during the Reagan administration.

My fear is that failure to deal with the budget in a tough and realistic manner this year will make reaching the Gramm-Rudman targets in future years impossible. Should that happen next year or the year after, I can easily see Congress and the administration deciding either to raise the deficit targets or do away with Gramm-Rudman altogether. Then we would be about 90 percent of the way toward making the budget deficit permanent. The taxpayers of this country deserve better.

As much sympathy and admiration as I have for the gentleman from California [Mr. PANETTA] and the members of the Budget Committee, I simply think that they and we and the administration are failing in our responsibility to the American public. I for one cannot vote to go along with this sham.

Mr. LEWIS of California. Mr. Chairman, as an additional contribution to the American Economic Opportunity Act, I would like to call upon my colleague, the gentleman from Wisconsin [Mr. PETRI], relative to targeting the working poor for income assistance as an alternative to the minimum wage hike which could cost many young people entering the work force their jobs, and I, therefore, yield 4 minutes to the gentleman from Wisconsin.

Mr. PETRI. Mr. Chairman, I thank my colleague, the gentleman from California, for this opportunity to speak.

Mr. Chairman, if we want to expand economic opportunity in this country, one thing we need to do is to help low-skilled people support families by working rather than on welfare. In too many cases, families with more than one child can do better financially on welfare than they can if the family head works full time.

Jobs may be readily available, but there is no incentive to take them. Even if such family heads want to work, as most do, and even if they hope to increase their earning power with experience, large numbers of them face big financial penalties for entering the work force. Some choose to work nevertheless, but it is asking a lot to expect most of them to do so. They are caught in a welfare trap.

The basic problem is that economic need, and therefore welfare benefits, vary by family size, but wages do not. The larger your family, the harder it is to find a job that pays as much as you can receive on welfare.

The obvious solution is to supplement wages according to need as determined by family size. That is the basic purpose of the Family Living Wage Act, which I introduced along with a bipartisan list of cosponsors on February 23, and which is included as one part of the American Economic Opportunity Act. It furthers the principle that every family head's primary income should be whatever he or she can earn in the labor force. Then if society determines that the family needs more income, society should supplement those earnings directly according to the level of need. By itself, the Family Living Wage Act will not bring us all the way to that goal, but it is a big step in the right direction.

The act uses reform of the existing earned income tax credit [EITC] as the best vehicle for helping the working poor.

Under current law, low wage workers with children will receive, in 1991, a maximum earned income credit of about $1,000 per year which can be added to their regular paychecks as "reverse withholding" if they do not have enough tax liability against

which to take it. As their incomes rise from $11,000 to $21,000, the credit phases down to zero.

Starting in 1991, the Family Living Wage Act would provide workers at or near the minimum wage a base credit of $1,050 per year plus $700 per preschool child and $350 per school age child, for up to four children.

The maximum credit, for a family with four preschool children, would be $3,850 per year which is equivalent to an extra hourly wage of $2.08. A low wage worker with two preschoolers would receive $2,450, equivalent to an extra wage of $1.32. These amounts are fully indexed to inflation.

As family income rises above $8,000 per year, the credit phases down gradually until a minimum credit of $200 per preschooler and $100 per school age child is reached at incomes in the midtwenties, depending on family configuration. This minimum benefit applies to all middle-class families with incomes up to $40,000, after which it phases out by $45,000.

Besides serving welfare oriented objectives, the bill meets all the basic tests of a sound approach to helping families with the particular costs of caring for children.

First, all the money spent is given directly to parents. None is wasted on bureaucracy.

Second, it allows the parents to decide what kind of care their children will receive, not anyone else.

Third, it concentrates the available help at the low end of the income scale.

Fourth, it provides equal amounts of help to all families with any given set of characteristics.

Finally, it does not discriminate against people who care for their own children in favor of dual earner couples and others who pay other people to care for their children. Those who care for their own children forgo income to do so and often make the greatest economic sacrifices.

Any program to help people with children that discriminates against those who work in the home denies the value of that work and is fundamentally unfair. Since the current dependent care credit is not only unfair in this way but also highly regressive, it is a far better policy to eliminate it and fold its cost into the EITC as is done by the Family Living Wage Act.

Of course, the bill can help families with any of the costs associated with having children, not just the need to look after them, and its benefits are not limited just to families with preschoolers, for whom the child care need is greatest. By directly supplementing the wages of low income workers with children, it achieves the broader objective of providing general help to these families based on economic need as determined by family size.

It thereby achieves the same objective as an increase in the minimum wage but does it in a far better and more targeted way, while avoiding the job losses and inflation associated with minimum wage increases. In particular, it helps millions of family heads already earing more than $4.55 per hour or any other level to which the minimum wage might be raised. A minimum wage boost, by contrast, helps mainly young, single, entry-level workers who still manage to find jobs. It is a far cruder tool.

By enabling some people to move off welfare into the work force, the bill should help us achieve significant savings in welfare costs. Exclusive of any such savings, the bill's net cost is projected at about $3 billion per year, which will be scored for budget purposes as starting mostly fiscal year 1992.

The overall cost of the EITC will move up from about $6.3 billion under current law to about $13.3 billion, with $4 billion of the increase paid for by the repeal of the dependent care credit. Of the $4 billion saved from the dependent care credit, about $2 billon is used to provide the minimum EITC benefits for middle class families.

While welfare savings should lower the real cost of the Family Living Wage Act far below $3 billion, the cost of alternative child care-oriented proposals tends to be about $2.5 billion and the real Federal Budget cost of raising the minimum wage to $4.65 is projected by the Council of Economic Advisers at $2 to $6 billion. Clearly the bill is a cost-effective approach to addressing a number of needs in one package.

Mr. LEWIS of California. Mr. Chairman, I appreciate the gentleman's contribution.

Mr. HAMILTON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. SCHEUER], a member of the Joint Economic Committee.

□ 1820

Mr. SCHEUER. Mr. Chairman, I want to congratulate the gentleman for one of the most moving and thoughtful speeches I have heard on the floor of the House since I first came here in 1965. It was magnificent, and I think we can all take a lesson there, and it is a very bitter lesson.

Mr. Chairman, we have talked about lapses from proper ethical standards on the part of certain Members of this Congress, both Senators and Congressmen, both Republicans and Democrats, but those ethical lapses, I think, pale into insignificance, my colleagues, when compared to the collective ethical lapse that this Congress and this administration is guilty of when they try to foist this budget resolution onto the American public and to the bankers of the world as a serious piece of work. It is not. It is not. It is not credible. It is a tissue of half-truths, distortions, evasions of truth, gimmicks, blue smoke and mirrors. It is not worthy of the dignity of this Congress, of the professionalism and the seriousness of this Congress. It is not worthy of the high standards of honor, and forthcoming and truth telling that I am sure inures in this administration.

Mr. Chairman, I have enormous respect and affection for George Bush based on my dealings with him, rather extensive dealings with him 20-odd years ago when he served in this body. This budget resolution is a case of: There is less there than meets the eye. The whole is less than the sum of the parts.

It is beneath our dignity to treat this as a serious piece of work. Mr. Chairman, no serious economist in the country believes in this. The newspapers do not believe it. The banking community does not believe it. Does anybody seriously believe that the central bankers of Europe and Japan believe these predictions? It is preposterous. They do not, as we do not either, and I think this is an ethical lapse that perhaps we ought to think about in a collegial, nonpartisan way.

Mr. Chairman, we ought to engage in some elbow grasping a la Lyndon Johnson, and communicate with the executor branch, and let them know that this is not an acceptable piece of work, and it behooves us to go back to the drawing board.

As the gentleman from Indiana [Mr. HAMILTON], the distinguished chairman of the Joint Economic Committee, indicated, we are gradually digging ourselves into a hole that we will find it more and more difficult to dig ourselves out of. What come up must come down, and we have to start facing reality now. We need some group of people, and hopefully the Congress and the executive branch together, to challenge the American people.

The American people respond to challenges, Mr. Chairman. There is a certain inherent greatness in the American people. Yes, the American people are very skeptical of whether increased taxes would serve any purpose and whether they would be assigned to reducing the budget deficit. That is quite true, but Lou Harris appeared before the Joint Economic Committee and told us that when he asked hundreds and hundreds of people whether they would be willing to accept a 2-percent tax increase that would be devoted to education, upward of two-thirds of the American people responded "yes."

The American people know we have an education system that seems almost moribund, that is severely flawed. Our kids cannot begin to compare with the performance of kids anywhere in Europe with the possible

exception of Southern Europe. They cannot begin to compare with the performance of kids in Japan; not only in Japan, in Hong Kong, in Singapore, in South Korea, in Taiwan, in Malaysia where they have a rate of literacy and competence in all of those countries of well upward of 95 percent.

In our country we have a 25-percent rate of adult illiteracy. We have a 25-percent rate of dropouts in our schools. Among our young black students we have a 40-percent dropout rate. Among our Hispanic students we have a 50-percent dropout rate, and in the worst afflicted urban areas of our society, the so-called slums, the central cities, the dropout rate is between two-thirds and three-quarters. This is a disgrace for our country.

Mr. Chairman, one of the proudest moments I ever spent in Congress was in 1965 when I helped to author the Elementary and Secondary Education Act in my freshman year in Congress. What a glorious program that was, and what a beautiful program Head Start was. It was the jewel in the diadem of the poverty program. It worked miracles with kids, and we have watched it work miracles with kids for almost a quarter of a century. Why has it not been elaborated? Why has it not been extended?

Today less than about 16 percent of all the kids at education risk get into a Head Start Program, and this bill would bring that 16 percent up to approximately 19 or 19½ percent. My colleagues, how about the other 80 percent? Are we going to consign them almost surely to educational failure? I think that is an ethical lapse of the Congress and the administration that together they cannot do better than that.

Higher education: Let me read from this morning's Washington Post:

A Hierachy of Institutions Reinforces Class Divisions.

The typical undergraduate is white, 19 years old, the child of a college-educated mother and a father with a graduate degree. This student was raised on a family income of more than $60,000, finished in the top 10 percent of his high school class, earned 1,300 on his college boards, will graduate in 4 years and go on to attend graduate school.

At a 2-year college in Baltimore the typical student is a "27-year-old black single mother living on public assistance, the first in her family to enter college, who goes part time, requires remedial reading, writing or math and is likely to drop out before she receives a bachelor's degree."

Mr. Chairman, what is wrong with this country that we cannot invest enough in the future of our kids to make them a success in school, to make them learn and ready by the time they reach the schoolhouse doors and extend their education to include all the higher education they can absorb? As a public entitlement we should do no less than that. That is what society did for me. They sent me to a Head Start Program when I was 3 years old in 1923. We called it prenursery school at that time, or prekindergarten, and the kids who needed it the least got it the most, and the kids over this last three-quarters of a century since the turn of the century, the kids who need it the most, the most desperately, got it the least.

Mr. Chairman, let me read to you a few phrases from a recent President's Commission of High Education.

We have proclaimed our faith in education as a means of equalizing the conditions of men. But there is grave danger that our present policy will make it an instrument for creating the very inequalities it was designed to prevent. If the ladder of educational opportunity rises high at the doors of some youth and scarcely rises at all at the doors of others, while at the same time formal education is made a prerequisite to occupational and social advance, then education may become the means, not of eliminating race and class distinctions, but of deepening and solidifying them.

It is obvious, then that free and universal access to education, in terms of the interest, ability, and need of the student, must be a major goal in American education.

Mr. Chairman, the time has come to make education through the 14th grade available in the same way that high school education is now available, and so forth, and so forth.

□ 1830

When was that prediction? That was President Truman's Presidential Commission in 1947, and here 42 years later we have failed to act on that. We have failed to make our young kids' education ready. We have failed to educate our kids through college and we wonder why our economy is desperately short of skilled workers, why we cannot be successful global competitors in worldwide competition.

We have a job to do in education, my friends, and it is going to take money, effort and commitment to do it. This budget resolution painfully fails to meet that challenge.

Mr. Chairman, I am concerned that the budget resolution for fiscal year 1990 hides our budget deficit as much as it reduces it.

Nonetheless, we are beginning to change policy in two key areas by raising taxes and investing in our children.

Read my lips: The budget resolution will require a tax increase of $5.3 billion for the coming fiscal year.

I am convinced, however, that we need to raise more revenue and redirect more resources away from our defense budget to essential domestic programs.

The budget resolution, in current form, would give all low-income programs at least enough funding to compensate for inflation.

It also begins to add money back to the most essential programs—the high-priority programs for children.

There is no doubt, however, that we need to do so much more.

When I first came to Congress, we began a historic effort to tackle poverty with the programs of the great society.

Now, a quarter of a century later, we are congratulating ourselves for providing a pittance of funding for programs like Head Start, Woman Infants and Children [WIC], and prenatal care.

All of these programs have been proven as cost-effective investments in our children, contributing to educational success, reducing the blight of drugs, and breaking the cycle of poverty.

A quarter of a century ago, we wrote the Head Start Program, largely out of human concern, compassion, and vision.

Now we seek a return of substantial funding to this and other social-welfare programs because corporate leaders are telling us that they cannot find qualified workers.

Mr. Chairman, it is an open secret that our labor force is shrinking and the skills of our workers are falling steadily behind the needs of our economy.

We need to be investing more in education from preschool to postsecondary levels.

We have already developed exemplary programs that enhance child development and education attainment—it is high time we fully fund them.

We cannot afford to lose a whole subclass of undereducated youth because we cannot afford their absence from the market place.

We cannot afford poverty-related crime and delinquency.

We cannot afford to sustain a large and growing welfare class.

We cannot afford to establish expensive remedial education as standard operating procedure.

Mr. Chairman, the first wave of workers for the year 2000 and beyond are already born.

Now is the time to make our best investment in them.

Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I must say that my view of the world relative to the American Opportunity Act is considerably different than my colleague, the gentleman from New York [Mr. SCHEUER].

Indeed, let me suggest that the educational opportunities available to Americans in our society are so far beyond that which is available in most of the rest of the world that it is difficult to imagine that the gentleman from New York [Mr. SCHEUER] truly believes that which he just expressed.

Indeed, the opportunity of young people in Japan cut short very early in their educational process at a relatively young age, those individuals in Japan if they do not pass a certain test, literally are taken off the road map in terms of future opportunity in their society.

The Humphrey-Hawkins full employment bill and the Balanced Economic Growth Act of 1978, indeed it is suggested that that should be a reflection of our hope for our future.

Let me just suggest that the gentleman from Texas [Mr. ARMEY] who has pioneered a key legislative effort to encourage tenants of public housing to own their own homes has a very important contribution to make in this subject area.

Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, I thank the gentleman for yielding this time.

Mr. Chairman, I would like to first thank my distinguished colleague, the gentleman from California [Mr. LEWIS] for putting these proposals into a single legislative package that we can present to the House as a comprehensive attack on poverty and economic ills. When President Johnson began his Great Society programs in 1965, the poverty rate in America was 13 percent. Today, after spending hundreds of billions of dollars and enacting social programs of almost every conceivable description, the poverty rate is still 13 percent. The human cost of this failure is incalcuable. One need only walk a few blocks from this building to appreciate the magnitude of our continuing problems. Clearly, an entirely new approach is needed, and I think that the elements of this package suggest the direction we might take.

One of these is the Urban Homestead Act of 1989. This is a bipartisan proposal that was introduced in March by myself and Mr. FAUNTROY, and today it has a growing list of cosponsors from both sides of the aisle.

Urban homesteading was originally authorized in 1987. It is a way allowing the poor to own their homes and to experience the same pride of homeownership that other Americans enjoy.

It works like this: Public housing tenants are first allowed to form tenant management organizations to run their housing projects themselves. No longer would these projects be managed by distant and often insensitive bureaucrats; they would be managed by the people that actually live there and have the greatest stake in improving their neighborhoods.

As a logical next step, this tenant management organization would be able to purchase the project from the Government at a reduced price. This makes the tenants full homeowners, just like other Americans, and gives them the pride and motivation to care for their property that more fortunate people have always had.

The results thus far have been extremely promising.

In an enthusiastic ceremony last year, the Kennilworth-Parkside development here in Washington was sold to its tenants, and the Carr Square project in St. Louis will be sold soon. Both of these were once run-down, drug-infested urban wastelands. Kennilworth, for instance, did not even have heat or hot water, and 80 percent of its residents were on welfare. Today, only 2 percent of its residents are on welfare, and the property is safe and well maintained.

But sadly, these two projects will be the only ones homesteaded under the legislation we passed in 1987—for two reasons.

First, the legislation expires in 1990 and there isn't time to complete more purchases before that date. Second, the replacement provisions in the current legislation were found to be needlessly restrictive. Under the law, homesteaded units can only be replaced by expensive new construction or the renovation of existing units. Replacing them with section 8 certificates or vouchers is not even an option. Thus, if a city has no units to renovate or new projects will not be completed for years, residents seeking to become homeowner are out of luck.

H.R. 1181 will remedy these problems and allow urban homesteading to continue. It will reauthorize the homestead legislation and allow units to be replaced in a number of ways—through new construction, renovation, or section 8 certificates and vouchers.

The essence of urban homesteading is the empowerment of the poor. This policy allows lower income Americans to take control of their lives and improve their condition. The alternative is to allow Uncle Sam to become the slumlord of the 1990's. I urge my colleagues to join WALTER FAUNTROY and me and support H.R. 1181.

Mr. Chairman, before I yield back the remainder of my time, let me say that urban homesteading works. It works in people's lives. It makes homes out of places that you and I would fear to visit. It does so much in particular for the children that I have seen with my own eyes on my visits.

We have a situation in my part of the country down in Texas where I had to watch a little girl talk about her fear of going out to play at night in the streets in her public owned housing, her shame in bringing friends home from school and her embarrassment at seeing things written on the walls that a little girl should not read.

In Kennilworth Park, these little girls do not have that shame, that fear or that embarrassment. It works in their lives and we ought to be responsive enough to their needs to pass this legislation on behalf of those little girls.

Mr. HAMILTON. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Chairman, I have been asked once again this year to give a few words in addressing the plight of those who live in rural America, and indeed I use the word plight judiciously. In areas of this country there are still very significant poverty rates that exceed 30 percent, unemployment that in my district and many counties exceeds 25 percent, significant type problems that apparently have fallen by the wayside as America moves on its course that it is taking towards its future, and yet we cannot forget that there are areas like this in this country. Across rural America there are needs, there are things that this budget should address in a fashion that I believe it is not doing, and that is a restructuring of the priorities that are necessary to move forward and into the future. Those priorities, Mr. Chairman, I truly believe begin with education.

Indeed, education, as the distinguished gentleman from New York earlier said, is not being treated sufficiently in this budget. Only about 20 percent of those children in the United States of America who are eligible for Head Start are actually able to be put onto that program. Around 40 percent of those who want to be on the Chapter 1 Program, that program which educator after educator tells us is an effective program that goes into local communities and assists those who have reading problems and math problems, only 40 percent of those students are in fact being served.

When we look nationwide at the problems that we have in rural America, we are struck by the need to change into a technologically associated future that seems to be what is going to be the drift of the future course of this great country of ours, I would respectfully submit that we structure this particular budget agreement or coming budget agreements in such a fashion that we begin to address some of the serious and continuing problems that many sections of this country still apparently on a continuing basis are going to face.

□ 1840

Mr. Chairman, I thank the gentleman very much for the time to once again address these comments. I shall not go forth in an elaborate continuation of this statement, because I think what I have said is sufficient. All I want people in this body to know and to understand is that there are still problems, and we are not addressing them. We need to be moving forward, and we need to be using the tools of education to an increasing degree and in a manner that we are not doing.

Mr. LEWIS of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as we begin to close down this discussion, let me say that my colleague, the gentleman from Indiana, did make in his initial presentation the most thoughtful statement regarding the need for effectively impacting the American economic oppor-

tunity that we enjoy. I intend, as a matter of fact, to take home the RECORD and put his remarks under my pillow and massage them with great care for, indeed, such a thoughtful statement is helpful to all of us.

Mr. Chairman, let me say to my colleague, the gentleman from Indiana [Mr. HAMILTON], that the Humphrey-Hawkins full employment bill is very close to becoming a reality as we move toward or below 5 percent of unemployment. Indeed, there is hope that the American Economic Opportunity Act will be known as the Reagan-Bush Opportunity Act of 1989.

Mr. HAMILTON. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. LEWIS of California. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. VALENTINE] having assumed the chair, Mr. GRAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 106) setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992, had come to no resolution thereon.

CONGRATULATING COUNCIL OF EUROPE ON 40TH ANNIVERSARY OF ITS FOUNDING

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the concurrent resolution (H. Con. Res. 104) congratulating the Council of Europe on the 40th anniversary of its founding, and ask for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 104

Whereas the Council of Europe has played a crucial role in fostering greater unity among the European democratic nations during the 40 years of its existence;

Whereas the Council of Europe and the United States share the same fundamental commitment to genuine pluralistic democracy, the protection of human rights and individual freedoms, and peaceful cooperation among the nations of the world;

Whereas the Council of Europe and the United States have established a valuable and longstanding relationship of dialogue and cooperation at parliamentary and intergovernmental levels on issues of mutual and worldwide concern, particularly in the areas of human rights, law, culture, and health care;

Whereas the Congress and the Parliamentary Assembly of the Council of Europe have participated in the Strasbourg Conference on Parliamentary Democracy, which is devoted to strengthening pluralistic democracy worldwide; and

Whereas when the Council of Europe celebrates its 40th anniversary on May 5, 1989, Finland will become the 23rd member of the Council, which will then include every democratic European nation: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) congratulates the Council of Europe on the 40th anniversary of its founding and on its outstanding contributions to the process of democratic European unity; and

(2) wishes the Council of Europe success in its further work towards greater unity, based on democracy and human rights, among the democratic European nations and a more just and peaceful world.

The SPEAKER pro tempore. The gentleman from Indiana [Mr. HAMILTON] is recognized for 1 hour.

Mr. HAMILTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Concurrent Resolution 104, a resolution to commemorate the 40th anniversary of the founding of the Council of Europe.

The Council of Europe is a regional organization that will include 23 European member States when Finland joins this month. The Council was founded in 1949 to further European unity and democracy. Only countries with democratic forms of government can hold membership and over the years different European States have been excluded during periods when military or authoritarian governments were in power. The Council, through its Court of Human Rights, has played a unique role as a supranational institution that seeks to enforce strong human rights practices in its member States.

I commend the Council of Europe on this occasion for its work to foster stronger democracies and greater unity in Europe.

It is my understanding that our colleague, JIM SCHEUER, will soon be on his way to Strasbourg, France to participate in the ceremonies May 5 commemorating the anniversary of the Council. This resolution recognizes this event and the resolution has bipartisan support in Congress as well as the support of the administration.

I urge adoption of House Concurrent Resolution 104.

Mr. GILMAN. Mr. Speaker, I rise in strong support of House Concurrent Resolution 104, congratulating the Council of Europe on the 40th anniversary of its founding. For 40 years the Council of Europe has played a crucial role in fostering greater unity among the European democratic nations.

The longstanding relationship between the United States and the Council of Europe has established a tradition of cooperation and dialog at parliamentary and intergovernment levels on issues of global importance, particularly in the areas of human rights, law, culture, and health.

The Council of Europe and the United States share the same fundamental commitment to genuine pluralistic democracy, the protection of human rights, and peaceful cooperation among the nations of the world.

On May 5, 1989 on the 40th anniversary of the Council, Finland will become the 23d member of the Council, which will then include every democratic European nation.

Mr. Speaker, I commend the gentleman from Minnesota [Mr. OBERSTAR] for his work on this bill. I join my colleagues in expressing my support for this measure, and I wish the Council of Europe further success in its work toward greater unity, based on democracy and human rights.

Mr. HAMILTON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the concurrrent resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT DURING 5-MINUTE RULE ON TOMORROW, THURSDAY, MAY 4, 1989

Mr. LIPINSKI. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be permitted to sit on Thursday, May 4, 1989, during the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES AND THE EUROPEAN ECONOMIC COMMUNITY CONCERNING FISHERIES OFF THE COASTS OF THE UNITED STATES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 101-59)

The SPEAKER pro tempore laid before the House the following mes-

sage from the President of the United States; which was read, and, together with the accompanying papers, without objection, referred to the Committee on Merchant Marine and Fisheries and ordered to be printed:

(For message, see proceedings of the Senate of today, Wednesday, May 3, 1989.)

□ 1850

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES AND THE GOVERNMENT OF THE REPUBLIC OF ICELAND CONCERNING FISHERIES OFF THE COAST OF THE UNITED STATES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 101-60)

The SPEAKER pro tempore (Mr. VALENTINE) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Merchant Marine and Fisheries and ordered to be printed:

(For message, see proceedings of the Senate of today, Wednesday, May 3, 1989.)

THE EXPORT ENHANCEMENT PROGRAM AND THE SOVIET UNION

(Mr. ROBERTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERTS. Mr. Speaker, yesterday, President Bush approved the sale of 1.5 million metric tons of United States wheat under the Export Enhancement Program to the Soviet Union. This approval was a prudent and necessary step in making sure that farm country does not once again become a pawn in foreign policy politics.

We have been down that road several times. The wounds are slow to heal, both here and around the world. We have been working over 9 years to reestablish the United States as a consistent, reliable supplier in world agricultural markets. The Export Enhancement Program plays a major role in this effort.

For the current marketing year, U.S. wheat accounts for over 40 percent of world sales. The message is clear—we will fight to ensure equitable market access for U.S. farm goods.

The Soviet Union is an example of the effectiveness of this message. This year, in addition to 5.5 million metric tons of wheat, U.S. farmers have sold 14 million metric tons of corn and 1.1 million metric tons of soybeans and meal. More to the point, the corn and soybean sales have been straight cash purchases. This EEP investment has provided substantial return.

Many, including some in this body, have been quick to criticize this valuable export program. The President's decision reflects a firm commitment to protect the sanctity of our farmers and stockmen's ability to compete in international markets. I urge my colleagues to help in meeting that commitment and commend to their attention the following policy summary:

THE EXPORT ENHANCEMENT PROGRAM AND THE SOVIET UNION

The President yesterday approved the sale of 1.5 million metric tons (mmt) of wheat to the Soviet Union under the Export Enhancement Program (EEP). This sale will be made to cover the Soviet near-term requirements. If further Soviet requirements emerge, those needs will be discussed at a later date. Value of the wheat sold will be about $250-270 million.

The EEP is a product of the 1985 Farm Bill. Under EEP the U.S. government will provide additional surplus commodities to enhance a foreign sale when necessary to keep the U.S. competitive against subsidized foreign competition. The European Community's relentless and heavy subsidization of their wheat exports have made wheat the focus of the EEP program. By using surplus commodities for the enhancement, EEP has not drawn any cash dollars from the Treasury.

All Soviet wheat sales since 1986 have been made under EEP to protect the U.S. share of this vital market.

U.S.-Soviet grain trade is regulated under a bilateral Long-term Trade Agreement (LTA), now set to expire in 1990. Under the LTA the Soviets are required to purchase 4 mmt of wheat, 4 mmt of corn and 1 mmt of additional grains annually. They may purchase up to a total of 24 mmt of grain in the U.S. market before they are required to seek consultations with the U.S. government.

To date in this marketing year the Soviets have purchased 4 mmt of wheat, 14 mmt of corn and 1 mmt of soybeans and soybean products. Of those purchases only the wheat received EEP; the rest were straight cash sales, making the Soviet Union one of our most important cash customers. The EEP wheat sale announced yesterday will raise the total to date for Soviet purchases this year to over 20 mmt, most of it as straight cash sales.

The subsidy on EEP sales to the Soviets and elsewhere reflects the competitive market. Since the price of wheat has strengthened worldwide this year, EEP subsidies have tended to decline. It is expected that the enhancement for this Soviet sale will be substantially less than the previous amounts necessary to secure sales.

Prior to introduction of EEP, the U.S. share of the international wheat market had slipped to below 30% in the face of heavily subsidized competition from the European Community. Since EEP, the U.S. share has risen to 42% or closer to the traditional U.S. market position.

We are currently negotiating at the GATT to eliminate export subsidies. To unilaterally signal a willingness to withdraw from competition now would greatly weaken our bargaining position in the trade talks and perhaps prevent the ultimate elimination of export subsidies across the board. It was only after the U.S. began an aggressive EEP that substantive progress was made on ending export subsidies.

The U.S. needs to demonstrate to potential customers that we are a reliable supplier that is interested in competing for international sales. The President's decision to go ahead with EEP for the Soviet wheat sale is a measured demonstration to customers and competitors alike that we are in the international market to stay. With exports accounting for 50% of wheat, 30% of corn and 60% of soybeans grown in the United States, our farmers cannot afford to have the government step back from international competition.

DEMOCRACY IN NICARAGUA

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LAGOMARSINO. Mr. Speaker, to achieve peace in Central America, it is first necessary to bring democracy to Nicaragua. For that purpose the Presidents of the democratic republics in Central America signed an agreement with Daniel Ortega of Nicaragua on February 14, 1989. In that agreement, Nicaragua promised to carry out a number of electoral reforms leading to democratic elections in February 1990. Now, seeing the type of reforms the Sandinistas are putting in place, opposition leaders in Nicaragua and even Costa Rican President Oscar Arias are criticizing the Sandinistas' actions.

President Arias has said, it is reported.

I am not one bit happy with the legislation modifying the electoral and media laws. Not happy at all. * * * What has been approved is not enough. * * * It is obviously far from compliance with the spirit and the letter of Esquipulas II, with Costa Rica's peace plan.

I urge my colleagues to consider carefully the sincerity of the commitment of the Sandinistas to bring democracy to Nicaragua as reported in the following story appearing in the May 2, 1989, issue of the Washington Times:

SANDINISTA ELECTION LAW VIOLATES TREATY, OPPOSITION FIGURE CLAIMS

(By Peter LaBarbera)

The editor of the independent Nicaraguan newspaper La Prensa said yesterday that the Sandinistas' new election law is undemocratic and must be rewritten if there is to be an impartial national election in February.

"This is not the law which [Nicaraguan President] Daniel Ortega promised when he signed [a Central American peace treaty] in El Salvador," said Violeta Chamorro, Nicaragua's most prominent opposition figure, in an interview after an address to a National Endowment for Democracy conference in Washington.

Mrs. Chamorro, mentioned as a possible presidential candidate to run against Mr. Ortega, the likely Sandinista choice, said prospects remain "dark" for an orderly transition to democracy in Nicaragua.

Hers was the latest denunciation of the Marxist regime's election and media laws, which ensure Sandinista domination of the

all-important election council overseeing the vote and limit the opposition parties to less than an hour of broadcast time per day on the state TV and radio networks.

Last week, Costa Rican President Oscar Arias rejected the election-law changes—approved by Managua's National Assembly—as "a far cry from compliance with what we agreed upon during the San Salvador summit."

In an agreement signed by Nicaragua and the presidents of Central America's four democracies at the February summit, Mr. Ortega pledged to hold free and fair elections in exchange for disbanding Nicaraguan resistance troops encamped along the Honduran border.

"Look, I am not one bit happy with the legislation modifying the electoral and media laws. Not happy at all," Mr. Arias said in an interview on Costa Rican television last week.

"What has been approved is not enough. . . . It is obviously far from compliance with the spirit and the letter of Esquipulas II, with Costa Rica's peace plan."

Mr. Arias said the Sandinistas spurned advice from Costa Rica's Supreme Election Tribunal, which visited Nicaragua last month to draw up needed reforms.

"Nothing that the [tribunal] recommended, with all the experience we have in the matter, was taken into account," he said, adding that he was upset enough with the Sandinista program to write Mr. Ortega in Europe, where he is currently touring.

Under the Costa Rican proposal, each step of the election process, from the registration of voters to the tabulation of results, would come under the scrutiny of all political parties.

The proposal—a copy of which was obtained by The Washington Times—calls for photo identification cards for voters. It suggests a system of voter registrations and purges in which the names of all registered voters could be challenged, based on a comprehensive list to be published nationwide well in advance of the election date.

The main Nicaraguan election council, according to the report, should be balanced but left up to a "higher level" authority.

Mr. Ortega shot back at Mr. Arias with a letter to the Costa Rican leader from Stockholm saying his public criticisms of Nicaragua's election laws violate the Central American agreement.

"These statements are a clear and flagrant violation of the verification and follow-up procedures agreed [to] in the accords for peace and democratization in Central America," Mr. Ortega said in the letter, which was made public in Managua.

"By assuming the role of assessor you are placing the success of the peace plan in grave danger," he said.

At yesterday's democracy conference, Mrs. Chamorro said Nicaragua's opposition groups had succeeded in thwarting the Sandinistas' designs of creating "another Cuba" in her country. But she said unity among the fractious anti-Sandinista groups was needed to rid the country of the "communist totalitarian project."

(Enrique Gonzales contributed to this report.)

POLISH CONSTITUTION DAY CELEBRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. LIPINSKI] is recognized for 5 minutes.

Mr. LIPINSKI. Mr. Speaker, along with millions of Polish Americans, I rise today in celebration of Polish Constitution Day.

This year's May 3 Constitution Day celebration is especially meaningful for Polish people throughout the world. There is a new sense of hope that the same rights declared by the Polish people in 1791 may soon be enjoyed in Poland for the first time in 50 years. But 1989 also offers a painful reminder of history's numerous attacks on freedom in Poland, as we mark the 50th year since the invasion and occupation of Poland by Nazi Germany.

On May 3, 1791, Poland declared the rights of its citizens in its Constitution. The Polish Constitution called for the sovereignity of the people in the State, and called for democracy and elections. It provided for the freedom of speech, press, and religion, the same inalienable rights we hold so dear in this land of liberty.

Remarkably, these basic rights are the same ones still demanded in Poland today. For nearly 200 years, the spirit of the Polish people has kept alive the fight for freedom, democracy, and the Constitution. It has been a long struggle, but Poland is again on the threshold of the rights embodied in the 1791 Constitution.

The history of the Polish Constitution has been the history of the strong spirit of the Polish people fighting to preserve their rights despite constant oppression by foreign powers. The third partition of Poland in 1795 ended the short reign of the Polish constitution. Polish independence and freedom returned to Poland in 1918, and the spirit of democracy was reborn. But this spirit of Polish patriotism and freedom was forced into struggle again when Hitler invaded Poland September 1, 1939.

The Nazi invasion and occupation of Poland 50 years ago brought the greatest of the many threats to Poland's ongoing struggle for freedom. The movement was forced underground. The Polish spirit was faced with the atrocities of Hitler's concentration camps and the anguish of Nazi occupation and oppression. The Warsaw uprising was crushed. The Soviet Union was responsible for the murder of thousands of Poland's finest military talent. In the end, the war and Nazi Germany could not destroy the Polish spirit for independence and freedom.

The next battle was against the Soviet totalitarian regime. But just as the May 3 celebrations continue, so did the struggle for freedom in Poland. It was manifested in Lech Walesa and Solidarity in 1980, seeking human and worker rights. Martial law failed to crush the modern movement, and in 1989 the legalization of Solidarity hinted at the acceptance of constitutional rights by the Communist government.

In 1989, the struggle for freedom has made its most significant advances in 50 years. The roundtable accords in April have brought Poland, after nearly 200 years, to the threshold of the personal freedoms declared in 1791. There will be free elections in June, legal trade unions, freedom of speech and press. These advances are only steps toward Polish independence, democracy, and freedom. Nevertheless, they are important victories for the longtime struggle for freedom in Poland, and I am especially hopeful this Constitution Day.

The Polish struggle for freedom survived the hardships of the Nazi invasion and Communist occupation because the will of Polish people, in Poland and worldwide, refused to give up. Polish Constitution Day is a sign of the strength of the Polish spirit. Polish Americans have never forgotten the Constitution and the struggle for freedom. Fortunately, the United States Government has also honored the spirit of the Polish people. Poland has been home to the single most effective resistance to communism in the Soviet bloc, and has maintained a high priority in American foreign policy. Now as Poland is on the threshold of freedom, America must continue to support the struggle with comprehensive legislation to promote democracy in Poland.

Polish Constitution Day is a perfect opportunity for all of us to celebrate the courageous struggle for personal freedom and rights by the Polish people. The spirit continued through the invasion by Nazi Germany 50 years ago, and through Communist occupation. Today the spirit continues with Solidarity, as Lech Walesa leads the people into an era of democracy. And America will ensure that the spirit continues until the freedom and rights of the 1791 Polish Constitution are realized by all of the long-struggling Polish people.

COST OF HEALTH CARE SERVICES TO UNDOCUMENTED WORKERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. COLEMAN] is recognized for 5 minutes.

Mr. COLEMAN of Texas. Mr. Speaker, I rise today to introduce legislation which has been before the Congress before to alleviate a problem that has continued to grow since this body first addressed the issue in the mid-1970's—the great costs of health care services provided to undocumented workers and who pays for these costs.

We must recognize that it is because the Federal Government has failed to enforce our immigration laws that undocumented workers are in this country in the numbers in which

they are here and Congress must be prepared to face up to this responsibility and assume the resulting costs.

With health care costs reaching exorbitant proportions and with the Federal Government's continued inability to control illegal immigration, hospitals, and physicians nationwide have continued to provide costly services which go uncompensated. Public and nonprofit hospitals have in particular assumed much of this burden, contributing to the crisis which many of our Nation's hospitals are experiencing as a result of inadequate Medicare reimbursements and other factors. Perhaps at one point this problem was only inherent in cities along our country's Southwestern border, where many undocumented workers enter and leave the country. But more and more this is becoming a problem for our country's large urban centers such as Miami, Los Angeles, and Chicago.

The legislation I am introducing today would provide reimbursement for the emergency medical treatment for undocumented workers and commuter workers, which is often the most costly type of care available. Only that portion of the cost of care which the individual is unable pay and which no other public assistance program will cover would be reimbursable under this bill. Also, emergency medical treatment in my bill is defined to include treatment required in the course of labor and childbirth, which along our Nation's Southwestern border, is very common treatment for nonnationals to seek.

Mr. Speaker, I submit that it is unfair for the Federal Government to force local hospitals to absorb the high costs of this care. We find that these facilities are often near the breaking point given the high number of indigent patients they also serve and the large volume of charity care they provide. Ultimately, there costs will be passed on to the local taxpayers who support local hospital districts.

There are many reasons why undocumented workers are attracted to the United States, but is the responsibility of the Federal Government to enforce our country's immigration laws. If we are unwilling to allocate sufficient resources to our enforcement agencies or they are in turn unable to enforce these laws, then we must be prepared to address the resulting public costs of an undocumented population.

We know for a fact that undocumented workers are seldom employed in industries which provide health insurance as a benefit of employment. Most individuals assume the risk and avoid health care until an emergency presents itself, and at that point often the care they need is the costlier care provided by facilities and physicians.

I am hopeful that this problem will receive congressional attention during the course of the current session, and I urge my colleagues to support my proposal.

PIKE ANALYSIS OF ETHICS STANDARD IS ON THE MARK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ROSTENKOWSKI] is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, when our former colleague Otis Pike addressed the House Bipartisan Task Force on Ethics this morning, his words were like a spring breeze. He spoke the truth about our so-called ethics problem. It is a self-inflicted wound. I couldn't agree with him more and commend him for his courageous conclusions.

He pointed out correctly that the current law, with its bias against speaking and toward writing books, is unfair. He warned that the whole process of drawing lines between various types of income is both endless and ultimately frustrating. He was right.

Most important, from my perspective, was his observation that Members of Congress demean themselves, their colleagues and this institution with their continuing quest for stronger ethics laws. Their efforts fuel, rather than quell, public disrespect for Congress. Until we display some self-respect, we can't expect any public respect.

I am proud to be a Member of this House. I have respect, on a bipartisan basis, for my colleagues. We all work hard in our task of balancing local and national interests. We deserve respect. If more of us followed the lead set by Otis Pike in his remarks today, we'd get the respect we deserve.

TESTIMONY OF FORMER REPRESENTATIVE OTIS G. PIKE (OF NEW YORK, 1961-79) BEFORE SPECIAL HOUSE TASK FORCE ON ETHICS, MAY 3, 1989

I expect my presence here today is a waste of your time and my own. You will not agree with what I have to say and if you did you wouldn't act on it for it would be politically unwise. Nevertheless, I appreciate the opportunity to get strong feelings long held off my chest.

"Ethics" has replaced mom, the flag and apple pie as something one must not only be for these days, but appear to be doing something about. We may not be able to define it: We aren't sure whether the word is singular or plural, but we know it when we see it. Ethics is, or are, "in" and must have their, or its, day. So did the pursuit of witches in New England and heretics in Spain, both embraced by gentlemen so positive that they were uniquely qualified to oversee the morals of others that they had no qualms about inflicting excruciating pain on those others. Always, of course, in order to make them better people and the world a better place.

In the book "Congress and the Nation" vol. 1, published by Congressional Quarterly and covering the years 1945-1964, the word "Ethics" can not be found in the index. It is not in the Constitution. That is not to say that the Government does not constitutionally regulate morals. It requires businesses to close on Sunday; then changes its mind. It decrees that booze is unlawful; then changes its mind. It establishes red light districts, moves them, then closes them. It makes gambling illegal—and conducts lotteries.

When you legislate ethics, then, you are shooting at a moving target. Any body that can spend ten or twenty years pondering what to do about easy issues like acid rain or where to dump nuclear waste may not be able to give enough lead to targets that have puzzled all the religions of the world for millenia.

Take a concept like "conflict of interest". At one end of the spectrum it is easy. Pure black. You don't take bribes. You go to jail if you do. It has been a crime since before there was a Congress. It gets grayer. You don't take a political contribution in exchange for a promise to do something. The old "quid pro quo" test. How about a promise to consider something? To keep the door open? To answer the phone? Do you take political contributions from PACs that want something? They wouldn't exist if they didn't want something. At the other end of the spectrum it is almost pure white. Your job is conflicts of interest. Do you consider, first, on any given issue your conscience, your country, your district, your party, or the next election? The easy answer is that you never let self-interest interfere with the common good. Easy answers are best couched in elegant words that mean whatever you want them to.

If you have an account in a savings and loan, is it in your self-interest to bail them out? Yes. Should you vote on it? Yes. If you own stock in a savings and loan, should you vote for their bailout? I say "NO", but I'm not sure. I would be surer if it were a thousand shares than if it were ten. If you had to paint a portrait of ethics, you would need many shades of gray.

So, to mix a couple of metaphors, you take this fast moving gray target and try to write rules that will hit it. That is the easy part.

Then, you ask an institution that was wholly designed to accommodate partisans to enforce those rules without being partisan, You are asking pigs to fly. On July 30, 1979, there was a recorded vote on a motion to table a resolution calling for the expulsion of Rep. Charles C. Diggs Jr. (Mich.). The vote was 205 to 197. The resolution to expel was partisan, the motion to table was partisan, the vote was partisan. In essence, Republicans voted 10 to 1 to expel, Democrats voted 3 to 1 not to. That's partisan.

In their proceedings against Jim Wright, I believe the Ethics Committee did the very best they could; Did their darndest to be judicious. No one, however, can look at the pattern of votes on the various allegations without seeing some partisanship. If the matter ever reaches the floor of the House, anyone who believes that Democrats and Republicans will vote the same way believes that donkeys and elephants, at least, can fly.

I believe that the morals and ethics of Congress are high. Democratic ethics are no higher than Republican ethics and Republican ethics are no higher than Democratic ethics. A wholly political institution, however, will never make wholly non-political decisions in tough cases.

That is by no means the worst part. You were not sent here to peek through the windows of each other's private lives. You weren't even sent here to appear ethical. You were sent here to write laws and resolve problems. Your preoccupation with each other's ethics is preventing you from doing your jobs. It is taking too much of your time and worse, it is creating an atmosphere and an institution in which suspicion, bitterness, personal dislikes and private vendettas make cooperative efforts in writing laws increasingly difficult. That is serious.

The founding fathers didn't write into the Constitution any requirement that legislators, Presidents or judges be ethical. They had enough faith in the people to elect good officials. They did write in provisions for removing bad ones. We have less faith in the people now, which is fair, for after a generation of legislating ethics they have a lot less faith in us. In 1965 a Lou Harris poll found

that the public approved of Congress 64 to 25. In 1987 a poll by U.S. News and World Report showed that a majority of those polled believed that many or most Government officials took bribes.

Unhappy with our 64 to 25 favorable rating, we went to work. In 1968 the Congress broke with the system that had worked fairly well for 179 years and wrote its first financial disclosure law. We hoped the public would hold us in higher esteem if we stripped, financially, in public. We were rewarded by being held in the same lofty regard as other strippers and instead of applause heard only the ancient and endless cry of the voyeurs, "take it all off."

The year 1976 was a terrible year. Congressman Wayne Hayes (Ohio) put a girl friend of minimal secretarial skills on the payroll, married someone else, and the girl friend blew him away in the Washington Post. It was juicy. Andrew J. Hinshaw (Cal.) was convicted on two counts of bribery. Henry Helstoski (N.J.) was indicted for taking bribes to introduce immigration bills. Allan T. Howe (Utah) was found guilty of soliciting sex from two undercover policewomen posing as prostitutes. A steady dribble of leaks from the Justice Department named seven Congressmen as having gotten large gifts from a South Korean businessman named Tongsun Park. Former Representative Jim Hastings (N.Y.) was indicted for having taken kickbacks from his staff. The law enforcement authorities had acted in every one of those cases, but the outcry was loud. We had to get in the act too.

The Congress had passed a Code of Conduct for Federal employees in 1958. Charley Bennett wrote it and it was just grand. Eleven sentences. In 1977 a committee headed by David Obey (Wisc.) wrote infinitely more comprehensive rules of behavior that had only one salutory effect of which I am aware. They drove me out of Congress and enabled me to earn a refreshing amount of money. The key word is earn. Charley Bennett's eleven lines turned into a code so tangled that Mr. Obey recently referred to it as a "thicket" and so confusing that he recently accused the Ethics Committee of not understanding their own rules.

Have they made the House a more ethical place? They have not. In the ten years before 1977, 12 Members of Congress were indicted and convicted or pleaded guilty to serious crimes. Three pleaded guilty to misdemeanors. In the ten years after 1977, 17 Members of Congress pleaded guilty to or were convicted of serious crimes and two were allowed to take counselling on sex offenses. The charges against the nineteen post-ethics transgressors ran the gamut from driving offenses through sex offenses to very serious charges of accepting bribes. They included Members of both political parties. They had one thing in common. With on exception, every convicted criminal who had been here in 1977 had voted for the Ethics Code. The one exception was on the committee that wrote it. All of the charges were prosecuted by Federal or local prosecutors who are always delighted to bring charges against Republicans or Democrats alike with even-handed non-partisan fervor.

Are the rules ethical? Well, yes, but they are largely political in heritage. They were created because of public revulsion at the Watergate, Wayne Hays, and other congressional scandals. The concept that unearned income is ethical but earned income must be limited reverses the ethics of Horatio Alger and at least the Democratic Party. It was a political decision, made necessary by the fact that there were already so many millionaires in Congress that they couldn't have passed the bill if they limited unearned income. They treated rich people better than poorer people, which is a peculiar ethical fixation.

For political reasons, proper loopholes were created for important people. The majority leader of the House and the chairman of the Rules Committee and some other mavens had written books, so book royalties were exempt. Since leaving Congress, undefeated and unindicted, I have made some money writing a syndicated column. Earned money, thus unethical. If I had taken the identical columns, bound them into a book and collected royalties on them I could have rendered the same words ethical. Nonsense.

Members of Congress should be able to write books or teach or farm or practice law or medicine or engage in any lawful activity in which they engaged before coming to Congress. They should disclose where their money comes from and trust the people to judge their behavior. You are not going to get, or deserve, the esteem of the public by treating yourselves as second class citizens or by treating wealthy Members better than non-wealthy Members.

There are very fundamental reasons for this. Your rules are not bad because they are political rules, politically enforced or because they are incomprehensible or because you are so preoccupied with them that you can't get around to doing your jobs. It is worse than that. All over America thousands of good and honorable people look at the environment you have created here and decide they would never be interested in entering that environment. They take pride in their own morals and ethics; they value their privacy: they do not undress in public.

There is a gentle book that has been on the best seller list for a long time. It is "all I really need to know I learned in kindergarten", by Robert Fulgham. The title story reminds us that we learn the rules by which we conduct our lives very early. We bring them with us to Congress. We tell the truth about our allies and our opponents. We don't cheat or steal or take bribes or tolerate people who do. We serve our country when our country needs us and carry our ideals and loyalties and ethics in our hearts and not on our sleeves.

No one learns his ethics in Congress. No one needs to be told by his colleagues what is right and fair and honorable. There are more than enough criminal statutes by which to prosecute those who violate the standards of our society.

Ethics is not as great a problem with Congress as is courage. Your ethics rules have emasculated you. Not all of you: a few are still willing to stand up and say you deserve a pay raise or vote against a defense bill or for a tax increase or vote against Israel when you are convinced she is wrong or say "no" to any powerful lobby. But most of Congress. This was the inevitable result of the earned income limitation. When you cut a Member off from the honorable work he did before he came here, made him burn his bridges, made him have to keep his job to feed his family you sapped his courage. He has to get re-elected. This makes him less courageous—and less ethical.

This Nation was built by men who couldn't, and wouldn't have lived by your rules. They were terrible men who drank, caroused and gambled. Some kept mistresses; some were worse. They connived and made deals and some grew rich in office. Robert Morris of Pennsylvania, who the old text books called the financier of the revolution was asked to get ammunition for Washington's Army. He did, through his own trading company and wrote, "there has never been so fair an opportunity for making a large fortune since I have been conversant in the world." Daniel Webster said the birthplace of the revolution was a tavern in Boston. The Marines were born in a tavern.

You can talk about ethics forever and pass more rules and reveal yourselves until all of your and your spouse's finances food, drink, sex, religion, clothing, vacations and the hours and minutes and places of your arising and retiring are public records. You will never be held in high regard or deemed ethical while you say you can't balance a budget unless a constitutional amendment makes you; while you accept gloriously optimistic economic projections rather than deal with real ones, while you write a Gramm-Rudman bill and then spend days finding ways to get around it, while you let one man make $550 million a year while thousands sleep in the streets.

Former Ways and Means Committee Chairman Wilbur Mills (Ark.) could have been booted out of Congress. He was an alcoholic and he fell for a stripper named Fannie Foxe; he chased her right up on the stage. His ethics might have been deemed a triple too shabby for a Member of this institution. But he would never have tolerated the fun and games and smoke and mirrors and moving costs off budget and from year to year and annual deficits and growing debt that have transferred us from the biggest creditor to the biggest debtor nation in the world.

I will close with the words of Abigail Adams, who at the birth of our nation said, "We have too many high sounding words and too few actions that correspond with them."

BRIG. GEN. DONOHUE TO COMMAND 77TH U.S. ARMY RESERVE COMMAND

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York [Mrs. LOWEY] is recognized for 5 minutes.

Mrs. LOWEY of New York. Mr. Speaker, I take great pride in rising today to respectfully acknowledge the achievements of Francis Donohue, of White Plains, NY. In recognition of a lifelong commitment to the U.S. Army, Mr. Donohue has been appointed brigadier general and commander of the 77th U.S. Army Reserve Command at Fort Totten in New York City.

In the 30 years since he was commissioned a second lieutenant in the U.S. Army, General Donohue has had a long and distinguished career of service to our Nation, both as a member of our military reserve and as the deputy district attorney for Westchester County.

After completing the ROTC training program at Fordham College and receiving his commission, Donohue graduated from the infantry officer basic branch course and was assigned platoon leader with Company A, 4th Training Regiment in Fort Dix, NJ.

In 1960, Donohue left active duty to attend Fordham University Law School and join the

Reserves. His commitment to the Army as a Reserve officer has been unceasing for almost 30 years. He has served in many staff and command positions, including commander, 800th Military Police Brigade; inspector general, 77th ARCOM; and, most recently, deputy commander, 77th ARCOM.

General Donohue is currently the second deputy district attorney for Westchester County, and chief of the Preliminary Proceeding Division, which administrates the operations of the Grand Jury Bureau, the Domestic Violence Bureau, the local Criminal Court Bureau. His commitment to the people of my district is a tribute to his sense of responsibility as well as his sensitivity.

The combination of military and legal training has enabled General Donohue to balance a sense of discipline and organization with the ability to analyze and evaluate with an objective eye. It comes to no surprise to me that he has been decorated with two meritorious service medals; the Army commendation medal; the Army achievement medal; the Armed Forces Reserve Medal with 10-Year Device; the Army Reserve Components Achievement Medal, with three oak leaf clusters; the Army service ribbon; and the overseas deployment ribbon.

The Army Reserve at Fort Totten is one of the military's largest reserve commands, with 14,000 soldiers in 138 combat support and combat service units. Known as the statue of liberty command, it is primarily a combat support command that includes transportation, medical, military police, and intelligence units. Components of the unit train in Turkey, Korea, Europe, and Central America.

Mr. Speaker, Brigadier General Donohue comes to this important position with a commitment to strengthening our military reserve force. Many men and women have dedicated their lives to the reserve force, and we must never overlook the vital role they play in the defense of our Nation.

I am proud of General Donohue's commitment, and I wish him all the best as he assumes his new position.

MEDICAID PREGNANT WOMEN, INFANTS AND CHILDREN AMENDMENTS OF 1989

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. MICHEL] is recognized for 10 minutes.

Mr. MICHEL. Mr. Speaker, today I am introducing the administration's Medicaid Pregnant Women, Infants and Children Amendments of 1989.

This legislation carries out the President's campaign pledge to improve medical care for low-income pregnant women and infants; 40,000 infants in America each year do not live to celebrate their first birthday. The black infant mortality rate remains nearly twice the rate of white Americans.

Many of those deaths, and many childhood disabilities as well, could be avoided with good prenatal care. The bill I am introducing today is a small but important step toward increasing access to such care for the most needy expectant mothers and infants in our society.

Most importantly, the bill would provide Medicaid coverage to pregnant women and infants with incomes up to 130 percent of poverty. This would bring over 300,000 more low-income women and infants into the Medicaid Program.

Additionally, the bill will streamline the processing of applications, require outreach programs by the States, and require Medicaid payment for the immunization of children under age 6 who are receiving food stamps.

The entire initiative would be budget-neutral. It would not burden the taxpayers or add to the deficit. These improvements would be funded by phasing out special, higher than normal, matching payments for some administrative costs.

Mr. Speaker, this is one of the President's highest priorities and I hope that Congress will give it early consideration.

I am including at this point in the RECORD a summary of the bill and a section-by-section analysis:

THE ADMINISTRATION'S MEDICAID BILL

President Bush's budget lays out a beginning for the Administration's approach towards health care for the poor.

We are proposing legislation which will address the pressing problem of infant mortality in the United States. The legislation provides a program expansion under Medicaid in a way that will not place impossible financial burdens on the States which are already faced with numerous recent Medicaid Program expansions.

Our bill would address the highest priority of the Medicaid program by investing in the health of pregnant women and infants. It would require States to cover about 374,000 more pregnant women and infants with incomes over the poverty level (up to 130 percent rather than 100 percent) and to do it sooner than current law would permit (by April 1, 1990 rather than by July 1, 1990). (Costs would be $60 million in fiscal year 1990.)

This bill would encourage and enable women to receive care as early as possible in their pregnancy by presuming Medicaid eligibility of women who are Food Stamp eligible. Once a pregnant and low-income woman presents herself to a qualified Medicaid provider (e.g. physician or clinic) she can receive services immediately and for up to 60 days. (Under current law such presumptive eligibility ends in 45 days.)

Children under 6 who are Food Stamp recipients (although not necessarily Medicaid eligible) would have immunizations covered by Medicaid. (Costs would be $5 million in fiscal year 1990.)

Funds for this high priority would come from phasing out special enhanced matching rates for some administrative costs; none of the matching rates would go below the usual 50 percent paid by most Federal programs, and there would be no cap on the amount of funds matchable by Federal dollars. If these matching rates were not reduced, Federal spending in fiscal year 1990 for administrative functions could be as high as $1.7 billion. (Savings would be $70 million in fiscal year 1990.)

The $20 million in both fiscal year 1990 and 1991 would be authorized (with outlays of $5 million in fiscal year 1990) for projects that would reduce infant mortality and morbidity, by stressing case management, outreach, and increased provider participation.

There is no debate aboiut the need to win the battle against high infant mortality in our very prosperous country. It is a battle that must involve all health care policymakers, institutions, and providers. Clearly national policy should set the tone, but no less important is attention at the State and local level. Unacceptably high infant mortality has been the focus on Governors and of various Commissions—we know what needs to be done. This legislation sets the foundation on which States, health care providers, and the volunteer community can build a solid program to address this pressing human need.

This legislation is about investment in our future—the children being born today. The return on the investment is high—as much as 3:1. But, the unquantifiable value is no less compelling—the Administration's Medicaid expansions invest in the Nation's worthiest resource—our children.

MEDICAID PREGNANT WOMEN, INFANTS, AND CHILDREN AMENDMENTS OF 1989

SHORT TITLE; REFERENCES IN ACT

Section 1 would assign the draft bill the short title the "Medicaid Pregnant Women, Infants and Children Amendments of 1989".

EXPANDED COVERAGE FOR PREGNANT WOMEN AND INFANTS

Section 2(a) amends section 1902(1) of the Social Security Act (the Act) to require States, by April 1, 1990, to provide Medicaid coverage to pregnant women and infants whose income does not exceed 130 percent of the income poverty line. (Under current law, as amended by Public Law 100-360, States must provide Medicaid to pregnant women and infants with incomes not exceeding 100 percent of poverty by July 1, 1990; this proposal will raise the income level and advance the deadline for this new mandatory coverage.)

Subsection (b) makes minor and conforming amendments.

Subsection (c) provides that the amendments made by this section effective April 1, 1990.

PRESUMPTIVE ELIGIBILITY OF PREGNANT WOMEN

Section 3(a) amends section 1902(a)(10) of the Act to require States to provide Medicaid coverage for ambulatory prenatal care for pregnant women determined to be presumptively eligible pursuant to section 1920 of the Act. (Under current law States are permitted, but not required, to provide this coverage.)

Subsection (b) amends section 1920 of the Act (which permits limited Medicaid coverage for presumptively eligible pregnant women) to provide that this coverage is mandatory. The State agency or qualified provider making presumptive eligibility determinations would have to accept as sufficient evidence of presumptive eligibility a food stamp card issued in a pregnant woman's name.

Women determined to be presumptively eligible would be eligible for ambulatory prenatal care under the State plan for 60 days from the date of the determination, provided they applied for full medicaid coverage not later than 14 days after that date. In order to eliminate provider uncertainty as to whether services they provide to a presumptively eligible woman will be reimbursed, this subsection deletes the provision of current law under which presumptive eligibility terminates on the date of a State determination of ineligibility.

Subsection (b) also amends section 1920 to require the State plan (1) to provide assur-

ances satisfactory to the Secretary that the State is making reasonable efforts to secure participation of sufficient numbers of qualified providers to permit prompt presumptive eligibility determinations in all geographic areas of the State; and (2) to provide for outreach and public education programs, in geographic areas of the State with high rates of adverse pregnancy outcomes, designed to inform low-income women of the need for and availability of prenatal care.

The new requirements added by this section would apply to Arizona, which provides Medicaid coverage to its residents under a section 1115 waiver, as well as to States with a plan approved under title XIX.

Subsection (c) provides that the amendments made by this section become effective October 1, 1989.

COVERAGE OF IMMUNIZATIONS OF CHILDREN

Subsection 4(a) amends section 1902(a)(10) of the Act to require State plans to provide Medicaid coverage for immunizations of children in accordance with section 1926.

Subsection (b) adds a new section 1926 of the Act concerning coverage of immunizations of children.

Subsection 1926(a) requires the State plan, notwithstanding any other provision of law, to provide for Medicaid reimbursement for immunizations given eligible children by any participating provider, regardless of whether the children could have obtained the immunizations elsewhere free of charge.

Subsection (b)(1) requires the States plan to provide Medicaid coverage for immunizations of children under age 6 who are receiving food stamps.

Subsection (b)(2) provides that the State plan shall not require individuals receiving food stamps to make a separate application for Medicaid in order to receive coverage for immunizations under this section.

Subsection (c) provides that these new requirements shall also apply to Arizona, which provides Medicaid coverage to its residents under a section 1115 waiver rather than under title XIX.

Subsection (c) provides that the amendments made by this section shall becomes effective July 1, 1990.

PHASEOUT OF INCREASED MATCHING RATES FOR ADMINISTRATIVE COSTS

Section 5 amends section 1903(a) of the Act to phase out most matching rates for administrative costs in excess of 50 percent. Rates will be limited to 75 percent of the excess over a 50 percent matching rate for the first year of the phaseout, and to 25 percent of the excess for the second year; in the third and succeeding years matching rates would be limited to 50 percent. Reductions of enhanced matching rates currently in effect would begin with fiscal year 1990; reductions would be delayed for recently enacted enhanced matching rates that have not yet gone into effect.

Subsection (a) amends section 1903(a)(2) (concerning compensation and training of professional medical personnel and supporting staff). Those costs currently matched at 75 percent would be matched at 68.75 percent for fiscal year 1990, 56.25 percent for fiscal year 1991, and 50 percent thereafter. The 75 percent matching for preadmission screening and resident review of nursing home patients (which becomes effective October 1, 1990) would be reduced to 68.75 percent for fiscal year 1993, 56.25 percent for fiscal year 1994, and 50 percent thereafter. The matching rates for nursing home survey and certification (under current law 90, 85, 80, and 75 percent, for fiscal years 1991, 1992, 1993, and succeeding fiscal years, respectively) would be reduced to 80 percent for fiscal year 1992, 70 percent for fiscal year 1993, 60 percent for fiscal year 1994, and 50 percent thereafter.

Subsection (b) amends section 1903(a)(3) (concerning Medicaid management and information systems (MMIS)). The matching rate for costs of design, development, or installation of such systems (currently 90 percent) would be reduced to 80 percent for fiscal year 1990, 60 percent for fiscal year 1991, and 50 percent thereafter. The matching rates for operation of such systems and for certain medical, utilization, and quality reviews (currently 75 percent) would be reduced to 68.75 percent for fiscal year 1990, 56.25 percent for fiscal year 1991, and 50 percent thereafter.

Subsection (b) also makes conforming amendments, including amendments (1) making applicable only to quarters prior to October 1, 1989, the provisions of section 1903(r) for reducing the enhanced MMIS matching for failures to achieve certain systems objectives, and (2) amending State plan requirements under section 1902(a) to eliminate references to penalty reductions of MMIS matching rates and to add the MMIS requirements currently located in subsections (a)(3) and (r) of section 1903.

Subsection (c) amends section 1903(a)(4) (concerning immigration status verification). The matching rate for costs of this activity (currently 100 percent) would be reduced to 87.5 percent for fiscal year 1990, 62.5 percent for fiscal year 1991, and 50 percent thereafter.

Subsection (d) amends section 1903(a)(5) (concerning family planning services). The current 90 percent matching rate would be retained for costs attributable to provision of services. For related administrative costs, the matching rate would be reduced to 80 percent for fiscal year 1990, 60 percent for fiscal year 1991, and 50 percent thereafter.

Subsection (e) makes a technical amendment to correct a cross-reference.

Subsection (f) makes conforming amendments.

Subsection (g) provides that the amendments made by this section shall become effective October 1, 1989.

GRACE PERIOD FOR STATE LAW AMENDMENTS

Section 6 provides that, where the Secretary determines that State legislation is required in order for a State Medicaid plan to meet additional requirements imposed by this bill, States will be allowed a grace period to meet these new requirements ending at the beginning of the quarter following the close of the first regular session of the State legislature (or other session in which the needed amendments would be in order) that begins after enactment of this bill.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BROWN of Colorado (at the request of Mr. MICHEL), for today, on account of official business.

Mr. MCCURDY (at the request of Mr. FOLEY), for May 3 and 4, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. ARMEY) to revise and extend their remarks and include extraneous material:)

Mr. DORNAN of California, for 60 minutes, today.

Mr. INHOFE, for 60 minutes, on May 4.

Mr. MCEWEN, for 60 minutes, on May 4.

Mr. CRANE, for 5 minutes, today.

Mr. MCCOLLUM, for 5 minutes, today.

Mr. ROHRABACHER, for 5 minutes, today.

Mr. IRELAND, for 60 minutes, on May 9.

Mrs. BENTLEY, for 60 minutes, on May 4.

Mr. MICHEL, for 10 minutes, today.

(The following Members (at the request of Mr. LIPINSKI) to revise and extend their remarks and include extraneous material:)

Mr. LIPINSKI, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. SANGMEISTER, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COLEMAN of Texas, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 5 minutes, today.

Mrs. LOWEY of New York, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. BROWN of California, for 10 minutes, on May 9.

Mr. FORD of Michigan, for 60 minutes, on May 16.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ALEXANDER, immediately following the remarks of Mr. ESPY of Mississippi on H.R. 2174.

Mr. GILMAN, immediately following remarks of Mr. HAMILTON of Indiana in support of House Concurrent Resolution 104.

(The following Members (at the request of Mr. ARMEY) and to include extraneous matter:)

Mr. LIGHTFOOT.

Mr. MCDADE in two instances.

Mr. COMBEST.

Mr. STANGELAND.

Mr. DANNEMEYER.

Mr. BAKER.

Mr. SAXTON.

Mr. SMITH of New Jersey.

Mr. CRANE.

Mrs. MORELLA.

Mr. ROWLAND of Connecticut.

Mr. DONALD E. "BUZ" LUKENS.

Mr. GILLMOR.

Mr. DELAY.
Mr. COX.
Mr. FISH.
Mr. BUECHNER.
Mr. LOWERY of California.
Mr. MCEWEN.
Mr. FIELDS.
Mr. SCHUETTE.

(The following Members (at the request of Mr. LIPINSKI) and to include extraneous matter:)

Mr. KILDEE.
Mr. VENTO in two instances.
Mr. COLEMAN of Texas.
Mr. FAUNTROY.
Mr. HAMILTON.
Mr. APPLEGATE.
Mr. FORD of Michigan.
Mr. RANGEL.
Mrs. KENNELLY.
Mr. DONNELLY.
Mr. STARK.
Mr. TORRES.
Mr. YATES.
Mr. SMITH of Florida.
Mr. WILLIAMS.
Mr. DARDEN.
Mr. HUBBARD.
Mr. MATSUI in three instances.
Mr. BRYANT.
Mr. BATES.
Mr. ROE.
Mr. KASTENMEIER.
Mr. PEPPER.
Mr. KLECZKA.
Mr. HOCHBRUECKNER.
Mr. MCMILLEN of Maryland.
Mr. BUSTAMANTE.
Mr. LEHMAN of Florida.
Mr. MFUME.
Mr. DELLUMS.
Mr. WYDEN.
Mr. MRAZEK.
Mr. FEIGHAN in two instances.
Mr. YATRON.
Mr. ACKERMAN.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 767. An act to make technical corrections to the Business Opportunity Development Reform Act of 1988; to the Committee on Small Business.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 62. Joint resolution designating May 1989 as "National Stroke Awareness Month."

ADJOURNMENT

Mr. LIPINSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 p.m.), under its previous order, the House adjourned until tomorrow, Thursday, May 4, 1989, at 10 a.m.

OATH OF OFFICE, MEMBERS, RESIDENT COMMISSIONER, AND DELEGATES

The oath of office, required by the sixth article of the Constitution of the United States, and as provided by section 2 of the act of May 13, 1884 (23 Stat. 22), to be administered to Members, Resident Commissioner, and Delegates of the House of Representatives, the text of which is carried in 5 U.S.C. 3331:

> "I, GLEN BROWDER, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

has been subscribed to in person and filed in duplicate with the Clerk of the House of Representatives by the following Members, Resident Commissioner, and Delegates of the 101st Congress, pursuant to the provisions of 2 U.S.C. 25:

Hon. GLEN BROWDER, Third District, Alabama.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1106. A letter from the Deputy Assistant Secretary (Logistics), Department of the Air Force, transmitting notification of the decision to convert the base information transfer center and postal service center function at Kelly Air Force Base, TX; to contractor performance which was found to be the most efficient and cost-effective, pursuant to Public Law 99-190, section 8089 (99 Stat. 1216); Public Law 100-202, section 8074 (101 Stat. 1329-75); Public Law 100-463, title VIII, section 8061; to the Committee on Appropriations.

1107. A letter from the Director (Administration and Management), Office of the Secretary of Defense, transmitting the Navy's determination and findings indicating the necessity to exclude the clause concerning examination of records by the Comptroller General from a proposed contract with the United Kingdom Ministry of Defence [UKG], pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

1108. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 8-28, "District of Columbia Business Corporation Act Amendment Temporary Act of 1989," pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1109. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 8-25, "Fiduciary Investment Act of 1989," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1110. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 8-24, "Establishment and Elimination of Building Restriction Lines in Lot 26 in Square 1853, S.O. 87-394," pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1111. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 8-29, "Temporary Curfew Temporary Act of 1989," pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1112. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 8-27, "Illegal Drug Zone Temporary Act of 1989," pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1113. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of the D.C. ACT 8-26 "Automatic Substitution of Fiduciaries Amendment Act of 1989; and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

1114. A letter from the Secretary of Education, transmitting a copy of the final regulations for assistance to States for education of handicapped children, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

1115. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting additional documentation regarding the FSX codevelopment program with Japan, pursuant to 22 U.S.C. 2767(f); to the Committee on Foreign Affairs.

1116. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions by Morton I. Abramowitz, of the District of Columbia, Ambassador Extraordinary and Plenipotentiary-designate to the Republic of Turkey, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1117. A letter from the Managing Director, Federal Communications Commission, transmitting notice of an altered Federal records system, pursuant to 5 U.S.C. 522a(r); to the Committee on Government Operations.

1118. A letter from the Chief Justice of the United States, transmitting corrected amendments to the Federal Rules of Appellate Procedure which have been adopted by the Supreme Court, pursuant to 28 U.S.C. 2072 (H. Doc. No. 101-53, Pt. 2); to the Committee on the Judiciary and ordered to be printed.

1119. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to provide authority to accept contributions toward cooperative work relating to the National Forest System; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MONTGOMERY:

H.R. 2200. A bill to amend title 10, United States Code, to revise and standardize the

provisions of law relating to appointment, promotion, and separation of commissioned officers of the reserve components of the Armed Forces, to consolidate in a new subtitle the provisions of law relating to the reserve components, and for other purposes; to the Committee on Armed Services.

By Mr. AuCOIN (for himself, Mr. ATKINS, Mr. SANGMEISTER, Mr. MOAKLEY, Mr. ACKERMAN, Mr. DOWNEY, Mr. BROWN of California, Mr. BUSTAMANTE, Mr. PANETTA, Mr. BATES, Mr. STUDDS, Mrs. UNSOELD, Mr. WEISS, Mr. MRAZEK, Mr. FAUNTROY, Mr. MARKEY, Mr. DYMALLY, Mr. TOWNS, Mr. MOODY, Mr. MCDERMOTT, Mr. FORD of Michigan, Mr. OWENS of New York, Mr. MORRISON of Connecticut, Mr. WAXMAN, Mr. DIXON, and Mr. EVANS):

H.R. 2201. A bill to preserve the cooperative, peaceful uses of outer space for the benefit of all mankind by prohibiting the basing or testing of weapons in outer space and the testing of antisatellite weapons, and for other purposes; jointly, to the Committees on Armed Services and Foreign Affairs.

By Mr. BENNETT (for himself, Mr. SHAW, Mr. LEHMAN of Florida, Mr. IRELAND, Mr. HUTTO, Mr. HUGHES, Mr. GRANT, Mr. PEPPER, Mr. JAMES, Mr. TOWNS, Mr. NELSON of Florida, and Mr. FASCELL):

H.R. 2202. A bill to establish in the Department of the Interior the De Soto Expedition Trail Commission, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BOEHLERT:

H.R. 2203. A bill to increase for fiscal year 1989 the obligation ceiling for airport grants-in-aid; jointly, to the Committees on Appropriations and Public Works and Transportation.

By Mr. CLAY:

H.R. 2204. A bill to guarantee the right of professional firefighters to organize and bargain collectively; to the Committee on Education and Labor.

H.R. 2205. A bill to guarantee the right of law enforcement officers to organize and bargain collectively; jointly, to the Committees on Education and Labor and Post Office and Civil Service.

By Mr. COLEMAN of Texas (for himself and Mr. LELAND):

H.R. 2206. A bill to amend the Public Health Service Act to direct the Secretary of Health and Human Services to reimburse physicians and medical facilities which give emergency treatment to certain undocumented aliens and alien commuter workers; to the Committee on Energy and Commerce.

By Mr. DONNELLY:

H.R. 2207. A bill to amend the Internal Revenue Code of 1986 to provide that hospitals which provide insufficient service to low-income individuals shall be subject to the $150,000,000 limitation on outstanding bonds which applies generally to section 501(c)(3) organizations; to the Committee on Ways and Means.

By Mr. DYMALLY:

H.R. 2208. A bill to provide for the donation of public land and for a matching grant to the University of the District of Columbia to enhance the endowment and capabilities of the university; jointly, to the Committees on the District of Columbia and Education and Labor.

By Mr. GLICKMAN (for himself, Mr. MARLENEE, Mr. CAMPBELL of Colorado, Mr. DYSON, Mr. EMERSON, Mr. GRANDY, Mr. HUCKABY, Mr. JOHNSON of South Dakota, Mr. NAGLE, Mr. PENNY, Mr. ROBERTS, Mr. SCHUETTE, Mr. ROBERT F. SMITH, Mr. STANGELAND, Mr. VOLKMER, Mr. BROWN of California, Mr. COLEMAN of Missouri, Mr. ESPY, Mr. GUNDERSON, Mr. HARRIS, Mr. HATCHER, Mr. HERGER, Mr. HOPKINS, Mr. LEWIS of Florida, Mr. OLIN, Mr. STENHOLM, Mr. TALLON, Mr. ALEXANDER, Mr. ANTHONY, Mr. BATEMAN, Mr. BRUCE, Mr. BUNNING, Mr. DARDEN, Mr. DERRICK, Mr. DORGAN of North Dakota, Mr. FLIPPO, Mr. GILLMOR, Mr. GRANT, Mr. HANCOCK, Mr. HOAGLAND, Mr. HUTTO, Mr. IRELAND, Mr. JENKINS, Mr. KASTENMEIER, Mr. LEACH of Iowa, Mr. LEWIS of Georgia, Mr. LIGHTFOOT, Mr. MONTGOMERY, Mr. MYERS of Indiana, Mr. OBERSTAR, Mrs. PATTERSON, Mr. PAYNE of Virginia, Mr. RAY, Mr. ROWLAND of Georgia, Mr. SKEEN, Mr. SKELTON, Mr. SLATTERY, Mrs. SMITH of Nebraska, Mr. SPENCE, Mr. SPRATT, Mr. TAUKE, Mr. THOMAS of Georgia, Mr. TRAXLER, Mr. WATKINS, and Mr. WEBER):

H.R. 2209. A bill to enable producers of soybeans to develop, finance, and carry out a nationally coordinated program for soybean promotion, research, and consumer information, and for other purposes; to the Committee on Agriculture.

By Mr. GORDON:

H.R. 2210. A bill to require the Administrator of the Environmental Protection Agency and local educational agencies to conduct nationwide testing for radon contamination in schools; to the Committee on Energy and Commerce.

By Mr. HEFLEY:

H.R. 2211. A bill to abolish the Interstate Commerce Commission; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

By Mr. JOHNSTON of Florida (for himself, Mr. BENNETT, Mr. CLEMENT, Mr. ENGEL, Mr. GIBBONS, Mr. GOSS, Mr. HOAGLAND, Mr. HUTTO, Mr. LEWIS of Florida, Mr. PALLONE, Mr. PAYNE of Virginia, Mr. SANGMEISTER, and Mr. SMITH of Florida):

H.R. 2212. A bill to amend title XVIII of the Social Security Act and other provisions of law to delay for 1 year the effective dates of the supplemental medicare premium and additional benefits under part B of the Medicare Program and to require a report from the Comptroller General concerning the funding mechanism and other provisions of the Medicare Catastrophic Coverage Act of 1988; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. KOSTMAYER:

H.R. 2213. A bill to designate certain public lands in the State of Idaho as wilderness, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Agriculture.

By Mr. LAGOMARSINO (for himself, Mr. SOLARZ, Mr. LEACH of Iowa, Mr. FASCELL, Mr. BROOMFIELD, Mr. BLAZ, and Mr. FALEOMAVAEGA):

H.R. 2214. A bill to ratify certain agreements relating to the Vienna Convention on Diplomatic Relations; to the Committee on Foreign Affairs.

By Mr. LENT:

H.R. 2215. A bill to remove certain railroads owned and operated by the State of New York from the coverage of the Railway Labor Act; to the Committee on Energy and Commerce.

By Mr. MICHEL (for himself, Mr. LENT, Mr. MADIGAN, Mr. TAUKE, Mr. BILIRAKIS, and Mr. WHITTAKER):

H.R. 2216. A bill to amend the medical assistance program under title XIX of the Social Security Act to increase coverage for pregnant women and infants and for childhood immunizations, and for other purposes; to the Committee on Energy and Commerce.

By Mr. OLIN:

H.R. 2217. A bill to amend the Head Start Act to restore and expand Head Start services to more eligible children; to the Committee on Education and Labor.

By Mr. PEASE:

H.R. 2218. A bill to amend the Social Security Act to make health insurance widely available to individuals, based on income and assets, under a competitive system; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. PEPPER (for himself and Mr. FLORIO):

H.R. 2219. A bill to amend title XVI of the Social Security Act with respect to establishing minimum national standards to protect elderly and other residents of board and care facilities; jointly, to the Committee on Ways and Means and Energy and Commerce.

By Mr. SAWYER:

H.R. 2220. A bill to strengthen the program for grants to States for dependent care programs, and for other purposes; to the Committee on Education and Labor.

By Mr. SCHULZE:

H.R. 2221. A bill to amend the Internal Revenue Code of 1986 to impose an 80-percent excise tax on honorarium income from speeches by Members of Congress and all other individuals; to the Committee on Ways and Means.

By Mr. SHAYS (for himself, Mr. DOWNEY, Mr. NEAL of Massachusetts, Mr. PALLONE, Mr. WILSON, and Mr. OWENS of New York):

H.R. 2222. A bill to amend title VI of the Communications Act of 1934 to restore the right of State and local regulatory agencies to regulate cable television rates, and for other purposes; jointly, to the Committee on Energy and Commerce and the Judiciary.

By Mr. SMITH of Vermont (for himself, Mr. FRANK, Ms. SCHNEIDER, Mr. DONNELLY, Mr. BOEHLERT, Mr. MACHTLEY, and Mr. TORRES):

H.R. 2223. A bill to provide for expedited assessment of damages from major oil spills, and to amend the Internal Revenue Code of 1986 to disallow deduction of the costs for cleanup of oil or hazardous substance discharges; jointly, to the Committees on Ways and Means, Public Works and Transportation, Merchant Marine and Fisheries, and Energy and Commerce.

By Mr. STEARNS:

H.R. 2224. A bill to amend the Fair Housing Act to provide a longer transition period with respect to qualifying as housing for older persons for an exemption from certain provisions of such act; to the Committee on the Judiciary.

By Mr. WILLIAMS:

H.R. 2225. A bill to ensure that certain retirement benefit payments are delivered early when the regular delivery date occurs on a Saturday, Sunday, or legal holiday; jointly, to the Committees on Armed Services Education and Labor, Energy and Commerce, Foreign Affairs, the Permanent Select Committee on Intelligence, and Post Office and Civil Service.

H.R. 2226. A bill to amend title XVIII of the Social Security Act to provide the same limitation on increases in deductions for Medicare part B premiums from railroad retirement annuities as currently applies to Medicare part B deductions from Social Security monthly benefits, so that the amount of such an increase in a given year cannot exceed the amount of the cost-of-living increase in the annuity; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. DYMALLY:

H.J. Res. 257. Joint resolution designating Labor Day Weekend, September 2-4, 1989, as "National Drive for Life Weekend;" to the Committee on Post Office and Civil Service.

By Mr. SCHUETTE (for himself, Mr. HENRY, Mr. UPTON, and Mr. PURSELL):

H.J. Res. 258. Joint resolution to direct the President to submit to the Congress proposals to prevent, contain, disperse, and clean up oil spills on the territorial seas, coastal waters, inland waterways, and lands of the United States; jointly, to the Committees on Public Works and Transportation and Merchant Marine and Fisheries.

By Mr. BUSTAMANTE (for himself, Mr. COLEMAN of Texas, Mr. MILLER of California, Mr. LEVINE of California, Mr. LEWIS OF GEORGIA, Mr. BERMAN, and Mr. UDALL):

H. Con. Res. 107. Concurrent resolution urging the President to enter into bilateral negotiations with the Government of Mexico for the purpose of securing reductions in import duties on products of which each country is a principal supplier of the other; to the Committee on Ways and Means.

By Mr MATSUI:

H. Res. 146. Resolution to call for the President to take action to enforce semiconductor agreement, and prevent further unfair Japanese trade practices; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

76. By the SPEAKER: Memorial of the Senate of the State of Hawaii, relative to radioactive waste in the Marianas Trench; to the Committee on Foreign Affairs.

77. Also, memorial of the Legislature of the State of Nevada, relative to the Tahoe Regional Planning Compact; to the Committee on the Judiciary.

78. Also, memorial of the Senate of the State of Hawaii, relative to up-to-date census information on the Pacific Islands; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. PORTER introduced a bill (H.R. 2227) to authorize issuance of a certificate of documentation for the vessel *Nancy Ann;* which was referred to the Committee on Merchant Marine and Fisheries.

By Mr. SAXTON:

H. Res. 147. Resolution referring the bill (H.R. 1555) for the relief of Harold N. Holt to the chief judge of the U.S. Claims Court; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 5: Mr. PARKER.

H.R. 22: Mr. DINGELL.

H.R. 37: Mr. HAMILTON.

H.R. 48: Mr. COELHO, Mr. FAZIO, and Mr. BATES.

H.R. 70: Mr. EDWARDS of Oklahoma.

H.R. 82: Mr. SAVAGE, Mr. GONZALEZ, Mrs. PATTERSON, Mr. JENKINS, Mr. CHAPMAN, Mr. LELAND, Mr. ARMEY, and Mr. NIELSON of Utah.

H.R. 84: Mr. HAYES of Illinois.

H.R. 89: Mr. ATKINS and Mr. PURSELL.

H.R. 90: Mr. DYMALLY and Mrs. PATTERSON.

H.R. 100: Mr. EDWARDS of Oklahoma and Mr. COX.

H.R. 118: Mr. BOSCO and Mr. DEWINE.

H.R. 145: Mr. DAVIS.

H.R. 159: Mr. STANGELAND.

H.R. 169: Mr. SCHIFF.

H.R. 283: Mr. SPENCE and Mr. PEPPER.

H.R. 286: Mr. STALLINGS.

H.R. 293: Mr. CROCKETT, Mr. WALGREN, and Mr. HANSEN.

H.R. 402: Mr. MYERS of Indiana, Mr. FAUNTROY, Mr. INHOFE, Mr. MOODY, and Mr. NIELSON of Utah.

H.R. 422: Mr. GORDON, Mr. GILLMOR, Mr. WEBER, and Mr. BLILEY.

H.R. 446: Mr. PARRIS, Mr. KYL, Mr. PETRI, Mr. MCEWEN, Mr. LAGOMARSINO, Mr. SCHIFF, and Mr. HASTERT.

H.R. 461: Mr. MCEWEN.

H.R. 469: Mr. SMITH of Florida.

H.R. 518: Mr. HUBBARD, Mr. EDWARDS of Oklahoma, and Mr. HUTTO.

H.R. 567: Mr. HENRY, Mr. RAVENEL, and Mr. JACOBS.

H.R. 578: Mr. RINALDO.

H.R. 586: Mr. RAVENEL and Mr. MACHTLEY.

H.R. 594: Mr. HYDE and Mr. BONIOR.

H.R. 615: Mr. EDWARDS of Oklahoma and Mr. FOGLIETTA.

H.R. 638: Mrs. BOXER, Mr. FRANK, Mr. RANGEL, and Mrs. SCHROEDER.

H.R. 652: Mr. MINETA and Mr. APPLEGATE.

H.R. 746: Mr. GINGRICH, Mr. WALGREN, Mr. SOLARZ, Mr. ROBINSON, Mr. SAXTON, Mr. COOPER, Mr. GUNDERSON, Mr. NAGLE, Mr. MORRISON of Washington, Mr. HAWKINS, Mr. RITTER, Mr. ARCHER, Mr. SISISKY, Mr. UPTON, Mr. SKELTON, Mr. CAMPBELL of California, Mr. PACKARD, Mr. LIGHTFOOT, Mr. BERMAN, Mr. VALENTINE, and Mr. LENT.

H.R. 844: Mr. BUNNING.

H.R. 857: Mrs. LOWEY of New York.

H.R. 904: Mr. SANGMEISTER, Mrs. PATTERSON, Mr. BARNARD, Mr. COBLE, Mr. FRANK, and Mr. DENNY SMITH.

H.R. 927: Mr. GEJDENSON and Mr. BATES.

H.R. 931: Mr. BERMAN, Mrs. UNSOELD, Mr. MCCLOSKEY, and Mr. FISH.

H.R. 951: Mr. BATES, Mr. BRUCE, Mr. GARCIA, Mr. GORDON, Mr. HALL of Ohio, Mrs. LOWEY of New York, Mr. MOODY, Mr. OBERSTAR, Mr. OLIN, Mr. BUSTAMANTE, and Mr. CARR.

H.R. 962: Mr. COLEMAN of Missouri.

H.R. 995: Mr. ARMEY.

H.R. 1008: Mr. LEWIS of Georgia, Mr. FALEOMAVAEGA, and Mr. HERTEL.

H.R. 1030: Mr. EDWARDS of Oklahoma.

H.R. 1036: Mr. EVANS, Mr. BUSTAMANTE, Mr. QUILLEN, Mr. YATRON, Mr. KASICH, Mr. GONZALEZ, and Mr. HASTERT.

H.R. 1041: Mrs. LOWEY of New York and Mr. RINALDO.

H.R. 1048: Ms. SLAUGHTER of New York and Mr. NAGLE.

H.R. 1056: Mr. TORRES, Mr. FEIGHAN, Mr. ATKINS, Mr. BOUCHER, Mr. CARDIN, and Mr. RANGEL.

H.R. 1068: Mr. ATKINS, Mr. DORNAN of California, Mr. PORTER, Mr. CRANE, Mr. WILSON, Mr. JOHNSON of South Dakota, Mr. PENNY, Mr. RAHALL, Mr. BILBRAY, Mr. JONES of North Carolina, Mr. OWENS of Utah, Mr. WISE, and Mr. SABO.

H.R. 1095: Mr. ARMEY, Mr. BOSCO, Mr. COLEMAN of Missouri, Mr. KASICH, and Mr. PRICE.

H.R. 1113: Mr. MANTON and Mr. HUGHES.

H.R. 1136: Mr. WYLIE, Mr. FLORIO, Mr. WEBER, Mr. UPTON, Mr. DERRICK, Mr. FISH, Mr. SMITH of Florida, and Mr. STANGELAND.

H.R. 1157: Mr. ACKERMAN, Mr. ARMEY, Mr. AUCOIN, Mr. BATES, Mr. BURTON of Indiana, Mr. BUSTAMANTE, Mr. DYMALLY, Mr. EVANS, Mr. FAUNTROY, Mr. FAZIO, Mr. FORD of Michigan, Mr. HORTON, Mr. INHOFE, Mr. LAGOMARSINO, Mr. LEATH of Texas, Mr. MORRISON of Connecticut, Mr. MURPHY, Mr. RANGEL, Mr. SAVAGE, Mr. SLATTERY, Mr. TOWNS, and Mr. WEISS.

H.R. 1158: Mr. ACKERMAN, Mr. ARMEY, Mr. AUCOIN, Mr. BATES, Mr. BURTON of Indiana, Mr. BUSTAMANTE, Mr. DYMALLY, Mr. EVANS, Mr. FAUNTROY, Mr. FAZIO, Mr. FORD of Michigan, Mr. HORTON, Mr. INHOFE, Mr. LAGOMARSINO, Mr. LEATH of Texas, Mr. MORRISON of Connecticut, Mr. MURPHY, Mr. RANGEL, Mr. SAVAGE, Mr. SLATTERY, Mr. TOWNS, and Mr. WEISS.

H.R. 1181: Mr. KOLBE.

H.R. 1199: Mr. CONYERS and Mr. WHEAT.

H.R. 1260: Mr. ATKINS.

H.R. 1281: Mr. JOHNSON of South Dakota and Mr. ARMEY.

H.R. 1303: Mr. MCEWEN, Mr. BUECHNER, Mr. SOLOMON, Mr. TOWNS, Mr. BEREUTER, and Mr. CLEMENT.

H.R. 1337: Mr. MACHTLEY, Mr. EVANS, and Mrs. LOWEY of New York.

H.R. 1356: Mr. RINALDO, Mr. FISH, Mr. BORSKI, and Mr. DYMALLY.

H.R. 1381: Mr. FISH.

H.R. 1383: Mr. DURBIN, Mr. MATSUI, and Mr. MCCLOSKEY.

H.R. 1386: Mr. FAUNTROY, Mr. DE LUGO, Mr. SABO, and Mr. MARTINEZ.

H.R. 1388: Mr. ECKART.

H.R. 1436: Mrs. BENTLEY, Mr. MCMILLEN of Maryland, Mr. MCDERMOTT, Mr. RANGEL, Mr. LEWIS of Georgia, and Mr. HOCHBRUECKNER.

H.R. 1469: Mr. FLORIO.

H.R. 1470: Mr. CARPER.

H.R. 1490: Mr. RICHARDSON, Ms. KAPTUR, Mr. DWYER of New Jersey, Mr. LAFALCE, Mr. ENGLISH, Mr. JONTZ, Mr. BONIOR, Mr. FASCELL, Mr. HATCHER, Mr. ENGEL, Mr. WISE, Mr. SISISKY, and Mr. MARKEY.

H.R. 1515: Mr. WILSON and Mr. HASTERT.

H.R. 1528: Mr. KANJORSKI.

H.R. 1532: Mr. ACKERMAN, Mr. DWYER of New Jersey, Mr. FOGLIETTA, Mr. COLEMAN of Texas, Mr. FUSTER, and Mr. ATKINS.

H.R. 1560: Mr. FLORIO.

H.R. 1578: Mr. MCEWEN and Mr. DONALD E. LUKENS.

H.R. 1583: Mr. ANTHONY, Mr. TAUZIN, Mr. KOLTER, Mr. FAUNTROY, Mr. STAGGERS, Mr. HALL of Texas, Mr. ESPY, Mr. HOUGHTON, and Mr. DEFAZIO.

H.R. 1631: Mr. LEWIS of Florida.

H.R. 1652: Mr. FEIGHAN.

H.R. 1661: Mr. BATES, Mrs. COLLINS, Mr. CAMPBELL of Colorado, Mrs. UNSOELD, Mr. FLORIO, Mr. PENNY, Mr. GAYDOS, Mr. RAVENEL, Mr. KOLTER, Mr. ACKERMAN, Mr. RAHALL, Mr. BONIOR, Mr. KANJORSKI, and Ms. KAPTUR.

H.R. 1675: Mr. HUNTER and Mr. HORTON.

H.R. 1676: Mr. PERKINS, Mr. LEWIS of Georgia, Mr. DICKS, Mr. SMITH of New Hampshire, and Mr. CLAY.

H.R. 1677: Mr. LAFALCE, Mr. DWYER of New Jersey, and Mr. POSHARD.

H.R. 1691: Mr. STUDDS, Mr. DE LUGO, and Mrs. UNSOELD.

H.R. 1727: Mr. BENNETT, Mr. JAMES, Mr. HUTTO, Mr. GRANT, Mr. MCCOLLUM, Mr. STEARNS, Mr. GIBBONS, Mr. BILIRAKIS, Mr. IRELAND, Mr. NELSON of Florida, Mr. LEWIS of Florida, Mr. GOSS, Mr. JOHNSTON of Florida, Mr. SHAW, Mr. SMITH of Florida, Mr. LEHMAN of Florida, Mr. PEPPER, and Mr. YOUNG of Florida.

H.R. 1746: Mr. ATKINS, Mrs. COLLINS, Mr. COSTELLO, Mr. COURTER, Mr. GARCIA, Mr. HAMILTON, Mr. HOCHBRUECKNER, Mr. LEHMAN of Florida, Mr. LIPINSKI, and Mr. MINETA.

H.R. 1748: Mr. ARMEY and Mr. DANNEMEYER.

H.R. 1751: Mr. ARMEY and Mr. DANNEMEYER.

H.R. 1752: Mr. ARMEY and Mr. DANNEMEYER.

H.R. 1867: Mr. BROOMFIELD.

H.R. 1875: Mr. DORNAN of California, Mr. AUCOIN, Mr. BEVILL, Mr. LAGOMARSINO, Mr. QUILLEN, Mr. RANGEL, Mr. ACKERMAN, Mr. FUSTER, Mr. TOWNS, Mr. PARKER, and Mr. FAUNTROY.

H.R. 1931: Mr. TAUZIN, Mr. FAUNTROY, Mr. HAYES of Illinois, Mr. DE LUGO, and Mr. DELLUMS.

H.R. 1935: Mr. SMITH of Vermont, Mr. RAVENEL, Mr. DORGAN of North Dakota, Mr. BONIOR, Mr. BRENNAN, and Mr. JAMES.

H.R. 2025: Mr. AKAKA and Mr. MCCLOSKEY.

H.R. 2036: Mr. CRANE.

H.R. 2044: Mr. FAUNTROY, Mr. EVANS, and Mr. BROWN of California.

H.R. 2051: Mr. DYMALLY, Mr. DWYER of New Jersey, Mr. FAUNTROY, Mr. LEHMAN of Florida, Mr. DE LUGO, Mr. RANGEL, and Mr. OWENS of New York.

H.J. Res. 3: Mrs. MEYERS of Kansas, Mr. COX, and Mr. EDWARDS of Oklahoma.

H.J. Res. 54: Ms. PELOSI and Mr. EVANS.

H.J. Res. 111: Mr. BEVILL, Mr. WILSON, Mr. MOAKLEY, Mr. BROOKS, Mr. WHITTEN, Mr. MONTGOMERY, Mr. KASTENMEIER, Mr. FIELDS, Mr. BUSTAMANTE, Mr. HAYES of Louisiana, Mrs. BOGGS, Mr. BARTLETT, Mr. CALLAHAN, Mr. SMITH of Mississippi, Mr. GOSS, Mr. STUDDS, Mr. SMITH of Florida, Mr. DORNAN of California, Mr. HORTON, Mr. TALLON, Mr. FUSTER, Mr. DYSON, Mr. KOLTER, Mr. THOMAS of Georgia, and Mr. RANGEL.

H.J. Res. 131: Mr. FISH, Mr. BROOKS, Mrs. MORELLA, Mr. GRAY, Mr. WHEAT, Mr. KENNEDY, and Ms. PELOSI.

H.J. Res. 132: Mr. GUARINI, Mr. HANSEN, Mr. HENRY, Mr. DOUGLAS, Mr. JONES of North Carolina, Mr. HUBBARD, Mr. VENTO, Mr. HOYER, Mr. TORRES, Mr. GONZALEZ, Mr. ANNUNZIO, Mr. KLECZKA, Ms. OAKAR, Mr. BARNARD, Mr. SCHUMER, Mr. NELSON of Florida, Mr. KANJORSKI, Mr. PRICE, Mr. WYLIE, Mr. LEACH of Iowa, Mr. SHUMWAY, Mr. BEREUTER, Mr. HILER, Mr. ROTH, Mr. SAXTON, Mr. BUNNING, Mr. RINALDO, Mr. WHITTAKER, Mr. FALEOMAVAEGA, Mr. SMITH of Vermont, Mr. FLIPPO, and Mr. RANGEL.

H.J. Res. 163: Mr. HOAGLAND, Mr. MILLER of Washington, Mr. WOLF, Mr. MORRISON of Washington, Mr. FRANK, Mr. PORTER, Mr. LIPINSKI, Mr. HOCHBRUECKNER, Mr. FOGLIETTA, Mr. WALGREN, Mr. ANNUNZIO, Mr. KOSTMAYER, Mr. OWENS of New York, Mr. WAXMAN, Mr. WELDON, Mr. BENNETT, Mr. GILLMOR, Mr. LAGOMARSINO, Mr. DARDEN, Mr. UPTON, Mr. ESPY, Mr. FISH, Mr. PEPPER, Mr. STAGGERS, Mr. MCDERMOTT, Mr. OWENS of Utah, Mr. PALLONE, Mr. DYMALLY, and Mr. FOLEY.

H.J. Res. 168: Mr. FISH, Mr. LEACH of Iowa, Mr. EVANS, and Mr. GRANDY.

H.J. Res. 174: Mr. WILSON, Mr. RAHALL, Mrs. ROUKEMA, Mr. OWENS of New York, Mr. KOLBE, Mr. RITTER, Mr. LANTOS, Mr. GUNDERSON, Mr. SOLOMON, Mr. ROWLAND of Georgia, Mr. KLECZKA, Mr. MORRISON of Washington, Mr. MORRISON of Connecticut, Mr. FASCELL, Mr. BARNARD, Mr. VENTO, Mr. FOLEY, Mrs. BOXER, Mr. MCGRATH, Mr. SISISKY, Mrs. MORELLA, Mr. SKAGGS, Mr. FALEOMAVAEGA, Mr. COUGHLIN, Mr. NELSON of Florida, Mr. HAMILTON, Mr. CARPER, Mr. HANCOCK, Mr. NEAL of Massachusetts, Mr. CHANDLER, Mr. BROWN of Colorado, Mr. JOHNSON of South Dakota, Mr. WHEAT, Mr. SIKORSKI, Mr. STARK, Mr. HAYES of Illinois, Mr. ROWLAND of Connecticut, Mr. LEWIS of Florida, Mr. STAGGERS, Mr. KILDEE, Mr. HALL of Ohio, Mr. DORGAN of North Dakota, Mr. GOODLING, Mr. TORRICELLI, Mr. DELAY, Mr. PURSELL, Mr. BARTLETT, and Mr. TRAXLER.

H.J. Res. 214: Ms. SLAUGHTER of New York and Mr. FAUNTROY.

H.J. Res. 243: Mr. FUSTER, Mr. GARCIA, Mr. GOSS, Mr. HORTON, Mr. NEAL of Massachusetts, Mr. RITTER, Mr. FAUNTROY, Mr. LELAND, Mr. FASCELL, Mr. HUGHES, Mr. ERDREICH, Mr. SMITH of Florida, Mr. DONNELLY, Mr. DYMALLY, Mr. JONES of Georgia, and Mr. ROWLAND of Connecticut.

H. Con. Res. 30: Mr. FEIGHAN.

H. Con. Res. 47: Mr. APPLEGATE and Mr. KYL.

H. Con. Res. 48: Mr. WILLIAMS, Mr. LANTOS, and Mr. WYDEN.

H. Con. Res. 59: Mr. KYL, Mr. DENNY SMITH, Mr. DANNEMEYER, Mr. REGULA, Mr. MCEWEN, Mr. LEWIS of California, Mr. SENSENBRENNER, and Mr. LAGOMARSINO.

H. Con. Res. 73: Mr. OWENS of New York.

H. Con. Res. 81: Mr. SMITH of Mississippi and Mr. MCEWEN.

H. Con. Res. 88: Mr. LIPINSKI, Mr. MORRISON of Connecticut, Mr. GILLMOR, Mr. MACHTLEY, Mr. FAWELL, Mr. ECKART, Mr. SMITH of Florida, Mr. EVANS, and Mr. STUDDS.

H. Con. Res. 101: Mr. DORNAN of California, Mr. RANGEL, and Mr. KYL.

H. Res. 41: Mr. CAMPBELL of Colorado, Mr. HYDE, Mr. NIELSON of Utah, and Mr. YOUNG of Florida.

H. Res. 78: Mr. FRENZEL.

H. Res. 121: Mr. TAUKE.

H. Res. 122: Mr. ARMEY and Mr. FIELDS.

H. Res. 141: Mr. FASCELL, Mr. GINGRICH, Mr. FRANK, Mr. LEWIS of Georgia, and Mr. CROCKETT.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

36. By the SPEAKER: Petition of San Patricio County Courthouse, Sinton, TX, relative to the Tax Code; to the Committee on Ways and Means.

37. Also, petition of Commission on Future Palau/United States relations, relative to the Republic of Palau's annual budget; jointly, to the Committee on Foreign Affairs and Interior and Insular Affairs.

SENATOR, STATE, AND CAPITOL OFFICE

(NOTE.—Suite numbers preceded by SD are in the Dirksen Senate Office Building; by SH, in the Hart Senate Office Building; and by SR, in the Russell Senate Office Building, Washington, D.C. 20510.)

[Democrats in roman (55), Republicans in italic (45)]

	Suite No.
Vice President Quayle, Dan (IN)	SD-202
Adams, Brock (WA)	SH-513
Armstrong, William L. (CO)	SH-528
Baucus, Max (MT)	SH-706
Bentsen, Lloyd (TX)	SH-703
Biden, Joseph R., Jr. (DE)	SR-221
Bingaman, Jeff (NM)	SH-524
Bond, Christopher S. (MO)	SR-293
Boren, David L. (OK)	SR-453
Boschwitz, Rudy (MN)	SH-506
Bradley, Bill (NJ)	SH-731
Breaux, John B. (LA)	SH-516
Bryan, Richard H. (NV)	SR-364
Bumpers, Dale (AR)	SD-229
Burdick, Quentin N. (ND)	SH-511
Burns, Conrad (MT)	SD-183
Byrd, Robert C. (WV)	SH-311
Chafee, John H. (RI)	SD-567
Coats, Dan (IN)	SR-411
Cochran, Thad (MS)	SR-326
Cohen, William S. (ME)	SH-322
Conrad, Kent (ND)	SD-361
Cranston, Alan (CA)	SH-112
D'Amato, Alfonse M. (NY)	SH-520
Danforth, John C. (MO)	SR-249
Daschle, Thomas A. (SD)	SH-317
DeConcini, Dennis (AZ)	SH-328
Dixon, Alan J. (IL)	SH-331
Dodd, Christopher J. (CT)	SR-444
Dole, Robert (KS)	SH-141
Domenici, Pete V. (NM)	SD-434
Durenberger, David (MN)	SR-154
Exon, J. James (NE)	SH-330
Ford, Wendell H. (KY)	SR-173A
Fowler, Wyche, Jr. (GA)	SR-204
Garn, Jake (UT)	SD-505
Glenn, John (OH)	SH-503
Gore, Albert, Jr. (TN)	SR-393
Gorton, Slade (WA)	SH-730
Graham, Bob (FL)	SD-241
Gramm, Phil (TX)	SR-370
Grassley, Charles E. (IA)	SH-135
Harkin, Tom (IA)	SH-316
Hatch, Orrin G. (UT)	SR-135
Hatfield, Mark O. (OR)	SH-711
Heflin, Howell (AL)	SH-728
Heinz, John (PA)	SR-277
Helms, Jesse (NC)	SD-403
Hollings, Ernest F. (SC)	SR-125
Humphrey, Gordon J. (NH)	SH-531
Inouye, Daniel K. (HI)	SH-722
Jeffords, James M. (VT)	SD-530
Johnston, J. Bennett (LA)	SH-136
Kassebaum, Nancy Landon (KS)	SR-302
Kasten, Robert W., Jr. (WI)	SH-110
Kennedy, Edward M. (MA)	SR-315
Kerrey, Bob (NE)	SH-302
Kerry, John F. (MA)	SR-421
Kohl, Herbert H. (WI)	SH-702
Lautenberg, Frank R. (NJ)	SH-717
Leahy, Patrick J. (VT)	SR-433
Levin, Carl (MI)	SR-459
Lieberman, Joe (CT)	SH-502
Lott, Trent (MS)	SR-487
Lugar, Richard G. (IN)	SH-306
Mack, Connie (FL)	SH-517
Matsunaga, Spark M. (HI)	SH-109
McCain, John (AZ)	SR-111
McClure, James A. (ID)	SH-309
McConnell, Mitch (KY)	SR-120
Metzenbaum, Howard M. (OH)	SR-140
Mikulski, Barbara A. (MD)	SH-320
Mitchell, George J. (ME)	SR-176
Moynihan, Daniel Patrick (NY)	SR-464
Murkowski, Frank H. (AK)	SH-709
Nickles, Don (OK)	SH-713
Nunn, Sam (GA)	SD-303
Packwood, Bob (OR)	SR-259
Pell, Claiborne (RI)	SR-335
Pressler, Larry (SD)	SH-133
Pryor, David (AR)	SR-264
Reid, Harry (NV)	SH-324
Riegle, Donald W., Jr. (MI)	SD-105
Robb, Charles, S. (VA)	SR-493
Rockefeller, John D., IV (WV)	SH-724
Roth, William V., Jr. (DE)	SH-104
Rudman, Warren (NH)	SH-530
Sanford, Terry (NC)	SH-716
Sarbanes, Paul S. (MD)	SD-332
Sasser, Jim (TN)	SR-363
Shelby, Richard C. (AL)	SH-313
Simon, Paul (IL)	SD-462
Simpson, Alan K. (WY)	SD-261
Specter, Arlen (PA)	SH-303
Stevens, Ted (AK)	SH-522
Symms, Steven D. (ID)	SH-509
Thurmond, Strom (SC)	SR-217
Wallop, Malcolm (WY)	SR-237
Warner, John W. (VA)	SR-225
Wilson, Pete (CA)	SH-720
Wirth, Timothy E. (CO)	SR-380

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President Pro Tempore—Robert C. Byrd.
Secretary of the Senate—Walter J. Stewart.
Sergeant at Arms of the Senate—Henry Kuualoha Giugni.
Secretary for the Majority—C. Abbott Saffold.
Secretary for the Minority—Howard O. Greene, Jr.
Chaplain of the Senate—Reverend Richard C. Halverson, L.L.D., D.D.

UNITED STATES SUPREME COURT

Chief Justice Rehnquist, of Arizona.
Justice Brennan, of New Jersey.
Justice White, of Colorado.
Justice Marshall, of New York.
Justice Blackmun, of Minnesota.
Justice Stevens, of Illinois.
Justice O'Connor, of Arizona.
Justice Scalia, of Virginia.
Justice Kennedy, of California.

OFFICERS OF THE SUPREME COURT

Clerk—Joseph F. Spaniol, Jr.
Librarian—Shelly Dowling.
Marshal—Alfred Wong.
Reporter of Decisions—Frank Wagner.
Administrative Assistant to the Chief Justice—Noel J. Augustyn.

Public Information Officer—Toni House.

UNITED STATES JUDICIAL CIRCUITS
JUSTICES ASSIGNED
TERRITORY EMBRACED

District of Columbia judicial circuit: Chief Justice Rehnquist.

First judicial circuit: Justice Brennan. Maine, Massachusetts, New Hampshire, Puerto Rico, Rhode Island.

Second judicial circuit: Justice Marshall. Connecticut, New York, Vermont.

Third judicial circuit: Justice Brennan. Delaware, New Jersey, Pennsylvania, Virgin Islands.

Fourth judicial circuit: Chief Justice Rehnquist. Maryland, North Carolina, South Carolina, Virginia, West Virginia.

Fifth judicial circuit: Justice White. Louisiana, Mississippi, Texas.

Sixth judicial circuit: Justice Scalia. Kentucky, Michigan, Ohio, Tennessee.

Seventh judicial circuit: Justice Stevens. Illinois, Indiana, Wisconsin.

Eighth judicial circuit: Justice Blackmun. Arkansas, Iowa, Minnesota, Missouri, Nebraska, North Dakota, South Dakota.

Ninth judicial circuit: Justice O'Connor. Alaska, Arizona, California, Idaho, Montana, Nevada, Oregon, Washington, Guam, Hawaii, Northern Mariana Islands.

Tenth judicial circuit: Justice White. Colorado, Kansas, New Mexico, Oklahoma, Utah, Wyoming.

Eleventh judicial circuit: Justice Kennedy. Alabama, Florida, Georgia.

Federal judicial circuit: Chief Justice Rehnquist.

EXTENSIONS OF REMARKS

DEMOCRACY IN THE AMERICAS

HON. ESTEBAN EDWARD TORRES
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. TORRES. Mr. Speaker, I want to call your attention to a paper entitled "Collective Action in Support of Democracy in the Americas" which I ask you to take the time to read.

This paper was written by Mr. Brian Atwood, president of the National Democratic Institute for International Affairs in collaboration with Venezuela Foreign Minister Enrique Tejera-Paris. I know both writers and I commend their vision of building democracy in our hemisphere. The paper was recently presented to the Council of Freely Elected Heads of Government at the Carter Presidential Center in Atlanta, GA. Again, I urge my colleagues to read this far-reaching plan regarding the development of democratic forms of government in our hemisphere:

COLLECTIVE ACTION IN SUPPORT OF DEMOCRACY IN THE AMERICAS

(By J. Brian Atwood, President, National Democratic Institute for International Affairs)

Trends toward the development of democratic forms of government in our hemisphere continue to be positive. Last October's victory by forces advocating early free elections in Chile demonstrates that the democratic traditions of that proud nation are very much alive. The promise of free elections in Paraguay is a hopeful indicator of positive change in a nation that heretofore had not joined the democratic mainstream. The prospect of peaceful transfers of power from one elected government to another—now imminent in Argentina, Uruguay, El Salvador, Brazil, Bolivia and Peru—provide further evidence that democracy is becoming institutionalized in our hemisphere. These positive developments build on more than a decade of progress and augur well for the future of our region.

Despite the positive trends and growing consensus in support of democratic institutions, we note that the overall environment within which democracy must prove its mettle and survive remains a hostile one. The debt crisis has crippled economic growth and forced governments to adopt stringent austerity measures. A growing subculture of international drug traffickers has begun to corrupt democratic institutions and poses a serious security problem for many nations. Non-democratic forces of the left and right play off one another to justify extremist tactics and thus constitute a potential threat to the democratic core of many societies. These threats to the viability of our democratic systems must be addressed collectively and with a sense of urgency.

This collective action must be undertaken both at the highest governmental levels and through non-governmental initiatives. Steps should be taken where necessary to support democratic transitions and to oppose non-democratic governments that hold onto illegitimate power and violate the human and political rights of their citizens. In this regard, the Esquipulas formula, which endorses democratization and pluralism as necessary parts of the resolution of the Central America crisis, should be viewed as a good model for resolving conflict situations.

Collective initiatives should be consistent with the international obligations and responsibilities of our nations under the OAS charter, particularly the principle of non-intervention. Yet, we must recognize that this principle is not incompatible with the promotion of human rights and democracy.

The late 1970's witnessed a revolution in diplomacy relating to governments' consideration of human rights issues. The administration of President Jimmy Carter led that revolution. This change of thought and policy and the results that have followed, caused the community of democratic nations to modify its concept of intervention. This was recently recognized by former Spanish President Adolfo Suarez in a report of the international delegation sent to observe the Chile plebiscite:

The recent Chilean plebiscite, although formally an intenal matter falling within the sovereign rights of Chile, also had an international dimension of major relevance. The old prinicple of classic international law regarding nonintervention in the internal affairs of other states is gradually receding in importance; consequently, the international community cannot be indifferent to the fight for freedom, human rights and the rule of law, and the interest of all humanity to construct a completely free world. Indeed, the lack of freedom and systematic human rights violations have become transgressions of international law that justify actions by the community of nations.

If the OAS, for procedural reasons, cannot be summoned to action, in the support of democracy, the democracies and the democrats of the region must act, individally and collectively. This paper sets forth proposals for collective action.

TRANSITIONAL SITUATIONS

In recent years, we have seen leadership vacuums created in several non-democratic nations in our region. Notable was the situation that developed in Haiti after the departure of Jean-Claude Duvalier in 1986. In the initial stages, the successor military government appeared to be, and perhaps actually was, committed to its caretaker role, even seeking financial and technical assistance in making the transition to a constitutional democracy. Subsequent countervailing pressures from recidivist, non-democratic forces within Haiti were not matched in turn by an adequate Haitian or international, pro-democratic response. Some nations, notably Canada, France, the United States and Venezuela, attempted to aid the transition, but this assistance fell short of what was needed. Worse, some democratic nations of the region chose to look the other way when the Haitian military sabotaged the November 1987 election for a constitutional president and parliament.

We, the democratic governments and political parties of the Americas, should commit ourselves to expeditious collective action in situations where changes in government give hope for a democratic transition. When situations arise such as in Haiti, and, most recently, in Paraguay, we recommend the following steps by the hemisphere's democracies:

1. An emergency meeting of foreign ministers from democratic nations should be held, if possible within the OAS context, to share information on the developing situation and to plan a multilateral response. A collective statement of concern should be issued holding the particular government to its international obligations with respect to human rights and representative democracy.

2. A survey mission should then be sent to the nation in crisis to assess the situation, discuss with the successor government its intentions and determine its needs if a commitment to a democratic transition is made. This high-level delegation would report its recommendations for collective action to the OAS and/or to the ad hoc group of democratic foreign ministers.

3. A collective action plan would be devised, which would include the provision or the withdrawal of assistance at governmental and non-governmental levels. A series of automatic escalatory steps should be agreed upon, starting with diplomatic statements and leading to subsequent economic and political actions if the situation merits.

4. The group of foreign ministers, working within and beyond the OAS, would seek ways to demonstrate ongoing, high-level international interest during the transition period evaluating the development of democratic laws and procedures and helping to prepare and strengthen democratic institutions for the role they will have to play. The group could designate representatives who would maintain a presence in the country to monitor political developments and demonstrate continuing interest in the democratization process, consistent, of course, with the requirements of the principle of non-interventionism.

As the Haiti situation demonstrated, a democratic transition can be lost in the earliest stages if the international community allows the discredited forces of the *ancien regime* time and space to regroup. We believe that concerted action, always in a manner consistent with international law and treaty obligations, is called for at these historic moments of opportunity.

When a democratic government appears to be at risk of falling to non-democratic elements, the community of democratic nations should be prepared to commit itself to a specific set of deterrent steps. Non-democratic elements must be aware that the consequences of their actually gaining power through violent means will be severe.

TREATMENT OF NON-DEMOCRATIC STATES

There are only a few non-democratic states left in our hemishpere. Each case must of course be considered separately. Generally, however, these states must be seen as in violation of their obligations under the OAS charter and should be isolated accordingly.

Advocates of democracy within their borders should be encouraged and protected to

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

the maximum extent possible by the democratic community. Divisions within a democratic opposition along political, personal or ideological lines are damaging to the effort to effect change and should be discouraged by the international community. Assistance given to such an opposition should be designed to encourage coalition building and a united effort.

If non-democratic nations desire "normal" diplomatic, political or trade relations with their neighbors, the *quid pro quo* should be the creation of open space for free expression and political activity within their borders. Our goal should be the integration or re-integration of all the American states into the democratic community.

SUPPORTING DEMOCRACY THROUGH PARTY NETWORKS

Much of the business of fostering and developing democracy before and after these moments of crisis/opportunity must be done by non-governmental institutions, some of which may be publicly supported. In recent years, we have seen a network of democratic political parties effectively operate in a manner, and in areas where governmental activity would be diplomatically inappropriate or impractical.

The democratic opposition in Chile benefitted from support, advice and resources from foreign political institutions. International delegations comprised of party leaders, some of whom were government leaders as well, have observed elections, offering vital international support for the democratic electoral process. Party foundations and institutes such as our own Gonzalo Barrios Foundation and the National Democratic Institute for International Affairs are working to strengthen democratic institutions (as have similar institutes in Europe and Latin America). Governments should support and encourage this work.

Every nation must find its own way to the democratic path. There is no one blueprint for every nation's democracy. But today, democrats of all ideological persuasions seeking to build democracies can profit from the lessons of past struggles in other nations. In this spirit of collective exchange and hemispheric comity, we suggest that governments and party leaders pay special attention to the following areas of challenge and opportunity.

Political parties

Political parties must be viewed as fundamental institutions in a democracy. If they are successful and strong, so will be the democratic system itself.

Using the machinery of our parties, we can form bonds either according to ideological affinities or on a non-partisan basis. Through these contracts, we must look to the weakest of our fellow parties and provide effective aid. This is especially important in the new democracies of our region where political skills require practical development. For the most part, this means training in the fundamental functions of a political party: organization, message development, use of the media, constituent services, the surveying of public opinion, campaign techniques and ideological principles and objectives.

In countries where democracy is not yet established, democratic parties in the hemisphere should seek opportunities and establish mechanisms to work collectively despite their ideological differences. Member parties of the Socialist, Liberal, and Christian Democratic internationals, and the International Democrat Union, should explore potential areas of cooperation, either within their respective internationals or jointly, across ideological lines.

Civil-military relations

There is perhaps no greater threat to fragile democratic systems in our hemisphere or elsewhere than the inability to integrate the military forces of a nation into the civil society. If our region's democratic leaders are to succeed, they must establish the principle of civilian authority and control. This is a difficult challenge, for they must prevail upon those who bear arms to accept the authority of those who do not.

We have had notable success in achieving this goal within our hemisphere. The experience of Venezuela is most instructive. Venezuela has managed to integrate an armed force that historically was separated from its society by differences of education, training and political philosophy. Today, Venezuela's military plays an integral part in the democratic life of the nation. It is part of the political establishment and is integrated socially, educationally and politically; its individual members reflect the diversity of the nation. Furthermore, Venezuela has produced a civilian leadership knowledgeable of military matters and fully capable of making the judgments necessary to exercise policy-making responsibilities.

This and other positive experiences in civil-military relations should be shared. Many of the newer democracies in our region remain under constant threat from military forces that do not accept civilian authority or that accept it only tentatively. We call upon the established democratic governments and their military forces to begin to encourage a process of reform leading to the full integration of the military into the democratic constitutional order.

Election processes

Elections, as we have learned, do not by themselves translate into democracies. For years, dictators such as Somoza and Stroessner sought to legitimize their regimes by perverting the electoral process in their countries. The expense to Nicaragua and Paraguay in the destruction or negation of democratic values was great and is reflected today in voter cynicism or ambivalence toward the political process.

Much has changed in the interim. Today, the international community of democracies has become much more actively interested in the conduct of free and fair elections. In this hemisphere, the contemporary practice is for international delegations to be welcomed as observers. Their presence serves both to bear witness to the process and to evaluate, based on internationally recognized standards, the conduct of elections.

The Council of Freely-Elected Heads of Government has a special role to play in encouraging the conduct of free and open elections, in evaluating electoral systems and in participating in the observation of elections. Delegations, operating under the Council's auspices, have visited nations in the region to review election laws and observe elections. Missions such as these serve the voters of the visited nation and inform the international community.

As noted, governments view elections as a way to gain needed legitimacy in the eyes of their own people and the world, but such legitimacy should come only through the conduct of an open campaign and a free and fair election. We suggest the creation of a new election monitoring commission under the auspices of the OAS with authorities similar to those of the Inter-American Human Rights Commission. Such a commission would organize impartial election observation delegations who would report their findings to the OAS.

SUMMARY RECOMMENDATIONS

The development of democracy must be the primary responsibility of indigenous groups active within national borders. However, the community of democracies, at both the official and non-official levels, has become an important factor in encouraging and assisting these groups. Great strides have been taken in the human rights field; a similar consensus should be reached concerning the steps needed to encourage democratization.

We recommend that the following specific steps be agreed to in principle by the Council:

1. That a caucus of democratic nations be formed to press the OAS to take emergency action in crisis or transitional situations, or, failing that, to form their own secretariat for taking collective action as described herein.

2. That the Council of Freely-Elected Heads of Government take additional steps in support of indigenous democratic groups, particularly when transition situations arise. These steps might include reviewing election systems against international standards and leading observer delegations.

3. That the democratic community continue to participate in international delegations to observe elections, particularly in countries in transition; that members of the Council use their influence to convince reluctant governments to permit such observations; and that the OAS consider the creation of a new commission to be charged with monitoring elections and reporting its findings to the international community.

4. That democratic party foundations further develop consultative networks to coordinate activities in support of strengthening democratic institutions within the hemisphere.

5. That the civil-military relationship be given urgent attention and that those democratic nations that have succeeded in integrating the military into the constitutional order make a special effort to share their positive experience.

6. That governments of the hemisphere place the factors negatively affecting democratic development—the debt crisis, drug trafficking and consumption, and interventionism by non-democratic elements—high on their foreign policy agenda and that they work collectively toward their mitigation.

7. That all hemispheric nations take legal steps to protect fundamental human and political rights and that they accept the jurisdiction of the Inter-American Court over matters involving individual and group freedoms.

KILDEE HONORS RAYMOND K.S. LEE

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. KILDEE. Mr. Speaker, I would like to bring to the attention of my colleagues and the Nation an award ceremony that will be held Tuesday, May 9, in my hometown of Flint, MI, honoring Mr. Raymond K.S. Lee. Mr.

Lee is recognized as the recipient of the Golden Door Award by the International Institute of Flint in honor of his lifelong commitment to America, the land of opportunity.

This award is inspired by Emma Lazarus' poem, "The Golden Door," inscribed at the bottom of the Statue of Liberty. The poem depicts America as the "light of Liberty," as witnessed by immigrants. People like Raymond Lee, who immigrated from Hong Kong in 1968, are witnesses to that great "light" and to the opportunities America offers for people around the world.

Mr. Lee is a highly motivated and extremely dedicated community servant in the Flint area. Throughout his career, Raymond has distinguished himself through many noteworthy deeds and accomplishments. Raymond was born in Hong Kong in 1946 and attended La Salle High School in Hong Kong. After arriving in Flint, MI, in 1968, Mr. Lee attended the University of Michigan—Flint and received his degree in 1973. He has been employed by the Michigan National Corp. since 1969 and is currently a senior mortgage officer with the corporation. Taking advantage of America's fine educational institutions has aided Mr. Lee in attaining his career goals.

Mr. Raymond K.S. Lee has truly been an asset to our country since his arrival. As a dedicated community volunteer, Mr. Lee has unselfishly demonstrated his willingness to serve his fellow Americans. He is a member of a number of community boards including the International Institute and the Urban Coalition. He is a commissioner for the Human Relations Commission of Flint and is a member, as well as a past president, of the Chinese Association of Flint. He is a member of the Flint Woodcarvers and is treasurer of the Sister City Committee.

Mr. Speaker, this distinguished man who will be honored May 9 has demonstrated by his actions the personification of true community service. As a result of his presence and unwavering commitment of this country, Mr. Lee has succeeded in making this community a better place in which to live. This gentleman has my utmost respect and admiration in receiving the Golden Door Award. I am proud to be his Congressman and proud to extend to him some of the recognition that he so richly deserves.

TRIBUTE TO EUGENE J. KANE, SMALL BUSINESS PERSON OF THE YEAR

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. McDADE. Mr. Speaker, today I wish to pay tribute to Mr. Eugene J. Kane who has been named the outstanding "Small Business Person of the Year" by the Greater Scranton Chamber of Commerce in Scranton, PA. This honor is given in recognition of significant contributions to the community and for achievement of excellence in business.

Mr. Kane is president of Kane Is Able, Inc., Kane Freight Lines, Inc., Kane Warehousing Inc., and chairman of the Board of Kane Traffic Services, Inc. Gene Kane's contributions to the betterment of the Scranton area are evident in his longstanding and fruitful efforts to improve the economic opportunities of its citizens. He was educated at St. Paul's High School and Lackawanna Business College. In pursuit of higher education, Gene attended the University of Scranton and also completed courses in logistics at Temple University and Ohio State University.

In addition to his various business ventures, Gene Kane has given generously of his free time and energy to professional organizations and community groups. Gene has served as president of the Pennsylvania Motor Truck Association and is currently active with the Warehouse Education and Research Council, the American Warehousemen's Association, Distribution Service, Inc., and the American Trucking Association. He is a member of the Traffic Club of New York, the Northeast Traffic Club, and the Scranton Club. Young people in the Scranton area know Gene Kane from his work with the boys and girls clubs and the Forest Lakes Council Boy Scouts of America and admire him for his tireless efforts on their behalf. Gene also devotes his time to both the Pennsylvania Regional Tissue and Transplant Bank and the Kiwanis Club.

No matter how proud the Scranton community is of Eugene Kane and his accomplishments, no one is prouder than his wife Joan and their lovely family. Gene has endowed many with that most precious commodity which allows lives to be fulfilled and gives life to all possibilities: a job.

For his contributions to improving the lives of the citizens of the district I am privileged to represent, I salute Eugene J. Kane for receiving this tribute.

HOW CAN WE DENY HEALTH CARE TO POOR WHILE OTHERS GET FACE LIFTS?

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. STARK. Mr. Speaker, I'd like to include in the RECORD an excellent essay from the Los Angeles Times by Biomedical Ethicist Arthur Caplan.

Too many people are spending time debating the merits and demerits of liposuction, while the poor in our society are being left to die. Caplan's article asks the key question, "How can we deny health care to poor while others get face lifts?"

HOW CAN WE DENY HEALTH CARE TO POOR WHILE OTHERS GET FACE LIFTS?

(By Arthur L. Caplan)

The American health-care system, the experts say, is going bust at a rapid rate. Efforts to contain our burgeoning $500 billion-plus tab through economic juggling and shifts to prepaid medical plans have been a total failure.

The dilemma of how to pay for health care is forcing some public officials to think the unthinkable. Alameda County and the state of Oregon recently announced plans to institute explicit rationing policies for health care.

But, before you applaud the realism, consider that these plans would ration access to health care only for the poor. The medically indigent of Alameda County and those eligible for Medicaid in Oregon will be required by law to forgo life-saving medical care. One generation's war on poverty is becoming another's war against the poor.

Officials in both Oregon and Alameda County note that the poor have always gotten less access to health care than the rich. This is true. But our society's failure to meet the health-care needs of the poor hardly justifies a public policy that asks the poor to bear the burden of rationing as a matter of law.

Who concocted this blatantly unethical scheme? Incredibly, the inspiration for both the California and Oregon plans for pocketbook triage comes in part from those in my line of work—medical ethicists.

A California bioethics consulting firm is being paid by Alameda County and Oregon state officials to provide moral rationales for dropping the poor out of the health-care lifeboat. The consultants appear to be approaching their task with gusto.

"You have to draw the line somewhere," one moralist-for-hire said in a recent newspaper article about Alameda County's decision to begin rationing for the poor. "We'll provide all services to a diminishing segment of the population, and literally we'll throw the rest of the people overboard. We're thinning the soup and lengthening the line," he explained in language more appropriate to Scrooge than Jesus, Kant, Mill or Niebuhr.

No hint is given of the theoretical position that would justify aiming all rationing efforts at the poor. But it is hard to think of a moral or religious ethic that holds that when a nation cannot pay its doctor bills, it is the poor and only the poor who should be denied the right to see a doctor.

It is hard to understand how any ethicist could become involved in a scheme so blatantly unfair as that of rationing necessary health care only for the poor. What is worse is that the same ethicists and the officials taking their advice, who are enthusiastically directing triage at the California and Oregon health-care lifeboats, are not asking whether it is really necessary in 1989 to institute the rationing of necessary medical care for anyone.

Before saying goodby to the indigent, why aren't public officials in Oregon and California thinking about reforming a malpractice system that adds tens of millions of dollars to state-financed health-care costs each year? Before saying no to a bone marrow transplant for a 3-year-old whose mother is on Medicaid, couldn't county and state legislators insist that every licensed hospital and physician be required by law to provide a fixed percentage of care for those who cannot pay?

Before creating laws that would send some of the poor to a premature demise, county and state officials ought to require private health insurers to charge subscribers an additional premium that,could be used to supplement the pitifully small budgets of Medicaid and public hospitals. And would it not make some sense to insist on a luxury tax, which could be used to help meet the crucial health-care needs of the poor, from the rich who avail themselves of psychotherapy, vitamins, cosmetic surgery, diet clinics and stress-management seminars?

It is wrong to make the poor and only the poor bear the burden of rationing. It is un-

ethical to institute rationing of necessary health services for any group of Americans unless we have made every effort to be as efficient and as frugal as we can be in spending our health-care dollars.

At a time when some can indulge their wants by buying a face lift, it seems extraordinarily hard for ethicists or legislators to convincingly argue that they have no other option but to condemn the poor to die for want of money.

LEE COLE'S REMAINS HAVE COME HOME

HON. JOHN G. ROWLAND

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. ROWLAND of Connecticut. Mr. Speaker, after nearly 22 years of waiting, the family of Navy Comdr. LeGrande O. Cole, Jr., finally has a confirmation of what happened to their loved one in Vietnam. Lee Cole had been missing in action since he was shot down over North Vietnam on June 30, 1967. On May 5, he will receive a military burial in Arlington National Cemetery.

Lee Cole flew 100 missions during his first tour of duty in Vietnam and was a highly decorated Navy pilot. Among his many medals, he received the Distinguished Flying Cross, the Purple Heart, the Navy Commendation Medal, the Vietnam Service Medal, the Republic of Vietnam Campaign Air Medal, and the National Defense Service Medal. Lee was part of an attack squadron based on the aircraft carrier *Intrepid* during his second tour of duty when his plane was shot down over Vinh, North Vietnam.

While I did not personally know Lee, I did have the pleasure to work closely with his parents to gain information on their son. While in Vietnam in 1986 and again in 1988, I spoke to the Vietnamese regarding Lee and presented them with information pertaining to this case.

Lee's remains were returned by Vietnam this past November and were positively identified in February by the Department of Defense. He is survived by his parents, Hazel and LeGrande Cole, Sr., his wife, Billie Jo, a son, Kenneth Mark, one sister, Cindy Vogel, and a brother, Donald.

My thoughts and best wishes go out to the friends and family members whose lives were touched by Lee during his short life. After 22 years of wondering and waiting, Lee Cole has finally come home.

CONGRESSIONAL SALUTE TO THE ASIAN PACIFIC HERITAGE WEEK

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. MATSUI. Mr. Speaker, I rise today to pay tribute to Asian Pacific American Heritage Week celebrated in California the week May 8 through May 14. I particularly want to salute this year's theme: "Planting Roots: 226 Years of Filipinos in America—Exploring New Dimensions."

Asian Pacific American Heritage Week presents a unique opportunity for the Asian Pacific community to share with our friends, colleagues, and the general community, our rich and diverse culture. The week long celebration highlights the significant contributions the Asian Pacific community has made in California and throughout the country as well as acknowledges the challenges facing our community in the future.

This year's theme honors the immeasurable contributions the Filipino-Americans have made to America during the last 226 years. From the early settlers in Louisiana in 1763 to the soldiers fighting for our country during World War II, from the farmworkers to the professionals, the Filipino-Americans have contributed their skills, their spirit and their lives to enrich our Nation. Our Nation will continue to benefit from their contributions as the Filipino-American community of over 1,200,000 strong continues to explore new dimensions and hurdle new challenges to improve the quality of life for all Americans.

Mr. Speaker, I ask my colleagues to join me in saluting our Filipino-Americans during this special week-long celebration of Asian Pacific American Heritage Week. I commend the many achievements of the Asian Pacific community highlighted during this festive celebration and extend my best wishes for continued success in all of their future endeavors.

LOSING FAITH

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. DANNEMEYER. Mr. Speaker, "Losing Faith" is the title of a feature article in the May 1, 1989, issue of the Wall Street Journal. It refers to a poll revealing that the majority of Americans no longer assume that their children will be better off than they are. The article concurs:

> The Golden Years are over * * * the economy's ability to provide greater returns to every working American has faltered.

The Journal fails to come up with a comprehensive plan to bring optimism and rising prosperity back. Yet we cannot honestly say to our children that we have done everything within our power to save their patrimony. We have not made a frontal attack on the regime of high interest rates, which is the real culprit robbing our children of the American dream.

I insert my response to the "Losing Faith" article. I exhort my colleagues in Congress, and all other people of good will, to resist the counsel of pessimism and defeatism. America's dynamism has always been due to the belief that each generation would live better than the last. It is surely not beyond the power and the wit of the U.S. Congress to restore the birthright of our children, thus putting an end to the dissipation of America's dynamism.

BRING BACK OPTIMISM—BRING BACK GOLD BONDS

(By Bill Dannemeyer, M.C.)

A stark change in expectations is revealed by a recent Wall Street Journal/NBC news poll. Despite seven years of solid economic growth, Americans who think the standard of living is falling outnumber, for the first time, those who think it is rising. In a feature front-page article (May 1, 1989) the Wall Street Journal concludes that "the Golden Years are over". In the past decade and a half, the economy's ability to provide greater returns to every working American has faltered. And there are some trends, such as the rapid buildup of debt, and the perennial banking crisis, that portend even more trouble for the future.

The article is ominously entitled: "Losing Faith". It stresses that at the heart of the debate over living standards lies a troubling paradox. The world is going through a whirlwind of technological changes, with advances emerging almost daily in fast-moving fields such as microelectronics, computers, and biotechnology. But those technological changes are not fuelling economic growth as they did in the past. "The computer revolution has shown up everywhere—except in productivity figures", complained one economist interviewed by the paper. The problem of stagnating living standards is tied up with the problem of the sharp decline in growth of productivity. Advances in manufacturing technology provide the basis for increases in productivity which, in turn, form the foundation for a steady rise in material well-being. The bottom line is that inflation-adjusted wages in the U.S., which were increasing at the average rate of almost 2% per annum during the decades before 1971, have been declining at the average rate of ½% since.

Although the Journal cites the budget deficit and the debt spiral as the greatest threat to future living standards, its analysis stops short of offering a comprehensive solution. It fails to see the significance of 1971. That year sticks out, like a sore thumb, in every statistic and every chart. 1971 was the year when America's promises to pay lost their meaning—the year when President Nixon "closed the gold window", and Congress abdicated its Constitutional responsibility to define what a dollar is. 1971 marked the beginning of an era of capital decumulation and capital destruction, affecting agriculture, industry, and even banking. It marked the beginning of the era of soft dollars, making it possible for foreigners to move in and to snap up surviving American assets at bargain-basement prices. It unveiled skyrocketing and volatile commodity prices. It invented "stagflation". It ushered in a regime of high and volatile interest rates. It heralded a regime of low and uncertain bond values. It made the savings rate collapse. It put the debt-spiral into high gear. The evidence is overwhelming that the root cause of our troubles goes back to the quality of promises men live by.

The speedy restoration of rising living standards, productivity, and capital accumulation will become possible as soon as we are ready to address the issue of quality of promises. To bring back the American Dream, we must bring back gold bonds. We could eliminate the entire budget deficit in four years without gimmickry, if we refinanced the maturing short-term debt by issuing gold bonds. A new breeze of confidence in America's promises would change the atmosphere in the world economy. Foreign scavengers, who are picking up the pieces after our real-estate, bond, and stock markets crashed, would be driven out. A new era of reconstruction could start, to rebuild the capital base of America's industry, agriculture, and banking. The time-hal-

lowed virtue of thrift would be given a new lease on life. The money-changers and speculators, who drive currency and bond values down so that they could drive them up again, and make a killing at both ends of the swing at the expense of the productive elements in society, would be chased out of the temple. Pessimism, as if by magic, would disappear and give way to a new, creative optimism.

Unfortunately, ignorance and vested interest stand in the way. The men in charge of monetary and fiscal policy are usurpers of powers, powers which by the Constitution belong to Congress. They will not yield without a fight. At any rate, it is not clear that Congress is ready to reassert itself and its monetary powers.

The saddest part of the Wall Street Journal/NBC poll concerns our children. America's dynamism has always been due to the belief that each generation would live better than the last. According to the results of the poll, this has now changed. In a painful awareness striking at the heart of American life, the majority no longer assume that their children will be better off than they are.

We cannot honestly say to our children that we have done everything in our power to save their patrimony. We haven't made a frontal attack to bring down interest rates. The regime of high interest rates is not an act of God. It entirely is man-made. It has to do with the nature of promises. Gold bonds command high value, and can be sold at a low rate of interest, because of the superb nature of the promise they embody. Paper bonds command low value, and can only be sold at high coupon-rates, because all they promise to pay at maturity is another promise of the same dubious value. There are two possibilities. Either those promises are believed; then we saddle our children with an impossible debt burden which increases at double-digit rates. Or, at one point in time, those promises will be disbelieved; in this case we bequeath a credit collapse to our children, possibly with a Great Depression in its wake.

As the polls show, the American people are intelligent enough to realize that their children have been deprived of their birthright. They are looking for leaders who would restore this birthright. People may not know all the answers. It is the duty of their leaders to study the principles of public finance and credit, and come up with the solution: bring back the promise of future, by bringing back gold bonds. Only then can we say that we have done everything within our power to make our children's future bright. Only then can we say, with pride, that the Golden Years are not over; they have just begun.

TAX LAW MAKES IT HARDER TO KEEP FIRMS IN FAMILY

HON. ARLAN STANGELAND

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. STANGELAND. Mr. Speaker, some in Congress have proposed that we increase certain estate taxes in order to raise revenue to meet the targets established in the bipartisan budget accord. I am concerned that such an increase would have a disastrous impact on many family-owned farms and small-town businesses.

I direct your attention to a column published in yesterday's Wall Street Journal entitled, "Tax Law Makes It Harder to Keep Firms in Family." I believe this column, written by Anthony J. Obadal, makes a valid case why Congress should not raise the estate tax.

TAX LAW MAKES IT HARDER TO KEEP FIRMS IN FAMILY

(By Anthony J. Obadal)

For closely held businesses to survive, their assets must pass from one generation or group of employees to another. But, slowly and quietly, Congress over the past few years had made changes in the estate-tax laws that threaten this continuity.

Currently, federal estate taxes have a $600,000 exemption, a starting rate of 35% and a top rate of 55%. The estate-tax changes adopted by Congress in 1981 applied these rates to the fully appreciated market value of property at the date of death, rather than to the property's original purchase price or earning ability.

Because few family or other closely held businesses could survive these prohibitive rates, which strip them of substantial portions of their assets to pay taxes, the tax mavens quickly devised techniques to pass on a business to family members or to employees before the principal's death. These techniques generally involved "freezing" the value of the principal's holdings on the date of the transfer.

Under a typical estate-freeze transaction, parents who owned a business would convert their common stock into preferred and have the company issue new common stock to the children. The value of the preferred stock was frozen for tax purposes, and an annual income through dividends was received by the parent. This preserved continuity, kept the older generation involved in the business, and provided the older principal with a comfortable retirement income. The children benefited as the value of the common stock grew through their own efforts, and the increase in the business's value was not included in the parent's estate. Thus, the sale of the business to pay taxes was not necessary.

Congress was not happy. While the details, exceptions and special rules are too complex to cover here, the 1987 Revenue Act and the 1988 Technical and Miscellaneous Revenue Act changed the estate-freeze rules to prevent, among other things, the transaction described above. Additionally, the law was drafted broadly and may apply to certain transfers to employees or other non-family members.

Generally, transferred property will not be included in a decedent's estate if it was sold at fair market value in an arm's-length transaction. But there are special rules for sales to family members. Thus, even if a parent sells all his common stock in a corporation to a child for fair market value but retains the preferred, the value of the common stock at the time of the parent's death will be included in his estate.

The estate-freeze provisions of the code were attacked last year by the American Bar Association as discriminatory and anti-family business. Several other trade associations also attempted to obtain modification or repeal of these sections. These efforts continue.

However, attacks on small business estates have just begun:

On Jan. 15, the Washington Post published a "Tax Menu" listing as one of the "juiciest" tax options a tax on capital gains at death. "This," the Post said, "would remove the exemption that allows stock and other assets to be passed to heirs free of capital tax, leaving assets whose value has been rising for 30 or 40 years subject only to the estate tax." Estimated revenue enhancement per year: $4.9 billion. Three days later, the New York Times called for a capital-gains tax at death as a trade-off for a reduction in the capital-gains tax rate.

Also in January, the Consumers Union called for gift- and estate-tax changes to finance a "comprehensive and universal social insurance program."

Sen. George Mitchell of Maine, the new majority leader, favors a 5% surtax on estates over $200,000; Rep. Henry Waxman (D., Calif.) favors a 10% surcharge on estates over $100,000; Rep. Pete Stark (D., Calif.) wants to reduce the estate and gift exemption to $300,000 and change the rate structure with a beginning rate of 15% for estates over $300,000 rising to 70% for estates over $5 million. All three want to use these taxes to finance their proposals for long-term health care for the elderly.

Still others, such as Robert Kuttner in Business Week last September, have called for changes in inheritance taxes to finance child-care entitlements so that "middle and lower class children could begin life with a few advantages, too."

Let's face it. If the estate-free provisions are not changed, if estate-tax rates remain confiscatory, if surcharges are added to the already excessive rates, or if a capital-gains tax at death is adopted, family businesses are at their end.

The continuity of America's family enterprises ought to be of major importance to our government. Such businesses are fundamental to our economic and social structure, allowing our citizens to become economically independent. As former Sen. Mark Andrews (R., N.D.), a leader in the estate-tax reform fight, has said: "It is in our best democratic tradition to preserve and encourage that continuity within families, not tax such businesses out of existence."

KILDEE HONORS WILLIAM F. SYMONS

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. KILDEE. Mr. Speaker, I rise today before my colleagues in the House of Representatives to pay tribute to a most distinguished citizen from my hometown of Flint, MI.

William (Bill) F. Symons will be honored at a special event on May 13, 1989, in Flint for his tireless efforts on behalf of organized labor and the community of Flint and Genesee County. Bill was born April 13, 1913, in Florida, MI, a small town in Michigan's scenic Upper Peninsula. Bill moved to Flint in 1920 to seek employment in one of the General Motors factories. Bill became active in the early days of the labor movement, especially the Congress of Industrial Organizations [CIO], working closely with Robert Travis, an associate of John L. Lewis, in organizing workers. In 1935, Bill was blackballed as a result of his efforts to organize on behalf of the CIO.

While working in the labor movement, Bill became active in politics. One of the first campaigns in which Bill participated was the 1928 Presidential campaign of Al Smith. This taste of politics whetted Bill's appetite in such a way that he became active in many other Presidential campaigns including those of Franklin D. Roosevelt, Stuart Symington, and Adlai Stevenson. Bill has also been very active in local Democratic politics, working on numerous Senate, congressional, State and mayoral campaigns. He has spent many long hours erecting yard signs, distributing literature and volunteering at campaign headquarters.

Additionally, my own political career has been enlightened, enhanced, and inspired by Bill's devotion. Bill has been a true and loyal friend throughout my 25 years of public service as an elected official. As a result of Bill's involvement in the labor movement and the community, the quality of life has greatly improved for the citizens of Flint and the Seventh Congressional District. His advice and counsel have guided me throughout my career.

Mr. Speaker, it is indeed an honor and pleasure to pay tribute to Bill Symons for his unflinching dedication and tireless efforts on behalf of his adopted home of Flint, MI. I am personally honored and privileged to have had the opportunity to work with this extraordinary man, who has so greatly distinguished himself by helping others. I know the entire U.S. House of Representatives joins me today in honoring this fine American, William F. Symons.

A TRIBUTE TO FLOYD STEINMETZ, SMALL BUSINESS REGIONAL PRIME CONTRACTOR OF THE YEAR

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. McDADE. Mr. Speaker, I rise today to recognize and pay tribute to Mr. Floyd Steinmetz of Moscow, PA, who is being honored this year by the U.S. Small Business Administration as Regional Small Business Prime Contractor of the Year.

Floyd Steinmetz is the sole owner and founder of Steinmetz & Sons Machinery Co. Founded in 1974, Steinmetz & Sons is a manufacturing firm specializing in the production of cast polyurethane parts. The owner and his company are being recognized for outstanding achievement in meeting or exceeding production requirements for aircraft carrier wheel chocks for the Naval Air Engineering Center.

Commitment to excellence, a fiercely competitive spirit, and enterprising ingenuity characterize the small business owners of Pennsylvania's 10th Congressional District. Floyd Steinmetz is cast from this same mold. His efforts and those of his company have brought honor and recognition to the manufacturing industry and the Moscow community.

A graduate of Massachusetts Institute of Technology with a degree in aeronautical engineering, Floyd Steinmetz has spent 40 years as a design engineer. Among his professional accomplishments, he counts the development of six U.S. patents, the most notable of which is a ball-lapping machine used in the finishing stages of ballbearing production.

Entrepreneurship is a time-honored American tradition. Floyd Steinmetz cuts a profile of today's entrepreneur competing in a demanding domestic market. He is an example of those small business men and women who continue to blaze new trails in innovative research and development to fill needs and tackle problems in the free market system.

ALAN KRANOWITZ RETIRES

HON. JOHN G. ROWLAND

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. ROWLAND of Connecticut. Mr. Speaker, I rise today to give praise to a dear friend who is leaving public service after more than two decades.

Alan Kranowitz served the U.S. House of Representatives and Presidents Ford and Reagan in numerous positions. His responsibilities may have varied, however regardless of his duties, the labors of Alan's hard work were always appreciated. Alan's integrity and honesty enabled him to develop strong relationships with members on both sides of the aisle. It was these relationships that provided Alan with the basis he needed to effectively represent President Reagan's interests on Capitol Hill.

Following the Reagan administration, I was delighted to learn that Alan would be returning to Congress. Although I considered myself part of the Reagan team most of the time, having Alan work as a minority floor assistant would have assured that we were on the same team all the time. Unfortunately, it was not meant to be. I do however, have a good feeling that we may again have an opportunity to work together.

Mr. Speaker, I thank you for giving me this opportunity to express my appreciation to Alan Kranowitz. I know that all my colleagues join me in wishing him Godspeed and more time to spend with his family.

CONGRESSIONAL SALUTE TO NATIONAL NURSES WEEK—MERCY GENERAL HOSPITAL

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. MATSUI. Mr. Speaker, I rise today to pay tribute to National Nurses Week and to salute the men and women that make up the nursing staff at Mercy General Hospital. These caregivers, and all others in the nursing profession, deserve to be recognized for their outstanding contributions to the health care arena and particularly for their dedication to delivering quality health care.

The nursing profession has been dramatically transformed during the last quarter of a century. Nurses have been faced with many challenges as a result of a more complex and competitive health care arena. From nursing shortages to dealing with an advancing technological environment, these individuals have continued to deliver care with respect, dignity and concern. As quality issues become the key in facilitating patient medical services in the future, nurses will play an even greater leadership role in all aspects of delivering health care.

Mr. Speaker, I commend the nurses of Mercy Hospital for their dedication, their professionalism, and their spirit of caring. We can seek comfort knowing that our care was being administered by these devoted individuals. I ask that my colleagues join me in saluting this outstanding profession and extending our gratitude for their service.

TRIBUTE TO EDWIN BEARD MASTICK

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. STARK. Mr. Speaker, I take this opportunity to pay tribute to Mr. Edwin Beard Mastick (1824–1901) for his achievements in a lifetime of dedicated public service to the development of modern California. The memory of Mr. Mastick and his contributions to the community will be honored with the presentation of a plaque at the Mastick Senior Center in Alameda, CA.

Edwin Beard Mastick was born in Ohio in 1824 where he studied law and taught school. He came to Alameda County with his family in 1864 and went on to become one of the pioneer attorneys in the State of California. He served as clerk of the State Supreme Court in 1869 and was nominated for State Senator in 1875. He also served as chairman of the board of city trustees of Alameda for 15 years.

Edwin Mastick can be remembered as the driving force behind many of the improvements to Alameda in the late 1800's. The paving of streets, the organization of the electric light plant, and the creation of a sewer system can all be traced to Mr. Mastick's farsightedness. The first locomotive of the railroad which ran from Alameda to Hayward, CA, in 1864 was named the E.B. Mastick and pulled two passenger cars.

Mr. Mastick lived in Alameda for 37 years. In March 1891, a school was opened between Bay Street and St. Charles Street on Santa Clara Avenue and was named the Encinal School. Because of Mr. Mastick's contributions to the community, on June 18, 1901, the school was renamed Mastick School in honor of Edwin B. Mastick. The old three-story school was replaced by a single-story new Mastick School in 1939 and was an elementary school for children in grades kindergarten through sixth.

In July 1980, the school was closed. The building was leased to the city by the Alameda Unified School District for use as a senior center. The first senior programs were held in one large room on the north side of the building. The senior center has since undergone extensive remodeling of the lobby, dining hall, offices, and classrooms, and has become a

completely modern facility. Over 48,000 visits by seniors are made each year to the Mastick Senior Center.

It is with great pleasure that I honor the memory of Edwin Beard Mastick and his lifetime dedication to the Ninth Congressional District of California.

UNIVERSAL HEALTH INSURANCE ACT OF 1989

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. PEASE. Mr. Speaker, today I rise to introduce a bill that promises help in an area of great concern to us all. The Universal Health Insurance Act addresses the very serious problem of the lack of affordable health insurance for many Americans today.

The United States has a wonderful medical system, capable of performing procedures that would have been considered miracles not too long ago. But for many of our fellow citizens, just getting through the door is a miracle if they have no health insurance. These individuals are often forced to delay medical treatment, or even to do without altogether, causing suffering and death that could be prevented. We are not talking about just the indigent—there are many working Americans who would be willing to pay for insurance if it were offered to them at a price they could afford. This is the kind of plan the Universal Health Insurance Act seeks to provide.

Mr. Speaker, my bill itself is very simple, but the issues it addresses are complex, so in an effort to explain it in a cogent manner, I have put together the set of questions and answers that follows:

QUESTIONS AND ANSWERS ON THE UNIVERSAL HEALTH INSURANCE ACT OF 1989

Why a Universal Health Insurance Act?

Access to health care today is increasingly dependent on health insurance. And although the health care needs of most Americans are adequately covered by employment-related plans or by government programs, an ever-increasing number are falling between the cracks of this system. Currently, about 37 million Americans lack health insurance altogether, a 40% increase since 1980.

Individuals without health insurance are often forced to delay or avoid seeking needed medical help, thus worsening their conditions and causing easily preventable suffering and death. Often they are forced to impoverish themselves in order to reach eligibility for public programs. Many of these people would be perfectly willing to pay for insurance, if they could find insurance they could afford—or that would enroll them. This is the kind of plan the Universal Health Insurance Act seeks to provide.

How does the Universal Health Insurance Act address these problems?

The Pease plan would be open to everyone, regardless of income, work status or health condition. Anyone who desires health insurance will be able to buy a policy from a state insurance pool, operated by a private insurance company under contract to the Federal Government.

What will the insurance plan cover?

The plan will cover inpatient and outpatient hospital services and physicians' services; maternity, prenatal and postnatal care; diagnostic services; and catastrophic medical expenses. Coverage will be similar to health plans offered to most government and private sector employees.

How much will this cost an individual?

The individual will pay a portion of the cost of the premium, based on a sliding scale—6% of the first $10,000 of income and assets, 7% of the next $10,000, and 8% of the next $10,000. The income and assets determination will be made by an independent agency not associated with either the government or the insurance carrier.

How will the rest of the premium be covered?

The portion of the premium not covered by the sliding scale payments will be picked up by the Federal Government. I propose to partially fund this by doubling the tax on cigarettes, a strategy supported by 61% of the American people in a recent survey.

Does anyone have to buy this insurance plan?

No, absolutely not. The Pease Plan is completely voluntary. There are no mandatory provisions either for employers or beneficiaries. If an individual wants health insurance, it is available at an affordable price, but the actual purchase decision remains the choice of the individual. The key is to give every American *access* to affordable health insurance.

How will we get people to sign up for the plan?

The bill includes an outreach component as an important part of the Pease plan. A public information campaign will be vital to let the public know this insurance is available. It will also educate people about the importance of health insurance and the benefits available to those who enroll in the Universal Health Insurance Plan.

What about self-selection and pre-existing conditions?

Certainly individuals with pre-existing conditions and individuals at risk for serious illness will sign up for this plan in large numbers. But without access to any insurance at all, these individuals will end up on Medicaid with the American public paying the entire tab. With subsidized insurance, they help pay their own way, and some of the risk is covered by the pool. Also, insurance allows many people to get medical care earlier than they would without insurance coverage. This can keep serious conditions from developing, and can ease the severity of some illnesses that cannot be avoided.

How will the insurance carriers be determined?

In each service area, the insurance companies will bid on the monthly cost of enrollments. The lowest bidder in a service area will become the "recognized" carrier and will be guaranteed at least 60 percent of the enrollment in that area for that year. The other insurance companies will be allowed to participate in the plan, but they must offer the same rates and conditions as the recognized carrier.

How are employers affected by the Pease plan?

Employers who offer health insurance to their employees will not be affected by the Pease plan. Employers who do not offer health insurance to their employees will have a choice between offering health insurance as a benefit or paying a new Health Plan Employment Tax, similar to the Federal Unemployment TAX (FUTA). If a health insurance option is available to employees, their employers will be exempt from the Health Plan Employment Tax. One way the employer can fulfill the health insurance option is to pay for the employee's insurance under the Pease plan.

How does the Pease plan compare to other proposals for the uninsured?

The Pease plan is not mandatory in any way, either for employers or employees. It is not tied to employment or to eligibility for any other program. It covers not just catastrophic care, but also the early medical care that can prevent catastrophic illness. The cost of the Pease plan is not excessive, the philosophical and political hazards are reasonable, and the mechanics of the proposed system appear practical. It looks like a winner to me, and I urge you to support it.

TRIBUTE TO THE LATE FRED BECK

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. DARDEN. Mr. Speaker, those of us who belong to the Kiwanis Club of Marietta, GA, said goodbye this month to Fred Lewis Beck—a member of our club for more than 50 years, its secretary for more than 30 of those years, but above all, a friend to all of us in that organization.

Fred Beck was one of those people who, through their hard work and the building of their institutional memory, come to be both the propulsion system and the guidance mechanism for a civic group. As club secretary, Fred was always careful to cover all the bases, and other officers came to rely on him heavily as, from year to year, the other club leadership posts changed hands. I know that, when I was president in 1976–77, the contributions of Fred Beck were enormous. And his work was essential to the elevation of other members of our club to major offices at the State, national, and international level within Kiwanis.

Fred epitomized the ideals of the Kiwanian. He was committed to God, family, country, and to all his friends—which included every member of the Marietta Kiwanis Club. And, of course, there was his commitment to his wife, Drucy, who several years ago became the first woman admitted to our club.

Fred Beck will no longer be with us—physically—as we meet at noon each Friday. But I know that his spirit always will be with us, and that every member of the Marietta Kiwanis Club will be forever indebted to him for his leadership, and his friendship.

To further acquaint my colleagues with the life and accomplishments of Fred Beck, I would like to include in the RECORD an item from the April 27 Marietta Kiwanis Club newsletter, written by Jim Cole:

IN MEMORIAM, APRIL 17, 1989

We laid the body of Fred Lewis Beck to rest today, but his spirit will remain in our midst forever. He gave himself to each one of us and to his community. His values have been indelibly inscribed on us. When we inadvertently look for him at the rear table, he will not be there; however, his tireless ef-

forts have guaranteed him an eternity of perfect attendance in our hearts.

It is only fitting that organizations occasionally have individuals who come along and who epitomize their ideals and commitments. Fred Beck personalized and enhanced the ideals of Kiwanis. His commitment to God could be found not only on Sundays, but on every day of the week. He looked at a man's heart and not just his deeds. Fred gave little quarter to lethargy and slothfulness, but his hand always reached as far as possible to help those who were less fortunate. He loved his family and, I think, considered it to be the entire community. His boundless and unselfish energy were legend. A friend's tragedy or sadness became his burden. At the same time, he did not burden others with his personal problems. It seemed to him that, since God had given him Drucy, he couldn't complain.

This strong veteran of WWI with the tattoo on his arm was reduced to tears whenever the club honored his beloved Drucy. He would pull out his handkerchief and rush up to the podium to escort her. The special love and tenderness that he displayed toward Drucy made a deep impression on everyone. Love begets love, and Fred, in his indomitable way, reminded all of us of that.

Dr. Donald Parker used Fred's work with stone in the monument business in his funeral address. While Fred did work with stone for a time, we saw him working with people. With God's children he was at his finest. His special charm with the ladies was irresistible, and children made him bubble over with joy. He made us Kiwanians wear ties, be on time, write more legibly, speak closer to the mike, be cooler or hotter, be at meetings, pay our dues, sign cards for sick members, write articles, remember announcements, learn names, be Governors, be Presidents, be Board members, and finally be what we are today. One could say that although Fred Lewis Beck was not a President of our Club a single time, he was Co-President more than forty times. Some years he was about all we had and other years he was trying to keep it in line.

One must remember that Fred was involved in many other things besides Kiwanis and that he gave them all his full measure. The impact of this unsung hero is therefore amplified many fold through our community. If Fred is not already busy in his Heavenly Home and is listening, "Fred, if we did not let you know, We Love You!"

AMERICA FOR SALE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. CRANE. Mr. Speaker, John R. Montgomery III has served as president of the Lakeside Bank in Chicago for more years than he probably would like to admit. And he has served both the bank and his community with great distinction.

At a recent Business Forecast Luncheon, he delivered the following remarks which I want to share with my colleagues. The message should give all Americans pause. Hopefully, we, as Members of Congress, by addressing the Nation's budget deficit with firmness, can make Mr. Montgomery's forecast nothing more than a gloomy assessment of what might have happened.

If his forecast causes alarm that prompts a responsible reply by our actions on this issue, no one will be more pleased than John Montgomery.

REMARKS OF JOHN R. MONTGOMERY III

America is for sale. It is the natural consequence of an administration policy to devalue the dollar against other currencies. We have lowered the dollar to make our goods more price-competitive. The Japanese who had to pay 260 Yen for one dollar on March 1, 1985, now have to pay only 126, and the Germans who then paid 3.35 Marks for one dollar now only pay 1.78. The Japanese and Germans can buy dollar assets today for half of what they would have paid for the same dollar assets four years ago.

When Ronald Reagan took office, interest rates, which were already high, were pushed even higher, up over 20 percent, attracting many foreign investors to our currency. And the dollar through the early 1980's became a stronger currency. Between 1980 and late 1984 the dollar appreciated against the Deutschemark 115% and 35 percent against the Yen. This ushered in a disinflationary environment. Imports became cheaper to buy in this country. This placed tremendous pressure on American manufacturers to improve productivity and produce higher quality goods at a lower cost. Increased price competition, which largely flowed from our policy to strengthen the dollar, has resulted in a massive restructuring of our industrial base—leveraged buy-outs, corporate raiders disassembling companies where liquidation values exceeded the capitalized value for the company in the marketplace, and renegotiating labor contracts to bring our wage rates more in line with the new global competition. In short, we went through, and are still going through, a period of economic Darwinism. During this period, when we were not competitive in the global marketplace, our trade deficit went up as we imported more and exported less.

This strong dollar, and the foreign competition it brought down upon our domestic manufacturers, engendered calls for protective tariffs. The Reagan administration was committed to free markets and protective tariffs were anathema. So the President and James Baker, then Secretary of the Treasury, met with respresentatives of our trading partners in 1984 in an effort to reduce trade barriers in their countries and to orchestrate an international reduction in interest rates. Such a reduction we felt would help stimulate our own economy and the economies of these other countries, which represent markets for our exports—increasing demand. One joint decline in interest rates was orchestrated. But Germany and Japan balked at further reductions. So we began in 1985 to unilaterally promote a lower dollar—by interest rate reductions to make the dollar less attractive. In January 1985 the prime rate was 10¾ percent, in January 1986 it was 9½ percent and in January 1987 it had declined to 7½ percent. During that period the exchange rates reversed themselves. The deutschemark appreciated over 70 percent against the dollar and the Yen appreciated 90 percent.

So having raised the value of our dollar in the early 1980's, in 1985 the government reversed course and began to devalue our currency against the other major world currencies. This made our products and services more price competitive by making foreign goods and services more expensive. And this policy did a number of things for our domestic manufacturers. It enabled them to increase exports, since our products were now more price competitive overseas. But it also gave them the opportunity they had not had during the early 1980's to raise prices. At that time our products were under price pressure from import competition. In many instances we had to reduce prices and accept lower profit margins until we could restructure and improve productivity. Now with the lower dollar and the increased price of foreign products, domestic manufacturers had the opportunity to raise prices without making their products less competitive. And, we should note, these increased sales and prices increased corporate tax revenues to the Federal government.

The policy of a lower dollar has led to an increase in export sales. In 1986 exports were $227 billion; in 1987, $254 billion; and in 1988, $322 billion. And our trade deficit, although it went up in 1987 to $152 billion from $138 billion in 1986, came down in 1988 to $119 billion.

What is equally important to focus on, however, is imports. Despite our lower dollar policy, imports have continued to increase, from $365 billion in 1986 to $406 billion in 1987 to $440 billion in 1988. So the lower dollar has not yet slowed imports.

While the lower dollar made imports more expensive to Americans, it made not only our export products relatively cheaper to foreigners, but our companies, real estate and other dollar denominated assets.

In 1985 the United States, as a result of this lower dollar policy, again became a Debtor Nation.

America was a debtor nation throughout the nineteenth century and until the end of World War I. During this period England, Germany, and other European countries funded our growth financing our mines, railroads and factories.

By contrast the debt we incur today is not to secure our manifest destiny as we expand westward across the great plains. We are now a mature economy. Foreign capital is now needed to finance our deficits and pay interest on our debt. It does not expand our productive capacity to provide income but to fund our consumption and our interest expense. In this sense we are not unlike other third world countries who continue to increase their outstanding debt so they can meet their interest cost. We are borrowing to pay off the excesses of the past not to build wealth for the future. Debt as a percentage of GNP rose from 27 percent in 1981 to almost 42 percent in 1986. It is estimated to be 54 percent for 1988.

As we promoted a lower dollar what did foreigners do as it became more difficult to sell into our marketplace? Well, at first they maintained prices and absorbed the increased cost exchange rates imposed on them. Then, as the dollar continued to move lower, they were forced to begin increasing prices. Since they already had gained market share in the early 1980's when the dollar was strong, and the American public was well aware of the superior quality built into many foreign products, their products continued to sell, even at increased prices because of perceived value.

And foreigners took other actions when we disadvantaged their export opportunities by lowering the value of the dollar. The Japanese, for instance, have built their own auto plants in this country. Just as we outsource production to Mexico, Taiwan, or Hong Kong, to advantage ourselves of lower labor rates, we are now a low cost labor

market. The Japanese locate plants here because they avoid protective tariffs, take advantage of low cost labor, and obviate the impact of unfavorable exchange rates.

And we actively compete for these plants! Individual States have over 50 development offices throughout the world.

America lost industrial jobs in the early 1980's when the dollar was strong. State governments in the midwest are now actively recruiting foreign investment to restore these jobs and, of course, for the resulting income tax revenues.

The British still are the largest investors in this country followed by the Dutch. Japan has overtaken Canada for the number three spot but probably will lead all investor nations going into this next decade.

Martin and Susan Tolchin in their book "Buying Into America" point out that more then one-half of the nation's cement industry and four of the nation's top ten chemical companies are foreign owned. Foreign investors have bought skyscrapers and shopping centers in almost every state. Royal Dutch Shell owns the Shell Oil Company, A & P is owned by German investors, Nippon Kokan Corporation of Japan owns half of the National Steel Corporation and Nestle of Switzerland recently bought the Carnation Food Company for $3 billion; Doubleday and Co., publishers, is German owned and the Viking Press and E. P. Dutton are British owned; a British holding company owns the 136-year-old firearms manufacturer, Smith and Wesson, Firestone Tire and Rubber Co. was acquired by Bridgestone, a Japanese multi-national corporation, and Pillsbury was bought in December 1988 by a British company. In 1986, with the approval of the Federal Reserve Bank, the Sumitomo Bank bought a $500 million equity stake in the Wall Street firm of Goldman Sachs. In 1985 foreign-owned banks owned 33 percent of the total banking assets in California and were responsible for 40 percent of the total business loans made in New York state. Here in Chicago the Algemene Bank (Dutch) owns LaSalle National Bank and The Bank of Montreal (Canadian) owns the Harris Trust and Savings Bank.

It is estimated that foreigners own $1.5 trillion of U.S. assets. This includes not only outright ownership of corporations and real estate, but stocks and bonds. It includes about $300 billion of U.S. Treasury securities. In other words, foreigners own approximately 10 percent of our $3 trillion national debt.

The problem is still the Federal Deficit. The deficit is supposed to be coming down. It was $221 billion in 1986, $150 billion in 1987, but $155 billion for 1988. It is officially budgeted to be $123 billion for 1989 but probably will be higher because the Fed is slowing down the economy. It has, however, declined from 5 percent of GNP eight years to 3 percent today. This notwithstanding, the deficit continues to be the central problem facing our economy today. And if the Congress does not address the deficit, as it appears they will not, the government will continue to be between a rock and a hard place. If we promote a low dollar, America continues to be for sale; foreigners, seeing that we are not addressing the deficit, may not buy our debt. As William Hummer, a noted Chicago economist, points out, the average maturity of our debt is 5 years 9 months, meaning that foreign lenders—who concentrate their holdings in short term issues—have considerable leverage in determining the cost of future borrowings. If foreigners do not buy our debt, we must raise interest rates to attract purchasers and this would increase our deficit.

If, on the other hand, we foster a high dollar through higher interest rates we further endanger the already weak Savings and Loan industry, encourage businesses to curtail expansion plans, reduce export sales and discourage consumer spending. These higher interest rates exacerbate the Federal deficit by increasing interest cost and decreasing tax revenue. By not addressing the Federal deficit we are rapidly losing what flexibility we have left to control our own destiny.

It is interesting to note that while the government reports Net interest expense on the debt as $152 billion in 1988—this is after crediting interest income from government trust funds against gross interest expense. Gross interest expense on the Federal debt in 1988 was $214 billion or about 20 percent of the total Federal Budget.

Higher interest rates and additional interest expense arising from the funding of continuing budget deficits will further increase their expense.

Total Federal spending continues to increase. In 1986 total government expenditures were $871 billion; in 1987, $925 billion; in 1988 $964 billion and in 1989 our budget is $1.1 trillion.

Many people feel we should raise taxes. Milton Friedman has a word on this. "Higher taxes will not eliminate the deficit. They will, after a brief delay, simply increase government spending. Taxes have been going up for 50 years without eliminating deficits." Indeed, Federal income taxes for individuals and corporations, which were $412 billion in 1986, increased to $482 billion in 1987 and $496 billion in 1988. So tax revenue does continue to increase and, needless to say, the deficit has not been eliminated.

Our economic policy continues to be hampered by this ongoing Federal deficit. Many economists feel it is not important—that it is declining as a percentage of the GNP—which it is. But it is not only the reality of the deficit, it is the perception. We are the largest consumer market in the world. We enjoy the highest standard of living. Our government year after year continues to overspend its revenue. It is the perception the rest of the world has of our economy that we have to deal with. And this perception is more important than whatever the reality of the deficit may be.

Foreigners hold over 10 percent of our debt, $300 billion. Franklin Roosevelt said the Federal debt was not a problem because we owed it to ourselves. And we did. But today we don't. Edward Yardeni, now chief economist for Prudential Bache, points out that President Reagan has been widely criticized for permitting substantial deficits during his term of office. But, Yardeni points out, what he did was to create a worldwide liquidity pool. If politicians, or our central bank, try to reinflate the economy, or if foreigners feel our politicians are not taking serious steps to reduce the deficit, the "bond vigilantes" will attack the dollar by selling dollar denominated assets. Our stock and bond markets would decline precipitously and we would see substantially higher interest rates. Such an event could bring on a severe recession and undoubtedly higher taxes to fund a greatly expanded Federal deficit.

So real interest rates remain high to accommodate the deficit, and a weaker dollar is maintained to keep us price competitive in a global economy and to maintain our tax revenues. And these policies continue to make dollar denominated assets bargains for the Japanese, English, Germans, Dutch and others.

Under President Reagan we instituted more protectionism then we had in the past 60 years. Increasing foreign ownership of U.S. companies and real estate will bring pressures for more protectionism. But this may be increasingly harder to accomplish. It is estimated that foreign owned companies provide 3,000,000 jobs in our country already. These companies have their own Political Action Committees. They have for years helped finance congressional campaigns at the Federal level and politicians running for office at the State level. They already have a big voice in our political establishment. Their political muscle will make it difficult to place limitations on foreign investment. Indeed, we can speculate that down the road we could be outvoted on a number of issues in our own country by the Japanese.

In the meantime, while Congress is fiddling, *America Continues to be for Sale.*

PUBLIC OPINION IN INDIANA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, May 3, 1989, into the CONGRESSIONAL RECORD.

PUBLIC OPINION IN INDIANA

Every now and then I try to summarize and report on the perceptions I have of public opinion in Indiana. These perceptions emerge from contacts with hundreds of Hoosiers through public meetings, correspondence, conversations, and visits in my offices in Washington and Indiana. What follows are my impressions of several of the major trends in public opinion and some of the preferences expressed to me.

I find that concern about the possibility of an international military conflict is low. Most people feel that tensions with the Soviets have been reduced, and believe that the Soviet Union is less threatening than it was a few years ago. Many talk to me about cutting defense spending. When asked to identify what part of the federal government should be reduced to lower the budget deficit, they usually target the Pentagon first and foreign aid next. Most express the belief that our economic competitors represent a greater threat to our national security than our military adversaries. Yet I do not find Hoosiers wanting the U.S. to actively try to strengthen Gorbachev's position in the Soviet Union.

There is a lot of unease about the loss of U.S. economic power to foreign competiton. Many see our ability to compete in the world as declining. But at the same time there is some sense that we will make progress in the near future and America's competitive position will get better. Most see increased foreign investment in the U.S. as undesirable and view Japan, not America, as the leading economic power in the world. People feel threatened by Japan's economic rise, and view Japanese foreign trade policies as significantly more unfair than those of other countries. They insist that our trading partners treat us fairly and often urge increased tariffs against them.

In discussing America's competitive position, many criticize the focus of U.S. businessmen on short-term profits and do not like all the activity on corporate takeovers. They believe that valuable resources are wasted in legal and financial maneuvering on both sides in a hostile takeover battle. They fear cheap foreign labor and often criticize American public education. Public schools are seen as a significant U.S. weakness.

Almost everybody wants our allies to pay more for our common defense, and many now favor withdrawing troops from Europe and South Korea as a way to reduce the deficit. I often hear the view that we could better solve our domestic problems if we scale down our overseas commitments. My impression is that while Hoosiers worry about the burdens of leadership in the world and want more help from friends and allies, they do not want the United States to relinquish its special role of leadership.

Most of the people with whom I talk still do not think that federal tax dollars are spent prudently, but they nonetheless continue to want various government programs expanded, especially those dealing with crime, drugs, homelessness, and health care. There is also increased interest in federal education and training programs, environmental protection, and energy research.

Crime and drugs are both uppermost in the minds of Hoosiers, and they speak of these two issues with an intensity and emotion not present when they talk about the budget deficit or U.S. competitiveness. My guess is that the spread of illicit drugs is near the top of their concerns at the moment.

I continue to find strong support for helping older people. Many Hoosiers seem to believe that older people are less affluent than the general population and favor increased government spending on their behalf. They would leave untouched programs like social security and medicare in any attempt to reduce the budget deficit. They want to protect the integrity of the social security trust fund; they do not want the excess social security reserves used for any purpose other than future social security payments.

With respect to the economy most people remain generally optimistic about its future, but at the same time they express concern that both interest rates and inflation will move upward in the months ahead. In recent days most of them talk to me about the possibility of a recession next year.

The federal budget deficit is seen as the most important domestic problem facing the nation; and even though people are not optimistic about our chances of solving it, they generally remain upbeat about the country's future. For the longer term, many Hoosiers think that the next generation may be worse off economically than they are.

A surprisingly large number of people, although not a majority, believes that taxes will be necessary to get the deficit under control. Most Hoosiers are very reluctant to support a new broad-based tax. They like the idea of "sin" taxes, such as excise taxes on cigarettes and alcohol, and favor a national lottery. They believe that the gap between the rich and the poor in America is getting worse, not better, and there is some support for increasing the tax burden on upper-income people and corporations. But generally it would take some persuasion to get majority public support of any new source of revenue despite deep concerns about the deficit. Before raising taxes, they want the government to push hard to collect unpaid taxes.

There is strong support for making further cuts in federal spending to bring the budget more into balance. Hoosiers would cut rather sharply defense spending, transportation, foreign aid, and federal pensions. To a lesser degree they would cut agriculture, community development, general science, and aid to the needy.

Most people seem generally satisfied with the beginning of the Bush Administration. They express some concern about the President's lack of agenda, but are supportive of his efforts to improve government ethics and to reach out for bipartisanship with the Congress.

NEEDED: A FOREIGN AND DOMESTIC POLICY TO FIGHT DRUGS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. RANGEL. Mr. Speaker, in my judgment we have had no foreign policy when it comes to drugs, and we are sorely in need of a domestic strategy as well.

In foreign affairs, we have been vocal and active in fighting terrorism. There long have been those fighting communism. The previous administration invaded Grenada, bombed Libya, and found every way possible to support the Contras. So when it comes to communism and terrorists, America has marshaled its resources.

But to fight our No. 1 national security threat, drugs from abroad, recent Secretaries of State have been silent—even though all of the opium and coca is grown outside U.S. shores. These poisons from abroad—not Communists—are killing the kids in my district and in neighborhoods throughout the country every day.

Despite the tripling of drugs from abroad in the last decade, can anyone here remember a Secretary of State saying the drug smuggling from abroad must be stopped? Every week, on the Sunday talk shows, we'd hear Secretary Shultz and now Secretary Baker emphasing communism, terrorism, arms control, or debt—worthy subjects, to be sure—but not stopping drugs from abroad.

Do you know why? They have not mentioned drugs because in my opinion we have been afraid to jeopardize the other supposedly more important purposes of foreign policy.

So we supported Noriega when apparently everyone and every newspaper believed he was a drug dealer, but administration officials would not mention this and kept dealing with him because he gave us information on the Contras.

Also, because we want to support our allies, we have continually certified as cooperating in stopping drugs friendly countries who we know full well are growing and producing the poisons directed at the United States.

Furthermore, because we have no coherent antidrug foreign policy, heroin runs freely through the golden triangle to my city of New York.

The only person who really declared war on drugs was Nancy Reagan. At least she brought the first ladies together for a conference.

I simply do not understand why neither President Reagan nor President Bush have called for a western hemispheric drug summit. Two years ago, President Reagan agreed with our committee's call for a summit, but it was never scheduled.

This is tragic, because every day we are losing children to the war on drugs. A western hemispheric summit would be a way to add international strength to the fight.

Only with a regional and united strategy can we stop the enormously powerful drug cartels from sending the poisons killing our children and, more and more, the children of the producing nations too.

Let us urge the President and the Secretary of State to call for the summit now, without additional delay.

It is time to depoliticize narcotics efforts with Latin American nations. In recent trips I have taken to the Andean and Caribbean nations this January and this past December, world leaders told me and our committee that they want to develop regional cooperation to fight drugs, regardless of political differences with the United States. We must do no less.

Every day, I see more drug related murders, more drug overdoses, and more addiction. Other nations are learning the same sad lesson from drugs.

It used to be that there were producer nations and consumer nations. Now all countries are regrettably both. That's why we have to work together. And that's why we should bring all western hemispheric heads of state together now, in a hemispheric drug summit.

Even on day to day issues, we must depoliticize antinarcotics efforts. Cuban President Castro told the Select Committee on Narcotics in December in a 5-hour meeting that he is willing to cooperate on drug control on a regional basis. He told Gorbachev this month that Cuba wants to help stop drugs. But the State Department is still intent on bringing all manner of other issues into the question of whether we work with Cuba in fighting drugs.

We do not have to normalize relations with Cuba on all fronts to work together on information-sharing and enforcement against drug smugglers. We already have joint emergency search and seizure procedures, and we must have antidrug cooperation as well.

On the domestic front, President Bush is off to a good start in the war against drugs. We have finally succeeded in placing drugs on the national agenda. We join him in his conviction that this scourge must end. I am glad he has added some funding to the Reagan outlays—a billion dollars—although he is still far short of fully funding the antidrug programs the Congress authorized last year.

I am particularly pleased that this administration, unlike the previous one recommended at least some funding—$150 million—for State and local drug law enforcement. Congress has wisely funded this program anyway despite the previous administration's opposition.

When we talk of costs, we must recognize the long-term savings that can be derived

from education and prevention and treatment programs. With our present approach, after someone is arrested for a drug-related crime or addicted, that's when we really pay. It costs $30,000 to $40,000 to keep someone incarcerated. And it costs $600 a day to keep an addict in a hospital, over and above emergency procedures for overdoses. And can we even calculate the cost of New York's record 1,900 murders last year and Washington's one-every-18-hours rate?

Until we solve the problems of joblessness, homelessness, family instability, lack of education, and poverty, we will never end the despair that is the root cause of narcotics addiction for many in the first place. That cost—in both dollars and a breakup of our social fabric—could overwhelm us.

We can no longer afford an antinarcotics program made up of cosmetic steps:

Banning imported semiautomatic assault rifles does not help the kids killed with domestic ones. It matters little to the murder victim which one he is killed with. We need a comprehensive program to regulate domestically produced semiautomatic weapons.

Loose talk of using the National Guard on city streets gives me grave concern: We should not have to resort to an image of a military state.

It is a sad indictment of our health policy that the first drug policy steps taken by the new HHS secretary are to advocate no-frills methadone and the distribution of free needles to IV drug abusers. Both of these policies will give no hope of a drug free society. They will keep addicts out of sight, out of mind, and under the rug, but very much with us.

A "Supercop for D.C." is not what Congress envisioned when we created the drug czar. If Secretary Bennett—I'll call him that, because he should be in the Cabinet—has time to run the District's law enforcement efforts, then I hope he'll tell us soon how this fits into a national strategy that includes New York, Detroit, Los Angeles, and small communities too.

What we badly need more than this idea-a-day approach we've had so far, is a comprehensive national and international strategy. Because the last administration never gave us one, the Congress had to write legislation at least to be able to do something. The last two drug bills, in 1986 and 1988, were drafted without the administration's help, without even any draft bill until after we acted, and with no strategy.

I sincerely hope and believe that Bill Bennett will write a good national strategy, and that's what he should be doing instead of running the District. We need to know what is needed, policywise and funding wise, in supply and demand, in education, rehabilitation, treatment, and prevention, and law enforcement; and in foreign policy concerning crop substitution, eradication, interdiction, certification, sanctions, and cooperation.

This is a big, big job for the new drug czar. We in the Congress are prepared to help and work with him, and President Bush, fully.

LEGISLATION REQUIRING HOSPITALS TO SERVE LOW-INCOME INDIVIDUALS

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. DONNELLY. Mr. Speaker, I am introducing legislation today to impose restrictions on the use of tax-exempt bonds used to provide hospitals. This legislation has been developed over the past several months, and I think, clearly places the debate over tax-exempt financing into the proper context.

Simply put, the question is this: If taxpayers of this country are going to provide an enormously generous subsidy; that is, tax exemption for interest on municipal bonds, don't the beneficiaries of that generosity owe something to the taxpayers of this country? Stated another way, if a hospital is able to benefit by using tax-exempt financing, investors are able to benefit by paying no Federal income tax on investments in municipal bonds, and bond lawyers and underwriters are able to earn huge commissions, shouldn't the least-fortunate in our society benefit as well? The debate is really that simple.

I have introduced several pieces of legislation in the area of tax-exempt finance; the overriding principle in all of those legislative initiatives has been providing benefits to the less fortunate. This legislation continues that tradition. It limits the ability of hospitals to use tax-exempt bond proceeds if they do not treat a significant percentage of low-income individuals. This legislation is a true test of a hospital's commitment to the poor.

In addition, Mr. Speaker, the bill creates an alternative to the traditional penalty of a bond being declared taxable. Typically, the tax laws treat a bond which does not comply with the statute as taxable. Because this is such a harsh sanction—and one which the Internal Revenue Service has been less than aggressive in enforcing—my bill provides an alternative.

A description of the legislation follows:

PRESENT LAW

Tax-exempt bond rules

Interest on obligations of State and local governments is exempt from Federal income tax under authority of section 103 of the Internal Revenue Code. In the case of bonds, the proceeds of which inure to the benefit of organizations exempt from tax under section 501(c)(3) of the Internal Revenue Code, certain restrictions apply if interest on the bonds is to be tax-exempt.

One restriction imposed on 501(c)(3) bonds is a volume limitation. Generally, no 501(c)(3) organization may have more than $150 million of tax-exempt bonds outstanding at any one time. This limitation does not apply, however, to hospital bonds.

In the case of private activity bonds, a separate statewide volume cap applies. The private activity volume cap is equal to $50, multiplied by the population of the State. For purposes of this volume cap, 501(c)(3) bonds are not considered private activity bonds (i.e., 501(c)(3) bonds are not subject to the $50 per capita cap).

Medicare program

The Medicare program generally reimburses hospitals on the basis of a prospective payment system. Hospitals which are reimbursed on this basis receive a pre-determined payment per case, subject to several adjustments. One adjustment which increases payments per case is the disproportionate share adjustment.

The disproportionate share adjustment is the sum of two fractions. The first fraction compares Medicare beneficiaries who receive an SSI benefit to total Medicare days. The second fraction compares total Medicaid days to total patient days. To the extend that a hospital's disproportionate share adjustment exceeds 15%, the hospital receives an increased payment.

Standards for hospital charitable care

Prior to 1969, the Internal Revenue Service took the position that, to be exempt from Federal income tax as a charitable organization, a hospital was required to accept patients "not able to pay for the services rendered and not exclusively for those who are able and expected to pay." See, Rev. Rul. 56-185, C.B. 1956-1 203, requirement 2. In 1969, however, the IRS modified this position.

In Rev. Rul. 69-545 (C.B. 1969-2, 117), the Service stated that the promotion of health was per se a charitable purpose. The revenue ruling noted that "even though the class of beneficiaries eligible to receive a direct benefit from [the hospital's] activities does not include all members of the community, such as indigent members" a hospital could still be operating charitably within the meaning of code section 501(c)(3).

EXPLANATION OF PROVISION

Application of 501(c)(3) volume limitation

Under the bill, a hospital which has an average disproportionate share adjustment of less than 10% over any three consecutive cost reporting periods is subject to the $150 million volume limitation applicable to 501(c)(3) bonds generally. The provision applies at all times during which the hospital is out of compliance with the disproportionate share standard, to bonds issued during the non-compliance period and bonds outstanding at the beginning of the non-compliance period.

Thus, any bond which would cause the hospital to exceed the $150 million volume limitation would (unless the issuer elects either of the two alternatives discussed below) become taxable. Interest on the bond would only be taxable during the period of non-compliance; a hospital would be back in compliance when the average of the disproportionate share adjustments was 10% or higher.

Alternatives to bond taxability

Under the bill, two alternatives are available to issures who wish to avoid bond taxability. The first alternative allows a State to reduce its private activity bond volume cap by the amount by which a non-complying hospital has exceeded the limitation. The second alternative allows the issuer to pay a penalty to the United States.

The first alternative, if elected, would require the State to reduce its private activity volume cap by a fraction of the amount by which a non-complying hospital has exceeded the $150 million limitation. The fraction reduction is the percentage by which the hospital's disproportionate share adjustment falls below 10%.

The second alternative, if elected, would require the issuer to pay a penalty to the

United States equal to the lost tax revenue had the bonds been taxable. Under this alternative, the percentage by which the hospital's disproportionate share adjustment falls below 10% is multiplied by a fraction, the numerator of which is the highest rate of individual tax and the denominator of which is 100 minus the highest rate of tax. This product is in turn multiplied by the interest accruing on bonds in excess of the $150 million volume limitation.

Medicare issues

If a hospital is excluded from the normal principles of Medicare reimbursement, the legislation intends that such hospital would calculate what its disproportionate share adjustment would have been were it reimbursed on the basis of a prospective payment system. Thus, if a PPS-excluded hospital were exempt from tax under Code section 501(c)(3), the provisions of the bill would apply.

EFFECTIVE DATE

The bill is effective for bonds issued after the date of enactment. The bill does not apply to current refunding bonds issued after that date.

BOWERS SCHOOL STUDIES THE OZONE LAYER

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mrs. KENNELLY. Mr. Speaker, the deterioration of the ozone layer is a problem of great concern to those of us in Washington. It is also of great concern to the people of my district. In fact, the sixth grade at Bowers Elementary School in Manchester, CT, conducted a special project to study this environmental problem, and the town declared at their urging the week of March 13, 1989, as "Ozone Awareness Week."

As part of this effort to make the citizens of the town and State more aware of air pollution and the impact of chemicals on the ozone, the sixth-graders wrote a series of "letters to the editor" to the Manchester Herald. The paper printed these letters on March 14 and March 16. For the education and benefit of my colleagues and staff, I am inserting these letters into the CONGRESSIONAL RECORD at this point:

SIXTH-GRADERS AT BOWERS CONCERNED ABOUT OZONE LAYER

Editor's note: Sixth-graders at Bowers School have written letters to the editor as part of a special project for Ozone Awareness Week.

Besides the letters, class activities have included a poster-coloring contest, a student teach-in, a skit, and visits to the state Capitol and last week's meeting of the town Board of Directors.

Some of the pupils' letters are published below. More will be published later this week:

I am very concerned about the ozone layer and it being destroyed. I think the public should be aware of the ozone deteriorating. If the public gets involved with helping this problem, other states and countries will soon follow.

My sixth-grade class at Bowers School is very interested and we hope to help the town and state fight this problem.

In places like Antarctica and Australia holes are developing in the ozone layer. These holes cause ultraviolet rays to go through, which causes skin cancer and other health problems. CFCs (chlorofluorocarbons) and halons are destroying the ozone layer. They are found in many products such as Styrofoam, spray cans and coolers in refrigerators.

Consider what I'm saying because I want my kids to live with one less problem to worry about.

ERLIN O'NEIL.

People are harming the ozone layer and don't know it. They don't know that if more ultraviolet rays were to hit the earth it could cause blindness, eye cataracts, severe skin cancer, burns and damage to the immune system. I think that people should know that Styrofoam, aerosol cans and refrigerants let out CFCs (chloroflourocarbons) that in two years will reach the stratosphere and destroy some of the ozone layer.

Ozone is a natural gas present in the atmosphere that partially blocks ultraviolet rays from reaching the earth's surface. The ozone can be found in three layers of the atmosphere. Sometimes the ozone is called "the union of three oxygens." The ozone is usually found in the upper regions of the atmosphere. The greatest concentration is at the altitude of 19 miles and ozone is produced naturally through photochemical and electrical discharge.

Scientists now think that 5 percent less ozone in the earth's atmosphere would allow 25 percent more ultraviolet radiation to reach the earth. There are already holes in the ozone layer over Australia and Antarctica.

An international treaty was recently signed by 46 nations and put in effect Jan 1. The treaty will cut back on the making and use of CFCs. Most nations must cut back on their use of chloroflorocarbons by 20 percent by 1994, and 30 percent by 1999 (total 50 percent cutback).

So please stop using products that contain CFCs, because I want my children and everybody's children to have a healthy life.

DORIAN ROYE.

The ozone layer is depleting rapidly from CFCs, otherwise known as chlorofluorocarbons. These CFCs take two years to get to the ozone layer, but they do a lot of damage when they get there.

I think we should cut back on aerosol cans, Styrofoam, refrigerants and halons. I also think we should try to find a replacement for these harmful chemicals.

The ozone layer screens out ultraviolet rays. The ultraviolet rays are good to a point, but too much causes eye cataracts, skin cancer and damage to the immune system. So cut back on CFCs so we've not extinct.

VINCENT FERZA.

I am writing to you because of the fact that our ozone layer needs our help. To help it, all we have to do is cut back on the usage of aerosol cans, Styrofoam and refrigerants.

The ozone layer screens harmful ultraviolet rays, so if too many ultraviolet rays come down to us, it could cause skin cancer, blindness and severe burns. There are already scattered holes in the ozone layer over the Antarctic and Australia.

I think we should all cut back on the usage of CFCs or we could all be severely harmed by the ultraviolet rays.

MELANIE ANDRULOT.

The ozone layer is a very important issue. Ozone is a natural gas present in the upper atmosphere that partially blocks ultraviolet rays from reaching the earth's surface. When ultraviolet rays hit the earth's surface it can cause blindness and severe skin cancer and burns.

CFCs (chlorofluorocarbons) and halons are breaking down the ozone layer, which is what we have to stop. Some things that use CFCs and halons are aerosol cans, Styrofoam, refrigerants, air conditioners, etc.

I think we should make a substitute for the products that contain these harmful chemicals. This is only one idea but I'm sure there are many more. And remember: The quicker we react to this issue the better our future will be.

MICHELLE REICHLE.

My sixth-grade classes at Bowers School are concerned about the ozone layer. CFCs (chlorofluorocarbons) and halons, which are in Styrofoam, aerosol cans and refrigerators, are ruining the ozone. We want people to cut down on CFC products.

The ozone already has holes above Australia and Antarctica.

Five years ago skin cancer was found in older people; now it is found in younger people, too.

The ozone layer protects us from dangerous ultraviolet rays. The ultraviolet rays can cause skin cancer, eye cataracts and damage to the immune system.

So please cut down on CFC products and save some lives.

ANGELA PAVELACK.

It is important to cut back on the use of CFCs and halons because they destroy the ozone layer. The ozone layer blocks ultraviolet rays from the sun that can cause blindness and severe skin cancer. Also, the ozone layer breaks up soot and dirt in the air to help keep our air cleaner.

Science has shown that in the past five years the average age for developing skin cancer has dropped from 40 to 20. This is caused by the CFCs in Styrofoam, aerosol cans and refrigerators, which destroy the ozone layer that blocks the ultraviolet rays.

So let's protect our ozone layer so we can live better and breathe better.

ERIC BOVEE.

I am concerned with the ozone problem. Ozone is a natural gas that's being destroyed by CFCs (chlorofluorocarbons) and hallons. They're found in aerosol cans, refrigerants and Styrofoam. It takes two years before the CFCs and halons reach the stratosphere.

Ozone protects us from ultraviolet rays. Ultraviolet rays cause cancer, burns and blindness. Five years ago people got cancer at age 40, and now people are getting it at age 20. The ozone is mostly found in the upper regions of the atmosphere. Right now there are the holes in the ozone layer over Antarctica and Australia.

I think his subject is important because if the ozone is destroyed then we will be, too.

ANNA BOSSIDY.

The ozone layer is being destroyed by chemicals called CFCs. It takes two years for CFCs to get to the ozone layer. The ozone can be found in three layers of the atmosphere. If the ultraviolet rays, screened by the ozone layer, hit the earth, it would cause blindness, burns and skin cancer. The ozone layer shields 95 to 99 percent of the harmful ultraviolet rays.

Scientists think that 5 percent less ozone in the earth's atmosphere would allow 25 percent more ultraviolet radiation to reach us. There are already holes in the ozone layer over Antarctica and Australia.

Most nations should cut back on the use of CFCs in Styrofoam, aerosol cans and refrigerants. Also, factories should decrease the use of CFCs. Save the ozone layer!

KURT SIBRINSZ.

The ozone layer is a layer of gas, much like oxygen, that protects us from harmful (if not deadly) ultraviolet rays cast at us by the sun. The layer either absorbs or reflects the ultraviolet rays. This makes it a very important resource. This resource is slowly deteriorating because of the constant releasing of CFCs, or chlorofluorocarbons (which are found in car air conditioners, Styrofoam and refrigerators), into the atmosphere. These CFCs are broken down into their elements, one of the which is chlorine. Then the chlorine eats away at the ozone layer.

I think that slowing the use of CFCs would also slow the breaking down of the ozone layer. I urge strongly that we do all we can to help the situation we're in, because if this situation is allowed to sit, it could mean a disaster is on its way.

ADAM ZAKOWICZ.

Our ozone layer is being destroyed by CFCs (chlorofluorocarbons) and halons. Products such as Styrofoam, aerosol cans, refrigerators and air conditioners contain CFC's and halons.

Recently, 46 nations signed a treaty that went into effect on Jan. 1. This treaty will decrease the production of CFCs. By 1994 most of the nations that participated in this must cut back their use of CFCs by 20 percent, and by 1999, 30 percent or more—so by the year 1999, there should be a 50 percent decrease in CFC usage.

The ozone layer protects us from dangerous ultraviolet rays. Ultraviolet rays can cause blindness and severe skin cancer. Some scientists believe that 5 percent less ozone in the earth's atmosphere would allow 25 percent more ultraviolet radiation to reach the United States. The ozone layer is located in the upper regions of the atmosphere. The highest concentration is at the altitude of 19 miles (30 kilometers) and ozone is produced naturally through photochemical and electrical discharge.

There are already holes over Antarctica and Austrialia. It could be the United States next. So please stop using CFCs.

LORI GOSGROVE.

We are experiencing a loss of the ozone layer. Ozone protects us from harmful ultraviolet rays. The ozone layer is being broken down by chloroflurocarbons which are found in Styrofoam, cooling systems and aerosol cans. Ozone is regularly found in the upper regions of the atmosphere. It takes two years for CFRs, better known as chlorofluorocarbons, to get to the ozone layer.

Already there are holes in the ozone layer over the Antarctica and Australia. Please let me live a good and healthy life.

KEITH ISLIEB.

I'm writing to you because I'm very upset about the depletion of the ozone layer. Everytime someone sprays a spray can, breaks Styrofoam, or throws away refrigerants, gases called CFCs are let out into the air. They go up into the air and "eat" away the ozone layer which shields us from ultraviolet rays from the sun which come through and cause skin cancer, blindness, severe burns and death.

I think we should boycott some of these industries or at least cut down on use of these products. I'm only 11 years old and I don't want the world to be annihilated before I'm 20. If we do something now my generation and the ones after can have a better life.

REBECCA KEENEY.

Our sixth-grade class is working on the problem with the ozone layer. The ozone is breaking down because of CFRs which are Styrofoam, aerosol cans and refrigerators.

Ozone is a natural gas in the atmostphere that partially blocks ultraviolet rays from reaching the earth's surface. When not enough ultraviolet rays are blocked, people get skin cancer and damage to immune system.

I think people should stop using CFC products. If you don't care, start caring, because people like us kids that are growing up should have a chance in the world, too. If you're not a caring person, start being one and help.

BILL RENARD.

My thoughts about the ozone layer are that we should cut back, even stop using CFCs (chlorofluorocarbons), which are in Styrofoam and seep into the air and destroy the ozone. If we don't do something soon we won't be able to later.

My class is speaking at the Capitol and at the Board of Directors meeting about the ozone problem. We hope to help pass a bill.

The ultraviolet rays from the sun cause 40 percent of skin cancer, because of ozone depletion. Ozone is destroyed by CFRs and halons. This process takes one to two years. It's been proven by scientists that in 50 to 60 years, if Styrofoam is still being used as much as it is now, then there will be no ozone layer, and much more skin cancer from deadly ultraviolet rays.

So if you want your grandchildren or children to live, help put a stop to this!

SHANNON BLAKE.

We should stop using chlorofluorocarbons, Styrofoam, aerosol cans and refrigerants that destroy the ozone layer. Every time you spray an aerosol can you destroy some ozone. Over the South Pole and Australia there is some ozone missing.

Ozone protects us from the dangerous ultraviolet rays that get on earth and can cause skin cancer, burns, eye cataracts and damage to the immune system. It takes two years for CFCs to reach the ozone layer.

So soon, when there is no ozone, there will be no life. Instead of watching TV, do something about this problem.

JASON EDLUND.

Our class is doing a project on the ozone layer. We plan to go to a public meeting in Hartford. My class has picked three representatives to get up and talk about why my class wants a law against Styrofoam.

The reasons we want to ban Styrofoam is because every time Styrofoam is broken, little CFCs are let off into the air and then, after two years, they get to the ozone layer and destroy it. The ozone layer already has a hole, and it probably will get bigger. We should stop that hole from getting bigger and patch it back up!

So everybody out there, please help us get a bill on Styrofoam and stop the hole in the ozone. If you have styrofoam please don't break it or you'll be breaking the ozone, too!

REGINA GILES.

At this very minute there is a great ozone depletion over the continent Antarctica.

I think people should cut down more on the usage of aerosol cans, Styrofoam and refrigerants which contain chlorofluorocarbons that break down the ozone and let harmful ultraviolet rays reach earth.

The ozone protects us from 95 to 99 percent of the ultraviolet rays that come to earth. The ultraviolet rays cause skin cancer, eye cataracts, and damage the immune system.

Recently, 46 nations signed a treaty that went into effect Jan. 1. This treaty cuts back on the production of chlorofluorcarbons.

Scientists now think that 5 percent less ozone in the earth's atmosphere would allow 25 percent more ultraviolet rays to reach the United States.

I am writing this letter because I don't want cancer at the age of 20. I also want to live a healthy life.

MICHAEL VARNI.

We should cut down on CFCs (chlorofluorocarbons) and halons. We want to top skin cancer, eye cataracts, and damage to the immune system. The ozone's shield protects us from 95 to 99 percent of the harmful ultraviolet rays. The ozone in the stratosphere also cleans the air by reacting with dirt and soot.

Stop using Styrofoam, aerosol cans and refrigerators to help protect the ozone layer and prevent many illnesses.

ANDY BALDASSARIO.

We are learning about the ozone layer. We are also learning about CFCs (chlorofluorocarbons) and halons. CFCs are in refrigerators, aerosol cans and hairspray cans.

I think we shouldn't have these products. We should try to find something else. I want to see my kids live and have my kids have children.

If too many ultraviolet rays were to hit the earth it would cause blindness and severe skin cancer and burns. (Five years ago people at the age of 40 had skin cancer but now people at the age 20 are getting it also.) Scientists now think that 5 percent less ozone in the earth's atmosphere would allow 25 percent more ultraviolet radiation to reach earth. The ozone's shield protects us from 95 to 99 percent of the harmful ultraviolet rays.

Help stop our ozone loss!

ERIN TEDFORD.

Anyone can say it looks like a great day when they wake up in the morning, but if we don't discontinue the use of Styrofoam, aerosol cans, air conditioners and refrigerants we won't be able to wake up in the morning and say what a great day it is.

You see, Styrofoam, aerosol cans, air conditioners and refrigerants have CFCs (chlorofluorocarbons) and halons which are chemicals that break down the ozone layer. The ozone layer is a gas that protects us from too much ultraviolet light hitting the earth's surface. Ultraviolet light five years ago could cause severe skin cancer to people who were 40 years old. Nowadays, people who are 20 years old can get diseases from the direct increase in the ultraviolet light rays.

So next time you say it looks like a great day, stop using CFCs and halons and make it better!

MELANIE FISKE.

In the sixth grade we are trying to tell people that CFCs are breaking down our ozone layer. Ozone is a chemical in the stratosphere which partially blocks out the deadly ultraviolet rays.

CFCs are found in coolants for cars and homes. They are found in Styrofoam, refrigerants and aerosol cans. Forty-six nations have already agreed to cut back the usage of CFCs.

My class and I know that cutting back CFCs will decrease jobs, but what is your life compared to your job?

KEN DUNNELLS.

Our sixth-grade class is trying to tell people about the serious decrease in the ozone layer.

We should cut back on the use of halons and chlorofluorocarbons (CFCs).

CFCs destroy the ozone layer. The ozone layer is breaking down more and more everyday and we are still using CFCs. People can die because of these chemicals. They could also get severe skin problems and cancer. Scientists think that a 5 percent decrease in the ozone layer would allow 25 percent more ultraviolet radiation to reach the United States.

It takes about two years for CFCs and halons to reach the atmosphere. CFCs and halons are used in Styrofoam, aerosol cans, refrigerators, disposable diapers and other things. That's why you have to help.

PATRICK GRABOSKI.

KUWAIT, TERRORISM AND COMPENSATION

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. GEJDENSON. Mr. Speaker, it was recently announced that the Government of Kuwait had released 2 of the 17 convicted terrorists whose freedom has been sought by pro-Iranian elements in Lebanon. These elements are currently holding several American hostages in Lebanon. The release of these prisoners highlights the tragedy of international terrorism. These terrorists are now free. At the same time, hostages are still in captivity, and families of those who have died at the hands of fanatics are still without compensation.

Moreover, the world stands hostage to the fanaticism that threatens us all. With the Rushdie affair, we are all increasingly aware that acts of terrorism threaten our most basic freedoms. With the ever-increasing number of hijackings and bombings of airplanes, we are all well aware that tragedy and death can strike anyone who boards a plane. No one is immune from international terrorism.

The release of these prisoners in Kuwait reawakens the anger and sadness that we all experienced in the wake of the highjacking of Kuwait Airways Flight 221 in December 1984. Three U.S. Agency for International Development employees—Charles Hegna, Charles Kapar and William Stanford—were kidnaped and Chuck Hegna and Bill Stanford were subsequently murdered by the highjackers. The Government of Kuwait and the Government of Iran have still not been held accountable for their actions with respect to the human tragedy that unfolded during that highjacking. Kuwait for its lax security measures; and Iran for its continued and unrelenting sponsorship of international terrorism.

As the chairman of the Foreign Affairs Subcommittee on International Economic Policy and Trade, I look forward to working with my colleagues in finding and using every means at our disposal to assure that the widows and children of the victims of this and other tragic cases of international lawlessness are provided commensurate, fair, and timely compensation for wanton acts of violence and murder of innocent bystanders.

Mr. Speaker, I am inserting in the RECORD the recent newspaper article on the release of the two jailed terrorists in Kuwait and a copy of recent testimony presented on this matter to the House Armed Services Committee by Ralph Dupont of New London, CT.

[From the Washington Post, Feb. 12, 1989]

KUWAIT FREES 2 JAILED TERRORISTS

(By Patrick E. Tyler)

CAIRO, Feb. 11.—The Kuwaiti government has released from prison two of the 17 convicted terrorists whose liberty has been sought by pro-Iranian extremists in Lebanon holding American hostages.

Interior Minister Salem Sabah said the two men, Abdul-Mohsen Rashash Abbas, 25, and Nasser Matar Dahash, 30, were released "a while ago" after they completed five-year prison terms for their parts in the December 1983 bombing attacks on the American and French embassies in Kuwait and other targets.

Abbas was identified as an Iraqi national, and Dahash as a Kuwaiti. Both had been convicted of possessing arms and explosives.

Sabah said the release of the men, who were deported to undisclosed destinations, was not in response to the still-pending demands of Lebanon-based extremists to free the prisoners in Kuwait in return for the release of American hostages held in Lebanon. The completion of the prison terms "has nothing to do with the demands of extremist organizations," he said.

Kuwait, which has both Sunni and Shiite Moslem populations, became a battleground for radical Shiite terrorist activity during the Iran-Iraq war. Pro-Iranian militants staged dozens of attacks on political and economic targets, including an unsuccessful attempt to assassinate ruling Emir Jaber Sabah. The December 1983 bombings killed at least five persons and wounded more than 80.

Kuwait has firmly adhered to a policy of "no capitulation" to terrorist demands, a policy that was tested most recently when hijackers took over a Kuwait Airways jumbo jet on April 5, 1988, and during a two-week ordeal killed two Kuwaiti passengers while the plane was on the ground in Larnaca, Cyprus.

The hijackers had demanded the release of the prisoners in Kuwait, but after lengthy negotiations Kuwait won the freedom of the jet's passengers without making concessions on the prisoners, Kuwaiti officials have maintained. The deal also guaranteed the safe departure of the hijackers.

One of the prisoners held in Kuwait, Mustafa Badreddine, has been identified as the brother-in-law of Imad Mughniya, 32, a senior operative in the Hezbollah (Party of God) organization in Lebanon. Mughniya is believed by western intelligence sources to have participated in the planning and direction of the 1988 hijacking and a number of other terrorist attacks.

Nine Americans are currently being held hostage in Lebanon. The longest held is Terry Anderson, 41, chief Middle East correspondent for The Associated Press. He and Thomas Sutherland, 57, acting dean of agriculture at the American University of Beirut, are being held by Islamic Jihad, also a pro-Iranian extremist group, which has frequently demanded the release of the Kuwait 17.

Of the 15 terrorists still in prison in Kuwait, three have been sentenced to death by hanging, seven to life imprisonment, four to 15-year terms and one to 10 years. Though the sentences were handed down on March 27, 1984, by Kuwait's state security court, Emir Sabah has thus far declined to sign the death warrants necessary to carry out the three executions.

In the wake of last year's hijacking, there has been widespread speculation among Arab government officials that Kuwait's leaders may have agreed to forgo carrying out the three death sentences.

Other reports indicated that Kuwait turned over a videotape to intermediaries showing that the prisoners under death sentence were still alive and had not been subjected to torture.

STATEMENT OF RALPH DUPONT, DUPONT, TOBIN, LEVIN, CARBERRY & O'MALLEY, P.C., BEFORE THE DEFENSE POLICY PANEL, HOUSE ARMED SERVICES COMMITTEE, AUGUST 3, 1988

Chairman Aspin and members of the Committee, I appreciate the opportunity to appear before you today. I am Ralph P. Dupont, an attorney from New London, Connecticut. I represent Mrs. Lorraine Stanford and her daughter Patricia and Mrs. Edwena Hegna, who are here with me. They are the families of William Stanford and Charles Hegna, who perished at the hands of terrorists in 1984 aboard a hijacked Kuwaiti aircraft. Charles Kapar, who was also a passenger on the hijacked aircraft, is also present with his attorney, Roger Johnson of Washington, D.C.

The Committee's concern for all the innocent victims of terrorists in the Middle East and your support for airline security from hijacking is well known and appreciated.

The Committee's focus today on the principal of ex gracia compensation for these victims, without admission of fault by foreign governments, is especially compelling in light of the recent statements by President Reagan and the Department of State that our own government will compensate citizens of Iran, Kuwait and other nations for claims arising from the recent accidental downing of an Iran airliner by a United States Naval vessel.

This hearing is timely and appropriate because American citizens are similarly seeking remedies for loss of life from one of the countries the President proposes to compensate. This morning, I want to review for you an incident that cost the lives of these two American AID employees.

The families for these two men are not seeking additional compensation from the Federal Government; they are only asking that the Federal Government take their case to the Government of Kuwait, not in anger, but in sorrow. It is our hope that Congress will urge the President and the Secretary of State to espouse the just cause of these as well as the other victims and ask the Government of Kuwait to grant to

American citizens the same treatment our Government proposes to extend to the families of Kuwaitis aboard Iran Flight 655.

The American people believe in fair play and equitable treatment for all. They believe that ours is a government of laws, that it is not arbitrary, and that it is committed not only to principles of just compensation for innocent foreign victims of governmental action, but also to equal protection of the law for its own citizens. We are here today seeking equal protection for two American heroes who died in the hijacking of a Kuwaiti airliner in December, 1984.

The deaths of Charles Hegna and William Stanford were tragically unnecessary.

Chuck Hegna, Bill Stanford and Charles Kapar, all employees of the United States Agency for International Development, had completed an audit of the expenditures of AID funds in Sanaa, Yemen, and departed for the Pakistan office of AID. Chuck Hegna was coming home to Virginia for Christmas with his wife, Edwena, and their four children. Bill Stanford, an ex-U.S. Marine aviator, was flying to Karachi to join his wife, Lorraine, and their daughter, Patricia.

These men, travelling on U.S. travel orders, arranged their travel through Pan American and obtained tickets for passage on Kuwait Flight No. 221 from Kuwait to Karachi via Dubai, on the night of December 3, 1984. They boarded the flight at Kuwait.

Our research has discovered that the Kuwait Government required at least two air marshals to be aboard its state-owned airliners. The flight departed Kuwait with only one security guard and that person's identity was known to the hijackers.

At Dubai, Fight 221 accepted four male passengers from Middle East Airlines Flight No. 426, originating in Beirut, Lebanon. These men had no checked baggage, although bound for Bangkok; no visas; and had purchased their tickets for cash within 24 hours of departure.

Furthermore, they came from the Beirut airport, on Middle East Airlines, in circumstances where both the terminal and aircraft lacked any security. The metal screening devices and x-rays at Beirut were either not in use, or did not work.

Coincidentally, this was at a time shortly after the one year anniversary of the jailing of terrorists in Kuwait for bombings and killings at the American and French embassies there. Kuwait was threatened with reprisals if the so-called "Dawa prisoners" were not released. As the Committee knows, terrorist reprisals occurred both before and after the hijacking of Kuwait Flight 221.

Notwithstanding the threats, indeed the reality, of terrorist activity, Kuwait instituted no special training or instructions for its crews, carried out no effective screening at Kuwait, and to make matters more absurd, the lone security guard on Flight 221 also inspected hand baggage at Dubai, so that he was known at once to the hijackers.

Two of the hijackers were seated directly in back of the security guard in first class, and two others were seated in economy. About 35 minutes after the flight took off from Dubai, the security guard was shot in the hip and the terrorists seized control of Flight 221. They ordered the pilot to fly to Teheran, Iran, which he did. Meanwhile, the hijackers identified Americans onboard and herded them into the first class cabin.

Chuck Hegna was seized almost at once and William Stanford shortly thereafter. They were subjected to threats, beatings and interrogation, particularly regarding the possibility that they were CIA agents, which of course they were not. The hijackers also seized Kuwaiti citizens and threatened them with harm unless the Dawa prisoners were released. They threatened to kill the Americans, including Charles Kapar and John Costa, an American businessman.

When the plane landed at Teheran's Merabad Airport on December 4, at about dawn, the Kuwaiti Government knew the hijacking was in progress and knew also of the demands for release of the prisoners held in Kuwait. Shortly after the aircraft landed, the hijackers threatened to start killing passengers if their demands were not met. Thereupon the terrorists brought Chuck Hegna forward into the cockpit, made him kneel down, and held a pistol to his head. They threatened to kill him and when Kuwait refused the demands for release of the Dawa prisoners, one of the hijackers murdered Chuck Hegna by shooting him in the stomach and throwing his body onto the tarmac.

During that day and evening, negotiations continued. According to the Iranian authorities, the Kuwaitis were not in favor of any plan to storm the aircraft. The Kuwaiti co-pilot and sole translator in the flight crew then left the plane. The next day, the hijackers demanded that Kuwait supply a replacement crew and they threatened to kill another American if this was not done.

Bill Stanford was then taken to the stairway leading from the forward cabin of the A-300 airbus and he was given a bullhorn to address the Iranians. He stated that he would be shot if the hijackers' demands were not met. He counted down to his own death and he, too, was shot in the stomach, and his body thrown onto the tarmac. For the next four days, Kapar, Costa and the crew remaining aboard were tortured and abused before the Iranians stormed the aircraft and subdued the hijackers.

Mr. Chairman, all of us here today will agree the murders of Chuck Hegna and Bill Stanford more than three years ago are an injustice. These men had dedicated their lives to international peace and understanding. Their only crime was being American citizens in the wrong place at the wrong time. The four men who perpetrated the crime, the hijackers, were released to continue their campaign of murder and terrorism.

The need for justice in this case is clear and compelling, but obtaining a just resolution has been difficult.

In cases like this one, a sovereign state such as Kuwait can and did invoke the Foreign Sovereign Immunities Act as a defense. That Act bars our courts from even taking jurisdiction of a claim against a foreign government. International air carriers, including government owned carriers, may also rely on the so-called Warsaw Convention to bar a hearing of claims like these in American courts and to limit damages in any case to a few thousand dollars.

At best, these families, according to one view of the law, have claims cognizable only in the courts of either Pakistan, Kuwait or Yemen. This is not our view, of course, but meanwhile, our own legal remedies face delays and frustrations which doubtlessly will not end short of the United States Supreme Court. In fact, Charles Kapar has been denied access to our lower courts and his case is likely to be appealed to the United States Supreme Court soon. Clearly, if he has no remedy in the United States, then Mr. Kapar, an American Jew, assuredly will have none in a tribunal in Yemen, Pakistan or Kuwait.

The families I represent are seeking relief in the federal courts in New York and here. The New York court has preliminarily ruled also that our clients have no right of action against Kuwait Airways in the United States.

Mr. Chairman, President Reagan has proposed, without admission of fault, to voluntarily compensate victims of the Iran Flight 644 disaster. Among these victims are the families of thirty six (36) Kuwaiti passengers on that flight. If this proposal is a truly humaritarian gesture, as I believe it to be, to the families of innocent victims in a region of the world in which victims too often are innocent, then an earnest effort ought to be made to compensate the families of American victims such as Chuck Hegna and Bill Stanford, without admission of fault. Otherwise, the President's initiative might justifiably be seen as no more than an international public relations statement to blunt criticism at the United Nations.

In the circumstances, the just and fair thing to do is to permit compensation to these innocent American victims and to do so for the same reasons that President Reagan has proposed to compensate Kuwait's citizens. We hope this Committee will urge the State Department to persuade Kuwait to treat our citizens as fairly as we have proposed to treat theirs.

Mr. Chairman, my clients are extremely sensitive to the impact of these kinds of tragedies on the families of those who are killed whether as the result of an unfortunate accident or a deliberate terrorist act. But we are also concerned with the apparent willingness of the American government to so quickly volunteer compensation in the case in point, yet so seemingly reluctant to advocate compensation or any other form of accounting from those who have been responsible for harm to American citizens.

I would urge this committee to insist on an accounting from the governments whose citizens we propose to compensate with respect to their obligations to our country and our citizens. Innocent Americans have died as a result of deliberate terrorist acts. Yet there have been no meaningful offers of compensation from the states in which those terrorist acts have occurred. At the very least, our own government should seek to balance the equities in these cases. I came here as a lawyer to plead for equity for my clients. I leave here as an American urging you to insist that justice be the American response to this and other indignities in the Middle East.

A SPECIAL SALUTE TO THE COOPERATIVE EXTENSION SERVICE ON THE 75TH ANNIVERSARY OF THE SMITH-LEVER ACT

HON. FREDERICK S. UPTON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. UPTON. Mr. Speaker, on March 14, 1989, the distinguished Members of the House of Representatives voted unanimously in favor of House Joint Resolution 124 to designate May 8, 1989, as the official 75th anniversary of the enactment of Smith-Lever Act of 1914, and to honor that act's role in estab-

lishing our Nation's system of State cooperative extension agencies.

Mr. Speaker, I stand here today to commend my colleagues for pledging their support of the Cooperative Extension Service throughout the United States, and to salute the activities of my home State's programs through the Michigan Cooperative Extension Service.

Since the Smith-Lever Act was passed, the Extension Service has provided an invaluable service to the people of rural America. It has played a major role in helping to develop the most productive system in the world; it has encouraged our youth to take an active interest in learning through 4-H; and has delivered valuable products of research directly into the hands of the people in the agricultural sector.

During the past 75 years, rural America has experienced fundamental changes, and the Extension Service has demonstrated its ability to adapt to the changing needs of rural communities. The Extension Service has worked diligently to add to its traditional production agriculture programs, new programs and approaches designed to meet the diverse and growing needs of rural America. Extension agents are gaining expertise in community development, business assistance, environmental issues, alternative agriculture, and a wide variety of regional and local interests and concerns.

As Representative of the Fourth District of Michigan, I especially applaud the work of the Michigan Cooperative Extension Service in southwestern Michigan and throughout the State. Operating in conjunction with the Nation's first land-grant college, Michigan State University, the Michigan Extension Service, continues to shine as a premier example of what the Extension Service can offer.

The success of the extension program can certainly be attributed to its unique structure as a partnership at Federal, State, and local levels. In particular, I salute the people who work and volunteer in the eight county extension offices in my district. Without the thousands of volunteers and extension professionals at the county level, the program could not achieve its broad goals. It is truly the people at the local level who make the difference.

I urge all my colleagues to join me in extending a very happy 75th birthday to Cooperative Extension Service. I hope that Cooperative Extension Service will continue to build upon the accomplishments of the past 75 years.

THE JUDICIAL DISCIPLINE AND IMPEACHMENT REFORM ACT OF 1989

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. KASTENMEIER. Mr. Speaker, I recently introduced a legislative proposal (H.R. 1620) to improve the functioning of the Federal judicial discipline statute and to create a national study commission on impeachment. The bill was referred to the House Committee on the Judiciary, where it was further referred to my subcommittee, the Subcommittee on Courts, Intellectual Property and the Administration of Justice. The ranking minority member of the subcommittee, Mr. MOORHEAD, joined me as the principal cosponsor.

Several questions have been raised about the proposal. In my floor remarks today, I hope to respond to those questions and to present a detailed analysis of the proposed legislation.

Currently, there is a clear congressional concern about the health of judicial discipline law, both that rooted in constitutional text and that contained in the statute books. During the past decade, three judicial impeachment proceedings, the inexorable growth of the Federal judiciary, and the judicial salary crisis have all contributed to that concern.

Congressional impeachment procedures bring heavy political armaments into action and only occur rarely. Since the drafting of the U.S. Constitution two centuries ago, there have been only 15 impeachments by the House of Representatives. Following on the heels of these impeachments, the Senate has conducted 12 impeachment trials. Only a handful have terminated in convictions and removals from office. The impeachment of a Federal judge is the tip of an iceberg; under the water and out of sight lies the larger mass of judicial discipline and ethics.

Discussion of judicial discipline and ethics is not new to our society. Nor are proposals for legislative change and constitutional amendments. The very first Congress provided that a judge convicted of accepting a bribe would forever be disqualified to hold any office of honor in the United States. In 1803 heated congressional debate occurred during the impeachment proceedings of a Federal judge, Judge John Pickering. The first constitutional amendment to establish a removal mechanism as an alternative to impeachment was introduced in 1791, and between 1807 and 1812 nine more constitutional amendments were proposed as a result of the impeachment and attempted removal of Supreme Court Justice Samuel Chase.

As a reaction to the impeachment and removal from office of a Judge Halsted Ritter in 1936, a number of constitutional amendments and statutory changes were proposed. Significant among these were the bills introduced by the chairman of the House Committee on the Judiciary, Hatton Summers. Again, in 1986 after the removal from office of Judge Harry Claiborne, legislative interest in alternatives to impeachment were rekindled.

Generally, proposals to amend the Constitution have been short-lived. They, however, should be taken seriously as political barometers. Today, amendments and cries for congressional vigilance are again on the rise. Proposals for change key into a loss of public confidence about the trustworthiness of all public officials, with that confidence thought to have eroded badly in the recent past.

During the post-Watergate era, Congress enacted a variety of statutory schemes to promote high ethical standards by public servants. That the national interest requires the very best judges has always been true but never more so than today. In order to ensure the delivery of quality justice, judges are subject to canons of judicial ethics, financial disclosure requirements, judicial disqualification standards, and a judicial discipline statute. Members of Congress and high ranking executive statute. Members of Congress and high ranking executive branch officials are similarly treated.

In 1980 judicial discipline legislation—entitled the Judicial Councils Reform and Judicial Conduct and Disability Act of 1980—that I authored was enacted into law. See Public Law 96-458. We built on the pre-existing statutory structure (found in 28 U.S.C. 332 and 372) of the judicial councils of the circuits and established a mechanism and procedures within the judicial branch to consider and respond to complaints against Federal judges. The 1980 Act was the result of several years of cooperation and good communication among the three branches of Government.

Several important amendments to the 1980 Act are contained in H.R. 1620. Before discussing the amendments, I would like to reflect a bit on the 1980 discipline legislation and discuss what has occurred in the interim.

BACKGROUND

The 1980 Act would never have been passed if the proponents and authors of the legislation had not been able to navigate the shoals of separation of powers. It took many years to chart the path. The legislative delegation of power to the judicial branch of Government to discipline judges does raise delicate constitutional questions. But let us remember that the judiciary itself implemented much of the contemplated reform, by rule and in reliance on a different statute, 28 U.S.C. 332, prior to enactment. The judicial branch drafted the initial bill on the subject. The judiciary had—and continues to have—inherent power to establish internal operating procedures in a broad variety of areas, including discipline.

As befits our system of separated and interdependent powers with checks and balances, there is a counterweight to the authority vested in the Congress to oversee and legislate for the Federal judiciary. The framers promoted the autonomy of the judicial branch by providing lifetime tenure for judges, erecting a bar against the diminution of salary while in office, and equipping the Federal judiciary with the power to review congressional enactments. In turn, the framers provided another counterweight to the lifetime tenure clause by providing that Federal judges could be impeached and removed from office. As has been constantly recognized during this Nation's history, the independence, autonomy and integrity of a branch of Government must take precedence over the independence of an individual officeholder.

A serious weakness between the branches is their inability to communicate effectively with each other. Judge Frank Coffin recently observed: "The Judiciary and the Congress not only do not communicate with each other on their most basic concerns; they do not know how they may properly do so." Lack of understanding among the three coordinate branches is a fever that affects the entire body politic. Admittedly, the weakest branch—the judiciary—needs protection; but it also needs accountability and ethics. Judicial independence and accountability are equal partners. One should not dominate the other.

In discussing the subject of judicial discipline and impeachment, we witness first-hand institutionalized tension, a tension that, when properly harnassed, can be constructive. An understanding of this tension inescapably leads us to a conclusion that any statutory solution to the "discipline" problem must involve all three branches of government and good communications between the branches. The only alternative is by way of constitutional amendment and a reallocation of respective powers between the branches. At present, this alternative does not appear to be necessary.

A retrospective of the 1980 act reminds us of three basic facts: the act was the product of consensus and compromise; a serious effort was made to ensure the act's constitutionality; and the act was passed with the understanding that congressional oversight would be vigilant.

In 1980 Congress was asked to assess the need for the legislation and then to draft a logical solution to the problem. A clear policy objective was identified. As aptly observed by Senator DENNIS DECONCINI, Congress was asked "to improve judicial accountability and ethics, to promote respect for the principle that the appearance of justice is an integral element of this country's system of justice, and, at the same time, to maintain the independence and autonomy of the judicial branch of government." Last, with the cooperation of the three branches of government, a compromise-consensus piece of legislation was developed to meet these policy needs.

The judicial branch itself was active in the process. Since 1940 the Judicial Conference devoted much time and energy to this difficult subject. In 1979, after a full year of study, the Conference concluded that judicial discipline legislation could be supported if it respected several principles. The Conference prepared a draft bill, which I ultimately introduced in the House. Even before final enactment of Public Law 96-458, a majority of the circuit councils implemented the resolution of the Conference, creating their own complaint mechanisms.

Utmost care was taken by the Congress to ensure the bill's constitutionality. The House Committee on the Judiciary reviewed its own documents on the constitutional grounds for impeachment prepared by the staff of the Nixon impeachment inquiry, received extensive testimony on the issue, and requested and reviewed a study prepared by the American Law Divison of the Library of Congress on the constitutional questions. The House report has a special section on constitutionality. The Senate requested its own constitutional analysis of the proposed legislation. Then, the issue was debated at some length on the Senate floor.

From a policy perspective, while the judicial discipline legislation was being drafted, several Members expressed doubt about whether the Act would work. Promises that vigilant congressional oversight would occur were heard during floor debate in both Houses. To facilitate oversight, the Act contains a statistical report provision requiring the Director of the Administrative Office of U.S. Courts to include in his annual report a summary of judicial discipline and disability complaints. I noted the need for a "continuing dialog between the legislative and judicial branches."

Much has transpired since 1980. Seven years of experience under the Act can be reduced to the following four propositions: (1) since 1981 nearly 1,000 complaints have been processed and the Judicial Conference has recommended implementation of illustrative rules; (2) challenged on constitutional grounds, to date the Act has withstood judicial scrutiny; (3) the Act has not disrupted the autonomy of the judicial branch; and (4) the promised congressional oversight has occurred. Judicial discipline does not exist in a vacuum, and therefore several outside factors have had an effect on its short lifespan. Since 1980 the U.S. Department of Justice has prosecuted three Federal judges, convicting two of felony offenses. Finally, the size of the Federal judiciary has continued to grow, the problems of ethics and discipline increasing proportionally.

Each of these items deserves separate discussion.

Implementation and Illustrative Rules. In spite of the fact that most of the circuit councils had promulgated discipline rules prior to enactment of the 1980 Act, Congress manifested its respect for the judicial branch by allowing an inordinately long transition period. Signed by President Jimmy Carter on October 15, 1980, the Act became effective on October 1, 1981.

When the Act finally became effective on October 1, 1981, 11 circuit councils had promulgated revised rules to implement the Act.

The initial set of post-Act rules were criticized as not meeting the purposes and goals clearly contemplated by Congress. Recently, the Judicial Conference recommended that model rules be substantially adopted by the circuit councils, on an experimental basis. The model rules provide answers to many unresolved procedural questions. Already accepted in major part, these rules have served to create uniformity and reduce internal tensions within the Federal judiciary caused by the clash between localism (the regional circuit councils) and centralization (the Judicial Conference). One respected commentator (Professor Steve Burbank) has aptly observed that both the process of formulating the rules and the final work-product ". . . represent major advances in the Federal judiciary's effort to engage in responsible self-regulation that adequately respects the legitimate interests of Congress and the public." The judicial branch deserves much credit for its illustrative rulemaking endeavor.

Constitutionality. Every court that has adjudicated cases challenging the act has found that it passes constitutional muster. Several lawsuits have attacked the act as an impermissible method of circumventing the only constitutional mechanism for disciplining Federal judges: impeachment. A definitive statement from the Supreme Court has not been received, but every lower court that has considered the question has upheld the act's constitutionality.

Judicial autonomy. From a policy perspective, the 1980 act certainly has neither disrupted the autonomy of the judicial branch nor affected its ability to function. The original cost-estimate of the Congressional Budget Office on the act, prepared in reliance on data provided by the Administrative Office of the U.S. Courts, stated that the Federal judicial branch would need 15 additional staff positions to "process 2,300 complaints per year." See H. Rep. No. 96-1313 at 21. From October 1981—when the act became effective—until June 30, 1987, a total of 1,153 complaints were filed. As was expected, most of these complaints were dismissed by the chief judges. During 1986-87 there were 232 complaints filed against judicial officers, a decrease of approximately 26 percent from the previous reporting year, when 312 complaints were filed. The 1987 statistics show that the allegation most often cited in complaints was that the officer had acted in a prejudicial or biased manner and that most complaints were resolved by the chief judges.

Oversight. The congressional oversight demanded in both the House and the Senate has taken place. During the 99th Congress, oversight hearings were held by my subcommittee and the Senate Constitution Subcommittee. A significant amount of correspondence between Members of Congress and representatives of the judiciary has occurred.

Other external factors have had an impact on the functioning of the act. Most important among these factors is the fact that the Federal court system has continued to grow by leaps and bounds. Today, it is not farfetched to envision a judiciary with over 1,500 lifetime tenured judges. With an attrition rate of approximately 10 percent, as is currently the case, the Senate would have to confirm approximately 150 judges a year—or close to one judge each legislative working day. Having experienced three criminal prosecutions against Federal judges in the recent past, a growing number of felony cases brought against sitting judges can be expected as judgeships are added to the judicial system.

In addition, it is pretty clear that salary compression affects both the quality of judges appointed to the bench and ethical problems, such as the desire or need to earn outside income while on the bench. While I hesitate to conclude that a direct link exists between pay and discipline, I know that they are distant relatives.

DESCRIPTION OF PROPOSED LEGISLATION

H.R. 1630—entitled the Judicial Discipline and Impeachment Reform Act of 1989—proposes numerous amendatory changes to the United States Code. The proposed amendments, even considered collectively, will not amount to a total redesign of current law.

Title I of the bill contains amendments to the Judicial Councils Reform and Judicial Conduct and Disability Act of 1980, codified at 28 U.S.C. 372(c). Title I also amends four other provisions of the Code, the first, granting contempt power in discipline cases to circuit councils, the second, amending the oath of office for Federal judges, the third, modifying the Ethics in Government Act, and the fourth, increasing the authority of the circuit advisory committees of the circuit to assist in drafting discipline rules.

Even assuming enactment of title I of the bill, something is missing. While several

amendments improve the channels of communications between the judicial and legislative branches when an impeachable offense may have been committed by a Federal judge, title I refrains from initiating any constitutional and institutional changes as to how Congress responds to the impeachment of a Federal judge.

Title II creates a National Commission on Judicial Impeachment, assigned the task of studying the problems and issues involved in the appointment and tenure of article III judges. Title II traces its lineage to a bill proposed during the 99th Congress by Senator ROBERT DOLE.

Mr. Speaker, I urge all Members to give H.R. 1620 their careful consideration. If any Member is interested in a more detailed explanation of the bill, a sectional analysis is available from the Subcommittee on Courts, Intellectual Property and the Administration of Justice, 2137 Rayburn Building, Washington, DC 20515 (telephone: 225-3926). Needless to say, any questions about the bill can also be addressed to the subcommittee.

A CONGRESSIONAL SALUTE TO THE WILLIAMS, WESLEY, AND KARATSU FAMILIES

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to three outstanding families for preserving and upholding the values of the family while devoting their energies to ensuring that Long Beach and its institutions are ever responsive to the needs of the entire citizenry. William and Eleanor Williams, Ovid and Lillie Mae Wesley, and Hideo and Jeanne Karatsu will all be honored on May 3, 1989, by the Family Service of Long Beach at the 1989 Family Life Awards. This occasion gives me the opportunity to express my sincere appreciation for their many years of hard work and unending commitment to their families and the Long Beach community.

William and Eleanor Williams are to be commended for their dynamic leadership and a lifetime of participation in the religious, civic, philanthropic, and professional associations of Long Beach. Bill Williams, is a law partner in the firm of Pray, Price, Williams & Russell. In addition to his extensive association with the legal profession, he also devotes a considerable amount of time to school and civic organizations. And as if the contributions of Bill Williams are not enough, his wife, Eleanor, is also deeply involved in the Long Beach community.

It would seem that the many hours that both Eleanor and Bill Williams devote to the Long Beach community would leave little time for a family, however, this is clearly not the case. The Williams have two children, Drew Williams, a student at San Diego State, and Julie Williams, an account executive for the Orange County Register. As you could imagine, Mr. Speaker, the Williams family is well respected in my district and worthy of this recognition.

Another fine family that I wish to extend my thanks and congratulations to is that of Ovid and Lillie Mae Wesley. Both were born in Texarkana, TX. Shortly after Wesley's discharge from the Army and after their marriage, they moved to Long Beach where both began to carve out an impressive community service record with an eye on improving the overall quality of life in Long Beach.

Even though Ovid and his wife possess on overwhelming compassion for those that are less fortunate and those that are in need, their deepest compassion is to each other and to their family. Their marriage, which spans over four decades, provided them with a fine daughter, Anita, a graduate of California State University, Long Beach, and her husband, Eddie, a master machinist foreman with the U.S. Navy. Perhaps the greatest joy of their daughter's marriage was the birth of their granddaughter, Tracie, who recently celebrated her eighth birthday.

The last family that I wish to pay tribute to, is that of Hideo and Jeanne Karatsu. Both of these giving and caring individuals were born in Los Angeles, and received their bachelors degrees from USLA. Hideo went on to receive his medical degree and Jeanne her teaching credentials. I salute them for preserving strong family ties while engaging in exemplary community involvement through medical, humanitarian, and youth-benefiting activities. They extend their love and concern throughout Long Beach, the surrounding community, to their son Douglas, 20, a junior at UCLA, and to their daughter, Amy, 18, a freshman at UCSD.

My wife, Lee, joins me in extending our congratulations to all of these fine families as they are honored by the Family Service of Long Beach. They are truly remarkable people who have devoted their talents and energies to enriching the lives of so many other people. We wish the families of William and Eleanor Williams, Ovid and Lillie Mae Wesley, and Hideo and Jeanne Karatsu, all the best in the years to come.

COMMENTS ON THE CURRENT STATUS OF SOVIET JEWRY

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. SMITH of Florida. Mr. Speaker, I stand in front of you today to detail yet another chapter in the ongoing plight of the Soviet Jewish community.

As you know, Gorbachev's Perestroika policies have allowed for a great number of Soviet Jews to receive exit visas to leave the Soviet Union. As successive administrations and Congresses have incessantly pressured the Soviet Union to relax their emigration regulations, these Soviet reforms would seem a testimony to the dedication of the American people and government.

Before last October, INS automatically accepted Soviet refuseniks into the United States as refugees because their fear of persecution in the Soviet Union was a given. Suddenly, after years of a stable immigration policy, applicants' "fear of persecution" must now be documented before they are allowed to enter the United States as refugees. How can they document a fear, an intangible? Certain elements, of course, can be proven. But how can they prove that there are quotas limiting Jewish entrance to universities, KGB harrassment of religious minorities, and pervasive and cultural anti-Semitism, to name a few examples.

For those who cannot prove a "fear of persecution", their option is to go to Israel or enter the United States under Attorney General Thornburgh's "parole authority". Our role is to create and then implement a fair set of immigration laws. Congress has created those laws, but the administration is failing to implement them.

It is unethical, heartwrenching, and just plain bad politics that, after pressuring the Soviets to let these people go, and encouraging Soviet Jews to come to America, we are not allowing them in as refugees. The Attorney General's parole authority is a feeble attempt to assuage our outrage and the outrage of concerned human rights activists worldwide.

Another tragic twist in this story is that the INS is now in the business of separating families. For years we complained when officials in the Soviet Union provided one member of a family with an exit visa while declining the application of another family member. Yet here is our own Government continuing the same practice by giving some people refugee status visas while rejecting their children, parents, siblings and cousins. How can this random system of exclusion be justified? How could some people be subjected to persecution while their relatives living under the same roof were not?

It is pathetic that this State Department has managed to mangle one of the few issues which has traditionally enjoyed unequaled support from every sector of public and private life. We must provide additional funds and increase the refugee ceiling. We cannot be silent on this issue. We must channel our outrage and force the administration into action, and thereby, once again, make a difference.

RADON TESTING FOR SAFE SCHOOLS ACT

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. GORDON. Mr. Speaker, today, I introduced the Radon Testing for Safe Schools Act. This bill is a response to growing awareness of a very real lung cancer risk that our children, our teachers, and our school administrators face in schools every day.

Recently, EPA released the results of a 16-State preliminary survey of radon levels in schools. The results were alarming. The EPA found that over half of the 3,000 classrooms tested in 130 schools showed radon levels over 4 picocuries per liter of air. This level of radon exposure is equivalent to receiving over 200 chest x rays per year. Radon levels vary around the country, but middle Tennessee classrooms unfortunately had the highest

radon levels of all the schools tested in this survey. One classroom showed radon levels of 136 picocuries per liter. That is equivalent to receiving 25,000 chest x rays a year. Children and teachers exposed to this level of radon over a year will have a 3 in 1,000 chance of contracting lung cancer. This clearly is an unacceptable level of risk.

Radon is an odorless, colorless, radioactive gas that occurs naturally in the process of decay in uranium. Radon is present naturally in soil, water, and air, but not all areas of the country have equal concentrations of radon. In outdoor air, radon is diluted and becomes harmless; however, when radon gas seeps into buildings it becomes a major source of indoor pollution. The EPA ranks radon as the second biggest cause of lung cancer in America; experts estimate it is responsible for as many as 20,000 lung cancer deaths every year.

Children are particularly vulnerable. Because they have smaller lungs and higher breathing rates, children are as much as three times as susceptible as adults to radon contamination. Recognizing this increased risk to children, Congress last year required EPA to conduct a survey of radon levels in schools. My colleagues on the Energy and Commerce Committee have been particularly responsive to the radon threat in homes and in schools, and I commend them for including the survey of radon in schools in the Indoor Radon Abatement Act. Now that the preliminary results of this survey are in, it is clear that we need to expand testing to every State in the country. On April 20, the new Administrator of the EPA, William Reilly, called for nationwide testing of radon in schools.

My bill, the Radon Testing for Safe Schools Act, calls for this nationwide testing of radon levels in our schools. The bill requires EPA to conduct sample radon tests in schools in every State to determine hot spots or areas of dangerously high radon contamination. Priority will be given to States where preliminary EPA testing already has shown high radon levels. The bill then requires local education agencies within these designated hot spots to test for radon in all schools under their jurisdiction.

Identifying the radon threat in schools is a critical first step in eliminating the risk of lung cancer to children and teachers. However, we must recognize the enormous burden that schools face in dealing with the problems of asbestos removal and lead contamination in drinking water. My bill does recognize these burdens by providing Federal assistance in the form of a grant/loan program to help local education agencies with the costs of testing. Priority will be given to local education agencies with the greatest financial need, and Federal outlays will be limited to 50 percent of the costs of testing. Overall, the bill authorizes $100 million over 4 years for both the EPA sample testing and the grant/loan testing assistance programs.

Radon testing and mitigation programs are relatively easy and inexpensive. To comply with EPA's suggested guidelines, schools should test all below-ground and ground level rooms in a school—usually 25-30 rooms. The most widely used testing devices, charcoal cannisters, cost about $10 each. Mitigation can be as easy as opening windows and caulking cracks. In middle Tennessee, these simple measures quickly lowered radon levels by as much as 100 picocuries per liter. More extensive testing can be done with alpha track detectors that cost as little as $15 each, and EPA estimates that ventilation alterations and other more serious mitigation efforts should cost between $300 and $10,000 per school.

We know that high levels or radon greatly increase the chances of contracting lung cancer. We know that children are more vulnerable than adults to radon. EPA has told us that schoolchildren and teachers in some schools are being exposed on a daily basis to dangerously high radon levels. Now, parents, teachers, and school administrators need to know just where the radon hot spots are so that they can take remedial action. We need nationwide testing of radon levels in schools.

The Radon Testing for Safe Schools Act has been endorsed by the NEA, the PTA, and the American Lung Association. I look forward to working with my colleagues on the Energy and Commerce Committee to approve this important step toward making schools radon-safe for both teachers and children.

VISITING NURSE ASSOCIATIONS WEEK

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. LEWIS of Florida. Mr. Speaker, for more than a century, Visiting Nurse Associations have provided vital health care to the homebound. The VNA's have developed a well-deserved reputation not only for their compassion and kindness, but also for their high-quality professional services that are offered to anyone in need, regardless of ability to pay.

Because of their adherence to high standards, VNA's have been training grounds for numerous physicians and nurses, many of whom continue to practice in the area of home health care. Doctors frequently depend upon VNA's to carry out prescribed care for their patients. VNA's also have served as models for hospital and profitmaking home health care organizations. They have been a major force in shaping our system of health care.

Visiting nurses sometimes perform under adverse conditions and at great personal sacrifice, working long hours and traveling great distances to minister to the sick and the dying. They truly are foot soldiers in the struggle for improved public health in the United States. Their services include neonatal care, physical, mental and speech therapy, hospice services, and home IV therapy.

The concept of the visiting nurse was imported from England, where it was developed by Florence Nightingale and William Raithbone in 1859. Since the early days, when they primarily stocked milk banks and cleaned homes to ensure the survival of newborns and their mothers, the VNA's have continued their tradition of pioneering advances in home health care. In recent years, they have been in the forefront of assisting AIDS, cancer, and ventillator-dependent patients.

While Medicare covers a large percentage of home health care, Visiting Nurse Associations offer a number of services to the indigent that are not reimbursed by the Federal Government. For example, in central Florida, the VNA, with the backing of the area agency on aging and the State, conducts a Community Care Program for the elderly. This includes a day care center for the frail elderly, who normally would be confined to their homes because of their susceptibility to accidents and medical problems. The VNA provides transportation to and from the day care center, where the seniors can enjoy regular meals, recreation, field trips, and companionship with others their own age. VNA nurses, therapists, and aides are on hand to provide medical services as needed.

My local VNA also operates an emergency response program which monitors 145 frail adults in their home and sends assistance if they have an accident or encounter another type of emergency situation.

Last year, the central Florida VNA delivered 43,000 meals to homebound elderly in their homes and provided homemaker services to 730 seniors. VNA's across the country offer similar kinds of programs for the indigent in their communities. Without the VNA's, these people would be neglected.

Although VNA's generally are associated with the elderly, they do serve people of all ages. An increasing number of their patients are high-risk infants, prematurely born children, some weighing less than 2 pounds. Often these infants require the latest high-technolgy equipment to monitor their hearts, help them breathe, and drain excess fluids from their bodies. In previous years, such children would have been forced to spend their lives in institutions, cut off from their families. Under the innovative high-risk infant programs operated by many VNA's, these youngsters are receiving skilled nursing care and other essential services to help them thrive at home.

VNA nurses, nurses aides, medical technicians, and therapists are supported by a broad network of community volunteers. Some of them serve on a locally governed board of directors that oversees each association to guarantee its adherence to high standards of care. Others raise funds so that the VNA's can continue to care for the indigent who might otherwise fall through the safety net. Still more help lift the spirits of homebound patients by talking and reading to them, running errands, and delivering meals-on-wheels.

The personalized care of the VNA's allows patients to recover from long, debilitating illnesses in the home environment where they are more comfortable. Visiting nurses also enable thousands of physically and mentally handicapped individuals to remain in their homes while receiving therapeutic benefits, care, and support services.

More than 500 VNA's collectively provide annual home care to 1 million poor, sick, and needy Americans, young and old alike. Because of their importnace to the Nation's health care system, the Visiting Nurse Association should be encouraged to continue growing and serving the public. One of the ways to do this is to recognize their contribu-

tions, by celebrating National Visiting Nurse Associations Week. I am pleased to join my colleague, Ms. Oakar, in offering a resolution to do just that.

THE SIMS PARK PROJECT—SAFETY FOR THE CITIZENS OF EUCLID, OH

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. FEIGHAN. Mr. Speaker, Sims Park is located in Euclid, OH, a suburb of Cleveland, OH.

This park fronts approximately 1,085 feet and covers an area of 32 acres. It provides access to Lake Erie for hundreds of thousands of northeast Ohio residents. In July 1986, the U.S. Army Corps of Engineers completed a study—the corps' own study—under authority of section 103 of the 1962 River and Harbor Act to determine appropriate action on the Sims Park erosion and flood control project. The corps study proposes the construction of three breakwaters to solve erosion and flooding problems at Sims Park. The breakwaters would eliminate shoreline erosion along the 1,085 feet of shoreline and bluffs correcting a serious safety hazard for residents who walk along the shoreline.

For years the people of Euclid have requested and urged the Corps of Engineers to erect erosion and flood control protection on the Lake Erie front of Sims Park. The corps has steadfastly refused to respond to this request because the corps has taken the position that the project is recreational in nature. In its statement of administration policy regarding H.R. 2072, the dire emergency supplemental appropriations bill of 1989, the Bush administration argues that erosion and flood control is "recreational."

Mr. Speaker, nothing could be further from the truth in this case. We are not talking about building an ice cream stand or a beach front volleyball court. We are talking about the safety of men, women, and children who use this park.

There is a provision in H.R. 2072, title I, that directs the corps to construct this project at Sims Park. The cost is shared with the local municipality and the Federal portion comes from funds already appropriated in the fiscal year 1988 Energy and Water Development Appropriation Act. This project does not require the appropriation of new moneys and therefore has absolutely no effect on the budget deficit.

Mr. Speaker, the city of Euclid is ready to fulfill its responsibility in this undertaking. I urge the Corps of Engineers to abide by the provision in H.R. 2072 and construct this project.

MISSISSIPPI RIVER NATIONAL HERITAGE CORRIDOR ACT OF 1989

HON. RICHARD H. BAKER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. BAKER. Mr. Speaker, I am honored to be one of the original cosponsors of H.R. 2174, the Mississippi River National Heritage Corridor Act of 1989, introduced today by my distinguished colleague Representative MIKE ESPY from Mississippi.

It is vital that States bordering the Mississippi River corridor, take the lead in insuring the preservation of this valuable natural resource. We need to establish an overall environmentally balanced economic plan for the corridor, and this legislation will set up a special Commission to do just that.

One of the most important duties of this Commission will be to provide a much needed focal point for gathering data and disseminating information related to recreational, cultural, historic, environmental protection, and economic opportunities in the region.

Data gathering and dissemination is sorely needed, especially when it involves information on how to correct the Mississippi River's many pollution problems. It is essential that we coordinate all our resources to develop sound and comprehensive abatement measures to insure the river's water quality. However, before we can develop our existing resources, we first must take inventory and assess the success and weaknesses of existing technologies and regulations. Provisions contained in the Mississippi River National Heritage Corridor Act will allow us to accomplish this vital first step to protect the river's biological and chemical integrity.

I urge my colleagues to join me in supporting our effort to protect one of our most important and unique natural resources, the Mississippi River.

SALUTE TO GERALD FRANKLIN

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. DORGAN of North Dakota. Mr. Speaker, I would like to take a moment to honor a man whose thoughtful attention to his work recently saved a woman's life. Gerald Franklin, a rural mail carrier in Wells County, ND, is so dedicated to those along his route that he notified the sheriff when he suspected something unusual at the home of Ann Bender.

Gerald always delivers Ann's mail to her box at the end of the driveway. However, when the weather turned cold earlier this winter, he would bring it right to her door. Every day she would greet him and visit for a few minutes, and he always knew in advance if she were not going to be there.

One day last month, she told him she would be at the beauty parlor when he arrived, and she asked him to put the mail on her table. When she failed to meet him for the next 2 days, though, he became suspicious. He thought it even stranger that her kitchen light was on and her front door was locked. He therefore called the sheriff at the next stop along his route.

Gerald's phone call rescued Ann from near tragedy. When the sheriff found her she had been lodged between her bed and the wall, unable to move, for more than 1½ days. Having been deprived of food and water, she was becoming dangerously dehydrated. In addition, she had many scrapes, cuts, and bruises.

I would like to call attention to Gerald Franklin and the dedicated people of America like him whom we often take for granted. As Ann said:

I just couldn't get up * * * so I finally quit trying, and thought, "Gerry will find me."

Gerry did find her. People like Gerry are the everyday heroes of our country—they do their job—and they do a little extra—and they help other people. That's what makes Gerry and everyone he represents a special part of America.

BUDGET CHARADE SETS THE STAGE FOR PROGRESS

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. DELLUMS. Mr. Speaker, tomorrow, May 4, the House of Representatives will be debating the budget resolution for fiscal year 1990. One of the budget proposals to be debated is that proposed by the Congressional Black Caucus.

I ask my colleagues to read the following article on the budget, written by Mr. Thomas Oliphant in the Boston Globe on April 23. Please pay particular attention to his comments concerning the "fiscally honest" proposals contained in the CBC budget, and then examine those proposals in depth so that we can have a fair and full debate on these critical issues when the budget proposals come to the House floor.

[From the Boston Sunday Globe Apr. 23, 1989]

BUDGET CHARADE SETS THE STAGE FOR PROGRESS

(By Thomas Oliphant)

WASHINGTON.—For the ninth year in a row, the great budget charade is about to be played out in Congress; and for the ninth year in a row, the winner is going to be the savings-depleting, interest-rate-raising, investment-suppressing federal deficit.

This year, however, will be the first of those years in which the charade is being played out under a president who is not Ronald Reagan and by a Congress that is strongly Democratic. So far, that difference has proved inconsequential, but there are enough straws in the wind to support a contention that one more phony budget could be setting the stage for legitimate progress later this year or in 1990.

If it comes, the progress will be in deficit-reduction only—not in meeting any of the country's vast needs. The question is whether the potential progress is worth the at-

tendant frustration, and the answer by a slender margin is yes; yes, because of the likely benefits to the economy of the lower interest rates that would accompany credible deficit reduction.

The dissents, though, are powerful. The Congress-White House agreement announced 10 days ago and ratified by the Senate Budget Committee on Wednesday is putridly phony: the deficit reduction is on paper only, to get around the increasingly pointless requirements of the Gramm-Rudman-Hollings law; and all vital questions of military and domestic policy have been fudged.

For this reason, one of the best minds in the House, Lee Hamilton of Indiana, chairman of the Joint Economic Committee, is going to lead a movement to vote no when the 1990 budget resolution hits the floor—in effect, to force a confrontation with reality now, before another disruption in the financial markets occurs or before a recession can hit.

"Gramm-Rudman-Hollings has nothing to do with reducing the deficit," Hamilton noted recently. "It requires only that we reduce the projected deficit. . . . In effect, the new law creates a sophisticated division of labor between the administration and the Congress; they provide the smoke and we provide the mirrors."

It is also proper to lament the Democratic leadership's inability to offer a genuine alternative to President Bush's February proposals, such a task being one of the obligations of opposition, however politically impossible the odds of enactment.

As it is, the only honest budget to be voted on in Congress this year will be offered by the Congressional Black Caucus. Shaped under chairman Ron Dellums (D-Calif.), it shows what tough choices look like.

On defense, the caucus proposes to stop nuclear-weapons modernization and cut active-force levels by 15 percent over three years.

On taxes, the budget would establish a top tax rate of 33 percent on the highest brackets, impose a 10 percent surcharge on the top 10 percent of corporate taxpayers, and another 10 percent surcharge on the top 5 percent of individual income earners.

The military cuts and the tax increases would then make possible $41 billion in additional domestic expenditures next year, with the emphasis on education, housing, health, job-training and nutrition.

So what if it can't pass. It's fiscally honest, true to a coherent set of values and it ought to make people think.

The reality, though, is that the phony budget is likely to pass, though it was interesting last week that an irresponsible proposal by Sen. Fritz Hollings (D-S.C.) to freeze all government spending for a year failed in the Budget Committee by just a 12-10 vote.

The reason for giving the charade one last year is that there is evidence Budget Director Richard Darman is trying quietly to do what he and former boss James A. Baker 3d tried so often to do with Ronald Reagan—lay the groundwork for a grander budget deal that obviously would include taxes. Even the phony budget includes $5.3 billion in unspecified new revenue that could include extending the Medicare tax to state and local employees or continuing the due-to-expire excise on airline tickets.

"This is a manageable step," Darman, said of the 1990 deal. "We get this done, let's move right away to the next manageable step. The whole approach is based on trust, building confidence, doing what we can, getting it done when we can, and we'll take it one step at a time."

Eventually, the lure for President Bush may be his cherished cut in capital gains taxes. He can't win that in isolation, but the interesting question is what he might give to get it—a higher top rate for the wealthy, a gasoline tax, a levy on the Social Security benefits of the high-income elderly?

It's worth waiting to see what this infant coalition government can accomplish.

THE INTRODUCTION OF LEGISLATION URGING THE PRESIDENT TO ENGAGE IN BILATERAL NEGOTIATIONS WITH MEXICO

HON. ALBERT G. BUSTAMANTE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. BUSTAMANTE. Mr. Speaker, last year the United States and Canada concluded an historic free-trade agreement. That agreement recognized that the economies of our two countries are interdependent and that the economic prosperity of one country determines the economic health of the other.

Last year Congress also recognized the importance of this country's trading relationship with its southern neighbor, the Republic of Mexico. A provision contained in the Omnibus Trade and Competitiveness Act of 1988 urged the President to continue negotiations with Mexico to achieve an expansion of mutually beneficial trade and investment.

Since then, several proposals have been floated as a gesture of the United States' interest in building on the progress of the past few years to improve trade links with Mexico. One legislative proposal would authorize the President to enter into negotiations with Mexico for the purpose of establishing a United States-Mexico free trade arrangement similar to the one just reached with Canada. Another idea that was considered briefly by President Bush and his administration explored possibility of entering into preferential trading arrangements by certain product sectors.

These proposals are well-intentioned, and they will doubtlessly become realities as the economies of our two countries become more intertwined in the decades ahead. For the moment, however, these proposals ignore the basic fact that trade relations between United States-Mexico are principally grounded on geography, necessity, and history—not always for reasons of economic efficiency. Mexican officials have stated clearly that Mexico is not yet able to compete with the United States under a free-trade or sectoral arrangement. Such proposals are too broad in scope and do not take into account Mexico's level of development.

Mr. Speaker, today I am introducing a concurrent resolution that is more simple, basic, and what I hope will be considered more practical than those that have surfaced to date. The measure I am offering for the consideration of my colleagues urges the President to enter into accelerated bilateral negotiations with Mexico for the purpose of reducing or eliminating tariffs on products in which each is a major supplier of the other. Mexico is a major supplier of the United States in agricultural produce and livestock, glass and paper products, electronic appliances and components and other products supplied to United States industries and consumers. The United States is major supplier of Mexico in auto and machine parts, electronic components, agricultural products, and livestock.

Mexico has taken many important and difficult steps to improve trade relations with the United States and the world trading community. Over the last few years Mexico—

Agreed to phase out export subsidies;

Joined the General Agreements on Tariffs and Trade and agreed to open up its economy to international competition;

Dropped most import license requirements and quantitative restrictions on imports; and

Reduced its average tariff rate from 40 percent to less than 10 percent in 1988.

From my viewpoint, if one were to compare the progress Mexico has made in opening its economy vis-a-vis Korea, for example, Mexico would surely be viewed by the United States as an open country, as far as developing countries go.

Mr. Speaker, the resolution I offer today is not as far reaching as others have proposed, but it is no less significant. The future of United States-Mexico relations holds great promise, and even great achievements can be gained by taking a series of small steps. The measure I am offering today provides such a measured proposal to further advancing a stronger partnership between the United States and Mexico.

AN OUTSTANDING SERBIAN—DR. VOJISLAV SESELJ

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. FEIGHAN. Mr. Speaker, the political and human rights activist in Yugoslavia, Dr. Vojislav Seselj, is visiting Serbian communities in the United States and Canada. Mr. George Djelic, the dynamic leader of the Greater Cleveland Serbian community, has been instrumental in making Dr. Seselj's trip to Washington possible.

Since 1981, Dr. Seselj has been in the opposition political forefront in Yugoslavia and active in Yugoslav human rights issues. In 1984, Dr. Seselj was arrested and sentenced to 8 years in prison for allegedly engaging in criminal activities that jeopardized the Yugoslav political system. His sentence was subsequently reduced to 2 years, 6 months of which were spent in solitary confinement. Dr. Seselj, a former associate professor of political science at the University of Sarajevo, has virtually been unemployed since his prison term expired. The Government further threatened Dr. Seselj's livelihood by taking away his passport but—after much public protest—reissued it to him.

Dr. Seselj is a true democrat, a committed anti-Communist, and a true proponent of liber-

alization of the Yugoslav political system. The people of Greater Cleveland—and the Serbian community in particular—are honored that Dr. Seselj is visiting our city before leaving for Canada and Australia.

We wish Dr. Seselj the best as he continues to inform us on the challenges and the struggle facing the Yugoslavian people.

FHA: ANOTHER FEDERAL BAILOUT?

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. KLECZKA. Mr. Speaker, the Federal Housing Administration, an essential Federal program which has enabled millions of Americans to purchase their homes, has always been self-financing.

There are very disturbing signs, however, that the FHA reserves, which were once substantial, may be declining at an alarming rate. If those reserves are reduced to zero, Congress may be asked to step in with appropriations to prop up the agency. At that point, the pressure to reduce funding for low- and moderate-income housing to make up for the shortfall in FHA will be enormous. As a member of the House Housing and Community Development Committee, I intend to help ensure that FHA operates in a fiscally prudent manner. I have asked the General Accounting Office for an assessment of the fiscal health of the agency and an evaluation of the effect several proposed changes in FHA loan standards may have on the fund balances. The information now being gathered and analyzed by the GAO should prove useful to the Housing subcommittee in hearings on the FHA this summer.

At this point, I include in the RECORD a copy of an April 24, 1989, article from Barron's magazine, "Building Woes: The Federal Housing Administration May Be Headed for Trouble."

BUILDING WOES—THE FEDERAL HOUSING ADMINISTRATION MAY BE HEADED FOR TROUBLE

(By Thomas G. Donlan)

WASHINGTON.—In Oklahoma City, the local office of the Department of Housing and Urban Development stages a reenactment of the great Oklahoma land rush of 1889. In Denver, a more prosaic but equally desperate HUD office sponsors a Sunday advertising supplement in the Denver Post listing more than a thousand homes, with come-ons including $100 down payments on condos and $500 down payments on single-family houses.

These real-estate bonanzas are what's left of broken dreams. Some of the houses HUD is trying to sell were owned by families who dreamed of a better life. Others were owned by property speculators and crooks who dreamed of getting rich. All of them were insured by Uncle Sam, who paid off their mortgages when their dreams went bust.

The payments came from a major—and familiar—government agency, the Federal Housing Administration, which today insures $277 billion worth of mortgages on many of the nation's less-expensive homes. Born in the Great Depression, when a battered, default-shy banking system shunned lending for housing, the FHA pioneered the long-term, fixed-rate residential mortgage, and in other ways helped revolutionize housing finance. And it helped establish home ownership, through low down payments and affordable monthly outlays, as a realistic goal for Americans of modest means. All the while, FHA was, as far as the world could tell, functioning as a viable insurance operation, covering losses from a fund replenished not by taxpayers but by premiums collected from the borrowers themselves, and playing a role the private sector was unwilling or unable to fill. A classic New Deal success story, FHA is a legacy of that era that has survived a half century—and even the Reagan Revolution.

But now there are hints of trouble in this big federal insurance program. Indeed, FHA may be where federal insurance of savings-and-loan deposits was eight to 10 years ago, before fraud and foolishness mushroomed into a $100 billion crisis.

No one today is suggesting that the FHA is inevitably moving down the same path traveled by the now-bankrupt Federal Savings and Loan Insurance Corp. But the agency has been suffering losses in recent years—losses that threaten to enlarge the federal deficit. The result could be cuts in the program, or, more likely, an expansion of FHA's reach, and potential premiums, into the upper-middle-class housing market. Either way, the result could have profound impact on the housing industry.

The extent of FHA's troubles has been hidden from view. Its accounting doesn't conform to the accepted standards applied to insurance companies in private industry. And in violation of a statutory requirement that's been on the books since 1945, the FHA has never been audited. "Over the years, the place had become an absolute shambles," says a government auditor. "Nothing balanced, and our guys would just walk out. It was unauditable."

But over the past three years, a team of former employees of the General Accounting Office have been hosing out the financial stables of the FHA and the books are now said to be more or less presentable. Within a few weeks, the GAO expects to publish an audited version of the balance sheet for the fiscal year that ended Sept. 30, 1987. With that as a starting point, a full audit of the balance sheet and income statement for fiscal year 1988—which ended last Sept. 30—may be ready for publishing this summer.

It promises to be a revealing document. "When we started, the FHA had equity of $3.1 billion on the books, using the word 'books' loosely," says an official. The new balance sheet is expected to show the results of more than 60 major adjustments, which erased about $1.9 billion of purported equity, leaving $1.2 billion in equity to back $277 billion in mortgage insurance in force.

If FHA were a private mortgage insurance company, that kind of leverage on its balance sheet would be unacceptable, but FHA is ultimately backed by unlimited power to borrow from the U.S. Treasury. It is this borrowing power that allows holders of Ginnie Mae certificates to sleep at night, since most FHA mortgages are packaged into pools certified by the Government National Mortgage Association and sold to the public. In a two-tier security system, FHA actually insures the mortgage while GNMA insures cash flow by guaranteeing that principal and interest payments on Ginnie Maes will be made on time.

In the $1.9 billion FHA write-off, $350 million recognized existing losses and $500 million was for "miscellaneous" items. The largest adjustment, about $1.1 billion, created a reserve for future losses on the insurance portfolio based on past experience. One reason that FHA had gone unexamined for so long was that under the U.S. government's cash-based accounting system, FHA origination fees plus revenue from sales of foreclosed homes in any particular year always outweighed the insurance payments made in the same year. This wasn't much better than a Ponzi scheme, since the apparent health of FHA depended on its ability to insure new mortgages faster than the old ones went bad.

In a Ponzi scheme, large dividends are paid out of the victims' original cash investment, thus, attracting new victims who are deceived into believing that the scheme is highly profitable. In government budgeting, a program does not contribute to the deficit as long as current revenues exceed current outlays, thus deceiving taxpayers and legislators.

In fiscal 1984, the FHA program reduced the federal budget deficit by $365 million, even while insurance claims paid were $1.7 billion and its direct losses on the sale of foreclosed assets were $529 million. For fiscal 1958, this governmental equivalent of a profit was tallied at $653 million, while claims ran $2.2 billion and losses on the sale of foreclosed assets were $601 million. The budgetary profit grew to $1.69 billion in fiscal 1986, against claims of $2.9 billion and losses on disposal of assets of $546 million.

The primary reason for these profits was rapid growth in insurance premiums and fees on new mortgages, from $906 million in 1984 to $3 billion in 1986. In other words, as the old joke has it, the FHA made it all up in volume, because its accounting did not recognize that new business would mean new claims and new losses in the future.

The current accounts began to show trouble in 1987, when premiums began a downturn, to $2.8 billion, while claims rose faster than ever, to $4.4 billion, and loss on disposal of assets was $979 million. The FHA showed a budgetary loss of $188 million.

That was the first loss in FHA history, but officials said there was nothing to worry about. All that loss and more came from two relatively small housing-aid programs; the major program, called Mutual Mortgage Insurance, contributed a $101 million profit.

In 1988, premiums slumped again, to $1.9 billion, while claims rose again, to $5.9 billion and the direct loss on disposal of foreclosed assets hit $1.6 billion. Unaudited accounting by the Department of Housing and Urban Development, FHA's parent, shows FHA taking an $857 million loss, of which Mutual Mortgage Insurance was responsible for $368 million. The budgetary outlay was $1.1 billion.

This would seem like big money, were it not overshadowed by the pending $100 billion bailout of the FSLIC. The Senate Banking Committee, for example, recently canceled a hearing on FHA mortgage insurance so that its members could continue to wrestle with the savings and loan crisis.

(FHA is not the government's only troubled mortgage-insurance program, either. The Veterans' Administration loan-guarantee program received a bailout of nearly $750 million last year, and looks to be in as deep this year. The Farmers Home Administration owns 1.3 million acres of farmland it received after paying claims on insured foreclosures.)

HUD consistently has put the blame for FHA's problems on regional depressions, most notably in the energy belt. Some HUD jokesters say they have simply a CLOT problem—meaning that the difficulties are confined to sinking real estate values in Colorado, Louisiana, Oklahoma and Texas.

But close examination shows that HUD has incurred heavy losses elsewhere—in Camden, N.J., where the market for homes has not been overheated for at least a generation, and Seattle, where there has been prosperity for more than a decade. And even in the troubled real estate markets like the CLOT states, there is more to blame than just falling energy prices. Collapsing housing prices have typically provided opportunities for fraud, but HUD's lack of vigilance allowed the frauds to be successful.

Consider the practice known as "equity skimming." Oklahoma HUD manager Charles Ming says "kitchen table" real estate deals are common in his city. A family with an FHA mortgage on a modest home finds the monthly payment too much to bear when the breadwinner is laid off. They put the house up for sale, offering to sell to any buyer who will assume the mortgage. "Unfortunately, the mortgage is now bigger than the value of the home on today's market, but 'Mr. Investor' goes out and offers to take it over," says Ming. Maybe, to enhance his image as a ruthless real-estate speculator, "Mr. Investor" insists that the owners pay him $1,000 to take the house and its mortgage off their hands. The family picks up stakes and heads for some place where jobs and hope may be found.

Behind them in Oklahoma City, "Mr. Investor" isn't really a speculator, but a crook. He doesn't record the deed; he doesn't assume the mortage; he doesn't make monthly payments. He just sticks a "For Rent" sign in the front yard, rents the house and pockets the rent checks—often for a couple of years.

In a more devious variant recounted in a report from HUD's inspector general, a speculator lined up straw buyers to purchase 25 properties, using FHA-insured mortgages. Then the speculator acquired the properties by assuming the mortgages. Two years later, 10 of the loans were delinquent, nine were in default and three were in foreclosure.

This could not work if the lenders and their mortgage servicers kept close tabs on payments. According to HUD's critics, they don't. After all, these are loans that FHA guarantees will be repaid eventually; it makes more sense for the banks to work on loans where they are actually at risk. This scam also could not work if HUD kept reasonable tabs on the lenders and servicers. According to HUD's critics, it doesn't.

The General Accounting Office has issued a series of critical reports on FHA mortgage insurance. It has said over and over that HUD does a poor job of appraising properties and an even poorer job of reviewing appraisals. For example, a GAO check of three offices in 1986 found that more than three-quarters of appraisal reviews did not include a check inside the appraised home. The reviewers just drove by.

No wonder HUD's inspector general has been saying for years that "fraud and abuse in the Single Family Mortgage Insurance Program continues to be a significant problem for the department." Case studies in the inspector general's report show that the problem can be found all over the country, not just in the CLOT states. From the report for the six months ended March 31, 1988:

A couple in Seattle used equity skimming to collect $200,000 in rents on 97 properties while making no mortgage payments. When the lenders foreclosed, FHA lost $425,000 on resale of 22 of the properties. The Veterans Administration, which has a similar mortgage-insurance program, lost $288,000 on 17 properties.

Two officials of a Greenville, S.C., development company obtained FHA-insured loans on 10 properties and then allowed persons who could not qualify to assume the loans. Most of them defaulted, resulting in HUD losses of $317,000.

A builder in Denver provided down payments to buyers who could not qualify, then built the cost into the home mortgages insured by FHA. After the local U.S. attorney refused to prosecute, HUD required the builder to take over the insurance liability.

A ring of builders, a lawyer, a loan officer and a real-estate agent operating in Atlanta paid straw buyers $2,500 to apply for FHA-insured mortgages. False paperwork indicated the buyers had put down 15%. After the closings, the real purchasers assumed the mortgages, putting down little or nothing. At least 78 of them defaulted.

In fiscal 1987, 64,269 FHA-insured borrowers defaulted on single-family home mortgages and HUD made good on them, to the tune of $3.6 billion.

Among the peculiarities of the FHA program is the provision that the foreclosing bank conveys the property to HUD and receives the amount of the insured debt. HUD, not the lender, then incurs the costs of holding and selling the property, including property maintenance, repairs and local taxes. (The Veterans Administration loan program insures less than the total mortgage and leaves the property with the lender.)

HUD's ultimate loss depends on what its regional officials like Charles Ming can sell them for. The HUD inspector general has several times criticized the agency for allowing houses to be sold too cheaply; the GAO has criticized the department for not moving them quickly enough.

HUD's average holding period in 1987 was seven months. (The average acquisition period, which measures the time from the last payment to the time of the foreclosure, was 16.7 months.)

HUD's net loss in fiscal 1987 on selling 59,194 single-family homes was $1.2 billion. The department reported that the average holding cost was $4,000 per property, for a total of $236 million. To this, the General Accounting Office says, should be imputed an opportunity cost representing the interest lost from holding the properties—running about $2,200 per average property.

Some foreclosed properties are worth less than HUD's cost to foreclose on them and hold them. HUD often does it anyway. The General Accounting Office urged HUD to appraise properties to determine whether foreclosure is cost-effective; HUD officials said they would think about it. A payment-supplement program already exists, but only for borrowers who have a temporary problem paying. (At the end of September 1987, there were more than 50,000 mortgages with outstanding balances totalling about $1.2 billion in this program, which is called the Mortgage Assignment Program.)

GAO and the HUD inspector general's office have been making the same criticism of the FHA program for years. And fraud against the FHA started at about the same time as the FHA, more than 50 years ago. But the program has always been declared fundamentally sound—in need of better enforcement, perhaps, but a worthy program that poses no long term fiscal threat. Those declarations continue today.

HUD's actuary has declared the Mutual Mortgage Insurance Fund to be actuarily sound—that is, he calculates that the long-term income of FHA premiums and fees, plus investment interest, will be sufficient to cover the long-run cost of claims minus the proceeds on the sale of foreclosed assets. Price Waterhouse actuaries hired by the General Accounting Office said his assumptions were reasonable.

Peat Marwick & Main ran the FHA through a spreadsheet exercise that modeled the impact of economic stress on the insurance program. The firm said FHA deserved at least a rating of AA from S&P.

The Peat Marwick conclusion, however, is extremely generous. It turns out to be based on "parental support" from the U.S. Treasury (presumably an AAA credit). It covers only the Mutual Mortgage Insurance program. That is 85% of the FHA's business, but exlcuding the other 15% excludes more than half the FHA's losses. In addition, Peat Marwick's starting point was the 1987 balance sheet as it appeared before the GAO audit that's about to be published, so it overstates the MMI equity by about $1 billion. Elsewhere in the Peat Marwick report, the careful reader learns that Peat Marwick expects that even the Mutual Mortgage Insurance Fund will run operating losses for the next three years under current economic assumptions, with bigger losses lasting longer if the economy turns down. In the regional recession scenario, the fund would be exhausted in four years; in the national-depression scenario, it would take only three years.

At bottom, the Peat Marwick report of the FHA's good health really depends on the U.S. Treasury. "It appears that the MMIF cannot meet Peat Marwick's interpretation and application of the tests of survivability by Moody's and S&P without 'parental' support from the U.S. Treasury," the report says. Then it asks, in effect , so what? "Many (and perhaps all) of the private mortgage insurers who have achieved the rating agencies' highest ratings did so only on the strength of parental support and other capital maintenance agreements," notes the report. At bottom, says Peat Marwick, "the MMIF is in a strong financial position."

Responsible officials and legislators have apparently read no further than this statement. In fact, leaders of the Senate Banking Committee want to expand the FHA program to help more people.

Chairman Alan Cranston of California and the committee's ranking Republican, Alfonse M. D'Amato of New York, are pushing a bill that would cut required FHA down payments and repeal the $101,250 limit on size of the mortgage that could receive FHA insurance. FHA mortgages would be available in amounts up to 95% of the median house price in each state or smaller region designated by HUD. Down payments could be as low as 1% for first-time home buyers who go through a counseling program.

The justification, especially for the senators from California and New York, is that home prices in many areas, including parts of their own states, have outpaced the FHA limit. The bill, said Cranston when he introduced it last month, "will make low down payment FHA mortgages available equitably throughout the country."

But the flexible mortgage ceiling means FHA insurance will be available on mortgages of about $200,000 in some areas. Income qualifications dictate that the beneficiaries of government insurance will include people making more than $75,000 a year.

"We are still covering only the modest-cost houses, relative to the local markets," says an aide to the Senate Banking Committee. "We're just going to stop freezing out whole markets. You have to ask, 'Do we have a national program or a regional program?' Are you going to say that modest houses for people with modest lives in L.A. are excluded? Their salaries may be higher but their cost of living, and of housing, is certainly higher. Their standard of living is similar to a lower income somewhere else."

Some housing experts say the government ought to concentrate its aid on poor people. "In Orange County, Calif., we are talking about using FHA mortgages to buy $200,000 homes," says Anthony Downs, a housing economist at the Brookings Institution in Washington." I don't think this is the group that needs help. And anyway, California and the Northeast have created their own high market with anti-growth policies, such as restrictions on multi-family buildings. Why should the rest of the country subsidize their refusal to create enough housing?"

Another argument comes from the private mortgage-insurance companies, which see FHA as a potential competitor. William H. Lacy, president of Mortgage Guaranty Insurance Corp., predicts that raising the limit will actually harm lower-income buyers. "One $200,000 loan will crowd out four $50,000 borrowers," he says. In addition, he says, easier credit will drive up the price of homes everywhere, with the indexed FHA mortgage ceiling following right along: "It would be inflationary as hell. Upper-income people will grab onto FHA right away."

The insurance holds the interest rate down, and FHA loans are assumable. Says Lacy: "When FHA financing becomes available to people like myself, I'll bid up the price when I want to buy. And when I sell, I'll ask more because of the assumable mortgage."

Lacy is also chairman of his trade association, the Mortgage Insurance Companies of America, which proposes to target the benefits of FHA insurance to borrowers based on income, rather than on the prices of houses in the region. That probably won't satisfy Cranston and D'Amato and their constituents.

Nor will it satisfy the National Association of Home Builders, the Mortgage Bankers Association and other housing industry lobbyists who support the Cranston-D'Amato bill. They support adding liquidity in hot real-estate markets, and they contend that raising the FHA ceilings will strengthen the Mutual Mortgage Insurance Fund because upper-income borrowers are more reliable. Lacy and other opponents argue that low down payments will attract the least reliable upper-income borrowers, further endangering the MMI fund. The General Accounting Office has been asked to review the controversy.

Hearings on the FHA amendments are likely to be held this summer. In both houses of Congress, the FHA provisions are part of much larger housing bills that Democrats hope will rejuvenate programs for public housing and aid to the homeless that were reduced under the Reagan administration. That gives the FHA amendments a high priority and a fair chance of passage by the end of the year.

Though it would take a great deal of mismanagement and fraud and inattention to bring the FHA program down to the level of the FSLIC, it is noteworthy that the committees considering the housing bills are the same panels that crafted savings and loan deregulation in the early 'Eighties.

COL. DONALD CAMPBELL PROMOTED

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. SMITH of New Jersey. Mr. Speaker, on May 7, 1989, Col. Donald Campbell, of Jackson, NJ, will be officially promoted to brigadier general of the 353d Civil Affairs Command.

Colonel Campbell, a resident of Jackson Township, located in my district, has been an active community leader for several years both as a member of the Civil Affairs Command and in his civilian career. Currently serving as a superior court judge in the State of New Jersey, he has long been a respected member of our judicial system.

However, Mr. Speaker, it is not Judge Campbell's distinguished public service that I wish to call attention to here today, but rather his military record. For nearly 25 years, Colonel Campbell has served our country in the U.S. Army or the Army Reserves. In 1965, Donald Campbell was commissioned as a second lieutenant in the U.S. Army through the ROTC Program. He entered active duty in 1969 and served our country with distinction in Vietnam. During his active tour, Colonel Campbell was awarded the Bronze Star Medal; the National Defense Service Medal; the Vietnam Campaign Medal; and the Vietnam Service Medal with three bronze stars.

In 1972, Colonel Campbell entered the U.S. Army Reserve. He served in various staff positions at the 404th Civil Affairs Company and the 303d Civil Affairs Group before being assigned to the 353d Civil Affairs Command in 1978. He has served in many capacities at the command including Civil Defense Divison Chief, Command Inspector General, and Public Transportation Division Chief. It is his record of achievements, accomplishments, dedication, and hard work, Mr. Speaker, that has made Colonel Campbell a natural to assume the command of the 353d Civil Affairs Command this year.

Mr. Speaker, the civil affairs units of the Army, as you know, perform invaluable services to the men and women of the armed services in times of war as well as in times of peace. The 353d has also reached out and become actively involved in community projects in the Bronx, NY, where they are headquartered. In addition, the 353d provided important technical and humanitarian assistance in the Cuban refugee program and they have provided key assistance to Army commands assigned to special projects throughout Europe.

As the new commander of the 353d, Colonel Campbell will lead a corps of dedicated people who have already established themselves as a significant and effective regiment for the U.S. Army. His education, both military and civilian, as well as his years of dedicated military service have prepared him well to take on this challenge. It is my pleasure to join his family, friends, and colleagues in congratulating him on this occasion and wishing him success in his new assignment.

A SALUTE TO A GREAT AMERICAN

HON. C. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. COX. Mr. Speaker, it is my privilege today to recognize the outstanding contributions of one of Orange County's finest citizens, the deputy superintendent of the Newport-Mesa Unified School District, Dr. Norman Loats.

Dr. Loats is an avid community servant who has been active in a myriad of local organizations, including the Newport Harbor Chamber of Commerce, the Commodores, the PTA, St. Andrews Presbyterian Church of Newport Beach, the Environmental Nature Center Board, the YMCA, the Assessment Treatment Service Center, and the American Cancer Society.

Dr. Loats received degrees from Iowa's Central College and Drake University and from the University of Denver. As deputy superintendent of the Newport-Mesa Unified School District since 1973, he has been in charge of all instructional programs in the district.

But, Mr. Speaker, more important than his résumé is his commitment to all of those groups and projects with which he involves himself. He is especially selfless in his devotion to giving young people their best opportunity to achieve their full potential.

Mr. Speaker, on Thursday, May 11, the Newport-Mesa Unified School District will hold an "All American Salute to Norman Loats," as he approaches his retirement on June 30. With a record of community service as exemplary as this, it is obvious that his retirement from full-time employment will only enhance his opportunities to further serve his community. With that in mind, I ask my colleagues in the Congress of the United States to join me in sending our best regards to Dr. Loats as he marks the completion of one part of his career, and in congratulating him on his outstanding contributions that go above and beyond the call of duty.

COMMENDING PRESIDENT BUSH ON SALE OF WHEAT TO SOVIET UNION

HON. LARRY COMBEST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. COMBEST. Mr. Speaker, I take this opportunity to commend President Bush for the approval of a sale of 1.5 million metric tons of wheat to the Soviet Union under the Export

Enhancement Program. Although we would have hoped for a larger transaction, this is definitely a step in the right direction toward further expansion of our international market.

Since the Export Enhancement Program came into being under the 1985 farm bill, we have seen the American farmer afforded a fair chance in world markets. This most recent sale to the Soviets will be worth approximately $270 million. Moreover, this brings the total amount of sales to the Soviets this year to over 20 million metric tons of wheat, which has largely been cash sales.

I caution those who are quick to criticize the administration over yesterday's transaction because it was a smaller amount than first hoped for, especially if their statements are based on rumors from the Soviets. We must also remember that we have finalized a market transaction, and not cut off communications with a trading customer whom we hope will continue to buy U.S. products in the future.

I also believe this recent action shows a positive shift in the administration on the use of our trade subsidies. In addition, I encourage USDA to further pursue additional sales and possible long term agreements. Finally, I would encourage all Members to join me in saying, "Hats off to you Mr. President for a job well done" in helping agriculture in America.

TRIBUTE TO JUANITA DEL CARLO

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Ms. PELOSI. Mr. Speaker, I rise to pay tribute to Juanita del Carlo, one of San Francisco's most energetic citizens, on the occasion of her retirement from the Mission Hiring Hall.

Juanita del Carlo has been active in the Mission District of San Francisco for over two decades. She served as the first recording secretary of the Mission Coalition Organization, established in 1960. This organization soon became a significant force in the Mission District, working to establish needed social programs. The Mission Hiring Hall was founded by the MCO to improve employment opportunities for the district's residents. Ms. del Carlo was appointed as executive director in 1972.

Throughout her career, Juanita del Carlo has worked tirelessly for programs for the people of San Francisco. She served 11 years as a member of the San Francisco Fire Commission, was appointed to the Hispanic Advisory Council of the California Fair Employment and Housing Commission and was instrumental in the creation of the Mission Senior Escort Program.

Juanita del Carlo is one of those unique citizens who is selflessly dedicated to bettering the lives of the people around her. It is fitting that we recognize a citizen of such stature in the Congress of the United States.

EMINENT SCIENTISTS CALL FOR DEFERRAL OF CONSTRUCTION OF NEW PRODUCTION REACTORS

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. WYDEN. Mr. Speaker, in a very significant article published recently in the Washington Post, 11 eminent American scientists contest the Department of Energy's claims that there is an imminent tritium crisis and call on Congress to defer plans for construction of new production reactors.

The scientists argue that such a deferral will support on-going United States-Soviet negotiations and could prevent wasting billions of dollars on planned new production reactors that might not be needed. The scientists express confidence that the deferral would have no adverse impact on U.S. national security, even if arms reduction accords eventually are not realized. Among the scientists who wrote the paper are some who have played leading roles in developing the Nation's nuclear weapons.

In light of the budget deficit and the United States-Soviet agreement in principle to make significant cuts in their nuclear arsenals, we in Congress have an obligation to avoid committing funds to construction of large new production reactors that will prove excessive or unnecessary upon conclusion of arms-reduction agreements.

I ask that the article by these eminent scientists, entitled "Atomic Weapons: America's Non-Existent Nuclear 'Crisis,'" published in the Washington Post on April 16, 1989, be printed in the RECORD in full.

The article follows:

[From the Washington Post, Apr. 16, 1989]

ATOMIC WEAPONS: AMERICA'S NON-EXISTENT NUCLEAR "CRISIS"

New production of tritium for U.S. nuclear weapons has been at a standstill since the spring of 1988, when the Department of Energy's reactors at the Savannah River plant were completely shut down as a result of safety concerns.

Since those reactors are the sole source of supply of tritium for nuclear weapons, officials of the Departments of Defense and Energy and some members of Congress have stated that production must be resumed in at least one Savannah River reactor this year or our national security will be endangered; they view a longer halt as tantamount to "unilateral disarmament." This concern is based on tritium's relatively rapid radioactive decay, necessitating its regular replacement in warheads.

DOE also has asked for over $300 million in FY 1990 to prepare for construction of two new production reactors with an estimated cost of $7.5 billion. The reactors, to be completed in 10 years, would supply 150 percent of DOE's perceived future tritium requirements for nuclear weapons. They also would be capable of producing weapon-grade plutonium.

It is our considered view that there is no critical shortage of tritium today and that claims of an imminent "crisis" distort the true situation. Congress and the American people should not be stampeded into restarting the Savannah River reactors and building costly new reactors. Instead, the existing tritium supply should be put to more efficient use to meet the nation's military needs in the near-term and proposals for new production should be reevaluated.

There are a number of important reasons to take this cautious approach.

Tritium, because of its decay rate, is a wasting asset; it makes no sense to produce more than is needed or to fund facilities capable of producing very much more than will be needed. Plutonium, on the other hand, is long-lived and is in ample supply without new production to meet current weapons requirements.

Enough tritium exists in present inventory to sustain a fully adequate weapons stockpile, probably for at least five years without new production, if the possible effects of different management arrangements and the possible use of tritium from weapons scheduled for retirement or held in storage are taken into account. Congress needs to obtain complete information on these options from the Departments of Defense and Energy.

In view of the fact that the leaders of the United States and the Soviet Union have agreed in principle that their nuclear arsenals are much too large, a continuation of the present halt and a delay in proceeding with new production facilities would allow time to ascertain whether the ongoing Strategic Arms Reduction (START) Talks and other arms reduction initiatives will result in significantly reduced tritium requirements.

If prospects for a START agreement are realized, there would be an opportunity to reassess the need for new tritium production capacity and to take advantage of substantial reductions in the size and cost of new facilities if they are required.

If it turns out that these arms-reduction opportunities will not be realized, and a new production reactor is eventually needed, plans of the kind currently proposed could be reinstated. The delay of a few years entailed by this approach would not erode the nuclear-deterrent power the nation now possesses, nor pose any other risk to national security. It should be understood that with a stockpile of over 20,000 nuclear warheads any reference to a "crisis" in tritium supply is quite inappropriate.

We believe a new production reactor can be built in five years, rather than 10, once planning activities are completed. A great deal more is known now about reactor design and safety than was known in the 1950s, and much time and money can be saved if construction proceeds efficiently after thorough planning and safety and environmental review.

The nation is now faced with strict limitations of Federal spending because of the inperative to cut the budget deficit. Very large sums will be required to upgrade elements of the weapons-production complex to achieve improvements in safety, pollution control and efficiency, as well as to proceed with the necessary cleanup of environmental pollution resulting from 50 years of past operation. Monies now being requested for the construction of new production capacity should be applied, for at least the next few years, to such other purposes.

MAINTAINING THE ARSENAL

Tritium, a man-made radioactive isotope of hydrogen, is an essential element in modern "boosted" nuclear warheads. The fusion of a few grams of tritium with a nat-

urally occurring hydrogen isotope called deuterium provides a burst of neutrons at the critical moment to amplify ("boost") the yield in fission weapons or in the fission triggers of thermonuclear weapons. Boosted warheads thus weigh less, are more compact and efficient and have lower cost. We are heavily dependent on boosting, and the Soviets use it as well.

Because tritium decays at a rate of 5.5 percent annually (it has a half-life of 12.5 years), the tritium "reservoirs" of U.S. nuclear warheads must be refilled regularly to maintain the weapons' explosive yield. The reservoirs are filled initially with a supply of tritium in excess of what is needed for the weapon to operate properly. When the excess runs down, the reservoir is exchanged for a new one. The surviving tritium in the old reservoir is recovered, purified and recycled. Tritium replenishment cycles vary for different types of warheads: It has been reported that weapons currently in the stockpile have a four- to six-year cycle, whereas the new generation of submarine-launched missiles may be charged for 10 years or more.

Provided that the essential minimum amount of tritium remains in the weapon system, it will still produce the certified yield. The size of the charge determines only the length of time the weapon may remain in the field. To provide a six-year service life after a fresh filling, the tritium loading must have an excess of at least 40 percent over the minimum amount. An eight-year service life requires an excess of 57 percent; 10 years requires approximately 75 percent above the minimum.

A CRISIS MENTALITY

In testimony before the Senate Armed Services Committee, Troy E. Wade, DOE acting assistant secretary of defense programs, said it would be necessary to restart one Savannah River reactor by the end of the year, since by then the need for new tritium would become critical. Earlier, Robert B. Barker, assistant to the secretary of defense for atomic energy, was quoted as warning that delaying restart of the reactors would be tantamount to "unilateral nuclear disarmament." These assertions have led to expressions of congressional concern. Yet a recent internal Pentagon study, reported in the Boston Globe, concludes that there is an adequate supply of tritium for 18 months to two years with no alterations in resupply of weapons or any additional production.

There are a number of straightforward means that could be adopted to stretch out the period for which a given reserve supply of tritium would be adequate. The most obvious and immediately effective step would be to reconsider existing plans for tritium service life. Suppose, for example, that the current schedule calls for refilling a large number of weapons for a six-year service life. According to Troy Wade's testimony, there is only enough tritium on hand to continue the refilling operation for about one year. However, simply by changing to a three-year service life, for which the required excess in the filling is only 18 percent rather than 40, the required amount of additional tritium would be cut in half and the supply extended from one year to two years. For weapons with a service life longer than six years, the extension of inventory would be even greater.

These options would entail a doubling (or more) of the work load at facilities handling the refills. But the increase would take effect gradually and would not be difficult to prepare for. The increased number of reservoirs to be handled also would raise operating costs in the field. But this would be offset by the net savings realized from deferring new tritium production costs.

There are a number of other potential sources of tritium that could be used to avert a short-range tritium supply problem. Among these are: the 500 or so warheads to be withdrawn under the INF Treaty, along with the Pershing 1A missiles to be retired from Germany; the warheads from the Poseidon submarines retired since 1985, along with additional warheads from the two scheduled for retirement in 1989 to abide by the SALT limits; the bombs removed from the B52G bombers converted to conventional missions; some 400 enhanced radiation warheads now in storage (if their large tritium supplies have been kept intact); and the recovery of tritium from used heavy water moderators in storage at Savannah River. All these and similar sources should be exploited before it is concluded that there is any imminent "crisis."

Finally, it should be noted that if the present halt in tritium production were continued for an extended period, the weapons stockpile eventually would have to be reduced at a rate similar to the decrease in the amount of tritium on hand—that is, at the decay rate of about 5.5 percent a year. For about the first five years, such a reduction in weapons is roughly equivalent to the cuts that have been discussed in the START negotiations. Should negotiations continue beyond START with the objective of establishing a minimum effective nuclear deterrent, there would be no need to resume new tritium production for many years. In fact, the United States now has enough tritium in its 23,000 nuclear warheads to support a force of 6,000 strategic warheads for longer than 20 years and a force of 1,000 warheads for some 50 years.

But what if the START and other initiatives fail? As a worst-case scenario, suppose that the United States were to refrain from producing any tritium for five years and that at the end of that time there were no clear prospect of any arms-control agreement. We might then decide that it was essential to build up our nuclear arsenal. Would we then face a crisis in tritium supply?

No. Because even then, other sources would be available. During the non-production period, we presumably would have prepared at least one Savannah River reactor for restart. Operating even at half power, it could supply enough tritium to sustain the arsenal at its present level during the approximately five years required to complete a new production reactor. In the unlikely event that none of the remaining Savannah River reactors can be restarted safely, there are a number of other possible sources: The N reactor at Hanford, now undergoing renovation; the DOE test reactors in Idaho; and even the expedient of commercial power reactors, for which tritium target technology is now under development. Also, tritium might be acquired from France, Britain or possibly Canada.

RECOMMENDATIONS AND REALITY

Preparations now under way for construction of new production reactors should be deferred to allow Congress to become fully informed about the country's actual needs and to allow time for the START process to produce results.

The United States should not now resume production of nuclear weapon materials that are not needed and can serve only to further stimulate the arms race. Instead, it should move toward a mutual halt in the production of nuclear materials for weapons.

While the present halt in production remains in effect, the United States should consider offering not to restart the Savannah River reactors or to begin construction of new production reactors for a designated period of time to give the Soviet Union the opportunity to reciprocate. The two sides may be able to proceed to a mutual halt in production of tritium and fissionable materials for weapons by a series of reciprocal steps. A mutual production halt could be monitored by national technical means and on-site inspections, supplemented by international and bilateral safeguards on civilian reactors. Such a halt is possible in the context of a START agreement and agreements on deep cuts beyond START accompanied by verification of delivery systems and warheards destroyed and retained.

The United States and the Soviet Union should not let pass an extraordinary opportunity to achieve a mutual end to the production of nuclear materials for weapons. For its part, the United States can exercise restraint and turn the present production shutdown to advantage. It should not be stampeded into premature resumption of tritium production or construction of new production capacity. If we exercise restraint, the arms reductions process flourishes.

THE AUTHORS

The following scientists have signed the tritium policy paper, prepared in collaboration with the Nuclear Control Institute in Washington, from which the above article is adapted:

Hans Bethe, a 1967 Nobel Prize winner in physics, formerly headed the theoretical-physics division at Los Alamos National Laboratory and is emeritus professor of physics at Cornell University.

Freeman Dyson, professor of physics at Princeton's Institute for Advanced Study, has been a frequent consultant to the Defense Department and the U.S. Arms Control and Disarmament Agency (ACDA).

Herman Feshbach, former chairman of the nuclear-science advisory committee of the National Science Foundation and former president of the American Physical Society and the American Academy of Arts and Sciences, is emeritus institute professor of physics at the Massachusetts Institute of Technology.

Val Fitch, a 1980 Nobel Prize winner in physics and professor of physics at Princeton University, was a presidential adviser on science policy and arms control in the Nixon administration.

Marvin Goldberger, former president of the California Institute of Technology and now director of Princeton's Institute for Advanced Study, chaired the committee on international security and arms control of the National Academy of Sciences.

Kurt Gottfried, professor of physics and nuclear studies at Cornell, was an officer of the American Physical Society and a consultant to the Department of Energy's high-energy-physics advisory board.

Milton Hoenig, a physicist and scientific director of the Nuclear Control Institute, was at ACDA during the Carter administration.

Franklin Long, professor emeritus of chemistry at Cornell, was research supervisor of the National Defense Research Com-

mittee from 1942 to 1945 and assistant director of ACDA under President Kennedy.

J. Carson Mark, former leader of the theoretical-physics division of Los Alamos National Laboratory, serves as a consultant to Los Alamos and other government agencies.

George Rathjens, professor of political science at MIT, was chief scientist in the Defense Advanced Research Projects Agency and in the Office of Special Assistant to the President for Science and Technology.

Victor Weisskopf, former group leader at Los Alamos National Laboratory and former director of CERN (the European Center for Nuclear Research), is emeritus institute professor of physics at MIT.

THE 100TH ANNIVERSARY OF THE SALEM NEWS

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. APPLEGATE. Mr. Speaker, I rise today in honor of the 100th anniversary celebration of the Salem News of Salem, OH. A brief account of the newspaper's history was provided to me by Gayle Beck, managing editor of the Salem News of which I would like to include in celebration of this historic event in the newspaper's history:

The Salem News was founded January 1, 1889, as the Salem Daily News by J.W. Northrop. The company was taken over by the Salem Publishing Company, which also operated the print shop, in its first year.

In 1894 the company appointed Louis H. Brush as business manager, and in 1897 Brush became sole owner of the firm. Brush, with Roy D. Moore and William H. Vodrey, later founded Brush-Moore Newspapers, purchasing Ohio newspapers including the Marion Star, the Steubenville Herald-Star and the Canton Repository, and other daily and weekly newspapers from Maryland to California, the Salem News became a Thompson-Brush-Moore newspaper in 1967.

The newspaper remains under local management and has won many awards, including a 1987 Associated Press General Excellence Award, for its balance of local, state, national and international news.

It is at this time, Mr. Speaker that I ask you and my fellow colleagues to recognize and commend the many years of service and dedication that the Salem News has provided for its readers.

INTRODUCTION OF THE DE SOTO TRAIL COMMISSION ACT OF 1989

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. BENNETT. Mr. Speaker, I, along with CLAY SHAW, BILL LEHMAN, ANDY IRELAND, EARL HUTTO, BILL HUGHES, CRAIG JAMES, ED TOWNS, DANTE FASCELL, BILL NELSON, and BILL GRANT, am introducing legislation to establish the De Soto Trail Commission for the purpose of marking the historic path of Hernando De Soto's expedition.

Last month, Florida's senior Senator, BOB GRAHAM, introduced this bill in the Senate. Senator GRAHAM has worked diligently for many years, not only in his capacity as Senator but also as Governor of the State of Florida, to see that the path taken by one of the New World's greatest explorers, Hernando De Soto, be researched and marked. The De Soto Trail Commission's task is to commemorate the route along existing highways and create an archaeological and historical research institute for studies related to the De Soto expedition.

Almost 250 years before our Constitution was adopted, an unprecedented European penetration was made into what is now the southeastern United States. Led by Hernando De Soto, the expedition began in Florida in May 1539 and covered extensive areas throughout the Southeast, from across the land bridge of the Santa Fe River, and northward and westward to the Mississippi River where De Soto's bones were laid to rest in those troubled waters in 1542. Imagine, those 3 years of journey—an education to himself and to mankind. He was the first to know intimately, over a period of time, the Indians of the Southeast. He was a courageous man, and his route is a spectacular historical route that needs to be adequately marked.

The State of Florida has been instrumental in marking De Soto's trail in Florida. The northern two-thirds of the trail in Florida are already marked, and the marking of the southern portion is expected to be completed within a year. Other southern States have also initiated studies of De Soto's march through Florida, Georgia, South Carolina, North Carolina, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, and Texas. From fragmented records, supplemented by archaeological finds, we are able to learn much about an aboriginal civilization that predated European occupation in the New World along this historic route.

The De Soto Trail Commission is designed to use existing highways to mark the trail, thus keeping costs to a minimum. This bill authorizes only $1.5 million to commemorate the trail.

By marking the path that De Soto took into the then unknown, we are celebrating the spirit of discovery that existed in De Soto and many Americans today. The De Soto Commission is essential to our understanding of the colonization, development, and history of this area. The De Soto Trail will be an important addition to the many trails marked throughout our country. Mr. Speaker, I invite my colleagues to cosponsor this significant legislation recognizing yet another step in our great history.

TRIBUTE TO FIRE CHIEF KEITH NIMS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. FORD of Michigan. Mr. Speaker, I rise today to honor one of the finest public servants in my congressional district, Fire chief Keith Nims of Garden City. After a distinguished career in the fire service that has spanned 25 years, Chief Nims has decided to take his well-deserved retirement.

Firefighting is one of the most essential of all public services and one of the most dangerous. It takes courage, strength and stamina, and a great deal of training and judgment to fight even ordinary house fires, let alone, industrial fires that may involve toxic or explosive chemicals. Together with all of those qualities, the fire chief must have leadership ability and political skill.

Firefighting is a matter of life and death, and men like Chief Nims assume an enormous responsibility when they accept the job of running a fire department. They become responsible for the lives, homes, and livelihoods of thousands of citizens throughout their community. And on a day-to-day basis they become directly responsible for the health and welfare of all the men and women they supervise.

Chief Nims discharged these enormous responsibilities with real distinction. It is safe to say that no one is more responsible for the success of the Garden City Fire Department than Keith Nims. During his 7-year tenure as chief, a good department became even better.

His management innovations have made fire prevention a top priority, involving every member of the department. Code enforcement, prefire planning for commercial buildings, and community fire awareness have all been enhanced.

Chief Nims undertook the upgrading of the Emergency Medical Technician service, a process that has resulted in a better trained staff with the capability of providing advanced medical intervention to accident victims.

But the truest test of Chief Nims' leadership and management abilities is the high opinion that the line firefighters have of him. They, after all, put their lives on the line under his direction—there are no harsher critics of a boss than the workers. The respect and loyalty that Chief Nims' department has for him speaks volumes about the excellent job he has done.

I join all of Garden City in wishing Keith Nims a happy retirement and in thanking him for his career of outstanding service.

THE CAUSE OF REMEMBRANCE

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. MRAZEK. Mr. Speaker, on May 2, 1989, we observed Yom Hashoa, a day to remem-

ber those Jews who died in the Holocaust. In honor of those men and women who survived the horrors of the Holocaust, and to assure that future generations never forget what happened, I wanted to share a very moving poem written by Jerri Unger, a constituent of mine from Great Neck, NY. Mrs. Unger is an American-born woman, married to a Holocaust survivor. In the poem, she writes to Ben Meed, president of the American Gathering/Federation of Jewish Holocaust Survivors and his wife Vladka, founder of the teachers program of Holocaust and Resistance. I believe this poem is an excellent description of the importance of the "cause of remembrance."

DEAR VLADKA AND BEN:
You lead, you guide, you direct
You have earned our deep respect!
You have gathered teachers from near and far
You have summoned all survivors, no matter where they are.
We constantly talk to ourselves, like sisters and brothers
Now you've created a vehicle whereby we can reach others
All in the cause of REMEMBRANCE
The meetings were very intensive
The conference most extensive
Be assured that your audience
Was both pensive as well as attentive!
You devote your energy and time.
Your resources and your thoughts sublime
Protect the memory of those who did perish
Without permitting their very souls to tarnish
All in the cause of REMEMBRANCE
You have cemented survivors into an organization
Be aware of their utmost appreciation
The membership blesses you each and every day
For what you accomplish and
For what you do and say
All in the cause of REMEMBRANCE
You have assisted men to become leaders
You have enlisted and provided speakers
Above all you have restored dignity
To unfortunate brethen assuring them of eternity
All in the cause of REMEMBRANCE
What was underlined and of course understood
Is that survivors and all Jews should
Assist and support the Jewish State
Which would have combatted the climate of hate
For had we had the State of Israel *"Then"*
There would have been a home for Jews—a haven!
And no
Cause for REMEMBRANCE!

II

I know that I was not there
yet I was!
I know I did not suffer
yet I do!
I had no cause to tremble
yet I do now!
I had no reason for sorrow
yet I am sad!
Hunger and thirst I never endured
Except, of course, for Yom Kippur
And that is not accompanied by fear
And occurs only once each year!
My loved ones have never been taken from me
Yet how well I understand the word "pity".
For man succumbed even lower than beast
At a time when evil and the devil made a tryst.
I took time out to write
What you may not even have the time to read
Lest you not realize how much the needs
Are appreciated and loved by survivors and their respective families!
Although I am an outsider
In reality I am an insider
Who is happily married to a survivor, William Unger!
With love and affection,

JERRY UNGER.

BETTER HEARING AND SPEECH MONTH

HON. JIM LIGHTFOOT

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. LIGHTFOOT. Mr. Speaker, I bring to your attention, and that of my colleagues, an important event.

The month of May has been designated as "Better Hearing and Speech Month." As a former radio broadcaster and as an honorary member of the Iowa Council for Better Hearing and Speech, I realize the importance of effective communications.

The purpose of this commemorative is to encourage early detection of hearing and speech problems, proper treatment, and a better understanding of the needs of people with speech, language, or hearing disorders. More than 24 million Americans have a communicative disorder. This month is a time when we should remember the advances made to assist these individuals while at the same time recognize that more remains to be done to improve the quality of their lives.

I am especially pleased to have the benefit of two agencies in my congressional district, the Iowa School for the Deaf and Loess Hills Area Education Agency, which share the common desire to promote public awareness, and assist and educate individuals with our Nation's No. 1 disability.

I'm proud to take part in this national effort.

SPECIAL TRIBUTE TO ITALIAN SCULPTOR CARLO FRANZONI, CREATOR OF THE CAR OF HISTORY

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. ROE. Mr. Speaker, while we in the United States have, over the past 213 years, developed our own unique culture, time and again we are reminded of the strong bonds we maintain with other lands and other cultures. This has been especially true of our Nation's relationship with the great nation of Italy, and is exemplified in the countless numbers of contributions made to our country by many gifted people of Italian descent—Marchese Guglielmo Marconi, Enrico Fermi, Giancarlo Menotti, Jose DiMaggio, and our very distinguished former colleague, the Hon. Peter Rodino—just to name a few.

Our Nation's strong links to Italian culture were further illustrated recently when the bicentennial of the U.S. Constitution was commemorated with the issue of special postage stamps celebrating the first quorums in this great body and by the U.S. Senate.

The stamp commemorating the first quorum of the U.S. House of Representatives features the magnificent 1819 marble work clock known as the Car of History done by the great Italian sculptor, Carlo Franzoni. This outstanding work represents a unique contribution to what was then a fledgling nation by a great Italian artist and which today is most certainly deeply entwined in the historical fabric of the United States.

For the RECORD, Mr. Speaker, I would like to insert the official history of the great Carlo Franzoni and his masterpiece:

The Car of History, standing over seven feet tall on the gallery level above the north entrance to the Old Hall of the House (Statuary Hall), is one of the oldest works of classical sculpture in the United States. The draped female figure represents Clio, the Muse of History. She stands in an elaborately carved winged chariot and records in a book the events she sees taking place on the earth below. The signs of the Zodiac are carved on the sphere, representing Time itself. The wheel of the chariot is a clock face. The work is inscribed "C. Franzoni faciebat 1819."

This white marble sculpture was conceived by architect Benjamin Henry Latrobe as part of his plan for the House Chamber as it was to be reconstructed after the fire of 1814, when invading British troops burned the Capitol. It appears for the first time on a drawing dated August 12, 1815. The finished work is clearly derived from the drawing.

The sculptor, Carlo Franzoni, was born in Carrara, Italy, about 1789, the same year the House of Representatives met for the first time. The son of the President of the Academy of Fine Arts in Carrara and a nephew of Cardinal Franzoni, he was a graduate of a school of anatomy as well as a trained sculptor. Franzoni came to America in 1816 when Latrobe sent his assistant Giovanni Andrei to Italy to contract for the carving of the Corinthian capitals for the Hall of the House and to recruit more Italian artists to join those, including Carlo's brother Giuseppe, who were already carving the stone and marble decoration in the Capitol Building. The Car of History is one of Carlo Franzoni's few known works, as he died of heart failure shortly after its completion. It is possible that some of his early works are in the collections of the Vatican and the Louvre. The Lunette of Justice on the west wall of the Old Supreme Court Chamber is also his work. Tradition has it that Franzoni's niece, whose father Guiseppe carved the corncob capitals in the North Wing vestibule, was the model for Clio. Descendants of the Franzoni brothers still live in Washington.

Mr. Speaker, I appreciate this opportunity to present a brief profile of the great Italian sculptor, Carlo Franzoni, and his outstanding work, the Car of History, which, has indeed, been an ever vigilant witness to, and an integral part of, our great Nation's history.

TRIBUTE TO ANNE ACKERMAN: REMEMBERING A TRULY GREAT LADY

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. LEHMAN of Florida. Mr. Speaker, on May 1, the life of our 17th Congressional District's great lady came to an end. I was privileged to have the opportunity to express my feelings at the services held for her this morning at Temple Beth Torah. I would like to share my thoughts with my colleagues:

Like most of you, I'm here not only to mourn the death of a dear person, but even more, to celebrate the life of a truly special lady—Anne Ackerman.

Annie was not only an individual, but a symbol—a symbol of family devotion, of community responsibility and of individual integrity.

And what did this remarkable lady do best? Searching my memories of Annie, I find the word mobilize. She brought energy and excitment with her wherever she went. She effectively mobilized her "troops" for causes that were special to her and important to us all. Anne could mobilize like no one else.

And what did Anne best represent to us? Again, I reach into my memory. Annie personified to me participatory democracy. Not "jump start," quick-fix participation but one based on careful study, preparation and planning. Anne did her homework and played by the rules.

And what was Anne Ackerman's most valuable contribution—her legacy to us the living, of what she did and what she stood for? To me, it was that individuals do make a difference. Our responsibility is to pick up her standard and continue to march forward toward the goals to which she devoted her life. We preserve her beliefs and continue her battles.

Anne had great strengths of character. Shakespeare defined it this way:

"And this above all
To thine own self be true.
And it was follow as the night the day
Thou canst not be false to any man."

Anne was true to herself, and to family, her friends, her community, her country and to her world.

A TRIBUTE TO RICHARD J. BAUER

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. FISH. Mr. Speaker, I take this opportunity to honor Richard J. Bauer, the 1989 recipient of the Anti-Defamation League's Distinguished Americanism Award.

Richard's record of service is exemplary since his arrival 25 years ago in Maybrook, NY, where he founded Eastern Alloys, Inc., the largest independent zinc alloyer in the North and Central Atlantic States.

Within the alloy industry, Richard serves as chairman of the Washington Conference for Zinc, testifying before congressional committees and representing the Department of the Interior as a delegate to annual U.N. sponsored meetings held in Geneva, Switzerland. He also cofounded the Board of Service Aluminum Corp., the Independent Zinc Alloyers Association, and was a director of the Zinc Institute and the American Die Casting Institute.

Despite the demands of his business and industry, Richard serves his community through his commitment to our democratic heritage. Following his military service, he worked his way up as a student at Polytechnic University and as president of the company he founded.

For 15 years Richard has dedicated his time and energy to St. Luke's Hospital, and is currently the hospital's chairman of the board. He is a member of the board of elders of the Union Presbyterian Church of Balmville.

With his profound respect for the intrinsic value of education, Richard helps high school students in an American Management Program—Operation Enterprise, an introduction to the fundamentals of the commercial environment. He serves as a region director of Fleet Norstar, upstate New York division.

It is with respect and admiration for Richard J. Bauer's record of achievement that I pay tribute to him on this occasion of his Newburgh Americanism Award for 1989 of the Anti-Defamation League. Congratulations and we all join in wishing you continued happiness and prosperity.

HONORING BERTINE LAFAYETTE FOR HER COMMUNITY SERVICE

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. ACKERMAN. Mr. Speaker, today I rise to honor an outstanding individual, Ms. Bertine Lafayette. On Sunday, May 7, 1989, the John F. Kennedy Democratic Club of Jackson Heights, NY, will be honoring Bertine for her tireless commitment to her community and the Democratic Party.

Bertine Lafayette, nee Rabin, was born and raised in New York City. The daughter of fine musicians, she was exposed to all cultural activities. Bertine studied piano, ballet and art. She was educated in Manhattan public schools and college.

Bertine is married to Assemblyman Ivan Lafayette and they have three children, all of whom attended Queens public schools. During these years, the Lafayette's became involved in many community affairs. For 2 years, Bertine was president of the Parents Association of P.S. 148. They joined the John F. Kennedy Democratic Club, where Bertine served as president. Furthermore, Bertine was elected a delegate to the Democratic National Convention in 1980, 1984, 1988.

Bertine organized and headed the first Consumer Group of Jackson Heights. In order to obtain a fair price for consumers to purchase meat, Bertine led a group that testified before Congress.

She returned to work as a teacher in the Queens Public School system working at P.S. 17. She has been a long standing and active member of United Federation of Teachers. Bertine is chapter leader and a member of the Advisory Council for Teachers and serves on the board of the A Sneion Center of St. Mark's AME Church of Corona. Also, Bertine is vice-president of the Queens Council on the Arts.

Bertine has achieved the dream of every mother. She is very proud of her three sons. Jonathan is a writer for Advertising Age and his wife Leslie is a Xerox salesperson. They are the parents of a beautiful daughter Sara. Mark is an attorney and his wife Lisa is a computer analyst. Richard is a physician, and a fellow in nephrology at Stanford (University) Hospital.

Mr. Speaker, I ask all my colleagues in the House of Representatives to join me in congratulating Bertine on her past achievements and wishing her the best of luck in her future endeavors.

JOY AND SADNESS AT SPRING HIGH SCHOOL

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. FIELDS. Mr. Speaker, these past 2 weeks have been an emotional period for the students, teachers, and administrators of Spring High School in Spring, TX.

On Monday, April 24, the school was notified that it was one of just 47 schools nationwide to have won the U.S. Department of Education's "Drug Free School Recognition Award" for the 1988–89 academic year. On Saturday evening, April 29, the school mourned the death of one of its most popular, and most promising, students. The two events have caused great joy and great sadness at Spring High School.

I had the pleasure of notifying Gloria Marshall, principal of Spring High School, that the school had been selected to receive the Drug Free School Recognition Award. A total of 223 schools were nominated for the award, which recognizes schools for outstanding drug prevention programs. Ten of the schools nominated were ruled ineligible, and 47 schools were selected for the award.

The school's drug abuse prevention is three-pronged. First, the program is designed to teach students to believe in themselves and to improve their self-image—thereby helping them to "say no" to drugs and to develop good relationships with family members and friends. Second, the program makes clear to students that substance abuse will not be tolerated. And third, the program provides counseling to students who may be abusing alcohol or drugs, or who may be tempted to do so.

While the program has not eliminated drug and alcohol use among the 2,100 students at Spring High School, Marshall sees signs that the program is working. She told me during a recent meeting that one student put it this way: "It is becoming cooler not to use'em (drugs)."

I commend the school, its student body, its faculty and administrative officials for winning this award, which recognizes the outstanding accomplishments of everyone associated with Spring High School. Working together, students and faculty members, parents and administrators have devised a program which appears to have reduced drug and alcohol use among the students of Spring High School. In particular, I congratulate Principal Marshall on winning the Department of Education's Drug Free School Recognition Award, and I commend the students of Spring High School for their efforts to make this program a success.

Representatives of Spring High School and of the other 46 winning schools will receive a plaque, to be presented in Washington, probably in mid-May.

At the end of the week in which Spring High School received this great honor, the school suffered a tragedy which deeply saddened the student body, the teachers and administrators at the school. An outstanding student, Danny Mulcahy, a senior, was killed in a one-car accident when he lost control of his car shortly after leaving the school's prom, held at a local hotel. The 17-year-old was returning to Spring High School to participate in its "Project Prom" a post-prom party designed to be free of alcohol and drugs.

I want to stress that the evidence clearly shows that Danny Mulcahy was obeying the speed limit, was not under the influence of drugs or alcohol and was wearing his seat belt. The wreck appears to have been a freak accident with no logical explanation.

Danny Mulcahy was a well-loved and much-respected student who played football, ran track, and earned good grades. His popularity among his fellow students was demonstrated by the fact that more than 400 Spring High School students attended his funeral, held Wednesday, May 3.

To Mr. and Mrs. Dan Mulcahy of 23826 English Oaks in Spring, TX, and to his friends at Spring High School, I extend my deepest sympathies on Danny's passing. Regardless of circumstances, there is rarely a satisfactory answer to incidents like young Danny Mulcahy's death—especially when the individual shows as much promise and potential as Danny displayed.

Mr. Speaker, this has been a period of high emotion at Spring High School, which is located in my congressional district. In the midst of great success and high achievement, tragedy has intruded.

To the students at Spring High School in particular, I want to say that life is a series of successes and failures, a tableau of joy and sorrow. We must enjoy those successes and share our joy with those around us, and we must overcome the failures and the sorrow which inevitably occurs in the lifetime of each of us. We can never surrender to despair, and we must always be strong in time of adversity.

That is how Danny Mulcahy lived his life, and it is how we must live our lives.

C.E. COLE INTERMEDIATE SCHOOL WINS "DISCOVER EARLY AMERICA" MAP CONTEST

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. YATRON. Mr. Speaker, today I want to give special recognition to the students and teachers of C.E. Cole Intermediate School who recently participated in the "Discover Early America" map contest.

As you know, Mr. Speaker, the Commission on the Bicentennial of the United States Constitution sponsored a "Discover Early America" may contest in which schools throughout the United States competed. The goal of this map contest is to encourage the study of geography and to enhance students' knowledge and understanding of American history.

In Pennsylvania's Sixth Congressional District, first place in the elementary school level contest was won by Mrs. Carol Hess' fifth grade social studies class at C.E. Cole Intermediate School in Laureldale, PA. I commend all of the teachers and students who participated in this map contest and congratulate the winners for their outstanding academic and artistic work. These fine young people represent the best of the Sixth Congressional District and they can be proud of their success in this competition.

A TRIBUTE TO JOSEPH E. BURNS, JR.

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. MORRISON of Connecticut. Mr. Speaker, Joseph E. Burns, Jr., of New Haven, CT, retired on May 1, 1989 after 29 years of dedicated service to organized labor. His career is marked by continuous achievement from the time he became an apprentice on the New Haven Railroad, through his service as Directing General Chairman of District 22 of the International Association of Machinists. The railroad industry has gone through many changes, and Joe was there through all of them, speaking out on behalf of the railroad machinists.

From beginning to end, Joe has been a railroad man. After being honorably discharged by the Navy in 1948, Joe returned to his hometown of New Haven and began working for the New Haven Railroad as an apprentice machinist. He became a member of the International Association of Machinists and began to be selected for leadership positions. After 10 years, he was elected general chairman of district 43 which included his local lodge as well as all the others on the New Haven Railroad.

Joe's work for the union began on a small scale and gradually grew in scope. In 1976, when Joe was elected as directing chairman of combined districts 42 and 43, his responsibilities included railroads throughout New England and in parts of New York. Following the merger and consolidation of many lodges and districts, Joe was elected to the post of directing general chairman of the new district 22. It was in this capacity that Joe made his greatest contributions. His responsibilities included negotiation, arbitration and servicing for all railroad machinists east of the Mississippi, as well as one Canadian lodge. One hundred local lodges and 20,000 union members fell under his purview.

Although Joe's professional responsibilities extended across the Nation, he maintained his roots in the New Haven community. He was a member of the Board of Directors of the New Haven Labor Council, AFL-CIO, sat on the Board of Directors of the New Haven Labor Council's Building Committee, and was the first director of the State machinists political action committee. And he did all of this while he and his wife, Irma, were raising nine children.

The railroad members of the International Association of Machinists have been fortunate to have a man of Joe's caliber leading and serving them. The work he has done has made the jobs of thousands of railroad machinists better and more secure. The thanks he receives from his fellow machinists is for a job well done.

IDAHO WILDERNESS

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. KOSTMAYER. Mr. Speaker, today, I rise to introduce legislation that would permanently protect nearly 4 million acres of unspoiled Federal lands in Idaho as part of the National Wilderness System.

As a senior member of the House Interior Committee, Mr. Speaker, I have had the opportunity to visit virtually every one of our magnificent United States. I can say without qualification that I have rarely had the opportunity to see anything quite so beautiful as the State of Idaho. From the rain forests of the panhandle, to the 12,000-foot peaks of the central ranges and the prime grizzly bear habitat on the eastern border near Yellowstone National Park, our Nation has very few spectacles to match this natural marvel.

Mr. Speaker, there are currently more than 9 million acres of public domain that remain undeveloped in Idaho, including some of the most beautful wildlands left in our Nation. The future of this land is in doubt so long as the wilderness question remains unresolved.

The bill I am today proposing, Mr. Speaker, would preserve approximately 3.9 million acres of the most beautiful of Idaho's treasures.

This is the fourth time that I have waded into the decade-long debate between prodevelopment and conservation forces over the eventual fate of Idaho's public domain. My bill is designed to facilitate a solution by offering a reasonable middle ground between extreme suggestions that have come from each side. To date, proposals have been offered that would offer anywhere from 1.6 million acres, a

figure I find ridiculously low, to 9 million acres, which undoubtedly is too high.

The 3.9 million acres which my bill would protect includes unroaded and pristine territory that is now at stake as land managers seek to resolve the wilderness issue in Idaho before much of this land is lost to development. Habitat for increasingly rare ocean-running salmon and steelhead, great herds of big game species, threatened and endangered species and some of the Nation's most scenic wildland areas remain unprotected and hence open to development. Without congressionally designated protection as wilderness, millions of acres will be lost to road building and logging. Such beautiful areas as the Boulder-White Clouds area with its milky quartzite peaks and the Payette Crest on Payette National Forest, an area with high fish and game value, would be protected from the ravages of logging and mining.

My wilderness proposal would also benefit the American taxpayer. The current protimber policy that exists in this great State cost Americans an average of $16.5 million per year between 1979 and 1984. During this same period, two of Idaho's national forests returned only 19 to 20 cents on every dollar invested in timber programs. In addition, every forest but one consistently averages negative timber sales. National forest timber sales in Idaho report the second largest deficits in the Nation due to the enormous costs of road building. Consistently, year after year, Idaho has placed near the top of the list as one of the worst States for timber receipts.

Interesting to note, according to a recent Washington Post article, the tourism business has passed the most traditional extraction industries—agriculture, mining, and timber—to become the State's most important source of private sector jobs. In fact, according to recent labor statistics, the tourism-recreation industry is the biggest employer in the State of Idaho.

Idaho's lack of development is one of its chief assets. To a great degree, the State's beauty is untouched, its wildlife healthy, and its diversity of outdoor experiences is developing rapidly.

Consequently, protecting these wilderness areas is no longer simply a question of conservation but also one of great economic portent.

While I think my bill is the best and most reasonable proposal to arise so far, I do not mean to characterize it as the final word on the Idaho wilderness question. Undoubtedly, as we move through this process, we will add and eliminate lands several times until some sort of consensus is reached. The legislation I am introducing today is designed to get the process moving, so that we can put an end to the divisive infighting that has separated the citizens of Idaho for too long.

I strongly encourage you to help protect this priceless heritage and urge your cosponsorship of H.R. 1512. If you have any questions or would like to cosponsor, please contact Emily Gray of my staff at extension 64085.

THE NOBLE AND REWARDING FIELD OF NURSING

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. HOCHBRUECKNER. Mr. Speaker, I rise today to congratulate 29 students from my district who have been awarded regents nursing scholarships. The scholarships are good for up to 5 years of study on campuses in New York State. The students were selected on the basis of a combination of both test scores and grades. They represent some of the brightest students in my district, and I am very pleased that they have chosen to study in the field of nursing.

Two key trends in health care are making nurses in greater demand today than ever before: The aging of our national population, and a growing emphasis on lowering the costs of health care. As the number of older citizens increases, and as hospital stays are shortened, the need for home care is likely to increase substantially. Nurses today are being called upon to fill the gap between available health care services and affordable costs. Studies show that nurse practitioners are cost effective providers for many services covered by Medicare and Medicaid.

Nurses also provide the all-important human element in health care in a society which often identifies technology as the solution to all our health care problems. Unfortunately, we are too often more receptive to funding the latest item in biomedical equipment than offering a nursing scholarship for students entering the health care field. Research has shown that close human contact may be as important as some of the machines that save lives. Nurses offer patients, compassion and concern which go a long way in assuring the patients' speedy recovery. We should encourage others, such as the outstanding students I salute today, to follow their example and enter the very noble and rewarding field of nursing.

MOTION TO INSTRUCT CONFEREES ON H.R. 2 TO REOPEN HEARINGS ON THE MEDICARE CATASTROPHIC COVERAGE ACT

HON. TOM DeLAY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. DELAY. Mr. Speaker, the elderly are speaking loud and clear. We did them no favor when we passed the Medicare Catastrophic Care Act last year. I have heard from hundreds of my constituents and not one of them likes what we've done to them with that bill.

I opposed the Catastrophic Care Act when we voted on it last summer because it puts a heavy tax burden on the hardworking middle-class elderly.

An estimated 80 percent of Medicare beneficiaries had additional health insurance coverage to supplement their Medicare benefits. These people were responsible and planned for retirement. It's not right that these people should be penalized for saving for retirement.

Let's face it. This legislation is a costly disaster. It heavily taxes our senior citizens and provides very little in benefits. The elderly were promised that these new benefits would replace their supplemental insurance policies. Instead, they still must continue their Medigap policy and face a stiff surtax as well.

What's more is that with each day we find more problems with the bill. The Health Care Financing Administration [HCFA] recently reported that the catastrophic drug trust fund which will pay for the highly praised prescription drug benefit will be in the hole almost right from the start.

HCFA estimates that the fund will have a deficit of $4.5 billion by 1993. Under the law, that means seniors could be slapped with another increase in the surtax of 21 percent, a 23-percent increase in Medicare part B premiums or a 68-percent rise in the deductible for the drug benefit from $600 to more than $1,000.

I support this motion to call on Congress to reopen hearings on the Catastrophic Care Act to stop the damage before it is too great.

TRIBUTE TO EVAN K. KLINE, BURLINGTON COUNTY FIRE MARSHAL

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. SAXTON. Mr. Speaker, I rise to salute a constituent, and a friend, who has dedicated most of his life to the service of his community. After 50 years of service as a firefighter in Burlington County, NJ, Evan K. Kline is retiring this week. I ask my colleagues in the House to join with me in paying tribute to this fine public servant.

Evan Kline began his career in 1939 when he went to work for the New Jersey Forest Fire Service where his starting wages were 30 cents an hour. In 1943, he joined the local volunteer fire department in Mount Holly, NJ. At the same time he took up a full-time job as a letter carrier. I understand that at times he was even seen running off to fight a fire with a car full of mail.

Evan's climb up the ladder of rank continued. He served as captain, assistant chief and chief of the Mount Holly Department. In 1965 he was named assistant county fire marshal and 5 years later he was promoted to his present position of Burlington County Fire Marshal.

The fire marshal's office is responsible for providing training on fire fighting techniques, disseminating fire prevention awareness information, coordinating fire fighting efforts with local companies, and investigating crimes of arson. Under Kline's leadership, Burlington County has attained a level of service surpassed by few. They have trained personnel from England, Ireland, Puerto Rico and across the United States. In the area of investigations, Kline's office has a 10-percent convic-

tions rate—a great accomplishment in the difficult business of arson investigation.

Mr. Speaker, Evan Kline has dedicated 50 out of his 67 years to serve the people of Burlington County. In the true mold of the "Public Servant" he does not do it for the money. He does not do it for notoriety. He does it for the satisfaction of helping others. I offer to my colleagues a quote from a recent newspaper article.

When asked why he dedicated so many years of hard work, Evan replied, "you get a certain satisfaction when you help somebody, when you make a rescue or help save someone's property. You just have that certain satisfaction that you have done some good in the world."

Mr. Speaker, Evan Kline has done a lot of "good in the world" and the people of Burlington County, NJ are thankful for it.

A TRIBUTE TO ARTHUR SPIEGEL

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. MORRISON of Connecticut. Mr. Speaker, in 1983, as a freshman Congressman, I had the opportunity to travel to Israel in the company of an exceptional gentleman, Mr. Arthur Spiegel. I rise today, not only to thank him one more time for the fond memories I have of that week, but to recognize the important contributions he has made to the larger community. When Arthur Spiegel retires from his position as executive vice president of the New Haven Jewish Federation on May 31, 1989, the Jewish community will lose a tremendous leader.

Arthur's retirement concludes a chapter in his life of nearly 25 years of service to the New Haven community and to Jewish causes. That service began in 1965 when he arrived from New York where he had worked in the New York regional office of the Anti-Defamation League of B'nai B'rith. He took over as Connecticut regional director, climaxing a 12-year career with the agency that spanned stays in Florida and Nebraska before he came to Connecticut. He then moved on to become executive director of the New Haven Jewish Federation.

Despite his retirement from his official capacity, I know that Arthur will continue to be a strong and important voice for the Jewish community. However, there is one thing which Arthur will no longer continue to do, and that is conducting tours in Israel with the Federation Interfaith Mission. The one he will lead on May 25, 1989, will be his last. The hundreds of New Haveners who have gone to Israel with Arthur know what an irreplaceable gap that will leave.

What made Arthur's trips special are the same things which make him special, a deep and committed love for Israel and for the United States. As a Jew who fought in the War for Liberation, Arthur knows what it is like to be both an American and an Israeli. As a consultant to the Judaic Studies Department at Yale University, Arthur knows the complexities of Israel's historical and political situation. As a good human being who cares about people instinctively, Arthur knows how to communicate his passion for Israel to others. People respect him because they know his words come from the heart.

In leading his trips, he is able to give everyone, whether Jewish or not, a deeper understanding of what it is like to be part of the family of Israel. By avoiding the popular attractions and taking visitors into a supermarket at night, on a midnight mystery walk or to a kubbitz, he makes every participant a part of the everyday life experiences of Israelis. I was so profoundly affected by what I was able to see and experience with Arthur as my guide, that instead of cutting my tour short in order to come back and make an important vote, I flew back to Washington, voted, and promptly returned to Israel to continue the tour.

The New Haven Jewish Federation has been fortunate to have someone of Arthur Spiegel's caliber to help lead it. His energy and spirit have touched many. As a friend of mine and a community leader, I thank him and wish him well in the future.

KEN NOYES, A VOLUNTEER FIREMAN FOR 60 YEARS

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. SOLOMON. Mr. Speaker, my definition of a great American is a person who gives of himself to his community. Such an American is Ken Noyes, who will be honored for 60 years of service with the Jonesville Volunteer Fire Company in Saratoga County, NY.

Those of you who come from rural districts know how important the contribution of volunteer fire squads is for the public safety of their communities. Without a doubt, they must save countless lives and billions of dollars' worth of property. I was a volunteer fireman for many years in my hometown of Queensbury, so I know the sacrifices of time and covenience made by our volunteer firefighters.

Ken Noyes has been making those sacrifices for 60 years, and his community is all the richer for it.

Mr. Speaker, his friends, fellow-volunteers, and family will be honoring him at the Jonesville Methodist Church on May 13. Please join me in saluting Ken Noyes, a great American.

COMMENDATION TO MEXICAN AMBASSADOR GUSTAVO PETRICIOLI

HON. JIM BATES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. BATES. Mr. Speaker, I would like to commend Gustavo Petricioli, Mexican Ambassador to the United States, on his efforts in expediting the deportation of Ramon Salcido to American authorities on April 20.

On Friday, April 14, Ramon Salcido, a Mexican citizen living in the United States, brutally killed his wife, two daughters, and his employer in Sonoma County, CA. He also seriously injured another daughter and a coworker. Salcido subsequently fled to Mexico and was arrested 6 days later through a joint effort by Mexican police and United States agents.

Due to the efforts of Ambassador Petricioli, Salcido was subsequently deported from Mexico to the United States for a criminal trial. Because he has lived in the United States for the past 9 years, Salcido was considered by authorities as a resident of the United States and could consequently be deported for entering Mexico illegally. Without such efforts, extradition hearings and procedures would have delayed considerably the prosecution of Salcido for his brutal crimes.

The efforts of Ambassador Petricioli in this matter demonstrate his commitment to perpetuate close and positive relations between our country and the Government of Mexico. I would like to commend his work on this matter, and look forward to continuing our mutual efforts as good neighbors.

POLISH CONSTITUTION DAY

HON. DONALD E. "BUZ" LUKENS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. DONALD E. "BUZ" LUKENS. Mr. Speaker, I am proud to join with Poles worldwide in commemorating the 198th anniversary of Polish Constitution Day. Recognizing their struggles and dedication to freedom, this year's celebration will be particularly special due to the recent victories and reinstatement of Solidarity.

The Polish Constitution was one of the great documents of mankind. Adopted on May 3, 1791, it was an exciting achievement which captured the very spirit of the age. The French and American revolutions had occurred just years ago, and the beliefs of the French Declaration of the Rights of Man and undoubtedly our own Constitution helped lay the foundation for their work. The time for reform had come in Poland.

The work on the new constitution was a time consuming process. It started with the Four Years Diet in 1788 and took 3 years to hammer out. Many conflicting interests within the Diet worked against each other. Eventually, the King and the reformers won through, and the Constitution of 1791 was drawn up. Its provisions were thrilling: religious freedom, election by secret ballot, and a modern, democratic legislature. President George Washington himself remarked upon the great strides that Poland had made in the pursuit of liberty.

Today, the Polish people are no less bent on achieving freedom and justice than they were over 200 years ago. The struggle of our modern times is no less challenging to these reforming forces and certainly no less essential. The great Communist sprawl of the Soviet Union has cast a shadow over liberty in Poland, but they cannot ever quench its fire. The courage and determination of the Solidarity movement stands proof to the fact.

In commemorating Poland's great Constitution of 1791, we must recognize the tremendous efforts, past and present, that the Polish people have made for the goal of freedom. Poles across the world can stand proud of their past and confident of their future. A great people so inflamed with liberty will not long be held down by the forces of oppression, no matter how intimidating they might be.

BARD MANUFACTURING CO. CELEBRATES 75TH BIRTHDAY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. GILLMOR. Mr. Speaker, I rise today to congratulate Bard Manufacturing Co. of Bryan, OH, on the celebration of the company's 75th birthday. Bard Manufacturing is in Williams County, in the western part of Ohio's Fifth Congressional District. With their more than 300 employees, Bard Manufacturing is one of America's leading manufacturers of furnaces, heat pumps, and air conditioners.

Mr. Dale Bard founded this family-owned firm in 1914. His son, Mr. Randolph Bard, guided the company for 54 years, until his retirement in 1981. And now, the company is run by Jim and Richard Bard, grandsons of the original founder. Now, Jim and Richard's children are also involved in the company. This is clearly a great family business that has withstood the test of time and the winds of change.

Mr. Speaker, I am proud to have this opportunity to commend Bard Manufacturing Co. as they celebrate their 75th year. I am very proud to represent the many employees who make Bard Manufacturing a successful company in northwest Ohio.

IN RECOGNITION OF GREEK INDEPENDENCE DAY, MARCH 25, 1989

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. SCHUETTE. Mr. Speaker, I rise today to honor Greek Independence Day. The legislation designating, March 25, 1989, as a National Day of Celebration of Greek and American Democracy was first signed into law in 1985. The Grecian republics were the basis for our modern day democracies, and I join in honoring their historic struggle for freedom which began in 1821.

In the Federalist Papers, James Madison and Alexander Hamilton wrote, "Among the confederacies of antiquity the most considerable was that of the Grecian republics * * * From the best accounts transmitted of this celebrated institution, it bore a very instructive analogy to the present confederation of the American States."

In modern times the ties between Greece and the United States have grown strong through the immigrants who have come to the United States. In fact during the early 1900's, one of four Greek males between the ages of 15 and 45 departed for the United States.

Mr. Speaker, I ask that you join me in saluting the great heritage of the Greece, their historic struggle for freedom, and the continued contributions from their citizens to our society.

PAT RINALDI GAINS NEW HONORS

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mrs. MORELLA. Mr. Speaker, I want to bring to the attention of my colleagues the outstanding athletic achievements of a longtime Hill aide, Pat Rinaldi, who is a resident of Bethesda, MD, in my Eighth Congressional District.

On May 5, Pat, who has been the Nation's top ranked women's duckpin bowler six times and who has set five world's records over the years, will be inducted into the National Duckpin Bowling Congress' Hall of Fame.

To say that Pat is an all-star is an understatement. She has won three pro tour events and the duckpin all star tournament, served on three U.S. women's international duckpin teams, served as founder and director of the annual ladies all-star classic tournament in Maryland, been named Bowler of the Year on the ladies pro tour twice, and been ranked nationally 18 times. She has appeared on television many times as a spokesperson for duckpins, and has been featured in numerous national articles on the sport.

Pat has an enviable record on the Hill as well. Currently an aide to Congressman ALFRED A. MCCANDLESS of California, she previously served with three other California Congressmen: James Utt, John Schmitz, and Clair Burgener.

Pat is from a long-established Maryland family, and her parents, Nicholas and Victoria Rinaldi, live in Rockville. Her father is one of the largest independent bowling proprietors in the country.

I know my colleagues join me in saluting the many achievements of Pat Rinaldi.

CELEBRATING THE CALIFORNIA CONDOR

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. LOWERY of California. Mr. Speaker, I rise today in celebration of the birth of a beautiful California condor chick at the San Diego Wild Animal Park. Only the second of the near-extinct species to be hatched in captivity, this healthy, new arrival represents an important step toward reintroducing North America's largest land bird to the wild.

The chick, named Mandan after an Indian tribe in the eastern Rockies, joins the 15 other remaining condors at the San Diego Wild Animal Park and the 14 remaining at the Los Angeles Zoo. The U.S. Fish and Wildlife Service, which is overseeing the condor's recovery, hopes that more birds can be nurtured in captivity so that the condor can one day survive on its own in the wilderness.

There is no question that the United States has mistreated and neglected its indigenous wildlife during the course of this century. In the case of the condor, however, we now have a unique opportunity to correct one of our mistakes. The California condor may not be one of nature's most endearing creatures, but we have an obligation to do whatever we can to protect it from extinction. The bird's continued survival will show that our country has become more protective of its fragile environment.

In 1987, the Federal Government bought 13,600 acres of rugged, untouched land in southern California. If the condors do make a comeback, they will forever have this sanctuary to call their home. Let us hope that Mandan survives and that the three other fertile eggs at the Wild Animal Park hatch this summer.

Mr. Speaker, I praise San Diego's Wild Animal Park for their patient and gentle care of this endangered bird. Their efforts have given us hope for a constructive future.

HONORING MISSOURI SMALL BUSINESSMAN OF THE YEAR

HON. JACK BUECHNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. BUECHNER. Mr. Speaker, I rise today to honor Mr. Mendel Rosenberg, the Missouri Small Businessman of the Year. Mr. Rosenberg is the embodiment of the American dream and his success is an inspiration to us all.

Most immigrants have their own special story of the hardships endured before they reached our great Nation. Mr. Rosenberg's experience is one such remarkable story. He is a survivor of the Nazi concentration camp of Dachau. After the camp was liberated in 1945, Mendel immigrated to the United States, with only $10 in his pocket.

He settled in the Youngstown, OH, area and started working for a neighbor. Although he was fluent in six languages, he could not speak English. So he used his spare time to study English and earn a high school degree. He also served in the Korean war before he became a United States citizen. After the war, he moved to the St. Louis area to work for the Benada Aluminum Co., a manufacturer of windows.

Mendel worked for Benada until 1967, when he and his wife Sandy decided to start their own window company. They named the company Delsan; a combination of their names. During the first few years, Delsan struggled for survival. However, the days of struggling have long since past. Delsan began with 7 employees and today boasts more than 100 employees. The manufacturing facilities have increased from 13,000 square feet to over 67,000 square feet. Finally, gross revenues for Delsan have grown from $139,000 to over $6 million. Not bad for a guy who started with $10 in his pocket.

Delsan epitomizes an American small business success story, and Mr. Rosenberg embodies the American dream. He has taken an idea and turned it into a success. Mr. Rosenberg also serves as an example of how hard work and dedication lead to the path of success. He overcame enormous obstacles to become a successful businessman.

I ask my colleagues to join me in saluting the Missouri Small Businessman of the Year, Mendel Rosenberg. He has demonstrated what it takes to be both a successful businessman and outstanding citizen. I cannot think of a more fitting recipient.

TRIBUTE TO DR. KENNETH MAHANES

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. McEWEN. Mr. Speaker, I would like to call to the attention of my colleagues and the Nation a truly special celebration at the Far Hills Baptist Church of Dayton, OH.

On Sunday, May 7, Dr. Kenneth Mahanes, senior pastor at Far Hills will celebrate his 10th anniversary with the church. During his 10 years, Dr. Mahanes has presided over a period of tremendous spiritual and numerical growth in the church. Today, Far Hills Baptist Church is Ohio's largest Southern Baptist Church.

But Dr. Mahanes' imprint can be seen well beyond Far Hills. Dr. Mahanes has been active in efforts to halt the spread of pornography and end the atrocity of abortion. Under the direction of Dr. Mahanes, the Far Hills Baptist Chruch is the spiritual home for numerous families that have provided community and civic leadership in preserving traditional values and raising the quality of life throughout the Miami Valley.

While Dr. Mahanes faithfulness to his church and community is appreciated by all of us, Dr. Mahanes also provides sound leadership to the Southern Baptist Convention as a member of the executive committee of this important policymaking body. Dr. Mahanes' efforts have positively affected the Southern Baptist Church across our Nation.

Most notably, however, is Dr. Mahanes' humble spirit. Despite his considerable accomplishments and ongoing service to his church, he has always given honor to those around him, never seeking the spotlight for himself despite considerable opportunity to do so. When the members of Far Hills Baptist Church are asked about Dr. Mahanes' most admirable quality, they will certainly mention the great humility with which Dr. Mahanes—as well as his wife, Evelyn, and his sons, Mark and David—serve the congregation and the church.

Mr. Speaker, the Apostle Paul writes in his first letter to the church in Thessalonia, "We beseech you Brethren to know them which labour among you, and are over you in the Lord to esteem them; very highly in love for their work's sake."

I ask my colleagues to join the Far Hills Baptist Church and me in a heartfelt congratulations to Dr. Kenneth Mahanes for 10 years of devoted service to a great body of devoted believers.

NATIONAL CEMETERY IN NORTH TEXAS

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. BRYANT. Mr. Speaker, yesterday the House Appropriations Subcommittee on HUD and Independent Agencies held a hearing. Due to a previous engagement, I was unable to attend. Consequently, as a member on leave from the House Veterans' Affairs Committee during my Budget Committee service, I rise today in support of a request made by Dallas/Fort Worth area civic and veterans organizations for Federal funding of no less than $200,000 in the fiscal year 1990 HUD-independent agencies appropriation bill. The funds will be used to conduct an environmental impact study required to establish the congressionally approved national cemetery in north Texas.

Texas has the third largest veteran population in the country and one-third of all Texas veterans reside in the 44 county north Texas area—far more in that are alone than in many other entire States. In its 1987 report on the national cemetery, the Veterans' Administration identified Dallas/Fort Worth as one of 10 U.S. geographical areas most in need of additional burial space for veterans. Congress authorized the establishment of such a cemetery in the Dallas/Fort Worth area in Public Law 99-576.

Texas currently has three national cemeteries located in San Antonio, Houston, and El Paso. Veterans and their families living in the Dallas/Fort Worth area, however, have to travel 300 miles or more to visit these cemeteries. Furthermore, as the elderly continue to migrate to Texas from other States, there is widespread concern that the remaining burial space in these three cemeteries will become increasingly insufficient to meet the burial needs of the Texas veteran population.

A number of locations in the area have been identified and are available for donation to the VA for construction of a national cemetery. On behalf of the approximately 995,000 north Texas veterans and their spouses, I ask that the subcommittee support this proposal for funding of the initial EIS, which is required by Federal law before site selection and construction can begin.

We greatly appreciate your consideration.

EMIGRATION POLICY CHANGES IN THE SOVIET UNION

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. YATES. Mr. Speaker, as one who has been involved in the cause of international human rights for a number of years, I am encouraged by recent developments in the Soviet Union. I welcome the changes that are taking place and I am delighted by the increasing number of families and individuals that are now being permitted to emigrate. In particular, I am most heartened by the news that Mr. Abe Stolar, a native of Chicago, has at long last left Moscow and is now living in Israel. It is my understanding that he will also be visiting Chicago later this spring where I know he will receive a warm and enthusiastic welcome.

But we have experience with the emigration policies of the Soviet Union and I know that what is good today can be quite dismal tomorrow. That is why it is important to take a few moments to remember that Jews in the U.S.S.R. remain a repressed minority and that their safety and well-being depends very much on the support of informed and committed people in this country and around the world. That is the message that we receive from those who have emigrated and I wish to emphasize that point today.

LEGISLATION TO PROVIDE EQUITY FOR RAILROAD RETIREES

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. WILLIAMS. Mr. Speaker, today I am introducing two separate bills which will help provide equity for railroad retirees and other retirees so they are on a par with Social Security beneficiaries.

The first bill—The Retirement Payment Delivery Assurance Act of 1989, would provide for the timely delivery of certain Federal pension checks when the day normally scheduled for delivery falls on a weekend of a legal public holiday. In 1977, Congress authorized early delivery of Social Security and Veterans' Administration checks in these instances. This bill provides for the same timely delivery for railroad retirees, civil service retirees, military retirees, black lung beneficiaries, Foreign Service retirees, and Central Intelligence Agency retirees.

The Post Office receives Federal benefit checks for delivery on a specified date, usually the first or the third of the month. Because of the 1977 legislation, Social Security and veterans' beneficiaries now avoid potential hardships of up to 3 day delays caused by Monday holidays. Unfortunately, the same provisions does not apply to other retirees—numbering nearly 5 million. This legislation corrects this inequity. This bill is identical to H.R. 4884, which I introduced last session with an addition of making sure that timely withdrawal apply for those individuals who have their checks deposited for them.

The second bill—The Railroad Retirement Medicare Equity Act of 1989, will amend title XVIII of the Social Security Act to provide the same limitation on increases in deductions for Medicare part B premiums from railroad retirement annuities as currently applies to Social Security. What this means is that any increase in part B premiums for Medicare cannot exceed the amount of the cost-of-living in-

crease in the annuity. Legislation has already been enacted providing this consideration for Social Security recipients—this bill would provide equity for railroad retirees. This legislation is identical to H.R. 4885, which I introduced last session.

I urge my colleagues to join me in supporting these two bills which will provide some important relief for our retirees.

MEDICARE CATASTROPHIC EQUITY ACT

HON. HARRY A. JOHNSTON II

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. JOHNSTON of Florida. Mr. Speaker, today I am introducing the Medicare Catastropic Equity Act of 1989. Since January, I have received 260 to 300 letters a week on the subject of the Medicare Catastrophic Coverage Act of 1988, and virtually all of them are critical of the funding mechanism that is now law. I propose that we step back and look again at how we should fund this important coverage, particularly in light of Senator BENTSEN'S findings that revenues generated from the act are "now more than twice the amount originally projected and far in excess of that required to reach the reserve * * * called for by the law."

The truth is, all those seniors who have been deluging us with mail have been far more accurate than we realized. The sad reality is that we are about to use the excessive revenues being collected from their pockets to mask the Federal budget deficit. Instead of adjusting the formula to achieve more fairness and accuracy, the intention is to keep the money rolling in and make us all look a little bit better. It wasn't fair before. It's even worse now.

My bill, the Medicare Catastrophic Equity Act of 1989, will delay implementation of expanded benefit coverage under Medicare Part B and the supplemental premium for 1 year. It will also mandate the General Accounting Office to evaluate the cost and effect of the expended benefits coverage on the beneficiaries and seek alternative ways to fund them that would be fair and equitable. As it stands today, the Medicare Catastrophic Coverage Act does not meet that test. I urge your support.

MISSISSIPPI RIVER NATIONAL HERITAGE CORRIDOR ACT

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. COSTELLO. Mr. Speaker, I want to join my colleagues today in calling attention to the Mississippi River National Heritage Corridor Act of 1989. This act will create a commission to look at economic development possibilities along the Mississippi River through 10 States, including my home State of Illinois.

I have spent my whole life in Illinois, and I can tell you that the Mississippi River and the people who live along that river have a rich history to tell about America's past. It is also an area that plays a significant role in our country's economy as a hub waterway for commercial transportation.

Given its historical past, the river has great potential for tourism. As the central waterway for America, the river is a part of the life and times of the city of New Orleans, part of the tales of Mark Twain, part of the discovery of the Western territories and a great part of the growth of the Midwest.

The Commission created in this bill will provide information about the river and its opportunities, and will work with local governments on ways to preserve the river and tap into it for the benefit of economic development. In fact, Mr. Speaker, this is even happening in my own district, where the city of Alton is considering the construction of a boat marine on the Mississippi as a way of enhancing tourism and development to the downtown area.

As an original sponsor of this bill, I want to ask my colleagues to support this bill as a way to realize the protective measures that the Mississippi River deserves.

NAMIBIA'S FREE AND FAIR INDEPENDENCE PROCESS

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. MFUME. Mr. Speaker, like so many Americans, I, too, receive a great deal of my information from the media. As a U.S. Congressman, I also have early access to other sources of public information from, for example, the Library of Congress, official Government studies, and private research groups. Nevertheless, I have awaited in vain for information concerning the events surrounding the April 1 commencement of U.N. Resolution 435. The Washington Post and the New York Times, for example, have related only that information provided by the South African military in Namibia. Having long ago concluded that the South African Government has systematically sponsored and funded a propaganda campaign of lies and misinformation, I was skeptical about news reports concerning their version of the military incursion of South West Africa People's Organization [SWAPO] forces into Namibia from bases in Angola.

The facts have slowly made their way to the Capitol. Three separate documents tell of what really happened and why, they are: the Nation, May 1, 1989, Jane's Defense Weekly, volume 11, No. 15, and a report from the Lawyers' Committee for Civil Rights Under Law's Southern Africa Project. Mr. Speaker, several points come to light that I would like to take time to address: One, the media reports we have received thus far have only related the South African Government's view of the events; two, the United Nations has been manipulated by some Security Council members and the Government of South Africa; three, the U.N. Transitional Assistance Group [UNTAG], which will monitor the cease-fire, is underfunded and late in its deployment, and four, the events as related by eyewitnesses support a very different conclusion than we have been led to believe.

According to Gay J. McDougall, director of Southern Africa Project, Alexander Cockburn of the Nation, citing eyewitnesses, David Beresford of the Guardian and Dudley Viall, deputy director of communications for the Council of Churches in Namibia, the facts are these: SWAPO units journeyed south as cease-fire day—April 1—approached. They were instructed by their commanders to seek out UNTAG forces in Namibia where they would be escorted to holding areas under U.N. protection. Instead, the returning SWAPO units encountered battalion 101, the notorious Koevoet, who fired first, ambushing the unsuspecting troops. Inspection of corpses reveals that most were not killed during the firefights but rather at close range by small caliber weapons to the face. Inspection of one battle site reveals that the SWAPO units were eating a meal and not acting as a hostile force.

According to Tony Banks and Thalif Deen of Jane's Defense Weekly, April 15, 1989, the facts are these: United Nations' peacekeeping force has a projected deficit of $1.5 billion, it was 3 weeks behind its own schedule for deployment in Namibia, the Security Council has reduced the number of troops, police, and election supervisors. All these factors contributed to the small UNTAG force in place to prevent what turned out to be the heaviest fighting in the 23-year-old war between South Africa and SWAPO. It is the opinion of some that these are sufficient reasons to explain: One, how Koevoet precipitated the carnage on SWAPO personnel, two, how South Africa managed the international media concerning the incursion, and three, why the U.N. agreed to allow South Africa to dispatch additional security forces without independent verification of the events.

Mr. Speaker, the U.N. Security Council should cooperate in the implementation of Resolution 435. The news media should make good on their unquestioning regurgitation of the South African security force's propaganda and print the facts as they are now understood. The International Court should investigate the events on and after April to determine the degree of South Africa's barbarity. After 74 years of South African occupation of Namibia, SWAPO commanders have no excuse for naivete in regards to U.N. capabilities or Pretoria's intentions, and neither should we.

AGENDA FOR KEEPING AMERICA'S FAMILIES TOGETHER

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1989

Mr. PEPPER. Mr. Speaker, as chairman of the House Select Committee on Aging's Subcommittee on Health and Long-Term Care, I join with all those who have been involved in advocating meaningful changes to improve conditions for the people of our Nation. I want to commend Members of the 100th Congress for their foresight to enact a number of impor-

tant bills that will be of great assistance to older persons and their families. One of the most significant was the creation of the U.S. Bipartisan Commission on Comprehensive Health Care which was an amendment to the Catastrophic Health Care Act passed by this Congress and signed into law by the President. This Commission, legislation for which I had the pleasure to author, will submit to the Congress, within 1 year, two immensely important reports. The first will detail how the Congress might finance and administer a program of long-term care for all Americans and the second will detail how we might finance and administer a program of comprehensive health care for all Americans. This Commission will for the first time in the history of the United States attempt to come to agreement on how every man, woman, and child in America can have the benefit of appropriate health care, regardless of income or ability to pay.

There have been many other important accomplishments on behalf of the elderly and their families in the 100th Congress. We created the 13th Institute of Health—the National Institute on Deafness and Communications Disorders. This new Institute will hopefully bring about new knowledge and cures for over 30 million Americans, half of whom are elderly, who have been robbed of the ability to hear and to speak correctly.

Also enacted last year was legislation establishing the National Biotechnology Information Center within the National Library of Medicine. This Center marks an important step toward improving the quality of lives for all Americans. Biotechnology, the branch of science focusing on DNA and the molecules which control the life processes, is one of the most promising areas of medical research. If we can understand genetics, we will begin to understand why disease occurs in certain individuals. We will then be on our way to solving the puzzles of Alzheimer's disease, arthritis, cancer, AIDS, and other ailments for which the cure has so far eluded us. This new Center, which will speed the dissemination of crucial information to researchers worldwide, will vastly improve the health status of all Americans in the future.

Tragically, despite these accomplishments, this last Congress did not see fit to enact a program of long-term health care nor a program of comprehensive health care for all Americans. The Congress has not yet adopted procedures for protecting those living under abusive guardianships, nor do we allow older Americans to continue working beyond the age of 65 without penalty of Social Security reduction or taxation.

Today, I am pleased to offer for consideration of my colleagues in the House an "Agenda for Keeping America's Families Together." This legislative agenda will meet the pressing needs of America's aging and changing families for better health care, housing, personal security against criminal victimization, employment, and retirement income.

We are far from the point where we can say that the job is done, but we will not cease our efforts. In this Congress, we will continue our fight for the rights of America's families. Their needs are many:

HEALTH

First, there is nothing more critical to the well being of an individual than his or her own health. Our health care system in America is failing. It is failing the 37 million Americans who have no health insurance. It is failing 1 million Americans of all ages who go bankrupt annually paying the costs of catastrophic long-term illnesses. It is failing the thousands who die annually unable to pay for a life-giving transplant. It is failing American business by cutting their competitive edge due to our inability to control costs and double-digit health care inflation. It is failing thousands of technology-dependent children who are forced to live out their last days in costly and uncaring hospitals because of our health system's bias against home care. Health is the fastest growing industry in America accounting for about 12 percent of the gross national product, yet it is failing to provide Americans with fundamental health care protection. Instead, it is becoming simply a privilege few can afford.

We must enact legislation recognizing that it is one's birthright to obtain the best health that modern science can provide. We can't afford not to. During the 100th Congress, while the catastrophic illness bill was under debate, Congressman HENRY WAXMAN offered my bill to create a bipartisan Commission on Comprehensive Health Care as an amendment to the catastrophic illness bill. This Commission is now required by statute to present Congress with recommendations on how to finance and how to administer a program of long-term care for all Americans and how to finance and how to administer a program of comprehensive health care for all Americans by November 9 of this year. This historic mandate is unprecedented in the history of the United States. Hopefully, the Commission will lay before the Congress a legislative package upon which it can act to provide comprehensive health care to all Americans.

Pending the Commission's recommendations, the current institutional bias of Federal policy must be changed, so that thousands of chronically ill Americans are not deprived of home health care by present provisions emphasizing more expensive nursing home care. Last year, the Congress approved the Catastrophic Health Care Act and in doing so sought to improve burdensome costs associated with acute catastrophic illnesses. Eighty percent of catastrophic health care expenses, however, are for long-term chronic illnesses. To meet these costs, many families are forced into bankruptcy or poverty—1 million each year. Neither Medicare, nor Medicaid provide significant assistance in these cases. Private insurance policies are similarly limited. Yet, the burden is enormous:

Over 10 million children are said to have chronic health conditions;

More than half a million accident victims are left permanently disabled each year;

Over 20 million Americans have chronic heart conditions;

Ten million Americans have chronic lung conditions;

One of every three seniors will have a chronic health problem that requires long-term care by the age of 85;

Others have chronic conditions as diverse as Cerebral Palsy, Lou Gehrig's disease, Huntington's disease, mental illness, cancer, arthritis, strokes, and Alzheimer's disease.

Congress should enact legislation I have introduced that would meet the enormous challenge of providing long-term care to chronically ill Americans. Such legislation should protect Americans of all ages, regardless of income, who have been certified to be unable to perform two or more normal activities of daily living—eating, bathing, dressing, transferring, or toileting—without assistance. Services delivered should be closely monitored and managed to assure efficiency and effectiveness. Costs should be tightly controlled and should not exceed the cost of providing similar services in a hospital or nursing home. It should be self-financed and progressive. Public opinion surveys indicate enormous support for eliminating the cap—$48,000 in 1989—on income subject to the Medicare payroll tax of 1.45 percent which would generate income sufficient to pay for the program in its entirety. This change affects only those 5 percent of workers who earn more than $48,000 in individual income—not family income.

Every public opinion survey indicates overwhelming support for long-term care protection. A recent Lou Harris poll, for example, found that 8 of every 10 Americans favor the Federal Government providing a program of long-term home care for all ages. And, three-quarters of all Americans were in favor of paying for this new program by eliminating the $48,000 cap on income subject to the 1.45 Medicare payroll tax. Interestingly, the poll found that three-quarters of those who would actually pay the tax—those making over $48,000—were willing to do so for a program of long-term care.

Lastly, while we were successful in enacting legislation I sponsored last Congress establishing a National Center on Biotechnology Information, much remains to be done in this vast and exciting field of research.

The Congress should give funding priority to efforts underway at the National Institutes of Health to map the human genome. In understanding the makeup of the human gene, we will begin to understand why disease occurs in certain individuals. We will then be on our way to solving the puzzles of Alzheimer's disease, arthritis, cancer, AIDS, and other ailments for which the cure has so far eluded us. I am confident, and prominent scientists have echoed this view, that we will see continued progress in the area of natural interventions. Through biotechnology, we will hopefully unlock the mysteries of diseases and so improve the health status of every American in the future.

RETIREMENT INCOME AND EMPLOYMENT

Mr. Speaker. With the following words, President Franklin Delano Roosevelt began the greatest and most successful public program in our nation's history, social security: "I am looking for a sound means which I can recommend to provide at once security against several of the great disturbing factors in life—especially those which relate to unemployment and old age * * *."

No single function of government affects as many Americans as profoundly as the Nation's social insurance systems—Social Secu-

rity. America's aged receive a monthly retirement check, and more than 4 million disabled workers and their spouse and children receive disability insurance benefits every month. Altogether, more than 38 million beneficiaries receive a check every month, and over 120 million workers contribute through the payroll tax to Social Security.

Between its inception in 1935 and now, Social Security has transformed the economic well-being of virtually every man, woman, and child in America. The dramatic reduction in the incidence of poverty among the aged, for example, can be attributed almost completely to Social Security. Without Social Security, in fact, the poverty rate among the elderly would nearly quadruple—jumping from 12.4 to 47.6 percent in 1984. Social Security is the primary source of income to more than half of those aged 65 and over, and it is the sole source of income for 1 out of every 4 older Americans.

Many Americans think of Social Security as a pension program for older Americans. Social Security is far more important. It is more broad-based and comprehensive than any pension program. Our Nation's 120 million contributing workers are building vital protection for themselves and their families. Social Security plays a key role in keeping America's families together. It is important for current workers not only because of the retirement, life, and disability protection it provides when needed, but also because it relieves them of the financial burden of caring for parents or disabled family members giving independence and dignity to each generation.

Currently about 140 million people of all ages are insured in the event of death or disability, and 95 out of 100 children have inflation-proof survivor protection. In sum, Social Security is not an old age program—it is a program for the ages and for all ages.

While the 1983 Bipartisan Commission on Social Security, of which I was privileged to be a member, developed legislation assuring a strong, solvent, and sound Social Security system well into the next century, there are improvements to Social Security that deserve the immediate attention of the Congress in its continuing effort to make Social Security even sounder and stronger than it is now.

First, the Congress should make Social Security an independent agency in 1989. When first created it was an independent agency. And, as a member of the 1983 Social Security Commission, I and other Commission Members recommended that it be made an independent agency once again.

In addition to independent status, we must also give the Social Security Administration sufficient staff to operate the program effectively. For the past 8 years there has been a continuous attack on Social Security staff. Staff has been cut by nearly 15,000 or 20 percent. These dramatic cuts make it more difficult for many to get benefits—especially disability benefits—to which they are rightfully entitled and serve to undermine public confidence in the program. As a first step we should at least stop any more cuts to Social Security staff and eventually we should restore all cuts.

Second, beginning in 1984, up to one-half of Social Security benefits became subject to taxation for beneficiaries whose incomes exceeded certain base amounts—$25,000 for single taxpayers, $32,000 for married taxpayers filing jointly. The taxation of benefits, an unfortunate compromise of the Social Security Bipartisan Commission, is simply a cut in benefits and should not have been adopted. Legislation to eliminate taxation on these benefits should be enacted at the earliest possible time.

Third, in order for a Social Security beneficiary to qualify for his or her entire benefit at the time of eligibility they are prohibited from earning more than $6,480 from age 62 through 64, or more than $8,880 from age 65 to 70. For every two dollars above those amounts that a person earns their benefit is reduced by one dollar. This is called the earnings test. Legislation should be adopted eliminating the "earnings test." It penalizes older workers who wish to continue working and contributing directly to their own benefit. As a society, we should be encouraging, not discouraging, productivity among people regardless of age.

Lastly, we should act to raise the Social Security death or funeral benefit to a level sufficient to reflect the actual cost of a low cost funeral and tie future increases in the benefit to the rate of inflation. The Social Security death benefit, only $255, has not been increased since the inception of the program and falls far short of assisting surviving spouses for who a funeral is oftentimes a bankrupting experience.

Aside from assuring older Americans and their families appropriate protection from earnings lost due to retirement, disability or death, it is imperative that the Congress take necessary action to protect American workers against discrimination on the basis of age in the work force. In 1978, the Congress took action to prohibit age discrimination in employment in the public sector. Again, in 1986, the Congress extended the same protections to those in the private sector. Now, however, it is important for the Congress to take the final step and eliminate age discrimination in employment altogether by banning the mandatory retirement of certain occupations which remain outside the protection of the Age Discrimination in Employment Act. They include several groups of Federal employees, including foreign service officers, Central Intelligence Agency personnel and air traffic controllers. Also excluded are elected state and local officials and those for whom age is a bona fide occupational qualification reasonably necessary to normal operations of a particular business, that is, airline pilots.

Evidence from many sources points to the need to act swiftly to eradicate the remaining vestiges of age bias in the workplace. Just as race and sex are no indicators of competence or employability, so should age never be used as a determinant of one's worth.

HOUSING AND BOARD AND CARE HOMES

Over the past 8 years, the Federal role in housing has been reduced significantly with cuts in outlays approaching 75 percent. The need for affordable and adequate housing options for low-income older Americans promises to increase dramatically over the next 20 years. The Congress must act to reverse the current reduction in new construction of federally assisted housing.

In addition, while many older Americans—about 70 percent—own their own homes, the majority of these homes are 40 years old or older and badly in need of repair. Living on fixed incomes, most seniors are ill-equipped financially to maintain repairs on their homes and often are required to prematurely seek institutionalization or housing in a less costly environment. We should consider enacting legislation which would assist elderly and their families preserve dignity and independence in the later years of life by providing tax credits for home improvements necessary to maintain a safe living environment.

One of the most troublesome aspects of our housing and health care system today involves board and care homes in America. My Subcommittee on Health and Long-Term Care recently completed it's 10 years investigation into the adequacy of such housing in our country today. They found that most of the 1 million elderly, disabled and mentally ill persons who reside in board and care homes are being warehoused in understaffed, unregulated, shoddy, and unsafe facilities. Although the abuse is so broad and systemic as to be evident in every State of the Union, neither the State governments nor the Federal Government, which spend an estimated $7 billion annually on these facilities, have evidenced any concern for their residents' safety and welfare, leaving this vulnerable population largely unprotected and exploited.

To validate our findings we conducted unannounced visits in 1988 and 1989 to both licensed and unlicensed board and care homes. In all, we interviewed over 2,500 residents in 46 homes in 10 States. We witnessed an incident of fraud, waste, or abuse in literally every State we visited.

Unfortunately, there is little incentive for States to take corrective action to curb these abuses which they acknowledge are increasing in number and are unlikely to abate. Over the last two decades, the States have been under tremendous pressure to shift thousands of mental patients, the elderly and the handicapped, out of State mental hospitals and into board and care homes, where the cost of their care can be shifted from the State to the Federal Supplemental Security Income [SSI] Program. Our figures show that States have reduced their mental patients from 500,000 in 1969 to only 100,000 in 1987. Meanwhile, the cost to maintain an individual in a mental institution increased substantially—from $5,626 in 1969 to $41,131 in 1987!

The General Accounting Office confirmed our subcommittee's findings and further found that the States are not enforcing the Keys amendment which was enacted by the Congress in 1972 to protect residents of board and care homes. Thus, the only legal remedy available to board and care residents is simply ineffective.

The Federal Government should adopt standards to provide for the adequate protection and care of board and care residents in the same manner that we require standards of care be met in our Nation's nursing homes. Overall, State oversight of board and care homes is atrocious. Ten States have no standards at all. We must establish and enforce national minimum standards of care and

protection—including a bill of rights for residents—for all homes providing care to two or more unrelated elderly or disabled individuals receiving SSI. Once properly licensed, then we should allow residents to retain their eligibility for receipt of benefits they would have received in their homes such as food stamps, public assistance, and energy assistance. We should increase the minimum SSI payment for residents of licensed board and care homes. Seventy percent of all residents pay rent with the entirety of their SSI checks, the national minimum of which is $360 a month. Lastly, States need to make a determined effort to track and close down, if necessary, unlicensed and illegal board and care homes.

CRIME AND VICTIMIZATION

Mr. Speaker, you may be aware that the Subcommittee on Health and Long-Term Care, which I chair, has over the past decade investigated a wide variety of frauds against Americans of all ages.

These fraudulent schemes assume a wide variety of forms, including travel scams, bogus medical remedies and other types of health fraud, investment schemes, land fraud, and the sale of worthless yet costly insurance. Each and every one of us has had countless numbers of constituents who have been duped by the perpetrators of these activities.

There can be no doubt that fraud is currently a profitable business. Hearings conducted by our subcommittee revealed that our citizens were being defrauded out of $10 billion per year through phony medical cures and procedures alone. Taken together, the cost of all types of consumer fraud is astronomical.

The time has come to take action. The existing mail and wire fraud statutes have two serious shortcomings which hamper their effectiveness in protecting consumers. First, under current law, the perpetrator of a fraud, no matter how large or serious in scope, is often allowed to keep the profits and proceeds from his or her illegal scheme after serving a brief sentence and paying a negligible fine. Second, the law does not contain any effective provisions to assure that the victims of fraud are compensated for their losses.

Consumer protection would be greatly enhanced by correcting these two deficiencies through legislation I have introduced called the Fraud Victims Restitution Act. It would make the practice of fraud much less attractive by providing for both civil and criminal forfeiture for mail and wire fraud—allowing the Government to deprive violators of their illicit profits before they have an opportunity to dispense with or hide them. This mechanism, which contains proper safeguards to protect the property rights of innocent third parties—including creditors—has proven effective in combating drug trafficking and the peddling of child pornography. Administrative costs would be minimal and would be borne out of the funds seized.

More importantly, the Fraud Victims Restitution Act would require that the profits and proceeds seized from the fraudulent schemers be returned to the rightful owners, the victims. Often now, the victims of consumer frauds never see their money again. For some victims, that means that their home or life savings are gone forever.

The Fraud Victims Restitution Act, developed through close consultation with national consumer and law enforcement experts, would be a dramatic step forward in consumer protection, stopping the alarming increase in number of these fraudulent schemes and reducing the number of victims.

Another area of concern noted by our subcommittee involves the increasing incidence of physical, financial, and emotional abuse perpetrated against the elderly at the hands of their loved ones or those entrusted with their care. Truly, abuse of the elderly is a national disgrace.

It is sad enough that each year around 4 percent, or over 1.1 million elderly Americans may be victims of abuse. It is sadder still that despite State efforts to strengthen legislation to protect estimates that dropouts cost us another 5 percent of lost income, or $11.5 billion, in additional welfare payments.

Some will argue we cannot afford to mount a large-scale, national effort. I say we cannot afford not to. Dropouts add to the deficit. A recent study estimated that new dropouts from 1 year's class, over their lifetime, will cost us $68 billion in lost tax revenues.

We owe it to our children, and to ourselves, to act now and to act decisively. I have introduced a bill to set a national goal to improve our high school completion rate by the year 2000. The measure calls on the State to submit plans and provides States with the incentives and resources to meet their goals. The bill safeguards that funds will be used in the schools that most need assistance and insures that graduation requirements will not be lowered.

This is a propitious time to act. President Bush plans to make his administration the education Presidency. Dr. Lauro Cavazos who is the Secretary of Education had indicated that the dropout problem is one of his priorities. It would be a shame not to accept the challenge.

CONCLUSIONS: A TIME TO ACT

The lack of health care, the need to assure adequate incomes, affordable and safe housing, the desire to safeguard young and old from abuse and criminal victimization, and the pressing demands of changing and aging families should move us as a nation to move.

It is time that we, a nation still steeped in prosperity, develop policies and enact reforms to assist our most treasured unit, the family. It is time we stop institutionalizing our chronically ill and time we developed alternatives types of care such as home health care, day care and the like. It is time we stop warehousing our mentally ill in unlicensed and uncaring board and care homes and improve the quality of care that such homes can provide. It is time we guarantee each child born in America the education he or she needs in order to pursue the happiness envisioned by our great Constitution.

It is time we place into action our agenda for keeping America's families together—before the 20th century runs out.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, May 4, 1989, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 5

9:15 a.m.

Banking, Housing, and Urban Affairs

To hold hearings to review the Department of Treasury's report to Congress on international economic and exchange rate policy.

SD-538

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To hold hearings on proposed budget estimates for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.

SD-192

Foreign Relations

To hold hearings on the nominations of Ronald Frank Lehman II, of Virginia, to be Director of the U.S. Arms Control and Disarmament Agency and Richard Reeves Burt, of Arizona, for the rank of Ambassador during his tenure of service as Head of Delegation on Nuclear and Space Talks and Chief Negotiator on Strategic Nuclear Arms.

SD-419

Select on Indian Affairs

To hold hearings on S. 611, to establish administrative procedures to determine the status of certain Indian groups.

SR-485

Joint Economic

To hold hearings on the employment-unemployment situation for April.

2359 Rayburn Building

10:00 a.m.

Appropriations

Legislative Branch Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1990 for the Library of Congress, Government Printing Office, and the Copyright Royalty Tribunal.

SD-116

Governmental Affairs
Government Information and Regulation Subcommittee
To hold oversight hearings on issues relevant to the 1990 Census.
SD-342

Judiciary
Constitution Subcommittee
To hold hearings on S. 386, to control the sale and importation of assault weapons, and S. 747, to protect the rights of legal owners while attacking the problems associated with the illegal use of assault weapons.
SD-226

MAY 8

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on possible climate surprises—predicting greenhouse warming.
SR-253

10:00 a.m.
Energy and Natural Resources
To hold hearings on S. 783, S. 625, and H.R. 1722, bills to eliminate wellhead price and nonprice controls on the first sale of natural gas and make certain technical and confirming amendments to the Natural Gas Policy Act of 1978.
SD-366

Governmental Affairs
To hold hearings on the nomination of William M. Diefenderfer III, of Virginia, to be Deputy Director, Office of Management and Budget.
SD-342

2:00 p.m.
Armed Services
Readiness, Sustainability and Support Subcommittee
To hold open and closed hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on the readiness and sustainability posture of selected unified combatant commands.
SR-222

Foreign Relations
To resume hearings on proposed legislation authorizing funds for foreign assistance program.
SD-419

MAY 9

9:00 a.m.
Governmental Affairs
General Services, Federalism, and the District of Columbia Subcommittee
To hold hearings on Federal and State solutions to crime and drug abuse.
SD-342

9:30 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit Subcommittee
To resume oversight hearings on the Farmers Home Administration implementation of the Agriculture Credit Act of 1987 (P.L. 100-233), as it relates to borrowers.
SR-332

Commerce, Science, and Transportation
To hold hearings on industry and government cooperation to promote the commercialization of new technologies.
SR-253

Finance
To hold hearings on the impact of Section 89, of the Tax Reform Act of 1986, nondiscrimination rules applicable to employer-provided fringe benefits.
SD-215

9:45 a.m.
Labor and Human Resources
To hold hearings on the proposed Americans with Disabilities Act of 1989.
SD-430

10:00 a.m.
Appropriations
Defense Subcommittee
To resume closed hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense.
S-407, Capitol

Foreign Relations
To resume hearings on the nature and extent of the threat of chemical and biological weapons proliferation.
SD-419

Judiciary
To hold hearings on the use of steroids.
SD-226

2:00 p.m.
Foreign Relations
Business meeting, to mark up S. 808, authorizing funds for fiscal year 1990 and 1991 for the Department of State, S. 809, authorizing funds for fiscal year 1990 and 1991 for the U.S. Information Agency, and S. 810, authorizing funds for fiscal year 1990 and 1991 for the Board for International Broadcasting.
SD-419

Select on Intelligence
To resume closed hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the intelligence community.
SH-219

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on international narcotics control.
SD-192

Finance
Business meeting, to hear and consider the nominations of Charles H. Dallara, of South Carolina, to be Deputy Under Secretary for International Affairs, Hollis S. McLoughlin, of New Jersey, to be Assistant Secretary for Policy Development, Roger Bolton, of Virginia, to be Assistant Secretary for Public Affairs and Public Liaison, and Key C. James, of Virginia, to be Assistant Secretary for Public Affairs of the Department of Health and Human Services.
SD-215

Labor and Human Resources
To hold hearings on S. 110, authorizing funds for fiscal years 1990, 1991, and 1992 for family planning programs, and S. 120, authorizing funds for fiscal year 1990, 1991, and 1992 for adolescent family life demonstration projects.
SD-430

MAY 10

9:00 a.m.
Foreign Relations
International Economic Policy, Trade, Oceans and Environment Subcommittee
To hold hearings on the replenishment of the Inter-American Development Bank.
S-116, Capitol

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on oil spill clean up assessment and prevention, focusing on clean up status containment and natural resource assessment.
SR-253

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings to review drug problems in public housing projects.
SD-342

10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold joint hearings with the Committee on Appropriations' Subcommittee on Foreign Operations on global environment issues.
SD-192

Appropriations
Foreign Operations Subcommittee
To hold joint hearings with the Committee on Agriculture, Nutrition, and Forestry on global environment issues.
SD-192

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Supreme Court of the United States.
S-146, Capitol

Armed Services
Strategic Forces and Nuclear Deterrence Subcommittee
To hold closed hearings on operational requirements of the Strategic Air Command, and proposed budget request for fiscal years 1990 and 1991 for strategic forces.
SR-222

Finance
To hold hearings on the European Community's [EC] Program to complete its internal market by 1992.
SD-215

Foreign Relations
To hold hearings on the proposed FSX Co-development Project with Japan, and to consider Senate Joint Resolution 113, prohibiting the export of technology, defense articles, and defense services to codevelop or coproduce the FSX aircraft with Japan.
SD-419

1:30 p.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on oil spill clean up assessment and prevention, focusing on oil spill prevention and maritime regulation.
SR-253

Judiciary
Constitution Subcommittee
To hold hearings on S. 675, to eliminate discriminatory barriers to voter registration.
SD-226

2:00 p.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on the foreign policy context of defense.
SD-138

Armed Services
To resume hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to review a 5-year defense plan.
SR-222

Foreign Relations
Business meeting, to continue markup of S. 808, authorizing funds for fiscal years 1990 and 1991 for the Department of State, S. 809, authorizing funds for fiscal year 1990 and 1991 for the U.S. Information Agency, and S. 810, authorizing funds for fiscal years 1990 and 1991 for the Board of International Broadcasting.
SD-419

MAY 11

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development and Rural Electrification Subcommittee
To hold hearings on rural development.
SR-332

Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on space transportation.
SR-253

Governmental Affairs
To resume hearings on export controls over chemical biological materials.
SD-342

10:00 a.m.
Appropriations
Defense Subcommittee
To continue open and closed hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on the Strategic Defense Initiative (SDI).
SD-192

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for transportation trust funds.
SD-138

Foreign Relations
Business meeting, to continue mark up of S. 808, authorizing funds for fiscal years 1990 and 1991 for the Department of State, S. 809, authorizing funds for fiscal years 1990 and 1991 for the U.S. Information Agency, and S. 810, authorizing funds for fiscal years 1990 and 1991 for the Board for International Broadcasting.
SD-419

1:30 p.m.
Armed Services
Defense Industry and Technology Subcommittee
To hold hearings on recommendations for an aquisition policy agenda.
SR-222

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

Foreign Relations
Business meeting, to continue mark up of S. 808, authorizing funds for fiscal years 1990 and 1991 for the Department of State, S. 809, authorizing funds for fiscal years 1990 and 1991 for the U.S. Information Agency, and S. 810, authorizing funds for fiscal years 1990 and 1991 for the Board for International Broadcasting.
SD-419

Select on Intelligence
To resume closed hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the intelligence community.
SH-219

2:30 p.m.
Select on Indian Affairs
To hold hearings on S. 321, to revise provisions of law that provide a preference to Indians.
SR-485

MAY 12

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

Foreign Relations
To hold hearings on the nominations of Donald Phinney Gregg, of Maryland, to be Ambassador to the Republic of Korea and John Cameron Monjo, of Maryland, to be Ambassador to the Republic of Indonesia.
SD-419

Rules and Administration
To hold joint hearings with the Select Committee on Indian Affairs on legislation to establish a National Museum of the American Indian within the Smithsonian Institution.
SR-301

Select on Indian Affairs
To hold joint hearings with the Committee on Rules and Administration on legislation to establish a National Museum of the American Indian within the Smithsonian Institution.
SR-301

10:00 a.m.
Finance
International Trade Subcommittee
To hold hearings to explore the problem of industrialized countries manipulating the value of their currencies to maintain a trade surplus, and to discuss the U.S. response to this practice.
SD-215

MAY 15

9:30 a.m.
Environment and Public Works
Toxic Substances, Environmental Oversight, Research and Development Subcommittee
To hold hearings to review procedures relating to the use of chemicals in food crops.
SD-406

Governmental Affairs
Government Information and Regulation Subcommittee
To hold oversight hearings on Federal information policy.
SD-342

10:00 a.m.
Finance
Social Security and Family Policy Subcommittee
To hold hearings to review proposed regulations to implement the Family Support Act of 1988.
SD-215

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

2:00 p.m.
Armed Services
Projection Forces and Regional Defense Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on aircraft carrier force structure management.
SR-232A

MAY 16

8:30 a.m.
Office of Technology Assessment
The Board, to meet to consider pending business.
EF-100, Capitol

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development and Rural Electrification Subcommittee
To resume hearings on rural development.
SR-332

Governmental Affairs
Oversight of Government Management Subcommittee
To hold oversight hearings on the use of off-the-shelf items by the Department of Defense.
SD-342

Select on Indian Affairs
Business meeting, to mark up S. 321, to revise provisions of law that provide a preference to Indians; S. 402, to provide for the settlement of land claims of Puyallup Tribe of Indians in the State of Washington; S. 611, to establish administrative procedures to determine the status of certain Indian groups; and proposed legislation to establish an Indian museum in the District of Columbia.
SR-485

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on land warfare.
SD-192

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Office of the Inspector General, Office of Disaster Assistance, and American Schools and Hospitals Abroad.
SD-138

MAY 17

9:30 a.m.
Commerce, Science, and Transportation
To hold oversight hearings in conjunction with the National Ocean Policy Study on marine fisheries management.
SR-253

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on space commercialization.
SH-216

Governmental Affairs
To hold hearings on biological weapons proliferation.
SD-342

Rules and Administration
Business meeting, to mark up S. 136, to establish a single poll closing time in the continental United States for Presidential general elections, S. 377, to establish a series of five Presidential primaries, S. 874, to establish national voter registration procedures for Presidential and Congressional elections, S. 326, to repeal a provision of the Federal Election Campaign Act allowing use of excess contributions, and S.J. Res. 98, to establish separate appropriation accounts for the Senate and the House of Representatives for the payment of official mail costs.
SR-301

10:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on trading practices in the commodity futures markets.
SR-332

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on proposed legislation authorizing funds for the Federal Communications Commission.
SR-232A

1:00 p.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on Army posture.
SD-192

2:00 p.m.
Armed Services
To hold hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for defense programs of the Department of Energy.
SR-222

MAY 18

8:00 a.m.
Veterans' Affairs
To hold hearings on certain provisions of S. 13, S. 165, S. 573, S. 574, S. 748, bills to strengthen and improve Veterans' health care programs.
SR-418

9:00 a.m.
Commerce, Science, and Transportation
To continue oversight hearings in conjunction with the National Ocean Policy Study on marine fisheries management.
SR-253

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on airline concentration.
SR-301

10:00 a.m.
Appropriations
Defense Subcommittee
To continue open and closed hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on space programs.
SD-192

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

Governmental Affairs
To hold hearings on nuclear and missile proliferation.
SD-342

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Peace Corps, African Development Foundation, Inter-American Foundation, Overseas Private Investment Corporation, and Export-Import Bank.
SD-138

MAY 19

9:30 a.m.
Select on Indian Affairs
To hold oversight hearings on the U.S. Civil Rights Commission's effects on the White Mountain Apache Tribe.
SR-485

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

MAY 31

2:00 p.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on seapower.
SD-192

JUNE 1

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SH-216

Governmental Affairs
Oversight of Government Management Subcommittee
To resume oversight hearings on the use of off-the-shelf items by the Department of Defense.
SD-342

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on Navy posture.
SD-192

1:30 p.m.
Governmental Affairs
To hold hearings on alcohol abuse prevention.
SD-342

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on Central America.
SD-138

Energy and Natural Resources
To continue hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SH-216

JUNE 2

9:30 a.m.
Energy and Natural Resources
To continue hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SH-216

2:00 p.m.
Energy and Natural Resources
To continue hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SH-216

JUNE 6

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on tactical airpower.
SD-192

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on the status of current and future use of alternative

motor vehicle fuels in the United States.
SD-366

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Middle East, Pakistan and Afghanistan.
SD-138

JUNE 7

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253

Governmental Affairs
To resume hearings on alcohol abuse prevention.
SD-342

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on Air Force posture.
SD-192

JUNE 8

8:00 a.m.
Veterans' Affairs
To hold hearings on certain provisions of S. 13, S. 263, S. 584, bills to provide for Veterans' health care benefits and other related measures.
SR-418

9:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on manpower and personnel programs.
SD-192

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253

JUNE 12

9:30 a.m.
Governmental Affairs
Government Information and Regulation Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Paperwork Reduction Act.
SD-342

JUNE 13

9:00 a.m.
Appropriations
Defense Subcommittee
To resume open and closed hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on strategic programs.
SD-192

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-138

JUNE 14

9:00 a.m.
Veterans' Affairs
To hold hearings on certain provisions of S. 13, S. 86, S. 192, S. 405, and S. 846, bills to strengthen and improve VA health care programs, and related measures.
SR-418

JUNE 15

9:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense.
SD-192

JUNE 16

9:30 a.m.
Governmental Affairs
Governmental Information and Regulations Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Paperwork Reduction Act.
SD-342

JUNE 22

8:00 a.m.
Veterans' Affairs
To hold hearings on S. 404, to extend certain Department of Veterans Affairs home loan guaranty provisions, and related measures.
SR-418

JULY 20

9:30 a.m.
Veterans' Affairs
Business meeting, to mark up proposed legislation to revise certain provisions of VA health care programs, including S. 13, S. 86, S. 165, S. 192, S. 263, S. 405, S. 564, S. 574, S. 748, and S. 846.
SR-418

CANCELLATIONS

MAY 4

11:00 a.m.
Judiciary
Business meeting, to consider pending calendar business.
SD-226

HOUSE OF REPRESENTATIVES—*Thursday, May 4, 1989*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

As we gather on this National Day of Prayer to raise our voices with people from all over this land, we offer our gratitude, O God, for the rich blessings You have given to us. As those who have gone before, may we also build on the spiritual foundations of justice, righteousness, mercy, and peace. Gracious God, bless all the people of our Nation as each seeks to be faithful to the responsibilities of the present time. We come to this special day of prayer with thanksgiving for the gifts of the past and earnestly pray that Your spirit will lead us in all the days to come. In Your holy name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentlewoman from Indiana [Ms. LONG] kindly come forward and lead us in the Pledge of Allegiance?

Ms. LONG led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ADDITIONAL MAJORITY MEMBER TO SELECT COMMITTEE ON HUNGER

The SPEAKER. Pursuant to the provisions of section 103, House Resolution 84, 101st Congress, the Chair appoints the gentleman from Oregon [Mr. AUCOIN] as an additional majority member to the Select Committee on Hunger.

APPOINTMENT OF ADDITIONAL MINORITY MEMBER TO SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

The SPEAKER. Pursuant to the provisions of section 303, House Resolution 84, 101st Congress, the Chair appoints the gentleman from Florida [Mr. GRANT] as an additional minority member to the Select Committee on Narcotics Abuse and Control.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will remind Members that there had been an agreement that we would go into the Committee of the Whole immediately upon our convening today and would not have speeches under the 1-minute rule.

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1990

The SPEAKER. Pursuant to House Resolution 145 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution, House Concurrent Resolution 106.

□ 1003

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (House Concurrent Resolution 106) setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992, with Mr. APPLEGATE [Chairman pro tempore] in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, May 3, 1989, all time for general debate had expired.

Pursuant to House Resolution 145, the concurrent resolution is considered as having been read for amendment under the 5-minute rule.

The text of House Concurrent Resolution 106 is as follows:

H. CON. RES. 106

Resolved by the House of Representatives (the Senate concurring), That the budget for fiscal year 1990 is established, and the appropriate budgetary levels for fiscal years 1991 and 1992 are hereby set forth.

MAXIMUM DEFICIT AMOUNTS

SEC. 2. The following levels and amounts in this section are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985, whether the maximum deficit amount for a fiscal year has been exceeded, and as set forth in this concurrent resolution, shall be considered to be mathematically consistent with the other amounts and levels set forth in this concurrent resolution:

(1) The recommended levels of Federal revenues are as follows:
Fiscal year 1990: $1,065,525,000,000.
Fiscal year 1991: $1,144,675,000,000.
Fiscal year 1992: $1,216,450,000,000.

(2) The appropriate levels of total new budget authority are as follows:
Fiscal year 1990: $1,350,925,000,000.
Fiscal year 1991: $1,470,125,000,000.
Fiscal year 1992: $1,547,075,000,000.

(3) The appropriate levels of total budget outlays are as follows:
Fiscal year 1990: $1,165,250,000,000.
Fiscal year 1991: $1,232,725,000,000.
Fiscal year 1992: $1,281,275,000,000.

(4) The amounts of the deficits are as follows:
Fiscal year 1990: $99,725,000,000.
Fiscal year 1991: $88,050,000,000.
Fiscal year 1992: $64,825,000,000.

RECOMMENDED LEVELS AND AMOUNTS

SEC. 3. (a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991:

(1) The recommended levels of Federal revenues are as follows:
Fiscal year 1990: $776,325,000,000.
Fiscal year 1991: $831,775,000,000.
Fiscal year 1992: $884,350,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:
Fiscal year 1990: $5,800,000,000.
Fiscal year 1991: $6,200,000,000.
Fiscal year 1992: $6,300,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:
Fiscal year 1990: $69,925,000,000.
Fiscal year 1991: $75,200,000,000.
Fiscal year 1992: $79,900,000,000.

(2) The appropriate levels of total new budget authority are as follows:
Fiscal year 1990: $1,061,175,000,000.
Fiscal year 1991: $1,157,800,000,000.
Fiscal year 1992: $1,214,050,000,000.

(3) The appropriate levels of total budget outlays are as follows:
Fiscal year 1990: $945,175,000,000.
Fiscal year 1991: $1,001,075,000,000.
Fiscal year 1992: $1,040,400,000,000.

(4) The amounts of the deficits are as follows:
Fiscal year 1990: $168,850,000,000.
Fiscal year 1991: $169,300,000,000.
Fiscal year 1992: $156,050,000,000.

(5) The appropriate levels of the public debt are as follows:
Fiscal year 1990: $3,122,800,000,000.
Fiscal year 1991: $3,374,100,000,000.
Fiscal year 1992: $3,599,700,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991, are as follows:
Fiscal year 1990:
(A) New direct loan obligations, $19,025,000,000.
(B) New primary loan guarantee commitments, $107,325,000,000.
Fiscal year 1991:
(A) New direct loan obligations, $19,425,000,000.

(B) New primary loan guarantee commitments, $114,875,000,000.
Fiscal year 1992:
(A) New direct loan obligations, $19,150,000,000.
(B) New primary loan guarantee commitments, $119,700,000,000.
(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new primary loan guarantee commitments for fiscal years 1990 through 1992 for each major functional category are:
(1) National Defense (050):
Fiscal year 1990:
(A) New budget authority, $305,500,000,000.
(B) Outlays, $299,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $319,175,000,000.
(B) Outlays, $310,175,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $332,500,000,000.
(B) Outlays, $322,425,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(2) International Affairs (150):
Fiscal year 1990:
(A) New budget authority, $18,300,000,000.
(B) Outlays, $16,700,000,000.
(C) New direct loan obligations, $1,775,000,000.
(D) New primary loan guarantee commitments, $6,425,000,000.
Fiscal year 1991:
(A) New budget authority, $18,100,000,000.
(B) Outlays, $16,575,000,000.
(C) New direct loan obligations, $1,800,000,000.
(D) New primary loan guarantee commitments, $6,675,000,000.
Fiscal year 1992:
(A) New budget authority, $18,850,000,000.
(B) Outlays, $16,675,000,000.
(C) New direct loan obligations, $1,850,000,000.
(D) New primary loan guarantee commitments, $6,950,000,000.
(3) General Science, Space, and Technology (250):
Fiscal year 1990:
(A) New budget authority, $14,425,000,000.
(B) Outlays, $14,125,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $15,075,000,000.
(B) Outlays, $14,950,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $15,700,000,000.
(B) Outlays, $15,350,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(4) Energy (270):
Fiscal year 1990:
(A) New budget authority, $5,800,000,000.
(B) Outlays, $3,800,000,000.
(C) New direct loan obligations, $2,000,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $6,025,000,000.
(B) Outlays, $3,950,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $6,600,000,000.
(B) Outlays, $4,375,000,000.
(C) New direct loan obligations, $2,250,000,000.
(D) New primary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1990:
(A) New budget authority, $17,075,000,000.
(B) Outlays, $17,525,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $17,875,000,000.
(B) Outlays, $18,275,000,000.
(C) New direct loan obligations, $75,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $18,550,000,000.
(B) Outlays, $18,600,000,000.
(C) New direct loan obligations, $75,000,000.
(D) New primary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1990:
(A) New budget authority, $18,050,000,000.
(B) Outlays, $14,975,000,000.
(C) New direct loan obligations, $10,050,000,000.
(D) New primary loan guarantee commitments, $5,400,000,000.
Fiscal year 1991:
(A) New budget authority, $20,350,000,000.
(B) Outlays, $16,350,000,000.
(C) New direct loan obligations, $10,225,000,000.
(D) New primary loan guarantee commitments, $5,475,000,000.
Fiscal year 1992:
(A) New budget authority, $21,075,000,000.
(B) Outlays, $15,725,000,000.
(C) New direct loan obligations, $9,675,000,000.
(D) New primary loan guarantee commitments, $5,425,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1990:
(A) New budget authority, $13,275,000,000.
(B) Outlays, $8,150,000,000.
(C) New direct loan obligations, $3,200,000,000.
(D) New primary loan guarantee commitments, $60,500,000,000.
Fiscal year 1991:
(A) New budget authority, $25,450,000,000.
(B) Outlays, $19,650,000,000.
(C) New direct loan obligations, $3,300,000,000.
(D) New primary loan guarantee commitments, $66,350,000,000.
Fiscal year 1992:
(A) New budget authority, $25,075,000,000.
(B) Outlays, $19,875,000,000.
(C) New direct loan obligations, $3,375,000,000.
(D) New primary loan guarantee commitments, $69,625,000,000.
(8) Transportation (400):
Fiscal year 1990:
(A) New budget authority, $29,850,000,000.
(B) Outlays, $29,025,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $30,550,000,000.
(B) Outlays, $29,750,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $31,700,000,000.
(B) Outlays, $30,825,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1990:
(A) New budget authority, $7,150,000,000.
(B) Outlays, $6,775,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $500,000,000.
Fiscal year 1991:
(A) New budget authority, $7,050,000,000.
(B) Outlays, $6,850,000,000.
(C) New direct loan obligations, $1,050,000,000.
(D) New primary loan guarantee commitments, $525,000,000.
Fiscal year 1992:
(A) New budget authority, $7,250,000,000.
(B) Outlays, $6,825,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $550,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1990:
(A) New budget authority, $42,025,000,000.
(B) Outlays, $39,075,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,125,000,000.
Fiscal year 1991:
(A) New budget authority, $43,375,000,000.
(B) Outlays, $42,500,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,550,000,000.
Fiscal year 1992:
(A) New budget authority, $44,325,000,000.
(B) Outlays, $43,800,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,850,000,000.
(11) Health (550):
Fiscal year 1990:
(A) New budget authority, $57,850,000,000.
(B) Outlays, $56,225,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $375,000,000.
Fiscal year 1991:
(A) New budget authority, $63,150,000,000.
(B) Outlays, $62,050,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
Fiscal year 1992:
(A) New budget authority, $69,350,000,000.
(B) Outlays, $68,150,000,000.
(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.
(12) Medicare (570):
Fiscal year 1990:
(A) New budget authority, $123,850,000,000.
(B) Outlays, $98,350,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $136,250,000,000.
(B) Outlays, $112,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $149,550,000,000.
(B) Outlays, $127,825,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1990:
(A) New budget authority, $185,700,000,000.
(B) Outlays, $145,650,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $217,425,000,000.
(B) Outlays, $155,600,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $220,800,000,000.
(B) Outlays, $164,725,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1990:
(A) New budget authority, $5,450,000,000.
(B) Outlays, $5,425,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $4,250,000,000.
(B) Outlays, $4,250,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $4,975,000,000.
(B) Outlays, $4,950,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1990:
(A) New budget authority, $31,000,000,000.
(B) Outlays, $29,800,000,000.
(C) New direct loan obligations, $825,000,000.
(D) New primary loan guarantee commitments, $21,000,000,000.
Fiscal year 1991:
(A) New budget authority, $32,100,000,000.
(B) Outlays, $31,550,000,000.
(C) New direct loan obligations, $750,000,000.
(D) New primary loan guarantee commitments, $21,900,000,000.
Fiscal year 1992:
(A) New budget authority, $33,100,000,000.
(B) Outlays, $32,675,000,000.
(C) New direct loan obligations, $700,000,000.
(D) New primary loan guarantee commitments, $22,900,000,000.
(16) Administration of Justice (750):
Fiscal year 1990:
(A) New budget authority, $10,400,000,000.
(B) Outlays, $9,950,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $11,550,000,000.
(B) Outlays, $11,475,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $12,100,000,000.
(B) Outlays, $12,025,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1990:
(A) New budget authority, $10,050,000,000.
(B) Outlays, $9,675,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $10,425,000,000.
(B) Outlays, $10,250,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $10,900,000,000.
(B) Outlays, $10,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(18) Net Interest (900):
Fiscal year 1990:
(A) New budget authority, $197,550,000,000.
(B) Outlays, $197,550,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $214,150,000,000.
(B) Outlays, $214,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $226,650,000,000.
(B) Outlays, $226,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(19) Allowances (920):
Fiscal year 1990:
(A) New budget authority, $0.
(B) Outlays, −$19,275,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $0.
(B) Outlays, −$45,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $0.
(B) Outlays, −$65,925,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1990:
(A) New budget authority, −$32,125,000,000.
(B) Outlays, −$39,325,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, −$34,525,000,000.
(B) Outlays, −$34,875,000,000.
(C) New direct loan obligations, $0.
(D) New primary loar. guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, −$35,000,000,000.
(B) Outlays, −$35,350,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

SENSE OF THE COMMITTEE ON THE BUDGET

SEC. 4. It is the intent of the Committee on the Budget of the House of Representatives that—

(1) Congress shall present the revenue portion of the reconciliation bill to the President at the same time as the spending reduction provisions of the reconciliation bill; and

(2) the specific measures composing the governmental receipts figure will be determined through the regular legislative and constitutional process, and agreements reached between the administration and the Committee on Ways and Means on revenue legislation reconciled pursuant to this agreement will be advanced legislatively when supported by the President of the United States.

RECONCILIATION

SEC. 5. (a) Not later than June 30, 1989, the committees named in subsections (b) and (c) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

HOUSE COMMITTEES

(b)(1) The House Committee on Agriculture shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $1,172,000,000 in budget authority and $1,092,000,000 in outlays in fiscal year 1990, $1,172,000,000 in budget authority and $1,155,000,000 in outlays in fiscal year 1991, and $1,072,000,000 in budget authority and $1,055,000,000 in outlays in fiscal year 1992.

(2) The House Committee on Banking, Finance, and Urban Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in

section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $587,000,000 in outlays in fiscal year 1990, $0 in budget authority and $519,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $591,000,000 in outlays in fiscal year 1992.

(3) The House Committee on Energy and Commerce shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $399,000,000 in budget authority and $2,699,000,000 in outlays in fiscal year 1990, $413,000,000 in budget authority and $2,713,000,000 in outlays in fiscal year 1991, and $426,000,000 in budget authority and $2,726,000,000 in outlays in fiscal year 1992.

(4) The House Committee on Interior and Insular Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $399,000,000 in budget authority and $399,000,000 in outlays in fiscal year 1990, $413,000,000 in budget authority and $413,000,000 in outlays in fiscal year 1991, and $426,000,000 in budget authority and $426,000,000 in outlays in fiscal year 1992.

(5) The House Committee on Merchant Marine and Fisheries shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1990, $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1991, and $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1992.

(6) The House Committee on Post Office and Civil Service shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1990, $0 in budget authority and $500,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $500,000,000 in outlays in fiscal year 1992.

(7) The House Committee on Veterans' Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $445,000,000 in budget authority and $678,000,000 in outlays in fiscal year 1990, $485,000,000 in budget authority and $752,000,000 in outlays in fiscal year 1991, and $565,000,000 in budget authority and $791,000,000 in outlays in fiscal year 1992.

(8)(A) The House Committee on Ways and Means shall report (i) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (ii) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (iii) any combination thereof, as follows: $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1990, $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1992.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to increase revenues as follows: $5,300,000,000 in fiscal year 1990, $5,300,000,000 in fiscal year 1991, and $5,300,000,000 in fiscal year 1992.

(C) In addition to the above instructions, the House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to reduce the deficit as follows: $400,000,000 in fiscal year 1990, $400,000,000 in fiscal year 1991, and $400,000,000 in fiscal year 1992.

SENATE COMMITTEES

(c)(1) The Senate Committee on Agriculture shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $1,172,000,000 in budget authority and $1,092,000,000 in outlays in fiscal year 1990, $1,172,000,000 in budget authority and $1,155,000,000 in outlays in fiscal year 1991, and $1,072,000,000 in budget authority and $1,055,000,000 in outlays in fiscal year 1992.

(2) The Senate Committee on Banking, Housing, and Urban Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $50,000,000 in budget authority and $637,000,000 in outlays in fiscal year 1990, $50,000,000 in budget authority and $569,000,000 in outlays in fiscal year 1991, and $50,000,000 in budget authority and $641,000,000 in outlays in fiscal year 1992.

(3) The Senate Committee on Commerce, Science and Transportation shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1990, $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1991, and $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1992.

(4) The Senate Committee on Environment and Public Works shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $299,000,000 in budget authority and $299,000,000 in outlays in fiscal year 1990, $313,000,000 in budget authority and $313,000,000 in outlays in fiscal year 1991, and $326,000,000 in budget authority and $326,000,000 in outlays in fiscal year 1992.

(5) The Senate Committee on Energy and Natural Resources shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1990, $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1991, and $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1992.

(6) The Senate Committee on Governmental Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1990, $0 in budget authority and $500,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $500,000,000 in outlays in fiscal year 1992.

(7) The Senate Committee on Veterans Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $445,000,000 in budget authority and $678,000,000 in outlays in fiscal year 1990, $485,000,000 in budget authority and $752,000,000 in outlays in fiscal year 1991,

and $565,000,000 in budget authority and $791,000,000 in outlays in fiscal year 1992.

(8)(A) The Senate Committee on Finance shall report (i) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (ii) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (iii) any combination thereof, as follows: $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1990, $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1992.

(B) The Senate Committee on Finance shall report changes in laws within its jurisdiction sufficient to increase revenues as follows: $5,300,000,000 in fiscal year 1990, $5,300,000,000 in fiscal year 1991, and $5,300,000,000 in fiscal year 1992.

(C) In addition to the above instructions, the Senate Committee on Finance shall report changes in laws within its jurisdiction sufficient to reduce the deficit as follows: $400,000,000 in fiscal year 1990, $400,000,000 in fiscal year 1991, and $400,000,000 in fiscal year 1992.

The CHAIRMAN. It shall be in order to consider an amendment offered by the chairman or ranking minority member of the Committee on the Budget. Said amendment shall be considered as having been read, shall not be subject to amendment, and shall be debatable for 30 minutes, equally divided and controlled by the proponent of the amendment and a Member opposed thereto.

No further amendments are in order except the amendments printed in House Report 101-45, which shall be considered only in the order designated in House Report 101-45, shall be considered as having been read, shall not be subject to amendment, and shall be in order even if a previous amendment in the nature of a substitute has been adopted. Each amendment shall be debatable for the period of time specified in House Report 101-45, equally divided and controlled by the proponent of the amendment and a Member opposed thereto.

If more than one amendment made in order by House Resolution 145 has been adopted, only the last amendment adopted shall be considered as having been finally adopted in the Committee of the Whole and reported back to the House.

It shall also be in order to consider the amendment or amendments provided for in section 305(a)(5) of the Congressional Budget Act of 1974, as amended, necessary to achieve mathematical consistency.

AMENDMENT OFFERED BY MR. PANETTA

Mr. PANETTA. Mr. Chairman, pursuant to House Resolution 145, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. PANETTA: Page 7, strike out line 10 and all that follows thereafter through page 20, line 4, and insert in lieu thereof the following:

(3) General Science, Space, and Technology (250):
Fiscal year 1990:
(A) New budget authority, $14,400,000,000.
(B) Outlays, $14,125,000,000.
(C) New direct loan obligations, $0.
(D) New primary commitments, $0.
Fiscal year 1991:
(A) New budget authority, $15,050,000,000.
(B) Outlays, $14,925,000,000.
(C) New direct loan obligations, $0.
(D) New primary commitments, $0.
Fiscal year 1992:
(A) New budget authority, $15,675,000,000.
(B) Outlays, $15,325,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(4) Energy (270):
Fiscal year 1990:
(A) New budget authority, $5,775,000,000.
(B) Outlays, $3,800,000,000.
(C) New direct loan obligations, $2,000,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $6,000,000,000.
(B) Outlays, $3,925,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $6,600,000,000.
(B) Outlays, $4,350,000,000.
(C) New direct loan obligations, $2,250,000,000.
(D) New primary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):
Fiscal year 1990:
(A) New budget authority, $17,050,000,000.
(B) Outlays, $17,525,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $17,850,000,000.
(B) Outlays, $18,250,000,000.
(C) New direct loan obligations, $75,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $18,525,000,000.
(B) Outlays, $18,595,000,000.
(C) New direct loan obligations, $75,000,000.
(D) New primary loan guarantee commitments, $0.

(6) Agriculture (350):
Fiscal year 1990:
(A) New budget authority, $18,050,000,000.
(B) Outlays, $14,950,000,000.
(C) New direct loan obligations, $10,050,000,000.
(D) New primary loan guarantee commitments, $5,400,000,000.
Fiscal year 1991:
(A) New budget authority, $20,350,000,000.
(B) Outlays, $16,350,000,000.
(C) New direct loan obligations, $10,225,000,000.
(D) New primary loan guarantee commitments, $5,475,000,000.
Fiscal year 1992:
(A) New budget authority, $21,075,000,000.
(B) Outlays, $15,725,000,000.
(C) New direct loan obligations, $9,675,000,000.
(D) New primary loan guarantee commitments, $5,425,000,000.

(7) Commerce and Housing Credit (370):
Fiscal year 1990:
(A) New budget authority, $13,250,000,000.
(B) Outlays, $8,125,000,000.
(C) New direct loan obligations, $3,200,000,000.
(D) New primary loan guarantee commitments, $60,500,000,000.
Fiscal year 1991:
(A) New budget authority, $25,450,000,000.
(B) Outlays, $19,625,000,000.
(C) New direct loan obligations, $3,300,000,000.
(D) New primary loan guarantee commitments, $66,350,000,000.
Fiscal year 1992:
(A) New budget authority, $25,050,000,000.
(B) Outlays, $19,875,000,000.
(C) New direct loan obligations, $3,375,000,000.
(D) New primary loan guarantee commitments, $69,625,000,000.

(8) Transportation (400):
Fiscal year 1990:
(A) New budget authority, $29,850,000,000.
(B) Outlays, $29,000,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $30,525,000,000.
(B) Outlays, $29,750,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $31,675,000,000.
(B) Outlays, $30,800,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.

(9) Community and Regional Development (450):
Fiscal year 1990:
(A) New budget authority, $7,150,000,000.
(B) Outlays, $6,775,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $500,000,000.
Fiscal year 1991:
(A) New budget authority, $7,050,000,000.
(B) Outlays, $6,850,000,000.
(C) New direct loan obligations, $1,050,000,000.
(D) New primary loan guarantee commitments, $525,000,000.
Fiscal year 1992:
(A) New budget authority, $7,250,000,000.
(B) Outlays, $6,825,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $550,000,000.

(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1990:
(A) New budget authority, $41,975,000,000.
(B) Outlays, $39,075,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,125,000,000.
Fiscal year 1991:

(A) New budget authority, $43,325,000,000.
(B) Outlays, $42,475,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,550,000,000.
Fiscal year 1992:
(A) New budget authority, $44,275,000,000.
(B) Outlays, $43,750,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,850,000,000.
(11) Health (550):
Fiscal year 1990:
(A) New budget authority, $57,825,000,000.
(B) Outlays, $56,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $375,000,000.
Fiscal year 1991:
(A) New budget authority, $63,125,000,000.
(B) Outlays, $62,050,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
Fiscal year 1992:
(A) New budget authority, $69,325,000,000.
(B) Outlays, $68,125,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
(12) Medicare (570):
Fiscal year 1990:
(A) New budget authority, $123,850,000,000.
(B) Outlays, $98,350,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $136,250,000,000.
(B) Outlays, $112,775,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $149,550,000,000.
(B) Outlays, $127,825,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1990:
(A) New budget authority, $185,675,000,000.
(B) Outlays, $145,625,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $217,400,000,000.
(B) Outlays, $155,575,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $220,775,000,000.
(B) Outlays, $164,700,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1990:
(A) New budget authority, $5,450,000,000.
(B) Outlays, $5,425,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $4,250,000,000.
(B) Outlays, $4,250,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $4,975,000,000.
(B) Outlays, $4,950,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1990:
(A) New budget authority, $31,225,000,000.
(B) Outlays, $29,975,000,000.
(C) New direct loan obligations, $825,000,000.
(D) New primary loan guarantee commitments, $21,000,000,000.
Fiscal year 1991:
(A) New budget authority, $32,325,000,000.
(B) Outlays, $31,775,000,000.
(C) New direct loan obligations, $750,000,000.
(D) New primary loan guarantee commitments, $21,900,000,000.
Fiscal year 1992:
(A) New budget authority, $33,350,000,000.
(B) Outlays, $32,925,000,000.
(C) New direct loan obligations, $700,000,000.
(D) New primary loan guarantee commitments, $22,900,000,000.
(16) Administration of Justice (750):
Fiscal year 1990:
(A) New budget authority, $10,375,000,000.
(B) Outlays, $9,925,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $11,525,000,000.
(B) Outlays, $11,450,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $12,075,000,000.
(B) Outlays, $12,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1990:
(A) New budget authority, $10,050,000,000.
(B) Outlays, $9,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $10,425,000,000.
(B) Outlays, $10,225,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $10,875,000,000.
(B) Outlays, $10,175,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

The CHAIRMAN. Under the rule, the gentleman from California [Mr. PANETTA] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

The Chair recognizes the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I rise to offer an amendment, also sponsored by Mr. FRENZEL, to raise both budget authority and outlays in Function 700 targeted at veterans' medical benefits and services. The additional spending would be paid for by an across-the-board cut in budget authority and outlays in other domestic discretionary spending.

The increase in veterans' funding would amount to $216 million in budget authority and $179 million in outlays above the committee recommendation. The total budget authority for veterans' discretionary programs would be $13.350 billion, which is $1.15 billion above the 1989 level of funding and $264 million, or 2 percent, above the CBO baseline for fiscal year 1990.

The amendment provides $11.6 billion for VA medical care, which is $264 million above the baseline, and brings other discretionary VA programs to the baseline.

Mr. Chairman, while it was my view that the committee recommendation tried to provide an appropriate amount of funds for veterans' programs, given the constraints facing all domestic discretionary programs in this budget it is also clear we are confronting a desperate situation with regard to veterans' health care. Thus, after discussions with Chairman MONTGOMERY and other members of the Veterans' Affairs Committee, I have decided, along with Mr. FRENZEL, to offer this amendment to address concerns about the level of funding for veterans' programs.

And while it is in the nature of these amendments and of the agreement arrived at with the White House and with the joint leadership of the House and the Senate that additional funding for these kinds of programs must come from other domestic functions, it is clear that this is a consequence of the restraints that we operate under with regard to this resolution. But nevertheless, it is my belief as a veteran and as the chairman of the Budget Committee that it represents the desires of the majority of the House, and for that reason it is important that we draw attention to the problems of veterans in this country, particularly with regard to health care.

I want to thank in particular the gentleman from Mississippi [Mr. MONTGOMERY], chairman of the Veterans' Affairs Committee, for the work and cooperation he provided the committee in developing this amendment.

Mr. Chairman, I urge my colleagues to support this amendment.

Mr. FRENZEL. Mr. Chairman, I ask unanimous consent to be allowed the 15 minutes' time in opposition, although I am not opposed. I know of no Member of the House who is opposed to the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. FRENZEL. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I concur in the explanation of the amendment given by the distinguished chairman of the Budget Committee, and I do support the amendment myself. I would pay tribute to the distinguished chairman of the Veterans' Affairs Committee, the gentleman from Mississippi [Mr. MONTGOMERY], for working out this amendment and arriving at a compromise which seems to be acceptable to all parties.

□ 1010

At the same time, I want to give the same kind of commendation to the ranking minority member of the Committee on Veterans' Affairs, the distinguished vice chairman, the gentleman from Arizona [Mr. STUMP], who participated in all the discussions and was a full partner with the chairman, the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Arizona [Mr. STUMP].

Mr. STUMP. Mr. Chairman, I rise in support of this budget resolution. The distinguished chairman of the House Committee on Veterans' Affairs and I reached an agreement with the leadership of the House Budget Committee. They have gone as far as they can for veterans' spending and I want to commend Chairman PANETTA and the ranking minority member, Mr. FRENZEL, for their willingness to address the health care shortages in the Department of Veterans' Affairs budget.

Their action on behalf of veterans is the reason I am supporting this budget resolution and I urge my colleagues to support it.

My highest praise goes to my chairman on the House Committee on Veterans' Affairs, the Honorable G.V. "SONNY" MONTGOMERY. Chairman MONTGOMERY has worked tirelessly on the veterans' portion of this budget. As always, his contribution on behalf of our Nation's veterans has been outstanding.

Mr. FRENZEL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. Mr. Chairman, I rise in strong support of the excellent amendment offered by the chairman and ranking Republican member of the Budget Committee to restore a portion of the funding sorely needed to ensure proper medical care for our veterans.

In particular, I want to commend my good friend from Mississippi, the chairman of the Veterans' Affairs Committee, SONNY MONTGOMERY, for his perseverance in shepherding this amendment to the floor.

Mississippi is privileged to be home to 236,000 of our Nation's veterans. We have three veterans' hospitals, including two in my congressional district.

Like other veterans' hospitals around the country facing funding shortfalls, our south Mississippi facility's announced in February that it was being forced to cut back on services and programs.

Mr. Chairman, this is an untenable situation. Every day that health care services are being denied, we in the Federal Government are breaking our commitment to our veterans. Over the last several years, their benefits have declined unnecessarily.

According to the Veterans' Affairs Committee, while other Federal program budgets have increased, VA budgets have fallen behind the rate of inflation. Since 1985, Medicaid spending has grown by 55 percent, and Medicare spending is up 32 percent. Spending for veterans' health care has increased by only 17 percent over the same period.

The highest obligation of American citizenship is to defend our Nation when it is threatened. In return, the United States must care for those disabled veterans who served in our armed forces.

The Veterans' Medical amendment alone won't solve the funding constraints of our veterans' facilities. And I'm told it won't necessarily reinstate all services which have been curtailed. But it is a good faith down payment toward fulfilling the commitment of a grateful nation to those who performed their patriotic duty.

I urge all my colleagues to support it.

Mr. FRENZEL. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from New York [Mr. SOLOMON], who is a former ranking member of the Committee on Veterans' Affairs and has participated in the discussions leading up to the creation of this amendment.

Mr. SOLOMON. Mr. Chairman, I thank the ranking minority member for giving me this time. Let me, if I could, just have a colloquy with the ranking minority member who has yielded me the time. As I understand it, we are raising the functions 700 from $13,086,000,000 up to $13,350,000,000, is that correct?

Mr. FRENZEL. That is my understanding of this amendment, sir.

Mr. SOLOMON. Mr. Chairman, let me commend both the gentleman from California [Mr. PANETTA] and the gentleman from Minnesota [Mr. FRENZEL] as well as the gentleman from Mississippi [Mr. MONTGOMERY] and the gentleman from Arizona [Mr. STUMP] for all the work that they have done in trying to remedy the potential shortfall in funding the medical care delivery system for the 172 veterans' hospitals and over 200 outpatient clinics.

As you all know, we have a pending dire supplemental which appropriates $700 million for the medical care system to take care of the shortfall for this year, and it is imperative that we, for the 1990 budget, raise this amount so that we do not get into the same problem we are in this year.

Veterans' hospitals and outpatient clinics are in severe financial trouble right now. We have veterans that are being turned away that cannot get prescription drugs, we have whole wards being shut down, the VA cannot afford to hire enough doctors and nurses.

If we pass the dire supplemental some time in the next 2 weeks, we will alleviate some of these problems for this year and if we pass the amendment to the budget for next year, we will help to relieve the potential shortfall for next year.

I would again thank the gentleman from California [Mr. PANETTA] and the gentleman from Minnesota [Mr. FRENZEL] for their understanding, and again commend the gentleman from Arizona [Mr. STUMP] and the gentleman from Mississippi [Mr. MONTGOMERY] for the outstanding job they have done in bringing this amendment before the House today.

I urge every Member to support this badly needed amendment.

Mr. FRENZEL. Mr. Chairman, I reserve the balance of my time.

Mr. PANETTA. Mr. Chairman, I yield 3 minutes to the distinguished chairman of the Committee on Veterans' Affairs, the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Chairman, I thank the chairman of the Committee on the Budget, the gentleman from California [Mr. PANETTA] for the cooperation he has given our committee, and I want to thank the gentleman from Minnesota [Mr. FRENZEL], the ranking minority member of the committee. I also want to thank the gentleman from Arizona [Mr. STUMP], ranking minority member on the Committee on Veterans' Affairs; the gentleman from New York [Mr. SOLOMON] a member of the Rules Committee and the former ranking minority member of our committee, and others who have been helpful in putting this amendment together.

The House can be proud of its work for veterans. Our commitment in behalf of veterans has been firm and consistent. Even so, we hope we can do a better job for veterans than we have done in the past. This small increase in funds is not going to solve all the problems, Mr. Chairman. We will have to take a look at the health care structure next year to see what we can do to make improvements for the provision of medical care. We do have an obligation to veterans who defended their country during time of war.

They obligated themselves when the Nation needed them, and certainly we on this side of the Capitol will do what is necessary to take care of their health care needs, and I thank the gentleman for yielding to me.

Mr. PANETTA. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Iowa [Mr. SMITH].

Mr. FRENZEL. Mr. Chairman, I yield 3 additional minutes to the distinguished gentleman from Iowa [Mr. SMITH].

The CHAIRMAN. The gentleman from Iowa [Mr. SMITH] is recognized for 6 minutes.

Mr. SMITH of Iowa. Mr. Chairman, I thank both gentleman for yielding me this time.

This is an important amendment and I support it but it is not the only change I think is needed. We heard in testimony on the supplemental that the funds were not adequate for the Veterans' Administration. However, I also want to point out the inadequacy in function 750 which is the core of the drug bill.

We passed a drug authorization bill overwhelmingly here last year. All but 11 Members were for it. The President, when he was out campaigning, said he was for it, but now few Members seems to want to fund it. So 2 weeks ago, the new drug czar announced a big program for Washington, DC. Of the $80 million, the core of the program, was a new prison costing $50 or $60 million that was already in the pipeline. In fact, it had been in the pipeline long enough that the Bureau of Prisons had been able to determine the location of the prison, Cumberland, MD. That was about $50 to $60 million out of the $80 million.

He also announced that there will be a new task force for Washington, DC. That was already in the pipeline too. It was from the extra agents that were dedicated last fall in the special appropriation in the last 2 days of the Congress.

So that was nothing new at all. But new resources are not being provided to implement the program. Then last week we have a supplemental appropriations bill on the floor of the House and it was derailed because the Members of Congress were unwilling to contribute 0.57 percent across the board from other discretionary functions in order to fund the war on drugs.

Now we have this bill on the floor, and in section 750 there is a proposed $50 million reduction in outlays. We cannot properly implement the war on drugs with reduction outlays in function 750. This government is implementing the war on drugs. The majority of Members of Congress are not willing, apparently, to put up the money to do what it takes to implement the war on drugs but merely want to talk about it. The administration apparently thinks they can fight the war on drugs with only public relations, because that is all they have done so far, public relations, just talking about doing something about drugs but not putting any new resources into it.

I think that Members should either decide to implement the war on drugs or else quit pretending that either Congress or the administration supports a war on drugs. Now, some Member has said, "Well, they have some money they have not been able to use." That is only true over in the demand side in functions 500 and 550. Those are education and rehabilitation programs which require local sponsors to implement those programs and they have not developed fast enough to use the money they have.

□ 1020

They cannot implement those programs fast enough to use the money they have because it takes a lot of local groups that have not been set up yet. It takes local groups, non-profit groups, rehab groups, and so forth, but on the law enforcement side they need and can use the money now. The local agencies and Federal agencies are geared up and could use more resources now. They have task forces that are seeking the money, that cannot secure enough money, and several of the three agencies involved in the drug war need the money now.

So, Mr. Chairman, let us face it. Those who vote for this budget resolution the way it is now, are in effect saying that they do not want to implement the war on drugs that overwhelmingly passed in this Congress last fall.

Mr. FRENZEL. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, there was some confusion on this side of the aisle as to the budget authority number after giving effect to the Panetta amendment. My understanding is that that number, as negotiated with Chairman MONTGOMERY and Vice Chairman STUMP, as a result of the Panetta amendment, will be $13,350 million.

Mr. Chairman, I yield to the distinguished chairman of the committee to verify that amount.

Mr. PANETTA. Mr. Chairman, the gentleman is correct. That would be the number.

Mr. FRENZEL. Mr. Chairman, I thank the chairman of the committee for his verification.

The fiscal year 1990 Reagan/Bush budget request was $10.7 billion for medical care. The House Budget Committee mark was $11.4 billion for medical care, an increase of $703 million over the President's request and an increase of $135 million over the CBO baseline.

This amendment adds $216 million of budget authority and $179 million in outlays to the discretionary portion of function 700: veterans' benefits and services. The additional moneys bring the medical care program up to $11,572 billion.

The United States has the most comprehensive system of assistance to veterans of any nation. The veterans' hospital system has 172 hospitals, 231 outpatient clinics, 117 nursing care units, 27 domiciliaries, and 188 counseling centers for Vietnam veterans. It is the Nation's largest medical care system, and it enjoys the support of the Nation.

Some of the problems plaguing the veterans' hospitals are not unique to them. Those problems are being experienced by hospitals throughout the country: They include shortage of nurses, underutilization of facilities in some areas and over crowding in others, sharply rising costs, changing technology, and others.

The deficit pressures are enormous and the needs are many. However, we are confident that this increase will go far to alleviate the veterans' concerns about the adequacy of the level of funding for medical care.

I urge the support of the amendment.

Mr. BORSKI. Mr. Chairman, I rise in support of House Concurrent Resolution 106, the fiscal year 1990 budget resolution. I would also like to commend Mr. PANETTA and Mr. FRENZEL for their efforts in drafting this bipartisan deficit reduction plan.

This resolution is the result of a negotiated agreement between congressional leaders and the White House. Like all compromises, this is not a perfect document. However, it is a good faith effort to restore the principles of fiscal responsibility to the budget process.

The resolution calls for approximately $28 billion in deficit reduction, split evenly between revenue increases and spending cuts. This $28 billion reduction will produce a deficit of $99.7 billion in 1990, slightly below the Gramm-Rudman limit of $100 billion.

Like many of my colleagues in the House, I do not support every provision in this budget. However, there are several provisions that are noteworthy.

One positive provision is the increase in domestic discretionary spending of $3.6 billion with an adjustment for Federal pay raises. Postal Service savings of $1.7 billion are estimated from removal of the Postal Service from the Federal budget.

The budget extension of the lumpsum 60–40 rule for 1 year will save the Treasury $1.1 billion. It also preserves the cost of living adjustments for retirees and provides for both civilian and military employee raises of 3.6 percent.

Finally, Medicare savings of $2.3 billion are raised from hospitals, physicians, and other providers, and not by increasing out-of-pocket costs to beneficiaries.

If we are going to effectively deal with the deficit problem, Congress and the President must continue to work together. A bipartisan

compromise that makes significant progress on deficit reduction is an attainable goal.

Mr. KLECZKA. Mr. Chairman, I rise in support of the Panetta budget resolution.

I am especially pleased the resolution assumes the Banking Committee will enact legislation which will require large banks to pay deposit insurance premiums on foreign deposits.

This broadening of the Federal deposit insurance base, in addition to raising much needed Federal revenue, would restore a measure of equity in our Federal deposit insurance system.

Small- and medium-sized banks now pay far more than their fair share in deposit insurance premiums. Big banks with large amounts of foreign deposits are now assessed against only an average of 38 percent of their holdings. Smaller banks pay a premium on virtually all of their deposits. More than 80 percent of the $331 billion in foreign deposits are now held by the 20 largest banks. Those banks, which enjoy de facto protection of those deposits because these institutions are deemed "too big to fail" do not pay a nickel in deposit insurance premiums on that $331 billion in deposits.

In this Congress and in the 100th Congress, I have introduced legislation which would require the assessment of foreign deposits. During the Banking Committee markup of H.R. 1278, the FSLIC bailout bill, I offered a foreign deposits assessment amendment which, while it did not prevail, served to stimulate long overdue discussion of this important policy and budget issue.

This budget resolution prudently instructs the Banking Committee to report legislation on the assessment of foreign deposits so that $400 million can be raised to reduce the budget deficit. I will be among those on the committee working to carry out this recommendation. The principal alternative for the committee under the budget process is a reduction of funds for low- and moderate-income housing. Reducing housing funds so that big banks can avoid paying their fair share in deposit insurance premiums is unacceptable.

Mr. Chairman, I urge the adoption of the Panetta budget resolution.

Ms. SNOWE. Mr. Chairman, I rise today in reluctant support of House Concurrent Resolution 106, the budget resolution for fiscal year 1990. I do so mainly because it implements the budget agreement reached by President Bush and congressional leaders last month, and it establishes a good, working basis between the executive and legislative branches for future budget negotiations. However, I am concerned that House Concurrent Resolution 106 simply does not make sufficient cuts in the deficit.

In announcing that they had reached this agreement on April 14, the budget negotiators unveiled a $28 billion deficit reduction package that barely meets the fiscal year 1990 Gramm-Rudman-Hollings $100 billion deficit target, thus avoiding the need for an across-the-board budget cut. The budget agreement, and this resolution, combine roughly $14 billion in spending reductions with $14 billion in increased Federal revenues.

Mr. Chairman, like many other Members of Congress, I realize that this budget is based largely upon economic assumptions that are not entirely plausible, spending "reductions" that barely scratch the surface of the deficit, revenue increases of an as yet undetermined nature and one-time "savings" of almost $6 billion in Federal asset sales.

This budget resolution also calls for roughly $2 billion in reduced spending on farm programs. In actuality, this is accomplished by speeding up our crop payments to America's farmers so that the increased spending occurs in fiscal year 1989, not fiscal year 1990. An additional $2 billion in budgetary savings is claimed by moving the U.S. Postal Service off-budget. These are hardly the kinds of tough choices that the Congress and administration will need to make in order to reduce the budget deficit significantly over the next few years, as required by Gramm-Rudman.

On the revenue side of the equation, House Concurrent Resolution 106 doesn't get much better. Of the total $14 billion in new revenues, $5.7 billion comes from another round of asset sales, $2.7 billion from increased user fees, and $500 million from improved tax collections by the Internal Revenue Service. Most importantly, this figure includes $5.3 billion of new revenues that have to be agreed upon by the administration and congressional leaders at some later date.

In detailing some flaws of this measure that concern me, Mr. Chairman, I don't mean to suggest that formulating a budget resolution is an easy task. In fact, as an active member of the 92 Group in recent years, I know precisely how difficult it can be to produce an overall budget blueprint for our Government.

In 1985, the 92 Group developed an alternative budget proposal and offered it on the floor as a substitute amendment, although it was rejected. Our budget plan contained a total of $51 billion in fiscal year 1986 deficit reductions, without any tax increases, with a comprehensive freeze on defense spending and with an additional $19 billion in domestic spending reductions. According to the Congressional Budget Office [CBO], the group's budget had a total of $275 billion in deficit reduction over 3 years.

In fact, for fiscal year 1988, the group's budget proposal had an estimated budget deficit of $111 billion, as compared with the $155 billion deficit that actually existed at the end of fiscal year 1988. Had our plan been adopted back then, Gramm-Rudman might not have been needed, or at least it wouldn't be quite so difficult to meet its deficit targets for the coming fiscal years.

Even this year, the 92 Group undertook an informal effort to develop a budget proposal for fiscal year 1990. We found roughly $13 billion in real spending reductions from both defense and domestic spending programs. In finding these savings, we did not resort to one-time budget gimmicks or accounting sleight of hand.

However, the group has decided against offering this plan as a substitute floor amendment in deference to the agreement reached by congressional leadership and the President, who have promised to work toward reaching a better, more comprehensive agreement for next year.

In reluctantly supporting this measure, I hope that the administration and the Congress will put forth renewed efforts toward making the difficult, but necessary, choices in fashioning a new budget agreement for fiscal year 1991 when the Gramm-Rudman deficit target will be $64 billion. We can ill afford to continuously delay confronting the economic harm that our budget deficits will bring to our Nation and its citizens in the future.

Mr. COLEMAN of Texas. Mr. Chairman, I regret the fact that I cannot support this budget resolution. I don't imply any criticism of Chairman PANETTA, or the leadership, or any of the very able members of the Budget Committee. They are simply living up to the pledges made at the White House summit negotiations of 3 weeks ago.

But this budget is paper thin. It has no substance. It says that interest rates will fall from 9 to 5.5 percent next year. How can we go and tell the American people with a straight face that this is a realistic blueprint for spending with numbers like that? I have heard several speakers in this debate say that we need to pass this resolution so as to reassure the financial markets of our intention to reduce the Federal budget deficit and to bring Federal spending under control.

We are not giving the financial markets credit for very much if we think this budget will reassure them. It is shot through with gimmickry. How can we possibly accept the idea that the $5.3 billion in revenues to be raised in each of the next 3 years by the tax-writing committees—the first portion supposedly through a cut in the capital gains rate?

The best argument I have heard in support of this budget is that its passage will allow us to move on to consideration of the regular appropriations bills throughout the summer. As one Member who is privileged to serve on that committee, I will tell you that I would rather have a budget that is honest in its assumptions and straightforward in articulating priorities than one which exists for the convenience of our 13 appropriation subcommittees.

This budget does not present us with an opportunity to debate how our constituents want us to spend their tax dollars. It does not say: "These are my priorities, these are your priorities, let's vote on them." In the name of compromise, it is government by default.

There may be some program totals in here which we can brag about to our constituents, but there are many more which I simply cannot and will not defend. I cannot support the Medicare cuts. I will not accept the cuts in health benefits for Federal employees. Military construction accounts, the ones that help us recruit and retain qualified personnel for our Armed Forces, will be damaged. The manipulation of the trust funds, asset sales, and user fees is irresponsible. We will not fool anybody with this plan—and we shouldn't try.

Mr. Chairman, I do not want to vote against this budget. But I must ask my colleagues to look at House Concurrent Resolution 106 as the product of a wink and a nod and to ask our negotiators from the Congress to go back to the White House and to insist that OMB play straight with the American people. I urge you to vote down this resolution.

Mr. LIGHTFOOT. Mr. Chairman, I would like to voice my opposition to this budget resolution. I realize the administration and congressional leaders struggled to reach this agreement. I realize this may be the best most people feel we can reach. Unfortunately, I cannot in good conscience support the measure.

First of all, the resolution calls for $5.3 billion in new taxes. I have stated repeatedly that I will not support additional taxes to solve our budget problems. Although there may be revenue raising options available to us which are not blatantly defined as tax increases, agreeing to this resolution puts us on record in support of "unspecified" revenue increases—which could amount to taxes. The resolution does not make restrictions on which taxes will be considered for increases. I fear that a vote for this resolution would be a blanket vote for whatever tax increases the House Ways and Means Committee decides to recommend.

One reason I am so opposed to tax increases as a part of our deficit reduction equation is our past record. According to a recent publication on the fiscal year 1990 budget by the Heritage Foundation entitled, "Slashing the Deficit," Federal revenues are increasing at the rate of about $80 billion per year while Federal spending has increased by more than $60 billion annually. Since 1980, Federal spending has grown more than 90 percent and tax revenue have increased by about 89 percent, according to citizens for a sound economy. The total tax burden for Americans is at an all time high. A recent Roper survey said 73 percent of Americans oppose tax increases as a means of reducing the deficit. Tax increases are not the answer.

The other problem with this budget resolution is that it demonstrates very little spending restraint. I believe a better effort to control Government spending needs to be made. The same Roper survey I referred to earlier pointed out that those surveyed felt any new taxes raised would merely be spent by Congress on new programs rather than be applied to deficit reduction. I share their view.

Since first coming to Congress I have advocated the concept of an across-the-board freeze in spending, with the exemption of cost-of-living adjustments, and no new taxes. An amendment is being offered by my colleague from Ohio, Congressman KASICH, which closely reflects this position, and I commend him and support him in his efforts. Citizens for a Sound Economy have estimated that a complete freeze on Federal spending would create a budget surplus in as little as 2 years.

I regret I am unable to support this bipartisan budget agreement. It may be enough to get us by temporarily, but it is far from the answer to our budgetary problems. Spending restraint, not revenue increases are the answer.

Mr. WEISS. Mr. Chairman, I rise in opposition to the bipartisan budget agreement. I do so with some reluctance because I recognize the difficult circumstances under which the distinguished Budget Committee chairman, Mr. PANETTA, was forced to negotiate. I think he deserves credit for his diligence and perserverence. He has succeeded in bringing some reason to the Bush administration's original budget proposal. However, given the final product, I am unable to support the agreement.

After years of massive increases in defense spending without a corresponding increase in national security, we must recognize that the time has come to cut defense spending,

Important social programs, which received an unfair burden of the domestic spending cuts during the Reagan administration must be restored and in some cases increased to meet the needs of our population. It is unwise to continue to underfund cost-effective, successful programs. And finally, we must restore fairness to the tax system. Campaign slogans do not make good tax policy. Those who benefited most from the regressive tax policies of the Reagan administration must begin to pay a fairer share of the overall tax burden.

I would first like to compliment the chairman of the House Budget Committee and the House leadership for their diligence and hard work in negotiating with the Bush administration under difficult circumstances. No doubt, the efforts of Chairman PANETTA brought the final budget agreement closer to a reasonable and fair document than the original budget proposal of President Bush. The fact remains, however, that the administration's approach to this budget is only a slight improvement over that of the Reagan administration.

The fundamental principles which governs the President's approach to budgeting remains flawed. This administration continues to believe that it can achieve a more balanced budget without cutting defense spending and without raising any new revenue. By this logic, all spending reductions would come from cutting important social programs, many of which were slashed by the Reagan administration during the past 8 years.

In its zeal to reduce the budget deficit, the Bush administration, as well as the Reagan administration before it, has been penny wise and pound foolish. Investments in the health and education of our children may cost money in the short run, but these programs clearly save billions of dollars in the long run.

In this important area, the Democratic leadership understands the need to resist drastic cuts in domestic spending. To its credit, it was able to force the Bush administration to accept some modest increases in domestic discretionary spending. High priority items such as Head Start, AIDS, Medicaid, student aid, as well as other low-income programs are given increases above the rate of inflation. While these increases are certainly better than the levels proposed by President Bush, they still fall short of the funds necessary to adequately address many of the problems which continue to plague our Nation.

Defense spending must be reduced as part of an overall deficit reduction program. There is an absolute refusal on the part of the Bush administration to accept that the defense buildup, which more than doubled the defense budget during the Reagan administration, is no longer necessary.

The Soviet Union has shown a willingness to negotiate about a whole range of military issues which would allow the United States to reduce its defense spending. However, the Bush administration continues to claim the need to upgrade program after program within the defense budget. Just last week, President Bush announced his intention to proceed with development of both the MX missile and the Midgetman missile. Apart from the strategic problems with this proposal, this is clearly the most expensive way to solve the problem of our land-based nuclear deterrent. As long as the administration continues to cling to the belief that throwing money at the Pentagon somehow scares the Soviet Union, no negotiator, no matter how skillful, will be able to strike a reasonable compromise.

Another problem with the Bush administration's approach to budgeting is the steadfast refusal to accept any new revenue as a way to help shrink the deficit. It is clear, that much of this refusal represents a political decision on the part of the administration to avoid embarrassment in light of the President's "no new taxes" pledge. No matter what the reason, it is clear that we will not solve the fundamental budget problem without broadening the tax base which was severely undermined during the early years of the Reagan administration. Again, this position puts any negotiator at a severe disadvantage. The bipartisan budget agreement contains $14 billion in new revenue. But in a throwback to the Reagan years, most of these revenue increases are achieved through gimmicky procedures like asset sales, user fees, and other offsetting collections. This approach does not solve the underlying problem.

In closing, I would again like to compliment Mr. PANETTA for the open manner in which he discharged his difficult assignment. I am confident that he will serve as chairman of the Budget Committee with distinction and integrity. As we look to the future, I hope we can resolve the outstanding issues of fairness and budget priorities which have prevented a longer-range budget agreement and which continue to keep our budget chronically imbalanced. However we proceed, we must always resist the temptation to balance the budget at the expense of those who are the most vulnerable in our society. I believe that in the long run, programs which help those most in need will help lead to a stronger, more prosperous, and economically stable America.

Mr. CARDIN. Mr. Chairman, I rise in opposition to the budget resolution before us today.

I want to emphasize that the failings of this budget are not the failures of the House Budget Committee. The House is greatly indebted to the excellent leadership of Mr. PANETTA. I'm sure if we left Mr. PANETTA alone in a room to draft the budget, I'd be speaking in favor of that budget today. Unfortunately, that was not the case in this budget.

Two years ago we accepted a modest 2-year budget compromise. Some of us didn't like the budget gimmicks involved in the compromise, but we agreed to it with the understanding that we would await a newly elected President to arrive and provide leadership in the area of reducing the deficit.

Today we have a new administration and a greater need for deficit reduction, but the gimmickry lives on. Two years ago we decided to await leadership on deficit reduction. I don't think we can wait any longer.

Mr. Chairman, this budget may comply with Gramm-Rudman, but it does not comply with reality. Although many of us differed as to what we meant to accomplish by the enactment of Gramm-Rudman, clearly Congress intended by its most recent change to reduce the deficit by $36 billion annually. We have not only failed in that effort, the deficit has actually grown. In the last 2 years the deficit has grown from $149 billion to $155 billion to $163 billion. The reason for this failure is the continued use of the so-called "smoke and mirrors" budget trickery. This year the smoke is so thick we cannot see the mirrors. Let me cite just a few examples. We've accepted the President's economic assumptions such as interest rates of 5.5 percent. Yet each of us knows that these estimates will not be obtained. The more realistic CBO baseline would have the deficit $19.9 billion higher.

On the spending side we have used every gimmick imaginable. The budget resolution accelerates spending, takes programs off-budget and uses one-time bookkeeping savings as ways to say we are cutting spending when we are not. On the revenue side we use asset sales that will probably not occur, unspecified new revenues—despite the disagreement with the White House—and the perennial "better tax compliance" to grossly exaggerate the revenue component for deficit reduction.

The end result is that if this budget resolution is carried out each of us knows that the deficit next year will be even greater than this year's deficit.

There is an alternative. I recently received a report from the Council on Competitiveness that I think lays out a sound strategy for our Nation. First, it recognizes that continuing budget deficits remain our greatest obstacle to becoming more competitive in the world marketplace. Second, it recommends investments in human and capital resources to further enhance American competitiveness.

To fund deficit reduction in the short term and strategic investment in the long term the council recommends real budget cuts and real taxes. And who are the authors of this report? John Young, president of Hewlett-Packard. John Ong, president of B.F. Goodrich. Donald Petersen, chairman of the Ford Motor Co. The presidents of MIT, Carnegie-Mellon, Northwestern and Radcliffe Colleges. Leaders from the United Auto Workers, the Communications Workers of America, and the United Steel Workers. If such a diverse group can reach consensus on this issue, surely we in Congress can do the same.

We can't slip by any longer. The deficit won't wait, the last 8 years have shown us that. In the early 1980's we waited for President Reagan's supply side economics and new federalism to bring the budget into shape and it didn't happen. Two years ago we decided to wait for new Presidential leadership and it hasn't arrived. The time has come for us to act.

Most observers believe the credibility of Congress has suffered in recent times. By approving this budget resolution—knowing it will not do what we are telling the American public it will do—we will only make it more difficult for Congress to regain the credibility we're going to need to truly deal with the budget crisis.

Mr. SYNAR. Mr. Chairman, today we continue the debate on budget priorities. The budget resolution, House Concurrent Resolution 106, is the focus of our attention. I would like to commend Representative LEON PANETTA for the time and effort expended in developing a budget plan so that it could be brought to the floor quickly. I appreciate the pressures Representative PANETTA and the budget committee faced and the desire of everyone to reach an agreement on budget matters.

As much as I would like to have a budget agreement behind us, I cannot support this resolution. Just any budget agreement will not and should not suffice in our efforts to address critical priorities and resolve the budget deficit. For too long, our budgets have been nothing more than sleight of hand tricks which have increased defense spending at the expense of domestic expenditures and a rising deficit. Some of the past budgets have been expedient and were approved in order to avoid immediate or potential financial crises. This is the year, however, when substance must take precedence over appearance.

True deficit cutting should not be premised on an illusory target which has been created by Gramm-Rudman-Hollings [GRH]. The target figure, upon which the entire budget resolution sits rather tenuously, is one for which the budget numbers have been massaged so that they conveniently match the artificially created projected deficit target. We worry each year not about reality but whether we can avoid an estimated projection. Even the projected deficit is built on thin air.

The Congressional Budget Office [CBO] analysis calculates that the true deficit will be about $20 billion higher than the estimates of the Office of Management and Budget [OMB]. To craft an agreement, any agreement, we have "adjusted" our estimates by accepting highly suspect economic assumptions. We also have managed to "save" money by shifting numbers. We have deluded ourselves and others into accepting lower projected deficit figures by including or not including certain programs. We include Social Security trust funds and the funds from the Medicare surtax but delete the post office. These are only a few examples. This is the type of "creative accounting" that resulted in the present savings and loan crisis. Just as the S&L problem has grown dramatically in the past few years, such accounting practices will have the same effect on the Federal budget and the seriousness of the deficit. This type of accounting must cease.

The rigidity of GRH does not take into account changing needs, unforseen circumstances or crises of the moment. Nor does it take into account problems ignored for 8 years now at a critical stage, which cost more money and have spawned additional problems. In order to make the deficit picture rosy, we simply move the numbers to another account and claim it does not affect the budget, all in an attempt to placate the dictates of GRH.

If we accept the unrealistic economic assumptions and shifting numbers this year, we will face insurmountable hurdles in the next few years. Under GRH we would be required to make massive spending cuts in both defense and domestic programs that could not be absorbed. This law must be repealed in order to realistically confront the problems and find the answers. The decisions will not be simple and more than likely be unpopular, however, they are overdue.

Oklahomans tell me they want to have deficit reduction. They understand the impact of the deficit on growth and development. They also tell me that there are serious problems they would like to see addressed. These include, among others, rural health care, housing shortages, deficiencies in veteran's programs and Indian programs, the problem of high school dropouts, education, drug and crime problems. Environmental cleanups and nuclear facility cleanups are a growing concern. Resolution of these problems are desired but not at the expense of an appropriate level of defense. To ignore these core domestic issues will result in a greatly reduced standard of living for the long term.

As an individual member, I do not have the answer to the deficit. I do believe that the budget process should not be predicated on a sham and should start over from an honest assessment of the fiscal situation. From that point, we should address the deficit as a problem in and of itself and not as a moving target adjusted around spending priorities.

Mr. DAVIS. Mr. Chairman, I support the fiscal year 1990 budget resolution (H. Con. Res. 106) which implements the April 14, 1989, bipartisan budget agreement with President Bush. I am glad that the transportation budget function is among the high priority functions, but I do have a great concern over one of the elements in the budget under that function.

My concern lies in the budget's dependence on Coast Guard user fees to raise $200 million in revenue for the next fiscal year. While I do not oppose reasonable user fees, I have always opposed the administration's proposals to charge recreational boating fees. These proposals are not user fees, but simply new taxes in disguise. These fees do not have any relation to services received by recreational boaters. They are designed to raise a specific amount of money and relieve some of the pressure on the Coast Guard budget. However, I have yet to see a proposal that would actually help the Coast Guard.

The supporters of Coast Guard user fees do not seem to understand the contribution already made to the Coast Guard budget by boaters through the existing motorboat fuel tax. The user fee proposals are even more objectionable during a time when the Coast Guard is reducing services to recreational boaters in general.

The law provides guidelines for legitimate user fees under section 664 of title 14 and section 9701 of title 31, United States Code. These existing laws require that—

The fee must be fair, equal to the cost to the Government, and equal to the value of the service to the recipient.

There can be no charges for national defense, emergency search and rescue, or services that benefit a large segment of the public.

The Government must go through the normal regulatory process so that all of the justifications are open to public scrutiny. In other words, they are not authorized a blank

check to charge whatever they want for a service.

And finally, a full accounting must be made of any fees.

On this last point it is interesting to note that the Department of Transportation and the Coast Guard have failed to submit the statutorily mandated accounting under section 664(c) of title 14, United States Code. Because they cannot account for existing user fees and their use that they will be able to properly implement any new user fees. I am skeptical based on this alone.

The proposed recreational boat fee does not meet the legal test in many respects. The proposed fees against commercial vessel operators for Coast Guard services also violate several of these legal requirements. I am reluctant to impose new fees on the American merchant vessel industry that is already struggling, because I do not believe that the administration has adequately assessed the true economic impact of these fees on the industry.

I support the President in his pledge against new taxes, and will once again oppose these taxes in the guise of Coast Guard boating fees or any other unreasonable fees.

I will be working with other members of the Merchant Marine and Fisheries Committee to find a more equitable way to meet the requirements of this budget resolution.

Mr. GAYDOS. Mr. Chairman, I rise in support of House Concurrent Resolution 106—the fiscal year 1990 budget resolution.

The year he left the Presidency, former President Jimmy Carter said, "The American people have always recognized that education is one of the soundest investments they can make."

Needless to say, the last administration was a scrooge with funds for education. The percentage share of total Federal outlays—the gross national product—fell from 2.5 percent in fiscal year 1981 to 1.7 in fiscal year 1988. When adjusted for inflation, total appropriations for the Department of Education fell by 4.1 percent.

In our haste to balance the budget and not raise taxes, we have neglected the tomorrow of this Nation—our children and young adults. The educational system of this country is in sad shape. Our high school dropout rate is 25 percent compared to Japan's 2 percent. That means that each year, 700,000 high school students give up their academic goals and a chance for a bright future.

Another 300,000 are graduating with deficient skills in basic reading and computation. They do not contribute to the country's economic well-being as we know high-quality educational programs lead directly to a productive work force.

Other countries' students are excelling in areas where our students are failing. American high school seniors in advanced placement studies for science finished last in a recent test administered to more than 200,000 students in 7,581 schools worldwide.

Increasing Federal funding for education would actually save us money in other areas. The Committee on Economic Development, a group of corporate leaders throughout America, estimates that for every $1 spent in early intervention and education, $5 is saved in remedial education, welfare, and crime control. But today, there is room for less than 20 percent of those children of low-income families who are eligible for Head Start to participate in the program.

As our future, our young people should be a top priority. They deserve more than the piecemeal handouts of the last 8 years we have given to education. Mr. Bush wants to be the education President. He has a long way to go. Under his budget, key elementary and secondary education programs, including chapter 1, could be cut by $1.9 billion.

The Department of Health and Human Services' drug abuse prevention and education activities could be cut $170 million below levels set in the 1988 drug bill under Mr. Bush's budget.

This budget resolution is a much more favorable alternative. House Concurrent Resolution 106 would provide $42 billion—an increase of about $4 billion over the current fiscal year for education programs, such as Pell grants and the Stafford Student Loan Program, formerly the Guaranteed Student Loan Program. Thus, low-income, high-risk students will have continued access to the student financial assistance they need.

However, House Concurrent Resolution 106 is not fault free. We still are not sure of its impact on worker health and safety.

Those of us on the Subcommittee on Health and Safety are hoping that the 1990's will be a kinder and gentler decade for American workers than the 1980's were. Workplace injuries and illnesses have actually risen. After several years of voluntary compliance under the Reagan administration, when at least 25 percent of all workplace injuries and illnesses were not recorded or reported, a recent desire to enforce the recording of occupational illness and deaths has uncovered a rise in occupational accidents.

The National Safety Council reports that in 1987, 11,100 Americans died on the job and another 1.8 million suffered disabling injuries at work. Those losses cost the United States $42.2 billion.

The Bureau of Labor Statistics of the Department of Labor reports that the rate of injuries and illnesses per 100 full-time workers has increased from 7.9 in 1986 to 8.3 in 1987.

During the course of the 1980's, Federal funding has actually decreased for occupational health and safety. The Occupational Safety and Health Administration received 7 percent less in real dollar terms in 1988 than it did in 1980.

The Mine Safety and Health Administration received almost one-fifth less in 1988 than it did in 1980. The administration budget request for fiscal year 1990 is less than adequate for OSHA and MSHA and guts the entire National Institute for Occupational Safety and Health program.

It's very unlikely that OSHA will have the resources to adequately protect workers as required by the Occupational Safety and Health Act of 1970. With the increase in occupational injuries and illness, I can't figure out why the President proposed a budget where OSHA will receive less than is necessary to keep up with inflation.

This budget won't even permit OSHA to bring its force of compliance officers up to the level required by the 1989 appropriations. In the past 2 years, there has only been a net gain of seven health and safety inspectors. The President's budget request includes authorization for 1,971 health and safety inspectors—that's quite a few more than the 1,166 who are currently on board.

Administration wants to reduce the budget for NIOSH by one-third—from last year's amount of $70.4 million to a mere $44.3 million for 1990.

We are concerned that the message we are sending to the American worker is that occupational safety and health aren't important.

Yet, in spite of its shortcomings, this resolution may be the best possible proposal under the present fiscal restraints. It will trim the Federal deficit to the $100 billion target set by the Gramm-Rudman-Hollings law.

I congratulate Mr. PANETTA and the other members of the Budget Committee for working together and making the best of a no-win situation.

I urge my colleagues to vote in favor of House Concurrent Resolution 106.

Mrs. LLOYD. Mr. Chairman, I rise in support of the bipartisan budget agreement for fiscal year 1990 put forth by the House Budget Committee.

The Federal budget deficit has been cited time and time again as the overriding concern of the American public and they are looking to us for leadership on this critical issue. We all realize that huge, recurring deficits remain a grave threat to our Nation's economy and I am heartened by the fact that President Bush and congressional leaders could agree upon the framework for the fiscal year 1990 budget which calls for approximately $28 billion in deficit reduction.

This budget resolution implements that agreement and is a successful first step toward further discussion on the many complex budgetary issues which await us. When implemented, this resolution will both meet the Gramm-Rudman deficit target in fiscal year 1990 of $100 billion and avoid across-the-board sequestration cuts this October.

Automatic sequestration would drastically curtail the ability of the Congress to respond to the pressing needs of our country, such as education, health care, transportation, the war on drugs, and our critical science, space, technology, and defense initiatives. This agreement would eliminate the need to employ a sequester threat as a motivation for deficit reduction and it also provides us with a good starting point for the passage of all 13 separate appropriations bills by the start of the fiscal year on October 1, thereby avoiding the need for a continuing resolution. It is the beginning of a bipartisan approach to the tough choices that must be confronted if we are to solve the deficit crisis.

I believe that this resolution is a sound agreement which will allow us to move forward as a nation and send a strong signal to our financial markets, and the American people, that we in the Congress are capable of serious deficit reduction and that we are willing and able to work together to achieve it. I urge my colleagues to join with me in supporting the fiscal year 1990 bipartisan budget agreement.

Mr. ROYBAL. Mr. Chairman, as the House considers the 1990 budget resolution, I would like to communicate several concerns which I ask that you keep in mind as you consider the health portions of that budget resolution.

Medicaid, a popular budget-cutting target of the last administration and a program covering less than one-half of poor Americans, is being and should continue to be shielded against any further cuts in this already shredded portion of the Nation's safety net. Instead of cutting Medicaid, I asked that the Budget Committee make room in the budget for a 3 to 5 year phase-in of Medicaid protection for all poor persons. The first year phase-in should be devoted to whatever additional protection can be provided for poor children and pregnant women and still satisfy budget constraints.

Though not completely satisfied, I am pleased to see that $200 million has been made available for the Medicaid package introduced by Representative WAXMAN, other members of the Energy and Commerce Committee and me. This Medicaid package, though modest in its magnitude, would take a very important first step toward dealing with infant mortality, improving child health, caring for the mentally retarded, caring for the frail elderly, and providing hospice support to the dying.

With respect to Medicare, I asked that the Budget Committee and the Congress continue to take the position in the budget resolution that there be no Medicare cuts which increase beneficiary out-of-pocket costs. As documented in my Aging Committee's out-of-pocket health cost study—based on a study by the Health Care Financing Administration—elderly out-of-pocket health costs increased to 18.1 percent of elderly income in 1988—up substantially from 12.7 percent of income in 1980. Even without further budget cuts, greater and greater percentages of elderly income are projected to go toward health care. Again, I am pleased that the committee has taken positive action and included, at the request of myself and others, the following language:

It is the Committee's intention that none of the savings directed to be achieved in Medicare shall come from provisions that reduce services or increase costs to beneficiaries.

With respect to the overall Medicare reductions of $2.3 billion, I still have very serious concerns. I asked that the Budget Committee take all reasonable steps to minimize Medicare provider payment cuts—especially hospital payments—and reject those provider cuts havings a significant negative impact on health care access and quality. While I understand and appreciate that this figure is less than one-half of President Bush's proposed reductions and less than the Senate Budget Committee's proposed reductions, I have serious doubts that Medicare can absorb $2.3 billion in cuts without jeopardizing health care quality, accessibility, and affordability for Medicare beneficiaries.

Again, I am pleased that the committee has taken positive action and included, at the request of myself and others, the following language:

The committee further urges that the authorizing committees proceed with extreme caution relative to Medicare provider changes which may negatively affect health care access and quality.

Even with this language, I remain deeply concerned. Congress again seems prepared to make major reductions in Medicare without understanding what impact these cuts will have on Medicare beneficiaries.

On the issue of biomedical research, I applaud the continued attention given to AIDS research funding by the Congress and the administration and strongly support the proposed expansion. However, I remain deeply concerned over the paltry progress we are making in funding Alzheimer's and related disorders research. In Alzheimer's, we have one of the most costly diseases in both personal and dollar terms, yet we are spending only a little over $100 million for research. In comparison, we spend anywhere from $500 million to over $1 billion for research on the other major diseases, for example, cancer, AIDS, heart disease. Though still less than what we will be spending on the other major diseases, I asked that the committee and the Congress commit itself to a 3-year phase-in of an Alzheimer's research initiative reaching an annual commitment of $500 million by 1992. Sadly, this budget resolution is silent on the issue of Alzheimer's research.

Finally, though making no specific recommendation to the Budget Committee with respect to long-term care, I do ask that the committee and the Congress continue its consideration of how the long-term care problem might be handled within the context of the Federal budget and be open to the prospect of a congressional consensus on resolving the long-term care issue being reached before the end of the 101st Congress.

Let me assure my colleagues that I do fully appreciate the magnitude of the Federal budget deficits facing Congress and the administration. However, I also believe that the Federal Government has obligations to its people, especially the most vulnerable.

Mr. DREIER of California. Mr. Chairman, today we are going to vote on the so-called bipartisan budget resolution—a resolution which may have the support of a majority of my colleagues in this body. The crux of this issue is whether we vote "yes" on a mere acceptable resolution, which does not make any real headway toward cuting our budget deficit: or do we make a stand and reject the resolution and sent it back to the committee for corrective surgery. Mr. Chairman, I think we should do exactly what we did with the dire emergency supplemental appropriations bill last week—reject it and send it back to committee. This budget needs a severe overhaul.

Sure, this resolution comes in under the Gramm-Rudman deficit-reduction targets. But let's face it, we're not fooling anyone. Everyone knows at the end of the year we will be $20 to $30 million over the target. When you examine the fiscal year 1990 budget resolution, you find discretionary spending cuts that come from the use of smoke and mirrors. Except when it comes to the defense budget. This budget makes it very clear that the majority of all discretionary cuts will come from our national defense.

And, once again, we are faced with a tax increase, or as many of my colleagues like to describe, "revenue enhancements." This budget resolution, which calls for $5.3 billion in new taxes, is a direct slap in the face of voters who read George Bush's lips last November. No new taxes.

If this body is serious about making real and lasting reductions to the Federal deficit, we would be enacting the recommendations of the Congressional Grace Caucus and Citizens Against Government Waste which, yesterday, announced a list of 10 spending programs belonging to the "Government Waste Hit List."

Together, the 10 waste targets stand to save the Federal Government $19.1 billion in fiscal year 1990. Included among the proposals are measures to revamp the Federal procurement process at a savings of $7 billion in fiscal year 1990, give rental vouchers to low-income families instead of subsidies to developers and investors at a savings of $1.9 billion, and reduce wasteful farm subsidies at a savings of $1.1 billion.

Mr. Chairman, this budget resolution is flawed and should be rejected. By doing so, we can send a message to the American taxpayers that Congress is serious about reducing the Federal deficit, which is a major burden on our efforts to increase economic opportunity.

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in support of the budget resolution although I have serious reservations about the final amount included for veterans' health care programs.

However, the amount reflected in the final budget resolution will help to alleviate the enormous strains that are being placed on the Department of Veterans' Affairs and its ability to provide adequate health care service to our Nation's veterans.

I want to state my appreciation for the efforts of the Budget Committee chairman, Mr. PANETTA, and the efforts of Mr. FRENZEL, the ranking minority member. I realize the constraints put upon them.

And they took the time to hear us out when the chairman, Mr. MONTGOMERY, and Mr. STUMP, the ranking minority member, all the veterans came knocking on their doors. They helped us out the best they could under difficult circumstances.

Unfortunately, veterans have been living with a straight line budget in terms of inflation for about 10 years. As ranking minority member of the Veterans' Subcommittee on Hospitals and Health Care, I am convinced that we just cannot continue to provide the quantity and quality of health care services that all of my colleagues and the veterans they represent have come to expect, unless there is more money in the budget.

Even a current services budget will not meet the health care needs of our veteran constituencies because their needs are increasing at a rapid rate due to the aging of World War II veterans and other factors, such as the need to increase the competitiveness of the Department of Veterans' Affairs in the recruitment and retention of dismally scarce health professionals.

It is important to emphasize the health care criss which is besieging veterans' health care because continuing the current trend of underfunding is impossible without seriously consid-

ering a realignment of the health care system as we know it today. Including mission changes and facility consolidations.

I thank my colleagues, Chairman MONTGOMERY, and ranking minority member, BOB STUMP, for their support and their strong efforts to achieve the best possible funding level for veterans' health care. And I commend JERRY SOLOMON of the Rules Committee who remains a tireless advocate for veterans.

I will support this resolution. However, the ramifications of a continued budget shortfall are certain to have negative consequences on the veterans we collectively serve.

Mr. SMITH of Texas. Mr. Chairman, I support House Concurrent Resolution 106, the fiscal year 1990 budget resolution, recognizing that it is far from perfect and that there is substantial room for improvement. However, this budget does make progress on solving the Nation's deficit problem.

I also believe that in many ways this is a forward looking budget which will help America prepare for the future. In particular, the budget resolution provides for an increase of $1.6 billion in science, space, and technology programs—increases that will allow us to move forward on important scientific initiatives that play an increasing role in our ability to compete in the international economic arena.

This budget will also NASA to continue design and component development on the space station Freedom, so that the United States can finally establish a permanent manned presence in space, as the Soviets have had for a decade. This manned presence will provide the ability to conduct new materials research and develop manufacturing processes that are possible only in a low-gravity environment. We must obtain this capability if the United States is to capitalize on these new developments and carve out a significant share in these emerging economic sectors.

By increasing budget authority for general science programs, the Department of Energy will be able to begin construction on the superconducting super collider, a project that will solidify this Nation's lead in high-energy physics and ensure that the world's scientists will beat a path to our door. Our past research efforts into the structure of atomic particles has led to the development of new technologies for medicine, engineering, communications, and computer science. By continuing to explore the basic structure of matter, we will lay the groundwork for the next generation of technologies, product development, and instrumentation. We need the super collider to remain a leader in these fields.

Finally, the budget resolution provides for continuing the expansion of National Science Foundation programs, which supports our faculties, students, and research scientists in their pursuit of new discoveries. While big science projects are important, we must not forget that the greatest amount of innovation, insight, and advancement of knowledge comes from the many individual scientists who toil out of the spotlight in our Nation's academic and non-Government labs. This is a valuable resource which we must maintain and encourage.

In summary, Mr. Chairman, I believe the advancement of science and technology is the foundation for the economy of the future. This relationship grows daily, and we cannot afford tc be left behind. Our strong support of science will pay benefits far into the future, and I am glad that the budget resolution before us today makes a significant contribution to that goal.

Mr. SKAGGS. Mr. Chairman, I'd like to take this opportunity to explain my opposition to House Concurrent Resolution 106, the congressional budget resolution for fiscal year 1990.

Mr. Chairman, the United States currently has a national debt of almost $3 trillion. That is equivalent to a $30,000 credit card bill for every single family in America. Next year, we will see an incredible fiscal event occur, when interest on this debt will have risen to the point that it costs our country as much as we expect to spend on all discretionary domestic spending—$181 billion. What a simple and profound indictment.

We will never be able to afford to pay for education, for health care, for science and research, for all the programs that are so important to the strength of this country, until we arrest the rising interest payments on our past debt. And that means reducing the deficit, which of course is what produces the annual addition to our national debt.

I fully realize the deficit is an enormously complex problem and cannot be solved easily. The bipartisanship that has gone into this resolution is welcome. Negotiation and compromise between Congress and the President and between Democrats and Republicans in both Houses are surely prerequisites for any real progress on the budget.

Unfortunately, this resolution itself does not yet reflect the kind of responsible decisions and honest economic assumptions that we need to get the deficit under control and keep it under control. Symbolic agreements, when we're dealing with an issue as crucial as this, are not enough.

It is not enough that this budget resolution puts us within Gramm-Rudman-Hollings deficit-reduction targets on paper if it reaches those targets only through creative accounting and budgetary sleight-of-hand. The budget resolution relies on the administration's wildly optimistic forecasts of future interest rates and performance of the U.S. economy to account for over $10 billion in savings. The resolution uses changes in technical estimates to "save" another $10 billion. The resolution assumes almost $6 billion will be raised through asset sales. The resolution moves farm support payments from fiscal year 1990 to fiscal year 1989 and claims that saves $850 million. This is not deficit reduction; this is deficit deception. While the resolution claims a fiscal year 1990 deficit of $99.7 billion, most knowledgeable people predict the real shortfall by September 30, 1990, will be closer to $150 billion.

The actual spending cuts and the additional revenues called for by this budget resolution are measures that make sense. But they are not enough. We need to develop a plan that starts with realistic assumptions about the economy, and then includes the necessary steps to put us within Gramm-Rudman-Hollings limits. We need additional spending cuts, but those alone won't do it. Not when it would require cutting 5 out of every 6 dollars in domestic spending to eliminate the deficit through that route.

We can't keep hiding, from ourselves and from the public, the need for new revenues. And if we can't be that direct about it, if we can't agree on a deficit reduction package that does not rely on gimmicks, then we should accept the automatic cuts of sequestration. It just might show us what it means to make honest reductions in the deficit.

We can't solve this problem painlessly. But we can solve it with prudence, with fiscal common sense, and with determination. I would urge my colleagues to join me in voting against the budget resolution.

Mr. NELSON of Florida. Mr. Chairman, I am opposed to this budget resolution because of its reductions in the critical areas of science, space, and technology.

The Budget Committee has stated that Science and Space is a priority program and thus it has received a $1.1 billion increase. But an increase over what?

The budget resolution increases function 250 over the current services baseline. This is an arbitrary baseline which is a unique creation of the Budget Committee. This has no relationship to reality.

The real question is how much do these programs need and how much of this need is met by the budget resolution.

Close examination of the budget resolution reveals that the science and space function is decreased by $1 billion below the request level, that is, $1 billion below the level of need.

Aside from general government, this is the only domestic discretionary account that has been cut below the request level. Every other budget function is increased over the request level.

This is no way to treat a program that we all agree is a priority program.

In addition, it does not appear to me to be a rational way of reducing the deficit to increase every other budget function above the levels that are actually needed while cutting science and space—the only function that has an economic return for this country.

Mr. RAHALL. Mr. Chairman, I rise in support of House Concurrent Resolution 106, the fiscal year 1990 budget resolution.

Yesterday I made a statement expressing my strong support for the leadership children's initiative, which provides increased funding for child nutrition programs under the School Lunch Act, and a child-specific set-aside of $115 million out of a $200 million expansion of Medicaid programs. Equally important to me is the $150 million expansion of the Special Supplemental Food Assistance Program for Women, Infants and Children [WIC].

The overall budget resolution before us today represents a bipartisan agreement reached between the White House and congressional leaders and would achieve Gramm-Rudman targets while protecting low-income, high priority programs for disadvantaged school children under chapter 1, education of handicapped children, Head Start, community and child health, child care and early development, student aid, and Medicaid.

The budget resolution also limits the cut in Medicare funding to less than one-half of the

President's original proposed cut of $5 billion, and further protects job training initiatives, older Americans, vocational rehabilitation, and subsidized housing.

Obviously, I am pleased to note that the budget plan assumes a 3.6-percent pay increase for both civilian and military personnel, and that cost-of-living adjustments [COLA's] for Social Security recipients and other entitlement programs are assured.

None of us are likely to forget that our President campaigned successfully on a no new taxes stance. But the President is President of all the people, not just those who are so fortunate as not to need SSI assistance, or old age disability benefits, or Older Americans Employment programs. He is the President of those who do need those programs in order to have any quality or dignity of life. He is the President of children yet too young to vote for any President—and a huge majority of children born today are born into poverty, and they remain in poverty all of their lives.

In West Virginia in 1983, only 25 percent of babies were born into poverty; today, 52 percent are born into poverty. More than one-half of families in my State have incomes $10,800 a year—well below the poverty level. And, in my district, the average unemployment remains at 11 percent, but individual counties have unemployment rates as high as 17 percent. President Bush is their President, too. Realizing this, the President has entered into this bipartisan agreement with Congress which rejects his earlier bid to impose a flexible outlay freeze on all domestic programs at fiscal year 1989 levels, with no inflation factor taken into account so that current services to individuals and families could be maintained. Congress rejected his proposal to cut $21 billion from those domestic programs. And the word the President listened to was that an inflation adjustment for critical, high priority programs had to be made—just as the President proposed an inflation adjustment factor for his defense spending proposals.

The bottom line is that the President has realized that if he wants to take a budget cake and eat it too, he has to provide part of the ingredients, which includes taxes.

If anyone wants to know why I am voting for this resolution, I can tell them in a few words, and if they need proof, I invite them to my office to read my constituent mail. I am voting for it because West Virginia, hard as she is struggling for survival and growth, still is not enjoying the warm winds of recovery being experienced in the rest of the Nation. We rank second in the Nation in the growth and percentages of families and individuals living below the poverty line. Second in the Nation? That's not good enough for me, and it's not good enough for our proud people either. Today's vote provides an interim period during which they and their children will be enabled to live, to have food, shelter, clothing, medical attention, and a quality education to help families and their children break the cycle of poverty once and for all.

Read my mail, if you want to know why I cast my vote today in strong support of this first step in the fiscal year 1990 process.

As a matter of fact, I will even attempt to read President Bush's lips—lips that have begun to whisper the word taxes—if he will read my mail.

Mr. BUNNING. Mr. Chairman, I rise in strong opposition to this budget resolution. This resolution proves only one thing—that the mere fact that something is bipartisan does not necessarily mean that it is good, or honest or responsible. This budget may be bipartisan but it still stinks.

The term "smoke and mirrors" has been overused but it is still the best way to describe this resolution. It does virtually nothing to significantly reduce the deficit. It postpones all the hard choices.

Instead of slicing through spending, it slinks through the back alley of bogus bookkeeping transactions, unspecified revenue increases, and counterproductive, unrealistic asset sales.

This resolution is a bipartisan sham and I cannot support it—no matter how bipartisan it may be.

House Concurrent Resolution 106 calls for revenue increases but doesn't explain where these extra revenues will be found. It sounds like a tax increase to me. The administration originally said the bulk of it would come from the increased revenues generated by reducing the capital gains tax—but we all know that there is no bipartisan agreement on reducing the capital gains tax.

And the OMB has already revised its estimates of the increased revenue that would be generated by a cut in the capital gains tax from $4.8 to $3.8 billion with a net loss in the second year.

So, no matter where you stand on capital gains taxes, this resolution guarantees a tax increase—a sizable one.

House Concurrent Resolution 106 calls for $5.7 billion in one time only asset sales. Most of us recognize that this is phoney savings—that it probably won't happen and if it does happen, it will cost us money in the long run.

The resolution also calls for shaving $1.9 billion off the agriculture budget, but most of that reduction in the 1990 deficit is achieved by advance deficiency payments which simply shift the deficit from next year to the current year. How gimmicky can we get.

The list of side show budget gimmicks goes on and on. And unfortunately, there is very little in the way of the one most important ingredient that we need to reduce our deficit—budget cutting.

Sure, it cuts defense some $4.2 billion but it doesn't do much more than that. That is virtually the only real budget cut in the whole agreement. It puts off the hard choices when we cannot afford to put them off. It makes even tougher choices inevitable next year. And it certainly sets the stage for a major tax increase in the next year or two.

This budget is a bipartisan agreement to sit on our fannies and let the problem get worse and I urge my colleagues to oppose it, so that we can go back to the drawing board and come up with a budget agreement that actually does something to reduce the deficit.

Mr. TALLON. Mr. Chairman, I rise to offer my strong support for the Veterans' Medical Care Amendment to the congressional budget resolution for fiscal year 1990. This amendment provides for an increase in veterans' programs of $225 million in budget authority and $175 million in outlays—with the funding increase intended for veterans' medical care programs.

Budgetary conditions affecting the Department of Veterans' Affairs medicine have reached a crisis produced by decisions in the 1980's to allow this account to annually shrink in real terms, to fall to a level where less than 1 percent of Federal spending is set aside for veterans health care. This trend must be reversed, and this decision to reverse it cannot be delayed.

The VA's health-care services are in a state of crisis, the result, in part, of at least 12 years of inadequate medical budgets. Nationwide, the VA has been forced to close hospital beds, reduce staffs, curtail sorely needed renovations, delay activation of new facilities, eliminate certain medical services, and deny medical treatment to thousands of veterans.

The Department of Veterans' Affairs has confirmed that, without additional medical funding, it will have to close or downgrade some veterans' hospitals. We cannot allow ourselves to see this as an option. I am simply not willing to go back to the veterans of the Sixth District of South Carolina and tell them that their Government cannot make good on its promise. That they should expect second-rate facilities, insufficient care, and possibly the rejection of medical treatment altogether.

Veterans' Affairs officials now predict the VA medical funding shortfall will reach $1 to $1.5 billion in fiscal year 1990, unless Congress approves this supplemental money. Virtually every one of the agency's 172 hospitals is feeling the budget squeeze: staff shortages, services terminated, inadequate equipment replacement, curtailment of needed renovation, medical supplies in short stock, and more and more veterans turned away from needed medical treatment.

While the veterans population has undergone essentially the same demographic changes as the general population and while the health care demands of older veterans has sharply increased, annual VA medical care budgets have risen at a rate that is less than one-half the rate of Medicare spending. Moreover, since 1980, VA patient workloads have increased substantially—hospital patients, up 7 percent; outpatient visits, up 29 percent; veterans receiving VA-paid nursing home care, up 63 percent. Forcing veterans out of VA facilities because of budgetary restrictions requires them to seek alternative care at greater governmental expense.

Failure to financially increase VA's discretionary accounts will aggravate a trend that is already producing very serious repercussions. Apart from obvious direct care personnel shortages, deteriorating medical facilities—including equipment—and limited research dollars are causing many medical schools nationwide to reassess their affiliations with the VA. Withdrawn affiliations, in turn, will jeopardize VA's position as a major trainer of medical manpower—physicians, nurses, and other medical specialists whose scarcity is already documented.

During the past 5 years, the Veterans' Administration has been statutorily instructed to take on new responsibilities in AIDS research and treatment and drug abuse treatment. Simultaneously, the VA has been required to

provide a continuum of services to the homeless and a variety of geriatric care services. Addressing these problems in society generally has led to several well-financed national campaigns; yet, the VA has been allocated precious few Federal dollars to pay for its work. Meeting its statutory obligations, therefore, has forced the VA to take money away from its delivery system providing more traditional forms of medical treatment.

I urge my colleagues to join me in support of this amendment. We cannot forget the hardships and sacrifices that we asked our soldiers, sailors, and airmen to make. Through this Nation's history, veterans have enabled Americans to hold their heads high in pride, gratitude, and patriotism. Let's allow our veterans to do the same.

Mr. FRENZEL. Mr. Chairman, I yield back the balance of my time.

Mr. PANETTA. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. PANETTA].

The amendment was agreed to.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. DANNEMEYER

Mr. DANNEMEYER. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. DANNEMEYER: Strike all after the resolving clause and insert in lieu thereof the following:

That the budget for fiscal year 1990 is established, and the appropriate budgetary levels for fiscal years 1991 and 1992 are hereby set forth.

MAXIMUM DEFICIT AMOUNTS

SEC. 2. The following levels and amounts in this section are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985, whether the maximum deficit amount for a fiscal year has been exceeded, and as set forth in this concurrent resolution, shall be considered to be mathematically consistent with the other amounts and levels set forth in this concurrent resolution:

(1) The recommended levels of Federal revenues are as follows:
Fiscal year 1990: $1,088,739,000,000.
Fiscal year 1991: $1,184,289,000,000.
Fiscal year 1992: $1,271,016,000,000.

(2) The appropriate levels of total new budget authority are as follows:
Fiscal year 1990: $1,333,160,000,000.
Fiscal year 1991: $1,386,337,000,000.
Fiscal year 1992: $1,448,088,000,000.

(3) The appropriate levels of total budget outlays are as follows:
Fiscal year 1990: $1,182,483,000,000.
Fiscal year 1991: $1,223,393,000,000.
Fiscal year 1992: $1,271,900,000,000.

(4) The amounts of the deficits are as follows:
Fiscal year 1990: $93,744,000,000.
Fiscal year 1991: $39,104,000,000.
Fiscal year 1992: $884,000,000.

RECOMMENDED LEVELS AND AMOUNTS

SEC. 3. (a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991:

(1) The recommended levels of Federal revenues are as follows:
Fiscal year 1990: $799,846,000,000.
Fiscal year 1991: $871,797,000,000.
Fiscal year 1992: $939,240,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:
Fiscal year 1990: $0.
Fiscal year 1991: $0.
Fiscal year 1992: $0.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:
Fiscal year 1990: $66,300,000,000.
Fiscal year 1991: $73,300,000,000.
Fiscal year 1992: $80,700,000,000.

(2) The appropriate levels of total new budget authority are as follows:
Fiscal year 1990: $1,021,638,000,000.
Fiscal year 1991: $1,045,330,000,000.
Fiscal year 1992: $1,078,859,000,000.

(3) The appropriate levels of total budget outlays are as follows:
Fiscal year 1990: $938,723,000,000.
Fiscal year 1991: $960,983,000,000.
Fiscal year 1992: $992,740,000,000.

(4) The amounts of the deficits are as follows:
Fiscal year 1990: $138,877,000,000.
Fiscal year 1991: $89,186,000,000.
Fiscal year 1992: $53,500,000,000.

(5) The appropriate levels of the public debt are as follows:
Fiscal year 1990: $3,122,800,000,000.
Fiscal year 1991: $3,374,100,000,000.
Fiscal year 1992: $3,599,700,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991, are as follows:
Fiscal year 1990:
(A) New direct loan obligations, $18,460,000,000.
(B) New primary loan guarantee commitments, $107,559,000,000.
(C) New secondary loan guarantee commitments, $93,238,000,000.
Fiscal year 1991:
(A) New direct loan obligations, $18,902,000,000.
(B) New primary loan guarantee commitments, $115,075,000,000.
(C) New secondary loan guarantee commitments, $97,086,000,000.
Fiscal year 1992:
(A) New direct loan obligations, $18,703,000,000.
(B) New primary loan guarantee commitments, $119,964,000,000.
(C) New secondary loan guarantee commitments, $100,934,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations new primary loan guarantee commitments and new secondary loan guarantee commitments for fiscal years 1990 through 1992 for each major functional category are:

(1) National Defense (050):
Fiscal year 1990:
(A) New budget authority, $309,207,000,000.
(B) Outlays, $303,390,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $322,438,000,000.
(B) Outlays, $314,371,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $335,893,000,000.
(B) Outlays, $326,327,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):
Fiscal year 1990:
(A) New budget authority, $18,441,000,000.
(B) Outlays, $16,717,000,000.
(C) New direct loan obligations, $2,011,000,000.
(D) New primary loan guarantee commitments, $6,414,000,000.
(E) New secondary loan guarantee commitments, $208,000,000.
Fiscal year 1991:
(A) New budget authority, $18,759,000,000.
(B) Outlays, $16,745,000,000.
(C) New direct loan obligations, $2,098,000,000.
(D) New primary loan guarantee commitments, $6,680,000,000.
(E) New secondary loan guarantee commitments, $217,000,000.
Fiscal year 1992:
(A) New budget authority, $19,850,000,000.
(B) Outlays, $17,192,000,000.
(C) New direct loan obligations, $2,185,000,000.
(D) New primary loan guarantee commitments, $6,946,000,000.
(E) New secondary loan guarantee commitments, $226,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1990:
(A) New budget authority, $13,338,000,000.
(B) Outlays, $13,601,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $13,908,000,000.
(B) Outlays, $13,930,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $14,478,000,000.
(B) Outlays, $14,188,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):
Fiscal year 1990:
(A) New budget authority, $6,270,000,000.
(B) Outlays, $4,096,000,000.
(C) New direct loan obligations, $2,028,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:
(A) New budget authority, $6,460,000,000.
(B) Outlays, $4,284,000,000.
(C) New direct loan obligations, $2,149,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $7,060,000,000.
(B) Outlays, $4,750,000,000.
(C) New direct loan obligations, $2,296,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1990:
(A) New budget authority, $17,982,000,000.
(B) Outlays, $18,076,000,000.
(C) New direct loan obligations, $62,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $18,776,000,000.
(B) Outlays, $18,816,000,000.
(C) New direct loan obligations, $64,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $19,558,000,000.
(B) Outlays, $19,235,000,000.
(C) New direct loan obligations, $67,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1990:
(A) New budget authority, $20,167,000,000.
(B) Outlays, $16,985,000,000.
(C) New direct loan obligations, $10,109,000,000.
(D) New primary loan guarantee commitments, $4,905,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $21,074,000,000.
(B) Outlays, $17,094,000,000.
(C) New direct loan obligations, $10,274,000,000.
(D) New primary loan guarantee commitments, $4,967,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $20,490,000,000.
(B) Outlays, $15,137,000,000.
(C) New direct loan obligations, $9,736,000,000.
(D) New primary loan guarantee commitments, $5,029,000,000.
(E) New secondary loan guarantee commitments, $0.
(7) Commerce and Housing Credit (370):
Fiscal year 1990:
(A) New budget authority, $24,803,000,000.
(B) Outlays, $19,486,000,000.
(C) New direct loan obligations, $2,308,000,000.
(D) New primary loan guarantee commitments, $60,645,000,000.
(E) New secondary loan guarantee commitments, $93,030,000,000.
Fiscal year 1991:
(A) New budget authority, $23,493,000,000.
(B) Outlays, $18,157,000,000.
(C) New direct loan obligations, $2,405,000,000.
(D) New primary loan guarantee commitments, $66,509,000,000.
(E) New secondary loan guarantee commitments, $96,869,000,000.
Fiscal year 1992:
(A) New budget authority, $18,530,000,000.
(B) Outlays, $14,747,000,000.
(C) New direct loan obligations, $2,513,000,000.
(D) New primary loan guarantee commitments, $69,781,000,000.
(E) New secondary loan guarantee commitments, $100,708,000,000.
(8) Transportation (400):
Fiscal year 1990:
(A) New budget authority, $30,004,000,000.
(B) Outlays, $29,350,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $30,783,000,000.
(B) Outlays, $30,399,000,000.
(C) New direct loan obligations, $52,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $31,966,000,000.
(B) Outlays, $31,586,000,000.
(C) New direct loan obligations, $54,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1990:
(A) New budget authority, $6,847,000,000.
(B) Outlays, $6,905,000,000.
(C) New direct loan obligations, $1,028,000,000.
(D) New primary loan guarantee commitments, $301,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $6,700,000,000.
(B) Outlays, $6,634,000,000.
(C) New direct loan obligations, $1,074,000,000.
(D) New primary loan guarantee commitments, $313,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $6,885,000,000.
(B) Outlays, $6,502,000,000.
(C) New direct loan obligations, $1,116,000,000.
(D) New primary loan guarantee commitments, $326,000,000.
(E) New secondary loan guarantee commitments, $0.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1990:
(A) New budget authority, $39,086,000,000.
(B) Outlays, $38,485,000,000.
(C) New direct loan obligations, $31,000,000.
(D) New primary loan guarantee commitments, $13,120,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $40,315,000,000.
(B) Outlays, $39,600,000,000.
(C) New direct loan obligations, $32,000,000.
(D) New primary loan guarantee commitments, $13,555,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $41,148,000,000.
(B) Outlays, $40,603,000,000.
(C) New direct loan obligations, $34,000,000.
(D) New primary loan guarantee commitments, $13,850,000,000.
(E) New secondary loan guarantee commitments, $0.
(11) Health (550):
Fiscal year 1990:
(A) New budget authority, $57,215,000,000.
(B) Outlays, $55,812,000,000.
(C) New direct loan obligations, $7,000,000.
(D) New primary loan guarantee commitments, $380,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $62,681,000,000.
(B) Outlays, $61,673,000,000.
(C) New direct loan obligations, $7,000,000.
(D) New primary loan guarantee commitments, $395,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $68,843,000,000.
(B) Outlays, $67,697,000,000.
(C) New direct loan obligations, $7,000,000.
(D) New primary loan guarantee commitments, $410,000,000.
(E) New secondary loan guarantee commitments, $0.
(12) Medicare (570):
Fiscal year 1990:
(A) New budget authority, $123,851,000,000.
(B) Outlays, $100,751,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $136,255,000,000.
(B) Outlays, $115,190,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $149,555,000,000.
(B) Outlays, $130,237,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1990:
(A) New budget authority, $184,090,000,000.
(B) Outlays, $146,113,000,000.
(C) New direct loan obligations, $1,000,000.

(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $193,828,000,000.
(B) Outlays, $154,627,000,000.
(C) New direct loan obligations, $3,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $201,444,000,000.
(B) Outlays, $162,307,000,000.
(C) New direct loan obligations, $3,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1990:
(A) New budget authority, $5,443,000,000.
(B) Outlays, $5,443,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $4,253,000,000.
(B) Outlays, $4,253,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $4,972,000,000.
(B) Outlays, $4,972,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1990:
(A) New budget authority, $31,399,000,000.
(B) Outlays, $30,510,000,000.
(C) New direct loan obligations, $825,000,000.
(D) New primary loan guarantee commitments, $21,794,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $32,396,000,000.
(B) Outlays, $32,131,000,000.
(C) New direct loan obligations, $744,000,000.
(D) New primary loan guarantee commitments, $22,656,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $33,476,000,000.
(B) Outlays, $33,272,000,000.
(C) New direct loan obligations, $692,000,000.
(D) New primary loan guarantee commitments, $23,622,000,000.
(E) New secondary loan guarantee commitments, $0.
(16) Administration of Justice (750):
Fiscal year 1990:
(A) New budget authority, $10,330,000,000.
(B) Outlays, $10,008,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $11,377,000,000.
(B) Outlays, $11,360,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $11,912,000,000.
(B) Outlays, $11,836,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1990:
(A) New budget authority, $10,340,000,000.
(B) Outlays, $10,171,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $10,605,000,000.
(B) Outlays, $10,491,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $11,086,000,000.
(B) Outlays, $10,453,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(18) Net Interest (900):
Fiscal year 1990:
(A) New budget authority, $149,660,000,000.
(B) Outlays, $149,660,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $129,878,000,000.
(B) Outlays, $129,878,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $122,229,000,000.
(B) Outlays, $122,229,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(19) Allowances (920):
Fiscal year 1990:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1990:
(A) New budget authority, −$36,837,000,000.
(B) Outlays, −$36,837,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, −$38,648,000,000.
(B) Outlays, −$38,648,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, −$40,517,000,000.
(B) Outlays, −$40,517,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

GOLD BONDS

SEC. 4. (a) The Congress shall consider legislation authorizing the issuance of Treasury obligations redeemable in gold, that—
(1) are known as Eagle bonds;
(2) have an annual investment yield not exceeding 1.75 per centum;
(3) have an initial maturity of forty years, and may not be issued for less than twenty-five years;
(4) have principal and interest redeemable at maturity in gold;
(5) are intended to replace high-interest, short-term debt.
(b) The issuance of gold bonds is intended to achieve—
(1) a permanent reduction in the rate of interest on the public debt;
(2) a permanent reduction in the rate of interest on the private debt;
(3) a signficant reduction of the Federal budget deficit;
(4) the elimination of the U.S. trade deficit.

TAX AMNESTY

SEC. 5. (a) The Congress shall consider legislation establishing a Federal tax amnesty program, that—
(1) authorizes a one-time amnesty from criminal and civil penalties for taxpayers who notify the Internal Revenue Service of previous underpayments of Federal tax and pay such underpayments in full;
(2) shall be in effect for a three month period beginning July 1, 1989;
(3) applies to all payments relating to tax years ending on or before December 31, 1987.
(b) Revenues collected pursuant to this program shall be used solely for the purpose of reducing the Federal budget deficit.

The CHAIRMAN. Under the rule, the gentleman from California [Mr. DANNEMEYER] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

Mr. PANETTA. Mr. Chairman, I wish to be recognized in opposition to the amendment in the nature of a substitute offered by the gentleman from California [Mr. DANNEMEYER].

The CHAIRMAN. The gentleman from California [Mr. PANETTA] will be recognized for 30 minutes in opposition to the Dannemeyer amendment.

The Chair recognizes the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, when this Member came to the House and began his service here in 1979, this Congress or the Congress at the time was faced with a Federal budget deficit of some $40 billion. I think many of us here can identify by calling through the unimplemented lists of the Grace Commission, the Congressional Budget Office, the General Accounting Office, and the Heritage Foundation and we can put together a list of reductions that would total $40 billion without a great deal of difficulty. If we offered those reduction in the projected level of spending that is in the budget resolution produced by the Budget Committee, my guess is that we might have 75 to 100 votes supporting those reductions. I wish I could say to my colleagues that we could find $241 billion of reductions in this proposed budget of projected spending totaling some $1.1 trillion for fiscal year 1990, but unless we begin major reforms in how we operate our central government in this country, there is no way we can ever identify $241 billion of reductions, because candidly that is the projected deficit for fiscal year 1990.

I am aware that the claim will be made here today in the debate that the deficit is under $100 billion to comply with Gramm-Rudman-Hollings, but they get there by smoke and mirrors, because we are reducing the general fund deficit by about $147 billion of trust fund money. We are not supposed to do that. In fact, when you do that in the private sector, they put you in jail.

The essence of the amendment that I am advocating for my colleagues to consider is one that really entails a policy option whereby we can lower interest rates in America significantly, that is, by the issuance of gold-backed bonds. I would like to direct my colleagues' attention to this chart. The reality is that all of our debt today totals some $2.9 trillion. That is divided into two broad categories, marketable and nonmarketable. The marketable debt is held by the public, and the nonmarketable is held by our trust funds. The total of marketable debt is some $1.6 trillion.

This chart indicates its maturity over the next 10 years. The reality is that within the next year our Treasury has the unenviable task of refinancing about two-thirds of a trillion dollars of the national debt. The essence of this budget alternative I am proposing would require that the Treasury refinance that debt through the issuance of gold-backed bonds. We believe those bonds could be issued for an interest rate of not more than 2 percent. We expect the interest rate would be about a point and a half, when we reduce the interest cost of servicing the national debt from the current level of about 8½ to 1½, we remove about 7 points from the annual cost of maintaining the national debt, and since the gross interest expense of maintaining the national debt this year will be about $247 billion, if we take 7 points off the existing national debt of close to $3 trillion, we can see that by refinancing the national debt of this Government we can reduce the interest cost expense of maintaining the debt by between $150 and $200 billion a year.

All of us would hope that the Federal Reserve Board would drive down the discount rate now at 8½ percent in order that the prime rate could follow suit and we could meet the competition of West Germany and Japan which currently have prime rates half of ours.

The factor that is keeping the Federal Reserve Board from adjusting the rate of interest in this country is the necessity of this nation maintaining a magnet to draw capital to our country to finance our budget deficit. Once we solve the budget deficit problem currently estimated at $238 billion, we can lower the interest rates that all of us have to pay in this country. That means lower interest rates for homeowners, for college student loans, for businesses, and for Third World debtor nations.

Mr. Chairman, as a means of improving the pursuit of social justice in this country, we must lower interest rates, and I would commend this amendment to my colleagues for their adoption.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PANETTA] for 30 minutes in opposition to the amendment in the nature of a substitute.

Mr. PANETTA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to the Dannemeyer amendment. The amendment, I would point out, reflects a lot of work by the gentleman from California [Mr. DANNEMEYER], who has approached this issue, I think, in a way that is constructive. I respect the gentleman's views and I respect the way he has approached this issue because he is trying to confront the issue of interest payments on the debt.

Mr. Chairman, this amendment suggests that there is a simple solution to the budget deficit that requires no pain, no sacrifice. Wave a magic wand, and the deficit disappears. Well, I think my colleagues know better than that. To reduce the deficit, you have to reduce spending, you have to raise revenues, you have to do both.

The Dannemeyer amendment first of all violates the bipartisan budget agreement between the congressional leadership and the White House. It does so because it provides no spending reductions in defense or entitlement programs and ignores the revenue-raising proposals in the agreement. That agreement was fashioned by both sides of the leadership in conjunction with the President and should be enforced.

The Dannemeyer substitute claims most of its deficit reduction by the issuance of 40-year gold bonds at 1-percent interest. It also assumes substantial new revenues from a one-time tax amnesty.

The issuance of gold bonds and adoption of a gold standard as a means of reducing the deficit is, at best, a fantasy; at worst, a potential treat to the Nation's economy. First, while it is possible that lower interest rates would be owed on gold bonds, there is little credible evidence that bond buyers would accept a 1-percent interest rate on these bonds. Nations have abrogated gold payments before, and bond buyers would surely be suspicious of that possibility. Gold has become a highly speculative commodity, and that would clearly be reflected in demand for these bonds.

If we adopted a gold standard, some of these problems might disappear. However, a gold standard would have a potentially disastrous impact on the U.S. economy. Mr. Dannemeyer has cited comments made by the current head of the Federal Reserve, Alan Greenspan, in support of a gold standard and gold bonds. However, those comments were made in 1981. In 1987, Mr. Greenspan stated that it would be impractical at this time to move to a gold standard.

The fact is that a gold standard would result in dangerous economic fluctuations, as it did in the past. There would be little flexibility to protect the Nation from the kind of depressions that hit this country in the 19th century and earlier in this century.

Finally, with regard to a gold standard, we should not forget that the major gold producers in the world are the Soviet Union and South Africa. The idea of basing our economic future on the friendliness and political stability of those two nations strikes me as extremely dangerous.

The other critical element of the Dannemeyer amendment is a one-time

tax amnesty. The amendment assumes not only $15 billion in additional revenues during the current fiscal year but the same amount of additional revenues every year in the future.

The Congressional Budget Office has estimated that a tax amnesty would have a one-time, 1-year effect of an additional $1 billion in Federal revenues. The experience of States which have had amnesties does not suggest a permanent year-after-year increase from a one-time amnesty. Furthermore, since Federal enforcement is already considerably stronger than that of many amnesty States, even the one-time Federal effect probably would not be as proportionately large as the effect in those States.

In short, the Dannemeyer substitute takes "smoke-and-mirrors" budgeting, and turns it into an art form. I hope my colleagues will have the good sense to oppose it.

□ 1030

Mr. DANNEMEYER. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. GINGRICH].

Mr. GINGRICH. Mr. Chairman, I rise to speak in favor of the basic driving concept in the Dannemeyer budget. I frankly, with all due respect to the gentleman from California [Mr. DANNEMEYER], my good friend, would not advocate this as the final passage budget. I think it has some weaknesses. I think, in some areas like science and technology, that the bipartisan budget is better, and I am urging every one of my colleagues on the Republican side to vote yes on the final passage, and I commend the bipartisan effort on both sides of the aisle by the gentleman from California [Mr. PANETTA] and the gentleman from Minnesota [Mr. FRENZEL] and their colleagues who generated the bipartisan budget.

However, Mr. Chairman, I do want to send a signal to Secretary Brady and the administration that the basic underlying premise of what the gentleman from California [Mr. DANNEMEYER] is doing is intellectually sound and is worth being looked at.

For most of the history of the modern world issuing debt denominated in gold was considered automatic sound common sense. It was the only practical way to do business, and the result was there was no inflation premium, and people knew that, if they took a dollar of their hard-earned savings and they loaned it to the Government, they were guaranteed getting an honest dollar back. The result was historically rates as low, I believe, as 1 percent on 100-year railroad bonds in the 19th century because people knew that it was an honest 1 percent, that it was real money.

Mr. Chairman, for the last 20 years, partly because of the tragedy of closing the gold window in 1971, we have had nothing but pure paper money. The attitude of people who actually have a current value, the money in their wallet is, since I know the government will probably cheat me through inflation, I had better charge a high enough interest rate for my money to justify taking the risk of loaning it to the government rather than buying property, or buying diamonds, or buying pictures or investing in other real properties. The result is we pay far higher interest rates than at any other time in the peacetime history of the United States.

This has three effects. First of all, it raises the general interest rate so that, if one is trying to buy a house, or trying to buy a farm, trying to invest in a business, trying to do any of the things people borrow money for, it is much more expensive.

Second, it costs the government a great deal more money. It is not true to say that there is nothing that can be done about interest on the debt. There is absolutely overwhelming historical proof that gold-backed or gold-denominated bonds would have a far lower interest premium, that in fact the Government would pay far less on the debt.

Third, it has a very profound effect on the Third World debt. The fact is, if we had 2½ percent interest rates, Mexico, and Argentina, and Venezuela, and Brazil would be much healthier countries. They would have much more interest to pay to the banks, but they would be paying that interest in real money that would be honest and that would be stable.

Mr. Chairman, what the gentleman from California [Mr. DANNEMEYER] is suggesting, and what many of us believe should be done, is to follow the pattern of history, to be willing to take the risk of offering some bonds that are backed by gold so that we are telling people who buy the bonds up front:

> We guarantee you an honest value at the end of 10 years, or 20 years, or 30 years, or 40 years. You will get back what you put in. All we ask you to do now is let us pay the rent, which is interest on the money you're loaning us.

My guess is that the highest interest rate we would have for U.S. bonds under those circumstances is about 2½ percent, but we would then also have stopped inflation because the Government would not be able to inflate its way out of its debt because, by definition, it would have to pay more in paper money to buy back the gold-backed bonds.

Mr. Chairman, for 200 years almost, from 1789 to 1933, that was the only way, except for the Civil War, we ever had any kind of bonds issued. Starting in 1933 we gradually gave up on that. The result has been inflation which has weakened the interest in savings, it has weakened America as a country, and it has put a greater and greater debt burden on people because they pay extraordinary interest rates. Only in wartime, prior to the modern era, only in wartime would anyone ever have considered 8, or 9, or 10 percent interest rates.

I cannot urge the passage of this budget, but I can urge the passage of the concept. I do think that it is important that we indicate strong support for the idea that issuing a gold-backed bond makes sense, and I would encourage those Members willing to focus on that particular part of the budget to help us to make a breakthrough in sending the signal that there are a significant number of Members who believe the time has come to reduce the interest component of the debt, to issue honest dollars and to build an integrity against inflation in the future.

Mr. PANETTA. Mr. Chairman, I yield 8 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. JAMES. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Florida.

Mr. JAMES. Mr. Chairman, I come here today to applaud the efforts of my colleagues in the House, who have crafted this bipartisan budget accord. Great fiscal demands are being placed upon the Federal Treasury, and we are still faced with a staggering deficit and debt. But while no one is claiming that this proposal offers any long-term solutions, it is the critical first step toward fiscal solvency and accountability. For the most part, this budget resolution provides a blueprint that will meet the needs of the American people, and it does so without raising taxes. Defense, education, the war on drugs, justice, health care, child care, veterans programs, the elderly, and our Federal and military retirees are provided for. My one grave concern is with the shortfall of funding for Medicare. We cannot continue to pare away at Medicare spending without reducing the quantity and or the quality of care. I look forward to working with my colleagues in the months and weeks ahead to responsibly identify additional funds for Medicare programs. Again, I congratulate the Members on both sides of the aisle who helped forge this agreement. In order to meet the pressing fiscal needs of our Nation, while bringing our budget into balance, we must remove any partisan discord from the process. This is an important first step toward accomplishing that.

Mr. FRENZEL. Mr. Chairman, I rise in opposition to the amendment of the gentleman from California [Mr. DANNEMEYER].

As the distinguished chairman of the Committee on the Budget, the gentleman from California [Mr. PA-

NETTA], pointed out, the principal deficiency for us is that the amendment violates the summit agreement negotiated between congressional leaders and the President of the United States.

The administration and the Congress agreed on a national defense number. The Dannemeyer amendment increases the defense outlay number, about 4 billion, slightly more, over that number. There is less money for general science, space and technology in the Dannemeyer budget. There is more in most of the other functions in the Dannemeyer budget.

Mr. Chairman, the net of it is that the Dannemeyer amendment explicitly violates the agreement which the chairman and I are bound to bring to the House and which he and I are bound to defend.

□ 1040

I hope that the Members of the House in analyzing the Dannemeyer amendment, whatever their feelings are about its value or lack thereof, would remember that overriding feature: it violates the agreement.

With respect to the Dannemeyer budget, I think there are all kinds of positions by economists and philosophers about how much money you are going to save if you issue gold-backed bonds. I think most of us would concede to the gentleman from California that it is a worthwhile experiment and some ought to be issued.

If in making this amendment over the years and making the point that the gentleman has been making, he is successful in urging the Treasury to begin some of this valuable experimentation, he will have done the Republic a great service.

On the other hand, to take the leap of faith with the gentleman from California [Mr. DANNEMEYER] and assume that you can sell a large volume of these bonds at a 1 percent interest rate is more than I could do if I were charged with the management of the economy of this country.

The gentleman's amendment also assumes a tax amnesty program which is supposed to collect large quantities of money, and his amendment does not include any tax revenues as were included under the agreement.

Again I say, it is not so much the concept of his amendment that is bothersome to me, it is simply that the amendment does not meet the requirements of the negotiated agreement, and therefore is something that ought not to be approved by this House, by the Congress, nor approved by the President.

So I think in its best light we will take it as a step toward experimenting with this kind of gold-backed security in which the gentleman has such great faith. We wish him great success in that effort, and a little less success in passing his amendment.

Mr. DANNEMEYER. Mr. Chairman, I yield 3 minutes to my colleague, the gentleman from New Hampshire [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. Chairman, the reason I am rising in support of the Dannemeyer amendment is for a very simple reason. When I was elected to this job they said there are two things you cannot do anything about, the weather and the interest on the national debt.

Well, I would agree on the weather, but it is obvious that today we can do something about the interest on the national debt.

I do not know what we are afraid of. I think it is time we try gold-backed bonds. That is not the same as the gentleman from California seems to think, going on the gold standard. It is not going on the gold standard.

Right now every citizen of the United States has these little IOU's that say Federal Reserve note, and our bonds are the same thing. They are paper. They say the Government 30 years from now will give you more paper if you buy our bonds or our Treasury bills.

All we are asking is that we try an experiment in lower interest rates. The biggest component of the Federal budget that is out of control is the interest on the debt. The Dannemeyer gold-backed bond gives us the opportunity to try to sell some of that debt down at 1 or 2 percent.

The gold is in Fort Knox. It is not connected to any bonds. Let us make that connection. Vote for the Dannemeyer amendment. There is nothing to fear but fear itself, because if we end up with interest on that debt at 1 or 2 percent, we will all be happy, and that is one of the things at least that we will be able to change.

Finally, I would point out that Alan Greenspan in this decade had called for a return to the gold standard. He has not recently done that, but in recent conversations he certainly indicated an experiment with gold-backed U.S. bonds is something that is worth trying. I think it is worth trying. We ought to bite the bullet, try it today. Vote for the Dannemeyer amendment and see if we cannot do something to try to lower the interest on the national debt.

Mr. DANNEMEYER. Mr. Chairman, I yield 5 minutes to my colleague, the gentleman from Idaho [Mr. CRAIG].

Mr. CRAIG. Mr. Chairman, I appreciate my colleague yielding this time.

Mr. Chairman, for anyone who has served several years in this body to be standing today before you debating what some would say is an off the wall idea about dealing with our debt structure, they may have to question the wisdom of the individual.

Let me tell you why I am here today, because of what I have watched and have watched this Congress fail to do over my 9 years of service, and that is in fact to deal with the debt structure of this country. If you look at the items on which the Budget Committee works, you will find that in 1989 the collective debt structure was $2.8 billion. For 1990, they are just easily saying it is going to be $3.1 billion. For 1991, it is going to be 3.35. For 1992, it is going to be 3.5, 3.7 trillions of dollars, not billions of dollars.

I find it fascinating that this Nation continues to collect rather astronomical debt and in the short time that I have been here, at least as it relates to the whole of this body and our existence as a Nation, we are doing very little about it. We have watched the interest on the debt move to the third largest item in the budget and clearly within my lifetime it will become the second largest, if not the dominant section of the budget this Congress will have to deal with.

It is time that our Budget Committees, compromise or no compromise, recognize the debt structure of this country and deal with it in a forthright way.

Certainly years ago I became involved with the International Finance Division of the World Bank to promote an idea with the nation of Mexico as to how under their current debt structure they might alleviate some of that. We proposed several ideas to them dealing with the ability to market silver-backed bonds to the world that they might use. At that time it was suggested that it was a bad idea, but certainly the nation of Mexico was in such debt and its credibility and its ability to handle that debt was so badly recognized around the world that they had little alternative.

What they found out on their first and now their second issuance by the Central Bank of Mexico is that in fact they can market their debt in a responsible way. They can lower their charges on debt structure. They do find interests around the world that are willing to buy debt structure with the security of silver-backed bonds. That is an example of how this kind of an approach can work.

My colleague, the ranking committee member, the gentleman from Minnesota [Mr. FRENZEL] and I happen to agree that probably it is not a good idea to market all of our debt structure in the manner that is proposed in the Dannemeyer alternative, but it is clearly a responsible effort to look at finding new ways to market some of our debt structure for a substantially lower rate of interest than we currently are doing.

The $170 billion worth of interest charge or debt service that we are tell-

ing the American people exists is only a portion of it. This Nation this year, its taxpayers, will pay for interest on both dedicated accounts and paper issued by our Government of some $248 billion. I think that is a disgrace.

I am disappointed that this Congress so quietly and quickly shoves that under the rug as they move to get on through one more cycle in the budget process and then, of course, after this one, just one more cycle again in the budget process is all we have to do. We get by year after year while our financial community grows weak and our ability to deal in a world community grows even weaker and while we beg at the doorsteps of the Japans, the Germanys, and the Frances of this world to buy our debt structure, apologizing for our inability to control our own finances and just hoping they will work with us to keep us afloat for just 1 more year.

□ 1050

Mr. Chairman, we are the big boy on the block in the world economic community, and as the big boy on the block, the little guys cannot kick us off. I suspect if we were less than what we are today in statute, because of our inability and our lack of fiscal responsibility, they would do just that.

Mr. DANNEMEYER. Mr. Chairman, I yield 6 minutes to my colleague, the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Chairman, I rise in strong support of the budget amendment offered by my friend and colleague from California, Mr. DANNEMEYER.

We have seen, for the past few years, a failure on the part of the Congress to deal with the enormous Federal budget deficit. We have seen many Members of Congress blame the deficit on the Reagan defense buildup. This is despite the fact that there has been no real growth in defense spending for the past 5 years. In fact, defense spending in real terms has declined by over 11 percent in the past 5 years. The other reason that some Members say that we have the budget deficit is the Reagan tax cuts. This, I find almost laughable. In the last 5 years, since those notorious tax cuts, revenues have increased by almost $250 billion. That is $250 billion more than we have in revenue with those tax cuts in place.

Our problem, Mr. Chairman, is not high defense spending or cutting the tax burden of this Nation's citizens. Our problem is that the Congress cannot break itself lose from an addiction to overspending. Speaking about congressional spending, Ronald Reagan once compared Congress to a drunken sailor, but noted that this was unfair to the sailor. I would compare the method of spending to that of a credit card shopper totally out of control.

I will have to suggest that this budget amendment being offered, this budget proposal, being offered by the gentleman from California [Mr. DANNEMEYER], actually does not go as far as I would like to see it go. The fact is that I believe that for us to fully come to grips with the high level of deficit spending that we now suffer under we are going to have to remove from the budget, we are going to have to zero out, all spending that is not absolutely necessary to the well-being and security of the United States of America. There are many, many programs which are in our budget which are not absolutely necessary but are mere icing on the cake which are subsidies basically for middle-class, upper-middle-class, and special-interest groups in our country.

Mr. Chairman, I would suggest we could look at the National Endowment for the Arts and Humanities as something that is not absolutely necessary. At a time when we are going to have to be making choices about prenatal care for poor mothers, at a time when we are talking about having to make hard choices with the Head Start program, I see no reason why we should be subsidizing national public broadcasting, which is nothing more than a subsidy for the information and entertainment of the American people. The American people have information and entertainment coming out of their ears by the private sector at no cost to the taxpayers.

Having said that, I want to tell the Members why I am supporting the Dannemeyer "kinder and gentler" budget, my colleague aptly points out in his "Dear Colleague" letter that net interest of our debt comprises 116.7 percent of the entire budget deficit in fiscal year 1990. Interest on the debt, excluding trust fund income, totals $264 billion and comprises 169.2 percent of the deficit.

The chairman of the Budget Committee, the gentleman from California [Mr. PANETTA], pointed out yesterday that we will be here sometime later this year asking for yet another increase in the debt ceiling. CBO projects an increase in the debt of $238 billion. This situation has got to stop somewhere.

In the Dannemeyer budget, he proposes that the United States back its money with gold bonds. Now, I know there are a lot of folks out there who think this issue of the gold standard and gold bonds is a dead horse that should be buried. The exact opposite is true. This country has been living on borrowed money for too long. The Dannemeyer budget, through its sale of gold bonds, would reduce the Federal budget deficit by over $32 billion in fiscal year 1990 and actually give us a small surplus by fiscal year 1993.

The Dannemeyer budget also calls for a tax amnesty plan. I too, think this is a great idea. In fact, I recently wrote President Bush asking that he implement such a plan. Arthur Laffer, the noted economist, has stated that a tax amnesty plan, could bring as much as $60 billion over the next year.

Finally, the Dannemeyer plan would do much toward regaining confidence in the markets and in our economy GNP could be higher.

Mr. Chairman, I ask for support for the plan of the gentleman from California [Mr. DANNEMEYER]. I think it is reasonable. I think it would lead to economic growth and expansion of the tax base, and believe that it would do much to come to grip with this basic budget deficit that is such a challenge to us today.

Mr. PANETTA. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I had not intended to enter the debate, but I wanted to respond to a comment made by my distinguished colleague, the gentleman from California [Mr. ROHRABACHER], who in his opening remarks indicated that our military budget had declined by 11 percent in real terms over the last 5 years. I think it is important for the gentleman to take a much longer view of this matter.

When I came to Congress in 1971 the military budget was approximately $79 billion. In 1980 that military budget had increased to $143 billion. On the way out the door President Carter for fiscal year 1981 proposed a preliminary budget in excess of $176 billion. The first year of Ronald Reagan he got from this Congress a military budget of $219 billion. Today the gentleman and I are on the floor of Congress dealing with a budget outlay figure of $299.4 billion.

Mr. Chairman, I would suggest to my colleague that if he moves beyond 5 years when this Congress and this country began to realize that we could not spend ourselves into oblivion in the military budget and start taking a more fundamental baseline, I think the gentleman will understand that in real terms our military budget has expanded beyond comprehension. In more specific terms, I would suggest that the figure is a 4.5-percent increase.

Mr. DANNEMEYER. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I am happy to yield to the gentleman from California.

Mr. DANNEMEYER. Mr. Chairman, I am glad the gentleman brought this point up, because we have conflicts as to whether or not we should be increasing social programs spending or defense spending, and they have been

going on for as long as the gentleman and I have been privileged to serve in this body. I think the gentleman would agree with that.

The fact of the matter is the figures clearly show that over the last 20 to 30 years, this Nation has moved from spending about 45 percent of its total Federal spending on defense to a current level of about 25 percent, and the opposite has occurred with respect to domestic programs.

My question is essentially this: We are not in this fiscal problem or mess because we are spending too much on defense; it is because we are spending too much on social programs. Is that not right?

Mr. DELLUMS. Mr. Chairman, with respect to the first assertion of the gentleman that at one point the military budget was 45 percent and is now 25 percent, I take the gentleman back to the Lyndon Baines Johnson era when our budget was a joint budget, when all of the budget was put together. In order for President Johnson to not allow the American people to understand the extent to which we were prosecuting a war in Vietnam, we separated the budget out, so it went from 45 to 25 because we separated the budget our, discretionary budget on the one hand, trust-fund budget on the other.

It seems to me that if the gentleman talks about both of them he will continue to understand that our military budget continues to eat up between 45 and 51 percent of the discretionary spending of this country.

Mr. DANNEMEYER. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I am happy to yield to the gentleman from California.

Mr. DANNEMEYER. Mr. Chairman, the analysis the gentleman from California has made is, I guess, the only response he could make, because the analysis that I have described is accurate; rather than accept the analysis I have made, the gentleman has separated out certain categories of the budget and is talking about discretionary. We should be talking about apples and apples, not apples and oranges.

□ 1100

Mr. DELLUMS. In the spirit of comity, will the gentleman yield an additional minute to me?

Mr. PANETTA. Mr. Chairman, I yield 30 seconds to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank my colleague for yielding.

One point that we will make in the next several minutes is that at this moment the gentleman and I are reaping the wild winds of decades of benign neglect. There is great human misery in this country. I will try to document it, speak to it as powerfully as I can.

The gentleman from California and I cannot continue to equate MX missiles with the fragile nature of our children in this society who are dying in the streets of America in every major metropolitan center in this country. We have a moral and political and intellectual obligation to address our most precious resource, and that is the children of this society.

Mr. DANNEMEYER. Mr. Chairman, I join with my colleague. I cannot agree with him more on what he just said.

Mr. Chairman, I yield 5 minutes to my colleague, the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I want to speak in a moment about the budget of the gentleman from California [Mr. DANNEMEYER] which I intend to support. But I think we just heard history turned on its head, and I think we need to clarify just what the situation was in the 1960s.

The fact is the Lyndon Johnson did not separate out the Social Security budget from the regular spending budget in the mid-1960's. What he did, in order to justify the spending we were doing in the Vietnam war, was he put the two budgets together, and that is the time when the Social Security budget came into the unified budget, something we are now trying to reverse again by pulling the Social Security trust fund out of the unified budget. It was not a case of taking them apart, it was a case of putting them together.

Mr. DELLUMS. Mr. Chairman, if the gentleman will yield, he is absolutely correct on that point. It was separated. They brought them together in order to bring down the figure. The gentleman is correct.

Mr. WALKER. But the point is that even after they came together the amount of military spending in the unified budget was at the 45-percent level that the gentleman from California mentioned. It was after the Vietnam war on the basis of the reductions in military spending that we moved down from the 45-percent level down to 30 percent, and ultimately down to about a 25-percent level. That is a calculation based not on the ununified budget but on the unified and so, therefore, it is exactly comparable to suggest that today we are spending some 27 percent of the budget on military whereas in the mid-1960's we were spending 45 percent on military.

It is also very apparent that we have reduced the amount of gross national product that is going into the military. At that point in our history we were spending about 9 percent of the gross national product up to as high at one point as 11 percent of the gross national product on the military. Today we are down to a figure of around 6 percent.

At the same time, spending on social programs has soared as a percentage of gross national product, and in particular the percentage of money that we are spending on health programs in this country has soared as a percentage of gross national product.

But that is not my point here. I just think we need to clarify history a little bit.

My point is that the gentleman from California [Mr. DANNEMEYER] offers us a very important budget submission, because too often what happens around here is that we deal in incremental ideas with regard to the budget, that we assume that everything which is has to be and, therefore, we are going to make incremental changes at the edges. And one of the assumptions that we always have in this body is that we cannot touch the interest expense. We say a number of things. We cannot touch the entitlement programs, we cannot touch defense because defense is something that the administration regards as untouchable and so, therefore, we say that the only place we can get the money is the nondefense discretionary programs. I mean that is kind of the conventional wisdom around here. Then we go about slashing all of those nondefense discretionary programs.

What the gentleman from California is saying in his budget is hey, there is another big category where we spend between $150 and $200 billion a year where if we were willing to be a little creative we could save money. And the way we can save money is to give investors the assurance that the money that they are putting toward Government bonds is redeemable at some point in the future at its real worth, and that by doing that we can cut the interest expense dramatically, maybe as low, in the gentleman's calculations, as 1½ percent.

That would allow us to reduce the manual expenditure for interest to a phenomenally low rate, and get us a lot of dollars that would not have to come out of the hide of nondefense discretionary programs, would not have to come out of the hide of national security, would not have to come out of the hide of entitlement programs.

But nobody likes to think in terms of dramatic reforms because dramatic reforms tend to shake up the establishment. There will be a lot of big money banks in New York that reap huge profits at the expense of Federal taxpayers who are not going to be very happy with the gentleman's approach. There will be a lot of allies around the world who see this as being somewhat destabilizing. They will not be very happy with the gentleman's approach,

because it is real reform and it makes real change, it does real things.

But I would suggest that we need to have that kind of a budget presentation out here. We ought not just be looking at incremental changes. We are undergoing dramatic changes in the world, and we need to look at the kind of budget submission that brings about real reform.

I think the gentleman from California is to be congratulated for bringing to the floor a budget that contains real reform. I do not agree with all aspects of his budget. I spoke on the floor yesterday about the need to invest in the future of science, space and technology. The gentleman's budget does not go nearly far enough to do that.

But he does give us an area of resources that we could utilize to address that problem and a number of others if we were really willing to reform.

My guess is that those of my colleagues who vote with BILL DANNEMYER on his budget are probably not going to win. That is a shame, because if we would vote for the Dannemayer budget we would say to the country that this Congress is committed to really reforming the system and not just changing incrementally and, therefore, piling up year after year of debt.

I would urge a vote for the budget of the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Chairman, I thank my colleague, the gentleman from Pennsylvania for his comments.

Mr. PANETTA. Mr. Chairman, I yield 1 additional minute to the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I would like to say to my colleague, the gentleman from Pennsylvania [Mr. WALKER], if I might have his attention, I appreciate his comment. Speaking very quickly, the point I was trying to make was that during the prosecution of the Vietnam war when the two budgets were separated, the discretionary budget and the trust fund budget, the military part of the budget began to rise very quickly to 45 percent; in some instances it went even higher. So in order for the President to saddle the amount of money that was required to prosecute the war in Vietnam, the President brought them together and created what is now known as the unified budget, because if we are talking 50 percent of one-half of the budget, and we put it all together, it drops down to 25 percent. And the gentleman is correct, and that was the point I was trying to make to my colleague from California.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. The point I want to make to the gentleman though is when we calculate the unified budget in the 1960's, on the unified budget the spending was at 45 percent for military. That is the point.

Mr. DANNEMEYER. Mr. Chairman, I yield myself my remaining 1 minute.

Mr. Chairman, the comments I would like to make in rebuttal to my colleagues that have expressed some concern about this budget is to quote here from Mr. Greenspan, currently Chairman of the Federal Reserve Board, who wrote an article in the Wall Street Journal in September 1981 where he said in part:

A second advantage of gold notes is that they are likely to reduce current budget deficits. Treasury gold notes in today's markets could be sold at interest rates approximately 2 percent or less.

I believe that is a valid source. I do not think we need to go any further than the Chairman of the Federal Reserve Board in terms of credibility for our ability to sell gold-backed bonds at the rate of interest that I am talking about.

I also have a letter from Morgan Stanley written and signed by Evan Galbraith, former Ambassador of the Reagan administration to France. The letter is written April 1986 to this Member and it says:

I think the United States Government could sell $100 billion of 30-year bonds convertible into gold (not indexed—actually exchangeable for the metal) at an interest rate of no more than 2 percent.

And then he goes on to say that if it was necessary, we could sell even more than that.

For these reasons, I think these are credible sources for all of us on the point as to whether or not this is a feasible idea.

I ask for an aye vote.

Mr. PANETTA. Mr. Chairman, I have no other requests for time, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from California [Mr. DANNEMEYER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DANNEMEYER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 72, noes 350, not voting 12, as follows:

[Roll No. 39]

AYES—72

Armey	Bentley	Burton
Ballenger	Bilirakis	Callahan
Bartlett	Bliley	Coble
Bates	Bunning	Combest
Cox	Hiler	Rohrabacher
Craig	Holloway	Roth
Crane	Hopkins	Schaefer
Dannemeyer	Hunter	Sensenbrenner
DeLay	Inhofe	Shumway
Dornan (CA)	Kasich	Smith, Denny (OR)
Douglas	Kyl	Smith, Robert (NH)
Dreier	Lagomarsino	Solomon
Early	Livingston	Spence
Emerson	Lowery (CA)	Stearns
Fields	Marlenee	Stenholm
Gallegly	McCandless	Stump
Gekas	McEwen	Tauzin
Gilman	Miller (OH)	Vucanovich
Gingrich	Moorhead	Walker
Hall (TX)	Nielson	Weber
Hammerschmidt	Packard	Whittaker
Hancock	Paxon	Young (AK)
Hansen	Porter	
Hefley	Ravenel	
Herger	Rhodes	

NOES—350

Ackerman	Dorgan (ND)	Jenkins
Akaka	Downey	Johnson (CT)
Alexander	Duncan	Johnson (SD)
Anderson	Durbin	Johnston
Andrews	Dwyer	Jones (GA)
Annunzio	Dymally	Jones (NC)
Anthony	Dyson	Jontz
Applegate	Eckart	Kanjorski
Archer	Edwards (CA)	Kaptur
Aspin	Edwards (OK)	Kastenmeier
Atkins	Engel	Kennedy
AuCoin	English	Kennelly
Baker	Erdreich	Kildee
Barnard	Espy	Kleczka
Barton	Evans	Kolbe
Bellenson	Fascell	Kolter
Bennett	Fawell	Kostmayer
Bereuter	Fazio	LaFalce
Berman	Feighan	Lancaster
Bevill	Fish	Lantos
Bilbray	Flake	Laughlin
Boehlert	Flippo	Leach (IA)
Boggs	Florio	Leath (TX)
Bonior	Foglietta	Lehman (FL)
Borski	Foley	Leland
Bosco	Ford (MI)	Lent
Boucher	Ford (TN)	Levin (MI)
Boxer	Frank	Levine (CA)
Brennan	Frenzel	Lewis (CA)
Brooks	Frost	Lewis (FL)
Broomfield	Gallo	Lewis (GA)
Browder	Garcia	Lightfoot
Brown (CA)	Gaydos	Lipinski
Brown (CO)	Gejdenson	Lloyd
Bruce	Gibbons	Long
Bryant	Gillmor	Lowey (NY)
Buechner	Glickman	Luken, Thomas
Bustamante	Gonzalez	Machtley
Byron	Goodling	Madigan
Campbell (CA)	Gordon	Manton
Campbell (CO)	Goss	Markey
Cardin	Gradison	Martin (IL)
Carper	Grandy	Martin (NY)
Carr	Grant	Martinez
Chandler	Gray	Matsui
Chapman	Green	Mavroules
Clarke	Guarini	Mazzoli
Clement	Gunderson	McCloskey
Clinger	Hall (OH)	McCollum
Coelho	Hamilton	McCrery
Coleman (TX)	Harris	McDade
Collins	Hastert	McDermott
Conte	Hatcher	McGrath
Conyers	Hawkins	McHugh
Cooper	Hayes (IL)	McMillan (NC)
Costello	Hayes (LA)	McMillen (MD)
Coughlin	Hefner	McNulty
Courter	Henry	Meyers
Coyne	Hertel	Michel
Crockett	Hoagland	Miller (CA)
Darden	Hochbrueckner	Miller (WA)
Davis	Horton	Mineta
de la Garza	Houghton	Moakley
DeFazio	Hoyer	Molinari
Dellums	Hubbard	Mollohan
Derrick	Huckaby	Montgomery
DeWine	Hughes	Moody
Dickinson	Hutto	Morella
Dicks	Hyde	Morrison (CT)
Dingell	Ireland	Mrazek
Dixon	Jacobs	Murphy
Donnelly	James	Murtha

Myers	Rogers	Stallings
Nagle	Rose	Stangeland
Natcher	Rostenkowski	Stark
Neal (MA)	Roukema	Stokes
Neal (NC)	Rowland (GA)	Studds
Nelson	Russo	Sundquist
Nowak	Sabo	Swift
Oakar	Saiki	Synar
Oberstar	Sangmeister	Tallon
Obey	Sarpalius	Tanner
Olin	Savage	Tauke
Ortiz	Sawyer	Thomas (CA)
Owens (NY)	Saxton	Thomas (GA)
Owens (UT)	Scheuer	Thomas (WY)
Oxley	Schiff	Torres
Pallone	Schneider	Torricelli
Panetta	Schroeder	Towns
Parker	Schuette	Traficant
Parris	Schulze	Traxler
Pashayan	Schumer	Udall
Patterson	Sharp	Unsoeld
Payne (NJ)	Shaw	Upton
Payne (VA)	Shays	Valentine
Pease	Shuster	Vander Jagt
Pelosi	Sikorski	Vento
Penny	Sisisky	Visclosky
Perkins	Skaggs	Volkmer
Petri	Skeen	Walgren
Pickett	Skelton	Walsh
Pickle	Slattery	Watkins
Poshard	Slaughter (NY)	Waxman
Price	Slaughter (VA)	Weiss
Pursell	Smith (FL)	Weldon
Quillen	Smith (IA)	Wheat
Rahall	Smith (MS)	Whitten
Rangel	Smith (NE)	Williams
Ray	Smith (NJ)	Wilson
Regula	Smith (TX)	Wise
Richardson	Smith (VT)	Wolf
Ridge	Smith, Robert (OR)	Wolpe
Rinaldo	Snowe	Wyden
Ritter	Solarz	Wylie
Roberts	Spratt	Yates
Robinson	Staggers	Yatron
Roe		Young (FL)

NOT VOTING—12

Bateman	Lehman (CA)	Morrison (WA)
Clay	Lukens, Donald	Pepper
Coleman (MO)	McCurdy	Rowland (CT)
Gephardt	Mfume	Roybal

□ 1130

Messrs. ALEXANDER, FOLEY, HYDE, UDALL, and SHARP changed their vote from "aye" to "no."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. DELLUMS

Mr. DELLUMS. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. DELLUMS: Strike all after the resolving clause and insert in lieu thereof the following:

That the budget for fiscal year 1990 is established, and the appropriate budgetary levels for fiscal years 1991 and 1992 are hereby set forth.

MAXIMUM DEFICIT AMOUNTS

SEC. 2. The following levels and amounts in this section are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985, whether the maximum deficit amount for a fiscal year has been exceeded, and as set forth in this concurrent resolution, shall be considered to be mathematically consistent with the other amounts and levels set forth in this concurrent resolution:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $1,085,000,000,000.
Fiscal year 1991: $1,180,400,000,000.
Fiscal year 1992: $1,257,600,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,350,500,000,000.
Fiscal year 1991: $1,423,100,000,000.
Fiscal year 1992: $1,472,400,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $1,181,700,000,000.
Fiscal year 1991: $1,243,910,000,000.
Fiscal year 1992: $1,285,570,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $92,400,000,000.
Fiscal year 1991: $63,510,000,000.
Fiscal year 1992: $27,970,000,000.

RECOMMENDED LEVELS AND AMOUNTS

SEC. 3. (a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $796,600,000,000.
Fiscal year 1991: $867,500,000,000.
Fiscal year 1992: $925,500,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1990: $20,100,000,000.
Fiscal year 1991: $35,700,000,000.
Fiscal year 1992: $41,400,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1990: $69,925,000,000.
Fiscal year 1991: $75,200,000,000.
Fiscal year 1992: $79,900,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,060,750,000,000.
Fiscal year 1991: $1,110,775,000,000.
Fiscal year 1992: $1,139,375,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $961,625,000,000.
Fiscal year 1991: $1,012,260,000,000.
Fiscal year 1992: $1,044,695,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $161,525,000,000.
Fiscal year 1991: $144,760,000,000.
Fiscal year 1992: $119,195,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1990: $3,122,800,000,000.
Fiscal year 1991: $3,374,000,000,000.
Fiscal year 1992: $3,599,700,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991, are as follows:

Fiscal year 1990:
(A) New direct loan obligations, $19,025,000,000.
(B) New primary loan guarantee commitments, $107,325,000,000.

Fiscal year 1991:
(A) New direct loan obligations, $19,425,000,000.
(B) New primary loan guarantee commitments, $114,875,000,000.

Fiscal year 1992:
(A) New direct loan obligations, $19,150,000,000.
(B) New primary loan guarantee commitments, $119,700,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new primary loan guarantee commitments for fiscal years 1990 through 1992 for each major functional category are:

(1) National Defense (050):
Fiscal year 1990:
(A) New budget authority, $270,100,000,000.
(B) Outlays, $283,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $270,300,000,000.
(B) Outlays, $283,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $281,600,000,000.
(B) Outlays, $283,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(2) International Affairs (150):
Fiscal year 1990:
(A) New budget authority, $18,800,000,000.
(B) Outlays, $18,900,000,000.
(C) New direct loan obligations, $1,775,000,000.
(D) New primary loan guarantee commitments, $6,425,000,000.
Fiscal year 1991:
(A) New budget authority, $20,000,000,000.
(B) Outlays, $19,660,000,000.
(C) New direct loan obligations, $1,800,000,000.
(D) New primary loan guarantee commitments, $6,675,000,000.
Fiscal year 1992:
(A) New budget authority, $21,500,000,000.
(B) Outlays, $20,440,000,000.
(C) New direct loan obligations, $1,850,000,000.
(D) New primary loan guarantee commitments, $6,950,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1990:
(A) New budget authority, $13,600,000,000.
(B) Outlays, $13,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $15,075,000,000.
(B) Outlays, $14,350,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $15,700,000,000.
(B) Outlays, $15,070,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(4) Energy (270):
Fiscal year 1990:
(A) New budget authority, $6,200,000,000.
(B) Outlays, $4,100,000,000.
(C) New direct loan obligations, $2,000,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:

(A) New budget authority, $6,200,000,000.
(B) Outlays, $4,260,000,000.
(C) New direct loan obligations, $2,100,000,000
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $6,500,000,000.
(B) Outlays, $4,430,000,000.
(C) New direct loan obligations, $2,250,000,000.
(D) New primary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1990:
(A) New budget authority, $18,000,000,000.
(B) Outlays, $17,600,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $19,000,000,000.
(B) Outlays, $18,300,000,000.
(C) New direct loan obligations, $75,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $20,000,000,000.
(B) Outlays, $19,040,000,000.
(C) New direct loan obligations, $75,000,000.
(D) New primary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1990:
(A) New budget authority, $20,300,000,000.
(B) Outlays, $17,000,000,000.
(C) New direct loan obligations, $10,050,000,000.
(D) New primary loan guarantee commitments, $5,400,000,000.
Fiscal year 1991:
(A) New budget authority, $20,500,000,000.
(B) Outlays, $17,680,000,000.
(C) New direct loan obligations, $10,225,000,000.
(D) New primary loan guarantee commitments, $5,475,000,000.
Fiscal year 1992:
(A) New budget authority, $20,300,000,000.
(B) Outlays, $18,390,000,000.
(C) New direct loan obligations, $9,675,000,000.
(D) New primary loan guarantee commitments, $5,425,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1990:
(A) New budget authority, $17,200,000,000.
(B) Outlays, $10,300,000,000.
(C) New direct loan obligations, $5,200,000,000.
(D) New primary loan guarantee commitments, $65,500,000,000.
Fiscal year 1991:
(A) New budget authority, $18,200,000,000.
(B) Outlays, $14,710,000,000.
(C) New direct loan obligations, $5,500,000,000.
(D) New primary loan guarantee commitments, $71,300,000,000.
Fiscal year 1992:
(A) New budget authority, $18,000,000,000.
(B) Outlays, $15,350,000,000.
(C) New direct loan obligations, $4,375,000,000.
(D) New primary loan guarantee commitments, $70,300,000,000.
(8) Transportation (400):
Fiscal year 1990:
(A) New budget authority, $30,900,000,000.
(B) Outlays, $30,300,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $31,900,000,000.
(B) Outlays, $31,510,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $33,000,000,000.
(B) Outlays, $32,770,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1990:
(A) New budget authority, $8,200,000,000.
(B) Outlays, $7,500,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $500,000,000.
Fiscal year 1991:
(A) New budget authority, $9,200,000,000.
(B) Outlays, $8,050,000,000.
(C) New direct loan obligations, $1,050,000,000.
(D) New primary loan guarantee commitments, $525,000,000.
Fiscal year 1992:
(A) New budget authority, $9,200,000,000.
(B) Outlays, $8,370,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $550,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1990:
(A) New budget authority, $42,500,000,000.
(B) Outlays, $41,900,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,125,000,000.
Fiscal year 1991:
(A) New budget authority, $49,000,000,000.
(B) Outlays, $47,580,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,550,000,000.
Fiscal year 1992:
(A) New budget authority, $51,500,000,000.
(B) Outlays, $50,410,000,000
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,850,000,000.
(11) Health (550):
Fiscal year 1990:
(A) New budget authority, $58,900,000,000.
(B) Outlays, $57,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $375,000,000.
Fiscal year 1991:
(A) New budget authority, $70,100,000,000.
(B) Outlays, $68,920,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
Fiscal year 1992:
(A) New budget authority, $77,000,000,000.
(B) Outlays, $75,810,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
(12) Medicare (570):
Fiscal year 1990:
(A) New budget authority, $124,400,000,000.
(B) Outlays, $101,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $136,250,000,000.
(B) Outlays, $111,430,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $149,550,000,000.
(B) Outlays, $126,270,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1990:
(A) New budget authority, $191,200,000,000.
(B) Outlays, $148,300,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $217,425,000,000.
(B) Outlays, $158,230,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $220,800,000,000.
(B) Outlays, $164,400,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1990:
(A) New budget authority, $317,300,000,000.
(B) Outlays, $246,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $317,300,000,000.
(B) Outlays, $264,810,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $320,000,000,000.
(B) Outlays, $279,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1990:
(A) New budget authority, $31,500,000,000.
(B) Outlays, $30,500,000,000.
(C) New direct loan obligations, $825,000,000.
(D) New primary loan guarantee commitments, $21,000,000,000.
Fiscal year 1991:
(A) New budget authority, $32,100,000,000.
(B) Outlays, $31,720,000,000.
(C) New direct loan obligations, $750,000,000.
(D) New primary loan guarantee commitments, $21,900,000,000.
Fiscal year 1992:

(A) New budget authority, $33,000,000,000.
(B) Outlays, $32,990,000,000.
(C) New direct loan obligations, $700,000,000.
(D) New primary loan guarantee commitments, $22,900,000,000.
(16) Administration of Justice (750):
Fiscal year 1990:
(A) New budget authority, $12,500,000,000.
(B) Outlays, $12,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $13,000,000,000.
(B) Outlays, $12,580,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $0.
(B) Outlays, $13,090,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1990:
(A) New budget authority, $10,500,000,000.
(B) Outlays, $10,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $10,900,000,000.
(B) Outlays, $10,710,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $0.
(B) Outlays, $11,140,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(18) Net Interest (900):
Fiscal year 1990:
(A) New budget authority, $173,200,000,000.
(B) Outlays, $173,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $167,000,000,000.
(B) Outlays, $167,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $155,000,000,000.
(B) Outlays, $155,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(19) Allowances (920):
Fiscal year 1990:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $0.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1990:
(A) New budget authority, −$36,800,000,000.
(B) Outlays, −$39,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, −$39,500,000,000.
(B) Outlays, −$40,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, −$39,500,000,000.
(B) Outlays, −$40,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

The CHAIRMAN. Under the rule, the gentleman from California [Mr. DELLUMS] will be recognized for 1 hour and 30 minutes, and a Member opposed will be recognized for 1 hour and 30 minutes.

Mr. PANETTA. Mr. Chairman, I rise in opposition and would like to be granted the time in opposition to the amendment in the nature of a substitute. I will yield 45 minutes of my time to the gentleman from Minnesota [Mr. FRENZEL] and I ask unanimous consent that he be allowed to yield that time.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, if I may have the attention of the Members, it is with a great deal of pride and honor and pleasure that I address the Members today in my capacity not only as a Representative from the Eighth Congressional District of California but as a chairperson of the Congressional Black Caucus for the 101st Congress. In that capacity it is my responsibility to introduce to the Members an amendment in the nature of a substitute offering a budget for fiscal year 1990.

My responsibility is to lay out the parameters of that budget, and I choose to do so, Mr. Chairman, against the backdrop of the following comments: We Members of the Congressional Black Caucus feel very strongly that the most significant and important business that we as a body can engage in is the establishment of a national budget. As I have stated on more than one occasion, if I were asked to read one document in preparation for a visit to another country in order to ascertain as much as I could about that nation, I would seek to read its national budget, because where a nation spends its money is a statement about its priorities, and its priorities in turn reflect the nature of its values.

If indeed the value of our national budget is economic and social justice for human beings, I would assert here with all due respect that too many administrations and, more often than not, this Congress of the United States have failed the moral test of the responsibility of what a national budget ought to be.

A great deal of discussion, Mr. Chairman, goes into how we reduce the budget deficit. That has now become the political and statutory imperative. We will address that in the course of our remarks. But there is another extraordinary imperative, Mr. Chairman, that you and I have an obligation to address.

At this very moment there is great human carnage taking place in this country. A great deal of focus has fallen upon the District of Columbia as the drug capital and crime capital of America, but I would suggest that the problems of drugs and the violence associated with those problems are a systemic societal problem that plagues this entire Nation.

I find it tragic that among young black children in America between the ages of 14 and 25 who find themselves living in urban America, there is a 1-in-20 chance that any child in that category will die a violent death. During World War II the ratio was 1-to-50 that an American troop would die in combat. We are now reaping a wild wind of extraordinary neglect.

Mr. Chairman, I would remind this body that in the 1960's the Koerner Commission—and I would paraphrase this—made the following statement: "That if we continue to engage in the policies of benign neglect, denying the young men and women who are the residents of the ghettos and the barrios of America, the violence that we euphemistically referred to as "race riots" in the 1960's would inevitably be revisited upon America, but the second time it would be more insidious and more destructive."

What can be more insidious and destructive than our children killing each other, our babies having babies, and babies being born into this country as drug addicts and AIDS victims?

The tragic reality is that we have pursued the set of priorities that has allowed us to build on a movement to military madness and terror as we produce the policies of war and materialism. We are now on a geometric basis realizing that our children are dying all over America, in every urban metropolitan center.

Thirteen million children in America live in poverty. We are told that 9.6 million blacks live in poverty. Millions of our people are functionally illiterate. Many of our senior citizens live in

fear and pain. Many of our workers are denied the dignity and respect of the ability to work. These are the realities of the most wealthy and powerful Nation in the world.

□ 1140

So, Mr. Chairman, we, as Members of the Black Caucus, present a challenge and we are attempting to speak to the American people by saying, "We must now learn from this moment. We cannot kill all of our children. We cannot imprison all of our people. We will not solve our problems with massive displays of force. But it is in compassion, it is in reason, it is in understanding that our future lies."

We are about the business, sisters and brothers in this body, of losing an entire generation of our children, an extraordinary and precious resource, and I would suggest to my colleagues that a society that destroys its children is a society on its way to dying.

Therefore, Mr. Chairman, we offer a new vision. We say, "Let us turn this corner. Let us learn from this moment. Let us begin to address a budget that speaks to the reality of American problems."

We have fashioned a budget that, one, supports those social programs that are proven in their capacity to alleviate pain and create hope for the future. We initiate new programs. We fashion a military budget, not on the obsolete notions of the cold war, but we take into account the new realities of the world.

Mr. Chairman, if Margaret Thatcher, who is no flaming radical by anyone's definition, could suggest that the cold war is over, why can we not with reason begin to understand that?

President Reagan's ostensible assumption, upon which he built the most extraordinary military budget increase in the history of this country, was, "Let's send the Soviet Union to the table." So, Mr. Gorbachev is now standing at the table, and tragically he stands alone while we continue to engage in the policies of building more and more massive weapons of destruction pursuing the absurd notions of nuclear war fighting capability.

Mr. Chairman, we have fashioned a different budget attempting to march off in a very different direction by finally making substantive progress in budget deficit reduction. We are prepared to tax.

Now let us talk about the budget. There are several ways that the Black Caucus budget is different from Mr. Bush's and different from the so-called bipartisan agreement.

No. 1, we reduce the budget deficit lower than any proposed budget that will come to this floor. Our budget deficit is $92.4 billion, but we do not do it with a lot of smoke and mirrors. We do not accept the President's assumption that he will derive the $5.7 billion by the sale of assets. We adjust the rosy picture of inflation. We take out $3.5 billion. We do not accept the President's notion about capital gains, so we do not accept the $4.8 billion.

Mr. Chairman, if we were prepared to accept all of this smoke and mirrors, our budget deficit would be $70 some odd billion, but we feel that, if we are going to reduce the deficit, let us do it honestly, and we come to $92.4 billion. That is one difference.

The second difference, Mr. Chairman, is the issue of taxes. President Bush said, "Watch my lips: no new taxes," and many of us on both sides of the aisle in the quiet and solitude of the Cloakroom are in our own minds realizing that, if we are going to address the human misery of people and simultaneously deal with the deficit, there is now a way around it.

I respect the chair of the Budget Committee who has said with candor and honesty that this fiscal year 1990 budget is a slide-by. We are simply dodging a bullet for fiscal year 1990. We are forcing ourselves to make extraordinary decisions in fiscal years 1991, 1992, and 1993.

We said, "Let's step up to the plate."

Our colleagues on the Democratic side in a great display of bravado and leadership said, "We think we ought to look at taxes, but let's wait for Mr. Bush to do it."

Mr. Chairman, I was elected to assert responsibility and leadership, and 23 other black Members of Congress said, "We are prepared to stand up and confront the issue of taxes," and frankly I believed we do it in the finest tradition.

Mr. Chairman, we tax the rich, the top 1 percent, taxable income of $208,510, for a family of four. We move them up from a marginal tax rate of 28 percent and make them pay what my colleagues and I pay, at 33 percent. That brings us $3.6 billion.

We then say for fiscal years 1990, 1991, and 1992 that we will place a surtax on the top 10 percent of the corporate taxpayers in this country. That brings us $6.9 billion.

We then say we will place a surtax for fiscal years 1990 through 1992 on the top 5 percent of the individual taxpayers in this country. If my mathematics, my memory, serves me correctly, that is $12.1 billion.

My colleagues, add all that up. We come to $20.1 billion in new taxes to begin to address the deficit, not with smoke and mirrors, but with reality.

Tom Oliphant, a columnist for the Boston Globe, said that the Congressional Black Caucus budget is the only honest alternative being presented on this floor because we stepped up to the plate and we were prepared to make the difficult choices. We all know that taxing is going to be a reality. We were prepared simply to stand up with integrity and with dignity and say, "This is the moment it must be done." So, we made that change.

Mr. Chairman, the next change is that we place billions of dollars in social programs, $41 billion in nonmilitary spending beyond Mr. Bush's proposal, $13.5 billion more in discretionary moneys than the so-called bipartisan agreement. Why? We did so because we believed that this moment is pregnant with potential. It is my colleagues and I, the adults of this generation, who must stop this madness.

We have to turn the corner in America, Mr. Chairman, and learn from this moment and realize that to continue the policies of benign neglect would allow these problems to expand on a geometric basis. My colleagues and I have talked on the floor, in the Cloakroom, in our committees, and we all know that our society hangs at this moment at a very fragile place.

Why were we elected? We were elected to lead, not to back into the 21st century, but to march forward with a vision, and we offer that different vision in health, in education, in housing, in all the programs that speak to the needs of people.

Mr. Chairman, we have addressed the small family farmer who is living in misery. We have addressed that. To the people who need rural electrification, we address it. To the young mothers who need infant care, we address it. To the people suffering with AIDS, we address it. To the children suffering in drug addiction, we attempt prevention and service. We fully fund the drug program.

Mr. Chairman, we have tried to give hope to America, and we show that it can be done with dignity, but, more importantly, for the purposes of those of my colleagues who carry out their fiduciary responsibilities diligently, we do it with fiscal responsibility finally.

We looked at the military budget, and our military budget is different in that we take $17 billion out of outlays, which means we end up with a $283 billion military budget in outlays, no incredible, radical, extreme proposal; $283 billion is a lot of money, but, if we begin to turn the corner and realize that we do not need to continue modernizing our nuclear forces, this two-missile mania that is permeating the Congress, this two-missile love-in, will have us spend in excess of $30 some odd billion building nuclear weapons we do not need.

The Scowcroft Commission slammed shut for all time the absurd argument that has been rattling around the Congress for almost 20 years known as the window of vulnerability. We want to build a Stealth bomber, B-2. B-1 is having problems. It was an obsolete weapon, and so will B-2. We are playing games with the INF Treaty by giving the military the capacity to undermine the INF Treaty. We say we do

not need these weapons. Star wars is no longer being propagandized as a population protection. Now we are coming to the honest reality of all that was ever about was a point of defense of nuclear weapons. Why do we need all this madness if there is no window of vulnerability?

□ 1150

If we get the Soviets to the table and they have now said we are at the table, then it seems to be logic and reason and fiscal responsibility and a commitment to our children and their future should require that we now move to the table, not begin to spend ourselves into oblivion. We said we would spend the Soviets into oblivion, expanding our military budget. The tragic reality is that we spend ourselves into oblivion as well with great budget deficits and mounting social problems magnifying themselves geometrically.

Mr. Chairman and sisters and brothers of this Congress, we are reaping the wild winds of that neglect.

So we cut $17 billion. We tax $20.1 billion. We accept those assumptions that we think we can rationalize, but those that we cannot, we did not accept. So we feel that we have come here with a significant budget that indeed makes sense.

To summarize, in Defense we cut $17 billion.

In International Affairs, we add over and above the budget of Mr. Bush, these are my figures in outlays, $1.7 billion.

In General and Space Technology, we expand the program. We reduce the program by $1 billion to say that anytime NASA is doing military research it ought to be in the military budget. It should not be in NASA's budget.

So we expand the programs for safety, shelter, and educational opportunities.

In Energy, we plus up the budget $1 billion.

In Natural Resources and the Environment, we are environmentalists. We believe that you must protect the fragile nature of our ecological system. Our children have a right to inherit a world of clean air and clean water, so we put $3.2 billion more in that budget.

In Agriculture, while most of us are urban, we understand the problems of rural America. We understand that America is fed by the people who live and reside, function and work, in rural America. We add $1.5 billion.

In Commerce and Housing Credit, we add $4.1 billion. If we are going to solve the housing problems of this country, those who are homeless on the streets of America, we must expand affordable housing for low- and moderate-income people. We did that.

Transportation, let us rebuild America's infrastructure. Let us repair America's highways, put people to work.

We add $1.2 billion in Community and Regional Development, $.9 billion in education, training, employment, and social services. We add $5.4 billion. Much of that money is in new programs, new initiatives, to capture our children. We must begin to compete for their attention and guarantee the future for them.

In Health, a significant issue of great concern to the American people, we add $3.5 billion.

In Medicare, $6.5 billion.

In Income Security, including subsidized housing, $10 billion.

Social Security, $0.3 billion.

We give people their COLA's. We do not deny them that.

We do not challenge Social Security. People should have a right to it. Our senior citizens should not feel fear that in some way we will take from them that which we bargained for in good faith and they thought they bargained for in good faith.

Veterans' benefits, we just passed an amendment, our budget had already put $1 billion more to expand services, expand benefits, expand programs for our veterans who have served this Nation.

Finally, in Justice and drug programs, we added $1.8 billion over and above Mr. Bush, over and above the so-called agreement.

Our emphasis was on expanding education prevention and treatment.

So finally, Mr. Chairman, it is with a great deal of pride that we offer this budget today. I am in no way speaking down to these other budgets, but I do feel strongly that this is the only honest budget that is coming before you. It has integrity. We assume our responsibility to be accountable to our voters.

We said that we would not lie to you. We are now enthralled in a great campaign of ethics and morality of individuals in this body, but what about our collective ethics in denying our children their future? What about the collective immorality of addressing the concerns of people? We get caught up in individual ethics, but what about our collective responsibilities to society?

This budget assumes that integrity, that morality, and those sets of ethical responsibilities that we have.

Cut the military budget, begin to move up to addressing the realities of this world. Let us begin to march in the direction of world peace, nuclear disarmament, reviving détente, reduction of international tension.

Let us tax the wealthy. These are the people who benefited from the Reagan era. We all in this body know it. Any intellectually honest person is clearly aware of that.

Finally, let us begin to address the social problems of our Nation.

At the bottom line, we have met and gone beyond the Gramm-Rudman deficit with $92.4 billion in deficit reduction, all the way down to $20 some-odd billion 3 years out. We show you how to do it, not with smoke and mirrors, but with integrity.

Mr. FRENZEL. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, the Congressional Black Caucus alternative official year 1990 budget is an interesting statement of politics and philosophy. From the standpoint of us who have the responsibility to carry the budget resolution, we have to look at it in that way because we surely cannot support it.

Their budget exceeds the agreement negotiated between the administration and the congressional leadership and it violates the budget resolution produced by the Budget Committee.

It is what I think can be described, with at least some justification, as a radical change from the agreement that we have before us in the form of House Concurrent Resolution 106.

What it does is reduce defense outlays by about $16 billion. In the agreement, the defense number was both a floor and a ceiling. To take $16 billion out of a defense number, for whatever reason, certainly is not just a minor violation of the agreement. It is a gross violation of the agreement. Therefore, it becomes an unsustainable number in this particular budget.

Also, the Black Caucus budget's other most radical feature is that it increases taxes by $25 billion. The budget itself takes credit for raising $20 billion, but of course that is laid on top of the Presidential recommendation for $5.3 billion, and I believe the total exceeds $25 billion.

Now, I have not seen a lot of Members of Congress here who want to come forward to confess their affliction with the Mondale disease to take credit for authoring $25 billion in new taxes.

The taxpayers do not want it. The people of America have spoken very clearly on that issue. For those who support the Black Caucus budget, it should be quite clear that when they do, they carry the responsibility for $25 billion extra taxes.

□ 1200

That is a burden that most of us would not like to carry. In addition to reducing defense, the CBC budget reduces the committee amount for space and science function, and it also reduces the Social Security function.

Mr. Chairman, with due respect to the gentleman from California, the maker of the amendment, I believe that Social Security decrease is a technical difficulty that arises because the budget, at least as it was given to me,

antedates the creation of the House committee budget, and I am sure it is a technical estimating amount, and I will expect that somewhere in the discussion, or in the revision, that there will be an explanation later. This very excellent comprehensive Black Caucus alternative budget paper says that it is the intention not to reduce Social Security. I believe that is in fact the case.

With those three exceptions, every other function is increased by a very substantial amount. International affairs is up $2 billion. I think it is important that the President have money to be able to support our foreign policy, but I have not heard a lot of our constituents asking for us to increase funding for international programs, nor to give away more of our taxpayers' money overseas.

Spending in agriculture is up by $2 billion in this particular budget over the House's bill. There is a transportation function which is up just short of $3 billion. Health spending is up $1 billion; Medicare up $3 billion.

Mr. Chairman, as we go through each function, we find just a huge amount of spending. The things that the Black Caucus want to fund are good and worthy programs, but, for instance, in education where it increases the committee spending by $2.8 billion, the committee has already increased it by billions.

House Concurrent Resolution 106 has taken care of all the new initiatives, at least all that the President and the Speaker's committee could crowd into that function, and whatever the Dellums amendment spends above that has to be for even newer and even more grandiose programs than those that are already crammed into this budget. There is, an enormous amount of new spending.

When we get done with adding $20 billion more in taxes than the budget resolution does and chopping $16 billion more from the defense budget than the House resolution does, we spend so much of that $36 billion that all we have got left over to take down the deficit is a few billion dollars. The difference is about $7.5 billion less in the Black Caucus budget, as I read it, but I think Members need to be aware of the source of the funds for that $7.5 billion and how the rest of that money is spent, and then they will have a good idea of why I and a large number of the Members of the House are going to have to oppose this Black Caucus budget.

Mr. Chairman, I reserve the balance of my time.

Mr. DELLUMS. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Chairman, I thank the gentleman from California and our colleagues who constitute the Congressional Black Caucus for allowing me to participate and for giving us so thoughtful and responsible a document.

This budget which I urge Members to carefully consider and then vote for is about the only chance Members are going to get today, most of us, to make honest men and women of ourselves. This budget would carry into public policy much of what most of us say when we are not in this room. Very few people that I know think it is reasonable for people in the middle-income brackets to be paying a 33-percent rate while people at the top brackets pay a 28-percent rate. I venture to say that nearly every Member of this body has gone outside of this building and said, "Oh, I think that is wrong. I think we should fix it." Here is the fix. This is the only document we are going to get today, and if past performance is an indication, probably the only one we are going to get all year.

So if the Members have gone to their constituents and said, "I agree with you. It is wrong for people to be paying 33 in the middle and 28 at the top," here is the only chance they are going to get to vote that way.

I respect a great deal the integrity of the gentleman from Minnesota, and I appreciate the generous way in which he described the budget, and I mean that very sincerely. He deviated a little from his usual mode of argument, because he on several occasions today said that the people do not want this. In the first place, we are not sure what the people want, and, in the second place, one of the points I would remind the gentleman from Minnesota has been his willingness to tell this House to not be a slave to the latest poll. Use your judgment. Let us do that here.

The people do not want to increase taxes so that it is going to hurt the average individual, but putting a tax on the wealthiest 1 percent, equivalent to what middle-income people pay, I see no popular outcry against that. Taxing the most wealthy and profitable corporations, I hear no outcry against that. Now, let us go to the military part. Yes, it cuts $16 billion in outlays from the budget, and the gentleman from Minnesota said, "but it puts $2 billion more into international." In fact, for those of our constituents who object that other countries are spending too little for our common responsibilities, the $16 billion that we cut far more than compensates for the $2 billion.

What we are saying in this budget is this: Let us spend another $2 billion to prevent innocent children from starving to death, because this country does not do enough for that. Let us make some money available so we can deal with the real threat to our security in the Western Hemisphere, the crushing debt burden of Argentina and Mexico and Brazil which degrades individuals and destabilizes and undercuts democracy. Let us take some of that money and put it in there. Where do we get it? We cut the military budget.

Mr. Chairman, NATO had its 40th birthday, and what this budget says to some of our NATO allies is, "Happy 40th birthday. Now that you are 40 years old, get out of the house and support yourself, because you need not be subsidized by the American taxpayer anymore." In terms of net contributions by the American taxpayers to international obligation, this reduces it. It also enormously improves its moral tenor, because instead of forcing weapons down the throats of allies who do not want them, we try to make a little food available for those who desperately do.

We have a problem in the world, as I said before. The administration cannot seem to get straight who is running the Soviet Union. Sometimes when we are dealing with refugees of religious minorities, they decide everything is wonderful in the Soviet Union, and they keep people out of this country. Then when it comes to the military budget, we have the Secretary of the Defense telling us that Mr. Gorbachev does not make any difference. Sometimes they think that Brezhnev is ruling Russia. Sometimes they think Sakharov is ruling Russia. They never get to Gorbachev.

This is a budget based on a simple fact that Gorbachev is in charge of the Soviet Union and he is driven not by love for us but by overwhelming economic necessity to reduce his military spending, and this budget matches that.

Finally, let us talk about the domestic increases the gentleman from Minnesota talked about. Every Member of this House, I believe, nearly every Member, and we do have some interesting Members, nearly every Member has said, "I think we ought to spend more on Medicare. I think we should increase what we do for nutrition." We have hospitals that are going to close because of the underfunding of Medicare. People have said to the elderly, "I am for the meals program." People have said, "I want to help in education." This budget gives them the one chance that they are going to get today to live up to the promises that 90 percent of us have made at our town meetings. This is the truth-in-congressing budget, because it gives the Members a chance to live up to that campaign promise.

I am enormously indebted to the skill and the dedication that went into this budget, because our colleagues in the Black Caucus have shown that compassion is, in fact, fiscally responsible. Let us vote for it.

Mr. BUECHNER. Mr. Chairman, I yield such time as she may consume to

the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, you know, this really is a dilemma for good old-fashioned Republicans like me. You know—the kind that really believe that the Government—no matter how kind or gentle we are—should be run like a good business, fiscally responsible, not incurring more debt than it can handle and adhering to the very best management principles.

There once was something upright and buttoned-down about it all, reminiscent of the frugal farmer, the immigrant, the noble "middle American" with strong values, strong work ethic, spending no more than they earned.

That was, and for me still is, downright, upright Republicanism.

But in this debate we have heard the Democrats intoning that they want a "kinder and gentler" budget.

At the same time, Republicans seem to be freigning allegiance to fiscal conservatism and deficit reduction.

Both are willing to sell the the birthright of the future generations on the altar of instant gratification.

I do not know about other Members, but I am convinced that before we get to "kinder and gentler" we must get to "rougher and tougher" on the deficit, that is, if we are to save the American dream for our grandchildren.

This budget is a fiction of good intentions. Let us vote it down.

Mr. BUECHNER. Mr. Chairman, I yield 9 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, it is difficult for me to stand up here and to argue against my good friend, the gentleman from California [Mr. DELLUMS], not because I do not want to disagree with him, because I do, but because he is one of the most eloquent debaters on this floor, and he is one of the most sincere Members on this floor. All of what he has said, I think, came from his heart. There is no rhetoric there. I think he really believes in what he said, so we have to admire and we have to respect the man for that.

□ 1210

But I do rise against the Dellums substitute.

First of all, I want to thank the gentleman from California for praising Ronald Reagan and his peace through strength movement which did, yes, Ron, did bring the Soviets back to the table, did negotiate a treaty which for the first time did away with a whole class of nuclear weapons, the first treaty to do so in the history of this country. So yes, we are moving toward peace.

The gentleman from California said that Mr. Gorbachev stands alone in his quest for peace and in his quest for disarmament. I would say to the gentleman what if he is wrong? Mr. Gorbachev may not be sincere. If we look at the Soviet economy today and what has happened under this last 5-year plan under Mr. Gorbachev, the Soviet economy has failed. It is bankrupt. It has gone from about a 4½-percent gross national product growth rate when he appointed himself to office, to one-half of 1 percent today. In reality, my colleagues, that is no growth at all.

Why does the gentleman think Mr. Gorbachev is going now to Mengistu in Ethiopia and to Castro in Cuba and to Noriega in Panama, and to Mr. Ortego in Nicaragua to tell them the Soviet Union cannot afford to continue the high level of military support to their countries? It is because the Soviets do not have any money. They are going broke.

So I say to the gentleman from California, what if Mr. Gorbachev is not sincere, and what if we go through all of this disarmament and reducing our own military preparedness, where does that leave us should he decide all of a sudden to go back to being the Communist which he is? And do not forget. He has never renounced the Soviet doctrine of world conquest and jamming communism down our throats.

But let us give Mr. Gorbachev the benefit of the doubt for a minute. Suppose he is sincere, and suppose glasnost and perestroika continues, and suppose the demonstrations in the Soviet Union, in the Ukraine, in Latvia, in Lithuania, in Czechoslovakia and in Poland and in other suppressed countries continue and they expand into riots, what is going to happen? Will the Russian people be able to throw off the shackles of deadly communism? Or will the Soviet military, threatened by this kind of revolt, depose Mr. Gorbachev and install a hardliner in his place?

Suppose they say to Mr. Gorbachev "You are going the way of all of your predecessors," which happens about every 4 or 5 years when this Communist doctrine, this latest Communist plan fails? What happens if he is deposed and then the military might comes down on Europe and throughout the rest of the world? Do we not have to be prepared for that?

We seem to forget what communism is all about. If any of my colleagues watched this morning any of the daily morning news programs, they saw Vice President QUAYLE over on the Cambodian border of Thailand, and it reminded me of something I did several years ago when I led a delegation as the chairman of the task force on POW/MIA's to a place called Hanoi in a place called Vietnam. Do my colleagues remember those two words, Hanoi and Vietnam? I took that delegation and sat across the table from Communists, from a philosophy that does not have the common decency to return American prisoners of war, living or dead, the bodies, the remains of these soldiers so that the families of these fallen soldiers have peace of mind, so that a 14-year-old girl can know what happened to her father. That is communism.

As I walked out of that delegation meeting with those Communists, almost begging them to return those remains, I had a chance to walk the streets of Hanoi for a while and to look at the faces of those people, some Communists and some not. You know on their faces, there was no hope, there was nothing. There was no jobs, no economy, no future for those people under the philosophy called communism.

There was no hope at all.

I left Hanoi and I went to Thailand, and then I did what DAN QUAYLE did yesterday morning. We took that delegation and we flew first by plane and then helicopter and by truck over 50 miles of dirt road leading into nowhere on the border of Cambodia. Soon along that dirt road there began to be tens of people, young and old. Later there were hundreds of people, and pretty soon, ladies and gentleman, there were tens of thousands of people lining this 50 miles of dirt road in the middle of nowhere, and they were carrying signs like the signs I saw on the TV this morning. And they were waving little American flags.

Now these signs did not say what the nightly news sometimes likes to portray as American pigs, American imperialists, we hate you Americans. These signs did not say that at all. Do my colleagues know what those signs said? They said, "America, we love you. USA, you are number one." There was one sign that was as wide as this room is long carried by about 50 young children, and that sign said, "America, please take us home."

You know, I had to get off that truck and go down and talk to those children, and step back and say my God, how proud I am to be an American, and how much I love this USA, because I realized that they did not want us to take them home to America, but make it possible for them to go back to their homes. Lines of people, 150,000 young and old people wanted to go back to their homes in Cambodia, in Laos, in Vietnam, a home they were driven away from by this one word called communism.

Mr. FRANK. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I will in a few minutes.

But I thought to myself these people have a place to flee, these 150,000 driven from their homes by communism. That place is America. You know, gentleman, they do have a place to flee, and that is to the free world, to America.

But if Mr. DELLUMS is wrong, and suppose that mighty Soviet bear rises again and we are unprepared militarily to defend ourselves, where would we Americans flee if this country falls? The answer is nowhere.

So with all due respect to the gentleman from California [Mr. DELLUMS], who I deeply respect, I would say that we need to defeat this substitute today, not because he does not mean well, not because we do not need the domestic programs he is talking about, but because the first priority of this country must always be a military preparedness second to none so that we will be able to give hope not only to our American people but to people overseas as well who want to shake the shackles deadly atheistic communism.

Mr. DELLUMS. Mr. Chairman, the gentleman promised to yield. Will the gentleman yield?

Mr. SOLOMON. I am glad to yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding.

First let me return the compliment. I think the gentleman does believe what he just said and I respect him for that.

Second, as I said before, the cold war is over, my friend. It has masqueraded as American foreign policy for over 40 years, and that has led us down the primrose path of incredible nuclear weapons, great disaster in this country.

The INF Treaty that the gentleman eluded to does speak to the issue of verification, so we are not talking about trust in the ordinary sense of the term. We have the technological capability and the wherewithal to engage in the treaty process.

The fundamental difference between the gentleman from New York and myself is that I believe in the principle of treaty, and I do not believe that our future lies in a greater capacity of destroy and in our technological capability.

The gentleman said what if I am wrong. I will turn that around and say what if I am right? We are prepared on this floor of this Congress to risk war, and I say why do we not try to risk peace? What can we lose? I think we have to move beyond that level of insanity.

The gentleman talks about people going back to their homes. What about the blacks and the Hispanics and the other poor human beings who are trapped in this country and who cannot get back to their homes?

The CHAIRMAN pro tempore (Mr. FROST). The time of the gentleman from New York [Mr. SOLOMON] has expired.

Mr. PANETTA. Mr. Chairman, I yield the gentleman from New York [Mr. SOLOMON] 4 minutes.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I am glad to yield to the gentleman from California.

Mr. DELLUMS. The gentleman from New York talked about the PLO and he mentioned it with great passion.

Mr. SOLOMON. POW's.

Mr. DELLUMS. POW's. I would take us back to the reality of what we are doing this moment on the floor of this Congress. We are dealing with a budget, and I am sure the gentleman cannot tell me anywhere in this budget that we adversely affect an effort to regain POW's. So I am sure the gentleman did not intend to communicate either to my colleagues or to the American people that in some way we are running counter to that.

The fundamental difference between myself and my colleague is that I am saying as we march forward in the 1990's the cold war cannot be allowed to masquerade as our foreign policy. There are new realities in the world, and it seems to me we must awaken to them. Other nations in the world are beginning to do so.

The gentleman talked about spending into oblivion. Where does he think we are? He and I have debated budget deficits, and now we have economic chaos. We have become a great debtor nation. Now we have massive social problems in this country that has reaped fear and havoc all over America, including the capital of the United States.

□ 1220

So we have created great concern. I am simply saying let us risk whether or not I am right.

We have shown me in the 18 years I have been here talking about risk, whether I am wrong, and where has that led us? To more nuclear weapons, to more pain, more disaster.

Is the world a safer place after $300 billion military budgets? I come to the conclusion that it is more dangerous, not safer.

I thank the gentleman for yielding.

Mr. SOLOMON. I thank the gentleman for his sincere statement.

Mr. Chairman, let me say that what the gentleman is saying is that if he is right, that is great for the human race; but there is no second chance if he is wrong. So let us, as Ronald Reagan said when he signed the treaty, let us trust but let us verify. That is why conservatives like me supported that fight for that treaty because we could trust, we could verify with onsite inspection and be prepared.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentlewoman from Ohio.

Ms. OAKAR. I thank the gentleman for yielding.

Mr. Chairman, the gentleman in the well and I agree on many issues, internal ones especially. I just want to say to the gentleman that the fact is, and one of the reasons I support the Black Caucus budget is, that I think the distinguished chairman has a wonderful balance of a strong defense but national security also should transcend just weaponry and it is also interested in the human lives of our people. That is a national security issue as well. When you are talking about 280—I would not want the American people to think that there is not an awful lot of money, more than 50 percent of the budget, his budget, if you take out the Social Security trust fund and other trust funds, is spent on those Pentagon-type issues that the gentleman is just alluding to, $283 billion.

I would just suggest to the gentleman because as you know I do represent many individuals who are of Eastern European background and they are very, very concerned about the Sovietization of the Lithuanians and Estonians and Latvians and of course Czechoslovakians, and Hungarians.

There is a wonderful thing going on in those beautiful areas of our world where people are finally being able to overthrow those kinds of ironclad policies. But these same people do care about homelessness, they do care about housing, they do care about medical attention, about Medicare, they do care about Medicaid. They do want women who are about to have a child to have the proper nutrition. I mean these are human values issues. I guess the reason I felt compelled to address the House on the gentleman's time—and I truly appreciate the chairman of the Committee on the Budget giving him more time—is that I would not want the American people to think it is us against them. I mean the fact is that these are human values and those are the kinds of issues that are certainly in the Black Caucus budget.

Mr. BUECHNER. Mr. Chairman, I yield 1 minute to the gentleman in the well, the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, I will reclaim my time and say to the distinguished gentlewoman from Ohio: You know when Ronald Reagan's defense budget allowed us to research, develop, and deploy the intermediate-range missiles in Europe, that was the greatest hope that these Latvians, these Lithuanians, these Ukrainians and all the other people saddled under this communism, the greatest hope they ever had. I worked. It brought the Soviets to the table. It worked because we were prepared to spend the money to maintain a strong national defense in this country.

That is why we cannot possibly enact the substitute of the gentleman from California [Mr. DELLUMS]; we have to go with the budget bill.

Mr. DELLUMS. Mr. Chairman, it is now my pleasure to yield 7 minutes to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Chairman, there is a lot of talk this afternoon about a radical proposal and a radical budget and I would suspect that what is radical is the methods and the procedures we now have adopted as legislators in going about the Nation's business.

No one was more shocked than I that the House had decided to accept these Gramm-Rudman restrictions where we are put on automatic pilot, where we say that if the Congress does not have the leadership or the guts to reduce spending or increase taxes or a combination of both, that we turn the whole thing over to OMB, or CBO and then go home and say we could not reach a decision.

I thought that was bad. But now we are moving into a new mode; it is not Presidential, it is not legislative, it is a summit. So now we are told that we cannot break a summit agreement.

I would ask us at what town hall meeting will we be able to share with our constituents what agreements we did make on their behalf and who was authorized to make some cockamamy agreement? Let us face it, when we run for elections I think we should keep our campaign promises. But it is dumb to keep a stupid campaign promise that talks about reading a candidate's lips. What a leader has to do is decide the needs of the Nation, the waste that is involved in spending, and raising the revenues, that are necessary in order to reach those national and, indeed, international goals and objectives.

We talk about pride, we talk about patriotism, and we all really believe that we have a contribution to make in Congress to make America better and to make America stronger.

Even the President of the United States in talking about austerity, in talking about the problems of the deficit, had to admit that it was a stain on the integrity of this country to see so many people without homes, without jobs, and without hope and even though he did not tell us where to get the batteries for these thousand points of light, he did indicate that it should be an initiative to take these people off of the street.

Another scourge that he talked about which is just as patriotic as fighting any Communists in any country is to be able to say that when an American is born that he or she should not be born with the pain and the agony of being addicted to drugs or carrying the dangerous virus of AIDS; that in America we had a responsibility to provide for the best type of health care for the best people in the world which are our own American citizens.

It is not enough for us to say that our leaders can go someplace in the basement and decide that this is not the year to pay our bills. Bills have to be paid and if you do not pay them one way, you are going to pay for it another way.

Do we think that all of the people that we owe are going to wait until next year? Or do we have to pay the ever-increasing burden of interest on what we owe?

You and I know it is the third largest ever-growing item in our budget. But worse than that, does it make any sense to tell people to read your lips and then to see how much it costs not just in human pain but in dollars and cents by doing nothing?

You deny somebody a home; does that mean that that person does not end up in some hospital where we are paying $600 a day to take care? You deny someone an opportunity to get an education; does not every economist, liberal or conservative, state that we are losing $340 billion a year in lost productivity and forgone taxes just with the dropout rate?

Our own Secretary of Education said that he is scared to death. Well, you do not correct these things reading people's lips; you have to make some type of small investment, you have to plant some type of seed in order to get the harvest to make us productive and competitive and be able to have people working.

We said we declared war. Well, everyone knows what war means; you have to have soldiers, you have to have resources, you have to go to the battlefield.

The President says that we have declared war against drugs. What kind of warriors do we expect to fight this war when we in the Congress—what kind of patriots are we when our commander-in-chief has declared war and we say that the summit leaders have not decided how we are going to get the resources to wage this war?

Yet I ask Members, do not Members think that we are paying dearly for not correcting the condition which causes the addiction, which causes the dropouts, which causes the crime? What kind of people are we that can say that America is on freeze, America is paralyzed to take on a war that we have been losing for the last two decades? I will challenge Members to consider how much it is costing everyone by doing nothing, not just in dropouts but the criminal justice system where we have war on all cops and people would say we even need war. We need more prosecutors, we need more judges, we have to spend a quarter million dollars to create a cell to put them in, we are prepared to spend $30,000 and $40,000 a year to maintain them and we know that one-third will be back in jail within 5 years, but rather than to conduct a war to provide the resources to get involved with preventive care, rehabilitation care, provide the skills, the education and the training to get America working, to make America competitive, we are saying, "Read our lips, not this year, that next year is the time we have to take care of problems."

Well, thank God there are some Members in the House of Representatives that will be able to go back home and say that Gramm-Rudman will not hold them hostage, summit meetings will not hold them hostage, and if Members want to win a war, we are prepared to pay the price. Sure, it is going to make some of our multimillionaire friends angry. Sure, some of our top corporate people are going to be embarrassed that we will be visiting them. But they will be the beneficiaries the same way as the smallest child who is the richest of our resources that is born on this shore as an American citizen, and we could say we won the war for them and their children.

Mr. Chairman, I rise in support of House Concurrent Resolution 106, the congressional budget resolution for fiscal year 1990. As chairman of the Select Committee on Narcotics Abuse and Control, I want to say a few words about the funding levels for Federal antidrug efforts assumed under the resolution.

The resolution assumes an overall 1990 funding level for drug programs of $6.15 billion. This amount is $600 million over a 1989 freeze level and $60 million above the amounts requested by the President. The budget resolution assumes full funding of all the increases proposed in the President's budget for drugs. It rejects his proposed cuts and assumes funding for these programs at a freeze level or at the CBO baseline in the case of low-income, high priority programs.

I recognize the constraints placed on the Budget Committee under the budget agreement reached with the administration. I also recognize that compared to many other discretionary programs, drug funding in general fares quite well under the budget resolution before the House today.

Nonetheless, I am extremely disappointed that the budget resolution fails to assign a higher priority to antidrug funding. The funding for drug assumed in the resolution barely exceeds the administration's request, and it is nearly $1.4 billion in budget authority and $700 million in outlays below the amounts needed to fully fund the Anti-Drug Abuse Act of 1988.

In its report on the resolution, the Budget Committee notes that significant funding gaps exist between the amount authorized by the Anti-Drug Abuse Act of 1988 and the amount appropriated for drug programs for 1989. The committee calls for "special priority" to be given to antidrug programs for 1990 by using the maximum resources available.

Within the overall budget resolution, significant increases over the CBO baseline are provided for health programs—function 550—which include funding to States for drug abuse treatment, and for administration of justice—

function 750—which includes funding to States and localities for enhanced drug enforcement efforts. The amounts assumed in the resolution for drugs, however, seriously underfunds these programs for State and local assistance.

The drug crisis is having a profound impact on State and local governments. States and localities are being overwhelmed by drug abuse and drug-related crime. Treatment programs cannot keep up with the growing need for services, and our courts and prisons are so clogged with drug cases that many drug criminals receive minimal sentences or no punishment at all.

I urge the Appropriations Committee to allocate some of the increases provided in this resolution for health and administration of justice to drug abuse treatment and State and local drug enforcement. States and localities need additional Federal assistance to help alleviate the overwhelming burdens they face as a result of our national drug abuse problems.

The Budget Committee's report also recommends full funding, by 1991, of the programs authorized by the Anti-Drug Abuse Act of 1988. I support this intent. In the current budget climate, however, I have serious doubts that this good intention will become a reality.

Congress passed the 1988 omnibus drug bill on the eve of our national elections last fall, and the President signed it at a very elaborate White House ceremony. President Bush has since pledged to end the scourge of drugs. Without additional resources to fund the programs enacted into law, however, the call for an all out war on drugs is a hollow commitment.

No domestic issue is of greater concern to the American people than drugs. But Congress cannot fund drug programs on its own. The administration must be a full partner in any effort to raise the additional revenues that are needed to fight a true war on drugs. Until then, the current budget resolution is likely the best that we can do.

Mr. DELLUMS. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. STOKES].

Mr. STOKES. Mr. Chairman, I thank the gentleman for yielding, and I rise in support of the Congressional Black Caucus alternative.

The amendment we have before us today is an alternative budget that would provide a higher quality of life for the citizens of this Nation. The committee resolution is headed in the right direction. It would protect high priority programs from a reduction or a freeze at the fiscal year 1989 level of funding. However, if the committee resolution is adopted as is, we will see important programs, including health programs held at the fiscal year 1989 level or reduced.

The members of the Congressional Black Caucus feel that it is possible to find additional funds for critical domestic programs. The CBC alternative budget would permit the Congress to target funds to some of our most pressing health needs. We call for $58.9 billion for health programs and $124.4 for the Medicare Program in fiscal year 1990. The alternative budget focuses on five major objectives: Expanding access to health care for the uninsured and the underinsured; improving maternal and child health services; increasing the supply of minority health professionals; targeting research funds to minority health problems; and limiting health care costs to the elderly.

Specifically, the alternative budget provides a greater emphasis on disease prevention and health promotion activities, especially efforts targeted toward minorities. It fully protects health manpower programs and provides for an initiative to increase the number of minority health professionals. It allows for expansion of the Medicaid Program to include more pregnant women and children. Additional funding would be provided to community and migrant health centers, public hospitals, community mental health centers and drug and alcohol abuse clinics in order to restore past cuts and provide additional health services for minorities and other underserved groups. We have also endorsed the recommendation of the President's Commission on AIDS that $2 million to be spent to combat this deadly disease.

Medicare, which provides needed health services to the most vulnerable among us—the elderly and the handicapped—would be funded at a level $600 million more than the level provided for in the committee resolution. Our alternative also recommends that legislation be developed to expand the Medicare Program to cover long-term home health care for chronically ill children, the elderly, and the disabled.

I know that my colleagues have heard from many of their constituents who hope to see a greater priority given to important domestic programs—Medicare and other health programs. I urge you to vote for the budget that would provide the highest quality of life for our citizens.

Mr. DELLUMS. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Chairman, I rise in support of the Congressional Black Caucus quality of life alternative budget and I urge my colleagues to support it.

Mr. Chairman, in the last 8 years, this Congress has not worked to promote a kinder and gentler society, or a more compassionate America. This noble theme espoused by the new administration is still only so much lip service and we in Congress have not yet adopted any plan to create a more compassionate society.

The sad reflection of our past budget policy has cast a dark shadow across our Nation. Thousands of homeless Americans, who have little hope of owning or renting a home of their own are swelling the ranks of the poor. Our Nation's public education system is bereft of problems and struggling to help our children. Teachers are torn between being a teacher or a parent, in a job which rewards little but expects much. A runaway illegal drug trade is filling our streets with despair. Children, men, and women have no hope for the future. Our labor force struggles for minimum wage, equal wage, and an opportunity to compete with our foreign allies. Millions of people are searching for a dignified way in which to support themselves and their families and still our Federal Government is not committed to stopping the plague of poverty. Instead we continue to fill our arsenals with weapons that can wipe out the entire world and we ignore that the very fabric of our country is slowly being torn away little by little.

Perhaps the saddest reality is that we have failed to address the future that we are leaving to the generations of children to come. Compassionate is certainly not the way future generations will remember us in their history books. We are promising them a budget deficit so large that even our great, great grandchildren will not be able to balance it in their lifetimes. While we dare not to speak the "t" word, the need to increase revenues continues to jeopardize our future. New programs or new initiatives cannot create a brighter future for our children if we refuse to finance them.

For the last 8 years the Congressional Black Caucus has challenged the administration's budget and those of the respective Budget Committees and presented our own budget alternatives. I am pleased to join my CBC colleagues today in support of the Congressional Black Caucus' fiscal year 1990 quality of life budget. This budget offers an alternative vision of the future, it is designed to create a kinder, gentler, and more compassionate Nation. I truly believe we cannot afford to pass another budget which fails to protect and promote the human needs of the citizens of our Nation. I encourage my colleagues to reject past policy and to join the CBC effort to reorder our budget priorities. I urge my colleagues to work with the Congressional Black Caucus to create a more compassionate society by voting for the CBC quality of life budget.

Mr. BUECHNER. Mr. Chairman, I yield 7 minutes to the golden-tongued orator from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Chairman, I thank my colleague from Missouri for yielding me this time.

I rise in reluctant opposition to the Black Caucus proposed budget. There are elements of it that I want to speak to in a favorable context, and I commend those who drafted it and want to focus on that now.

You make the claim, correctly, that your proposed deficit is the lowest of all the alternatives that are being presented today. That on the face of it is a correct statement. I admire the Members for their desire to reduce the deficit. Like all Members of this business, how we get to the reduction is what causes me to make these statements.

One of the ways we do it is reduce defense spending by $16 billion. Now the gentleman from New York [Mr. SOLOMON] and others Members have engaged in an exchange on the merits and demerits of that. Candidly, I come down on the side of my colleague, the gentleman from New York [Mr. SOLOMON] for the reasons he said. I do not think it is prudent for this Nation to

engage in that much of a reduction of our defense budget. I think we should negotiate with the Soviet leadership. Hopefully, we can stop this madness, this escalation of armaments in the world that threatens the economic stability not only of the United States but of the Soviet Union. But the way, in my judgment, to negotiate reduction of armament is on a mutual basis where each side gives something on the basis that if they do not give it the other side is prepared to stand there and defend their interests.

The other way we reduce the deficit is by increasing taxes by $20 million over the existing tax system. On that point I must respectfully disagree, and I want to cite some figures to show what we did back in 1981 as the rational course. We increased, we increased revenues. Not totally, but we increased the shift or the portion that income groups in America pay in the way of taxes to the extent that we reduce tax rates, marginal tax rates, and these figures I think reflect what has been achieved as a result of the 1982 Tax Reduction Act. For example, in 1981, those earning less than 15,000 a year paid 9 percent of the taxes. Today, or rather the latest year which I have is 1986, that group paid 4.4 percent of the taxes. Take the group in 1981 earning 30,000 to 50,000. They paid 29.8 percent of the income taxes, and in 1986 that group paid 25.2 percent of the taxes. Take this group that we say are the rich in America, over a million in 1981. That group paid 1.7 percent of the taxes and in 1986 that group paid 8.9 percent of the taxes.

My point is that the cause of social justice which I think is something we all can support is advanced to the extent that we reduce marginal tax rates in this country. The reduction of marginal tax rates has the effect of serving what I call the equalitarian ethic of social justice in any society, and when we talk of raising taxes as is in your alternative budget, we are working against that principle.

Now I commend your side for wanting to reduce the deficit, and there are a few illustrations here that I think try to give Members an idea of what we are talking about with a $3 trillion national debt. That is one-dollar bills placed end to end, totaling $3 trillion, would make 594 round trips to the Moon. It will circle the Sun 11,409 times. It would pave the road 3.72 miles wide across the continental United States. It would cover 11,200 square miles, nearly the combined size of Maryland and Delaware. Three trillion dollars stacked in dollar bills would create 858,411 Empire State buildings. Three trillion dollars would allow $41 million to be spent every day for 200 years. It would pay for Social Security for 9 years. It would send 43,860,000 students to Harvard for 4 years; that is tuition, room and board, even a little for beer money. Whatever way we want to size it up it is a huge sum of money that is almost beyond the computation of any Member.

The alternative that I talked about in the budget resolution that I presented to the House previously I think reduces the deficit, which is one of your goals, and I respect that. It reduces it in a different way. It reduces the interest costs on the national debt because no matter what our economic station in life is, whether we are a kid working our way through college or we are born in a ghetto, seeking to live in a better place in a community in where we reside and take our home, or whether we are a businessman or the U.S. Government, interest rates are literally choking our world in which we live. We are trapped.

The Federal Reserve Board cannot reduce interest rates. Why? Because they have to keep them high in order to attract capital to our country to finance our general fund deficit of $241 billion in this budget. We would love to reduce the interest rates but if we did we would no longer have the ability to reduce the capital or attract the capital to pay for our deficit spending. This is a reason, in my judgment, that the prudent course for Members to take is to reduce the interest costs of the national debt.

Now the reason that I have presented this and I came to the Black Caucus and made by presentation, and I thank the gentleman for the opportunity of presenting this, I would like to believe that reducing interest costs is not a partisan issue. How many tears are going to be shed around here for sending less interest money to the banks of New York City, the financial capital of America? Not many. It is something I would hope on which we can agree. Maybe not this year, maybe not next year, but I hope in the dialogue that takes place in the budget consideration at some point in this year of this congressional term, to offer an amendment to a bill moving through the process that will direct the Treasury of the U.S. Government to sell at least $20 billion of bonds backed by gold, and when that opportunity comes on the rule of germaneness that pertains here, I hope my colleagues in the Black Caucus will give some help to me, because at least on the idea of reducing interest costs in America, I think we have some common ground.

□ 1240

Mr. DELLUMS. Mr. Chairman, it is now my pleasure to yield 3 minutes to the distinguished gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I most certainly do not agree with every spending assumption in this amendment, and I would certainly reserve the right to change some of those assumptions as we work through the appropriations process. But I just have to say that I think this is truly the most economically responsible budget before us today.

I fully recognize the limitations under which the Budget Committee was operating. Any phoney assumptions and any rosy scenario estimates in this budget today are not here because the gentleman from California, Mr. LEON PANETTA, and this committee wanted them here. They are here because the White House was requiring, as the bottom line for agreement, that the Congress go along with the sham of somehow pretending that this budget is going to hit the reduced deficit target mandated by Gramm-Rudman. That is a fact. So I in no way criticize the committee's product. They had no choice, given the ridiculous circumstances we are in.

But I have to say this amendment is correct for 2 reasons: Number one, because it recognizes the fact that we are being taken for suckers by our NATO allies, and it recognizes the fact that if we do not force them to share a larger burden for defending the West, then the huge difference in expenditures in defense between their effort and our effort means that they free up billions of dollars to invest in new plant and new equipment so they can knock our socks off on trade and take our jobs.

The second reason this amendment is correct is because it is honest. It does not pretend, as the White House-mandated package does, that somehow we can promise no pain and still reduce the deficit.

Some people will say we cannot support this because it has some taxes in it. This amendment has no taxes for anybody making less than $165,000 a year. As far as I am concerned, our moral obligation is to try to even out opportunity in this country, not results but opportunity. This amendment allows us to make needed domestic investments for our economic future. It provides greater economic justice than we have in the tax system today. It does not lay a glove on middle class taxpayers. It has a smaller deficit than any of the current major packages before us.

Mr. Chairman, this amendment is fiscally sound. It is socially sound, it is sound from an investment standpoint, and I congratulate the gentleman from California [Mr. DELLUMS] for offering it.

Mr. BUECHNER. Mr. Chairman, we reserve the balance of our time.

Mr. DELLUMS. Mr. Chairman, it is now my pleasure to yield 7 minutes to the gentleman from California [Mr. HAWKINS].

Mr. HAWKINS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I should like to direct attention to the education aspect of the Congressional Black Caucus budget. I will not deal with that part of function 500 that lies within the field of job training, although I think it should be pointed out that for more than a decade we have been neglecting the field of job training as well as education itself. There has been a 40-percent reduction in job training, including the Job Training Partnership Act, by recommendations of this administration.

Vocational education, another important aspect of preparing Americans for the technological age, has also been recommended for elimination. Unfortunately, the various budgets, with the exclusion of the Congressional Black Caucus budget, do not address these issues and continue these drastic reductions at the current service level.

It is with respect to education that I would like to address the subject matter of this particular budget. If there is anything that indicates the economic policy of a nation, its direction, its vitality, and its hopes for the future, it is in the field of education. We have suggested that education is the No. 1 priority before the Nation. It is all right to have missiles and armaments of all kinds, as well as sophisticated weapons, but we also need personnel. Any darned fool can operate these weapons, but to the devastation perhaps of innocent victims and one's own personnel. It is absolutely essential, therefore, that if we are going to discuss national defense, as well as economic security, we talk also of trained personnel, and the fact is that at the beginning of this decade education represented 2.5 percent of the Federal budget, but today it has dropped to only 1.7 percent. This has resulted in a rather disastrous conclusion.

As a matter of fact, the Secretary of Education only yesterday attacked the public schools of America as not performing well. Obviously it ill behooves anyone who has advocated such drastic reductions as the Secretary of Education and the administration to attack the public schools of this country, but it is true that in education we are not doing too well. It is not that we have done a worse job ourselves, but the world has moved faster than we, and the result is that in the decade of the 1980's we have created a lack of productivity in this Nation.

Our economic growth rate has averaged only 2.5 percent, our productivity growth has averaged less than 1 percent, unemployment has averaged 7.2 percent, and inflation for the decade was at 6.7 percent. A large amount of this cost has been in the field of education, particularly resulting from the cutbacks in Federal aid to education. The State have moved ahead reasonably well, but the increases that have been made at the State level have been more than offset by the deep cuts at the Federal level.

So when we look at a budget at this time, we obviously ask: Will the budget change this drift? Will it reverse the direction in which we are now moving? The answer is that the Congressional Black Caucus budget does address, I think, in a reasonable manner this particular problem, because it substantially increases an increase in the education budget above current service levels.

Mr. Chairman, let me just rapidly address a problem that is facing us today as a result of this drift and why it is necessary to increase the education budget. Some 27 million Americans cannot read above the fifth grade level. Another 40 million cannot read above the eighth grade level. It is obvious that these individuals upon whom we will depend for the rest of this decade to be productive workers will not be able to produce. It is also true, on the other hand, that we have developed a critical shortage of engineers, computer scientists, and other trained personnel in the armed forces.

The gentleman from Missouri, Mr. IKE SKELTON, wrote to me some years ago—and the conditions are much worse now than what he described then—and I would like to just repeat what he said in his letter to me:

> The United States has depended on a technological edge for both our economic security and national defense for a good number of years. If we can't produce the personnel to operate the technical equipment on which we currently depend, and to develop new innovations for both commerce and defense, we will not only be jeopardizing our economic well-being, we will be endangering our national security.

□ 1250

That, Mr. Chairman, I think is a point that we do not realize, that today we are failing, we are disarming, we are creating a critical shortage of the type of personnel that we must depend upon in our commerce, our industry, and our trade, as well as in national defense. As a result of that we are not creating the individuals who have increased their earnings, who have taxpayers' ability to contribute and, therefore, are a drag upon the economy, and creating a deficit and also jeopardizing, not only our economic security, but our national defense as well.

Mr. DELLUMS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Washington [Mr. MCDERMOTT].

Mr. MCDERMOTT. Mr. Chairman, I rise in support of the Congressional Black Caucus amendment to the budget resolution, and to commend the Congressional Black Caucus and Chairman DELLUMS for preparing the "quality of life" budget. The Congressional Black Caucus budget puts the health and welfare of the American people first on our list of priorities. I am especially supportive of the CBC budget allocation for health care. The CBC alternative budget provides $1 billion more in outlays than does the Budget Committee resolution, and $3.5 billion more than President Bush's original proposal.

That $1 billion seems like a big difference until you consider the cost of health care in this country. In America we spend more than twice as much on health care as we do on national defense—something like $620 billion, more than 11 percent of our gross national product. We like to say we have the finest health care system in the world.

For most people, we do have outstanding health care. But for 1 in 6 Americans, there's no health insurance at all. Over 12 million children in this country have no coverage. If they see a doctor, it's in the emergency room. Nearly 1 out of 6 pregnant women are uninsured. They and their babies are at risk. They are 3 to 6 times more likely to have a baby with low birth weight, under 5 pounds. That means we are all at risk, because it costs over $1,000 a day just to keep a baby in intensive care. It costs hundreds of thousands of dollars to take care of a child who is severely disabled, even for the short lifetime that child may be with us.

We take pride in the fine hospitals we have in this country. But some of the best hospitals are going under, because too many of their patients cannot pay and have no coverage. Harborview Hospital in Seattle is in serious trouble because it has too few paying patients. As hospitals compete for business, trying to keep their charges down, the losers are public hospitals like Harborview that serve the uninsured, that do not turn people away. They have to pass the cost of that care onto the paying patients, so they can't afford to compete with the others. Without public funding, they start to go into a death spiral. If that happens to Harborview, we lose the leading trauma center in a 4-State area, the burn unit which is among the world's best, one of the only teaching hospitals in the Northwest, and a priceless community and regional asset.

We have waged and won wars against malaria, smallpox, typhoid, polio, and other diseases. But AIDS has killed more Americans than the Vietnam war, and the human immunodeficiency virus infects 1½ million people, with no end in sight. That is a tragic waste of human potential which we must not tolerate.

The quality of life amendment adds funds for prenatal and infant coverage under the Medicaid program, enough to cover pregnant women, infants, and

children up to twice the poverty level. It increases funding for public hospitals, community and migrant health centers, drug and alcohol treatment, and prevention of teenage pregnancy. It adds dollars for prevention and treatment of AIDS. The $1 billion it adds is the single best investment this budget makes, and I commend the Black Caucus for putting it together.

I know that the Budget Committee did not set out to shortchange health care in this resolution. They have had to compromise, and I understand how that works. I have had to write budgets in the State legislature, as many of our colleagues have. But the fact that we have to stand here on this floor and do battle for programs like these, that the health of our children is a serious budget issue in the richest country in the world, tells me that our spending priorities are still wrong. It tells me we should go back to the President and tell him that we will put the dollars where the needs are, even if he will not.

The dollars this amendment adds to the health function are an investment, Mr. Chairman. They are an investment in healthier children, more productive workers, longer lives. The $1 billion this amendment adds is less than America spends on health care in a single day. The fact that we must do battle over this item tells me how much we need to change the way we spend our public and private health care dollars.

We spend over 11 percent of our gross national product on health care. No other industrial democracy spends as much, or has so many uninsured people. Canada spends 8 percent of GNP on health care and insures everyone. If our health care expenditures were the same percent of today's GNP as Canada's, we would have nearly $200 billion available in our economy—to balance the Federal budget, reduce taxes, make our schools the best in the world, rebuild our infrastructure—you name it.

Until we find a way to restructure our health care system so that affordable health care becomes every American's birthright, we will have to keep putting patches on the system we have got. This addition to the health function is an important and necessary patch, Mr. Chairman. We can well afford this investment in our children's health, and I urge the support of my colleagues for the amendment.

Mr. DELLUMS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from the District of Columbia [Mr. FAUNTROY].

Mr. FAUNTROY. Mr. Chairman, in the nearly 20 years that I have had the privilege of serving in the House I have learned that, if one wants to turn the American people on, talk nonsense, and, if one wants to turn them off, talk sense.

For the last 8 years we have had a package of public policies that have turned the American people on to a lot of nonsense, a package that was based on the thesis, first, that the poor have too much money, and, since the poor have too much money, we cut housing programs by 77 percent. We cut 63 percent of the job training programs. We cut health care and education programs for our darling young on the thesis that the poor have too much money. Nonsense.

The second thesis was that the rich have too little money, and, since the rich have too little money, we gave a Federal raid on the Treasury to the tune of $750 billion in the first 5 years of this era that gave 35 percent of all of the individual tax relief to the top 5-percent income earners of the Nation and gave 80 percent of all the tax breaks that went to corporations to the major corporations of the Nation on the thesis that they knew what to do with the money; they would reinvest it in new planning and equipment, and they would put the American people to work. Nonsense. What they did was convert their dollars to yen, and marks, and francs, and rands, and rubels in South Africa to invest in cheap labor there, and they created a deficit of $200 billion a year in trade so that other nations now have a surplus with us on the thesis that the rich have too little money.

Mr. Chairman, the third thesis was that our problems abroad lend themselves to military solutions and, if we will increase our military spending to a level of $2.3 trillion, put 600 ships at sea to protect the trade routes of the Pacific rim and Europe, spend $161 billion in Europe 40 years after the war, more than all of the NATO nations together spend for their own defense, then our problems abroad will be solved, and what the Congressional Black Caucus has come to say today is that with now two enormous deficits, an annual of nearly $2 billion trade deficit, and a budget deficit of nearly $200 billion a year, a $3 trillion deficit that caused us to pay $166 billion in taxes last year just in interest on that debt, we need a change of course.

Now, Mr. Chairman, there are those who said the American people do not want this. I want my colleagues to know that for the last 18 years I have served on the Committee on Banking, Finance, and Urban Affairs of the House, and my contribution to this budget is that which deals with function 370, commerce and housing credit, and function 450, community and regional development, and I defy anyone to say that the American people, who have seen a 77-percent cut in their housing programs and 3 million people thrown homeless on the streets of America, do not want housing for our young and will not support what is included in this budget. The Gonzalez proposal is for our housing trust that will enable first-time home buyers to have an opportunity to buy a home in this country, particularly the lower and moderate income range.

□ 1300

I defy anybody to say that the American people do not want to put back into use 180,000 public housing units that are boarded up, while 3 million people are being detained on the streets and in welfare hotels. Do not tell me that the American people do not want that.

It has been stated that the American people do not want higher taxes. Do not tell me the American people do not want the top 5 percent income earners of the Nation, who got 35 percent of the tax relief, now to pay their share.

We raise a simple $25 billion in additional taxes. How? Not by taxing 95 percent of the American people, but by taxing the top 5 percent income earners of the Nation.

Indeed, for my colleagues here who suffered through the debate on a pay raise for Members of Congress to $151,000, they would not even be touched. Even if we had gotten the pay raise, we would not be touched, only the very rich and the simple surcharge on the major corporations. It simply taxes those who got 80 percent of the tax breaks under the Reagan nonsense. So we are appealing for sense now.

The only way to get out of our dilemma by which we have a $200 billion a year balance of trade surplus and by which the nations who are benefiting from the surplus got in excess $170 billion in interest on the debt that we built up to provide ships and troops to protect their countries from the Russians, at the same time that they spent all their money making dots on stereos, Kowasakis, BMW's, and Mercedes.

The CHAIRMAN. The time of the gentleman from the District of Columbia has expired.

Mr. DELLUMS. Mr. Chairman, I yield 1 additional minute to the gentleman from the District of Columbia [Mr. FAUNTROY].

Mr. FAUNTROY. So all we are asking for, Mr. Chairman, is a little common sense. The only way to deal with our problem is to either cut expenses, cut spending, or increase income. We say we can increase income simply by asking our allies in Europe to foot more of the bill for their own defense, and thus reduce our defense spending.

We can increase income by simply asking the very rich to pay the same rate of taxes that 95 percent of the American people are being asked to pay, and we can provide the housing and health care and job opportunities

and training that so many of our young people need if we are to compete in a world where we have got to have the capital intensive information based service oriented skills of the future.

For that reason, I urgently appeal to you not to be moved by the nonsense that may well be given by the gentleman I am about to yield to at this point.

Mr. BUECHNER. Mr. Chairman, will the gentleman yield?

Mr. FAUNTROY. I yield to the gentleman from Missouri.

Mr. BUECHNER. Mr. Chairman, I would just like to ask the gentleman whether the American people did not speak, though, quite eloquently about tax increases in the last few elections. I remember a gentleman by the name of Walter Mondale and another one by the name of Michael Dukakis, one said definitely he would raise taxes, the other sort of circled around that issue. Does the gentleman think the majority of people in America are calling for a tax increase at this time?

Mr. FAUNTROY. I believe that the majority of the people responded to the nonsense that when we said tax increase, we meant them, but if they had understood as we know it and as Members of this Congress know, this proposal does not call for taxes on the majority of the American people, only the top 5 percent income earners of the Nation, and when the American people understand that good sense and move their Members to be honest, they will vote for the Congressional Black Caucus tax package.

Mr. Chairman, I yield back the balance of that 1 minute the gentleman from California [Mr. DELLUMS] so kindly gave me to finish my statement.

Mr. DELLUMS. Mr. Chairman, I yield 5 minutes to the distinguished gentlewoman from Colorado [Mrs. SCHROEDER].

Mr. SCHROEDER. Mr. Chairman, I sincerely thank the gentleman from California [Mr. DELLUMS] for yielding this time to me.

Mr. Chairman, I rise in support of the Congressional Black Caucus budget, as I have many times on this floor.

I must say, this is the sanest budget that I have seen year after year after year, and never has a budget like this been more needed. This is a 21st century budget if this country is going to make it.

Now, let me tell you a few reasons why. The Black Caucus understands how America is different. We have always said in Europe and all those other places that you are what your ancestors were. People came to America to be what their children became. What we have done after 10 years of this Reagan debacle is we have taken a whole lot of people who do not see any opportunity for their children to become anything, and if you are living in a society where you think your children can become nothing, then you think you are nothing and you start undercutting the entire society.

Yes, this budget deals with taxes, but it certainly should. If anybody thinks the middle class came off better during this last eight years, baloney. This was all tax shifting. It was tax shifting from the rich to the middle class.

I worked very hard to get the marriage penalty out. The marriage penalty is back. We penalize families for being married. We do not give families the personal exemption that they should have to live. If we did that, we would not have poverty among families.

We have done all sorts of terrible things in the Tax Code in order to lift the great weight from those at the very top.

This is saying, "Hey, trickle-down didn't work. We have been waitin' for 8 years and we're not even damp."

So it is dealing with that and it is dealing with it straight out. I think it is time we deal with it.

So, yes it shifts it back on to the rich a little bit, not even near the magnitude it was before. It is just a little course correction.

It also deals with the military and how it went wild the last 8 years.

I think the image that stuck in my mind the most this week was the image of the Hungarian soldiers cutting the fence, and you begin to wonder what was it all about.

We look like while the rest of the world is out modernizing global strategy, all we know how to do is modernize weapons. We used to talk about how we had to have three major missile systems. Now with peace breaking out all over, it appears we are going to have four. I mean, we really are losing it.

So this budget does not disarm. No, it realizes there are still dangers out there, but it also says we have got to get over this Rambo mania and let us deal with reality.

Now, I think if we do not start investing in our kids, as this budget does, we are not going to be able to compete in the 21st century. This century was known as the American century. We are about to close this century out. The question is what will the next century be known as and will we even be a player? We will not be a player with the kind of debts we are running, and this budget comes in with the lowest debts, a very important point.

We will not be competitive and we will not be a player if our kids are coming out at the very bottom educationally, if they are coming out at the bottom healthwise and coming out at the bottom everywhere else. We will come out at the bottom of the next century.

I think our forefathers and foremothers would be ashamed that we all went to sleep and looked like we were political Rip Van Winkles in the eighties.

This is a budget that says we woke up, we are turning the ship of state around, we are doing something in here simultaneously about the debt, about our children, and about getting some of the insanity in the military under control.

Now, what could be a better statement than that?

The gentleman who spoke before me is probably right. It is probably too sane. How sad, but I think that time for sanity has come, and again I salute the gentleman from California [Mr. DELLUMS] and the Black Caucus for its wonderful leadership in providing this budget, and I certainly hope many Members take it very seriously, because that is what it is. It is a new course for the next century.

Mr. DELLUMS. Mr. Chairman, I would first like to thank the gentlewoman for her kind remarks.

Mr. Chairman, I yield 7 minutes to the distinguished gentleman from New York [Mr. OWENS].

□ 1310

Mr. OWENS of New York. Mr. Chairman, I want to congratulate the chairman of the Congressional Black Caucus, the gentleman from California [Mr. DELLUMS]. I have always voted for the Congressional Black Caucus budget and participated in that process, but I think that this year there has been more hard work and much greater wisdom in this budget than ever before.

Let the record show that with this budget, this alternative budget, that not all of the Members of the 101st Congress are locked into an obsolete and Neanderthal conception of what is the best for the Nation, what are the best national priorities and what is best for the national security of the Nation.

In the years to come when history is written, this budget can stand as a record of reasonable people who refused to be locked into a pattern of thinking that has continued to result in a series of disastrous decisions here in Washington. We are like dinosaurs with our heads in the sand, with the Washington decisionmakers at OMB and in the Bush administration and in many of our committees who are locked into this like dinosaurs with their heads locked into the sand who refuse to look at the obvious. They refuse to examine the fact that we are paying out hundreds of billions of dollars still to defend Europe and to defend Japan, and at the same time they are using the money that they

are saving as a result of not paying for their own defense to deal with competing with us in the commercial markets of the world. They have greater surpluses with respect to us. We owe them a great deal of money as a result of our continuing to defend them.

There are alternatives to big spending in our budget. The big spending, the wrong-headed spending, that is being committed by the administration is dogmatic, ideological insistence that we must build up the military-industrial complex at all costs; we must continue to fund the B-1 bomber, and we are even going to ask for more money for the B-1 bomber.

At the same time in function 500 where education and job training is, we entertain a cut. There is a lot of double thinking, doubletalk in the function 500 where they are going to increase some programs, some new initiatives, and then they are going to have an across-the-board cut for all of the remaining programs. When it is all over, function 500 will have about $325 million less to do the same kinds of things that they are presently doing. That is a cut. We are cutting education and job training at a time when it is needed most.

I think the Committee on the Budget resolution is locked into the agreement that was made at the White House and, unfortunately, I think that is an unfortunate trend. It looks like we are being good, being cooperative, but when we go to those kinds of sessions and come out, we seem to be moving toward a one-party system, in my opinion, and the party whose philosophy is prevailing is the wrong one. It is the party that insists that we continue to spend more money blindly on military hardware. It is the party that insists that we are going to come back later on with a $157 billion proposal to bail out the failing savings and loan associations, to give away money to the bankers who wrecked the savings and loan associations.

This budget in function 500, the alternative Black Caucus budget, incorporates the Hawkins initiatives which are simple statements that we have found certain programs that work. Head Start works. Chapter 1 works. We want to spend more money on those programs that are certified by all educators to work. That is the Hawkins initiative which, in the Congressional Black Caucus, puts that initiative for both children and education and adds up to about $5 billion.

We have been criticized for spending more money, but spending more money on the right kinds of programs is absolutely needed. Investment in education is what we find in the Congressional Black Caucus budget. Our budget alternative is based on new assumptions, new assumptions with respect to what the priorities should be, new assumptions with respect to what is best for the national security.

National security is a major issue of concern to the Congressional Black Caucus. We justify national security in more modern terms. We are not bound by the Neanderthal concept which says that national security means putting more money into military hardware. National security means developing the maximum amount of brainpower, and brainpower is the key to our ability to compete in the commercial and industrial sector. Brainpower is the key to our ability to compete in the military and technological sector. Brainpower is the key to our prevalence over the Soviet Union in every respect.

We have an education deficit in this country. It is a very serious deficit. It is being reflected in many ways. It is one of the reasons our shuttles cannot get off the ground. It is one of the reasons the shuttle exploded. It is one of the reasons our rockets keep exploding in experiments. It is one of the reasons the task force in Dallas cannot convict anybody in the savings and loan association scandals. They do not have the right kind of personnel. They do not have the quality of personnel.

The quantity and quality of professionals in America are being eroded in every field, not only in the field of the technicians working on the space shuttles, but also in the legal field and the people who prosecute the culprits in the savings and loan associations. Everywhere we have this deficit in brainpower. To invest in education is the best course to follow if we want to promote the national security.

This administration has insisted that the only thing that is important, most important, to the National Government is the national security. I agree that the national security is the most important concern of the Federal Government. It is the definition of the national security where we disagree. We have to become modern and begin to think in terms of the 20th and 21st centuries and understand that greater investment in education will pay immediate dividends, big dividends, in terms of quality and quantity of personnel available to run this society.

This is a critical year in our decisionmaking. We must stop being dinosaurs and hiding our heads in the sand. We must become modern and understand that despite the fact that we may begin to make some cuts in defense now, we have the savings and loan associations scandal looming over our heads coming up with $157 billion which will affect future budgets, and they are not discussing it now, because we are not honest enough to face up to it at this point, but it is going to affect all future budgets.

We should turn our back on the kinds of assumptions that say we have to continue going forward as we have in the past building the military-industrial complex and subsidizing bankers who need it least and refusing to tax those who can very much afford to be taxed in order to lower the deficit, so let us return to logic and and common sense. Let us understand that brainpower is our greatest need. Let us understand that education should be our No. 1 priority.

Education is at the core and at the center of national security.

Mr. DELLUMS. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Washington [Mrs. UNSOELD].

Mrs. UNSOELD. Mr. Chairman, I thank the distinguished gentleman from California for the opportunity to vote for a shift in our Nation's spending priorities. A budget resolution should reflect our Nation's values. This substitute allows us to vote to place a higher priority on domestic programs—particularly those that support our children. There is nothing more vital to our national security than how we raise our children.

This substitute budget resolution calls for increased spending for domestic programs, especially for education, job training and for income security. Major assumptions of the substitute include the following:

Increased funding over current services for education and jobs programs;

$570 million in budget authority for an educational research and development initiative, including $435 million to support the creation of 435 education and research development district extension programs throughout the Nation—patterned after the Agriculture Extension Program—to provide research and technical assistance to improve education at all levels. The remaining $135 million would be for intensified assistance for the 50 poorest districts;

$2.5 billion in budget authority for a new child care initiative;

$525 million in budget authority for programs to strengthen the Nation's work force, including literacy, vocational education, bilingual education, and dislocated worker assistance programs;

Additional funding to expand Medicaid to include pregnant women, infants, and children in families up to 200 percent of the poverty level and to provide 12 months coverage for families who leave AFDC for work and for families in which both parents are unemployed;

Additional funding for the community and migrant health centers, public hospitals, community mental health centers and drug and alcohol abuse clinics to restore cuts and provide additional health services for minorities and other underserved groups;

$2 billion in budget authority for AIDS research, treatment, and prevention activities, compared to $1.8 billion in the budget resolution and $1.3 billion in fiscal year 1989;

No cuts at all in the Medicare Program;

Full funding for retirement, disability and unemployment compensation programs;

Funding above the level needed to maintain current policy for food and nutrition programs, including funding of the Women's, Infants, and

Children [WIC] Supplemental Nutrition Program at $150 million more than current services level of $1.86 billion in fiscal year 1990;

Additional funding for veterans programs beyond the current services level; provides $11.9 billion for veterans' medical care; and

Full funding for the programs authorized by the Anti-Drug Abuse Act.

The Dellums substitute calls for eliminating the strategic defense initiative and replacing it with a basic research program. It would also terminate development of chemical and biological weaponry.

This substitute would fully fund the remaining military forces as well as fund improvements in the quality of life for all members of the military and their families, particularly better family housing and dependent programs. It also calls for establishing programs of economic conversion in areas where workers would be displaced as a result of military weapons cuts, and programs to clean up military toxic waste.

I urge my colleagues to vote in favor of the Dellums substitute and register their support for a budget that puts people first.

Mr. DELLUMS. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New York [Mr. GARCIA].

Mr. GARCIA. Mr. Chairman, I will just take a second first and congratulate my colleague, the gentleman from California, and the Congressional Black Caucus in general.

We have an old expression that says, "If it is not broken you do not have to fix it." I think those of us who come out of urban centers that there is a lot broken, and I think that this budget represents compassion. It represents the real world as some of us see it.

The saddest part of it all is that we never get a chance to share with each other what is happening in the various districts across America, whether one is a farmer in Kansas or we live on the south side of Chicago, and I think that that is where the real crime of the budget process takes place is that we do not know each other. We may be Members in this body, but the flip side is that we still do not know each other.

Mr. Chairman, I would hope that someday some of my colleagues who are responsible for putting budgets together would have a chance to walk the streets, whether it be the south Bronx that I represent or whether it be the south side of Chicago or Watts or Liberty City in Miami. The needs are real.

None of us say we do not need defense. Of course, we need defense. Defense is necessary. It is appropriate to stay strong. But we also have to continue to build within our own nation those things that are important, and sometimes it is one battleship less, but what it means is that a lot of kids are going to be able to walk the straight line and accomplish some of the dreams that we all hope for our own children.

Mr. DELLUMS. Mr. Chairman, I yield 1 minute to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Chairman, the Congressional Black Caucus is to be congratulated on a very good and well-prioritized budget. It could well be called the American People's Priority Budget.

There is a lot of talk about a tax increase here. They are proposing, because we cannot mandate in a budget, but they are proposing that we restore taxes for the richest 1 percent of people in this country, people who are now paying taxes at a rate less than that of middle-class America. That is taking us back to what I always thought was the principle that we had adopted and decided upon long ago in this country, progressive taxation.

Mr. Chairman, since when did we abandon that principle? When should the rich pay at a rate lower than that assessed upon the middle class in this country?

This budget also gives us real deficit reduction, real reduction, something that the American people want. It gives more money for education, for fighting the war on drugs, for housing, for health care. Those are the priorities of the American people, and those are the priorities of this budget.

Mr. Chairman, I urge my colleagues to support this budget.

Mr. DELLUMS. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Illinois [Mrs. COLLINS].

□ 1320

Mrs. COLLINS. Mr. Chairman, as we lay the budgetary framework for the years ahead, we must reevaluate our needs, priorities, and national values. In doing so, I strongly believe that the "quality of life alternative budget," prepared by the Congressional Black Caucus, best captures the essence of where America is presently and must go in the future. While I strongly support the CBC alternative, I believe that the Budget Committee's resolution deserves mentioning. First, the spirit of compromise, through which it was developed with the Bush administration, is a breath of fresh air. It is a welcome replacement to the unrelenting contentiousness of the previous administration, although we will hope that the Bush administration will be more prompt and straightforward with their numbers and proposals in the future. Second, the resolution has succeeded in remaining within Gramm-Rudman targets for spending and deficit reduction. Third, it takes a step in the right direction on spending priorities.

The problem is: It takes only one step in that direction.

In contrast, the budget alternative prepared and presented by the Congressional Black Caucus adopts a bold, forward-looking approach to our budgetary priorities and economic realities. All members of the CBC were involved in formulating this alternative which deserves the utmost consideration. It is not the budget for Black America; it is the budget for all forward-looking Americans who are concerned about the future of the United States. It is the budget for those who care about our children. It is the budget for those who care about America's world standing 20 years from now. It is the budget for those who love America, who want it to prosper, and who have the burning desire to help it do so.

One example of the shortcomings of the Budget Committee's Resolution concerns the Federal deficit. As it is now at a crisis point, we must not be satisfied with Gramm-Rudman deficit reduction targets. We must be bold enough to do what is right, not just what is required. In contrast to the Budget Committee's aim for a $99.7 billion deficit, the CBC budget proposal further reduces that figure to $92.4 billion. Moreover, unlike the Budget Committee's resolution, it reaches that reduced figure without relying on the selling off of the assets of America. Our international competitors such as Japan and West Germany are already buying up America, and I see no logic in "asset sales" which are fundamental to the administration's and Budget Committee's proposals and which will have a long-term negative impact.

The starkest contrast between the Budget Committee's resolution and the CBC's proposal is in terms of spending priorities. The Budget Committee/administration compromise resolution bases its spending priorities on outdated notions of world security and status quo defense spending. The 1980's experienced an extreme buildup in the American military to proportions never before seen. Massive-megamillions of dollars were diverted from the needs of the American people to the protection against invasion by the so-called Communist menace. Without rehashing those debates, the conclusion is clear: the goal of a fortified national defense has been achieved and further buildup would be duplicative, unnecessary and wasteful. Continuing an unneccessary spending spree even after its purpose has been fulfilled would yield few if any benefits while inviting economic disaster. That a phase ought to be finished, and we ought to be moving on to the next.

The next phase is to start solving problems in America and focus on the quality of life. Lip service is not enough. To President Bush, whose declarations I have greatly appreciated, I must say that it is time to "put your money where your mouth—and campaign promises—are." A "kinder, gentler nation" costs money. Govern-

ment support and programs require funding. Surely the "education President" should endorse the CBC Budget proposal's higher spending authorizations for education and child-related programs, Hopefully his "kinder, gentler" approach will include the CBC's proposed greater funding for programs which go to the heart of American life, such as Medicare, health in general, housing, veterans benefits, community and regional development, Social Security, and other needs. In the transportation arena, for example, the CBC alternative endorses a strong commitment to funding mass transit and ground transport, which are so heavily relied upon by our urban and low-income citizens. How often I hear, as I did last evening from Warner Communications, Mr. Chairman, that there are job opportunities awaiting inner city workers but that they don't have access to them because there is inadequate transportation to take them out to the suburbs. The CBC proposal increases funding to further develop and rehabilitate this infrastructure. The President requested a paltry $1.5 billion for the Urban Mass Transit Administration [UMTA]; the CBC doubles that. Similarly, the President's proposal for the Federal-Aid Highways Program was $12.98 billion, whereas the CBC proposes $14 billion.

Also of utmost concern to Americans today are the problems with aviation. The CBC alternative calls for a dramatic increase in spending for air traffic control personnel, training and facilities, as well as greatly enhanced security safeguards. Likewise, the problems surrounding the transportation of hazardous materials cannot be overlooked, as very dangerous materials have been rolling through densely populated areas. The CBC proposal provides adequate funding to allow the Department of Transportation to move forward on safety regulations, designation of safe routes and preparation of state-of-the-art emergency response techniques.

In addition, the transportation budget must reflect more than just basic questions of getting from "point A" to "point B." It must enable the Department of Transportation—and State DOT's—to guide America in an array of issues that go hand-in-hand with a quality transportation system. These include: prevention of lead poisoning of our children—not from windowsill paint but from auto emissions—encouraging clean air through reduced emissions, avoiding toxic spills, and ensuring that transportation in America is affordable to all, as well as safe. Funding for transportation must reflect the need to expand business and economic opportunities for small and minority business. The Surface Transportation Act, reauthorized in 1987, includes a mandatory 10-percent set-aside for disadvantaged businesses. The intent is to expand economic opportunity through the building of roads and bridges and improvement of the country's infrastructure. The CBC alternative recognizes that through increased funding, with a focus on economic development for small disadvantaged business, we can accomplish the dual purpose of improving the quality of our ground transportation while providing jobs and business opportunities to women and minorities. The CBC budget proposal adequately reflects these contemporary American necessities.

Mr. Chairman, negotiation and compromise are always welcome and are crucial ingredients for an effective government. But, a Federal budget must have more in its favor than the fact that it is a product of compromise. Although the process surrounding the Budget Committee's proposal is laudable, its product is not. It is only a first step at a time when we need a long-distance sprint. In comparison, the CBC budget proposal is walking in the right direction, with a long stride and an uplifting gait. I submit that the American people want that uplifting presence, and I urge my colleagues to support the CBC's budget proposal.

Mr. DELLUMS. Mr. Chairman, might I inquire of the Chair as to how much time is remaining?

The CHAIRMAN pro tempore (Mr. MCDERMOTT). The gentleman from California [Mr. DELLUMS] has 13 minutes remaining, the gentleman from California [Mr. PANETTA] has 41 minutes remaining, and the gentleman from Minnesota [Mr. FRENZEL] has 28 minutes remaining.

Mr. DELLUMS. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from California [Ms. PELOSI].

Mr. FORD of Tennessee. Mr. Chairman, will be gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from Tennessee.

Mr. FORD of Tennessee. Mr. Chairman, I join with my colleagues in supporting this quality of life budget that has been presented by the gentleman from California [Mr. DELLUMS].

The ravages of Reaganomics, the extraordinary escalation of the arms race, and the mindless sequestration threats of Gramm-Hollings, have wrought havoc on much of American society, especially those most in need of help—the poor, the elderly, the young, the physically disadvantaged, and the jobless.

The alternative budget places emphasis on our most precious resources—our children. It also recognizes a commitment to our Nations elderly and poor through increased funding for: Low- and moderate-income housing assistance, aid to families with dependent children, food stamp and child nutrition programs, expansion of the WIC Program, Social Security.

Retired and disabled individuals in America deserve to have a decent quality of life. Yet economic and social trends show that an increasing proportion of this sector of society will be unable to secure for themselves the basic necessities of life due to inadequate incomes.

There are 26 million senior citizens residing in the United States; 12.4 percent have incomes below the poverty line.

Poverty among black senior citizens is an even more serious problem—with 31.7 percent of all blacks aged, and 35.6 percent of black elderly women, with incomes below the poverty standard.

SOCIAL SECURITY

This budget supports current legislative provision providing for higher benefits payments and assumes the full amount required to pay current law Social Security benefits.

This budget also recognizes and attempts to correct the Social Security "notch" issue that affects older Americans born between 1917 and 1921.

The budget recognizes the need for stable level of future benefits for those born after 1929 by reestablishing the 1977 amendment and permanent benefit formula as the sole formula for computing benefits for those reaching age 62 after 1991.

Actual increases in benefits will range from less than $100 to more than $1,200 per year.

Actual cost over 5 years—$70 billion.

The fiscal year 1990 alternative budget reflects a reaffirmation of the Federal Government's responsibility to assure a reasonable income, especially for families with children, the elderly and disabled and the working poor.

We believe the Government has a responsibility to assist the poor in securing affordable and safe housing.

EXPANSION OF THE WIC PROGRAM

Positive effects of participation: Fewer low birthweight babies; significant effect on the quality of participant diets; increasing use of prenatal care; reduces anemia; and improves cognitive skills in children.

CBC alter: Budget proposes an increase of $150 million over the current services level of $1.86 in fiscal year 1990 and additional increments of $150 million in each of the next 3 fiscal years to expand to a greater number of persons.

AFDC ASSISTANCE PROGRAMS

Millions of children remain locked in poverty despite parents' attempt to accrue the income necessary to provide for basic needs.

CBC budget fully funds this program and makes provision for: Payments to States for AFDC work activities; funding under this account will support the recently created Jobs Opportunities and Basic Skills [JOBS] Training Program as mandated by Public Law 100-485, the Family Support Act of 1988; the administration's budget language limits fiscal year 1990 appropriations to $350 million. This is an attempt to not fully fund the JOBS programs.

	Fiscal year 1989 estimate	Fiscal year 1990 curr/serv	Fiscal year 1990 CBC	Differences CBC versus CS
Budget authority:				
(650) Social Security	$288,345	$315,492	$317,285	$1,793
Old-age and survivors insurance [OASI]	263,538	286,488	288,107	1,619
Disability insurance [DI]	24,807	29,004	29,178	174

	Fiscal year 1989 estimate	Fiscal year 1990 curr/serv	Fiscal year 1990 CBC	Differences CBC versus CS
Outlays:				
(650) Social Security	232,334	246,715	246,925	210
Old-age and survivors insurance [OASI].....	209,237	222,407	222,595	188
Disability insurance [DI]..	23,096	24,309	24,330	21

Ms. PELOSI. Mr. Chairman, I commend my colleague for his statement and thank the gentleman from California for yielding time to me.

Mr. Chairman, I commend the gentleman from California [Mr. PANETTA], chairman of the Budget Committee, for the budget resolution before the House today. The committee was faced with a complex task of assuring a reduction in the deficit while responding to our Nation's pressing needs. I think they did the very best they could, although I am not sure they did the best we know how.

There are a few pressing needs that I wish to call attention to, Mr. Chairman, in my remarks. Other speaks this morning have referred to the needs in our country for health, housing, education, AIDS research and treatment, et cetera. I associate myself with the remarks of those colleagues, and also with those of my colleagues who believe that our national budget should be a statement of our national values.

I do not know how it could be a statement of our national values when we are not adequately funding housing for all Americans.

□ 1330

Shelter, Mr. Chairman, is something that is granted even in the Bible, and not much less in any decent society. Food and shelter, basic fundamentals which we are not even granting to Americans. Is it a statement of our values, Mr. Chairman, when we propose a budget which supports a system which allows us to celebrate our success and our prosperity with these banners of success while in the shadows of these large buildings in which great big deals are done for not everyone in our society, that in the very shadows of those buildings we have poor people.

Yet another generation deprived of hope and of opportunity.

When I was young and starting out from college we looked around and saw what we thought was a lost generation of Americans, largely in the minority community, and thought if we cared enough and we worked to elect people to office who cared enough, we would have public policy which would open the doors of opportunity to all Americans. It is shocking to me, Mr. Chairman, that here we are a generation later and the situation is worse.

So I thank the Black Caucus for proposing this alternative budget because it gives me an opportunity as a Democrat, as a person who cares about a budget that is a statement of our national values, to truly vote for a budget that reflects those values of concern for people.

Mr. Chairman, in testimony before the other body one of our colleagues mentioned that today there are more black American males of college age in jail than there are in the universities of our country. This is a shameful statistic, Mr. Chairman.

But unless we make a decision to do something about it, a spending decision, everything else we day is nothing more than a rhetorical claim.

So I say again I am proud to support the Congressional Black Caucus budget. We Democrats like to think of ourselves as the party of opportunity; let us not be the party of lost opportunity.

Mr. DELLUMS. Mr. Chairman, is this gentleman from California correct that we have 10 minutes remaining?

The CHAIRMAN pro tempore (Mr. MCDERMOTT). The gentleman from California [Mr. DELLUMS] is correct, he has 10 minutes remaining.

Mr. DELLUMS. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman, I thank the gentleman for yielding and I rise today in support of the Black Caucus budget.

I do not think there is a day goes by when we do not have a series of Congressmen come down to the well here and talk about how the United States is the richest, most powerful Nation on Earth. Sometimes I wonder if we are referring to anything more than the fact that we are willing to spend up to $300 billion a year on our national defense.

Sometimes I wonder whether or not we are spending money on what being a rich and powerful nation traditionally has meant in this Nation, that we stand up for our Nation's poor, that we stand up for our Nation's working people, that we stand up to see this country grow and prosper as it has in every decade since the beginning of this great Nation.

The fact is that if we look at what is going on in our Nation today we hear all sorts of happy-talk coming out of Washington, DC. They will tell us that the unemployment rate is down, that the inflation rate is down, and that the stock market is up. They do not tell us what is going on out there for the poorest people, for our country's working people.

They do not tell us that of course we are going to get the unemployment rate down, of course we are going to get the unemployment rate down when we have less young people growing up in America. But what they do not tell us in addition is that the average job that this administration has created pays less than $10,000 a year. I wonder how many people in this body would like to get by on $10,000 a year.

Of course we are going to get the inflation rate down. We are spending $200 billion more a year than we are taking in.

The stock market goes up. Of course the stock market goes up when you drop the highest income Americans' tax rates from 70 percent down to 30 percent, and corporate tax rates from 46 percent to 34 percent.

But what we do not hear talked about in our Nation's Capital is what happens to the poor. We do not hear the fact that 50 percent of all the young people in America today, 50 percent, half of all the children growing up in America's inner cities never graduate from high school.

We do not hear the fact that today 26 percent of the children under the age of 6 years old, 26 percent, the highest rate of any nation, are children growing up in poverty. We do not hear that 40 percent of the young girls growing up in America under the age of 14 are going to become pregnant by the time they reach the age of 21 and that they are not going to be married.

That is what is happening to our country. We ought not be proud of the fact that we spend $300 billion on our national debt. What we ought to be proud of is our Nation's commitment to helping out our fellow man.

That is what I think the Black Caucus budget is all about. That is why I am here speaking in favor of that budget because it is time that this country realizes it is the poor people and the working people of this country who spent their blood, sweat, and tears to build up our Nation's natural resources, to mine those resources and to develop America into not only a rich and powerful Nation but a caring and compassionate Nation as well.

Folks, if you want to vote for a budget that goes toward those traits, for a budget that goes to the traits outlined in our Constitution and our Bill of Rights, it seems to me we ought to be voting in favor of the Black Caucus budget.

That is why I am here in support of it. It is what I believe in and it is what I hope my colleagues will support later today.

Mr. DELLUMS. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Illinois [Mr. HAYES].

Mr. HAYES of Illinois. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise today to express my support for the Congressional Black Caucus' [CBC] quality of life alternative budget proposal. I strongly believe that this budget reflects more clearly the values which the majority of our constituents hold, and it is imperative that we seriously consider

this measure as a viable response to our Nation's deficit concerns.

The CBC budget meets the deficit requirements of $100 billion for fiscal year 1990 set forth by the Gramm-Rudman Deficit Reduction Act. In fact, the CBC's budget projects budget deficits of $92.4 billion in fiscal year 1990, $7.6 billion below the Gramm-Rudman deficit target. Taking a responsible path toward long-term deficit reduction, this alternative budget: appropriately cuts the military budget through the elimination of unnecessary expenditures such as the Trident II and the MX missile and replaces the Strategic Defense Initiative [SDI] with a basic research program; responsibly invests in our Nation's citizens through increased spending for health, housing, education, employment and transportation; and properly seeks additional revenues through increased tax rates for the wealthiest taxpayers and an imposed 10 percent surcharge on the most profitable 10 percent of all corporations.

Our plan rejects the Bush administration's budget proposal which is short on addressing the needs of the average American, by funding effective jobs programs and preserving other domestic program needs. It also advocates lower defense spending, provides tax equity and still results in a lower deficit than either the Bush budget or the bipartisan budget agreement between the White House and congressional leadership.

Over the past 8 years, the Republican administration has continuously proposed budgets which drastically cut domestic spending in transportation, housing, education and many other social programs, while at the same time shifting Federal resources from domestic to military spending. the lack of access to quality health care is crippling our poor, our elderly and others who are unable to afford the high cost of health insurance.

Additionally, millions of American workers have become indigent and homeless due to the limited Federal funding for national housing programs. If we do not stand up for those without a voice, who will? It certainly was not done in the administration's budget, and the bipartisan budget, which moving in the right direction, simply does not go far enough. It is our responsibility to ensure that our Nation's social and domestic needs are given the appropriate attention in our budget dealings.

Finally, Mr. Chairman, I strongly believe that if we are going to truly come to grips with this deficit crisis, it means that we must give serious consideration to the issue of revenue enhancement. If we are serious about reducing our Federal deficit and accept the fact that it cannot be done at the expense of those most in need in this country, then we will have to come to grips with and understand the need to generate more revenue. The bottom line is that in the very near future we will either choose to, or be forced to, address the issue of increased taxes.

Today, I call upon the House to support passage of the CBC alternative budget. We, in the Congress, must continue to struggle for a fair and humane domestic policy and work to restore our Nation's budget priorities. The CBC budget does just that. It sets forth a fiscal policy allowing for a decent quality of life for all Americans through a realignment of national priorities and a strong commitment to programs that invest in the people of this country. I, along with my colleagues in the CBC, encourage you to seriously consider this alternative budget and not simply give it lip service. While it may not treat the wealthiest individuals with the same kindness as the administration budget or the bipartisan budget, it does meet the needs of the vast majority of Americans.

I strongly urge your consideration and support.

□ 1340

Mr. DELLUMS. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Pennsylvania [Mr. GRAY].

Mr. GRAY. Mr. Chairman, distinguished colleagues, I am here today because I want to join with those who are for the strongest possible deficit reduction. There is one budget that will give Members the strongest possible reduction and that is the one offered by the gentleman from California.

Now there will be many who will say that it has taxes in it and therefore, we should not support it. There will be those who say it cuts too deeply in defense and therefore, we should not support it. There will be those who say it increases spending in the domestic area. Well, I think that criticism is true to some extent; but when we look at the fundamental question of the greatest deficit reduction, the gentleman from California proposes a budget that gives Members the greatest deficit reduction while maintaining the best set of priorities while moving in a better direction away from the misguided priorities of the last few years.

To those who say it calls for a major tax increase, will, I urge Members to look at the President's budget that had 14 billion dollars' worth of revenues in it. This budget has only $7 billion more than that; but it does not call for most Americans to come forth with those taxes as the President's budget would have done in terms of regressive user fees, increased receipts and asset sales. The gentleman from California, targeted his revenue increases at the upper income brackets, those who have seen their rates go from 70 percent in 1980 down to 28 percent in 1989.

Second, to those who say the cuts in defense are too deep and threaten our national security, I find it interesting that the former President left, saying, "Give me 2 percent real growth." The new President, George Bush, said, "Give me inflation," and now the new President signed an agreement that does not even include inflation but a budget authority freeze. The gentleman from California is right when he says if we are serious about this deficit, we have got to put the Pentagon up on the table like everything else.

Then finally for those who are concerned about increased spending in the domestic area, many of you applaud right here in this House when Georga Bush came forward and talked about a social deficit and the need for investment in education, cleaning up the environment, and fighting crime and drugs.

The fact is that the gentleman from California, [Mr. DELLUMS], is offering Members a new alternative, a new direction, and I believe that it ought to be supported because it gives the strongest deficit reduction. I join with all of those who have been in this well today, to say none of these decisions are easy. They are difficult. No one wants to raise taxes. No one wants to cut our armed services. No one wants hungry children and poverty to exist in America. And Members are saying, "Let us reduce the deficit." There is only one proposal that moves Members from a policy point of view in a new direction where we can cut the deficit in a meaningful way and have a new set of priorities.

So I applaud the gentleman from California, and I urge Members to support the proposal by the gentleman from California, offered by the Congressional Black Caucus, if Members want the deepest and the best deficit reduction.

Mr. PANETTA. Mr. Chairman, I understand the gentleman's time has expired. Since he has additional speakers, I yield 5 minutes to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I appreciate the gentleman yielding time to me. I yield 2½ minutes to the gentleman from New Jersey [Mr. PAYNE].

Mr. PAYNE of New Jersey. Mr. Chairman, I rise today in strong support of the amendment which has been eloquently offered by my colleague, Congressman DELLUMS, on behalf of the Congressional Black Caucus. This substitute addresses the most pressing needs of our Nation, while providing a positive and effective solution to the problem of deficit reduction.

We must set our priorities. We must provide the proper funding for those

issues which will determine our quality of life in the future.

The strength of the CBC amendment lies in its strong determination to deal with the issues of education, housing, and health, areas which affect us all in our everyday life. It confronts the problems with direct planning and budget projections, rather than with the vague outlines which we are given in the budget resolution.

I think that we would all agree that one of the more important assets in our country, if not the most important, is our youth. These are the people who will lead our country in the 21st century, and what are we doing to help prepare them? Our children are growing up in a time when society seems to stress mediocrity, to say that it is all right to just get by. We cannot allow ourselves to stand to one side and watch this happen.

Education funding is substantially increased in this amendment, with new and exciting goals designed to wake our youth up to the necessity of a good education, and the pride and satisfaction that come with it. As I read over the budget resolution, I was disappointed to see that measures had not been taken to insure the proper funding for our educational system. I was hoping to see funding in the budget resolution which would not only meet current spending levels, but would also fund new programs, programs which have already been passed into law and have yet to receive any appropriations.

The Dellums-CBC amendment provides new inititives in education, by creating educational research and development districts, expanding training for the work force, and creating programs to address the problems of drug abuse and school dropouts. By setting specific goals for our youth, and allocating the proper funding to meet those goals, we can turn our educational system around. We can determine the quality of our future today, by concentrating our efforts in the right direction.

This budget provides us with the funding to address health issues which are haunting us, such as the deadly threat of AIDS. My colleagues and I on the Government Operations Committee have held hearings on the AIDS issue, and have heard the stories of the young mothers who cannot receive help for their AIDS-stricken children because of shortfalls in funding. This is a disease that can be beaten with the proper funds for research, prevention and treatment, and there are dedicated health professionals who are doing everything in their power to help. It is up to us to see that they receive the necessary funds to continue their work.

Approximately $2 billion of the Dellums-CBC amendment is allocated for the specific purposes of research and treating AIDS victims. This amount is $100 million more than is called for in the budget resolution, but when we are dealing with something as serious and deadly as the AIDS virus, every dollar can and will bring us a step closer to a solution and a cure.

The issues have been laid before us. It is now up to us to determine their importance, and it is my belief that the Dellums-CBC amendment best answers that question, without relying on creative accounting and vague assumptions. This amendment provides a clear and specific plan for funding the needs of our Nation, and for dealing with the ever-present problem of the deficit.

I am proud of this amendment. It is a straightforward attempt to address the problems which we must face. I urge my colleagues to support the Dellums-CBC amendment, and take the necessary steps to strengthen the country on all fronts, both domestic and international.

Mr. DELLUMS. Mr. Chairman, I yield 2½ minutes to the gentleman from New York [Mr. SCHEUER].

Mr. SCHEUER. Mr. Chairman, I think the Black Caucus has done all Members a great service. This is the sound, meaningful and honest budget proposal that we are faced with today. There is no Member of the House for whom I have more respect and affection than the chairman of the Committee on the Budget [Mr. PANETTA]. He is superb, and we can all feel proud of him, but I feel that this year he was circumscribed with such restrictions and such constraints, it was impossible for him and his colleague to get out a budget resolution that represented our values and in which we could believe.

Now I heard the Secretary of Education this morning, Secretary Cavazos, say to the American people on television, he was dedicated to maximizing the potential of every single American child, and to do that, he was going to appeal to the broader American audience by every means of mass communication.

□ 1350

I say, "Well, Mr. Secretary, your problem is not with the vast audience in America. Americans know that their educational system is severely flawed. Your problem is communicating with the two ends of Pennsylvania, the White House and the Congress."

We know what we have to do. This budget resolution leaves over 80 percent of the preschoolers who are at education risk without the life-saving, career-saving benefit of a Head Start experience and an enriched pre-school experience.

Let us get on with the job. It is a 24-year program that has been proven successful. It works. It makes all kids education-ready by the time they come in the schoolhouse doors. Let us get on with the job of decreasing the precentage of kids who are desperately at education risk.

The Black Caucus has done it in this resolution; it has gone from 16 to 19 percent. Let us get with moving Head Start to the point where it covers all the kids at education risk.

We do have an ethical problem in this Congress, and the real ethical problem is that we are not facing up to the needs of the American people. When we see that 80 percent of the kids are at education risk and we are going to leave them twisting slowly, slowly in the breeze and face almost certain educational failure, I consider that an education problem, a failure in this Congress. I consider that an ethical challenge to this Congress and this administration. When we tell a kid who has been on drugs, who wants help, who call a hotline, that he should "call back in 8 or 10 months," I consider that an ethical challenge that we have not yet met.

We are failing to meet the ethical challenge of producing a literate, skilled, educated workforce.

The sad thing is that investments in Head Start and higher education, in drug treatment and rehabilitation, are not only decent and ethical, they are also very cost effective.

The Head Start Program has been proven to save the Government from $5 to $10 for every $1 invested.

The GI bill of rights, which encouraged and paid for 12 to 14 million Americans to pursue as much education as their talent and their energy would permit, had a cost/benefit calculus of between $7 and $12 returned to the Federal Treasury for every $1 invested.

I don't know of any cost/benefit calculus for helping a drug-addicted kid who cried out piteously for treatment, who calls a hotline. I don't know the cost/benefit calculus for getting him off the drug, getting him into education, getting him into normal employment, and getting him off a life of crime, violence, and welfare which he is helpless to alter without assistance.

I don't know what the cost/benefit calculus of that is, but I can't believe that it doesn't constitute an investment in our human capital.

All of these are investments, from the beginning of our education system when we must make children education-ready to the end of our secondary system, when we must provide students with the post-secondary education that 80 percent of all new jobs will require. It is an investment to get kids off of drugs when they are eager for help. These are all investments in the future of our country, that have an enormous payoff.

Forget the humanitarian justifications. Forget the benefits to the fabric of our society as a healthy social and political entity.

Our society has a 25-percent dropout rate nationally. In terms of a having a muscular, competent work force, we are already on the slippery slope. We are inexorably going downhill.

For the health and vitality of our economy, to preserve our standard of living, to work our way back to being a keen, skilled competitor in the global marketplace, we must make these investments. We fail to make them at our peril.

In the last years of this administration, President Reagan boasted that our country was enjoying the lowest rate of corporate and personal taxes in a half century. He took pride in that.

He was right. Those were and are the lowest rates in a half century.

I see that as a matter of shame, not a matter of pride.

We are painfully undereducating our children. We see continuous rates of education fall far behind the overwhelming majority of the industrialized countries of the world. We see many of our children, low-income and otherwise, impaled on the awful spike of drug dependency which destroys education, jobs, careers, marriages, and life itself.

At this point, the fact that we have the lowest corporate and personal tax rates in a half century is not a cause for pride, it is a cause for shame.

These challenges, the education challenge, drug challenge, are not unknown to the rest of the world.

How does the rest of the world look at us, as we failed to make investments in our youth, investments in a trained, productive workforce?

If Gertrude Stein were alive, she would look at the budget resolution flowing from the Budget Committee and say "There is no there there."

Well, there's a here, here in the Black Caucus budget. This should be a concensus budget for thoughful prudent Members of this Congress who care about the future of our country and who know that the American people care enough to make the investments in our future—especially in our children—to return us to a state of education success and economic competitiveness.

I urge you to support the Black Caucus budget.

Mr. PANETTA. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Chairman, I rise in strong support of the Congressional Black Caucus budget.

Mr. Chairman, I want to congratulate the work of the Congressional Black Causcus who have, once again, developed the most humane, rational, and fair budget proposal under consideration. This budget represents the best blueprint for a compassionate, safe, and fiscally responsible America. The Black Caucus budget eliminates unnecessary defense programs such as the Trident II, development of SDI, and chemical weapons. In addition, it proposes cutting back on the B-2 bomber which promises to be the most expensive and dangerous fighter plane in the history of the world.

Additionally, this budget restores and increases vital funding for important social programs such as employment and training programs, Head Start, AIDS research, child nutrition programs, and a variety of other programs which are underfunded and have been cut over the past decade.

Finally, the Black Caucus budget brings more stability to the overall budget balance than any other budget we will consider today. This budget raises revenue by bringing back fairness to the Tax Code. It demonstrates that it is possible by imposing fair taxes, combined with the cuts in unnecessary defense spending to reduce the deficit over the next 3 years by more than the bipartisan budget agreement. This is true even after the domestic program increases are included. It is a budget truly worthy of support and I am proud to do so.

Mr. PANETTA. Mr. Chairman, my understanding is that the gentleman from California [Mr. DELLUMS] needs an additional 5 minutes, and, therefore, I am happy to yield an additional 5 minutes to the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Chairman, I thank the distinguished chairman of the committee for his generosity, and will inform the Chair that it is my intention to evenly divide the 5 minutes between the gentleman from Michigan [Mr. CONYERS] and the gentleman from Maryland [Mr. MFUME].

Mr. Chairman, I now yield 2½ minutes to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, I rise in support of the Dellums amendment to the budget resolution, House Concurrent Resolution 106. This quality of life budget sets a new moral tone for our Nation by proposing a new set of budget priorities for our Government. The Congressional Black Caucus offers this budget with new vigor and enthusiasm this year. We do it emphasizing that the dark years of Ronald Reagan's "slash and burn" budget policies are behind us. We do it with the hope that our colleagues recognize that a new vigor can be upon us.

Let's look at the key features of the Reagan legacy. We have accumulated $1.3 trillion in debt since 1981. Funding for vital programs in education, health care, housing, the war on drugs, environmental protection, job training, and other domestic programs is way down—by approximately 18.5 percent—in real terms—since 1980. Military spending is way up—40 percent after inflation this decade—and is higher than at the peak of the Vietnam war. And revenue collections are more unfair. The richest 1 percent of the population is paying 10 percent less than it did a decade ago while the poorest 10 percent of the population is paying 20 percent more; corporations pay for only 11 percent of total Federal spending, in the 1960's they averaged 23 percent.

The bipartisan budget agreement of April 14 represents only marginal improvements from these disastrous trends of the last 8 years. We cannot afford a manage the damage approach. We must seek a new direction.

The quality of life budget is that way. It is a budget that is fiscally sound, programmatically sensible and morally right. It is a budget which shows that spending for crucial social programs can be significantly increased, that national security need not be sacrificed, that deficits can be reduced to mandated levels, and that necessary resources can be generated in ways that do not increase taxes for the vast majority of the population.

The centerpiece of this alternative budget is an unyielding commitment to families and communities. It is insufficient to level fund domestic discretionary programs as called for in the bipartisan budget agreement. It is irresponsible to cut entitlements and other mandatory spending by $8.3 billion as called for in the agreement. The quality of life budget provides $18 billion in new spending during 1990 while achieving the same deficit reduction as the bipartisan agreement. These increases will enable us to fully fund the Anti-Drug Abuse Act for the war on drugs, fund a new $2.5 billion child care initiative, put a substantial downpayment on new low-income housing construction, greatly expand educational opportunities for our youth, provide health coverage to all pregnant women, infants, and children at risk, and spare our elderly further cutbacks in the Medicare Program.

The Reagan budgets have been disastrous to the environment. All told, spending for natural resources and the environment has declined to 1.5 percent of the total Federal budget. In 1978, it totaled 3 percent of Federal spending. This is unconscionable and unwise in light of the threat to the ozone, poisoning of our air and water, contamination of our food supply, and the overheating of the Earth through the greenhouse effect.

We must chart a new course.

The CBC budget begins to return us to earlier spending levels, but we must do more, including raising the Environmental Protection Agency to a Cabinet Department. The destruction of our environment is no less of a national security threat than those issues that concern the Secretary of Defense and Secretary of State.

The CBC budget offers an alternative vision of U.S. defense policies. It offers constructive proposals for weapons and force reductions recognizing that the world is a different place than it was 40 years ago, that the new national security battleground is the international marketplace which requires rebuilding the foundation of our domestic economy. Defense savings proposed in the alternative would reduce military outlays by 5 percent in 1990 principally through nuclear weapons and troop reductions.

The quality of life budget states loud and clear that it is time to restore

progressive taxation in America by raising new revenues from those who received the lion's share of tax reductions during the Reagan years—the wealthy and corporations. The budget proposes raising $98 billion during 1990-92 by imposing a 10-percent income tax surcharge on the top 5 percent of taxpayers, by imposing a 10-percent surcharge on the most profitable corporate taxpayers in the top 10 percent, and by increasing the tax rate on families which earn over $208,510 from 28 percent to 33 percent—the same rate paid by families earning between $78,350 and $208,510. Low- and middle-income Americans will pay no additional taxes while benefiting enormously from increased spending for domestic programs.

We understand the urge for bipartisanship, for the desire to reach a meaningful solution to our mountain of debt and the threat that poses to our Nation's overall economic health. But bipartisanship is not in order when one side has done all of the giving. Bipartisanhip is not in order when it comes to redressing the truly partisan choices that were made over the last 8 years—choices which favored the rich, big business, and Pentagon contractors over the majority of Americans.

We ask for courage, confidence, and conviction from the Congress. Courage to stand up to a President with no budget mandate. Confidence that an overwhelming majority of the American people clearly support the agenda in the quality of life budget. And conviction to stand by those core principals that form the foundation of the Democratic Party—fairness and equal opportunity for all Americans.

Mr. DELLUMS. Mr. Chairman, I yield the balance of my time to the gentleman from Maryland [Mr. MFUME].

The CHAIRMAN. The gentleman from Maryland [Mr. MFUME] is recognized for 2½ minutes.

Mr. MFUME. Mr. Chairman, I rise in support of the Congressional Black Caucus alternative budget offered by the distinguished chairman of the Congressional Black Caucus, the gentleman from California [Mr. DELLUMS].

The Congressional Black Caucus proposal is a constructive and, I might add, an achievable alternative budget that reflects a substantial commitment to all the American people. It addresses the genuine American priorities discussed by the President in his inaugural address and in his address to the joint session of Congress in February.

Without raising taxes for the majority of Americans, it does provide for our national security and for proven and workable social programs. And, yes, there are ways to resolve the problems that we face as a nation. The majority of Americans favor reducing our massive deficit without taxation. They support help for Americans who are poor, who are elderly, who are disadvantaged, and who are jobless. The Congressional Black Caucus substitute budget, therefore, begins to address these pressing issues of a quality education, affordable education, crime, drug-free cities, adequate health care, AIDS research, full funding for Social Security, and cost-of-living adjustments.

I, like many of my colleagues in this great body today, have not given up on the American ideal or on the American possibility, and I would ask those who are suspect of this budget not to give up also. I am convinced that this Nation stands before the world as perhaps the last possibility of an expression of man devising a social order where justice is the supreme ruler and money is but its instrument, where freedom is the dominant creed and order but its principle, where equity is the common practice and fraternity the common human condition.

The gentleman from Chicago, IL, summed it up adequately earlier on this floor when he said that few will remember what we say here today, but all will remember what we do.

Mr. Chairman, I would ask my colleagues on both sides of the aisle to do the right thing and to support the Congressional Black Caucus budget alternative.

Mr. PANETTA. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I rise in reluctant opposition to the Dellums amendment. It is reluctant for two reasons: First, because the gentleman from California [Mr. DELLUMS] is a dear friend, one who speaks with a sincerity and depth of belief in his ideals that is matched by no other Member of this House. He brings honesty to his views and to his votes and to his positions. I want to commend him and the entire Congressional Black Caucus for a very serious effort to address the budget deficit and some of the serious domestic and international problems that face this Nation.

This is an approach that makes a lot of tough budget choices. Unfortunately, they are tough choices that neither the Congress nor the administration has been willing to make and ultimately remains unwilling to make.

Nevertheless, this violates the bipartisan agreement that was entered into by the congressional leadership and the White House, and I am committed to support that agreement as it was built into the budget resolution brought to the floor. The proposal raised by the Black Caucus would add additional revenues, $23 billion in tax revenues, by raising the top individual tax rates and charging an additional 10 percent surtax on the largest corporations and the wealthiest taxpayers. It would also reduce fiscal year 1990 defense budget authority by about $35 billion. The addtional funds would be divided between deficit reduction and additional spending on a variety of domestic programs, as well as foreign aid.

Mr. Chairman, let us make no mistake, this is a bold approach toward reducing the deficit and trying to deal with some of the priorities that face this Nation. One can make a very strong argument for this kind of approach. For myself, I have time and time again discussed the need to raise revenues and restrain defense and entitlement spending if we are going to reduce the deficit and if we are going to deal with the critical problems that face this Nation now and for the future.

□ 1400

Mr. Chairman, this amendment takes on two of those areas, taxes and defense. One of my regrets is that it does not include the third area, which is entitlements, which now makes up about 44 percent of the Federal budget and is ultimately going to have to be part of a bold approach to dealing with deficit problems in this country. The amendment uses these additional revenue resources to fund some very key priorities for this Nation: Education, Medicaid, transportation, housing, and nutrition. It also uses them to make additional deficit reduction, and that deficit reduction is real; make no mistake about.

Mr. Chairman, the Congressional Black Caucus in offering this amendment does this body and the entire Nation a service in showing us just what kind of sacrifice is necessary. I think, if there is one message the American people are not getting today, it is that sacrifice is going to be necessary if we are going to deal with these issues.

We have presented over the last 8 years a pleasant message that somehow everyone can have a free lunch in this country. That is not the case. That is not the message that my parents heard when they came to this country as immigrants with little education, little money, but a great deal of hope. They came for the opportunity that this country offered and the willingness to make a sacrifice for their children so their children could enjoy a better life. We now face a situation where our children may not enjoy a better standard of living than we had. That, I think, is the worst testament in terms of the future that we face in this Nation.

Mr. Chairman, there has to be an element of sacrifice. The President of the United States came here, stood here and talked about new initiatives, but he never mentioned the word "sacrifice." That word has got to be said.

In addition, we are seeing an impact in terms of tremendous borrowing. We are a debtor nation. We are a nation that now is suffering in terms of our productivity. Those challenges demand sacrifice, and they demand tough choices.

There are tough choices here. The tax increases, make no mistake about it, are tough, and the people they impact on are going to feel it. The defense cuts are tough in forcing the Pentagon to make some difficult choices. There are other choices that need to be made as well, hopefully in the future, that are equally tough in other areas of the budget.

Mr. Chairman, we, with the constraints that faced us in the Committee on the Budget, tried to move in the direction of some of the issues that are laid out here by the Black Caucus budget. We have restrained defense spending and are achieving about $4.2 billion in outlay savings in the defense budget. We have invested in the priorities that we care about in this society, within the limitation we had, in education, in health, in housing, in Medicare, in Medicaid, and in nutrition. And we tried to achieve at least some additional revenues in line with the President's commitment to meet the needs of deficit reduction—not enough, but certainly a step in the right direction.

So, while I cannot support this amendment because of the bipartisan agreement, and my commitment to it, and the work of the Committee on the Budget, it is an honest, direct, and bold approach to the budget that deserves the attention of my colleagues.

Mr. Chairman, I want to thank the gentleman from California [Mr. DELLUMS], and I want to thank the members of the Congressional Black Caucus for their contributions to this debate. I urge all Members, regardless of how they vote on this proposal, to pay close attention to the strong budget and social message that it conveys. Ultimately we will need to move in that direction. The ingredients are here in the budget resolution that is before us. But more needs to be done, and done together—not as blacks, not as Democrats, not as Republicans, but as Americans, we need to have the courage, the discipline, and the compassion to move this country forward toward a better future.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I am pleased to yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I would like to commend the chairman of the Committee on the Budget. The statement that he has made, while it is not consistent with the total wishes of our amendment, is the most positive, the most constructive, the most heartening statement that the alternative budget has ever received by any chairman of the Committee on the Budget, and I think that it is an important message that, even if there are some who will not vote for it this time, they will be moved by the direction within which it is moving.

Mr. Chairman, I again commend the gentleman from California [Mr. PANETTA] for his message to the Congress.

Mr. PANETTA. Mr. Chairman, I reserve the balance of my time.

Mr. FRENZEL. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. PANETTA. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I thank the gentleman from California [Mr. DELLUMS].

I would like to commend my colleague, the gentleman from California [Mr. PANETTA], as chairman of the Committee on the Budget. He has done a fine job, but I would like also to say to my colleague from California [Mr. DELLUMS]: You bring us a painful budget today. It's a painful budget because it puts to shame any Democrats who will not face the need for new revenues when we know we need them. It puts to shame Republicans who know that we are overspending on the military far beyond our national needs. It puts to shame a President who claims to be a kinder and gentler leader when he cannot come up with the money to meet those goals.

Mr. Chairman, the Dellums budget says to those who are earning over $200,000 a year, "Pay your fair share so that kids can participate in Head Start."

It says to those who are earning over $100,000 a year, "Pay slightly more in taxes so that we could provide health care for our children."

It says to those who want to see a large defense budget, "You're going to get less, but we're going to put money into another war, the drug war, to reclaim our neighborhoods, our communities, our schools, and our children."

It says to the corporations who are making a profit, "Put some of your profits back into education, research, development, an agenda for our future."

Mr. Chairman, it is a painful budget, and it hurts. However it is the right way to go.

It has been said many times that the main budget resolution comes from the summit. I am sorry; it does not. It was conceived and created in a valley of tentativeness and myopia.

This budget, the Black Caucus budget, comes from the summit, the summit of hope, the summit of commitment, and the summit of honesty.

Mr. DELLUMS. Mr. Chairman, I yield 2 minutes to my distinguished colleague, the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Chairman, the press gallery is almost empty. That is too bad because this budget, this budget alone on the floor of the House, focuses the Nation.

The gentleman from California [Mr. PANETTA] could have well ended his speech and said, "My fellow colleagues, vote for this budget," because what he said in his speech was that this is real.

Mr. Chairman, this amendment speaks to the best that is in America, the best that is within our democracy. Let us stand up and be honest. It says to the President, to the Congress, to the people of America, "We can do the job. We can educate our children, we can house our homeless, we can tend our sick."

Mr. Chairman, with $5 trillion in our economy need there be an American tonight who is homeless, or hungry, or ill-clothed?

This budget says, "No." This budget says, "Let us take a step in the wealthiest Nation on the face of the Earth to make sure that there is not an American who cannot enjoy the pursuit of happiness, not only for themselves, but for their children."

Mr. Chairman, this Nation is going to have a shortage in the labor market in just a few years. There is not a child to waste in America.

□ 1410

This budget is an honest budget. It may not pass this year, but it is the budget that ought to pass this year.

I hope the President and his advisers and I hope at some time the press will focus on what this country needs to do for its people.

Mr. Chairman, I support this budget.

Mr. Chairman, I rise today in support of the budget put forth and ably defended by the chairman of the Congressional Black Caucus, Congressman RON DELLUMS.

The key to this budget is the "quality of life" for all Americans.

I am sure that all of my colleagues read an article in this past Sunday's Washington Post by Senator ERNEST HOLLINGS. His article documents how we have savaged the future of our country by slashing the education programs of today.

In his article, Senator HOLLINGS points out that since 1980: Education block grants have been cut 63 percent; vocational education cut by 29 percent; college work study cut by 26.5 percent; and Head Start has been reduced to serving 54 out of 100 children instead of the 75 out of 100 it served in 1980.

These cuts do not just damage these children today. They disable an entire generation that will face a more competitive and highly technical world.

The Congressional Black Caucus budget recognizes this fact and provides the mechanism to meet the challenge.

Further, this budget recognizes that our national infrastructure is in drastic need of repair. Our cities mass transportation systems, road networks, and bridges are all in desperate need of repair. Over 4,000 bridges have been closed and 1 in 4 have been determined to be dangerous.

We can ignore this. We can say that we cannot afford these improvements. But to do so is to place our national economy at risk by failing to provide for safe and easy access to roads and commerce.

This budget is responsible. It says what we need and it proposes to pay for it. It reaches the deficit target and goes beyond it. In short, it puts our money where our mouths are.

Mr. Chairman, I urge the support of this budget and thank the chairman for this time.

Mr. DELLUMS. Mr. Chairman, I yield myself the final minute.

We have now come to the close of the debate.

Brilliant words have been spoken, compassionate ideas have been embraced, 24 Members of the Congressional Black Caucus have done their best work. We lay before you our best product. We attempt to lay before you the truth, that we must pursue a different course internationally, that our children are dying in the streets of our country. We must provide hope for them. We have tried to give you that alternative. Everything has been said. The ideas have been embraced. This is now the moment of truth.

It is a question whether my colleagues will have the courage and the integrity to embrace the speeches that they give in their home constituencies and here on the floor of the Congress in embracing our quality of life budget.

Mr. DIXON. Mr. Speaker, I rise today to express my support for the "Quality of Life" Federal budget proposed by the Congressional Black Caucus.

This is a responsible budget that can help our Nation set its priorities straight and still lower the deficit.

Our country is in desperate need of better schools. This budget will provide better schools.

Our country needs to improve health care services, especially for the young and old. This budget will improve health care services.

Our country can build better lives by funding more job training programs. This budget will fund job training.

Our country has a housing crisis with millions of homeless and countless Americans unable to find affordable homes. This budget will help house our citizens.

Our country has children sitting in classrooms going hungry every day. This budget improves child nutrition programs.

And our country has a war on drugs that needs the full power of the Federal Government behind it. This budget provides the resources we need to fight drugs.

A Federal budget is not just about numbers crunched out of a cold computer. It's about lives, hopes, dreams and aspirations. We have to stop viewing nutrition, health care or housing as programs to be negotiated between the White House and Congress, and instead see them for what they are: tickets to better lives for children in need and their families. In the long run that means a better America.

The Black Caucus alternative budget recognizes some sobering facts of American life today, and addresses them by enhancing proven programs and creating new opportunities. Nearly one in four children—one in two black children—live in poverty. A black baby is more likely to die in the first year of life than a child born in Cuba or Bulgaria. Hundreds of thousands if not millions live on our streets or in shelters, many of them families with children. Forty million of us—including 11 million children—have no health care. Yet this is the richest Nation on Earth.

The "Quality of Life" budget shows we can be fiscally responsible and at the same time invest in our children, house the homeless, care for the sick, fight drugs, provide opportunities for the poor and maintain a strong national defense. I urge my colleagues to support it.

Mr. LELAND. Mr. Chairman, I commend my colleagues on the Congressional Black Caucus for devising a budget alternative that truly represents an investment in human capitalization. The CBC budget alternative speaks not only to the needs of America's most underprivileged—the poor, the elderly, the young, the disadvantaged, and the jobless—but also to the Nation as a whole. It is a budget for the people.

The Congressional Black Caucus alternative budget successfully takes up the challenge to offer a concrete choice. It provides funding levels which will remedy major deficiencies in some critical areas, including education, the war against drugs, crime prevention, law enforcement, and housing. These areas were very much neglected during the past 8 years of the Reagan administration, and the neglect appears to be continued by the Bush team in these critical domestic programs.

The CBC fiscal year 1990 budget is a quality of life budget which has as its prime centerpiece an unyielding commitment to improving the life of all American citizens. Its vision of America is not one that would reduce or eliminate existing programs to finance new initiatives, like the bipartisan agreement does.

Additionally, Defense spending would not be unnecessarily cut. The CBC budget proposal provides effective national security, while making select reductions in specific portions of defense spending.

The CBC alternative takes into account the serious nature of the national deficit, and the need for its timely reduction. It provides for major deficit reduction without relying on the bogus asset sales included under the bipartisan agreement. The CBC alternative deficit totals $92.4 billion as opposed to the bipartisan agreement in which the budget deficit totals $99.4 billion, barely below the Gramm-Rudman-Hollings limit.

I am especially proud to note that my bill, H.R. 800, the Medicaid expansion, was included in the CBC budget.

I urge my colleagues to support the spending priorities reflected in the CBC alternative, and pass Mr. DELLUMS' amendment in the nature of a substitute.

Mr. DELLUMS. Mr. Chairman, I yield back the balance of my time.

Mr. PANETTA. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from California [Mr. DELLUMS].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 81, noes 343, answered "present" 1, not voting 9, as follows:

[Roll No. 40]

AYES—81

Ackerman	Ford (MI)	Oakar
Akaka	Ford (TN)	Oberstar
Alexander	Frank	Obey
Bates	Garcia	Owens (NY)
Beilenson	Gephardt	Payne (NJ)
Berman	Gonzalez	Pelosi
Boggs	Gray	Perkins
Bonior	Hawkins	Poshard
Boxer	Hayes (IL)	Rahall
Brown (CA)	Hoyer	Rangel
Cardin	Kastenmeier	Sabo
Clay	Kennedy	Savage
Coelho	Kildee	Scheuer
Collins	Kostmayer	Schroeder
Conyers	Lehman (FL)	Schumer
Coyne	Leland	Solarz
Crockett	Lewis (GA)	Stark
DeFazio	Markey	Stokes
Dellums	Matsui	Studds
Dixon	McDermott	Torres
Durbin	Mfume	Towns
Dymally	Miller (CA)	Udall
Early	Mineta	Unsoeld
Edwards (CA)	Moakley	Vento
Evans	Moody	Weiss
Flake	Neal (MA)	Wheat
Foglietta	Nowak	Yates

NOES—343

Anderson	Buechner	DeWine
Andrews	Bunning	Dickinson
Annunzio	Burton	Dicks
Anthony	Bustamante	Donnelly
Applegate	Byron	Dorgan (ND)
Archer	Callahan	Dornan (CA)
Armey	Campbell (CA)	Douglas
Aspin	Campbell (CO)	Downey
Atkins	Carper	Dreier
AuCoin	Carr	Duncan
Baker	Chandler	Dwyer
Ballenger	Chapman	Dyson
Barnard	Clarke	Eckart
Bartlett	Clement	Edwards (OK)
Barton	Clinger	Emerson
Bennett	Coble	Engel
Bentley	Coleman (MO)	English
Bereuter	Coleman (TX)	Erdreich
Bevill	Combest	Fascell
Bilbray	Conte	Fawell
Bilirakis	Cooper	Fazio
Bliley	Costello	Feighan
Boehlert	Coughlin	Fields
Borski	Courter	Fish
Bosco	Cox	Flippo
Boucher	Craig	Foley
Brennan	Crane	Frenzel
Brooks	Dannemeyer	Frost
Broomfield	Darden	Gallegly
Browder	Davis	Gallo
Brown (CO)	de la Garza	Gaydos
Bruce	DeLay	Gejdenson
Bryant	Derrick	Gekas

Gibbons	Madigan	Saxton
Gillmor	Manton	Schaefer
Gilman	Marlenee	Schiff
Gingrich	Martin (IL)	Schneider
Glickman	Martin (NY)	Schuette
Goodling	Martinez	Schulze
Gordon	Mavroules	Sensenbrenner
Goss	Mazzoli	Sharp
Gradison	McCandless	Shaw
Grandy	McCloskey	Shays
Grant	McCollum	Shumway
Green	McCrery	Shuster
Guarini	McDade	Sikorski
Gunderson	McEwen	Sisisky
Hall (OH)	McGrath	Skaggs
Hall (TX)	McHugh	Skeen
Hamilton	McMillan (NC)	Skelton
Hammerschmidt	McMillen (MD)	Slattery
Hancock	McNulty	Slaughter (NY)
Hansen	Meyers	Slaughter (VA)
Harris	Michel	Smith (FL)
Hastert	Miller (OH)	Smith (IA)
Hatcher	Miller (WA)	Smith (MS)
Hayes (LA)	Molinari	Smith (NE)
Hefley	Mollohan	Smith (NJ)
Hefner	Montgomery	Smith (TX)
Henry	Moorhead	Smith (VT)
Herger	Morella	Smith, Denny (OR)
Hertel	Morrison (CT)	
Hiler	Morrison (WA)	Smith, Robert (NH)
Hoagland	Mrazek	
Hochbrueckner	Murphy	Smith, Robert (OR)
Holloway	Murtha	
Hopkins	Myers	Snowe
Horton	Nagle	Solomon
Houghton	Natcher	Spence
Hubbard	Neal (NC)	Spratt
Huckaby	Nelson	Staggers
Hughes	Nielson	Stallings
Hunter	Olin	Stangeland
Hutto	Ortiz	Stearns
Inhofe	Owens (UT)	Stenholm
Ireland	Oxley	Stump
Jacobs	Packard	Sundquist
James	Pallone	Swift
Jenkins	Panetta	Synar
Johnson (CT)	Parris	Tallon
Johnson (SD)	Pashayan	Tanner
Johnston	Patterson	Tauke
Jones (GA)	Paxon	Tauzin
Jones (NC)	Payne (VA)	Thomas (CA)
Jontz	Pease	Thomas (GA)
Kanjorski	Penny	Thomas (WY)
Kaptur	Petri	Torricelli
Kasich	Pickett	Traficant
Kennelly	Pickle	Traxler
Kleczka	Porter	Upton
Kolbe	Price	Valentine
Kolter	Pursell	Vander Jagt
Kyl	Quillen	Visclosky
LaFalce	Ravenel	Volkmer
Lagomarsino	Ray	Vucanovich
Lancaster	Regula	Walgren
Lantos	Rhodes	Walker
Laughlin	Richardson	Walsh
Leach (IA)	Ridge	Watkins
Leath (TX)	Rinaldo	Waxman
Lehman (CA)	Ritter	Weber
Lent	Roberts	Weldon
Levin (MI)	Robinson	Whittaker
Levine (CA)	Roe	Whitten
Lewis (CA)	Rogers	Williams
Lewis (FL)	Rohrabacher	Wilson
Lightfoot	Rose	Wise
Lipinski	Roth	Wolf
Livingston	Roukema	Wolpe
Lloyd	Rowland (CT)	Wyden
Long	Rowland (GA)	Wylie
Lowery (CA)	Russo	Yatron
Lowey (NY)	Saiki	Young (AK)
Luken, Thomas	Sangmeister	Young (FL)
Lukens, Donald	Sarpalius	
Machtley	Sawyer	

ANSWERED "PRESENT"—1

Espy

NOT VOTING—9

Bateman	Hyde	Pepper
Dingell	McCurdy	Rostenkowski
Florio	Parker	Roybal

□ 1430

The Clerk announced the following pair:

On this vote:

Mr. Roybal for, with Mr. Parker against.

Mr. HALL of Texas changed his vote from "aye" to "no."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KASICH

Mr. KASICH. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. KASICH: Strike all after the resolving clause and insert in lieu thereof the following:

That the budget for fiscal year 1990 is established, and the appropriate budgetary levels for fiscal years 1991 and 1992 are hereby set forth.

MAXIMUM DEFICIT AMOUNTS

SEC. 2. The following levels and amounts in this section are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985, whether the maximum deficit amount for a fiscal year has been exceeded, and as set forth in this concurrent resolution, shall be considered to be mathematically consistent with the other amounts and levels set forth in this concurrent resolution:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $1,065,500,000,000.
Fiscal year 1991: $1,144,700,000,000.
Fiscal year 1992: $1,216,500,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,333,100,000,000.
Fiscal year 1991: $1,452,200,000,000.
Fiscal year 1992: $1,526,100,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $1,156,600,000,000.
Fiscal year 1991: $1,215,600,000,000.
Fiscal year 1992: $1,258,500,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $91,100,000,000.
Fiscal year 1991: $70,900,000,000.
Fiscal year 1992: $42,000,000,000.

RECOMMENDED LEVELS AND AMOUNTS

SEC. 3. (a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $776,300,000,000.
Fiscal year 1991: $831,800,000,000.
Fiscal year 1992: $884,400,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1990: $5,300,000.
Fiscal year 1991: $5,300,000.
Fiscal year 1992: $5,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1990: $69,925,000,000.
Fiscal year 1991: $75,200,000,000.
Fiscal year 1992: $79,900,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,021,550,000,000.
Fiscal year 1991: $1,111,750,000,000.
Fiscal year 1992: $1,156,775,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $912,925,000,000.
Fiscal year 1991: $953,250,000,000.
Fiscal year 1992: $979,350,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $136,625,000,000.
Fiscal year 1991: $121,450,000,000.
Fiscal year 1992: $94,950,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1990: $3,122,800,000,000.
Fiscal year 1991: $3,374,100,000,000.
Fiscal year 1992: $3,599,700,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991, are as follows:

Fiscal year 1990:

(A) New direct loan obligations, $19,025,000,000.

(B) New primary loan guarantee commitments, $107,325,000,000.

Fiscal year 1991:

(A) New direct loan obligations, $19,425,000,000.

(B) New primary loan guarantee commitments, $114,875,000,000.

Fiscal year 1992:

(A) New direct loan obligations, $19,150,000,000.

(B) New primary loan guarantee commitments, $119,700,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new primary loan guarantee commitments for fiscal years 1990 through 1992 for each major functional category are:

(1) National Defense (050):

Fiscal year 1990:

(A) New budget authority, $298,600,000,000.

(B) Outlays, $297,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $313,200,000,000.

(B) Outlays, $307,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $326,300,000,000.

(B) Outlays, $318,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1990:

(A) New budget authority, $17,700,000,000.

(B) Outlays, $16,300,000,000.

(C) New direct loan obligations, $1,775,000,000.

(D) New primary loan guarantee commitments, $6,425,000,000.
Fiscal year 1991:
(A) New budget authority, $18,000,000,000
(B) Outlays, $16,300,000,000.
(C) New direct loan obligations, $1,800,000,000.
(D) New primary loan guarantee commitments, $6,675,000,000.
Fiscal year 1992:
(A) New budget authority, $19,100,000,000.
(B) Outlays, $16,600,000,000.
(C) New direct loan obligations, $1,850,000,000.
(D) New primary loan guarantee commitments, $6,950,000,000.
(3) General Science, Space, and Technology (250):
Fiscal year 1990:
(A) New budget authority, $12,800,000,000.
(B) Outlays, $13,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $13,400,000,000.
(B) Outlays, $13,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $13,900,000,000.
(B) Outlays, $13,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(4) Energy (270):
Fiscal year 1990:
(A) New budget authority, $5,800,000,000.
(B) Outlays, $3,800,000,000.
(C) New direct loan obligations, $2,000,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $6,100,000,000.
(B) Outlays, $4,000,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $6,700,000,000.
(B) Outlays, $4,400,000,000.
(C) New direct loan obligations, $2,250,000,000.
(D) New primary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1990:
(A) New budget authority, $17,100,000,000.
(B) Outlays, $17,600,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $17,900,000,000.
(B) Outlays, $18,300,000,000.
(C) New direct loan obligations, $75,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $18,600,000,000.
(B) Outlays, $18,600,000,000.
(C) New direct loan obligations, $75,000,000.
(D) New primary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1990:
(A) New budget authority, $18,000,000,000.
(B) Outlays, $14,900,000,000.
(C) New direct loan obligations, $10,050,000,000.
(D) New primary loan guarantee commitments, $5,400,000,000.
Fiscal year 1991:
(A) New budget authority, $20,300,000,000.
(B) Outlays, $16,300,000,000.
(C) New direct loan obligations, $10,225,000,000.
(D) New primary loan guarantee commitments, $5,475,000,000.
Fiscal year 1992:
(A) New budget authority, $21,000,000,000.
(B) Outlays, $15,700,000,000.
(C) New direct loan obligations, $9,675,000,000.
(D) New primary loan guarantee commitments, $5,425,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1990:
(A) New budget authority, $13,200,000,000.
(B) Outlays, $8,100,000,000.
(C) New direct loan obligations, $3,200,000,000.
(D) New primary loan guarantee commitments, $60,500,000,000.
Fiscal year 1991:
(A) New budget authority, $25,400,000,000.
(B) Outlays, $19,600,000,000.
(C) New direct loan obligations, $3,300,000,000.
(D) New primary loan guarantee commitments, $66,350,000,000.
Fiscal year 1992:
(A) New budget authority, $25,000,000,000.
(B) Outlays, $19,800,000,000.
(C) New direct loan obligations, $3,375,000,000.
(D) New primary loan guarantee commitments, $69,625,000,000.
(8) Transportation (400):
Fiscal year 1990:
(A) New budget authority, $28,800,000,000.
(B) Outlays, $28,300,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $29,500,000,000.
(B) Outlays, $29,000,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $30,600,000,000.
(B) Outlays, $30,000,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1990:
(A) New budget authority, $7,100,000,000.
(B) Outlays, $6,700,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $500,000,000.
Fiscal year 1991:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $6,800,000,000.
(C) New direct loan obligations, $1,050,000,000.
(D) New primary loan guarantee commitments, $525,000,000.
Fiscal year 1992:
(A) New budget authority, $7,200,000,000.
(B) Outlays, $6,800,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $550,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1990:
(A) New budget authority, $38,000,000,000.
(B) Outlays, $38,100,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,125,000,000.
Fiscal year 1991:
(A) New budget authority, $39,200,000,000.
(B) Outlays, $38,600,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,550,000,000.
Fiscal year 1992:
(A) New budget authority, $39,900,000,000.
(B) Outlays, $39,400,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,850,000,000.
(11) Health (550):
Fiscal year 1990:
(A) New budget authority, $57,000,000,000.
(B) Outlays, $55,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $375,000,000.
Fiscal year 1991:
(A) New budget authority, $62,200,000,000.
(B) Outlays, $61,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
Fiscal year 1992:
(A) New budget authority, $68,400,000,000.
(B) Outlays, $67,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $
(12) Medicare (570):
Fiscal year 1990:
(A) New budget authority, $123,300,000,000.
(B) Outlays, $95,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $135,700,000,000.
(B) Outlays, $108,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $147,900,000,000.
(B) Outlays, $122,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1990:
(A) New budget authority, $184,600,000,000.
(B) Outlays, $145,400,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $216,300,000,000.
(B) Outlays, $154,900,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:

(A) New budget authority, $219,600,000,000.
(B) Outlays, $163,700,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1990:
(A) New budget authority, $5,450,000,000.
(B) Outlays, $5,425,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $4,250,000,000.
(B) Outlays, $4,250,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $4,975,000,000.
(B) Outlays, $4,950,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1990:
(A) New budget authority, $30,500,000,000.
(B) Outlays, $29,500,000,000.
(C) New direct loan obligations, $825,000,000.
(D) New primary loan guarantee commitments, $21,000,000,000.
Fiscal year 1991:
(A) New budget authority, $31,600,000,000.
(B) Outlays, $31,100,000,000.
(C) New direct loan obligations, $750,000,000.
(D) New primary loan guarantee commitments, $21,900,000,000.
Fiscal year 1992:
(A) New budget authority, $32,600,000,000.
(B) Outlays, $32,200,000,000.
(C) New direct loan obligations, $700,000,000.
(D) New primary loan guarantee commitments, $22,900,000,000.
(16) Administration of Justice (750):
Fiscal year 1990:
(A) New budget authority, $10,100,000,000.
(B) Outlays, $9,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $11,200,000,000.
(B) Outlays, $11,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $11,800,000,000.
(B) Outlays, $11,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1990:
(A) New budget authority, $10,000,000,000.
(B) Outlays, $9,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $10,400,000,000.
(B) Outlays, $10,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $10,900,000,000.
(B) Outlays, $10,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(18) Net Interest (900):
Fiscal year 1990:
(A) New budget authority, $180,900,000,000.
(B) Outlays, $180,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $189,800,000,000.
(B) Outlays, $189,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $193,800,000,000.
(B) Outlays, $193,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(19) Allowances (920):
Fiscal year 1990:
(A) New budget authority, $0.
(B) Outlays, −$19,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $0.
(B) Outlays, −$47,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $0.
(B) Outlays, −$67,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1990:
(A) New budget authority, −$37,400,000,000.
(B) Outlays, −$44,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, −$40,400,000,000.
(B) Outlays, −$40,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, −$41,500,000,000.
(B) Outlays, −$41,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

SENSE OF THE COMMITTEE ON THE BUDGET

SEC. 4. It is the intent of the Committee on the Budget of the House of Repesentatives that—

(1) Congress shall present the revenue portion of the reconciliation bill to the President at the same time as the spending reduction provisions of the reconciliation bill; and

(2) the specific measures composing the governmental receipts figure will be determined through the regular legislative and constitutional process, and agreements reached between the administration and the Committee on Ways and Means on revenue legislation reconciled pursuant to this agreement will be advanced legislatively when supported by the President of the United States.

RECONCILIATION

SEC. 5. (a) Not later than June 30, 1989, the committees named in subsections (b) and (c) of this section shall submit their recommendations to the Committees on the Budget of ther respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

HOUSE COMMITTEES

(b)(1) The House Committee on Agriculture shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $1,172,000,000 in budget authority and $1,092,000,000 in outlays in fiscal year 1990, $0 in budget authority and $1,172,000,000 in outlays in fiscal year 1991, and $1,092,000,000 in budget authority and $0 in outlays in fiscal year 1992.

(2) The House Committee on Banking, Finance and Urban Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $587,000 in outlays in fiscal year 1990, $0 in budget authority and $587,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $587,000,000 in outlays in fiscal year 1992.

(3) The House Committee on Energy and Commerce shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $399,000,000 in budget authority and $2,699,000,000 in outlays in fiscal year 1990, $399,000,000 in budget authority and $2,699,000,000 in outlays in fiscal year 1991, and $399,000,000 in budget authority and $2,699,000,000 in outlays in fiscal year 1992.

(4) The House Committee on Interior and Insular Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $399,000,000 in budget authority and $399,000,000 in outlays in fiscal year 1990, $399,000,000 in budget authority and $399,000,000 in outlays in fiscal year 1991,

and $399,000,000 in budget authority and $399,000,000 in outlays in fiscal year 1992.

(5) The House Committee on Merchant Marine and Fisheries shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1990, $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1991, and $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1992.

(6) The House Committee on Post Office and Civil Service shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1990, $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1992.

(7) The House Committee on Veterans' Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $445,000,000 in budget authority and $678,000,000 in outlays in fiscal year 1990, $0 in budget authority and $445,000,000 in outlays in fiscal year 1991, and $678,000,000 in budget authority and $445,000,000 in outlays in fiscal year 1992.

(8)(A) The House Committee on Ways and Means shall report (i) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (ii) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (iii) any combination thereof, as follows: $0 in budget authority and $4,950,000,000 in outlays in fiscal year 1990, $0 in budget authority and $4,950,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $4,950,000,000 in outlays in fiscal year 1992.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to increase revenues as follows: $5,300,000,000 in fiscal year 1990, $5,300,000,000 in fiscal year 1991, and $5,300,000,000 in fiscal year 1992.

SENATE COMMITTEES

(c)(1) The Senate Committee on Agriculture shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $1,172,000,000 in budget authority and $1,092,000,000 in outlays in fiscal year 1990, $1,172,000,000 in budget authority and $1,092,000,000 in outlays in fiscal year 1991, and $1,172,000,000 in budget authority and $1,092,000,000 in outlays in fiscal year 1992.

(2) The Senate Committee on Banking, Housing, and Urban Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $50,000,000 in budget authority and $637,000,000 in outlays in fiscal year 1990, $50,000,000 in budget authority and $637,000,000 in outlays in fiscal year 1991, and $50,000,000 in budget authority and $637,000,000 in outlays in fiscal year 1992.

(3) The Senate Committee on Commerce, Science, and Transportation shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1990, $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1991, and $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1992.

(4) The Senate Committee on Environment and Public Works shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $299,000,000 in budget authority and $299,000,000 in outlays in fiscal year 1990, $299,000,000 in budget authority and $299,000,000 in outlays in fiscal year 1991, and $299,000,000 in budget authority and $299,000,000 in outlays in fiscal year 1992.

(5) The Senate Committee on Energy and Natural Resources shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1990, $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1991, and $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1992.

(6) The Senate Committee on Governmental Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1990, $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1992.

(7) The Senate Committee on Veterans Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, or (B) any combination thereof, as follows: $445,000,000 in budget authority and $678,000,000 in outlays in fiscal year 1990, $445,000,000 in budget authority and $678,000,000 in outlays in fiscal year 1991, and $445,000,000 in budget authority and $678,000,000 in outlays in fiscal year 1992.

(8)(A) The Senate Committee on Finance shall report (i) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (ii) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (iii) any combination thereof, as follows: $0 in budget authority and $4,950,000,000 in outlays in fiscal year 1990, $0 in budget authority and $4,950,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $4,950,000,000 in outlays in fiscal year 1992.

(B) The Senate Committee on Finance shall report changes in laws within its jurisdiction sufficient to increase revenues as follows: $5,300,000,000 in fiscal year 1990, $5,300,000,000 in fiscal year 1991, and $5,300,000,000 in fiscal year 1992.

MISCELLANEOUS PROVISIONS

National Commission on Medicare Reform

SEC. 5. SENSE OF CONGRESS.—It is the sense of Congress that a bipartisan commission be established that would review the budgetary impact of accelerating Medicare payments and make recommendations to Congress and the President on how future Medicare reimbursements would match future financial resources. The commission would also examine how current Medicare resources are being utilized and explore innovative solutions that would improve the efficiency of our nation's health care system. Medicare recipients must be assured that high quality health care will continue to be provided at a reasonable cost. Medicare payments are one of the fastest growing items in the budget and it is projected that within 15-20 years Medicare outlays will exceed outlays for Social Security. The commission, which would be appointed by the President, the Speaker of the House, and the Senate Majority Leader, would be given one year to make its recommendations for improving the operation of the Medicare program.

Conduct of Monetary Policy

SEC. 6. SENSE OF CONGRESS.—It is the sense of Congress that the Federal Reserve Board must maintain a consistent monetary policy that avoids historic patterns of rapid monetary growth followed by dramatic reductions in money supply in an effort to fine tune the economy. While Congress supports the Federal Reserve's efforts to fight inflation, Congress is also concerned that recent actions by the Federal Reserve to increase interest rates pose a potential threat to the longest peacetime economic recovery in our nation's history. Congress urges the Federal Reserve to once again make meeting their goals of monetary growth the main focus of their effects to encourage maximum, sustainable economic growth.

The CHAIRMAN. Under the rule, the gentleman from Ohio [Mr. KASICH] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

Mr. PANETTA. Mr. Chairman, I rise in opposition to the amendment and ask for the time in opposition. Also, Mr. Chairman, I ask unanimous consent to yield 15 minutes of my time to the gentleman from Minnesota [Mr. FRENZEL], and that he be allowed to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. PANETTA] will be recognized for 15 minutes in opposition to the amendment in the nature of a substitute and the gentleman from Minnesota [Mr. FRENZEL] will be recognized for 15 minutes in opposition to the amendment in the nature of a substitute.

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, a lot of people have put a lot of time into developing this amendment, most particularly including Richard May, my legislative director, and Art Sauer, and it is really important to me that we have an opportunity to be heard on this amendment.

Mr. Chairman, what strikes me is the last amendment, and I do want to credit the gentleman from California [Mr. DELLUMS] for coming up with what everybody has labeled as at least a bold approach. As noted by the vote count, the gentleman from California received less than 100 votes on his amendment. I think I could make the same argument, that the amendment that I am about to propose does take us in a bolder direction than the budget summit.

The tragedy is that it seems as though no matter how much praise we get for these type of amendments, either by the gentleman from California [Mr. DELLUMS] or any others, Members have come up to me on their own and said "Boy, you know, you have the best amendment and the best budget that is going to be proposed in the House today, and I like it a whole lot, but I simply cannot vote for it."

Mr. Chairman, I do not know how many of our Members have had an opportunity to read the Newsweek magazine article that was out several weeks ago called "Congress World." It was a description of Congress' inability to deal with any basic problem that we have in this country, basically because we are unwilling to take any bold action to address any of our problems because we are concerned that in providing leadership to solve so many of our problems that we would be forced to take stands that the public might not like, and so, therefore, we basically wander in circles and we become too interested in reelection. We have thus been labeled as "Congress World" by Newsweek magazine.

Mr. Chairman, last week I had some constituents tell me there was a television show on last Friday that kind of duplicated the Newsweek magazine article and it again labeled us as the Congress that does nothing. That really is the tragedy about which this debate is about today.

Yesterday I had an opportunity to outline my budget proposal, and I would once again like to bring it to the attention of my colleagues and describe exactly what is in this proposal.

What we have done in this proposal is simply to come up with a freeze in several selected areas. First, we freeze the defense budget at the 1989 level. Second, we take discretionary programs, and I repeat, discretionary programs, not entitlement programs, not COLA's, not Social Security's cost of living, none of those programs, we do not touch those, we only take the discretionary programs in the Federal budget and we freeze those at the 1989 level.

That ought to make both sides of the aisle happy because people on the liberal side generally tend to say that they would like to see defense frozen, and that is exactly what is called for in this budget plan. People on the more conservative side say that it is time to come to grips with the massive growth in discretionary spending, and so we freeze that. That should make the conservatives in the House happy.

In order to put legislation together we have to build coalitions. If in this proposal I have been able to freeze the defense number at the 1989 level and to freeze the discretionary spending at the 1989 level, it really ought to result in a coalition of support for this proposal.

The other part of this proposal is to take the President's number on Medicare. There have been a lot of Members coming up to me today and asking me what exactly do we do in Medicare. What we do is take President Bush's numbers on Medicare, which provides for a 10-percent increase in funding over the last year's level. What the summit agreement did is increased that amount of Medicare funding by 12.5 percent. So the bottom line is we increase Medicare funding over last year's dollar level by a 10-percent increase. It is not a cut, it is a 10-percent increase in funding over last year's level. Admittedly, the summit agreement called for a 12.5-percent increase.

If Members think they need to have 12.5 percent rather than 10 percent, I guess they cannot vote for my proposal. But if they think that a 10-percent increase is a good, sizable increase in Medicare funding, and they can opt for that over the 12.5-percent increase, then they have to vote for this proposal, because I do not know of many Members in this Congress who do not view the idea of freezing the defense number at the 1989 outlay level and freezing the discretionary programs at the 1989 level as anything objectionable.

□ 1440

And you know what we get in this budget without any heavy lifting? What we get in this budget is $8 billion more in cuts than the summit agreement.

What that really underscores is our inability to reach any consensus here on Capitol Hill. Imagine that by only freezing the discretionary programs, the defense numbers, taking the President's numbers on Medicare and freezing foreign air at the 1989 level, this proposal will give us $8 billion more in deficit reduction.

Let me tell you the other surprising story about this idea of freezing budget authority and keeping out expenditures at the 1989 outlay level. In fiscal year 1991, as a result of showing some minor restraint for the next fiscal year, just some minor restraint, our budget deficit based on CBO projections in 1991 would only be $70 billion. That is only $6 billion above the Gramm-Rudman target levels. You know what Mr. FRENZEL said to me when I pointed that out to him? He said, "John, it is amazing how much gain we can make by so little effort."

So the message is today that if you really want to do a little bit of lifting, not even heavy lifting, if you want to cut $8 billion more from the summit agreement, if you want to have us in a $70 billion target range for the next fiscal year based on some degree of restraint this fiscal year, if you want to avoid having to vote for a tax increase which I predict will come as a result of this agreement in the next fiscal year—and I sat on that Budget Committee for 4 months and listened—you do not put the waste on the table, you do not put spending restraint on the table unless you put the revenues on the table—we are waltzing ourselves into a big fat tax increase with this summit agreement. And I will be back

next year saying, "I told you so." But there will not be much solace in saying that.

All I am asking you to do is to show a little restraint. It is the fairest of all the proposals.

You know what? I have not heard one single person on the floor of this House say anything good about the summit budget proposal. All they say is that it is the best that we can get. No one has said it is good.

If I pick up the RECORD and run through the comments of yesterday, there were scathing attacks on this budget agreement. What I say to you is why feel so bad, why hold your nose and vote? Why not freeze discretionary spending at 1989 and defense at 1989 and accept the 10-percent increase based on the President's numbers in Medicare and freeze the foreign aid numbers at the 1989 level for 1 year? The next couple of years I give inflation increases to all these programs and we are still closer to Gramm-Rudman-Hollings target numbers than the summit agreement.

Ladies and gentlemen, you know what? Aside from all the politics, if you asked your mother and father or you who are parents here, if I was to ask you what is it that you would most like to not leave your children when you are gone, you know what I think your No. 1 wish would be? "I don't want to leave my children unpaid bills. I don't want to leave the charge credit card bills and other bills to be paid by my children." That is your wish, so your children can be a little bit better than you.

But do you know what our legacy is becoming here in the United States? Our legacy is becoming a generation—people in their sixties and seventies now, the older generation and my generation, people still in their thirties—our legacy is going to be of a generation that left giant unpaid bills not just to the kids today but to kids who have not even yet been born. I am not asking you to fall on a sword for this proposal, I am not asking you to cut entitlement programs; I am just asking you to support a very modest program of freezing for 1 single year these programs that all of us can do if we want to provide a little leadership.

Mr. DORGAN of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I would be glad to yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. I appreciate the gentleman's yielding and I appreciate the gentleman's statement. I do not intend to vote for his amendment. I do not intend to vote for the budget being offered here today by the committee either. But in terms of long-term prognosis of where we are headed in this country, would the gentleman feel that we ought to strip away the gimmicks, the illusions in these budgets, in all of them and get to a true deficit number, so that we apply whatever pressure is needed to reduce the true deficit down to some sort of balance? The reason I ask the question is I am specifically referring to the estimates of 3-percent interest rates by 1993, which I do not think any Member of Congress believes; I am referring to the $68 billion Social Security surplus that is used improperly, in my judgment, to reduce the deficit; so that I assume when you talked about $70 billion deficit in 1991 the gentleman is talking about a deficit that is probably $70 billion or $80 billion higher, in fact, than that, is he not? If so, would the gentleman support some of us who believe we ought to strip away all the gimmicks, start talking about the real budget deficit?

Mr. KASICH. Let me reclaim my time and tell the gentleman if there is one area that he and I worked on together, it has been trying to get the Federal Reserve to approve maximum noninflationary economic growth. They have been responsible, as the gentleman and I agree, in slowing this economy down unnecessarily at particular points in time.

Let me say to the gentleman that we in the committee addressed exactly what he is talking about and that is using these off-budget items to reflect a lower deficit.

I think at some point we should do that. I do not even have any objection to doing it this year.

But what I want to say to the gentleman is he is right when he talks about the giant problem that lies ahead.

But you know what? I do not think the problem is unsolvable. I think the problem is very solvable if we just exhibit the tiniest modicum of self-constraint, self-control and leadership in this House. That is why I ask people to support this budget proposal, this budget alternative.

Let me say one other thing. There is another segment of this thing that you have to know about. That is the call for a Medicare commission which says that we should call a commission on Medicare to deal with the fundamental problems of rising health care costs so that we can continue to provide quality, but not let the Government perform as an impetus to rising health costs, but rather something that calls for real reform.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. I thank the gentleman for yielding.

Mr. Chairman, I just want to say to the gentleman I think he is one responsible Member who realizes that at a time when we are creating increased tax revenues because we are in fairly good economic times, we have interest rates down, things are going fairly well, we are not able to take a real shot at this budget deficit. The gentleman has made one responsible attempt to do that. I commend him for it and I intend to support it.

Mr. KASICH. I appreciate the comments of the gentleman from California.

I just want to reemphasize I have had countless Members come to me and say, "This is really the best budget that lies before us," but for one reason or another, either because they support the President, or they do not like the discretionary freeze part of it, they do not want to vote for it.

What I ask you to do is kind of like what they said in the seventies "Leon, do what feels good. If it feels good, vote for it;" vote for a budget that you can feel good about that cuts the deficit by $8 billion with only a modicum of effort, then I ask you to vote for my alternative.

Mr. Chairman, I reserve the balance of my time.

Mr. PANETTA. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, this budget resolution is not ideal, but under the circumstances, it's the best we can do. It is also the best budget we can do without significant new taxes.

The budget we have before us today keeps faith with the budget summit agreement between Congress and President Bush. It calls for no new taxes.

It treats domestic discretionary programs better than our budgets of recent years and it is much improved over the budget President Bush originally sent to Congress.

His budget called for budget authority of $114.5 billion for domestic discretionary programs, while the budget we have before us today, provides $157.5 billion in budget authority and $181.3 billion in outlays for these programs.

This amount is also approximately $15 billion more than what we appropriated last year.

This budget also emphasizes increased funding for a number of high-priority programs to meet critical domestic needs, such as child care, anti-drug abuse programs, maternal and child health and education.

It is also important that adoption of this budget resolution will allow the Appropriations Committee to move forward with its appropriations bills.

If we move and enact this budget in a timely manner, we will be able to act on our appropriations bills and avoid continuing uncertainty over specific spending priorities for fiscal year 1990.

It is far more preferable to have a budget agreement in place before moving any appropriations bills even though by law we can do so. Passage of the budget will allow the Appro-

priations Committee to do its job in a timely fashion.

I urge my colleagues to support this budget.

□ 1450

Mr. KASICH. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio, Mr. DONALD E. "BUZ" LUKENS.

Mr. DONALD E. "BUZ" LUKENS. Mr. Chairman, I thank the gentleman for yielding me this time. Studies call for a halt to increased spending, and it is not easy to call for a slowdown in increased Medicare spending, but I think at this stage in our history of the United States and with our record of noncontrol of the deficit, it is time to do something along these lines.

We do need a tax increase now, although we do not do better today on our responsibility to balance the budget and reduce the deficit realistically as both the gentleman from California and the gentleman from Ohio are trying to do.

We are not going to have a real decrease in the deficit. What we are asking is that before this sniffle develops into pneumonia, if we simply take a little financial Nyquil. I think the gentleman from Ohio, Mr. KASICH'S, approach is one of the most simplified and certainly one of the most effective approaches that can be taken.

It is not easy to freeze defense spending when it has already had real cuts 5 years in a row, but I am supporting this budget proposal by Mr. KASICH for one major reason. This budget has the best bottom line. It really does. This proposal, in my opinion, really does go the furthest toward balancing the Federal budget and reducing our deficit.

If I am going to vote for a budget, and this may be the only one I vote for today, it is going to be the one that does the most effective job in literally reducing the costs of our Federal Government and reduce the deficit realistically. I am hopeful that this amendment, while it may suffer the fate of other amendments to this balanced budget agreement, will get a lot of support today because I think we will find ourselves facing the exact precise proposal as the eventual answer, a flexible freeze across-the-board in the increases that we are giving to all elements of the budget. Spending is not unfair to anyone.

I have just returned from 3 days of outreach in my district, spoken to 7 different senior citizen groups, and time and again, when Members asked them if they would be willing to take a freeze, not a cut, but a freeze, ultimately they all agree they would do so for the country and for future generations, if everyone else accepts the same basic freeze.

This is a minimal proposal. This is a fair and equitable solution. We have a window of opportunity to solve our deficit problem, and it is now. Next year, I think all Members here agree, it will be twice as difficult and our deficit may be, indeed, realistically twice as big. The window is relatively wide now. Next year that window will shrink. This budget is not painful, but it is certainly less painful and less destructive than the current balanced budget agreement before Members.

The budget retains the COLA's in all of our entitlement programs at 4.1 percent. What could be more fair? The budget increases funding for our drug program which is where all Members agree we have to place more emphasis and more dollars. The budget freezes, temporarily, Government spending where it is today, and that is what my constituents basically tell me they want.

I think above and beyond that, Mr. Chairman, people in America today look to this body to solve this problem and there is a great deal of optimism in the press and in many State government levels and local levels where we have actually reached agreement, taken a giant step toward cooperation, among all bodies, in resolving partly the deficit costs by both executive branch and the congressional branch, the legislature. We have an opportunity today to address that, arm in arm, in logical step with a very painless measure that is simply not taking much of an increase in the various programs as has been our custom in the past.

In Medicare, instead of 12.5 percent, we are simply taking a 10-percent increase, and that is fair. The budget freezes Government spending, and that is what I think the constituents throughout the United States want. We have a serious problem with our budget in the United States today. We all know that. We are trying to address it in a responsible, serious way, and I want to commend my colleague from Ohio for, in my opinion, forwarding a proposal that is in the best interests of all people in the United States and is a shot of Nyquil now rather than painful injections tomorrow. I hope Members of this House will vote yes in support of this.

Mr. PANETTA. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. Mr. Chairman, I am opposed to the amendment of my good friend from Ohio. His amendment would make a bad situation even worse. It would cut many of the programs that are most in need, Head Start, Maternal and Child Health, AIDS research. What it would do is turn an agreement that is in part a charade into a bad joke.

What is the lesson of all of these days and months of our effort on the budget? I think the major one is that the first step is the most important one. That first step is the President's. That is true under the Constitution, and it is also true under the dynamics of American political institutions in the 1980's. So I hope we learn from that lesson.

I am going to vote for this budget resolution with the greatest of reluctance and with the hope that next time around the President will exercise his responsibilities and that he will help this Nation truly face the music on this terrible deficit, and that he will present a budget with real figures that address real needs in this Nation instead of the shadows and some of the mirrors that exist, including the economic assumptions.

I urge that we, in a resounding way, defeat the amendment of the gentleman from Ohio and we pass, though with great reluctance, this budget resolution.

Mr. FRENZEL. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, the amendment by the gentleman from Ohio does, in fact, reduce the deficit to the lowest level of any of the alternatives put before the House today, about a little over $91 million. It does so by freezing all discretionary spending, including defense spending.

Generally, the freeze is at 1989 appropriated levels. It leaves the entitlement programs, with the single exception of Medicare, untouched.

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It provides full COLA's and the same pay raise as the budget of the Budget Committee which we have laid before the House. It assumes the Bush reductions in Medicare reimbursement, which are greater than those assumed in the budget resolution, and it eliminates one program, the Amtrak subsidies, which provides a savings for this budget of about $600 million.

This budget, to my great sadness, violates the summit agreement, but it is, Mr. Chairman, the kind of budget amendment that I would be offering were I not encumbered by the responsibilities of supporting the budget that carries out the summit agreement between congressional leaders and the administration. In my judgment, the Kasich alternative is clearly the most responsible among the four alternatives we have. It tries to get at what I conceive to be the greatest problem, that is, the problem of overspending.

We have heard a number of Members claim today that the obvious answer to the problem is more taxes. I do not believe that the problem is that America is undertaxed. I believe it is that we are overspent.

I believe this budget that we have brought before the Members today as part of the bipartisan agreement continues to spend. That is its most serious flaw. The increase overall in my

judgment is somewhere around 4½ percent.

The gentleman from Ohio [Mr. KASICH] seeks to reduce this by $8 billion or $9 billion, and in my judgment he is making a noble attempt. It is sadly my duty to tell him and to tell the Members that I cannot vote for it, nor can I recommend that Members do likewise. It violates our summit agreement. It reduces the discretionary spending which has been agreed to, not only in defense but also in domestic spending, across the board.

Mr. Chairman, I will say for the gentleman from Ohio [Mr. KASICH], who is a strong believer in national defense, that he has bitten his own bullet. He would like to spend more on national security, and yet he said that if we are going to cut discretionary we ought to cut it across the board. This unselfish approach is a feather in his cap and provides us an example of his great determination to make real reductions in Federal spending.

Again, Mr. Chairman, I regret my inability to follow his bold leadership, but I have to request of the body that it stand by the agreement, that we follow the course that our leaders have agreed to, and that we support the House budget and vote against the Kasich amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. PANETTA. Mr. Chairman, I yield 4 minutes to the distinguished former chairman of the Committee on the Budget, the gentleman from Pennsylvania [Mr. GRAY].

Mr. GRAY. Mr. Chairman, first let me say to my colleagues that I want to pay a compliment to my friend, the gentleman from Ohio [Mr. KASICH], for his substitute amendment. He has, as the gentleman from Minnesota [Mr. FRENZEL] has said, bitten the bullet. He has a longstanding commitment to national security. It is a commitment which is very strong, and thus one of the notable things about his substitute is his across-the-board freeze, in which he makes no distinction with regard to the domestic side as against the defense programs. I applaud him for that kind of courageous decision. He also applies it to international affairs, which is often something the administration has not been willing to do.

However, unfortunately, there are two concerns that I have with the gentleman's substitute. One is a $5 billion reduction that would result in the Medicare Program, the program that provides the basic health safety net for our seniors; and, second, there is the fact that the low-income means tested programs would be treated in a similar way, just as everything else. That concerns me because, contrary to popular belief, the fact is that although we are nearly at 7 years of unprecedented economic growth, there are pockets of poverty in this country that need to be addressed, particularly the povertization of our children, where two out of five American children are living in poverty, and many who are working today do not make a living wage. Thus, I believe that to treat the low-income means tested programs in the same way we would treat other discretionary programs, even those in the Defense Department, is something that remains troublesome to me.

Mr. Chairman, I would like to take a moment at this time to compliment the distinguished chairman of the Budget Committee, the gentleman from California [Mr. PANETTA], for the outstanding work he has done in putting together a bipartisan coalition. It has been described as an "ugly child." It has been described in many other terms which I know all of us can use when we have to think of the ideal resolution that we would like to have. However, the fact is that at the end of the day we must have a budget, and the gentleman from California [Mr. PANETTA], the chairman of the committee, has worked bipartisanly with the gentleman from Minnesota [Mr. FRENZEL] and with the administration to put together something which can perhaps bind all of us together. There are portions of it that I do not like, but the fact is that it is probably the best approach that we can adopt at this time, given the fact that the administration refuses to allow revenues or significant entitlements on the table. Without that we are not going to get a major deficit long-term reduction program. So I want to compliment the committee chairman, the gentleman from California [Mr. PANETTA], for the outstanding job he has done and simply say to the Members of this body that after the vote on the Kasich substitute and after the vote on the Gephardt substitute, I urge each and every one of the Members to vote for the bipartisan agreement. It is not perfect. It perhaps will not do the long-term job; but it is a step in the right direction. It ends the gridlock of the last 4 years, and maybe the next step will lead to a bigger deficit reduction.

Second, it also protects low-income programs such as the Women's and Infant's Program, Head Start, and the nutrition programs. It also deals better with Medicare in providing adequate funds.

So, Mr. Chairman, I say to my friends that at the end of the day we should join together in supporting the bipartisan budget resolution and in complimenting the gentleman from California [Mr. PANETTA].

Mr. PANETTA. First of all, Mr. Chairman, I want to thank the distinguished former chairman of the Budget Committee for his kind remarks and for his support.

Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. COYNE].

Mr. COYNE. Mr. Chairman, I rise in support of the committee budget resolution.

Mr. Chairman, just over 1 year ago, I commended the Budget Committee and the congressional leadership for smoothing out their differences with the administration and for reporting out a budget resolution on time and early enough to permit the Appropriations and Ways and Means Committees to begin their part of the annual budget process. The agreement developed during the summit in December 1987 promised to make the budget cycle for fiscal year 1989 smoother and less contentious. Nevertheless, I was concerned that most of the Representatives in Congress were excluded from the budget negotiations in December 1987. I was concerned about the precedent that first budget summit might be setting, a precedent that legitimized the loss of democratic participation over the terms and conditions under which the Federal budget would be created. But I was willing to give the process a chance.

The budget agreement of 1987 did improve the process of creating and enacting the fiscal year 1989 budget. As we all know, last year, for the first time in years, the House passed every one of the 13 appropriations bills by June 30. I was pleased to see that we were finally bringing some rationality and some responsibility to the congressional budget process. I was encouraged to observe that, at last, the House and the Senate were able to agree upon a budget in a timely and orderly fashion and to know that the President would approve those 13 appropriations bills as long as they reflected the terms of the budget summit agreement.

But, 1 year later, no progress has been made. If anything, we are worse off now than we were last year at the beginning of the budget cycle. The concurrent resolution on the fiscal year 1990 budget has not passed on time. The new administration has failed to submit to the Congress a detailed budget request, outlining their views on how the financial resources of the United States should be distributed and invested. In place of a document that would act as a starting point for congressional action, we received a brief, sketchy description of some of the programs that the President thinks should be supported, with no indication of where the funds for these initiatives would be found. We have received economic forecasts that are overly optimistic and that do not reflect sound economic policy or mainstream economic thought. We have been told that the President is adamant about his campaign pledge of "no new taxes" and we have seen that his definitions of "new taxes" and those of his assistants are ideological and unrealistic.

These events have not made the budget process easier for the 101st Congress. They may be early warnings that this year's budget process will generate disagreement and discontent among representatives in both Chambers and from negotiators on both ends of Pennsylvania Avenue.

The circumstances leading to the budget agreement of 1989 are not at all similar to those surrounding the budget agreement of 1987. The 1987 budget summit came after both Houses of Congress had already worked on and passed a number of appropriations bills. The House had already passed a reconciliation bill. There was a substantial foundation of budget work reflecting the preferences of the Members of the House and the Senate.

The 1989 budget agreement was negotiated before any Members of Congress had seen any budget documents or heard budget debates from any source. The only complete budget document we have been able to study is the final fiscal year 1990 budget of the outgoing Reagan administration, and I do not believe that Mr. Reagan himself expected that Congress would work from that budget. The document we received from the Bush administration on February 9 was so incomplete and ambiguous, it has been impossible for congressional staff to evaluate the impact of the President's proposals on current programs and current services.

The budget summit of 1987 occurred in the wake of the stock market crash in October which many of us feared might push the country back into a recession and which many observers of American politics believe was based, in part, on a domestic and international perception that the administration and Congress would not be able to bring down the twin deficits in trade and the budget. The budget agreement of 1989 was negotiated in a period in which it is evident that the economy has stabilized and will continue to grow for the foreseeable future, albeit at a slow rate. While it is still important to reassure domestic and international markets that the U.S. economy is not in danger of failing, there is not the sense of crisis that led to the creation of the 1987 budget agreement.

Let me remind my colleagues that the Reagan administration also insisted on "no new taxes" during the debates over the fiscal year 1988 budget. The Reagan administration threatened to veto every appropriation bill sent to the White House, if those bills would require a tax increase. The administration stubbornly stuck to this position, even after the stock market crashed. It was only with reluctance and after the Gramm-Rudman-Hollings automatic reductions in spending were due to go into effect that President Reagan finally agreed to negotiate with Congress over deficit reduction.

The budget agreement of 1987 was a compromise. It emerged after the areas of disagreement were clear. The budget agreement of 1989 is a capitulation. We have already ceded on the matter of no new taxes, even before the first budget debate begins.

During his Presidential campaign, Mr. Bush promised "no new taxes." But he also promised increased spending and more resources devoted to more than 40 areas of concern, including Head Start, AIDS and health research, education, the homeless, drug abuse and child care assistance. He can only keep both sets of promises if there is a continuation of the deficit or if spending on other programs is cut. But he hasn't disclosed where the cuts should take place and he has not come out openly in favor of a reasonable, detailed budget.

The President's budget has never been a final budget document. It is usually a starting place for congressional debate and negotiation. It is usually the vehicle by which the President's policies are conveyed to Congress. It is an opportunity given to the administration to express an opinion and to shape the direction of budget policy.

Mr. Bush has declined the opportunity to express his opinion. He has not committed himself to a detailed budget that clearly presents his national goals and policies. Under those circumstances, we in Congress should take responsibility for developing a budget that will express the goals and policies of Congress. The dearth of detailed, reliable input from the administration need not tie the hands of Congress in budget policy. I would certainly prefer knowing in advance what the President thinks should be done with the Nation's resources. I am sure most of my colleagues would be more comfortable going into the budget season with an indication of the President's needs and wants. But we can create a budget on our own if we have to and we should have begun to debate a congressional budget as soon as it was clear that the input from the White House would be insufficient and unreliable.

Instead, it appears that Congress will be asked to endorse a budget agreement which allows the President to claim he has kept his campaign promises, but does little to reduce the real deficit that will occur in fiscal year 1990.

We have quickly and quietly agreed to adopt the administration's economic and budget forecasts, despite the fact that no one outside of the executive branch believes those forecasts are realistic. We've been told that GNP will increase by 3.4 percent, that we will see a 5.5 percent interest rate in 1990, that inflation will drop to 1.5 percent within the next 5 years. During his testimony before the Ways and Means Committee in February, Mr. Darman himself admitted that the economic assumptions of the Bush administration were "optimistic", although he hedged his bet by saying that they would not come about if Congress did not adopt the President's budget in toto and with no revisions. When questioned on the assumptions in the Bush budget, former OMB director James Miller said we could realistically expect to see high GNP growth, low interest rates and low inflation only if there were slack capacity in industry or if there were high growth in the labor force. Neither of those conditions exist and the economic assumptions that depend on them are, in consequence, inconsistent, unrealistic and overly optimistic.

According to the 1989 balanced budget agreement, the first concurrent resolution on the 1989 budget will include a deficit of $99.4 billion—just under the revised Gramm-Rudman-Hollings target. I presume we are all supposed to be pleased and relieved that we will be avoiding sequestration and will live by the terms of the Gramm-Rudman-Hollings Act. In reality, our record on predicting the deficit in the first concurrent resolution has not been a source of relief or cause for pleasure. The first concurrent resolution set the deficit for fiscal year 1989 at $108 billion. According to CBO's most recent estimate, the real deficit for fiscal year 1989 will be $163 billion, an error of over $50 billion. Before you try to explain it by referring to the drought last summer, let me point out that, in the first concurrent resolution on the budget for the last 10 fiscal years, we have never accurately estimated the deficit. Our best year was fiscal year 1984, in which the resolution said that the fiscal year 1984 deficit would be $171.6 billion and the real deficit turned out to be $175.3 billion. We missed by only $3.7 billion that year. The year prior, fiscal year 1983, we had the worst estimate ever—a miss of $91.5 billion resulting from a resolution debt estimate of $103.9 that turned into a real deficit of $195.4 billion. Our record of estimating the upcoming deficit is abysmal. If the interest rate on 10-year Treasury bills remains at 8.6 percent, every billion dollars we add to the public debt because we erred in predicting the deficit leads to an additional $86 million in debt service payments from now on. That $47 billion error we made last year will cost us over $4 billion each year from now on.

The 1989 budget agreement includes $5 billion in new taxes, to be collected from an unspecified source. Let me put that figure in perspective for you. Five billion dollars is less than one-half of 1 percent of total outlays in CBO's current services budget for fiscal year 1990. Five billion dollars is less than 20 percent of the difference between the Gramm-Rudman-Hollings deficit target and CBO's estimate of the baseline deficit for fiscal year 1990. Five billion dollars is less money than we would generate if we increased the tax rate in the highest tax bracket by one-half of 1 percent. Yet, even this minimal increase in revenues is contingent on the support of the President, support which may not exist in the future despite the negotiations between the administration and congressional leaders.

The difference between the Gramm-Rudman-Hollings deficit target for last year and the target for this year is $36 billion. The new revenues that have been included in the 1989 budget agreement will reduce that gap by less than 15 percent. Where is the other $30 billion going to come from?

The increase in debt service payments—net interest—is expected to be $12 billion, or 2.4 times the permitted new revenues. According to CBO, total outlays will increase by $46 billion. Even if you use OMB's kinder gentler estimates, we are expecting outlays to increase by over $30 billion. Forty-six billion dollars is a lot of money, but it represents an increase of only 4.9 percent over CBO's baseline outlays for fiscal year 1989. If we assume inflation in fiscal year 1990 will be around 4 percent, we are allowing for an increase in spending of less than 1 percent for all programs—domestic and international, defense and nondefense, discretionary, and mandatory—for fiscal year 1990.

Under the 1989 budget agreement, domestic discretionary spending will be frozen at the fiscal year 1989 baseline level. International discretionary programs will likewise be frozen. Defense spending will take more severe cuts—$4.2 billion according to CBO, $1.7 billion according to OMB. Domestic entitlement

and mandatory spending will be reduced by $6.8 billion according to CBO and $7.3 billion according to OMB.

The bottom line on the 1989 budget agreement is that just about half of the $28 billion deficit reduction is going to come from spending reductions. About one-third will come from revenue measures, including new taxes. The remaining one-sixth will come from asset sales, which represent one-time injections of revenues into the system.

The spending cuts seem Draconian. No program will be able to expand beyond its current services level unless we reduce the spending on another program. We will have to make hard choices. Do we want to invest funds in shelter for the homeless or do we want to provide early childhood education and nutrition? Do we want to support programs to encourage economic development in distressed areas or do we want to provide assistance for urban mass transit? Do we want to spend money on AIDS research or on the superconducting supercollider?

There are hard choices to be made. But we've known all along that those choices would face us eventually. Unfortunately, even though we will be making hard choices, we are continuing to duck the real issue. The real issue is how much will really be added to the Federal debt at the end of fiscal year 1990. Last year, we accepted the administration's economic forecasts because doing so was less painful than facing up to reality and addressing the issue squarely. We all cheered and congratulated ourselves when it appeared that the budget we passed for fiscal year 1989 would produce a deficit of "only" $146 billion.

However, when the actual balancing of the outlays and revenues is done, I think we will find that we missed that target by quite a bit. As of the end of April, OMB had estimated the deficit for fiscal year 1989 at $163 billion—$27 billion more than the Gramm-Rudman-Hollings deficit target for fiscal year 1989 and almost 12 percentage points higher than the deficit we thought we are creating under the terms of the 1987 budget agreement.

In comparison to the $2.7 trillion public debt, that mistake wasn't all that bad. After all, the $27 billion excess for fiscal year 1989 represents about 1 percent of the total outstanding public debt. Why should we care about such an infinitesimal addition to our national debt? What harm could it do?

Adding to the public debt increases our debt service payments. Those payments, the interest we pay for financing the cost of spending more than we take in, have grown considerably over the past 8 years. They have increased at an average rate of 14 percent per year since 1981. Payment of net interest accounted for just under 9 percent of total outlays in fiscal year 1980. They will account for 15 percent of total outlays under the fiscal year 1990 budget agreement. Debt service will continue to account for a large part of our outlays, even if we really bring each fiscal year's deficit down to the Gramm-Rudman-Hollings targets.

For fiscal year 1990, we will be paying out $181 billion in interest payments. That is equal to the entire amount of outlays for domestic discretionary programs that has been agreed upon under the 1989 budget agreement. It is 1.8 times the deficit target for fiscal year 1990 and almost three times as much as the deficit target for fiscal year 1991.

From fiscal year 1981 to fiscal year 1989, we paid out $1.064 trillion in interest payments to service the public debt. Think about that. The interest we have paid over the last 9 years is equal to the size of the entire public debt in fiscal year 1981. Or think of it this way: $1.064 trillion would pay for 91 percent of the outlays included in the 1989 balanced budget agreement. From yet another perspective, consider the fact that, according to CBO, the Federal Government will collect $1.069 trillion in revenues in fiscal year 1990. If we had been able to save the $1.064 trillion we've spent on interest since fiscal year 1981, we could now afford to give everyone in the United States a tax holiday. No one in the country would have to pay any taxes at all during 1989 and we would still have the revenues to meet the Gramm-Rudman-Hollings target for fiscal year 1990.

One of the many reasons advanced for submitting the congressional budget process to the discipline of the Gramm-Rudman-Hollings Act was that it would rebuild the confidence of the international markets in our economic system. The April 22 edition of the British periodical, the Economist, included a short article on our 1989 budget agreement. I think the following quotation illustrates well the level of confidence that agreement is generating abroad:

> . . . they patched together a pathetic tissue of mealy-mouthed vagueness and called it a deal. It is a deal nobody could disagree with, except an honest bookkeeper.

We can fool ourselves and our constituents by using creative accounting tricks when we develop the budget. We can adopt unrealistically favorable economic projections. We can ignore the fact that the budget deficit is understated by over $100 billion, the amount held in the Social Security and other trust funds. We can ignore the extent to which the potential liabilities of the Federal Government—such as deposit guarantees, loan guarantees, and mortgage guarantees—pose a threat in the form of future claims against Federal resources. We can agree to leave the billions required to bail out the savings and loans institutions off-budget where they won't affect the Gramm-Rudman-Hollings target. We can do all of these things and, I suspect, we will do most of them.

But when the budget negotiations are over and when the appropriations and tax bills are passed, we will still have to face the fact that the public debt is quickly approaching $3 trillion. We will have to face the fact that we have made very little progress toward achieving a balanced budget, despite the cuts in financing for human capital and public infrastructure improvement. We will have to admit that we continue to face a serious budgeting problem. Readjusting the imaginary Gramm-Rudman-Hollings targets won't stop us from continuing to pay out billions of dollars of taxpayers' money to service a debt that continues to grow.

Mr. PANETTA. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SCHUMER], a member of the Budget Committee.

Mr. SCHUMER. Mr. Chairman, first let me say that the chairman of the committee has done a superb job on this budget under very, very difficult circumstances. To my colleagues, let me say that as I watched the budget process it became pretty clear that the chairman of the Budget Committee was the one Member who was trying to hold everyone's feet to the fire. Unfortunately, he had two hands and there were about 12 feet. So we did not get enough of that kind of thing.

This is not a budget that we are going to exalt over. This is not a budget we are going to jump up and down over and say that we should jump for joy because the millennium has arrived and we have done our job. Frankly, we have not yet, but we made a start.

What this budget does under difficult circumstances, under the President's macho read-my-lips pronouncement—which in the end, macho or not, will hurt the country—is this: It says we have done the best we can.

The gentleman from Ohio [Mr. KASICH] has an across-the-board freeze. This is a self-abnegation of government. It says that every program to everyone of us is exactly equal, that we care just as much about this program as we do about that program. It says that we care as much about agriculture subsidies as we care about feeding children; it says we care as much about the defense budget as we do about reforestation; it says we care as much about Head Start as we do about Star Wars. We all know that does not happen, and a cut or a freeze is throwing up our hands and saying that government is not here to make any choices at all.

The main budget that we are here to vote on does try to deal with those choices. Within those parameters of no new taxes are stretched and elastic projections, and that budget makes fair choices.

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That budget begins to reset our priorities by putting a lid on defense spending and saying that things like education and children count. It is a small step forward, not enough of one, but one that is better than any of the others here before us today.

Mr. KASICH. Mr. Chairman, I yield myself such time as I may consume.

Let me just in closing, Mr. Chairman, go back over one more time the provisions in the agreement and just make a couple other points.

Some people here are arguing for tax increases, and my colleagues know it is interesting, as the gentleman from Minnesota [Mr. FRENZEL] pointed out to me a couple weeks ago, about tax increases, and, as I said yesterday,

I do not worship at any shrine when it comes to taxes, but the problem is it is the real mood of the Congress to raise taxes and make a few cuts, and then what we do with the taxes, they last forever, and the spending cuts last until the next supplemental appropriation bill. So, we do not use taxes to reduce deficits, Mr. Chairman. We use taxes to raise spending.

If I could become convinced that this Congress would be responsible and take taxes to actually reduce deficits, I could become convinced. But I see supplemental after supplemental that waives the budget, that breaks the rules, and all we do is turn around and raise spending, and I remind my colleagues that it was in 1982 when we raised taxes $99 billion, and our deficits grow every single year, not because we do not have enough taxes, but because we cannot control our spending.

Furthermore, Mr. Chairman, this budget resolution on both the chairman's budget and my alternative budget, we have naturally received $82.4 billion in additional revenues without any taxes. I hope everybody understands that. We have over $82 billion in more revenues, and yet we still in the summit agreement have a deficit of $99 billion, and in my proposal one of $91 billion.

Just to recapitulate this budget proposal here, Mr. Chairman, I want to make it clear to my colleagues what we are doing. We are freezing defense at the 1989 level, we are freezing discretionary programs at the 1989 level. The vast majority of the programs for the poor, the disadvantaged, and the underprivileged are covered in the entitlement programs. I make no changes whatsoever in the entitlement programs. I accept exactly what the budget summit agreed to. My Medicare number represents a 10-percent increase in spending over last year's level, a 10-percent increase. The budget summit agreement only represents a 12½-percent increase in spending.

Mr. Chairman, if my colleagues think that 10 is not enough and that we have to go to 12½, that is fine. Then they will have to vote against me. But it is a 10-percent increase over last year's level, and it is the President of the United States, his proposal, and this would affect the providers of Medicare, the physicians and the hospitals, and we met with the Committee on Ways and Means, and admittedly in order to have only a 10-percent increase in spending, yes, we would have to reform some of what we pay doctors, and, yes, we might have to reform some formulas when it comes to hospitals, but it is not that tough, and the lifting is not that heavy, and it does not fall down on the recipients of the program. It does again provide a 10-percent increase.

Therefore, what I am saying to my colleagues is that continually, speaker after speaker in the well, is saying, "I'm going to hold my nose and vote for an agreement that really does not do a whole lot." Well, mine not only does much in this coming fiscal year by reducing the deficit by $8 billion more than the summit agreement, but in the 1991 fiscal year, because we showed just a little bit of restraint by freezing defense and discretionary programs in the 1991 fiscal year, our deficit reflects, according to the Congressional Budget Office, only a $70 billion deficit.

In other words, do a little heavy lifting today. Do today what you should not put off until tomorrow because that that we could not do in the first year of a new administration and the first year of a new Congress certainly is not going to be done in an election year, and I ask my colleagues to really cast this vote to provide a little leadership in their district to stop the articles from calling us Congressworld and saying how Congress does nothing.

My colleagues, let us show just a little bit of courage here, and let us vote for a program that has a more steady, and more guided and more fair approach to getting these deficits under control and moving us toward a balanced budget.

Mr. Chairman, in closing I want to thank the gentleman from California [Mr. PANETTA] for allowing me to have the time to offer the resolution and the gentleman from Minnesota [Mr. FRENZEL], both of them senior Members. I have great respect for both of them, and I have great respect for their work, and again I want to thank these two gentlemen for the opportunity to present maybe a little bit different direction.

Mr. Chairman, I yield back the balance of my time.

Mr. FRENZEL. Mr. Chairman, I yield back the balance of my time.

Mr. PANETTA. Mr. Chairman, just very briefly in closing the arguments here in opposition to the Kasich amendment, I first want to pay tribute to the gentleman from Ohio. He is a new member of the Committee on the Budget. He is serious-minded, he has approached the issues of the budget in a serious way, and he has tried to make a contribution here. As I said on the Black Caucus budget, any group, any individual, who comes here willing to put bold choices on the table deserves a lot of credit, because that is where we are going to have to go if we are serious about deficit reduction. While we were not willing to pass the Black Caucus budget to raise taxes or cut defense, the gentleman from Ohio [Mr. KASICH] is approaching it on the basis of a freeze on both domestic and defense. Although he works on the Committee on Armed Services and is dedicated to the security of the country, he is also willing to put defense on the table, and for that I pay tribute to him.

Mr. Chairman, my hope is that, when we ultimately get around to putting everything on the table, as we should, this approach should be part of that contribution. But in the absence of having everything on the table it is an unfair approach. Obviously, it violates the agreement that was worked out with the administration in providing less funding for defense, international affairs, and domestic discretionary spending. It doubles the cut in Medicare we had agreed to with the administration. It also, I think, is unfair in that it freezes programs targeted at low-income families in this country; obviously, if any group needs at least a small increase in terms of dealing with inflation, it is the people at the lowest end of the ladder.

Mr. Chairman, for all those reasons, while this amendment is a reflection of the dedication and commitment of the gentleman from Ohio [Mr. KASICH] to deficit reduction, in the context of not having everything on the table it becomes an unfair approach. For that reason, I would urge its rejection.

Mr. Chairman, I yield back the balance of my time.

Mr. PORTER. Mr. Chairman, the budget of the gentleman from Ohio is on the right track, but I can see the handwriting on the wall.

In each of the last 5 years, I introduced budget resolutions that resembled the gentleman from Ohio's.

By budgets froze spending by function at the previous year's level; all spending including defense, discretionary spending entitlements, everything.

My budgets used real numbers, including realistic interest rate assumptions and realistic growth projections.

My budgets played no favorites: They froze spending for everyone on the theory that the only fair and equitable way to reduce the deficit is to take a little from everyone and a lot from no one; to spread the inevitable pain of deficit reduction around.

If my budgets had been adopted 5 years ago, we would have no deficit today.

Last year, the Rules Committee finally let my budget come to the floor, as I anticipated, there was little support. Only 64 courageous members voted for it. Only 64 courageous members were willing to go back to their constituents and say "I was sent to Congress to make the tough choices and I did. I'm sorry if it hurts a little, but I'm thinking about our children and grandchildren and what is truly best for our country." Voting to increase spending is simple. Voting to cut spending is tough. But we were sent here to make the tough choices, and to take responsibility for the bottom line.

I have great respect for the gentleman from Ohio for introducing this budget.

It is a step in the right direction and a world-record long jump ahead of the Budget Committee's pitiful effort.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Ohio [Mr. KASICH].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. KASICH. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 30, noes, 393, answered "present" 1, not voting 10, as follows:

[Roll No. 41]

AYES—30

Ballenger	Hansen	Nielson
Bates	Herger	Oxley
Burton	Hiler	Pashayan
Chandler	Hunter	Petri
Crane	Kasich	Porter
Dannemeyer	Kyl	Ritter
DeLay	Livingston	Rohrabacher
DeWine	Lukens, Donald	Sensenbrenner
Fawell	McEwen	Shays
Gekas	Miller (OH)	Stenholm

NOES—393

Ackerman	Combest	Gephardt
Akaka	Conte	Gibbons
Alexander	Conyers	Gillmor
Anderson	Cooper	Gilman
Andrews	Costello	Gingrich
Annunzio	Coughlin	Glickman
Anthony	Courter	Gonzalez
Applegate	Cox	Goodling
Archer	Coyne	Gordon
Armey	Craig	Goss
Aspin	Crockett	Gradison
Atkins	Darden	Grandy
AuCoin	Davis	Grant
Baker	de la Garza	Gray
Barnard	DeFazio	Green
Bartlett	Dellums	Guarini
Barton	Derrick	Gunderson
Beilenson	Dickinson	Hall (OH)
Bennett	Dicks	Hall (TX)
Bentley	Dingell	Hamilton
Bereuter	Dixon	Hammerschmidt
Berman	Donnelly	Hancock
Bevill	Dorgan (ND)	Harris
Bilbray	Dornan (CA)	Hastert
Bilirakis	Douglas	Hatcher
Bliley	Downey	Hawkins
Boehlert	Dreier	Hayes (IL)
Boggs	Duncan	Hayes (LA)
Bonior	Durbin	Hefley
Borski	Dwyer	Hefner
Bosco	Dymally	Henry
Boucher	Dyson	Hertel
Boxer	Early	Hoagland
Brennan	Eckart	Hochbrueckner
Brooks	Edwards (CA)	Holloway
Broomfield	Edwards (OK)	Hopkins
Browder	Emerson	Horton
Brown (CA)	Engel	Houghton
Brown (CO)	English	Hoyer
Bruce	Erdreich	Hubbard
Bryant	Espy	Huckaby
Buechner	Evans	Hughes
Bunning	Fascell	Hutto
Bustamante	Fazio	Hyde
Byron	Feighan	Inhofe
Callahan	Fields	Ireland
Campbell (CA)	Fish	Jacobs
Campbell (CO)	Flake	James
Cardin	Flippo	Jenkins
Carper	Foglietta	Johnson (CT)
Carr	Foley	Johnson (SD)
Chapman	Ford (MI)	Johnston
Clarke	Ford (TN)	Jones (GA)
Clay	Frank	Jontz
Clement	Frenzel	Kanjorski
Clinger	Frost	Kaptur
Coble	Gallegly	Kastenmeier
Coelho	Gallo	Kennedy
Coleman (MO)	Garcia	Kennelly
Coleman (TX)	Gaydos	Kildee
Collins	Gejdenson	Kleczka
Kolbe	Oberstar	Smith (FL)
Kolter	Obey	Smith (IA)
Kostmayer	Olin	Smith (MS)
LaFalce	Ortiz	Smith (NE)
Lagomarsino	Owens (NY)	Smith (NJ)
Lancaster	Owens (UT)	Smith (TX)
Lantos	Packard	Smith (VT)
Laughlin	Pallone	Smith, Denny (OR)
Leach (IA)	Panetta	
Leath (TX)	Parris	Smith, Robert (NH)
Lehman (CA)	Patterson	
Lehman (FL)	Paxon	Smith, Robert (OR)
Leland	Payne (NJ)	
Lent	Payne (VA)	Snowe
Levin (MI)	Pease	Solarz
Levine (CA)	Pelosi	Solomon
Lewis (CA)	Penny	Spence
Lewis (FL)	Perkins	Spratt
Lewis (GA)	Pickett	Staggers
Lightfoot	Pickle	Stallings
Lipinski	Poshard	Stangeland
Lloyd	Price	Stark
Long	Pursell	Stearns
Lowery (CA)	Quillen	Stokes
Lowey (NY)	Rahall	Studds
Luken, Thomas	Rangel	Stump
Machtley	Ravenel	Sundquist
Madigan	Ray	Swift
Manton	Regula	Synar
Markey	Rhodes	Tallon
Martin (IL)	Richardson	Tanner
Martin (NY)	Ridge	Tauke
Martinez	Rinaldo	Tauzin
Matsui	Roberts	Thomas (CA)
Mavroules	Robinson	Thomas (GA)
Mazzoli	Roe	Thomas (WY)
McCandless	Rogers	Torres
McCloskey	Rose	Torricelli
McCrery	Rostenkowski	Towns
McDade	Roth	Traficant
McDermott	Roukema	Traxler
McGrath	Rowland (CT)	Udall
McHugh	Rowland (GA)	Unsoeld
McMillan (NC)	Russo	Upton
McMillen (MD)	Sabo	Valentine
McNulty	Saiki	Vander Jagt
Meyers	Sangmeister	Vento
Mfume	Sarpalius	Visclosky
Miller (CA)	Savage	Volkmer
Miller (WA)	Sawyer	Vucanovich
Mineta	Saxton	Walgren
Moakley	Schaefer	Walker
Molinari	Scheuer	Walsh
Mollohan	Schiff	Watkins
Montgomery	Schneider	Waxman
Moody	Schroeder	Weber
Moorhead	Schuette	Weiss
Morella	Schulze	Weldon
Morrison (CT)	Schumer	Wheat
Morrison (WA)	Sharp	Whittaker
Mrazek	Shaw	Williams
Murphy	Shumway	Wilson
Murtha	Shuster	Wise
Myers	Sikorski	Wolf
Nagle	Sisisky	Wolpe
Natcher	Skaggs	Wyden
Neal (MA)	Skeen	Wylie
Neal (NC)	Skelton	Yates
Nelson	Slattery	Yatron
Nowak	Slaughter (NY)	Young (AK)
Oakar	Slaughter (VA)	Young (FL)

ANSWERED "PRESENT"—1

Whitten

NOT VOTING—10

Bateman	McCollum	Pepper
Florio	McCurdy	Roybal
Jones (NC)	Michel	
Marlenee	Parker	

□ 1538

Messrs. CALLAHAN, ECKART, and HAYES of Louisiana changed their vote from "aye" to "no."

Mr. RITTER changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

□ 1540

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. GEPHARDT

Mr. GEPHARDT. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. GEPHARDT: Strike all after the resolving clause and insert in lieu thereof the following:

That the budget for fiscal year 1990 is established, and the appropriate budgetary levels for fiscal years 1991 and 1992 are hereby set forth.

MAXIMUM DEFICIT AMOUNTS

SEC. 2. The following levels and amounts in this section are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985, whether the maximum deficit amount for a fiscal year has been exceeded, and as set forth in this concurrent resolution, shall be considered to be mathematically consistent with the other amounts and levels set forth in this concurrent resolution:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $1,074,525,000,000.
Fiscal year 1991: $1,144,675,000,000.
Fiscal year 1992: $1,216,450,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,357,435,000,000.
Fiscal year 1991: $1,470,125,000,000.
Fiscal year 1992: $1,547,075,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $1,171,095,000,000.
Fiscal year 1991: $1,232,725,000,000.
Fiscal year 1992: $1,281,275,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $96,570,000,000.
Fiscal year 1991: $88,050,000,000.
Fiscal year 1992: $64,825,000,000.

RECOMMENDED LEVELS AND AMOUNTS

SEC. 3. (a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $785,325,000,000.
Fiscal year 1991: $831,775,000,000.
Fiscal year 1992: $884,350,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1990: $14,800,000,000.
Fiscal year 1991: $6,200,000,000.
Fiscal year 1992: $6,300,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1990: $69,925,000,000.
Fiscal year 1991: $75,200,000,000.
Fiscal year 1992: $79,900,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,067,685,000,000.
Fiscal year 1991: $1,157,800,000,000.

Fiscal year 1992: $1,214,050,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $951,020,000,000.

Fiscal year 1991: $1,001,075,000,000.

Fiscal year 1992: $1,040,400,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $165,695,000,000.

Fiscal year 1991: $169,300,000,000.

Fiscal year 1992: $156,050,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1990: $3,122,800,000,000.

Fiscal year 1991: $3,374,100,000,000.

Fiscal year 1992: $3,599,700,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991, are as follows:

Fiscal year 1990:

(A) New direct loan obligations, $19,025,000,000.

(B) New primary loan guarantee commitments, $107,325,000,000.

Fiscal year 1991:

(A) New direct loan obligations, $19,425,000,000.

(B) New primary loan guarantee commitments, $114,875,000,000.

Fiscal year 1992:

(A) New direct loan obligations, $19,150,000,000.

(B) New primary loan guarantee commitments, $119,700,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new primary loan guarantee commitments for fiscal years 1990 through 1992 for each major functional category are:

(1) National Defense (050):

Fiscal year 1990:

(A) New budget authority, $305,500,000,000.

(B) Outlays, $299,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $319,175,000,000.

(B) Outlays, $310,175,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $332,500,000,000.

(B) Outlays, $322,425,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1990:

(A) New budget authority, $18,300,000,000.

(B) Outlays, $16,700,000,000.

(C) New direct loan obligations, $1,775,000,000.

(D) New primary loan guarantee commitments, $6,425,000,000.

Fiscal year 1991:

(A) New budget authority, $18,100,000,000.

(B) Outlays, $16,575,000,000.

(C) New direct loan obligations, $1,800,000,000.

(D) New primary loan guarantee commitments, $6,675,000,000.

Fiscal year 1992:

(A) New budget authority, $18,850,000,000.

(B) Outlays, $16,675,000,000.

(C) New direct loan obligations, $1,850,000,000.

(D) New primary loan guarantee commitments, $6,950,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1990:

(A) New budget authority, $14,525,000,000.

(B) Outlays, $14,175,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $15,075,000,000.

(B) Outlays, $14,950,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $15,700,000,000.

(B) Outlays, $15,350,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1990:

(A) New budget authority, $6,500,000,000.

(B) Outlays, $4,230,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $6,025,000,000.

(B) Outlays, $3,950,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $4,375,000,000.

(C) New direct loan obligations, $2,250,000,000.

(D) New primary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1990:

(A) New budget authority, $17,278,000,000.

(B) Outlays, $17,628,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $17,875,000,000.

(B) Outlays, $18,275,000,000.

(C) New direct loan obligations, $75,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $18,550,000,000.

(B) Outlays, $18,600,000,000.

(C) New direct loan obligations, $75,000,000.

(D) New primary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1990:

(A) New budget authority, $18,050,000,000.

(B) Outlays, $14,975,000,000.

(C) New direct loan obligations, $10,050,000,000.

(D) New primary loan guarantee commitments, $5,400,000,000.

Fiscal year 1991:

(A) New budget authority, $20,350,000,000.

(B) Outlays, $16,350,000,000.

(C) New direct loan obligations, $10,225,000,000.

(D) New primary loan guarantee commitments, $5,475,000,000.

Fiscal year 1992:

(A) New budget authority, $21,075,000,000.

(B) Outlays, $15,725,000,000.

(C) New direct loan obligations, $9,675,000,000.

(D) New primary loan guarantee commitments, $5,425,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1990:

(A) New budget authority, $13,425,000,000.

(B) Outlays, $8,240,000,000.

(C) New direct loan obligations, $3,200,000,000.

(D) New primary loan guarantee commitments, $60,500,000,000.

Fiscal year 1991:

(A) New budget authority, $25,450,000,000.

(B) Outlays, $19,650,000,000.

(C) New direct loan obligations, $3,300,000,000.

(D) New primary loan guarantee commitments, $66,350,000,000.

Fiscal year 1992:

(A) New budget authority, $25,075,000,000.

(B) Outlays, $19,875,000,000.

(C) New direct loan obligations, $3,375,000,000.

(D) New primary loan guarantee commitments, $69,625,000,000.

(8) Transportation (400):

Fiscal year 1990:

(A) New budget authority, $30,004,000,000.

(B) Outlays, $29,054,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $30,550,000,000.

(B) Outlays, $29,750,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $31,700,000,000.

(B) Outlays, $30,825,000,000.

(C) New direct loan obligations, $50,000,000.

(D) New primary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1990:

(A) New budget authority, $7,267,000,000.

(B) Outlays, $6,834,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary loan guarantee commitments, $500,000,000.

Fiscal year 1991:

(A) New budget authority, $7,050,000,000.

(B) Outlays, $6,850,000,000.

(C) New direct loan obligations, $1,050,000,000.

(D) New primary loan guarantee commitments, $525,000,000.

Fiscal year 1992:

(A) New budget authority, $7,250,000,000.

(B) Outlays, $6,825,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $550,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1990:

(A) New budget authority, $44,580,000,000.

(B) Outlays, $39,948,000,000.

(C) New direct loan obligations, $25,000,000,000.

(D) New primary loan guarantee commitments, $13,125,000,000.

Fiscal year 1991:

(A) New budget authority, $43,375,000,000.

(B) Outlays, $42,500,000,000.

(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,550,000,000.
Fiscal year 1992:
(A) New budget authority, $44,325,000,000.
(B) Outlays, $43,800,000,000.
(C) New direct loan obligations, $25,000,000.
(D) New primary loan guarantee commitments, $13,850,000,000.
(11) Health (550):
Fiscal year 1990:
(A) New budget authority, $59,081,000,000.
(B) Outlays, $56,903,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $375,000,000.
Fiscal year 1991:
(A) New budget authority, $63,150,000,000.
(B) Outlays, $62,050,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
Fiscal year 1992:
(A) New budget authority, $69,350,000,000.
(B) Outlays, $68,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
(12) Medicare (570):
Fiscal year 1990:
(A) New budget authority, $123,850,000,000.
(B) Outlays, $100,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $136,250,000,000.
(B) Outlays, $112,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $149,550,000,000.
(B) Outlays, $127,825,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1990:
(A) New budget authority, $186,519,000,000.
(B) Outlays, $146,397,000,000.
(C) New direct loan obligations, $150,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $217,425,000,000.
(B) Outlays, $155,600,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $220,800,000,000.
(B) Outlays, $164,725,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1990:
(A) New budget authority, $5,450,000,000.
(B) Outlays, $5,425,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $4,250,000,000.
(B) Outlays, $4,250,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $4,975,000,000.
(B) Outlays, $4,950,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1990:
(A) New budget authority, $31,217,000,000.
(B) Outlays, $29,964,000,000.
(C) New direct loan obligations, $825,000,000.
(D) New primary loan guarantee commitments, $21,000,000,000.
Fiscal year 1991:
(A) New budget authority, $32,100,000,000.
(B) Outlays, $31,550,000,000.
(C) New direct loan obligations, $750,000,000.
(D) New primary loan guarantee commitments, $21,900,000,000.
Fiscal year 1992:
(A) New budget authority, $33,100,000,000.
(B) Outlays, $32,675,000,000.
(C) New direct loan obligations, $700,000,000.
(D) New primary loan guarantee commitments, $22,900,000,000.
(16) Administration of Justice (750):
Fiscal year 1990:
(A) New budget authority, $10,642,000,000.
(B) Outlays, $10,005,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $11,550,000,000.
(B) Outlays, $11,475,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $12,100,000,000.
(B) Outlays, $12,025,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1990:
(A) New budget authority, $10,072,000,000.
(B) Outlays, $9,692,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $10,425,000,000.
(B) Outlays, $10,250,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $10,900,000,000.
(B) Outlays, $10,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(18) Net Interest (900):
Fiscal year 1990:
(A) New budget authority, $197,550,000,000.
(B) Outlays, $197,550,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $214,150,000,000.
(B) Outlays, $214,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $226,650,000,000.
(B) Outlays, $226,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(19) Allowances (920):
Fiscal year 1990:
(A) New budget authority, $0.
(B) Outlays, −$19,275,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $0.
(B) Outlays, −$45,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $0.
(B) Outlays, −$65,925,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1990:
(A) New budget authority, −$32,125,000,000.
(B) Outlays, −$39,325,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, −$34,525,000,000.
(B) Outlays, −$34,875,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, −$35,000,000,000.
(B) Outlays, −$35,350,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

SENSE OF THE COMMITTEE ON THE BUDGET

SEC. 4. It is the intent of the Committee on the Budget of the House of Representatives that—

(1) Congress shall present the revenue portion of the reconciliation bill to the President at the same time as the spending reduction provisions of the reconciliation bill; and

(2) the specific measures composing the governmental receipts figure will be determined through the regular legislative and constitutional process, and agreements reached between the administration and the Committee on Ways and Means on revenue legislation reconciled pursuant to this agreement will be advanced legislatively when supported by the President of the United States.

RECONCILIATION

SEC. 5. (a) Not later than June 30, 1989, the committees named in subsections (b) and (c) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

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HOUSE COMMITTEES

(b)(1) The House Committee on Agriculture shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $1,172,000,000 in budget authority and $1,092,000,000 in outlays in fiscal year 1991, $1,172,000,000 in thority and $1,155,000,000 in outlays in fiscal year 1991, and $1,17,072,000,000 in budget authority and $1,055,000,000 in outlays in fiscal year 1992.

(2) The House Committee on Banking, Finance, and Urban Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(C)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $587,000,000 in outlays in fiscal year 1990, 0 in budget authority and $519,000,000 in outlays in fiscal year 1991, and 0 in budget authority and $591,000,000 in outlays in fiscal year 1992.

(3) The House Committee on Energy and Commerce shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $399,000,000 in budget authority and $2,699,000,000 in outlays in fiscal year 1990, $413,000,000 in budget authority and $2,713,000,000 in outlays in fiscal year 1991, and $426,000,000 in budget authority and $2,726,000,000 in outlays in fiscal year 1992.

(4) The House Committee on Interior and Insular Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $399,000,000 in budget authority and $399,000,000 in outlays in fiscal year 1990, $413,000,000 in budget authority and $413,000,000 in outlays in fiscal year 1991, and $426,000,000 in budget authority and $426,000,000 in outlays in fiscal year 1992.

(5) The House Committee on Merchant Marine and Fisheries shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1990, $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1991, and $200,000,000 in budget authority and $200,000,000 in outlays in fiscal year 1992.

(6) The House Committee on Post Office and Civil Service shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1990, $0 in budget authority and $500,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $500,000,000 in outlays in fiscal year 1992.

(7) The House Committee on Veterans' Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $445,000,000 in budget authority and $678,000,000 in outlays in fiscal year 1990, $485,000,000 in budget authority and $752,000,000 in outlays in fiscal year 1991, and $565,000,000 in budget authority and $791,000,000 in outlays in fiscal year 1992.

(8)(A) The House Committee on Ways and Means shall report (i) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (ii) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (iii) any combination thereof, as follows: $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1990, $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1992.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to increase revenues as follows: $14,300,000,000 (derived from a national energy security program including import fees of $5.00 per barrel on crude oil and $5.50 per barrel on imported petroleum products) in fiscal year 1990, $5,300,000,000 in fiscal year 1991, and $5,300,000,000 in fiscal year 1992.

(C) In addition to the above instructions, the House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to reduce the deficit as follows: $400,000,000 in fiscal year 1990, $400,000,000 in fiscal year 1991, and $400,000,000 in fiscal year 1992.

SENATE COMMITTEES

(c)(1) The Senate Committee on Agriculture shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $1,172,000,000 in budget authority and $1,092,000,000 in outlays in fiscal year 1990, $1,172,000,000 in budget authority and $1,155,000,000 in outlays in fiscal year 1991, and $1,072,000,000 in budget authority and $1,055,000,000 in outlays in fiscal year 1992.

(2) The Senate Committee on Banking, Housing, and Urban Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $50,000,000 in budget authority and $637,000,000 in outlays in fiscal year 1990, $50,000,000 in budget authority and $569,000,000 in outlays in fiscal year 1991, and $50,000,000 in budget authority and $641,000,000 in outlays in fiscal year 1992.

(3) The Senate Committee on Commerce, Science, and Transportation shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1990, $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1991, and $250,000,000 in budget authority and $250,000,000 in outlays in fiscal year 1992.

(4) The Senate Committee on Environment and Public Works shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $299,000,000 in budget authority and $299,000,000 in outlays in fiscal year 1990, $313,000,000 in budget authority and $313,000,000 in outlays in fiscal year 1991, and $326,000,000 in budget authority and $326,000,000 in outlays in fiscal year 1992.

(5) The Senate Committee on Energy and Natural Resources shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1990, $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1991, and $100,000,000 in budget authority and $100,000,000 in outlays in fiscal year 1992.

(6) The Senate Committee on Governmental Affairs shall report (A) changes in laws

within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $1,100,000,000 in outlays in fiscal year 1990, $0 in budget authority and $500,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $500,000,000 in outlays in fiscal year 1992.

(7) The Senate Committee on Veterans, Affairs shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $445,000,000 in budget authority and $678,000,000 in outlays in fiscal year 1990, $485,000,000 in budget authority and $752,000,000 in outlays in fiscal year 1991, and $565,000,000 in budget authority and $221,000,000 in outlays in fiscal year 1992.

(8)(A) The Senate Committee on Finance shall report (i) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (ii) changes in laws within its jurisdiction which provide spending authority other than as defined in section 401(c)(2)(C) of the Act, sufficient to reduce budget authority and outlays, or (iii) any combination thereof, as follows: $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1990, $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1991, and $0 in budget authority and $2,300,000,000 in outlays in fiscal year 1992.

(B) The Senate Committee on Finance shall report changes in laws within its jurisdiction sufficient to increase revenues as follows: $14,300,000,000 (derived from a national energy security program including import fees of $5.00 per barrel on crude oil and $5.50 per barrel on imported petroleum products) in fiscal year 1990, $5,300,000,000 in fiscal year 1991, and $5,300,000,000 in fiscal year 1992.

(C) In addition to the above instructions, the Senate Committee on Finance shall report changes in laws within its jurisdiction sufficient to reduce the deficit as follows: $400,000,000 in fiscal year 1990, $400,000,000 in fiscal year 1991, and $400,000,000 in fiscal year 1992.

The CHAIRMAN. Under the rule, the gentleman from Missouri [Mr. GEPHARDT] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

Mr. PANETTA. Mr. Chairman, I rise in opposition to the amendment and would like to yield 15 minutes of my time in opposition to the gentleman from Minnesota [Mr. FRENZEL] and I ask unanimous consent that he be able to yield his time.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. PANETTA] will be recognized for 15 minutes in opposition to the amendment, and the gentleman from Minnesota [Mr. FRENZEL] will be recognized for 15 minutes in opposition to the amendment.

The Chair recognizes the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chairman, I add my voice of admiration for the work of the chairman and the ranking member and the members of the Budget Committee who I think have done a fine job under extremely difficult circumstances. But my conclusion is that the Budget Committee has produced an agreement with the administration which is simply not good enough. We can do better. I think this alternative budget is better, and I think it is because first it deals with some spending priorities and meeting some challenges that I think as a country we need to meet in the next year.

In the last few years in traveling around the country I have met with a lot of different people and talked to them about the problems that they have faced. I am sure my colleagues have done the same thing.

I have met kids locked in schools in my town in St. Louis and in the Bronx because the school officials could not let them out on the playground because they would meet crack dealers who would give them drugs to get them hooked on drugs. Then after school the parents picked them up and took them home and locked them in their apartments or in their houses because they cannot afford to have them out on the streets, because they will be given crack which they will become addicted to.

I met workers who had good paying jobs earning $10, $12, $15 an hour who lost their jobs and had no way of getting retraining so that they can find a job where they can make a decent living.

I met some of the kids who form the 28 percent of our youngsters who are not going to get their high school degree because we have failed and refused to fund the Head Start Program so that kids who are born in difficult situations have a chance to get an education in this country. Eighteen percent of kids who are eligible for Head Start are in a Head Start Program. If we adopt this budget, 50 percent who are eligible will be able to be in a Head Start Program.

I could go on and on with other spending priorities that are presented with this budget. I do not have time to go through it all, but I urge Members as they consider this alternative to look at these priorities and to think in their own minds of where this country is headed in the next 5 or 10 years in terms of human potential and human capital, in terms of being a competitive force, an economic strength and a world leader of democracy.

How ironic it would be as Russia and Red China begin to look to democracy and freedom that the symbol of freedom and democracy should be declining economically, which I believe we are, and I believe many of my colleagues also think so.

So this is a budget that tries to address these priorities honestly in training, in education, in Medicare and in the various programs that are addressed.

But I want now to go to not just the spending side. We spend about $6 billion on these things, but we raise $9 billion. So we reduce the deficit by $3 billion, not a big deal, but every billion counts.

I would like to talk about the other side of the equation: How is the money picked up. The money is picked up by an oil import fee. It will add 10 cents a gallon at the pump, it will add 10 cents to home heating oil, and it will probably add 10 cents to whatever measure of natural gas, or coal, or other energy supplies that we use. So it is a tax, it is revenue, it is whatever we want to call it. But to me it is a way of raising revenue that compliments and fits in with the entirety of this budget to make this country strong again, to meet one of the major challenges that our country faces.

On my chart here Members can see what has happened to consumption of oil in the last 6 years and see what has happened to production. Production has gone down precipitously, and consumption is going back up to mid-1970 levels. What it means is that we do not have an energy policy, folks, and therefore we are becoming vulnerable and dependent on other countries for energy.

Here on the chart we see the consumption in the United States of foreign oil and foreign energy products. Back in 1984 it was 31 percent. Now it is 43 percent, and experts say that by 1992 our consumption of foreign oil will be at 60 percent of all that we use. If we refuse to have an energy policy that is based on a foundation of price, we will never deal with this problem. We can give incentives to the oil companies, we can do all kinds of things in the Tax Code, but the truth is we will never do anything about this until we are ready to deal with the equation of price.

In the next chart, as the result of that, the imports from OPEC countries go from where they were in 1981, and they went way down as we began to conserve energy and import less of it, and now we are going up to 2200. I just ask my colleagues to think about the consequences of this, therefore,

for the security of the Nation, for our Middle East policy, for where we are headed in all of those issues in the future.

On the last chart we show where we wind up in production in the United States, which was shown again by the first chart. When we look at the number of rigs in operation in the United States, whereas we had almost 4,000 or over 4,000 back in 1981, today we have 780 rigs operating in the United States.

We had an oil spill the other day in Alaska, and everybody screamed and yelled about it, as they should have. If we do not get an energy policy, we will continue to explore in environmentally sensitive areas, because that is where the readily available supplies of oil are.

So if Members are worried about the economy, if they are worried about energy, if they are worried about foreign policy independence, if they are worried about the environment, I think an oil import fee is a policy that makes sense.

□ 1550

I want to conclude by again saying that the Budget Committees and especially the chairman did a good job. But they would say and I think everybody in this body would say that this is a slide-by budget. What every one of us has to ask ourselves as we vote is: Is slide-by good enough?

People say next year we are going to do better. And I hope we do. I think you have to ask the question: Are we really going to do better in an election year? Are we going to make more cuts, raise revenues in an election year?

Maybe slide-by will be slit-by next year. And how many years are we going to continue to slide by, to not meet these priorities, to not fund these challenges, to not have an energy policy in this country that is worthy of its name?

I do not think we can slide by any more. Somebody once told me if you put a bunch of frogs in a pot, put it on the stove and turned the heat way up, all the frogs will jump out. But if you put the same frogs in the same pot on the same stove and just turn up the heat a little bit every year, they will just stand there and cook. I do not want to stand there and cook. I do not think you do either. I do not think you want our constituents to.

This is a time to stand up for what you know is right and to say that we can do better. And now is the time to do it.

We do not need leaders when the problems are there. We need leaders now when the problems are apparent.

You can stand up and lead today by saying, "Yes, you can count me in to stand up for the economic strength and for the human capital of our country."

Mr. FRENZEL. Mr. Chairman, I yield 8 minutes to the distinguished gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, once again, I stand on the floor of this House, forced to defend simple sanity.

If I proposed a budget amendment to cut our GNP, raise inflation, increase interest rates, damage our competitiveness, worsen the budget deficit, reward polluters and wipe out hundreds of thousands of jobs a year, I'd be laughed off the floor.

But today one of our most respected Members, DICK GEPHARDT, introduced that amendment in the form of an oil import fee, and other Members stood up to applaud him for it.

Now, I like some of the gentleman's spending ideas. Job training, education, Medicare, the Low Income Household Energy Assistance Program—this House has no stronger defender of those programs than me.

But you do not help our workers and low-income families by foisting a regressive, burdensome, inflationary tax on them! That doesn't make sense!

Just 2 months after the worst oil spill in our history, even as big oil takes advantage of that spill to raise gas prices, we're asked to take money from our poorest families and give it to the oil companies. What gives?

I've seen this vampire crawl out of the coffin again and again, trying to suck the blood out of our industry and consumers. We've shown it the cross again and again, trying to keep it at bay. This time let's drag it out into the sun and put a stake through its heart.

Its supporters say it would raise revenues for deficit reduction and for social spending.

They say it's the best way to reduce dependence on foreign oil. They say it would reduce the budget deficit. They say it would reduce the trade deficit. And they say it would protect us against an oil shock.

I keep waiting for Joe Isuzu to show up!

First, the "new revenues" argument. Of course it would give us new revenues. Any new tax would.

But this one is a wildly regressive tax which would punish, not help our low-income families.

Second, "dependence on foreign oil". As someone who served in this body during the Arab oil embargo of the early 1970's, I don't need a lecture on it. But Mr. Chairman, putting 400,000 people out of work won't help anyone. The gentleman from Missouri knows that.

Third, some people argue that taxing imported oil will reduce the trade deficit. That's just wrong.

Our trade problem is not with the oil-producing countries this amendment would hurt—Third World friends like Nigeria and Indonesia—but with oil—consuming countries like Japan and Korea.

In fact, by raising our manufacturing costs, this bill would make our goods less competitive and worsen our trade problems.

Fourth, the budget deficit. My good friend is wrong on this issue too. Yes, it will raise revenues this year. But it will reduce GNP and cut revenues in the long run.

Over 6 years, according to a Data Resources Inc. study, it will increase the budget deficit by $6 billion. A new tax that will increase the deficit!

Finally, the strangest argument of them all.

Serious people have told me that this tax would insure us against an oil shock.

Now, just what is an oil shock? It's when the price of oil goes up quickly, raising the cost of manufacturing and making consumers pay more for their gas. Mr. Chairman, that is just what this bill is! It's an oil shock in itself! It doesn't insure us against another one in the future—it inflicts one on us now!

That's what the bill is not. It's not a money tree. It's not a magic budget deficit wand. It's not a trade deficit miracle cure, or a way to defeat the foreign devils. Now, let me tell you what it is.

It's a burden on our low- and middle-income families. Families who do not qualify for energy assistance. Families struggling to pay their bills, maybe save a few dollars for retirement.

It's a gift to our trade competitors. What do you think they'll be doing in Japanese boardrooms when they hear that we're passing a bill to raise our manufacturing costs? They'll be howling at us!

It's an injustice. It would be a disaster for the Northeast. A disaster, may I say, which comes at the same time we'll be pitching in to help our oil-producing friends clean up their savings and loan mess.

But this isn't a North-South issue, or an East-West issue. Let me tell you what this tax would do to some other States.

It would cost Alabama $357 million every year. Arizona would lose $310 million every year. Hawaii, almost $200 million. Pennsylvania would lose over a billion every year. My own State of Massachusetts would lose $748 million a year. Forty-two out of fifty States will see their economies shrink. Forty-two!

Above all, Mr. Chairman, it is a job killer. When the GNP falls, when our manufacturing industries take yet another body blow, when interest rates go up—jobs go away. This tax, according to the Department of Energy, would cost our country 434,000 jobs every year for the next 5 years!

Mr. Chairman, why would anyone do that to our country? To our economy? To our people?

This is what my dear friend calls a national energy policy. Does that mean he thinks the budget deficit is a national economic policy?

This tax is a shot in the arm for Exxon and the rest of the big oil companies. But it's a shot in the foot for Congress, and a shot in the gut for the country. It is a bad, bad idea, Mr. Chairman.

I urge all my colleagues to vote no on the Gephardt amendment.

Mr. GEPHARDT. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Missouri.

Mr. GEPHARDT. I thank the gentleman for yielding.

Mr. Chairman, I would like to ask my friend how he explains that gasoline and energy products in Japan are $3 a gallon and they are about $1.20 here and they seem to be faring pretty well, as I understand it, in the international competition.

Mr. CONTE. There is no doubt about that. But he realizes it even more than I do because he is a trade expert, that in Japan the Government is running everything, the Government is running the banks, the Government is running the industries, and they take care of their people.

But here we do not have that same type of government that you have in Japan. You do not have that kind of subsidy that they give to industry in Japan.

Do you know what would happen here? If you put a $5 per barrel tariff on oil, imported oil, 80 percent of it comes to the Northeast, with a $5 tariff do you know what the oil companies are going to do? Do you know what Exxon is going to do? They are going to raise their oil $5 a barrel and you are going to subsidize Exxon who caused that oilspill up there in Alaska. No way, no way.

Mr. GEPHARDT. Does the gentleman believe energy prices will not be raised in my own State of Missouri or in the Midwest? Do you think the Northeast States are different from the other States?

Mr. CONTE. If you want to raise your prices in Missouri, you go ahead but do not do it to New England. We gave you a good welcome up there. Go to New Hampshire in 4 years and they will drive you out.

Mr. GEPHARDT. I thank the gentleman for his political advice.

Mr. Chairman, I yield 2½ minutes to the gentleman from Texas [Mr. FROST].

□ 1600

Mr. FROST. Mr. Chairman, I rise in support of the amendment and commend the gentleman from Missouri for offering this proposal.

There is nothing complicated about the measure. It seeks to further reduce our national deficit and more adequately fund critical domestic initiatives by raising revenues through a fee on imported crude oil and other petroleum products. It promises to strengthen us domestically by providing revenue to priority programs, and strengthen us internationally by addressing the dangerous increase in our dependence on foreign sources of oil.

The instinct of some of my colleagues may be to react unfavorably to any measure calling for an oil import fee. I ask, however, that you look very closely at this amendment and consider it in the context of our responsibility to better fund programs critical to the well-being of working families, critical to the health of the elderly, critical to the educational opportunities of students, and critical to the very survival of low-income citizens who have suffered most during the Reagan years.

The amendment will increase revenues in fiscal year 1990 by at least $9 billion. This provides at least $3 billion more in deficit reduction than the budget resolution. It provides funding for Medicare, education, basic and applied scientific research, export promotion and rural economic development in amounts greater than those called for in the budget resolution. It allows us to meet, rather than ignore, the challenge to invest our resources in programs that will sustain and improve American competitiveness.

I know I am not alone in wanting these initiatives adequately funded. I hope, and I expect, that there is general agreement that we must make progress in these areas. However, to make progress, we must have the imagination and the courage to come up with new revenues. The amendment before us provides the new revenue through a fee, or tax if you will, on crude oil and other petroleum products coming into the United States from foreign sources.

The amendment instructs the House Ways and Means Committee and the Senate Finance Committee to raise $9 billion in revenue through a $5 per barrel national security fee on imported oil, $5.50 on imported petroleum products. This will be a new, steady source of revenues with which to strengthen and rebuild our domestic economy. At the same time, however, an import fee of this type will serve to correct distortions in world energy markets that have made us dangerously dependent upon foreign oil.

One has only to look at the numbers to see how increasingly dependent our Nation has become on imported oil. In 1985, oil imports represented a little over 30 percent of our domestic consumption. Today we are importing over 43 percent of our domestic petroleum needs. And, this situation could worsen in the years ahead due to a serious decrease in domestic exploration activity.

The key indicator of U.S. petroleum development activity—the number of active drilling rigs—has been declining dangerously. In 1981, the number of active rigs was 3,970, by 1988 that number had fallen to only 936. This most recent trend, combined with increasing domestic energy consumption, provides little hope that we will be able to lower imports without taking firm, decisive steps.

Mr. Chairman, this amendment allows us to respond to current vital domestic needs as well as prepare for and preempt a national energy shortage that could threaten our security. It is aggressive, creative, and responsive to our needs. I urge all of my colleagues to join me in support of the amendment.

Mr. GEPHARDT. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I thank the gentleman from Missouri for yielding. I rise in support of the Gephardt substitute. I thank the gentleman for proposing it and giving us an opportunity to vote on it, and I especially appreciate his sensitivity on the AIDS issue.

Mr. PANETTA. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. WOLPE].

Mr. RUSSO. Mr. Chairman, I yield 30 seconds to the gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. Mr. Chairman, I rise in strong opposition to the substitute offered by my good friend from Missouri Mr. [GEPHARDT]. I commend the gentleman for his concern about the energy security of the Nation. I expect what he is attempting to accomplish, and I certainly agree with his spending priorities. However, there are more equitable ways to promote energy security than an oil import fee. I would like to make three points in the time available to me.

First, an oil import fee is inherently unfair. By raising the price of imported oil, you raise the price of domestically produced oil as well. The economies of oil consuming States get hit with major energy price increases, while the economies of energy producing States enjoy a windfall. The effect of a $5 per barrel oil import fee would be to shift billions of dollars from the economies of oil consuming States to the petroleum-based economies of a handful of oil producing States. It is difficult to determine the impact of the recapture provision that Mr. GEPHARDT has proposed, but in general terms a $5 fee would shift $10 billion a year out of the economies of the 10 largest consuming States, while providing a net gain of about $6 billion to

the economies of the 9 producing States.

Second, I would like to emphasize that this is not just a regional issue. As cochair of the Northeast-Midwest Coalition I am obviously concerned about the impact on our region. However, his fee would also fall heavily upon the consumers of Florida, California, Georgia, Hawaii, North Carolina, Washington, and many other States across the Nation.

And third, Mr. GEPHARDT has proposed a $730 million increase in the Low Income Home Energy Assistance Program to help offset the impact of the $5 fee on the poor. While I strongly support increased funding for the LIHEAP Program, this increase would not even come close to offsetting the impact of the fee. Analysis reveals that a $5 oil import fee would drain $718 million a year from the economy of my State, Michigan. Based upon historical funding patterns, Michigan would receive approximately $41 million of the proposed LIHEAP increase, which would not even begin to offset the impact on low-income consumers in my State.

An oil import fee makes no sense in terms of either energy policy or tax policy. I urge my colleagues to oppose the Gephardt substitute.

Mr. GEPHARDT. Mr. Chairman, I yield 2½ minutes to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Chairman, I rise in support of the Gephardt amendment, and I hope that what we are doing here today is basically saying that we need a referendum on our national energy policy. I do not suspect that this legislation right now will pass. It has been drafted late. It is a good piece of legislation. The grassroots has not spoken out yet, the editorialists, many who favor this, have not spoken out yet. So I think, if anything, I hope that this vote sparks a referendum on a national energy policy which we do not have.

An oil import fee would be raising revenue. It would improve energy conservation. It would do something about national security and reduce our dependence on the Persian Gulf, and it would do something positive about our trade deficit.

What we have here is an opportunity, also, to raise revenues by $9 billion. I think what is important here is that it not become a regional battle, as colleagues from the Northeast try to do. How do those Members think we in the Southwest feel about the talk about gasoline prices? Distances are important to the Southwest also. If Members try to foist a gasoline tax and a tax hike in that area, that hurts the Southwest enormously.

Members say an oil import fee does the same to them. Perhaps in the future we can combine both of these. We realistically have to look at some new revenues. What this vote will do, hopefully, is stop the Pandora's box and say not only do we need to raise some new revenues to do something about the deficit, but we need a new national energy policy. We do not have one at all. We need to focus on it. Hopefully, the vote will lead Members in that positive direction.

Gephardt substitute to House Concurrent Resolution 106, deficit reduction plan

	Billions
New revenue gain (above committee mark) Oil Import Fee Program	$9.0
New fiscal year 1990 outlays (above committee mark) (see below for selected programs)	−5.845
Additional deficit reduction	3.155
Net deficit reduction	30.855
Deficit (fiscal year 1990 under Gephardt plan)	96.57

Program priorities

	Millions
The Gephardt proposal would increase the outlays for the following selected programs:	
Full funding of omnibus drug bill (including education, treatment, prevention, and law enforcement programs)	$668
Medicare	2,550
Head Start and job training programs	867
EPA operations/global warming research	100
National Institutes of Health research/AIDS research	150
Low Income Home Energy Assistance Program	730
Rural economic development	51
Veterans programs	150
Energy conservation plan/home weatherization	430
National Science Foundation	100
Advanced technologies/Foreign Commercial Service	150
Mass transit programs	10

[From the New York Times, May 4, 1989]

SAUDI KING SEES FURTHER RISE FOR OIL

(By Yussef M. Ibrahim)

PARIS.—King Fahd of Saudi Arabia predicted today that oil prices would rise to $26 a barrel by the end of the year. He also said he favored a policy of restrained oil output that would bolster prices.

The price of oil has risen more than 50 percent in the last six months and now stands at about $20 a barrel for West Texas Intermediate crude oil, the American benchmark. Retail gasoline prices have also climbed. Today, energy prices were up modestly.

The statement by King Fahd is the first time the Saudis have mentioned a specific price higher than the $18-a-barrel level that they have defended since 1985 as the ideal price for oil produced by the Organization of Petroleum Exporting Countries.

The statement appeared to indicate a change in Saudi policy, which for four years has favored lower oil prices. The Saudis had enforced that view by increasing their oil output whenever prices flared up.

STATEMENT FROM KING

In an interview published today in the Kuwaiti newspapers Al Siyassah and Arab Times, King Fahd was quoted as saying: "I expect oil prices to reach $26 at the beginning of the next year, provided production ceilings are strictly adhered to. I am sure oil prices will remain good and are on their way to improving further."

Hisham M. Nazer, the Saudi oil minister, said in a telephone interview tonight that the King "means to stress that a commitment by all oil producers to their production quotas will allow the natural balance of supply and demand to work."

"The natural increase of demand for oil which we witness will eventually raise prices up as the King noted," Mr. Nazer said.

He added that the King does not "want the price raised to $26 by reducing production or anything like that."

The Saudi monarch is the primary decision maker on Saudi oil policy.

In the interview, the King seemed to oppose demands from some oil producers to increase oil output and he also strongly denied rumors that have suggested that the Saudis were producing more than their OPEC-mandated quota of 4.5 million barrels a day.

'COMMITTED TO OUR CEILING'

"Violating production quotas is not in the interest of the Kingdom and similarly not in the interest of other producing countries whether they are in OPEC or not," the King said in the interview. "We are committed to our ceiling and will not violate OPEC decisions."

A number of oil industry newsletters have said Saudi Arabia is exceeding its quota by at least 400,000 barrels a day. But an Arab oil industry official in Saudi Arabia, who asked not to be identified, said any excess was going into storage instead of being sold on the oil market.

Saudi officials have repeatedly said that they would insist on retaining the Saudi share of OPEC production, which is about 24 percent.

The Saudi statement came amid increasing resistance by Saudi Arabia to demands by other oil producers in the Persian Gulf region, notably Kuwait and the United Arab Emirates, for higher production quotas.

The Saudis have repeatedly opposed such demands, arguing that more production would undercut the current strength in oil prices.

Part of the Saudis' reasoning is that the rise in oil prices is not necessarily a reflection of higher demand for oil but rather of unusual circumstances. These include supply-disruption problems like the spill from the Exxon Valdez oil tanker in Alaskan waters and several accidents on North Sea oil production platforms in recent weeks.

OPEC is scheduled to meet in early June to discuss its production and pricing policies.

[From Time Magazine]

STEP ON THE GAS, PAY THE PRICE

(By Barbara Rudolph)

"We're really living with a false sense of security," warns George Mitchell, an independent Houston oilman. "We're heading for deep trouble." What provokes Mitchell's dire prediction is the shriveled condition of the U.S. oil-drilling industry, which he believes has made the country seriously vulnerable to a future energy emergency. "We're losing ground faster than we might have predicted even a few months ago," he says. Adds John Watson, another Houston oilman: "All the people have left, rigs have been dismantled, the financial industry has turned its back on oil and gas. It would take an all-out crusade to come back."

Not everyone is quite so gloomy, but the current brisk run-up in oil prices serves as a reminder that the U.S. energy supply is increasingly under the influence of outside forces. During March commodities traders bid the price of oil above the $20-a-bbl. threshold for the first time in 17 months. Last week the futures price of West Texas Intermediate, the benchmark U.S. crude, reached $20.15 a bbl., up some 50% since last October. The rally largely reflects an unexpectedly successful campaign by members of the Organization of Petroleum Exporting Countries, along with several non-OPEC countries, to curb their output and reduce the world's oversupply. Since early January, OPEC production has fallen about 3.5 million bbl. a day, to some 19 million.

While the price of petroleum is still a long way from its $35-a-bbl. peak in 1981, the U.S. is sliding back to a level of dependence on foreign sources not seen since the oil-shock days of the 1970s. January petroleum imports averaged 8.1 million bbl. a day, up almost 21% from a year ago and surpassing domestic production (8 million bbl.) for the first time in more than a decade. The import surge has hampered efforts to shrink the U.S. trade deficit, and rising prices have aggravated inflationary pressure.

As if the 1970s were only a bad dream, consumers have been content to step on the gas. Sales of light trucks and four-wheel-drive vehicles, which generally guzzle more fuel than autos, have set U.S. sales records for four of the past five years. Small wonder: the price of gasoline adjusted for inflation, is at its 1965 level. Among customers choosing a recreational vehicle, says Bill Jocoy, a saleman at Northwoods RV Supermarket in Lansing, Mich., mileage per gallon ranks only fifth or sixth among their priorities, after color and floor plan.

The long stretch of low oil prices during the 1980s has discouraged U.S. exploration and consumption. Only 740 drilling rigs were operating in the U.S. last week, down from 943 a year ago and a far cry from the 4,500 functioning rigs in late 1981. Exxon's spending on domestic drilling dropped nearly two-thirds from 1985 to 1987, to $333 million. Oil experts estimate that prices will have to stabilize at no less than $25 a bbl. to encourage a drilling resurgence in the U.S. Many American oil companies have boosted their exploration overseas, where finding oil typically costs $1.50 to $2 less per bbl. than in the U.S.

What would happen if foreign producers cut off the U.S. supply of crude, as OPEC did in the 1970s? In the short run, the U.S. would not experience dire shortages. A Commerce Department study found that in the event of war, the country's demand for fuel could be met by domestic production and the Strategic Petroleum Reserve. Created 13 years ago, the reserve is now up to 515 million bbl., equivalent to about three months' total consumption, stored in salt caverns along the Gulf Coast of Texas and Louisiana.

The Government study concluded, however, that if foreign supplies were cut off oil prices would quickly skyrocket, inevitably sending the economy into a tailspin. Because production takes years to gear up, the U.S. petroleum industry could not fully make up the slack of the lost imports. Says John Boatwright. Exxon's chief domestic economist. "It's not a garden hose you can turn on and off."

Washington is showing renewed interest in measures that would encourage oil companies to produce more and consumers to use less. One proposal is to increase incentives to the oil industry, which has moved its production overseas partly because tax breaks for U.S. drilling have declined in recent years. Another resurgent idea, which appeals to legislators primarily as a means of cutting the budget deficit, is to increase the 9% federal gasoline tax by anywhere from 5¢ to 50¢.

Opening up more federal land to oil exploration would be another way to bolster the energy industry. Earlier this month the Senate Committee on Energy and Natural Resources approved legislation to allow drilling in Alaska's Arctic National Wildlife Refuge. Experts believe the field may hold enough oil to supply U.S. needs for about 20 months. But the bill will face fierce opposition from conservationists who argue that drilling could destroy caribou, polar bears and other wildlife. Opoosition could be bolstered by last week's Alaskan oil spill.

Even if the Arctic Refuge is developed, the U.S. will remain in the position of a hungry consumer with a relatively small larder. The Persian Gulf now holds two-thirds of the world's proven oil reserves. The U.S. share is less than 3%, while its annual consumption has reached nearly 30% of world-wide usage. Those sobering figures are reason enough for the U.S. to avoid gas-gulping habits that would bring on another painful awakening.

[From the Baltimore Sun, Apr. 25, 1989]

OIL AND SECURITY

With the price of oil spurting to three-year highs (though lower yesterday), the Bush administration is slowly coming around to the notion that the United States needs a credible energy policy. It is even contemplating oil import fees to spur domestic production, and may in time have to consider higher gasoline taxes. This might appear to be pursuit of the obvious, but it contradicts President Bush's past rhetoric. Reality is closing in.

While the current surge shows the sensitivity of the oil futures market to the Exxon Valdez tanker spill and a platform explosion that took out a quarter of British North Sea oil output, it is a temporary phenomenon. World production capacity is currently 6 to 8 million barrels a day in excess of demand. What is not temporary is the long-term dependency of the industrial democracies on oil supplied by an uncharitable OPEC cartel.

Saudi Arabia's former oil minister, Ahmed Zaki Yamani, predicts that Persian Gulf producers will supply 75 percent of the world's oil exports by the mid-1990s. Today they account for 45 percent. We submit these chilling figures are as menacing to free world security as Soviet arms. Yet the Reagan administration meandered through eight years of seductively low energy prices, and as yet the Bush administration has shown scant urgency.

Mr. Bush's laid-back reaction to the Alaskan disaster gave environmentalists the chance they craved to block oil exploration and drilling in the Arctic Natural Wildlife Refuge. Now the administration is going to have a hard time convincing the country that if U.S. oil doesn't come from Alaska, it will have to be hauled here by tankers carrying foreign oil. So ecological risks will remain.

With the public still sensitized against nuclear energy (note Long Island's still-born Shoreham plant), the United States cannot count on any quick relief from its oil dependence. So it is condemned to OPEC oil prices just cleverly high enough to discourage expensive domestic production and to oil imports that boost the trade deficit.

What must the nation do to manage this dependence? Tap its own cost-competitive resources. Develop energy alternatives with Carter-era zeal. Promote arrangements with Mexico, Canada and Venezuela to insure supply by guaranteeing these neighbors market share. Define an overall energy policy that will safeguard the nation's security.

What has happened in Alaska and the North Sea is calamity enough. There is no need to compound it by ignoring its message.

[From the Los Angeles Times, Mar. 10, 1989]

NEED FOR NATIONAL ENERGY POLICY

The Times editorial "Guzzling Oil" (Feb. 20) correctly warns of the dangers facing this nation in its steadily increasing reliance on imported oil, amounting to 45% of total petroleum consumption in January.

To cope with the rising menace of oil imports, The Times recommends adoption of a national energy policy that includes conservation by users and development of alternate energy sources.

Unfortunately, those measures—even if instituted promptly—are not sufficient to assure gasoline enough to keep automobiles rolling, industrial machinery producing and electric power plants operating. What is urgently needed now is a meaningful "Declaration of Energy Independence."

There are effective measures that are readily available to reduce our precarious reliance on overseas suppliers of oil, but those alternate means are being blocked by envionmental extremists and political forces. For example, attempts to increase offshore oil drilling along the California coast have met strong opposition.

Nuclear energy is another alternate power source that faces formidable challenges whenever it is proposed. The U.S. Council for Energy Awareness of Washington, D.C., reports that the nation's existing 110 nuclear electric plants have cut foreign oil dependence by 3 billion barrels since the first Arab embargo in 1973–74 and have saved us over $100 billion. They say more plants are needed. But mention of any new nuclear power installations sets off a storm of protesters.

Some years ago studies were under way for construction of a large hydroelectric power plant in Bridge Canyon, on the Colorado River, above Lake Mead and the highly successful Hoover Dam power plant. Hydro plants run cleanly, without any emissions to the atmosphere. They are an ideal electric power source. Nevertheless, largely through a nationwide propaganda campaign by the Sierra Club, that desirable project has been shelved.

The conservation program that The Times suggests is desirable, but it is not enough. Strict rationing is inevitable at some future critical time unless the opposition to proven and reliable alternate energy resources is overcome.

ROBERT LEE.

NEWPORT BEACH.

The attention to the subject of the U.S. oil industry is timely, appreciated and close to home. After all, even though California's agriculture, high-technology, and tourist industries are high profile, oil is a major com-

ponent of the Golden State's economy. If Kern County, which is in my congressional district, were a state, for example, it would rank fourth among all states in oil production.

The Times solutions to the growing reliance on foreign oil are worthy, but fall short of the mark. Congress should think about encouraging conservation and stimulating use of alternative energy sources. Congress should not, however, look for ways to expand its meddling in the marketplace.

As a representative of a district that in addition to producing oil, produces geothermal, solar, and wind energy, I am less enthralled with the idea of a national energy policy.

Indeed, the restrictions on Alaska North Slope crude are prime examples of the folly of tight government regulation. ANS crude cannot be exported. Prevented from finding its economic home abroad, this oil most often—because of geography—is delivered to California, almost 800,000 barrels daily. This influx of oil depresses the price of oil produced in California, and in the past, such price cuts have forced California producers to reduce output or even to plug and abandon wells.

The key is: If you want to do something about America's dangerous reliance on foreign supplies and the industry's "inexorable decline," part of the solution must be to encourage domestic oil and gas exploration and production.

How? Simply—by offering incentives for U.S. oil producers to drill more wells and to continue to operate those already drilled. There are an estimated 26 billion barrels of proven, recoverable oil in the United States today, of which approximately 5.2 billion barrels (at the end of 1987) are in California. Producing oil and gas isn't like sipping soda through a straw. If we stop producing oil and gas from wells already in operation, reservoirs will repressurize and we'll ultimately lose currently recoverable energy.

Some of my colleagues, such as Rep. Bill Archer (R-Texas), and I have been trying to encourage oil and gas producers to go forward with the fossil fuel work this country needs. The industry has the technical expertise. We're suggesting tax incentives for the industry to invest in new operations.

Among other things, we are suggesting tax credits for exploration and development and marginal production from stripper wells (those producing less than 10 barrels a day), heavy oil, and secondary and tertiary production to keep today's wells in operation.

If we don't give U.S. oil producers incentives now, it will be too late for the domestic industry to provide relief from imports later.

Representative WILLIAM M. THOMAS.

WASHINGTON, D.C.

Congratulations for your editorial. You are so correct, and the public does not realize that companies cannot drill and produce oil in a short period of time. I believe it was something like 10 years before Exxon was able to produce oil from the Santa Barbara area after the discovery. And still everyone says "don't drill off our shores." Anyone who has driven along the coast highway can attest to the fact that there is nothing unsightly about the platforms out there. And it is a proven fact, from the gulf areas, that the best fishing is near and around the producing platforms.

People should be made to understand that it is in the interest of our national security to find as much oil as possible, and all geologist think that the best chances to find something big lie off the California and northern Alaska coasts.

ROBERT L. GRADY.

SAN MARCOS

[From the Los Angeles Times, Dec. 27, 1988]

ENERGY POLICY DEBATE GETS SHORT SHRIFT AMID OIL GLUT

(By Donald Woutat)

LEESBURG, VA.—A motley group of 100 oilmen, environmentalists, lobbyists, politicians, consumer advocates and bureaucrats convened here on a November weekend to bang out a hypothetical new energy policy for the United States.

Huddled at a bucolic corporate retreat 40 miles from Washington, they pretended that it was 1993 and there was an oil crisis going on. The idea was to show that everybody could cast aside their differences and agree on what to do.

There were dozens of plans to tax gasoline or imported oil, subsidize oil and gas exploration, boost solar and wind technology, swap debt for Venezuelan oil rights, run cars on natural gas, toughen auto fuel economy standards, expand the country's strategic oil reserves.

But the efforts at compromise fell through when they ran out of time, tripped up by an oil-state governor's opposition to siphoning off taxes to shield the poor from skyrocketing oil prices.

Then, two environmentalists complained that the rest of the group was not taking them seriously. A politician, recalling old battles among the same cast of characters, whispered to a colleague: "They haven't changed a bit."

That is how it goes when you try to fix something that isn't broken yet.

Convinced that the nation is headed for deep trouble on the oil front in the mid-1990's, people worried about the future price and availability of energy are working feverishly to get the nation's attention and force action to forestall the problem.

For example, the group that conducted the simulated energy conference in November, called the American Energy Assurance Council, was formed last year out of a concern for the political paralysis that seems to lead from any broad debate on energy. The council wanted to find a consensus on energy policy to present to the new Administration.

The sharply rising need for imported oil has "profound implications, whether your principal concern is environmental quality, economic productivity or national security," said the group's chairman, Gov. George Sinner of North Dakota, one of the oil states hurt by low prices.

Indeed, the oil import surge, gathering environmental clouds and the arrival of ex-oilman George Bush in the White House all point to the creation of a more recognizing energy policy than has existed under President Reagan.

"I've lived energy policy," Bush said during the campaign, "and my Administration will act on that experience."

He supports a bigger role for natural gas as a "bridge fuel" toward the post-oil era, tax incentives for U.S. oil and gas producers, a greater government role in energy research, faster filling of the Strategic Petroleum Reserve and other measures. He is opposed to an oil import fee but is being heavily pressured to endorse a big jump in the gasoline tax to cut consumption.

However, the nation was not able to put together a coherent energy policy even amid the oil shocks of the 1970s. The political paralysis is likely to be even worse when oil is plentiful and cheap, the federal budget is deep in the red and the problem is 5 or 10 years away.

"There's no credibility for an energy problem today. Future problems have no credibility in the U.S. system," said Daniel A. Dreyfus, the former longtime staff director of the Senate Energy Committee who is now a vice president at the Gas Research Institute.

Nor has the past exactly pointed the way. Indeed, much of today's policy talk is framed by the miscalculations of the last 15 years.

The complex oil price controls of the 1970s are derided for worsening the jolts of 1973 and 1979. And Jimmy Carter's designation of energy independence as a multibillion-dollar "moral equivalent of war" is now viewed by some as a jumbled overreaction.

By contrast, it became a benign issue under President Reagan. Declining world oil prices and abundant supplies freed the Administration to stand back and enjoy the economic fruits of cheap energy.

While the Administration touts its decontrol of oil prices as a big cause of today's cheery oil picture, this is roundly disputed. The President, whose decontrol merely finished what Carter began, is seen as having lucked out by entering office at almost exactly the moment when world oil prices peaked.

"It is part of the luck of the President that he came into office after OPEC had already set into motion a process that would result in a diminishing U.S. appetite for oil," said Edward N. Krapels, president of Energy Security Analysis Inc. in Washington and a leading analyst on the subject.

RELIANCE ON IMPORTS

The collapse of prices in late 1985 changed the game, unleashing forces that have dramatically increased U.S. reliance on imported crude. Since then, leading energy officials in the Administration have clashed publicly on what it means.

Secretary of the Interior Donald P. Hodel warns darkly that the import surge will lead to shortages. But Energy Secretary John S. Herrington sees an indefinite period of plentiful supplies of imported oil from a more stable Middle East.

In fact, a faith in free markets has convinced some that the nation should worry less about its increased reliance on imported oil and enjoy the stuff because it is cheaper to produce than our own. Rather than tear up Alaska and California coastal waters looking for more oil, we can save it for a real crisis. Besides, the horror stories about scarce, $100-a-barrel oil and an omnipotent OPEC by the mid-1980s were wrong.

And the decontrol of prices since the oil shocks, some argue, will tend to self-correct the swings in oil markets, driving down demand and boosting supplies when prices surge. That is supposed to protect the nation from extreme energy jolts.

BOTCHED FORECASTS

Krapels, who served in the former Federal Energy Administration, says of the botched forecasts: "That experience turned even people like me into a schizophrenic. The economist in me says let's import all the cheap oil we want."

But, referring to the political volatility of the Middle East and the self-protective political instincts of the United States, Krapels adds: "The political scientist in me says that's naive."

For that reason, the surge in oil imports worries those in and out of the Reagan Administration. Its 1987 report, "Energy Security"—written by then-Deputy Energy Secretary William F. Martin, now a top energy adviser to Bush—drew compliments for setting out the potential problems posed by rising imports and analyzing the world energy picture.

But it was attacked for stating the obvious without any hard prescriptions to head off the escalating dependence on Middle East crude. To critics, the document symbolized a complacent or non-existent energy policy.

"It was a terribly bland, indifferent document," said Pentagon consultant James S. Critchfield, longtime energy officer for the CIA and former head of CIA operations in the Near East and Eastern Europe. He added:

"Nobody in the U.S. government has said anything profound or important about energy in several years."

Meanwhile, the Administration has ended subsidies for alternative energy projects and slashed spending on conservation research and development by 70%, saying the oil glut lessened the need. It shifted the emphasis to long-range, high-payoff research in such fields as superconductivity.

Private industry has not picked up the energy research ball as the Reagan Administration had postulated, a General Accounting Office study concluded last year. And the government's relaxation of auto fuel economy standards has eased the research pressure on auto firms, which do most research into auto fuel efficiency.

The most important gain in energy security under Reagan—growth of the U.S. Strategic Petroleum Reserve to a current 550 million barrels—owes more to Congress than to a budget-cutting Administration, which tried to slow or freeze the filling of the salt-cavern storage areas. Meanwhile, nuclear weapons programs grew to account for two-thirds of the Energy Department budget.

(Although Congress attacked the Administration for backpedaling on energy, lawmakers themselves approved higher speed limits, boosting gasoline consumption further.)

ACTIONS MISS MARK

Thus the actions of the 1970s and 1980s-repeatedly missed the mark, leaving the nation with no clear direction at a critical juncture on the world oil scene, according to Rep. Philip R. Sharp (D-Ind.), chairman of the House subcommittee on energy and power.

Sharp said that the nation over-reacted in the 1970s and under-reacted in the 1980s, and added: "This is likely to lead to the next generation of problems—shortages or high prices and crash programs to catch up in the 1990s."

Sharp and others say that today's calm is an opportunity to build a sensible, balanced energy policy and head off the storm. But the debate so far reflects the familiar tensions between the short-term need to find more oil and the long-term need to quit using it.

If the lack of a current oil crisis creates inertia, the environment and the fiscal crisis are serving as a sort of proxy. Two of the major energy options on the nation's agenda—limiting the use of fossil fuels and slapping a higher tax on gasoline—are driven by those hotter issues.

Last summer's record heat and drought, seen by some as more evidence of global warming, triggered a wave of proposals in Congress to limit the use of fossil fuels, like coal and oil, that contribute to the so-called greenhouse effect, the trapping of reflected solar radiation by atmospheric gases.

It remains to be seen how much staying power the global warming issue will have in the oil debate. Coal, not oil, may be the bigger culprit in the greenhouse effect. But oil's other environmental shortcomings are being raised anew as a red flag.

Martin, Bush's adviser, says: "Energy is very much an environmental issue in many quarters today."

The environment bolsters the case for perhaps the most widely supported energy initiative: a bigger role for natural gas in place of oil. This was one area of agreement between Bush and Democratic opponent Michael S. Dukakis.

Natural gas is increasingly seen as a nifty answer to several energy problems because it is plentiful and burns more cleanly than oil or coal. There may be as much natural gas left in the United States as there is oil, and the infrastructure to deliver it is in place.

"Natural gas has become the new swing fuel, the hinge where energy and the environment coincide," said Daniel Yergin, president of Cambridge Energy Research Associates in Massachusetts.

But the potential is limited. Policies urged by Bush's advisers to expand the uses for gas would displace less than one-ninth of today's U.S. oil consumption. Only a major role for natural gas to fuel cars—technologically possible but uneconomical today—would make a big dent in oil consumption.

Bush backs oil exploration in such areas as the Alaska National Wildlife Refuge, and he endorses a package of tax incentives and relief for hard-hit independent oil producers. This puts him at odds with many environmentalists and those charged with narrowing the budget deficit.

To appease environmentalists, Bush has already moved to limit drilling off the California shores. To appease the budget makers, he is being urged to agree to a big hike in the current 9.1-cent-a-gallon federal gasoline tax.

Seen as a way to undercut Americans' resurgent demand for oil, a gasoline tax hike has credibility with the likes of Alan Greenspan, Paul A. Volcker and Rep. Dan Rostenkowski (D-ILL.) only because a penny a gallon raises $1 billion a year. A 50-cent tax would be a powerful tonic for problem No. 1, the budget deficit.

Compared to the 1970s, advocates believe a big tax increase would be less burdensome to the economy because gasoline costs less in real terms than at nearly any time since 1935. And it would remove a sore point with Europe and Japan, which control gasoline use with heavy taxes that make motor fuel two to three times costlier than in this country.

Whatever its fiscal virtues, some question the value of the gasoline tax as energy policy, arguing that a tax large enough to significantly cut gasoline usage would amount to political suicide. Hundreds of organizations are opposed. And it would do nothing for oil and gas exploration.

Support for nuclear power, meanwhile, is barely audible. Nuclear—despite its advantage in alleviating global warming and acid rain by displacing coal in the production of electricity—gets this limp embrace from President-elect Bush: "We mustn't ignore nuclear power, either."

A familiar assortment of other energy ideas is backed by the usual groups, which generally line up as producers versus consumers.

At November's energy crisis," the producers wanted an oil price floor, greater access to public land for drilling, deregulation of natural gas, incentives to capture more oil from old fields, a new generation of nuclear reactors, more money for energy research and development and getting clean-coal technology to market.

The environmental and consumer group wanted a stiffer auto gas-guzzler tax and gas-sipper rebate; tougher efficiency standards for cars, appliances and buildings; protection of public lands from drilling; more funds for resarch in renewable forms of energy such as solar and wind, and a "carbon user's fee."

If there is a consensus on how to weave such narrow ideas together, it is that the problem is international and that solutions should encourage the full range of energy options, not favor one form over the next.

Sharp says energy policy must recognize that "a French nuclear plant and a Japanese advance in photovoltaics and a U.S. improvement in automobile fuel efficiency all contribute to a reduction of world oil demand."

Martin says: "Your success is gauged by the dependence of the [Western] nations on the Persian Gulf. It can't be just oil. It can't be just domestic."

In fact, some of the most important steps this country can take should be directed overseas, many energy experts argue. Because we must have imported oil, one school says the nation should focus on getting more of those imports from outside more of those imports from outside the Middle East by pushing foreign oil exploration, as Japan does, or arraging long-term supply deals.

One idea is forgiving bank debt in Venezuela or Mexico for assured supplies of crude oil or natural gas. With dollars and other support, Venezuela's enormous reserves of heavy crude oil could vastly improve the energy security of the United States, said Henry Schuler, a former oil executive now at the Center for Strategic and International Studies.

"I'm much more interested in expanding supply than in managing shortages," Schuler said.

The energy implications of glasnost have not even been touched on, said ex-CIA man Critchfield. The rudimentary oil and gas technology employed by the Soviet Union and China has left in the ground untold billions of barrels of oil that could be recovered by modern techniques, significantly increasing the world's pool of non-OPEC crude oil, he said.

"There has not been a standing back and looking at energy in this changing context," said Critchfield. "The Eurasian land mass is not nearly as well explored as North America."

Although the alarm over U.S. reliance on Middle Eastern oil sometimes conveys a military danger, most experts say the real threat is economic. Nor are we "running out of oil" in the sense that, one day, it will all be gone.

The world has several hundred years' worth of oil that can be pried from sand, shale and other underground vaults if society is willing to pay $50 or $100 a barrel. The Western Hemisphere has plenty of such oil in places like Alberta, Colorado and Venezuela. Eventually, this pricey oil will rise or fall in competition with whatever alternatives emerge.

"Rather than strightforward exhaustion of oil resources, the genuine concern for the next several decades should be that most of

the world's cheapest oil reserves and potential resources are located in the unstable Persian Gulf," said the Reagan Administration's energy security report.

The dangers of this reliance, said a 1987 report by the Aspen Institute, lie in three overlapping areas: the long-term economic shock caused by a radical swing in price, the ease with which oil shipments from distant lands could be cut off and the limits imposed on U.S. foreign policy as the West's dependence on Middle East oil grows.

Are we worried? The opinion research of Ethel Klein, associate professor of political science at Columbia University, is cited by both oil and environmental interests to show that the public is agitated about energy. But that is not quite right.

She says it is a more remote issue than it used to be and will get more abstract as time passes without any big price or supply problems.

People are "far from agitated," she said. "It's not salient the way it was in other times. It's latent. It either has to hit the pocketbook or it has to explode in the Persian Gulf."

Mr. RUSSO. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. DONNELLY].

Mr. DONNELLY. Mr. Chairman, 3 minutes is clearly not enough time to articulate all of the things that are wrong with the Gephardt amendment, but let me talk about a few.

One, the imposition of an oil import fee violates the most basic tenet of American tax policy, and that tenet is that all regions of the country will be treated neutrally by the Tax Code. Clearly, a $5 per barrel tax on imported oil will disadvantage certain sections of the country economically to the economic advantage of another. I suggest to my colleagues that that is bad tax policy.

Second, it obviously violates the GATT agreements we have with our allies.

□ 1610

The General Agreements on Tariffs and Trade that would be violated with the adoption of the Gephardt substitute would encourage and probably guarantee that our allies will respond. Third, study after study has shown that the imposition of an oil import fee is probably the most inefficient way to raise revenue. At the cost to the consumers of this country of $35 billion, the Federal Treasury will only receive $7 to $8 billion. It is totally inefficient.

But I do think my good friend, the gentleman from Missouri, deserves credit for one or two things in this amendment. He states most eloquently that neither in this budget nor during the course of this past decade have we in this Congress invested enough in the domestic needs of our people, and I fear we will pay an awful price for that disinvestment in the next decade and in the next century.

Second, we are not doing enough about the energy concerns and security of this country. There is a pending energy crisis, but he Gephardt cure, let me suggest to my friends, is worse than the disease. This idea has been floated since 1959 under President Eisenhower and has been summarily rejected time after time by administration after administration. It is bad tax policy, it is bad trade policy, it is inefficient, and it should be overwhelming rejected by this House.

Let me just say in conclusion that President Reagan opposed this type of taxation, and President Bush opposes this type of taxation. If we are going to deal with equity in our Tax Code, we ought not to disadvantage one section of the country over another. There will be enough regional economic problems that this Congress will be facing in the course of this year. We need not make the fight regional or indulge in sectional bias with the imposition of an oil import fee.

Mr. GIBBONS. Mr. Chairman, will the gentleman yield?

Mr. DONNELLY. I am happy to yield to the gentleman from Florida.

Mr. GIBBONS. Mr. Chairman, let me say that I agree 100 percent with what the gentleman has said, and I commend him for his statement.

Mr. DONNELLY. Mr. Chairman, I thank the chairman of the Trade Subcommittee for his kind words.

Mr. FRENZEL. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I rise in opposition to the amendment, and I would note again for the record that it violates the bipartisan agreement. But in the case of this particular amendment, that is not the worst of it. The Gephardt amendment raises taxes and it raises spending, and those are two things that probably all Americans agree should not happen at the same time.

As the previous speaker indicated, it hits the oil-using regions and industries hardest, those who are resource-poor, and it hurts all U.S. industries and makes them less competitive to the extent that they are energy consumers.

This is an amendment that is supposed to reverse the fortunes of America and make us more competitive. The net effect is certain to make us less competitive. And if we like inflation, we will love the Gephardt amendment. Let us get those energy prices up, folks, and everybody can pay more money. Is that not a wonderful thing for our economy? Are any of our people ordering inflation? Are any of our constituents demanding that we have more inflation? Well, if there are, Members can help them by voting for the Gephardt amendment.

The amendment is antifree trade at a time when we are trying to get other nations to open their markets. What will happen is that we will be retaliated against. And who will be retaliated against? Oh, nobody except just the people who are efficient and competitive in this country, just the farmers, just the aerospace people, just the high-technology industries. Those are the ones that will pay the price.

The amendment will force a permanent taxation; more than that, the Gephardt amendment assumes that these costs are not going to be passed on to the consumer. Anybody who believes in the tooth fairy will certainly subscribe to that point of view.

So I say, with regard to this grand America-first policy, it is a good thing that the maker of the amendment is going to put money into low-income programs, because he is surely going to create a lot of low-income families.

Mr. GEPHARDT. Mr. Chairman, I yield 3½ minutes to the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Mr. Chairman, I am going to vote for the Gephardt amendment. I commend the gentleman from Missouri [Mr. GEPHARDT] for maybe bringing forward the only spirited discussion of the day, although I think the gentleman from California [Mr. DELLUMS] did as well when we dicussed the Black Caucus budget. I think it is healthy for us, I think it is good for us.

I have three reasons why I am supporting the gentleman's amendment. First of all, it brings us more deficit reduction, and $3 billion here and $3 billion there starts to add up in terms of interest rates and everything else. Having served now on the Budget Committee for some time and being now in my fifth year, I realize that the fact of the matter is that every billion dollars in deficit reduction is really hard to come by. So an extra $3 billion in deficit reductions is a plus.

The gentleman brings us a revenue raiser. Whether it is a tax, a "duck," as he says, whatever we want to call it, it makes sense. It makes sense because it will force us to conserve energy in this country. Anyone who has looked at the amount of energy that we consume in this country, compared to Europe, for example, quickly learns that if we could just adopt the energy-efficient standards of Europe, we would save one-half the energy we expend in this country. The fact is that Europe is thriving and Japan is thriving, and their gasoline prices are fully way higher than ours.

Anyone who knows anything about the greenhouse effect, the fact that we cannot continue to rely on fossil fuels the way we do, would support this revenue raiser as making sense. It would help us to be less dependent on foreign oil and, therefore, help our balance of trade. For those of us who make speeches about the imbalance of trade, this is a way to resolve or at least begin to resolve that issue.

But I want to focus on what the gentleman does with the $6 billion of

added revenues. he gives us $6 billion that we desperately need. I know that I speak for the committee chairman, the gentleman from California [Mr. PANETTA], because there were so many more things the chairman wanted to do in this budget, things that he felt needed to be done, things that were bold, things like expanding Head Start so that we could accommodate 50 percent of those eligible. We know the program works. We know what it means to a kid to get a head start in this Nation. It has been 20-plus years since we started the program, and we know the people who go to Head Start succeed. How wonderful it would be to do that.

The gentleman puts money into the environment to finally begin to look at the global warming research problem, what we need to do to save our society and save our environment. He looks at the AIDS budget, and he understands that we need to do a lot more there. I could go on about that, but I will not at this point.

The gentleman looks at low-income energy assistance and to my friends in the Northeast who are worried. He fully funds that program to help those who will need low-income assistance.

He looks at veterans' programs. My friend, the gentleman from Mississippi [Mr. MONTGOMERY] made the case so clearly that we need to help our veterans. This would really do it.

He looks at science, he looks at mass transit, and he raises the money to pay for these programs through a revenue raiser that makes sense.

Mr. Chairman, I support the Panetta budget. I was proud to be a part of it. I was proud to help craft it. I think what the gentleman from Missouri [Mr. GEPHARDT] does is to take the Panetta budget and make it better. He does the things we desperately wanted to do but could not do. I urge a yes vote for the Gepardt amendment.

Mr. PANETTA. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, I am strongly opposed to the amendment offered by my good friend from Missouri [Mr. GEPHARDT].

Despite the recapture provision that raises some revenue on domestic oil, and the programs on which some of the revenue is spent, the key issue and the only real issue in this debate is whether or not you support an oil import fee.

There are numerous reasons to vote against this substitute; most of them have been mentioned. It violates the budget agreement. It may not be the best agreement in the world, but it was the best that could be produced. All that will fall apart if this amendment passes.

Second, it makes those who vote for it look like they are pursuing the same old tax and spend policies that Congress has been accused of in the past.

Third, it probably violates GATT and would therefore subject domestic manufacturers to trade retaliation. We have already found that to be the case in the small difference in the Superfund tax on domestic and imported oil, and reportedly the administration is working on a proposal to equalize the tax to avoid threatened retaliation.

And there are other reasons to oppose the substitute as well. It would probably be slightly inflationary, reduce gross national product somewhat, increase unemployment somewhat, and increase the competitive disadvantage of some industries as they compete in both domestic and foreign markets.

But the fundamental reason to oppose this amendment is a regional one. The key issue here is the unescapable fact that an oil import fee transfers wealth from the 41 oil-consuming States to the 9 oil-producing States. That is what it does. And it is not acceptable to me nor to my constituents. And, of course, it hits those who heat with home heating oil the hardest—especially the elderly who are living on fixed incomes.

Consequently, for all these reasons, I urge all of my colleagues to overwhelmingly vote down this substitute.

□ 1620

Mr. FRENZEL. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Missouri [Mr. EMERSON].

Mr. EMERSON. Mr. Chairman, I rise in strong opposition to the amendment. An oil import tax is a tax that would be passed directly to consumers most adversely affecting those who could least afford it. It does fall disproportionately on the poor and those in rural areas, those who of necessity use more fuel than the average consumer.

The gentleman from Massachusetts [Mr. CONTE] suggested that this amendment may represent a Missouri position.

Mr. Chairman, I do not speak for all of Missouri, but for my part of it I want to register the strongest possible "no."

Mr. GEPHARDT. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Chairman, the budget before you and that submitted by the President reflects two realities of American life. We have a budget deficit, and there is a general sense that there should be no general tax increases. Both are real factors, but they are not the only problems before this budget.

Mr. Chairman, each day we speak of competitiveness, energy, debt, science, health, education, the war on drugs. To talk of those issues but to not have them reflected as priorities of this country in our national budget is to not address them at all. The Gephardt amendment is written squarely looking into the face of each and every one of these national priorities. It is an honest statement, not about what people would like to hear, about what they need to know instead in America.

Mr. Chairman, I know that the Gephardt amendment is not the first choice of some of my colleagues for raising revenues, but the fact remains that on this floor today, if we want to preserve important programs, have real deficit reduction, it is the only choice remaining. To avoid it is to accept the fantasy of the last campaign, that we can ask less, do less, and somehow accomplish more.

The source that the gentleman from Missouri [Mr. GEPHARDT] has identified is an oil import fee of $5. It is not popular in my State of New Jersey, but it is profoundly in the national interest. I share the concern of my colleagues from Kentucky, and Massachusetts and Michigan, those who have cold weather States, but, if we are concerned about 10 cents on a gallon of oil next winter, think about in the 1990's when it is not 10 cents, but no oil available at all.

If my colleagues are concerned about the cost of education, and heating and classrooms next winter, think about the cost if we cannot fully fund education this year and in the years ahead. Those are the costs, not just for our State, but for the whole country; not just for next winter, but for the whole country; not just for next winter, but for the whole next generation.

Mr. Chairman, there are a variety of benefits to the gentleman's budget. First, of course, is national security. In 1989, as he has outlined, we will have returned to the 1973 levels of oil imports. Profound foreign policy consequences will follow, but in some respects we will be in a worse position than in 1973. U.S. production of oil is at the lowest point in 24 years. What is more, it has shifted to the most vulnerable international sources. It accounts today for 25 percent of our national trade deficit.

Mr. Chairman, I urge the Members of this House to join with the gentleman from Missouri [Mr. GEPHARDT]. This is a realistic approach. It makes sense, and it is the only honest alternative.

Mr. PANETTA. Mr. Chairman, I yield 30 seconds to the gentlewoman from Ohio [Ms. OAKAR] for the purpose of a colloquy.

Ms. OAKAR. Mr. Chairman, I thank the gentleman from California [Mr. PANETTA].

Mr. Chairman, I intend to support the Chair's budget, but I do want to ask this question.

Does the budget offered by the chairman, the gentleman from Missouri [Mr. GEPHARDT], freeze the COLA for Social Security recipients, civil servant retirees, railroad retirees, and military retirees?

Mr. PANETTA. No; it does not freeze it. It provides for full COLA's for all of those areas.

Ms. OAKAR. Mr. Chairman, I thank the gentleman from Missouri.

Mr. PANETTA. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I rise in strong opposition to the amendment of the gentleman from Missouri [Mr. GEPHARDT].

Mr. Chairman, make no mistake about what this amendment does. Certainly it raises the money, the $5.5 billion that the gentleman says, and puts it in the Treasury, and then it takes another $6 billion out of the pockets of the oil consumers, our constitutents, and puts it into the hands of the oil companies, big, medium, and small.

If my colleagues really want to raise revenues and really want to conserve, Mr. Chairman, put an across-the-board energy tax on instead of giving $5 billion to the Treasury and $6 billion to the oil producers. Give the full $11 billion to the oil producers. A tax on imports is robbery because what it says very simply is that we are more concerned with giving some companies extra profits than we are with raising revenues or with conservation.

Mr. Chairman, this is a misguided amendment. I am sort of ashamed that it is on the floor when there are so many other ways to raise revenues that were not allowed on the floor, and we should, Mr. Chairman, roundly vote this down.

Mr. GEPHARDT. Mr. Chairman, I yield 1½ minutes to the gentleman from Texas [Mr. CHAPMAN].

Mr. CHAPMAN. Mr. Chairman, let me just take my minute and a half to address what I think most of the American people sent most of the Members of this House here to do. That is to address what I believe to be the most critical two issues that we face. That is the twin deficits—our budget deficit, which is astronomical, and our trade deficit, which has created so much mischief.

Mr. Chairman, the Gephardt substitute addresses both of these deficits in a positive way. Someone asked, "What do we do about trade?" One-third of our trade deficit is due to the purchasing of imported oil. Some $50 billion of our trade deficit this year will be for the purchase of imported oil. We do not control the price. The free market does not control the price of imported oil. OPEC controls the price, and we have seen in the last 6 months price-shock that demonstrates that it is critical that we regain control of our economic future by regaining control of the strong domestic petroleum industry.

The other thing, Mr. Chairman, is our budget deficit. The Gephardt substitute is a positive way of generating more money to apply on the deficit. At the same time, it puts a new initiative and more funds into critical areas that, I think, every Member of this House agrees, we wish that we could do.

Mr. Chairman, we should support the Gephardt substitute. It is a rational, smart approach with national security implications, and it accomplishes a positive goal.

Mr. GEPHARDT. Mr. Chairman, I yield 2 minutes to the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. Mr. Chairman, I thank the gentleman from Missouri [Mr. GEPHARDT] for yielding this time to me, and let me compliment him for offering what I think is a very important amendment which this country desperately needs.

Mr. Chairman, some people on the budget want to make a deal, some people want to make progress. Unfortunately I think we have made a deal not to make progress this year, at least not very much progress; which is my consternation with the entire budget process. With this amendment itself, the gentleman from Missouri [Mr. GEPHARDT] offers us an alternative policy that would really address our budget problems.

First, Mr. Chairman, it would reduce the trade deficit; second, it would reduce the budget deficit; third, it would provide some additional added resources for much-needed programs in this country, and, finally, it would, stimulate much-needed domestic oil exploration.

I think this is one of those policies that makes sense for several different reasons. I know some people have stood on this floor and said, "This is awful for agriculture." "This is terrible policy," they say, "for the home heating fuel user in the East." But they misunderstand the Gephardt amendment. It is not a statute but an instruction to the Ways and Means Committee.

Mr. Chairman, there is nothing in the amendment of the gentleman from Missouri [Mr. GEPHARDT] that prohibits the Committee on Ways and Means from constructing an oil import fee with special exemptions for agricultural users, export manufacturers, or home heating fuel consumers. There is nothing that prevents that at all.

My guess is that, were we to mark up an oil import fee, we would do it in a very responsible manner. We would recognize regional concerns and develop a fair, effective import fee.

Some people come on the floor and say, "We like a big gas tax." I know why they do that. They come from States where there is much less driving than in other States. I understand that.

□ 1630

Some people say we would like an oil import fee regardless of regional impacts. Well, I understand that motivation, too.

Let one observe that the oil import fee, as a matter of fact, gives this country many benefits. It addresses the budget deficit. It reduces the trade deficit. It resurrects domestic drilling. It does a number of things for this country to build an energy security policy. That is why I am glad the gentleman from Missouri [Mr. GEPHARDT] brought this to the floor for debate.

I am going to support this amendment and I hope a good many Members of the House will support this amendment. It provides needed revenues. It reduces a couple deficits and our dangerous and growing dependence on oil imports. It provides some additional help to produce domestic exploration at a time when this country needs some stimulus in domestic energy activity, because drilling is at its lowest levels in two decades.

So I compliment the gentleman from Missouri.

Mr. GEPHARDT. Mr. Chairman, I yield 1½ minutes to the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. Mr. Chairman, I thank the gentleman for yielding me this time.

I want to commend the gentleman for an excellent idea whose time has come. For the last 8 years we have been devoid of a policy for energy in this country. We are now going to reap the whirlwind.

Every time there is a problem with oil, the price will go up. We have no comparable national domestic exploration or production. If you want to keep getting a sharp stick in the eye from those who control oil, especially in the Middle East, then vote against the Gephardt amendment, and 5 years from now when they want to make it $40 or $50 a barrel and strangle us, and those poor folks that these people over here who oppose this amendment are talking about will be five times as many and will have no jobs because we cannot afford any oil from overseas and we will not have any domestic oil of our own.

Well, go ahead and vote against the Gephardt amendment. The reality is now is the time to install a policy. Now is the time to speak up. Now is the time to close the trade deficit. Now is the time to speak up on behalf of Americans who have had no voice in how to run this country effectively with American jobs, American products.

I might add one thing. What will we do in wartime without any oil flowing

into this country because it cannot get here? We need our oil production. We need our own exploration and we need folks who will sell it to us for less than they will sell it to us from overseas.

I urge you for the most important of reasons to vote for the Gephardt amendment.

Mr. GEPHARDT. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Chairman, we are going to pay higher prices to somebody for oil in America. We are either going to pay it to the foreign suppliers who are now supplying nearly 50 percent of the oil to this country, almost as much as they did at the height of the Arab oil embargo, or we are going to pay it to someone here in America to produce oil for us. That is the choice.

The gentleman from Missouri [Mr. GEPHARDT] says that it is time for us to do something good for America when it comes to this horrible problem of imported oil. He is saying it is time for us to do something about encouraging domestic oil and gas production.

No, there is not a recapture provision in this amendment. It is something we could do, but we did not do.

No, there is not an exemption for Venezuela, Mexico, or the good old OPEC nations, who did not embargo us, but it is something we could do in an oil import tax plan.

The gentleman from Missouri [Mr. GEPHARDT] is saying that it is time for us in America to do something to increase the incentive to produce our own energy.

Let me tell you something. We dropped the marginal rates from 90 percent when Kennedy was President to 33 percent a couple years ago. Now we are investing 67 cent oil in investment, rather than 10 cents. If we do not do something to encourage it, we are down the tube.

Mr. GEPHARDT. Mr. Chairman, I yield 30 seconds to the gentleman from Texas [Mr. ANDREWS].

Mr. ANDREWS. Mr. Chairman, I rise in support of Congressman GEPHARDT's amendment to the budget resolution. I applaud my colleague's effort to achieve a number of important goals in his amendment—helping our depressed domestic oil and gas industry with an oil import fee, funding high priority programs including the war on drugs, Medicare and science, and further reducing the Federal budget deficit.

I have been a strong supporter of an oil import fee and I introduced a bill early in this Congress to establish one. An oil import fee is a vital component of a comprehensive energy policy designed to preserve a healthy domestic oil and gas industry as a secure foundation for satisfying our Nation's future energy needs. This is an industry in serious trouble at the moment. U.S. oil production is at its lowest level in a quarter century. Less than half the drilling rigs operating just 3 years ago are active today. In 2 or 3 years, half the oil consumed in this country will flow from foreign rigs, a level we have never seen before. By the turn of the century our dependence on foreign oil may reach 70 percent. It is clear these trends present a significant national security problem which we can no longer ignore. An oil import fee will help turn this situation around.

Mr. Chairman, the health of the domestic oil and gas industry is important to the entire country, not just the oil patch. By allowing our domestic industry to be dismantled, we are helping OPEC get back in the saddle again. As the cartel reasserts control, oil prices will rise, perhaps sharply, and we will be increasingly at the mercy of the sheiks, the mullahs and the Qadhafis for our energy. It is the nonoil producing regions of the country that would suffer the most if this scenario unfolds, just as was the case following the two earlier oil shocks.

I wish to add a cautionary note, Mr. Chairman. There has been talk of including a recapture provision on some domestic production as part of Mr. GEPHARDT's National Energy Security Program. This idea deeply troubles me. A recapture provision strikes me as a thinly disguised windfall profits tax. I fought long and hard to get the windfall profits tax repealed last year. It was an unfair tax and a disincentive to domestic production. I cannot lend my support to any effort to reinstate this kind of tax. A recapture provision would significantly reduce the positive benefits to our energy industry which would flow from an oil import fee. With that cautionary note, Mr. Chairman, I urge my colleagues to vote for the Gephardt amendment.

Mr. GEPHARDT. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Chairman, this is a national issue. Eight years ago we had over 4,000 rigs producing in this country. Today it is around 700.

We are soon going to be importing more than one-half of our oil. That is a dangerous policy for us. We have got to do something to help the domestic oil industry.

Now, some Members have stood in the well today and said, "Oh, you can't put a fee on imported oil because the cost of home heating oil would go up," and they flay their arms and they give us a Don Quixote performance because they say Congress just cannot increase the price.

The fact of the matter is we need to do something with our national policy to help American producers. Perhaps there are better ways to do it than an oil import fee. If there are, I would like to hear them; but I have got the feeling that when we offer other legislation that will be an incentive for the domestic industry, you will not be about to find any of those people who have been complaining about this approach with a sheriff's posse or a police escort. There will be some other reason why they do not want to support it.

Now, it is in our national interest to do something for the domestic industry. This is a modest proposal. It does increase oil prices some. We ought not to kid ourselves about that. But it will help the budget. And it is bad national policy for us to continue to allow our production to go down. Soon we will produce less than 50 percent of the oil we use. That is bad national policy.

Mr. Chairman, we ought to support this amendment.

Mr. FRENZEL. Mr. Chairman, I yield myself 4½ minutes.

Mr. Chairman, after this House dispatches the Gephardt amendment, we will have a vote on final passage of House Concurrent Resolution 106, the Budget Committee's budget resolution.

There is going to be a tendency for some Members to say, "Well, nobody voted for my amendment. I'll vote against this one. I can find something wrong with it and if I go home and vote against it, somebody else will have to vote for it and I have a free vote."

I would like Members who are considering taking that course of action to consider what the alternatives are. After the Gephardt amendment is defeated, you will simply have a choice between the so-called bipartisan budget agreement, agreed to by the administration and my congressional leaders, and embodied in House Concurrent Resolution 106, or you will have chaos. A vote against the bipartisan agreement is clearly a vote in favor of chaos.

It has been suggested as we have debated this bill that there is nothing good about House Concurrent Resolution 106, that everyone is going to hold his or her nose who is obliged to vote for it.

Mr. Chairman, I am not a great enthusiast for this resolution. I think the point of view I represent had to give the most when this compromise was arrived at, but as the day has proceeded I have become more and more enthusiastic. I do not want us to have to take a sequester across the board. I do not want to have to raise taxes all the more. I do not want to cut into national security requirements, nor to defeat our ability to perform with international programs. I do not want to see domestic discretionary programs reduced by reason of sequester.

I believe that this House should be a large majority and I hope both parties will support this budget resolution because it is the best that remains. It is

not the best conceivable. We could not bring forth a budget that every one of you could endorse wholeheartedly. We did bring forth a budget resolution I think that all of you can support, at least somewhat. It was produced in a cooperative way between Republicans and Democrats, between people and legislators. It was produced promptly. It proved to the world that we can work together and this was a pretty disenchanted world that thought this Congress could not work together between the parties and with the executive branch.

□ 1640

It provides hope for the future in article 13, that is, we will immediately begin discussing fiscal year 1991 and hope that we can bring the Members something much better for that year.

I would ask each Member as that Member considers the vote on this House Concurrent Resolution 106 to consider the alternative to passing a budget resolution. In so doing, I think they will want to support the bipartisan budget agreement. I hope they will. I intend to, not halfheartedly, not with my nose held, but with enthusiasm that it was the best procurable, and that we can do better for the future.

Mr. Chairman, I yield back the balance of my time.

Mr. GEPHARDT. Mr. Chairman, I yield my 1 remaining minute to the gentleman from Louisiana [Mr. HAYES].

Mr. HAYES of Louisiana. Mr. Chairman, energy policy in America has got to be just that: policy, not reaction. We have to plan for the future and not react to yesterday.

Right now, instead of the Commander in Chief, we have the captain of a vessel deciding the future energy policy for this country. There was a time only a decade ago when way more than half the oil consumed by Americans was produced by States like mine in Louisiana where we were dependent upon the hard work of roughnecks who paid taxes to send their kids to school and who, if necessary, were willing to put on a uniform to defend them. Only a short decade later now, more than half the oil we consume is by and through and from our competitors whose annual financial reports dictate their view of American and who, as global competitors, care about one thing: bottom-line profit.

When the next crisis comes, I will go back to Iowa, and I will go back to New Hampshire, and I will say what we said before: America's future has to be in the hands of those who are prepared for it in advance, not who just react to it in a crisis.

Mr. PANETTA. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I rise in opposition to the Gephardt amendment. He is a very close friend and someone I deeply respect in terms of his sincerity and views. He also has been willing and strong enough to offer a bold suggestion here in terms of the oil import fee. I commend him for his courage, and I commend him for trying to distribute those funds into areas of critical domestic needs, but I am opposed to it because it violates in a fundamental way the bipartisan agreement that was worked out between the congressional leadership and the White House in that it increases revenues beyond that agreement.

Mr. Chairman, let me also, if I may, take these moments to conclude with regard to the budget resolution itself. I think the amendments that have been presented here before the Congress today make the best case for the budget resolution reported out of the committee and that is now before the House. There are no other alternatives that are acceptable to the House, and we are as good as a majority of the House in terms of what can be enforced in a budget resolution. It is clear that there is no majority here to do it through gold bonds in terms of dealing with the deficit. It is clear that there are Members here who do not want to increase taxes or cut defense more than what we have in this budget resolution. It is clear that there are Members who do not want to do it through a total freeze in spending on domestic or defense spending, and I think it will also be rejected in regard to the issue of raising an oil import fee in order to deal with the deficit issue. There are no other alternatives.

What we have presented in the committee budget resolution, with all of its limitations and while it is not perfect, it is the only chance for us to fulfill our budget responsibilities under the Budget Act and to avoid failure and to avoid crisis.

In addition, there are some key arguments in support of this budget resolution. It is bipartisan. It has been worked out between both sides of the aisle with the President and the congressional leadership. It does produce deficit reduction in terms of meeting the Gramm-Rudman goal. It protects the priorities that we care about in the Congress in terms of meeting the needs in this country, and it is our only hope for setting the stage so that we can develop a stronger and bolder approach hopefully in the future in terms of deficit reduction.

Mr. Chairman, for all of those reasons I urge the Members to pass this budget, because it fulfills the agreement that has been worked out between the President and the Congress, but, more importantly, it fulfills our responsibilities under the Budget Act to produce a budget resolution.

Mr. Chairman, I yield back the balance of my time.

Mr. BORSKI. Mr. Chairman, I rise today in opposition to the oil import fee proposed by my friend from Missouri, Mr. GEPHARDT.

While I commend Mr. GEPHARDT for his attention to such high-priority programs for jobs, health care, and education, I object to the method with which he proposes to raise funds for these programs.

An oil import fee would raise energy prices in all States, but it would be especially damaging to States in the Northeast region of the country. These States consume more oil than they produce.

The oil import fee proposed in this substitute would shift billions of dollars from these oil consuming States to those States which produce more oil than they consume. There are only nine net oil-producing States in the whole country.

A $5 per barrel oil import fee would be devastating to the economies of the Northeast States. My State, Pennsylvania, would be one of the hardest hit in the Nation. Pennsylvania's economy would lose $1.1 billion annually at a cost of $93.25 a year for every man, woman, and child in the State.

Low-income families, senior citizens and people on fixed incomes—those that the Gephardt substitute seeks to aid—would bear the brunt of an oil import fee. These individuals pay a larger share of their income for energy, and an increase in gasoline and home heating oil prices is something they cannot afford. In addition, an oil import fee would raise prices on all products, putting even more strain on the lower income family budget.

I do not believe that an oil import fee that benefits some States at the expense of other States is good energy policy or good budget policy. I urge my colleagues to oppose the Gephardt substitute.

Ms. SNOWE. Mr. Chairman, I rise in opposition to the Gephardt substitute, which advocates a major tax increase through a fee on imported oil and petroleum products.

This Congress has wisely not accepted the idea of an oil import fee year after year, recognizing in principle that it is certain to damage the national economy, cause significant inflationary increases to consumers, and cut deeply and disproportionately into the pocketbooks of citizens in my State of Maine and other States throughout the Northeast.

The facts speak loudly about how negative the impact of a fee on imported oil would be, the most obvious effect being a dramatic rise in the price paid by consumers for oil, gasoline, and other petroleum products.

However, the negative effects of an oil import fee would be felt by the entire economy. Estimates suggest the following: National industrial production would decline by an average of 2.5 percent over the next 5 years; inflation would increase at an annual average rate of 1.5 percent; real GNP would decline at an annual average rate of 0.9 percent; and the economies of 42 out of 50 States would shrink, which could dampen the U.S. record of achieving 77 consecutive months of economic expansion.

I am especially concerned about the effect such a fee would have on residents of the State of Maine, where the costs of heating oil and gasoline are burdensome enough as it is.

It would be simply unconscionable to hike these already prohibitive costs to families.

Mr. Chairman, again, I urge my colleagues to oppose the Gephardt substitute.

Mr. BRENNAN. Mr. Chairman, I rise in opposition to the Gephardt amendment to the budget resolution.

I oppose it because it will place a disproportionate burden on the frost belt region, which has a high dependence on imported oil. Why should the frost belt region be saddled with this revenue-raising scheme?

Like any sales tax, furthermore, this tax is regressive. The poor pay a higher percentage of their income for fuel costs, and therefore this tax will fall disproportionately on the poor.

This is not a fair and equitable method of raising our revenues. President Bush has spoken loud and clear on the issue of a tax increase. I join with a majority of my colleagues not to alter President Bush's tax pledge at this time.

Supporters of the amendment have also argued that it will increase energy efficiency. I am a supporter of energy conservation and energy efficiency.

However, in the past 8 years our Government has neglected efforts at energy conservation and efficiency. Federal programs in this area have been cut by some 70 percent. The corporate automobile fuel efficiency standards have been relaxed.

Let us take up these fair, effective measures to conserve energy before we consider laying the burden of higher fuel prices on those least able to carry it.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Missouri [Mr. GEPHARDT].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. GEPHARDT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 49, noes 373, not voting 12, as follows:

[Roll No. 42]

AYES—49

Andrews	Dorgan (ND)	Owens (UT)
Anthony	Dymally	Pelosi
Baker	Edwards (CA)	Perkins
Barton	Fascell	Pickle
Boggs	Fazio	Richardson
Boucher	Ford (TN)	Sarpalius
Boxer	Frost	Skaggs
Brooks	Gephardt	Smith (FL)
Bruce	Hall (TX)	Stenholm
Bryant	Hayes (LA)	Tauzin
Bustamante	Holloway	Torricelli
Chapman	Hoyer	Walgren
Coelho	Leath (TX)	Wilson
Coleman (TX)	Lehman (FL)	Wise
Combest	Leland	Young (AK)
Coyne	McCrery	
Crockett	Ortiz	

NOES—373

Ackerman	Atkins	Bereuter
Akaka	AuCoin	Berman
Alexander	Ballenger	Bevill
Anderson	Barnard	Bilbray
Annunzio	Bartlett	Bilirakis
Applegate	Bates	Bliley
Archer	Beilenson	Boehlert
Armey	Bennett	Bonior
Aspin	Bentley	Borski
Bosco	Gunderson	Miller (OH)
Brennan	Hall (OH)	Miller (WA)
Broomfield	Hamilton	Mineta
Browder	Hammerschmidt	Moakley
Brown (CA)	Hancock	Molinari
Brown (CO)	Hansen	Mollohan
Buechner	Harris	Montgomery
Bunning	Hastert	Moody
Burton	Hatcher	Moorhead
Byron	Hawkins	Morella
Callahan	Hayes (IL)	Morrison (CT)
Campbell (CA)	Hefley	Morrison (WA)
Campbell (CO)	Hefner	Mrazek
Cardin	Henry	Murphy
Carper	Herger	Murtha
Carr	Hertel	Myers
Chandler	Hiler	Nagle
Clarke	Hoagland	Natcher
Clay	Hochbrueckner	Neal (MA)
Clement	Hopkins	Neal (NC)
Clinger	Horton	Nelson
Coble	Houghton	Nielson
Coleman (MO)	Hubbard	Nowak
Collins	Huckaby	Oakar
Conte	Hughes	Oberstar
Conyers	Hunter	Obey
Cooper	Hutto	Olin
Costello	Hyde	Owens (NY)
Coughlin	Inhofe	Oxley
Courter	Ireland	Packard
Cox	Jacobs	Pallone
Craig	James	Panetta
Crane	Jenkins	Parris
Dannemeyer	Johnson (CT)	Pashayan
Darden	Johnson (SD)	Patterson
Davis	Johnston	Paxon
de la Garza	Jones (GA)	Payne (NJ)
DeFazio	Jones (NC)	Payne (VA)
DeLay	Jontz	Pease
Dellums	Kanjorski	Penny
Derrick	Kaptur	Petri
DeWine	Kasich	Pickett
Dickinson	Kastenmeier	Porter
Dicks	Kennedy	Poshard
Dingell	Kennelly	Price
Dixon	Kildee	Pursell
Donnelly	Kleczka	Quillen
Dornan (CA)	Kolbe	Rahall
Douglas	Kolter	Rangel
Downey	Kostmayer	Ravenel
Dreier	Kyl	Ray
Duncan	LaFalce	Regula
Durbin	Lagomarsino	Rhodes
Dwyer	Lancaster	Ridge
Dyson	Lantos	Rinaldo
Early	Laughlin	Ritter
Eckart	Leach (IA)	Roberts
Edwards (OK)	Lehman (CA)	Robinson
Emerson	Lent	Rogers
Engel	Levin (MI)	Rohrabacher
English	Levine (CA)	Rose
Erdreich	Lewis (FL)	Rostenkowski
Espy	Lewis (GA)	Roth
Evans	Lightfoot	Roukema
Fawell	Lipinski	Rowland (CT)
Feighan	Livingston	Rowland (GA)
Fields	Lloyd	Russo
Fish	Long	Sabo
Flake	Lowery (CA)	Saiki
Flippo	Lowey (NY)	Sangmeister
Foglietta	Luken, Thomas	Savage
Foley	Lukens, Donald	Sawyer
Ford (MI)	Machtley	Saxton
Frank	Madigan	Schaefer
Frenzel	Manton	Scheuer
Gallegly	Markey	Schiff
Gallo	Martin (IL)	Schneider
Garcia	Martin (NY)	Schroeder
Gaydos	Martinez	Schuette
Gejdenson	Matsui	Schulze
Gekas	Mavroules	Schumer
Gibbons	Mazzoli	Sharp
Gillmor	McCandless	Shaw
Gilman	McCloskey	Shays
Gingrich	McCollum	Shumway
Glickman	McDade	Shuster
Gonzalez	McDermott	Sikorski
Goodling	McEwen	Sisisky
Gordon	McGrath	Skeen
Goss	McHugh	Skelton
Gradison	McMillan (NC)	Slattery
Grandy	McMillen (MD)	Slaughter (NY)
Grant	McNulty	Slaughter (VA)
Gray	Meyers	Smith (IA)
Green	Mfume	Smith (MS)
Guarini	Miller (CA)	Smith (NJ)
Smith (TX)	Sundquist	Vucanovich
Smith (VT)	Swift	Walker
Smith, Denny (OR)	Synar	Walsh
	Tallon	Watkins
Smith, Robert (NH)	Tanner	Waxman
	Tauke	Weber
Smith, Robert (OR)	Thomas (CA)	Weiss
	Thomas (GA)	Weldon
Snowe	Thomas (WY)	Wheat
Solarz	Torres	Whittaker
Solomon	Towns	Whitten
Spence	Traficant	Williams
Spratt	Traxler	Wolf
Staggers	Udall	Wolpe
Stallings	Unsoeld	Wyden
Stangeland	Upton	Wylie
Stark	Valentine	Yates
Stearns	Vander Jagt	Yatron
Stokes	Vento	Young (FL)
Studds	Visclosky	
Stump	Volkmer	

NOT VOTING—12

Bateman	McCurdy	Roe
Florio	Michel	Roybal
Lewis (CA)	Parker	Sensenbrenner
Marlenee	Pepper	Smith (NE)

□ 1703

Mr. ENGEL and Mr. COUGHLIN changed their vote from "aye" to "no."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the Chair, Mr. GRAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 106) setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992, pursuant to House Resolution 145, he reported the concurrent resolution back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the concurrent resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device and there were—yeas 263, nays 157, not voting 14, as follows:

[Roll No. 43]

YEAS—263

Ackerman	Barton	Brennan
Akaka	Bennett	Brooks
Anderson	Berman	Broomfield
Andrews	Bevill	Browder
Annunzio	Bilbray	Brown (CA)
Anthony	Bliley	Bruce
Archer	Boehlert	Bryant
Aspin	Boggs	Buechner
Atkins	Bonior	Bustamante
AuCoin	Borski	Byron
Ballenger	Bosco	Callahan
Barnard	Boucher	Campbell (CA)
Bartlett	Boxer	Chandler

Chapman	Hiler	Petri
Clarke	Hochbrueckner	Pickett
Clement	Houghton	Pickle
Clinger	Hoyer	Price
Coble	Hubbard	Pursell
Coelho	Huckaby	Quillen
Coleman (MO)	Hunter	Rahall
Conte	Hutto	Rangel
Conyers	Hyde	Ravenel
Cooper	Inhofe	Regula
Coughlin	Ireland	Rhodes
Coyne	James	Richardson
Crockett	Jenkins	Ridge
Darden	Johnson (CT)	Rinaldo
Davis	Johnston	Rohrabacher
de la Garza	Jones (NC)	Rose
DeWine	Kaptur	Rostenkowski
Dickinson	Kennelly	Rowland (CT)
Dicks	Kildee	Rowland (GA)
Dingell	Kleczka	Russo
Dixon	Kolbe	Saiki
Donnelly	Kostmayer	Sangmeister
Downey	Lantos	Sawyer
Durbin	Laughlin	Schiff
Dyson	Leach (IA)	Schneider
Eckart	Lehman (CA)	Schumer
Edwards (CA)	Leland	Shuster
Edwards (OK)	Lent	Sisisky
Emerson	Levin (MI)	Skeen
Engel	Lipinski	Skelton
Erdreich	Livingston	Slattery
Espy	Lloyd	Slaughter (NY)
Evans	Lowery (CA)	Smith (FL)
Fascell	Luken, Thomas	Smith (MS)
Fazio	Machtley	Smith (NJ)
Feighan	Madigan	Smith (TX)
Fish	Manton	Smith (VT)
Flake	Martin (IL)	Smith, Robert (OR)
Flippo	Martin (NY)	Snowe
Foglietta	Martinez	Solarz
Foley	Matsui	Solomon
Ford (MI)	Mavroules	Stallings
Ford (TN)	Mazzoli	Stangeland
Frenzel	McCloskey	Stokes
Frost	McCollum	Stump
Gallegly	McCrery	Sundquist
Gallo	McDade	Swift
Gaydos	McDermott	Tanner
Gejdenson	McEwen	Tauke
Gekas	McGrath	Thomas (CA)
Gephardt	McMillan (NC)	Thomas (WY)
Gibbons	McMillen (MD)	Torres
Gillmor	McNulty	Traficant
Gilman	Meyers	Udall
Gingrich	Miller (CA)	Unsoeld
Glickman	Mineta	Upton
Gonzalez	Moakley	Valentine
Goodling	Molinari	Vander Jagt
Gordon	Mollohan	Vento
Gradison	Montgomery	Volkmer
Grandy	Morella	Vucanovich
Grant	Morrison (WA)	Walsh
Gray	Murtha	Waxman
Green	Myers	Weber
Guarini	Natcher	Weldon
Gunderson	Neal (NC)	Whittaker
Hall (OH)	Oakar	Whitten
Hammerschmidt	Oberstar	Wise
Harris	Ortiz	Wolf
Hastert	Oxley	Wolpe
Hatcher	Packard	Wyden
Hawkins	Panetta	Wylie
Hayes (LA)	Pashayan	Yatron
Hefner	Payne (VA)	Young (AK)
Hertel	Pelosi	

NAYS—157

Alexander	Collins	Dymally
Applegate	Combest	Early
Armey	Costello	English
Baker	Courter	Fawell
Bates	Cox	Fields
Beilenson	Craig	Frank
Bentley	Crane	Garcia
Bereuter	Dannemeyer	Goss
Billirakis	DeFazio	Hall (TX)
Brown (CO)	DeLay	Hamilton
Bunning	Dellums	Hancock
Burton	Derrick	Hansen
Campbell (CO)	Dorgan (ND)	Hayes (IL)
Cardin	Dornan (CA)	Hefley
Carper	Douglas	Henry
Carr	Dreier	Herger
Clay	Duncan	Hoagland
Coleman (TX)	Dwyer	Holloway
Hopkins	Nagle	Shaw
Hughes	Neal (MA)	Shays
Jacobs	Nelson	Shumway
Johnson (SD)	Nielson	Sikorski
Jones (GA)	Nowak	Skaggs
Jontz	Obey	Slaughter (VA)
Kanjorski	Olin	Smith (IA)
Kasich	Owens (NY)	Smith, Denny (OR)
Kastenmeier	Owens (UT)	Smith, Robert (NH)
Kennedy	Pallone	Spence
Kolter	Parris	Spratt
Kyl	Patterson	Staggers
LaFalce	Paxon	Stark
Lagomarsino	Payne (NJ)	Stearns
Lancaster	Pease	Stenholm
Leath (TX)	Penny	Studds
Lehman (FL)	Perkins	Synar
Levine (CA)	Porter	Tallon
Lewis (FL)	Poshard	Tauzin
Lewis (GA)	Ray	Thomas (GA)
Lightfoot	Ritter	Torricelli
Long	Roberts	Towns
Lowey (NY)	Robinson	Traxler
Lukens, Donald	Rogers	Visclosky
Markey	Roth	Walgren
McCandless	Roukema	Walker
McHugh	Sabo	Watkins
Mfume	Sarpalius	Weiss
Miller (OH)	Savage	Wheat
Miller (WA)	Saxton	Williams
Moody	Schaefer	Wilson
Moorhead	Scheuer	Yates
Morrison (CT)	Schroeder	Young (FL)
Mrazek	Schuette	
Murphy	Sharp	

NOT VOTING—14

Bateman	McCurdy	Roybal
Florio	Michel	Schulze
Horton	Parker	Sensenbrenner
Lewis (CA)	Pepper	Smith (NE)
Marlenee	Roe	

□ 1721

The Clerk announced the following pairs:

On this Vote:

Mr. Parker for, with Mr. Sensenbrenner against.

Mr. Roybal for, with Mr. Marlenee against.

Mrs. Smith of Nebraska for, with Mr. Florio against.

Mr. SKELTON and Mrs. BYRON changed their vote from "nay" to "yea."

Mr. RAY changed his vote from "present" to "nay."

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

CONGRESSIONAL LIAISON ON THE CHRISTOPHER COLUMBUS QUINCENTENNIAL

Mr. WRIGHT. Mr. Speaker, at this time I would like to announce that I have requested the following Members to serve as congressional liaison on the Christopher Columbus Quincentennial:

Mr. FOGLIETTA of Pennsylvania, chairman;
Mr. FASCELL of Florida;
Mr. CONTE of Massachusetts;
Mr. GONZALEZ of Texas;
Mr. ANNUNZIO of Illinois;
Mrs. BOGGS of Louisiana;
Mr. FLORIO of New Jersey;
Mr. RUSSO of Illinois;
Mr. VENTO of Minnesota;
Mr. GARCIA of New York;
Mr. MOLINARI of New York;
Mr. LEWIS of Georgia;
Mrs. MORELLA of Maryland; and
Ms. PELOSI of California.

GENERAL LEAVE

Mr. PANETTA. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on House Concurrent Resolution 106, the concurrent resolution just agreed to.

The SPEAKER pro tempore (Mr. LANCASTER). Is there objection to the request of the gentleman from California?

There was no objection.

ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES

Mr. EDWARDS of Oklahoma. Mr. Speaker, on behalf of the Republican leader and by direction of the Republican conference, I offer a privileged resolution (H. Res. 148) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 148

Resolved, That the following named Members be, and they are hereby, elected to the following standing committees of the House of Representatives:

Committee on Agriculture: Bill Grant of Florida.

Committee on Government Operations: Craig Thomas of Wyoming.

Committee on Interior and Insular Affairs: Craig Thomas of Wyoming; and John J. Duncan, Jr. of Tennessee.

Committee on Small Business: Ron Machtley of Rhode Island.

Committee on Veterans Affairs: Bill Paxon of New York.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 216

Mr. PENNY. Mr. Speaker, I ask unanimous consent that my name be removed from the list of cosponsors of House Joint Resolution 216, a joint resolution to designate the month of April 1989, as "Fair Housing Month."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

INTRODUCTION OF LEGISLATION TO EXTEND AGRICULTURE DISASTER ASSISTANCE PROGRAM

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, today, along with several colleagues on the Committee on Agriculture, I am introducing legislation to extend the 1988 Agriculture Disaster Assistance Program to 1989 crops of wheat, feed grains, soy beans, and alfalfa, as well as continuing other provisions of the 1988 law.

Mr. Speaker, a drought of devastating proportions is now occurring in the Central and Southern Plains, with precipitation at the lowest level in over 40 years in some places. In my own State of Kansas, the disastrous impact on our winter wheat crop may see a reduction of 50 percent of that crop, which could cause the loss of nearly $600 million of revenue in my own State alone. These losses caused by dry weather, freeze, and tremendous winds which create serious problems because of dry weather not only affect my part of the country but other parts of the upper Midwest, and even some parts of the Southeast.

Mr. Speaker, I introduced this legislation today in the hopes that the administration will finally see that extending this disaster assistance program is necessary and important for our country's farmers, and it is my intention to hold hearings and move this legislation into law.

LEGISLATIVE PROGRAM

(Mr. GINGRICH asked and was given permission to address the House for 1 minute.)

Mr. GINGRICH. Mr. Speaker, I have asked for this time in order that I may yield to the distinguished gentleman from Washington at some point to find out exactly what the schedule will be next week and in the hopes that our Members might discover exactly what we will be doing next week.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I am glad to yield to the majority leader to discuss the schedule for next week.

Mr. FOLEY. Mr. Speaker, I thank the distinguished whip for yielding.

I would, of course, as Members know, indicate that this complete the program for this week. The House will not be in session tomorrow.

On Monday, the House will meet at noon. There is no legislative business scheduled.

On Tuesday, May 9, the House will meet at noon and consider two bills under suspension of the rules, as follows:

H.R. 972, to increase the authority of the Attorney General to settle claims for damages resulting from law enforcement activities of the Department of Justice; and

H.R. 1385, to concur in the Senate amendment to the Martin Luther King, Jr. Federal Holiday Commission Extenstion Act.

Recorded votes will be postponed until after debate on these two suspensions.

After these suspensions are debated, we will consider H.R. 7, the Carl D. Perkins Vocational Education Act amendments, under an open rule, with 1 hour of debate. Following that, as I said, we will take any votes ordered on the suspensions debated earlier.

On Wednesday, May 10, the House will meet at 2 p.m. and consider H.R. 2072, the dire emergency supplemental appropriations, fiscal year 1989, subject to a rule.

On Thursday, May 11, the House will meet at 10 a.m., and after it convenes the House will be in recess for the purpose of receiving former Members of Congress. The House will reconvene for legislative business at 11 a.m. and consider House Resolution 87, to impeach Judge Walter L. Nixon of the U.S. District Court for the Southern District of Mississippi, with 1 hour of debate.

We will then bring up the conference report on H.R. 2, the Fair Labor Standards Act amendments.

On Friday, May 12, the House will not be in session. Any further program will be announced later.

Mr. GINGRICH. Mr. Chairman, I wonder if I might ask the majority leader a couple of questions.

First of all, for the benefit of Members, particularly those on the west coast who are concerned about getting out at a reasonable hour on Thursday so they can get to the west coast, is it the gentleman's judgment that the business on Thursday will allow them to leave fairly early? What reasonable guess might we have as to what time we might rise on Thursday of next week?

Mr. FOLEY. Mr. Speaker it is assumed that if the program is completed on Wednesday and if the program that I have announced for Thursday is the only program scheduled for that date, we should be able to adjourn at a relatively early hour. I cannot give the gentleman a precise hour, but I assume it would be in the area of around 4 o'clock.

Mr. GINGRICH. All right. So tentatively Members might look at 3 or 4, although the leader cannot guarantee that?

Mr. FOLEY. The gentleman is correct. I would not want to be held to that time. My assumption is based on the present schedule as announced, but as we usually announce, conference reports may be brought up at any time and any further program may be announced later.

□ 1730

Mr. GINGRICH. Yes, and, if I might pursue in the bipartisan spirit that seemed to work earlier on the budget vote today, I wonder if the gentleman from Washington [Mr. FOLEY] could enlighten us at all on the dire emergency supplemental appropriations from two standpoints.

First, I note that there might be a new rule requested rather than bringing up the earlier document with the Conte amendment in order, and then, second, we on our side, of course, are very eager to see a dire emergency supplemental come to the floor that would not be subject to a veto and that would, in fact, allow us to help the veterans and to provide some additional amount of money for the war on drugs without having to risk a Presidential voto, and I wonder if the gentleman might comment on that situation.

Mr. FOLEY. Mr. Speaker, I cannot advise the gentleman from Georgia [Mr. GINGRICH] at this time of the precise character of the bill. Action has not been made final yet by the Committee on Appropriations. We are scheduling it at this time because there are in this bill, dire emergency appropriations, and, because of the constitutional requirement that the House act first, it is very important that we complete action by next week so that the matter can be considered by the other body. The Committee on Appropriations will be completing action on it very soon, and of course, the members of that committee and the leadership on both sides will know at that time, the committee's intentions. I cannot also know at this time because the committee has not finished its work that describes the rule, but, as the gentleman from Georgia [Mr. GINGRICH] correctly notes, the probability is it will come up under a new rule.

Mr. GINGRICH. I just want to comment in closing on my side that we do seem—on Contra aid, and today on the budget and a number of places where we work in a bipartisan manner—to have had some notable successes in that the dire emergency appropriation is a bill which I think, if it is properly written in a bipartisan way, not only will speed through the House, but the other body, and then it will be signed with remarkable speed, and so I would hope that together we could encourage the Committee on Appropriations to try to develop a truly limited dire emergency bill and to produce it in a bipartisan way which both leaderships could support enthusiastically.

Mr. FOLEY. Mr. Speaker, I think the comments of the gentleman from Georgia [Mr. GINGRICH] are well taken. We certainly hope that, when the bill comes from the House on the next occasion, it will have strong bipartisan support.

Mr. GINGRICH. Mr. Speaker, I thank the gentleman from Washing-

ton [Mr. FOLEY] and I yield back the balance of my time.

ADJOURNMENT TO MONDAY, MAY 8, 1989

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore (Mr. LANCASTER). Is there objection to the request of the gentleman from Washington?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

HOUR OF MEETING ON THURSDAY, MAY 11, 1989

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Wednesday, May 10, 1989, it adjourn to meet at 10 a.m. on Thursday, May 11, for the purpose of receiving in this Chamber former Members of Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORITY FOR THE SPEAKER TO DECLARE RECESSES ON THURSDAY, MAY 11, 1989

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker to declare recesses, subject to the call of the Chair, on Thursday, May 11, 1989, for the purpose of receiving in this Chamber former Members of Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

MEDICARE CATASTROPHIC EQUITY ACT OF 1989

(Mr. JOHNSTON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHNSTON of Florida. Mr. Speaker, yesterday, I introduced the Medicare Catastrophic Equity Act of 1989. I have received approximately 300 letters a week on the Catastrophic Act of 1988, and virtually all of them are critical of the funding mechanism that is now law. I propose that we step back and look again at how we should fund this important coverage, particularly in light of Senator BENTSEN's finding that the revenues generated from the act are far in excess of what is necessary.

The truth is, senior citizens knew exactly what the Catastrophic Act was about all along. The sad reality is that we are about to take dollars from their pockets to mask the Federal budget deficit. It was not fair before. It is even worse now.

My bill will delay the expanded benefit coverage under Medicare part B and the supplemental premium for 1 year. It will also mandate the GAO to evaluate the cost and seek alternative ways to fund the bill that would be fair and equitable. As it stands today, the Catastrophic Act does not meet that test. I urge your support.

COMMEMORATING TAX FREEDOM DAY

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DREIER of California. Mr. Speaker, the Tax Foundation has proclaimed today "Tax Freedom Day" as a means to draw attention to the enormous and growing tax burden that the average American worker faces each year. Tax Freedom Day is the day that the average American worker fulfills his/her Federal, State, and local obligation to the tax man if every dollar earned since January 1 is withheld by the Government.

Joining the Tax Foundation in observing this symbolic, but significant day, is the board of supervisors of the county of Los Angeles, which approved the following resolution declaring May 4, 1989, as "Tax Freedom Day" throughout Los Angeles County. As the board of supervisors correctly points out, out tax dollars serve a public benefit, such as national defense, education, and infrastructure.

It is not this type of spending which makes Tax Freedom Day important, but the fact that it occurs later and later without significant improvement in these important programs. The American taxpayers are not getting their money's worth. For example, the Heritage Foundation submitted a relatively modest proposal to save $128 billion in the fiscal year 1990 budget through reforms to entitlement and credit programs, privatization, and the elimination of obsolete and wasteful subsidy programs. Since Congress is unwilling to prioritize and make hard choices, Tax Freedom Day is increasingly becoming a day of mourning, not celebration.

Mr. Speaker, I would like to submit for the RECORD the proclamation observing May 4, 1989, as "Tax Freedom Day."

BOARD OF SUPERVISORS,
COUNTY OF LOS ANGELES,
Los Angeles, CA, April 20, 1989.

Hon. DAVID DREIER,
California Congressional Delegation, House Office Building, Washington, DC.

DEAR CONGRESSMAN DREIER: At its meeting held April 18, 1989, at the suggestion of Supervisor Michael D. Antonovich, the Los Angeles County Board of Supervisors declared May 4, 1989, as "Tax Freedom Day," throughout Los Angeles County.

Enclosed is a copy of the Minute Order detailing this action.

Very truly yours,

LARRY J. MONTEILH,
Executive Officer.

MINUTES OF THE BOARD OF SUPERVISORS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

At its meeting held April 18, 1989, the Board took the following action:

The following statement was entered into the record for Supervisor Antonovich:

"The Tax Foundation in Washington, DC, has announced that Tax Freedom Day will be observed throughout the Nation on May 4, 1989.

"Tax Freedom Day is that day when the average American begins working for one's self. In other words, if working Americans paid all their Federal, State and local taxes each year before they receive their take-home pay, they would go without a paycheck this year until May 4, 1989.

"According to the Tax Foundation, the 'good news' is the fact that Tax Freedom Day a year ago fell on the year's 124th day, although that was May 3, 1988, or a day earlier, because of the extra day included in Leap Year.

"But the Tax Foundation says the 'bad news' is that Americans are losing some of the ground they gained during the middle years of this decade. Tax Freedom Day occurred on April 30 and April 28 respectively in 1983 and 1984. It slipped back to May 1 in 1985 and 1986 and has been holding its own at May 3 or May 4 since then.

"According to the Foundation, the average American worker is spending the first two hours and 43 minutes of each eight-hour working day to pay his or her tax bill, a one-minute increase over the adjusted figures from a year ago.

"This compares to the one hour and 25 minutes of labor the taxpayer puts in on the job to pay for housing and household operations, the 40 minutes it takes to earn enough to pay for transportation or the 39 minutes of work needed to finance medical costs.

"The Federal tax take is expected to reach $1.03 trillion, up from the $962.5 billion collected a year ago. State and local jurisdictions will rake in $543.9 billion this year, an increase of nearly $32 billion over last year's take of $512 billion.

"The breakdown of how the American worker distributes his hard-earned wages:

"2 hours, 43 minutes: Taxes.

"1 hour, 25 minutes: Housing and Household Operations.

"59 minutes: Food and Tobacco.

"40 minutes: Transportation.

"39 minutes: Medical Care.

"24 minutes: Clothing.

"20 minutes: Recreation.

"50 minutes: All other (Includes personal care, personal business, private education

and research, religious and welfare activities, foreign travel and savings)."

Supervisor Edelman made the following statement:

"The Tax Foundation of Washington, D.C. is once again publicizing Tax Freedom Day by emphasizing that all of a taxpayer's 1989 income up to May 4 of this year will go to pay taxes. This type of publicity serves to reinforce the image that taxes are a burden without pointing out the benefits that our taxes fund. These benefits include a strong national defense, public colleges and universities, police and fire protection, roads, parks and libraries."

After discussion, at the suggestion of Supervisor Antonovich and on motion of Supervisor Edelman, seconded by Supervisor Hahn, unanimously carried (Supervisor Antonovich being absent), the Board declared May 4, 1989, as "Tax Freedom Day," throughout Los Angeles County, while recognizing the important benefits we all receive from public services at all levels of government.

Further, the Executive Officer of the Board was instructed to communicate the Board's action to the Tax Foundation and to each member of the California Congressional Delegation.

SOYBEAN PROMOTION BILL

(Mr. DYSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. DYSON. Mr. Speaker, yesterday Representative DAN GLICKMAN, chairman of the House Agriculture Subcommittee on Wheat, Soybeans, and Feed Grains, and Representative RON MARLENEE, the ranking minority member, introduced legislation to create a nationwide soybean research and promotion program. As an original cosponsor of this bill, I would like to commend my colleagues for their efforts in putting together this important legislation.

Over the past decade, there have been great changes in world agriculture. Many nations and regions which were once net agricultural importers now export their products and the guaranteed American agricultural export market no longer exists. Nowhere is this more evident than in the export of U.S. soybeans.

Since 1982, the strong world demand for soybeans has encouraged many nations to increase production of this commodity. In 1988, foreign soybean acreage reached an all-time high of 42 million acres, a 56-percent increase over 1982. This has caused the U.S. share of the world soybean market to decline from 66 percent to barely over 50 percent at a loss of nearly $1.9 billion in U.S. farmer income. Mr. Speaker, I am committed to turning this situation around and the passage of this bill is a step in the right direction.

As my colleagues review this legislation, I would like to point out one of its most important features. It requires no Federal allocation. This program will be entirely financed by our soybean farmers through a self-imposed producer assessment on soybean sales. In the past, Congress has approved similar programs for cattlemen, dairymen, and hog producers. The proceeds from this program will enable soybean producers to coordinate a nationwide program of soybean promotion, research, and consumer information. I am confident this measure will go a long way to developing new soybean products and increasing U.S. soybean sales overseas.

Mr. Speaker, as a member of the House Agriculture Committee and as the representative of nearly 4,000 soybean farmers in the First District of Maryland, I strongly endorse this bill and urge my colleagues' support. Thank you.

SYRIA NEEDS TO BE TOLD TO STOP THE GENOCIDE OF THE LEBANESE

(Mr. SMITH of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Florida. Mr. Speaker, I think that recognition needs to be paid once and for all to the tragedy that is going on in Lebanon. For the last years, approximately 13 of them, the Government of Syria has made a concerted effort to drive that country to its knees, drive out the good people or kill them and take it over themselves. If my colleagues will look at a map in Syria of Lebanon, there is no border between Syria and Lebanon, and it is marked as Greater Syria. Thousands upon thousands of people have died in that country, and ultimately the responsibility is the Syrians who have led the fight in shelling and killing Lebanese, and no one has called them to account, not the United Nation, not their neighbors in the region, not anybody.

Mr. Speaker, our colleagues have seen in the last few weeks a number of ads in Roll Call from people of Lebanese extraction in this country who are crying out for some help for their country as they watch it slowly dying. We need to help those people, and Syria needs to be content and asked to stop—not asked, but told to stop this genocide of Lebanese.

Mr. DREIER of California. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Florida. I yield to the gentleman from California.

Mr. DREIER of California. Mr. Speaker, I thank the gentleman from Florida [Mr. SMITH] for yielding.

I would just like to congratulate the gentleman from Florida [Mr. SMITH] for focusing attention on this critically important issue. I had the opportunity to meet in California with a number of people who have witnessed the horrible virtual genocide which is taking place in Beirut at the hands of the Syrians, and I think it is something that we need to talk about more frequently here in the House of Representatives, and I would like to associate myself with the gentleman's remarks.

□ 1740

Mr. Speaker, I thank the gentleman for his remarks.

I think it is important to understand this is not the Lebanese doing it to themselves. This is something orchestrated, masterminded, and conceived by the Syrians to eradicate a whole country and a whole population so that they can take it over themselves. The world must condemn them and they have not done it yet.

LOTTERY WINNER GRANTED POLITICAL ASYLUM

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MOAKLEY. Mr. Speaker, only in America, while the administration continues to forcibly deport thousands of Salvadoran refugees back to their war-torn homeland—and while they jail thousands of Central Americans in detention camps across this country, the INS District Director in Florida has granted political asylum to a Nicaraguan man and his family, after the man won $5.3 million in the Florida State lottery. The INS official apparently joked "the winner was too much of a capitalist to return to his Marxist homeland."

Mr. Speaker, I do not know all the details of this particular case. There may well be a good reason for his request. However, it's important to note that the State Department did not support this asylum application. But, it appears on the surface that, once again, the INS is demonstrating its compassion by playing games with our refugee laws, while ignoring the plight of the poor and oppressed.

Mr. Speaker, Senator CLAUDE PEPPER and I have authored legislation in the House to temporarily suspend the detention and deportation of all Salvadoran and Nicaraguan "war refugees" in the United States—and not just those who win lotteries.

War and oppression are reasons we should help refugees—not dollars and cents.

Mr. Speaker, I include the following article from the Washington Post of May 4, 1989:

LOTTERY WINNER GRANTED POLITICAL ASYLUM

MIAMI.—Justo Ricardo Somarriba, a Nicaraguan immigrant who won $5.3 million in the Florida lottery, was granted political asylum by an official who joked that the winner was too much of a capitalist to return to his Marxist homeland.

A $3.50-an-hour hardware-store clerk who entered the country illegally in 1987, Somarriba picked all six numbers in the Lotto drawing Saturday and split the pot with another ticketholder.

After he appeared at the state capitol Monday to receive his first 20 annual checks for more than $240,000, Immigration and Naturalization Service officials revealed that the State Department had not supported his asylum request.

INS district director Perry Rivkind reviewed the case after publicity about it and decided that Somarriba, his wife and three children, ages 3 to 9, deserved legal residency.

THE TRAGEDY OF AN ELECTION TO BE STOLEN IN PANAMA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 5 minutes.

Mr. DREIER of California. Mr. Speaker, I take the well as we prepare to adjourn for the week to talk briefly about a real tragedy which is going to be taking place this Sunday. I am referring, of course, to the election which is going to be stolen in Panama by one of the worst dictators in this hemisphere, Manuel Noriega.

Mr. Speaker, I had the privilege of being elected to this body in 1980. I came in that very famous election when Ronald Reagan swept in. A number of us defeated some of our distinguished colleagues from the other side of the aisle. When this happened, I looked at the lack of freedom that existed around the world. When I juxtaposed where we were in 1980 with where we are today, it is literally the difference between night and day. No doubt about the fact that we face very serious problems in Nicaragua, Namibia, Afghanistan, Cambodia, and other parts of the world, but I think that as we look toward this election, this election which is scheduled to be stolen this Sunday, we should look at the successes which we have had in this decade. It has been literally years, in some cases decades since the countries which I am going to list here had free and fair elections, specifically at the Presidential level.

When you look at the success rate, it has been tremendous. In fact, this afternoon I wrote down the list of those countries and I would like to share them with our colleagues. I am pointing to these because, as I said, it is a sad commentary on what we are going to witness this Sunday in Panama.

We saw last month, and I was privileged to be an observer of that election—now we are in May, excuse me, actually March 19, we saw the first orderly transition of one democratically elected government to another in El Salvador.

I remember very well in my first term the kinds of things that were being said about El Salvador in this House and while the FMLN still poses a very serious threat to the stability of El Salvador, and the election itself has not automatically brought about what the people want, peace, stability and economic reform, the election itself has taken a bold step in that direction.

We also saw in this decade for the first time in years elections held in Honduras, Guatemala, Granada, Uruguay, Bolivia, the Philippines, South Korea, Argentina, Brazil, Pakistan, and based on a plebiscite which was held last year we are going to see an election taking place in Chile.

Just this week we witnessed the election of Mr. Rodriguez in Paraguay, and we are all holding out that little bit of hope that on February 25 of next year we will see a free and fair election, and boy, do I hope I can be part of the United States observer team going down to Managua to see if this bipartisan package that we brought about can take another bold step toward a free and fair election in that country. If that happens, it will be the first time that a totalitarian Communist regime has ever negotiated itself to a democratic form of government.

Tragically amid the spread of democracy which we are seeing in other parts of the world, of course, in Southeast Asia, Cambodia and Vietnam moving in that direction, the marches which have taken place in Shanghai and Beijing in China are very good and positive signals toward that; but unfortunately, just to our south, we this Sunday will, according to every report that I have seen and everything that I have looked into will see the election in Panama stolen from the people by Manuel Noriega.

Mr. Speaker, I simply wanted our colleagues to know what will most likely take place and I hope that the American people are not shocked when the outcome of the election brings about on Sunday overwhelming support for the Noriega-backed candidates.

□ 1750

TIME TO PUT SOUND BUDGETING PRINCIPLES ABOVE POLITICAL MANEUVERING

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Indiana [Ms. LONG] is recognized for 5 minutes.

Ms. LONG. Mr. Speaker, I won't take the entire 5 minutes of time, but I did want to address the House on the subject of the budget resolution we just considered.

I did not support the budget resolution because it will not move us in the direction our economy demands.

I have two major concerns. First, the resolution calls for $14.2 billion in increased revenues. Second, as a college professor of business administration, I would not accept from a student work with the kinds of assumptions that the OMB [Office of Management and Budget] has used. Even the CBO [Congressional Budget Office] estimates that the budget resolution falls at least $20 billion short of honestly reaching the Gramm-Rudman-Hollings target.

The immediate causes of the shortfall are unrealistic economic assumptions, and creative accounting. But ultimately, the shortfall is the result of a decision to place more emphasis on bipartisan cooperation than on honestly facing our obligation to responsible budgeting.

I understand why such a decision was made. Furthermore, I recognize that our leaders did a god job under the circumstances. But it is time to put sound budgeting principles above political maneuvering.

I hope we can do better in the future.

EQUITY IN INTERSTATE COMPETITION ACT OF 1989

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BROOKS] is recognized for 5 minutes.

Mr. BROOKS. Mr. Speaker, America's main street retail merchants are unfairly being forced to compete against out-of-State mail order giants with one arm tied behind their backs. While local merchants must collect and remit State and local sales taxes, a loophole in the law allows nonresident retailers to avoid that responsibility. This penalizes the honest local merchant. Today I am introducing the "Equity in Interstate Competition Act of 1989," legislation that will straighten out this perverse situation by closing the interstate tax loophole.

Currently, all States that levy a sales tax require merchants in that State to collect the tax and remit it to the State or local government. In addition, an equivalent tax, generally called a "use" tax, is levied on goods sold and delivered to State residents by out-of-State retailers such as mail order firms. Multistate firms such as Sears and Penney's routinely collect and remit such sales taxes for all States on their mail order sales.

However, a 1967 Supreme Court decision prevents States from requiring out-of-State firms to collect the tax if the firm maintains no retail outlet in the State. As a result of this loophole in the law, the out-of-State tax goes uncollected.

Honest local retailers start out at a competitive disadvantage of as much as 8 percent against out-of-State dealers from Maine to California, and State and local governments suffer a revenue loss that is estimated at $2.9 billion annually. That revenue has to be made up by imposing other, higher, taxes on local citizens.

The legislation that I am proposing today to close this loophole would not impose any new tax, and it would not increase any taxes. Rather, it would enable the collection of the

existing tax. States could require the collection of taxes on interstate sales if the retailer engages in "regular or systematic soliciting of sales" in that State.

The bill would apply only to the largest interstate retailers—those with gross sales of over $12.5 million annually or $500,000 in a particular State. It is carefully drafted to ensure that no undue burden will be placed on the retailer or on the customer. Rather, its purpose is to allow the States to make those firms do what they should be doing: Paying the taxes they owe.

Nobody likes to pay taxes, and it is predictable that the mail order lobby would be unhappy about the possibility of giving up this unfair competitive edge. But, when a tax exists, it should be applied equitably—in this case, both on in-State and out-of-State sales.

Closing the interstate tax loophole will provide an even break for the local merchants across the Nation who provide jobs and services to our local residents and who pay the taxes that support our hometown schools, police Departments, and other services. In addition, it will facilitate the collection of badly needed revenue by the State and local governments that provide those services, at a time when Federal aid to those governments has been cut severely. Ending this inequity will correct a real abuse in our State and local tax system.

SEEKING COSPONSORS FOR H.R. 2096, TO CREATE OFFICE OF MINORITY VETERANS' AFFAIRS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. RANGEL] is recognized for 5 minutes.

Mr. RANGEL. Mr. Speaker, I rise to seek cosponsors for legislation that I introduced on April 24, 1989, to create within the Department of Veterans Affairs [DVA] an Office of Minority Veterans' Affairs. This office will be headed by the Assistant Secretary, who will be assigned to handle equal opportunity responsibilities for the Department. The bill is H.R. 2096. I must stress that this legislation will not increase the number of Assistant Secretaries within the Department. What it will do is to increase the number of functional duties that the DVA must perform. In the Department of Veterans' Affairs Act, Congress mandated the DVA to perform 10 functional duties to be assigned among the 6 Assistant Secretaries. I propose to increase the number of functional duties from 10 to 11 to be managed by the 6 Assistant Secretaries.

Mr. Speaker, the purpose of this bill is to address the concerns and to integrate the minority veteran into the Department's policymaking process. Over the years, the Congress and the DVA have recognized that the minority veteran has unique needs. In the past Congress has created advisory boards to review those groups specific needs. The recommendations made by these boards have not always received serious review, and often were ignored by the DVA. One reason for this is that these boards lacked any formal decisionmaking powers. So, it is not surprising that the needs of the minority veteran are often overlooked. This also means that the DVA lacks an overall strategy to improve services and benefits to the minority veteran.

If I may, let me touch briefly on some of the problems faced by the minority groups covered in this legislation.

Mr. Speaker, black veterans and their families make up one-third of the black population in this country. The black veteran represents 8 percent of the total veteran population. Over the past decade the number of individuals enlisting into military service have decreased. However, the number of blacks entering the armed services have increased. Today blacks are overrepresented in the armed services. Blacks make up about 12 percent of the general population, but comprise 21 percent of the enlisted ranks and 6.6 percent of officers. So, while the general veteran population is projected to decline by the turn of the century, it should be clear that the black veteran population will increase.

Blacks have always served this country with honor, valor, and distinction. However, upon discharge, blacks have not always received benefits given to other veterans. This is reflected in the high unemployment rate of blacks who served in the Vietnam theater. Blacks who served in the Vietnam theater suffer a higher joblessness rate than other Vietnam theater veterans. Overall, blacks suffer an unemployment rate 2½ to 3 times higher than other Vietnam theater veterans.

The number of homeless continue to increase, it is estimated that 50 percent of them are veterans. It is also estimated that at least 40 to 60 percent of the homeless veterans are black. Compared to other veteran groups, blacks suffer from an inordinately higher rate of homelessness which correlates to the high unemployment rate.

The women of this country have always played a key role in the defense of this country, but not until World War II were they a formal part of the armed services. Although, the female component was phased out, after the war, women have remained a vital part of this country's defense. The role of the female soldier continued through the Korean and Vietnam war. By the end of the Vietnam war women comprised 10 percent of this country's military.

Today, there are 220,000 women on active duty in the Armed Forces. In the coming years the number of individuals serving on active duty will decrease, but like blacks the number of women serving in the Armed Forces will sharply increase. Women currently represent the fastest growing segment of the veteran population. Presently women comprise 4.3 percent or 1.2 million of the total veteran population.

The DVA has responded aggressively in many instances to women's needs in the past few years, but much remains to be done. In a 1988 report of the Veterans' Administration Advisory Committee on Women Veterans, it stated:

That there is an ongoing concern that women are still less aware than male veterans of their benefits, and when they are aware, they are less likely to claim them.

Women veterans face a continuing problem with the inability of public employment offices to place women veterans in jobs at a wage level commensurate with their military experience.

The Hispanic veteran has been involved in the defense of this country from our first conflict, the American Revolution to the present. In this country's last conflict blacks and Hispanics suffered an overrepresented number of wartime casualties. The valor of the Hispanic veteran is reflected in the fact that the Hispanics claim more Congressional Medal of Honor winners per capita.

It is not possible to determine with any degree of certainty to what extent the Hispanic veteran participates in DVA programs. The American G.I. Forum believes that Hispanic veterans do not fully utilize the benefits to which they are entitled.

The American G.I. Forum cited the curtailment of the transportation allowance as having a disparate effect on lower income groups, particularly the Hispanic community in rural areas, where many veterans reside. The high unemployment rate faced by the Hispanic veteran is due partly to the lack of State veterans employment representatives with sensitivity toward the Hispanic culture and the lack of Spanish-speaking skills. With these shortcomings it is easy to see why the needs of the Hispanic veteran are not met.

Mr. Speaker, in this country native Americans generally live shorter and poorer lives than other groups. Congress has created an Advisory Committee on Native American Veterans. This committee reported that native American veterans significantly underutilize DVA benefits and health care services. Unfortunately the committee had to base this contention in part on anecodotal data because there is little statistical data on the native American veteran. What little data does exist clearly shows that the native American significantly underutilized health care services. The native American comprises about 0.6 percent or 160,000 of the total veteran population. In fiscal 1985 data indicated that only 0.4 percent of the DVA's hospital discharges and 0.3 percent of hospitalized patients were native American. Today 40 to 50 percent of all native Americans reside on reservations, this means that 3.9 percent of these veterans live more than 100 miles from any DVA medical center.

Asian and Pacific Islander veterans number over 212,000. Many of these veterans compiled distinguished war records. In World War II the nearly all Japanese-American "Go for Broke" division suffered among the highest number of casualties, and was awarded an extraordinary number of decorations for valor.

However, Asian and Pacific Islander veterans, like other minorities, do not fully utilize or seek care and benefits offered by Federal agencies such as the DVA. These veterans tend to present themselves for treatment at lower rates than other veterans. This is not because these veterans have adjusted better or are healthier, but, because of cultural difference, they do not seek care or services outside of the traditional extended family or tribal community. Congress held hearings in Honolulu 2 years ago, at that time it became apparent the true extent of the DVA neglect of our 50th State and the Asian and Pacific veteran population.

Mr. Speaker, I am sure that this legislation will be misunderstood by some. Many of these individuals are well-meaning, but without the benefits of information, will argue that the DVA serves our veterans without regard to color, heritage, or gender—so that an office at this level is not necessary.

It is not the intention of this legislation to advocate special treatment for one veteran group over another, but to insure that the cultural differences that exist among our veterans are considered when administering veterans benefits. Again, Congress has recognized the uniqueness of certain veteran groups needs by establishing advisory groups for native Americans, women, and Vietnam, era veterans. It is necessary that the concerns of the minority veteran are addressed at the highest level in the DVA.

Let me quote my friend and colleague Senator SPARK MATSUNAGA from Hawaii, who has introduced a companion bill, "same care is not the same as equal care." This piece of legislation will insure that the DVA will take into account the unique needs of the minority veteran. So that we can say that all of our veterans receive quality and equal care. Let me remind you of the words on the DVA building "* * * to care for him who has Borne the Battle and his Widows and Orphans," our commitment to the veteran must endure.

I ask you, my colleagues, to join with me to ensure that this Nation offers equal treatment to all veterans. I ask for your support in the passages of this legislation.

COMMUNITY REMEMBERS SAVINGS AND LOAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, as Congress continues its action on H.R. 1278, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, it is important for my colleagues to remember the importance of the savings and loan in the American community, and to once again think back to why they are being saved; because they provide home mortgages to people in communities who otherwise have difficulty financing their homes.

Recently, a savings and loan in Chicago celebrated its 25th anniversary, and its story reminded me of this purpose. Twenty-five years ago the old First Security Federal Savings & Loan in the Ukrainian Village was insolvent and on the verge of closing, when a Chicago attorney found out about its troubles from a client who complained about not being able to withdraw his money. When questioned, Illinois State regulators told this attorney, William Kulas, that half of First Securities assets equaling $360,000 were missing, and it faced liquidation unless a buyer was found. Kulas knew there would be community interest in buying the interests, due to the fact the residents were having difficulty obtaining mortgages from anyone other than the credit union. In other words, the community was redlined and nobody except the credit union would lend there.

As the word spread, members of the Ukrainian community flocked into First Security with bundles of money to invest. Soon the institution had over $300,000 in new investments and the savings and loan was reopened by the new group. Two years later, the board of directors gave First Security an interest-free, 3-year loan of $70,000 to replace its old frame building.

During its first 7 years, First Security, which became a bank in 1985, operated without Federal deposit insurance. When it applied, its reserves were too small to meet Federal standards, so 12 board members allowed $76,000 of their personal deposits be frozen as a pledge against losses.

Stories like First Security are exceptional reminders of the desire of the American community to keep their home lending industry alive. Twenty-five years ago, this community was aware of the need for the savings and loan, and found their own way to ensure its existence. Today, we, as Members of Congress, are asked to do the same; find a way to keep the housing industry alive as a way for American families to purchase their homes.

THE VERDICT IN THE OLIVER NORTH TRIAL

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 5 minutes.

Mr. DORNAN of California. Mr. Speaker, I had the opportunity to go down to the Federal courthouse here in Washington, DC, today and hear the Ollie North verdicts rendered. Several Congressman, like the gentleman from Illinois [Mr. HYDE], our good colleague, were in the courtroom, and it was fascinating.

Mr. Speaker, I think in the rush to analyze this, the media is concentrating on the two guilty counts and the half of a guilty on count 6, and they are not putting enough emphasis on where the jury rendered not guilty verdicts.

Let me just go down what I picked up in the pressroom over there at the Federal courthouse, and then look at this jury, all good people.

Mr. Speaker, they obviously worked very hard on this. I was really impressed when Judge Gesell sent word to them yesterday to work harder and demanded that they take half hour lunch breaks. That to me seemed an unusual order, since they were working 6, 7, and 10 hours trying to analyze each one of the 12 counts. I thought that denying them an extra half hour of lunch was a bit draconian.

A word about the jurors first and then the verdict. These people are supposed to be peers of Lt. Col. Oliver Lawrence North. There is one young lady there 20 years of age, a clerk-typist, Lisa Brooks. That would hardly be a peer of a field-grade officer in his forties. There are eight people in their thirties. There is no one in their forties, no one is the age bracket of Colonel North himself. There is one person 53, and now they are getting up to my vintage, and two people in their sixties. All of the jurors were black, which does not mean a single thing if they were all black corporals and noncommissioned officers and officers from the Army, Navy, Air Force, Marine Corps who had seen service in peacetime or in wartime, which would have been preferable, to some that had combat time, because they certainly could be called peers of Oliver North. The fact that nine are females and only three are of Colonel North's gender, that would not mean anything if the nine women had served some time in the military or other pressure-type job where the chain of command is as sacrosanct as it is in the military, at the State Department or in the CIA, where when a three-star general talks, a lieutenant colonel jumps through hoops, just as when a master sergeant talks, a corporal jumps, or when a staff sergeant talks, a buck private jumps through hoops. But they are good people, and they worked very hard.

I think if this whole Congress had sat down as we were supposed to construct ourselves into a jury and judge a Federal judge who has allegedly gone astray, and we were supposed to do it last week, then this week, and it is put off until next week, and it is on sort of a sliding calendar, but if we were to gather ourselves as we do very rarely into a jury of 435 people here, I think the one count that we would have dismissed first against Oliver North would have been the $13,000 security system around his house.

I have just been in touch with the Architect's office, and this is only partially the figure. We have spent for security around this Capitol Hill, and it is not $13,000, and it is in 1 year, 1985, $13 million. We have virtually tank traps, redundancy tank traps, four of them at either end of our entrances at the east front of this building. We have a police car with the engine running that is ordered to ram any vehicle that tries to come through these huge concrete flowerpots at all entrances to what used to be a wide-open Capitol Hill when I got here 12 years ago. These police cars have their engines running 24 hours a day, and one can tell sometimes, because they have their hoods open so that the engines do not overheat, and when that car is taken off the line, another one with its engine running is put right in its place, and it sits there 24 hours a day. Guess when all of this security was

heightened around this building. One morning I came to work some years ago, and there were garbage trucks blocking every entrance, and we have permanently blocked off the majority of the winding beautiful grass streets and roads that come up from the west front of this building and at each side. We only have these two entrances now. Guess when that security was implemented. The same month that the death threats were put on Colonel North's family by Abu Nidal.

Mr. Speaker, I do not know about the Members, but I got goose pimples watching Ollie North testify in that Russell Building across the road here when he said, "I will meet Abu Nidal anywhere, anytime, anyplace, anywhere in this world," and not a person in America doubted that young colonel's word when he said that.

Mr. Speaker, it was his family that he was worried about, Betsy and his three children.

He said to the world on live television:

> It is the biggest mistake I made in my career in accepting that security device, but three times in writing I asked for my country to protect my family, and they would not do it.

Does anyone know how much the protection cost at the White House? It is classfied.

Does anyone know what the total figure is here? Probably $50 million.

Mr. Speaker, I will be back next week to finish this story.

THE TRIAL OF OLIVER NORTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 10 minutes.

Mr. BURTON of Indiana. Mr. Speaker, I wanted to make a brief comment on the remarks of the gentleman from California.

After the Ollie North Iran-Contra hearings began and after they concluded, we found that, and I cannot remember the exact timeframe, that there were six or eight people who were arrested who came in from the Middle East whose goal was to assassinate Ollie North in Alexandia, VA, where I live. They were arrested, and were being held in the jail out there. I do not know what the disposition of those individuals was or how it ended up, but I do know that their goal, their mission, was to assassinate Ollie North, and I presume endanger his family.

Mr. Speaker, that security fence that was put around his family, around his home, was designed to protect his family from just that kind of tragedy taking place, that being that assassins would come in and try to kill him, and in the process try to kill his family.

Ollie North, as I understand it, was a man who did not have the money to be able to put up that kind of security fence. All I want to say to my colleagues is that if I did not have the money to protect my family and if I knew that there were assassins out there trying to kill my family, I think I would go to almost any length to protect them, and I think it ill behooves any one of us to point the finger at Ollie North and say, "Hey, you were wrong to take that security fence and to defend your family and protect their lives," when in fact we do know that Abu Nidal and those terrorists were, indeed, trying to kill his family and him.

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I am happy to yield to the gentleman from California.

Mr. DORNAN of California. Mr. Speaker, the gentleman did save me coming back next week if I could do this, because I do not know if the gentleman has seen the not guilty charges, because, as I said, the media tends, some people in the media, some will try to make the most out of the two charges, 9 and 10. No. 10 is the security device around his house.

The $13 million spent for us just in the 1985 budget, and $13,000 for Ollie. What is that? That is one one-thousandth of what we spend in just one appropriation to defend ourselves here, and I think when I get the final total, which is unclassified for us, it will be closer to $50 million.

Just let me quickly read to the Members what he is not guilty of: Count 1, obstruction of Congress in responses, not guilty; No. 2, false statements to the House Intelligence Committee, not guilty; count 3, false statements to the House Foreign Affairs Committee on Latin America, and that is the gentleman's major committee, not guilty; count 4, false statements to the House Intelligence Committee in a letter, not guilty; count 5, obstruction of Congress in August 1986, not guilty; count 6, obstruction of Congress in November 1986, not guilty, but they split that one, and on aiding and abetting by changing the chronology of a document under Admiral Poindexter's orders, they found him guilty on half of 6.

Mr. McEWEN. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I am happy to yield to the gentleman from Ohio.

Mr. McEWEN. Mr. Speaker, I will point out to the gentleman that there is nothing in there to which he did not confess. He stated it publicly.

Mr. DORNAN of California. On national television.

Mr. McEWEN. He stated publicly that he took the fence; he stated publicly that he shredded the documents, and now we have spent $22 million on this witch hunt, of which they did not convict him on a single count except what he stated publicly he had done.

Mr. DORNAN of California. I will go through these quickly, because the gentleman wants his time, and he is entitled to it.

Count 7, obstruction of Presidential inquiry in November 1986 by lying to then Attorney General Meese; not guilty.

□ 1800

Count 8, false statements on November 23, 1986, in a face-to-face meeting with Meese, not guilty.

Count 9, altering, destroying, concealing, and removing documents in November 1986, which he admitted before the whole world, and even with a little wry smile on his face said, "Did I get them all?" It was a covert operation and people were dying and they still are, and that is why the gentleman from Indiana [Mr. BURTON] and the gentleman from Ohio [Mr. McEWEN] and I have been down there umpteen times, I have lost count, because people are dying, and it was a covert operation.

Count 11, conversion of travelers checks earmarked for Contra funds for personal use; not guilty.

Count 12, conspiracy to defraud the United States and the Internal Revenue Service by illegal use of a tax-exempt organization to solicit and raise funds for Contra weapons; not guilty.

I think he started out with 16 counts, and 4 serious conspiracy counts were thrown out by the court. Now we have had 9 more thrown out, and a half of another one. I think in the appeal process Brandon Sullivan will do right by this fine Marine officer, and we will see this whole thing disappear.

I thank the gentleman for the time.

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman from California for his contribution to my special order.

I just wanted to end up by saying that it ought to be made very clear to our colleagues that there were assassins here to hit Ollie North. They were arrested in Alexandria, VA. The threat was real, and I think any prudent person would have tried to take every precaution to protect himself and his family if he knew that was the case.

REPORT ON THE AIDS EPIDEMIC

Mr. BURTON of Indiana. Mr. Speaker, I wanted to make a brief

report to the American people on the AIDS epidemic before we adjourn. It is exremely important that people know this epidemic is getting worse instead of better, it is not going away, and the statistical information we are getting from the Centers for Disease Control in Atlanta is very gloomy indeed.

In 1983 we had 4,200 active cases of AIDS, people who had it and people who died. In 1984 it doubled to 9,900 cases of people who had AIDS and died. In 1985 that went up double again to 20,000. In 1986 it went up to 35,000, not quite double. But in 1987 it went up to 48,139, which was 2½ times what it was 2 years before. In 1988 it went up to 80,538, which was 2½ times what it was 2 years before that.

In 1989 so far we have had 10,452 new cases in the first 3 months alone, which means if that percentage continues through the end of the year we will have seen more than a doubling of the people dead or dying of AIDS since 1987, which was 2 years ago.

The point I am trying to make is we are seeing an average increase in people dead or dying of AIDS of 50 percent a year. If we put a pencil to that and extrapolate that out for the next 10 years, we are going to have literally millions of people in this country dead or dying of AIDS virus, and no one has yet indicated to me that that trend is not going to continue.

The fact of the matter is we are going to have millions of people dead or dying of AIDS in the next decade, and we are not doing anything to really get a handle on this situation.

Mr. Speaker, we need a routine testing program for the people of this country. The only way we are going to find out how AIDS is being spread, where it is spreading most rapidly, and who is spreading it is for us to have a routine annual testing program for everyone in the country. We have to do that if we are to keep this epidemic from increasing at an exponential rate until we have 20 million or 30 million people dead or dying in this country.

We have no idea how many people are infected with the disease today. There are many people that think it is transmitted in ways that have not yet been admitted to by the CDC. Those things need to be uncovered. We need to find that out, and we are not going to be able to find it out until we have a testing program.

I hope Members will listen to these figures one more time. There has been more than a doubling of the number of AIDS cases in the last 2 years, and it appears as though that trend is going to continue. We are going to see a 50-percent increase, in my view, every year into the foreseeable future. That means a doubling every 2 years, and that means millions of people are going to be dead or dying, and we still do not know all the ways it is spreading, where it is spreading, or who is spreading it.

We need a routine testing program and we need it very soon, and I urge my friends and colleagues to think about this. I urge my friends and colleagues at the CDC and the HHS to get down to brass tacks and come up with a program we can all live with which will test this country, and get this epidemic under control.

Mr. Speaker, I yield back the balance of my time.

THE OLIVER NORTH TRIAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. MCEWEN] is recognized for 60 minutes.

Mr. McEWEN. Mr. Speaker, I rise to express my interest also as one who was privileged to serve on the Permanent Select Committee on Intelligence during the time that the Oliver North issue was being played out, and now that the court has made its decision I think it is appropriate for those of us who were reluctant to speak publically before to now discuss the facts. Those are that under the charges as handed down by the court today on the issue of Mr. North, on the question as to whether or not he lied to the Congress, whether or not he obstructed justice, on every one of those counts, as was pointed out by the gentleman from California [Mr. DORNAN] a moment ago, on each one of those counts he was found not guilty.

I think that now that this charade has come to an end it is high time that the Congress move on to other responsibilities. As I mentioned moments ago, the head of the Iran-Contra hearings said at the close of those hearings, that extravaganza that cost millions of dollars and hundreds of hours of public testimony, the chairman of that committee announced at the conclusion that "they had not accomplished what they hoped they could accomplish."

I would not be one to judge what it was they wanted to accomplish, but many of us questioned as to whether or not it was not of a criminal nature, but perhaps more of a political nature. Now that we have seen the end of the criminal trial, I think it is appropriate to apply the same epitaph that they did not accomplish what they had hoped to accomplish. Indeed, the goal was to somehow come to the conclusion that the President of the United States, and through his subordinates had subverted the will of the Congress and the American people, that they had obstructed justice and that they had lied, that they had lied to the Congress. On each one of those charges Mr. North, Lieutenant Colonel North who was the first one to come to trial, was found not guilty on those charges.

The instructions from the judge were that regardless of whether or not he was acting under orders, regardless of whether or not the Commander In Chief had told him to do it was not the issue. The issue that these 12 Washington, DC jurors were to consider was whether or not they had done it, whether or not he had acted at all, and they came to the conclusion that he had not acted at all to obstruct justice or to lie to the Congress.

I would think that would be sufficient evidence for any impartial observer. It certainly ought to be enough for the Congress of the United States.

The Iran-Contra hearings came to the conclusion that they could not find any action by the President that has subverted the will of the Congress or the Constitution. Having gone through that political activity, they then moved to the criminal realm and into the forum of criminal illegality and tried it there. They came to the conclusion today that there was nothing acted on there either that was of a criminal nature.

So I would urge the leaders of the Congress to move on, to proceed with the directions of the concerns of the nation and less with this political witch hunt that has now been proved politically and legally to be unfounded.

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. McEWEN. I am pleased to yield to the gentleman from California.

Mr. DORNAN of California. Mr. Speaker, I believe the gentleman from Ohio was discussing with me earlier today that Judge Gesell has asked the Federal court system, told them that he wants no part of the Poindexter trial, or the trial of retired General Secord or Albert Hakim, that this is his last effort, that it will have to be some other judge to sit there and go through, regurgitate all this material. This is a man who was a graduate first in his class at Annapolis 10 years ahead of Oliver North, John Poindexter, and to think that we are going to go through all of this again I think of one phrase, I think it is fair to say that it is attempted criminalization of policy differences of how we stop communism from getting a foothold in Central America. And I think trying to find another 12 jurors, because even liberal reporters laugh that these good people, and I mean that sincerely, I am not being facetious, that these 12 people were the last 12 people inside

of the beltway that never heard of the Oliver North hearings on the Senate side. How are they going to find 12 more with alternate jurors in case of people getting sick, and then find another set of 24 or 36 for a trial for Albert Hakim and for General Secord. This is actually politicizing a constitutional battle.

Ronald Reagan was a hero to me and still is, but I told him more than once to take on the War Powers Act, to take this head on, to go over it with his policy after the embarassment of these firecracker mines put in the harbor that were not designed to sink a ship but to scare them and drive up their insurance policies.

□ 1810

And that was not Ollie North's idea, in spite of what the networks put in that 4-hour silly, cockamamie soap opera called "Guts and Glory."

This should have been an overt policy. North made some mistakes but he made them way down in the chain of command and he admitted to every one of them before the world. You and I have been talking about $22.5 million. I just saw Ollie North on television. He may know of costs we do not know. He said $40 million to bring them to this point in the justice system.

Mr. McEWEN. They spent over $2.5 million for one room to interrogate Ollie North. This is a 40-year-old lieutenant colonel with 3 children, trying to make a living on those kinds of salaries, working 14 hours a day, and all the resources of the Government, the special prosecutor not accountable to the President, not accountable to the Attorney General, not accountable to the Congress of the United States, all of those resources to get one man. They wanted to try him first. They thought they had their best shot. They made up the charges. They came at him with everything that they had. Those jurors have returned their verdict today.

Mr. DORNAN of California. One fault about finding a jury, finding a jury for my very good friend and honorable friend John Poindexter, vice admiral, three stars on each shoulder; in looking for that jury they are going to have to find somebody who did not hear the jury verdicts today or hear it tonight on "Crossfire," on "Nightline," or on "Larry King," on C-SPAN, all tomorrow on 24-hour news, CNN, CNN all day long with Sally in Los Angeles tomorrow, the nice lady who is so good in the afternoon from Los Angeles. Then Sally Jesse Raphael yelling and screaming on the "Morton Downey Show," "He is guilty, he is innocent, he's guilty, he's innocent, he's guilty, he's innocent." That will go on for an hour.

Geraldo Rivera will open some hidden safe in a cellar and find new documents that President Bush did not tell us about.

How are we going to find a jury 3 weeks from now, 3 months from now when we are going to go psycho with this cover of people next week?

Mr. McEWEN. The gentleman will recall that during the discussion of this there was always a great deal of concern that they get to the bottom of the facts, "what did the President know, what was President Reagan up to?" There was such a pious discussion, where they said that was the main concern.

Now that Mr. Reagan is gone and now that Mr. North has had the decision, you will observe in each one of the public discussions of the major political leaders, the media leaders this afternoon and the reports tonight in the media, their focus centers not so much even on North anymore, certainly not on Reagan, but on President Bush, "What did President Bush know? What is he up to? Why doesn't he give a full accounting?" Finally it is time that we go back and ask for more documents and we should open up the Iran/Contra discussion to find out what President Bush knows. Anyone who has any impartiality at all, anyone who is observing this from a noninvolved status has to conclude that there is a great deal of political motivation going on here, that this is an effort to accomplish politically what they could not accomplish in a court of law or at the ballot box. As the gentleman stated so properly, this is a political question as to what kind of policy the United States will engage in in Central America with the Soviet Union. And when they have not been able to capture the White House by going to the American people, they have now tried other devious ways which have done a disservice, in my opinion, to significant dedicated Americans.

Mr. DORNAN of California. Two thoughts on the cause that brought this all about, the fight for freedom in the hills of Nicaragua by young democratic resistance freedom fighters, the so-called Contras. They are sitting in their base camps waiting until November 30 to see if the nine Members of this Chamber and the other will write letters to the President telling him that he can feed them for 3 more months. Then we do not know what is going to happen after the February 25 election in Nicaragua. But we do know this. Two thoughts people should know: The Ortega brothers and their seven cronies and that gang of thugs who have destroyed that country economically, religiously, politically, and even the beauty is disappearing, they said that the seven opposition parties—and there may be more—can only have 30 minutes a day. Now if it were six parties, the arithmetic would be simple, five 6's into 30, they are going to get 5 minutes each. But with seven, they are going to get about 4 minutes and some seconds or maybe they will get to share it and they will each get a half-hour once a week. That is it for the whole opposition. They do not get to start until 3 months on the very day that the food is cut off to the Contra freedom fighters.

Mr. McEWEN. On the state-run television which the Sandinistas control and dominate every moment, every reporter, they censor every report and dominate it 24 hours a day, now this little allocation here, this is what some people will—you will observe on February 26 some people will come to this well and say, "Now they have acted." Now the reason I took this special order today was just to go over the enactment of legislation that the Sandinistas enacted just this past week, and which Georgiane Geyer and Jeane Kirkpatrick and indeed the Washington Post editorialized on Tuesday and others have pointed out the total unfairness of it. That is what I intend to point out again tomorrow. But it gets back to exactly what the gentleman said, that they are committed to maintaining an illegal government with the support of $500 million from Qadhafi, $1.2 billion a year from the Soviet Union and Bulgaria and every left-wing anti-American regime around the world, and the question is whether or not we believe that democracy is worth helping, not defending with our soldiers at all. We certainly would not even consider that. The question is whether or not we should support democracy any place on the globe not the least of which some place 3 hours from our shores.

Mr. DORNAN of California. Let me say that Ortega is on another grand tour of Europe where even good countries, friendly nations, will have some of their ministers and parliamentarians fawn over him out of a very tragic misplaced anger at us, the rich uncle. I think it really comes down to one of the seven deadly sins, envy, jealousy of the successes of the young Nation, the United States. So they love bashing us through somebody they know they would not even give them the time of day and he would never get elected to one of the legislatures in Europe. But on his tour he pointed out to all the Europeans a few days ago that he may have moved up the election from November 1990 to February 25, 1990, but he is not moving up the inauguration date. So there will be 10½ months after the rigged election. He will watch Noriega, the drug-running dictator in Panama and see how he manipulates his election. They will watch and then duplicate that thievery probably in February on the 25th. Then for 10½ months they will laugh as they have the longest transition period in the modern Western world.

It is phenomenal, the facts that are not getting out to the American people on this cause that is not yet lost but it is getting close.

I recall Ollie North's final testimony where he said in essence, "Do what you want with me, but for God's sake don't use me as an excuse, I beg you, to destroy the cause of freedom in Central America."

I have spoken to him very infrequently over the last few months during the period of his travail, but he still tracks very carefully the suffering that goes on in Nicaragua and he still wishes more than even his own freedom that the cause of liberty not be lost in this little part of North America, down there in the isthmus between us and the canal we built.

Mr. McEWEN. The gentleman's commitment is very well respected in the Congress. The simple question is whether or not freedom is worth defending and preserving.

There are those on the other side that believe that dictatorship and tyranny should be supported. They are willing to do that. Our neighbors in Honduras, in El Salvador, Guatemala are committed to democracy. But everyone has said to the gentleman in the well just as they have said to me, the Presidents of each of these countries, that we will never have development in Central America until there is democracy in Nicaragua.

The question that we were trying to support was to raise the standard of living of those people, allow jobs, allow opportunities, provide clean water, a future for education and all the rest in that area. People will not invest when they recognize that the Honduran—pardon me—the Nicaraguan Soviet surrogate government is willing to place car bombs before any investment in their neighbors, is willing to subvert any election in El Salvador or elsewhere with threats to the people. The President of El Salvador knows that. He tells us that personally. The President of Costa Rica tells us that and the President of Guatemala tells us that.

The commitment that Mr. North and the President of the United States made was to support democracy in the region.

There are those who supported the establishment of the government in Managua under Mr. Ortega; there are those Members of the House that supported that government. There are those that took to the well and congratulated him on his successes. Naturally they are opposed to our efforts to reinstitute democracy in Nicaragua. However, I believe that the time will prove that our cause is right, it is just, and it will not fail.

Mr. DORNAN of California. If the gentleman will allow me to comment once more on point 9 or count 9 of which Ollie North was found guilty, the shredding of documents, and why a covert operation is such a dangerous thing because people's lives are on the line.

□ 1820

We were down in that area of the world just a week before I went down as a Presidentially appointed election observer in El Salvador. On the ride in from the airport on the night of March 18, one of our Embassy people said, "Congressman, were you not Jesuit-educated in high school and college?" I said I was. He said, "Well, you should know about this fine scholarly Jesuit priest, 74 years of age, Fernando Peccorrini." He said, "May I show you where he died in this street 3 days ago on March 15 at noon, a 74-year-old man, shot down with an automatic weapon?" He was a Jesuit priest that taught at Long Beach State College, probably one of the leading world experts as a former clergyman layisized properly as a leading philosopher on flaws of liberation theology, and they could not stand the trenchant, intellectual way he was writing and tearing the scales off this phenomenon of people saying they can kill in the name of Jesus, and they gunned him down in the street like a dog. It got no coverage up here. If a 75-year-old man, and he is an American citizen is the point, double citizenry of Salvadoran, and an American. If an American had been killed and they could nail it on security forces of El Salvador, it would have been a front page story 3 days before the election.

The gentleman from Ohio was at the meeting where we all listened to the President-elect, Freddie Cristiano, 3 or 4 days after they left, his attorney general is gunned down in the street in El Salvador, a few days ago, and then the house of the Vice President who sat there in front of this, Daniel Marino, his house is bombed with his children in it and one of the play friends of one of his children is hurt in this bombing over the wall of his home in El Salvador.

This is the way the left operates down there, and a lot of people in this Chamber want to turn their back and use the Ollie North travesty of justice to say we ought to let whatever take its course down there. We know it will be the long knives at night and communism unless we stay involved with small countries at the foot of the North American Continent in the isthmus.

Mr. McEWEN. That was the motivation. We cannot discuss the Ollie North difficulty without coming back to the facts, and that is who are we going to support in Central America, Soviet surrogates with hundreds of billions of aid going into the democracy right next door and subvert the countries or as Mr. Duarte told me, saying he could not sit here as a democratically elected President of El Salvador, if those freedom fighters were not at the border holding the Marxists in Managua at bay.

So that is what Ollie North was committed to, those who wanted to see the Communist regime in Nicaragua survive and expand, those who were committed to that Soviet surrogate country expanding their revolution without borders saw as their target Oliver North, who dedicated his life to preserving democracy in Central America. That is what focused their energy and gave them their drive, and as we listen to the epitaph of now this, the end of this trial, we see that we are not the least bit deterred. They are going right on to the next defender of freedom and saying, "We are going after that person, we want to bring a stop to the successful policy of democratization in Central America."

Mr. DORNAN of California. Mr. Speaker, if the gentleman would yield, I think we share something together. This is new information for me, or if you could clarify some things for me. This is a team effort around here. I get so much from the gentleman from Ohio, and I like to think sometimes I bring back a report or back from some corner of the world I visited or insight I had somewhere on the trail and we share information and rely so much on our staff, our staff people. I have a staffer that speaks Spanish that has been down there many, many times when I cannot go. Sometimes he will cover me even as unofficial election observer, Jim Skinner, who sent me some information to use on a couple of television shows where I have been invited to speak about this verdict tonight, and listen to this, "Judge Gerhard Gesell's instructions to the jury were precedent-setting in their severity. The 94 pages of instructions read to the jury by Judge Gesell conveyed the message to convict." I am not an attorney, but that is the impression I got and looked at these humble, hard-working people, eight in their thirties and one 20-year-old, listening to this. According to the New York Times and most of unbiased observers of the case, assuming the Times is unbiased, "The judge's instructions were regarded as highly significant in shaping the verdict in the complex case."

Those instructions undercut the defense's key contention that North should be acquitted because he was following orders. First, "Authorization requires clear," this is the judge's words, "Authorization requires clear, direct instructions to act at a given time and in a given way." Even as this cockamamy CBS series the other night they showed there were vague impressions given in their characterization of Admiral Poindexter. It says, "Contrary to the Reagan management style giving subordinates general au-

thority to achieve his policy goals." If you recall before this broke, President Reagan was on the cover of Fortune magazine as a laudatory example of good management style of how to give authority to people that have responsibility, and then just one more of about eight things, but thought I would share the first two, its says second, "There was enormous pressure on the jury to convict regardless of the facts." Think of the pressure on the jury, $40 million spent by the U.S. Congress in direct expenses designed to convict Oliver North, the media pressure, simultaneous docu-drama, Sunday and Tuesday, special prosecutor, IRS. There have been IRS people, a handful of them, a covey of them, a pride of them, doing nothing, not auditing any person except tracking Ollie's whole life. Everything where they were involved he was found not guilty, thumbs up. The Department of Justice, all Government agencies involved directly or indirectly, not to mention all the politicians publicly advocating a conviction. If there is an American in this country that wants Ollie North to go to jail, a man with two Purple Hearts, a Silver Star, as his father was awarded one of the highest medals for valor in battle, the intervention of the *Achille Lauro* hijackers, killers of the 69-year-old gentleman in a wheelchair, Leon Klinghofer, who the Italians let go, the President of Egypt was not forthcoming with the truth and played with the truth about whether they had left Egypt, release of David Jacobsen, who called me on the car phone saying he prayed for Ollie and says he feels he was released because of him, the release of Father Jenco and a mastermind of the Grenada rescue mission, I mean, well, as one of my young staffers said, "We give amnesty to draft dodgers and take a combat-hardened decorated Marine lieutenant colonel trying to do the best he can to fight for liberty and try to put this man in jail."

Mr. McEWEN. I think it is appropriate now to focus on the future, and I want to, all Members, to be acutely aware of those who have led the charge for the Iran-Contra hearings, for the prosecutor and for those that have been so vocal in their condemnation of Lieutenant Colonel North, to now see what their next statements are, and I submit that a significant number of them will continue their political attack, because their motivation was far more political than they were criminal, that the true motivation is to see a successful Communist regime in Nicaragua, and there are many Members in this House, and the gentleman from California and I are among them, that will do all within our power as long as we breathe and serve in public office to see democracy is given a chance in Central America, no matter how many good soldiers they attempt to destroy, that our cause is right, our cause is just and our cause will prevail.

COMMUNICATION FROM THE HONORABLE DON RITTER, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable DON RITTER:

HOUSE OF REPRESENTATIVES,
Washington, DC, May 4, 1989.

Hon. JIM WRIGHT,
H204 Capitol,
Washington, DC.

DEAR MR. SPEAKER: This is to notify you that I have been called to testify at a criminal trial now pending in the United States District Court for the Eastern District of Pennsylvania.

After consultation with the General Counsel to the Clerk of the House, I have determined that my testimony is consistent with the privileges and precedents of the House.

Because my testimony will be required on Tuesday, May 9, 1989, I will be necessarily absent from the House on that day.

Thank you in advance for your consideration of this matter.

Sincerely,

DON RITTER,
Member of Congress.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PARKER (at the request of Mr. FOLEY) for today after 1 p.m. on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DREIER of California) to revise and extend their remarks and include extraneous material:)

Mr. DREIER of California, for 5 minutes, today.

Mr. MCCOLLUM, for 5 minutes, today.

Mrs. BENTLEY, for 60 minutes, on May 9 and 10.

(The following Members (at the request of Mr. HOAGLAND) to revise and extend their remarks and include extraneous material:)

Ms. LONG, for 5 minutes, today.

Mr. BROOKS, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. RANGEL, for 5 minutes, today.

Mr. SKELTON, for 60 minutes, on May 11.

Mr. OWENS of New York, for 60 minutes, on May 8, 9, 10, and 11.

(The following Member (at the request of Mr. ANTHONY) to revise and extend his remarks and include extraneous material:)

Mr. GONZALEZ, for 60 minutes, on May 8.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. DORNAN of California, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. BURTON of Indiana, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DREIER of California) and to include extraneous matter:)

Mr. PORTER.
Mr. GREEN.
Mr. MCCANDLESS.
Mr. BROWN of Colorado.
Mr. DREIER of California.
Mr. MILLER of Ohio in three instances.
Mr. RINALDO.
Mr. SCHAEFER.
Mr. LEWIS of Florida.
Mr. LIGHTFOOT in two instances.
Mr. BLILEY.
Mr. STANGELAND.
Mr. ROWLAND of Connecticut.
Mr. BUNNING.
Mr. GILLMOR.
Mr. LAGOMARSINO in two instances.
Mr. WALSH.
Mr. SMITH of New Jersey.
Mr. BEREUTER.
Mr. HOLLOWAY.
Mr. MADIGAN.
Mr. DAVIS in two instances.
Mr. SUNDQUIST.
Mr. HORTON.
Mr. BURTON of Indiana.
Mr. SHUMWAY.

(The following Members (at the request of Mr. HOAGLAND) and to include extraneous matter.)

Mr. DARDEN.
Mr. TALLON.
Mr. SMITH of Florida.
Mr. DOWNEY.
Mrs. KENNELLY.
Mr. HAWKINS.
Mr. STALLINGS.
Mr. MORRISON.
Mr. MATSUI in two instances.
Mr. YATRON.
Mr. CARDIN.
Mr. HOYER.
Mr. DYSON.

Mr. ROYBAL.
Mr. RANGEL.
Mr. HALL of Ohio.
Ms. OAKAR.
Mr. GEPHARDT.
Mr. TORRICELLI.
Mr. PEPPER.
Mr. DORGAN of North Dakota.

ADJOURNMENT

Mr. McEWEN. Mr. Speaker, I move that the House do now adjourn.

There motion was agreed to; accordingly (at 6 o'clock and 30 minutes p.m.) under its previous order, the House adjourned until Monday, May 8, 1989, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1120. A letter from the Deputy General Counsel, Department of Defense, transmitting a draft of proposed legislation to increase the rates of basic pay, basic allowance for quarters, and basic allowance for subsistence for members of the uniformed services; to the Committee on Armed Services.

1121. A letter from the Chairman, National Commission on Libraries and Information Science, transmitting the 17th annual report of the activities of the Commission covering the period October 1, 1987 through September 30, 1988, pursuant to 20 U.S.C. 1504; to the Committee on Education and Labor.

1122. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for the National Telecommunications and Information Administration for fiscal years 1990 and 1991, pursuant to 31 U.S.C. 1110; to the Committee on Energy and Commerce.

1123. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting the Department's quarterly report concerning human rights activities in Ethiopia, covering the period January 15, 1989–April 14, 1989, pursuant to Public Law 100-456, section 1310(c) (102 Stat. 2065); to the Committee on Foreign Affairs.

1124. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting the semiannual reports for the period April 1988–September 1988 listing voluntary contributions by the United States to international organizations, pursuant to 22 U.S.C. 2226(b)(1); to the Committee on Foreign Affairs.

1125. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original reports of political contributions by Chic Hecht, of Nevada, Ambassador Extraordinary and Plenipotentiary-designate to the Bahamas; Joseph Zappala, of Florida, Ambassador Extraordinary and Plenipotentiary-designate to Spain, and Thomas M.T. Niles, of the District of Columbia, U.S. Representative-designate to the European Communities, and members of their families, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1126. A letter from the Inspector General, Department of Health and Human Services, transmitting the semiannual report of his office for the period October 1, 1988, through March 31, 1989, pursuant to 42 U.S.C. 3524(a); to the Committee on Government Operations.

1127. A letter from the Secretary, Naval Sea Cadet Corps, transmitting the annual audit report of the corps for the year ended December 31, 1988, pursuant to 36 U.S.C. 1101(39), 1103; to the Committee on the Judiciary.

1128. A letter from the Acting Secretary of the Air Force, transmitting notification of the waiver of the monetary set-aside for technology transfers and the reasons therefor, pursuant to 15 U.S.C. 3710(b); to the Committee on Science, Space, and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on the Judiciary. H.R. 972. A bill to amend section 3724 of title 31, United States Code, to increase the authority of the Attorney General to settle claims for damages resulting from law enforcement activities of the Department of Justice; with an amendment (Rept. No. 101-46). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOEHLERT (for himself, Mr. RIDGE, Mr. SMITH of Vermont, Mr. MARTIN of New York, Ms. SLAUGHTER of New York Mr. WALSH, and Mr. McHUGH):

H.R. 2228. A bill to amend the Agricultural Act of 1949 to modify the operation of the price support program applicable to milk; to the Committee on Agriculture.

By Mr. DAVIS (by request):

H.R. 2229. A bill to authorize appropriations for the fiscal years 1990 and 1991 for certain maritime programs of the Department of Transportation, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BROOKS:

H.R. 2230. A bill to authorize the several States and the District of Columbia to impose certain taxes with respect to sales of tangible personal property by nonresident persons who solicit such sales; to the Committee on the Judiciary.

By Mr. DORGAN of North Dakota:

H.R. 2231. A bill to establish in the Department of Labor a Federal Boxing Commission to prescribe and enforce fair labor standards applicable to the conduct of professional boxing and to impose certain other requirements relating to professional boxing, and for other purposes; jointly, to the Committees on Education and Labor and Energy and Commerce.

By Mr. GLICKMAN (for himself, Mr. MARLENEE, Mr. DYSON, Mr. ENGLISH, Mr. JONTZ, Mr. SARPALIUS, Mr. VOLKMER, Mr. DORGAN of North Dakota, and Mr. WATKINS):

H.R. 2232. A bill entitled, "Disaster Assistance Act of 1989;" to the Committee on Agriculture.

By Mr. GREEN:

H.R. 2233. A bill to amend the Internal Revenue Code of 1986 to increase the gasoline tax for purposes of providing additional revenues for the mass transit account in the highway trust fund and for purposes of reducing the deficit; to the Committee on Ways and Means.

By Mr. HALL of Ohio (for himself, Mr. THOMAS A. LUKEN, Mrs. ROUKEMA, Mr. SCHEUER, Mr. WALGREN, and Mr. WISE):

H.R. 2234. A bill requiring the development of hazardous materials emergency response procedures, prohibiting the transportation of hazardous materials in certain obsolete railroad tank cars, and requiring a study of railroad tank car design procedures; to the Committee on Energy and Commerce.

By Mr. HAWKINS (for himself, Mr. BUSTAMANTE, Mr. CLAY, Mrs. COLLINS, Mr. CONYERS, Mr. DELLUMS, Mr. DYMALLY, Mr. EDWARDS of California, Mr. FUSTER, Mr. HAYES of Illinois, Mr. KILDEE, Mr. MARTINEZ, Mr. MFUME, Mr. MURPHY, Mr. OWENS of New York, Mr. PAYNE of New Jersey, Mr. PERKINS, Mr. RAHALL, Mr. RICHARDSON, Mr. ROYBAL, Mr. SAWYER, Mr. VISCLOSKY, and Mrs. SCHROEDER):

H.R. 2235. A bill to create a more competitive and diverse workforce and to increase the productivity of American labor in the 21st century by establishing an adequate data base, enhancing administrative procedures, and facilitating educational progress, and for other purposes; to the Committee on Education and Labor.

By Mr. HERGER:

H.R. 2236. A bill to provide relief to State and local governments from Federal regulation; jointly, to the Committees on Government Operations, the Judiciary, and Rules.

By Mr. HOLLOWAY:

H.R. 2237. A bill to amend chapter 34 of title 38, United States Code, with respect to the time period during which benefits under such chapter may be utilized by certain eligible veterans; to the Committee on Veterans' Affairs.

By Ms. KAPTUR:

H.R. 2238. A bill to amend the Older Americans Act of 1965 to authorize demonstration projects to provide innovative volunteer opportunities to older individuals to provide nursing aide services to residents of nursing homes; to the Committee on Education and Labor.

By Mr. KASICH:

H.R. 2239. A bill to amend title 10, United States Code, to improve program stability of major defense acquisition programs by establishing new congressional authorization procedures and improving cost schedule and performance control; to the Committee on Armed Services.

By Mr. KOLTER:

H.R. 2240. A bill relating to the negotiation of voluntary restraint agreements covering imported stainless steel and alloy tool steel products; to the Committee on Ways and Means.

By Mr. LEWIS of Florida (for himself, Mr. VALENTINE, Mr. WALKER, Mr. BROWN of California, Mr. SENSENBRENNER, Mr. PACKARD, Mr. HAYES of Louisiana, Mr. PERKINS, Mr. JOHNSTON of Florida, Mr. ROHRABACHER, and Mr. GLICKMAN):

H.R. 2241. A bill to establish a National Aero-Space Plane Program under the joint control of the Department of Defense and the National Aeronautics and Space Administration; jointly, to the Committees on Armed Services and Science, Space, and Technology.

By Mr. MANTON (for himself, and Mr. LENT):

H.R. 2242. A bill to amend title 46, United States Code, to direct the Secretary of the Department in which the Coast Guard is operating to review criminal records of individuals applying for seamen licenses and license renewals; to the Committee on Merchant Marine and Fisheries.

By Mr. MATSUI:

H.R. 2243. A bill to amend part A of title IV of the Social Security Act to improve quality control standards and procedures under the Aid to Families With Dependent Children Program, and for other purposes; to the Committee on Ways and Means.

By Mrs. MEYERS of Kansas:

H.R. 2244. A bill to establish a grant program for States to enable such States to expand the choices available for the provision of affordable child care, and for other purposes; to the Committees on Education and Labor and Ways and Means.

By Mr. MOORHEAD:

H.R. 2245. A bill to amend section 627 of the Tariff Act of 1930 to require customs officers to verify the identification numbers of vehicles before the vehicles are exported; to the Committee on Ways and Means.

By Mr. OBEY (for himself and Mr. KASTENMEIER):

H.R. 2246. A bill to amend the Social Security Act and the Public Health Services Act to make certain modifications in the medicare program with respect to payments made under such program to hospitals located in rural areas, to improve the delivery of health services to individuals residing in such areas, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. PEPPER:

H.R. 2247. A bill to prohibit consideration of legislation reducing Social Security benefits, to amend the Social Security Act to establish an independent Social Security Administration, to restore the full Social Security lump sum death benefit, to end the taxation of Social Security benefits, to repeal the Social Security earnings test, and for other purposes; jointly, to the Committees on Ways and Means and Rules.

By Mr. PEPPER (for himself, Mr. DE LUGO, Mr. FAUNTROY, Mr. FASCELL, Mr. LEHMAN of Florida, Mr. ACKERMAN, Mr. OWENS of New York, and Mr. ATKINS)

H.R. 2248. A bill to provide reimbursement to States and political subdivisions for expenses associated with the provision of certain public assistance to aliens; to the Committee on the Judiciary.

By Mr. PICKLE:

H.R. 2249. A bill to extend for 5 years the existing suspension of duty on triallate; to the Committee on Ways and Means.

By Mr. RIDGE:

H.R. 2250. A bill to suspend temporarily the duty on chlorinated synthetic rubber; to the Committee on Ways and Means.

By Mr. SARPALIUS (for himself and Mr. STENHOLM):

H.R. 2251. A bill entitled "Disaster Assistance Act of 1989;" to the Committee on Agriculture.

By Mr. SCHIFF:

H.R. 2252. A bill to authorize the Secretary of Energy to establish a Center for National Security and Arms Control at Sandia National Laboratories in Albuquerque, NM; to the Committee on Armed Services.

By Mr. SCHUMER:

H.R. 2253. A bill to award a congressional gold medal to George Mantello; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SHAYS (for himself, Mr. GEJDENSON, Mrs. JOHNSON of Connecticut, Mrs. KENNELLY, Mr. MORRISON of Connecticut, and Mr. ROWLAND of Connecticut):

H.R. 2254. A bill to amend the Occupational Safety and Health Act of 1970 to establish an Office of Construction, Safety, Health, and Education within OSHA, to improve inspections, investigations, reporting, and recordkeeping in the construction industry, to require certain construction contractors to establish construction safety and health programs and onsite plans and appoint construction safety specialists, and for other purposes; to the Committee on Education and Labor.

By Mr. SHUMWAY (for himself, Mr. DAVIS, and Mr. YOUNG of Alaska):

H.R. 2255. A bill to fulfill the Secretary of Commerce's natural resource trustee responsibility, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. SOLOMON:

H.R. 2256. A bill to prohibit the export of satellites intended for launch from launch vehicles owned by the Soviet Union; to the Committee on Foreign Affairs.

By Mr. STALLINGS (for himself, Mr. ROBERT F. SMITH, Mr. CRAIG, Mr. MARLENEE, Mr. MARTIN of New York, Mr. HATCHER, Mr. VANDER JAGT, Mr. COELHO, Mr. PENNY, Mr. DENNY SMITH, Mr. CAMPBELL of Colorado, and Mr. JOHNSON of South Dakota):

H.R. 2257. A bill to amend the Potato Research and Promotion Act to provide improved methods of assessment that will finance a more effective marketing research and promotion program and provide for a more effective consumer information program designed to expand markets for potatoes; to the Committee on Agriculture.

By Mr. STANGELAND (for himself, Mr. MADIGAN, Mr. HAMMERSCHMIDT, Mr. BILIRAKIS, Mr. EMERSON, Mr. ESPY, Mr. GLICKMAN, Mr. GRANDY, Mr. GUNDERSON, Mr. HALL of Texas, Mr. HATCHER, Mr. HUCKABY, Mr. HERGER, Mr. JOHNSON of South Dakota, Mr. KOLTER, Mr. LANCASTER, Mr. LEWIS of Florida, Mr. MCEWEN, Mr. SCHUETTE Mr. STALLINGS, Mr. TALLON, Mr. UPTON, and Mr. OLIN):

H.R. 2258. A bill to minimize the impact of agricultural nitrogen on ground water and surface water quality by establishing a national task force on agricultural best management practices and to amend section 319 of the Clean Water Act); jointly to the Committees on Agriculture and Public Works and Transportation.

By Mr. STENHOLM (for himself, Mr. STANGELAND, Mr. VALENTINE, Mr. BARTLETT, Mr. DICKINSON, Mr. DELAY, Mr. ARCHER, Mr. ARMEY, Mr. BALLENGER, Mr. BARNARD, Mr. BARTON of Texas, Mr. BEREUTER, Mr. BLAZ, Mr. BLILEY, Mr. BROOMFIELD, Mr. BROWN of Colorado, Mr. BUECHNER, Mr. BUNNING, Mrs. BYRON, Mr. CALLAHAN, Mr. COBLE, Mr. COMBEST, Mr. CRAIG, Mr. CRANE, Mr. DANNEMEYER, Mr. DORNAN of California, Mr. DREIER of California, Mr. EDWARDS of Oklahoma, Mr. EMERSON, Mr. FAWELL, Mr. FRENZEL, Mr. GALLEGLY, Mr. GINGRICH, Mr. GOODLING, Mr. GRANDY, Mr. GRANT, Mr. GUNDERSON, Mr. HALL of Texas, Mr. HAMMERSCHMIDT, Mr. HANSEN, Mr. HEFNER, Mr. HENRY, Mr. HERGER, Mr. HOPKINS, Mr. HUCKABY, Mr. HUNTER, Mr. HUTTO, Mr. HYDE, Mr. IRELAND, Mr. JENKINS, Mr. JONES of North Carolina, Mr. KOLBE, Mr. KYL, Mr. LANCASTER, Mr. LEATH of Texas, Mr. LEWIS of Florida, Mr. LIGHTFOOT, Mr. LOWERY of California, Mr. DONALD E. LUKENS, Mr. MADIGAN, Mr. MCCANDLESS, Mr. MCCURDY, Mr. MCMILLAN of North Carolina, Mr. MONTGOMERY, Mr. MOORHEAD, Mr. NIELSON of Utah, Mr. OLIN, Mr. OXLEY, Mr. PACKARD, Mr. PORTER, Mr. RAVENEL, Mr. RAY, Mr. RHODES, Mr. ROBERTS, Mr. ROGERS, Mr. SCHUETTE, Mr. SHAW, Mr. SHUMWAY, Mr. SKEEN, Mr. SLAUGHTER of Virginia, Mr. SMITH of Texas, Mr. SMITH of Mississippi, Mr. SMITH of New Hampshire, Mr. ROBERT F. SMITH, Mrs. SMITH of Nebraska, Mr. STUMP, Mr. SUNDQUIST, Mr. TAUKE, Mr. TAUZIN, Mr. UPTON, Mr. VANDER JAGT, Mrs. VUCANOVICH, Mr. WALKER, and Mr. WOLF):

H.R. 2259. A bill to amend the Davis-Bacon Act and the Copeland Act to provide new job opportunities, effect significant cost savings on Federal construction contracts, promote small business participation in Federal contracting, reduce unnecessary paperwork and reporting requirements, clarify the definition of prevailing wage, and for other purposes; to the Committee on Education and Labor.

By Mr. TANNER:

H.R. 2260. A bill to improve the highway bridge replacement and rehabilitation program; to the Committee on Public Works and Transportation.

By Mr. WATKINS:

H.R. 2261. A bill to reserve one-third of the amounts provided for housing rehabilitation loans for rehabilitation of properties in rural areas; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WYDEN:

H.R. 2262. A bill to amend the Housing and Community Development Act of 1987 to make eligible for Nehemiah housing opportunity grants neighborhoods with contiguous blocks that contain vacant or unimproved lots; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PEPPER (for himself, Mr. ROYBAL, and Mr. COELHO):

H.R. 2263. A bill to amend title XVIII of the Social Security Act to provide protection against expenses of long-term home care under the Medicare Program; jointly to the Committees on Ways and Means, Energy and Commerce.

By Mr. BUSTAMANTE (for himself, Mr. DE LA GARZA, Mr. GONZALEZ, and Mr. SMITH of Texas):

H.J. Res. 259. Joint resolution designating May 1989, as "Karate Kids Just Say No to Drugs Month;" to the Committee on Post Office and Civil Service.

By Mr. GEPHARDT (for himself, Mr. GRAY, Mrs. BENTLEY, Mr. LIPINSKI, Mr. ROYBAL, Mr. LAGOMARSINO, Mr. MCHUGH, Mr. MRAZEK, Mr. LEVIN of Michigan, Mr. ROE, Mr. TRAFICANT, Mr. DYMALLY, Mr. LEHMAN of Florida, Mr. MATSUI, Mr. STARK, Mr. KOSTMAYER, Mr. MOAKLEY, Mr.

DAVIS, Mr. WILSON, Mr. ENGLISH, Mr. DEFAZIO, Mr. KASICH, Mr. GUARINI, Mr. SABO, Mr. KILDEE, Mr. COELHO, Mr. SKELTON, Mr. KOLTER, Mr. MONTGOMERY, Mr. FOLEY, Mr. FAUNTROY, Mr. MCNULTY, Mr. TAUKE, Mr. BENNETT, Mr. HORTON, Mr. GUNDERSON, Mr. HUGHES, Mrs. COLLINS, Mr. FAZIO, Mr. SCHAEFER, Mr. RAHALL, Mr. WALSH, Mr. RANGEL, Mr. FRANK, Mr. VOLKMER, Mr. VENTO, Mr. NOWAK, Mr. FLORIO, Mr. DONNELLY, Mr. OWENS of New York, Mrs. BOXER, Mr. MILLER of California, Mr. ERDREICH, Ms. OAKAR, Mr. SAVAGE, Mr. HATCHER, Mr. GARCIA, Mr. PAXON, Mr. FISH, Mr. FALEOMAVAEGA, Mr. KLECZKA, Mr. MARTINEZ, Mr. TOWNS, Mr. EVANS, Mr. DWYER of New Jersey, Mr. BONIOR, and Mr. BARTLETT):

H.J. Res. 260. Joint resolution designating the week of May 29, through June 4, 1989, as "National Polio Awareness Week;" to the Committee on Post Office and Civil Service.

By Mr. OBEY (for himself, Mr. ROTH, Mr. PETRI, Mr. KLECZKA, Mr. ASPIN, Mr. GUNDERSON, Mr. MOODY, and Mr. SENSENBRENNER):

H.J. Res. 261. Joint resolution to provide for the interpretation and implementation of certain provisions of the 1837 and 1842 treaties with the Chippewa Indians of Wisconsin and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FEIGHAN (for himself, Mr. WOLPE, Mr. TORRICELLI, Mr. KOSTMAYER, Mr. WEISS, Mr. BERMAN, Mr. ACKERMAN, Mr. SOLARZ, Mr. OWENS of Utah, Mr. LEVINE of California, Mr. SMITH of Florida, Mr. LANTOS, Mr. ATKINS, Mr. FRANK, Mr. SCHEUER, Mr. BURTON of Indiana, Mr. OWENS of New York, Mr. FAUNTROY, Mr. BUSTAMANTE, Mr. BORSKI, Mr. FOGLIETTA, Mr. SAXTON, Mr. LEHMAN of Florida, Mr. CARDIN, Mr. DEFAZIO, Mr. SAWYER, Ms. PELOSI, Mr. BONIOR, Mr. COURTER, Mr. WAXMAN, Mr. DURBIN, Mr. DORNAN of California, Mrs. BOXER, Mr. FAZIO, Mr. SPRATT, Mr. LEVIN of Michigan, Mr. PANETTA, Mr. LAFALCE, Mr. FROST, and Mr. FISH):

H. Con. Res. 108. Concurrent resolution expressing the sense of the Congress that the Vatican should recognize the State of Israel and should establish diplomatic relations with that country; to the Committee on Foreign Affairs.

By Mr. ROHRABACHER (for himself, Mr. WILSON, Mr. COX, Mr. DREIER of California, Mr. MCEWEN, Mr. MCCOLLUM, Mrs. BENTLEY, Mr. DONALD E. LUKENS, Mr. KYL, Mr. CRANE, Mr. DOUGLAS, Mr. HUNTER, Mr. HANCOCK, Mr. RITTER, Mr. PAXON, Mr. GOSS, Mr. HERGER, Mr. ARMEY, and Mr. BARTON of Texas):

H. Con. Res. 109. Concurrent resolution to express the sense of the Congress that the Soviet Union has the ability and the obligation to prevent the use of chemical warfare against the Afghan resistance and that the United States should respond to any such use of chemical weapons by reducing diplomatic and economic cooperation with the Soviet Union; to the Committee on Foreign Affairs.

By Mr. STAGGERS:

H. Con. Res. 110. Concurrent resolution establishing the Ad Hoc Joint Committee on Labor Relations for the Capitol Police; jointly, to the Committees on Rules and House Administration.

By Mr. EDWARDS of Oklahoma:

H. Res. 148. Resolution electing certain minority members to standing committees of the House; considered and agreed to.

By Mr. JOHNSON of South Dakota:

H. Res. 149. Resolution relating to gasoline price increases following the *Exxon Valdez* oil spill; to the Committee on Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 5: Mrs. BENTLEY.

H.R. 6: Mr. HORTON, Mr. HERGER, Mrs. COLLINS, and Mr. ROWLAND of Connecticut.

H.R. 39: Mr. MATSUI.

H.R. 55: Mr. RICHARDSON, Mr. SOLOMON, Mr. BUSTAMANTE, Mr. LIVINGSTON, and Mr. FUSTER.

H.R. 92: Mr. BROWN of California, Mr. FRANK, Mr. GARCIA, and Mr. PARRIS.

H.R. 211: Mr. ROWLAND of Connecticut, Mr. EMERSON, Mr. EVANS, and Mr. TANNER.

H.R. 215: Mr. RUSSO, Mr. SPENCE, and Mr. DIXON.

H.R. 217: Mr. MAVROULES.

H.R. 303: Mr. SUNDQUIST, Mr. GARCIA, Mr. SCHUETTE, Mr. JACOBS, Mr. ROBERTS, and Mr. GEKAS.

H.R. 373: Mr. MRAZEK, Mr. DENNY SMITH, and Mr. TAUKE.

H.R. 446: Mr. GLICKMAN.

H.R. 494: Mr. DREIER of California.

H.R. 496: Mr. SLATTERY.

H.R. 500: Mr. SAVAGE, Mr. MARTINEZ, Mr. PRICE, Mr. SHAYS, Mr. HOUGHTON, Mr. BONIOR, Ms. KAPTUR, and Mr. OWENS of Utah.

H.R. 505: Mr. PAXON, Mr. GILMAN, Mr. HOUGHTON, Mr. JONTZ, Mr. FALEOMAVAEGA, Mr. OBEY, Mr. PARRIS, Mr. TORRICELLI, Mr. MCGRATH, Mr. NIELSON of Utah, Mr. BROOMFIELD, Ms. OAKAR, Mr. NAGLE, Mr. LANTOS, Mr. MILLER of California, Mr. ANDREWS, Mr. BRYANT, Mr. HARRIS, Mr. HANCOCK, Mr. FEIGHAN, Mr. PARKER, Mr. LEHMAN of Florida, Mr. MINETA, Mr. DOUGLAS, Mr. BILIRAKIS, Mr. WYDEN, Mr. SKAGGS, Mr. BENNETT, Mr. SPRATT, Mr. LEVINE of California, Mr. WILLIAMS, Mr. LELAND, Mr. LEATH of Texas, Mr. ROBINSON, Mr. BROWN of Colorado, Mr. BORSKI, Mr. ROGERS, Mr. BOSCO, Mr. LEWIS of Georgia, Mr. RAHALL, Mr. MOLLOHAN, Mr. PACKARD, Mr. GEJDENSON, Mr. JOHNSON of South Dakota, Mr. WISE, Mr. LAUGHLIN, Mr. SARPALIUS, Mr. WEBER, Mr. WHITTEN, Mr. MCCURDY, Mr. WHEAT, Mr. FIELDS, Mr. CARDIN, Mr. DARDEN, Mr. SMITH of Mississippi, Mr. MCCLOSKEY, Mr. CHAPMAN, Mr. STAGGERS, Mr. INHOFE, Mr. ASPIN, Mr. CRAIG, Mrs. JOHNSON of Connecticut, Mr. LIGHTFOOT, Mr. LIVINGSTON, Mr. ROBERTS, Mr. SCHIFF, Ms. SCHNEIDER, Mr. TAUZIN, and Mrs. UNSOELD.

H.R. 551: Mr. DENNY SMITH.

H.R. 578: Mr. MANTON.

H.R. 586: Mr. MARTINEZ.

H.R. 673: Mr. KOLTER, Mr. GILMAN, and Mr. BRYANT.

H.R. 705: Mrs. LOWEY of New York.

H.R. 755: Mr. DENNY SMITH and Mr. BUECHNER.

H.R. 796: Mr. PEPPER, Mr. SPENCE, Mr. SMITH of Mississippi, Mr. RITTER, Mr. BOEHLERT, Mr. JONES of Georgia, Mr. WOLF, Mr. HARRIS, Mr. BENNETT, Mr. DWYER of New Jersey, Mr. BUSTAMANTE, Mr. HALL of Ohio, Mr. BUNNING, Mr. SMITH of Texas, Mr. MOLLOHAN, Mr. LANCASTER, Mr. HASTERT, and Mr. RHODES.

H.R. 815: Mr. OWENS of New York, Mr. ENGEL, and Mr. MFUME.

H.R. 831: Mr. TALLON.

H.R. 876: Mr. SANGMEISTER, Mr. LANTOS, Mr. PICKETT, Mr. SOLARZ, Mr. COOPER, Mr. HALL of Ohio, and Mr. ROWLAND of Georgia.

H.R. 930: Mr. LELAND and Mr. DWYER of New Jersey.

H.R. 957: Mr. STAGGERS, Ms. PELOSI, and Mr. HOCHBRUECKNER.

H.R. 961: Mr. HOYER, Mr. DYMALLY, Mr. LEWIS of Georgia, Mr. UDALL, Mr. DORNAN of California, Mr. ROE, Mr. FAUNTROY, Mr. SWIFT, Mr. ACKERMAN, Mr. DENNY SMITH, Mr. TALLON, Mrs. COLLINS, Mr. SISISKY, Mr. GARCIA, Mr. MRAZEK, Mrs. ROUKEMA, Mrs. MORELLA, Mr. PARRIS, Mr. WALGREN, Mr. RITTER, Mr. DWYER of New Jersey, Mr. SMITH of New Jersey, and Mr. DANNEMEYER.

H.R. 966: Mr. PANETTA, Mr. TOWNS, Mr. NOWAK, and Mr. NEAL of North Carolina.

H.R. 987: Mr. BOEHLERT, Mr. WALSH, Mr. FEIGHAN, Mr. BERMAN, Mr. YATES, and Mrs. LOWEY of New York.

H.R. 1005: Mr. LELAND, Mr. COSTELLO, Mr. PARKER, Mr. MAZZOLI, and Mrs. UNSOELD.

H.R. 1067: Mr. CRANE, Mr. BATES, Mr. MORRISON of Connecticut, Mr. BRYANT, and Mr. BALLENGER.

H.R. 1074: Mr. MACHTLEY, Mr. HERTEL, Mr. OWENS of Utah, Mr. TAUKE, Mr. MCNULTY, Mr. MCCURDY, Mr. BLAZ, Mr. TANNER, Mrs. VUCANOVICH, Mr. ENGEL, Mr. GOSS, and Mr. JOHNSON of South Dakota.

H.R. 1093: Mr. DYMALLY, Mr. BATES, Mr. DE LUGO, Mr. DEFAZIO, Mr. WEISS, Mr. LIPINSKI, and Mr. STAGGERS.

H.R. 1112: Mr. DEFAZIO and Mr. OWENS of Utah.

H.R. 1150: Mrs. MARTIN of Illinois.

H.R. 1180: Mrs. BOXER and Ms. SCHNEIDER.

H.R. 1190: Mrs. SCHROEDER.

H.R. 1243: Mr. HENRY, Mr. MARTINEZ, Mrs. BYRON, Mr. BARNARD, Mr. HALL of Texas, Ms. KAPTUR, Mr. ROBINSON, Mr. TAUZIN, Mr. PARKER, Mr. HAYES of Louisiana, Mr. HEFNER, Mr. STUMP, and Mr. MONTGOMERY.

H.R. 1272: Mr. AUCOIN, Mr. EVANS, Mr. UPTON, Mr. DAVIS, and Mrs. MEYERS of Kansas.

H.R. 1295: Mr. SKEEN.

H.R. 1383: Mr. APPLEGATE.

H.R. 1406: Mr. LAGOMARSINO, Mr. HERGER, Mr. CAMPBELL of Colorado, Mr. DWYER of New Jersey, Mrs. MEYERS of Kansas, Mr. ATKINS, and Mr. DYMALLY.

H.R. 1416: Mr. HORTON, Mr. DURBIN, Mr. ARMEY, Mrs. COLLINS, Mr. SKAGGS, Mr. CLAY, Mr. SWIFT, Mr. MRAZEK, Mr. THOMAS of Georgia, Mr. MARTINEZ, Mr. JONES of Georgia, Mr. RAY, Mr. VALENTINE, Mr. LAGOMARSINO, Mr. CAMPBELL of California, Mr. WALSH, Mr. JOHNSON of South Dakota, Mr. GORDON, Mr. BUECHNER, and Mr. HOCHBRUECKNER.

H.R. 1420: Mr. TALLON.

H.R. 1429: Mr. GALLO.

H.R. 1439: Mr. ATKINS, Mr. BENNETT, Mr. DE LUGO, Mr. DONNELLY, Mr. ESPY, Mr. EVANS, Mr. HENRY, Mr. IRELAND, Mr. JOHNSON of South Dakota, Mr. JONTZ, Mr. MINETA, Mr. OBERSTAR, Mr. PEASE, Mr. RINALDO, Mrs. ROUKEMA, Mr. STANGELAND, Mr. STUDDS, and Mr. POSHARD.

H.R. 1491: Mr. SMITH of Mississippi, Mr. SUNDQUIST, Mr. DONALD E. LUKENS, Mr. LANCASTER, and Mr. DEWINE.

H.R. 1499: Mr. TAUZIN, Mr. DYSON, and Mr. HOCHBRUECKNER.

H.R. 1500: Mr. UDALL, Mr. KOSTMAYER, Mr. MILLER of California, Mr. COSTELLO, Mr. LEWIS of Georgia, Mr. DURBIN, Mr. BENNETT, Mr. BUSTAMANTE, Mr. ESPY, Mr. ROE, Mr. MORRISON of Connecticut, Mr. SCHEUER,

Mr. DYMALLY, Mr. SIKORSKI, Mr. OWENS of New York, Mr. STARK, Mr. DEFAZIO, Mr. MINETA, Mr. ACKERMAN, Mr. DE LUGO, Mr. PAYNE of Virginia, Mr. TORRES, Mr. ATKINS, Mr. MARTINEZ, Mrs. COLLINS, Mr. MRAZEK, Mr. RICHARDSON, Mr. BEVILL, Mr. RAVENEL, and Mr. DELLUMS.

H.R. 1504: Mrs. PATTERSON, Mr. CLEMENT, and Mr. DELLUMS.

H.R. 1515: Mrs. VUCANOVICH.

H.R. 1526: Mr. OLIN, Mr. UPTON, and Mr. KOLTER.

H.R. 1558: Mr. COMBEST.

H.R. 1564: Mr. JOHNSON of South Dakota, Mr. BAKER, Mrs. MORELLA, Mrs. PATTERSON, Mrs. UNSOELD, Mr. PORTER, Mr. DYSON, and Mr. STALLINGS.

H.R. 1565: Mr. MATSUI.

H.R. 1573: Mr. ECKART, Mrs. JOHNSON of Connecticut, Mr. WISE, and Mr. FAUNTROY.

H.R. 1605: Mrs. LOWEY of New York, Mr. FOGLIETTA, Mr. GRAY, and Mr. LEVIN of Michigan.

H.R. 1614: Mr. LAGOMARSINO, Mr. ROYBAL, Mr. BRYANT, and Mr. PEPPER.

H.R. 1628: Mr. HAMILTON, Mr. LANTOS, Mr. ESPY, and Mrs. SCHROEDER.

H.R. 1645: Mr. DELLUMS.

H.R. 1664: Mr. MURPHY.

H.R. 1674: Mr. RAHALL, Ms. KAPTUR, Mr. FRANK, Mr. HYDE, Mr. RANGEL, Mr. HORTON, and Mr. BONIOR.

H.R. 1687: Mr. DORNAN of California.

H.R. 1699: Mr. OWENS of New York and Mr. ATKINS.

H.R. 1725: Mrs. MORELLA, Mr. ENGEL, Mr. DYMALLY, and Mr. LAFALCE.

H.R. 1730: Ms. SCHNEIDER and Mr. EVANS.

H.R. 1782: Mr. LAGOMARSINO.

H.R. 1804: Mr. ATKINS, Mr. BONIOR, Mr. CHAPMAN, Mr. DELLUMS, Mr. DE LUGO, Mr. FASCELL, Mr. FAUNTROY, Mr. FOGLIETTA, Mr. FORD of Michigan, Mr. FRANK, Mr. FUSTER, Mr. GARCIA, Mr. HEFNER, Mr. HOCHBRUECKNER, Mr. HUGHES, Mr. KOSTMAYER, Mr. LEATH of Texas, Mr. LIPINSKI, Mr. MINETA, Mr. MURPHY, Mr. PALLONE, Mr. ROE, Mr. SARPALIUS, Mr. SKELTON, Mr. SMITH of Florida, Mr. SYNAR, Mr. TRAFICANT, Mr. BENNETT, Mr. DWYER of New Jersey, Mr. FAZIO, Mr. BRYANT, Mr. OWENS of New York, and Mr. CLAY.

H.R. 1840: Mr. DONALD E LUKENS, Mr. SMITH of New Hampshire, Mr. PETRI, Mr. SCHUETTE, Mr. EMERSON, Mr. BUNNING, Mr. HYDE, Mr. UPTON, and Mr. COLEMAN of Missouri.

H.R. 1845: Mr. MCDERMOTT.

H.R. 1935: Mr. MINETA, Mr. OWENS of New York, Mr. MOODY, Mr. KILDEE, Mr. FAWELL, Mr. HAWKINS, Mr. JOHNSON of South Dakota, Mr. BATES.

H.R. 2008: Mr. GORDON, Mr. VANDER JAGT, Mr. ORTIZ, Mr. PAXON, Mr. SMITH of New Hampshire, and Mr. BROOMFIELD.

H.R. 2022: Mr. SHAYS, Mr. MCNULTY, Mr. CAMPBELL of California, Mr. SIKORSKI, Mr. LEHMAN, of Florida, and Mr. ROWLAND of Connecticut.

H.R. 2043: Mr. LEWIS of Georgia, Mr. BILBRAY, Mr. HAYES of Illinois, and Mr. FORD of Michigan.

H.R. 2049: Mr. FUSTER, Ms. SCHNEIDER, Mr. ATKINS, and Mr. LAGOMARSINO.

H.R. 2051: Mr. ATKINS, Mr. HATCHER, Mr. GORDON, and Mrs. COLLINS.

H.R. 2079: Mr. DONNELLY, and Mr. DE LUGO.

H.R. 2097: Mr. HUGHES, Mr. FLORIO, and Mr. INHOFE.

H.R. 2127: Ms. SCHNEIDER.

H.R. 2190: Mr. KOLTER, Mr. BATES, Ms. OAKAR, Mr. HILER, and Mr. FROST.

H.R. 2212: Mr. BAKER.

H.R. 2222: Mr. MRAZEK.

H.J. Res. 10: Mr. BATES, Mr. BRYANT, and Mr. FRANK.

H.J. Res. 31: Mr. Wise: Mr. Perkins, and Mr. CLEMENT.

H.J. Res. 35: Mr. EVANS, Mr. PARRIS, Mr. APPLEGATE, and Mr. PELOSI.

H.J. Res. 47: Mr. COX and Mr. RINALDO.

H.J. Res. 108: Mr. SABO, Mr. HOAGLAND, Mr. CLINGER, Mr. COOPER, Mr. SKAGGS, Mr. PARKER, Mr. HANCOCK, Mr. ENGEL, Mr. SHUMWAY, Mr. SMITH of Florida, Mr. DAVIS, Mr. FROST, Mrs. UNSOELD, Mr. ROHRABACHER, Mr. COELHO, Mr. CRAIG, Mr. DUNCAN, Mr. DEWINE, Mr. MILLER of Washington, Mr. BURTON of Indiana, Ms. OAKAR, Mr. OBERSTAR, Mr. WYDEN, Mr. STANGELAND, Mr. CLARKE, Mr. ROSE, Mr. ROBINSON, Mr. KENNEDY, Mr. FEIGHAN, Mr. BLAZ, Mr. LAFALCE, Mr. FLORIO, Mr. WOLPE, Mr. GUARINI, Mr. HAWKINS, Mr. DURBIN, Mrs. VUCANOVICH, and Mr. DELLUMS.

H.J. Res. 110: Mr. HOLLOWAY, Mr. COUGHLIN, and Mr. MCMILLAN of North Carolina.

H.J. Res. 120: Mr. AKAKA, Mr. ALEXANDER, Mr. ARCHER, Mr. BEILENSON, Mr. CARR, Mr. COELHO, Mr. DELAY, Mr. DURBIN, Mr. EDWARDS of California, Mr. GEPHARDT, Mr. GIBBONS, Mr. GRAY, Mr. JONTZ, Mr. KASTENMEIER, Mr. KENNEDY, Mrs. KENNELLY, Mr. KILDEE, Mr. MONTGOMERY, Mrs. MORELLA, Mr. NAGLE, Mr. OBERSTAR, Mr. PERKINS, Mr. PURSELL, Mr. SABO, Mr. SOLARZ, Mr. WATKINS, Mr. WAXMAN, and Mr. WEISS.

H.J. Res. 139: Mr. SAXTON.

H.J. Res. 168: Mr. LANCASTER.

H.J. Res. 236: Mrs. BOXER, Mr. CLINGER, Mr. COLEMAN of Missouri, Mrs. COLLINS, Mr. COSTELLO, Mr. EMERSON, Mr. FAWELL, Mr. FAUNTROY, Mr. FUSTER, Mr. GARCIA, Mr. GUNDERSON, Mr. HALL of Texas, Mr. HAYES of Illinois, Mr. HEFNER, Mr. HOCHBRUECKNER, Mr. KENNEDY, Mr. KOLTER, Mr. LEHMAN of Florida, Mr. MCNULTY, Mr. MRAZEK, Mr. OBERSTAR, Mr. ORTIZ, Mr. OWENS of Utah, Mr. OWENS of New York, Mr. PACKARD, Mr. PASHAYAN, Mr. PAYNE of New Jersey, Mr. PICKETT, Mr. PEPPER, Mr. ROHRABACHER, Mr. SPRATT, Mr. NATCHER, Mr. RAVENEL, Mr. SANGMEISTER, Mr. FRENZEL, Mr. HATCHER, Mr. HUGHES, Mr. FOGLIETTA, Mr. HORTON, Mr. FAZIO, Mr. KASICH, Mr. LEVIN of Michigan, Mr. RAHALL, Mr. HANCOCK, Mr. ROE, Mr. LAGOMARSINO, Mr. MOAKLEY, Mr. WALSH, Ms. SLAUGHTER of New York, Mr. DANNEMEYER, Mr. RANGEL, Mr. BROOMFIELD, Mr. VOLKMER, Mr. MOORHEAD, Mr. GUARINI, Mr. MCGRATH, Mr. WALGREN, Mr. LIPINSKI, Mr. WOLF, Mr. LEWIS of California, Mr. LANTOS, Mr. CROCKETT, Mr. NEAL of North Carolina, and Mr. MARTINEZ.

H. Con. Res. 1: Mr. KLECZKA and Mr. YATES.

H. Con. Res. 7: Mr. HATCHER.

H. Con. Res. 45: Mr. COBLE.

H. Con. Res. 48: Mr. FORD of Tennessee.

H. Con. Res. 81: Mr. HOLLOWAY.

H. Con. Res. 85: Mr. FAZIO, Mr. RANGEL, Mr. TOWNS, Mr. SAVAGE, Mr. DYMALLY, Mr. FRANK, Mr. SMITH of Florida, Mrs. COLLINS, Mr. FAUNTROY, Mr. DE LUGO, and Mr. GARCIA.

H. Con. Res. 92: Mr. COSTELLO, Mr. WEBER, Mr. BURTON of Indiana, Mr. BUNNING, Mr. MCGRATH, Mr. HORTON, Mr. MCNULTY, Mr. PANETTA, Mr. OXLEY, Mr. BALLENGER, Mr. FUSTER, Mr. RAVENEL, Mr. TOWNS, Mr. WILSON, Mr. MADIGAN, Mr. INHOFE, Mr. SAXTON, Mr. YATRON, Mr. DONALD E. LUKENS, Mr. VOLKMER, Mr. MARTINEZ, Mrs. PATTERSON, Mr. PARKER, Mr. CHAPMAN, Mr. HUGHES, Mr. SCHAEFER, Mr. LAFALCE, Mr. CAMPBELL of California, and Mr. FIELDS.

H. Con. Res. 102: Mr. HAYES of Louisiana and Mr. IRELAND.

H. Res. 104: Ms. SCHNEIDER, Mrs. MARTIN of Illinois, Mr. ENGEL, Mr. OWENS of New York, Mr. SABO, Mr. LEVIN of Michigan, Mr. FISH, Mr. BRYANT, Mr. FORD of Tennessee, Mr. HAMILTON, Mr. BENNETT, Mr. SMITH of New Hampshire, and Mr. DERRICK.

H. Res. 106: Mr. KOLBE.

H. Res. 121: Mr. LAGOMARSINO.

H. Res. 128: Mr. COLEMAN of Texas, Mr. REGULA, Mr. FAZIO, Mr. BURTON of Indiana, Mrs. MORELLA, Mr. ROWLAND of Connecticut, Mr. PARKER, Mr. EVANS, Mr. DOWNEY, Mr. FOGLIETTA, Ms. SCHNEIDER, Mr. CARPER, Mr. BOUCHER, Mr. JOHNSTON of Florida, Mr. LEWIS of California, Mr. GRANT, Mr. DORGAN of North Dakota, Mr. MARLENEE, Mr. ATKINS, and Mr. GLICKMAN.

H. Res. 129: Mr. LANCASTER, Mr. DELLUMS, and Mr. LAGOMARSINO.

H. Res. 140: Mr. BUSTAMANTE and Mr. ATKINS.

H. Res. 141: Mr. JONES of Georgia, Mr. BERMAN, Mr. HUTTO, and Mr. PORTER.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.J. Res. 216: Mr. PENNY.

SENATE—*Thursday, May 4, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable HARRY REID, a Senator from the State of Nevada.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Ask, and it shall be given you; seek, and ye shall find; knock, and it shall be opened unto you: For every one that asketh receiveth; and he that seeketh findeth; and to him that knocketh it shall be opened.—Matthew 7:7, 8.

Almighty God, gracious in all Thy ways, thank Thee for this precise promise of the efficacy of prayer. On this National Day of Prayer, when millions in every State will be devoting this day to prayer, we recall, in the words of Benjamin Franklin, the strong reliance of our Founding Fathers upon Thee:

"I have lived a long time, sir, and the longer I live, the more convincing the proofs I see of this truth—that God governs in the affairs of men. And if a sparrow cannot fall to the ground without his notice, is it possible that an empire can rise without his aid?"

As we take seriously the Constitution they produced, may we take seriously the spirit in which they labored. In the name of Him whose love is unconditional, universal, and eternal. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 4, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HARRY REID, a Senator from the State of Nevada, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. REID thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, this morning, following the time for the two leaders, under the previous order there will be a period for morning business not to extend beyond 10 a.m. with Senators permitted to speak therein for up to 5 minutes each.

I now ask unanimous consent that, during the period for morning business, Senators KERRY and ADAMS be permitted to speak for 10 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, we entered a time agreement on the budget resolution last evening that provides for a limited number of amendments that may be offered to the resolution. Time limitations have been agreed to for all of these amendments and I anticipate that not all of the amendments will in fact be offered. I expect that the Senate will complete action on the budget resolution today. Senators should be forewarned that rollcall votes will occur throughout the day's session.

Mr. President, I reserve the remainder of my leader time and I reserve the time of the distinguished Republican leader.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business for not to extend beyond the hour of 10 a.m., with Senators permitted to speak for 5 minutes each.

FSX

Mr. DIXON. Mr. President, in recent days and weeks, I have spoken out on a number of occasions against the proposed FSX deal with Japan. I could support an off-the-shelf sale of United States F-16 fighter jet aircraft to Japan, but the FSX codevelopment technology transfer is simply not a smart business move on the part of the United States.

The General Accounting Office, in a preliminary briefing, concurs, Mr. President, and I look forward to hearing more from the GAO in congressional hearings in the coming days.

According to the GAO, this is an excellent deal for the Japanese, but the GAO has yet to determine the benefits for our country. The GAO is telling us that we are not playing on a level field.

Mr. President, the more I learn about this deal, the more lopsided the field looks.

I am already learning of hidden barriers that would prohibit U.S. workers from participating in the codevelopment program.

When the FSX deal was first announced, one company in North Carolina believed it was in a particularly strong position, with its Japanese joint venture partner, to compete for a contract.

This company's optimism was well founded: It is a proven supplier of its product; its product had already been chosen by General Dynamics for the F-16; its joint venture partner was in place in Japan where its products could be manufactured domestically; and, it had trained Japanese staff to give technical support to the Japanese aircraft companies, which would test, select, and specify the product to be used on the FSX.

Mr. President, this company's hopes were dashed when it learned—this is the point I want to make to my colleagues—that contracting decisions would be made by Mitsubishi Heavy Industries and that MHI had arbitrarily decided that only Japanese products would be considered.

I repeat, this American company, which builds, now, for the F-16, will not get the business because Mitsubishi will give the business and has already arbitrarily decided that only Japanese products would be considered.

I have the name of this company, Mr. President. I know what I'm talking about.

This is another instance of Japan insisting on using its own manufacturers—manufacturers less capable than our own—in what is supposed to be a codevelopment arrangement.

I am not at all willing to tell our workers that this deal is good for them. If this deal goes through, our honest report to the American worker must be that we are just sending more and more jobs overseas.

The agreement only reached the Hill Monday—the ink is not only still wet, it is still in the pen—and we are already finding loopholes. Where will the next one appear?

Mr. President, this FSX deal has been in the works a long time, and people are tired of it. They are tired of talking about it. They want to get it out of the way and to get on to other things. Well, Mr. President, I am tired of seeing U.S. jobs going overseas. Our workers demand our vigilance, our companies and our economy demand our vigilance, and it is time for all of us in the Congress to get a second wind.

Let us level the playing field and reject FSX.

Mr. President, along those same lines, let me say I have a letter here from the Amateur Radio Forum group, a group of Chicago amateur radio operators. Let me read it. It is to me: Senator ALAN DIXON.

THE AMATEUR RADIO FORUM,
April 10, 1989, Chicago, IL.

Subject: Bravo! Bravo! Bravo!

Senator ALAN DIXON,
U.S. Senate, Washington, DC.

An amazing thing happened while writing an editorial on the FSX Fighter this afternoon. When I heard Senator Alan Dixon take the podium I went into the living room to watch CSPAN and much to my delight, you were saying just about what I was writing.

We debated the issue last Thursday and it is the overwhelming opinion of the members of the Amateur Radio Forum that a joint venture to develop a fighter plane with Japan is not in the best interests of the United States.

In light of the current trade deficit with Japan and the proven excellence of our F16 fighter, it is very hard to see any advantage to America in the proposed program.

The disadvantages are many and obvious to even the most naive voter.

1. Americans lose jobs in the aircraft and related industries.

2. The trade deficit with Japan is aggravated.

3. In the Toshiba incident, the Japanese have already proven that they cannot be trusted with our secrets.

4. In the event of future hostilities with Japan, we would be at disadvantages so obvious they need not be listed.

5. Finally and perhaps most important, it creates the perception among voters that Congress is under the thumb of special interest groups and is not concerned with the best interests of America.

Thank you for your support.

JACK SCHMIDLING.

I conclude with these remarks. I went home last week and did 12 town meetings all over my State, north to south, east to west. At every one of those town hall meetings the feeling there of Americans and Illinoisans was overwhelming against this deal. I will have more to say on this later, Mr. President.

I thank the Presiding Officer and the Senate for giving me this time. I yield the floor, Mr. President, with a final comment that this FSX deal is exactly what the General Accounting Office said it was: a good deal for Japan and a bad deal for the United States.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DIXON). Without objection, it is so ordered. The Chair recognizes the distinguished senior Senator from Nevada.

CAMPAIGN FINANCE REFORM

Mr. REID. Mr. President, during the break, as the Senator from Illinois has indicated in his remarks to the Senate, we all went home. We went home and held townhall meetings. We talked to various school groups, university, high school and elementary school students. We had various meetings with constituents. But the sad part for the vast majority of the Members of Congress who went home is that we spent a great deal of time raising money. Not raising a few dollars here and there, but raising millions of dollars, collectively; not for charity, not for the homeless, not for economic development, but for campaign spending.

Mr. President, it is about time that the two bodies, this body and the other body, realize that we have to do something about campaign spending. Campaigns are too long, they are too costly. Is it not a sad commentary that Members of Congress have to spend their time raising millions of dollars during a congressional break when in fact we could be spending more time educating students about the dangers of drugs, talking about the ravages of the environment, using, of course, as an illustration, what happened in Alaska recently.

We need to stop excessive spending in campaigns. More specifically, something has to be done about independent expenditures. There must be some limit set on this excess that is going on in our body politic. I again remind this body that in the State of Nevada, with negative campaigning, the Japanese automobile dealers spent, in the small State of Nevada during the last senatorial election, $550,000. They did not spend it, Mr. President, on trade or commerce issues. They spent it in negative campaign ads about Social Security. Japanese automobile dealers spending for ads about Social Security. That is too bad.

Conduiting and bundling, where money is collected for one purpose and bundled up and sent someplace else for another purpose—that is wrong. Under our rules, these are loopholes: independent expenditures and the bundling and conduiting; just to name a few.

We must have some ceilings on how much money can be spent. We cannot have the Senate of the United States a body that is composed of all millionaires. We are coming to that. Why? Because it is easier for a wealthy person to run. He can spend all the money he wants. It is much more difficult for someone who is a schoolteacher or a small businessman to go out and raise the millions of dollars that it takes to be competitive.

We must have campaign spending limits. The Federal Election Commission, Mr. President, is powerless. We have made it so. The Federal Election commissioners want to do what is right, but they are understaffed, the rules are so vague and meaningless that they have very little power. In my Senate election in 1986, there were about seven complaints filed on my behalf. They have not been responded to yet; not resolved, but even responded to, and it is 3 years, almost.

I would hope, Mr. President, in the future recesses in the years to come that Members of Congress can get on this floor and say it used to be that when I went home, I had to spend an inordinate amount of time raising campaign funds, but the Congress has responded to what the American people wanted and I no longer have to do that because we are allowed time on television and radio to get our message across and we have debates that are real debates. There are no longer independent expenditures that plague and conflict what the real issues of the campaign are. We no longer allow bundling and conduiting, and we have the Federal Election Commission that is strong and has the power to do something to improve the elections. That is the way it should be.

So I hope when we go home in the future that we, Mr. President, will be able to do that because when we go

home, we should not be concerned about a 30-second TV spot, how we are going to pay for it; we should be concerned about our environment, which is being destroyed around us; we should be concerned about the ravages of drugs, improving our educational system, and cutting the deficit.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Illinois is recognized for 5 minutes.

CAMPAIGN SPENDING LIMITATIONS

Mr. DIXON. Mr. President, first, may I congratulate the occupant of the chair for his excellent remarks a moment ago in his other role as the distinguished senior Senator from Nevada. I endorse and embrace all those remarks. I think they were very eloquent and well put. We must soon adopt reasonable campaign standards and campaign spending limitations, Mr. President, or there is going to be a major scandal in America, and the Congress of the United States is going to be responsible for hiding its head in the sand while these scandalous activities unfold in our country.

NO 40-PERCENT WORK SHARE AGREEMENT

Mr. DIXON. Mr. President, a moment ago you were kind enough to recognize this Senator in connection with his concerns about the FSX deal with Japan. The administration has said that in the renegotiation process with this agreement with Japan, one of the things they have obtained assurances about from the Japanese Government has been that 40 percent of the work will come to the United States.

I might first say I think that is inadequate. We should have sold them the F–16 off the shelf and gotten 100 percent of the work, but that has been the standard that has been suggested by the administration that, in fact, they have upped the amount of percentage of the work that will be given to American workers to 40 percent.

One of my staff who is associated with me in the Armed Services Committee called while I was speaking earlier and left this word with me, and I consider him a responsible person. I want to read what he has said:

The Japanese Ambassador Matsunaga said, according to a major Japanese newspaper, there is no 40-percent work share agreement. This is according to a major Japanese newspaper today.

Mr. President, I am going to check on that. If that is a fact and that is in a Japanese newspaper today, I am going to put that in the CONGRESSIONAL RECORD because everything that is being said about this flies in the face of what I believe the reality will be. I believe they are going to get almost all the work and all of this talk about they are going to get our old technology.

Mr President, I have talked to the folks who make these platforms in our country; I have talked to the folks who make these engines in our country. Every one of them privately says to me in the end they are going to get our technology. Technology, Mr. President, that taxpayers in Nevada and Illinois and all over the 50 States of this Union paid more than $7 billion of their hard-earned money for is going to be given to the Japanese for a few hundred million dollars so they can build a fighter aircraft superior to ours and go into the commercial aviation business.

Shortly I am going to have a speech, I understand, that Lee Iacocca has made—and I am trying to get that speech right now, Mr. President—where he tells the whole unfolding of this economic miracle of Japan over the last several decades. They have stripped us of our economic advantages. I believe that statement of his is going to say that the 1990's will be the decade of aviation in Japan, and he says that on the basis of this deal that right now this administration wants to go into it with the Japanese.

So I want to be heard on this a lot of times. There is a lot of material I still want to put in the RECORD. I hope I can find what my staff tells me is factual and that we can obtain this Japanese newspaper account, translate it to English, put the whole thing in the CONGRESSIONAL RECORD so all my friends in the Congress and everybody in America can know what they are saying about this deal on the other side of the world in Japan where they know they have a good deal, Mr. President, at the advantage of good, old Uncle Sam once again.

Mr. President, I think I see my dear friend, the distinguished Senator from Massachusetts here. If he is prepared to speak, I will yield the floor.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Massachusetts is recognized for 10 minutes.

Mr. KERRY. I thank the Chair.

(The remarks of Mr. KERRY pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The ACTING PRESIDENT pro tempore. The Senator from South Dakota is recognized for 5 minutes.

THE "MOUNT RUSHMORE"

Mr. PRESSLER. Mr. President, this weekend I join a number of distinguished South Dakotans in New Orleans to take part in a very special ceremony after years of effort. Saturday, I will take part in the christening of the *Mount Rushmore*, a naval vessel named after South Dakota's Mount Rushmore.

The year 1991 is the 50th anniversary of Mount Rushmore. It is South Dakota's pride, and over 2 million tourists a year visit Mount Rushmore making tourism our second largest industry. However, that is not directly connected to this event on Saturday. The *Mount Rushmore*, a Widbey Island class dock-landing ship has big shoes to fill. This is the second naval vessel bearing the name of the granite monument carved in the hills of South Dakota. The original *Mount Rushmore* was a decorated warship in World War II receiving two battle stars before being decommissioned in 1970. The *Mount Rushmore's* World War II adventures in the Pacific theater included a run-in with a torpedo near Borneo. During the Korean war, the *Mount Rushmore* served the Navy well. The ship was decommissioned in 1970.

I became involved in the ship naming effort as a way of honoring the memory of another distinguished naval vessel of the World War II era, the U.S.S. *South Dakota*. Since my days in the House of Representatives, I have worked with the Navy on this project.

There are 13 battle stars for World War II service. The battleship *South Dakota* was one of the most decorated ships. The ship fought valiantly in many crucial battles against the powerful Japanese naval force. On the last day of the war, shells from the *South Dakota* fell in Tokyo as the Emperor prepared his nation's surrender. Though the battleship was sold for scrap in 1962 its memory lives on in the hearts of the brave sailors who served on the *South Dakota*.

South Dakotans, like my good friend Evans Nord of Sioux Falls, are preserving that great ship's memory at the U.S.S. *South Dakota* Memorial in Sioux Falls.

Saturday's ceremony in New Orleans celebrating the *Mount Rushmore* is another way of marking the many contributions my State and our Nation have made in naval history. Because Mount Rushmore, known as the shrine of democracy, is celebrating its golden anniversary in 1991, Saturday's event is even more significant.

We, in South Dakota, are very proud of our naval connection, and expect it to continue in the colorful tradition of our past vessels. Indeed, at Sioux Falls is a sizable naval reserve unit. We have many former Navy officers living in

our State. We look forward to this dedication not only as a celebration for our State, but for our Nation.

Mr. President, I am happy to call to the attention of my colleagues the dedication of the U.S.S. *Mount Rushmore.*

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

WHEAT SALE TO THE U.S.S.R.

Mr. KERREY. Mr. President, on Monday of this week, President Bush announced a subsidized sale of 1½ million metric tons of wheat to the Soviet Union. It is, I believe, a victory for American farmers who have been, and will continue to, benefit as we attempt to increase our world market share of agricultural products. But it is also a victory for those of us who hope that improved economic and political cooperation between our two nations will decrease the tensions and provide the basis for reversing a 30-year arms race.

This decision made by the President was made in spite of evidence that the Soviet Union and other Communist nations have a long ways to go before they can be regarded without feeling of real and present dangers. One generation ago when we were dominated by a post-World War II mentality, a political leader who proposed to sell grain to the Soviet Union would be accused of being a Communist sympathizer. The real threat of Joseph Stalin was met with an allied response of containment and nuclear deterrence.

But it was also met with the cries from Joseph McCarthy to censor any who spoke sympathetically of Communist leaders. In Nebraska in 1951 our Governor proposed to declare martial law to rid our State of the 25 citizens who it believed were Communists. Thus, of all the messages that I hear from this sale of wheat by this decision to subsidize the Soviet grain sale, the most important one to me is this: Joseph Stalin and Joseph McCarthy are both finally dead.

Their approaches to the betterment of mankind have been completely discredited, and although proponents of both can still be found controlling lives of human beings they are more often found on street corners receiving the silent stares of passers-by. Like most good decisions this one was made within the context of many simultaneously advocated objectives. The President's Office of Management and Budget argued on behalf of the budget. The National Security Council argued on behalf of America's security. Both of these objectives are worthy and they deserve full consideration.

But in the end the objective of a permanent peace in this world that is based on trust and understanding was given the highest consideration. In the end the startling events which we observe in this world cause us to trust just enough that we release the impulse to hope for a new peace, and this impulse begins to influence our policy decisions.

Mr. President, we we look across the oceans that separate us from Europe and Asia we see things we did not believe could happen. Few of us would have predicted that they would occur. In Hungary the iron curtain is coming down.

In the Soviet Union they are putting together a legislature. Their discussions are open and candid concerning the stagnation of their economy and the elections, purges of "dead souls," and military reductions have all of us attempting to answer this question: What does it all mean?

In Poland a Communist government has legalized Solidarity, rural Solidarity, and the church. They have created a new Senate which will have veto power over the Communist Party itself. Some are even speculating that Lech Walesa might someday become President of Poland.

In Germany, the talk of reunification is now in the open. The cry for a renegotiation of short-range nuclear forces has created great discomfort in the alliance.

In Asia, Mr. President, the changes are even more dramatic. The rise of Japan, Korea, Taiwan, Singapore, and Malaysia as tremendous economic powers has made for hot political rhetoric here at home where these former laughing stocks have become fierce competitors.

The streets of China are full of student demonstrators who are demanding greater political freedom. The previous economic reforms have only whetted the appetite for freedom. Significantly, this one time military enemy has become in the past 16 years almost an economic partner. We are even able to witness the return of the colony, Hong Kong, without great anxiety.

There are, of course, continued fears and concerns. But the words of the old warrior, Andrew Goodpaster, former Supreme Commander of NATO, ring in my ears. He said, "If the new Soviet policy set out by Gorbachev becomes a reality in fact, the whole security structure the world has known since midcentury becomes open to a series of major transforming changes in which United States interests will be deeply and directly involved." General Goodpaster concludes that the potential is "breathtaking."

Mr. President, we should not underestimate the influence of the old Bolsheviks who continue to believe that world revolution is the means to their end. Their beliefs require a totalitarian form of government which denies the freedoms which excites and permits human beings to rise to their full potential.

We should also not underestimate the influence of the old fear mongers who seek to reduce our grandest dreams to ash with the fire of their reactionary rhetoric. Their beliefs require us to restrict our freedom and our hope in order to approach the future with greater order.

Mr. President, I believe we should stand on top of this mound of wheat which President Bush proposes to sell, and with our eyes wide open, observe this new world of ours. And we should courageously and hopefully address it with proposals that reflect our highest ideals.

I yield the floor, Mr. President.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRAHAM). The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SANFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NEW ENGLAND STUDENTS COMPETE IN BICENTENNIAL OF CONSTITUTION

Mr. BURDICK. Mr. President, this morning I met with a dozen students from St. Mary's High School in New England, ND. These bright young people came to Washington for the finals of the National Bicentennial Competition on the Constitution and Bill of Rights.

As a lawyer, it is exciting to know that upper elementary, middle and high school students are studying a specially designed 6-week course about the Constitution and Bill of Rights. The preservation of our freedom and our Nation depends upon our young people, tomorrow's leaders. We have much to gain from educating them at any early age about the Constitution, the Congress, and citizenship.

Phil Harmeson and Karen Montgomery did an excellent job coordinating this fine program in North Dakota. The team from New England which won the State competition is unusual in that it has several international students. Led by instructor John Bachmeier, I would like to congratulate these students for their hard work in reaching the national finals and competing against top students from much larger schools. The class consists of Gary Benz, Roberto Chami, Cecilia Dobitz, John Ehlis, Ti Huang, Ilene Krebs, Mikael Merissa, Stacey Roller, Aaron Tewolde, Benyan Tewolde, Jon Wert, and Metmeku Yohannes.

The National Bicentennial Competition is making a difference among the

more than 1 million students who have participated in this educational program. Students in classrooms across the Nation, ranging from New England, ND, to New York, NY, are debating the issues that concerned the Founding Fathers and demonstrating how the Constitution's basic principles apply to them today. I commend everyone involved in this exciting program that is increasing the constitutional literacy of our young citizens.

A PRESIDENTIAL REVIVAL

Mr. HATFIELD. Mr. President, two of my favorite things come together in the little town of West Branch on the Iowa plain: Herbert Hoover and a library which bears his name. I have become accustomed to raised eyebrows and curious looks when I talk about my enthusiasm for President Hoover, but then people are "often surprised to discover that his 4 years in the White House were but a footnote to half a century of public service, during which 'the Great Humanitarian' rescued more people from starvation than all the tyrants of this blood-soaked century together could murder."

Those words belong to Richard Norton Smith, the director of the Herbert Hoover Library and the man responsible for breathing new life into the President's memory. Since he left Washington for West Branch several years ago, Mr. Smith has made history come alive through a wide variety of projects and programs. After doubling attendance at the Library in just 1 year with a wonderful exhibition of more than 300 pieces of Presidential memorabilia entitled "30 Men," he has now set his sights on a joint conference this fall with the Gerald R. Ford Library and Museum to discuss the history and utility of former Presidents.

Mr. President, an essay by Mr. Smith entitled "How the Hoover Library Overcame a Mid-Life Crisis" not only describes the exciting work going on at the Herbert Hoover Library but also makes a compelling case for the energetic study of our precious history. I applaud the efforts of Mr. Smith and his talented staff, and ask unanimous consent that the essay be included in the RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

A PRESIDENTIAL REVIVAL: HOW THE HOOVER LIBRARY OVERCAME A MID-LIFE CRISIS

Two hundred years have passed since a Virginia planter borrowed a few hundred dollars, ordered a suit of the finest broadcloth, and set off in a carriage to assume the highest trust that a free people could bestow. Eight years after the streets of New York resounded to his name, George Washington took leave of the office he practically invented. He returned to Mount Vernon in the spring of 1797 with a couple trunks full of papers—the first presidential "library."

Long afterward, another chief executive, as different from the first as chalk is from cheese, bade farewell to the city bearing Washington's name. "We draw our Presidents from the people," said Calvin Coolidge. "It is a wholesome thing for them to return to the people. I came from them. I wish to be one of them."

As with Presidents, so it is with the documentary evidence of their administrations. Just as America derives her leaders from the Kansas plains and the Hudson River Valley, the Texas Hill Country and the Massachusetts coast, so also does the presidency itself belong to the people who first tailored it to the heroic dimensions of Washington and who ever since have looked to his successors to embody the democratic virtues celebrated by Coolidge.

Beginning with Franklin Roosevelt in 1941, Americans have built presidential libraries both to document and to disseminate our history. Within their walls are housed millions of records, enough to supply the first draft of historical interpretation, along with the personal objects that make vivid an office and the forty men who have occupied it since Washington stood on a New York balcony two centuries ago. The libraries play host to scholars who sift through the documents of history and to policymakers who envision all our tomorrows.

In their range and variety, presidential libraries reflect the genius for governing that marks the American people at their best. They trace the lives and legacies of an Iowa-born mining engineer whose humanitarian instincts rescued millions from starvation and a plainspoken haberdasher from Missouri, who reminded us anew of the uncommon abilities that reside within so-called common men and women. They introduce us to a congressman from Grand Rapids, a Georgia peanut farmer, and a former movie star turned governor who, each in his own way, helped restore the public trust while reaching out to achieve a more peaceful world.

Like the office they commemorate, presidential libraries are living institutions. Beyond their glass cases and document boxes, one can breathe the air of history made and history in the making. They are not monuments to one person alone. Rather, they are storehouses of information and classrooms for democratic instruction. In recent years especially, they have become popular places for Americans of every age to examine their past and explore a history not always learned in school.

All this and more went through my head when I was invited to leave Washington, D.C., in the autumn of 1987 to become director of the Herbert Hoover Presidential Library-Museum in West Branch, Iowa. As a biographer who had spent the better part of a decade writing speeches on Capitol Hill while simultaneously exploring Tom Dewey's gangbusting, Herbert Hoover's relief work, and the presidency of modern Harvard University, I was not your typical historian, archivist, or museum curator. West Branch (population 1,807) was a long way from Washington. On the other hand, distance lends perspective; a newcomer arrives blissfully ignorant of all that lies beyond his institution's presumed capabilities. I have since learned that by the time you discover everything you're not supposed to be able to do, you may already have done it. Or at least be well on your way!

Truth be told, the West Branch facility faced something of a midlife crisis in the late 1980s. After a fruitful quarter-century of collecting, processing, and making available the papers of Herbert Hoover and his contemporaries, the library staff was experiencing a marked decline in archival activity. Following twenty years of scholarly usage, researcher ranks were thinning, while annual museum visitation had leveled off at around fifty thousand. Now as then, I believe it a mistake to regard such an institution primarily as an archival repository—much less one divorced, for the most part, from a public whose historical curiosity is real, if less specialized than that of academics trained to appreciate the millions of pages, thousands of photographs, and mountains of artifacts that form a vast mosaic of Hoover's life and times.

Both challenge and opportunity are neatly summed up in the very title of "library-museum." As it suggests, we perform multiple functions; in the process we serve different constituencies. A few hundred of those who visit West Branch each year focus their attention on the research library. Tens of thousands come to see the museum. Our challenge was finding ways to boost interest in both without any significant increase in funding. Budgets were tight and staffing significantly below that of the affluent 1970s. Fortunately the Library already had a staff accustomed to stretching dollars and pooling responsibilities. Their resourcefulness made them convert discarded folding doors into curatorial tables. It also enabled them to humor a neophyte director who did little by the book—who was, indeed, tempted to throw the book away and start over!

Like ancient Gaul, our blueprint for institutional revival was divided into three parts: to maintain a first-rate archival respository, to raise the visibility of a nationally important center of historical scholarship, and to establish the Hoover Library-Museum as a major cultural asset for Iowa and the entire Midwest. One measure of success would be public programs, another, cooperative ventures with other museums, libraries, and historical organizations.

As a "popular" historian, I had long since identified a substantial audience eager to learn more about its heritage and about the men and women who have directed the American Experiment. Personally, I regard everyone who walks through our front door as a student, interested in the past and its lessons for the present, curious about this man Hoover and often surprised to discover that his four years in the White House were but a footnote to half a century of public service, during which "the Great Humanitarian" rescued more people from starvation than all the tyrants of this blood-soaked century together could murder.

Beyond one man's story, a presidential library-museum should explain the nation's highest office, its historical evolution and its daily impact on each of us. The simple fact that Herbert Hoover was the first chief executive to keep a telephone on his desk may be as important a milestone for some visitors as war in Manchuria or the Reconstruction Finance Corporation. To humanize and personalize the presidency, without ever trivializing it: this is what we have set out to do in the library-museum that bears Hoover's name.

Our first major undertaking was a yearlong observance of the bicentennial of the presidency centering on "39 Men," a record setting exhibition of over three hundred

pieces of personal memorabilia associated with each of our Presidents and culled from more than sixty different institutions. By far the largest such event in Hoover Library history, "39 Men" featured everything from Calvin Coolidge's electric horse, Thomas Jefferson's monogrammed silk stockings, and John Adams's baby rattle, to Gerald Ford's football helmet, Ronald Reagan's cowboy boots, and a 102-year-old slice of Grover Cleveland's wedding cake.

From 54,000 in 1987 to 115,000 in 1988, "39 Men" more than doubled our annual attendance. It brought four times as many school children to West Branch as usual, laying the groundwork for an ambitious follow-up program of educational outreach. it tripled sales in the museum gift shop, which added sixty-five items to its stock as it gained a new name, the East Room. And it generated unprecedented media interest, both in Iowa and across the country.

These are the most obvious yardsticks of progress. No less important for the future are hundreds of professional contacts made with other museums, curators, private collectors, and presidential scholars. Many of our visitors were Iowa residents who sheepishly admitted to never having been to the Library before. Their presence contributed to the ongoing revival of West Branch, whose downtown National Historic District is a handsome complement to the library-museum and the President's two-room birthplace nearby.

Perhaps the most significant benefit of "39 Men," besides the information and inspiration imparted to those who saw it, was the well-earned pride of a staff that achieved something never before attempted. Not only did they locate, crate, ship, insure, protect, and return a treasure trove of priceless Americana, but they also showed it off to tens of thousands of visitors in an unending line of tours. (I know—I conducted over seven hundred groups through the building in the six months from April through October 1988). Needless to say, they could not have done so without the cooperation of each member of the presidential library system.

One successful exhibit does not a revitalization make. The challenge posed by "39 Men" is not merely to repeat it but to institutionalize it, both in temporary and permanent displays. That means a total overhaul of existing museum exhibits, many untouched since 1971. In the past year, it has meant introducing computer games for schoolchildren and videodisc players with rare Hoover home movies; working with a talented student team from the University of Iowa's communications department in crafting a new, twenty-minute slide show to replace the dated film shown in our auditorium (at a cost of less than $300); adding a soundtrack of Lou Henry Hoover's voice to the gallery bearing her name, and renovating other galleries to give visitors a more vivid sense of the Hoovers, their crowded lives, diverse interests, and continuing relevance.

It also means developing a five-year plan whereby last summer's success and momentum can be enlarged upon. This year, for example, we are commemorating the seventy-fifth anniversary of World War I—and of Herbert Hoover's unexpected entry on to what he labeled "the slippery slope of public life"—with a major exhibition called "Over There." Between now and October 29, visitors to the library-museum can see Harry Truman's uniform, Kaiser Wilhelm's naval cloak, the original Zimmerman telegram, Woodrow Wilson's copy of the Versailles Treaty, a painting of a bombed-out church by Corporal Adolph Hitler, a baseball presented to President Wilson by King George V, and a desk lamp belonging to V.I. Lenin—not to mention German mortars, U.S. artillery pieces, an indoor trench, an outdoor barrage balloon, and hundreds of other objects—all intended to transport visitors to that faraway land called the past, when Midwestern farmhands and the sons of Back Bay financiers together embarked on a mission to save the Old World from itself.

In years to come, the Hoover Library-Museum will recall the sixtieth anniversary of President Hoover's White House Conference on Child Health with a retrospective featuring Grant Wood's famous painting of the Hoover birthplace. We will recall the pivotal decade of the 1920's, cradle of modernity and object of continuing public fascination. Another exhibit will highlight dozens of presidential gifts, elegant and prosaic, precious and wacky. Hoover's participation in the first public demonstration of a new technology called television will inspire an extensive exhibit on the first sixty-five years of an industry Fred Allen called a medium, "because it doesn't do anything well."

These and other plans are being implemented with no significant increase in staff or funding. Filling the gap is the Herbert Hoover Presidential Library Association, the same organization responsible for commissioning and funding George H. Nash's multi volume biography and conducting visits to Hoover haunts in China, Australia, and Belgium. Now the association is committed to raising money to refurbish the entire museum as part of a federally funded expansion and renovation project.

As important as bricks and mortar are the programmatic changes that will take the library-museum into the next century. The success of "39 Men" reinforced our belief that such exhibits can introduce more visitors than ever before to the Iowa orphan who lived Horatio Alger's legend; the "doctor of sick mines" who became a global hero by feeding war-ravaged Belgium, and a household name as secretary of commerce and assistant secretary for everything else in the dynamic 1920s; the executive who fell from grace as a depression-era president shackled to his preference for grassroots volunteerism over government largesse, and gradually regained much of his former luster during the longest ex-presidency on record.

Once asked how he managed to survive the ostracism that coincided with the New Deal launched by his onetime friend and Washington neighbor, Franklin Roosevelt, Hoover responded tartly, "I outlived the bastards." By then, of course, he had returned to public service, invited by Harry Truman to undertake a grueling relief mission to thirty-eight countries in the wake of the Second World War. The two men became fast friends, recalling the twilight rapprochement of another historic pair, John Adams and Thomas Jefferson, even to the message sent by Hoover in October 1964 to an ailing Truman: "Bathtubs are a menace to ex-presidents for as you may recall a bathtub rose up and fractured my vertebrae when I was in Venezuela on your world famine mission in 1946. My warmest sympathy and best wishes for your speedy recovery."

It was the last communication dispatched from Hoover's "comfortable monastery" in New York's Waldorf Towers. Six days later, the occupant of Suite 31A was dead at the age of ninety.

As even these few paragraphs demonstrate, Hoover's life is a tale of high drama and higher stakes. It spans much of this century and most of the globe. With the opening of Mrs. Hoover's personal papers in 1984, and revisionist scholarship on the gossamer links between Hoover's New Day and FDR's New Deal, it is a story still being told, by George Nash, David Burner, Joan Hoff Wilson and others.

There is an unfortunate belief in some quarters that extensive activity in public programs must lead to the neglect of academic research. Not in West Branch. On the contrary, this fall, the Hoover Library-Museum will host its first scholarly conference in six years, a joint venture with the Gerald R. Ford Library and Museum. For two days in October, historians, biographers, journalists, former White House staffers, and others will join President Ford in examining the history and utility of a unique office—that of former President. A month later, the Hoover Library will cosponsor a Kansas City gathering of World War I and relief scholars with the Harry S. Truman Library and the Liberty Memorial Museum. Meanwhile, Assistant Director Timothy Walch has taken on the task of expanding our already considerable ties with historians and political scientists at the nearby University of Iowa and other schools. As a co-sponsor of the Center for the Study of the Recent History of the United States, the Hoover Library recently hosted a seminar on the collection and use of historical photographs. We are also planning a major CSRHUS conference on child health and family issues for the spring of 1990.

All this is in line with the National Archives' stated emphasis on collaborative scholarship. It is also common sense. For no amount of popular exhibits or special events can, by themselves, supplant ongoing relationships with campuses, teachers, and tomorrow's scholars who sit in their classrooms. With this in mind, the Hoover Library-Museum staged its first-ever conference for high school teachers in April 1988. Earlier this year, we held an essay contest, inviting students to write their own inaugural addresses and Time's veteran White House correspondent Hugh Sidey to judge among those submitted. An eleventh-grader from Cedar Rapids, Tiffany Schirm, and her mother were flown to Washington for the Bush inauguration, where they were given a memorable introduction to the democratic process by Senator Charles Grassley, Representative Tom Tauke, and the Office of Presidential Libraries at the National Archives.

To open a dialogue with schoolteachers, we have created an advisory board chaired by a retired elementary school principal, and charged with the task of developing teacher education packages. One immediate result has been to give thousands of schoolkids a solid grounding in the history and horror of World War I. Looking ahead, the board is planning a round of teacher workshops, focusing on the use of primary source materials from pre-school through the twelfth grade. This summer, several dozen teachers worked with the papers of Laura Ingalls Wilder, author of the popular "Little House" books. The new teaching unit they helped create will be the first of many to emerge from our continuing workshop series.

To enhance the enjoyment of "39 Men" for our younger visitors, we engaged a professional storyteller to relate anecdotes about some of the nation's leaders, and guide the children in activities ranging from drawing up their own Constitution to making presidential gifts similar in spirit if not cost to those received by Richard Nixon and Rutherford Hayes.

In an even more imaginative effort to take the Hoover Library to the people, we are working with the Vinton, Iowa School for the Blind to develop a curriculum unit including facsimile artifacts, documents in braille, and audio tapes. Through a generous grant from the Delta Gamma Foundation we hope to expand this into a comprehensive program for blind students and visitors, one covering the history of the American presidency as well as the personal story of Herbert and Lou Henry Hoover.

Earlier this year, the bicentennial of Washington's inauguration was marked by an April 30 ecumenical service held outdoors at the same hour that the first President took the oath of office and based upon the ceremonies with which New Yorkers ushered in his presidency two hundred years before. Other events have included a recreated White House dinner, circa 1931, benefitting the University of Iowa Art Museum, theatrical productions recalling Lou Henry Hoover and Calvin Coolidge, a winter film festival to assist a local food gathering campaign, and a warm Iowa greeting for nearly four hundred Soviet-American peace marchers threading their way across the state.

While I have been busy with community relations, Tim Walch and other staff members have undertaken a top to bottom review of library holdings. Nonpermanent materials have been scheduled for destruction and a targeted program of archival solicitation reinvigorated. Over the years, in addition to Mr. Hoover's personal and public papers, the library has gathered records of roughly 125 Hoover associates, professional and personal, as well as others whose work touched in some way upon the former President's multiple interests. The passage of time inevitably requires a rethinking of our collecting policy.

Accordingly, in recent months we have pinpointed existing strengths of our holdings: conservative journalistic thought as represented by Westbrook Pegler, Felix Morley, Walter Trohan, and Clark Mollenhoff; and the development of nuclear energy, based upon the papers of AEC Chairman Lewis Strauss and Senator Bourke Hickenlooper to cite but two examples. We hope to build upon those strengths by selectively augmenting current holdings. This, too, is part of the planning process by which an aging institution gains new vitality and purpose. So is PRESNET, the electronic system that promises to make the holdings of presidential libraries accessible to anyone with a computer terminal and the knowledge to use it.

The last year and a half represents a heartening start, but only a start. Ahead we face many challenges, not least of all the need to design a museum for a generation that gets much of its information through film and video, one capable of introducing the Hoover years to our visitors and hosting extensive temporary displays in less than ten thousand square feet of space. But the problems are far outweighed by the potential. To solve the one and realize the other requires a little imagination and a lot of determination.

Looking ahead, I can imagine an orientation center for Herbert Hoover National Historic Site jointly manned by the National Park Service and the National Archives and including a multiscreen presentation on Hoover and the rural millieu that shaped his character and outlook. A gallery recreating for museum visitors the siege of Tientsin, an Iowa farmhouse, an Australian gold mine or Belgian feeding station. Imaginative displays treating the social benefits of free enterprise and recalling the lively twenties, when Herbert Hoover's Commerce Department was at the center of revolutionary changes in how Americans worked, traveled, relaxed and communicated.

No two Presidents are the same, and no presidential library can serve as a prototype in a system whose hallmark is diversity. Yet the last eighteen months have proven beyond doubt that popular appeal need not come at the expense of scholarly standards. In fact, the library's increased visibility has coincided with a marked upsurge in researcher visits—38 percent more in 1988 than in the previous year. And there is nothing imagined about that.

A final note: as historians synthesize fact into narrative, so we have tried to break down artificial barriers between archivist and curator, sales desk and photo lab. Everyone is involved equally, and no one function is valued above another. The results have been impressive. We are doing more, doing it better, and having fun: a trifecta of professional satisfaction. And this, in the end, may contribute more toward reviving the Hoover Presidential Library than all the visitor counts, newspaper stories, and conference speakers put together.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

OMNIBUS CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEARS 1990, 1991, and 1992

The PRESIDING OFFICER. Under the previous order the Senate will now resume consideration of the pending business, Senate Concurrent Resolution 30, which the clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 30) setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992.

The Senate resumed consideration of the concurrent resolution.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. SANFORD. Mr. President, we are considering President Bush's budget resolution for fiscal year 1990. This is the President's proposal, negotiated with Congress in good faith, and in good faith, I suggest, that if stronger action needs to be taken in the future, in the fiscal year 1991 and beyond, Congress will provide its cooperation and will get the leadership of the President in taking whatever steps are necessary for the good of the Nation's fiscal condition. This was to be a negotiated budget when President Bush proposed it and it remains so, a still-to-be negotiated resolution. How we actually achieve a $28 billion reduction in the Federal budget has not yet been fully determined. Many of the details, mostly on the revenue side, still must be decided.

President Bush called the budget summit agreement negotiated last month a first step, and I hope that it will be a first step toward assuming a greater level of fiscal responsibility in dealing with the Nation's funds.

The dominant feature of the budget resolution is that it does not tell the truth about the deficit. I have been reluctant to vote for it because I know it does not tell the truth.

Mr. President, I hope this is the last time I will stand on this Senate floor, stuck with supporting a Senate budget resolution that falls short of doing the job that we need done.

If indeed we do achieve a $28 billion savings with this resolution and we do claim to achieve a $100 billion deficit under the rules of Gramm-Rudman-Hollings, this resolution estimates that we will actually increase the Federal debt in fiscal year 1990 by a staggering $264 billion. This is the true deficit. The public ought to know this. We will pay interest on the Federal debt in fiscal year 1990 to the tune of at least $263 billion.

To put it another way, we will pay interest on the debt in an amount well in excess of the total outlays for all domestic discretionary spending which is expected to be $181 billion under this budget resolution. The $263 billion is nearly three times more than we will spend on Medicare under this resolution. It is more than we will spend on Social Security benefits under this budget.

To put it still another way, and if this does not frighten people nothing will, we expect to collect about $670 billion in general revenues under this budget. This is revenue use for general operating purposes of the Government, what we use to pay interest, and what we can spend for the basic functions of Government. Of every dollar that we collect in general revenues, we will pay 39 cents on interest alone. That is a quick way to go broke.

This budget for the first time shows the annual debt increase to be one measure of the deficit, and that is a step forward. Over the next 3 years, this budget reveals that we will accumulate $746 billion, three-quarters of a trillion dollars in new debt. This deficit, this increase in debt, is dangerous to every business, to every homeowner, and to every wage earner. It could bring our country down in a crash. We hardly can stand a three-quarters of a trillion dollar debt. It is time to get scared. It is time to do something to

stop the quarter of a trillion dollar annual deficit. Think about that. At the rate we are going with the Federal budget increasing our Federal debt year after year we will soon pay as much or more just on interest than we pay for defense. The fiscal year 1990 budget resolution estimates that 2 fiscal years from now we will pay just short of $300 billion in total interest, and that is assuming a most favorable projection for interest rates.

We can no longer afford not to take our budget deficits and our Federal debt seriously. We cannot afford to just take small steps. Mr. President, we need to take a giant leap forward in fiscal responsibility and in reporting to the public just what the problem is and just how great the deficits have been and will continue to be.

Now, if we can claim $100 billion deficit under the Gramm-Rudman-Hollings law, how is it that we actually have a $264 billion deficit? How did we cover up $164 billion? I think this is important for us to understand and for the press to understand.

Let me point out just how we have gone about covering up the deficit. We have done this for a number of years, and if we keep on doing it we are going to find ourselves totally engulfed in debt, without being aware of the fact that this is happening to us. We are not reaching a lower and lower deficit every year. We just say we are. We cover it up. We have been doing this a long time and have covered up almost $2 trillion of increase debt while claiming to have reduced the deficit year after year.

Here is how it has happened. The annual Federal debt increases which, of course, by anybody's definition is the bottom line of Government excess spending. If we decrease the debt, the budget should run a surplus. If we increase the debt, it should be in deficit. In 1988, the last year that is already completed, we somehow covered up $101 billion; $29 billion of that was the Social Security surpluses along with other smaller retirement surpluses. This would be like a corporate executive saying to his controller, "Look we cannot send out this annual report. It shows a loss. We cannot send this to the stockholders. I have an idea. Go get our retirement funds and put them here on the bottom line and we will show a profit."

If the corporate executive did that, the SEC would send him to the penitentiary. But Congress does this according to law. We are taking our retirement funds and using them to make our deficits look smaller than they are.

But what about the other $62 billion, which is going to be much more this year? I call it creative interest accounting and believe it is one of the most interesting things we have done in covering up the deficit. I think the press ought to understand this, and the public ought to understand this.

We have seen in the several years I have been here a figure called net interest. When I read net interest, I assumed it was an accounting figure that was sound—the interest we paid out. But not at all. That is not what net interest means. Net interest means a very tricky way of accounting for the interest we paid.

In fiscal year 1988, we paid $214 billion in interest, but we showed a net interest figure much smaller. How did we get that to be a net interest figure?

The Treasury pays money to the Social Security trust. That is money that has gone out as interest to the trust funds, irretrievable, we cannot get it back, just as we could not get it back if we had paid it to a bank. But we treat this payment as a receipt, not a payment.

It is like my going to the bank and saying, "Well, my income was $35,000 in interest and I want to add that to my financial statement." The banker says, "You did not get this interest, your cousin did." I say, "Oh yeah, we are cousins; we are kin. I can count that as a receipt of mine."

That is what we are doing with our Federal budget accounting! We paid this money to a trust. We cannot get it back. It is gone. Yet we treat it as a receipt in order to cover up the real deficit.

It was $101 billion coverup in 1988. In the budget we are considering right now, we are covering up $164 billion primarily with creative interest and Social Security surpluses. And that is the kind of deceit we have got to stop.

Mr. President, my resolution will do just that. My resolution requires that Social Security not be counted. It requires that interest be counted as total interest paid on the national debt, to show the true picture.

It also requires that we report as the deficit, not some figure we have arranged, but the increase in the national debt. That is the deficit. And the next budget should reflect that as the deficit.

This amendment does several other things. It looks to the future. Here is the problem. It is a serious problem. You might say this problem has slipped up on us because we have been led to believe by the White House for 8 years that we were reducing deficit. We really have not been reducing the deficit, and all of a sudden we have a $3 trillion debt.

This resolution also provides that we need a multiyear plan of deficit and debt reduction based on sound economic assumptions. It asks the President to advise the Congress of his proposals relative to the reduction of the national debt. Does he want to reduce the national debt? If he does and will provide the leadership, Congress will provide the cooperation.

It asks the President to advise us, in order to reduce the debt and deficit. If we need new taxes, we invite the President to provide the leadership in suggesting what those dedicated, limited debt reduction taxes should be.

Mr. President, I hope that the Office of Management and Budget will make no mistake about the intention of the Senate. We want the medicine. We are willing to take it. But we want it to be truthful. We do not want Social Security funds to cover up the real deficit. We do not want this tricky manipulation of net interest to help cover up the deficit.

We want the deficit, stark and clear and frightening, to be the increase in the national debt which is any accountant's definition of deficit. And once we see it, I think we can then take the kinds of actions that will reduce this debt and remove this great overhanging economic danger under which the Nation right now is operating. We need to get the honest figures. Then we need to take the courageous action. That is the intention, Mr. President, of this resolution.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SANFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 83

(Purpose: to call for a more truthful presentation of the deficit)

Mr. SANFORD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. SANFORD] proposes an amendment numbered 83.

At the end of the resolution, insert the following new section:

"SEC. . (a) The Senate finds that—

(1) this budget for fiscal year 1990 is within the parameters established by the President, and even if inadequate, is essential to keep the Government in operation;

(2) this resolution sets forth the deficit at only $99.4 billion;

(3) as set forth in section 3 of this resolution, on measure of the deficit, the increase in the public debt subject to limitation, is fully $264 billion;

(4) the Federal debt will rise to fully $3.1 trillion in 1990; and

(5) as set forth in section 5(a)(19) of this resolution, the level of gross interest on the public debt will be $263 billion in fiscal year 1990;

(b) It is the sense of the Senate that—

(1) as set forth in this resolution, the budget submitted by the President under section 1105 of title 31 of the United States

Code and the concurrent budget resolution for fiscal year 1991, in order to more truthfully set forth the deficit, should reflect at least the following changes:;

(A) all Social Security and other Federal retirement funds must be accounted for separately;

(B) all gross interest on the public debt subject to limitation must be fully reported and reflected; and

(C) the increase in the gross Federal debt that is subject to the legal debt limit should be shown as a measure of the deficit.

(2) Because a multi-year plan of debt and deficit reduction, based on sound economic assumptions, appears imperative, the President is requested to advise the Congress of any proposals relative to the reduction of the national debt, and to inform the Congress whether additional revenues are required for debt and deficit reduction, and if so, the President is invited to make specific revenue recommendations."

Mr. SANFORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SANFORD. Mr. President, I ask unimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I understand the distinguished proponent of the resolution does not insist on a rollcall vote. We are willing to accept the proposal as explained to the Senate this morning by the distinguished Senator.

We yield back any time we have in opposition to the amendment.

Mr. SANFORD. We yield back any time we have.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from North Carolina.

The amendment (No. 83) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SANFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. I thank the Chair.

(The remarks of Mr. DOMENICI pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I wonder if I might engage in a quick conversation with the chairman.

I understand that we are asking some of our Senators about when they would present their amendments. I would ask that any on our side who have amendments begin to negotiate with us. We would like to finish early this evening, and I think we can if we can get a lineup as to which Senator is ready to come forth with his amendment. I understand that there are a number of amendments and we would like very much to get some reading from them as to whether they are ready and what time they might be available to come to the floor.

Mr. SASSER. I agree wholeheartedly with the statement made by the distinguished ranking member of the Budget Committee. A number of Senators have approached us and the leadership indicating that they have commitments this evening and were hoping that we could conclude this resolution by 6 p.m. I think that is possible, but it is not probable unless Senators will come to the floor and begin to call up their amendments sense-of-the-Senate resolutions.

I understand that many Senators are in committee meetings at this time, but if they could just advise us as to when they could reasonably be expected to call up their amendments, then I think we would be in a better position to proceed.

Mr. DOMENICI. Mr. President, I might also say that I am most appreciative of three or four Senators who have already communicated with us that they do not think it necessary to offer their amendment. If there are others who are on this list that we protected last night who want to drop off, that is fine. It was not a commitment on their part that they offer them. It was just our commitment that if they wanted we were protecting them. If they do not intend to offer their amendments for whatever reason, it would help us if they would let us know as early as possible.

On our side, I yield 10 minutes to the distinguished Senator from Washington [Mr. GORTON] who I understand has no amendment but desires to speak on the issue before us. Am I correct?

Mr. GORTON. The Senator is correct.

Mr. DOMENICI. I thank the Senator.

Mr. GORTON. Mr. President, I thank my good friend, the Senator from New Mexico.

I do have several deep concerns about this resolution without at this point a desire to offer any amendment to it, and I should like to share these concerns with my colleagues and particularly with the two who are managing this bill.

It seems clear to this Senator, Mr. President, that this budget resolution meets a number of major announced or unannounced goals, both of the President and the administration on one side and of the leadership in both parties in both Houses. At the same time it also seems to me that it fails to meet certain other very real goals of the Nation as a whole.

I should like to go through what I consider to be some of the good points of this resolution before I reach my criticism of it. The first, of course, is that central to the President's campaign for election last summer and last fall was the pledge that there would not, under any circumstances, be new taxes. The President obviously has that as his number one goal in connection with fiscal policy this year. This budget resolution allows him to keep that promise.

By the same token, the Democratic Party won majorities in both Houses of the Congress, and most Democrats and many Republicans have little, if any, enthusiasm for the reform of a wide range of entitlement programs which consistently, over the last half-dozen years, have been the most rapidly growing part of our budget and the greatest contributor to our budget deficit.

We are able, once again, through this budget resolution to escape any significant reform of entitlement programs. At the same time, a large number of Members of the majority party and, I must admit, some Members of this party as well, have little enthusiasm for any elimination or real reduction in a wide range of nondefense discretionary programs. They succeed triumphantly in this budget resolution in escaping any real investigation or inspection of spending in those many programs.

Moreover, by a number of efforts of legerdemain, we have managed to tell ourselves at least that they meet the budget deficit reduction goals of the Gramm-Rudman-Hollings Act. All of us know privately that we do not, that in fact the budget deficit for fiscal year 1990, if this resolution is passed and carried into execution, will be substantially tens of millions of dollars more than the Gramm-Rudman-Hollings goals for fiscal year 1990.

So we have once again the same set of priorities which have bedeviled this body and this and the last administration for the last 6 to 7 years. We give lip service toward our budget deficit reduction. We give lip service toward the goal of a balanced budget but a wide range of other goals take precedence when it comes to the actual drafting of a budget resolution and

fiscal policy for the country. Unfortunately the only people not fooled by this exercise are the last range of opinion leaders and people whose livelihoods depend on our economy outside of the Congress and of the administration.

I suppose I have mixed feelings on this entire process. It is certainly clear that the leadership here has for us a budget resolution which is better than nothing. It makes enough changes so that we will have a modest reduction in the budget deficit in 1990, and yet we are so far from reaching our goals in a new Congress with a new President that it simply leaves me with serious reservations about whether or not supporting this resolution does not make our task next year much more difficult rather than easier.

Almost no one seriously claims that the fiscal policy as outlined in this budget resolution will come remotely close to the challenges which we will face in calendar year 1990 than writing a 1991 budget.

My questions which I hope my distinguished colleague from New Mexico or the distinguished chairman of this committee will answer for me are these: If we are unwilling in reality to meet the Gramm-Rudman goals this year, if we are faced almost certainly with either drastic fiscal changes next year or an amendment to the Gramm-Rudman Act and a resetting of its goals to a more modest progress toward a balanced budget, why do not we engage in that process now up front and deal somewhat more forthrightly with the American people?

If we are unwilling to discuss and to debate in this body whether or not our revenue system is sufficient even in the long run to meet our desires for Federal spending, why are we unwilling to discuss that subject this year, and we are going to find it easier to discuss it a year from now when the administration has been in power for some time and when we are faced with another election?

If we are unwilling to discuss reform of entitlements in 1989, by what magic will we be willing to discuss those reforms in 1990? If we are unwilling to discuss in any degree of depth reductions in a wide range of domestic discretionary spending this year, why and how will it be easier to do so next year? In short, Mr. President, how is it that this budget resolution can be judged to be adequate to meet the fiscal challenges facing the United States of America? And if it is not adequate to face those challenges this year, if as we all acknowledge very, very difficult questions and challenges will face us 1 year from now when we are debating the 1991 budget resolution, how is it that that year by some magic we will carry with it more courage on the part of Members of this body and of the House of Representatives, a longer range view on the part of the administration and the Office of Management and Budget?

Where and how will we find the courage and the ability to deal with entitlements, to deal with revenues, to deal with other programs, to deal with the fundamental goals of the Gramm-Rudman Act in 1990 when we cannot do so in 1989?

It is these questions which deeply trouble me, Mr. President. It is these questions which I have not really heard answered either by the administration or on the floor of this Senate, and it is these questions which cause me great reluctance as I am asked to support a resolution which, while it represents a wonderful political compromise, seems clearly to me not to represent a meeting of the very real needs of this country for fiscal and financial reform.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 1 minute.

Mr. President, let me say to my friend, the distinguished junior Senator from Washington, that for a number of years he was a very stalwart ally as part of this budget process, and as a Member of this Senate with reference to fiscal responsibility and using the processes at hand to do the very best we could.

I think he clearly understood and still understands the limitations of the budget process. I think he understands that many of the aspects of this process are not what they seem to be. Clearly we might think one thing here, and it may turn out very differently before the year is over because of the way we structured a budget process 13 years ago on top of an authorizing process and an appropriations process.

He has raised some very interesting points. He has said he heard no answers. I would just suggest to him the answer that I can give, and it certainly is not one steeped in wisdom nor is it calculated to answer the dilemma he raised about 1991's deficit. I believe it is fair to say at least this: We cannot do what the Senator suggested has to be done, alone through the leadership apparatus of the majority party, the Democrats, even though they are in control of both Houses. I do not believe it could be done with a similar leadership of the Republicans in the Senate or the House. And I think my friend would acknowledge with 10 years of battling here on that issue that probably is a true statement.

It could be done if the President of the United States and the leadership, not everyone, but the leadership of both parties locked arms. This President chose this year to lock arms in a very historic manner which brings this budget resolution here in a timely fashion, and we will get it done hopefully ahead of schedule. It brings it here because the arms were locked in a commitment.

It seems to me that the President took a calculated risk. He had an option, to stand on his budget as he presented it, as has been done in the past, and say to Congress, in a sense, "Good luck. This budget process is yours, here is my budget; in a very real sense it did what I want to do." He could have said, "If you don't like it, do your own."

I say to my friend, I am absolutely convinced that was an option, but I am equally convinced that it would have achieved literally, in terms of fiscal restraint, nothing. I cannot imagine where you could get 51 Members of this body and one more than half of the other body to agree on a budget resolution that did anything more than this one, if as much. And probably about this much after another 2 months of partisan bickering, acrimony, accusations, and the locked arms would have turned into the stiff arms at minimum—if not, we'd have some pretty tough political tackles.

So I think that is the justification. It is minimal, manageable, done collaboratively, and with the major issues of getting the deficit down, which I believe includes some very, different things than many people are talking about.

I heard the Senator mention entitlement reform. I hear most say we have to put taxes on the table in order to get entitlement reform—as if there is a miraculous way in our process of passing a major tax bill that does no harm to the American economy—not so easy—and that reduces the deficit permanently.

We have to understand that there is built into the process of this Government an avariciousness about using whatever revenues are around not for deficit reduction but because this National Government has become the absolute last resort for everyone who believes there is a governmental solution for any problem out there in the streets and homes and byways of this country.

I am not the one saying we should not be more kind and more gentle. I am not the one who says we have all the right programs for our kind of economy to help those in need. I think that mix constantly needs to be looked at. Quietly, many will say "taxes." But in answer to the question, "Will there be new taxes, if ever?", and, "When there are, will they go to deficit reduction?" While at the same time, most who are speaking of putting that on the table, I say to my good friend, are speaking of the enormous need for new programs in the country, not reducing the deficit.

You cannot have it both ways. If you put $10 billion in new revenues on the table, and the purpose is not next year, but the year after, to nicely, quietly, and in a good orderly process, to spend $10 billion more, you effectively accomplish zero for the deficit reduction.

When you speak of reform in the entitlement programs, you know most people just stop with those words, "reform the entitlement programs." But when you have to talk about what the reforms are, you have to lock arms. You have to have bipartisan leadership, because everybody knows reforms are tough. There is an expectation out there on the part of most of those programs that what they are, they ought to also be; what they have, somebody already earned, owns, bought, and it is theirs by some process that means entitlements should never be changed.

I submit to my friend that I do not believe, knowing of his deep understanding, that I can convince him to vote for this resolution, because his political notion and his political instincts say you should have done the 2 year budget now, and done it much differently, because it will not get any easier. I understand that is a rather formidable position.

I submit, however, that there was no option to do that, unless we could have found a way to do what I described a while ago. I submit to you that the President of the United States must have had this option; he took a very big step, in my opinion, and so did we.

Our leadership, with no statutory authority, created an umbrella of leadership committed to working with him, and asked us to do this, and then they all backed it. You saw backing of it last night when the distinguished majority leader joined the minority leader in trying to keep the essentials of this intact, whether they agreed philosophically that it was up to their liking or not.

Frankly, I do not know whether that harmony will lead on into the next year. I submit to you that chaos, grid lock, no budget, a threat of a sequester which would have been so large, will make cooperation probable.

I submit a sequester would have been too devastating on everything, that everybody would have changed their mind and cooperated. We would have had even modestly prodefense Senators—if we happened to be on recess when it occurred, they would have been asking that we call the Senate into session so they could come down here and say, "Are you kidding, a $44 billion cut in program authority for the defense of the United States, like that; $4 or $5 billion out of education, like that?"

So I submit that a sequester was not really an option. It would not have yield anything. It might have gotten us—let me make this one observation—to the White House, with the leadership around the President and the chairmen around him, probably talking about putting a budget together like this one. That would be my guess. In lieu of sequester, put something together, and it would have been as good as this, probably no better; so I think we saved an awful lot of grief and time, and we have a chance of marching together toward a better result.

Mr. GORTON. Will the Senator from New Mexico yield?

Mr. DOMENICI. I will be pleased to yield.

Mr. GORTON. First, I want to say that the analysis the Senator from New Mexico has just presented is compelling. I searched almost in vain, as I listened to it, for any element in it with which I could cogently disagree. He and the distinguised chairman of the committee have done what they had to do, under the circumstances in which they found themselves, clearly, not the circumstances of free agents.

I also, as the Senator from New Mexico knows very well, share with him the view, cynical though it may be, that if we were to increase taxes on the American people by $10, $20, $30 billion a year, most of the Congress would contrive some way or another to spend all or almost all of that amount of money, and that it would not substantially effect our budget deficit.

Nonetheless, one is still left with the question which was implied in my original remarks and a question for which I would like the answer of the Senator from New Mexico. He pointed out that we could do better only if we locked arms, and by that "we" he meant the President and the administration on one side, and both Democratic and Republican leadership of the House and the Senate on the other side, some of the very difficult choices which are inherent in meeting this problem of the budget deficit.

So my question is: Does the Senator from New Mexico believe that circumstances will be sufficiently different 6 months or 1 year from now, that that kind of coming together to make difficult decisions rather than a somewhat lower common denominator decision, does the Senator from New Mexico believe that those circumstances will prevail 6 months or a year from now, assuming that we pass and then implement this budget resolution?

Mr. DOMENICI. Let me say to my good friend, my first thought is: Hope springs eternal. My second thought is: 3 months ago I really did not believe it was possible that we would be where we are today. I saw no way that some very, very significant events that have already occurred were even remotely possible. We have a basic agreement between both Houses at the beginning. That is a very significant, and unprecedented, thing.

We will not go one way and they another way. As you know, that was one of the very serious problems of congressional budgeting in the past. Second, we once again reached a very, very high-water mark in budgeting, in my opinion, that we, at least in a budget, break the Government into three parts and keep those three parts intact. Defense, argue it out. If it is too much, it is too much. If you are going to save, cut the deficit, do not spend it someplace else.

That is a rather remarkable achievement. There is nothing in the law, but it will be done, because all the leadership said they were going to do it. Foreign aid, stuck by itself; if you want to cut it, cut it, but do not spend it someplace else.

And the same for the third part, for domestic discretionary spending; a very, very formidable agreement. If the categories can become part of the law, a very exciting concept has been added to the budget. Second, in a very fragile way, we have had joint budget deliberations, instead of House and Senate. Our committees are a bit anguished, because they sent only two of us, the chairman and myself, and two House Members, but it was House and Senate agreeing. Third, no national emergency, and we have a President in the meeting, through his Director of the Budget, and Secretary of the Treasury.

I tell you, the fruits of that are immeasurable. I really do not believe, in 13 years of this process, that we have had the potential for understanding each other, as we have now. I do not think we have ever had the potential for credibility between appropriators, tax writers, budgeteers, authorizing committee people, a budget director, and a Secretary of the Treasury, that we have now.

So I think these kinds of things could lead to the locking of arms on the more difficult issue, come July or August, as this kind of negotiation, in that kind of spirit, continues on. I might say for now, it seems to me that the economy is once again doing somewhat better than the economists predict.

Interest rates are coming down. Inflation has stabilized a bit. Growth continues in spite of those who keep predicting it is going to disappear next week.

I think we would have put that more in jeopardy through doing nothing but arguing for the next 6 months. So I think the pluses are on our side, and I do believe the chances of a breakthrough are dramatically increased.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, I will ask the chairman of the Budget Committee to respond to some questions which I would like to propound. But before placing the questions, to provide some context I wish to make a few remarks on the issue of the congressional fidelity to commitments made in 1988 relative to funding various aspects of our Nation's war on drugs.

The year 1988 was a year in which many of us worked very assiduously and took great pride in the passage of a major new national initiative relative to both the suppression of supply and effective educational and treatment programs relative to the demand for drugs in this country. I think that there will be few Americans who would argue that winning this national struggle against drugs is at the very highest of our Nation's priorities.

Unfortunately, Mr. President, there have been some perceptions based on previous actions which have made victory more difficult. One of those perceptions has been that this is only an issue that we are concerned about in an election year.

In 1986, Congress passed a major drug initiative and the ink was hardly dry before the promises of that 1986 Drug Act were turned ashen by the failure of the administration and the Congress to fund commitments that were made.

Another aspect of the disillusionment is the impact of this on States, local communities, private citizens, educators, health professionals, and others involved in carrying out the commitments of this legislation.

Mr. President, if I could just cite a specific example. In January of this year, I spent a day working in public schools in a small rural area of our State, Jackson County, the county seat, Marianna, FL. That is not an area which one would think was likely to be a major problem for drug trafficking. In fact, unfortunately, it has been impacted by this national phenomenon of increasing drug use.

I met during that day with a group of citizens, including religious leaders, education leaders, law enforcement, civic-minded citizens, a wide array of that community's leadership. They were very enthusiastic about what the Congress had done in 1988 and were preparing to take some major initiatives based on the commitments of that 1988 drug bill. They were going to hire new professionals to increase their drug treatment programs, deepen the curriculum in the public schools, increase various law-enforcement measures, all of those and more, predicated on the Federal Government's fidelity to the commitments that had just been made in terms of funding the 1988 drug programs, the various initiatives, that would end up having their actual consequence in the Marianna, Floridas of America.

So, Mr. President, I was concerned when I saw the budget recommendation submitted by the President relative to the 1988 drug bill. I will submit for the RECORD an analysis which has been completed by the Congressional Budget Office which compares the authorizations under the 1988 legislation to the baseline funding—that is, if we continue with the adjustments that are made consistently for changes in cost for those programs—the gap between the authorization and baseline funding, what the President has recommended as a supplement to baseline funding and then after that supplement that would be the unfunded authorization as the President has recommended it.

Mr. President, there are a number of accounts which are included in this table. They range from international affairs to general government. But the two dominant accounts, which represent approximately 80 percent plus of the authorization, are in health, which will especially be involved in expanding drug treatment programs in order to meet the commitment that we made which was that there will be treatment on request at a date in the mid-1990's, and account 750, the administration of justice, a substantial increase in everything from our Federal prison system, Federal prosecutors, Federal enforcement agencies.

In those two accounts, in the account of health under the 1988 drug bill, the budget authority authorized was $2,225,000,000; the President has recommended $1,331,000,000. In outlays for the current fiscal year, the authorization was $1,339,000,000; the President recommended $826,000,000.

In enforcement, budget authority, authorized $2,631,000,000; the President recommended $2,039,000,000.

Outlays, authorized $1,672,000,000; the President recommends $1,407,000,000. A substantial retreat from commitments that we made just a matter of weeks ago at the conclusion of the 100th Congress.

So, Mr. President, my concern is, as we consider this budget resolution, that we are not setting in place a fiscal scenario that will be played back to us in a few weeks in the future when the Appropriations Committees come and say I regret that we are going to have to continue this pattern of a failure of the Federal Government to meet its commitments under drug legislation. I regret that by adopting the budget resolution, this Congress committed itself to an inadequate capacity to fund these programs and that now the Congress is going to be joining the administration in its retreat from this important national war against drugs.

Therefore, Mr. President, I would like to ask if the chairman of the Budget Committee could respond to the following questions so we will all understand that our actions today affect our ability tomorrow to effectively wage the war of this Nation on its greatest domestic enemy: The rising tide of drug abuse.

Will the chairman yield for a series of questions?

Mr. SASSER. I am pleased to yield to the distinguished Senator.

Mr. GRAHAM. Mr. President, I appreciate the chairman's willingness to do so and will ask first: Will the budget resolution under consideration limit the appropriating committee's ability to fully fund the 1988 Antidrug Abuse Act?

Mr. SASSER. Well, the answer to that question, I would say to my friend from Florida, is a unequivocal no. The appropriating committees will get a very substantial chunk of money.

As the Senator from Florida knows, the Budget Committee itself does not make specific line item allocations of funds. In the final analysis, the Appropriations Committee, is going to receive well over $80 billion—actually, when you factor in the defense funding, they are going to receive about $420 billion, that they will appropriate or mete out among the various subcommittees of the Appropriations Committee.

But this budget resolution is not going to limit the Appropriations Committee's ability to fully fund the 1988 Anti-Drug Abuse Act if the Appropriations Committee sees fit to do that.

Mr. GRAHAM. I thank the Chairman. The second question is: Did the Budget Committee factor in the fully authorized level of the drug bill when it made its assumptions and derived its overall function figures?

Mr. SASSER. What the Budget Committee did, I say to my friend from Florida, is to substantially increase the funding that was requested by the President in barring drug-related functions.

First, we looked at last year's funding levels. We raised the funding level substantially above last year's. We also looked at the President's requested funding levels and raised the funding substantially above that.

Function 500 deals with education, training, and social services, et cetera, which the Senator from Florida alluded to just a moment ago. Budget authority of the function 500 program is up by approximately $3 billion in the discretionary portion of function 500. So that is an 11-percent increase.

In the function 750, the administration of justice function, there is a $1.2-

billion increase, a 12.5-percent increase in that particular function. In the function 550 portion of the budget, the health function, which also relates to drug issues, there is a 6-percent increase.

So, what we have done is try to take the President's request for funding antidrug activities, increase those as much as possible, look at the 1989 levels and increase those 1989 levels as much as possible.

But, bear in mind the final determination as to what will occur here will be made by the Appropriations Committee.

Mr. GRAHAM. I thank the Chair. That answer may have incorporated the answer to the third question. I will state the third question and if you would like to supplement your answer I would appreciate it.

If the Senate budget resolution assumes other than full funding of the 1988 antidrug bill, how were the function levels set?

Mr. SASSER. The Senator from Florida is correct; this question has been partially answered. But to repeat and make the record clear, the funding levels were set by first looking at the President's request, increasing the President's request a substantial amount, and looking at the 1989 levels of spending for drugs and drug-related problems. We increased 1989 funding levels also after realizing that the 1989 effort was inadequate and that the drug problem is on the increase rather than on the decrease.

So, the two-pronged approach is: Increasing the President's request for fiscal year 1990 and substantially increasing the funding levels for those functions dealing with drug-related matters over and above 1989 levels.

Mr. GRAHAM. Mr. President, I appreciate the chairman's answers to the three questions which renders the final question moot.

Mr. President, I just conclude by first stating that I consider the congressional and Presidential fidelity to commitments were made in 1988 to be of the highest order, both because of the importance of a national effort which achieves victory in the war on drugs and, second, because of the credibility which the Federal Government has now placed on line, has placed before communities such as Marianna, FL, and thousands of others across America; communities which are relying upon, depending upon, acting upon and assuming major obligations based on their confidence the Federal Government will fulfill its commitments under that important legislation. I, with many of my colleagues, will be watching the next chapters of this process closely, to assure that the war is won and that the Federal Government's credibility is maintained.

Mr. President, I ask unanimous consent to have printed in the RECORD the Congressional Budget Office analysis of the authorization levels under the 1988 Anti-Drug Abuse Act, and the recommended levels of funding by the President.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE 2.—COMPARISON OF THE BUSH BUDGET FOR DRUGS AND THE ANTI-DRUG ABUSE ACT OF 1988

[Extrapolated authorizations for 1990]

Functions	Total authorization		Baseline funding		Unfunded authorization		President's budget increment		Unfunded authorization	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
150—International affairs	138	50	110	41	28	9	(1)	(0)	29	9
300—Natural resources	15	12	0	0	15	12	11	9	4	3
400—Transportation	291	69	121	25	170	43	25	19	145	25
450—Community development	21	12	1	1	20	11	3	2	17	9
500—Education and training	456	74	436	68	20	6	50	11	(29)	(5)
550—Health	2,225	1,339	1,268	792	957	548	63	35	894	513
600—Income security	19	17	0	0	19	17	0	0	19	17
700—Veterans affairs	17	14	0	0	17	14	0	0	17	14
750—Administration of justice	2,631	1,672	1,975	1,362	656	310	64	45	592	265
800—General Government	155	18	4	4	152	14	144	7	8	7
Total	5,967	3,279	3,914	2,293	2,053	985	357	127	1,695	858

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I want to congratulate and commend our distinguished colleague from Florida for his unrelenting interest and effort to fight the problem of drugs in this country. As we all know, the issue of illegal drugs and narcotics is a problem not limited to one area of this country. It has spread through all of the 50 States. But the problem is perhaps as acute in our colleague's home State of Florida as in any other area of this country.

I am ever mindful of his interest and his efforts to curb the drug abuse that is occurring in this country and to curb the criminality that surrounds the illegal use of drugs in this country.

I want to say to my distinguished friend, the Senator from Florida, that we have done what we could in this budget resolution. I think we have done a substantial amount in this budget resolution to lend impetus to the war against drugs in this country. But in all fairness I should say to my friend from Florida that the final decisions and the final conclusions with regard to the expenditures are going to be made later on by the appropriate committees of jurisdiction, the Appropriation Committee and others. But I am sure, with the Senator's continuing vigilance and interest, that the proper disbursements of these funds will be made.

I thank my friend from Florida.

The PRESIDING OFFICER. The Senator from Oregon.

AMENDMENT NO. 84

(Purpose: To provide a reserve fund for child care)

Mr. PACKWOOD. On behalf of myself and Mr. BENTSEN, Mr. MOYNIHAN, Mr. DOLE, Mr. DECONCINI, Mr. DOMENICI, and Mr. HEINZ I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Oregon [Mr. PACKWOOD], for himself, Mr. BENTSEN, Mr. MOYNIHAN, Mr. DOLE, Mr. DECONCINI, Mr. DOMENICI, and Mr. HEINZ, proposes an amendment numbered 84.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the resolution, add the following new section:

RESERVE FUND FOR CHILD CARE

SEC. . (a) In the Senate, it is assumed that budget authority and outlays may be allocated to the Senate Committee on Finance for increased funding for child care, including funding through tax credits, if the Committee on Finance or the committee of conference reports funding legislation that—

(1) will, if enacted, make funds available for that purpose; and

(2) to the extent that the costs of such legislation are not included in this resolution, will not increase the deficit in this resolution for fiscal year 1990, and will not increase the total deficit for the period of fiscal years 1990 through 1992.

(b) upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if such a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under section 302(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this section. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of such Act as allocations, functional levels, and aggregates contained in this resolution, and the Committee on Finance shall report revised allocations pursuant to section 302(b) of such Act for the appropriate fiscal year (or years) to carry out this section.

Mr. PACKWOOD. This is an amendment. I am going to explain a change I just made so there is no question about the clearance. As the budget resolution initially came out there was a question of whether any child care amendment other than the ABC bill and appropriated funds could be offered; whether or not any of the tax credit approaches would have been in order.

This amendment changes the budget resolution so that it is clear that any approach to the child care problem will be in order. It is not a resolution of the problem. That debate is for another time.

Initially, when I cleared the amendment it read "child care." At the request of one Member the words "child care" were changed to "children," and that raised an objection. So, in writing I have changed it back again to "child care," which is the way the amendment was when it was cleared. I think there is no objection to it.

I say again this is not an effort to resolve the issue of how child care should be funded or how it should be delivered. It simply means whatever the approach may be, any of them will be in order.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I have a brief statement supporting this, but let me just summarize it.

I had assumed that this budget resolution was neutral with reference to the various child care approaches, in terms of funding. I am led to believe the resolution might be confusing. This amendment recognizes that there are many ways to structure child care legislation. It makes it clear that the budget resolution does not prejudice one approach, be it on the tax credit side or any other approach. That is essentially what it does.

For those who are wondering about dollar numbers, it does not do anything there. Any of the approaches have to fit the budget resolution in their totality and in its totality. And the distinguished Senator has not changed that, but made it clear that there is no prejudice to either approach. Both, if it is the will of the Senate and if we meet the budget targets, could find their way to the floor without budget objection.

I have no objection to it, obviously.

Mr. President, the Packwood amendment adds language to the resolution which sets up a reserve fund for child care. The reserve fund language for child care is identical to the language in the resolution regarding increased funding for Medicaid.

I support Senator PACKWOOD's amendment. It does not change any numbers in the resolution; it does not change the reconciliation instructions. It does not affect the overall levels of outlays or revenues. It does not increase the deficit.

Committee 302(b) allocations will be based on this budget resolution. The Budget Committee does not intend to restrict the Finance Committee's options to report child care legislation.

The Budget Committee recognizes there are many ways to structure child care legislation. This amendment makes it clear that the budget resolution does not prejudice one approach—be it a tax credit approach or any other approach.

Mr. SASSER. Mr. President, I have no objection to the amendment offered by the distinguished Senator from Oregon. Certainly, if the Finance Committee in its wisdom should produce a child care initiative that is deficit neutral, far be it from the Budget Committee to stand in the way of such an initiative on the part of the Finance Committee.

So I think the amendment of the Senator from Oregon has merit and, frankly, Mr. President, I would be supportive of it.

Mr. BENTSEN. Mr. President, as the budget resolution is presently written, any legislation reported by the Committee on Finance to provide a refundable tax credit for child care, or otherwise help low-income families with children, would be subject to a 60-vote point of order. Although the budget resolution allows room for child care legislation in the form of a discretionary program, it does not provide for legislation in the form of a refundable credit or an entitlement.

The amendment being offered by Senator PACKWOOD, Senator MOYNIHAN, Senator DOLE, and myself would allow the Finance Committee to report this type of legislation so long as it does so on a deficit-neutral basis. In other words, if the committee should decide to amend the dependent care credit, as requested by the President and included in the Packwood-Moynihan bill, it could do so, but only if it finds a way to pay for it.

Mr. President, I believe the Members of this body should have the opportunity to consider varying ways of meeting the needs of low-income families without being forced to vote on a Budget Act point of order.

The Nation is in a period of serious budget restraint, and we know that any action we take will have to meet the strictest test of need. But let me say that in 2 days of hearings held by the committee this last month, we had extensive testimony on the merits of using a refundable tax credit approach to help meet the needs of low-income families. It is a direct and efficient way of targeting help for children in these families.

Senator DODD's ABC bill, the Act for Better Child Care, which was recently reported by the Committee on Labor and Human Resources, is already accommodated in the budget resolution as a discretionary program. Consideration of that bill will not involve a point of order. What we are asking here is that the Senate have the same opportunity to consider an alternative, complementary approach to helping low-income children, but without in any way increasing the Nation's budget deficit. I want to assure Members that if the Finance Committee reports this legislation, the committee will find a way to pay for it, and the amendment is explicit on this point.

Mr. President, there is broad bipartisan support to respond to an important national need. I ask Members on both sides of the aisle to support the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. PACKWOOD].

Mr. SASSER. Mr. President, I have not yielded back all of my time at this juncture.

Mr. DOMENICI. Has the chairman yielded back his time?

Mr. SASSER. I have not.

The PRESIDING OFFICER. Does the Senator from Oregon yield back the remainder of his time?

Mr. PACKWOOD. No. I hope there is no problem. I want to see. I do not want to yield it back yet.

Mr. SASSER. Let me put forth an inquiry to the Senator from Oregon, if I may. Does the administration endorse the concept of a deficit neutral child care package emanating from the Finance Committee?

Mr. PACKWOOD. The administration has not said yet one way or the other. There is an administration proposal before the Finance Committee. At the moment, it is not revenue neutral in the sense of being tied to a specific offset or some other method of raising money in its bill. So I cannot tell you whether they endorse the concept or not.

Mr. DOMENICI. Will the Senator yield?

Mr. PACKWOOD. I will.

Mr. DOMENICI. Far be it for the Senator from New Mexico to even try to supplement what the distinguished ranking member of the Finance Com-

mittee has indicated, but let me suggest the way the President structured his tax proposals. There are a number of pluses and a number of minuses, I say to my friend, Senator PACKWOOD; that is, a number of legislative changes he recommends where revenues go up. There are a number where they come down. You add them all up, and it comes up with the net increase of $5.3 billion.

Mr. PACKWOOD. I misunderstood the question. You mean overall. I thought he meant in the bill itself. The answer is that overall, the President has attempted to accommodate it in his budget. In the bill itself, it is not revenue neutral.

Mr. SASSER. The question I ask of my friend from Oregon is in the event the Finance Committee produced a child care bill that will require revenues to make it deficit neutral, would the Finance Committee look to the administration to work with the Finance Committee in endorsing the necessary revenues to make the child care bill deficit neutral?

Mr. PACKWOOD. I can go further than that. I have spoken to a representative of the Labor Department, the lead agency for the administration on child care, to say that we want from the administration their suggestions as to how they want to pay for the day care and specifically in the Finance Committee.

Mr. SASSER. Mr. President, we have a Senator on the way to the floor who wishes to speak on this particular issue just briefly. I yield to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I wonder if the distinguished proponent of the amendment would mind if I asked consent to set his amendment aside for 30 seconds, since I have to leave the floor, and we will return immediately to it. Does he have any objection?

Mr. PACKWOOD. No objection.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 85

(Purpose: To provide additional funds for prison expenses related to drug offenses in order to relieve State prison overcrowding)

Mr. DOMENICI. Mr. President, this amendment has been cleared by the distinguished chairman. On behalf of Senators D'AMATO, MOYNIHAN, and KERRY, I send an amendment to the desk. Let me just say it is a sense-of-the-Senate resolution with reference to the total amount of money available within budget function No. 750, stating that there shall be sufficient funding to bring a level of Federal support for correctional activities, Federal, State, and local level, for the expense of drug offenders to a level of $1 billion. It is nothing more than a sense-of-the-Senate resolution as we have had in others. It is our hope that this will be the case, and we are merely asking the Senate to indicate that they concur.

I send the amendment to the desk and ask for its immediate consideration.

Mr. SASSER. It is acceptable on our side.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. D'AMATO (for himself, Mr. MOYNIHAN, and Mr. KERRY), proposes an amendment numbered 85.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the resolution insert the following:

Since the funding levels for function 750 for the administration of justice programs in the Committee Report is higher than the President's request by $800 million in budget authority and $500 million in outlays, and

Since the President's request already includes $658 million for prison expenses related to drug offenders,

It is the sense of the Senate that within the total amount available within the budget function 750, there shall be sufficient funds added to bring a level of Federal support for correctional activities at the Federal, State, and local level for the expenses of drug offenders to a level of $1 billion.

Mr. DOMENICI. I yield back all my time.

Mr. SASSER. I yield back our time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

So the amendment (No. 85) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 84

Mr. SASSER. Mr. President, may I inquire of my friend from Connecticut how much time he requires?

Mr. DODD. Very briefly, I would say to the distinguished floor manager, just to engage in a bit of colloquy as to the understanding of the amendment being offered by our good friend from Oregon.

Mr. SASSER. Mr. President, I yield up to 10 minutes to my distinguished friend from Connecticut with the hope that he would not consume the entire 10 minutes.

Mr. DODD. I thank the chairman.

The PRESIDING OFFICER. The Senator from Connecticut [Mr. DODD] is recognized for 10 minutes.

Mr. DODD. I thank my colleague from Tennessee. If I could have the attention of my good friend from Oregon, the author of the pending amendment, as I understand this amendment, this amendment merely would conform to existing legislation in the budget as it relates to, say, Medicaid legislation whereby there is nothing in this budget resolution which would prejudice the opportunity of the Finance Committee or this body to come up with a proposal dealing with, in this case, child care, as long as such proposal were revenue neutral. It is sort of boilerplate language as I understand it so that the door is not closed to that option should it become available either through the committee process or here on the floor.

Mr. PACKWOOD. I want to emphasize this clearly. First, merely this amendment means that no approach is foreclosed because of the way the budget resolution happens to be adopted. Two, when it comes forth in the reconciliation or otherwise, will it be neutral in the sense of the total package? Yes. Does it have to come out of the Finance Committee in a bill by itself revenue neutral, no.

Mr. DODD. That would be, of course, a matter for the Finance Committee to determine.

Mr. PACKWOOD. That is correct.

Mr. DODD. Obviously, in that sense it is in the same sense the Medicaid legislation would be. That legislation would also have to be revenue neutral as it affects the budget but, of course, if the Finance Committee would so decide to come up with a different method that would apply to that particular case.

Mr. PACKWOOD. That is true. Of course, it is a sensitive issue as to whether or not the Budget Committee is going to be allowed to tell any committee this is exactly how you are supposed to come forth. As long as the committee comes forth with meeting its totals, then if there is a point of order, it cannot be challenged on the grounds that you have not met the budget resolution.

Mr. DODD. Mr. President, I thank my colleague for that explanation. We are in the process with those I know who have a deep interest in this issue, and it is certainly the hope of this Senator that we are going to be able in short order to come up with a proposal on child care in this country that is going to enjoy the broad-based support of people in this body and hopefully the White House so we can, in fact, enact meaningful child care legislation which is the expectation I think of the overwhelming majority of people in this country who desperately need an intelligent, thoughtful, affordable quality child care program in order to meet the needs of working families as well as others.

So I see this amendment as a step in the direction to help us get to that particular point. My colleague and I have already had some private discussions. We have not had the opportunity, as both of us would like in the immediate future to sit down and see if we can in fact find some solution here that will allow us to bring forth a bill that will do exactly that which I have described.

I see no reason at all, Mr. President, to object to this amendment in light of the explanation given by my good friend and colleague.

Mr. PACKWOOD. I thank my good friend from Connecticut.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there be a period of morning business so that I may propound a unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—SENATE RESOLUTION 120

Mr. MITCHELL. Mr. President, I ask unanimous consent that at 12:20 p.m., the Senate proceed to the immediate consideration of Senate Resolution 120 and that it be considered under the following time agreement: 30 minutes on the resolution equally divided and controlled by myself and Senator DOLE, and that no amendments or motions be in order; that the agreement be in the usual form and that at the expiration or yielding back of time a vote occur on the resolution.

The PRESIDING OFFICER. Is there objection?

Mr. PACKWOOD. Mr. President, I simply want to announce it has been cleared on the Republican side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, therefore, Senators should be aware that a vote on the resolution will occur at approximately 12:50 p.m.

Mr. President, I ask unanimous consent that the Senate resume consideration of the budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

OMNIBUS CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEARS 1990, 1991, AND 1992

The Senate continued with the consideration of the concurrent resolution.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

AMENDMENT NO. 84

Mr. SASSER. Mr. President, what is the pending business?

The PRESIDING OFFICER. The amendment of the Senator from Oregon was temporarily set aside and is now before the body.

Mr. SASSER. Mr. President, I yield back all of our time on the amendment of the Senator from Oregon.

Mr. WILSON. Mr. President, we yield back our time.

Mr. PACKWOOD. I am prepared to yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the Packwood amendment.

The amendment (No. 84) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the Packwood amendment was agreed to.

Mr. WILSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

AMENDMENT NO. 86

(Purpose: To establish a reserve fund for continued development of the international space station Freedom)

Mr. GARN. Mr. President, I send an amendment to the desk and ask for its immediate consideration. The purpose is to establish a reserve fund for continued development of the international space station Freedom.

The PRESIDING OFFICER. Is there objection to consideration of the amendment? Without objection, it is so ordered. The clerk will report.

The bill clerk read as follows:

The Senator from Utah [Mr. GARN] proposes an amendment numbered 86.

Mr. GARN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

RESERVE FUND FOR CONTINUED SPACE STATION DEVELOPMENT

Sec. 17. (a) In the Senate, of the amounts specified in section 5 of this resolution, it is assumed that budget authority and outlays in amounts not to exceed the amounts specified in subsection (b) for fiscal year 1990 shall be allocated to the Senate Committee on Appropriations to provide for continued development of the international space station Freedom when the Committee on Appropriations or the committees of conference on such space station development has reported legislation that will, if enacted, make funds available for such continued development.

(b) The amounts available for allocation under subsection (a) for continued development of the space station for fiscal year 1990 shall not exceed $1,800,000,000 of new budget authority and $1,080,000,000 of outlays.

(c) Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if such a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under section 302(a) of the Congressional Budget and Impoundment Control Act of 1974, altered by amounts not to exceed those in such legislation. Such revised allocations shall be considered for the purposes of such Act as allocations contained in this resolution, and the Committee on Appropriations shall report revised allocations, pursuant to section 302(b) of such Act for fiscal year 1990 to carry out this section.

Mr. GARN. Mr. President, I am submitting this amendment on behalf of Senator HEFLIN and myself. We face a very difficult problem not only with NASA funding but with science, space, and technology funding, function 250, in general. Both the House and Senate Budget Committees have completed their markup of the fiscal year 1990 budget resolution, and the budget resolution is before the Senate today. It cannot be determined what the VA-HUD-Independent Agencies Subcommittee would receive under the assumptions these resolutions make. However, based on the amounts proposed for key functional categories, our allocation, it appears to this Senator, would be several billion dollars short. This is particularly clear in function 250, space, science, and technology, where the Budget Committee actions, as shown in the chart they released along with their resolution, fall more than $1 billion under the Bush request. For NASA, which comprises more than 80 percent of this function, this recommendation would force the termination of the space station.

I want to repeat that so that all of my colleagues understand what we are talking about. If this resolution went through the appropriations process and were enacted as the Budget Committee has outlined, it would force the termination of the space station. I hope staff will make my colleagues aware of that. This is especially true since the President's budget request for NASA is so tight and the demand for substantial increases in other major budget components of the VA, HUD, and Independent Agencies subcommittee.

Because budget resolutions do not contain line item detail and the pending resolution does not even have subfunction information, it is impossible to determine the funding level assumed for the space station. In any event, individual function totals are not binding on the Appropriations Committee and therefore sums needed for station development could come from other budget functions. It is unlikely, however, that the Appropria-

tions Subcommittee will be able to continue space station development unless it receives a large increases in its section 302(b) budget allocations. Because of the increases needed to address expiring low-income housing contracts, environmental concerns, and veterans' programs, a simple baseline adjustment falls far short of what is needed to address these priorities. In the case of NASA, the alternative CBO baseline is especially devastating. Although a simple inflation adjustment is provided, there is no recognition of the substantial project cost profile requirements of previously approved multiyear commitments. While there is a 22-percent nominal increase requested for NASA by the President, less than 1 percent of this amount involves new starts or program initiatives. This is important to understand.

The increase is due to existing programs that have already been authorized and have been in the baseline. The remainder of the requested increase was erroneously excluded from the CBO baseline needed to maintain existing program policy.

I recognize that sometimes people get a little tired of this Senator talking about NASA and space funding or a space station or the space shuttle. What we need to understand is that the issue is far broader than a piece of space hardware, far broader than whether we have space station Freedom, whether we continue manned flight, whether we continue to have expendable launch vehicles to probe planets and study our own Earth, where we can better study and analyze the greenhouse effect and the concerns over global warming, because the first planet we will explore from space is the planet Earth. It is where a lot of solutions to these Earth-bound problems are going to be found. But the issue is even broader than that. It is our technological base in this country which we are dramatically and rapidly losing not only to the Soviet Union but to the West Germans, to the Japanese. We are not training enough engineers and scientists in this country. We are not training enough math and science teachers to adequately teach our young people. I think we all saw the report in today's newspapers about the flunking grades that our young people are getting coming out of high school. Our educational system is not doing well. Too many students are taking courses like "sunflowers at the Wasatch" and "early morning bird calls," and they have not heard of physics and chemistry, they have not heard of trigonometry and the other various mathemathics subjects like algebra and calculus. But the source of the greatness of this country, what has made us a world leader, with the highest standard of living on the face of this Earth is our technological base. It is why we have done so well. We are losing it because we are not training enough people.

So again I want to make very certain everybody understands my interest in this subject is far broader than just a space station. It is where this country is going to be 20 to 25 years down the road, whether we are going to have the scientific and technological capability to continue to be a world leader, to continue to have a high standard of living. We worry about the trade deficit today. Just wait as these other nations continue their efforts to surpass our technological achievements. Consider that we are only spending 1 percent, 1 percent, of our entire national budget for NASA. A lot of people forget that the first A in NASA is for aeronautics. The most sophisticated, best aircraft industry in the world, Boeing, McDonnell Douglas, and others, came from NASA research that produced supercritical wings, high bypass engines, and safer, more reliable and efficient commercial aircraft. That is why we have such a leadership in the commercial airline field. From these technological developments and communications satellites, navigation, weather prediction, and the global warming atmospheric research I have talked about. We get $8 or $9 back in the private sector for every tax dollar we spend. For example, more than 10,000 medical devices or procedures have come from space research and development, things like the pacemaker. I do not know how you place a dollar value on a human life, but there are tens of thousands of people who are alive on this planet today because they have implantable pacemakers to regulate their heart rhythms; and implantable insulin pumps for diabetics. The list goes on and on even down to such things as teflon and velcro. So we do benefit incredibly from space research and development, and yet we commit only 1 percent of our entire national budget, several billion dollars a year less than we spend on food stamps alone.

This is a critical question, and I hope my colleagues will think about it when we are talking about adequate funding of not just a space station but our educational system and where this country will be versus some of our friends and allies 15 or 20 years down the road.

Congress is very good at looking at short-term problems and short-term solutions, not very good at looking 10, 15, or 20 years down the road with long-range planning and fore sight. We are benefiting today from decisions that were made before some of us even came to the Congress of the United States.

My amendment deals with fencing; the fact that functional totals are not binding on the Committee on Appropriations as a practical matter probably means less, not more, funding of science and technology activities than what was assumed in the budget resolution. In fact, where the Budget Committee wanted to guarantee funding of its initiatives, it recommended special fences which withhold the allocation of specific amounts until the Appropriations Committee actually reports legislation that provides for such programs.

There are already three such reserve funds included in the Senate reported resolution, two of which apply to the Committee on Appropriations. One is the $1.1 billion reserve for subsidized housing contract renewals which falls within our subcommittee's jurisdiction. Another involves IRS compliance.

In this context, the amendment to add further reserve funds for continued space station development would neither set a precedent nor upset the budgetary totals of this resolution. Such an amendment would withhold $1.8 billion in budget authority for continued space station development, down from the $2.1 billion budget request but probably a minimum level needed to make progress. It has the advantage of not attempting to specify where this amount would come from, and therefore would change no numbers in the resolution.

The Appropriations Committee generally dislikes such fences as intrusions into its turf. The fact that the Budget Committee proposed these other fences demonstrates the difficulty of translating these aggregate budgetary priorities into actual appropriations given the internal dynamics and politics of the Appropriations Committee and its subcommittees.

It appears that a point of order against the amendment on the grounds of germaneness would be sustained even though the wording of the amendment is identical in form to sections 8 and 10 of the reported resolution. Although a 60-Member vote would be needed to waive this point of order because of a quirk in the Senate rules, an appeal of the ruling of the Chair would require only a majority vote.

Mr. President, on May 2 in the HUD Appropriations Subcommittee, I made an opening statement before the NASA fiscal year 1990 appropriations hearing.

I ask unanimous consent that my opening statement at that hearing be printed in the RECORD in full.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OPENING STATEMENT OF SENATOR JAKE GARN, NASA FISCAL YEAR 1990 APPROPRIATIONS HEARING, MAY 2, 1989

After my 1985 flight aboard the space shuttle *Discovery*, I remember being so frustrated by my inability to express in words the incredible beauty of our planet Earth. Sadly, I must confess that since that time

my words have also failed to convince a majority of my colleagues how critical the investments in NASA are to our Nation's technological leadership and future economic competitiveness.

And believe me when I say that the budget cuts made in the NASA budget in the past few years have not resulted from a want of effort. I, and many others, have spoken at length about the indispensable benefits and spinoffs flowing from aeronautics and space investment. I have also repeatedly pointed out that our Government has not spent a dime "in space," but that each dollar appropriated to NASA gets spent right here on Earth generating new jobs and new technologies which benefit all Americans. And finally, I have continually confronted the short-sighted mentality of people, and especially politicians, who refuse to consider the effect of their decisions beyond the next week or next election.

I have often spoken about lives saved, and lives improved, and jobs created by our investments in aerospace technology. And the critical nature of these investments to health of our economy as we approach the 21st Century. It's alarming to me to consider the ever quickening pace of technological innovation and change, because I fear our society and our Government may soon discover the rest of world just blowing by . . . not lagging one or two years behind, but dramatically surpassing our capabilities and widening their lead.

When I consider that during my father's lifetime the world went from man's first powered flight at Kitty Hawk to Neil Armstrong's walk on the Moon, and in my own life from state-of-the-art biplanes made of cloth and wood to orbital flight in a reusable shuttle at Mach 25, it is truly awesome to guess what my children will experience, and their children during their lives.

I can only hope that they will be active participants and not merely distant observers. That they too will be asked that the wealth of the Nation be more equitably distributed, rather than enduring the plight of currently "less developed" nations in having to ration out limited basic necessities.

We are seeing some evidence of a changed perception in the status of our Nation. With less frequency are demands for funding programs rationalized on the basis that this is "the richest Nation on Earth." And indeed, with the Federal Government's deficit problems, the terms "fairness" and "current level" have become the hallmarks of budgetary debate. Unfortunately, this new standard of funding by percentage increments fails utterly in addressing our Nation's changing status in an increasingly more competitive global environment.

Rather than simply perpetuating previous levels of effort, we must renew our commitment to, and investment in, technological innovation. We must overcome the "current policy" inertia which has established itself as the principal standard of budgetary justification.

That is why I am not concerned over the large increases proposed by the President for NASA or the National Science Foundation. The Administration must exercise leadership in these critical times, and propose the resource shifts needed to meet the challenges confronting the country. But what does concern me is our failure in recent years to enact into law these needed investments in our principal science and technology agencies.

This is especially worrisome with respect to NASA's Fiscal Year 1990 budget request. While nominally a 22% increase, almost all of the funds requested are for previously approved programs and activities. This means that unless the Congress improves upon its performance of recent years in appropriating the level contained in the President's budget, the adverse impact on continuing projects will be substantial, if not devastating.

Mr. Myers, you and Dr. Fletcher are to be commended for your sacrifice and dedication in returning to NASA in the wake of the *Challenger* accident, and restoring the orbiter system to flight. I can only hope that your successors, and we in the Congress, will build on your efforts to continue America's leadership in Space.

Mr. SASSER. Will the Senator from Utah yield for a brief question?

Mr. GARN. I am happy to yield.

Mr. SASSER. May I ask the Senator from Utah how much time he thinks he will consume before completing this amendment? I ask that question because we have a number of Senators waiting.

Mr. GARN. I say to the distinguished manager his question came just as I had finished my statement. I was going to yield to the distinguished Senator from Alabama for his comments, and then we would be through and ready to proceed with disposition of the amendment.

Mr. SASSER. So my question which was intended to save time has actually consumed time?

Mr. GARN. That is correct.

The PRESIDING OFFICER. The distinguished Senator from Utah has 5 minutes.

Mr. SASSER. May I inquire of my friend from Alabama how much time he needs?

Mr. HEFLIN. Four or 5 minutes, maybe 6.

Mr. SASSER. I thank my friend.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from Alabama.

Mr. HEFLIN. Mr. President, I want to thank the distinguished Senator from Utah [Mr. GARN] for taking this initiative and for his undying dedication to science, technology and space which is so very vital to the future of our country and the space station, particularly, which I believe, will bring enormous scientific benefits that will affect every realm of our lives.

Mr. President, I am afraid that if we are not careful, we will be mortgaging our future by not placing enough emphasis on science and technology. While the Budget Committee made a great effort, this budget resolution falls short of providing adequate funding for science and technology, and for allowing our Nation to move forward fully with the development of a permanently manned space station in any reasonable timeframe. I have discussed this matter on many occasions with my friend and colleague from Tennessee, the chairman of the Budget Committee, and he is well aware of my feelings on the importance of the space station. I believe he recognizes the importance of the space station, and is a strong supporter of it.

It is clear that this will be a very tough budget year for the space station. NASA is requesting an additional $2 billion from its last years appropriating figure. The bipartisan budget agreement does not leave much wiggle room for increases in programs which fall in the category of nondefense discretionary spending. Function 250 of the budget resolution leaves even less. The Senator from Utah and I are offering this amendment today in order to express our seriousness with regard to finding funding for the space station, which we believe to be the keystone for America's future in space. We also want to ensure the assistance of the chairman and ranking member of the Budget Committee in funding this program as we proceed through the budget process.

This will be a long budget process. Down the road, we will be endeavoring to pursue more funding for the space station Freedom. It will be more important than ever that we have the support of our friends and colleagues, particularly the chairman of the committee and the ranking member of this committee. It is my hope that we can count on their support through the appropriations process.

Space is the greatest adventure of our time and any nation that sees itself as a world leader cannot, and must not, ignore it.

There is little question about the ultimate importance of such an endeavor. The space station Freedom is tied to our economy, to our national security, and to advances in science and scientific applications. The space station will be used for maintaining technological leadership, for international prestige, and, of course, for stimulating the human spirit.

As the Bible says, "Where there is no vision, the people perish."

I believe that the space station is one of the most important programs facing our Nation. The space station has accrued many benefits for all mankind, and I am convinced that potential benefits to be gained from future space activities and the space station will far outweigh all previous gains.

I believe the space station program is in serious jeopardy with regard to funding. If we terminate the space program in this budget cycle, we are saying to the rest of the world that space is yours. Mr. President, I can guarantee that the rest of the world will take it. In recent years, we have seen great advances in space technology from other nations. The Europeans, the Japanese, the Chinese, and the Soviets are progressing by leaps and bounds in their space activities. While the Soviets are temporarily taking their cosmonauts out of their space station, Mir, we cannot overlook the

fact that they currently have a space station which was permanently manned until last week. Not only that, the Soviet space station, Mir, is their seventh space station. Even today, the Soviets are producing their next generation space station.

I could go on and on talking about the technological benefits and the spinoffs that our Nation has benefited from which have resulted from the space program—kidney dialysis, satellite electronic transmissions, heart pacemakers, velcro, and on and on. All you have to do is to look at the latest copy of NASA's "Spinoff" book and you would be stunned to learn of the enormous benefits that have come from the space program.

It has been said that for every dollar our country puts into the space program, we get seven or eight back. I believe if you looked any person in our country in the face and said, "You give me a dollar and I'll give you eight back," they would do it without hesitation. Mr. President, this is what we are asking. Give NASA the money for the space station, and they will give back economic benefits seven- and eightfold.

The remarkable achievements possible through macromolecular crystallography have only been hinted at in the limited number of experiments that have been possible through the use of the space shuttle and related equipment. By taking advantage of the unique qualities of microgravity, protein crystals may be grown much larger and in a perfect shape, allowing research to examine the crystals and better understand their makeup. If researchers are better able to understand the structure of proteins, such as the ones that make up human enzymes, drugs may be developed which can block their activity. Cures may be developed for diseases previously thought incurable.

Imagine a cure for AIDS. Research aboard the space station can make it possible, Aboard the recent flight of the space shuttle Discovery, Dr. Charlie Bugg, the director of the University of Alabama at Birmingham's Center for Macromolecular Crystallography, flew an experiment in which a protein enzyme was grown that allows the AIDS virus to reproduce itself. Dr. Bugg and researchers at UAB and NASA's Marshall Space Flight Center hope to develop a drug that would block the enzyme and interrupt the life cycle of the AIDS virus. However, this will require longer duration in space than the shuttle can ever provide. In my judgment, the space station is the answer.

A technology utilizing the unique quality of microgravity in space is the separation process known as continuous flow electrophoresis which can only effectively function in microgravity. This process provides a means for preparation of ultra-pure pharmaceuticals which may lead to a cure for diabetes, prevent anemia related to surgery, control dwarfism, and accomplish many other important achievements. The purity and volume of pharmaceuticals required can only be achieved in the absence of gravity.

Like crystallography, materials processing in space provides possibilities that are enormous. Materials that can be produced in space indicate the possibility of manufacturing very uniform semiconductor crystals which would enable the building of superfast computers, possibly providing a new generation of optical computers, and other important advancements.

Fully as important has been the experiments in the area of basic materials science. Again, by taking advantage of the unique qualities of microgravity materials processing in space, we will be able to better understand the basic nature of materials, such as iron and in turn, improve our manufacturing of these materials on the ground. This can give us better automobiles, farm machinery and the like.

Mr. SHELBY. Mr. President, I would like to commend the senior Senator from Alabama and the distinguished Senator from Utah [Mr. GARN] for their comments on the space station and lend my full support to the amendment that Senator GARN is offering today.

Mr. President, the space station represents our Nation's commitment to world leadership in space. If we are serious about this commitment, we should make the space station a funding priority.

The space station Freedom will provide the country with a permanently manned laboratory in space, as well as a platform for future space exploration. The benefits the Nation and the world will reap from the space station are endless.

NASA officials have stated that the current funding levels for the space station are barely adequate. As a result of previous budget cuts, NASA has already delayed the space station twice and any future reduction in funding would further delay implementation or jeopardize the space station altogether.

Mr. President, this is not a risk the Nation can afford to take. The space station is a cooperative effort between the United States, several European countries which comprise the European Space Agency, Japan, and Canada. Cancellation of the station would abrogate cooperative agreements with these countries and send a clear signal to other nations that the United States is not a reliable partner, not only in space ventures, but in other areas as well.

Mr. President, I do not believe that this is the type of message that this body wants to send out. In conclusion, I encourage my colleagues to consider the implications of our actions in this regard and to support full funding for the space station and for America's return to its position of preeminence in space.

Mr. WARNER. Mr. President, I rise in support of the amendment offered by Senators GARN and HEFLIN, which I have cosponsored, to the budget resolution to ensure proper funding for the NASA Space Station Program.

I strongly support the U.S. Space Program. It is entirely appropriate that the Senate adopt this amendment on the day of the launch of the space shuttle *Atlantis*, which will soon direct its payload, the Magellan probe, toward Venus.

After 20 years of declining budgets, America renewed its commitment to space last year when President Reagan proposed and Congress agreed to increase space funding by more than 20 percent.

The Nation is fortunate that President Bush has indicated his strong support for a permanently manned space station and full funding for U.S. space activities, continuing the commitment President Reagan made before him.

In fact, President Bush has signaled his commitment by requesting another 22-percent increase in this year.

With the creation of the National Space Council by the President last month, American space policy can expect to move forward in a coordinated manner a comprehensive national space policy.

Today, it is our turn to express to the citizens across this country that we, too, are as committed as the President. One of the foundations of assuring U.S. leadership in space activity is to provide the funds needed to allow NASA to continue with rapid development of the space station Freedom.

While I understand the constraints that the Federal budget deficit has imposed, I believe the space station is vital to our country's future.

We have seen many benefits of space research in medicine, robotics for automated manufacturing and microelectronics, new material processes, and research on the human body. All these fields provide examples of progress made in space research that have enhanced our daily lives. The potential benefits of this so-called international research lab are boundless.

In addition, I am pleased that the Commonwealth of Virginia is a direct participant in the Space Station Program. Last year, NASA opened its Space Station Design Team Headquarters in Reston, VA, where hundreds of highly qualified individuals now serve to efficiently complete this vital project.

We in Virginia are very proud to be such a key part of the U.S. Space Pro-

gram. In fact, some consider Virginia to be the "mother" of the U.S. Space Program.

Langley Research Center, in Hampton, VA, is the oldest aeronautical research center in the world. Many well-known space ventures, including Kennedy Space Center in Florida and the Johnson Space Center in Texas, were started by the dedicated employees from Langley during the first half of this century. Research and development pioneered at Langley has also led to the United States designing and manufacturing about 70 percent of the world's aircraft.

Langley Research Center was truly a cornerstone of U.S. space policy. Today, we can commit to continue the progress initiated at Langley over 50 years ago.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, I ask unanimous consent that Senator WARNER be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. Mr. President, I recognize the difficult time the Budget Committee has in coming up with a resolution. I further recognize that both the distinguished chairman of the committee, the Senator from Tennessee, and the Senator from New Mexico, have been avid supporters of function 250, space, science, and technology.

With the 60 votes, I am sure they are not here on a point of order, but I do want to recognize their support and ask the Senator from Tennessee—recognizing that the ultimate decision is going to be made in the Appropriations Committee, of which he is a member—but I could expect his support and the support of the Senator from New Mexico in attempting to get an allocation that will make certain that the space station does not have to be discontinued in this function, cut back.

Mr. SASSER. Mr. President, the Senator from Utah has stated the situation accurately. I have been a staunch supporter in times past of the science and space function of the budget. I am a strong supporter of the space station. As evidence of that, the science and space function in the budget this year was increased by 11 percent, if memory serves me correctly. I am advised that is the correct increase, a very substantial increase for science and space, at a time when we are laboring under very sharp fiscal constraints, as the Senator from Utah has indicated.

I want to say to my friend from Utah, as well as to my friend from Alabama, that I will strongly support all efforts to see the space station go forward and to continue our exploration and leadership in space.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. I think that the Senators from Utah and Alabama make very cogent arguments. I am advised that the Senator from New Mexico is sympathetic to the request of the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. I ask unanimous consent that Senator GORTON from Washington and Senator WILSON from California be added as cosponsors to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. On the basis of these assurances, and I hope that my colleagues have been alerted to the serious problem that we face, and that we could lose the space station; I will not take any more time off the Budget Committee, and I ask unanimous consent that my amendment be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment was withdrawn.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, I thank the distinguished Senator from Utah for his consideration at this time, and I will ask if the Senator has an amendment?

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

AMENDMENT NO. 87

(Purpose: To transfer funds from the legislative branch/general government budget function to the administration of justice function in order to increase efforts against illegal drug trafficking and abuse)

Mr. WILSON. I have an amendment, and I send it to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from California [Mr. WILSON] proposes an amendment numbered 87.

Mr. WILSON. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, increase the amount on line 8 by $100,000,000 and increase the amount on line 9 by $100,000,000.

On page 26, reduce the amount on line 12 by $100,000,000 and reduce the amount on line 13 by $100,000,000.

Mr. WILSON. Mr. President, I ask unanimous consent that Senators NICKLES and HUMPHREY be added as cosponsors.

The PRESIDING OFFICER. Without objection.

Is there further debate on the amendment?

Mr. SASSER. Mr. President, we have examined this amendment on our side. There is some objection to the amendment, but for the purposes of this discussion here today, we are willing to accept the amendment——

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Who yields time?

Mr. FORD. Will the Senator from Tennessee yield me 3 minutes?

Mr. SASSER. I will be delighted to yield time to our distinguished friend from Kentucky, but I might say that we were prepared to accept the amendment, and then yield time to the distinguished Senator from Kentucky to speak on the amendment.

Mr. FORD. That will be fine. This is a resolution, and it does not change statutory provision and does not amount to a hill of beans. All I want to do is get that in the RECORD, as soon as I have the opportunity.

Mr. SASSER. It is also my understanding that the distinguished Senator from Nevada also wishes to speak on this particular amendment. So it was my plan to accept the amendment and then yield time to these two distinguished Senators to address the issue, if that is satisfactory with the other side of the aisle.

Mr. WILSON. That is fine.

Mr. REID. Mr. President, will the Senator from Tennessee yield?

Mr. SASSER. I will be glad to yield.

Mr. REID. I am wondering, in light of the hour, if we can have a unanimous-consent request that even though the amendment is adopted, that we would have an opportunity to respond for a limited period of time following the adoption of the amendment, in spite of the previous order that has been entered.

Mr. SASSER. I might inquire of the Chair, the previous order indicated that we would take up the Panama matter at what time?

The PRESIDING OFFICER. 12:20.

Mr. SASSER. 12:20. How much time, additionally, would the Senator from Nevada be requesting?

Mr. FORD. May I get involved in this discussion, Mr. President?

Senator ROTH and I have an amendment that is going to be acceptable. I want to talk on Senator WILSON's amendment, also, and maybe after we get through with the Panama Canal, we can insert our statements in the RECORD following the acceptance of the amendment and still get our language in the report.

Mr. REID. I have a statement that I wish to make orally, and I have been waiting here for 1½ hours to do that.

Mr. SASSER. Mr. President, I ask unanimous consent that following the acceptance of the Wilson amendment, there be a time not to extend beyond 12:30 in which to discuss the Wilson amendment.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, that would be fine as long as the Senator from California would not take all the 12 minutes or the Senator from Kentucky, to save me a few minutes.

Mr. SASSER. That point is well made. I think the time should be equally divided.

Mr. WILSON. That is fine. I think I will need 3 or 4 minutes, Mr. President.

Mr. SASSER. Maybe I could reframe the unanimous-consent request that the time certain for discussion of the Wilson amendment, not to extent beyond 12:30, be set, and that the time, which will be approximately 11 minutes, be equally divided.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SASSER. Having said that, I am prepared to yield back my time and accept the amendment, if that is acceptable to the Senator from California.

Mr. WILSON. Mr. President, I yield back my time, also.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SASSER. I move to reconsider the vote by which the amendment was agreed to.

Mr. WILSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. Mr. President, the amendment that has just been agreed to, very simply, would take $100 million from function 800, that relating to general government, and transfer it to function 750, the administration of justice.

Mr. President, if there was any doubt as to how near and dear newsletters are to the hearts of Members of Congress, a vote on the House floor on Tuesday clarifies the matter.

It was on Tuesday, May 2, that the House was asked which is more important to the people of America, self-promotional congressional newsletters or the document that sets the very cornerstone of our great democracy, the U.S. Constitution. Well, self-promotion won. The Constitution lost. The House voted against mailing out copies of the Constitution in order to be able to send yet another newsletter for which their constituents are waiting breathlessly.

When Members of Congress bemoan the failure of our institutions of learning, as one correctly did just a moment ago, and point out that we are failing not just in the sciences and in mathematics but failing to inculcate in our youngsters a sense of our own history, many should look inward and ask what Congress has done to improve the decision to attain the goal of an understanding of this Nation's heritage, its constitutional roots.

While the efforts we undertake for our constituents are often commendable, I seriously doubt the historical significance of any piece of junk mail, including congressional newsletters.

I certainly will take the words of Madison and Mason over the self-serving claims of greatness contained in congressional junk mail.

I realize that many in public service feel that they make a great sacrifice to serve. Time away from families; they suffer lower salaries than they could earn in the private sector in many cases. They, in many instances, are conscientious. They undergo endless travel and meetings. Yet, when they are asked to make the ultimate sacrifice, it seems that of giving up taxpayer-financed reelection efforts, specifically the congressional newsletters, some Members of Congress would rather walk across hot coals.

I suppose that some in the House feel that that tradeoff is worthwhile. I would simply say that I could not more emphatically disagree. I regard the Constitution, by the way, as something more than a document that is 200 years old written by a group of rebellious men with wooden teeth and wigs. It may be their plain words did not pack the media punch of a self-drafted, four color, laudatory, newsletter, but I suspect it is far more important and deserves far more attention than simply as one more congressional mailing.

What is really at stake here, Mr. President, is that we are confronted with far more urgent priorities. Not only are newsletters a waste of the taxpayer's money in their own right but it is particularly outrageous for us to be spending money on ourselves when we are delinquent in paying our bills from last year.

Imagine if the first Congress felt the same way, so that our first leaders spent their time and energy on self-promotional mailings. The first citizens of the United States may have been able to enjoy newsletters from the very start. Of course, other legislative activities may have suffered, but gee, who needs a Bill of Rights anyway.

Mr. President, not only are newsletters a waste of taxpayers' money in their own right, but it is particularly outrageous for us to be spending money on ourselves when we are delinquent in paying our bills from last year.

Last year, we signed a promissory note to the American people, saying that we would spend $2.7 billion against illegal drug use, against the cocaine smugglers, against the crack-selling drug gangs, against the clandestine chemists making designer drugs and speed, and against the individual despair that engenders destructive drug abuse.

While we were quick to make the promise, we are slow to pay our bills: Last year, all we appropriated was $1 billion. We have an outstanding debt of $1.7 billion.

Now, $100 million is not enough to square the account. But, $100 million can do a lot to put more DEA and FBI agents on the street, to allow us to hire additional prosecutors and prison guards, to build more jails, and to provide more assistance to local law enforcement agencies which are our first line of defense against drug-related street crime.

Mr. President, my amendment presents a very simple choice: Do we want to spend $100 million on newsletters or $100 million on law enforcement efforts against drugs?

A vote for my amendment is a vote to increase our antidrug efforts. A vote against my amendment is a vote against increased antidrug funding so that we can send out newsletters.

I submit to the Senate that there is no more important domestic issue that the fight against drugs, so I offer my amendment and ask for the support of my colleagues.

I will reserve the remainder of my time, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, I yield what time is remaining to the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Mr. President, I am in complete agreement with the goals of Senator WILSON. I am, of course, a strong backer of more money for the drug wars and I think we should limit the growing cost of frank mailing during time of tight budgets.

But we have to talk about realities and what my friend from California, the junior Senator from California said is not reality.

In fact, Mr. President, as chairman of the Legislative Appropriations Subcommittee I have been working for months with Congressman FAZIO, my counterpart in the House on this issue of frank mailing. He has been heavily involved in the Committee on Ethics during the past few months and we have not been able to finalize the agreement.

I have worked long and hard with the chairman of the Senate Rules Committee. We recognize that something must be done. It is important to remember, though that real control over mail cost can only come through agreement by both Houses on actions to limit frank mailing costs.

I cannot agree with the approach from the junior Senator from California to accomplish these goals.

My reasons are twofold:

First, the amendment will not do what the author wants. I repeat it will not do what the author wants. I will not bore my colleagues with yet another recitation of how amendments to the budget resolution are not binding on the Appropriations Committee. We have all heard this explained time and time again, but it is still amendments are offered to cut this budget function, and add to a different budget function, when the real intent is to affect a specific spending program. It just will not work. The only way it can be cut is in the appropriations process. If the author of this amendment is not satisfied with the compromise that I, and Senator FORD, and Congressman FAZIO hope to work out on frank mailing then he should bring this amendment to the legislative branch of the appropriations when it comes to the Senate floor. That is the time to offer the amendment.

On this budget resolution, all that he can accomplish is to reduce the general Government function of the budget. That means that even if this amendment passes and we passed it, the result will be quite different from what he intended. His amendment could end up reducing any of the legislative functions, not just the frank mail. Or it could result in reductions in spending for administration operations, or the Government's central fiscal operations, or property and records management, or personnel management, or general purpose fiscal assistance, and so on.

There is another reason why this amendment will not accomplish the Senator's objective. Mailing costs are open-ended entitlements. The Appropriations Committee cannot even limit the cost of the program. Mailing is controlled by the rules under which mail can be franked and the appropriations are charged after the fact. Without changing the rules the Senator cannot reduce the cost. This makes it even more likely that his amendment would have an effect that he does not intend for it to have.

In short, this kind of amendment is equivalent of trying to score a bull's-eye by throwing a hand grenade at that target. It just will not work.

Mr. President, the second problem is that such an amendment could be counterproductive. To be honest, the House has liked the way that mailing operations have been run over the years. An amount has been appropriated; the Senate has restricted its use of mail; and the House has spent the lion's share of the funds. We are now in the process of working to get the House to agree with changes in franked mailing operations that will apply limitations to the use of franked mail that are fair to both Senators and Members of the House, and that there is joint accountability. If we start taking unilateral actions on this issue, we only make it easier for those in the House who prefer unlimited mailing privileges to argue against further compromise.

For example, what the Senator from California stated about the Constitution is simply not what happened. It would have increased had they mailed the Constitution. What we are now here to try to limit. I share the Senator's goal in the battle against drugs and doing something about the franking privileges which have gotten out of hand but I do not think his approach will get us there.

I will urge the Budget Committee to let justice prevail in conference.

The PRESIDING OFFICER. Who yields time?

Mr. FORD. Will the Senator yield me whatever is left?

Mr. SASSER. Mr. President, I yield to the Senator from Kentucky whatever is left on this amendment.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 2 minutes.

Mr. FORD. I thank the chairman of the Budget Committee.

Mr. President, I only have a few observations to make about the amendment proposed by the distinguished Senator from California.

First, I wish to compliment him on his continued attention to the need to do something about the cost of official mail. It is an area that I have been working on, too, and I share his fundamental commitment to effective reform. We have sometimes pursued different ways of achieving effective cost control but I know that our objectives are the same.

Mr. President, the key word in what I just said is "effective," systematic work.

Sympathetic as I am to the objective that the Senator is seeking, I simply do not think that the specific action he is proposing is effective. In fact, it could have an effect quite the opposite of what he is seeking. The reason is that without fundamental change in the administration of franking appropriations, it will remain what it is today. He is trying to change statutory provisions by resolution and that just not wash. What it is today is an open-ended entitlement, as the distinguished Senator from Nevada said.

The effect of this amendment will move $100 million from general Government to the administration of justice. It cannot be predicted where the cut will be made. It could be made from the Office of Management and Budget or the Office of Personnel Management or any other account in the general Government function. But it will not, and cannot, affect the cost of congressional mail unless and until the fundamental changes I referred to are made.

Mr. President, what are these fundamental changes? I have set them forth in Senate Joint Resolution 98, which I introduced on April 11. I encourage the Senator from California to join me as a cosponsor of that. They are as follows:

Create separate appropriations accounts for the official mail costs of the House and Senate; require both the House and the Senate to allocate their respective appropriations among the Members of each Chamber; require the spending for mail in excess of a Member's allocation will be made up from his official office account; require that both the House and the Senate publish the mass mailing costs of each of its Members. This is something the Senate has been doing now for several years.

So, Mr. President, passage of Senate Joint Resolution 98 will be an effective action. The Senate will have an opportunity to take that action perhaps during consideration of the supplemental for 1989; perhaps during consideration of the legislative branch appropriations for 1990; perhaps during the consideration of Senate Joint Resolution 98 itself.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. FORD. Mr. President, I ask unanimous consent that the time be extended for 5 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. FORD. Until then, Mr. President, we ought not be kidding ourselves that anything less is effective action.

So, Mr. President, I am not opposing this amendment, but I want the record to reflect what its effect will be. It does not solve the franking problem. That will require statutory change. And I underscore that. Expenditures will continue to be made against the official mail account and the bill will be sent to the Congress when it is due.

Mr. President, if it is in order I would like to propose a sense-of-the-Senate amendment.

The PRESIDING OFFICER. Is there objection?

Mr. WILSON. Mr. President, I will not object, but we are not finished with discussion of this particular item.

The PRESIDING OFFICER. This would not preclude further discussion of the subject before the body.

Mr. SASSER. A parliamentary inquiry. As I understand it, the Senator from California has a minute and a half remaining?

The PRESIDING OFFICER. A minute and fifteen seconds.

Let me state the parliamentary situation that we face at this moment. The Senator from Kentucky has asked to be able to propose a sense-of-the-Senate resolution. The question before the body is whether there is an objection to that request or not.

Mr. SASSER. Mr. President, reserving the right to object, the sense-of-the-Senate resolution of the Senator from Kentucky deals with the 2-year budgeting concept, is that correct?

Mr. FORD. That is correct.

Mr. SASSER. There is no objection, Mr. President.

Mr. DOLE. Mr. President, reserving the right to object.

It is my understanding, we were going to take up the Panama resolution at 12:10, then it slipped to 12:20, and now it is 25 minutes to 1. I know there have been a lot of people around here waiting to discuss that issue.

I would like to dispose of the Ford-Roth amendment. I do not think it would take but a couple of minutes.

Mr. FORD. Five, at the most.

Mr. DOLE. Could we agree to 5 minutes, equally divided?

Mr. FORD. Four minutes, equally divided.

The PRESIDING OFFICER. If the Chair might inquire of the Senator from Kentucky, is the item that the Senator wishes to offer at this point an amendment or a resolution?

Mr. FORD. It is an amendment to the resolution, which is a sense-of-the-Senate resolution.

The PRESIDING OFFICER. Then the Senator would have a right to offer that amendment when all time has been yielded back on the item before the body at this time. We still have 1 minute and 15 seconds remaining on the Senator from California's side and about 3 minutes remaining on the Senator from Tennessee's side.

Mr. WILSON. Mr. President, let me conclude. I will give assurance to my friend from Kentucky and my friend from Nevada that the amendments that they are proposing in Senate Joint Resolution 98 are, I think, commendable, and I think they are an improvement. But they really do not go to the basic issue here. The basic issue here is that we should not be spending money for newsletters at all, not at a time when, in fact, we have not paid the bill for last year's omnibus drug legislation.

We are waiting to take up a resolution on Panama, a resolution that is important to everyone on this floor, in large measure because the dictator in Panama has been in the drug traffic up to his eyeballs.

So that is what this is all about. This does not make the change, but it has a warning. And I will give fair warning to my colleagues that we intend to make change if we have to do it by appropriation, if we have to do it by reconciliation instructions.

I thank the Chair and my colleagues for their courtesy.

Mr. President, I ask unanimous consent to add Senator SPECTER as a cosponsor.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. SASSER. Mr. President, we yield back whatever remaining time might be left on the discussion of the Wilson amendment.

The PRESIDING OFFICER. All time has been yielded back.

AMENDMENT NO. 88

(Purpose: To express the sense of the Senate that the Congress should enact legislation to establish a biennial budget process)

Mr. FORD. Mr. President, I send an amendment, in the form of a sense-of-the-Senate resolution, to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD], for himself, Mr. ROTH, and Mr. DOLE, proposes an amendment numbered 88.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

BIENNIAL BUDGET PROCESS

SEC. . (a) The Senate finds that a biennial budget process would—

(1) create an orderly, predictable process for consideration of spending decisions responsive to policy priorities and improve Congressional control over the Federal budget;

(2) allow sufficient time for the fulfillment by the Congress of its legislative and oversight responsibilities, including the consideration of authorizing legislation, budget resolutions, appropriations bills, and other spending measures;

(3) provide greater stability and certainty for financial markets, and Federal, State, and local government agencies which need sufficient time to plan for implementation of programs; and

(4) streamline the Congressional budget process and therefore promote better accountability to the public.

(b) It is the sense of the Senate that the Congress should enact legislation in the 101st Congress to establish a biennial budget process.

Mr. FORD. Mr. President, I ask unanimous consent that we might have 4 minutes, equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. FORD. Mr. President, I will not take much time of the Senate. This is a very simple amendment. It states that it is the sense of the Senate that the Congress adopt legislation to create a biennial budget process during the 101st Congress.

As my colleagues know, Senator ROTH and I have been promoting this idea since the 97th Congress. Last year we joined together in producing a bipartisan bill, which was reported unanimously from the Governmental Affairs Committee at the end of the 100th Congress. We have reintroduced this legislation this year, and have already been joined by 35 of our colleagues as cosponsors.

The time for a biennial budget is now, and the underlying bipartisan agreement for the 1990 budget before us anticipates moving toward this goal. The bipartisan agreement calls for continuing negotiations by the budget task force to pave the way for a multiyear agreement for balancing the budget by 1993.

We saw the benefits of a 2-year cycle when we were able to pass all 13 individual appropriations bills last year before the beginning of the fiscal year. In the Rules Committee we have moved all Senate committees to a 2-year budget cycle, which has been well received by the chairmen and ranking members. The savings and efficiency we expect to achieve in the Senate budget can be achieved in the Federal budget also by enacting a biennial budget process this Congress.

I commend my colleague, Senator ROTH, for his leadership in this area. We have repeatedly stated that our proposal is not the final word on reform. Nor does this amendment require that our proposal, or any particular approach to multiyear budgeting, be adopted. There are numerous approaches to fashioning a biennial budget process, and we look forward to working with the members of the Governmental Affairs Committee and the Budget Committee to fashion a bipartisan bill that will give Congress and the executive branch the management tool we need to bring this deficit under control. We welcome the imput of our colleagues.

I appreciate the substantial efforts of Senator GLENN, chairman of the Governmental Affairs Committee, in moving this legislation in the last Congress. He has indicated his willingness to take action on this issue this year, and I thank him for his leadership in this area. I look forward to working with my distinguished colleague, Senator SASSER, as chairman of the Budget Committee which also has jurisdiction over this issue, and with Senator DOMENICI, another long-time supporter of the biennial budget.

My understanding is that this amendment is acceptable, and I do not

request a rollcall vote. I commend Senator SASSER on his success in producing a timely budget, and thank my chairman and the ranking member for their courtesies.

The PRESIDING OFFICER. Who yield time?

Mr. ROTH. Mr. President, I believe there was unanimous consent to have 4 minutes, equally divided.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. ROTH. Mr. President, I am happy to join my distinguished colleague from Kentucky in sponsoring this resolution. As the distinguished Senator has pointed out, this has been a matter that both of us have been promoting for several years and we are joining hands in an effort to get a 2-year budget to be the practice of the Congress.

He also pointed out that this legislation has been cosponsored by 37 Members of the Senate.

I am happy to say that with respect to the specific resolution, Senators WILSON, HATCH, BOSCHWITZ, KASSEBAUM, and MCCONNELL have asked to join us as cosponsors.

Before outlining what I believe are the merits of 2-year budgeting, I would like to point out to my colleagues what happened last year on this issue. For the first time, the Committee on Governmental Affairs reported legislation establishing a 2-year budget, 13 to 0. Mr. President, the progress we made last session should be viewed as a step toward eventual passage in 101st Congress.

I would like to briefly point to six reasons why we should adopt this amendment and call for a 2-year budget.

THE CURRENT PROCESS NEEDS REFORM—DEADLINES ARE OFTEN MISSED AND WE END UP WITH MASSIVE CONTINUING RESOLUTIONS

Because the Congress fails to meet its deadlines and ends up voting in the very late hours of the night, very few Members, if any, have a really good understanding of the entire legislation.

Last year notwithstanding, only once since 1974, when the Budget Act was established, has the Congress passed all 13 regular appropriation bills by the beginning of the fiscal year.

Because the Congress fails to meet its deadlines and ends up voting in the late hours of the night, very few Members, if any, have a good understanding of the entire legislation contained in these massive continuing resolutions. Authorizing legislation is attached without careful consideration.

A 2-year budget will allow more time for consideration of underlying authorizations, which will promote a smoother appropriations process, and one which is more accountable to the American people.

THE BUDGET SUMMIT AGREEMENT SHOWS SYSTEM CAN WORK

The budget summit agreement reached in November 1987 set out spending and tax guidelines for a 2-year period. The overall totals helped the Congress move briskly on the budget. The leadership did not let the so-called uncertainty of economic forecasts deter them in moving toward a multi-year plan.

A 2-year budget reduces the repetitive nature of the current budget process. Each year the Congress considers the budget resolution, annual authorizations, appropriations, and reconciliation. This does not include the extra layer of debate provided by the Gramm-Rudman sequestration or debt-limit deliberations.

For fiscal year 1988, the Congress debated the level of defense five different times—during consideration of the budget resolution, the Defense authorization bill, Defense appropriations, the revision in Gramm-Rudman, and the budget summit agreement. This is in no one's real interest.

This redundancy causes widespread frustration. Streamlining the process could reduce the repetitive nature of the process.

By providing funds for a 2-year period, recipients of these funds will be able to plan and administer their funds better. Recently, the Johns Hopkins Foreign Policy Institute and the Center for Strategic and International Studies released a joint project entitled "Making Defense Reform Work." Among the reports major recommendations is the establishment of a biennial budget. According to the report, "the longer term focus could help to force hard choices; it is too easy to defer difficult choices. * * * And the burden of annual budgets on both branches of Government is too great, for domestic programs as well as defense programs."

These same arguments apply to procurement officers in every agency in the Government, as well as State and local governments and individual recipients of Federal funds.

MIGHT HELP REDUCE THE DEFICIT

Two-year budgeting would allow authorizing committees a stronger ability to review entitlements and other Government functions. It would help to reduce gimmickry such as the transfer of spending from 1 fiscal year to the next just to hide the effect on the deficit.

Two-year budgeting also provides a better means to consider the long-term savings in reconciliation bills. Currently, Congress concentrates on savings in the first year and sometimes ignores the out-year effects.

Under the Gramm-Rudman enforcement mechanisms, the Congress cannot spend more in the second year of the cycle on supplementals. Supplementals will occur, but all decisions must be made within the parameters of the deficit targets.

BROAD, BIPARTISAN SUPPORT

Mr. President, there is widespread support for the idea of biennial budgeting. President Bush endorsed the idea in his budget blueprint.

The bill we introduced has the bipartisan support of more than 35 Senators.

The chamber of commerce, former Director of the Congressional Budget Office Alice Rivlin now at the Brookings Institution, and a host of other budget and policy analysts support the idea.

I urge my colleagues to support this amendment. There is growing momentum for this excellent idea, and I believe the Congress and the administration could greatly improve the budget process with this reform.

Mr. SASSER. Mr. President, I wonder if I might engage the principal sponsor of the amendment, Mr. FORD, in a little colloquy regarding the pending amendment?

Mr. FORD. Mr. President, I would be pleased to engage the chairman of the Budget Committee in a colloquy on this amendment.

Mr. SASSER. As you know, over the years, there have been a number of bills introduced addressing the 2-year budgeting issue, and these bills have put forward a number of different ideas on how to approach this goal of dealing with budget issues less frequently. Some of these bills and ideas go further than others. I must admit, I like some bills and some ideas better than others.

Indeed, since I have become chairman of the Budget Committee, I have given some thought to introducing my own bill on the subject. But I figured that my first responsibility as chairman was to deal with this budget resolution. After that, I hope to have time to turn more of my attention to other legislation.

My question to the principle sponsor, the distinguished Senator from Kentucky, is this: it is not your intent, is it, that this sense-of-the-Senate language would mean that we should have to proceed with any particular bill or any particular 2-year budgeting idea?

Mr. FORD. Well, although I do admit a certain preference for a bill on which I put in a good deal of work, and which the distinguished ranking members of the Committee on Governmental Affairs has cosponsored, as I stated this amendment in no way endorses any specific approach to multiyear budgeting. Senator ROTH and I have consistently stated we wish the input of all our colleagues, particularly the chairman of the Budget Committee.

Mr. SASSER. So we might even proceed toward a 2-year budgeting idea in

a step-by-step process, in which we make one change in the process on the road to 2-year budgeting this year, and reserve for the future further steps along that road?

Mr. FORD. As the chairman knows, we have implemented 2-year budgets for the Senate committees, and I think we have had a successful experiment in biennial budgeting under the 1987 bipartisan budget summit agreement. But clearly, nothing in our amendment would prohibit going to 2-year budgeting on a step-by-step basis.

Mr. SASSER. I thank the Senator for his consideration.

Mr. President, the principal sponsor of the amendment has made clear that this is an eminently reasonable amendment that would accommodate a variety of approaches to this issue. I wholeheartedly support this effort and urge the amendment's adoption.

The PRESIDING OFFICER. All time has expired on the amendment. If there be no further debate, the question is on agreeing to the amendment of the Senator from Kentucky.

The amendment (No. 88) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RELATING TO FREE AND FAIR ELECTIONS IN PANAMA

The PRESIDING OFFICER. By agreement, the clerk will report Senate Resolution 120. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 120) relating to free and fair elections in Panama.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Mr. President, for nearly 2 years the people of Panama have been expressing their dissatisfaction with the deteriorating conditions in their country and the undemocratic regime imposed on them by General Noriega. They have sought to obtain democratic response and redress to their legitimate concerns regarding suppression of the independent media, intimidation of political opponents of the regime and repeated curbs on constitutional guarantees. These attempts to obtain representative government have been answered with threats, charges of treason, false imprisonment, tear gas, and buckshot. Scores of Panamanian citizens have been injured while demonstrating their support for democracy and resistance to continued military interference in the political process of the country.

Mr. President, it is vital to United States interests that democratic institutions flourish in the Republic of Panama. The people of Panama are our friends and neighbors. On May 7 they will go to the polls to elect a new President. Panama's political opposition parties have courageously campaigned to offer their fellow citizens a choice in that forthcoming election. And recent polls show the opposition leading the Noriega regime's handpicked slate of candidates by margins of 2 to 1. But it appears that Noriega and the Panamanian Defense Forces are preparing to perpetuate a massive electoral fraud to enable them to remain in power to continue to intimidate and exploit the Panamanian people.

Free and fair elections are the constitutional right of the people of Panama. They deserve our support and the support of democratic countries throughout the world, in their brave efforts to exercise that right in order to oust a military dictatorship and return representative democracy to their country.

Mr. President, in recent years free and fair elections have been held in many countries throughout the Western Hemisphere. These elections have expressed the desire of the people of Latin America to live and raise their families under a democratic system of government. The Panamanian people are now seeking the right to express this same freedom of choice through fair elections. They need our support. This resolution places the Senate squarely behind the democratic aspirations of the people of Panama and I urge my colleagues on both sides of the aisle to join me in supporting the resolution.

Mr. DOLE. Mr. President, will the majority leader yield before I make a statement?

Mr. MITCHELL. Certainly. Yes.

Mr. DOLE. Is it the majority leader's intention to vote on this after 30 minutes or to wait until we have the next vote on the budget and then vote on the resolution?

Mr. MITCHELL. I had originally intended that the vote occur immediately upon the completion of this resolution. I was since advised that, in order to accommodate other Senators, it would be more convenient to wait and schedule this vote to follow the next budget resolution vote.

If that is acceptable to the Republican leader, that would be my intention. It would thereby make it agreeable. We are now hotlining it and I would hope to have an announcement on its shortly. But what I would hope we could do is to make this a 10-minute vote immediately after the next budget vote, which would be a 15-minute vote.

Mr. DOLE. There is no objection on this side to doing that.

Mr. MITCHELL. Then I assume we will have a response to our hotline request shortly. As soon as I do, I will make an announcement to that effect.

I thank the distinguished Republican leader for his suggestion and cooperation in that regard.

Mr. DOLE. Mr. President, as I understand it, there are 15 minutes on a side?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. I would take just a couple of minutes and I would assign the remainder of the time to my distinguished colleague, Senator KASSEBAUM, and she may allot the time as she may desire.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Mr. President, Tuesday, I put in the RECORD a speech given by President Bush on our policies in Latin America.

One of the main messages in the President's speech was that we would not recognize, or accept, the results of a rigged election in Panama. The resolution before us sends the same clear message.

As I said Tuesday on this floor, we have no more tolerance for Noriega's "thuggery" than we do for Daniel Ortega's tyranny. We must demand the same kind of free and fair election in Panama this Sunday, that I hope we will demand in Nicaragua next February.

Tragically, there are no signs that Noriega intends to allow free elections. On the contrary, all the evidence indicates that—in the face of polls showing his candidates trailing badly—he intends to steal this election through massive manipulation, intimidation, and force.

In my view, we cannot much longer tolerate Noriega's corrupt, reckless, and repressive rule in Panama.

We cannot much longer permit vital United States interests—including the Panama Canal and the Southern Command—to remain squarely in Noriega's gunsites.

We cannot much longer stand by, while this "four-star general" in the global army of drug pushers lines his pockets with dirty money, derived from the cocaine and crack which is killing our children.

I say with more hope than expectation: I hope Noriega understands all this. I hope, contrary to all the evidence, that he will have a change of heart, and allow the people of Panama to express, and work, their will.

If he does not, then I hope all of us—the President, the Congress, the American people—will see clearly the danger that Noriega represents, and display the courage and determination to do what needs to be done.

I yield the remainder of my time to my colleague.

The PRESIDING OFFICER. The junior Senator from Kansas is recognized.

Mrs. KASSEBAUM. Mr. President, I would like to commend the leadership for taking this strong position on what I believe is an enormously important event on Sunday, May 7.

Mr. President, it is particularly important for the United States Senate to unite at this time in support of the right of the Panamanian people to have a free and fair election in Panama on Sunday, May 7. At that time the Panamanian people will be called on to vote in elections for a new President, First and Second Vice Presidents, as well as legislative and municipal representatives.

What happens in Panama on Sunday is of critical importance to the Panamanian people, to all states of the Western Hemisphere, and to the United States. Panama is the youngest country in Latin America and its history has been closely tied to the United States. The unimpeded operation of the Panama Canal is of vital interest to both our countries, as well as to the rest of hemisphere. One of our most important national security interests in Panama is maintaining and implementing out treaty relationship with Panama for operation and defense of the Panama Canal.

Over the past several years, Panama's transition to democracy has been forcefully thwarted by General Noriega. As the Panamanian people began to demonstrate public outrage over the violent death of Dr. Hugo Spadafora, a critic of General Noriega, and the fraudulent 1984 Presidential elections, the Noriega regime responded by clamping down on basic human rights and suspending constitutional freedoms. During this struggle, there has been strong support here in the United States for the efforts of the Panamanian people to achieve a genuine democracy with guarantees of freedom of speech, press, and assembly.

The May 7 elections will be the second time since 1968 that the Panamanian people will have an opportunity to vote for a new President. The election, if conducted fairly, presents an opportunity. It is an opportunity for the Panamanian people to exercise their right to have a full and genuine democracy. It is also an opportunity for an improvement in United States-Panamanian relations and enhancing stability and economic growth in the region.

Unfortunately, Mr. President, there are very troubling signals that General Noriega is, once again, frustrating the hopes of the Panamanian people to choose their leadership freely. Among other measures already undertaken, the Noriega regime has curtailed the rights of participation in the election process by banning the independent media and denying the nine opposition candidates equal access to regime-controlled outlets. There has also been evidence of manipulation of voting lists and the voter registration process. Large numbers of opposition voters have been disenfranchised. And, international observers are being denied participation in the electoral process.

It is good news that yesterday the Catholic Church in Panama announced they would undertake an independent count at 500 polling areas.

That is a brave, courageous, and I think important step for them to undertake.

The election is only several days away, and there is nothing that can be done to rectify General Noriega's already successful efforts in curtailing the participation of the opposition in the election campaign. Nevertheless, the opportunity still exists for the Panamanian people to go to the polls on Sunday and freely cast their ballots and express their will.

The opportunity still exists for us to express in the U.S. Senate our strong support of this process. I cannot think of an election that really is more important to this country and to the Panamanian people than this opportunity on Sunday, May 7. This is a right that many people throughout the Western Hemisphere have been exercising over the past several years and no less should be expected for the people of Panama.

I join with my colleagues in urging General Noriega to conduct the upcoming elections in a free and fair manner for the benefit of the Panamanian people and United States-Panamanian relations.

I yield the floor.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the vote on this resolution be a 10-minute vote and it occur immediately following the next vote in relation to the budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I ask for the yeas and nays on this resolution.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MITCHELL. Mr. President, I commend the original authors of this resolution, Senators GRAHAM, MCCAIN, and KASSEBAUM, and I designate the Senator from Florida, Senator GRAHAM, in charge of the time on this side.

The PRESIDING OFFICER. Who yields time? The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Florida now controls 10 minutes and 2 seconds.

Mr. GRAHAM. Mr. President, I will use 3 minutes of that time.

May 7, this Sunday, is one of the most important dates in the history of Panama and Central America.

There will be national elections that day in Panama.

At stake is whether the regime of Gen. Manuel Noriega will give way to a democratically elected government.

The resolution we are introducing today is part of a comprehensive effort to focus public attention on an election process already exhiibiting signs of fraud.

International attention at this point offers the only insurance against fraud.

Stakes are high. If Panamanian elections are rigged by Noriega—and that's certainly possible—then a signal will be sent to neighboring Nicaragua.

The wrong signal. If Noriega stays in power via fraudulent elections, then Daniel Ortega's Sandinista regime will have little incentive to hold truly free elections in Nicaragua as promised next February.

I recently returned from a visit to Panama and Nicaragua, where our delegation heard pleas that the United States, the international community, and democratically elected Central American governments need to do more to focus attention on the Panamanian and Nicaraguan elections.

Our resolution today is a part of that effort. It condemns efforts by the Noriega regime to curtail the rights of participation in the election process.

When we were in Panama, we heard troubling accounts of how Noriega is manipulating voting lists and limiting media access to regime-controlled media outlets.

At the same time, our resolution makes clear that the normalization of the relationship between the United States and Panama will be enhanced by the holding of free and fair elections in which the results are respected.

Panama and Central America are at a crossroads.

One path leads toward democracy. The other to continued tyranny of the extreme left and extreme right.

Our actions today will send a clear signal of support for Democrats in Panama and throughout the region who continue to work courageously in their efforts to bring government by the ballot to their countries.

Mr. President, I ask unanimous, consent to print several articles in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Miami Herald, Apr. 29, 1989]

HUGE STAKES IN PANAMA'S ELECTION

(By Bob Graham)

May 7, a week from tomorrow, is one of the most important dates in the history of Central America. There will be national elections that day in Panama, a nation that has suffered under the tyranny of Gen. Manuel Antonio Noriega, who faces drug charges in the United States.

In the next week, world attention should focus on the Panamanian election. The spotlight of international attention offers our only insurance against fraud. Freedom-loving people around the globe—especially in our hemisphere—should speak with one voice on this issue, demanding free and open elections in Panama.

Stakes are high. If Panamanian elections are rigged by dictator Noriega—and that's certainly possible—then a signal will be sent to neighboring Nicaragua. The wrong signal.

If a despot in Panama stays in power via fraudulent elections, then Daniel Ortega's Sandinista regime will have little incentive to hold truly free elections in Nicaragua as promised next February. We must make clear to both governments that we will not stand by idly if they choose to rig the balloting.

Last weekend I visited Panama, Honduras, El Salvador, and Nicaragua with a bipartisan delegation that also included Sens. Connie Mack of Florida, John McCain of Arizona, and Chuck Robb of Virginia. Repeatedly we heard pleas that the United States, the international community, and democratically elected Central American governments need to do more—much more—to focus attention on the Panamanian and Nicaraguan elections.

In Panama we heard troubling accounts of how Noriega intends to restrict the number of international observers monitoring the elections. Observers will be watched closely and prevented from traveling between provinces on election day.

These conditions prompted the Council of Freely Elected Heads of Government (established in 1986 by current and former heads of government in the Western Hemisphere to reinforce democracy) to conclude that the "environment in which these [Panamanian] elections are occurring is far from ideal."

DISTURBING SIGNS IN NICARAGUA

In Nicaragua it is still relatively early in the process leading to elections next February. But there are disturbing signs. The Sandinistas' rubber-stamp assembly has stacked the membership on the Supreme Electoral Council. The council, effectively a fourth branch of government, will control the election.

Peaceful transfer of power through elections is possible in Central America. This was proven earlier this year in El Salvador, where elections monitored by a large contingent of international observers led to peaceful transfer of power from one political party to another.

Peace will come to this war-torn region when people have an opportunity to settle differences with ballots rather than bullets. To accomplish this, however, we must continue to remain actively engaged over the long term with our Latin neighbors and other international friends to promote democracy. Our commitment must be enduring, our attention span steady. Our past involvement in General America has been episodic.

We must also continue to pressure the Soviet Union to live up to its stated desire to help resolve regional conflicts. The United States has ended military support for the Nicaraguan Resistance (*contras*), so it is unacceptable that the Soviet Union continues to send military support worth millions of dollars to the Sandinistas.

Central America is at a crossroads, one path leading toward democracy and the other to continued tyranny of the extreme Left and extreme Right. If the world is silent and we wake up on Monday morning, May 8, to find that the Panamanian elections have gone awry, then our see-no-evil acquiescence will bear bitter dividends.

But if the world speaks out for democracy, then we have a chance for progress.

[From the Miami Herald, Apr. 30, 1989]

PANAMA'S ELECTIONS—IMPORTANT U.S. INTERESTS ARE AT STAKE IN A VOTE IN WHICH GENERAL NORIEGA AND THE MILITARY FIGURE PROMINENTLY

(By Ambler H. Moss, Jr.)

Citizens of foreign countries often complain that they have no vote in U.S. elections even though they may be profoundly affected by the outcome. Now the tables seem to be turned; next Sunday's national elections in Panama are of major importance to U.S interests. At stake is the continued efficiency of the Panama Canal and the use of our military bases in that country's geography. Getting—and keeping—Panama of the drug trafficking routes is also a high-priority interest.

The elections take place under extremely difficult circumstances.

Since June 1987 the country has been in a severe political crisis. Triggered by a retired colonel's charges against strongman Gen. Manuel Antonio Noriega of drug-running, electoral fraud, corruption and political assassination, a vocal protest movement known as the "Civil Crusade" took to the streets for several months, calling for Noriega's removal. In a remarkable display of discipline on the part of the demonstrators and the military, however, the violence that often accompanies such Latin American demonstrations was largely avoided.

The Reagan administration stormed onto the scene in early 1988, imposing economic sanctions intended to oust Noriega. They failed to do so, but did cause heavy damage to Panama's fragile economy and a diplomatic impasse that threatens the efficient functioning of the Panama Canal. A dangerous degree of tension now exists for U.S. Military personnel and their families based in Panama.

The election campaign has been conducted with good organization and discipline. The two major contending tickets are an opposition coalition headed by Guillermo Endara and two other candidates of impeccable democratic credentials, and a pro-government ticket led by Carlos Duque, candidates who do not hide their close ties with, and loyalty to, Noriega. Panama's electorate is small, and most of the voters will have had the chance to hear the candidates in person. Yet the opposition complains that its principal media, such as the newspaper La Prensa, have remained closed by the government to obtain unfair advantage. For the opposition, the election is a plebiscite.

There are other clear signs of danger regarding the elections. The opposition charges pre-election-day fraud by a biased Electoral Tribunal through padding of voter lists, transfer of voters to more distant polling places and various means of disenfranchisement. Florida Sens. Bob Graham and Connie Mack returned from a trip from Panama last week stating that the pro-Noriega forces plan to "steal" the election. A recent Panamanian government order requires visas for most U.S. citizens. U.S. journalists and television crews are only being allowed three-day visas.

A poll commissioned by the opposition shows their overwhelming popularity over the official ticket, although the figures are disputed by the pro-government candidates. If the opposition is correct, the electoral fraud required for Duque to win would have to be massive, and therefore probably obvious. In such an event, an unknown and unpredictable, but crucially important, element is the reaction of the Panamanian public.

Equally unpredictable is the reaction of the U.S. government. Since the failure of U.S. policies to dislodge Noriega last year, Washington has seemed to defer any policy planning toward Panama until after the May 7 elections. Articles appeared in the U.S. press last week about CIA funding and other involvement to help the opposition ticket win the elections. The stories bore earmarks of deliberate administration leaks, for which the motives are unclear. One source speculates that Washington was trying to preclude a political deal between the opposition and Noriega.

The Reagan administration's policies last year tended to oversimplify Panamanian politics by focusing entirely upon Noriega, who has held command of the Panamanian Defense Forces (PDF) since August 1983. The real problem is the long-time domination of politics by the PDF from behind the scenes. That would clearly continue even if Noriega were to step down. The May 7 elections, even with an Endara victory, will not immediately change the way Panama works.

U.S. policy has been a complicating factor in the equation. Noriega had, for many years, been a useful asset to a prestigious "client list" of U.S. agencies. Even after extensive stories had appeared in the press here about his involvement in drug running through Panama, he traveled to London in September 1986 to meet with Oliver North to discuss aid to the contras, according to a government document released at North's trail this month. The meeting had the blessing of senior administration officials, including then-Secretary of State George P. Shultz. In 1987, Noriega received two letters of commendation from the Drug Enforcement Administration for Panama's anti-drug efforts. The DEA cooperates with Panamanian authorities to this day. Many Pentagon officials were conspicuously cool at first to the anti-Noriega efforts of the State Department.

In February 1988, after two indictments in federal courts in Florida against Noriega on drug-running charges, Washington encouraged Panama's President Eric Arturo Delvalle to fire the general, which he did by television announcement. The plot backfired, but the United States continues to this day to recognize Delvalle. The administration instituted a broad array of punitive economic sanctions, including blockage of Panamanian funds in the United States, suspension of payments under the Panama Canal Treaty and executive orders covering U.S. corporations and the Panama Canal Commission that prohibited payments of any kind (even their own employees' withholding taxes) to Panama's government. The sanctions were accompanied by grandiose levels of rhetoric from President Reagan

and Secretary Shultz that "Noriega must go." Carrots were tried, too, as well as sticks—the administration offered in May to lift the indictments against Noriega, but no deal was concluded.

The effects of the U.S. interventionist actions have been disastrous. The economy, which still had a positive growth rate in 1987, lost perhaps 25 percent of its gross domestic product in 1988. The principal losers were the private sector and Panama's poor and underemployed. Politically, the administration virtually shoved aside Panama's own internal opposition, becoming Noriega's chief antagonist. Internationally, countries such as Venezuela, Costa Rica and Spain, which were prepared to be helpful in negotiating a settlement, were made to understand that Washington was running the show. Noriega benefited in Latin American circles from the "David and Goliath" image.

What can Washington do after May 7, assuming that, whatever the outcome, Noriega will remain in power? A complete trade embargo, a covert-operation coup and military intervention have all been discussed in Washington but will probably continue to be rejected. They would probably end in even greater embarrassment to the United States than the measures taken to date.

A more constructive approach would be to examine the issues in a broader framework. Democratization and economic reconstruction based on restored private-sector confidence are obviously of supreme importance in assuring the long-term protection of U.S. interests. Pressure from Panama's Latin American neighbors—notably Venezuela, Colombia and Costa Rica—can be useful in promoting the restoration of civil liberties and political evolution. Panama does not presently enjoy the degree of political legitimacy that it would like to have from these democracies, which gives them some leverage.

The United States should adopt a lower profile and work cooperatively, not competitively, with Latin American democracies. It should remove the Panama Canal from other bilateral issues and cooperate fully under the treaties that pass control of the waterway to Panama in the year 2000. The most damaging economic sanctions should be lifted after the elections to halt further economic deterioration.

Preparing a major program of economic reconstruction, such as the bill proposed last May by Congressman Sam Gejdenson involving about $200 million in grants and credits, would be appropriate. It should, however, be contingent on a model program of cooperation in the anti-drug effort and on civil rights progress.

The May 7 elections will be an extremely important indication of the will of Panama's people. A well-considered U.S. response must be tailored to take their aspirations into consideration as well as our own long-term interests.

Mr. GRAHAM. Mr. President, I would like to make three points: First, the election that will occur Sunday in Panama is very important to the people of Panama. It is also very important to the people of the United States of America. We have deep security interests in Panama. It is the home of our military headquarters for all of Latin America. We have deep economic interest in Panama. It is, of course, the home of the Panama Canal, a vital link in the international economic system for our country and for much of the world. Unfortunately, Panama has been captured by international drug cartels who are using it as a major transshipment and money laundering location to enhance their operations largely directed at the people of the United States of America.

So we have deep interests insofar as Panama itself. We also have deep interest as it relates to upcoming issues in this hemisphere. In February, elections will take place in Nicaragua. How the elections in Panama are conducted and our reaction after those elections will send a powerful signal to Managua as to the standards by which they are going to be judged. So we have important interests in what happens.

Second, the options after a stolen election for the United States are going to be much more difficult than the already difficult set of options with which we have been working for the past 18 months. What are we going to do if a country which is so strategically important to the United States sees its democracy stolen in the blatant manner that is anticipated? Those are questions, Mr. President, on which we are all going to have to arrive at a national consensus.

That brings me to the third point, and that is what we can do between now and Sunday is to try to create the most appropriate climate within the hemisphere and within this country for those tough decisions to be made after the election. That climate is going to be enhanced by having a maximum number of people and representatives of our people from other countries in this hemisphere, Europe, the United States and elsewhere in Panama to personally observe and to be able to carry back to their nations first hand information as to the larceny of democracy that will occur in Panama on May 7.

Mr. President, I commend the leadership, the majority and minority leaders, for having given this attention and expedited consideration which its importance deserves. I urge all my colleagues to join in sending a strong, powerful message for all Americans to Panama in hopes that it will achieve a positive result on Sunday but, failing that, to prepare us for the difficult decisions that will come after this election.

Mr. President, I yield to the Senator from Kansas if she wishes to allocate a portion of her time, and then I will ask for the opportunity to allocate time to my colleagues who have requested an opportunity to speak.

Mrs. KASSEBAUM. Mr. President, I believe the Senator from Arizona would like 5 minutes.

The PRESIDING OFFICER. The Senator from Arizona is recognized for 5 minutes.

Mr. McCAIN. I thank the Chair. I would like to thank the leadership for allowing this resolution to be considered in an expeditious fashion. I think it is indeed important that before elections take place, if they can be called that, in Panama, that the Senate express itself clearly and succinctly on this issue.

I would also like to thank my friend from Florida, Senator GRAHAM, as well as the Senator from Kansas, for their leadership in framing this resolution. I think it is an important one, and I think this is part of the activities that we have to engage in if we are to have even the slightest opportunity for a free election to take place in Panama this coming Sunday.

Mr. President, a couple of days ago President Bush gave an outstanding speech on Latin America. He concentrated a lot of his remarks on the situation in Panama, and I think he is exactly right. I think his words were well chosen, and I think he depicts the very serious situation that exists not only in Panama but the challenge to United States national security represented by the situation there.

Mr. President, I would like to point out that in the last 10 years, there has been an enormous change in Latin America. In the last 10 years, we have seen major nations turn from totalitarian governments to freely elected ones. Nations like Brazil, Argentina, El Salvador, Guatemala, Mexico, and others. For that, we should be proud, and we should indeed be grateful to the people of those countries who many times at great danger to themselves have forced the regimes to allow them to express themselves in the most basic and fundamental fashion. We should be proud of that.

There are several glaring exceptions, one of them being Nicaragua; another, of course, being the country of Panama. This Sunday, Mr. President, is an election which, by all indications that we receive from international organizations who are unbiased, is going to be a fraudulent one. We do not want that to happen. As we all know, an election is not free just because of what happens on election day. The freedom of an election is determined by the events that precede that. So far the indications such as repression of the media, manipulated voting lists, intimidation of opposition candidates, a rule which we understand has been installed which calls for burning of ballots after the counting, and others, have all the earmarks of a massive fraudulent election.

Mr. President, several objective polls have indicated that if this election were, indeed, a fair one, that the opposition coalition would win this election by a 2-to-1 margin. Those polls have been taken by several independent and very well regarded organizations. I think they are also accurate from what I saw on the visit that the Sena-

tor from Florida and I made just 2 weeks ago down in Panama.

Mr. President, this resolution condemns Mr. Noriega's acts so far just as in Chile when the Government there apparently was not allowing the accoutrements and necessities for a free election, we condemned Chile at that point. Fortunately, they changed their procedures and basically there was a free election held there.

This resolution condemns the acts so far. It calls on him to hold a free and fair election this weekend, and it makes clear that only a free election will readmit Panama into the community of democratic nations. I do not know what is going to happen this weekend. So far it appears as if there is going to be a fraudulent election. If that is the case, the United States is going to be faced with a major challenge.

Some people indicate that if this is a fraudulent election, the people of Panama will take to the streets and there will be severe discontent and unrest throughout that tiny nation. Others indicate that if this same series of events takes place, Panamanian defense forces will repress and suppress any demonstrations on the part of the Panamanian people. That is up to them. But it is up to the United States, if this is a failed election, to indeed make clear it will not be satisfied; we will call on other Latin American nations to condemn such behavior and shape our policy in the future in consultation with the leadership in the Congress, the American people, and other Latin American countries. As President Bush says, we should call upon other Latin American nations to condemn this election if it is fraudulent. I am disappointed, very frankly, Mr. President, that we have not seen more activity on the part of the OAS and other Latin American countries.

On Sunday, May 7, the future of the Panamanian people will be determined by this election. They deserve a free and open and fair election. It is the duty of this Nation and this body in my view to do everything in our power to ensure that the people of that tiny nation have the same rights that we expect for people throughout the world.

Mr. GRAHAM. Mr. President, I yield 3 minutes to the Senator from Alabama.

Mr. HEFLIN. Mr. President, I rise today to speak to my colleagues about the growing problem in Panama. As you know, the United States is fast approaching a crossroads in our dealings with Panama and the Panama Canal. The events of the next year will shape United States-Panamanian relations for decades to come.

As you know, on May 7, Panama will hold national elections and Gen. Manuel Noriega is doing all that he can to ensure that his favored Presidential candidate, Carlos Duque, wins the election. General Noriega, the indicted drug smuggler, continues to control the Government of Panama with his strong-arm tactics. We must ensure that these elections are not rife with the corruption and fraud we have come to expect from General Noriega.

There are reports that General Noriega has met stronger than expected opposition for his candidate. I hope this is true. Such opposition, together with the international team of election observers from the United States, Venezuela, Costa Rica, and Western Europe could serve to either defeat Duque in the Presidential election or expose the fraud which Noriega will instigate to steal the election.

The Washington Times reports that he has closed the opposition press and limited foreign journalists' access to the country during the election period. They also write that Noriega has assigned opposition voters to distant polling places and limited access to the election by requiring the replacement of voting credentials before April 8. Perhaps the most obvious sign of Noriega's attempted fraud is the provision that all ballots be destroyed after obtaining an official tally. In these ways and others, General Noriega will attempt to steal the national elections on May 7. Hopefully, the strength of the opposition and the reports of the election observers will serve to defeat Noriega's candidate or at least expose the election as a fraud.

Noriega is intent on undermining American influence in Panama and destroying any remaining pro-American support there. Although the Panama Canal remains American property until the year 2000, General Noriega continues his disturbing harassment of both American civilians and military personnel involved with the operation of the canal as well as Panamanian workers who help operate the canal. We must provide support for the international election observers who will attempt to report, at least, Noriega's efforts to steal the election.

PANAMA CANAL GIVEAWAY

Another important event with respect to our relations with Panama takes place in 1990 when the process to return the canal to Panama begins with a Panamanian national taking over as the Administrator of the Panama Canal Commission. This agency oversees the operation of the canal and must not be run by a corrupt individual selected by General Noriega. I was opposed to the treaty when it was ratified and I am still against it. In my judgment, America should not begin the process of returning the canal to Panama as long as Gen. Manuel Noriega and his henchmen continue to dominate the political spectrum in Panama, even if there is not sufficient support to rescind the treaty. The Panama Canal remains one of the most important structures to our economic prosperity and our national security and the corruption and strife fostered by notorious drug lords like Noriega must be eliminated.

Although American sanctions against Panama have yet to remove Noriega from power, we must continue to press for his ouster. Unfortunately, General Noriega represents a larger problem in Panama. While he is the leader of drug-running officials, he is by no means the only one. The corruption runs deep and we must decide if we want to chance turning over such a valuable asset as the canal to such an unstable government. At this time, I do not feel returning the canal to the Panamanians would be in the United States best interests and could be extremely damaging in the long run. In my judgment, we should prevent Panamanian control of the Commission in 1990 and rescind the Panama Canal Treaty which would return the canal in the year 2000. If adequate support for canceling the treaty is not forthcoming, then we should not relinquish control of this valuable asset until profound changes have occurred within the Panamanian Government and the influence of drug-running strongmen has been eliminated.

I am hopeful that the elections in Panama on May 7, 1989, will lead to better United States relations with Panama. If the opposition forces can defeat Noriega's chosen Presidential candidate, Carlos Duque, progress will have been made from within the country to limit General Noriega's growing influence. Until Gen. Manuel Noriega, and drug-running henchmen like him, are eliminated from control in Panama, the United States should continue to work for an honest government there and refuse to return the Panama Canal.

Mr. GRAHAM. Mr. President, I yield 3 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I commend the Senate leadership for bringing this matter before the Senate and in particular the Senator from Florida [Mr. GRAHAM], and the Senator from Kansas [Mrs. KASSEBAUM], urging hopefully overwhelming support for this sense-of-the-Senate resolution.

The Presidential and congressional elections on May 7 in Panama will prove to be turning points in that troubled country—they will either pave the way for a return to normalcy in Panama and in United States-Panama relations, or they will seriously threaten stability in the region, the freedom of the Panama Canal, and United States interests in the hemisphere.

All friends of democracy are deeply concerned over the repressive and antidemocratic actions taken by Gen-

eral Noriega and his henchmen. The independent press is restricted and the opposition is denied equal access to the Government press. The Panamanian defense forces are assisting the progovernment coalition and harassing the antigovernment coalition. Constitutional guaranteed rights are violated and opponents of the government suffer the threat of exile.

There is widespread evidence that Noriega is manipulating voting lists and plotting widespread fraud on election day and during the counting process. In addition, Noriega has attempted to hinder the presence of international observers in Panama for the elections and has tried to limit the size of the international delegation headed by former Presidents Jimmy Carter and Gerald Ford.

Despite this blatant intimidation, the people of Panama have organized an impressive campaign for a restoration of democracy in their country. The civic crusade has organized voter education to increase turnout and to decrease the possibilities of manipulation. The supporters of democracy have held large and small scale rallies and are organizing large-scale mobilization of the population for election day. They may also attempt to compile an independent count of the election.

It is clear that the overwhelming majority of the Panamanian people want an end to the torment and harassment of General Noriega. Just yesterday, over 100,000 opponents of Noriega filled the streets of Panama City to hear opposition candidates calling for a fair election and a new republic. They, also, accused the government of trying to rig the vote and warned that the people may react with violence if fraud is evident.

The recent independent polls in Panama have indicated a strong majority support of the opposition Presidential candidate Guillermo Endara. The latest Univision poll, by respected, well known experienced and independent pollsters, shows that 61 percent of the voters support the opposition candidate while the government candidate, Carlos Duque, receives the support of only 27 percent. In addition, 62 percent of the people polled disapprove of Noriega. Half of all voters believe the United States charges of drug trafficking against General Noriega are true and that the United States is a friend of Panama.

I believe this poll will be of interest to my colleagues and I ask unanimous consent that it may be placed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KENNEDY. The United States has vital interests in Panama—and we have every right and responsibility to defend them. Hundreds of our troops and their families in Panama have been subject to harassment, intimidation, mock executions, and rape. United States assets have been sabotaged. Yet the administration has failed to speak out strongly against these outrages or to take adequate measures to prevent their recurrence.

The People of Panama want a return to decency and democracy in their own country and the United States should stand ready to help them in ensuring their wishes are respected and in a transition to democracy and respect for the rule of law. The United States has a deep obligation to protect our troops and assets in Panama and to defend democracy.

Mr. President, this resolution puts the U.S. Senate clearly on record for an end to the continuing trauma of General Noriega's rule of repression. The people of Panama will not stand for a stolen election and continued years of intimidation. The United States must stand clearly behind a transition to democracy. I urge my colleagues to support this resolution.

EXHIBIT 1

UNIVISION-NEWS POLL SHOWS OPPOSITION CANDIDATE GUILLERMO ENDARA WITH WIDE LEAD IN PANAMA

NEW YORK, NY.—May 1, 1989.—A Univision News poll of 1,312 Panamanian voters shows opposition presidential candidate Guillermo Endara of the ADOC coalition with 61% of the vote, well ahead of pro-government candidate Carlos Duque of the COLINA coalition who received 27% of the vote in the poll. Hildebrando Nicosia of the PPA received 3% of the vote, while 9% of all ballots were submitted null or voided.

The Univision News poll on the presidential election scheduled for May 7 was conducted in 21 different cities and towns throughout Panama from April 11th through April 18th by Bendixen & Schroth—a Washington, DC based research firm with considerable experience in polling in Latin America. The presidential vote question was administered using a secret ballot procedure, in which respondents fill out a sample ballot themselves and deposit it in a ballot box.

The margin of error in a poll of this kind is plus or minus 2.7%.

In addition to the presidential vote question, the poll contained the following five highlights:

A majority of Panamanians are expecting the election to be tainted, with 61% of voters saying there would be election day vote fraud. 25% think the election will be honest.

The job rating given to Panama's de facto leader, General Manuel Antonio Noriega, is low among Panamanians—with 62% of voters saying he is doing a bad job of leading the country, with only 33% saying Noriega is doing a good job.

One-half (49%) of all voters also believe that the 1988 U.S. charges of drug trafficking against General Noriega are true, with 27% saying the accusations are false. 24% were undecided or refused to answer the question.

The poll also suggests that the image of the U.S. in Panama may have slipped as the relationship between the two countries has become more controversial. Only 49% of Panamanian voters now consider the U.S. to be a friend of their country, while 31% consider the U.S. an enemy. In comparison, Venezuela is considered by 57% to be a friend of Panama, while only 13% consider it to be an enemy.

The Panama Canal is also a source of great concern among voters in Panama. Of those polled, 49% believe that the U.S. will not return the canal to Panamanian control in accordance with the Carter-Torrijos Treaty unless the military remands control of the government to civilian hands. 39% believe the U.S. will return the Canal regardless of the kind of government Panama has at the time.

The results of this poll will be presented over six nights of exclusive coverage by Univision-News political analyst Sergio Bendixen.

Univision-News, in conjunction with Bendixen & Schroth, has been conducting pre-election and exit polls in Latin America since 1984, including projects in Mexico, Chile, El Salvador, Guatemala, Honduras, Colombia, and Peru.

Univision is the country's leading Spanish-language television network reaching 85% of U.S. Hispanic households through 450 satellite-interconnected broadcast and cable affiliates around the country.

The complete results of the poll are attached.

Mr. GRAHAM. Mr. President, I yield back such time as our side might have.

The PRESIDING OFFICER. The Senator from Kansas has 2 minutes remaining.

Mrs. KASSEBAUM. Mr. President, I should like to point out that Senator GRAHAM from Florida and Senator MCCAIN from Arizona, two of the cosponsors of this resolution, are also part of the official observer team that will be going to Panama. It is hoped that they will be able to obtain visas so that they can be participants in this important event.

Mr. DURENBERGER. Mr. President, I rise today in support of the pending resolution on Sunday's elections in Panama. I do not think this resolution will do much to change Noriega's plans for the elections but it is important for this body to go on record—once again—in support of democracy in Panama.

On Sunday, voters will choose between the Civic Opposition Democratic Alliance [ADOC] and the pro-government National Liberation Coalition [COLINA]. There should be little doubt about the outcome. If the election is free, Guillermo Endara and ADOC will win. A poll released this week shows ADOC leading the race by better than a 2-to-1 margin.

All the indicators, however, point to an election that will not be free. Noriega will steal it for Carlos Duque and his running mates. Noriega will steal it because allowing the people of Panama to choose their leaders freely would be to allow himself to be voted out of power. Unlike most other countries in the hemisphere, Panama has

not left the long, dark cloud of dictatorship. While the tide of democracy sweeps the hemisphere—and the world—Noriega remains in power by flaunting the will of the people, by rejecting democracy for tyranny.

An article this week in the Washington Times claims some U.S. Government officials desire an accommodation with Noriega. The article cites a senior United States military official as being opposed to tougher action because "Panama is not an ideological battle." Despite clear policy direction from the President, apparently some in the U.S. national security bureaucracy still think that a deal can be made with Noriega. Mr. President, there will be no accommodation with Noriega. There will be no accommodation with an undemocratic Panama. President Bush has made this clear and Secretary of State Baker has made this clear.

The United States has strong and compelling security interests in Panama—interests that are perhaps stronger and more compelling than in any other Latin nation. Even a brief review of the stakes in Panama makes it clear that we must be prepared to do what is necessary to defend our interests after the election.

First, there is the Panama Canal which links the Atlantic and Pacific Oceans. Free operation of the Panama Canal has been a United States policy goal since the canal was completed. As long as Panama is a dictatorship that looks to the Libyas and Nicaraguas of the world for support, as long as Noriega's regime represses the legitimate desires of its people, Panama will not be stable. Over the long term, the canal cannot be considered secure if Panama is unstable.

Second, the Panama Canal treaties ratified in 1977 are the law of the land. The canal treaties signified the beginning of a new era in our relationship with Latin America. The debate over ratification was contentious but in the end, advocates of equality and respect won. By December 31, 1999, full control of the canal will revert to Panama. An important milestone in the path of implementation is scheduled to take place later this year when the Panama Canal Commission will be headed by a Panamanian. Despite the political difficulties, the canal treaties have—so far—remained outside the disputes. As Secretary Baker said yesterday, "The United States believes in abiding by its agreements." As a political observer, however, I must note that a Panama under Noriega's control will not have a blank check in treaty matters.

Third, democratic development in Panama is in the United States interest. The 1980's have seen a tremendous growth in democratic ideals and practices in Latin America—Panama remains one of the few holdouts. We know democracies do not subvert their neighbors, do respect human rights, and do better the lives of citizens. Security of the canal and sanctity of the canal treaties will be best served by democratic government in Panama. United States-Panamanian relations can only flourish with democratic government in Panama.

Fourth, the elections in Panama have importance far beyond Panamanian soil. Throughout the hemisphere observers will be watching the United States reaction to events in Panama. Our policy toward Nicaragua now rests on elections scheduled for next February. We can be sure the Sandinistas will be watching events in Panama—as will friends and foes of democracy throughout the world. U.S. policy has sought the removal of Noriega for more than a year—with little effect. Our credibility has been damaged and our interests have suffered. The paralyzing disputes within the United States Government have only strengthened Noriega's hand, made America look divided and weak, and harmed the prospects for democracy in Panama. A forceful, coherent United States response after the elections in Panama will be necessary if this is not to be another lost opportunity for change in Panama.

Fifth, American citizens are being harassed, intimidated and harmed in Noriega's Panama. Over 600 incidents involving U.S. military personnel have been cataloged in the last 14 months. The harassment ranges from the petty to the severe, including mock execution, assault, and rape. I cannot think of another situation anywhere in the world where such behavior would be tolerated—much less kept quiet. Yet the United States Southern Command has said or done little to protect American servicemen in Panama. One of our primary obligations as a world power is to protect the lives and well-being of our men and women serving abroad. In Panama, we have not met that obligation.

Finally, the United States has a strong interest in halting the flow of narcotics from Latin America. General Noriega is under indictment for his role in facilitating the flow of illegal drugs into the United States. The indictment was not the best tool for our foreign policy—in fact I was willing last year to use the indictments to bargain for Noriega leaving power and leaving Panama. Regardless of one's position on using the indictments, the reality of Noriega's involvement in the drug trade is there for all the world to see. If we are serious about stopping the drug trade, we have to be serious about getting Noriega out of a position where he can use his power to further that trade.

These are the stakes in Panama. The election will take place on Sunday. Former Presidents Ford and Carter will head an international observer delegation. Some of my colleagues may also travel to Panama. We can and must publicize the results of the election. After months of inattention, the news media is finally reporting on events in Panama. If Noriega steals a win for his candidates, the world will know about it. If Noriega steals the election, the U.S. response should be firm and prompt.

There are many steps the United States could take but, so far, has not taken. Noriega must understand that he cannot continue to jeopardize American interests with impunity. He must understand that he will pay a price. That price needs to be determined by President Bush and communicated to Noriega—and to all U.S. officials, be they civilian or military. The stakes in Panama are too high for continued United States infighting to paralyze our response. And the stakes are too high in Latin America for Noriega to flaunt democracy without costs.

I urge my colleagues to support the resolution. I ask unanimous consent that the newspaper article I cited be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PENTAGON PLAYS PATTY-CAKE WITH NORIEGA, SOME SAY

(By James M. Dorsey)

The United States only half-heartedly supports Panamanian opposition efforts to remove strongman Gen. Manuel Antonio Noriega because the American military fears this could violate the Panama Canal treaties, said Bush administration and Panamanian opposition sources.

The sources, including State Department officials and intelligence operatives, pointed fingers at Adm. William Crowe, chairman of the Joint Chiefs of Staff, and Gen. Fred Woerner, commander of the U.S. Southern Command.

They said U.S. material aid still flows to the opposition but support for ousted President Eric Arturo Delvalle is ebbing. The United States recognizes Mr. Delvalle as Panama's head of state, even though he was forced from office last year after failing to fire Gen. Noriega as commander of the Panamanian Defense Forces.

The sources wouldn't confirm reports President Bush had approved $10 million for the opposition, saying they didn't know from which U.S. pot some opposition activities were being financed.

Some sources said the CIA has in recent weeks let the Panamanian opposition buy new equipment. The U.S. Treasury gave Mr. Delvalle's Washington Embassy $1.5 million last week to cover its operating costs—the first disbursement in several months.

American officials said embassy expenses are being financed from Panamanian funds on deposit with U.S. banks when the Reagan administration imposed economic sanctions last year to force Gen. Noriega from office.

The sources said they suspected Pentagon and U.S. military officials were trying to undermine U.S.-backed efforts to overthrow Gen. Noriega. They said these officials be-

lieve accommodating the Panamanian strongman would ultimately better serve U.S. interests.

"JCS is a problem, and the commander of the Southern Command is a problem. They are voices of accommodation and of doing nothing," said a State Department official.

"Panama is not an ideological battle. This is a battle of personalities, and I'm not going to have 19-year-old kids die for a battle of personalities," one source quoted Adm. Crowe as saying recently.

Well-placed sources said Gen. Woerner last week before the Senate Intelligence Committee again argued against letting opposition radio transmitters operate clandestinely from U.S. bases in Panama because this would violate the 1977 Panama Canal treaties under which the waterway comes under Panama's control in 2000.

Specifically, the Panamanian opposition would have liked to emulate the successful broadcasts of the Nicaraguan resistance by using five stationary transmitters with five frequencies each.

The sources said infrequent and poorly received radio transmissions in Panama stopped after six months following the April 5 arrest of American businessman Kurt Frederick Muse. Mr. Muse, whose arrest led to Panama's seizure of $350,000 worth of radio and communications equipment, is believed to have been part of the CIA-sponsored effort to break Gen. Noriega's grip on the mass media.

The sources said transcripts for radio programs are being smuggled into Panama and authorities had not seized all 12 suitcase transmitters the CIA provided to the opposition.

The sources said the United States has evacuated 22 Panamanians involved in the clandestine-broadcast efforts.

They said Mr. Muse's arrest was one of several incidents which have fueled suspicion that elements within the U.S. government are trying to thwart Noriega opponents.

"There is no question that certain people do not share our views of [supporting free and fair elections] and they cause serious problems," said one administration official.

Intelligence sources said Mr. Muse was arrested after a Panamanian involved in the project betrayed it for financial gain.

The U.S. and Panamanian sources said the broadcasts were aimed at persuading Panamanians to vote in next Sunday's presidential and legislative elections, assuming that a higher turnout would work against Gen. Noriega.

The sources said recent leaks about U.S. financial support for the opposition and the arrest on drug charges last month in Atlanta of Carlos Eleta, owner of an anti-Noriega television station in Panama, also served to discredit opposition forces.

State Department and Panamanian sources accused Gen. Woerner of letting Gen. Noriega limit U.S. rights in Panama under the Canal treaty by not standing up to repeated harassment by the Panamanians.

"Woerner's reaction is not 'I'll punch you if you do that,' but 'be nice.' the PDF has learned that if you want something from DOD, you've got to be tough and they'll try to buy you off," said a State Department official.

As a result, the official concluded, "we don't have people in Panama protecting our rights."

Officials said Secretary of state James A. Baker III was aware of the problem but had yet to decide how to tackle it.

They said a fraudulent election result could force the issue to the forefront since Washington refuses to deal with any Panamanian government as long as Gen. Noriega remains in power behind the scenes.

Said one official: "We're just beginning to formulate a cohesive approach. . . . We're looking at the whole range of options. That doesn't mean anybody is considering the ultimate option. It's simply a new team and the same options."

Sources said Mr. Delvalle pleaded with Secretary Baker in a meeting last week to enhance the opposition's ability to act against Gen. Noriega. They said Col. Roberto Diaz Herrera, a former Panamanian ambassador to Israel now exiled in Miami, had assembled a military force ready to strike.

"They have him practically handcuffed . . . He wants to strike against militarily strategic targets," said one source.

Critics of the State Department's hardline approach argue that Gen. Noriega will more likely leave office if the United States backs off somewhat.

"We in Latin America know that blockades and economic sanctions are a lot of bull. Fidel [Castro, Cuba's president] has been around for 31 years. The Sandinistas are now going into their 10th year. With all this pressure, we may have Noriega for 10 more years because these policies don't work," said a Central American politician with close ties to Gen. Noriega and the opposition.

Mr. KERRY. Mr. President, this Sunday, the people of Panama will go to the polls to elect a new President. Unfortunately, for the overwhelming majority of Panamanians, it appears that their vote will not count. Panama's narco-dictator, Gen. Manuel Antonio Noriega is seeing to that.

Every report coming out of Panama signals that this will be a rigged election to assure that General Noriega remains in power. The evidence is overwhelming that the Noriega regime has manipulated the voter registration rolls to deny the vote to his opponents and permit multiple voting by his supporters.

A close look at what has transpired in the voter registration demonstrates various forms of fraud already undertaken which include the following:

The addition of 168,000 unexplained voters to the election register. This represents a 29-percent increase in registered voters since 1984, despite the fact that the general population has increased only 16.8 percent during this period of time.

The duplication of more than 100,000 names through the issuance to loyal voters of multiple identity cards needed to cast the ballots. In other words, this will allow 100,000 Noriega loyalists to vote more than once in the election.

The listing of dead persons as registered voters.

The circulation of forms among government workers requesting that they not only provide their own identity card numbers and political affiliation to Noriega operatives, but also those of three relatives or friends.

The regime has resorted to intimidation of opposition candidates. Bus drivers have been threatened with the loss of their licenses if they transport opposition supporters to rallies. Access to the media has been denied to opposition candidates. Public employees have been coerced to support the regime. Steps have been taken to restrict both the size of international observor delegations and their ability to monitor the election in any meaningful way.

What we are witnessing in Panama is an exercise which could lead to one of the most massive electoral frauds ever perpetrated by any regime, anywhere in the world. Every poll in Panama shows the overwhelming unpopularity of Noriega and his cronies and a strong desire on the part of the Panamanian people to rid themselves of this common criminal and his henchmen.

That is why I am pleased to join with the leadership of the Senate in offering this resolution expressing our deepest concern for what is happening in Panama. With the toppling of the dictatorship in Paraguay and the holding of recent elections in that country, which by all accounts, was essentially free and fair, Noriega is becoming increasingly isolated in this hemisphere as the last of the dictators.

It is important that we send this signal that support for the democratic processes throughout Latin America and the world continues to be the fundamental goal of our foreign policy. It is important to signal the Noriega regime that if it perpetrates a massive fraud, as expected on Sunday, that it will stand out as a pariah in this hemisphere.

There should not be any doubt in anyone's mind that Noriega is nothing more than a common criminal and thug. The only way he can maintain himself in power is through repression and the manipulation of massive voter fraud on Sunday.

Finally, Mr. President, the time is long overdue for the executive branch of our Government to get its policy act together as it relates to Panama. It is time to end the debate in the executive branch whereby the Pentagon and certain other agencies of our Government continue to resist all efforts to promote democracy in Panama. It is imperative for the Congress and this administration to work closely, in the aftermath of Sunday's election, to devise a workable policy that will assist the people of Panama in achieving the goal we all share—that of bringing democracy to that country.

Mrs. KASSEBAUM. I yield back any time remaining on this side of the aisle.

The PRESIDING OFFICER. All time is yielded back.

OMNIBUS CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEARS 1990, 1991, AND 1992

The Senate continued with the consideration of the concurrent resolution.

The PRESIDING OFFICER. Senate Concurrent Resolution 30, the budget resolution, is now pending before the body.

Mr. BOSCHWITZ. Mr. President, I am going to send an amendment to the desk, but perhaps I would suggest the absence of a quorum until the leadership returns to the floor.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Did the Senator from Minnesota object?

Mr. BOSCHWITZ. No.

Mr. JOHNSTON. Is time under control at this point?

The PRESIDING OFFICER. It is the leader's time on the Budget Act.

Mr. JOHNSTON. Mr. President, I wonder if one of the leaders will yield me 5 or 10 minutes, while we have a little downtime here, to speak on the resolution? I do not have an amendment to offer.

Does every Senator have an hour?

The PRESIDING OFFICER. The Senator from Louisiana can obtain time from your side by unanimous consent.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that I be granted 10 minutes to speak on the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I will vote against this budget resolution. In the Budget Committee I made my position very clear, and at that time I offered an alternative to the budget resolution, which was a set of numbers, which equaled what we called the "sequestration numbers." In effect, it would have cut $46 billion from the budget, $23 billion in outlays from the nondefense side, and $23 billion from the defense side. I did so, Mr. President, because that is what the law would require, if the law were faithfully executed.

Mr. President, at the time the Gramm-Rudman law was proposed some years ago, and 2 years ago when it was amended, I opposed that Gramm-Rudman law. I did so in large measure, because I stated at the time that if we enacted that law, I thought the focus would be away from budget reduction, from budget deficit reduction, and the focus would then be on complying with the rules. In other words, the rules would get to be the game, rather than the budget reduction.

Mr. President, that is exactly and precisely what has happened, and what this resolution does is prove that; because the instant resolution, as proposed in a bipartisan resolution, signed onto by the President and the Congress, is to pretend that we have reduced the budget deficit down to the targets as required by the Gramm-Rudman law; that is, a $100 billion deficit, when in fact they do not do so.

Mr. President, in the Budget Committee report, a copy of which is on every Senator's desk, I have provided an analysis of this resolution, showing how it fails to cut the budget deficit. Keep in mind that CBO, the bipartisan group, whom we always follow, says the budget deficit is $147 billion. The Gramm-Rudman target is $100 billion, and this resolution purports to cut $47 billion from the deficit. Does it do so? Of course, it does not. There is not a Senator in this body who believes that it does make those cuts.

To the contrary, Mr. President, virtually all of the cuts are not cuts from policy, not cuts that reduce the spending line, the trend of expenditures. Rather, they are either smoke and mirrors, or they are one-time grabs on things like asset sales.

I analyzed those in great detail, Mr. President. For example, we point out that $9 billion is on economic estimates that you can characterize as being somewhere between unlikely and preposterous. I think we are closer to preposterous, because they project 5.5 percent interest rates, when today's interest rates are actually 8.61 and rising.

There is another 10.5 billion in what we call technicals. It is an arcane science, to be sure, but when you deal with things like spend-out rates, the rate at which an appropriation ripens into an outlay, and if you deal with that in an unreal way, you can produce billions of dollars.

This budget resolution produces 10.5 billion dollars' worth of what I call phantom dollars. So you have $9 billion on economic assumptions, $10.5 billion on technicals, and what happens to the rest?

Mr. President, you have another $6 billion if I recall the figure on pure budget gimmickery. It has moving agricultural deficiency payments from fiscal year 1990 back to fiscal year 1989, the same dollars to be spent, same effect on the budget but move it forward a few days and it disappears from this deficit; $2.1 billion on postal subsidies which must be paid but rather than pay them and recognize their effect upon the deficit they wave the magic wand and presto they disappear from the budget. They disappeared by simply declaring them off budget. The same thing is true of FSLIC payments, Federal savings and loan payments are off budget.

Then we have the asset sales, Mr. President. If I recall that is $5 billion. One shot deals like the sale of the Elk Hills Petroleum Reserve. By the way they order that up every year to take credit for it and it does not materialize. Even if it does materialize, it does not really reduce the deficit. It is like selling the family china or jewels in order to make the family budget balance. It does not cure the problem. It only makes the problem worse. If you sell Elk Hills, then the oil payments we get from that every year disappears so it makes next year's problem even worse, not better.

As I analyze this budget resolution, there is only 1.9 billion dollars' worth of real cuts in the CBO spending line. So the next year when the budget target is $64 billion, not $100 billion as in this year's resolution, we will be starting from the same starting point we have now, which is $147 billion, that is if CBO is correct and if there are no changes in the economy in the meantime then you have not reduced that $147 billion so the difference you will have to make next year may be $70 or $80 billion.

Why are we putting it off to next year? I guess the President made a campaign promise of no new taxes and the thing does not work without probably some revenues and the Congress really does not have the zeal to get in and really reduce the deficit.

So, we are just sweeping the problem under the rug until next year. Only next year is what—an election year and in an election year we do not take any tough action on the budget. We know that. That happens year after year. I do not know how we get around it next year but mark my word we will get around it next year there will be no tougher action next year; there will be no $64 billion target as required under Gramm-Rudman reached next year.

Mr. President, this action this year is no better or no worse than we have done in prior years.

I was on the economic summit back a year and a half ago in the waning days of the Reagan administration, and at that time we also were facing a Gramm-Rudman target that was coming on. It was finally Gramm-Rudman was going to take hold and require some cuts, but the administration came in and said, "No, this is going to be an election year next year," that is fiscal year 1989 was going to be an election year. So they said, "We have got to change those targets." So, over my objection we upped the targets, but everybody said, Democrats, Republicans, White House, Congress, that next year; that is, this year, was the year we really had to make the cuts because the new Presi-

dent was going to come in at that time and he was going to face up to the responsibility because the election would be over and he would have to make the real policy changes.

Here we are, a new President, new 4-year mandate, everybody wants to reduce the deficit and what do we do? We do absolutely nothing, Mr. President, but smoke and mirrors and budget gimmicks and unreal estimates and technical readjustments, and sales of assets, and even on the taxes which are proposed the President proposes to raise revenue by reducing taxes on long-term capital gains.

So, Mr. President, I commend the spirit of trying to get out an early resolution and this resolution does have the advantage of being early. I commend the spirit of wanting to be bipartisan because any budget action must be bipartisan, must include the White House if it is going to be effective but beyond that, Mr. President, this resolution is two steps backward. I do not know when we finally wake up to the fact that we have to deal with it. How to deal with it, I have my ways of dealing with it which I can and have detailed. It is not just a question of taxes. Indeed, I would——

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. JOHNSTON. I ask unanimous consent for one additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. What I am saying this country, this President, this Congress, must face up realistically to the challenge and do something, whatever it is; either say we cannot deal with it and increase the targets, or we have to cut spending, and I think we can cut spending in some important areas like troops in Korea. What in the world are we doing with 44,000 troops in Korea when they have twice the population of North Korea and 7 times the GNP? We could save money there and I could tell you a number of ways where we could save money. The fact of the matter is this resolution does not do it. We ought to go back to the drawing board and require real budget reduction. I cannot vote for this resolution for that reason.

The PRESIDING OFFICER. The Senator from Minnesota.

AMENDMENT NO. 89

(Purpose: To express the sense of the Senate that all Congressional and Executive budget documents should emphasize a baseline based on the current level of Federal spending instead of the current services baseline)

Mr. BOSCHWITZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. BOSCHWITZ], for himself, Mr. CONRAD, Mr. KASTEN, Mr. MACK, Mr. GORTON, Mr. SYMMS, and Mr. NICKLES proposes amendment numbered 89.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

CURRENT SERVICES BASELINE

SEC. . (a) The Senate finds that the use of a current services baseline in presenting budget information—

(1) does not provide the public with complete and clear information on the growth in Federal spending from one fiscal year to the next fiscal year;

(2) does not clearly identify the underlying growth rate in particular Federal programs within the Federal budget;

(3) leads to the misconception that Federal spending is being cut when in fact it has grown; and

(4) does not present the Federal budget in terms the public can easily understand.

(b) It is the sense of the Senate that all congressional and executive budget documents, including analyses of the Federal budget and any deficit reduction agreements, should prominently include the current level of Federal spending in each category and clearly identify any proposed increase or decrease from that level.

Mr. BOSCHWITZ. Mr. President, the amendment is offered not only on my own behalf but also on behalf of Senators CONRAD, KASTEN, MACK, GORTON, SYMMS, and NICKLES.

Mr. BUMPERS. Will the Senator yield for a question?

Mr. BOSCHWITZ. Yes.

Mr. BUMPERS. How long will it take?

Mr. BOSCHWITZ. About 15 minutes. If the Senator has a short statement he wishes to make I will yield to him.

Mr. BUMPERS. I have a statement about 10 minutes. Does the Senator consider that short?

Mr. BOSCHWITZ. No.

Mr. BUMPERS. In that case I will come back later. I thank the Senator for his usual consideration.

Mr. BOSCHWITZ. I thank the Senator.

Mr. President, I have a chart that shows the spending of a normal family, a family that has an income of $18,000. The spending in 1989 is broken down according to taxes, food, insurance, and so forth as the chart outlines.

I ask unanimous consent that the chart be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

	1989 (actual)	1990 (current services)	"Cuts"
Taxes	$1,500	$1,300	
Food	3,000	3,150	−100
Insurance	1,000	1,100	
Rent	6,000	6,300	
Car payments	1,500	3,000	−300
Car expense	1,840	1,500	−150
Entertainment	1,200	1,350	−50
Child costs	800	1,900	
Miscellaneous	1,160	1,200	
Total	18,000	20,800	−600

Mr. BOSCHWITZ. Mr. President, I have laid out this family's budget for the next year as if it were under current services. In 1990 under current services, all categories would receive an increase to cover additional costs. My example shows those new costs would total $20,800. This head of the family finds that he is not going to be able to make that amount. He is not going to have enough money to spend $20,800, so he is going to have to make cuts from that inflated level. He needs to make $600 in savings from this projected spending level.

If you look at the chart, you will see the family's taxes this year were $1,500. In 1990, they would become $1,300. That is a reduction of $200, because this family man has had an additional child, and the additional exemption will reduce his taxes.

However, under the Federal budget policy, that is not counted as a savings. Even though he has spent $200 less this year than last, his budget under current services has not been cut. Food is going to be more this year. It is going from $3,000 to $3,150. He has another mouth to feed. Child costs are also going up from $800 to $1,900. Insurance is going up. He is lucky. It has only gone up 10 percent, from $1,000 to $1,100. Car payments are going up too. He had to get a new car with the new child, and so the car payment goes from $1,500 to $3,000.

He realizes that he cannot make it. What is he going to do? He and his wife decide to go to the warehouse food market every 2 weeks and buy in larger quantity. They will save $100 from the costs they had projected for next year.

He decides not to buy as large a car as he has now. Current services assumes and expects that he will buy a car just as large as the car he has at the present time. However, he has decided to purchase a smaller car, in order not to spend so much. That will cost $300 a year less. His automobile expenses will go down as well, because it is a smaller and newer car.

And then there are entertainment expenses. He has found a way to economize on that. Even though it is going up from $1,200 to $1,350, he will bowl only 3 times a month, not 4 times a month, and that will save $50.

Looking at this new budget, then, we see he spent $18,000 this year. In order to live in the same manner next year, he has to spend $20,800.

He does not have the money. He has $600 less, so he is going to make those savings by shopping at the Warehouse Food Store, buying a smaller car, and bowling only three times a month, rather than four.

After all these economies, his spending still increases from $18,000 to $20,200. But under the vocabulary of the Federal budget, he has cut speeding by $600.

That is a very interesting way to put together a budget. Your spending can actually go up 12, or 13 percent, and yet you can save $600.

The amendment that I have sent to the desk simply states that we should start the budget with last year's spending and measure this year's on the basis of what we did last year. I think that is a concept that most Americans would understand. The reason for the amendment is that most Americans do not understand the current budget process.

For instance, from 1980 to 1986, we made $239 billion in cuts under current services. If you ask budgeteers here in the Senate, they would tell you we saved $239 billion. At the same time, we added approximately $1.2 trillion to the deficit.

So each year, we begin budget negotiations with the assumption of automatic growth for all programs. Negotiations for the next year start at an inflated level. That makes it far more difficult to understand the budget and it makes the budget far more difficult to restrain, much less cut.

When I try to explain to my constituents, either businessmen or people with families, that the budget is not based on how much you spent last year but rather on how much you expect to spend this year, I just get a blank stare. They begin to scratch their heads and rub their eyes, wondering whether or not I really said that.

This is not the way Americans figure their budget, it is not the way businessmen figure their budget, but it is the way American taxpayers are expected to understand the budget process of the United States.

Mr. President, current services also adds to the inflationary pressures of the economy. Federal spending now accounts for about 21 percent of the goods and services produced in our Nation. When Federal spending is adjusted for projected inflation, it makes inflation that much more likely to happen and that much more difficult to stop.

It creates a bias in favor of higher spending, as well.

In my opinion, current services, with all its built-in assumptions of spending growth, misrepresents the budget to the American people. Each year we project an increase in all programs, only restrain the growth in a few areas, and then pat ourselves on the back for cutting the Federal budget. The truth is, every year we have let Federal spending increase.

This becomes obvious when you consider the figure I mentioned earlier. We claimed $239 billion in cuts from 1980 to 1986 under current services, when we actually increased the deficit by the largest amount in the history of the country.

The budget summit of 1987 is another example of manipulating the so-called baseline. Congress claimed credit for $76 billion in deficit reduction in that agreement, but the figures are always based on savings from the current services baseline. In fact, in both 1988 and 1989, these deficits rose above the 1987 figure.

And we are doing it again this year. We are claiming spending cuts of close to $14 billion in this budget when outlays in the total budget indeed increase by over $22 billion.

This holds true across a number of budget categories. For instance, defense spending under this budget increases by $2.5 billion. In actual outlays, we are spending $2.5 billion more than the year before. Yet, we are claiming savings of $4.2 billion.

In all of the domestic discretionary spending programs, we are taking a total cut of $300 million, yet the budget outlays in these discretionary spending programs is actually rising by a total of $11.1 billion. Saving $300 million while you are out-of-pocket an additional $11 billion is a pretty neat trick.

Take Medicare. We cut Medicare by $2.7 billion. And those of us who vote for that certainly are taking grave political risks. But hold on for a minute now. While we are cutting Medicare by $2.7 billion, outlays in the Medicare function increased by $11.4 billion. It is simply difficult to understand. It is a confusing way of starting the entire debate.

When we present the budget, it greatly affects the public's understanding of Government and leads to a loss of confidence in Government. A Roper poll recently indicated just that.

This sense-of-the-Senate amendment is based on my Commonsense Budget Act, which I introduced in February with most of the Senators who cosponsored this amendment, cosponsoring the bill. Over 70 trade organizations also have endorsed my bill, including the Chamber of Commerce, Citizens for a Sound Economy, and the National Federation of Independent Businesses.

In an editorial endorsing my bill, the St. Cloud Times, from my home State of Minnesota, said, "There's something very wrong about a system that automatically accepts inflation. No sound business operates that way."

An editorial in the Christian Science Monitor also supported the concept, stating that "the average American family understands that a spending cut means spending less than you did in the previous period. They assume that politicians use the same standards. Most Americans are completely unaware that a spending cut in Washington means something completely different than it does on Main Street, U.S.A."

An editorial by Donald Lambro in the Washington Times quoted David Makarechian from the Citizens for a Sound Economy as saying that "the important point is that lawmakers will have to justify the increases * * * rather than simply relying on automatic increases from the current services formula." The same editorial also quoted a statement Chrysler Chairman Lee Iacocca once made about the current services baseline: "If we did this in business, they'd lock us up!" The article finished by saying, "It's high time we took the built-in spending increases out of the budgetmaking process."

Mr. President, this amendment supports truth in budgeting. When we start talking straight to the American people about the budget, they will gain renewed confidence in this body. We need to restore a little commonsense to our budget process, and rely a little less on arcane and confusing budget procedures.

Mr. NICKLES. Will the Senator yield for just a question?

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. BOSCHWITZ. I yield to the Senator from Oklahoma.

Mr. NICKLES. Mr. President, I say to the Senator from Tennessee that I am not going to take but just a second.

I wish to compliment the Senator from Minnesota for his statement. I think he said it all. I certainly will not repeat it.

But, as I understand the Senator's amendment, a sense-of-the-Senate resolution, it is that we should be working off of last year's or this year's current estimated fiscal outlays for the baseline instead of using anticipated, hoped-for increases with inflation already built in as the baseline; is that correct?

Mr. BOSCHWITZ. That is correct.

Mr. NICKLES. I will compliment you for your resolution. I ask to be made a cosponsor.

Mr. BOSCHWITZ. I believe I mentioned you as a cosponsor.

Mr. President, I ask unanimous consent that an article by Senator DOMENICI, dated November 7, entitled "* * * And a Great Misconception," which deals with the various programs which were allegedly cut and actually increased in spending, be printed in the RECORD as if read.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

* * * AND A GREAT MISCONCEPTION

(By Pete Domenici)

Question: Programs to help low-income Americans during the Reagan administration have a) been cut 75 percent; b) been cut 25 percent; c) held steady; or d) risen 50 percent?

The correct answer—are you ready?—is "d". In fact, federal assistance to low-income Americans rose 52 percent, comparing actual dollars spent during fiscal year 1981, set before Ronald Reagan took office, with fiscal year 1989, just approved by Congress.

Specifically, spending increased from $98 billion in 1981 to $149.2 billion in the fiscal year just begun.

I'll bet not one in 10 Americans would have guessed the right answer to my question. The drumbeat of "facts" from the press and the Democratic candidates has hammered away at the devastation that the Reagan years have supposedly inflicted on programs for the poor. But it simply is not true.

Let me cite an example. One of the questioners during the first presidential debate asked George Bush:

". . . Why over the eight years of the Reagan-Bush administration have so many programs designed to help the inner cities been eliminated or cut?"

The Democratic nominee went on to add this comment: "These programs have been cut and slashed and butchered, and they've hurt kids all over this country."

"Butchered?" If so, where's the beef? Where are those cuts?

Well, they aren't in Medicaid; that program has risen 98 percent of $33.9 billion. Nor are they in food stamps, up 22 percent to $13.8 billion. Subsidized housing rose 116 percent to $12.3 billion, covering 1 million more units than in 1981. AFDC (welfare) increased 34 percent to $11 billion. Pell grants to help poor kids go to college rose 87 percent to $4.3 billion. Spending on WIC [a supplemental feeding program for women, infants and children] increased 122 percent to $2 billion. Head Start gained 50 percent to $1.2 billion.

The list goes on and on. Some more facts:

In 1981, 14 percent of our population of 225 million lived in poverty, as defined by the federal government. The latest figures (1987) set that percentage at 13.5 percent of 241 million Americans.

Over the same span, the amount that federal taxpayers contributed per poor person rose from $3,079 in 1981 to about $4,600 today. That is an increase of 49 percent.

So why does this misconception persist?

For one thing, spending priorities have shifted somewhat. They have shifted away from the priorities of the 1970s, when entitlement programs grew at an unsustainable rate of more than 15 percent a year. That has been moderated.

Some will also cite a program or two where real cuts have occurred. That's true, too. They were cut because they weren't working, and the Comprehensive Employment Training Act (CETA) is a perfect example. Community Services grants were cut 43 percent to $400 million. But that was more than offset by increases in assistance to the homeless, which rose from virtually nothing in 1981 to $500 million this year.

Others will argue: you forgot inflation. True, the percentages and dollars are based on what Congress appropriated each year, dollars actually spent by the federal government. Over that period from fiscal 1981 to fiscal 1989, cumulative inflation has been 37 percent.

But even after subtracting inflation, and after adjusting for the small but real increase in the number of poor Americans, actual spending on the poor remains at higher levels than when Ronald Reagan and George Bush took office.

So why does the misconception persist? Why are knowledgeable reporters asking questions based on a skewed view of reality? Why can candidates get away with flipping reality on its head?

A lot of attention is paid in the press to presidential and congressional budgets, which are recommendations. Practically no attention is paid to the appropriations bills, which actually set the priorities of the federal government.

Yet every single one of those appropriations bills, whether a huge continuing resolution or 13 individual bills, has been passed by both houses of the Congress and carries the signature of the president. Every one was signed by President Reagan. And for six out of those eight years, Republicans controlled the Senate.

The confusion comes from this fact: Congress budgets differently from the way families do. When my wife and I pay our electric bill each month, we see a "cut" if the bill actually costs us less than it did the month before.

That's not how Congress works. Congress budgets on a basis of "what it would have spent," not on a basis of "will it cost more"? The economic summit a year ago proclaimed "cuts" in federal expenditures. Yet spending rose 5.8 percent in 1988. The reason: the increase was less than it would have been without changes in policy. So a 5.8 percent increase became a "cut."

Americans know that problems exist in our society. As we always have in our efforts to build a better world, Americans want to roll up their sleeves and tackle our social and economic problems: fighting drugs, improving education, reducing poverty. These are challenges requiring work at every level of our society, the same kind of united effort that has enabled us to meet the challenges of the past.

Leaving the impression that our problems are simply the product of "cuts" in federal spending is not only false; it deflects us from the real task of solving those real problems.

What we must do is stop whining about fantasy cuts of the past and look afresh at these problems, then develop real-world solutions, ones that make certain the money we spend is spent as effectively as possible.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I have no objection to accepting the amendment of the Senator from Minnesota but let me first say just a word or two.

I can understand the Senator's frustration. The Federal budget is a complex matter. It is not nearly as simple as the family budget that he has just introduced.

We cannot expect a budget well over $1 trillion of a Government that has responsibility for over 260 million Americans, the Government of the most powerful Nation of this world, rival the average family budget in the simplicity which the Senator from Minnesota as just exposed us to here in this body.

I thank him for this elucidation this afternoon. I found it very interesting although, frankly, not very informative, I might say.

The concept that the Senator from Minnesota attacks is driven, quite frankly, by the times in which we live. And those times are inflationary times. It is inflation, principally, which drives a current services baseline.

Let me just give you an example.

Let us take Medicare costs for the fiscal year 1990. They are projected to rise by 13 percent. If we follow the recommendation of the Senator from Minnesota, we would not put that 13-percent rise into our current services baseline. So, if we allocated the same funding for fiscal year 1990 for Medicare as we did for fiscal year 1989, the Medicare dollar would purchase 13 percent less.

What would the result be? The result would be that hospitals would close throughout this land. The result would be that elderly citizens who badly need medical care would not be able to get it because the Medicare provision would not be adequate to take care of them.

I suppose that if we follow the rationale of the Senator from Minnesota we ought to abolish the cost-of-living adjustments for Social Security. Let us just give the Social Security recipients the same amount they got last year, or the year before and standby and watch inflation erode their purchasing power back to the point that we open up the poorhouses throughout the land. Is that what the Senator from Minnesota is recommending that we do here today?

It is fashionable to get up and talk about the Washington establishment and attack the Washington establishment because we use a current services baseline. I am sure that there are many people who do not understand it. But it is simply a reaction to the times in which we live. If we followed the recommendation here of the Senator from Minnesota, Federal spending or planning the Federal budget would not take into account the demographic changes.

For example, let us say that the number of people coming on to Social Security or Medicare increases by 12 percent from 1 year to the next. If we follow the recommendation of the Senator from Minnesota, we make no consideration for that either. So, those benefits are eroded, not just by inflation but also by the number of recipients being increased.

The course of action that is urged on us by the Senator from Minnesota would make no allowance for spending commitments that the Federal Gov-

ernment has made in prior years, either to defense or to domestic programs. For example, when we start building an aircraft carrier, a nuclear aircraft carrier that costs well in excess of $2 billion, that is not built in 1 year. There are startup costs and then the cost builds in a geometric ratio as you complete the project. I think not. Mr. President, if we fund the Department of Defense every year at the same amount as if we were spending the same amount on the aircraft carrier every year of its construction.

The Federal Government does not operate in 365-day intervals. This Government has existed now for well over 200 years. It has existed and has done so well, I think, because we have had a civil service. Furthermore, we have had political leaders who are capable of dealing in complex issues and understanding them and planning ahead. And that is precisely what this current services baseline does. It takes into consideration the realities and the complexities of the world in which we live.

Now, if Senators want to cut from that current services baseline, so be it. But what we say, with the current services baseline, is that we are maintaining a constant purchasing power with the dollar. And that is the basis on which many of these programs are based.

We have a lot of amendments before us this afternoon. The leaders on both sides have indicated that they want to try to conclude this resolution by 6 o'clock this evening to accommodate a number of our colleagues who have very pressing commitments. I want to move forward.

So, in the interest of doing so I am willng to yield back the remainder of my time, if the Senator controlling the time on the other side is also willing to do so, to accept this amendment and move onto the serious business here facing us.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President——

Mr. SASSER. Point of inquiry, is the Senator from Minnesota willing to yield back his time?

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. The Senator from Minnesota is not willing to yield back his time.

Mr. SASSER. Mr. President, I am not willing to yield back my time, either.

Mr. BOSCHWITZ. Nor did you say that you would, Senator. I am sorry that you did not find it be very informative, and I would say to my friend from Tennessee that he does not have to teach me lessons about the Federal budget. I believe I understand it quite as well as he does and, indeed, perhaps he did not find it very informative because he did not listen to the remarks of the Senator from Minnesota.

The Senator from Minnesota said nothing about abolishing COLA's, the Senator from Minnesota said nothing about a 13-percent cut in Medicare. The Senator from Minnesota only said that budgeting should begin on the basis of the spending in the preceding year; that in the event increases are needed in programs, they should be clearly stated as increases.

Just as the Christian Science Monitor has outlined the amendment of the Senator from Minnesota, that is the way it should be understand. It has been supported as well by other publications and a number of organizations, including the chamber of commerce.

We do not want to abolish COLA's. We do not want to cut the number of people on Social Security.

The Senator from Tennessee has said: Let us say there is a 12-percent growth in Social Security recipients. I would say to him, perhaps he does not have a complete understanding of the budget. There is not going to be a 12-percent growth. The growth in Social Security recipients is closer to 2 to 3 percent every year.

Yes, the budget is inflation-driven but, indeed, so is the budget of every household and every business in this country.

Just in order to display the fact that a program like Social Security will grow in numbers, in my example I indicated that a new child was born to that family and therefore the spending was higher in the succeeding year. However, the Senator from Tennessee does not do justice to this amendment if he says that we should get on to the serious business of the budget and consider this to not be a part of that business.

If the Senator from Tennessee considers the understanding of the budget not to be part of the serious business of this body, then that is regretful. However, I do.

I reserve the balance of my time.

The PRESIDING OFFICER (Mr. ROBB). The Chair recognizes the manager, the Senator from Tennessee.

Mr. SASSER. Mr. President, we are perfectly willing to accept the amendment of the Senator from Minnesota if it is acceptable to the Senator from New Mexico. I just wish to point out the current services baseline attempts protects the American people from inflation. As a former President that the Senator from Minnesota seems to admire so much stated on one occasion, President Reagan, and I quote him precisely, "Inflation is the cruelest cut of all." That is what President Reagan stated.

I am not opposed to cutting Federal spending. I am not opposed to cutting Federal programs. Indeed, we are doing that in this present budget resolution. Nevertheless, I think we ought to have a base where we can start from with regard to the cut which will give us a fair evaluation of what the effects of those cuts would be.

I am prepared to yield back the remainder of my time if the Senator is prepared to yield back his.

Mr. BOSCHWITZ. I am about to yield back the remainder of my time, Mr. President. But I would ask the Senator from Tennessee that, other than the programs that have naturally declined, such as agriculture, please tell me one program where we plan under current services to spend fewer dollars next year than we did this year. We may be spending less than the baseline, but the baseline first raises the amount that is going to be spent. You cut from that baseline, not from the spending of the current year.

Mr. SASSER. May I say to my friend from Minnesota that a dollar in 1989 is not worth the same dollar in 1990. Would my friend from Minnesota be willing to accept payment of an obligation made to him in 1980, for example, in 1990 dollars? I think my friend would be reluctant to do that because I know him to be a splendid and a very successful businessman. The purchasing power of those dollars would have been eroded by about 40 percent in that particular decade. That is the point that I wish to convince my friend of at this time. However, I think I am not being very successful, and we are consuming time of the Senate here.

Frankly, we have Senators waiting here. Senator HOLLINGS has been waiting since 2 o'clock. Senator ARMSTRONG has flown in from out of town to offer an amendment. Other Senators are waiting, and I am willing to accept this amendment and proceed further, Mr. President.

Mr. BOSCHWITZ. Mr. President, I would say to my good friend from Tennessee that he has made exactly my point. I pay some mortgages, some of them predate 1980. They are not inflation adjusted each year. I am still paying off in the same dollars that I borrowed. I yield for a moment to the Senator from New Mexico.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. Let me take a moment and say to my friend, Senator BOSCHWITZ, frankly I, too, join with the chairman saying we are willing to accept your amendment. As a matter of fact, I would like to say to the Senator that whether or not the U.S. Congress or Presidents of the United States ever choose to adopt a budget policy based on year-over-year spending or not, you have certainly made a very good point here today.

Frankly, the point that has been most disturbing about American budgeting, as we do it, is that we constantlys tell the American people that we have cut programs when what we really are saying is that we expected them all to grow at a certain level and here or there we did not quite let them grow as much as we had expected. I do not think that is normally accepted as reducing or cutting programs. I think that has been somewhat misleading to the American people because they believe on the basis of rhetoric of the past 6 or 8 years that many programs which have increased substantially have actually decreased each and every year of the last 5, 6, 7, or 8 years. That is because we start the discussion with the public not with what we spent last year or even what we spent last year plus automatic increases that are mandated by law which I believe we should show. We should show the COLA's. They are automatic. We should even show Medicare if it is automatic, but frequently it is the other programs of Government that we automatically assume all will grow at the rate of inflation, and then if we do not do that, we have cut the programs.

I really believe that is just as misleading to the American people as it would be to deceive them about an entitlement program that has to increase because new additions to that entitlement program have joined the entitlement group. It is misleading to say Social Security should not increase when you know more people are being added to the group and you owe them money based upon their entitlement commitment. It would be misleading not to show that.

So, frankly, I believe whatever we can do to made sure that the public understands that if programs go up 4 percent when inflation was 4.1 percent that we have not cut the program from the previous year but rather that it has gone up 4 percent would be a much fairer approach.

Now because budgeting has become very complicated and we have all kinds of programs—education is forward funded so that you do not see the expenditure until next year—clearly, you would have to explain that it is a real cut not to show the automatic increase required by the program that is already funded. Somewhere in the middle is a happy medium, in my opinion, and I do not believe this is a disservice; I believe it is an effort in trying to make sure that people understand that many times when we have spoken of cutting programs, we are not cutting them at all. Many times when we spoke of reducing the deficit dramatically by cutting programs, we were not reducing the budget nor were we cutting programs.

I compliment the Senator for it. I hope he will accept our offer to accept this amendment so we can proceed to the next one. He will have prevailed by our accepting it, and I compliment him for it.

Mr. BOSCHWITZ. I yield back the remainder of my time.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Tennessee has 10 minutes and 50 seconds remaining on the other side.

Mr. SASSER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

So the amendment (No. 89) was agreed to.

Mr. BOSCHWITZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SASSER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina [Mr. HOLLINGS].

AMENDMENT NO. 90

Mr. HOLLINGS. Mr. President, on behalf of myself and the distinguished Presiding Officer, Senator ROBB of Virginia; Senator EXON of Nebraska; and Senator CONRAD of North Dakota, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Carolina [Mr. HOLLINGS], for himself, Mr. ROBB, Mr. EXON, and Mr. CONRAD, proposes an amendment numbered 90.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. HOLLINGS. Mr. President, I am enthusiastic about this amendment; like the Mafia, I have made my colleagues an offer they cannot refuse. The reason this proposed freeze is an offer they cannot refuse is because the alternative is new taxes. I am against taxes, you are against taxes, everybody is against taxes. That is testified to by none other than the chairman of the Budget Committee, the ranking member, the President of the United States, the Speaker of the House of Representatives, and the majority leader and the heads of the Finance and Ways and Means Committee. They had 40 days and 40 nights, according to our distinguished chairman, and they came up with a revenue figure of $14.2 billion. So I have taken that $14.2 billion and added it to a freeze at the outlay level of this particular year, and we come in with honest deficit reduction figures at the CBO level of $100 billion, complying with Gramm-Rudman-Hollings.

We take care of Medicare. In our freeze, we have the very same Medicare figure agreed upon by the President, and the leaders in both Houses. In a similar fashion we have taken care of Social Security. We have been realistic, and yet we still save some $32 billion.

But the Presidential agreement, the Bush agreement—I am tempted to call it a conspiracy because they came out calling it a $47 billion spending cut when in essence—and I will prove it to you with Congressional Budget Office figures—it amounts to a $59.9 billion spending increase.

That is what we have. The question is, Are we going to get back on the wagon? They complain about drugs and Mayor Barry and what a dangerous place Washington is. The biggest drug menace that we have in Washington, DC, is right on the floor of the Congress—it is the deficit drug that we have been nipping on now for a good 10 years. We have had moments of getting on the wagon. I remember when President Carter was defeated in 1980. Our House colleagues—Senator DOMENICI will remember it dramatically—could not even pronounce the word "reconciliation." In fact, they would not even talk about it because it was a cut in spending.

I went to President Carter and said, "Look, as a Democratic President, you are going to leave the largest budget deficit in the history of the United States, larger than what you inherited from President Ford." He said, "What was the Ford deficit when I came to office?" I said, "$66 billion." He said, "What is the 1980 deficit projected to be?" I said, "The Congressional Budget Office has projected a $75 billion deficit." He said, "We can't let it happen." The White House crowd was over there in an election year just dishing out the money for reelection. I said, "You leave it to me and we will get a cut. It is called reconciliation."

I went to my good, distinguished, liberal friends, Senator Magnuson of Washington, Senator Culver of Iowa, Senator Church of Idaho, Senator Bayh of Indiana, Senator Gaylord Nelson of Wisconsin, Senator McGovern of South Dakota, and said, "Now, you can't leave this Democratic record. We have got to get on the wagon here and at last have a deficit reduction. After all the talk, we at least ought to have a deficit reduction under President Carter's administration," and we did. In December 1980, we passed the first reconciliation spending cut, bringing the deficit down to $58.7 billion. At least the deficit was coming back down in the right direction.

We had another lucid interval under the leadership of our distinguished

majority leader at the time, in 1982, Senator Howard Baker. We had endured all of kinds of shenanigans in 1981. I had voted for spending cuts and against tax cuts, trying to hold the line. By 1982, Senator Baker of Tennessee said, "Senator HOLLINGS, tomorrow morning you present your freeze and I will see if I can help you over on this side of the aisle."

I did, and by 12 o'clock Don Regan, then Secretary of the Treasury, had blasted it out of the water and we were back on that old deficit barleycorn one more time. We started drinking again, started spending all over on that deficit drug.

Then we had another exercise in discipline by the Republicans themselves. They tried their best in 1985, and they put in a spending freeze somewhat similar to several we had on the floor on this side of the aisle, even freezing Social Security. Yet now we are back to what President Bush calls wonderland financing. President Bush came to the Legislature of South Carolina and he said, "They have wonderland financing in Washington." It was best described by Senator RUDMAN of New Hampshire, who the other day said, "in Washington it is the only place where a man asks for a $10,000 pay increase, he is awarded only a $5,000 increase, and the next morning in the Washington Post they carry it as a $5,000 pay cut"—wonderland financing.

But we did have that lucid interval of discipline in the early fall of 1985. At 10 o'clock in the morning they brought in Senator WILSON from California with the freeze. It was a 49-to-49 vote, and do you know what? They had to bring in the Vice President, who is now our distinguished President, and he voted for a freeze.

So today I have an offer the Senate cannot refuse. President Bush in that crucial moment in 1985—and I am sure he is just as disciplined now and wants to stay on the wagon—voted for the freeze and the cuts that you are going to hear complaints about momentarily.

But in 1985, of course, President Reagan invited Speaker O'Neill to the White House. They had a little toddy, went outside the Oval Office, sat underneath the oak tree. I can hear him telling the story. Speaker O'Neill said, "I'll protect your defense, Mr. President, if you will protect Social Security," and that ended that fleeting moment of sobriety.

Thereupon, we came with Gramm-Rudman-Hollings and we caused a stir in this body. We had a Sunday session. We had around-the-clock sessions, around-the-weekend sessions, and we got Gramm-Rudman-Hollings in and, yes, we did cut down deficits from some $221 billion to $150 billion in 1986 and 1987. We went in the right direction. We did not cause a recession with a $70 billion cut. What we did do was to show how this budget is so inflated and cushioned. We were doing pretty good until everyone in December 1987 began looking ahead to the 1988 election. Our leaders went over to the White House with President Reagan and they had that summit meeting. They were very proud of that summit agreement, and I have the record here to remind the distinguished ranking member of our Budget Committee and the former chairman of our Budget Committee, the distinguished Senator from New Mexico. The Senator from New Mexico called it the most significant initiative in the history of the budget process.

Well, we are hearing that same thing now, over and over again. As President Reagan says, "Here we go again." They came out of the summit meeting, supposedly cutting, to comply with Gramm-Rudman-Hollings. Yet, last year Gramm-Rudman-Hollings was supposed to have been $108 billion. It was $155 billion. This year under Gramm-Rudman-Hollings it was supposed to be $72 billion. It is now running at $164 billion, and now even John Sununu is acknowledging on a weekend TV show that the deficit may hit $175 billion.

So the White House is looking for that budget deficit to go up, up, and away. The Congressional Budget Office says $159 billion yet you have $7 billion in asset sales that are not scored under Gramm-Rudman-Hollings, you will have $7 billion in higher spending on the savings and loan crisis. So that is $173 billion. And you have additional interest costs they say are going up a good $8 billion. So that is $181 billion. And we are taking billions from trust funds, Social Security, airport and airways, highway trust fund, Federal finance banks, Medicare trust funds, totaling $122 billion this year. So the minute that I appear on the floor, they all talk about current services. "We are going to cut Social Security." Oh, no, no, no, do not give me those arguments, and do not give me one on finance. We are spending at the moment $300-and-some billion more than we are taking in. We are on a binge with the same old deficit barleycorn. We have fallen off the wagon. We are nipping that bottle. And here we go with yet another summit agreement.

Heavens to Bob, we have switched from deficit barleycorn to Bushmills voodoo. I am using the President's words. You know, you would not use that language on the floor of the Senate, but when you quote the President of the United States, you like to think you are correct, dignified, and proper—Bushmills voodoo. Here we are going to cut $47 billion in spending, they say, when it actually amounts to an increase of $59.9 billion. I will show them the CBO figures.

We saw the Exon amendment of our principal cosponsor approved yesterday. Hereafter, it said, let us use CBO figures when we pass bills in the Senate, and why do we not act with the sense of the Senate? That is all we need do. When we come to the challenges and the difficult ones, we act like the Senate is some far off mystical disembodied force, making pronouncements from some far-off land. They say we will bite the bullet later this year or next year, we will admonish them to do the hard job of raising revenues and cutting the budget, yet we know not who they are. It is sheer nonsense.

I tried again at the beginning of this year with a measure in the Budget Committee. I had support in 1987 with 8 votes, bipartisan, in the Budget Committee. I only needed 13 to pass it. Likewise, I had 8 votes in a bipartisan fashion for a value added tax. I introduced it again this year in my attempt to be realistic. You cannot do it without taxes. You cannot do it. If you could, I would be at the front of that line. I am like anybody else in public office. I have been there 40 years, not because I am in love with taxes but because I am in love with government. I like government to work, to work honestly and realistically.

Mr. President, that is what bothers me. We get a fellow who lies to the Congress, and we try him as a common criminal down here in the court, but when the Congress lies to the people, we get the good government award. That sham has to stop.

So I proposed a tax. It is now in the Finance Committee. It is dedicated, allocated by law, copper-fastened, cannot be spent except to reduce the deficit and the debt. There is a trust fund. If we approve it, a 5-percent VAT exempting food, housing, and health care, you can get $70 billion. Yet even putting in $70 billion, the debt grows, and it will take until the year 2023 to get us out of the red.

You see our real dilemma is the lack of common sense here. We are spending money, and the biggest expenditure of all, $20 billion more this year and estimated to be $25 billion more next year, as a result of the jump in interest costs. So Dick Cheney over in Defense cuts defense by $10 billion. We have not done anything. We are still spending $15 billion beyond that in higher interest costs. Yet, if we could just enact a VAT tax tied to a trust fund to get the deficit and debt down, we could save that $20 billion increment, that jump in interest costs, and spend that $20 billion on savings and loan, housing, science, education, and women, infant and children feeding, research and medicine, cancer and AIDS. We could go right on down the

list of programs which we give rhetoric but no money.

That is what I would hope to do. I wrote of this dilemma in the "Outlook" section in the Washington Post this past weekend. My colleague from Michigan, Senator RIEGLE, was kind enough to put it in the RECORD.

I am fully ready, willing, and able, rather than cutting as they want to talk about from current services, to put in taxes, and I have introduced a VAT tax to do just that. But I could not get any support particularly in the light of the President's pledge that he is going to veto any tax. Likewise, you cannot expect all the Members in the House who are running for reelection to throw themselves on a tax sword when they know it is going to be vetoed by the President.

So I understand that. So barring that, I must resort to this amendment. The Senator from Louisiana, BENNETT JOHNSTON, has proposed shock treatment to get us off this deficit barleycorn. Now it is Bushmills voodoo. Take a little nip more of the Bushmills voodoo up here, and it makes you feel good all over. Senator JOHNSTON proposed that we premise the budget resolution on the Gramm-Rudman-Hollings level of sequester or cut, and report the budget out for the various functions. Then when Congress and the President see we are going to cut $23 billion from defense and $21 billion from domestic programs. Then they will see that it is ridiculous, and we will finally cut out the game of "no new taxes," "no new taxes."

I tried, Mr. President, with Dick Darman at the beginning of the year. I realized the President's pledge. I said, "Mr. Darman, the thing to do is let the President come here in January and challenge us in the Congress." I said let the President say "I have the responsibility, you in the Congress give me the authority." We have to stop the game of "government by capitulation," at midnight before the Government closes down giving the President $630 billion in spending, take it or leave it, Mr. President. That, too, is sheer nonsense.

I said to Mr. Darman, challenge us to give the President the authority. I think we could do it maybe in the Senate. I am confident the House would do it.

Give them a deadline of March 15, and by March 15, blame the Congress and say that it would not give the President the authority. The President could say, "I made the pledge. I have the responsibility, and all we can do, to be honest, is go for revenues." Then we could have moved forward together not necessarily with a value-added tax, but perhaps with an oil import fee or any of several other possibilities. But, of course, the White House did not take that approach.

After I tried the Bennett Johnston shock, I came back to the freeze. We went to the Congressional Budget Office for truth in budgeting, and we have all agreed over the years that their figures are more nearly correct than even the Blue Chip forecasters. The Congressional Budget Office has done a conscientious job. We proposed a freeze because we sought to put everybody into a corner, the Mafia way, where they could not refuse. Now, we have adopted their Social Security number, and in trying to get their Medicare number, I had to do a little cutting elsewhere; namely, $1.4 billion in defense.

Now, my freeze, on the CBO baseline, cuts defense $1.4 billion. The bipartisan agreement increases defense. You can see why President Bush's team agreed to this one. They increase defense $2.5 billion, and if you look at the budget authority figure, it is nearer to a $5 billion increase. They lowballed the outlaying figure. They highballed the budget authority figure. That is part of the fancy dance and the Bushmill voodoo.

With that, I have to acknowledge a defense cut of $1.4 billion, but I do that with no regret in the context of Secretary Cheney's $10 billion cut. Here comes a Secretary and he says, "I am going to cut 17,000 troops; I am going to lay up all these ships over here and get rid of the V-22 Osprey. I am going to get rid of the F-14. He has gone on the wagon over there now. We have got the Secretary of Defense on the wagon, bless his soul. Now we have him off of Bushmills, and if he will spend one more weekend off, we can save another $10 billion.

I am saving $1.4 billion in travel and a hiring freeze. For my hiring freeze, I rely on the best of authorities, Barry Goldwater of Arizona. Senator Goldwater, many a late evening I listened to him with tremendous interest, and he said, if he had learned one thing about the Department of Defense, it is that the Pentagon is run by all the civilians that just fall over each other. I heard Pete Kosada describe it better. Lieutenant General Kosada of the 8th Air Force, he came into National Airport right at the end of World War II, and he had never seen the Pentagon, the largest office building in the world, and driving past he turned to the taxi driver and he asked, "My heavens, how many work in a building like that?"

"Well," the taxi driver said without batting an eye, "about half."

So, Mr. President, I look to see the figures, because when President Reagan came in, we all cut our budgets 10 percent. We cut your budget from Virginia, mine from South Carolina, the President's budget, the FBI budget. We cut the drug budget; we cut all except one. If you look over there, between 1981 and right now, they have increased civilian defense employment by 115,000.

So then I asked the Comptroller, "How many DOD civilians are we going to lose as a result of attrition?" We do not want to be traumatic or punitive. He says, "80,000 will come up for retirement and leave this year." I said, "What about a 50,000 cut from these headquarters and different staffs? Let them just handle it by attrition, they can still rehire 30,000. That would be no problem at all."

So that is where we propose to save $1.4 billion from defense. And, of course, I now have the commendation of the Senator from New Mexico, Senator DOMENICI, who commended Senator ARLEN SPECTER, of Pennsylvania, yesterday afternoon on the floor of the Senate for his ingenious discovery of travel savings for State prisons.

I do not want to misquote the distinguished Senator from New Mexico. He said that he agreed with the Senator from Pennsylvania that State prisons were a State responsibility, and the Federal prisons are our responsibility, and you can bet your boots that the 90-some people who voted for that thing felt they voted for Federal prisons.

I happen to handle Federal prisons, and we have 60 percent overcrowding. I need money and, yes, I am increasing nine of those prisons, putting in two new ones, building a metropolitan prison in one city, and I am taking every dollar I can get my hands on, but not for the States. My State is building prisons; Georgia is building prisons; Virginia is; and we are going to have to do that.

But at least on finding that travel paid 10 percent there, the ranking member of the Budget Committee thought it, yesterday afternoon, less than 24 hours ago, a very salient, salutary initiative, and he commended the Senator. I hope he will commend me because I am trying to follow his leadership.

Mr. DOMENICI. Will the Senator yield on that point?

Mr. HOLLINGS. Yes, sir.

Mr. DOMENICI. I would like to indicate to the Senator that I have been misquoted a number of times by him already today, but on this one, I just choose to say that I made it very clear, when I talked about that amendment, that it was up to the appropriators to decide, but that I would accept his amendment on the basis that he was trying to establish policy that we needed more, rather than less, and his subcommittee for the funding of the issues that you have raised.

Mr. HOLLINGS. Mr. President, I demur from that misquoting, because I have been very careful to quote properly. I will give you the quote on this one.

On page 7918 of yesterday's RECORD, I quote Senator DOMENICI:

My good friend from Pennsylvania has found an interesting way to do it, and I commend him for it.

Over on the previous page, on page 7919 again quoting Senator DOMENICI:

Now, having said that, the Senator from Pennsylvania has been telling us this: He has been saying that we cannot build State prisons because that is their problem.

Those are the words of the Senator from New Mexico. So I gladly apologize, if I ever misquoted, but there is the RECORD, and it is not a misquote. That is why I went to the RECORD, because having the responsibility of the Commerce, Justice, State, and Related Agencies Subcommittee of Appropriations, and struggling, as we have, I wanted to be dead sure that we could get every dollar. I was wondering where my colleague from Pennsylvania was finding a lot of money for Federal prisons that we could not find. I found out he was not finding a dime for Federal prisons. He was finding it for State prisons.

Now, to return to the heart of my amendment, Mr. President, we take care of Social Security. We take care of Medicare. We have the same revenue figures as the bipartisan agreement, as I have said before. We have the cut in defense, which is not traumatic at all, and could easily be agreed to, because the Secretary of Defense is receiving even more money.

I did quote the distinguished Senator from New Mexico back in 1987.

And on page 18661 of the CONGRESSIONAL RECORD, Monday, December 21, 1987, I quote the Senator from New Mexico.

The most significant reduction in the deficit of actual action of the Congress that we have had in the history of the budget process.

These are actual quotes, and that is what we are hearing now and, yes, again when they say they cut the deficit $47 billion they increase spending by $59.9 billion. You cannot live with that. You cannot come with all of these monkeyshines of putting the savings and loan off budget, put the post office off budget, accelerate your agricultural payments this year instead of next year, and right on down the list of 5.5-percent interest rates by October, and then go back home and say we cannot do anything about it.

I would hope that the Members would realize that my amendment makes no claim to solve the problem. All it does is get us back on the wagon. If we can get back on this wagon and save $32 billion, I think not only will we meet the targets but we will begin to effect the discipline that we had not yet effected.

Our negotiators came back and said you know by summer they are going to negotiate and get down to brass tacks. We asked what did the President say to that. They said the President said nothing. I said, wait a minute, now. I might go along even with some monkeyshine figures if you got a commitment from the President that we are all going to put our shoulder to the wheel here and begin to do something. We would never have passed Gramm-Rudman-Hollings without President Reagan's support. Give the distinguished former President credit. He held the line for us. We held the line over here. We have had 14 votes up and down on Gramm-Rudman-Hollings. Not only the majority of the Republicans, the majority of the Democrats have voted for Gramm-Rudman-Hollings.

But intended as a sword, it is now being used as a shield.

As one of the principal authors, I cannot go along. I do not want to go along. I do not want taxes but you have to be honest in public office and no one in good true public service can go along with these shenanigans and say they have done the job and go back home and say, "I did something about deficit reduction," and make these talks about how we have got to get hold of ourselves.

Let us get back on the wagon and get off this Bushmills voodoo that they put us back on again, this nonsense of "a deal is a deal," "support the President," "support the leadership." For Heaven's sake, let us support the people.

If we can pass this amendment, we can save that interest cost and put that money into the programs, and I am willing to stand up here on drug education, willing to stand up here on the FBI, willing to stand up here on child care, and say here are the dollars and here are the taxes.

I will put a tax after every one of those programs and support them and bet my political career on them.

But what we are doing is engaging in another copout.

Let me at this time, Mr. President, yield the floor to any of these other Senators who wish to talk. I appreciate the time.

The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. Who yields time to the Senator from Nebraska?

Mr. HOLLINGS. Do I have control? Senator SASSER has.

Mr. SASSER. The Senator from South Carolina is controlling the time in favor of his amendment. I assume the Senator from Nebraska is speaking in favor of the amendment of the Senator from South Carolina.

Mr. HOLLINGS. I am delighted to yield the time necessary. I am confident if we run short a little bit here we can get some from our distinguished leader from the bill.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

Mr. EXON. I thank the Chair and I thank my friend from South Carolina.

Mr. President, I am proud to be a prime cosponsor of the freeze budget alternative that has just been offered. The Senator from South Carolina and myself have stood together frequently on this floor in the last decade on such proposals. I hope this time we can persuade acceptance.

The budget that the Senator from South Carolina and I put forward permits a full COLA adjustment for Social Security and Civil Service and railroad and military retirees and uses the same revenue assumptions of the leadership package.

It provides for restrained but adequate growth in the Medicare account and freezes all other programs. This package fully meets in an honest and an up front manner the promised budget deficit targets of the Gramm-Rudman-Hollings law and reduces the deficit in 1990 to $100 billion using Congressional Budget Office economic and technical assumptions.

Mr. President, this budget alternative is the true flexible freeze budget. Appropriators can make room for new initiatives by trading in older programs which have outlived their usefulness. For a number of years, Senator HOLLINGS and I have come to this floor to put forward tough, but fair budget freeze proposals to significantly reduce the Federal budget deficit.

Today, this action is needed more than ever before. I hope it is not too late.

The amendment I offered yesterday to the leadership package revealed that the nonpartisan Congressional Budget Office would estimate the leadership package's 1990 budget deficit to be $109 billion and the 1992 budget deficit to be $135 billion. The 1992 figure is a full $107 billion over the level promised by the Gramm-Rudman law.

If implemented, the leadership package makes only a modest reduction in the deficit for 1990 but it ignores, Mr. President, the huge deficits that return in 1991 and 1992. The question can be asked, where are we going, how fast are we spinning our wheels, and what kind of a stop are we going to come to the next year and the year after that?

The Hollings-Exon freeze budget gives the Congress the opportunity to hold the line on spending and begin in this nonelection year the difficult action to reduce the deficit and move toward the needed reduction in the national debt.

During the 1988 Presidential campaign, the concept which Senator HOLLINGS and I so vigorously promoted over the years had finally entered the

mainstream of political debate at long last. The "flexible freeze" was the promise of the Republican ticket; "freeze" rhetoric filled the President's budget speech and the President in his budget submission, condemned the budget "wonderland"—that is the President's word—where an increase is described as a cut.

I must say that I was delighted to have President Bush and presumably his Republican partisans come onto the frozen budget ground so long staked out by Senator HOLLINGS and myself. Early this year when the President's "new breeze" was blowing, it brought with it a chill of excitement that there would at last progress to be made on the deficit. The President was talking our language. It was a sort of "freeze-economics."

Now that the spring breezes are blowing warmer however, the hope of serious deficit reduction has begun to melt. The hope of serious deficit reduction just has been forgotten. Somewhere along the way, the President wondered or wandered into the budget "wonderland" himself that he so eloquently condemned and the President's so-called "flexible freeze" suddenly acquired far, more "flex" than "freeze."

With the Hollings-Exon budget plan the Senate has an opportunity to put the chill on this runaway budget process. It reminds me of what the President said when he promised to make some significant strides in this area and it does what the President promised then, Mr. President, and that simply is to take tough action that is needed and demanded by the American people.

If the Senate votes to hold the line on spending, there is a realistic chance of bringing the deficit under the $100 billion figure in 1990. If the Congress approves the leadership package, I guarantee, that the deficit for 1990 when fully counted and calculated will far exceed even the Gramm-Rudman cushion level of $110 billion.

Make no mistake that a freeze budget will do all of this by itself, that it is magic.

But, the freeze budget will require shared sacrifice and difficult decisions.

Mr. President, the American people elected 100 Senators to make those difficult decisions. This budget will also require expert management from the new administration to squeeze even more service out of last year's dollar.

Mr. President, this budget proposal does for the Federal Government what any family or business would do when faced with a budget shortfall. It stops the increases in spending. That is number one. Why cannot the Federal Government do what common sense dictates?

As an advocate of truth in budgeting, I must be truthful about even this freeze proposal. Will the Hollings-Exon freeze solve the budget crisis? It will not, but it will be a legitimate $46 billion step in the right direction. Will the Hollings-Exon freeze be easy to implement? It will not, but it will be much easier to progressively implement this plan than to wait for a financial crisis to force even more drastic action in the future when we might be in a period where we would be so mesmerized that we would not be able to take constructive action.

While the Hollings-Exon budget is not perfect, it is a significant step in the right direction, and, Mr. President, not unlike what the two of us and others have proposed time and time again, so far without success, on the floor of the U.S. Senate in the last decade.

Will the Hollings-Exon freeze make everyone happy? I can guarantee you that it will not, but it fairly shares the sacrifices of deficit reduction.

Mr. President, I have the greatest respect for the Senate leadership and especially the chairman of the Budget Committee and the ranking member of the Budget Committee that are presenting this budget to us. I realize that they worked hard to produce a compromise budget with the President. But this amendment simply offers another path, a much more realistic path, I suggest, to do what I think most of us would like to do. It offers deficit reduction over deficit consumption.

In conclusion, Mr. President, let me just sum up by saying this amendment offers real opportunity to honestly meet the deficit target of the Gramm-Rudman-Hollings law. I challenge every Member in this body who has decried Federal deficits to step forward and vote for this proposal. It is the only alternative which seriously attacks the deficit. It is the only alternative to hold the line on Federal spending. It is the only amendment to restore fiscal sanity to the Federal Government.

A vote for the freeze budget is a vote for fiscal restraint.

I thought it was interesting, Mr. President, to learn the difficult task that all of us face and certainly people like the chairman of the Budget Committee, my good friend from Tennessee and the ranking Republican thereof, my good friend from New Mexico. If they could have heard the members of the Armed Services Committee beat up on the four Chiefs of Staff of the Armed Services in the Armed Services Committee this morning; they were literally beat up on because every project that they in almost every instance had reluctantly agreed to go along with because of the budget constraints, every Senator there had some pet project for the most part that should remain in. They were literally beat to death on the V-22 Osprey situation. How can you possibly justify cutting out the Osprey? I think an excellent case can be made for the Osprey and I am sorry to see it go, too.

But the fact of the matter is that the Secretary of Defense made a decision and it was a tough decision for him. It was not supported as a priority for cuts by any of those people sitting there.

Therein lies the very, very difficult problem that we have. Everybody wants to cut the budget in somebody else's bailiwick or something that somebody else has supported that the individual Senator has not.

Therefore, the freeze proposal we put before you today is a tough, tough call. But it is an important step and the only step that I can see on the horizon if we want to do something about this more than what the leadership package, negotiated with the President, has done. And I do not think it does enough.

Mr. President, I reserve the remainder of my time and yield the floor.

Mr. SASSER. Mr. President, I note that the Senator from North Dakota is on his feet and I assume he intends to speak in favor of the amendment of the distinguished Senator from South Carolina.

May I inquire of the Chairman how much time is remaining to the proponents?

The PRESIDING OFFICER. There are 13 minutes and 28 seconds remaining.

Mr. SASSER. I will be pleased to defer to the proponents of the amendment.

Mr. HOLLINGS. I yield to the Senator from North Dakota.

Mr. CONRAD. Mr. President, I am proud to stand today to support the amendment offered by my distinguished colleagues from South Carolina, Virginia and Nebraska, Senator HOLLINGS, Senator ROBB, and Senator EXON. I am proud to stand with them, because, Mr. President, I believe this is an honest alternative to the proposal that we have before us. It is a sincere alternative, one that seeks to make greater deficit reduction at a time that I think our Nation's needs cry out for greater deficit reduction.

Mr. President, I believe that we in this country have been engaged in a policy of debt, deficits, and decline. In the last 9 years, we have tripled the national debt of this country. It stands now at $2.8 trillion. We have multiplied the trade deficit fourfold. We have gone from being the largest creditor nation in the world to being the largest debtor nation.

Debt, deficits, and decline. That is not a policy that can be sustained. For that reason, we sought to be more aggressive and ambitious this year and begin moving in a new direction.

Mr. President, sometimes it is helpful to note how others see us. From a recent issue of The Economist, the noted economic publication from Europe:

"The Budget; Don't You Believe It." They are not talking about Europe's budget, they are not talking about England's budget or France's budget, they are talking about our budget.

Let me read briefly, Mr. President, from that article. It addresses the budget negotiations that just occurred. It says:

> The negotiators, and especially Mr. Darman, the Budget Director, were determined to reach an early agreement in order to be able to congratulate themselves on reaching it. So they patched together a pathetic tissue of vagueness and called it a deal. It is a deal nobody could disagree with except an honest bookkeeper.

That from The Economist.

And from closer to home, Mr. President, Hobart Rowan, a respected columnist on economic issues in the Washington Post. This time the headline is "Fraud in Budgeting." Again, let me just read briefly, Mr. President, from the beginning of this article.

> Let's not beat around the bush. The administration's deal on the budget with the Democratic congressional leaders is a fraud. It presumes to meet the budget deficit requirements of the Gramm-Rudman-Hollings law with a slew of gimmicks and a tainted economic forecast. The implied promise is that the real budget issue will be tackled next year.

"Next year." How often have we heard "next year"?

I can recall 2 years ago, the leadership assuring us: "Oh, just wait until we have a new President and a new administration and then we are really going to get down to the serious business of deficit reduction."

We have got the National Economic Commission. They are going to bring in their report. And if we are just patient and we go along with the budget summit of 2 years ago, we were told the first year of the new President, that is when we are going to move.

That time has come, Mr. President, and guess what: We are not moving. Once again we are told wait until next year. Well, next year is an election year and I doubt very much that we will hear anything much different next year.

What is the result of this policy of debt, deficits and decline? The result is interest rates in this country are 11.5 percent; in Japan 4 percent; in Germany 6 percent. How are we going to compete when our interest rates are triple Japan's and twice those of Germany?

The savings rate in this country is 4 percent; Japan 17 percent; Germany 13 percent. How are we going to compete when the savings rate of our key competitors are triple and quadruple ours?

Mr. President, I sincerely believe that our country is being weakened. We have just recently seen a MIT study. It was reported in the Christian Science Monitor. The headline is, "U.S. Losing Competitive Edge." They indicate that productivity gains in this country are falling badly behind those of our key competitors. Well, Mr. President, the question before us is how do we respond? Do we respond by deciding we are going to take an aggressive new tack and get this country back on track? Or is it more of the same, wait until next year?

Mr. President, the budget that is before us in the budget resolution continues to add to the debt, $100 billion, they claim. Most economists say it will be $120 billion or $130 billion, but that leaves off the $100 billion we will be borrowing from the trust fund.

This budget proposal before us continues to allocate $10 billion to pay for the defense bills of our allies in Germany and Japan, even though we need to borrow the money from them to do it. And this budget resolution before us continues to allow a tax gap of $100 billion a year, money that is owed and due but not being collected. This budget resolution allows that to continue.

There is an alternative, Mr. President. The alternative is the amendment offered by my distinguished colleagues from South Carolina, Virginia and Nebraska. There is some pain involved in this amendment. There is no question about it. But there is also honesty involved because it really meets the target. That is a good beginning.

With that, Mr. President, I want to commend my colleage from South Carolina for providing the leadership to this body and to our country, on an issue that I believe is the most fundamental challenge facing our country today.

I yield the floor.

Mr. HOLLINGS. Mr. President, I thank my distinguished colleague from North Dakota. I commend him for his leadership, for his control of the budget in his home State. He knows government finance, he knows government responsibility. I think the distinguished Presiding Officer, Senator SASSER, would like to be heard and I yield the floor at this time so he can be heard.

The PRESIDING OFFICER (Mr. WIRTH). The Chair recognizes the floor manager, the Senator from Tennessee [Mr. SASSER].

Mr. SASSER. Mr. President, I have listened with great interest to the debate so far on this amendment. I am glad that the Senator from South Carolina and the Senator from Nebraska have collaborated to produce this amendment today because I think our colleagues ought to have the opportunity to make a choice and to vote on an alternative to the budget resolution that has been produced here, the bipartisan budget resolution. I want to pay tribute to my great, good friend, the distinguished Senator from South Carolina. He does not have to take a back seat to anyone on being a true deficit fighter.

The Senator from South Carolina is willing to come onto this floor and he is willing to make a proposal. He is willing to say where the cuts are to be made and he is willing to say, I suspect, where the revenues are to come from—because I have heard him say that in times past. I respect him for it. I commend him for it, and I congratulate him for it.

Some say when the heat is turned up too much, some have to leave the kitchen. Well, the heat does not get too high for the Senator from South Carolina. When it is getting too hot for most people, it is getting just right for the Senator from South Carolina. And let us see what he has cooked up today for our colleagues here on the Senate floor.

Before getting into that I want to commend my distinguished friend for one other, I think, very meritorious action that he has taken. I read with great interest, and I might say great admiration, the article that appeared in this past Sunday's Washington Post, authored by my distinguished friend from South Carolina, entitled, "The Ruination of Reaganomics," if I am not mistaken.

Mr. HOLLINGS. Reaganism.

Mr. SASSER. The distinguished Senator, I think, put his finger on many of the problems facing this country. I do believe it was one of the most perceptive and most persuasive pieces that I have read in a long, long time. If I may quote from it, just a moment, the distinguished Senator wrote:

> Profound social problems, the pathology of the underclass, a failing educational system, declining competitiveness are not addressed in any meaningful way whatsoever.

He is referring to the actions that occurred under the previous administration. And, I gather, he feels also under the present administration.

He went ahead to say:

> Our government has charted a course of drift, disinvestment, and decline.

That article that appeared in the Washington Post, a very influential periodical, and was read by many of our colleagues. And I heard widespread praise of that article. In that article the Senator pointed out the basic needs of this country that are being neglected. But I would submit to my colleagues that the budget proposal being advanced by the Senator from South Carolina today, and by my distinguished friend and colleague, the Senator from Nebraska, rather than

curing these problems, actually exacerbates the problems that were referred to in the article and would accelerate the decline of this great country of ours.

When you look at what occurs here with the distinguished Senator's budget proposal, we see that he is cutting, apparently, $16.5 billion from nondiscretionary spending as I read the Hollings freeze, and as our Budget Committee staff reads the Hollings freeze, and approximately $12 billion of that would come from domestic discretionary spending.

Contrast that with the bipartisan budget that is presently before our colleagues here and what the impact would be on our environment, on our educational system, on our ability to house our people, on our ability to help with medical care those in need of health care.

Let us just go down the list. The nuclear weapons plant cleanup, which is allocated $600 million in startup money in the bipartisan budget resolution presently before this body, would be unable to be funded, as I read the amendment before us. There would be no additional funding for the Federal Aviation Administration. Additional air controllers and additional aircraft inspectors to make sure that our air system can operate better and safer, would become a thing of the past, and we would be confronted with a situation in which the air system in this country would deteriorate even further from the point that it presently is.

I had a colloquy on the floor this morning with the distinguished Senator from Florida. In his State, there is great concern about illegal narcotics and the criminality that grows up around the sale and trade of these illegal drugs. Indeed, it is the No. 1 concern in this Nation. It is the No. 1 concern on the streets here of the Nation's Capital.

The bipartisan budget resolution that is before this Chamber today contains funding in excess of that requested by the President, funding in excess of that contained in the 1989 budget for both law enforcement and for education and treatment of those who use illegal narcotics. But we find in examining the amendment advanced by my distinguished colleague from South Carolina, as we read it, that there would not be sufficient funding to pay for the expansion of the antidrug law enforcement activities, even those requested by President Bush. Under the outlay freeze proposed—and that is essentially what this is, an outlay freeze—an agency such as the Federal Bureau of Investigation and the Drug Enforcement Administration would have to cut back their efforts and begin laying off agents.

Indeed, we have had a number of amendments that have been adopted here in which our colleagues, the distinguished Senator from Pennsylvania, former Attorney General of that State, is concerned about the inadequacy of prison facilities to house those who break the laws of the Nation and the States of this great Nation asked for additional funding for prisons. We provided it. As I read the amendment before us, the expansion of prison capacity would have to be delayed. There would not be additional space to put those who break the laws of our Nation and of our States.

We might even have to, Mr. President, for the first time in the history of this republic, not count ourselves in the 1990 census because, as I read this amendment there is not adequate funding available to even operate the 1990 census.

On the questions of homelessness, it is a national disgrace that here in the land of the free and the home of the brave we have literally hundreds of thousands, millions of our fellow citizens sleeping on the streets at night. Indeed, a recent study by a well known national organization indicated that we have hundreds of thousands of children who are homeless and sleeping on the streets of the great cities of this country.

Under the bipartisan budget resolution which my distinguished friend from New Mexico, Senator DOMENICI, and I have brought to the floor of this Chamber, with the support of the leadership on both sides of the aisle, there is increased funding to deal with the homeless problem. But, as I read the amendment that is being urged on us by my distinguished friends from South Carolina and Nebraska, it does not contain nor is there room for, the $1.1 billion needed for the renewal of 23,000 expiring rental subsidy contracts.

So where will the families that are housed in those 23,000 rental subsidy units go? I submit, Mr. President, that they will swell the population of those who sleep on the streets of the great cities of this country.

My distinguished friend from South Carolina was the first in this body, first as a distinguished Governor of South Carolina where he saw hunger face to face, and then as a new Senator from South Carolina who came on this floor and espoused the cause of the hungry. It is because of him that we have a women's and infants' and children's feeding program in this Nation today, and I know how near and dear to his heart it is, and well it should be because it is one of the most cost-efficient and effective programs that this Government has ever produced.

Yet as we read this amendment, we find that the resolution that we have advanced that will include an $150 million increase over current services to serve an additional 300,000 needy women with children or women carrying babies, as we read the amendment being urged upon us now, these 300,000 new recipients of the women's and infants' and children's feeding program would not be eligible because the funding would not be available.

On the question of the environment, something that I think concerns every Member of this body and I know it concerns all of those who are advancing this amendment here today, but as we read it, there would not be sufficient funding to fund many of the Superfund activities. Our efforts to clean our environment would collapse in some areas and move very slowly in others.

We are concerned about education, and well we should be. I think the Senator from North Dakota speaks with great eloquence on that issue, but as I read the amendment that is being urged on us, funding for education would be perhaps squeezed the most. Discretionary education programs in the Department of Defense, according to our reading of the amendment, would be cut by some $4.8 billion, 27 percent below the 1990 baseline, that occurring here in a Nation where, as the Senator from North Dakota has so eloquently stated, we are falling behind our trading partners and our trading adversaries in Japan, in West Germany, and France. Why? Because we are not investing enough in the education of our people.

Last year, Japan, a country half the population of the United States of America, graduated more engineers than we did, I say to my distinguished ranking member. Is it any wonder that the Sony television sets and the Honda automobiles work so well, and we find American consumers buying them?

So I would say that we are being penny-wise and pound-foolish to cut back in education, and I see that happening in this amendment that is being urged on us by our distinguished friends here.

Headstart: This is a program that allows those who are truly disadvantaged to give them a leg up, perhaps a lift. Maybe this will be the rung at the bottom of the ladder that these youngsters will utilize to hoist themselves up out of the underclass.

We find that this program, which now only serves 20 percent of the eligible children, would be cut by $31 million below the baseline and could result in 11,500 current Head Start enrollees being dropped from the program.

Pell grants, which provide funding for disadvantaged college students, would be cut, as we read it, by some $573 million below the baseline, about

12 percent, denying student aid to over 335,000 students.

The list goes on and on. I told our friend this morning, the distinguished Senator from Alabama [Mr. HEFLIN] who believes so strongly in a space station, that I share his beliefs that this country ought to be first in space and we ought to construct a space station. If this amendment that is being urged upon us this afternoon is adopted, I submit, Mr. President, that a space station for the United States of America within the next 2 or 3 years would be an impossibility.

We are dealing here only with the domestic discretionary spending. As I read the proposal offered by our distinguished friend from South Carolina, it will cut over $8 billion out of the defense budget, twice as much as the cut that is being advanced in our bipartisan budget proposal, and I submit that this is going to create havoc in the Department of Defense. We have a Secretary of Defense who is now moving in an orderly fashion to establish priorities to try to develop a cost-effective way of spending our defense dollar. If you suddenly doubled the defense cuts that he has anticipated, I submit that this could create very serious problems in the long term for the national defense of this country.

Mr. CONRAD. Will the Senator yield?

Mr. SASSER. Mr. President, I have other points I could raise, but I see that my distinguished friend and the ranking member of the committee is on his feet so at this point I will defer to him.

I might ask how much time is remaining, Mr. President?

The PRESIDING OFFICER. The Senator from Tennessee has 41 minutes remaining on the amendment.

Mr. CONRAD. Will the Senator yield for a question before he yields to the Senator from New Mexico?

Mr. SASSER. I prefer not to yield at this point, Mr. President, because the Senator from New Mexico has been waiting patiently and I do not want to deny him the opportunity.

Mr. DOMENICI. If the Senator cares to yield, it is fine with me.

Mr. SASSER. If the Senator does not care, then I yield to my friend from North Dakota.

Mr. DOMENICI. The Senator wanted to ask a question, as I understood it.

Mr. CONRAD. Just ask a question. I ask the Senator from Tennessee if it is not the case that in fact under the rules of the budget resolution there is no way of determining whether education would be reduced 1 dime by what we have done.

Mr. SASSER. Let me say to my friend from North Dakota that when our distinguished friend from Nebraska, perhaps inadvertently, indicated that this was a real flexible freeze, he stated a fact. Many of us on this side of the aisle, when a flexible freeze was advanced by the administration and by President Bush, took that as an opportunity to explain to the American people all of the cuts and how they would impact on domestic discretionary spending in this country. We did that by taking the amount of money that was allocated to domestic discretionary spending and apportioning it among the programs and among the functions. That is precisely what was done in this particular case because if you do not want to cut Head Start, then you are going to have to take the funding from some other education program in all probability. You simply cannot have it both ways.

I think what we are confronting here is a flexible freeze very similar to the one advanced by the administration. This flexible freeze makes savings by taking 30 percent of it from revenues and 70 percent of it in cuts, and I might say that only 27 percent of the cuts that are made in this amendment come out of defense. Under the bipartisan agreement 47 percent of the cuts come out of defense. So what we are seeing here is a much harder hit at domestic discretionary spending in my view than we even saw in the Bush administration budget.

So the amendment advanced by my distinguished friends has out-Bushed President Bush's initial proposal, which the President to his credit, realized was inferior to the one that was developed by Senator DOMENICI and myself and other representatives of the administration.

Mr. CONRAD. Might I just conclude with the observation that the——

Mr. SASSER. Mr. President, I will yield for a question.

Mr. CONRAD. All right.

Mr. SASSER. I am not yielding for observations because we have plenty of people who want to speak on our side.

Mr. CONRAD. Let me phrase it as a question.

Mr. SASSER. Mr. President, I will be pleased to yield for additional questions on the time of the proponents of the amendment, but I do not want the time to answer any more questions to be taken from our time.

The PRESIDING OFFICER. The Senator from Tennessee has 37 minutes remaining. The Senator from South Carolina has 5½ minutes remaining.

Mr. SASSER. Is the Senator from South Carolina agreeable to me yielding for questions on his time?

Mr. HOLLINGS. I know the Senator from Tennessee is going to be yielding me time on the bill. He can give it to him and be gracious. Would the Senator give me more time if I ran out?

Mr. SASSER. The Senator knows I would be pleased to give him time.

Mr. HOLLINGS. Then I will yield it to him. The Senator will get credit for it if he yields it to him.

Mr. CONRAD. I only seek to ask a question because my name was mentioned as a strong proponent of education. I ask, is it not true, as the chairman and ranking member have repeatedly said on this floor today, the budget resolution does not dictate to the appropriators, so in fact no one could determine from what we do here by way of the Hollings amendment that education is cut 1 dime?

Mr. DOMENICI. Mr. President, did the Senator think that was a question that he had to answer?

Mr. SASSER. I thought I already answered that question once. I say to my friend from North Dakota you can only stretch a rubber band so far, and if you are going to cut the amount of the pot then you have to spread that cut over the whole host of programs. That is the assumption that would have to be made here. Either that or we get into the flexible freeze approach.

Apparently the Senator from Nebraska is correct, that what we do have here then is a flexible freeze.

Mr. CONRAD. I thank the chairman. I agree with that observation; it is a flexbile freeze.

Mr. SASSER. I thank the Senator.

Mr. DOMENICI. Mr. President, I am very delighted that the Senator just ask that question because I want to say to my friend from South Carolina, obviously the Senator from New Mexico can in no way match the eloquence or the rhetoric of the distinguished Senator from South Carolina and I will not even try. I just would like to suggest that there has been a lot said about the Bush black box. Now, let me tell the Senator, on the last question asked, if the Bush budget was a black box, you just produced a black hole. There is no way that you can leave this floor telling these Senators anything that is important—education, environmental protection, nuclear cleanup, student aid—if that is the question of the Senator—we can pay for it here.

Remember, that is what the little black box was. It said a little piece of the programs are frozen and you pick and choose.

Now, you cannot leave this floor saying we have cut $16 billion in outlays and we have cut nothing. You cannot do that. You cannot have it both ways. So the best we can do is to tell the Senator that the appropriators cannot find room in this budget under his historic non-voodoo black box, his courageous budget.

If you like instead of just plugging in a bunch of numbers, we will give you an hour. You take the things you are proposing we cut and you put in the things you propose we are going to

increase, and you add them up. You say the cut is $16 billion, and you tell everyone in here we have not cut anything. I believe honestly for the first time in many, many years on the floor of the Senate on a budget I wish you would win. I wish you would win. Not only do I wish you would win, I wish you would win and go to the House, and that the House would capitulate to the utter simplicity and the tremendous thinking that has gone into this. No one else really knows how to do anything. I wish they would capitulate. I wish we could go to conference and you would have this. I will not say that the war would be as big as it will if you had a sequester, but I guarantee you the war will be short-lived because, those who seek honesty in budgeting, there is no chance in the world that this budget with these numbers can be implemented by this Congress of the United States.

Let me just make sure that everybody understands that at least my version of this freeze—this is not a freeze. This is a selective freeze. This freeze has made sure that the controversial, well-known programs that would bring down the wrath of the Members, are excluded from the freeze—Medicare, you do not have it in there. So everybody is saying that is not really a freeze on any entitlements.

I want to list a few. Student loans, social services title XX, unemployment compensation, veterans readjustment benefits, VA home loans, black lung, Postal Service—the Postal Service is frozen again like last year, which has a $1.9 billion savings attributed to it, which means you come close to putting the post office out of business in the name of a freeze.

Farmers home loans are frozen—those are entitlements. Small business loans—frozen.

Now, Mr. President, why do I say I wish they would vote for it and pass it? How are you going to get these without this bill before us? Interestingly enough, it does not even have a reconciliation instruction for these entitlements here, I say to the chairman. I assume they are just going to get done. I assume that the Labor, Health, and Human Resources Committee is going to say, "Well, this was a freeze. Student loans are supposed to be frozen; we will pass a law freezing them." They will not pass a law when this committee has ordered them to save $200 billion. They will find another way to do it.

I assume Social Services title XX was frozen here—an entitlement. I assume to reconciliation, because nobody was told how to do it. I assume the savings forthcoming from that will drop out of the sky. On the way back from the U.S. House in the appropriations process, they are going to do this for us, Mr. President.

Veterans readjustment benefits, black lung—I assume the Appropriations Committee, which does not even have jurisdiction, nobody else is told to do anything, they are going to say the freeze is in. It is really the way to fix the American budget. We are just going to have to fix that.

I submit to you, if you are looking for truth in budgeting, this is not truth in budgeting. Those who have brought this to the floor want to stand up here every time there is a controversial program and say, "Well, of course, we are not going to cut EPA." I believe you are going to cut EPA 82 percent. That is what I think, I say to the distinguished occupant of the chair, over that which is in the budget before us. I believe you are going to cut space, science, and NASA $1 billion from the 1989 budget authority level. Since we are so hung up with outlays in this proposal we forget about program authority. It takes a long time. So I think that is what you are going to cut.

Because program authority is very important, because the outlays are small, and you are freezing the outlays, I believe education is cut $6.3 billion for the resolution level. And I am reminded. The chairman eloquently alluded to the genuine concern of our good friend from South Carolina, albeit I could have a very nice debate if we wanted one for a couple of hours on his Sunday article, but he is talking about the fact we need to spend more for education. This proposal cuts it $6.3 billion.

I know one of the proponents is going to stand up, I say to you, Mr. President, and he is going to say, no, no, no. That is not what we mean. What do you mean? Which one are you going to cut? You are not going to cut that one. How are you going to fund it? So let us go down the list. Are you going to cut the space program?

Well, maybe. But not as much as this. Maybe we will cut it in half. How about EPA and nuclear cleanup which are supposed to go up? What are we going to say about them? They are cut dramatically. If you want to say, oh, I will not cut them, you have to take them from someplace else.

I submit there are not enough places to go around. You just cannot find them.

So nobody will say that the Senator from New Mexico thinks the bipartisan leadership agreement that we entered into is the best fiscal package we can put together. I want to repeat perhaps in different words. We could do better. Maybe we should do better. We cannot do better. We cannot do better and find bipartisan support, Executive support, and get a budget this year. For those who do not want that and would prefer to have nothing, then, of course what we have suggested should be voted against. They should think. Pay us for the rest of the year and perhaps in July or August just before a sequester lightning will strike, and we will make a better deal.

I will repeat. I believe if a sequester was imminent in August and it forced us to the White House, where we went this spring voluntarily without crisis, I think the result would be about the same budget we produced and is waiting here for approval later this afternoon. And we have done it 5 months ahead of schedule with leaders that were willing to say, let us give it a try.

Mr. President, I could go on about this resolution. I could ask more and more—veterans. We are all so concerned that we even added money to the bipartisan agreement, took it out of someplace else, and said even though we are not the appropriators we need to send a message that we need more for programs. The program for veterans hospitals in the United States has to be dramatically cut under the Hollings amendment. Again, they are going to write each one of these down. They are going to get up and say technically I was not intending to cut veterans. Do not forget. I really wish they would pass this, and the House would pass this. I would really like to see what would happen in about 2 or 3 months when everybody understood what they were voting for.

But I will say that drugs and Justice which need more money—and we have given it to them. My best estimate is if you spread this evenly and that is what I tried to do—you know, the freeze is supposed to treat everybody the same. That is why it is so easy to get done. People come down and say freeze, and nobody is hurt.

So the proponents ought not to stand up and say we did not mean that, we meant freeze some, cut some, but let others go up. How about drugs and Justice? Does it go up. Does it get frozen? Does it go down as I think it does because of the budget authority outlay ratios? I think it goes down $1.4 billion.

Frankly, defense is substantially changed from the agreement that the leadership entered into.

This amendment cuts $6.9 in budget authority here. I will round it to seven—$7 billion less than the budget resolution. For those that continue that kind of roller coaster, defense goes up for 3 years and comes down for one and goes up for one and then comes down, then we send three different messages in 6 months as to what we really expect of the Defense Department. Here is another message: $7 billion more off. The $6.3 billion Bush cut from Reagan was not enough. The $4 or $5 billion we cut from Bush in our resolution, that was not enough; all in a period of 90 days, take off $7 billion more.

Now, I close by saying I do not understand a few things about the resolution, and that is probably my fault. There are a couple that I am just going to close with, and they are nothing more than my thoughts, by way of a question. Revenues. The revenue number in this budget resolution is $8.9 billion higher than that reported in our budget resolution, the one we brought to the floor. Let us round that to $9 billion more. Yet, this budget resolution tells the Finance Committee to raise $5.3 billion, the same as the Senate-reported resolution.

Where does the rest of the $8.9 billion come from? I do not know. Maybe there is an explanation. Why do we reconcile only one committee? This is technical language, but let me just say that the only way we have of ordering committees to make reductions, raise taxes, or change entitlement programs is this funny word "reconciliation." You send instructions to a committee. I found only one committee reconciled here, and it was for a tax increase.

So I repeat the question: Where are all the other entitlements that you are going to freeze? And Members of the Senate, you must know a freeze in social services requires a law change, because it is automatically going up. A freeze in the VA home loans requires a law change. A freeze in Postal Service requires a law change. A Farmers Home Administration [FmHA] loan freeze requires a law change. I do not know how they are going to get it accomplished without reconciliation.

Now, I chose, having done the best I could in a very complicated and somewhat esoteric process, to make a case against this approach to budgeting. I tried to make a case, and not an exaggerated one, I do not believe, for the budget resolution we produced. I have never said it is great. I have never said it is the best we could do. I said it can be done. It is a first step. It is manageable, and we ought to do it and move on to the next step.

I have the greatest respect for my friend from South Carolina. I am not good at quoting him. I did not search the CONGRESSIONAL RECORD for any quotes, I say to my friend, that I could quote to the Senator or about the Senator. I can only say that it was among the greatest feats of this institution when we really experimented with reconciliation. And you joined me in the most significant effort in telling committees of the Congresss to reduce spending.

The Senator will mark that one, and I will, in our book. We came down here, and we did it in a historic way; we did it even before the budget was finally completed, as the Senator will recall. We did it on the previous year's resolution.

So the Senator deserves great credit, as it has been given to him today. I only know that I understand budgets. I understand the Federal Government's work. I understand that the easiest thing in the world is to come down here to the Senate and say, "Freeze outlays; no pain, no hurt." How can anyone complain, and then when you are asked, "What does it really do?" you say, "It does what the appropriators say it does. There is no use in talking about it, because they are going to decide."

Well, there is no black magic about appropriating money. If you do not have money to appropriate, you cut something. In this approach, you turned a little black box approach of the President's into a giant black box called an "outlay freeze." It will really get the Government going and really solve all our economic problems.

Now, I wish I had time to talk with my good friend, who has talked about our lack of productivity, our debt in the world. I only suggest to him that we have some economic problems. And if anybody can tell this Senator—I am just addressing the Senator's comments about the problems we have with the trade deficit, that we are a creditor nation now, a debtor nation, and our productivity is down.

I want to close with a true statement: I woke up the other morning, and I had a dream that the deficit had disappeared, and I said, "I am going to walk out onto the street and look at what the economists are saying about America, and everything will be fixed." I found America's productivity was down, rather than up. I found the trade deficit had been effected a little tiny bit. I found that Medicare was growing at 13 percent a year inflation and gobbling up every bit of new GNP around, and we had nothing to spend on anything else. And I said, "I thought we solved it all."

I yield the floor.

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, I yield 10 minutes to the distinguished Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIXON. Mr. President, there is a time in every debate on every major piece of legislation in the mandatory process where you come to the critical moment, and I think that every Member of the U.S. Senate who is observing this budget deficit understands the critical moment in the amendatory process on this piece of legislation is this point in time when my friend, the distinguished Senator from South Carolina, offers his flexible freeze amendment.

He is a great Senator, one admired by all of us, a Senator whose efforts on behalf of a freeze in the past on many occasions I have supported. And he had made substantial contributions, in the many years he has served with great honor here, to the fiscal responsibilities that the Government occasionally indulges in. Some of those who support him today are people of like reputation, and I have the greatest personal regard for them.

But the majority leader has asked me today on behalf of the leadership team that what we have before us in this budget accommodation is something that the Democratic leadership team and those in the jurisdictional committees have been involved in since day one.

On the first occasion that I met, as part of the leadership team, with others at the White House, the major discussion on that occasion was the attempt to achieve an honorable budgetary compromise this year. And everything that has ensued since that moment has been directed toward this moment on this day when we consider a budgetary compromise.

There is a lot of value in what my friend from South Carolina and his supporters say, but what we have here is the honest work product of all kinds of different men and women of different opinions, who came to an honorable accommodation about how we ought to deal with the budgetary process.

If we can pass this budget compromise from that I think will flow the passage of 13 appropriations bills, the avoidance of a continuing resolution and a lot of good things that every Member of the U.S. Senate genuinely wants.

I have a whole list of things here that my friends who understand the process in leading this committee say will be affected adversely if this amendment is adopted. I am not going to read them all. Others have alluded to them. But some matter a lot to my State.

I am told that if this amendment is adopted to change the compromise both parties and their leadership have achieved here, nuclear weapons plant cleanup starts will be reduced by $600 million. That matters in my State a great deal. Aviation safety and FAA modernization is reduced by $500 million affecting 9,000 air traffic controllers, and in my State with O'Hare Airport that requires serious attention of the Government.

As to antidrug enforcement activities, I am told thousands of agents could be laid off. Every single U.S. Senator has critical problems, not only in the urban areas but the small towns of America in respect to that problem.

I could go on subsidized housing. I did my townhall meetings last week. At every one of those meetings someone got up and said something in behalf of the WIC Program, how tremendously important that is.

I do not want to take up much time and I am only going to make some

brief remarks and conclude, but let me tell Senators this: There is no finer Senator or brighter man in America than the Senator from South Carolina who offers this amendment and no finer people than those who support him, and maybe his idea in a vacuum is the best idea. I do not know.

I voted for a few freezes around here in my time, may I say to my friend from New Mexico. But the point is that a lot of people of a lot of different opinions came to a conclusion about this type of a budget resolution for this year, and the House, may I say, has come to a similar conclusion, and if we reject this amendment and adopt this budget resolution—and I think after that all flows to that moment—then we are soon going to have an accord that every Senator here and every Member of the House can live with and we can go forward, and we can in good order address the fiscal needs of this great Nation this year with a reasonable amount of good will on both sides to achieve a very, very important and desired result.

So I honor my friend and colleague. Nobody contributes more often in these debates and those who are associated with him. But I say an honorable accommodation is an honorable accommodation, and this deal has been struck and both sides have been involved and the committees have been involved, and out of this a good result most certainly will obtain.

And on that ground I would hope on behalf of the leadership of this side that our side would give a substantial number of votes in support of the position of our distinguished chairman of this committee who has done in his first year, in my view, a super fine job for which he deserves great honor. I thank him for that contribution and the contribution of the manager on the minority side and urge that this amendment by my friend from South Carolina be rejected.

The PRESIDING OFFICER (Mr. KOHL). Who yields time?

Mr. HOLLINGS. I yield time to the Senator from Virginia.

The PRESIDING OFFICER. The Senator yields to the Senator from Virginia.

The Senator from South Carolina has remaining 4 minutes and 45 seconds.

Mr. ROBB. I thank the Senator from South Carolina.

Mr. President, I recognize the brevity of the time and I find myself in an awkward position at this point because, I, too, admire and respect both the chairman and the ranking member of this committee for tackling an extremely difficult job.

I recognize the frustration that they must feel in hearing their work product constantly attacked, and I am pleased that the Senator from South Carolina gave us an opportunity to put something on the table so they could play a little offense and would not have to play defense the entire time. But it seems to me in all deference to the distinguished Senator from Illinois that we simply set our sights too low.

I would respect any suggestion that we cannot live with the particular agreement, at least some of us cannot. I know a little something about budgets, although I would acknowledge that at the Federal level it is a whole new experience, but I have put budgets together at the State level, and I rise to suggest that the proposal by the Senator from South Carolina can and in my judgment will work.

We did it in our State, admittedly a less complicated situation than dealing with the Federal budget, but we did it through a series of hiring freezes what we called level funding, some executive agreements to establish clear priorities and provide accountability, a critical reorganization, and other tools.

The point is that under even the most difficult circumstances you have to provide some real pressure and some real will to succeed.

As I hear the arguments we are saying in effect that because all of our vulnerable political children are below the line we simply cannot cut spending. I say that we can and that we are going to have to, and if we do not make the decisions this year they are going to become much more difficult if you have to confront them next year where all of the political factors as well as the economic factors simply cut against us.

It is going to require very strong Presidential leadership. It is going to require all of us to accept some pain, and I said during the course of a campaign that I was willing to submit that anything that a particular individual felt was sacrosanct ought to be on the table. We are going to have to proceed from that basis as far as this Senator is concerned.

It will require a sense of shared sacrifice. There will be pain. Nobody suggests that we can avoid that pain. We only suggest that it is going to be more painful and more difficult if we continue to postpone the difficult decisions that are confronting us at this time. It is simply matter of will.

My judgment is that the entire structure will respond to that kind of pressure, but it is going to have to come from the President as well as from the distinguished chairman of the Budget Committees in the Senate and the House, and I hope it will be the will of the majority of our colleagues to give the Senator from New Mexico his dream—give us a chance. It will not be easy. It will be painful. It will be difficult. But those 10 years of frustration that the Senator mentioned I think can come to an end if we have the will to accept responsibility, accept the flak that goes with it, and try to provide some sense of principle and begin to actually reduce or bring this whole situation under control.

Mr. President, I yield the remainder of my time to the Senator from South Carolina.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. How much time is remaining?

The PRESIDING OFFICER. The Senator from Tennessee has 10 minutes and 30 seconds. The Senator from South Carolina has 1 minute remaining.

Mr. SASSER. Mr. President, let me just say a few things very quickly.

What does this compromise budget proposal, the budget resolution that we bring to the floor, do that the amendment being urged on us here this afternoon does not do?

One, I think the compromise budget proposal, the bipartisan budget proposal, sets a pattern, a pattern of continuing to bring the deficit down. What we have seen over the past 2 or 3 years is a continuing decline in the Federal deficit, both in real dollars and also as a percent of gross national product.

We should not be satisfied with that. We should continue to work to bring this deficit down to the point that we get the Treasury of the U.S. Government for the first time since 1969 into a surplus situation.

We set a pattern in this bipartisan compromise agreement by reducing this deficit with 50 percent coming from revenues and 50 percent coming from spending savings. When you look inside the 50 percent spending savings component what you find is that half of those spending savings are coming from defense and half of the spending savings within the savings component are coming from entitlements and domestic discretionary spending.

So, in effect, what you have is a pattern that I hope will progress from year to year which indicates that the deficit will come down—50 percent by additional revenues, 25 percent by additional reductions in defense spending if national security requirements will allow us to do that, and 25 percent with savings in domestic discretionary spending and entitlement programs.

Contrast that with the amendment being urged on us this afternoon. They advance a proposal which would reduce the deficit by 30 percent revenues and by 70 percent spending savings. And inside their 70-percent number, domestic discretionaries take by far the lion's share of the pain with regard to the savings that would be affected.

I do not think that is what this body wants to do. I do not think we want to set that pattern and I do not believe

the American people want us to set that pattern.

The bipartisan budget resolution establishes a precedent of working together with the administration. It establishes a precedent of dealing fairly with each other in an effort to reduce this deficit. It puts the period of confrontation and acrimony and the fiscal paralysis that flowed from that for the past 8 years behind us.

If we adopt the amendment, no matter how worthy, being offered by my distinguished friend from South Carolina and my able friend from Nebraska this afternoon, we will be back to square one. We will be back to square one in a period of angry confrontation with the administration. We will be back here on the floor of this body in late night sessions trying to come up with some sort of budget agreement, with those on this side of the aisle fighting and quarreling with those on that side of the aisle, going on until 2 and 3 a.m. in the morning, sometimes all night. What a sight for the American people to have to behold.

This bipartisan budget agreement will allow us to move the appropriations bills out of here in an orderly fashion. The flexible freeze approach urged on us, I submit, Mr. President, will mean that this will be a government by continuing resolution for fiscal year 1990.

Well, what about the world outside this Chamber? The financial markets, I submit, are reassured by the view of a Congress and a President working together. They are reassured by a deficit continuing to come down, although granted not coming down as fast as I would like and not coming down to the degree that I think it ought to, but coming down as fast and to the degree that circumstances will allow.

Contrast that with the reaction of the financial markets if they look here and see chaos. And I would submit that is what will occur if the flexible freeze that is being urged upon us is adopted by this Chamber here this afternoon. So we have a clear choice. We have a choice between order and we must have a choice between chaos.

We have a choice between an orderly progression of bringing the deficit down, working in coordination with each other, the administration and the Congress working together or, on the other hand, we could go back to the old ways of shouting, of fingerpointing, of getting nothing done and watching the deficit grow on a daily basis.

I submit, Mr. President, that it is our obligation here this afternoon to reject the course of action being urged on us by the proponents of this amendment and to endorse and vote for, in the final analysis, the bipartisan budget resolution that has been agreed to by the leadership on both sides of the aisle of both Houses and has been agreed to by the President of the United States. I believe in the final analysis that will work to the best interests of the country both in the short term and in the long term.

Mr. President, may I inquire how much time I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. SASSER. I yield the floor.

Mr. HOLLINGS. I wonder if the distinguished chairman would yield me off the bill. I will try to hold it to 10 minutes. How about 15 minutes? We do not have anyone else here, then we could conclude it.

Mr. SASSER. I would be pleased to yield to my friend from South Carolina, and I will yield to him. I will say to him we are doing our best to try to conclude as early as we can this evening.

Mr. HOLLINGS. We will be through here momentarily.

Mr. SASSER. All right. I yield 10 minutes off the bill to the distinguished Senator from South Carolina. If he needs additional time, we will yield it at that time.

Mr. HOLLINGS. Very good. I do appreciate the courtesy of my distinguished colleague and my distinguished chairman. I join in the high regard and respect for him in his work, the affection I have for him and respect and affection I have for my friend from New Mexico.

There is no question that these two gentlemen were put in a box by the leadership. And the leadership put themselves in a box by agreeing in the first instance to sit down and work it out in what I call this conspiratorial fashion.

Senator DOMENICI, as chairman of the Budget Committee, he and I would remember the old days when we had hearings right on through March and April and we had all the different divisions come up. At one time, we headed up the Sea Power Defense Task Force. Yet, going right to my distinguished friend from New Mexico, I have a very, very difficult time trying to follow my friend. I have followed him so often I would not think I would have this difficulty. But he started talking about the black box. And while I talked at length, I never mentioned a black box.

He said there is no way the budget with these numbers can be implemented. He talked about how defense goes down and then goes up, and what the Appropriations Committees and everything else will do.

No. 1, Mr. President, the distinguished Senator from New Mexico, who talked in riddles, understands better. He and I have cosponsored and we voted for freezes.

More particularly, I referred earlier to the Dole-Domenici freeze back in 1985 on May 9 when they cut some $51.7 billion in a freeze. He knows exactly how to go about holding down outlay figures. So it is disingenuous to say we cannot get to it.

Now all budgets are projections with respect to the amounts to be spent in an ensuing year. And many times things occur and you cannot stay within the budget and you never can find what the true figure is. But in this instance we know what the true figure is, it is at a freeze at this year's level. So rather than a black box, we have got it in black and white. And we have had not just OMB projections but, on the contrary, we have got Congressional Budget Office projections for each one of the particular functions in this handout of the Hollings-Exon-Conrad-Robb freeze.

So let us not get bogged down about how we do not know when, in fact, we do know. We know what this is. The CBO has taken the figures and has them listed for you in each function.

Now my distinguished friend, the chairman from Tennessee, starts talking about the budget needs. He started first with the article—and I ask unanimous consent that this article in Sunday's Washington Post entitled "Bush's Real Problem—The Ruins of Reaganism" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 30, 1989]

BUSH'S REAL PROBLEM—THE RUINS OF REAGANISM

(By Ernest F. Hollings)

Uncle Sam is running on empty. This is not by accident or oversight. When Ronald Reagan came to Washington in 1981, he made no bones about his intention to slash government spending and trash the federal bureaucracy. He flaunted his contempt for government.

Eight years later, liberal pundits crow that the Reagan revolution has failed, that the federal fortress stands stronger than ever. They are dead wrong.

The reality is that President Reagan dealt Uncle Sam a crippling blow. He left a federal treasury that is broke and paralyzed by debt; a federal work force that is demoralized and discredited; a public infrastructure that is literally crumbling. What's more, by mobilizing the nation's voters as "an overpowering bloc vote against necessary taxation" (David Stockman's words), Reagan sapped the government's capacity to put its house—and books—in order. George Bush's craven "Read my lips, no new taxes" is the Rosemary's Baby of the Reagan presidency.

To serve in Washington today is to witness the federal government at its worst. We on Capitol Hill preen as we introduce empty "sense of the Senate" resolutions, sham budgets and hollow bills and then expect to get a good-government award for our efforts. A sad example is the anti-drug legislation passed and signed with such bombast just before the 1988 election. The bill promised an impressive $2.5 billion for a *jihad* against drugs, but when the dust settled, Congress actually appropriated only $500 million. William Bennett is less a "czar" than a pretender to the throne.

In like manner, Congress and the White House have made a fine art of bogus budgeting. Consider how we will pretend to reduce the federal deficit in 1990 from its true level approaching $300 billion down to the Gramm-Rudman-Hollings deficit limit of $100 billion: First, we will siphon off the $68-billion surplus in the Social Security "trust fund." Then we'll ransack other trust funds (including those for highway and airport improvements) to the tune of $67 billion. We'll throw in monkeyshine economic assumptions such as short-term interest rates falling to 5.5 percent to "save" another $19 billion. Finally, we'll make a few token budget cuts and phantom asset sales and—voila!—another victory for "fiscal responsibility."

Meanwhile, under George Bush as under Ronald Reagan, the hollowing out of the federal government continues apace. Profound social problems—the pathologies of the underclass, a failing education system, declining competitiveness—are not addressed in any meaningful way whatsoever. Our government has charted a course of drift, disinvestment and decline.

The press has focused on the most dramatic cases of neglect: the $300-billion price tag for non-supervision of the S&L industry; the $150-billion cost of fixing neglected federal nuclear-weapons plants; the $100-billion-plus expense of cleaning up toxic waste dumps. But with the exception of one important area—national defense—the demise of government can be documented in virtually every key area of public policy. Consider the following:

Education. The Reagan administration fell short of its goal of abolishing the Department of Education, but it nonetheless slashed funding and cut the department's staff by 25 percent. Since 1980, adjusted for inflation, education block grants to states have been cut by 63 percent; bilingual education by 47 percent; vocational education by 29 percent; college work-study by 26.5 percent.

Chapter I, the major federal education program to help disadvantaged primary and secondary school children, reached 75 out of 100 eligible poor children in 1980; today it reaches only 54 of 100; some 500,000 kids have been dropped from the program. Head Start, the program for disadvantaged preschoolers, now reaches only one in five eligible children. Cuts in the federal school lunch program have kicked 3 million needy kids off the program's rolls.

Housing/homelessness. Since 1981, federal funding for subsidized housing has been slashed by 81 percent. The estimated waiting time for a public-housing vacancy in New York City is 18 years. Every year, half a million units of low-income housing are lost to demolition, arson and gentrification. There are now upwards of 3 million homeless Americans, including entire families (34 percent of the homeless population, and the fastest growing homeless group) and the deinstitutionalized mentally ill (another shameful example of the abdication of government responsibility). Most cities report that demand for shelters has doubled or tripled in recent years.

Infrastructure. Systematic neglect of public transportation in recent years has left a staggering toll. As just one example, some 577,000 bridges—approximately one in four—have been determined to be dangerous. Officials estimate that it will cost $51 billion to repair or replace these deficient bridges, yet only $1.5 billion has been appropriated for this fiscal year. Some 4,000 bridges have been closed, but many more stay open that shouldn't. Expect ever more frequent bridge collapses such as the Hatchie River collapse in Tennessee in early April; seven people were killed as their cars plunged into the abyss created by years of neglect.

Air transport. The number of airline flights has increased by 30 percent since 1980, yet the number of air controllers has not increased; indeed, there are 3,000 fewer "full-performance level" controllers today than in 1981. The Federal Aviation Administration estimates that $26 billion must be spent over the next 10 years to expand airport capacity and improve traffic control, yet the 1990 budget request is for only $1.35 billion. There is a $6-billion surplus in the Airport and Airway Trust Fund (generated by the 8-percent passenger ticket tax), but the Reagan and Bush administrations have refused to spend it for its intended purpose.

Safety-net programs. In constant dollars, Aid to Families with Dependent Children (AFDC) benefits have been cut by 26 percent since 1977. In 31 states, the maximum AFDC payment for a family of three in 1988 was less than half the poverty level. Even including food stamps, benefits were below the poverty level in 47 states. In 1973, AFDC covered 84 children for every 100 living in poverty; in 1987, it covered only 60 of 100.

Basic nutrition programs have also been neglected. The Women, Infants and Children (WIC) program is one of the most cost-effective social programs ever devised; on average, $1 invested in its prenatal component saves $3 in short-term hospital costs. Nonetheless, funding last year served only 50 percent of the eligible poor.

Health care/health research. Community health centers serve only 5 million of the 25 million poor who are eligible. Migrant healthcare centers serve only 500,000 out of 3 million eligible. Approximately 37 million Americans do not have health insurance—20 percent more than in 1980. Is it any wonder that the United States now has the highest rate of infant mortality among developed nations?

More trouble for the long term will result from the decay of America's infrastructure for medical research. The federal government's best medical researchers are leaving in droves because of absurdly low pay caps. So deep have been budget cuts at the National Institutes of Health that only 20 percent of "highly meritorious" research grants are now approved as compared to a more traditional rate of 45-55 percent.

Consumer protection. The current Consumer Product Safety commissioners' anti-regulatory bias has virtually ended the commission's function. Despite complaints on everything from playground equipment to disposable lighters to space heaters, the commission has not promulgated a new rule since 1984. The staff has been gutted and the number of commissioners reduced from five to three because of budget restrictions. Since the chairman resigned in January, the commission has lacked a legal quorum and been unable to meet.

Natural resources environment. In 1978, 3 percent of the federal budget was spent on programs involving natural resources, conservation and environmental protection; 10 years later, that percentage had been cut in half. Federal spending for sewage-treatment facilities has fallen from $4.5 billion in 1978 to only $1.2 billion requested for 1990.

In 1978, $805 million was appropriated for the purchase of land for national parks and recreation areas; in 1988, President Reagan requested a paltry $18 million for such purchases. Meanwhile, we have abdicated federal stewardship over America's priceless natural wonders. The government's initial reaction to Exxon Valdez was "let the private sector handle it." On questions of drilling, cutting and grazing on pristine public lands, the administration's knee-jerk policy is "let 'er rip."

Trade. A key factor in the record trade deficits of recent years has been the federal government's refusal to enforce U.S. import laws or to promote exports. The total injury last year from illegal imports is $3 billion in lost customs duties, $19 billion in lost sales by U.S. firms, $8 billion to $12 billion in lost national output and nearly a half million lost jobs.

To take just one example of the consequences of the no-policy approach to trade, consider the fate of the U.S. footwear industry. In 1981, with footwear imports totaling 51 percent of the U.S. market, President Reagan terminated all restrictions on footwear imports. By 1984, footwear imports had seized 71 percent of the market, but the U.S. International Trade Commission (ITC) still found "no injury." In 1985, when footwear imports reached 77 percent of the U.S. market, the ITC finally recommended global quotas for five years; President Reagan, however, refused to act. By 1988, imports had captured 82 percent of the U.S. footwear market and were still on the increase.

Even this cursory review of the policy record of the 1980s leaves no doubt: The Reagan revolution against government has "succeeded"—beyond its fomentor's wildest dreams. Indeed, driven by debt and deficits, that revolution has now assumed a destructive dynamic all its own.

True believers assure us that the unfettered marketplace will fill the void left by the demise of government. But it is precisely unfettered markets that have spawned the whole run of crises that grip us today—the S&L industry collapse, the third-world "debt bomb," the toxic waste dumps, destruction of the ozone layer, defense-industry fraud and so on.

We will learn—too late, I fear—that there is no substitute for activist, competent government. If Ronald Reagan's malfeasance and George Bush's nonfeasance succeed in bringing the federal government to its knees, America will be naked to its worst domestic enemies: poverty, ignorance, racism, lawlessness. Abroad, we will be bested by nations such as Japan and West Germany that prize their federal governments as muscular engines of economic growth and social justice. In short, we will be at the mercy of events unless we can restore and revitalize the federal government so that it again stands as a proud instrument of national purpose.

Mr. HOLLINGS. When he started referring and going down the list of some of those items in that particular article about the needs, I thought for a while that we had Senator KENNEDY of the Welfare and Human Resources Committee rather than the chairman of the Budget Committee up there trying to reduce the deficit.

Indeed, look to the article I wrote. I would love to have those increases. He and I all believe in helping the homeless and in WIC and in nuclear cleanup and in health and in education. But

I happen to believe in paying for it and I have tried to pay for it.

This crowd is playing the monkeyshines, year in and year out, of doing all this providing but not paying the bill. This particular bipartisan deficit reduction package increases spending over the CBO baseline by $59.9 billion. Sure he is providing for needs. Our difference is, who is going to pay for it. And of course it comes down to his function and mine, the Senator from New Mexico and others, to do something about the deficit.

We are supposed to be leading deficit reduction, not spending and providing for it. So I said the only fair way I know to do it, to try to avoid the cuts, is to do it like the mayor of any city, of Richmond, VA, or Madison, WI. If the mayor of Madison, WI ran out of money he would call his city council and he would say: Look, nobody is really hurting. We do not want to fire the firemen or the policemen. We do not want to cut anybody. But we cannot increase spending, we do not have the money. Let us take this year's budget for next year.

If we did that in Washington this afternoon, we would immediately pick up $60 billion in savings; $60 billion from the current services.

I do not save that $60 billion because, yes, I have had to try to be realistic. And I tried to be realistic on the $14.2 billion in revenues. Senator DOMENICI continually says, where do I get that figure? Where is this? I cannot find it. Well, if he only finds that $14.2 billion in his own resolution, that would answer my prayer.

Well, I prayed for 2 days to identify these figures they used. It includes $5.3 billion in "hard taxes," they call it.

Incidentally, they did not call it hard taxes over at the White House, they call that R-1. R-1. That is a hoot. R-1. R2D2. I am telling you right now, we are really going out of the world right now with these little folks in space, I can tell you, on Mars or wherever else they got the budget.

Mr. President, I would ask at this particular point in the discussion that we have printed in the RECORD the first offer, March 20, 1989, the first House offer in their negotiations.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

First House Offer—March 20, 1989

Revenues: Take President's overall revenue number of $14 billion:	
Hard taxes (R1)	$5.6
Offsetting collections and user fees (R2)	−5.2
Asset sales (R3)	−3.5
Total revenues	−14.3
Spending:	
Nondefense discretionary (BA freeze)	−3.9
Defense (BA freeze)	−6.0
Entitlements	−4.5
Total spending cuts	−14.4
Interest savings	−1.3
Total deficit reduction	−30.0
Projected 1990 deficit	99.4

Initiatives: To be paid for by further revenues or greater spending cuts.

Mr. HOLLINGS. R-1, hard taxes. I cannot find out yet what it is. I asked the chairman of the Finance Committee and he does not know. Accordingly, he declined to attend the Rose Garden ceremony. DANNY ROSTENKOWSKI from the House side, he would go either.

Then, look at offset and collections and user fees, they blame me for not being specific. Yet I cannot find out what they are in the bipartisan agreement. The same is true with asset sales.

So I said oh, let us not play games. If we say we are going to have honesty and truth in budgeting then we have to be truthful. I have not been able to find those figures out in the chairman's resolution.

But, in any event, the distinguished Senator from Tennessee comes now as our chairman and he reminds us of all the wonderful needs. And, yes, I have written about it and I think we all agree on it. For that very reason, we all want to know when the charade of not paying the bills is going to stop.

My amendment is designed to help President Bush. He has been on the telephone all day long, saying do not vote for this amendment. Yet if we can vote for this amendment and bite the bullet at the beginning of his term, he can end up with a fiscally responsible 4-year administration. If he does not do it now, then they are going to be asking all the House Members running next year to vote for taxes, and it will not happen in an election year. Then we all sit around waiting for the recession, depression, or whatever to hit us and point fingers and really be in an impossible position.

This amendment is bipartisan, incidentally. We had 6 Democrats and 4 Republicans; the vote was 12 to 10 in the Budget Committee. Ten members of the Budget Committee—we split right down the middle, seven members withheld their vote going around the table, they wanted to vote for it, came up and told me later they would like to vote for it. Now they are all working on supporting the President or supporting the leadership.

As the distinguished Senator from Illinois says, they have a lot of things in here we all want, a lot of good things that all of us in this body want. He is right. But we have got to pay for the things and we are the ones who have the responsibility.

Incidentally—and I think the main point is—when my distinguished chairman laments the pathology of the underclass and the declining fortunes of the poor are not addressed—I think we address them when we put in a budget freeze.

I know we have tried this other ways. We have tried and tried. To Senator DOMENICI's credit, he tried cuts. Several years ago he put in an amendment listing 44 program eliminations. And the vote was 14 for and 83 against. So we have tried the cuts year in and year out.

We tried other approaches, year in and year out.

Will the Senator yield me 5 more minutes?

Mr. SASSER. Mr. President, we yield 5 additional minutes to the distinguished Senator from South Carolina, off the bill.

Mr. HOLLINGS. I thank the distinguished chairman.

When my colleague says he thinks he is helping them, I would think so ordinarily, but once you have tried to reduce the deficit and you are in the 8th and 9th year of doing this and not paying for it, meanwhile your debt has jumped to $2.8 trillion, you have become a debtor nation and you are sending your patrimony overseas. The Japanese are financing this thing. With Treasury bonds, we are sending about $5 billion a month to Japan.

This is really the root of the problem, not just the underclass but the overclass. For the underclass is hit worst by inflation because we really are not providing that much. We are not putting the money into airports.

I know about drugs, I know about prisons. Those are my particular appropriations and budgets. But we are not really providing for it, and I would like to provide for them.

What happens is that we get inflation, which every economist says impacts most on the underclass, by not paying the bills because our interest costs jump to $25 billion. That is $25 billion we could spend for the underclass. Instead we spend it on the over class. The Japanese are buying American assets at half price. All the real estate in the city of Tokyo exceeds, the value of all the public corporations in America. No wonder they buy CBS Records for $2 billion when it only costs $1 billion because of the high yen. Meanwhile, our middle class really disappears.

That is why we made it a flexible freeze, to cut some $32 billion rather than increase spending $59.9 billion.

I have some other items to describe. I ask unanimous consent, Mr. President, they be printed in the RECORD.

A letter dated May 2, 1989, from the Coalition on Human Needs; a letter dated May 3, 1989, from the AFL-CIO; an editorial by Mortimer Zuckerman from the March 20, 1989, U.S. News & World Report; a New York Times article dated April 24, 1989; and an article

from the Sunday, April 16, 1989, Washington Post; and an article from the Economist of the week of April 22.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COALITION ON HUMAN NEEDS,
Washington, DC, May 2, 1989.

DEAR SENATOR: The Coalition on Human Needs and the undersigned organizations urge you to oppose a "Hollings freeze" amendment and urge you to vote for final passage of the Senate Budget Committee bipartisan budget.

The Hollings proposal to freeze discretionary programs and some entitlements at FY 1989 levels would mean that virtually all of the additional deficit reduction achieved beyond the Committee plan would be done on the spending side and none on the revenue side. We strongly oppose such an unbalanced package which very likely would mean real cuts in low income discretionary programs. Furthermore, the Hollings plan in all likelihood would preclude most if not all of the low income initiatives that have gained the support of both parties and are included in the Budget Committee plan.

We also urge you to oppose a Kohl motion to recommit the budget resolution as reported by the Budget Committee. The outcome of such an effort is very unclear and could lead ultimately to cuts in critical low income programs.

While we would prefer a stronger budget resolution that included both more substantial revenue and greater attention to unmet needs—including higher levels of funding for Medicaid, housing and other high priority programs—we believe that the Budget Committee Resolution is the most reasonable proposal that has been put forth.

As such we urge you to oppose all weakening amendments and support final passage of the FY 1990 Budget Resolution.

Sincerely,

AFSCME, Bread for the World, Center on Budget and Policy Priorities, Coalition on Human Needs, Epilepsy Foundation of America, Food Research and Action Center, National Association of Social Workers, National Council on the Aging, National Low Income Housing Coalition, National Puerto Rican Coalition, Villers Advocacy Associates.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, DC, May 3, 1989.

LEGISLATIVE ALERT!

DEAR SENATOR: S. Con. Res. 30, the First Budget Resolution for FY 1990, will be on the Senate floor this week.

We understand that Senator Hollings will offer a budget substitute which would freeze outlays for virtually all programs except Social Security at the FY 1989 spending levels. Such an amendment would require massive cutbacks in the FY 1990 appropriations for many programs or, in the case of entitlements, changes in law to reduce either participation or benefits. The Congress's efforts to increase access to child care would be made ineffectual by the lack of funds to provide services. Other important initiatives provided for in this resolution, such as nuclear weapons plant cleanup, subsidized housing funds to provide an additional 20,000 rental units, and an expansion of the Women, Infants and Children (WIC) program to provide an additional 300,000 women and children with vital services would also be eliminated. Important programs which we have worked hard to sustain would be cut below last year's service or operation levels.

The Hollings amendments suffers from the same grievous flaw that afflicts the sequestration provision Gramm-Rudman-Hollings budget process—its mechanical, nonrational approach to allocation of funds and cuts in funds that affect living, feeling human beings.

The AFL-CIO urges your vote against the Hollings budget substitute amendment.

Sincerely,

ROBERT M. MCGLOTTEN,
Director, Department of Legislation.

[From U.S. News & World Report, Mar. 20, 1989]

THE REAL BOTTOM LINE

(By Mortimer B. Zuckerman)

The deception of the American people has to stop. For four years, we have been assured that the budget deficit is declining substantially. That was wrong. Now, a new President continues the deception by offering a budget with more mirrors and windows than the Palace of Versailles. Our budget process has become an international joke; but here, thanks to the diversion of attention to the Tower affair, the farce has gone without the public rebuke and ridicule it requires.

The bottom line is this: The actual budget deficit in 1986 was $283 billion, not the officially reported $221.2 billion. In 1990, it could be as much as $263 billion, not the Bush administration estimate of $91 billion.

Why the differences? Because of the tricks played on the American public. The most important is that the unified budget we are presented meets operating expenses by raiding a variety of funds held in trust. Some trust. Take the Social Security Fund. In 1983, it was reformed so that more would be taken in than is paid out; the goal was to partially fund the reserves necessary to meet the massive pension obligations required when the baby-boomers retire in the next century. By stealing from these funds now, the next generation of workers will have to pay dramatically higher Social Security premiums.

Even more glaring is the way the Bush budget uses financial gimmickry or ignores other unfunded exposures such as the following:

The savings and loan bailout, $150 billion.

Cleaning up the dangerous mess from the 16 nuclear-weapons plants, $150 billion.

The unfunded bulge in military-procurement contracts, $200 billion.

Modernizing computer systems for the IRS, Social Security and air-traffic control, billions more.

The Bush people cover up this irresponsibility by asserting that America can grow itself out of deficit. The budget assumes stronger economic growth and lower interest rates than almost any economist anticipates. This wishful thinking enables Bush to minimize the political costs inherent in the amount of cutting necessary to stay below the mandated Gramm-Rudman-Hollings deficit ceiling.

Here again there is waffle. The budget does not spell out how even this unrealistic level of cuts will take place. The budget director, Richard Darman, has been very foxy. He has crafted a budget that gives the impression the Bush administration can do more in the areas where there is popular support for doing more, such as in education, drugs, the environment, child care and the homeless. Even the good news about "a kinder, gentler America" turns out to be a confidence trick when we check the small print of the budget. For example, there is even less for education in this budget than in Reagan's proposed budget.

As for actual budget cuts, Darman passes the buck. He leaves this to be negotiated with Congress, inviting the lawmakers to put their heads on the block for cutting politically popular programs such as farm support programs while the administration takes credit for the other increased government programs. No wonder Congress feels it has been had and the financial markets feel that this is a budget that chews more than it bites off. Darman is too clever by half.

The continuingly high U.S. budget deficit is a triple-barreled shotgun at our heads. It provides too much stimulus for an economy that has already become overactivated and increases demand-side inflationary pressures. It keeps interest rates increasingly high, reducing investment and hurting U.S. competitiveness in the world economy. And it keeps the dollar higher than it should be, limiting further improvement in our external-trade deficit.

This is not a budget in the national interest.

The American people needed political leadership, and a new President could have provided it. The message required is simple: Sacrifices are necessary on the spending side if taxes are not to be raised on the revenue side. But Bush has ducked. His budget suggests that we can spend more for domestic programs and do not have to think about how we pay for them.

This dismaying failure of leadership recalls the comment of Will Rogers: "I don't make jokes. I just watch the government and report the facts."

The joke is on us.

[From the New York Times, Apr. 24, 1989]

NO. 1 WHISTLE BLOWER DERIDES DEFICIT FIGURES

(By Nathaniel C. Nash)

WASHINGTON, April 23.—The Bush Administration and members of Congress may have been impressed by their recent plan to keep next year's budget deficit under $100 billion, but to the Government's independent auditor, the accord is almost a sham.

"The rosy projections are not real numbers any more," said Charles A. Boswher, the Comptroller General of the United States, who heads the General Accounting Office. "The situation with the deficit is much worse that it is being portrayed."

For the 58-year-old head of the G.A.O., an investigative arm of Congress, such statements can make for prickly relationships with two titans, Congress and the executive branch. But they define the type of agency Mr. Bowsher has tried to develop, one that is independent enough to challenge prevailing sentiments.

Members of Congress and private accountants agree that the agency has grown in stature in recent years to a point where it has blown the whistle on a number of problems and has taken a tough line on fiscal responsibility.

YES, ON AN ANOTHER CRUSADE

For example, the G.A.O. shocked the thrift industry in 1986 when it concluded that the Federal Savings and Loan Insurance Corporation was insolvent to the tune of $6 billion. After the 1987 stock market collapse the agency documented how break-

downs and undercapacity in the computer systems of the New York Stock Exchange aggravated the plunge. And it has repeatedly criticized the Federal Home Loan Bank Board for understating the thrift crisis.

In an hourlong interview Friday, Mr. Bowsher, admitted that he was on another crusade, to improve the accounting systems used by the Government. He said the systems do not give an accurate picture of its financial condition, of the deficit, and of the probable need for new taxes.

"We are adding $1 trillion every five years to the total deficit, and are digging a huge hole that will be very hard to get out of," he added.

He likened the problem to the savings and loan crisis, which few experts wanted to acknowledge but whose solution now carries a price tag over $157 billion.

EXPECT A BIGGER DEFICIT

Talk of a $100 billion deficit is deceptive, Mr. Bowsher contended. It would be far more accurate, he said, to expect a $263 billion deficit next year, a figure that deliberately excludes the huge surpluses building up in Social Security and other trust funds, since those funds are really a reserve against future needs.

"The budget deficit is growing exactly the same way the S&L crisis grew," he said. "I think you've got to reform the whole budget process."

Mr. Bowsher, a former accountant with Arthur Andersen & Company and a former Assistant Secretary of the Navy under Presidents Johnson and Nixon, is pushing hard for accounting reform—making agencies issue annual financial statements.

"Everyone knows that numbers are fudged and that they never reflect reality," he said, because often enough the revenue is exaggerated and the spending is underestimated.

He predicted that Congress and the executive branch will eventually be forced to take a more realistic look at deficits and taxes. That is not a popular view. Mr. Bowsher has been criticized, particularly by conservatives like Senator Phil Gramm, Republican of Texas, for calling for new taxes.

Senator Gramm complained about 26 transition reports the General Accounting Office issued last fall itemizing problems facing the nation in the wake of two Reagan terms. Conservatives consider the reports a slap in the face to the President who appointed Mr. Bowsher.

"I think the G.A.O. clearly stepped over the line from being a technical expert to advise the Congress to acting in a more political manner, in a more partisan manner," Mr. Gramm said.

Democrats have been sniping, too, saying the agency has not been responsive enough to Congress's demands for studies, has been slow and has gone easy on occasion.

"Sometimes I think there is a real question of just who does the G.A.O. report to—the Congress or the executive branch?" said a Democratic staff member of a committee that has monitored the investigative agency's activities.

Mr. Bowsher does not seem overly upset by the complaints. He was appointed in 1981 for a 15-year term, so there is little chance he can be forced out. And the complaints may be a badge of honor if they "indicate we're doing our job," Mr. Bowsher said.

[From the Washington Post, Apr. 16, 1989]

PAPER CUTS

The budget agreement just reached between President Bush and congressional leaders of both parties greatly understates the savings necessary to reach next year's deficit target, then fails to achieve even those and covers up the failure with duplicitous accounting. Its authors plead for time and understanding, saying the document should be seen less as itself a deficit reduction plan than as the first step down a longer path to such a plan. They argue that even this pallid agreement and the accompanying promise to continue to talk are better than the snarls and impasse of the Reagan years.

But surely that is not the standard. If the deficit cannot be cut in the strong first year of a new administration, when can it be? Will it be easier next year, an election year? It is always easier next year, and meanwhile the danger grows that a recession will lock the present deficit and the drain it represents on the future into semi-permanent place. In neither party nor branch is there the economic leadership the country needs.

The deficit target next fiscal year is $100 billion. The rules are already rubbery; if the president and Congress can even momentarily come within $10 billion of that on paper, their work is counted a hit. The White House has decreed, on the strength of optimistic and internally inconsistent economic and other assumptions, that it will take only $28 billion in deficit reduction to reach the happy result. The main assumption is that interest rates will decline in the face of a strong economy, when strong economies drive interest rates up. Congress has weakly acquiesced in the confection even though its own budget office continues to point out what recent history confirms, that a much greater effort is needed. The budget deficit this fiscal year was supposed to be $136 billion, and not many months ago there were the requisite assurances that it would be. But the actual figure, as was understood all along, is likelier to be around $160 billion, and even that may not count everything.

As to the supposed cuts on which the president and Congress have agreed, nearly $900 million would come from moving some farm support payments from next year into this, now that no one is paying attention to this year anymore; the money wouldn't be saved, just paid to farmers earlier. Another $400 million would come from reversing an earlier good intention and keeping off budget—which is to say, not counting—the cost of the program enacted in the last Congress to bail out the underfinanced farm credit system. A similar fanciful $1.8 billon savings would occur by taking the postal service off budget next year, when it will be running a deficit while awaiting another increase in the price of a stamp. A one-time-only half-billion dollar credit is creatively taken because not all the food stamps that have been issued over the years have been cashed; the writing-off of the forgotten obligations is counted as a spending cut. Similar credits are taken on the strength of little more than assertions that the Internal Revenue Service will be more vigorous in enforcing the tax code next year, that assorted benefit rolls will be better policed and that the payout of civil service pensions will not be accelerated. There are also to be more than $6 billion in the usual asset sales, after which comes the fiscal equivalent of dessert; having make all these paper cuts and thereby so decisively reduced the deficit, the budget writers claim the interest savings associated with a smaller debt.

A few things in the agreement seem real. Medicare costs would be nicked, defense spending would be a few billion dollars lower than the president earlier proposed (if the chancy spending estimates are to be believed), and there would be $5.3 billion in "revenue measures" if any can be agreed to. You know what those are; there need to be more of them. Plenty of spending cuts can be made, but as the present exercise again demonstrates, the spending side of the budget as a whole neither can nor will nor should be cut much below its present path. The key to genuine deficit reduction is a tax increase. The president's own priorities are suffering.

[From the Economist, Apr. 22, 1989]

THE BUDGET: DON'T YOU BELIEVE IT

WASHINGTON, DC.—On April 14th President George Bush announced with great fanfare that he had reached a budget agreement with Congress for fiscal 1990, which starts on October 1st. Since the Reagan White House and Congress usually did not reach such a bargain until much later in the year, this was a minor triumph. But the emphasis is on minor. The negotiators, and especially Mr. Richard Darman, the budget director, were determined to reach an early agreement in order to be able to congratulate themselves on reaching it. So they patched together a pathetic tissue of mealy-mouthed vagueness and called it a deal. It is a deal nobody could disagree with, except an honest bookkeeper.

Their figures meet the Gramm-Rudman deficit target of $100 billion by predicting that interest rates will drop by 40% while robust growth continues, by deciding arbitrarily to take the Post Office's $2.2 billion subsidy "off budget", by suddenly allocating $850m of 1990's farm subsidies to fiscal 1989, by selling $5.7 billion worth of government assets, by rummaging around in the tombola and finding $500m here in cuts from food stamps, $500m there from better tax enforcement, and above all by raising new revenues without saying how.

The deal was easier to reach after the negotiators gave up the original aim of covering two years; and after they had adopted the administration's absurdly hopeful forecast that with no action at all the 1990 deficit would fall from this year's $170 billion to $128 billion. Another $28 billion then needed to be shaved off to meet the 1990 Gramm-Rudman target of $100 billion.

Of the $28 billion saved, almost $10 billion consists of gimmicks and one-off savings. The rest is divided equally between spending cuts and revenue increases. The real cuts in spending will fall hardest on defence, the spending authority for which will be $3.7 billion below the $309.2 billion Mr. Bush's budget asked for, and the Medicare program for old people, which will get $2.7 billion less than it was projected to.

The revenue will come largely ($5.3 billion) in the form of new taxes (called in the agreement "revenue measures"). New taxes? From Mr. Read-my-lips Bush? No, this agreement has not broken his sacred election pledge, because it has not identified the taxes to be raised—yet. The new measures might still evade Mr. Darman's "duck test" for defining a tax increase. (If it looks like a duck and quacks like a duck . . . .) They could, for instance, include prolonging the life of existing taxes, such as one on air tickets, that were to be phased out. The revenue could even come from lowering the capital-gains tax rate (which might produce a short-lived boost in revenues at a later large cost), but Congress will rightly accept nei-

ther the proposal nor Mr. Bush's arithmetic.

The deal now has to be translated into a joint budget resolution of the House and Senate, a job that negotiators hope to manage by May 15th, and then into a real budget. That will mean persuading awkward congressional committees to fill out all the ticklish details. Senator Lloyd Bentsen and Representative Dan Rostenkowski chair the tax-writing committees. To avoid association with the flim-flam, they noisily absented themselves from the ceremony announcing the deal. This slightly spoiled the atmosphere of bipartisan sweetness.

There will be more trouble over the revised forecasts that the administration must produce in June or July. These seem certain to lead to a bigger projected deficit for 1990, which will either make further cuts necessary or produce more imaginative way of fiddling the numbers. By then the economy could be sluggish, which would make things worse. The Gramm-Rudman law allows a $10-billion leeway before automatic across-the-board cuts are applied. This means that the real target for 1990 is a deficit of $110 billion, not $100 billion. That leeway is likely to be fully exploited before the budget procedure is finished.

And 1991? The Congressional Budget Office reckons that the unadjusted deficit for that year will be around $110 billion, almost $50 billion more than is allowed. An agreement to cut spending or raise new taxes by anything like that in a congressional election year will require even more devilish cunning from Mr. Darman. Nothing, say the chairmen of Congress's budget committees wishfully, must be left off the table then: not taxes, not social security, not defence. They are right; otherwise a lot more will have to happen underneath.

Mr. HOLLINGS. They, at this time, described their measures. I know that our freeze saves. Senator DOMENICI is familiar with this. Next year, the following fiscal year, we save $35 billion and $50 billion by 1992.

In contrast, we do not have any saving at all with the bipartisan deficit reduction package the following year or the ensuing year. We used to project savings looking 5 years into the future, but the bipartisan agreement only looks ahead 1 year because there are no savings beyond that.

I hope we can get off the deficit barleycorn, get back on the wagon, sober up and go after it in a realistic fashion.

Let me thank the distinguished chairman and ranking member for their consideration to me to present these matters. I wish we had more to debate. At least the die is cast. I hope they support this amendment. I thank the Chair.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield myself 30 seconds.

Mr. President, I want to thank the distinguished Senator from South Carolina and his cosponsors. Budget debate on the floor of the Senate requires alternatives and requires somebody offer something so that we can pick and choose. I regret that I cannot support it. I believe I stated my position as clearly as I can as to why I do not believe it is a good budget, but essentially it is far better that we have somebody bringing an option down here than if we have none.

I thank the Senator for his courage and for presenting it. I do not need any more time to explain my views. I just really do not believe it will work. I do not think it is a very good budget. Other than that, everything is rosy.

Mr. SASSER. Mr. President, I am prepared to yield back all time. As I understand it, the time of the proponent has expired, so we yield back all time here.

Mr. HOLLINGS. I yield back any time if there is any for me.

The PRESIDING OFFICER. All time is yielded back on the amendment.

The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 18, nays 82, as follows:

[Rollcall Vote No. 61 Leg.]

YEAS—18

Baucus	Fowler	Kerrey
Biden	Harkin	Kohl
Boren	Helms	Nickles
Boschwitz	Hollings	Nunn
Conrad	Humphrey	Robb
Exon	Johnston	Roth

NAYS—82

Adams	Glenn	Mikulski
Armstrong	Gore	Mitchell
Bentsen	Gorton	Moynihan
Bingaman	Graham	Murkowski
Bond	Gramm	Packwood
Bradley	Grassley	Pell
Breaux	Hatch	Pressler
Bryan	Hatfield	Pryor
Bumpers	Heflin	Reid
Burdick	Heinz	Riegle
Burns	Inouye	Rockefeller
Byrd	Jeffords	Rudman
Chafee	Kassebaum	Sanford
Coats	Kasten	Sarbanes
Cochran	Kennedy	Sasser
Cohen	Kerry	Shelby
Cranston	Lautenberg	Simon
D'Amato	Leahy	Simpson
Danforth	Levin	Specter
Daschle	Lieberman	Stevens
DeConcini	Lott	Symms
Dixon	Lugar	Thurmond
Dodd	Mack	Wallop
Dole	Matsunaga	Warner
Domenici	McCain	Wilson
Durenberger	McClure	Wirth
Ford	McConnell	
Garn	Metzenbaum	

So the amendment (No. 90) was rejected.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DIXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

My. MOYNIHAN. Mr. President, may we have order? We cannot hear.

The PRESIDING OFFICER. The Senate will come to order.

RELATING TO FREE AND FAIR ELECTIONS IN PANAMA

The Senate continued with the consideration of Senate Resolution 120.

The PRESIDING OFFICER. The question now occurs on agreeing to Senate Resolution 120. On this question, the yeas and nays have been ordered.

This will be a 10-minute rollcall vote.

The clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 100, nays 0, as follows:

[Rollcall Vote No. 62 Leg.]

YEAS—100

Adams	Garn	McConnell
Armstrong	Glenn	Metzenbaum
Baucus	Gore	Mikulski
Bentsen	Gorton	Mitchell
Biden	Graham	Moynihan
Bingaman	Gramm	Murkowski
Bond	Grassley	Nickles
Boren	Harkin	Nunn
Boschwitz	Hatch	Packwood
Bradley	Hatfield	Pell
Breaux	Heflin	Pressler
Bryan	Heinz	Pryor
Bumpers	Helms	Reid
Burdick	Hollings	Riegle
Burns	Humphrey	Robb
Byrd	Inouye	Rockefeller
Chafee	Jeffords	Roth
Coats	Johnston	Rudman
Cochran	Kassebaum	Sanford
Cohen	Kasten	Sarbanes
Conrad	Kennedy	Sasser
Cranston	Kerrey	Shelby
D'Amato	Kerry	Simon
Danforth	Kohl	Simpson
Daschle	Lautenberg	Specter
DeConcini	Leahy	Stevens
Dixon	Levin	Symms
Dodd	Lieberman	Thurmond
Dole	Lott	Wallop
Domenici	Lugar	Warner
Durenberger	Mack	Wilson
Exon	Matsunaga	Wirth
Ford	McCain	
Fowler	McClure	

NAYS—0

So the resolution (S. Res. 120) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 120

Whereas the elections in Panama are of critical importance to the United States and to the people of Panama in determining whether the regime of General Manuel Noriega will give way to a democratically elected government.

Whereas on May 7, 1989 the Panamanian people will be called on to vote in elections for a new president, First and Second Vice Presidents, 67 legislators and 505 District Representatives;

Whereas an estimated 900,000 persons are eligible to cast ballots in the election which officially began on November 7, 1988;

Whereas a fair election requires that the rights of freedom of expression, association, and assembly be respected and that an accurate tallying of ballots take place;

Whereas free and fair democratic elections, expressing the will of the people, have recently been held in countries throughout the Western Hemisphere, including Venezuela, El Salvador, and Jamaica and a plebiscite in Chile;

Whereas the normalization of the relationship between the United States and Panama will be enhanced by the holding of free and fair elections in which the results are respected;

Whereas the Noriega regime has restricted the independent media, has denied opposition candidates equal access to regime-controlled media outlets, and has curbed constitutional guarantees, and

Whereas there is growing concern that the regime is manipulating voting lists, implementing a number of other fraudulent measures and curtailing the presence of international observer teams: Now, therefore be it

Resolved by the Senate, That it—

(1) expresses its support for the right of the Panamanian people to have a full and genuine democracy in Panama;

(2) condemns the Noriega regime's attempts to curtail the rights of participation in the election process thus far;

(3) insists the Noriega regime conduct the upcoming election in a free and fair manner so that the will of the Panamanian people is freely, fully, and accurately expressed by guaranteeing—

(A) free and open access to polling places;

(B) public access to voting lists and public tabulation of ballots in the presence of representatives of the three presidential tickets participating in the elections;

(4) calls upon the Noriega regime to accord full access for electoral activities to the official United States observer team, the Carter-Ford election observer group, as well as other international observer teams;

(5) urges President Bush to encourage other democracies around the world to send international observer teams to Panama;

(6) asks the President to report to Congress on the extent to which the May 7, 1989 elections in Panama were conducted in a free and fair manner and to consult with the Congress on the future course of action for United States foreign policy in Panama.

OMNIBUS CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEARS 1990, 1991, AND 1992

The Senate continued with the consideration of the concurrent resolution.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, in a minute I am going to send an amendment to the desk, but I want to take just a minute to explain the amendment. It is a sense-of-the-Senate resolution. I would not offer it if it were not for the fact that it is extremely time sensitive. It is an amendment, the sum and substance of which is to say to the World Health Organization, which is convening on Monday in Europe, that they should not admit the Palestine Liberation Organization to membership. As many of our colleagues know, that organization has written to the head of the World Health Organization, claiming that it is a state, when indeed it is not a state.

I will have more to say about that in a moment. But I indicated to the Senator from West Virginia that I would be pleased to yield to him.

Mr. SASSER. Mr. President, may we have order, please. The Senator from Pennsylvania deserves to be heard. What he says is important, and I am having great difficulty hearing him.

The PRESIDING OFFICER (Mr. LAUTENBERG). The Senate will come to order.

Who yields time,

Mr. HEINZ. Mr. President, I think I have the floor, and the Senator from West Virginia had asked if I would yield to him.

Mr. BYRD. Mr. President, is the Senate operating under a time agreement?

The PRESIDING OFFICER. Yes, it is, and the Senator from Pennsylvania, I understand, must have time yielded to him in order that he may yield it elsewhere.

Mr. SASSER. Mr. President, it is my understanding that under the pre-existing order, we have reserved the Senator from Pennsylvania 20 minutes on the amendment, to be equally divided; so the Senator has 10 minutes. And if there is a problem, we can yield additional time, also.

The PRESIDING OFFICER. The Senator from Pennsylvania has not yet offered his amendment. Until such time as he offers that amendment——

AMENDMENT NO. 91

(Purpose: To express the sense of the Senate in opposition to full membership status of the Palestine Liberation Organization in the World Health Organization or other U.N. agencies)

Mr. HEINZ. Mr. President, I send my amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania, [Mr. HEINZ], for himself, Mr. SIMON, and Mr. PELL, proposes an amendment numbered 91.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the concurrent resolution add the following new section:

WORLD HEALTH ORGANIZATION AND PLO MEMBERSHIP

SEC. . (a) FINDINGS.—The Congress finds that—

(1) the World Health Organization enjoys the strong support of the United States in its mission to eliminate disease and raise public health standards around the world;

(2) the Palestine Liberation Organization (PLO) has observer status at the WHO and other United Nations specialized agencies;

(3) the PLO is an umbrella organization that lacks key attributes of statehood as accepted under international law—it has no permanent population and controls no defined territory;

(4) it is the policy of the United States that the ultimate disposition of the territories under Israeli administration should be decided by negotiation and not by unilateral declarations or by solutions imposed by international organizations;

(5) the Secretary of State has declared that a change in the present observer status of the PLO in international organizations would lead to a halt in further US assessed and voluntary contributions to these organizations;

(6) a change in the PLO's observer status in international organizations would needlessly politicize these organizations and damage US support for them;

(7) the United States seeks the cooperation of all parties, including the members of the Arab League, in putting a halt to these harmful efforts to politicize important international organizations;

(b) SENSE OF THE SENATE.—The Senate hereby—

(1) supports and commends the Secretary of State in his declaration calling for a halt to further US assessed and voluntary contributions to international organizations which grant full member status to organizations that lack key attributes of statehood;

(2) urges all parties to end efforts to secure a change in the PLO's observer status at the United Nations and its specialized agencies;

(3) calls upon member states of the World Health Organization and other U.N. specialized agencies to vigorously oppose all such efforts.

Mr. HEINZ. Mr. President, I wish to yield to the Senator from West Virginia, without exhausting my time.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senator may yield 2 minutes to me without the time being charged to him.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I thank the distinguished Senator.

JURY VERDICT IN THE OLIVER NORTH TRIAL

Mr. BYRD. Mr. President, the jury in the trial against Oliver North has announced its verdicts. Of the 12 felony charges against North, the jury convicted him on 3 counts which carry a possible maximum sentence of 10 years in prison and $750,000 in fines. The breakdown of the convictions is as follows:

Count No. 6: Aiding and abetting in obstruction of Congress in November 1986—guilty;

Count No. 9: Destroying or falsifying government documents—guilty;

Count No. 10: Receipt of an illegal gratuity—guilty.

I congratulate the 12 members of the jury and Judge Gesell.

Through much controversy and great difficulty, they have carried out their important roles in this trial. Their diligence and sense of obligation have strengthened my belief in the power of the American judicial system. I hope never again will it be forgotten that this is a nation of laws, not of men.

Perhaps, as a postscript, it is fair to say that this trial, the potted plant has been repotted into the soil of reality.

OMNIBUS CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEARS 1990, 1991, AND 1992

The Senate continued with the consideration of the concurrent resolution.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I ask that Senators SIMON, PELL, LEVIN, and LAUTENBERG be added as cosponsors to my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, as I was saying, there is some real urgency to this amendment. The World Health Organization meets in Geneva this coming Monday. We will not be in session tomorrow, and this is our only opportunity to send a clear, strong and solemn message to the World Health Organization.

Now, as I said, this has to do with the PLO, the Palestine Liberation Organization, and it is an organization that has been called many things. It has been called a terrorist organization. It has been called by some a National Liberation Movement. It has been called an umbrella political and military organization; but one thing, Mr. President, the PLO cannot be called is a state.

Next week in Geneva the PLO will seek admission to the World Health Organization as a sovereign state self-proclaimed. This is to my mind an outrageous proposition that threatens to politicize an agency, namely, the World Health Organization where politics has no place.

The PRESIDING OFFICER. The Senator will suspend. The Senator is entitled to be heard. The Senate is not in order.

The Senator may proceed.

Mr. HEINZ. Mr. President, the PLO is no state and the World Health Organization is no Middle East peace conference.

The amendment that I am offering today, along with Senator SIMON and others, will put the Senate on record that the United States will not tolerate a stunt which will make the PLO a full member of the United Nations agency.

The Israeli-Palestinian dispute will not be settled at the World Health Organization. The WHO has important work to do combating disease around the world. It has no time to be drawn into political games where it is not and should not be a player. The PLO should drop this ridiculous initiative and if it does not the member states of the World Health Organization should reject its application for membership.

The Secretary of State, Jim Baker, this week warned the PLO and its potential supporters in this event that U.S. funding for the World Health Organization or any other U.N. agency that admits the PLO as full members will be in jeopardy.

Mr. President, Secretary Baker is right and our amendment makes it clear that he has the Senate's strong support.

So, Mr. President, on Monday when the World Health Assembly convenes in Geneva I want the Senate to be on record. I hope it is strongly on record against this move by the PLO, against this fiction, and I urge my colleagues to support this amendment so that the delegates to that meeting understand one thing clearly, that is, that the World Health Organization is not a political playground and the United States will not just sit by if the PLO is trying and is allowed to make it one.

So, Mr. President, I also want to make sure that the amendment reflects that Senator KASTEN and Senator LEAHY are also cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I yield 2 minutes to Senator SIMON.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I rise in support of the resolution. The last thing we need to do is to politicize the World Health Organization. Precisely what will happen in terms of an outcome of negotiations with the Middle East we do not know. But certainly the World Health Organization is not the place to determine that. That should come from negotiations.

Up to this point the people who belong to the World Health Organizations are Nations. I think it should stay that way, not people who want to form a nation, whether it is a Palestinian state or what other organization it might be.

Once you start down that road of wanting to acknowledge groups that want to form nations, you are starting to get on very, very thin ice.

Jim Baker's posture, it seems to me, is a solid one. I am pleased to join in supporting the amendment offered by my colleague from Pennsylvania. The last thing that ought to be done is to politicize the World Health Organization and that is what Secretary of State James Baker is trying to prevent. That is what this amendment is trying to prevent.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. I ask unanimous consent that Senator BOND also be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. CHAFEE. Mr. President, will the manager yield me 3 minutes?

Mr. SASSER. Mr. President, I am pleased to yield the distinguished Senator from Rhode Island up to 5 minutes.

Mr. CHAFEE. Mr. President, I thank the manager.

I agree with the sponsors of this amendment that the PLO should not be admitted as a full member of the World Health Organization. There is no precedent for an umbrella organization such as the PLO which does not have the attributes of statehood ever having been more than an observer. That is the highest status any organization such as this has attained.

I believe the member states of the World Health Organization would set a dangerous precedent should they vote next week to confer full membership on the PLO. Such a step would invite applications from other groups. Membership of the PLO in the World Organization would politicize that vital agency.

But I would point out to this body that we have some problems here and they are as follows: It is entirely inappropriate, in my judgment, for the United States to threaten to withhold funds from the World Health Organization in an effort to coerce World Health Organization member states who vote against extending membership to the PLO.

What are we doing here? If what we are doing is we are holding hostage poor, sick children throughout the world, I think last year there were some 66,000 children, it was estimated, whose lives were saved through the World Health Organization. The United States contributes 25 percent of the World Health Organization budget of $71 million this year. The World Health Organization relies heavily on U.S. medical expertise to accomplish its work. The United States contributed $25 million to combat AIDS.

I just hope we do not get into a situation where we are using the children and the sick of the world as a pawn in this game. The work here is one of the problems, Mr. President. The work of the World Health Organization does not directly benefit many of its members states; thus many countries have nothing to lose by ignoring the U.S. threat and voting in favor of instating the PLO.

If those countries should call our bluff, as it were, and I certainly hope it does not occur, then we will be in the situation of shutting down our efforts to eradicate child malnutrition, to stop the global spread of AIDS, to prevent the needless death from common curable disease.

So we are getting ourselves, I think, here in a very difficult situation. I do not think the PLO should be a member of the World Health Organization. I think our Secretary should negotiate to the fullest extent he can to prevent that and bargain and do everything we can.

But if this is a vote, and I will ask the sponsor of the resolution, is his position, and I will ask the distinguished senior Senator from Pennsylvania, is his position, that if the PLO would some way become a member of the World Health Organization, that means the United States withdraws our total support?

Mr. HATFIELD. Mr. President, I share the disdain of my colleagues for Yasser Arafat and the Palestinian Liberation Organization, and share their concern over the politicization of one of the most important humanitarian organizations in this world: the World Health Organization. I condemn their application to the World Health Organization for member-state status, and condemn them for knowingly jeopardizing the tremendously important programs the World Health Organization carries out all over the world.

But I find myself deeply troubled by the amendment now before us.

First of all, I am a little puzzled over what relevance this—and all the other—sense of the Senate amendment has to the budget resolution.

I know that the World Health Organization will be meeting on Monday, but timeliness is a false argument; if all the pressing issues of the day were addressed on this vehicle, we would never finish the bill.

If we want to address really pressing issues, why doesn't somebody offer an amendment addressing the desperate human needs in the Sudan? When the rains begin in 3 weeks, virtually no food or assistance will get through. Why doesn't somebody offer an amendment condemning the Indian blockade of Nepal?

I am equally puzzled over the sudden enthusiasm of my colleagues for international law.

International law may define a state by its control of population and territory—but I might remind my colleagues that nobody seems to mind that Cambodia's seat in the U.N. General Assembly is controlled by a coalition of opposition groups based in Thailand.

The rule of law should never be considered a matter of convenience or political expediency, but that is just how we have treated it.

When I offered an amendment 4 years ago calling on the United States to accept the compulsory jurisdiction of the World Court, only 20 other Senators voted for it—1 in 5.

If the rule of international law is really what this issue is all about—really why we care—then why isn't there a resolved clause supporting it?

Moreover—as the Reagan administration stated in a letter to me 4 years ago—the United States is obligated to pay its proportionate share of the regular budgets of organizations to which it belongs. Failure to pay such contributions would violate our legal obligations and could result in a loss of our vote or exclusion from participation in the organization.

Finally—and this is the real point I want to make—if the United States cuts off funds to the World Health Organization, children will die. Literally. That would be the very real effect of such a decision.

Forty thousand children die in the Third World every day—but because of programs carried out by organizations like the World Health Organization and UNICEF, 40,000 children are saved in the Third World every week.

The PLO will not suffer if we cut off funds for the World Health Organization. Innocent children will suffer.

If one of those children were standing here before us, who would be willing to explain that his or her life was the price we had to pay for taking a political stand?

I want to thank Senator JOHN CHAFEE for his comments, and wish to associate myself with his concerns.

Mr. HEINZ. Mr. President, the resolution that I sent to the desk is very explicit and carefully drawn. What it says is that we support and commend the Secretary of State, Secretary Baker, in his declaration calling for a halt to further U.S. assessed and voluntary contributions to international organizations which admit as full members organizations that lack the recognized attributes of statehood.

The Senator from Rhode Island asked if the World Health Organization violates its charter, which requires states to be members, are we prepared to do something about it?

I cannot speak for what the Senate will do. But I can say that the best way is to stop this transparent maneuver of Mr. Arafat, where he has purposely chosen the World Health Organization because he knows someone will get up and say:

> You cannot cut off contributions to the World Health Organization; you cannot do anything to even threaten to take any action against them, because they do good work.

Mr. Arafat is no fool. But that does not mean we have to fall for his game.

I will answer the Senator this way: It is my view that we would consider such an action of the World Health Organization to be a very grave situation, the same as we would if the United Nations or any other member agency violated the international charter that gives it substance and meaning.

Does that mean we might vote to cut the contributions to that agency? It means we might very well do that, but we are not at that point yet, and it is this Senator's hope we do not arrive at that point.

Mr. CHAFEE. I certainly share that concern, and I hope we do not arrive at that point.

The PRESIDING OFFICER. The time of the Senator from Rhode Island has expired.

Mr. CHAFEE. I ask unanimous consent for an additional 3 minutes.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, who is seeking additional time?

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. SASSER. How much time do I have remaining?

The PRESIDING OFFICER. Just over 4 minutes on the amendment.

Mr. SASSER. Mr. President, I yield 3 minutes to the Senator from Rhode Island.

Mr. CHAFEE. I will take 2 minutes. I just want to say I share the Senator from Pennsylvania's concern. I just hope we do not come to a situation where we are going to end up in any way voting against the United States supporting the World Health Organization. I hope that Secretary Baker can work this out, cognizant of the problems on the other side. This is not an easy resolution, and I want to draw that to the attention of the body.

Mr. SPECTER addressed the Chair.

Mr. HEINZ. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The senior Senator from Pennsylvania has 4 minutes and 12 seconds remaining.

Mr. HEINZ. Mr. President, I yield 2 minutes to the Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I commend my distinguished colleague, Senator HEINZ, for advancing this resolution. It is my hope, Mr. President, that, if push comes to shove, the United States will withdraw funding for the World Health Organization if that organization recognizes the PLO.

The World Health Organization is a functional organization to carry out the objectives of health care in the world. It is not a political body to make a determination as to the standing of the PLO as a state. The PLO has absolutely no standing and it is a political power play, pure and simple.

I commend the Secretary of State for saying in plain, unmistakable language that if the World Health Organization does admit the PLO that the

United States will withdraw its support from the World Health Organization.

I would hope the Secretary of State would go further and reconsider the decision to have a dialog with the PLO because we now see, as the evidence is coming forward, that the PLO has continued its terrorist activities since Arafat's December statement and that the PLO has taken three different positions in the last 3 days, with Arafat saying that they renounce terrorism, they renounce the denunciation of Israel, they renounce their war on Israel and then changing his story and others in the PLO in other capitals are denouncing Arafat so that it is plain that the PLO has not renounced terrorism, has not renounced its charter to destroy Israel and should have no standing in the international community of civilized nations. And if the World Health Organization chooses to recognize the PLO, the United States should make it plain to the World Health Organization that we will not finance an organization which undertakes those kinds of improper activities.

I thank my colleague from Pennsylvania and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield myself 30 seconds off the measure.

Mr. President, I ask unanimous consent to be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, this is a timely amendment, although its proper place is not on a budget resolution.

Next week, the World Health Organization will consider a motion to admit the Palestine Liberation Front to full membership. There is no precedent for granting membership to a group which fails to meet the attributes of nationhood, including the control of territory.

I have no idea why the PLO is doing this. They are still on probation, as far as this Senator is concerned, as participants in Middle East peace negotiations.

As Secretary of State Baker said last week, this move sets back the prospect of a peaceful settlement in the Holy Land.

The World Health Organization is a valuable, specialized agency of the United Nations. WHO led the efforts to eradicate smallpox, and is now in the lead in the struggle against AIDS.

We want to support international health projects, but this resolution gives clear warning that the Senate does not want to see the WHO turned into a political football by the PLO.

Mr. President, I want to note that one of the members of the Budget Committee, Mr. KASTEN of Wisconsin, has long been active in making the United Nations and its specialized organizations accountable to those who pay the bills. He has been deeply involved in the present matter.

This is a useful amendment. It supports the position of President Bush and Secretary of State Baker. I urge its adoption.

Mr. SASSER. Mr. President, I am prepared to yield back my time at this juncture.

Mr. HEINZ. Mr. President, I am prepared to yield back my time.

I would also like to get a recorded vote on this amendment. I do not think I said to the Senator from Tennessee that I would not do that, did I?

Mr. SASSER. No, I would say to my friend from Pennsylvania, I do not recall him saying that he would not seek a recorded vote on this amendment.

Mr. HEINZ. Mr. President, I ask for the yeas and nays.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I understand we are prepared to accept the amendment on this side.

Mr. SASSER. Mr. President, we are prepared to accept it on this side of the aisle.

The PRESIDING OFFICER. All time, I believe, has been yielded back.

The question is on agreeing to the amendment.

The amendment (No. 91) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MOTION TO RECOMMIT

Mr. KOHL. Mr. President, I would like to offer a motion to recommit the budget back to the Budget Committee.

The PRESIDING OFFICER. The clerk will report the motion.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. KOHL] moves to recommit Senate Concurrent Resolution 30 to the Committee on the Budget with instructions.

Mr. KOHL. Mr. President, I ask unanimous consent that reading of the motion be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The motion to recommit is as follows:

MOTION TO RECOMMIT SENATE CONCURRENT RESOLUTION 30 AND REPORT ANOTHER BUDGET RESOLUTION REFLECTING THE ECONOMIC AND TECHNICAL ASSUMPTIONS OF CBO

Mr. President, I move to recommit Senate Concurrent Resolution 30 to the Committee on the Budget with instructions to report to the Senate, within three days (not counting any day on which sets the Senate is not in session), a revised concurrent resolution on the budget for the fiscal years 1990, 1991, and 1992 which—

sets forth amounts and levels determined on the basis of the economic and technical assumptions of the Congressional Budget Office for fiscal years 1990, 1991, and 1992.

Mr. KOHL. Mr. President, I would like to offer a motion to recommit the budget back to the Budget Committee. The motion would require the committee to report back a new budget within 3 days using only CBO economic and technical assumptions. I would like to take a moment to discuss my reasons for offering that motion.

On Tuesday, I came to the floor to pay my respects to the work done by Chairman SASSER, Senator DOMENICI, and the majority leader, Senator MITCHELL. I meant what I said. I think they did a good job, given the circumstances under which they were forced to operate.

Those circumstances are known to all of us: A President who said "no new taxes," and a country which could not get by without new spending on essential programs. Our negotiators look at those constraints, and agreed to adapt to each of them. They did—and they did a very good job of it.

Unfortunately, in the process, real deficit reduction was sacrificed.

You have heard a spirited defense of this agreement. But you have not heard anyone say that it does enough to reduce the deficit. Let us take a look at this budget, not as a political document, but as an economic document.

To begin with, every Member of this body knows that the assumptions on which this budget is based are inaccurate. We have been told that the impact of that inaccuracy is only $9 billion, to which I have three responses.

First, then what is the big deal? Nine billion in a trillion dollar budget should not be that hard to come up with. So let us do it, and have a budget which more honestly meets our targets and our needs.

Second, $9 billion is a big number in the context of the $36 billion in deficit reduction we are supposed to get this year. It is worth getting and it is worth getting it honestly.

Third, the cost of this $9 billion mistake explodes in later years. The senior Senator from Nebraska ably pointed this out yesterday. The budget before us is supposed to reach a deficit of only $28 billion by 1992. In fact, as Senator EXON pointed out, CBO esti-

mates that this budget would lead to a deficit of $135 billion by 1992. As I said, our small mistakes today snowball into huge problems very quickly.

But the issue I am trying to raise really goes beyond the numbers. It goes to the essence of our honesty.

We know what I think of the OMB estimates. Let me quote the thoughts of the distinguished chairman of the Budget Committee.

On February 10, when President Bush submitted his budget, the chairman of the Budget Committee called the OMB assumptions "unrealistic."

Just a little over 2 months ago, on February 21, during a hearing with OMB Director Darman, the chairman stated that:

> The administration continues to underestimate the seriousness of the deficit problem. * * * When we use the more realistic and conservative estimates of the nonpartisan Congressional Budget Office, we find that the deficit will be $20 billion greater than the Bush estimates.

On February 28, the chairman of the Budget Committee stated that the administration's economic projections were "overly optimistic."

Finally, on March 1, during a hearing on the FSLIC bailout plan, the chairman stated that:

> Indeed, the Treasury plan uses OMB economic and interest rate assumptions which may understate considerably the cost of the Treasury plan.

Mr. President, the chairman and I are in complete agreement. He was right then and I know he still believes those statements. We should not allow the assumptions that were being so correctly lambasted then to now form the basis of our own budget.

And, Mr. President, let no one be deluded into thinking that the economic assumptions are the only dishonest part of this budget. My motion would cure only a small part of these problems. Let me just touch on some of the other questionable components of this plan.

First, regarding Social Security: As many of my colleagues have pointed out, the Social Security surplus masks tens of billions of dollars of deficit spending.

Second, regarding programs that lose money: While including Social Security, a program that runs a surplus, the plan calls for moving off budget programs that run deficits.

Third, shell games with spending: The budget shifts spending to this fiscal year, so that it does not show up in next year's accounts. We still spend the money, we just do not count it.

Sadly, Mr. President, these are just a few of the examples.

The budget is a complex document and a confusing process. But we have to look at more than these numbers and do more than listen to these arguments. We have to place them in context. And that context is clear:

A national debt of $2.5 trillion;

Interest payments on that debt of well over $173 billion a year;

A deficit reduction plan which trumpets as a triumph, a deficit of "just" $100 billion.

Mr. President, what is the limit? Where are we going to draw the line? Will the Senate say "no" when the debt hits $3 trillion? When interest payments top $300 billion a year? When deficits, including the Social Security trust fund, once again reach $200 billion a year as far as the eye can see?

Mr. President, we are in a mess. We can pick the boat off the shoals, put yet another patch on the hull, and sail on, confident that the disaster has been averted until we are relieved from the watch. Or we can put into port and overhaul the vessel, so that we can ultimately reach our destination.

Those are really the only choices we have. And this budget makes one of those choices—it patches things up but it does not fix anything.

Mr. Darman said we should not be disappointed in this budget. He said that the package may not be a home run, but that it is a double.

Mr. President, it is unclear to me that we ever got to bat. No, Mr. President, we trotted to the outfield and just moved the fences in. The fans understand that—or they will by next year.

I just do not think this is the best we can do. There is a problem and we have an obligation to fix it.

If you believe that we can get real deficit reduction next year, then what makes you believe we can not get it this year? If the President will compromise then, why not now?

It seems to me that if you believe the promise of future compromise, it is worth trying to increase the pressure to get a compromise now. And if you do not believe that there will be voluntary changes in the position of President Bush and Mr. Darman, then that is all the more reason to try to force the issue now.

Mr. President, this is more than a question of when we can get a politically acceptable deal. Every economist I have talked to tells me that one of the worst things we could do would be to wink at the deficit this year and then look at it with eyes open wide next year. It makes no sense to do one-tenth of the job this year and nine-tenths next year.

If we do not honestly meet the targets this year, an effort to really reach the $64 billion goal for fiscal year 1991 could be an economic disaster. Taking that much of the economy in one fell swoop could well create a recession.

The only way to do deficit reduction in an economically sensible way is to do it on a regular and roughly equivalent basis. That is precisely what this agreement does not give us. As a result, we could get the worst of all possible worlds—deficit reduction and a reduction in our economic viability.

Finally, Mr. President, I would like to point out one problem if this motion losses. In July, the OMB will update its economic forecasts. We should not underestimate the ability of those forecasters to offer unrealistic forecasts, but by July their current estimates may actually become untenable even for the OMB to maintain. If the budget is adopted as it currently stands, it will not take much of an uptick in OMB's interest rate estimates to throw us into a sequester.

So, this budget does not get us out of our fix. If OMB nudges its economic assumptions just slightly toward reality, this budget will fail the Gramm-Rudman tests and a sequester will be required.

Mr. President, I was a businessman. I know that the only way we can meet the aspirations of the American people is if we have an expanding economy. The deficit makes it impossible to sustain that expansion. We have to deal with it. This motion to recommit lets us do just that.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I rise in opposition to the amendment offered by the distinguished Senator from Wisconsin.

Let me say at the outset, Mr. President, that the distinguished Senator from Wisconsin, I know, advances this amendment in the greatest of sincerity. The Senator from Wisconsin [Mr. KOHL] has made a valuable contribution already to the deliberations and debate of the U.S. Senate in the short period of time we have had the pleasure of his company here. And I wish to commend him for his thoughtful analysis of the budget and of the budget process itself.

The Senator from Wisconsin is quite correct. Early on, I was critical of the underlying economic assumptions which were put forward by the Office of Management and Budget. Subsequent to that criticism, the Office of Management and Budget changed their interest rate assumptions, revising up the assumption for the fourth quarter of 1989 fairly significantly, to make it more reasonable from the point of view of economic projections.

However, I would say to my friend from Wisconsin that the economic assumptions that were advanced by the Office of Management and Budget are still overly optimistic. I do believe that they paint a rosy scenario. I do believe that the economic assumptions advanced by the Congressional Budget Office are more realistic.

But, having said all that, what we are dealing with here are the experts'

best guesses. And if we look at the economic assumptions of OMB versus CBO, what we find is that the Congressional Budget Office is predicting that there will be more revenues flowing into the Federal Treasury in fiscal year 1990 than the predictions of the Office of Management and Budget.

As my distinguished colleague, the ranking member of the Budget Committee so ably pointed out earlier today, economic assumptions of both CBO and OMB are just that: predictions. And, in the long haul, OMB has been about as accurate as CBO, if I am not mistaken.

Having said that, I would much prefer, I say to my friend from Wisconsin, to take the CBO economic assumptions. I would have more confidence in them.

The Senator quite correctly states that the difference between the economic assumptions of the two predicting organizations, OMB and CBO, does project only a $9 billion difference. I say only a $9 billion difference. That is a very, very substantial amount of money, exceeding the budget of my native State of Tennessee, I might add, the budget of the entire State government of the State of Tennessee. But there is less than a 7-percent divergence in the deficit predicting using CBO assumptions and using OMB assumptions.

The Congressional Budget Office tells us that even using CBO assumptions, the bipartisan budget agreement will come below the $110 billion upper level mandated by the Gramm-Rudman-Hollings law for fiscal year 1990.

I would reluctantly oppose the Senator's amendment, my distinguished friend from Wisconsin. We worked very hard, my friend from New Mexico and I, for 40 days and 40 nights, we said the other day. Some said that is as long as it took Noah to build the Ark. Perhaps that is correct. Some said this budget did not float as well as Noah's Ark floated, and perhaps they were correct in that assessment but, quite frankly, I do not believe we can do any better. If we were to return for 3 more days of negotiations, I simply think that the result would very likely be a breakdown in the whole budget negotiating process.

We saw just a few moments ago another attempt which failed by a substantial margin in which they were seeking to change the numbers ever so slightly—not ever so slightly, but rather substantially—to use the Congressional Budget Office economic assumptions, and it failed very substantially when presented to this body. My distinguished ranking member can address that more eloquently than I.

I would say to my friend from Wisconsin, we have done the best we can. I am not totally satisified with it, as I know he is not, but given the parameters that were drawn for us before we entered into the negotiating session with the admininstration, I think this is the best work product that could be produced.

In defense of that work product, I would say that this bipartisan budget resolution that we bring to the floor today continues to bring the deficit down. It meets the Gramm-Rudman-Hollings targets for fiscal year 1990 by coming in with a deficit of under the $100 billion mark anticipated. It follows the course of slowly but surely bringing the Federal deficits down. The Federal deficits are shrinking both as a percentage of gross national product and also in real dollars. While I understand the frustrations of my friend from Wisconsin, and I share it to some extent, I would urge on him to be patient. We are hopeful and confident that next year the Budget Committee can present to him a budget that will be more to his liking, more to our liking. Quite frankly, I do believe that 3 additional days of negotiations would be fruitless and could lead to deadlock.

Mr. President, I yield to my distinguished friend from New Mexico.

Mr. DOMENICI. I thank my good friend and chairman. Let me say to the junior Senator from Wisconsin, first of all, my compliments to him for his participation and his effort. The Senator from New Mexico has lived in the Senate long enough to do whatever the Senate tells me to do or at least try. So if in 25 minutes or so from now, if they were to tell the Senator from New Mexico to walk out the door and go down the hall and start meeting for 3 days and bring back another budget, you can rest assured I would be a good Senator from New Mexico and be a good soldier.

But I can almost predict that I would fail. I would have to accept the responsibility because you are asking that we start over and go back, if I understand correctly, and the Senator can correct me if I am wrong, he would like us to reduce the deficit by $20 billion. I think that could have changed. Maybe it is $9 billion. Is it $9 billion? Let me say to my friend, it is $9 billion, because that is the most current estimate of the disparity between the deficit as calculated by OMB and by CBO.

Frankly, I do not believe it is at all possible in 3 days to leave this Chamber and come back with a new budget that reduces the deficit by $9 billion and bring it here and get it passed. I would use as an analogy for my reluctant willingness to accept the Senator's most generous instruction that we just spent the afternoon debating an amendment that the sponsors contend cut $16 billion. I think they got 16 votes. I think the proponents of that approach received 16 votes. If it was not 16, it was 18. Whichever is correct, let me assume I am using that number.

Frankly, I say to my friend from Wisconsin, if that got 18 votes, I really do not know how we can walk out of here under an instruction, even from this wonderful institution called the U.S. Senate, and a few of us who would be charged with doing it changing and getting something done.

I also would like to suggest we are not going to achieve anything by that. We have to get the same kind of thing out of the House to have a budget. They have to do one. We have to go to conference and agree. So I really do not believe we would get anything done. I do not in any way insinuate that the Senator has anything but the finest motives, but I really believe the Senate should know that at least in the opinion of the Senator from New Mexico, we do not have a budget this year if we adopt this. We are dead. We cannot get you a budget in 3 days. Then if we did, it would be different than the House. So how would we get that done? Then it would no longer have the support of the President. So how do we get that done?

So I think the entire 60 days of effort, albeit by some—my friend said 40 days and 40 nights—we did not produce what Noah did. Some think we barely produced a rowboat. But in any event, we have one step and it is manageable and we would like to take it.

Having said that, I know of the tremendous prowess of the Senator from Wisconsin in matters of business. The Senator from New Mexico has not been so privileged. I only was a lawyer for 7 or 8 years, mayor of a city, and very lucky shortly after that, I walked in the doors.

In any event, I am going to make another wild statement. A while ago I said I had a dream and the deficit disappeared and I thought all America's problems were gone. I found that we still had not increased our productivity, and I found that our trade deficit was almost the same. I really mean that. I really believe the deficit is a bad thing, but I think we are hiding from a whole bunch of other problems and I think they are very serious, like the productivity in health care, productivity in education, productivity in almost every sense. Unless we produce more each year, our standard of living cannot go up. It has to go down. Other countries have found a way to do that. They borrow the best from America and they are using it.

Let me just say this. Billions are important—$1 billion, $9 billion, $8 billion.

But if we ever produced a balanced budget resolution here, 16 months ahead of the final month when you really did the calculating—that is about where we are now, 16 months

ahead of September of next year when you actually use economics as they are—I might shock my friend to say that I would be eminently pleased if we were off plus or minus $10 billion. In other words, if we thought we were at a zero and we were at minus 10, we would have had great economic guessing. If it turned out plus 10, we would still have had great economic estimating. That is just the best we can do with the variations in this economy.

I yield the floor.

Mr. SASSER. Mr. President, parliamentary inquiry. How much time is remaining?

The PRESIDING OFFICER. The Senator from Tennessee has 7 minutes 16 seconds remaining.

Mr. SASSER. May I ask how much time is remaining for the proponents of the amendment?

The PRESIDING OFFICER. Four minutes ten seconds.

Mr. SASSER. Does the Senator from Wisconsin wish to proceed?

Mr. KOHL. Mr. President, first I would like to correct an omission. When I made this motion, I made it on behalf not only of myself but Senator CONRAD and Senator BOSCHWITZ. I wish the RECORD to so reflect.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KOHL. I would like to offer a response to what I have heard both from Senator SASSER and Senator DOMENICI. Both of them state very clearly that $9 billion is a lot of money and that if it is there and if we have an opportunity to get it, we should get it, that it is worth the effort. I do not understand why on the one hand they will talk about $9 billion as a very considerable amount of money but, on the other hand, somehow wind up dismissing it as something we should go after.

Second, I would like to point out that there are very few people that I know of in the Senate this year who believe that while we have worked extremely hard and with great diligence, we have made great or considerable progress in getting our deficit under control. I think most of us feel that we have made a minimal start, if a start at all. So I ask myself and I ask my fellow Senators, here it is now just May. This is not October. This is not September. This is May. Normally, this is the beginning or the middle of the budget process. So why do we need here in the first week of May to decide that this is the budget number or there will not be a number at all; that if we do not accept this number today, then the entire budget process for this year is over, done with. Is that because we are going on vacation? Is that because we are not prepared to work at it? Is that because it is not important enough? For what reason is the budget process ended today unless we are prepared to accept the number in front of us? I do not think it is true. I think it is something on which we need to continue working. It is too early to give up on what is the single most important problem that faces us as a government—the size of our budget deficit.

So while I respect the efforts and the comments made by my colleagues, I do not agree, and I think that the most powerful thing that the Senate could do is send the negotiators back to the table with the President to come up with a better number for us to consider and accept. That would be a strong message. In the absence of that, my concern is that what we are engaged in is dialog instead of action, which saddens me greatly.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, we are prepared to yield back——

Mr. KOHL. Mr. President, I ask for the yeas and nays.

Mr. SASSER. Mr. President, I am advised that a Senator is on his way to the floor and wishes to speak on this amendment. In anticipation of his arrival, I suggest the absence of a quorum.

Mr. ARMSTRONG. Mr. President, will the Senator withhold his suggestion for a moment?

Mr. SASSER. I am pleased to withhold.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, if it is the intention of the Senator to have a quorum call, I wonder if the Senator is disposed to let me call up an amendment which we might dispose of even during the time that we would otherwise be in a quorum call.

Mr. SASSER. Let me say to my friend from Colorado I am not in a position to agree to that.

Mr. ARMSTRONG. I understand.

Mr. SASSER. It has been indicated that on my side of the aisle there are a number of Senators who may be opposed to the amendment of the Senator from Colorado.

Mr. ARMSTRONG. I understand. I was not aware there might be those in opposition, so I of course understand why that would not be in order.

Mr. SASSER. Let me say to my friend from Colorado, I learned it myself for the first time just about 30 minutes ago.

Mr. ARMSTRONG. Mr. President, in view of that, of course, I would not expect to have my friend from Tennessee agree to this idea. Learning this surprising news, I am going to send out for my charts and handouts and I will be ready when the time comes.

Mr. SASSER. I thank the Senator.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KOHL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. SASSER. Reserving the right to object——

The PRESIDING OFFICER. The Senator may not reserve the right to object.

Mr. SASSER. We have no objection, Mr. President.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KOHL. I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. How much time is remaining to the opponents?

The PRESIDING OFFICER. The Senator from Tennessee has 3 minutes and 2 seconds remaining. The Senator from Wisconsin has none.

Mr. SASSER. Mr. President, I would like to yield the remainder of the time alloted to the opponents of the amendment to the distinguished Senator from West Virginia, and such additional time off the bill as he may require.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Tennessee [Mr. SASSER]. I will not take long.

Mr. President, in early March of this year, after meeting with President Bush, the bipartisan leadership of the House and Senate reached agreement on a framework for fiscal year 1990 budget negotiations. Under the agreement, a negotiating group—consisting of the chairmen and ranking Republican members of the Senate and House Budget Committees, the majority leader of the House, the Secretary of the Treasury, and the Director of the Office of Management and Budget—was established to explore the possibility of a bipartisan budget agreement for 1990.

After weeks of long and difficult negotiations, on April 14, an agreement was reached between the President and the joint leadership of Congress. The budget resolution before the Senate today is the first step in implementing the 1990 bipartisan budget agreement. There are those in the Senate who fault the agreement for not doing enough to reduce the deficit.

Some believe it would be better to defeat this agreement and go back into negotiations in hopes of securing a multiyear agreement that includes larger deficit reductions and larger revenue increases. Other Senators may feel that no budget resolution at all is better than this one—even if a sequester resulted.

I do not question the sincerity of Senators who oppose this resolution. But, I strongly disagree that other approaches might yield better results. We should keep in mind, as we consider this resolution, the parameters within which the negotiators had to work. They were asked to reach the Gramm-Rudman-Hollings target of a $100 billion deficit for fiscal year 1990 with no new taxes. Given the confines within which they had to work, I am convinced that this is the best agreement possible at this time.

There is $20 billion of real deficit reduction called for in the resolution, Defense is not devastated, and there is room for modest increases in domestic discretionary programs for the President's initiatives as well as those of Congress. This resolution will stop the yearly devastation of domestic programs that has taken place in the past 8 years. It will enable Congress to provide reasonable funding levels for education, research, environmental cleanup, antidrug programs, better aviation security, Amtrak, ARC, aid to the homeless, and on and on.

This budget resolution also represents a marked change from the past 8 years of mistrust that existed between Congress and the White House on the budget. This President has shown a willingness to compromise, and a willingness to work with the Congress on a responsible, bipartisan approach to the budget. The new President did not wait for the stock market to crash or some other catastrophe to occur.

Adoption of this budget resolution allows us the opportunity to pass our 13 appropriations bills on time.

The pending amendment would require the budget negotiators to go back into negotiations and come up with another $19.9 billion in deficit reductions—in 3 days. That would mean further cuts in Defense, which has already been cut $10 billion below President Reagan's request and $3.7 billion below President Bush's request in this budget resolution; domestic discretionary programs, which have been devastated during the past 8 years; changes in entitlements; or increased revenues, which the President will not agree to.

There is no chance—absolutely no chance—that further negotiations will yield another $20 billion in deficit reduction in 3 days.

God created the heavens and the Earth in 7 days. That may have been 7 trillion years for all we know. We do not have to ask that question. We just take the record at its word. He produced it in 7 days. God may have been able to produce the world and all that is in it in 3 days. But he did not have to deal with a White House that is contrary. He did not have to deal with an Executive who said "Read my lips." We have to be realistic. We have to deal with the White House.

That President has said there will be no new taxes. We can butt our heads against the wall, and we can insist on new taxes. We can pass a bill that provides for new taxes. The President would veto that bill. He made a campaign promise. I take him at his word. If he were to veto that bill, Congress would not be able to override that veto. The President would simply clobber the Congress for raising taxes. It is just that simple.

I do not believe it could be done in 3 weeks or even 3 months. So make no mistake about it, this amendment is a recipe for another continuing resolution.

We ran the Government by continuing resolution in fiscal year 1987 and fiscal year 1988. All of us remember what happened the last time we had a continuing resolution.

In his last State of the Union Address, President Reagan placed that 14½ pound resolution before the American people and blamed Congress for it. He did not say anything about his own bullheadedness that had a great deal to do with the circumstances that confronted the Congress and forced it to pass a continuing resolution.

As chairman of the Appropriations Committee I do not want to see us return to the days of running the Government by a continuing resolution. The President is entitled to have 13 appropriations bills. That is the way we used to do it. He is entitled to veto any one of those bills if he wants to veto it. And Congress is likewise entitled, if it can, to override his veto.

But if we accept this amendment, that is what is going to happen again. We are going to have another continuing resolution.

There is no chance of reaching a new agreement in time to pass 13 appropriation bills by September 30. A sequester would likely take place if this agreement fails. That would be the most irresponsible thing we could do. A sequester would devastate defense and it would devastate domestic programs. The perception of the American people would be that Congress is inept and irresponsible and cannot work with the President on a bipartisan approach to the budget.

Mr. President, I compliment the distinguished Senator from Wisconsin, the author of the amendment on much of what he has said. I agree with a great deal of what he has said. I agree with what he has said concerning false assumptions. But he has said that this resolution, if it is adopted, is but to apply a patch on the hull of the boat and then we go on for the moment. He recommends that there is an alternative, and that is to adopt his amendment which will put the vessel into port, overhaul it, and then we shall go on to our ultimate destination.

Mr. President, there is another alternative that the distinguished Senator did not mention, and that is the alternative of a shipwreck on the rocks. That would be the result of the adoption of this amendment. We are left like Robinson Crusoe, who lived on an island for 28 years, left to pick up the pieces; and in the meantime the Senate would get bludgeoned over the head for breaking an agreement which the bipartisan leadership of this Congress entered into in good faith with this new President.

Mr. President, with all due respect to my friend, the agreement states that within a month, the budget negotiators of the Congress are to sit down again with the White House negotiators, and work on a fiscal year 1991 budget agreement, and hopefully—and I have every reason to hope and certainly some reason to believe—that that agreement will be more realistic than this one. But it is not realism to think that we can send this resolution back to the committee, and in 3 days come out with an agreement that has been worked out with that White House, that President, who can veto tax bills, and will; that is not very realistic. That is living in a dream world.

If we adopt this amendment, we shall have, in effect, torn up the bipartisan agreement—torn it up. We would send a signal to the American people that this Government cannot function. We would send the signal to the American people that the years of divided Government, the years of continuing resolutions, the years of crisis management that we endured under the previous administration, are back with us.

Remember, if we accept this amendment, it will be the Senate that is tearing up the agreement. It will be the Senate that is breaking faith with its own leadership on both sides of the aisle, and breaking faith with this new President.

The agreement is a compromise. I do not like it; it is not everything I want. Senator DOMENICI does not like it; it is not everything he wants. Senator SASSER does not like it; it is not everything he wants. The majority leader does not like it; it is not everything he wants. I have lived for almost 72 years, and I have not yet seen a compromise that satisfied anybody, fully, who entered into the compromise. There will never be a compromise that completely satisfies every desire that every participant wants to achieve. Everybody

has to give up something, else it is not a compromise.

The mere fact that there has been a meeting of the minds between a Republican White House and a Democratic Congress on this compromise package is an encouraging sign. The results of that kind of compromise, Mr. President, cannot be lightly tossed away. This budget resolution represents progress on deficit reduction, and it demonstrates that divided government can work.

I do not like divided government, but we have to take what we have. We cannot always get what we like. We presently have divided government. This agreement is the result of careful deliberations and cooperation, and it is not the result of a Wall Street crash.

So the choice is clear. Do we live up to the agreement, or do we say to our leaders, "We will not follow you"? Do we indicate that we do not have confidence in the budget negotiators who have spent hours and days and weeks in working out this agreement?

It is not perfect, but it does represent significant progress on the deficit. And it does allow for the Nation's funding needs to go forward in an orderly, timely way with no sequester.

Now, we can trash the agreement, and we can do it by adopting this amendment, but, as the chairman of the Appropriations Committee, I am dedicated to passing and sending 13 appropriation bills to the President. This is the first step. He can exercise his own clear judgment under the Constitution on every one of those appropriation bills, and he can veto any one or more of them. But he is entitled to have 13 bills, and the American people expect Congress to send the President 13 appropriations bills.

If there is one thing that we can do, more than anything else, to bring down the obloquy and scorn and calumniation of the American people upon the Congress, it would be to send another omnibus continuing resolution down to the President of the United States.

I do not propose that we vote to trash this agreement. I do not propose that we opt for a continuing resolution. I do not propose, as the chairman of the Appropriations Committee in the Senate, to send the signal that the Congress is incapable of doing the only business that we really have to do every year, the only business that we really have to do, and that is to pass the 13 appropriations bills that fund the operations of this Government.

Supporting this amendment, with all due respect to my friend—and again I say I agree with him on much of what he has said, but this would be a vain act—it would be a sure recipe for failure; supporting the amendment is opting for chaos and crisis management and amounts to brinksmanship with the most irresponsible course of all, namely, a sequester. Let us not flirt with that disaster; let us not go down that road. This is a good bipartisan agreement.

I compliment the chairman and the ranking member of the committee. They have done a good job. They have not pleased anyone else, and they have not pleased themselves, but they have looked reality in the face, and they have done the best that they could do under difficult circumstances. This is a bipartisan agreement, and it should be upheld.

Mr. President, I thank the chairman for yielding time to me.

I yield the floor.

The PRESIDING OFFICER. The Senator yields the floor. All time has expired on the resolution of the Senator from Wisconsin.

Mr. KOHL. Mr. President, I ask for 2 minutes off the bill.

Mr. SASSER. Mr. President, we yield 2 minutes off the bill.

Mr. CONRAD. Mr. President, I rise to support the motion offered by Senator KOHL.

I value the hard work and have great respect for Senators SASSER and DOMENICI. They have worked hard and long with the administration on this budget resolution. I appreciate their efforts. They have been placed in a difficult position and struggled to reach a compromise. No one doubts their commitment to deficit reduction.

However, I would urge them to return to the Budget Committee and bring back a budget resolution that uses nonpartisan economic assumptions. There is only one reason why Congress chooses to use the assumptions from the Office of Management and Budget—to duck the tough choices.

The amendment is very simple. We request the committee reconvene and come up with less than 1 percent more in savings. To most people $9 billion is a great deal of money, but in the context of the Federal budget, this amount is very small.

It would require tough choices to come up with $9 billion in additional savings, but it is not impossible. If we do not make those choices now, the decisions will be even more difficult next year.

I would submit that the Senate should make the decisions now rather than later.

Mr. KOHL. Certainly at the outset, I wish to express what is obvious, the admiration and respect that I have for Senator BYRD. He has been here for many, many years, and he has accomplished more than I ever will accomplish in the Senate, and he has more wisdom and good sense than I expect that I will ever acquire here as a U.S. Senator.

I have a couple of comments: The first comment is that I thought that the purpose of this deliberation was to ask the Senate to give its honest advice and consent to the budget resolution. I did not think that our purpose was simply to rubberstamp it. The inference is that once that agreement was reached, it is the obligation of this Senate to endorse that agreement, even if it does not think that is the right agreement. I do not think that is what our responsibility is.

I also want to point out that we are talking about $9 billion, not $20 billion. Finally, I want to say that this is May. A continuing resolution, if it occurred, would not occur until October. This is May. I do not understand why we, in the first week of May, need to decide that a budget deficit which is over $100 billion, should be accepted and acted upon.

I think the most constructive thing we could do and the action that the American people would most respect would be our willingness to continue to work at this and in a bipartisan cooperation fashion. That is what I think this motion asks us to do.

I yield back my time, Mr. President.

The PRESIDING OFFICER. The Senator yields back his time.

All time on the recommittal motion of the Senator from Wisconsin has expired.

The yeas and nays have been ordered on the motion.

The Senator from Tennessee.

Mr. SASSER. Mr. President, immediately following the vote on the Kohl amendment—the distinguished chairman of the Finance Committee has been here for most of the afternoon, waiting patiently to make a short comment as I understand it on the resolution. I understand our agreed upon sequence, I say to my friend, the ranking member of the Budget Committee, but I also understand that the goodwill and cooperation of the chairman of the Finance Committee is crucial and critical to the success of this budget resolution, to say the least.

So I would urge my colleagues, following this vote, if our colleague from New Mexico and our distinguished colleague from Colorado will be agreeable to acquiescing in the distinguished chairman of the Finance Committee speaking for a brief period of time.

Mr. DOMENICI. Mr. President, let me first say that my good friend, the Senator from Colorado, has been patient but I assume with that request he will probably concur. I will have to defer to him. He is here.

I assume that the distinguished chairman does not intend to speak very long, knowing he is a man of few words. I would recommend that we do that. I would certainly defer to my good friend.

Mr. ARMSTRONG. Mr. President, I will follow the advice of my leader, the ranking Republican on the Budget Committee.

Mr. DOMENICI. Then can we add to the unanimous-consent request that immediately following the remarks of the distinguished chairman of the Finance Committee with reference to this subject that the Senator from Colorado will then be recognized so as to present his amendment.

Mr. SASSER. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question now recurs on the motion to recommit offered by the Senator from Wisconsin.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. BREAUX). Are there any other Senators in the Chamber who desire to vote or to change their vote?

The result was announced—yeas 19, nays 81, as follows:

[Rollcall Vote No. 63 Leg.]

YEAS—19

Bingaman	Helms	Nunn
Boren	Johnston	Robb
Boschwitz	Kerrey	Shelby
Bradley	Kerry	Simon
Bryan	Kohl	Wirth
Conrad	Leahy	
Exon	Levin	

NAYS—81

Adams	Garn	McConnell
Armstrong	Glenn	Metzenbaum
Baucus	Gore	Mikulski
Bentsen	Gorton	Mitchell
Biden	Graham	Moynihan
Bond	Gramm	Murkowski
Breaux	Grassley	Nickles
Bumpers	Harkin	Packwood
Burdick	Hatch	Pell
Burns	Hatfield	Pressler
Byrd	Heflin	Pryor
Chafee	Heinz	Reid
Coats	Hollings	Riegle
Cochran	Humphrey	Rockefeller
Cohen	Inouye	Roth
Cranston	Jeffords	Rudman
D'Amato	Kassebaum	Sanford
Danforth	Kasten	Sarbanes
Daschle	Kennedy	Sasser
DeConcini	Lautenberg	Simpson
Dixon	Lieberman	Specter
Dodd	Lott	Stevens
Dole	Lugar	Symms
Domenici	Mack	Thurmond
Durenberger	Matsunaga	Wallop
Ford	McCain	Warner
Fowler	McClure	Wilson

So the motion to recommit with instructions was rejected.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the motion to recommit was rejected.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SCHEDULE

Mr. MITCHELL. Mr. President, I would like to describe the schedule for the remainder of the evening. I will momentarily propound a unanimous-consent request.

The PRESIDENT pro tempore. The Senate will be in order so the Senate may hear what the majority leader is saying.

Mr. MITCHELL. Mr. President, I will momentarily propound a unanimous-consent request which will seek approval of the following, which I believe will dispose of this matter in just a short time: That first Senator BENTSEN be recognized for 10 minutes; that following Senator BENTSEN's remarks, Senator ARMSTRONG be recognized for the purpose of offering an amendment with respect to which he would have 5 minutes to address the Senate, following which I understand the amendment will be accepted by the managers.

Mr. ARMSTRONG. Mr. President, would the leader yield?

Mr. MITCHELL. Yes.

Mr. ARMSTRONG. That is perfectly acceptable to me if, in fact, the amendment is accepted, but the leader would understand that I could not agree to such a time limit if the amendment was going to be opposed. So I wonder if we could leave that part a little less formally agreed because there have been off again-on again discussions about whether the amendment would be accepted. I have no reason at this moment to believe it would not.

Mr. President, for the benefit of Senators, let me explain that the managers are prepared to accept it but I am not sure that others are.

Mr. BENTSEN. I will not be objecting to the amendment. I have assured the Senator from Colorado I will not oppose his amendment.

Mr. ARMSTRONG. I thank the distinguished chairman of the Finance Committee. Let me suggest this, Mr. President. I will agree to that but with the understanding that if for some unforeseen reason opposition arises I will seek unanimous consent to address the Senate at much greater length.

Mr. MITCHELL. All right. The third still will be the acceptance by the managers of the following amendments, which have been agreed to on both sides:

Two Sasser amendments, a Bond amendment, a Dole-Boren amendment, a Wirth amendment, a Graham amendment, and a Roth amendment.

Following that, and that should take just a few moments because these have all been agreed upon, we would then have——

The PRESIDENT pro tempore. The Chair begs the Senator's pardon. The Senate will be in order. Staffs may take seats. Staffs may take seats or leave the Chamber. The majority leader is entitled to be heard.

Mr. MITCHELL. I thank the Chair.

The PRESIDENT pro tempore. The majority leader may now proceed.

Mr. MITCHELL. Following disposition of those amendments, we would then have a rollcall vote on final passage. Several Senators have approached me regarding invitations they have received from the President to go to the White House this evening and I believe it would be best for all concerned, including the President and those Senators, if we acted on this matter now. Hopefully, we would be through—at least have begun the rollcall vote on final passage by 7 p.m., so Senators could then be at the White House shortly thereafter and other Senators could leave as they see fit.

And if we complete this at this time, it is my intention that the Senate will not be in session, other than pro forma, until next Tuesday morning; that there will be no rollcall votes on Tuesday and that the next session in which there will be rollcall votes would be next Wednesday.

That is because we have completed action so promptly on this budget resolution. In this decade, the average length of Senate consideration of the budget resolution has been 9 legislative days, or approximately 2 weeks. We will, this evening, complete action in 2 days.

I commend everyone for that. There are a lot of reasons for it.

So I would like now to propound the unanimous-consent request which I have just indicated I would propound. Does the Senator wish to be recognized?

Mr. DOMENICI. Reserving the right to object, I wonder, if the majority leader might include at the end of his request that it be in order for him to ask for the yeas and nays on final adoption as soon as he has received consent.

Then I have one concern. The Wirth amendment has been cleared by the leadership of the Energy Committee but I understand that we still have to talk to one Senator. Has Senator FORD been talked to on this amendment, I ask the distinguished Senator from Colorado?

Mr. WIRTH. Let me check. I thought we cleared with everybody but let me find out if we have checked with Senator FORD.

Mr. BRYAN. May I inquire of the majority leader, I would like to have 3 or 4 minutes myself. I understand we are trying to accommodate everybody's time constraints, but we did talk with the floor manager about some time.

Mr. MITCHELL. Would 3 minutes be acceptable?

Mr. BRYAN. Three minutes.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Then, Mr. President, I ask unanimous consent that upon the acceptance of this agreement that the Senate return to consideration of the pending budget resolution; that the distinghished Senator from Texas, Senator BENTSEN be recognized to address the Senate for 10 minutes; that thereafter Senator ARM-

STRONG be recognized to offer an amendment and to address the Senate for 5 minutes, with the understanding that the amendment will be accepted; that if the amendment is not to be accepted, that Senator ARMSTRONG not be bound by the 5-minute limitation; that thereafter, Senator BRYAN be recognized to address the Senate for 3 minutes; that thereafter the manager be recognized to offer the seven amendments previously described, which I will now restate: two amendments by Senator SASSER, one by Senator BOND, one by Senators DOLE and BOREN, one by Senator WIRTH, one by Senator GRAHAM and one by Senator ROTH, all of which have been agreed to on both sides and will be accepted by the managers; and that immediately following disposition of those amendments that Senate proceed without any intevening action to a vote on final passage of the budget resolution and that following acceptance of this agreement, if the agreement is accepted, that I be recognized to seek the yeas and nays on the final vote on the budget resolution.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. That will be the order of the Senate.

Mr. MITCHELL. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDENT pro tempore. The yeas and nays have been requested. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDENT pro tempore. Mr. BENTSEN is recognized for 10 minutes under the order.

The Senate will be in order. The Sergeant at Arms and the assistants thereto will do their duty. The staffs in their seats and let us have order in the Senate so the Senator from Texas may be heard.

The Senator from Texas.

Mr. CRANSTON. Will the Senator yield just for 1 moment. I just consulted the majority leader. That agreement apparently means the vote will begin about 7:05.

Mr. BENTSEN. Mr. President, there is something new that has been added up in the land of the Big Apple. High above the hotdog vendors and the T-shirt shops and bewildered tourists, there is a new electronic scoreboard recording the national debt and the increase in the national debt. And every town across American ought to have one.

It reminds us——

The PRESIDENT pro tempore. The Chair reluctantly interrupts the Senator from Texas. I mean no discourtesy to other Senators but there must be other in the Senate. The time is not being charged to the Senator from Texas.

The Senator from Texas is recognized.

Mr. BENTSEN. It reminds us that the debt is approaching $3 trillion; that is is increasing $5,000 a second; that the share of every family across this land is $42,000. Right in the heart of New York's theater district, that clock is recording a national tragedy. And this budget proposal does not do enough to resolve it.

There are some short-term solutions. And it is clearly intended to help this administration muddle its way through its first year. It is a risky strategy, hoping that everything will hold together, that foreign investors on Tuesday, as they buy our Federal securities, will look the other way. It is a strategy that hopes foreign investors will somehow say that finally we have done what has to be done to really make the kind of headway that must be made in cutting the Federal deficit.

Even with all of that, I am going to vote for the resolution. Why? There is just one reason. It is clear to me that implementation of this budget is going to require a great deal more in the way of negotiation. We are not through with it; not by a long shot. When August 26 comes around and we have to do a recalculation and look at the economic realities then, adjustments will have to be made. When we look at the kinds of assumptions that have been made in this budget, talking about a robust economy, growing at 3.2 percent of the GNP and at the same time interest rates going down to 5½ prcent, dropping over 3 percent, those are contradictory economic assumptions. The chances are almost impossible that such would come to pass, and adjustments will be made.

Some people think we are making progress in reducing the deficit. In fact, it increased last year, and it is going to increase again in 1989. This year we paid $150 billion in service on that debt, one out of every seven Federal dollars.

At Senator HOLLINGS said yesterday, it has paralyzed us in some of the things we have to do, that is clear from his article in the Washington Post when he talked about American students being ranked at the bottom in many of their studies. We are not doing what has to be done for education needs, but actually cutting back on education. Debt service is hamstringing us.

Here is another problem with the budget. Remember the old Abbott and Costello routine that goes something like this: Abbott turns to Lou and says:

> Lou, what would you have if you reached into one pocket and you had $50 and you reached into the other pocket and you had $100?

And Lou replied:

> I'd have somebody else's pants.

That is what we are looking at here, somebody else's pants. Not ours. We are talking about piling on debt that is going down to our kids, going to be paid by our grandchildren.

When the Duke of Windsor abdicated, all he left behind was a throne. We too are abdicating our responsibility, and that means we are saddling this next generation with debt instead of putting them in the saddle.

I think that this agreement really rests on quicksand. That is why I would not go out in the Rose Garden for the ceremony after discussion in the Cabinet room not long ago.

Do we want to ignore the postal deficit? What do you do with it? We will move it off the budget.

Are we bothered about the foreign payments we are going to make in 1990? Pay them in 1989 so they will not go on that budget deficit for 1990.

Are there $500 million in unclaimed food stamps stored away in drawers, forgotten? Cancel them even though they would never be used anyway, and call that a deficit reduction.

Do we want more revenue the same way? Just assume that we will have a booming GNP and declining interest rates.

There may be sound policy behind some of these moves, but they do not sufficiently reduce the deficit. Let us think about a family operating the same way. Does it make any difference if you take your car payments and just move them off budget? They come out of your bank account regardless.

Does it make any difference to pay next year's mortgage early? It still comes out of the your bank account. Do you have an adjustable mortgage and are concerned about interest rates going up and your payments going up? Well, just assume that interest rates are going to go down.

If our economists recommended that kind of approach to the businesses we run, we would fire them. Yet the administration has sent these kinds of assumptions to the Congress.

The same goes for the way we propose to raise money. The President proposes the least plausible method since Ivan Boesky announced he made his money by studying the stock market. In the past when our rates were 70 percent and 50 percent, I pushed for a reduction in the capital gains. But in 1986, Treasury comes in and tells us if we will raise the capital gains rate, we will pick up $21 billion. And in 1989, they come and tell us if we cut the capital gains rate, we will raise $16 billion. That is simply and totally contradictory.

Even Treasury admits that after 5 years, we lose money in the process by cutting capital gains rates. It is like putting a cheap patch on an old tire. We will get going again, but it increases the chance that we will have a blowout just down the road.

I understand the difficulties faced by the distinguished Senator from Tennessee. Nobody has worked harder at fashioning a real compromise, but what can you do when you are playing in the other fellow's park with his bat and his ball and his umpire? We can read that umpire's lips, and he is saying, "Play ball my way."

Well, it is a dangerous way to play. And now we are getting some hints from the administation that in the 1991 budget things are going to be different: we will get serious about deficit reduction. That may be too late. More than half the blue-chip economists predict a recession for next year. I know economists are often wrong. It has been said they predicted nine out of the last five recessions. Even now they are evenly divided, and we do not know who is right.

What if we do have a recession? Do you think you can reduce a deficit at that time? No, certainly not.

The administration is talking to the Finance Committee and saying we have to raise $5.3 billion principally through a cut capital gains tax so that you get a big bump the first year. But what they do not talk about is that we have an R&D credit and other important provisions expiring this year; approximately 3 billion dollars' worth expiring this year. That includes the low-income housing provision, and we have a real problem with low-income housing. We also have a big trade deficit and we must try to increase productivity in this country, we must try to be more competitive but, we don't hear a whisper from the administration about how we are going to take care of the extension of the credit for R&D.

Frankly, I think it would be irresponsible if we do not make that extension. The administration says we can raise $5.3 billion, without even talking about these expiring provisions, another $3 billion. Then I think we should try to get the premium down on catastrophic insurance. In that situation, we have raised over twice the amount of excess, surplus, above reserves required and anticipated, and we should not be financing the deficit on the backs of those who are beneficiaries of catastrophic illness protection. So we ought to try to bring that premium down.

Fortunately, we have some foreign investors that are buying our securities each Tuesday. Some foreign investment can be helpful, but it can also make us dangerously dependent on others. In 1987, Tokyo Business, the magazine, quoted the head of MITI as saying:

> Japan's weapon is money. We should let the U.S. know what would happen if the Japanese refused to buy U.S. bonds.

That is no hollow threat. Some thoughtful analysts have said that Japanese investors pulling their money out of the stock market because of a rumor that emanated out of New York helped bring about Black Monday of 1987 and, in turn, helped bring down the Continental Illinois Bank.

If we act irresponsibly, our destiny will not be decided by the Fed, it will be heavily influenced by Nippon Insurance. In the long run, foreign investments are no substitute for savings, no substitute for responsible budgeting, no substitute for surplus in trade, the time to act is now.

So why do I feel the negotiating process is important enough to outweigh the weaknesses of this resolution? Why not just say no? Why not register a protest against the inadequacy of our compromise and the danger it poses for America?

Because I am a realist. The budget process does not end today. The Finance Committee is charged with raising $5.3 billion in new revenue. In August, OMB will revise its numbers. We will reopen negotiations. And when all that happens I intend to be there. I will not settle for the symbolic gesture that takes me out of the play. The stakes are too high.

As long as there is a chance that we can put some beef in this budget, I will not be satisfied to stand on the outside beefing about it.

In a way, this has been the most disappointing budget in this decade. A new President has a window of opportunity. He can take advantage of the reservoir of goodwill granted him by voters to make some hard choices. But the first 100 days have passed. The best opportunity was spent not dealing with the budget dilemma but ducking it. The President has failed to focus on the most overwhelming problem faced by America today, the one that colors every area of American life and can cripple us far into the 21st century.

That clock up in New York is still ticking. Time hasn't run out. Let us hope we're still in a position to reduce the deficit next year—without gimmicks and the fictions that are on their way to becoming a Washington tradition.

The PRESIDENT pro tempore. Under the previous order, Mr. ARMSTRONG is recognized.

AMENDMENT NO. 92

(Purpose: To provide funding for the purpose of increasing the current social security retirement earnings test)

Mr. ARMSTRONG. Mr. President, a few days ago the Senate wisely, in my view, adopted a proposal to increase by modest amount the Social Security earnings limit. You will remember that we increased the amount of this unfair limit by $1,000. For those who have perhaps forgotten the details, a person between the ages of 65 and 70 years of age who received Social Security and who also wishes to work part or full time forfeits $1 for every $2 of earnings in Social Security within a certain range and certain parameter.

The effect for a lot of working elderly is a tax which can range upward of 70 percent, and in a few extreme cases amounts to a tax of 102 percent, literally a punishment for working. This is obviously very unfair, and fairness is in fact the issue in the Social Security earnings testimony.

Mr. President, the Senate did act wisely a few days ago in modestly increasing the amount of Social Security earnings limit and in a moment I would like to send to the desk an amendment on behalf of Senator DOLE, Senator EXON, and myself, and a number of other Senators which will provide over the next 3 years for increments of $3,000 in each of those years for further increases just to leave room for that to happen when the legislation comes before us so that that legislation will not be subject to a point of order.

Mr. President, I send the amendment to the desk on behalf of Mr. DOLE, Mr. EXON, and a number of other Senators.

The PRESIDENT pro tempore. The clerk will report the amendment.

The assistant legislative clerk read as follows:

> The Senator from Colorado [Mr. ARMSTRONG], for himself and Mr. DOLE, Mr. EXON, Mr. KASTEN, Mr. HELMS, Mr. D'AMATO, Mr. COATS, Mr. GRASSLEY, Mr. DECONCINI, Mr. LUGAR, Mr. SYMMS, Mr. CHAFEE, Mr. COHEN, Mr. DOMENICI, Mr. HATCH, and Mr. WARNER, proposes an amendment numbered 92.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that we dispense with reading of the amendment.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 3, decrease the amount on line 7 by $260,000,000.

On page 3, decrease the amount on line 8 by $670,000,000.

On page 3, decrease the amount on line 9 by $1,070,000,000.

On page 3, decrease the amount on line 14 by $260,000,000.

On page 3, decrease the amount on line 15 by $670,000,000.

On page 3, decrease the amount on line 16 by $1,070,000,000.

On page 3, decrease the amount on line 21 by $260,000,000.

On page 3, decrease the amount on line 22 by $670,000,000.

On page 3, decrease the amount on line 23 by $1,070,000,000.

On page 3, decrease the amount on line 26 by $260,000,000.

On page 4, decrease the amount on line 1 by $670,000,000.

On page 4, decrease the amount on line 2 by $1,070,000,000.

On page 5, decrease the amount on line 4 by $260,000,000.

On page 5, decrease the amount on line 5 by $670,000,000.

On page 5, decrease the amount on line 6 by $1,070,000,000.

On page 5, decrease the amount on line 8 by $260,000,000.

On page 5, decrease the amount on line 9 by $670,000,000.

On page 5, decrease the amount on line 10 by $1,070,000,000.

On page 5, decrease the amount on line 13 by $260,000,000.

On page 5, decrease the amount on line 14 by $930,000,000.

On page 5, decrease the amount on line 15 by $2,000,000,000.

On page 30, increase the amount on line 3 by $-260,000,000.

On page 30, increase the amount on line 12 by $-670,000,000.

On page 30, increase the amount on line 21 by $-1,070,000,000.

On page 34, increase the second amount on line 9 by $260,000,000.

On page 36, increase the second amount on line 1 by $260,000,000.

Mr. ARMSTRONG. Mr. President, imagine how you'd feel if you faced a marginal tax rate as high as 102 percent. Imagine how you'd feel if you lived in a society that, in effect, punished you for working.

About a million Americans—working Social Security beneficiaries between 65 and 70 years old—don't have to imagine. They're the segment of our society still left out in the cold after the tax reform of 1986. Elderly Americans who want—or, in many cases, need—to continue working still confront outrageous effective marginal tax rates of 70 percent or more.

The main culprit is the Social Security earnings test imposes an effective marginal tax rate of 50 percent on senior citizens with limited resources. It forces into retirement many who want to remain active in the work force, for their mental, physical and emotional health. And it frustrates those who need additional income for expenses that fixed incomes can't support.

The earnings test mandates sharp reductions in the monthly benefits of those whose earnings exceed a special amount—$8,880 in 1989. Anyone earning more by working suffers a cut in benefits of $1 for every $2 earned above the limit. To add to the craziness, those 70 and older are free to increase earnings without any benefit cuts. And so-called unearned income, from investments, dividends and pensions, doesn't trigger Social Security cuts. Only work is punished.

The earnings test practically forces elderly citizens into retirement. After contributing to Social Security for decades and reaching age 65, they are presented with a stark choice: Eliminate virtually all significant earnings or face big cuts in the Social Security benefits to which they're otherwise entitled.

Many elderly citizens, while ready to reduce their workload after age 65, do not want to withdraw completely from the labor force. They want to remain productive members of society. Still others need to earn more to meet increased expenses.

It isn't fair that the greatest burden should be placed squarely on the shoulders of our older citizens who can least afford it. The earnings test establishes, in effect, a 50-percent marginal tax rate on the income earned above $8,880. Then, with the normal 15- or 28-percent income tax, the 7.51 percent Social Security tax and the whopping new 15 percent Medicare catastrophic surtax, the effective marginal rate for Uncle Sam alone can exceed 80 percent. Figure in the State and local liabilities, and the total rate can jump to around 100 percent.

As if that weren't enough, the earnings test is an administrative monster. The Social Security Administration spends more than $200 million per year and uses 8 percent of its employees to police the income levels of beneficiaries. SSA estimates that 60 percent of all overpayments and 45 percent of underpayments are attributable to the limit. Beneficiaries affected by the earnings test become entangled in miles of redtape as they try to estimate, monitor, and report income levels and—even worse—pay back benefits they have already received.

It's time to scrap the earnings test altogether. The Senate recently expressed it will do so when it adopted my amendment to raise the earnings test by about $1,000 in 1990. The amendment also expressed the sense of the Senate that the earnings test should be eliminated by the year 2000. Since 85 of my colleagues joined me in voting for the amendment, it's time to press ahead with legislation to phase out the earnings limit by $3,000 per year beginning in 1990, eliminating it entirely by 1995.

The proposal has its critics to be sure. Some say it would benefit the rich among Social Security beneficiaries. In fact, more than two-thirds of the benefits after repeal of the earnings test would be paid to those with incomes below $40,000—someone's idea of rich, no doubt. Indeed, some 85,000 people who make between $9,000 and $10,000 per year would be spared from any earnings test penalty just by our modest increase.

Repeal of the earnings test wouldn't benefit the rich. It would benefit the elderly who wish they could afford to work.

Mr. President, I ask unanimous consent that an analysis of the amendment and a letter from the AARP be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMENDMENT TO THE FISCAL YEAR 1990 BUDGET RESOLUTION TO BEGIN A PHASEOUT OF THE RETIREMENT EARNINGS TEST

Current Law: Social Security beneficiaries under age 70 face sharp reductions in their monthly benefits if their earnings exceed a specified amount. For 1989, the exempt amount for those age 65 to 69 is $8,880. Those earning above this limit will receive a cut in Social Security benefits of $1 for each $2 of earnings above this exempt amount. In 1990, the exempt amount is scheduled to reach $9,360 and the ratio of earnings to benefit cuts improves slightly to $1 in benefit cuts for every $3 earned above the limit. The Retirement Earnings Test does not apply to persons age 70 or older.

Armstrong Amendment:

Amends the budget resolution to allow for increases in the earnings limit of $3,000 in each of fiscal years 1990, 1991 and 1992.

Pays for itself completely in all three years covered by this budget resolution and does not violate the bipartisan budget summit agreement. Its $410 million cost in Fiscal Year 1990 is offset partially through the repeal of the retroactive month of retirement within function 650 ($150 million) and partially through the sale of remaining college housing loans in function 500 ($260 million).

Pays for itself in the out-years by providing for miscellaneous asset sales: $670 million in Fiscal Year 1991, and $1.07 billion in Fiscal Year 1992.

Why This Amendment Should Be Adopted:

The earnings test is unfair. The marginal tax rates it imposes on the elderly are confiscatory. Because of the earnings limit, a senior worker who should be in the lowest tax bracket may end up paying marginal tax rates as high as 83 percent (50 percent earnings test, 15 percent income tax, 7.51 percent FICA, 7.5 percent income tax on Social Security benefits, 3.37 percent Catastrophic). A young worker doing exactly the same work and making precisely the same income would face a marginal tax rate of 15 percent and a Social Security tax rate of 7.51 percent in 1989. Age discrimination has rarely been so clearly illustrated.

An estimated 855,000 people have their benefits reduced every year because of the earnings limit. Just a one-time increase of $3,000 in the limit would not only help all of these people to some extent, but it would save an estimated 150,000 from any earnings limit penalty at all.

The earnings limit is bad labor policy. According to the Social Security Administration 855,000 people currently have their benefits reduced because of the earnings limit. Caught in the earnings test trap, many of our elderly have been driven out of the workplace altogether. Today, 83 percent of all men and 92 percent of all women age 65 and over are completely retired. Between 1970 and 1985, the retirement rate among those 65 years old has increased by 40 percent. In the face of the labor shortages economists are now predicting for the U.S., this problem takes on new dimensions.

The earnings limit is bad social policy. It imposes a strong disincentive on elderly citizens who want to continue working. After contributing to Social Security for decades and reaching age 65, the elderly are presented with a painful choice: eliminate virtually all significant earnings or face stiff cuts in the benefits to which they are otherwise entitled. That kind of choice drives productive individuals to a full retirement or forces them to forgo benefits they've worked for over a lifetime.

Liberalization of the earnings limit would mitigate one of the more unfair aspects of current law. Today, Social Security beneficiaries with unlimited "unearned" income from pensions, investments, and stock dividends, face no reductions in benefits

through the earnings test; but those who work to earn $8,880 a year have their benefits slashed. This proposal should restore some sense of equity in the tax treatment of retired citizens.

Cost:

Our amendment to the budget resolution would allow for the earnings limit to be increased $3,000 in each of the next three years, which provides a starting point of actually phasing it out, endorsed in sense of the Senate language attached last month to the minimum wage bill. If the retroactive month of retirement is repealed to partially offset the cost, we could increase the earnings limit by $3,000 in FY 1990 and pay for it completely. The balance of the cost is accounted for through the sale of already existing college housing loans.

The Armstrong amendment proposes that the $260 million needed for the remaining FY 1990 cost be broken out in the following fashion: $234 million from the College Housing Loan program; and $26 million from the Higher Education Facilities Loan program. Both of these programs simply manage and service the existing portfolios of prior year loans. Importantly, sales of these loans have taken place twice in the past; an established market now exists for them and sales of them have proven remarkably successful.

In 1987 and 1988, the Department of Education completed nonrecourse loan sales for both programs for proceeds of $293 million. These loan sales had a discounted rate of 45 percent (55 cents on the dollar). These were quite encouraging results for loans that yield only 3 percent interest. In fact, it has been determined that the Department was able to realize approximately 95 percent of the amount the U.S. Treasury would have received through the sale of bills, bonds, and notes of comparable maturities and with full recourse. These loans enjoy a triple A rating, having a very long, good history.

Loans of this type are typically purchased by institutional investors such as insurance companies and pension funds. It will make no difference to the educational institutions that have taken these loans out what entity holds their loans. The terms of these past loans will not and cannot change.

Technically, the 1987 budget reconciliation bill prohibits the sale of loans after 1988. This provision is now obsolete and needs to be repealed for good housekeeping reasons. The prohibition originally became law due to pressure from groups concerned that the sale of loans would prevent the financing of new loans. These programs now only manage old loans; new loans are currently made under the College Housing and Academic Facilities Loans program. While it is by no means a serious problem, the statutory prohibition must be repealed in order to achieve these sales. The two sentences added to Section 83 of the Higher Education Act by the Omnibus Reconciliation Act of 1987 placing a moratorium on the sale of these loans would have to be taken out. In fact, the Administration is sending its own higher education bill to us that recommends removal of all of Section 83.

AARP,
Washington, DC, May 4, 1989.

Hon. WILLIAM ARMSTRONG,
U.S. Senate, Washington, DC.

DEAR SENATOR ARMSTRONG: The American Association of Retired Persons reaffirms its support for your continued efforts to liberalize the Social Security retirement test. We believe increasing the current earnings limit would help older persons who continue working and also will encourage additional older persons to contribute their expertise to meeting our nation's economic needs.

Under current law, beneficiaries age 65 to 70 lose $1 in Social Security benefits for every $2 of earnings in excess of the limit (8,880 in 1989). Even with the reduction of $1 for every $3, which is scheduled to go into effect in 1990, hundreds of thousands of beneficiaries will continue to restrict their work effort or lose benefits. In 1988 nearly 900,000 persons suffered a benefit reduction as a result of the limit. Such a benefit loss is particularly troublesome for moderate and middle income beneficiaries.

Your amendment to the budget resolution to increase the earnings limit by $3,000 in 1990 with a similar increase in 1992 would provide needed financial relief, especially for those who work out of necessity. If your amendment were enacted, 150,000 persons would be spared the burdensome effects of the test. Nearly 750,000 additional persons who are affected by the test would be provided some relief. The number of persons helped in future years would, no doubt, be even greater.

Under current law, a beneficiary with $6,200 annually in Social Security benefits and $12,400 in wages would lose approximately $1,000 in 1990 (based on a projected 1990 earnings limit of $9,250). Your amendment, if enacted, would mean that this individual would not lose benefits.

The Association commends your efforts to improve the economic well being of working social security beneficiaries. We hope your amendment will be accepted by your colleagues.

Sincerely,

HORACE B. DEETS.

Mr. ARMSTRONG. Mr. President, at one time it was my thought we might ask for a rollcall vote on this matter. In view of time there is really no reason to do so. The Senate has acted on an issue of very similar import and by I think a margin of about 86 votes agreed that this was a good idea. A rollcall this afternoon I think would produce a similar outcome. So unless other Senators wish to speak on this issue, I thank the Chair and my colleagues and I am prepared to yield back what time may remain.

The PRESIDENT pro tempore. The Senator yields back his time.

Mr. SASSER. Mr. President, I am prepared to yield back our time.

The PRESIDENT pro tempore. The manager yields back his time.

Mr. DOMENICI. We are prepared to accept the amendment on this side.

Mr. SASSER. Mr. President, may I withhold yielding back our time.

The PRESIDENT pro tempore. The Senator from Tennessee is recognized.

Mr. SASSER. Mr. President, I want to support the principle of the amendment by the distinguished Senator from Colorado raising the exemption level for the earnings test.

Raising the earnings test exemption will allow more Social Security recipients who work to keep their full benefits and allow others to keep a greater portion of their benefits.

Senator ARMSTRONG's amendment would raise the earnings limit by $3,000 in 1990, by $6,000 in 1992, and by $9,000 in 1993.

About 75,000 beneficiaries below the poverty line would receive some relief from this change.

Moreover, raising the earnings test exemption would eliminate a work disincentive for many elderly beneficiaries.

We all know stories of elderly people who want to work but who restrict their work effort to exactly the number of hours needed to keep them under the earnings limit. This makes no sense at all.

Other elderly citizens simply decide not to work at all in order to avoid losing some or all of their Social Security benefits.

I think we should be encouraging our Senior citizens to work if they want to, not discourage them.

So, I certainly agree with the Senator from Colorado that this is a good idea.

Mr. CHAFEE. Mr. President, I am supporting Senator ARMSTRONG's amendment to increase the Social Security earnings limitation by $3,000 in 1990, 1991, and 1992. This amendment is an important step toward enabling senior citizens to work, either out of necessity or by choice.

I joined Senator ARMSTRONG in a successful effort during consideration of the minimum wage legislation to raise the earnings limitation to about $10,000. I believe we need the talents of our seniors in the work force. Senate approval of the amendment affirmed our belief that senior citizens should not be discouraged from using their skills and expertise to supplement their income. Yet, what we did last month is not enough.

The amendment we are offering today is an interim step to bring the limitation closer to the level of average wage earnings—about $18,000. Our proposal increases the Social Security earnings test to $18,000 over a 3-year period.

Our amendment would be paid for by a sale of assets in 1990. I believe that these offsets are acceptable, though not ideal, in order to achieve our immediate goal.

Increasing the earnings limitation for 1990 and beyond is critical and will require hard work on the part of the Finance Committee. I intend to work with the Senator from Colorado to find a reasonable way to finance raising the limitation.

I urge my colleagues to join us in support of this critical amendment.

Mr. EXON. Mr. President, I rise today to join my colleagues, the senior Senator from Colorado and the distinguished Republican leader, in sponsoring this amendment that will increase

the earnings cap for Social Security beneficiaries.

Earlier this year, during consideration of the minimum wage bill, we offered a similar amendment which was adopted by a vote of 86 to 11. Unfortunately, the conferees did not see fit to keep that amendment as part of the final package. I was keenly disappointed with that result. We now have another chance to help our senior citizens between the ages of 65 and 70 who choose to supplement their retirement benefits by earning outside income.

This amendment would increase the cap by $3,000 in fiscal years 1990, 1991, and 1992. As you know, Social Security benefits are reduced $1 for every $2 of earnings above the cap. However, in 1990, current law provides for a decrease in that reduction to $1 for every $3 above the cap. That change will also be helpful to those beneficiaries who would still like to keep working.

We have all experienced the incredible increases in the cost of living over the last couple of decades. These costs increase at a higher rate for our elderly citizens, especially in the area of health care. Quite frankly, few senior citizens today can live on the amount of their Social Security benefits alone. If individuals are able and willing to work, why should we tell them they cannot?

Mr. President, this earnings cap is unfair. We have no cap on earnings once an individual hits age 70. We have no cap on the amount of unearned income an individual can earn at any age. This cap unfairly hits the middle-class elderly. The middle class has taken too many hits over the past 8 years. Why can't we give them a boost here? Why should individuals be denied benefits they themselves helped pay for? This just doesn't seem right.

Mr. President, I congratulate my friend and colleague, Mr. ARMSTRONG, for his tenacity, hard work amd diligence in working out this technical but important piece of legislation and urge all my colleagues to support the amendment.

Mr. GRASSLEY. Mr. President, I intend to support this amendment to phase out the Social Security retirement earnings test, a policy change I have long supported.

Mr. President, I believe that our older citizens constitute one of our society's most valuable, but most underutilized, resources. At the present time, around 83 percent of men and 92 percent of women over the age of 65 do not work for compensation.

One of the reasons for this, Mr. President, is that many older workers want to retire, rather than continuing to work past 65, or 62, or 60, as the case may be.

It also seems clear to me, however, that another major reason for this is, and has been, that it is national policy to encourage people to leave the work force beginning as early as age 62, and to discourage them from working once they leave the work force and begin to draw Social Security retirement.

The policies to which I allude are well known. An individual may begin to draw Social Security retirement as early as age 62. Although those benefits are discounted, for many their availability constitutes an incentive to retire. In fact, I believe it constitutes a powerful incentive to retire. In 1985, some 66 percent of all Social Security beneficiaries were early retirees.

At 65 an individual may retire and draw full Social Security benefits. Social Security law has for some time provided a 3-percent addition to an individual's benefit for each year past age 65 by which that individual delays retirement. We recently changed the Social Security law to provide an additional premium to those who delay retirement past age 65. This additional premium begins in 1990. By 2007 this additional premium will reach 3 percent for each year of delayed retirement for those attaining 65 years of age. Of course, we have not begun to see the effects of this change in law.

We also introduced changes in age at normal retirement, but these will not fully begin to take effect until the year 2000.

But, we also have disincentives in law which discourage people from working once they begin to receive Social Security retirement benefits. Under current law, individuals who receive Social Security, but who wish also to work, are penalized.

First, half of the Social Security retirement benefits of those who earn $25,000 as individuals or $32,000 as couples are taxed.

Second, they are subject to a retirement earnings test. When an older worker between 65 and 69 earns more than $8,800 in wages, Social Security benefits are reduced by $1 for every $2 earned.

Mr. President, $8,800 is not a great deal of money. And a loss of $1 for every $2 earned above that amount constitutes, in my opinion, a powerful disincentive to work.

As I noted at the outset of my statement, Mr. President, I believe that older Americans constitute a major resource for our country. I am quite aware, Mr. President, that older Americans contribute in a host of uncompensated ways through volunteer work to the welfare of their communities. In just the Older Americans Act and Domestic Volunteer Service Act programs alone, thousands of older people serve in a whole host of capacities, most of which are uncompensated, or, if they are compensated, as is the case in some of the action agency programs, receive support which just covers the expense incurred in working. I applaud this contribution, Mr. President.

However, we have just begun to tap the potential of older individuals. Were we to reduce the disincentives of current law which discourage older people from working, many more would work. I believe that surveys of older retired people have found that many of them would like to work in a part-time capacity after they have retired from their major occupation. I believe that the country would benefit greatly were they to do so in greater numbers.

Phasing out the retirement earnings test should lead to more older people retaining a place in the work force, a state of affairs from which we will all benefit.

Mr. DOLE. Mr. President, last month the Senate agreed to a sense of the Senate amendment to the minimum wage bill that called for increasing the monthly earning test limit for individuals who have reached retirement age. The overwhelming vote in favor of this measure shows that the Senate is ready to take the next step: Adjust the fiscal year 1990 budget resolution to begin a phase out of the retirement earnings test.

That is why I am joining today with Senator ARMSTRONG in offering an amendment to the budget resolution to allow for increases in the earnings limit of $3,000 in fiscal year 1990, $3,000 in fiscal year 1991 and $3,000 in fiscal year 1992. This plan will go a long way in lowering marginal tax rates for the elderly, which can presently only be described as excessive. Because of the earnings limit, a senior worker, who would normally be in the lowest tax bracket, may end up paying marginal tax rates as high as 83 percent. A young worker doing exactly the same work and making precisely the same income would face a marginal tax rate of 15 percent and a social security tax rate of 7.5 percent in 1989. Age discrimination has rarely been so clearly illustrated.

Our amendment would not only correct this great unfairness, but do so in a way that is fiscally responsible. Our amendment contains offsets to pay for the earnings limit increase over all 3 years covered by this budget resolution, and, as a result, does not violate the bipartisan budget summit agreement. In fiscal year 1990, the $410 million cost is offset partially through the repeal of the retroactive month of retirement and partially through the sale of remaining college housing loans. In the out-years, the cost of this plan is met by using additional asset sales.

Ultimately, however, it is not the cost or savings of this proposal that should be foremost in our minds when considering this amendment. The earnings limit is bad social policy. It

imposes a strong disincentive on elderly citizens who want to continue working. After contributing to Social Security for decades and reaching age 65, the elderly are presented with a painful choice: Eliminate virtually all significant earnings or face stiff cuts in their benefits. That kind of choice drives productive individuals into full retirement while they still have very much to contribute to their jobs.

CONCLUSION

President Bush in his inaugural address called for a rebirth of personal activism, saying, "We must bring in the generations, harnessing the unused talent of the elderly * * *" Mr. President, the best way to harness the unused talent of the elderly is to repeal the very law that discourages senior citizens from using their talent—the Social Security earnings limit. Let us accept President Bush's challenge and amend the budget resolution to begin a phase out of the retirement earnings test.

Mr. DOMENICI. Mr. President, I rise in support of the Armstrong amendment, which takes an important step toward eliminating a strong work disincentive that confronts older Americans.

I will not dwell on the specifics of the amendment. I will discuss a labor impact created by the earnings test that will become increasingly important to our Nation's future.

Next year, the earnings test reduces Social Security benefits by $1 for every $3 earned above the limit. This reduction is above and beyond other income taxes, FICA taxes, and the catastrophic health surcharge. Talk about a disincentive to work.

As a result, an OASDI recipient earning more than about $9,000 could lose nearly all of their Social Security check through taxes and the earnings test.

The earnings test was probably never good labor policy. But as labor shortages spread across the country, we certainly cannot afford disincentives to work, particularly disincentives for the middle income work—educators, nurses, and so on—for which this provision creates the biggest work disincentive.

My colleagues know the statistics. There are relatively few young workers entering the labor force, a trend that is expected to continue. These labor shortages will worsen unless something changes. Our Nation's seniors are an obvious possibility. Many want to work.

Until 1930, about 65 percent of the men over age 65 worked. The percentage declined steadily to 32 percent in 1980.

Fewer senior citizens work primarily because it is easier to retire now. Income, savings and wealth have increased. Social Security was created and private pensions became more generous. Many more seniors didn't need to work. Work disincentives, such as the earnings test, also have had their effect.

Senator ARMSTRONG is right: We must reduce these disincentives to work.

One caution—while I support the concept of continuing to raise the earnings test, finding the resources to finance added costs will be tough. We still have a deficit problem. We cannot raise payroll taxes. I do not want to erode the Social Security reserves needed for future generations. So it will not be easy.

The offset proposed by Senator ARMSTRONG for the three incremental increases in exempt earnings are reasonable.

In closing, I commend Senator ARMSTRONG for his leadership in pursuing changes in the earnings test. He has been relentless.

Mr. SASSER. Mr. President, we yield back time.

The PRESIDENT pro tempore. All time is yielded back. The question is on agreeing to the amendment.

The amendment (No. 91) was agreed to.

Mr. ARMSTRONG. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDENT pro tempore. Under the order, Mr. BRYAN is recognized.

Mr. BRYAN. Mr. President, I rise to oppose Senate Concurrent Resolution 30 which is intended to implement the bipartisan budget agreement for 1990.

I do so reluctantly for my decision was not easily reached. I appreciate the efforts of those who labored to develop the bipartisan package.

As a former Governor who has faced fiscal challenges at the State level, I know the decisions made when trying to allocate tight resources and establish priorities are some of the most difficult decisions made by public officials.

However, I believe that one fact looms large over all aspects of our domestic and international policy, and it threatens the long-term vitality of our Nation. The burgeoning Federal debt is a crisis that must command our honest attention if the Nation is to achieve all it is capable of as we approach the dawn of a new century.

The deficit holds hostage our future economic growth, mortgages the quality of life our children and grandchildren may enjoy, and reduces our ability to remain a competitive economic power.

Perhaps most importantly, this debt feeds upon itself, consuming a larger portion of each year's resources which could otherwise be devoted to serving the legitimate needs of the citizens.

My honest assessment of the budget agreement is that it largely reflects an "easy fix." It accomplishes little more than getting the Federal Government from 1 year to the next with budgeting and accounting gimmicks.

Meanwhile, the Nation's debt continues to grow at an alarming rate.

Furthermore, and more disturbing, the budget process, as much as the agreement before us, hides the true magnitude of the deficit.

Until we face reality and define the deficit problem in dollar and cents terms that everyone understands, the ability to manipulate budget numbers rather than manage the deficit may prove irresistible.

I also believe that this year—the first of a new administration and a new Congress—may be the best window of opportunity we have to address our fiscal plight.

A problem of this size and complexity cannot be easily solved. But I strongly believe we must make an honest attempt at substantial deficit control, and we should start with real progress this year.

Our task next year—with a more difficult deficit target to meet, looming uncertainties in our economy, and the pressures of the election year—cannot be easier than the task we face today.

Indeed, I believe a realistic assessment is that next year's budget debate is likely to be more difficult for the Congress and the administration alike.

By understating the true size of the deficit today, our problem next year and in the years to follow simply grows, and thus becomes more difficult to solve.

One lesson I have found to be true in public life is that a tough decision postponed a day—or a year—becomes no easier to face.

I also have a fundamental, philosophical objection to a governmental process so convoluted and so contrived. Although the details have been debated, examples of the creativity involved in the budget agreement are still instructive.

The package relies on gimmicks to meet the deficit targets, which themselves are hypothetical and subject to manipulation. Under this proposal we claim to reduce the deficit by such techniques as:

Advancing farm payments—$900 million—from fiscal year 1990 to fiscal year 1989, which amounts to spending money this year so it may count as savings in next year's budget;

Canceling unredeemed food stamps, which amounts to counting as savings money that could never be spent.

Such devices truly comprise a "smoke and mirrors" approach to the deficit crises.

The flaws of the process become even more apparent when reviewing the financing of the savings and loan depositor's bailout.

As a member of the Senate Banking Committee, I attended 17 hearings and heard testimony from over 50 witnesses.

By all accounts the savings and loan bailout will cost us more than the resources devoted to Europe under the Marshall Plan, and the bailouts of Lockheed, Chrysler, Penn Central, and New York City combined.

Miraculously, the budget resolution calculates the savings and loan bailout as saving the taxpayers money. While CBO estimates Federal outlays at $168 billion over the next 10 years to finance the bailout, the budget resolution estimates a $14 billion surplus.

If we extended this kind of accounting to the rest of the Federal budget, the deficit, on paper, would vanish.

This is accomplished by some off-budget accounting devices. It is as if my wife borrowed some money, gave it to me, and I counted it as income for our family.

I have said in the past that a business operator who played by such rules would end up in jail or bankrupt—or both.

And the most significant deception of all—which few citizens fully understand—is using the surplus collected by the Social Security trust fund to meet the deficit targets.

For 1990, the surplus of Social Security receipts makes the deficit appear $68 billion smaller. Thus, even if all the other assumptions in the budget package were accurate, the true deficit would be closer to $200 billion than the $100 billion target.

These Social Security funds should rightfully be invested in a trust fund for our country to generate the economic growth that will be needed to pay future benefits—not used today to finance the operating expenses of a Government on an economic course leading to crisis.

Other trust funds—including those designed to maintain our airport and highway system infrastructure—are counted against as much as $67 billion of the debt as well. These funds should be invested in our future, not used to hide the scope of today's problems.

The problem we need to face is that Federal spending—particularly during the last 8 years—has risen faster than available revenues. We may argue endlessly about the cause, and the blame, for this situation. But we can ignore it no longer.

I appreciate the efforts that the leadership devoted to the budget process—within the constraints the administration was willing to accept. Now, however, is the time to do something more.

Accounting tricks and optimistic economic assumptions may allow us to claim we have met the deficit reduction called for in the Gramm-Rudman-Hollings targets for this year, but I believe we do the citizens and the Nation a disservice by understating or disguising the underlying problem.

The approach we are charting in the budget resolution leaves Congress and the administration ill prepared to face the future, and being a realist I object to the proposal on that basis.

Our ability to adequately address future needs of the Nation is compromised by not facing honestly what I believe is a precursor to an economic calamity—as the Federal debt continues to grow.

The PRESIDENT pro tempore. Under the order, the manager of the bill, Mr. SASSER, is recognized.

Mr. SIMON. Mr. President, I ask unanimous consent to address the Senate for 1 minute.

Mr. DOMENICI. Reserving the right to object, Mr. President, I really hate to do this because, frankly, we have accommodated everyone we could and we have told them there would be no more speeches, but I will not object. I just hope everyone will understand I am going to object other than this one. I have no objection.

The PRESIDENT pro tempore. There being no objection, the Senator from Illinois is recognized for 1 minute.

Mr. SIMON. Just one point. The staff of the Budget Committee either purposely or inadvertently—I think it was inadvertent—did not follow the instructions of the committee. On page 81 interest is listed. I just heard our colleague, Senator BENTSEN, list the interest cost. If you look at page 81 it lists net interest. In fact, the interest expenditure under this estimate is not the interest listed. It is $263 billion because we subtract the interest earned by the trust funds. Unless something happens that we do not expect right now, the following fiscal year for the first time in the Nation's history interest will be the number one expenditure of the Federal Government, exceeding defense.

The PRESIDENT pro tempore. The Senator from Tennessee [Mr. SASSER] is recognized.

AMENDMENT NO. 93

(Purpose: To assert the sense of the Senate on United States policy to reduce the generation of carbon dioxide and for other purposes)

Mr. SASSER. Mr. President, I send an amendment to the desk on behalf of Mr. WIRTH and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. SASSER], for Mr. WIRTH (for himself, Mr. CHAFEE, Mr. HEINZ, Mr. JOHNSTON, Mr. GORE, Mr. CRANSTON, Mr. LEAHY, Mr. DURENBERGER, and Mr. KERRY, proposes an amendment numbered 93.

Mr. SASSER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

REDUCING THE GENERATION OF CARBON DIOXIDE

SEC. . (a) The Senate finds that—

(1) the concentration of the so-called "greenhouse" gases—including carbon dioxide, methane, nitrous oxide, chlorofluorocarbons, tropospheric ozone is rising;

(2) Since the advent of the industrial revolution 150 years ago, a number of scientific experts estimate that the atmospheric concentration of—

(A) carbon dioxide, the most prevalent of these gases, has increased by 25 percent;

(B) methane has increased by 100 percent;

(C) nitrous oxide has increased by 10 percent;

(D) CFC's have increased from zero 60 years ago at an average rate of 5 percent per year; and

(E) tropospheric ozone continues to increase by 1 percent per year;

(3) a large number of the world's leading scientists, including members of the National Science Foundation, have warned policy makers that—

(A) increased concentrations of these gases will alter climate; and

(B) such climatic alterations could have devastating effects on weather patterns, agricultural productivity, coastal population centers due to rising sea levels, and biological health;

(4) the majority of these gases are generated in the production of energy;

(5) in 1988, the Department found, based on data collected for the 1985 National Energy Policy Plan, that the United States' generation of carbon dioxide would increase from 1985 levels by 38 percent in the year 2010;

(6) leading scientific experts of the world, including members of the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine have urged the President to take action to reduce the generation of these gases by the United States;

(7) international negotiations are underway to develop strategies to reduce the generation of these gases;

(8) the United States is chair of the Response Strategies Working Group of the Intergovernmental Panel on Climate Change (IPCC), which was established by the United Nations Environmental Programme and the World Meterological Organization;

(9) at the first meetings of the IPCC's Response Strategies Working Group, the Secretary of State urged that global solutions to global climate change be as specific and cost-effective as they can possibly be;

(10) it is imperative that the United States and all nations take immediate steps to protect the global environment; and

(11) without action by the United States to protect the global environment, our ability to convince other nations to act on concerns such as global climate change will be constrained.

(b) It is the sense of the Senate that United States policy on global warming should be—

(1) to reduce the generation of greenhouse gases;

(2) to hold, in 1989, a global conference on the environment, hosted by the President;

(3) to encourage other nations to undertake measures to reduce the generation of greenhouse gases;

(4) to develop binding multilateral agreements with other nations by the end of calendar year 1992, or as early as is practicable, to reduce the global generation of greenhouse gases;

(5) to encourage the worldwide protection of tropical rainforests;

(6) to require each Federal agency to examine its programs to determine the impacts of global warming on its missions and activities and to evaluate and propose policies under its authority that could reduce the generation of greenhouse gases; and

(7) to develop new technologies and better utilize existing technologies that will provide reliable supplies of energy and service for the citizens of the United States while reducing the generation of greenhouse gases.

(c) It is also the sense of the Senate that the United States Government should adopt a position with respect to a "Framework Global Climate Convention", and through its representative to the Intergovernmental Panel on Climate Change, should begin discussions on such a convention when it chairs the next meeting of the "Response Strategies Working Group".

(d) To the maximum extent practical, the priorities set forth in this section should be reflected in the Federal budget.

Mr. WIRTH. Mr. President, we have just passed the first budget of the 1990's. This is the fiscal year 1990 budget. With the passage of this budget, a new decade begins. As we launch this budget, we must stop and reflect on the lessons of the 1980's. Clearly this has been a decade for remarkable change and in no area more than escalation of the environmental challenge.

Last week, one of the Nation's elder statesmen, George Kennan, admonished us to recognize that the cold war is coming to a close as the Soviet Union experiences dramatic and, in all probability, permanent change. East-West hostilities are easing. Conflict resolution is proceeding in Central America, Africa, and in the troubled Middle East. The world is still a hostile place, of course, but we need to direct our attention to a different kind of hostility between the people of this planet and the environment.

Environmental issues have rapidly emerged as the preeminent challenge to this and all nations. The current global environmental crisis demands urgent attention. Coral reefs are inexplicably dying. Coasts around the world are eroding. Temperatures are rising. Billions of pounds of toxic air pollutants threaten the health of all living things. The ozone layer is depleting. Clean air is a continuing problem in Denver and dozens of cities in the United States, and recent reports suggest that Mexico City's air is so polluted that it is impossible to conduct normal business.

And we are not alone in this hemisphere. During the past 12 months, devastating information has also emerged from the Soviet Union about the enormity of that nation's environmental problems. One Swedish scientist recently wrote on his return from Central Asia: "The destruction of the Soviet environment, particularly in the Central Asian area, has now progressed beyond the point of recovery. The Caspian Sea is dying, the Black Sea is heading for the same fate, and Lake Lodoga, Europe's largest inland sea, is so polluted that it cannot be used even by a planned extension of a paper mill. By the year 2000, Central Asia will be environmentally dead."

Unmistakably, we are pushing the limits of our environmental systems. The 1980's have been the warmest years on record. Global warming is underway. During this decade, the oceans have sent back discarded waste to sully our beaches. The Antarctic ozone hole has been discovered and evidence of similar ozone depletion in the Arctic is rapidly emerging.

From groundwater to global warming, from ozone depletion to a poisoned food chain, from acid rain to garbage dumping and from tropical deforestation to the overarching question of population growth, global environmental issues have emerged with astonishing speed. These matters have direct implications for human health, for infant mortality, for predictable commerce and, more ominously, for the habitability of this planet. These are issues that will affect every citizen in this country and elsewhere, and it is time we take on our responsibility to address them.

Where do we begin then to get a handle on this vast set of issues?

We must act immediately to halt our assault on the atmosphere. The science is clear: We live in a so-called greenhouse, human activity is altering the composition of the atmospheric blanket and the Earth is getting warmer. On these points, there is virtually no debate. Most recently, the National Science Foundation wrote in its biannual publication, Mosaic, that "slowly, inexorably the Earth is getting warmer. The stoking agent is human activity." The scientific consensus can be summarized in that statement.

Now, policymakers from Margaret Thatcher to the Prime Minister of Norway, Gro Brundtland, who visited with President Bush on yesterday, are speaking out on the need for all nations to help purchase a global insurance policy against dramatic climate change.

Mr. President, I ask unanimous consent to print in the RECORD two articles about the recent actions being taken by Prime Minister Thatcher.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Guardian, Apr. 27, 1989]

PM'S SEMINAR ENDS WITH NUCLEAR HINT

(By Tim Redford)

A Downing Street seminar on the future of a world warming rapidly under the greenhouse effect ended yesterday with no announcement of initiatives but a hint that the public attitude to nuclear power may have to change.

The greenhouse effect is driven by fossil fuel burning, nuclear power yields almost no carbon dioxide, the chief greenhouse gas.

But there were also indications that the Government may be contemplating advice to encourage switches to alternative fuels, renewable energy. International programming for afforestation the need to strengthen sea defences and to support existing international bodies such as and the World Meteorological Organization.

The seminar was attended by Mrs. Thatcher and ministers, including Sir Geoffrey Howe, Mr. Nicholas Ridley, Mr. Chris Patten, Mr. John McGregor, Mr. Cecil Parkinson, Mr. Paul Channon and Lord Caithness and scientists and industrialists.

Mrs. Thatcher was told that by the year 2030 the world was likely to be 1.5 degrees warmer. "That's 1.5 in 40 years compared with 0.5 in the past 100 years," said Professor Tom Wigley, head of the climatic research unit at East Anglia University. He said that there were a number of uncertainties about how much the sea level would rise. "But our best estimate is that between now and 2030 it will be between 17 and 20 centimetres. If you want to go to all extreme, it might be 40 centimetres."

Although no specific statement emerged from the Government, scientists were content that the Prime Minister realized the dangers of a wait-and-see policy.

"The initiative the Prime Minister has taken here is unique," said Professor Wigley. "Never before has a prime minister or a head of state been so closely involved in this issue. And that will have untold implications in terms of the responses of other heads of state."

John Carvel adds: Mr. Paddy Ashdown, the Democrat leader, last night promised to halt production from all Britain's nuclear power stations by the year 2020. This was in response to the Downing Street seminar, which he described as another example of Mrs. Thatcher's "nuclear-mania".

The Liberals and SDP went into the last election committed to halting construction of nuclear capacity, but not to scrapping existing plant.

The Shadow Environment Secretary, Dr. John Cunningham, said: "A major energy conservation programme is the quickest and most effective way to tackle atmospheric discharges, as the Prime Minister's own advisors realize."

[From the Independent Apr. 27, 1989]

PM TO REPORT ON GLOBAL WARMING

(By Nicolas Schoon)

Margaret Thatcher wants to take the international lead in combating the greenhouse effect of global warming, it emerged from a Cabinet seminar on the subject yesterday.

The Prime Minister is likely to choose the Commonwealth summit in Kuala Lumpur, Malaysia, in September, to present a report on the threat of rising temperatures and higher sea-levels.

She will seek backing from other governments for measures to prevent the worst prediction of climatic change being fulfilled.

The Department of Energy's free-market policies may also be reversed, with more government intervention to reduce the growing consumption of coal, oil and gas. Those form the main threat to the world's atmosphere and eco-systems.

This is likely to involve many breaks and incentives for consumers and industries which burn fewer fossil fuels, rather than putting heavy taxes on them.

One scientist who attended the seminar said: "There was a recognition that the Government will have to change its fundamental energy policy, set out of Nigel Lawson as Energy Secretary in a speech seven years ago.

"He said there was no energy policy, beyond removing distortions in the marketplace. Those simplistic, market-led policies will have to change."

Although scientists emphasize that more efficient use of energy is the single most effective way of lowering carbon dioxide emissions from the burning of fossil fuels, ministers are still seeking a growing role for nuclear power.

After the Downing Street meeting, which was attended by scientists, experts and scientists, experts and Cabinet ministers, Cecil Parkinson, Secretary of State for Energy, said nuclear power had a growing role to play world-wide as "fossil fuel prices will move increasingly upwards".

There was encouragment for the view that nuclear reactors will eventually provide Britain's baseload electricity instead of coal-fired stations.

The Commonwealth summit is seen as a good venue because it takes in industrialized nations such as the UK, Australia and Canada, which produce huge quantities of carbon dioxide—the principal "greenhouse" gas—as well as developing nations, such as India, which might produce huge quantities if they are able to industrialize successfully.

Mr. WIRTH. From the Independent, we learn that:

Margaret Thatcher wants to take the international lead in combating the greenhouse effect of global warming, it emerged from a cabinet seminar on the subject yesterday. She will seek backing from other governments for measures to prevent the worst predictions of climate change being fulfilled.

And from the Guardian, we learn:

The initiative the Prime Minister has taken here is unique. Never before has a Prime Minister or a head of state been so closely involved in this issue. And that will have untold implications in terms of the responses of other heads of state.

Prime Minister Brundtland delivered the Benjamin Franklin lecture last Monday night, and I was privileged to be in the audience for this remarkable address. Let me quote from her statement:

We need concerted international action. There are certain imperatives which must be pursued with vigor as matters of the utmost urgency.

We need to agree on regional strategies for stablizing and reducing emissions of greenhouse gases. Reforestation efforts must be included as a vital part of the carbon equation.

We must strongly intensify our efforts to develop renewable forms of energy. Renewable energy should become the foundation of the global energy structure during the 21st century. It is quite clear that developing countries will need assistance to avoid making the same mistakes we made over again. It is essential that energy-efficient technology be made available to developing countries when they cannot always pay market prices without assistance.

We should speed up our efforts on international agreements to protect the atmosphere. There are different views on how to proceed on this issue. I urge that negotiations to limit emissions be started immediately.

We, too, in the United States must join in this movement. To ensure against aggression from other nations, we have invested in the largest, most expensive insurance program in the world: The Pentagon. We need to take out comparable insurance to protect the environment from assault. Environmental integrity is the ultimate issue of national and global security. As we move into the 1990's and seek to address the new priorities of the changing world, the United States must be part of that leadership.

That is why I, today, together with my distinguished colleagues, Senators CHAFEE, HEINZ, GORE, JOHNSTON, CRANSTON, LEAHY, DURENBERGER, and KERRY of Massachusetts, offer this simple but deeply important resolution. The resolution states that it is the sense of the Senate assembled that the United States should do all that it can to prevent and reduce the generation of the so-called "greenhouse gases" both here and abroad. No one would disagree with that. After all, it is upon the climate in which we live and work that our communities, States, and this Nation have developed the unparalleled economic social, and political institutions we have.

Indeed, climate is our ally. I know that every Senator, in this body appreciates that alliance. And that is why I have ask for and received a positive response from all Senators to join in demonstrating to the world that this body wants to protect that alliance between humanity and our environment. It is in the loftiest traditions of the Senate to lead the world on such critical issues.

I also hope that President Bush will demonstrate his leadership on the global warming problem. commendably, the President has taken several actions that demonstrate his commitment to be the "environmentalist" he pledged to be during last year's campaign. Next week, the new President and his administration will be tested on this issue again.

During the week of May 8, 1989, the Response Strategies Working Group of the Intergovernmental Panel on Climate Change, which the United States chairs, will meet in Geneva. If international action on the global warming threat is to move expeditiously, the United States must open the dialogue at those meetings on the question of a "Framework Global Climate Convention." By opening that discussion, President Bush, on behalf of the United States, can reestablish this Nation as the world's preeminent leader on global environmental issues. Furthermore, he would be paving the way for immediate progress on a negotiated international climate convention—which is the only practical and equitable way to get a handle on this enormous problem among nations.

The most important section of this resolution we passed this evening urges the administration to develop and discuss its position on a "Framework Global Climate Convention" immediately.

The resolution passed unanimously this evening by the U.S. Senate is clear and unambiguous—let me quote an important section:

It is also the sense of the Senate that the United States Government should adopt a position with respect to a "Framework Global Climate Convention," and through its representative to the Intergovernmental Panel on climate change, should begin discussions on such a convention when it chairs the next meeting of the "Response Strategies Working Group."

We must take the lead. We have a responsibility to do so. We need our diplomats and our brightest minds to speak the language that reflects today's priorities. The discussion of CFC's should be as robust as negotiations on ICBM's. Carbon dioxide should be every bit as much of a consideration as tactical weapons. We must begin a new era of global environmental negotiations to ensure that all nations work together to integrate economic, energy and environmental planning and become fluent in the provocatively simple language pioneered by our friend and guest, Prime Minister Gro Brundtland: the language of sustainable development. If we speak that language, surely it would not be hard to negotiate a global climate convention.

When the American astronaut Neil Armstrong took man's first steps on the Moon, he said it was a small step for man but a giant leap for mankind. This resolution, and other actions to prevent greenhouse gas emissions embodies the dignity of Mr. Armstrong's statement. Again, in this area we simply need leadership.

I hope that this step taken tonight will lead to bolder action by this body and throughout in considering many pieces of legislation and in saying to the White House, we want to work with the White House, and we want a White House that leads.

In closing, I would like to reiterate my belief that the world is changing

very rapidly. The great challenges and threats in today's world are not going to be solved by building more weapons. They are going to be solved by shielding ourselves from environmental catastrophe. Today, we demonstrate to the American public that this body intends to lead the world toward addressing the real priorities of the 1990's.

Mr. President, I ask unanimous consent that a statement be included with my statement.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS BY MRS. GRO HARLEM BRUNDTLAND, PRIME MINISTER OF NORWAY, CHAIRMAN OF THE WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT

GLOBAL CHANGE AND OUR COMMON FUTURE—THE BENJAMIN FRANKLIN LECTURE, WASHINGTON, DC, MAY 2, 1989

We are living in an historic transitional period in which awareness of the conflict between human activities and environmental constraints is literally exploding. This finite world will have to provide food and energy, and meet the needs of a doubled world population sometime in the next century. It may have to sustain a world economy which is five to ten times larger than the present one. It is quite clear that this cannot be done by perpetuating present patterns.

In the never-ending human search for an improved habitat, for new materials, new energy forms and new processes, the constraints imposed by depletion of natural resources and the pollution caused by the conversion of resources have brought mankind to a crossroads.

In spite of all the technological and scientific triumphs of the present century, there have never been so many poor, illiterate or unemployed people in the world, and their numbers are growing. Close to one billion people are living in poverty and squalor, a situation that leaves little choice, in a struggle for life which often undermines the conditions for life itself, the environment and the natural resource base.

We continue to live in a world where abundance exists side by side with extreme need, where waste overshadows want, and where our very existence is in danger due to mismanagement and over-exploitation of the environment.

The undermining of respect for international obligations was one of the many negative trends in international politics during the 1970s and the early 1980s.

I believe that the threats to the global environment have the potential to open our eyes, and to make us accept that North and South will have to forge an equal partnership. The threats to the global climate prove beyond doubt that, if everyone does as they please in the short run, we will all be losers in the long run. We need to develop a more global mentality in charting the course towards the future, and we need sound scientific advice and firm political and institutional leadership.

We face a grim catalogue of environmental deterioration. We know that forests are vanishing. Every year 150,000 km² disappear. We are becoming increasingly aware of the spread of desert land. The yearly rate is 60,000 km². Good soil is being washed away or eroding at alarming rates. It is estimated that about 150 plant and animal species are becoming extinct every day, most of them unknown to laymen and specialists alike. The stratospheric ozone shield is in danger. And above and beyond all these signs of environmental crisis, the climate itself is threatened.

As the challenging dynamics of global change gradually become clearer, the role of the men and women of science in shaping our common future becomes more central. The interplay between the scientific process and the making of public policy is not a new phenomenon. Indeed, it has been a characteristic of most of the great turning points in human history. One need look back no further than the dawning of the nuclear age to conclude that names such as Fermi, Bohr, Oppenheimer and Sakharov have influenced today's world just as much as Roosevelt, Stalin, Churchill, Gandhi and Hammarskjoeld.

It may be more important now than ever before in history for scientists to keep the doors of their laboratories open to political, economic, social, and ideological currents. The role of the scientist as an isolated explorer of the uncharted world of tomorrow must be reconciled with his role as a committed, responsible citizen of the unsettled world of the present.

The interaction between politics and science has been decisive in the pursuance of international consensus on the problem of stratospheric ozone depletion. The protocol which was hammered out in Montreal in September 1987, which provides for reducing CFC emissions by 50 percent over the next decade, could never have been achieved without a delicate balance between the most up-to-date scientific information, reliable industrial expertise and committed political leadership against a background of strong, and informed public interest.

The fact that new scientific data on the threat to the ozone layer has already prompted us to move beyond the 1987 accords only underlines my point: The scientist's chair is now firmly drawn up to the negotiating table, right next to that of the politician, the corporate manager, the lawyer, the economist and the civic leader. Indeed, moving beyond compartmentalization and outmoded patterns to draw upon the very best of our intellectual and moral resources from every field of endeavor lies at the very heart of the concept of sustainable development.

It is a rare privilege to be here in Washington today and to speak about the challenges before us as we approach the end of a century that has brought more changes than the entire previous history of mankind. I do so emphasizing that U.S. leadership will be decisive if we are to succeed, on a global scale, in making the necessary changes. I do so with the greatest respect and admiration for the human and material resources of this country, resources which can and must be mobilized for sustainable development if we are to overcome the interlocked environment and development crisis.

This nation has perpetually fostered human genius. Benjamin Franklin himself was a paragon of intellectual curiosity and versatility. His inquisitive, insatiable mind was constantly on the look-out for knowledge and would have found it in a desert. His own words about learning are illustrative, and I quote: "In persons of a contemplative disposition, and the most different things provoke the exercise of the imagination, and the satisfaction which often arise to them thereby are a certain relief to the labor of the mind as well as to that of the body".

Had Franklin been alive today, he might have found a solution to the energy problem. He was actually very involved with the problem of energy efficiency. Franklin was the first scientist to study the Gulf Stream. He found that a vessel sailing from Europe to America could shorten the voyage by avoiding the Stream, and that a thermometer could be used to determine the edge of it.

Today, the international agenda has grown more varied and complex, but also more promising. Advances are being made in a number of fields, including the easing of tensions between East and West with the ensuing gains for peace and security and the settlement of regional conflicts.

Should we not take advantage of this favorable climate and direct our efforts towards the critical environment and development issues facing us? Many of these problems cannot be solved within the confines of the nation state, nor by maintaining the dichotomy between friend and foe. We must increase communication and exchange, and cultivate greater pluralism and openness.

In 1987, the World Commission on Environment and Development presented its report "Our Common Future." The Commission sounded an urgent warning: The present trends cannot continue. They must be reversed.

The World Commission did not, however, add its voice to that of those who are predicting continuous negative trends and decline. The Commission's message is a positive vision of the future. Never before in our history have we had so much knowledge, technology and resources. Never before have we had such great capacities. The time and the opportunity has come to break out of the negative trends of the past.

What we need are new concepts and new values based on a new global ethic. We must mobilize political will and human ingenuity. We need closer multilateral cooperation based on the recognition of the growing interdependence of nations.

The World Commission offered the concept of sustainable development. It is a concept that can mobilize broader political consensus, one on which the international community can and should build. It is a broad concept of social and economic progress. The Commission defined sustainable development as meeting the needs and aspirations of present and future generations without compromising the ability of future generations to meet their needs. It requires political reform, access to knowledge and resources, and a more just and equitable distribution of wealth within and between nations.

Over the past couple of years some progress has been made in the environmental field, both in terms of raising consciousness and in terms of taking on particular challenges, such as in the Montreal Protocol on the ozone layer and the Basel Convention on hazardous wastes. However, the picture is very uneven, and the achievements far from justify complacency.

As far as development is concerned, however, the 1980s have been a lost decade. Though some countries have done well, there has been wide-spread economic retrogression in the Third World. Living standards have declined by one-fifth in Sub-Saharan Africa since 1970.

Unsustainable, crushing burdens of debt and reverse financial flows, depressed commodity prices, protectionism and abnormal-

ly high interest rates have all created an extremely unfavorable international climate for development in the Third World.

Politically, economically and morally, it is unacceptable that there should be a net transfer of resources from the poor countries to the rich. Paradoxically, the fact of the matter is that while close to a billion people are already living in poverty and squalor, the per capita income of some 50 developing countries has continued to decline over the past few years.

These trends will have to be reversed. As pointed out by the World Commission on Environment and Development, only growth can eliminate poverty. Only growth can create the capacity to solve environmental problems. But growth cannot be based on overexploitation of the resources of developing countries. Growth must be managed to enhance the resource base on which these countries all depend. We must create external conditions that will help rather than hinder developing countries in realizing their full potential.

What we now need is Global Consensus for Economic Growth in the 1990s. It must comprise:

Economic policy coordination that will promote vigorous noninflationary economic growth; Major challenges include reducing payments imbalances between the USA, Japan and the Federal Republic of Germany, and making the surpluses of Japan, the Federal Republic of Germany and other countries increasingly available to developing countries.

From a world development point of view, the financial surpluses of the OECD countries should increasingly be used for investments in developing countries rather than for financing private consumption in the major industrialized countries.

We need policies that will secure more stable exchange rates and inceased access to markets on a global basis; Protectionism is a confrontational issue and a no benefit game. Every year, protectionism costs the developing countries twice the total amount of development assistance they receive. The benefits of free trade both for the North and for the South are obvious.

We need policies that will sustain and improve commodity prices;

Policies must encourage and support diversification of the economies of the developing countries; we need adjustment programs that are realistic. Their pace and sequence must be carefully tailored to the charactaristics and development priorities of the individual countries through a policy of dialogue. More must be done to incorporate poverty concerns and environmental considerations into adjustment programs.

We need major new efforts that will reduce debt based on the recent Brady initiative. For debt owed to multilateral institutions, the scheme based on a Nordic proposal to soften interest payments on such loans has been taken up by the World Bank. We believe this and similiar schemes should be extended in the future.

A very civilized, ancient legal provision on debt reads as follows: "If a man owes a debt, and the storm inundates his field and carries away the produce, or if the grain has not grown in the field, in that year he shall not make any return to the creditor, he shall alter his contract and he shall not pay interest for that year".

This quote is taken from the Code of Hamurabi, King of Babylon, which dates from the year 2250 BC.

And 4,000 years later the debt burdens, the environmental crisis and the decline in the flows of resource transfers are trends that call for equally civilized considerations.

In addition to our debt efforts, what is called for is increased development assistance, nothing short of a "Marshall Plan" for the poorer nations of the developing world, notably for Africa. I see no reason to conceal, that while Norway has given around 1.1 per cent of its GNP in official development assistance to developing countries in recent years, we are disappointed that the OECD average has declined to a meager 0.34 per cent. Those donor countries which have been lagging behind in their ODA transfers should now make renewed efforts in line with their abilities.

The Soviet Union and Eastern Europe must also contribute to a far greater extent than they have done so far. The developing countries have been declaring their readiness to do their part in terms of policy reforms and constructive negotiations.

A Global Consensus for Economic Growth in the 1990s must be consistent with sustainable development. It must observe ecological constraints. There are no sanctuaries on this planet. If the next decade is to be truly a decade of response to the serious problems which confront the world, the issue of sustainable global development must receive special, and urgent, attention.

It is time for a global economic summit to launch a new era of international cooperation. Issues like the debt crisis, trade matters, resources for the international financial institutions, harnessing technology for global benefit, strengthening the United Nations systems, and specific major threats to the environment such as global warming, are becoming increasingly interrelated. Would it not be appropriate to consider both our economic and our environmental concerns together at such a summit, given the critical links between the two?

The Third World seems convinced that international poverty is not a mere aberration of international economic relations which can be corrected by minor adjustments, but rather the unspoken premise of the present economic order. Developing countries have had to produce more and sell more in order to earn more to service debt and finance imports. And the amount of coffee, cotton or copper they have had to produce to buy a water pump, antibiotics or a lorry has kept increasing.

This has led to over-taxation of the environment. It has fueled soil erosion and accelerated the cancerous process of desertification and deforestation. This in turn has begun to threaten the genetic diversity which is the basis for tomorrow's biotechnology, agriculture and food supply.

Biotechnology is a case in point. The effects of modern biotechnology on agriculture and food security in the Third World must be given special care and attention. Clearly, the production of enough food to feed a doubled world population is inconceivable without biotechnology. But there are inherent dangers that could, unless they are avoided, further widen the gap between poor and rich.

The benefits of plant breeding and plant varieties with greater resistance and more rapid growth potential have been, and will continue to be immense. But these benefits may become available only to the rich, while the genes employed in the process often originate in developing countries which derive very little benefit from their use.

Strong international corporations may dominate this field. Legal protection and very firm rules regarding rights of ownership may reduce the availability of products which are important for nutrition and the prevention of famine.

Small-scale farmers in the Third World risk being victims in this process. Biotechnology may produce substitutes for their crops. They may lose income and the ability to provide for their families.

The industrialized countries have a responsibility for controlling market forces in this field and for promoting a more equitable sharing between developed and developing countries. The protection of intellectual property rights and royalties must be in a form which promotes research, which provides for an equitable sharing of financial benefits between inventors and the country of genetic origin and, not least, which makes the products of biotechnology available to those who need them.

We need to foster a stronger sense of collective responsibility and to make the international bodies we have created more effective. The time has come to seek more innovative structures for cooperation than those we have available at present. Stronger mandates for making binding decisions should be worked out.

The threats of global heating and climatic change may be the most severe threat to future development. Life on earth depends on the climate. Human settlement, food production and industrial patterns are at stake.

The effects of climate change may be enormous. The impact may be greater and more drastic than any other challenge previously facing mankind, with the possible exception of the threat of nuclear war.

There is a big, decisive difference here. Whereas nuclear war can be avoided—and at present it seems more remote than at any time since World II—we will be caught in the heat trap of global warming unless we reduce our consumption of fossil fuels.

We may be about to alter the entire ecological balance of the Earth. The time span needed for plants and animals to adjust to a new climate is normally hundreds of years. However, unless drastic changes are made, the ecosystems will not be able to adjust. Deserts will spread. Crops will be lost. Last year's drought may not have been the result of climatic change, but what will happen if we experience two such dry summers, or ten such dry summers in succession? What will happen to food production? Can we conceive of a doubling of food prices, or even a scarcity of food in the industrialized countries? The developed countries may be able to cope in the short run as long as they can pay for necessary imports. But that option will soon be lost to the developing countries.

Can we conceive of the effects on low-lying countries if the sea-level should rise according to predictions. Can we see any solutions to the political instability that will accompany increased migration as the number of environmental refugees continue to multiply.

All this may not happen, or it may not be that drastic. But the potential risks are so high that we cannot sit back hoping that the problems will solve themselves.

The present generation has a great responsibility. It is this generation that will have to set limitations on our own use of limited resources, in particular on the burning of fossil fuel. We must recognize that the earth's atmosphere is a closed system. We are not getting rid of our emissions. In fact it is like a car which pours out its gases into the driver's compartment.

We must tackle the myth that energy consumption must be allowed to grow unchecked. The industrialized countries have the greatest resources, both financially and technologically, to change production and consumption patterns. The developing countries will need much more money in the future. Many of them have contributed only marginaly to the greenhouse effect, and many of them will be most severely victimized by global heating. They must be allowed more time for adaption and a chance to increase their consumption.

We need concerted international action. There are certain imperatives which must be pursued with vigor as matters of the utmost urgency:

We need to agree on regional strategies for stabilizing and reducing emissions of greenhouse gases. Reforestation efforts must be included as a vital part of the carbon equation.

We must strongly intensify our efforts to develop renewable forms of energy. Renewable energy should become the foundation of the global energy structure during the 21st century.

It is quite clear that developing countries will need assistance to avoid making the same mistakes we have made over again. It is essential that energy-efficient technology be made available to developing countries when they cannot always pay market prices without assistance.

We should speed up our efforts on international agreements to protect the atmosphere. There are different views on how to proceed on this issue. I urge that negotiations to limit emissions be started immediately.

On 11 March, 22 Heads of State and Government signed a Declaration which set a standard for future achievements to protect the atmosphere. In the Declaration of The Hague we called for more effective decision-making and enforcement mechanisms in international cooperation as well as greater solidarity among nations and between generations. The principles we endorsed were radical, but any approach which is less ambitious would not serve us.

The Declaration calls for new international authority with real powers. On occasion the power must be exercised even if unanimity cannot be reached.

We must have defined standards and ensure compliance. We must have effective regulatory and supportive measures and uphold the rule of law.

Sharing the burden is essential. That is why we called for fair and equitable assistance to compensate those developing countries which will be most severely affected by a changing climate, but which have contributed only marginally to global heating.

The Norwegian Government last Friday adopted a White Paper on the follow-up of the World Commission's report. It has involved all ministries, and not only that of environment; it has implied change in attitudes and policies, and tough challenges for the heavy sectoral ministries such as energy, industry, transportation, finance, foreign affairs and trade, and the Prime Minister's Office has been directly engaged charting a cross sectoral course for the future.

The issue of atmospheric pollution and climate change proved to be a very difficult one. It is difficult because Norway has been fortunate to have vast hydropower resources. We do not burn coal or oil to produce electricity. Any reductions of CO_2 emissions in Norway would involve transportation.

Many also ask why Norway could make a difference when we cause only 0.2 per cent of global CO_2 emissions. Should we impose limitations upon ourselves even if other countries have not yet done so?

The Norwegian Government has chosen to set out clear goals. I believe we are the first country to make a political commitment for reductions of CO_2 emissions.

Norway sets a policy for stabilizing its emissions of CO_2 in the course of the 1990s and at the latest by the year 2000.

The Government presupposes that thereafter, a reduction will be possible.

Together with our reductions of CFCs and NOx, Norway will be able to reduce its total emissions of greenhouse gases by the turn of the century.

Clearly, the larger ecological issues, the ozone layer, global warming and the sustainable utilization of the tropical forests—are tasks facing mankind as a whole. To finance these tasks we will need additional resources.

In the White Paper, our major policy document on sustainable development, the Norwegian Government is proposing, as a starting point, that industrialized countries allocate 0.1 percent of GDP to an International Fund for the Atmosphere. Such a Fund should be created to help finance transitory measures in developing countries, and reforestation projects. Ideally, all countries should take part in this. Everyone would then make their contribution.

Much work is needed to make this proposal operational, and it will be met with considerable reluctance. But unless we establish a set of international support mechanisms, chances are less that we will be able to make the transition in time.

I have presented to you the essence of "Our Common Future". To transform it into reality will require broad participation. Every single individual can make a difference. Changes are the sum of individual action based on common goals.

A particular challenge goes to youth. More than ever before, we need a new generation—today's young people who—with new energy and dedication—can turn ideas into reality.

Many of today's decision-makers have yet to realize the peril in which this earth has been placed. I believe that "Our Common Future" can be an effective lever in the hands of youth, and that it can transcend nationality, culture, ideology and race. Youth will hold their governments responsible and accountable and youth will be stalwarts for the foundation of their own future.

Many of you will continued the dialogue on global change and our common future. I want to draw your attention to another major forum to take place in November here in the United States. Organized by the Global Tomorrow Coalition with a wide spectrum of cosponsors, the Globescope Pacific Assembly in Los Angeles will feature, on the 1st and 2nd of November, the first comprehensive public hearing in the United States on the action and policy implications of the report of the World Commission on Environment and Development. The Assembly is designed to encourage discussions on the policy implications of the concept of sustainable development both in the public and in the private sector.

Leaders from government, science and technology, business, education, citizen's organizations, trade unions, churches, foundations, youth groups and media are invited to take part. I hope that many of you will choose to share in this unique initiative to which I gave my full support.

In closing, let me stress the need for all of us to view environmental problems in interdisciplinary terms, not in narrow terms of specialization. The world is replete with projects that made excellent engineering sense, but were economically disastrous, or which were economically sound, but environmentally catastrophic. The global environment cannot be separated from political, economic and moral issues. Environmental concerns must permeate all decisions, from consumer choices through national budgets to international agreements. We must learn to accept the fact that environmental considerations are part of a unified management of our planet. This is our ethical challenge. This is our practical challenge. A challenge we all must take.

Mr. WIRTH. Thank you very much, Mr. President.

I yield the floor.

Mr. DOMENICI. Mr. President, I rise in support of the Wirth amendment. Our global environment faces a number of threats.

The United States has been a leader in this area. We have achieved a great deal of progress in addressing our environmental problems, but we must do more. For example, almost all levels of air pollutants in the United States have declined over the past decade:

Lead concentrations in urban air have declined by 87 percent;

Sulfur dioxide has dropped 37 percent;

Particulates are down 23 percent; and

Carbon monoxide has dropped 32 percent.

With respect to global problems, the United States took the lead in the late 1970's by banning certain aerosols that deplete the Earth's ozone layer. We followed up recently, by taking the lead in the Montreal Protocol, which calls for a 50-percent reduction in CFCS. The Bush administration has recently announced its support for a total ban on CFCS.

Our first priority should be to assess the extent of these problems and develop multilateral approaches to correct them.

I strongly support the research program of the global change program. The administration is coordinating a multiagency research program on global climate change. The Bush administration has requested $191 million for this program, a 42-percent increase over last year's level.

However, we cannot solve global environmental problems alone. The greatest growth in global pollution is going to come from developing countries. For example, China has huge high sulfur coal reserves it plans to burn in its development plans.

Mr. President, I ask unanimous consent that a chart on the U.S. Global Change Research Program budget be printed in the RECORD.

1989–90 U.S. GLOBAL CHANGE RESEARCH PROGRAM
BUDGET BY BUDGET FUNCTION

[Dollars in millions]

Budget function	Budget function number	1989	1990
Total		133.9	190.5
General Science, Space and Technology	250	53.7	75.0
NASA		14.5	21.5
NSF		39.2	53.5
Energy (DOE)	270	20.2	27.2
Natural Resources and Environment	300	41.7	65.6
DOI/USGS		5.3	10.3
EPA		27.4	35.3
DOC/NOAA		9.0	20.0
Agriculture (USDA)	350	18.3	22.7

Mr. CHAFEE. Mr. President, I am pleased to join my colleague from Colorado in proposing this important sense of the Senate amendment dealing with the greenhouse effect and the threat of global climate change.

The threat of massive, uncontrolled global climate change caused by the release of greenhouse gases such as carbon dioxide chlorofluorocarbons [CFCS], and methane is receiving ever increasing international attention.

The predicted environmental impacts of the greenhouse effect include:

An increase in the global average temperature of 1.5 to 5.5 °C—2.7 to 9.9 °F—over the next 40 to 60 years—to be compared with an increase of less than 3 °F over the last 10,000 years;

The extinction of numerous species of plants and animals and significant interference with natural evolutionary responses;

Reduced soil moisture content and altered storm patterns that may seriously disrupt the U.S. agricultural industry; and

A rise in sea level of 1 to 4 feet over the next 60 years.

The likely socioeconomic and political impacts of the greenhouse effect are expected to be equally severe.

Mr. President, we are facing an extremely serious environmental threat. The time for action is now.

At next week's meeting of the intergovernmental panel on climate change, one or more countries are expected to argue that we should start negotiating a convention on protection of the global climate. They are right and the United States should be right there, out in front, leading the charge.

By immediately issuing a call for the negotiation of an international convention of protection of the global climate, President Bush can establish himself as a leader in this area.

There is considerable support for development of a global climate convention. Last year, on March 31 I wrote a letter to President Reagan urging him to call for the negotiation of a climate convention. That letter was signed by 42 Members of the U.S. Senate. I ask unanimous consent that a copy of that letter be printed in the RECORD following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CHAFEE. The issue has been under review at both EPA and the State Department at least since March 1988. It is my understanding that experts within those two agencies are in favor of calling for a convention but that a recommendation is being held up by those Government officials who feel that an international convention is premature.

Those who argue that we should go slow should be reminded of the fact that negotiation of a convention will be a long, slow process. There is little, if any, risk of quick international agreement to take precipitous action. On the other hand, we will never get any agreement unless we start the process of negotiating a convention.

At the same time, we need to move forward unilaterally. On April 13, less than a month ago, I wrote a letter to President Bush urging him to develop and announce a national policy to reduce emissions of carbon dioxide, one of the most significant greenhouse gases. That letter was signed by 24 Members of this body. Mr. President, I ask unanimous consent that a copy of that letter also be printed in the RECORD following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. CHAFEE. As noted in the April 13 letter, without a policy to reduce our own emissions, our ability to convince others to act on the greenhouse effect will be constrained.

The United States is the largest emitter of carbon dioxide in the world. Each year, we produce 5 tons of carbon dioxide for every man, woman and child in this country. Canada is an equal offender. The next largest producer is the Soviet Union, with annual per capita emissions of 3½ tons. Compare these numbers to the world average which is less than 1 ton per capita.

At the same time, the United States is one of the most energy inefficient countries in the world. We continue to lead all industrial nations except Canada in the amount of energy used per unit of goods and services produced. We are such a large part of the problem that we should not be worrying about giving away too much before a treaty is negotiated.

Mr. President, this amendment is designed to make the United States a world leader in the international effort to cope with the greenhouse effect. The world is looking to us for that leadership. I am proud to be an author of this amendment and urge all of our colleagues to support it.

EXHIBIT 1

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC, March 31, 1988.

Hon. RONALD W. REAGAN,
The White House, Washington, DC.

DEAR MR. PRESIDENT: We are writing to urge that you continue and expand recent initiatives on the international environmental problem of the greenhouse effect and global climate change, such as those announced at the conclusion of the December 1987 summit meeting with Soviet General Secretary Gorbachev. Specifically, we urge that, at the next summit meeting with the General Secretary in Moscow and at the upcoming economic summit meeting this June in Toronto, you call upon all nations of the world to begin the negotiation of a covention to protect our global climate. Such a convention could be modeled after the historic Vienna Convention to Protect the Ozone Layer.

You are to be congratulated for including the problem of global climate change as part of the agenda at the December 1987 summit meeting with General Secretary Gorbachev. It is encouraging to observe the growing commitment that our two nations are making to deal with the environmental threat of global warming. Of particular note was the Joint Summit Communique which stated that the "two sides will continue to promote broad international and bilateral cooperation in the increasingly important area of global climate and environmental change."

Scientists have warned us that increasing concentrations of certain pollutants in the atmosphere will increase the earth's temperature over the coming years to a level which has not existed for tens of millions of years. There is some urgency to this matter since scientists predict that, as a result of past pollution, we are already committed to a significant global warming. These greenhouse gases will lead to substantial changes in the climate of our planet with potentially catastrophic environmental and socio-economic consequences.

The predicted global warming and climate changes are expected to occur at a rate and in a fashion that will preclude natural evolutionary responses. The likely effects of the greenhouse effect include rising sea levels, changes in the location of deserts, extremely high temperatures in cities during the summer months, increases in the number and severity of hurricanes, the death of large portions of forests, and the loss of adequate moisture in the mid-continent agricultural belt.

The challenge of reducing this threat to the planet's well being is considerable. One of the most significant greenhouse gases is carbon dioxide, a by-product of fossil fuels. The United States and the Soviet Union are the world's two largest contributors of carbon dioxide. Together, we account for almost one-half of the global total.

For these reasons, the United States and the Soviet Union must take positions of global leadership on this matter and call for a convention on global climate change. Such a convention could address our scientific understanding of the problem, the need for and limits of adaptation as a response to future climate change, as well as strategies to stabilize atmospheric concentrations of greenhouse gases at safe levels.

Negotiations to achieve a climate convention would have to take place on a multilateral basis. However, cooperation between

the United States and the Soviet Union is an essential precondition of a successful international response to the greenhouse effect. The problems associated with global climate change provide an historic opportunity for our two countries to cooperate on a long term basis to insure the habitability of Earth. These facts were recognized and endorsed in the recently enacted Global Climate Protection Act (P.L. 100-204, sections 1101-1106).

For these reasons, we urge you and General Secretary Gorbachev to use the upcoming summit meeting scheduled to be held in Moscow as a forum to call for the negotiation of a convention on global climate change and to commit the United States and the Soviet Union to a leadership role in that process. At the same time we suggest that you expand and elevate the level of ongoing bilateral U.S.-U.S.S.R. activity which could enhance our understanding of the problem. We endorse the establishment of a high level working group to study potential responses to climate change, including greenhouse gas emissions reductions and adaptation to climate change. This expanded bilateral activity should be recognized and supported as an important priority within the United States' foreign and environmental policy agenda.

Similarly, we urge you to use the seven nation economic summit that is scheduled to be held during the month of June in Toronto as a forum to urge the negotiation of a global climate convention. At last year's economic summit, the leaders of the seven nations stated: "We underline our own responsibility to encourage efforts to tackle effectively environmental problems of worldwide impact such as . . . climate change. . . ." This year's economic summit is the appropriate opportunity to take the next step and call for a global climate convention.

Thank you for your attention and commitment to this important, international environmental issue. We look forward to working with you and assisting you in our mutual efforts to protect our fragile planet.

Sincerely,

John F. Kerry, Dave Durenberger, Albert Gore, Pete Wilson, Terry Sanford, Max Baucus, George J. Mitchell, Dale Bumpers, Frank Murkowski, David Pryor, John H. Chafee, Robert T. Stafford, Carl Levin, Spark M. Matsunaga, Wyche Fowler, Jr., Tom Harkin, Timothy E. Wirth, Bob Graham, Dennis DeConcini, Steven D. Symms, Bob Packwood, Daniel J. Evans.

Frank R. Lautenberg, Donald W. Riegle, Jr., Patrick J. Leahy, Bob Kasten, Jeff Bingaman, Thomas A. Daschle, Nancy Landon Kassebaum, Brock Adams, Alfonse M. D'Amato, Quentin N. Burdick, Arlen Specter, Edward M. Kennedy, Pete V. Domenici, Thad Cochran, William S. Cohen, Claiborne Pell, Richard G. Lugar, William V. Roth, Jr., Dan Quayle, John Heinz.

EXHIBIT 2

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC, April 13, 1989.

Hon. GEORGE BUSH,
The White House
Washington, DC.

DEAR MR. PRESIDENT: It is time for the United States to reduce carbon dioxide emissions. As you stated so well in your campaign, "those who think we can do nothing about the greenhouse effect are ignoring the White House effect."

The nations of the world must take action to reduce emissions of carbon dioxide, the most significant of the greenhouse gases. As a result of past emissions, we are already committed to a substantial increase in the earth's surface temperature. Unless we take action today, carbon dioxide emissions will continue to rise rapidly on a global basis.

Since carbon dioxide is the central greenhouse gas, a policy to limit its emissions in the United States and globally is essential if we are to insure habitability of our planet in the twenty first century.

The United States is the world's largest emitter of carbon dioxide. Without the implementation of a policy to reduce our own emissions, our ability to convince others to act on the greenhouse effect will be constrained. An aggressive domestic policy on carbon dioxide emissions will indicate to the rest of the world first, that we are serious about solving this problem and second, that the technology exists to reduce emissions of carbon dioxide.

Mr. President, we urge you to take the initiative. The Administration should, as quickly as possible, develop and announce a policy to deal with emissions of carbon dioxide. Specifically, we suggest the following:

First, the United States should immediately commit itself to a 20 percent reduction in its CO_2 emissions (based on 1988 emission levels) by the year 2000:

Second, a plan to achieve those reductions in the United States should be developed and submitted to the Congress by October 1, 1989; and

Third, we should use the time between now and the ministerial level meeting to be held on the global warming problem at the Hague in early November to convince other industrialized nations to join us in pledging to reduce carbon dioxide emissions 20 percent by the year 2000. Perhaps the next economic summit meeting, held in Paris, is an appropriate forum to establish a 20 percent club.

All levels of government, business and the public should be involved in the effort to control the global climate change caused by pollution. The American people must know the risks involved so that they can participate in developing and supporting solutions to the global warming problem.

A number of bills suggesting several approaches to reducing carbon dioxide emissions have been introduced in the Congress and have been cosponsored by a large number of Senators and Representatives. Therefore, we believe many in Congress are prepared to work with you to insure the success of a Bush Administration initiative in this area.

We are aware of on-going international efforts to discuss the greenhouse effect. The Intergovernmental Panel on Climate Change is an important focus of activity and we strongly support such efforts. Nevertheless, we can not afford the long lead times associated with a comprehensive global agreement. We must act to reduce emissions while we proceed with the negotiation of a global convention and protocols on climate change.

Thank you for your attention and consideration of our proposal. We look forward to working with you on this and numerous other environmental initiatives.

Sincerely,

George J. Mitchell, Timothy E. Wirth, John H. Chafee, Alfonse M. D'Amato, John Heinz, John F. Kerry, Harry Reid, Rudy Boschwitz, Joseph Lieberman, Dave Durenberger, Claiborne Pell, Joseph R. Biden, Jr., Thomas A. Daschle, Jim Jeffords, Terry Sanford, Richard G. Lugar, Wyche Fowler, Jr., Jim Sasser, Gordon J. Humphrey, Dale Bumpers, Patrick J. Leahy, Brock Adams, Bob Packwood, Alan Cranston.

Mr. McCLURE. Mr. President, I rise to speak on the amendment of the Senator from Colorado [Mr. WIRTH]. As I under the amendment it would express the sense of the Senate that the administration should adopt a position on the Framework of a Global Climate Convention. It further expresses the sense of the Senate that this position should serve as the basis for discussions at the next meeting of the Response Strategies Working Group of the Intergovernmental Panel on Climate Change which was established by the United Nations' Environment Programme and World Meteorological Organization.

When I first saw a draft of this amendment I felt that it failed to recognize the significant progress that has already been made by the Bush administration on this critical global issue. In addition, I felt that the amendment misrepresented both President Bush's and the administration's positions on the course of action that should be pursued by the United States in international discussions on global environmental issues.

However, Mr. President, as offered the amendment addresses many of my concerns no longer should prejudice ongoing discussions in various international forms regarding the course of action that should be taken to mitigate global climate change.

Recently there has been extensive discussion in many public forums within government and scientific circles regarding global environmental concerns and, in particular, global climate change. Last year the Energy and Natural Resources Committee convened hearings on the status of current knowledge regarding global climate changes and, in particular the greenhouse effect. Extensive testimony has been received from numerous experts on current trends in atmospheric concentrations of greenhouse gases and their implications for our globe.

The consensus of the witnesses is that global climate changes can have a great influence on human society. However, what is clear is that there is no single cause and no single policy initiative that will completely mitigate current trends. The world's reliance on fossil fuels—coal, oil, and natural gas—clearly contribute to the greenhouse effect, but so do international forestry and agricultural practices.

What also is clear is that as we proceed with the formulation of a strategy to deal with this critical problem

greater international cooperation will be essential. Unilateral action by the United States will have an inconsequential effect on current trend in atmospheric concentrations of greenhouse gases. Multilateral actions will be required to effectuate the reductions in carbon dioxide emissions being contemplated. If current scientific opinion proves correct, major modification of the world's energy supply system will be required which will have major economic implications for the industrialized world.

In my judgment, the amendment now recognizes this requirement for multilateral action, rather than unilateral action, to be effective.

In this regard, I am encouraged that the President has made clear that in his administration global environmental issues will receive high priority in the United States' foreign policy agenda. Repeatedly, the President has expressed his concern for the consequences of global environmental assaults and he offered to host a 1989 conference on international environmental problems, including global climate change.

Consistent with this schedule, Secretary of State James Baker, in his January 30 remarks before the initial meeting of the Response Strategies Working Group of the Intergovernmental Panel on Climate Change, expressed the administration's goal of placing environmental concerns on the agenda of economic institutions. He repeated his earlier observation that, "The tides and the winds can spread environmental damages to continents and hemispheres far removed from the immediate disaster."

Secretary Baker stated that "We know that we need to act, and we also know that we need to act together." In his judgment:

We cannot afford to wait until all of the uncertainties are resolved before we act.

While scientists refine the state of our knowledge, we should focus immediately on prudent steps that are already justified on grounds other than climate change. These include reducing CFC emissions, greater energy efficiency and reforestation.

Whatever global solutions to global climate change are considered, they should be specific and cost-effective.

If solutions are to be effective they must reconcile the transcendent requirements for both economic development and a safe environment.

But I must also observe that if we are to effectively deal with this global problem then the Congress and the administration also must act together.

As initially drafted, the amendment attempted to impose on the administration a specific policy to deal with global climate change. As now formulated, the amendment does not mandate a specific solution to this critical international environmental problem. Rather, the amendment advocates that the United States adopt position on a Framework for a Global Climate Convention before undertaking attempts to formulate multilateral agreements in this area.

The U.N. Environment Programme and the World Meteorological Organization have formed the Intergovernmental Panel on Climate Change. The United States chairs the Working Group on Response Strategies which meets next week. Three goals of the Working Group are:

Define policy options for national, regional and international actions, including short- and mid-term actions.

Provide estimates of consequences of actions, including their social, environmental, and economic costs and benefits.

Set priorities.

Define implementation mechanisms, following careful analysis of their implication for nations in different states of economic development.

Mr. President, this global problem is now being addressed by the Bush administration in this international working group. As our understanding of this critical issue improves, the Congress should not attempt to direct and micromanage this effort. Rather, the Congress should attempt to be supportive of adoption of a multilateral agreement on this and other international environmental problems. The President's 1989 international conference should move this process forward.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment (No. 93) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the tale.

The motion to lay on the table was agreed to.

AMENDMENT NO. 94

Mr. SASSER. Mr. President, I send an amendment to the desk on behalf of Mr. BOND and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. SASSER], for Mr. BOND (for himself, Mr. CONRAD, Mr. WALLOP, Mr. LOTT, Mr. WILSON, Mr. GRAMM, Mr. MACK, Mr. GARN, and Mr. HELMS, proposes an amendment numbered 94.

Mr. SASSER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the end of the concurrent resolution add the following new section:

SEC. (a) FINDINGS.—The Congress finds that—

(1) the United States is the world leader in the fields of commercial and military aerospace;

(2) if the United States is to maintain that leadership we must continue to invest in the research and development necessary to build the next generation of aerospace vehicles;

(3) the National Aerospace Plane, or X-30, program represents the United States' best hope for maintaining our lead in aerospace into the next century;

(4) the National Aerospace Plane program represents a model of cooperation between government and industry in which the federal government already has invested $487 million and private contractors have invested more than $700 million;

(5) the National Aerospace program is likely to result in advances in many areas which will have benefits for both commercial and military programs.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

The Senate supports continued funding of the National Aerospace Plane program at the level recommended in the President's February 9, 1990, budget submission in functions 050, 250 and 400.

Mr. BOND. Mr. President, this is a straightforward amendment. It simply expresses the sense of the Senate that the National Aerospace Plane Program is critical to our national and economic security, and it should be fully funded in fiscal year 1990.

Aerospace is one of the few industries in which the United States remains the undisputed world leader. The NASP Program represents our best opportunity for maintaining that leadership and carrying it into the next century. Already, other nations including Japan, the Soviet Union, and a group of European nations are working to develop technology similar to the NASP in an effort to dominate the aerospace field in the 21st century.

I was very disappointed last month when Secretary Cheney announced his proposal to eliminate the Pentagon's 80 percent share of the funding for the NASP Program. I feel that decision represented a shortsighted view driven by the very real budget constraints we now face.

As a member of the Budget Committee, I am sensitive to the need to keep the budget under control and to meet the Gramm-Rudman-Hollings targets. However, in doing so we must be careful that we do not throw away our future or our ability to remain competitive—either militarily or economically.

The National Aerospace Plane is the type of program we need to pursue if we are to maintain that competitiveness. The NASP Program, which has been underway for several years now, already has yielded significant advances in our understanding of fuels, engines, and materials. It promises much more.

I have been encouraged over the past few weeks to see Vice President QUAYLE and others express their continued support for the program. I am confident that we will be able to work with the administration to ensure full funding to the program and to maintain the important involvement of both DOD and NASA.

I will cut short my remarks at this point so that we can get on with this amendment and the many others that are pending before the Senate. In closing, I would just like to stress once more the importance of this program, not only to our national security, but also to our continued economic competitiveness and our dominance of the aerospace field. If we are to maintain our position in aerospace, we must do so by continuing to develop new technology, not by trying to protect the technology we already have. As the editors of Defense News wrote in a recent editorial supporting continued funding of the NASP, "NASP is a key to continued American aerospace dominance—civilian and military—in the 21st century." The editorial concludes by stating:

If the Commerce Department is serious about safeguarding the future competitiveness of the U.S. aerospace industry, if it wants to enhance U.S. competitiveness with Japan and it wants to do this in a positive, constructive manner rather than in a negative, obstructive way * * * then it should become a leading advocate of NASP.

NASP ought to fly.

Mr. President, I think that sums up the issue quite well. The NASP is the right path for us to follow in the aerospace race. I believe the majority of my colleagues share my views on this issue and urge the adoption of the amendment.

I ask unanimous consent that the attached editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SPACE COUNCIL SHOULD FUEL NASP

The public panic and uproar that erupted on the news that the U.S. Air Force might turn its back on its commitment to fund the National Aerospace Plane (NASP) was predictable and appropriate. The supersonic plane is an important national project that should not be abandoned.

The Defense Resources Board has recommended that the Department of Defense end its participation in the program. This would remove 80 percent of the funding for NASP and effectively kill the project. NASA currently funds only 20 percent of the program and has said it cannot support it alone.

Broad-based support for the program has, however, caused officials at the highest level of U.S. government to search for ways to preserve the $3.8 billion program to build the X-30 experimental hypersonic aerospace plane.

One option being explored within the White House is to shift management of the program to the Space Council, which is chaired by Vice President Quayle and includes Cabinet-level officers of groups involved in space such as the secretary of commerce, secretary of state, secretary of defense, NASA administrator and the CIA director.

Such a move would ensure high-level visability for the program, but more importantly, it would evenly spread the burden of financial support among the many agencies with a stake in its preservation.

DoD should not have to pay for most of a program with an unclear military role. Responsibility and funding should be shared by such agencies as the National Aeronautics and Space Administration, the Department of Transportation, the Commerce Department and DoD.

NASP, a project that envisions a craft that can take off horizontally like a plane and fly into low Earth orbit, is just too important to treat this way. Even though it is years away from completion, it is already yielding technological dividends. Further, as the technology matures, it will spread benefits and advance technology throughout the U.S. economy and American industry, not just the aerospace sector.

NASP is a key to continued American aerospace dominance—civilian and military—in the 21st century.

What makes the board's decision particularly ironic and distressing is the fact that it comes amid a bitter debate over the competitiveness and future of the American aerospace industry. The Commerce Department and the U.S. trade representative are up in arms because they fear the transfer of 1970s military aerospace technology to Japan will build Japan's aerospace industry at the expense of U.S. industry.

However, while these agencies oppose the sale of old technology, killing NASP would cripple the American effort to forge ahead and be the leader in the next generation of aerospace technology.

One of the lessons that has been brought home to Americans by the Japanese challenge is that research, development and visionary thinking should not be slighted for the sake of short-term gains.

When first proposed, NASP was sardonically dubbed the "Orient Express" because it held out the promise of two-hour flights between the United States and Japan. DoD, selling a military mission for the aircraft, downplayed that aspect. However, there is nothing wrong with it. NASP seems to be ideally suited for the next step in civilian transportation, and could position the United States for a strong aerospace role in what many see as an emerging Pacific Century.

If the Commerce Department is serious about safeguarding the future competitiveness of the U.S. aerospace industry, if it wants to enhance U.S. competitiveness with Japan and it wants to do this in a positive, constructive manner rather than in a negative, obstructive way—as it is doing with the proposed joint production of the FSX—then it should become a leading advocate of NASP.

NASP ought to fly.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment (No. 94) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 95

(Purpose: To state assumptions regarding revenue legislation)

Mr. SASSER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. SASSER], amendment numbered 95.

Mr. SASSER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the end of the resolution insert the following new section:

"SEC. . It is assumed that agreements reached between the Administration and the Congressional tax-writing committees on revenue legislation reconciled pursuant to this resolution will be advanced legislatively when supported by the President of the United States."

The PRESIDENT pro tempore. The question is on agreeing to the amendment

The amendment (No. 95) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 96

(Purpose: To make a technical correction)

Mr. SASSER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. SASSER] proposes an amendment numbered 96.

Mr. SASSER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

RECOMMENDED LEVELS AND AMOUNTS

On page 28, line 23, decrease the figure by $6,400,000.

On page 28, line 24, decrease the figure by $5,960,000.

On line 3 of the Reserve Fund for child care, strike "child care" and insert "children".

On line 6, strike "child care" and insert "children".

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment (No. 96) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 97

Mr. SASSER. Mr. President, I send an amendment to the desk on behalf of Mr. GRAHAM and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. SASSER] for Mr. GRAHAM, proposes an amendment numbered 97.

Mr. SASSER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the end of the resolution insert the following new section:

(a) The Senate finds—

(1) The 1990 Congressional bipartisan agreement to the budget submitted by the President represents the action most probable to avoid a budget impasse and sequester.

(2) The achievement of a reduction in the federal budget deficit through agreement rather than confrontation between the President and Congress is in the national interest.

(3) National security and international leadership rest on the foundation of a strong economy, capable of financing internally its investment needs;

(b) It is the sense of the Congress that—

(1) The 1990 budget agreement should be fully and quickly implemented;

(2) The Leadership of Congress and the Administration immediately authorize resumption of negotiations aimed at a multiyear deficit reduction package, leading to a balanced federal budget;

(3) The economic and budgetary assumptions underlying the multiyear agreement be based on sound and realistic forecasts;

(4) The bipartisan, cooperative effort that made this agreement possible be sustained in addressing the Nation's remaining budgetary problems.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment (No. 97) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 98

(Purpose: To express the sense of the Congress that disaster assistance should be extended to losses due to adverse weather conditions in 1988 or 1989 for agricultural commodities planted in 1988 for harvest in 1989)

Mr. SASSER. Mr. President, I send an amendment to the desk on behalf of Mr. DOLE and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. SASSER], for Mr. DOLE, proposes an amendment numbered 98.

Mr. SASSER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the end of the resolution, add the following new section:

DISASTER ASSISTANCE

SEC. . (a) The Congress finds that—

(1) agricultural producers in several Midwestern and Southwestern States have experienced adverse weather conditions since planting the 1989 crop of winter wheat, including a lack of rainfall, freeze damage, high-velocity windstorms, and recordbreaking high temperatures;

(2) such extreme conditions have combined to severely damage winter wheat production in several states, including Kansas, Oklahoma, Texas, Nebraska, Colorado, and New Mexico;

(3) the Kansas Wheat Quality Council, after a recent 3-day tour of these States, estimated that production in the Texas and Oklahoma Panhandles would be only one-third of normal;

(4) the mean average of 68 estimates of the 1989 crop of winter wheat in Kansas projected only 209 million bushels of wheat; and

(5) current budget estimates reveal there will be substantial savings resulting from higher prices and lower deficiency payments that could be applied toward disaster payments for drought-stricken winter wheat producers through an extension of the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note);

(b) It is the sense of the Congress that—

(1) legislation should be enacted to extend the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note) to apply to losses due to adverse weather conditions in 1988 or 1989 for agricultural commodities planted in 1988 for harvest in 1989;

(2) such legislation should not add to the deficits and such legislation should not discriminate against other program crops;

(3) such legislation should not discriminate against producers who are currently covered by Federal crop insurance; and

(4) drought assistance should be enacted in a timely fashion so as to ensure that savings from higher prices and lower deficiency payments offset the cost of such assistance.

Mr. DOLE. Mr. President, I am pleased several of my colleagues, Senators BOREN, NICKLES, KASSEBAUM, KERREY, BENTSEN, WIRTH, DOMENICI, GRAMM, and PRESSLER are joining with me in proposing a sense of the Congress resolution regarding extension of the 1988 Disaster Assistance Act to this year's winter wheat crop.

BACKGROUND

Many winter wheat farmers and livestock producers in Kansas and surrounding States are struggling with one of the worst droughts in recent memory. The so-called Nine Lives of winter wheat have been pretty well spent this year for many farmers. The wheat crop in many areas has had to face 70 mile-per-hour winds, freeze damage, lack of rain and record breaking temperatures. In addition, many livestock producers are faced with forced liquidation of cattle herds due to a lack of water and forage.

SECRETARY YEUTTER'S VISIT TO KANSAS

In mid-April Secretary Yeutter visited Kansas and got a firsthand view of the situation as we toured three different farms and visited with many farmers from other parts of the State. Unfortunately, one thing the Secretary couldn't do was to bring more rain. The Secretary did, however, announce a drought-relief package last week that should be helpful in stemming the liquidation of cow herds due to a shortage of feed supplies.

KANSAS WHEAT QUALITY COUNCIL TOUR

Late last week the Kansas Wheat Quality Council completed a 3-day tour of the Hard Red Winter wheat region which presents a good update of this year's crop. Production in the Texas and Oklahoma panhandles was estimated at one-third of normal. Estimates of the Kansas crops projected a harvest of 209 million bushels, less than one-half of its potential.

So we are concerned about helping winter wheat farmers. Last year's Disaster Assistance Act probably saved many family farmers in the Corn Belt. We were fortunate in Kansas last year because the drought's impact didn't hit our State until after harvest. But this year is a different story and many producers would like to see last year's act extended to the 1989 wheat crop. Last year we were able to develop a package without adding to the deficit because we used savings that would normally have been made in the form of deficiency payments.

WINDOW OF OPPORTUNITY

We have an opportunity in the next few months to assist winter wheat farmers in the same manner. Yesterday several of my colleagues and I sent a letter to USDA along with the other sponsors of this resolution asking for their estimates on the cost of extending the 1988 act to this year's winter wheat crop and the potential savings in program outlays from the reduction or elimination in deficiency payments.

As market prices rise, producers in drought areas are unfortunately faced with a real dilemma—little or no defi-

ciency payments and no crop to sell. The same scenario used to pass last year's drought package.

USDA's letter, which I will ask be made a part of my statement, indicates that the entire wheat crop will be about 2 billion bushels resulting in a average market price high enough to cause substantial reductions or even eliminate deficiency payments for the 1989 wheat crop. The President's fiscal year 1990 budget last January projected $1 billion for wheat producers.

The Department estimates that extending the Disaster Assistance Act to the 1988 wheat crop would result in outlays of $250 million to $350 million, which we believe shows that drought assistance would be more than offset by the decline in program outlays if we act quickly. We've made it clear in the resolution savings used for wheat farmers should come from the wheat program rather than taking savings from other program crops.

CBO's winter baseline does not reflect the current drought conditions. But their preliminary estimates based on current crop conditions at this time indicate that extending the 1988 Disaster Act to the 1989 winter wheat crop would have a net savings in fiscal year 1990 of about $300 million depending on when payments are made. The disaster payments of roughly $200 million would be offset by a reduction in deficiency payments of roughly $500 million.

So I would just suggest that the resolution we are offering today, which doesn't affect the budget, makes a good statement of our interest in the tragedy of winter wheat farmers and possible ways we could legislate help. I would also suggest we should look at adding some flexibility to allow planting nonprogram oilseed crops for the 1990 crop year. A crop of particular interest in Kansas and other areas is canola, a drought resistant fall seeded crop.

CROP INSURANCE—A GOOD LONG-TERM APPROACH

One point made by Secretary Yeutter during his visit to Kansas was that at some point Congress will have to decide between passing drought packages or providing farmers with crop insurance. Long range, that is sound advice because we can't continue with both approaches. But its clear that changes need to be made in the Federal Crop Insurance Program to attract greater participation.

Last year we established a Commission to study crop insurance and recommend improvements since the Crop Insurance Program will have to be reauthorized in 1990. But that does little good for those uninsured producers with significant losses already experienced in 1989.

If we pass drought legislation this summer, we should maintain the provisions of the 1988 act to also provide disaster benefits for producers who are enrolled in crop insurance to ensure they have incentives to participate in future years. In addition, last year's act required uninsured producers with losses of 65 percent to enroll in crop insurance. We may want to continue in that direction.

USDA's letter pointed out that spring crops are just now being planted, so we may want to consider an extension of the crop insurance sign-up period for spring planted crops to encourage more participation and plan ahead for extended dry conditions if they occur in other areas.

SUMMARY

Mr. President, we have a window of opportunity to pass budget neutral legislation to provide drought assistance to producers of the 1989 winter wheat crop. I hope my colleagues will join with me in supporting this resolution and working with us in the days ahead.

Mr. President, I ask unanimous consent that the letter to which I referred be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., May 3, 1989.

Hon. BOB DOLE,
U.S. Senate,
Washington, D.C.

DEAR BOB: Thank you for your letter concerning budget and program implications of drought-affected crops in the winter wheat belt.

We are monitoring the situation closely. The weekly reports on crop conditions across the country indicate that this year's winter wheat crop in key producing States is much worse than last year's crop.

Based on deteriorating crop conditions reported to date, we believe that a winter wheat disaster payment program based on applying the provisions of the Disaster Assistance Act of 1988 would result in disaster payments of between $250 and $350 million for the 1989-crop of wheat, depending on the relative severity of losses among producers and assuming no further deterioration of the crop. This estimate is based on the assumption of a wheat crop of 2.0 to 2.2 billion bushels for 1989. Given that range, a corresponding average market price might be high enough to cause substantial reductions or even eliminate deficiency payments for the 1989 wheat crop. In the President's FY 1990 Budget last January, deficiency payments were projected at $1 billion for wheat producers. The 1989 wheat crop was projected at 2.55 billion bushels, and the average price received by farmers was projected at $3.60 per bushel.

It is likely that any outlay reductions due to the drought will be incorporated into the next official re-estimate of Commodity Credit Corporation outlays, to be released in the Mid-Session Review this summer. Drought assistance legislation would, no doubt, be evaluated in light of the updated outlay estimates.

Similar data are not available for the condition of other winter crops. Spring crops are just beginning to be planted. For example, only about a quarter of the spring wheat and corn crops have even been planted. Thus, we are not able to estimate any costs for the 1989 crop of feed grains if a disaster payment program similar to the 1988 program were implemented.

An identical letter is being sent to Senators Kassebaum, Boren, Kerrey and Nickles.

Sincerely,

CLAYTON YEUTTER,
Secretary.

Mr. BOREN. Mr. President, I support the amendment offered by the distinguished minority leader, Senator DOLE. We have joined together to draw the Senate's attention to the very serious drought conditions which threaten agricultural producers in the Great Plains. Last year, the drought wiped out crops in dozens of States, and Congress quickly responded by passing the Disaster Assistance Act of 1988.

Currently, producers of winter crops in Oklahoma and neighboring States are suffering from equally severe conditions. The winter wheat crop in several Oklahoma counties has been devastated; the damaged area extends from our northwestern corner south to the Red River. Statewide, only 35 percent of our wheat crop is rated in good condition.

I believe that the provisions of last year's drought bill should be applied to crops planted in 1988 for harvest in 1989. It is essentially the same drought that is now causing the problems for the winter crops. The dry conditions have made the winter wheat crops much more susceptible to freeze damage. Therefore, when Congress acts on this emergency, drought related damage occurring in calendar 1989 must also be covered.

The U.S. Department of Agriculture has taken steps to help address the problem. I commend Secretary Yeutter for showing his willingness to approve applications for emergency haying and grazing and to expedite assistance through other existing programs. However, I truly believe that more relief is needed. The Department has estimated that drought legislation could be extended to winter wheat for less than $500 million. Savings of this size could very well occur as a result of lower deficiency payments in fiscal 1990. In fact, this resolution states that other program crops should not have to pay for a disaster bill.

The resolution also states that such a bill should not discriminate against producers who purchase crop insurance. Last year's drought bill required those producers experiencing the heaviest losses to buy crop insurance in order to receive their disaster payments. I expect that any legislation enacted this year will revisit the issue and may contain a similar provision.

Earlier this week, I introduced a disaster relief bill that would extend the provisions of last year's Disaster Assistance Act to winter crops. I believe that Congress should act expeditiously

to pass this legislation. I commend Senator DOLE for offering this amendment to bring the problem our States are experiencing to the attention of the full Senate and I urge the adoption of the amendment.

Mr. DOMENICI. Mr. President, I strongly support the Dole amendment regarding disaster assistance for winter wheat. I am proud to be a cosponsor of this resolution.

This resolution expresses the sense of the Congress that legislation should be enacted to extend the Disaster Assistance Act of 1988 to apply to the 1989 crop of winter wheat.

Mr. President, there are six counties in my State—Curry, Roosevelt, Quay, Harding, Union, and De Baca—that have sustained losses of over 90 percent on the 1989 crop of dryland winter wheat because of a lack of rainfall. It literally has not rained any significant amount on the eastern side of New Mexico—the main wheat production area in my State—since last August. In addition, our winter wheat crop has suffered losses due to freeze damage, wind, and insect infestation.

In the face of such substantial losses, the wheat producers in New Mexico and elsewhere need assistance.

Wheat is an important part of the economy of eastern New Mexico. New Mexico annually produces some 12 million bushels of wheat, which is grown on almost half a million acres. The average annual value of this production is estimated at over $37 million.

Mr. President, I also commend the actions the Secretary of Agriculture has recently taken to respond to drought-impacted areas such as my State. It is important that USDA respond quickly to State's requests for assistance.

Recently, Secretary Yeutter directed ASCS headquarters in Washington to respond to eligibility requests from State ASCS offices within 24 hours, and to expedite assessments of failed acreage. I am told by our State director that 24-hour turnaround is in fact occurring.

I am also pleased that USDA has allowed qualified farmers and ranchers to utilize more acreage for haying and grazing. Hopefully this will help stem any significant livestock selloffs because of this drought.

Mr. BENTSEN. I am joining with my distinguished colleague the minority leader, Senator DOLE, and others in offering this amendment to provide disaster relief to farmers for the losses which adverse weather conditions have inflicted on fall-seeded crops, particularly the winter wheat crop.

I deeply regret the need for this action. However, a combination of adverse weather ranging from extreme drought to an unprecedented late freeze has wiped out a substantial part of the wheat crop in Texas and other States. In central Texas, a freeze on April 11 almost totally wiped out the wheat crop. In other parts of Texas, such as the Panhandle, extreme dry weather has substantially reduced yields and in some cases has caused a total loss of the wheat crop. The losses are continuing and are mounting daily as hot weather and lack of rain continue to take their toll.

This is, in a perverse way, good news for the Federal budget. Outlays will be reduced substantially due to the short crop. Less wheat will be produced and put into the loan program, reducing outlays there. The short crop will boost prices, thereby lowering the deficiency payments that would have been paid to farmers otherwise.

However, this is very bad news for farmers. They are operating on razor-thin margins in most cases, and it is extremely difficult to survive the total loss of a crop.

Last year we had a similar situation. We had an unprecedented drought across America's agricultural heartland in the Midwest. Wheat farmers made a crop, but the spring-planted crops suffered large losses. We stepped in and passed emergency legislation to help producers of those spring-planted crops. We took some of those budget savings from reduced price support payments and we put it into disaster relief. I cosponsored that bill, and it was enacted into law.

This year it is, unfortunately, the turn of the winter wheat producers to suffer from adverse weather conditions. And these are not just the everyday losses which some farmers suffer in any crop year, even a good one. These are massive losses. Texas wheat producers tell me that the losses may be $120-$150 million or more in Texas alone. They are talking in terms of a 50-million-bushel State wheat crop, compared to 90 million bushels last year and a high of 190 million bushels. And, as I pointed out, these losses are increasing daily.

Again this year the Federal budget includes funds for deficiency payments that farmers were counting on. Now many farmers may have no crops and no deficiency payments, since those go down as prices go up. I think that we should return a portion of those budget savings to farmers who suffer crop losses, just as we did last year to producers of spring-planted crops.

This resolution calls for an extension of the 1988 disaster relief bill to the 1989 winter crops. It puts the Senate on record as favoring using some of these budget savings to pass such legislation, and it specifically states that the disaster legislation should not add to the deficit.

Mr. President, I am pleased to join in offering this important and badly needed amendment, and I urge its passage by the Senate.

Mrs. KASSEBAUM. Mr. President, I am thankful the Senate is considering this important amendment, but not nearly as thankful as the people in the Midwest who have had their livelihoods seriously affected by extremely hot and dry weather conditions.

There is no doubt about the severity of the drought experienced in Kansas and other major wheat and livestock regions. The Kansas wheat crop now is expected to be the smallest since 1966. The estimated production this year in Kansas is a little over 200 million bushels, less than half of the 450 million bushel projection. In the five major wheat States, production will be one-third of normal.

During the dry conditions in the fall of 1988, as farmers were planting this years crop, expectations were high. At that time throughout Kansas, and I believe in other farm States as well, people were optimistic. The number of acres seeded had increased 21 percent. Cash prices were rising, as was the U.S. share of the world's agricultural market.

Although not as high as the record level of the year before, farm income in 1988 was $55 billion. The 1985 landmark farm bill was working. Federal spending on commodity programs have decreased by more than $13 billion since 1986. Congress did enact drought assistance legislation last year. However, farmers in Kansas were fortunate in that they missed much of the 1988 drought and received very little of the Federal benefits provided.

Kansas often has hot summers. However, temperatures of 80-plus degrees in January and February is not typical Kansas. On March 14, a dust storm swept across the State and made national headlines because it was one of the worst dust storms since the 1930's.

The situation is serious. However, my colleagues and I who are sponsoring this legislation would not consider this approach unless there were adequate savings to offset the cost of this provision.

The Agriculture Department estimates the cost of extending the Disaster Assistance Act to crops planted in 1988 for harvest in 1989 will be between $250 and $350 million. Department officials also agree that with the average market price for wheat continuing to increase, there will be more than enough savings from current programs to pay for extended relief. For every 5 cents the Government does not make in deficiency payments to farmers, the Government saves $100 million.

Reflecting changes in wheat supplies, market prices continue to rise and this is reducing Government exposure. The administration had assumed $1 billion in deficiency payments to

wheat farmers participating in the 1989 program. This was based on $3.60 per bushel as the season average market price. New estimates of the average price will be closer to $4.10, which would mean very little or none of that $1 billion would be spent.

That is the way the commodity programs work. As farmers begin to receive their income from the market, the Government's involvement is diminished. Unfortunately, high prices do very little when there is no crop to harvest. Agriculture Secretary Yeutter now has done everything in his power to help alleviate the current problem. I believe it is essential that we take the additional step of passing this legislation to open the way for extended disaster assistance for farmers now facing a disaster as serious as the one that struck other parts of the Farm Belt last year.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment (No. 98) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 99

Mr. SASSER. Mr. President, I send an amendment to the desk on behalf of Mr. ROTH and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. SASSER], for Mr. ROTH, proposes an amendment numbered 99.

Mr. SASSER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

SEC. . (a) The Congress finds that—

(1) Debt held by the public increased from $1.5 trillion in fiscal year 1985 to more than $2 trillion in fiscal year 1988 and continues to grow;

(2) Compliance with the Gramm-Rudman-Hollings targets each year would result in a debt held by the public of $2.38 trillion by the end of fiscal year 1993, when the Gramm-Rudman-Hollings maximum deficit target is zero;

(3) The Congressional Budget Office projects that the debt held by the public will reach $2.76 trillion by fiscal year 1993;

(4) Recognizing the need to control deficits and debt, many members have introduced legislation to provide additional fiscal restraint; and

(5) Growth in the debt held by the public is detrimental to economic growth and improvements in the nation's long term standard of living.

(b) It is the sense of the Congress that—

(1) A target for maximum debt held by the public be set at $2.38 trillion.

(2) The appropriate Committees of the Congress shall consider legislation strengthening budget procedures to promote compliance with this target; and

(3) The appropriate Committees of the Congress shall consider budget procedures which would take effect in the event that the target is exceeded.

Mr. ROTH. Mr. President, I rise today to offer an amendment which would express the sense of the Senate that a target for the maximum debt held by the public be set and that the appropriate committees of the Congress should consider legislation strengthening budget procedures to promote compliance with this target.

Despite the Gramm-Rudman-Hollings law, the Federal budget deficit continues to grow and the Federal debt held by the public continues to skyrocket. We are running a perpetual motion debt machine here in Washington, and it is time we put a stop to it.

This year the Federal deficit will exceed $165 billion even though the Office of Management and Budget declared in October that the projected deficit was below the $146 billion target set by the Gramm-Rudman-Hollings law. The $165 billion deficit compares to $150 billion in 1987 and $155 billion in 1988. Despite what many would have you believe, the deficit is not going down, it is going up.

In 1985, when the Congress passed the original Gramm-Rudman-Hollings law, debt held by the public stood at $1.5 trillion. Today, that debt held by the public towers at $2.1 trillion.

Mr. President, I believe this amendment is necessary to encourage legislation to back stop Gramm-Rudman-Hollings. I come to this conclusion based on a number of observations, which are outlined in the findings of the sense of the Senate.

Finding No. 1 states that debt held by the public increased from $1.5 trillion in fiscal year 1985 to more than $2 trillion in fiscal year 1988 and continues to grow.

The sense of the Senate goes on to point out that compliance with the Gramm-Rudman-Hollings targets each year would result in a debt held by the public of $2.38 trillion by the end of fiscal year 1993. How did I arrive at the number $2.38 trillion? The maximum deficit amounts in the Gramm-Rudman law are $136 billion in 1989, $100 billion in 1990, $64 billion in 1991, $28 billion in 1992, and zero in 1993. The accumulated impact of these deficits is an increase in the public debt of $232 billion. Adding this to the debt held by the public at the end of fiscal year 1988 equals $2.38 trillion.

I am concerned, however, because the Congressional Budget Office projects that the debt held by the public will reach $2.76 trillion by fiscal year 1993, when the Gramm-Rudman-Hollings maximum deficit target is zero.

Recognizing the need to control deficits and debt, many Members have introduced legislation to provide additional fiscal restraint, including provisions requiring balanced budgets, providing enhanced rescission and line-item veto authority, adjustments in Gramm-Rudman-Hollings procedures, and others budget process reform.

Finally, Mr. President, I am motivated to advance this amendment because I believe very strongly that growth in the debt held by the public is detrimental to economic growth and improvements in the Nation's long-term standard of living. I believe we need this sense of the Senate to state that we must do more to guarantee that Gramm-Rudman-Hollings achieves real savings and that the debt stops growing.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment (No. 99) was agreed to.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

IRS REVENUE INITIATIVE RESERVE FUND

Mr. DECONCINI. Mr. President, I wonder if I could get the attention of the distinguished chairman of the Senate Budget Committee, Mr. SASSER, to clarify the intent of section 10 of Senate Concurrent Resolution 30, with reference to the reserve fund for IRS compliance. Section 10 of the resolution recognizes the fact that additional IRS funding is needed to achieve the $500 million in revenues assumed in fiscal year 1990 from increased compliance activities. While I may have preferred an alternative method of reserving these funds, Mr. President, because I support the bipartisan summit agreement which will be implemented by this budget resolution, I find the approach taken by the Budget Committee acceptable. However, I would like to discuss the process by which the Budget Committee intends the Appropriations Subcommittee on Treasury, Postal Service, and General Government to meet the requirements specified in section 10.

Mr. President, the original Reagan budget contained a revenue initiative for the Internal Revenue Service which would have generated approximately $318 million in additional revenue at a cost to the IRS in fiscal year 1990 of approximately $55 million. This additional revenue was to be generated from the increased enforcement of the collection of delinquent taxes owed to the Federal Government. The bipartisan budget agree-

ment assumed the revenue from the Reagan enforcement initiative and expanded the initiative to generate total additional revenues of $500 million at an additional cost of $58 million. The total cost to the IRS to raise the $500 million assumed in the bipartisan budget agreement is approximately $113 million. So, in order to meet the revenue targets contained in the budget agreement, in fiscal year 1990 the IRS will need an additional $113 million in budget authority and an additional $109 million in budget outlays.

Section 10(b) of the resolution provides a level of $109 million in budget authority and $99 million in budget outlays for implementation of the IRS tax compliance initiative in fiscal year 1990. It is my understanding that the accurate levels of funding should be $113 million in budget authority and $109 million in outlays.

these figures consistent with the Budget Committee's understanding?

Mr. SASSER. The Senator from Arizona is correct. Due to a technical error during drafting of the resolution, the budget authority and outlay figures for the IRS tax compliance initiative were inaccurately stated. It is our intention to adjust these totals during conference to the levels of $113,000,000 in budget authority and $109,000,000 in outlays.

Mr. DECONCINI. I appreciate the clarification on that item, Mr. President. Next, I want to point out that, in addition to the revenue enhancement, the original Reagan budget assumed an increase of $234 million over the fiscal year 1989 enacted level of funding for the IRS to cover the increased costs of taxpayer service, processing tax returns, tax redesign and other automated data processing investments. What level of funding has been assumed in the budget resolution to fund these other IRS enhancements?

Mr. SASSER. The budget resolution could accommodate full funding of President Reagan's fiscal year 1990 budget request for the IRS as well as the additional funding necessary to implement the revenue initiative contemplated in the bipartisan budget agreement.

Mr. DECONCINI. Mr. President, to make sure I understand the way the process laid out in section 10 would work, can you tell me that if the Subcommittee on Treasury, Postal Service and General Government appropriates the $113 million in budget authority and $109 million in budget outlays for this IRS revenue initiative, and we then take our appropriation bill to the floor, the Budget Committee will allocate the $113 million in budget authority and $109 million in budget outlays to the Appropriations Committee for this purpose?

Mr. SASSER. At that point, the chairman of the Budget Committee would file with the Senate an increase in the allocation to the Appropriations Committee consistent with the amount needed to fund the initiative.

Mr. DECONCINI. What if the bill we report contains partial funding to achieve a portion of the revenues? Would the Budget Committee then allocate a proportionate amount of the additional budget authority and outlays set aside to raise the revenue?

Mr. SASSER. I would say to the Senator from Arizona that under the language of the resolution, the chairman of the Budget Committee could do so. However, the only reason that the resolution contains language on the IRS reserve fund is because of the bipartisan budget agreement. That agreement calls for an IRS tax compliance initiative sufficient to generate $500 million in additional revenues. To provide less than full funding of this initiative would be contrary to the agreement. Therefore, in order to comply with the bipartisan agreement, the Budget Committee would provide an additional allocation for the initiative only when the initiative is fully funded.

Mr. DECONCINI. To make sure that we are in total agreement as to the specific amounts the Appropriations Committee must appropriate in order to receive the additional budget allocation, I would respectfully ask you to review a document I have had prepared by the Internal Revenue Service and approved by the Department of the Treasury which reflects the specific funding levels by account and activity needed to meet the terms of the bipartisan budget agreement for the IRS revenue initiative. I ask unanimous consent that this document be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REVENUE INITIATIVES PROPOSED IN THE PRESIDENT'S BUDGET AND INCLUDED IN THE BIPARTISAN BUDGET AGREEMENT

[Budget authority by appropriation, in millions of dollars]

	Funding required			
	Processing tax returns	Examination and appeals	Investigation collections and taxpayer services	Total
Proposed in fiscal year 1990 President's budget:				
1. Examination, service centers		$12,000		$12,000
2. Accounts receivable	$643	65	$27,101	27,800
3. International compliance		6,000		6,000
4. Combined annual wage reporting	7,700			7,700
5. Monitoring dependency compliance	1,400			1,400
Subtotal	9,734	18,065	27,101	54,900
Added for bipartisan budget agreement:				
1. Taxpayer delinquent investigations (business nonfilers)	3,000		27,627	30,627
2. Collection: Special compliance program (employment taxes)			12,700	12,700
3. Federal tax deposit penalties	2,363			2,363
4. Counsel: Resolve appeals in dispute		12,786		12,786
Subtotal	5,363	12,786	40,327	58,476

ADDITIONAL REVENUE GENERATED

[Dollars in millions]

	Processing tax returns	Examination and appeals	Investigation collections and taxpayer services	Total
Proposed in fiscal year 1990 President's budget:				
1. Examination, service centers		$101		$101
2. Accounts receivable	$2		$105	107
3. International compliance		29		29
4. Combined annual wage reporting	69			69
5. Monitoring dependency compliance	12			12

ADDITIONAL REVENUE GENERATED—Continued

[Dollars in millions]

	Processing tax returns	Examination and appeals	Investigation collections and taxpayer services	Total
Subtotal	83	130	105	318
Added for bipartisan budget agreement:				
1. Taxpayer delinquent investigations (business nonfilers)	8		78	86
2. Collection: Special compliance program (employment taxes)			17	17
3. Federal tax deposit penalties	8			8
4. Counsel: Resolve appeals in dispute		39		39
Subtotal	16	39	95	150
Total, revenue by account	99	169	200	468
Total, budget authority by account	15	31	67	113
Total, outlays by account	14	29	66	109

Mr. DECONCINI. Does this document accurately reflect your understanding on the specific funding the Appropriations Committee would have to provide in order to receive the additional budget allocation for the revenue initiative?

Mr. SASSER. The document reflects the specific funding levels necessary to fund the IRS tax compliance initiative contained in the bipartisan budget agreement.

Mr. DECONCINI. Mr. Chairman, I thank you for your clarification on this matter. Too often the Subcommittee on Treasury, Postal Service, and General Government has found itself in a disagreement with the Internal Revenue Service over the funding levels needed to achieve the revenue targets. I think the clarification on the revenue initiative before we report a bill will eliminate any misunderstandings which may occur later in the process. One final point I want to discuss is the funding for other IRS programs and activities. Am I correct in interpreting the language in section 10 to permit the normal flexibility given the Appropriations Committee to determine the proper levels of funding for all other activities of the IRS?

Mr. SASSER. The Senator from Arizona is absolutely correct. The budget resolution does not in any way impede the normal flexibility given the Appropriations Committee to determine the proper levels of funding for other IRS activities. I would note, however, that the provisions of section 10 do not address the proper levels of funding for other activities of the IRS, except insofar as the provisions of section 10 call for increases related to the tax compliance initiative. The provisions of section 10 would not be available to allow an increase in the allocation to the Appropriations Committee for other IRS activities.

Mr. DECONCINI. I thank the distinguished committee chairman for his attention to this very important matter and express my appreciation for his cooperation and understanding.

RESERVE FUND FOR EXPIRING SUBSIDIZED HOUSING CONTRACTS

Mr. SASSER. Mr. President, I should like to take a moment to talk about what I think is one of the most important accomplishments of the budget agreement and this resolution. Namely, I am referring to the reserve fund established in section 8 of the resolution for expiring HUD housing subsidy contracts. The contracts in question are 5-year and 15-year HUD section 8 assisted housing contracts that pay the difference between a fair market rent and 30 percent of low- and very-low income families' incomes. In 1990, an estimated 23,644 subsidized housing contracts are expected to expire. Without renewing these contracts, the low- and very low-income families assisted under these programs would lose the benefit of these subsidies and face certain disastrous increases in rent levels. This would exacerbate the existing housing crisis and undoubtably risk homelessness for many of the poor families assisted under these programs.

This resolution takes an important step toward addressing this issue. It specifically provides enough money in 1990—$1.1 billion in budget authority—to renew these 24,000 expiring contracts using new contracts of identical configuration to those contracts scheduled to expire.

Mr. DOMENICI. Will the Senator yield? I would like to state that I agree that the reserve fund for subsidized housing contract renewals is a critical part of this budget resolution.

I recognize that there are concerns about this kind of line-item detail in a budget resolution. But I submit that this is an extraordinary situation which justifies special treatment.

There is no question that we must extend these contracts. To do otherwise would be to sentence thousands of low-income families to crushing rent increases and potential homelessness. Because the need is so compelling—and the consequences of inaction so severe—I am confident that the Appropriations Committee will provide funds to extend these contracts. The critical question is, "How much"?

The amount of budget authority required for these housing contracts depends on the length of the obligation into which we enter. A 15-year contract requires more budget authority than a 5-year contract. The Appropriations Committee has a great deal of latitude on this matter, which we have preserved in this resolution. The purpose of the reserve fund is to make sure that any savings achieved by using short-term contracts cannot be spent on anything else.

As important as this is for 1990, the treatment of these expiring subsidies in the budget resolution sets an even more important precedent for 1991 when the funding required to renew expiring contracts grows enormously. In 1991, an estimated 296,000 housing subsidy contracts will expire, requiring as much as $23 billion in budget authority to renew.

Mr. SASSER. The Senator is correct. It is also important to note that the budget resolution makes a specific point to provide enough money so as not to constrain the ultimate policy choice for contract renewals. Some, particularly the administration, have suggested that we could renew these contracts using housing vouchers, which, because of their 5-year terms—as opposed to the 15-year contracts that are expiring—would require less budget authority. Others would want to save money by shortening the contract lengths and using the excess budget authority thereby freed up to fund other programs—housing and otherwise. For example, some might like to devote these amounts to programs aimed at providing incentives for developers now planning to prepay their HUD mortgages to remain in the section 236 and section 221(d)(3) housing programs.

However, the U.S. Congress has not yet made a decision with respect to the appropriate length of housing subsidy contracts, and we have certainly not seen evidence supporting the administration's housing voucher as a viable alternative. Thus, in the absence of guiding authorizing legislation that clearly addresses the expiring subsidy issue, we felt that on a

policy issue of this magnitude it is very important to avoid prejudicing the policy decision by not setting aside enough resources to handle the problem under any of several alternative scenarios. The resolution therefore allows the Appropriations Committees to renew the expiring contracts with contracts of identical subsidy form and with contracts of equal length should the appropriators choose to do so.

Mr. DOMENICI. If the chairman will yield further, I would note that I do not necessarily agree with the assessment of the Voucher Program. I would also point out that the reserve fund established by the resolution will be triggered only by appropriations to renew expiring subsidy contracts. But Chairman SASSER and I are in full agreement on the importance of this action.

Mr. SASSER. In the field of housing assistance there is so much more we should be doing as a nation. Over the last several years, housing costs have been rising far more rapidly than people's incomes, increasing the number of low-income families who are forced to live in inadequate housing and pay an excessive portion of their income for rent. It is no wonder that homelessness is increasing in both urban and rural areas across the land. The budget resolution does include full funding for homeless programs under the McKinney Act; the budget resolution adds $100 million above baseline for rural housing. Even these are but small steps toward meeting the growing housing crisis. However, at least the fence around the BA for expiring contracts ensures that we are not going to let the problem get worse by reducing the number of subsidized units in the low-income inventory.

HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

Mr. SIMON. I want to commend the chairman of the Senate Budget Committee for his strong leadership in working out the compromise with the other body and with the President. I want to draw specific attention to that portion of the budget resolution, function 500, which provides funding for higher education, and in particular black colleges and universities under the Higher Education Act.

Mr. SASSER. I know of the Senator's longstanding support for our Nation's historically black colleges and universities and his authorship of the Black College and University Act of 1986. If I am not mistaken, I believe that he was the graduation speaker at Knoxville College last June—where I will deliver the commencement address in just a few weeks.

Mr. SIMON. Although budget resolutions do not address specific programs, I do want to call to my chairman's attention that the bill reported in the other body does assume the fiscal year 1987 funding level for part B of title III of the Higher Education Act of approximately $100 million. I hope the chairman will look favorably on this matter when we get to conference. Any help that we can provide to black colleges not only strengthens them, but also enriches the Nation by providing a college education to those who otherwise would not get one.

Mr. SASSER. While I cannot make a specific commitment at this time, I do want to assure the Senator that I share his desire to strengthen these institutions that play such a critical role in expanding equal opportunity for black Americans. As a matter of fact, the Senate budget resolution, as reported from our committee, does already assume an increase for historically black colleges and universities. I will look carefully at this matter which you have called to my attention, and I hope that we can accept the assumption in the House resolution.

Mr. BUMPERS. Mr. President, I would like to engage the chairman of the Budget Committee, Mr. SASSER, in a colloquy to discuss an issue of considerable importance to the Nation's small business community. Specifically, I would like to discuss the current funding problems facing the Small Business Administration's 7(a) Program.

Mr. SASSER. I would be pleased to enter into a colloquy with my distinguished colleague from Arkansas, the chairman of the Senate Small Business Committee.

Mr. BUMPERS. Mr. President, I thank the Senator. The SBA 7(a) Program is the principal guaranteed lending program offered by SBA. The 7(a) Program provides long-term financing for small businesses which they are unable to secure from most other sources. Commercial banks and other lenders will make short-term loans of a year or two to qualified small businesses, but they generally do not make longer term loans available. The 7(a) program fills that need. Working through commercial banks and nonbank lenders, small business borrowers can obtain SBA-guaranteed financing for capital investment purposes and other long-term needs.

Mr. President, toward the end of the first quarter of the current fiscal year, it became clear that for the first time in many years, the appropriated credit level of $2.4 billion for the 7(a) Program would be inadequate to meet the demand for the program. SBA regional offices began to ration the program and a substantial backlog developed. This concerned many of us who were glad to see this program succeed and benefit the small business sector.

The Senate Small Business Committee and the Senate Appropriations Subcommittee on Commerce, State, Justice, the Judiciary and Related Agencies strongly encouraged the administration to reprogram appropriated credit authority from other SBA programs to 7(a). This Senator is pleased to inform his colleagues that the reprogramming of $200 million to credit authority was completed recently, thereby giving some degree of relief of this important program during the current fiscal year. I hasten to add, however, that there is a difference of opinion as to whether increasing the appropriated level as a result of the reprogramming will meet the current fiscal year demands. In fact, an industry survey which is based on historical trends shows that even with this extra $200 million, this program may experience a substantial shortfall before the end of this fiscal year.

Mr. President, SBA's new Administrator, Susan Engeleiter, in her first testimony before the Senate Appropriations Subcommittee on Commerce, State, Justice, the Judiciary and Related Agencies cited adequate funding for this program as one of her immediate goals. I might add that the SBA supporters welcome Mrs. Engeleiter's comments at the hearing that President Bush has affirmed to her his support for the agency.

The industry survey to which I referred earlier projects that demand for the 7(a) Program in fiscal year 1990 will exceed $3.4 billion. If accurate, this means that there will be a $500 million shortfall above the fiscal year 1990 authorized level of $2.9 billion.

Mr. President, I ask my friend from Tennessee, the chairman of the Senate Budget Committee, the following question. Although the Senate budget resolution for fiscal year 1990 pending before us freezes the Federal credit budget at the fiscal year 1989 level, is there not flexibility for addressing concerns such as the one I raise in this colloquy through the appropriations process?

Mr. SASSER. Mr. President, I say to my friend that he is accurate in his statement regarding the flexibility. As my colleagues know, the Senate Budget Committee's role is to set parameters within which the authorizing and appropriations committees must stay. There is flexibility to address pressing needs.

I would say, however, to my good friend that as a former member of the Senate Small Business Committee, I recognize the value of the 7(a) Program. I know, for instance, that in Tennessee the 7(a) Program has helped many of my constituents in the small business sector. I am advised by SBA that the current year demand in Tennessee for this program is running substantially ahead of last fiscal year. Specifically, in fiscal year 1988, $51.4 million in 7(a) loans were made. For the current fiscal year, $47.1 million in 7(a) loans have already been made. Obviously, these numbers indicate a

significant increase in demand over the previous fiscal year.

Mr. BUMPERS. Mr. President, I thank my colleague, the Senator from Tennessee, for his response. I might add that the SBA has advised this Senator that a similar situation is occurring in Arkansas. In fiscal year 1988, $11.2 million of 7(a) loans were made in Arkansas. During the current fiscal year, $7.2 million in 7(a) loans have already been made in my State. What concerns me even more is the fact that historically loan closings under the 7(a) Program increase toward the end of the fiscal year.

Mr. President, I would like to make another point concerning the 7(a) Program. To do so I refer to another industry study which clearly demonstrates the positive impact the 7(a) Program has on our economy and for the Federal treasury. Of the 7(a) borrowers surveyed in this particular study, Federal and State taxes paid by these firms increased by rates of 74.5 percent and 24.9 percent, respectively. This program is paying for itself. I recognize that our budgeting system does not specifically take this into account in determining the cost of programs such as 7(a), but facts are facts. This kind of return on the taxpayers' dollars for Federal programs should be looked at carefully when determining which programs are expanded under the current budgetary constraints we face. Further, SBA will soon be completing a study at my request, which will analyze the effect of 7(a) guaranteed lending on specific firms' hiring and tax payments. This study is being done with IRS data and should be very instructive.

Mr. President, again, I thank the chairman of the Budget Committee.

Mr. SIMON. Mr. President, I would like to engage my colleague from Texas [Mr. BENTSEN], my colleague from West Virginia [Mr. ROCKEFELLER], and my colleague from Kansas [Mrs. KASSEBAUM] in a colloquy concerning the Medicare budget.

I want to commend the chairman and ranking minority member of the Budget Committee for both limiting the size of the Medicare cut and including language recommending that, the the extent possible, further reductions not be directed at the hospital portion of the program. In my own State of Illinois, hospitals of all types are facing serious financial difficulties because of the cumulative effects of several years worth of cuts to the program.

Nearly two-thirds of all hospitals will lose money treating Medicare patients next year. Nearly half will incur deficits of 10 percent or more, and nearly 30 percent will incur losses of 20 percent of more.

All hospitals—urban, rural, teaching, and nonteaching—are experiencing dangerously low Medicare operating margins.

Underfunding Medicare is not the way to reduce the Federal deficit or to reduce the escalating costs of health care in this country.

The Medicare hospital insurance trust fund does not contribute to the Federal deficit. In fact, its yearly surpluses, which are being accumulated as a reserve in order to finance benefits into the 21st century, are actually used to reduce the deficit. If Social Security and Medicare surpluses were not counted in this fashion, the deficit would be considerably higher than it already is.

The projected increase in spending for inpatient hospital care is largely due to factors beyond the control of hospitals. 7.9 percent is directly attributable to the increased costs of goods and services—4.7 percent—and the growing numbers of Medicare beneficiaries using the system—3.2 percent. Another 1 percent is due to the increased complexity of Medicare cases.

The problem is that underfunding of the program does not eliminate the obligation that the Nation's hospitals have to continue providing services to more than 32 million elderly and disabled. If Medicare payments fail to keep pace with the cost of goods and services hospitals must purchase in order to provide needed medical care, as it has during the past 6 years, many more hospitals will simply be forced to either curtail services or to close their doors.

Mr. President, 42 Senators and 237 of our colleagues in the House have signed onto my sense of the Congress resolution urging that we step back for a moment and assess the program before we make any further cuts in Medicare hospital payments.

I applaud the efforts of the chairman and of my colleague from Texas during negotiations with the White House to reduce the Medicare cut from $5.2 billion proposed by the President to $2.7 billion. Under the difficult circumstances facing us, this was the best which we could have hoped to achieve this year. And I also appreciate inclusion of favorable language in the budget resolution which seeks to limit the future impact on hospitals.

I hope that next year, when the GRH target is $64 billion, that Medicare does not once again become a tempting target for OMB budget cutters who seem comfortable carrying out the tradition of year-to-year budget driven policy decisions regardless of the effects their decisions will have on the delivery of health care services to the elderly.

For this year, perhaps the best I could hope for, and all I seek from the Senators from Texas and West Virginia, is some assurance that the Finance Committee will, in keeping with the spirit of my sense of the Congress resolution, carefully consider the implications which any additional deep cuts in payments to hospitals might have, especially on rural hospitals and hospitals in inner cities.

Mrs. KASSEBAUM. Mr. President, I rise today to join my distinguished colleagues from Illinois, Texas, and West Virginia in a colloquy on the subject of Medicare funding in the fiscal year 1990 budget.

I, too, wish to commend the leaders of the Budget Committee, as well as the Senator from Texas, for their efforts in keeping the overall Medicare cutback a modest one. Although the proposed $2.7 billion cut is larger than I would have liked, it is nevertheless far better than the $5 billion reduction originally proposed by the President.

Last fall, and again this year, I had the honor of joining the Senator from Illinois and the Senator from Minnesota [Mr. DURENBERGER] in sponsoring a resolution calling on Congress to make no further cuts in Medicare part A during the coming fiscal year. Backed by 40 cosponsors in the Senate and 240 in the House, the "Protect Medicare 90" resolution has sent a clear message that it is time for Congress to halt debilitating cuts in Medicare hospital payments.

It is a credit to the Senator from Illinois, as well as to his colleagues on the Senate Budget Committee, that the budget resolution before us today is accompanied by strong report language recommending relief for America's hospitals. In its report, the Budget Committee spells out its view that "to the extent possible" hospitals should be spared additional budget cutbacks in fiscal year 1990.

Mr. President, I am fully aware that the Finance Committee faces an unenviable task in the next few months. Cutting $2.7 billion from the Medicare Program is certainly not going to be easy. Like the Senator from Illinois, however, I urge that members of the Finance Committee take special care to observe the Budget Committee's recommendation that the hospital portion of the program be spared significant reductions.

Although the 6-year-old prospective payment system [PPS] has successfully encouraged greater efficiency in hospital operations, its chronically low payment rates have begun to threaten the ability of many hospitals to provide quality care.

Pressured by budgetary constraints, Congress has consistently failed to update prospective payment rates to adequately reflect rapid increases in the cost of hospital goods and services. As a result, Mr. President, Medicare rates to hospitals are now rising only about half as fast as hospital costs. Not surprisingly, recent projections in-

dicate that as many as two-thirds of America's hospitals will operate at a loss treating Medicare patients next year.

Mr. President, Medicare part A is simply in no position to absorb a significant cut next year. Over the past several years, hospitals have done more than their fair share in contributing to deficit reduction. It is time, it seems to me, for Congress to grant them a much-needed furlough from the frontlines of the budget battle.

Mr. ROCKEFELLER. I appreciate your remarks and I also want to commend you for all of the hard work you have done in an area of great importance to me. I, too, was very disappointed with the Bush budget proposal to seek over $5 billion in Medicare savings.

The original $5.2 billion administration proposal would have been devastating for Medicare beneficiaries. I am confident that the Finance Committee will do what it can to minimize the impact of the $2.7 billion in cuts that we are unfortunately left with.

Mr. BENTSEN. I thank the Senator from Illinois and the Senator from Kansas for their comments with regard to potential reductions in payments to hospitals under Medicare. I certainly agree that hospitals—particularly those in rural areas and in inner cities—are facing serious financial difficulties. The Prospective Payment Assessment Commission tells us that more than half the Nation's hospitals are losing money treating Medicare patients. Let me assure my colleagues that, in crafting a deficit reduction package that meets the terms of this resolution, the Committee on Finance will do everything possible to assure that access to health care for elderly and disabled Medicare beneficiaries is not compromised.

Mr. SIMON. I realize that both Senators have a very difficult job to do and I appreciate their remarks.

RURAL DEVELOPMENT

Mr. LEAHY. Mr. President, first I would like to thank the Senator for his excellent efforts on behalf of rural development as part of the 1990 budget resolution process. I would also like to clarify the amount of funding available for rural development in the budget resolution. It is my understanding that the resolution includes $300 million in budget authority and over $100 million in outlays for fiscal year 1990. This level assumes that all other discretionary programs within the agriculture function are held to a 1989 "hard freeze" level.

Mr. SASSER. I appreciate your kind remarks and would also like to note that Senators EXON, SANFORD, CONRAD, and FOWLER have played an instrumental role in the Budget Committee to secure additional funding for rural development. While, the 1990 budget resolution contains no specific assumptions concerning the allocation of discretionary spending increases, you are correct that $300 million in budget authority and over $100 million in outlays would be available for rural development if all other programs within function 350 are held to 1989 levels.

FUNDING FOR INDIAN LAND AND WATER SETTLEMENTS

Mr. INOUYE. Mr. President, I would like to ask the chairman of the Budget Committee about funding for negotiated land and water settlements with Indian tribes. The report of the Select Committee on Indian Affairs to the Committee on the Budget, dated March 8, 1989, included a request that funding for such settlements be allocated in a manner that does not adversely affect other Indian programs. A letter dated April 14, 1989, to the chairman and vice chairman of the Budget Committee from members of the Senate reinforced that request. Would the distinguished chairman of the Budget Committee comment on the committee's consideration of this important issue?

Mr. SASSER. I thank the Senator from Hawaii for his inquiry on this matter. In the committee's deliberations, we concluded that the issue could be left for resolution at a later point in the process. It is my understanding that the House is considering an approach which would accommodate the request of the Indian Affairs Committee.

Mr. INOUYE. There were four settlements enacted last year. These settlements dispose of the legal obligation of the U.S. Government resulting from the failure of the Government, as trustee, to protect Indian rights and resources. We anticipate additional settlements will be enacted in this Congress. Full funding of last year's three water settlements and one land settlement would require $86 million in fiscal year 1990. In addition, the committee expects enactment this year of the Puyallup land claim settlement in the State of Washington, involving the Port of Tacoma. This would require an additional appropriation in fiscal year 1990 of about $77 million. I would like to ask the chairman how the Committee on the Budget anticipates that these funding needs will be met.

Mr. SASSER. I would be pleased to work in conference to assure that the conference report reflects the need to fund these settlements in a manner that places the burden on the Nation as a whole, rather than through reductions in outlays for Indian programs. As we reconcile differences between the House and Senate budget resolution, I will be pleased to consult with my colleague from Hawaii.

Mr. INOUYE. I thank the Senator for his assistance.

Mr. ARMSTRONG. Mr. President, last session Congress passed and the President signed H.R. 2642, the Colorado Ute Indian Water Rights Settlement Act. That act facilitated a complex settlement agreement ending a decade of litigation of Indian water rights.

The settlement agreement was achieved after 4 years of intense negotiations by the Ute Mountain Ute and the Southern Ute Tribes with the States of New Mexico and Colorado, numerous municipalities and conservancy districts in both States, and the U.S. Department of Justice and Department of the Interior.

The water adjudicated to the Ute Indians is to be stored in the reservoir created by the Animas-La Plata project, which was authorized by the Colorado River Storage Projects Act of 1968. Both the Cost Sharing Agreement negotiated by the Federal Government and the legislative language implementing that agreement as part of the settlement were based on a 12-year construction cycle for the project.

Colorado is poised to escrow $30 million in State funds, in addition to currently building a $6 million pipeline to Towaoc, CO to supply domestic water to the Ute Mountain Ute Reservation. Colorado's negotiated monetary commitment in the settlement also is based on a 12-year construction cycle for the Animas-La Plata project.

The President's fiscal year 1990 budget includes $3.7 million for Animas-La Plata, with an indication that all further work will be halted until other Western water projects are completed. This definitely is not the intent of the Colorado River Storage Projects Act of 1968 nor of the Colorado Ute Indian Water Rights Settlement Agreement negotiated by Interior and Justice and approved by Congress last session.

The Government of the United States participated in good-faith negotiations to end a decade of Indian water rights litigation costly in time, energy and money. Interior's budget should reflect the funding necessary to meet Interior's commitments in the settlement. To meet its obligation of a 12-year construction cycle of the Animas-La Plata project under the negotiated settlement with fiscal year 1989 as the start, $5.9 million must be budgeted for fiscal year 1990.

I urge my colleagues to recognize the importance of meeting the obligations made by the U.S. Government in the water rights settlement negotiated with the two tribes. Thank you, Mr. President.

Mr. CRANSTON. Mr. President, last year Congress authorized four legislative settlements of Indian disputes, two of which involved Indian tribes in California. These settlements represent the disposition of legal obligations of the U.S. Government resulting from the failure of the Indians'

trustee to protect and develop tribal resources. Had these disputes been settled in court rather than being resolved legislatively, the entire settlement award would have been paid immediately and off budget through the Department of Justice's Claims and Judgments Account.

The San Luis Rey Indian Water Rights Settlement Act established a trust fund for economic development of Indian lands in San Diego County, CA. The trust fund will require an appropriation of $30 million plus interest from the date of enactment (November 17, 1988). The administration's budget for fiscal year 1990, however, includes only $5 million for this settlement, of which $2.6 million is for interest.

The Hoopa-Yurok Settlement Act partitioned reservation lands between the Hoopa Valley Tribe and the Yurok Indians in northern California. The act established a settlement fund to include escrow moneys derived from the joint reservation, accrued income, and a $10 million Federal contribution. The act also authorized $5 million for the purchase of lands within and contiguous to the Yurok Reservation. The administration has not requested any money for this settlement in fiscal year 1990.

I understand the House Budget Committee under function 450 has expressed its intent that these Indian settlements be funded in a manner that does not reduce funding for other Indian programs. I find no similar language in the Senate committee report on the budget resolution. I therefore would like to ask the chairman of the Senate Budget Committee if the resolution before us assumes funding of these important Indian settlements.

Mr. SASSER. The Senate Budget Committee did not provide a separate budget allocation for Indian settlements. Functions 300 and 450 include funds for the various programs of the Bureau of Indian Affairs. However, the committee did not state any assumptions in its report as to how BIA funds would be allocated.

Mr. CRANSTON. These Indian settlements are obligations of the Federal Government. I believe they should be borne by the Nation as a whole rather than being imposed on Indian peoples through reductions in other BIA programs. I would like to ask the chairman of the committee if he would consider adopting the House approach and report language in conference.

Mr. WIRTH. I want to thank Senator CRANSTON for bringing this important issue to the attention of the chairman of the Budget Committee, and wish to join Senator CRANSTON in asking the chairman to address this issue in conference.

The Ute Mountain Ute and Southern Ute Tribes of Colorado find themselves in a similar situation to the tribes mentioned by Senator CRANSTON. The Colorado Ute Tribes Water Rights Settlement Act of 1988 settled similar claims by these tribes against the United States.

The administration encouraged this settlement—the Department of Justice negotiated it. The Congress put that settlement into law and authorized the economic development funds that are a key part of the settlement agreement. The agreement and the act are perfectly clear—they call for the Federal Government to pay a total of $49.5 million into the two tribes' development funds, over 3 years, and specifies the amount to be paid in each year.

Had the tribes gone through the courts to get their claims against the United States, they would have received the full amount of damages immediately from the Department of Justice's Claims and Judgments Account. If we penalize these tribes for their good-faith effort to reach a negotiated settlement, we are risking the viability not only in these two settlements—which by their terms will dissolve if not fully funded—but of all future Indian natural resources settlements.

The President's budget contemplates funding these settlements through the functions pertaining to the Bureau of Indian Affairs, but does not provide the funds needed to meet our obligations. I too, want to support funding these payments in a manner that does not reduce funding for other Indian programs, and I join in asking the chairman of the Budget Committee to take up this issue in conference.

Mr. DECONCINI. Mr. President, I want to associate myself with the remarks of my distinguished colleague, Senator CRANSTON, concerning the funding of legislated settlements resolving Indian disputes.

Last year Congress enacted the Salt River Pima-Maricopa Indian Community Water Rights Settlement Act. This legislation is critical to the agricultural and economic well-being of that Indian community as well as the continued economic growth of the Phoenix metropolitan area in the State of Arizona. The community had asserted its water rights claims in cases before Federal and State courts. Recognizing the potential impacts, the non-Federal participants in this historic settlement agreed to transfer, without charge, rights to approximately 47,000 acre-feet of surface water, to restructure longstanding water use arrangements, incur great and continuing expense in obtaining substitute water supplies, and to contributing money in order to settle all of the water rights of the community, its members and allottees.

The purpose of the act is to facilitate the performance of the settlement agreement by authorizing the necessary funding and by authorizing the Secretary of the Interior to undertake the steps required to effect the settlement.

In the settlements enacted into law last year, there are schedules for each of the participants, including Federal, to meet its obligations. The Salt River Pima-Maricopa Indian Water Rights Settlements Act requires a Federal obligation of $47 million which is to be fully funded by December 31, 1991, two funding cycles from now. If the agreement is not fully funded by this date, the settlement will dissolve and the dispute will likely return to the courts. Litigation is costly, time consuming, uncertain in outcome, and once decided, can displace existing water use and provide only paper rights, not "wet water." The prolonged uncertainty clouds the validity of water rights for Indians and non-Indians alike. This forestalls investments based on the availability of, and rights to water, thus hurting tribes, businesses, States and the Nation.

Throughout the West there remain many outstanding Indian water rights disputes pending, several of which could be resolved in the near future. However, the underfunding of the recently completed negotiated settlements is causing the non-Federal participants in these negotiations to question the credibility of the U.S. Government to meet its obligations. It is important to remember that these negotiated settlements save the U.S. taxpayer money in the long run because reaching out-of-court agreements ultimately reduces the United States' legal exposure.

I support my friend from California in requesting that the distinguished chairman of the Budget Committee adopt the House language in conference that these settlements be funded in such a fashion as to not impact other Indian programs.

I thank the chairman for consideration of this request.

Mr. SASSER. I appreciate the concerns of the Senator from California, the Senator from Colorado, and the Senator from Arizona. I will see what we can do to resolve this matter in conference.

Mr. CRANSTON. I thank the chairman for his willingness to consider this matter again at that time.

Mr. McCAIN. Mr. President, I would like to ask the ranking member of the Budget Committee about funding for negotiated land and water settlements with Indian tribes. The report of the Select Committee on Indian Affairs to the Committee on the Budget, dated March 8, 1989, included a request that funding for such settlements be allocated in a manner that does not adversely affect other Indian programs. A letter dated April 14, 1989, to the chairman and vice chairman of the

Budget Committee from Members of the Senate reinforced that request. Would the distinguished ranking member of the Budget Committee comment on the committee's consideration of this important issue?

Mr. DOMENICI. I thank the gentleman from Arizona for his inquiry on this matter. In the committee's deliberations, we concluded that the issue could be left for resolution at a later point in the process. It is my understanding that the House is considering an approach which would accommodate the request of the Indian Affairs Committee.

Mr. McCAIN. There were four settlements enacted last year. One of these involves water rights in the State of Arizona. These settlements dispose of the legal obligation of the U.S. Government resulting from the failure of the Government, as trustee, to protect Indian rights and resources. We anticipate additional settlements will be enacted in this Congress. Full funding of last year's three water settlements and one land settlement would require $86 million in fiscal year 1990. In addition, the committee expects enactment this year of the Puyallup land claim settlement in the State of Washington, involving the Port of Tacoma. This would require an additional appropriation in fiscal year 1990 of about $77 million. I would like to ask the ranking member how the Committee on the Budget anticipates that these funding needs will be met.

Mr. DOMENICI. I would be pleased to work in conference to assure that the conference report reflects the need to fund these settlements in a manner that places the burden on the Nation as a whole, rather than through reductions in outlays for Indian programs. As we reconcile differences between the House and Senate budget resolution, I will be pleased to consult with my colleague from Arizona.

Mr. McCAIN. I thank the Senator for his assistance.

Mr. DOMENICI. Mr. Chairman, some have raised questions about the effect of the report language on Medicare changes in connection with the committee's proposed budget resolution. Is it your understanding that the Senate Finance Committee will determine the mix of changes from anywhere within their jurisdiction?

Mr. SASSER. Yes. As is always the case, an authorizing committee is free to make its own choices and select whatever policy options it desires, as long as overall reconciliation deficit reduction instructions are met.

Mr. BENTSEN. I would like to bring to the attention of the chairman of the Budget Committee an issue of concern to the Finance Committee. The Senate version of the budget resolution calls for the Finance Committee to make reductions of $2.8 billion in outlays. Pursuant to negotiations with the administration, the committee report language indicates that $2.7 billion of this amount should come from the Medicare Program. It is my understanding that the budget resolution reported by the House Budget Committee requires $2.3 billion in outlay reduction from the Ways and Means Committee, which is also assumed to be coming from the Medicare Program, and an additional $0.4 billion in unspecified deficit reduction. I assume that the chairman and ranking member of the Budget Committee will not ask members of the Finance Committee and of the Senate to seek deeper cuts in the Medicare Program than the House of Representatives is expected to achieve. I therefore hope that the Budget Committee chairman can give me his assurance that he will do all that he can to develop a conference agreement on the budget resolution which provides identical outlay reduction reconciliation instructions for the House and Senate committees of jurisdiction.

Mr. SASSER. I can assure the chairman of the Finance Committee that I will work in the conference to establish reconciliation instructions to the Senate and House that assume the same level of savings with respect to the Medicare Program. We want the Finance Committee and the House committees of jurisdiction to all be working from the same blueprint.

Mr. BRADLEY. Mr. President, I had intended to offer an amendment to this budget resolution to provide $200 million in fiscal year 1990 for Medicaid expansions and considerably higher levels in the outyears. But it is my understanding that this measure may be able to be accommodated by the conferees.

I would like to engage the chairman of the Budget Committee, Mr. SASSER, in a colloquy about funding for Medicaid in the budget. I am deeply concerned that the budget resolution does not expressly provide funding to enable the Finance Committee to expand Medicaid coverage for pregnant women, infants, and young children. While I appreciate the actions of the committee in setting up a reserve fund for Medicaid, I had hoped that additional funding would be expressly provided, as in the House version of the budget resolution. I had also hoped that sufficient funding would be provided in the outyears for Medicaid expansions.

I would hope that the chairman of the Budget Committee could provide some assurances that funding for these vital expansions over the next 3 years will be provided by the conferees.

Mr. SASSER. As the Senator knows, the resolution as reported by the Budget Committee does contain language regarding Medicaid. The language specifies that should the Finance Committee report legislation expanding Medicaid benefits, the budget resolution will be adjusted to accommodate that legislation, as long as the total legislative package does not increase the budget deficit.

I would like to say to the Senator I think that language is a good signal from the Budget Committee that we agree that action to meet the health care needs of low-income women and children, as well as the elderly and disabled, is a high priority this year. It says that we anticipate that there will be some Medicaid expansion this year. I, for one, do endorse that and I hope that will be the final outcome.

The House budget resolution has approached this issue in a little different way. The House budget resolution emerged from committee with a specific amount, $200 million, set aside for Medicaid expansions in 1990.

Let me assure the Senator that my main concern will be that we are able to take some important Medicaid steps this year. I would like to see a specific Medicaid assumption in the final budget resolution, and although I cannot make any promises now, let me say that I will do my best to argue for that position in conference.

Mr. RIEGLE. Mr. President, as chairman of the Subcommittee on Health for Families and the Uninsured, which has jurisdiction over the Medicaid Program, I would like to point out that several Medicaid initiatives are currently under consideration that would help the most needy members of our society. These proposals would improve coverage for low-income pregnant women and infants, children, and disabled and elderly persons. I understand there is $200 million specified in the House budget resolution to implement these important changes beginning in fiscal year 1990. I was disappointed that similar language was not adopted in the Senate. I know the chairman shares my concern for this program and hope that this can be accomplished in conference.

HUMPHREY-HAWKINS ACT

Mr. SARBANES. Mr. President, goals and priorities are reflected in virtually every budget decision, and the budget debate should therefore reach beyond the urgent decisions with respect to the coming fiscal year to these more fundamental questions. In 1978 the Humphrey-Hawkins Act amended the Congressional Budget and Impoundment Control Act to assure that such consideration would take place. That act was named for its principal sponsors: In the Senate, our late distinguished colleague, Senator Hubert H. Humphrey, and in the House Congressman AUGUSTUS HAWKINS, the distinguished chairman of the House Committee on Education and Labor.

Never has the longer term perspective called for in the Humphrey-Hawkins Act been more important than it is today. We must look beyond the reassurances of the moment to ascertain the direction in which we are headed. The critical question is whether we are moving along a path of steady and sustainable economic growth on which our standard of living, our strength as a nation, and our traditional American promise of opportunity all depend.

In recent years the economic environment has changed profoundly, and is today different from any we have experienced in the past. Over the past decade, we have created unprecedented imbalances—in the budget, in international trade, in the accumulation of both domestic and international debt.

Many of these weaknesses stem from past policy errors which have been only partially corrected. Despite recent small improvements, the United States still runs a huge trade deficit. This descent into deficit was accelerated dramatically during the 1980's by policies which largely ignored the root causes of our trade deterioration—misaligned exchange rates, domestic macroeconomic imbalances, foreign limits on market access, and deteriorating competitiveness among American industries.

Subsequent reversals of some of these policies—particularly misaligned exchange rates—led in 1986 and 1987 to a decline in the dollar and a temporary boom in exports. This boom appears to have stalled after the middle of 1988, while imports have continued to trend upward. Extrapolating the trends of the past 9 months leads to the conclusion that our present course will produce little further reduction in our trade deficit over the next decade.

The continuation of large merchandise trade deficits is of particular concern for the future because past deficits have undermined our former status as a creditor country. In recent years, the United States has experienced an historically unprecedented—and still continuing—slide from creditor to debtor nation. Our substantial and growing net interest payments to foreign investors now must be added to our merchandise trade deficit to determine how much we must borrow from abroad each year. Each year's new borrowings add to our external debt obligations, creating a burdensome legacy of debt which we pass on to the next generation.

This legacy not only undermines future prosperity—through large interest payments to our international creditors—it also weakens our international influence and provides a serioius element of instability in the economic outlook. Our continued dependence on large foreign borrowings makes our interest rates vulnerable to the decisions of foreign investors and threatens the stability of the dollar on foreign exchange markets.

We also confront a worrisome accumulation of debt in the domestic economy. Highly leveraged corporations are much more vulnerable to an economic slowdown than those more prudently capitalized, and a vulnerable corporate sector increases the already serious concern about the state of our financial institutions. Sweeping deregulation of capital markets in the 1980's has led to massive failures in the savings and loan industry—and there are serious grounds for concern that excessive debt accumulation may be laying the groundwork for other financial crises in the years ahead.

One such crisis is clearly upon us, in the form of Third World debt. The failure of existing international debt policy to resolve the conflicts which are undermining fragile democratic governments in the debtor countries; even those countries which have made major strides in economic policy reform have not seen their efforts rewarded by improved flows of funds from their creditors. Secretary Brady's recent endorsement of debt reduction represents a constructive step toward facing the problem, but it will mean little if we do not now move to design and implement a responsible debt reduction program.

On the domestic front, policy over the past decade has clearly failed to maintain adequate funding for housing, education, infrastructure, research, environmental quality, and a number of other critical public investments. These investment deficits are catching up with us, and are threatening the future strength and vigor of the economy.

The present recovery has been long lived, but longevity is of limited usefulness in gauging success. Income has grown more slowly in the 1980's than in previous periods. Further, it has been distributed far more inequitably, resulting in an undermining of the middle class. Net investment has also grown more slowly than in the past, creating capacity constraints in many industries and contributing to our disappointing performance in productivity. Inflation was tamed early in the decade, but at the price of the deepest downturn since the Great Depression. Recent signs of renewed inflation suggest that the substantial sacrifice made by American workers during the 1981-82 recession may not have produced a lasting victory against this problem.

These economic problems are complex. They can only be resolved over time. But they clearly require our attention if we are to assure the health and vitality of our economy, and therefore I ask my colleagues to keep them in mind over the course of this debate. We do ourselves and our children a great disservice if we fail to recognize these problems and take steps to correct them.

Mr. KERRY. Mr. President, I am pleased to again join those who wish to remind us of the importance of the Humphrey-Hawkins Act and the need to debate economic goals and policies. I commend the vice chairman of the Joint Economic Committee—the senior Senator from Maryland—for arranging this colloquy. I will again direct my remarks to our employment goals and the need to maintain full employment.

The Humphrey-Hawkins Act, and its predecessor Employment Act of 1946, serve as important reminders of the need to promote economic growth and full employment. Dr. Michael Boskin, Chairman of the President's Council of Economic Advisers has appropriately observed that to combat inflation we must be ever on guard to keep the inflation genie in the bottle. We all know that double digit inflation of the late 1970's and early 1980's resulted in wrenching adjustments including, in 1981-82, the steepest recession since the Great Depression.

Similarly, based on the historical record we must not let the unemployment genie out of the bottle. After achieving full employment in the late 1960's we let the unemployment genie out of the bottle in 1970 and we have not yet fully recovered. The record with respect to unemployment during the past 20 years is indeed startling.

Between 1969 and 1971 the civilian unemployment rate increased from 3.5 to 5.9 percent.

Between 1971 and 1973 the unemployment rate decreased from 5.9 to 4.9 percent.

Between 1973 and 1975 the unemployment rate increased from 4.9 to 8.5 percent.

Between 1975 and 1979 the unemployment rate decreased from 8.5 to 5.8 percent.

Between 1979 and 1982 the unemployment rate increased from 5.8 to 9.7 percent.

Between 1982 and 1988 the unemployment rate decreased from 9.7 to 5.5 percent.

From this historical record several facts emerge.

First, despite the current long expansion we have still not reached unemployment rates of 4 percent. In March 1989 the civilian unemployment rate was 5 percent.

Second, at no time during this 20-year period did we achieve unemployment rates of 4 percent after we let the unemployment genie out of the bottle.

Third, periods of expansion were generally short lived and weak so that the unemployment rate at the end of the expansion was always higher—except for the current expansion—than the unemployment rate at the

end of the previous expansion—3.5, 4.9, 5.8.

Fourth, with a higher starting point, and often a more severe recession, the peaks of the unemployment rate got higher and higher—5.9, 8.5, 9.7.

Now we can debate the effects of demographics—the entry of the baby boom generation into the labor force and subsequent adjustments as they reached their prime working years—but the message is clear: Keep the unemployment genie in the bottle.

Mr. President, as we debate the budget resolution we should continue to focus on those programs that will increase productivity and output and help keep the unemployment genie in the bottle; we must promote investment in human and physical resources of our Nation. We must face up to the need to expand savings, improve productivity, reestablish American preeminence in education, restore our infrastructure—and that means we must move toward a balanced budget.

Mr. President, each year we should welcome this opportunity to debate economic goals by focusing on the objectives of the Humphrey-Hawkins Act. And we must never forget that economic policy is a means to this end—a fully employed economy with stable prices and rising standards of living and opportunity for all Americans. The hallmark of our economic policy—the standard for measuring our success is how will we deliver on that goal of American economic policy.

Mr. GRASSLEY. Mr. President, I am certainly one of those who has had strong reservations about supporting this budget agreement. As with any other budget we have passed over the last 8 years, there's a degree of good and bad news.

The good news is that this administration has struck up a working relationship with Congress, thus avoiding stasis.

No one can doubt that the deficit delemma we are facing is a long-term problem. It therefore requires a long-term working relationship between the two branches of Government. In my view, the tradeoff for getting started on the long road to a balanced budget this year is an absence of the kinds of tough decisions that will surely have to be made up for next year and in the years ahead.

If that is the price we have to pay this year to put this initial step behind us, then I am willing to pay that price. And despite the tradeoff, this budget still meets the Gramm-Rudman target, at least in the first year.

Now having said that, Mr. President, I would like to stress the fact that I am not by any means going down this road with blinders on. Nor am I unwitting about the pitfalls ahead. I am still frustrated over how few real long-term savings are accomplished in this package. That's the bad news about this budget. Yes, it meets the Gramm-Rudman target for fiscal year 1990. But it is the years beyond 1990 that we should be concerned about.

It seems to be an unfortunate fact of life that whenever we negotiate agreements between the branches of Government, instead of deficit reduction, everyone gets a little bit more. And we end up with rosy numbers covering up a larger deficit than we should be supporting. In that context, sometimes consensus comes at the expense of making tough choices right away.

In many ways, this budget is reminiscent of the Rose Garden budget we passed back in 1984. We opted for that budget over the KGB plan which had twice as much savings, and it was real, long-term savings.

The savings in the Rose Garden budget were greatly exaggerated. And we didn't get deficit reduction—in fact, we actually got a deficit increase of $31 billion. The projected deficit in that plan was $181 billion for 1985, but the actual deficit for 1985 was $212 billion. That is what precipitated the Gramm-Rudman law. If it were not for that law, and the shotgun it keeps behind the door, I probably would not be supporting this budget.

If there is one lesson we hopefully have learned from the 1984 Rose Garden budget, it's that a single year of neglect can be a dangerous thing. Hopefully, we are not making another $31 billion mistake in passing this budget. If we do, it would most likely mean a large tax increase, inflating the Gramm-Rudman targets, or both for 1991 and beyond. And in that environment, I am wondering why we are putting another $3.6 billion wedge into 1991 for discretionary spending, which will only compound the difficulty in those out years.

Some skeptics might call this budget Rose Garden II. Yes, the savings might be greatly exaggerated, as they usually are. But the difference between Rose Garden I and this budget is there was no Gramm-Rudman shotgun behind the door in 1984. If the savings are exaggerated, we will be facing a sequester later this year. If so, the tough choices we avoided in this budget will surely be back on the table.

In passing this agreement, Mr. President, I hope it is not lost on this body and this administration that our job next year will be enormously difficult. We are not out of the woods, yet. In fact, we are lost in the woods. And to get out is going to take some dramatic changes in our course.

Mr. JEFFORDS. Mr. President, I rise in reluctant support for the fiscal year 1990 budget resolution. We have done the minimum required to get by and avoid the Gramm-Rudman-Hollings sequester, but we have missed an opportunity to exert strong leadership on the No. 1 problem facing the country today.

Despite this missed opportunity, there is more cause for optimism this year than in any of the recent budget debates. Congress and the Bush administration have started off on a positive note. The partisan bickering that has characterized the budget debates of the 1980's has been avoided. Congress and the administration have agreed that certain priority programs need increased Federal commitments. More importantly, Congress and the administration have agreed to keep negotating on future budgets.

It is important that Congress and the American people recognize this agreement for what it is. It is merely a tentative step on a long path. The tough choices remain ahead.

It is my hope that this budget agreement signals a new, productive relationship between the President and the Congress when it comes to the budget. However, as I have learned from many years in Congress, old habits die hard. One old habit that is alive and well in this budget is rosy scenario.

The first thing one notices when reviewing this budget is the $20 billion reduction in the Congressional Budget Office deficit projection due to an "adjustment for estimating differences." Almost $10 billion of this discrepancy is due to interest rate projections. Short-term interest rates that are currently running slightly more than 9 percent are expected to drop to an average of 5.5 percent in fiscal year 1990.

We all know this is unrealistic. The Federal Reserve Board has offered no hints that a loosening of monetary policy is forthcoming. Ironically, a meaningful deficit reduction plan could have exerted downward pressure on interest rates, but this budget is likely to discourage a drop in interest rates.

As I reviewed the budget agreement, I struggled to find substantive spending cuts. There are a few. Defense outlays would be reduced $4.2 billion below the level needed to meet inflation. Medicare spending would be reduced $2.7 below where it would have been without changes in law. However, a significant part of this Medicare savings is achieved merely by extending expiring provisions.

Agriculture would be required to contribute $1.9 billion, but asset sales could be used to meet much of these savings. And we continue the practice of cutting agriculture by spending money this year instead of next, thereby adding to the 1989 deficit instead of the 1990 deficit.

Consistent with past practice, we would achieve $500 million in new revenues from "IRS compliance." Much of the remaining savings through the reconciliation process would be

achieved through the sale of loan portfolios and other assets, even though these were not allowed under the Gramm-Rudman-Hollings scoring system.

Domestic discretionary spending would be reduced by $300 million. Yet this savings would be more than offset by the estimated $400 million cost of the Federal pay raise for civil servants—not judges and Members of Congress.

FEDERAL BUDGET, 1980–90

[In billions of current dollars]

	Unified budget	Off-budget trust funds	Actual deficit
Fiscal year:			
1980	−73.8	−1.1	−72.7
1981	−78.9	−5.0	−73.9
1982	−127.9	−7.9	−120.0
1983	−207.8	+.2	−208.0
1984	−185.3	+.3	−185.6
1985	−212.2	+9.4	−221.6
1986	−221.2	+16.7	−237.9
1987	−149.7	+19.6	−169.3
1988	−155.1	+38.8	−193.9
1989 estimate	[1] −166.0	+56.0	[1] −222.0
1990 (OMB)	[1] −99.4	+68.8	[1] −168.2
1990	[1] −120.0	+68.8	[1] −188.8

[1] The 1989 estimate assumes passage of the pending supplemental appropriations bill. The 1990 CBO estimate uses more realistic economic assumptions likely to be issued by the Congressional Budget Office [CBO] during the August midsession review.

As the above table indicates, the unified budget deficit has been reduced $55 billion between the 1986 peak and 1989, from $221 billion to $166 billion. The deficit will drop another $67 billion between 1989 and 1990, to $99.4 billion, if the OMB numbers are accurate. Even under the CBO estimate, the deficit will fall by over $45 billion, to $120 billion, between this year and next.

These deficit reduction figures would be impressive if they were not masking the true deficit problem. Trust fund revenues—Social Security, Medicare, aviation and highway—continue to accumulate unspent. These trust fund balances make the deficit look smaller on paper, yet by law the trust funds cannot be used for purposes other than they are intended. The true, on-budget deficit for this fiscal year could top $220 billion, the second highest on record and only $17 billion lower than the peak year, 1986, when the unified deficit was $221 billion and Congress became sufficiently concerned to pass Gramm-Rudman-Hollings.

I am concerned that the on-budget deficit has been creeping up even as we have taken credit for reducing the unified budget deficit. The on-budget deficit has increased by over $50 billion between 1987 and 1989.

The origin of this disturbing trend dates back to 1981, when Congress passed the Economic Recovery Tax Act. This legislation reduced the personal and corporate income taxes which provide over 90 percent of the Federal revenues used for all programs except those with dedicated trust funds.

In 1982 Congress authorized a 5-cent-per-gallon increase in the Federal gasoline tax, with revenues dedicated to highway programs. Soon thereafter, in 1983, the bipartisan Social Security rescue package increased payroll taxes.

The Deficit Reduction Act of 1984, the Tax Reform Act of 1986, and several small revenue measures undid many of the excesses of the 1981 tax cut. However, the net effect of the tax changes of the 1980's has been an erosion in the funding base for the bulk of Government programs and a simultaneous increase in the funding base for programs with dedicated trust funds.

As Congress and the American people confront the deficit, we need an honest analysis of the true Federal budget program. I am concerned that the American people do not realize the true size of the deficit. We must be careful not to give the American people the impression that the deficit can be reduced painlessly, without spending cuts and without tax increases. To do so would be irresponsible, and I believe it would harm our efforts to make these tough choices later on.

I am encouraged that the Senate has approved the amendment by Senator HEINZ that would remove the Social Security trust fund from budget scoring under Gramm-Rudman-Hollings. This amendment would provide a strategy for continuing deficit reduction after 1993, when Gramm-Rudman-Hollings is scheduled to expire. This amendment forces Congress to be more honest with the American people about the true size of the on-budget deficit.

The whole purpose of the Social Security rescue package was to start building reserves to meet the future needs of an aging population. Removing the Social Security trust fund from the Gramm-Rudman-Hollings targets will remove all incentive to use the trust fund to make the deficit look smaller than it really is. It will help ensure that we build the reserves we need, instead of greatly increasing payroll taxes on future workers.

Congress and the American people must recognize that deficit spending is not free. Each year the price tag for interest on past borrowing grows. Interest on our national debt has grown from $52 billion in 1980 to $181 billion in 1990. That is $181 billion that cannot be spend on education and training for American competitiveness; cannot be spent on child care; cannot be spent to combat drugs; cannot be spend on any of the priority programs that most Senators agree are critical to meeting the future needs of our Nation. We must get deficit spending under control if we are to meet the needs of the future.

While I would have liked to have seen a stronger effort to cut the deficit this year, I will support the budget resolution before the Senate. It is, at least, a step toward a more rational budget process. However, I support this resolution with the knowledge that the tough choices remain ahead.

I hope Congress and the American people also recognize that reducing the deficit will not be painless. We must all be willing to give up something we like to help future generations meet the tough challenges ahead.

Mr. KERRY. Mr. President, I cannot in good conscience support this budget resolution. We are elected to make hard choices. This Budget Resolution does not present us with hard choices. This is not real deficit reduction.

The resolution does not address the Federal budget problem seriously. It is based on fraudulent economic assumptions. It shifts programs off-budget and from one fiscal year to another. It relies to asset sales when asset sales included in resolutions in the past never happened.

This is a minimalist agreement and recognized as such by its supporters. However, in my opinion, it simply does not go far enough in reducing the Federal budget deficit to warrant support. The fundamental failing of this resolution and the agreement upon which it is based is a lack of leadership from the White House.

The very fact of an agreement between the White House and the Congress this early in the budget process is a significant improvement over the relationship between the two branches in the past 8 years. I welcome this development. But this agreement does not achieve the goals it pretends to or the goals it should achieve.

To solve the deficit problem, and to make read progress on major challenges facing our Nation, we need strong leadership from the Executive. Unfortunately, this agreement does not reflect such leadership. The President has one goal in negotiating this agreement: to avoid breaking this "read my lips" promise during the first year of his Presidency.

We had a moment where we could have made real progress in cutting the Federal budget deficit. In these first 6 months of the Bush Presidency, we could have struck a deal that reduced the deficit to meet the Gramm-Rudman-Hollings targets for fiscal years 1990, 1991, and 1992. We have lost that moment, that opportunity.

I would like to commend the leader and the chairman of the Budget Committee for their work on this resolution.

Given the constraints imposed on the negotiations by the White House,

they developed a budget which reflects important national priorities.

I support these priorities and will continue to fight for them. In the resolution, funding is protected for investments in education, in science, in housing, in health care; for health and nutrition programs and for programs that assist in low-income families, our antidrug efforts and for child care; and for Federal programs so that Federal employees and retirees receive cost-of-living raises and so State and local governments receive the resources they depend upon.

But even with funding for many of our most important domestic programs held harmless or increased slightly in the resolution, we still have many unmet needs. We need to increase funding for teacher training, for Head Start, for environmental protection, for the Nation's infrastructure, for the construction of new prisons and for antidrug education and rehabilitation, to name but a few of our important needs. We cannot begin to address these needs, and others, until we get the deficit back on its downward path.

I understand that negotiations with the White House are expected to begin again soon. But, the promise of more negotiations is not enough of a reason for me to vote for this resolution. The White House must deal honestly with the American people.

The American people deserve honesty from the White House, an honest budget with honest choices. They do not deserve an agreement that calls the sale of Federal assets an increase in revenues, that claims to reduce spending in agriculture programs but merely shifts farm deficiency programs from next fiscal year to this year. These actions reduce the deficit on paper, but they do not address the underlying causes of the deficit. They are one-time only measures that may, in fact, increase the deficit in the future.

The American people do not deserve a budget in which the White House claims a tax cut will result in increased revenues. The Reagan White House made that promise when it cut taxes in 1981. Instead, revenues fell and our deficits began to soar.

Two weeks ago, the Senate passed a major bailout of the savings and loan industry at great cost to the American taxpayer. But, at the insistence of the administration, the full cost of the legislation was hidden from the public by creating a special off-budget account. This is yet another budgeting sham. We must begin to deal with our fiscal problems honestly and directly.

Honesty in budgeting, however, is not the only reason I oppose this resolution. The lack of leadership from the White House troubles me even more. I cannot in good conscience vote for a budget resolution based on the bipartisan agreement, because I do not believe the White House negotiated in good faith.

It is difficult to forecast economic performance, revenues, and Federal spending. Economists inside and outside of government have honest disagreements about future interest rates, GNP growth, employment patterns. But there is an important distinction to be made between estimating errors and optimistic economic forecasts to reduce the size of the deficit projections to minimize the size of the necessary deficit reduction.

Mr. President, I supported Gramm-Rudman-Hollings in 1985. I supported its rationale then and I continue to do so. The act is intended to force the Congress and the White House to reduce the deficit with the threat of an across-the-board sequestration if we do not do our job.

Gramm-Rudman-Hollings is by no means perfect but it did result in some improvement in our fiscal picture. The Federal budget deficit fell from $221.2 billion in fiscal year 1986 to $149.7 billion in fiscal year 1987. But this improvement has stopped. The deficit increased last year and could well increase again this year despite the rosy outlook projected in this resolution. We have to make a commitment to reverse this trend.

We should use the threat of sequestration to force the administration to renegotiate a meaningful deficit reduction package. Under the current agreement, the fiscal year 1990 target of $100 billion will not be met. It will not be met, however, by design. The budget agreement upon which the resolution is based was designed to circumvent the target.

Budget resolutions establish guidelines for spending priorities and revenues. Budget resolutions do not specify where the Appropriations Committee or the authorizing committees find savings or where the Finance Committee finds additional revenues.

There is a potential problem with the revenue target in the resolution. The Bush administration assumes the revenue target will be met with a cut in the capital gains rate. We all know what happened in 1981 when President Reagan pushed through cuts in tax rates with the promise of economic prosperity and increased revenues. This miscalculation was one of the causes of the mess we're in right now.

The national debt, which we all know has almost tripled since 1980, may be the most important legacy of the Reagan administration. With this cloud of debt hanging over our heads, our ability to invest in the policies neccessary to increase our position in the world economy, to deal with the problems of the homeless and the hungry, is severely constrained. We now spend more on net interest on that debt than we do on Medicare, more than on education, housing, agriculture, the environment, transportation, space and science combined. In fiscal year 1980, the Federal Government spent $52.5 billion on interest; in this resolution the net interest payments are projected to be $168.8 billion.

President Bush traveled the country last year promising that, if elected, he would be the education President, the environmental President, the kinder and gentler President. However, in his first budget he fails to deliver on these important promises he made to the American people. Instead of taking on these challenges, instead of confronting the fiscal problems head on, the President has chosen to recite campaign rhetoric.

I am very disappointed with this budget resolution; I am very disappointed with President Bush. I will not support this resolution and hope that we soon see an honest budget that addresses the problems the Nation faces come down from the White House.

Mr. DECONCINI. Mr. President I rise in support of Senate Concurrent Resolution 30, the fiscal year 1990 budget resolution. I am supporting it not because I think it is sufficient to reduce our deficits, but because I think it is the best we can achieve.

We have heard arguments on the floor that this is not an honest budget—and that is true. But then we haven't had an honest budget for the past 8 years. This time, at least, we are admitting it is not honest and, through the Exon amendment, are making a commitment to seek truth in future budgeting.

The chairman of the Senate Budget Committee deserves our commendation not our condemnation for reaching an agreement with the ranking Republican on the committee and with the Republican administration. It seems to this Senator, that reaching a budget agreement through compromise, accord, and early in the legislative process, is far superior to our past history of seeking a budget resolution through partisan wrangling at the zero hour. The final result, while imperfect, is something we can live with.

Let me discuss a few of the specifics of this budget resolution. It includes a level for defense that is reasonable and that meets our security needs but which may require the reshuffling of some of Secretary Cheney's priorities. I plan to play a role in setting those priorities through my seat on the Defense Appropriations Subcommittee. I believe that the defense totals are sufficient to insure our security, while recognizing the need for the Defense Department to share in the pain of budget reductions.

On the domestic side, this budget resolution includes small increases or at least level funding for important

programs such as WIC, education, community development, homeless programs and aviation safety. Domestic discretionary programs such as these have suffered tremendously over the last 8 years. Housing programs were cut by 81 percent during the 8 years of the last administration. And those cuts can be translated into the escalating numbers of homeless on the streets of our cities. This budget resolution includes sufficient dollars to fully fund the McKinney Homeless Act and $1.1 billion in budget authority for the renewal of expiring subsidized housing contracts. Without those renewal funds, the stock of low-income housing would be further depleted and many more Americans would be forced into the streets.

Mr. President, I am especially committed to funding for two programs, the Anti-Drug Abuse Act of 1988 and the Supplemental Feeding Program for Women, Infants, and Children [WIC]. I was delighted to see that Chairman SASSER and his Budget Committee colleagues clearly share my commitment to phased-in, full funding for WIC. WIC is a extremely cost-effective approach to reducing infant mortality and improving the health of children in their earliest years by providing low-income pregnant women and their children with adequate nutrition. The additional $150 million provided for in this budget resolution will serve another 270,000 poor women and children. If the full amount is appropriated, we will, for the first time, be able to serve over half of those eligible for WIC.

Last year, 61 Senators joined me in a letter to Chairman BURDICK urging the Agriculture, Rural Development, and Related Agencies Subcommittee to appropriate the full amount included in the conference agreement on the fiscal year 1989 budget resolution—$150 million over the current services level. Unfortunately, we were not as successful as I would have liked. In the end, I had to resort to a floor amendment just to secure $53 million, barely one-third of the amount assumed in the budget resolution. I hope that this year we can do much better. I intend to make every effort to ensure that the Agriculture Appropriations Subcommittee includes the full $150 million in their appropriations bill this year.

My biggest initial concern in reviewing the budget resolution and the bipartisan budget agreement was to determine if there were sufficient funds to fund the 1988 Anti-Drug Abuse Act. While rhetoric on the drug problem in this country flows freely, the money has not been as forthcoming. In that regard, I was disappointed that the Bush administration did not request additional funds in the fiscal year 1989 supplemental appropriations bill, and I will be seeking to rectify that oversight.

With regard to the fiscal year 1990 budget resolution, I have been given assurances by the chairman of the Budget Committee that there are sufficient funds to beef up the DEA, the FBI, and the Bureau of Prisons in our antidrug efforts. State and local drug enforcement grants, which the Reagan administration sought to eliminate, have been funded at last year's level. And importantly, drug education will be funded at its highest levels ever. Drug education, as I have often stated, is the only long-term solution to this cancer on the body of America.

On the other hand, I am concerned that the budget resolution may indicate a lack of commitment to the Nation's primary interdiction area—the Southwest border. The Southwest border is now the No. 1 trafficking and distribution point for illegal narcotics coming into the United States. Additional Federal assistance is critically needed and I will work within the Appropriations Committee to see that these priorities are met. Likewise while funding levels for the Customs Service for asset acquisition and the INS for staffing levels for the Border Patrol are insufficient, I am optimistic that I will be able to find the funds within the confines of this budget resolution to remedy these problems.

Many of us struggled with the issue of phony budget numbers when considering how to vote on the budget resolution. Frankly, if anything would have caused me to oppose this resolution, it would have been the phony numbers. The Gramm-Rudman law gives the power to determine final deficit figures to the administration, and the OMB figures they use are cockeyed. My original misgivings about the Gramm-Rudman-Hollings law have come true. As Senator EXON said yesterday on the floor the Gramm-Rudman law works to reduce deficit projections rather than deficits themselves. The result is phony numbers, accounting gimmicks and deceit, not fiscal responsibility.

Unfortunately, I believe we have no choice but to go along with the OMB figures this year. I cosponsored the Exon amendment which urges the budget negotiators for next year to use honest CBO figures. I was disappointed that the final vote on Senator EXON's amendment came down along party lines—honesty in budgeting should not be a partisan issue.

I will vote for final adoption of this budget resolution. In important areas such as drug interdiction, education, and treatment, the resolution includes crucial increases. It also shares the pain in both domestic and defense spending. And while I might make some different choices for budget priorities, the chairman, the ranking Republican, and the Bush administration have done a good job of balancing needs in reaching this bipartisan agreement. I urge my colleagues to join in a strong vote of bipartisan support for the budget resolution.

Mr. LAUTENBERG. Mr. President, I am supporting the committee's budget resolution, but I do so with real reservations. The resolution is a small first step. It represents a compromise between two branches of government—and two polical parties—with different constituencies, different priorities, and different views of the world.

Like any good compromise, it leaves all sides at least a little dissatisfied. I for one would never draft a budget like this if it were up to me. But no one person dictates the budget of the United States. Not the President. Not the majority leader. Not the Speaker of the House or the chairman of the Budget Committee.

It has to be a collective decision.

Collective decisionmaking is not easy. It is tough to reconcile conflicting priorities and different views of the world. But, to a large extent, that is what we are sent to Washington to do. In that spirit, the leadership of the Congress and the administration have spent many long, hard days trying to reach an agreement that both sides could live with.

They have acccomplished that. And they deserve credit for that accomplishment. It shows that Congress and the executive branch can sit down together, work cooperatively, and find common ground.

The budget summit agreement should avoid a sequester. It should let the appropriations process move forward. And it should help avoid the gridlock between the President and the Congress that has led to disorder, 11th hour legislating, stopgap funding bills, and enormous continuing resolutions.

The agreement also provides funding for a variety of important initiatives. Budget authority for domestic discretionary spending would increase to $157.5 billion, a 10.3-percent rise above the fiscal year 1989 level of $142.8 billion. This is sufficent to make additional investments in education, environmental protection, antidrug efforts, housing, and other areas of vital need. In addition, the agreement's proposed increase in defense spending is held at a lower level than past increases.

But having said all that, the substance of the compromise, in my view, still leaves much to be desired. First of all, it simply does not achieve significant enough deficit reduction. Rather, it delays tough choices, largely by relying on unrealistic economic assumptions and accounting mechanisms. Unfortunately, given the administration's steadfast refusal to face up to the true

dimension of the problem, it is probably the best we can do at this point.

The failure to achieve real deficit reduction is a fundamental flaw. But I am also concerned about the priorities embodied in the agreement.

Mr. President, the world is changing. And the United States has got to change along with it.

Today's world is one facing a new set of challenges, from increasing economic competition and an exploding drug epidemic, to a deteriorating environment and AIDS. At the same time, international tensions are on the decline.

The priorities embodied in this budget resolution simply do not respond to these changing realities. The budget does not make necessary investments in our Nation's future: in education, environmental protection, health care, AIDS research, science, housing, and the infrastructure. These kinds of investments are crucial not only to meet existing needs, but to meet the challenges of tomorrow.

The neglect of key domestic priorities only continues a pattern of disinvestment we have seen throughout the 1980's. Since 1980, real outlays for nondefense discretionary programs—including programs like education and scientific research so vital to our country's future—have been slashed by about 20 percent. As a share of GNP, discretionary outlays are now lower than they have been for at least a quarter century. There is a price that will be paid for the disinvestment of the 1980's, and it is going to be paid by our children and grandchildren well into the future.

While the budget fails to meet many of the new challenges facing our country, it also fails to adapt to the dramatically changing international environment. The past decade has seen a massive buildup at the Pentagon—defense spending has increased from under $134 billion in 1980 to over $298 billion this year. In real terms, that translates to an increase of 54 percent.

Military spending is now as high in real terms as it was in 1969, when the United States had more than 3.5 million people on active duty—compared to 2.1 million today—and when more than 500,000 troops were involved in the Vietnam war. Yet despite the vastly improved international environment, today we devote more than twice as much spending authority for defense as for all domestic discretionary programs combined.

At the height of the cold war, defense spending of this magnitude may have made sense. But it makes no sense today, particularly given the fraud and abuse permeating our defense procurement system.

Unfortunately, this budget resolution turns a blind eye to a changing world and continues the massive Pentagon spending of the past. It increases Pentagon spending authority yet again—to more than $300 billion for the first time in history.

Mr. President, I want to turn now to some particular concerns I have regarding the funding recommended for the development of our Nation's transportation infrastructure. A sound transportation system is essential to the future health of our economy and the safety of our citizens. Yet the funding proposed in this resolution would not meet the country's real needs.

The administration has asked for significant increases for particular transportation items, such as the Federal Aviation Administration and the Coast Guard. Many of these increases are needed to make our air transportation system safer, to reduce the flow of illegal drugs, and to prevent pollution of our waters. But the administration proposes to finance these increases by deep cuts in highways, mass transit, and Amtrak—cuts that the Congress has rejected before and which would be contrary to the interests of a balanced, multimodal national transportation system.

There is no practical way the President's proposed increases can be accommodated under the budget resolution's recommended funding level for Function 400 without drastic cuts in other important programs. Either FAA and the Coast Guard will not get the additional funding requested—or existing programs such as mass transit, Amtrak, highways, and essential air service face severe cuts. That, in this Senator's view, is an unacceptable choice.

So, in sum, Mr. President, this is a budget resolution that has serious flaws. It doesn't achieve significant deficit reduction. It fails to make needed investments in the Nation's future. And it fails to respond to the changing realities of a changing world.

But as serious as that indictment sounds—and it is serious—the hard, cold fact of the matter is that this is about as good an agreement as Congress and the President—together—can achieve. While I would have preferred a different resolution, any effort to change the basic outline of the summit agreement—however attractive that might be—would have doomed us to the kind of stalemate that characterized so many of the efforts in the last 8 years. That kind of stalemate might very well lead to a sequester—the deep cuts that would decimate essential programs.

The reality is that the American political system can only work if Congress and the administration work together. And at the moment, we have an administration unwilling to face up to the severity of the budget problem and the need to rethink national priorities.

I am hopeful that will change. And soon. But until it does, we have to make the best of the situation. That is what this budget agreement does. And that is why I am supporting it.

Mr. CRANSTON. Mr. President, we have before us today a budget resolution which embodies the bipartisan budget agreement reached with the administration. I congratulate the chairman and ranking member of the Budget Committee for translating the agreement into this resolution so quickly and thus moving the budget process along in such a timely fashion.

Mr. President, I will support the budget resolution and join the majority leader and the committee chairman in defending it against amendments that violate the leadership agreement. I will not claim that the budget agreement is the greatest budget measure we've ever seen. I like every Member of this body, can find fault with it. There are functions within the budget that I think are not adequately funded. I would not necessarily make the same divisions between defense, domestic and international spending that the negotiations reached. Quite frankly, I would still rather see more money spent on the pressing needs we have in this country for better housing, health care for veterans, the needs of children and education, finding a cure for AIDS, protecting the environment and a host of other domestic needs, than on military expenditures that seem excessive in view of developments in the Soviet Union and elsewhere in the Communist world.

I also would like to see greater deficit reduction. The deficit is hanging like a dark shadow over all of our hopes and aspirations for building a better America. Until we make significant progress in reducing the deficit that was created during the last administration, there are many, many pressing national needs that will go unmet.

But, quite frankly, I share the view that this budget agreement for fiscal year 1990 is as good a deal as could be achieved, given the constraints on the negotiations imposed by the White House. And I do believe that it can provide a foundation for significant deficit reduction negotiations around the fiscal year 1991 budget.

Mr. President, the budget agreement established broad category caps for national defense, international affairs and domestic discretionary. National defense budget authority would be set at $305.5 billion and outlays at $299.2; international affairs budget authority at $19 billion and $17 billion in outlays; and domestic discretionary budget authority at $157.5 billion and outlays at $181.3 billion. A central element in the budget agreement was an agreement that there would be no transfers between these functions.

Any amendment which is offered which would transfer funds from any one of these areas to another would jeopardize the agreement. Therefore, I will join the majority leader and the committee chairman in opposing all such amendments, regardless of their merits.

Mr. President, I think it is important that we consider the consequences of failing to achieve a budget agreement—even one which has the shortcomings clearly present in the pending agreement. Without reaching the Gramm-Rudman target of $100 billion, we would be faced with drastic across-the-board cuts that would devastate many important domestic programs. We would also send a terrible message to the financial markets and the American people that we weren't able to rise to the occasion and reach a bipartisan agreement. Fortunately, we weren't forced this year to reach an agreement because of a stock market crash or some other outside catastrophy.

Mr. President, I do think that the budget allows for more than adequate national defense expenditures without adding billions to the defense budget and the national debt. In the long run, I am very hopeful that the changes being made in the Soviet Union by Gorbachev coud lead to mutual arms reductions that will allow us to reduce defense spending dramatically. The budget agreement also allows—for the first time in nearly a decade, for some growth in domestic discretionary spending—an area which has borne the brunt of spending cuts during the Reagan administration. Clearly, this budget resolution leaves many important needs still unmet, but at least we have made an effort to begin reprioritizing our spending and to begin to address some of the pressing national problems.

Mr. President, politics is by its very nature the art of compromise. This budget resolution is a compromise put together within severe constraints on available options. It is, nevertheless, a compromise that allows us to move ahead in the directions needed both to bring about the needed deficit reductin and meet the needs of our Nation.

Mr. REID. Mr. President, for the first time in nearly a decade, the President and Congress have reached agreement on a budget before the beginning of the new fiscal year. While this budget is far from perfect, this early agreement establishes an atmosphere of bipartisan compromise which I hope can be converted into even greater budget deficit reduction in the months to come. The first test of this new atmosphere of compromise is the passage of this budget resolution. If the Congress can adopt the deficit reductions embodied in this budget resolution quickly and without straying too far from the bipartisan budget agreement, then the Appropriations Committees can begin to scrutinize the spending programs before us in detail.

Mr. President, as a member of that committee, I intend to take a sharp knife to unnecessary spending. Also, establishing an atmosphere of trust and cooperation between the White House and the Congress can lead to further gains in deficit reduction in the negotiations on the fiscal year 1991 budget. In such an atmosphere, I believe we can realize significant deficit reduction in this and future years.

Mr. DODD. Mr. President, I rise in support of the budget resolution for fiscal year 1990.

First, let me commend the chairman of the committee, Senator SASSER, and the ranking member, Senator DOMENICI, for their hard work and leadership in developing this budget resolution.

I support this resolution because I believe that it represents a genuinely meaningful first step toward resolving this country's fiscal crisis—a step that reduces the deficit, restrains spending, and sends a positive signal to the financial markets. The resolution also begins the process of redirecting our resources toward investments in America's future.

Does the resolution go far enough in achieving savings and reducing the deficit? No. Is it the resolution that I would have written? No.

Everyone admits that the resolution is not perfect. However, it does contain a significant amount of real deficit reduction, and, in my view, given all of our fiscal constraints, places highest priority on investments in America's future—the health, education, and welfare of America's children.

Mr. President, a budget resolution is a reflection of priorities for our country; it is not an accounting document. As such, it should reflect the importance of investing in America's future.

During the Budget Committee markup of the budget resolution, I offered what I called a "children's budget initiative." This initiative proposed increased funding for critical programs which invest in our Nation's children, including quality child care, Head Start, Medicaid, childhood immunization, maternal and child health, community health centers, and women, infants, and children nutritional supplements.

I am especially pleased that this budget resolution, which restrains the growth of discretionary domestic spending, still allows for increased funding for all of these programs and thereby allows for the critical investments that the Congress and the administration acknowledge must be made.

For example, the resolution addresses our Nation's growing child care crisis by specifically assuming funding in Function 500 for new initiatives for quality, affordable child care for working parents.

As more and more parents join the work force, it is becoming increasingly difficult, if not impossible, for them to find or afford safe and decent care for their children. As a result, far too many children, especially low income and disadvantaged children, are left alone or in unsafe, inadequate care—care that jeopardizes their early development, and in some cases, their very survival.

In an April 1989 Harris poll on the subject, only 8 percent of American parents were able to say that the Nation's child care system works well for them. Only half said that they are satisfied with the quality of child care they get, and even less than half said that they were satisfied with the cost and availability of care.

These hardly are powerful endorsements for the child care system as it exists today. Apparently, too many parents are putting up with barely tolerable child care arrangements.

Parents and employers in my State confirm what this and every other public opinion poll has revealed: that the overwhelming majority of Americans, parents and nonparents alike, want the Federal Government to take immediate action to ensure the availability of affordable and quality care for America's children.

Because all of the available evidence proves that providing a low-income child with the quality care he or she needs is a good investment of public dollars, leaders in the business, academic and political communities have united in support of legislation to address the need for child care.

The budget resolution recognizes the overwhelming need and support for comprehensive child care legislation. Despite severe budgetary constraints, the resolution specifically provides additional discretionary funding to be devoted for child care services.

My trusted friend and colleague, Chairman SASSER, understands the frustrations of today's working parents. That is why he has worked especially hard to see that effective child care legislation becomes a reality for working parents and to assure that funding is available once it is passed. I am grateful for his understanding and for his efforts.

I think we all realize that we live in a time of limited Federal resources and that funding for new initiatives is scarce. However, quality, affordable child care is a critically important program urgently needed by America's children, families, and employers.

The longer we wait, the more children we will lose.

Mr. President, I support the fiscal year 1990 budget resolution. I encourage my colleagues to support it as well.

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THE BUDGET, DEFICIT REDUCTION, AND SUPPLEMENTAL APPROPRIATIONS

Mr. WALLOP. Mr. President, while the Senate is debating the fiscal year 1990 budget resolution, a crafty attempt to continue the illusion that we are making progress toward reducing the deficit, the House of Representatives is trying to pass supplemental funding for fiscal year 1989 which seriously erodes last year's meager progress toward deficit reduction. We are supposedly still on a course to a balanced budget by 1993, but these recent events raise questions about our staying power. What concerns me today is that as long as the Senate is willing to waive section 311A of the Budget Act, we can enact appropriations and supplemental appropriations which exceed the budget resolution and the deficit reduction target.

The Congress has been notoriously reluctant to curtail spending. We love supplementals. Unfortunately, they could be the means for avoiding the Gramm-Rudman deficit reduction targets and the mandated sequester. And, if we fail to meet our goals, we will be pressured into accepting a tax increase. I have several questions for my friend from New Mexico, the ranking Republican on the Budget Committee regarding the issue of deficit reduction and supplemental appropriations. The ultimate answer to the questions I ask today is that we will have to exercise eternal vigilance if we are to achieve a balanced budget.

For fiscal year 1989, what is the current level of Federal spending in relation to the fiscal year 1989 Gramm-Rudman deficit target of $136 billion?

Mr. DOMENICI. According to CBO, the fiscal year 1989 deficit estimate is $159 billion, $23 billion over the Gramm-Rudman deficit target.

Mr. WALLOP. What is the impact of the current supplemental request by the administration, which is bogged down in the House of Representatives, on the Gramm-Rudman requirements for fiscal year 1989?

Mr. DOMENICI. The administration's supplemental request basically offsets all new discretionary spending with an across-the-board cut. It would add about $2 billion in budget authority and $0.4 billion in outlays to fund requirements in entitlement programs, which is not offset.

The House supplemental bill, which does not contain any offsets, would add $5 billion in budget authority and $1.8 billion in outlays.

Mr. WALLOP. If the Senate is faced with a supplemental appropriations bill which is over the $136 billion target for fiscal year 1989, will the appropriation bill be in violation of the Budget Act and therefore out of order?

If the supplemental is in excess of the $10 billion reserve for fiscal year 1989, does this change the parliamentary situation?

Mr. DOMENICI. If the maximum deficit amount [MDA] of $136 billion is exceeded, a point of order would lie against the bill under section 311 of the Budget Act. The $10 billion cushion does not apply in this situation. Note that since the levels of budget authority and outlays under the fiscal year 1989 budget resolution are already exceeded, any bill which is not deficit-neutral would be subject to a 311 point of order.

Mr. WALLOP. If the supplemental is above the $146 billion maximum deficit level for fiscal year 1989, is there any authorization for a sequester?

Mr. DOMENICI. Since the deficit estimate was below $146 billion on October 15, the only date on which a sequester can be implemented, a sequester was avoided for the rest of fiscal year 1989. It does not matter how much the deficit is increased due to more spending or economic changes during the rest of the year.

Mr. WALLOP. If we can avoid a sequester by reserving excess spending in a fiscal year until the supplemental process, what discipline remains for meeting the Gramm-Rudman targets?

Mr. DOMENICI. There is no question that the opportunity to enact new spending after the sequester date diminishes the discipline imposed by Gramm-Rudman-Hollings. We do, however, have the enforcement powers established by the Congressional Budget Act. These include points of order under section 311 against legislation that would provide spending in excess of the maximum deficit amount and the budget resolution. To consider a supplemental bill that is not deficit-neutral, at least 60 Senators would have to affirmatively vote to waive section 311 of the Budget Act.0

Mr. GORTON. Mr. President, in the spirit of cooperation, the White House and Senate leaders of both parties have worked long and hard to arrive at the budget resolution before this Chamber today. While they must be applauded for their efforts, I believe that the resolution fails in its fundamental goal to keep us on track with the deficit reduction schedule agreed to by this body in the Gramm-Rudman-Hollings legislation.

The goal of balancing the budget seems to have moved farther away. We must be willing to squarely address the difficult issues presented by formulating a realistic budget proposal. Unless we begin now, our deficit reduction goals will be even more difficult to attain in subsequent years. Balancing the budget will remain only a dream.

My decision to vote against the budget proposal was difficult indeed. But as we all know, where the budget is concerned, there are no easy decisions. Thank you.

Mr. LEAHY. Mr. President, I intend to vote for final adoption of the budget resolution tonight, although I do so with my eyes wide open about what this resolution does and does not do.

In short, the priorities in this budget are right, but the numbers on which they are based are wrong.

Specifically, I am concerned, as I have been in the past, that we are basing our budget assumptions on overly optimistic economic projections of the Office of Management and Budget [OMB], rather than the nonpartisan Congressional Budget Office [CBO]. I fear that by relying on such a rosy economic forecast, we may be understating the true size of the budget deficit and once again avoiding steps needed to tame the deficit monster that we have been feeding for the past 8 years.

For this I do not fault the Budget Committee. In fact, I applaud Senators SASSER and DOMENICI and their staff for putting together as good a package as was possible with the hand they were dealt. Given President Bush's insistence that revenues were off the table during negotiations, the chances for what was called a grand compromise on significant deficit reduction were nearly impossible.

But we should not have to rely on suspect economic forecasts and budgetary legerdemain to meet the Gramm-Rudman-Hollings deficit reduction targets. It is for this reason that I supported Senator EXON's amendment to require CBO economic and technical assumptions be used in calculating the deficit in the future. In addition, I voted for the amendment offered by Senator KOHL that called for the Senate to recommit the entire budget package with instructions to our negotiators to use CBO rather than OMB numbers in calculating the deficit. This is what I call the truth-in-budgeting amendment.

I said at the outset that I do believe the priorities contained in this budget are right. I am pleased that the 8-year assault on many domestic Federal programs is being reversed, and that this resolution contains adequate funding for many important Federal programs.

Since the early eighties, essential Federal resources for our public schools was cut 63 percent and affordable housing assistance was slashed by 81 percent. We now only spend 1.5 percent of the entire Federal budget on the protection of our resources and environment. These sacrifices were made all the while our defense budget soared.

I commend the efforts of the Budget Committee for having brought the bloated defense budget under some control.

Our Nation's needy are suffering the effects insufficient funding of job training programs, nutrition programs, and housing assistance programs while fat cat defense contractors collected big Government checks. That is why I did support the amendment offered by Senator SIMON to transfer $3 billion from the defense budget to the budget for education to further shift our priorities to address the educational needs of our children.

Mr. President, I am glad to see that the Budget Committee has assumed funding of $300 million in budget authority and more than $100 million in outlays for a new initiative in the area of rural development. Rural revitalization is a top priority of the Agriculture Committee and the Senate leadership.

The resolution also assumes increased funding for the Women, Infants and Children [WIC] feeding program of $150 million. This reflects the strong bipartisan support for expanding the WIC program to meet the nutrition needs of one of the most vulnerable segments of our society. In addition to WIC, all other child nutrition programs—school lunch and breakfast and summer feeding programs—will be reauthorized this year. I urge the Senate conferees on this resolution to work with their House counterparts to assure additional funding for these vital programs as well.

I would like to comment on press accounts regarding the agricultural portion of this budget. Many of those reports suggest that the spending reduction for agriculture is nothing but smoke and mirrors. Let me set them straight. This is a tough budget for agriculture. Spending on commodity programs have already fallen by almost 50 percent in just 3 years. On top of that reduction, this budget resolution asks the Agriculture Committee to achieve a further $1.1 billion reduction in outlays.

Out of the $1.1 billion reconciled to the committee, cuts of $600 million in commodity programs are assumed. Because of the unique nature of farm programs, these cuts will have to be achieved from spending in fiscal year 1990 on the 1990 crops. This amounts to only $4.2 billion in fiscal year 1990. Thus, farm program reductions from available outlays will be in the neighborhood of 15 percent—hardly an inconsequential cut.

Mr. President, this budget resolution will not go down in the history books as historic. Nor will anyone call it courageous. But what I believe we can say is that it is a modest step in the right direction toward fiscal sanity.

Mr. ROTH. Mr. President, I would first like to congratulate the chairman and ranking member of the Budget Committee, Senators SASSER and DOMENICI, for their excellent work and bipartisan effort in putting this resolution together. While I do not agree with every aspect of this resolution, I applaud their efforts and the hard work they have put into this process. The President and his negotiators also deserve credit for initiating the budget talks which led to the bipartisan budget agreement.

Having said this, however, I have some serious reservations with this budget resolution. Despite the urgent need to reduce the budget deficit, this budget resolution does not do enough to reduce the growth in Federal spending.

While I advocate fiscal restraint, I would like to point out that I am aware of society's needs and believe that some areas of the Federal budget merit increases. I agree with the President's commitment to education, drug enforcement, and child care proposals. These programs are high priorities, but fiscal restraint in other areas should not be confused with a lack of concern for the real needs of our Nation.

However, I believe this budget does not do enough in setting priorities. A close look reveals the scant savings to be gleaned from this resolution. Congress will be asked to consider legislation implementing this agreement to "save" $20 billion. What comprises this $20 billion?

Tax changes will bring in $5.3 billion in new revenues. Asset sales will bring in $5.7 billion in new funds and increased user fees will bring in an additional $1.5 billion. Placing the Postal Service and Farm Credit System's Financial Assistance Corporation off-budget, and stripping the Government guarantee for certain Veterans' Administration loans will "save" $2.7 billion. Extending current law for some Medicare and Federal employee retirement programs will save $2.5 billion.

Of the $20 billion package, $13 billion is new revenue and $2.7 is accounting changes. A full 75 percent of this package has nothing to do with the spending side of the Federal ledger. We are not cutting programs in a significant way.

I am adamant in support for lowering the deficit, but this budget resolution doesn't accomplish that goal. Every Member of the Congress and administration which negotiated the bipartisan budget agreement acknowledges that more must be done. But when? The time to reduce the deficit is now, but not with a budget resolution that provides increased spending of $30 billion next year and $70 billion the following year.

This budget resolution is not the way to meet the challenge we face. Unless something is done dramatically to change this agreement and reduce Federal spending, I can assure you the Congress will be back next year, seeking to extend the national debt to $3.5 trillion and beyond. Is this the direction we should take? I submit that it is not. We can fund priorities, but we must make choices.

Mr. GLENN. Mr. President, today we consider the plan for Federal spending beginning this October. It is the first Federal spending plan involving President Bush. The congressional budget committees and the President of the United States have negotiated and agreed to this proposal on the Federal budget. It is now before the full Senate.

Although I applaud the efforts of the negotiators, I am disappointed in the outcome. I do believe that each party in the negotiations acted in good faith. I know that the chairman, the banking member and the members of the Budget Committee have made every effort to reach an acceptable agreement. I want to express particular appreciation to my good friend JIM SASSER, chairman of the Senate Budget Committee, for working so tirelessly to bring order out of the nearly impossible task he was handed. I am pleased that an agreement even could be reached. Surely compromise should be made. Surely it is an accomplishment to have an agreement between the Congress and the President.

But, with the faulty economic assumptions the administration insisted on, the only reality I can see through the royal blue smoke and fun house mirrors in this resolution is that we have not yet come to grips with the deficit. We continue to procrastinate, putting off for another year any effort to seriously address this deficit impasse. We have a budget stalemate.

The economic assumptions underlying this resolution are unrealistic, thereby understating our actual deficit. This means that the $100 billion Gramm-Rudman deficit target, our fiscal 1990 goal, requires less deficit reduction than is actually needed.

After we underestimate the deficit, we compound our own duplicity by using gimmicks to achieve deficit reduction. Assets sales—we sold the garage to pay for this house several years ago, and now we are going to sell some of the rooms—over 5 billion dollars' worth. User fees—OMB Director Richard Darman in his confirmation hearings described the duck test on taxation. If looks like a duck and quacks like a duck, it is a duck. In this case it looks like a tax, it quacks like a tax, but it's a user fee—over $2 billion. Enhanced IRS compliance—we hire more IRS agents to collect previously uncollected taxes. Finally, because these tricks do not provide enough money, additional revenue is simply unspecified—over $5 billion.

Because revenue provides only half of the needed deficit reduction, the other half is provided by spending reductions. Not to be outdone by the revenue shell game, spending reductions are achieved with magic. Ac-

counting ploys speed payments into the current fiscal year, when we are immune from a Gramm-Rudman sequester. Furthermore, we take programs off budget and sometimes even eliminate liabilities altogether.

What it has come to is this. Gramm-Rudman-Hollings has pushed us into this kind of deception. Instead of reducing the deficit, we have created ever more complicated schemes to avoid taking the needed medicine. Instead of reducing the deficit, we conspire just to meet the Gramm-Rudman target. Perhaps we should repeal Gramm-Rudman—the deficit would remain but we would no longer need participate in this exercise.

This resolution offers one thing, an alternative to a sequester, the automatic across-the-board cuts which will devastate defense and domestic programs. We have fought long and hard to enact, support, and maintain Federal programs because we believe they are important to the well-being of the Nation. I will support this budget agreement because it means avoiding that sequester.

I support the efforts of Senators EXON, KOHL, and SANFORD and others to provide greater truth in our budget resolution. Let's clear away the obstructions to clearly see the deficit. Let's eliminate assumptions which are clearly in error.

I commend those who have tried to sound the alarm and have argued for greater deficit reduction. This year we put off the day of reckoning one more. Perhaps later this year or next year when the rhetoric of the Presidential campaign has subsided, we can reach an agreement that will truly reduce this deficit. Sooner or later the piper will be paid.

BUDGET MEDICINE

Mr. BIDEN. Mr. President, we should freeze the Federal budget. A freeze is the only way to reduce the deficit and ensure all Americans share the burden. In the past, I have offered and supported various budget freeze proposals. Today, I voted for the Hollings freeze amendment.

If a freeze had been enacted when I first proposed there would have been pain and sacrifice, but certainly less than will be required after these intervening years of fiscal neglect. We would now be in a position to better fund the worthwhile programs many of my colleagues have defended during the preceding debate including basic education, child care, Head Start, AIDS research, and initiatives to reverse global warming and stem the flow of drugs. All vital, and all underfunded and undermined during the last 8 years of selfish neglect and shortsighted priorities. This is the legacy of mismanagement left by the last administration.

Unlike any other strategy for attacking recurrent deficits, a freeze requires all Americans to share the burden. A freeze would have avoided the injustice of previous cuts directed only at the most vulnerable Americans. Every other budget reduction mechanism allows some interest groups to escape painful cutbacks leaving others to pay.

Even those who have spoken in favor of the budget compromise concede that strong deficit reduction medicine is still desperately needed. The problem is not solved. The surface is barely scratched. We should not postpone the painful cure of substantial cuts yet again hoping the need will disappear next year. We need strong budget medicine now—no matter how distasteful. And only a freeze ensures the burden will be equitably shared.

Although the freeze was not accepted and serious budget reduction will have to wait, the budget resolution passed today does set the stage for meaningful fiscal reform. The agreement has finally, after 9 years, made the President a partner in the budgeting process and provided some relief to those who have already sacrificed too much. These are steps forward—not enough—but at least in the right direction.

With the freeze having failed, I supported this agreement and will labor with the President and my colleagues to achieve more in subsequent budgets. Given the choice of a flawed agreement with Presidential participation or none at all—I voted for the final agreement choosing to see the process move forward.

Mr. LEVIN. Mr. President, I would have liked to support this budget resolution. I recognize the hard work that has gone into it on both sides of the aisle and on both sides of Pennsylvania Avenue. I recognize that bipartisan cooperation is essential if we are to seriously address the huge deficit facing the country. I applaud the efforts of everyone who helped to put this budget resolution together.

But in applauding their efforts, I cannot bring myself to applaud or endorse the product itself. I am still left with the abiding belief that every year that we put off serious and substantial deficit reduction, we dig ourselves and our children into a deeper hole. Putting off until tomorrow what we should do today is not a cost free exercise. It will cost us more in interest payments, more in spending cuts and more in revenue increases than it would if we took serious steps now.

This budget resolution, for all its good intentions, is based on unrealistic economic assumptions and includes too many examples of sleight of hand budgeting. For example, the resolution assumes that in 1990 interest rates will average 5.5 percent. I don't know of many people who view this estimate as credible. Yet this one and assumptions like it are relied on by this budget resolution to reduce the deficit by $9 billion. As for spending cuts, moving almost $1 billion in farm deficiency payments from 1990 into 1989 may help to make the numbers add up on paper this time around, but it is not a substitute for real spending restraint or long term savings.

In the book of Proverbs it is said that "a good man leaveth an inheritance to his children's children." Unfortunately, this budget resolution represents one more step down the road of leaving our children's children our unpaid bills.

Mr. SASSER. Mr. President, I rise, at the conclusion of this lengthy debate, to urge all of my colleagues, on both sides of the aisle, to join with the budget negotiators, to join with the leadership of both Houses of the Congress, to join with the President of the United States, in supporting this bipartisan budget resolution.

I ask your support because I believe quite sincerely that voting for this resolution is the only responsible course in this particular year, at this juncture in our history.

I ask your support knowing full well that there probably is not a Member in this body who can vote for this resolution with enthusiasm.

As Senators from both sides of the aisle have said over and over again in the last 3 days, this resolution does not solve the deficit crisis. It is, in many respects, only a prelude to the difficult decisions ahead.

But I would say to my colleagues that the debate we have had here constitutes one overriding question—if not this resolution, which resolution? If not this deficit reduction plan, which deficit reduction plan?

As the distinguished senior Senator from New Mexico and I have pointed out repeatedly throughout the course of this debate, no one has come to the floor of this body with a proposal for substantial raises in the income tax, or excise taxes or sin taxes. The truth is that we voted unanimously in sense-of-the-Senate resolutions to preclude taxes. On other issues regarding revenues, we have had a lot of rhetoric and posturing, but no serious proposals.

The same has been true of substantial cuts in programs. No one has come forth actively proposing substantial cuts in Medicare, in farm price supports, in funding for the environment, for education, for drug interdiction. No one has proposed deep cuts in defense.

The distinguished Senator from South Carolina indeed proposed a freeze. He did not specifically designate either his cuts or his revenues, and I suspect it was the better part of valor that he did not.

But when the various possible consequences of Senator HOLLINGS' freeze approach were laid out in vivid detail

and specificity, the proposal was overwhelmingly rejected.

Why was it rejected? It was rejected because there is no consensus in this body for either mounting taxes or deep cuts. There is, in fact, an absolute and categorical prohibition imposed by the President of the United States on virtually every dramatically effective approach to deficit reduction.

There will be no taxes. We will not tamper with Social Security. We will maintain the defense budget. We will have new initiatives in education, drug enforcement, the environment, and child care.

Now, that is the agenda for which the American people overwhelmingly cast their ballots last fall. If there is a fundamental contradiction among its various propositions—and I for one believe that there is a very fundamental contradiction indeed—if there is such a contradiction, only the President can provide the leadership necessary to resolve it.

In short, if there are to be taxes, the President must call for them. If there are to be deep cuts in domestic programs and entitlements, the President must explain to the American people why the vision he offered during the campaign cannot be realized.

Those are the practical facts out of which current political reality is composed.

And I would say again to my colleagues, we are dealing here with stubborn fact—with practical reality.

It is beguiling, to be sure, to contemplate radical deficit reduction that can balance the budget in one clean, surgical stroke. Those kinds of theoretical theatrics are also extraordinarily attractive to our friends in the press. But that single, dramatic flourish is not the stuff of which hard political decisions are made. And it is certainly not the stuff of which budget resolutions are made.

We are here today on a very real stage, confronting the very real differences that divide and engage us. And we confront those differences with a very real resolution based on a unique bipartisan agreement.

No one is attempting to claim that this is the final chapter in our efforts to reduce the Federal deficit. No single plan that we adopt this year will bring about a conclusive victory in the deficit battle.

But despite our frustration, we must acknowledge the facts. We are making progress. We are driving the deficit down by some $28 billion with the actions outlined by this resolution. As a percentage of gross national product, and in real dollars, the deficit will continue to decrease under this agreement.

In short, this resolution represents a beginning, a bipartisan beginning. It is, once again, the most we can achieve within the iron boundaries set out for us.

Mr. President, during this debate, Senator DOMENICI and I have attempted, against the prevailing weight of opinion, to focus some attention on the positive elements of this resolution. I will not try my colleagues' patience with another catalogue of what we have accomplished.

But in closing this debate, I cannot understate the importance of this crucial stage in the fiscal history of our Nation. This agreement represents the condition precedent to ultimate fiscal responsibility.

We have built into the bipartisan budget agreement a clause—section 13—that requires the negotiators from the administration, the House and the Senate to come to the table again as soon as possible. It is my very real hope that, when we reconvene, we can reach another bipartisan agreement, an agreement for which Senators from both sides of the aisle will be able to vote without the qualms and the skepticism that have encumbered this resolution.

But again, I must emphasize that hope is contingent upon what we do today. By acting favorably and forcefully on this resolution, we do three things that are absolutely necessary if we are to have more decisive action in the future.

First, we establish the principle of bipartisan, timely action on the budget, without a financial catastrophe to force us into action. We end the era of partisan paralysis.

Second, we alter the fiscal priorities that have left us with major domestic challenges in education, the environment, housing, and the war against drugs—challenges to which both the President and both parties in both the House and the Senate have demonstrated a deep strong commitment.

Third, we set out a clear definition of what remains to be done. This resolution makes sufficient progress with the deficit to permit us a realistic chance for more decisive action next year.

And Mr. President, we should make no mistake, taking more decisive action next year is not an option—it's a necessity.

The Gramm-Rudman-Hollings target for fiscal 1991 is $64 billion. That would be difficult to reach even if there were no unusual circumstances—even if there were no massive bailout of the thrift industry, if there were no enormous cleanup of our Federal nuclear facilities, if there were no demands for greater Government investment in child care, health care, and education.

In short, we still have that same combination of conflicting pressures that has created governmental paralysis throughout the 1980's—an enforced fiscal austerity coupled with unavoidable demands on the Treasury and growing needs among the American people.

To meet those conflicting demands is going to require that we build on the work we have done this year. It's going to require compromise. It is going to require concerted action. It is going to require a willingness on the part of all the differing parties to make some tough political choices.

Mr. President, some 4 months back, when President Bush gave his inauguration address outside the Capitol, he reached out a hand of cooperation to the Congress and to the leadership of my party.

Today, we have the opportunity to accept that offer of bipartisanship and good will. It is my hope that, by passing this resolution overwhelmingly, we will accept that offer, and that we will demonstrate the willingness of the Congress to work constructively with the executive branch.

In that spirit, we have pushed forward this year, but we have pushed forward within rigorous and unyielding boundaries.

I would say to my colleagues that next year and in the years ahead, there will be no room for inflexibility and intransigence. There will be no room for iron constraints and unconditional demands.

If negotiations are to be successful in the years ahead, the iron walls are going to have to come down. If we are to fulfill the promise of section 13 of our bipartisan agreement, we will have to come to the bargaining table without predisposition.

I believe we can do those things. I believe an opportunity exists for a meeting of the minds. I believe we have a genuine chance to set this country's fiscal house in order.

And I ask my colleagues this evening—give us that chance. Give us the opportunity, based on a solid year of bipartisan action, to get these deficits under control.

I urge you to vote for this resolution, and open a window of opportunity on this country's fiscal future.

Mr. President, I ask unanimous consent that three letters pertaining to this subject be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL CONFERENCE OF
STATE LEGISLATURES,
Washington, DC, May 1, 1989.

DEAR SENATOR: The National Conference of State Legislatures urges you to support passage of the FY 90 Senate Budget Resolution (Senate Concurrent Resolution 30) which is scheduled for floor action this week.

The resolution should have your support for several reasons. It achieves a modest amount of deficit reduction through a bipartisan agreement. It protects portions of

the budget that typically carry a disproportionate deficit reduction burden.

Specifically, domestic discretionary spending, the category that includes most state and local assistance, is treated reasonably. Over the past decade, federal funding of state and local assistance has fallen by one third both as a percent of GNP and of federal budget outlays. These reductions are comparatively disproportionate to other spending categories. (NCSL's federal deficit reduction policy has consistently asserted the need for proportionate reductions among spending categories, including domestic discretionary, but has opposed disproportionate reductions.)

Secondly, Senate Concurrent Resolution 30 does not harm programs that spend out slowly like a "hard freeze" would. A hard freeze on the outlay side, with obvious massive repercussions for budget authority, would be seriously detrimental to various education, environmental, law enforcement, research and health programs.

Thirdly, the resolution recognizes that the fiscal health of states has grown more precarious during the 1980s. Energy and agriculture-reliant states remain fiscally stressed. As the burden of providing mandated services grows, they cannot respond to severe reductions in federal assistance. Several other states, which have enjoyed economic well-being during this decade, are exhibiting increasing evidence of budgetary and revenue problems.

States continue to engage in funding new federal mandates, such as nursing home reform, the new Family Support Act and catastrophic health insurance. These mandates, coupled with noteworthy declines in federal funding for education, housing, sewage treatment, low-income energy assistance and other programs, and additional restrictions placed on utilization of tax-exempt financing, have left states hard-pressed to address unmet social and human service needs of our mutual constituents. The Senate budget resolution recognizes that significant cuts in state and local assistance at this time could have devastating consequences to beneficiaries, not just to state government as an institution.

I fully understand that the budgetary reduction in Senate Concurrent Resolution 30 are predicated on seemingly optimistic economic projections. Should these projections prove inaccurate, the Balanced Budget and Emergency Deficit Control Act will compel further action after Congress receives the August, 1989 OMB snapshot. In the meantime, passage of Senate Concurrent Resolution 30 allows the budget/appropriations process to move ahead in a expeditious fashion.

State legislators have made federal deficit reduction an NCSL priority, NCSL recognizes that achievement of further reduction, particularly continuing to hit Gramm-Rudman-Hollings targets in future years, will be difficult. The organization stands ready to work with you in addressing this major public policy challenge.

Thank you for your consideration.

SAMUEL B. NUNEZ, JR.,
Senate President Pro Tem,
Louisiana, President, NCSL.

AMERICAN POSTAL WORKERS UNION, AFL-CIO,
Washington, DC, April 28, 1989.

Hon. JIM SASSER,
U.S. Senate, 363 Russell Office Building, Washington, DC.

DEAR SENATOR SASSER: In the next few days, the Senate will consider the Concurrent Resolution on the Budget for FY 1990. The resolution contains important assumptions affecting the Postal Service.

Changing the Postal Service to "off-budget" status is good budget policy. The Postal Service was moved off-budget after its creation by the Postal Reorganization Act of 1970 and remained there for good reason for many years. The Postal Service must be free once again of annual budget micromanagement by Congress and the Executive Branch if it is to operate in a business-like manner.

The budget agreement would also phase out indirect subsidies for retirement COLAs and survivor health benefits. while immediate deficit reduction of $1.8 billion (or $2.2 billion using the OMB baseline) will come from the accounting change of moving the Postal Service off-budget, real savings of over $300 million over the next five years will come from phasing out the indirect retirement COLA and survivor health subsidies.

This phase out of the indirect retirement subsidies, when enacted as part of the upcoming budget reconciliation legislation, will add to cumulative federal deficit reduction achieved from legislation passed in the last few years requiring the Postal Service to assume over $14 billion in costs that were previously paid by the Treasury. For your information, I have included a fact sheet providing a summary of these deficit reducing measures and their impact on the Postal Service's bottom line.

I urge you to support the Budget Resolution and its provisions to phase out the indirect retirement subsidies and to place the Postal Service in a special budget category where it can operate on a business cycle with appropriate Congressional oversight but free from any arbitrary and capricious effort to cut postal services for the purpose of masking federal deficit spending as was done in the 1987 Budget Summit agreement.

Sincerely,

MOE BILLER,
President.

AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, AFL-CIO,
Washington, DC, May 1, 1989.

Hon. BROCK ADAMS,
U.S. Senate, Washington, DC.

DEAR SENATOR ADAMS: On behalf of the 1.2 million members of the American Federation of State, County, and Municipal Employees (AFSCME), I urge you to support the bipartisan budget agreement for Fiscal Year 1990.

As state and local government and nonprofit agency employees, our members often experience first hand the negative effects of federal budget cuts. We believe the bipartisan resolution approved by the Budget Committee is a first step toward reducing the federal deficit in a realistic and humane manner.

While vital domestic programs have been protected in this budget, there will be reductions in some domestic programs, entitlements, and the defense budget. The resolution also requires $5.3 billion in "new revenue." While we believe substantially more revenue is needed to fund vital domestic programs and rebuild our crumbling public infrastructure, we accept the fact that the political will to raise revenue through corrections of inequities in the tax code is lacking this year.

It is important to note that the deficit reduction amounts are expected to meet the targets of Gramm-Rudman-Hollings without the harsh cuts in domestic problems that would have come with the automatic trigger or President Bush's budget proposal. While AFSCME supports the budget agreement as a first step toward deficit reduction, we oppose any type of freeze since it would negatively impact on necessary domestic programs which serve working Americans, children and low-income households.

Once again, we urge your support of the bipartisan budget agreement when it comes to the floor. Thank you for your consideration in this matter.

Sincerely,

GERALD W. MCENTEE,
International President.

Mr. MITCHELL. Mr. President, I now ask unanimous consent that the Senate proceed to the consideration of House Concurrent Resolution 106, the concurrent budget resolution.

Mr. SASSER. Mr. President, will the distinguished majority leader withhold for just a moment?

Mr. MITCHELL. Certainly.

Mr. SASSER. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

OMNIBUS CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEARS 1990, 1991, AND 1992

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of House Concurrent Resolution 106, the concurrent budget resolution, just received from the House; that all after the resolving clause be stricken; that the text of Senate Concurrent Resolution 30, as amended, be inserted in lieu thereof; that the yeas and nays previously ordered on Senate Concurrent Resolution 30 be transferred to House Concurrent Resolution 106; and that without any intervening action, the Senate vote on House Concurrent Resolution 106.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 106) setting forth the congressional budget for the United States Government for the fiscal years 1990, 1991, and 1992.

The PRESIDENT pro tempore. The question is on agreeing to the concurrent resolution (H. Con. Res. 106), as amended.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce the Senator from Texas [Mr. GRAMM] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 68, nays 31, as follows:

[Rollcall Vote No. 64 Leg.]

YEAS—68

Adams	Durenberger	McCain
Bentsen	Ford	Mikulski
Biden	Fowler	Mitchell
Bond	Glenn	Murkowski
Bradley	Gore	Nunn
Breaux	Graham	Packwood
Bumpers	Grassley	Pell
Burdick	Hatch	Pryor
Burns	Hatfield	Reid
Byrd	Heflin	Riegle
Chafee	Heinz	Rockefeller
Coats	Inouye	Rudman
Cochran	Jeffords	Sanford
Cohen	Kassebaum	Sarbanes
Cranston	Kasten	Sasser
D'Amato	Kennedy	Simon
Danforth	Lautenberg	Simpson
Daschle	Leahy	Specter
DeConcini	Lieberman	Stevens
Dixon	Lott	Thurmond
Dodd	Lugar	Wilson
Dole	Mack	Wirth
Domenici	Matsunaga	

NAYS—31

Armstrong	Helms	Moynihan
Baucus	Hollings	Nickles
Bingaman	Humphrey	Pressler
Boren	Johnston	Robb
Boschwitz	Kerrey	Roth
Bryan	Kerry	Shelby
Conrad	Kohl	Symms
Exon	Levin	Wallop
Garn	McClure	Warner
Gorton	McConnell	
Harkin	Metzenbaum	

NOT VOTING—1

Gramm

So the concurrent resolution (H. Con. Res. 106), as amended, was agreed to, as follows:

H. CON. RES. 106

Resolved, That the concurrent resolution from the House of Representatives (H. Con. Res. 106) entitled "Concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1990, 1991, and 1992" do pass with the following amendment:

Strike out all after the resolving clause and insert:

That the Congress determines and declares that the concurrent resolution on the budget for fiscal year 1990 is established and the appropriate budgetary levels for fiscal years 1991 and 1992 are set forth.

MAXIMUM DEFICIT AMOUNTS

SEC. 2. The following levels and amounts in this section are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985 and the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, whether the maximum deficit amount for a fiscal year has been exceeded, and as set forth in this concurrent resolution, shall be considered to be mathematically consistent with the other amounts and levels set forth in this concurrent resolution:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $1,065,500,000,000.

Fiscal year 1991: $1,144,300,000,000.

Fiscal year 1992: $1,216,000,000,000.

(2) The appropriate levels of total budget authority are as follows:

Fiscal year 1990: $1,327,400,000,000.

Fiscal year 1991: $1,423,500,000,000.

Fiscal year 1992: $1,476,400,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $1,164,900,000,000.

Fiscal year 1991: $1,234,300,000,000.

Fiscal year 1992: $1,281,700,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $99,400,000,000.

Fiscal year 1991: $90,000,000,000.

Fiscal year 1992: $65,700,000,000.

DEBT INCREASE AS ONE MEASURE OF DEFICIT

SEC. 3. The amounts of the increase in the public debt subject to limitation are as follows:

Fiscal year 1990: $264,140,000,000.

Fiscal year 1991: $253,230,000,000.

Fiscal year 1992: $226,530,000,000.

DEFICIT LEVELS EXCLUDING TRUST FUND SURPLUSES

SEC. 4. (a)(1) The amounts of the surpluses of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1990: $67,540,000,000.

Fiscal year 1991: $78,130,000,000.

Fiscal year 1992: $89,330,000,000.

(2) The amounts of the deficits excluding the receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1990: $166,940,000,000.

Fiscal year 1991: $168,130,000,000.

Fiscal year 1992: $155,030,000,000.

(b) The amounts of the deficits excluding the receipts and disbursements of all Federal trust funds are as follows:

Fiscal year 1990: $239,440,000,000.

Fiscal year 1991: $239,730,000,000.

Fiscal year 1992: $225,030,000,000.

RECOMMENDED LEVELS AND AMOUNTS

SEC. 5. (a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $775,800,000,000.

Fiscal year 1991: $832,000,000,000.

Fiscal year 1992: $833,000,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1990: $5,800,000,000.

Fiscal year 1991: $5,800,000,000.

Fiscal year 1992: $5,800,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1990: $70,100,000,000.

Fiscal year 1991: $75,100,000,000.

Fiscal year 1992: $80,200,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,037,600,000,000.

Fiscal year 1991: $1,111,200,000,000.

Fiscal year 1992: $1,143,400,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $942,740,000,000.

Fiscal year 1991: $1,000,130,000,000.

Fiscal year 1992: $1,038,030,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $166,940,000,000.

Fiscal year 1991: $168,130,000,000.

Fiscal year 1992: $155,030,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1990: $3,122,540,000,000.

Fiscal year 1991: $3,375,770,000,000.

Fiscal year 1992: $3,602,300,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991, are as follows:

Fiscal year 1990:

(A) New direct loan obligations, $19,300,000,000.

(B) New primary loan guarantee commitments, $106,600,000,000.

(C) New secondary loan guarantee commitments, $93,200,000,000.

Fiscal year 1991:

(A) New direct loan obligations, $19,700,000,000.

(B) New primary loan guarantee commitments, $114,200,000,000.

(C) New secondary loan guarantee commitments, $97,100,000,000.

Fiscal year 1992:

(A) New direct loan obligations, $19,700,000,000.

(B) New primary loan guarantee commitments, $119,000,000,000.

(C) New secondary loan guarantee commitments, $100,900,000,000.

(b) The Congress hereby determines and declares that the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1990 through 1992 for each major functional category are:

(1) National Defense (050):

Fiscal year 1990:

(A) New budget authority, $305,500,000,000.

(B) Outlays, $299,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $317,800,000,000.

(B) Outlays, $311,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $330,500,000,000.

(B) Outlays, $322,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1990:

(A) New budget authority, $18,300,000,000.

(B) Outlays, $16,700,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $6,400,000,000.
(E) New secondary loan guarantee commitments, $200,000,000.
Fiscal year 1991:
(A) New budget authority, $18,600,000,000.
(B) Outlays, $16,700,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $6,700,000,000.
(E) New secondary loan guarantee commitments, $200,000,000.
Fiscal year 1992:
(A) New budget authority, $19,700,000,000.
(B) Outlays, $17,100,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $6,900,000,000.
(E) New secondary loan guarantee commitments, $200,000,000.
(3) General Science, Space, and Technology (250):
Fiscal year 1990:
(A) New budget authority, $14,199,600,000.
(B) Outlays, $13,999,640,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $14,800,000,000.
(B) Outlays, $14,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $15,500,000,000.
(B) Outlays, $15,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(4) Energy (270):
Fiscal year 1990:
(A) New budget authority, $6,092,600,000.
(B) Outlays, $4,192,840,000.
(C) New direct loan obligations, $2,000,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $6,400,000,000.
(B) Outlays, $4,200,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $4,600,000,000.
(C) New direct loan obligations, $2,300,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1990:
(A) New budget authority, $17,447,800,000.
(B) Outlays, $17,353,320,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $18,300,000,000.
(B) Outlays, $18,500,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $19,100,000,000.
(B) Outlays, $19,000,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1990:
(A) New budget authority, $18,288,000,000.
(B) Outlays, $14,988,300,000.
(C) New direct loan obligations, $10,000,000,000.
(D) New primary loan guarantee commitments, $4,900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $20,600,000,000.
(B) Outlays, $16,500,000,000.
(C) New direct loan obligations, $10,200,000,000.
(D) New primary loan guarantee commitments, $4,900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $21,300,000,000.
(B) Outlays, $15,900,000,000.
(C) New direct loan obligations, $9,700,000,000.
(D) New primary loan guarantee commitments, $5,000,000,000.
(E) New secondary loan guarantee commitments, $0.
(7) Commerce and Housing Credit (370):
Fiscal year 1990:
(A) New budget authority, $20,952,600,000.
(B) Outlays, $18,057,840,000.
(C) New direct loan obligations, $3,300,000,000.
(D) New primary loan guarantee commitments, $60,500,000,000.
(E) New secondary loan guarantee commitments, $93,000,000,000.
Fiscal year 1991:
(A) New budget authority, $26,400,000,000.
(B) Outlays, $17,900,000,000.
(C) New direct loan obligations, $3,300,000,000.
(D) New primary loan guarantee commitments, $66,400,000,000.
(E) New secondary loan guarantee commitments, $96,900,000,000.
Fiscal year 1992:
(A) New budget authority, $16,900,000,000.
(B) Outlays, $12,400,000,000.
(C) New direct loan obligations, $3,400,000,000.
(D) New primary loan guarantee commitments, $69,600,000,000.
(E) New secondary loan guarantee commitments, $100,700,000,000.
(8) Transportation (400):
Fiscal year 1990:
(A) New budget authority, $30,366,800,000.
(B) Outlays, $29,070,320,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $31,000,000,000.
(B) Outlays, $30,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $32,100,000,000.
(B) Outlays, $31,200,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1990:
(A) New budget authority, $7,296,200,000.
(B) Outlays, $6,596,280,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $500,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $7,200,000,000.
(B) Outlays, $6,900,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $500,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $7,300,000,000.
(B) Outlays, $6,900,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $500,000,000.
(E) New secondary loan guarantee commitments, $0.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1990:
(A) New budget authority, $40,689,600,000.
(B) Outlays, $38,691,140,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $12,900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $42,000,000,000.
(B) Outlays, $41,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $13,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $42,900,000,000.
(B) Outlays, $42,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $13,700,000,000.
(E) New secondary loan guarantee commitments, $0.
(11) Health (550):
Fiscal year 1990:
(A) New budget authority, $57,482,200,000.
(B) Outlays, $55,783,380,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $62,900,000,000.
(B) Outlays, $61,800,000,000.

(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $69,000,000,000.
(B) Outlays, $67,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
(12) Medicare (570):
Fiscal year 1990:
(A) New budget authority, $122,400,000,000.
(B) Outlays, $98,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $134,800,000,000.
(B) Outlays, $112,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $148,100,000,000.
(B) Outlays, $127,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1990:
(A) New budget authority, $185,392,000,000.
(B) Outlays, $145,592,500,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $216,100,000,000.
(B) Outlays, $155,400,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $220,400,000,000.
(B) Outlays, $164,300,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1990:
(A) New budget authority, $5,492,800,000.
(B) Outlays, $5,493,220,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $4,300,000,000.
(B) Outlays, $4,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $5,000,000,000.
(B) Outlays, $5,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1990:
(A) New budget authority, $30,824,000,000.
(B) Outlays, $29,992,000,000.
(C) New direct loan obligations, $800,000,000.
(D) New primary loan guarantee commitments, $21,000,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $31,700,000,000.
(B) Outlays, $31,400,000,000.
(C) New direct loan obligations, $700,000,000.
(D) New primary loan guarantee commitments, $21,900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $32,700,000,000.
(B) Outlays, $32,500,000,000.
(C) New direct loan obligations, $700,000,000.
(D) New primary loan guarantee commitments, $22,900,000,000.
(E) New secondary loan guarantee commitments, $0.
(16) Administration of Justice (750):
Fiscal year 1990:
(A) New budget authority, $11,057,400,000.
(B) Outlays, $10,361,960,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $12,000,000,000.
(B) Outlays, $11,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $12,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1990:
(A) New budget authority, $10,174,000,000.
(B) Outlays, $9,877,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $10,700,000,000.
(B) Outlays, $10,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $11,300,000,000.
(B) Outlays, $10,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(18) Net Interest (900):
Fiscal year 1990:
(A) New budget authority, $197,500,000,000.
(B) Outlays, $197,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, $214,300,000,000.
(B) Outlays, $214,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, $226,800,000,000.
(B) Outlays, $226,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(19) The corresponding levels of gross interest on the public debt are as follows:
Fiscal year 1990: $262,500,000,000.
Fiscal year 1991: $282,800,000,000.
Fiscal year 1992: $298,000,000,000.
(20) Allowances (920):
Fiscal year 1990:
(A) New budget authority, −$255,600,000.
(B) Outlays, −$1,349,740,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, −$100,000,000.
(B) Outlays, −$600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1992:
(A) New budget authority, −$100,000,000.
(B) Outlays, −$600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(21) Undistributed Offsetting Receipts (950):
(A) Fiscal year 1990:
(A) New budget authority, −$61,600,000,000.
(B) Outlays, −$67,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1991:
(A) New budget authority, −$78,600,000,000.
(B) Outlays, −$79,270,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, −$94,700,000,000.

(B) Outlays, −$95,770,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

RECONCILIATION

SEC. 6. (a) Not later than June 15, 1989, the committees named in subsections (b) through (s) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(b) The Senate Committee on Agriculture, Nutrition, and Forestry shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to increase contributions and reduce budget authority and outlays as follows: $2,850,000,000 in contributions, $1,100,000,000 in budget authority, and $1,020,000,000 in outlays in fiscal year 1990.

(c) The Senate Committee on Banking, Housing, and Urban Affairs shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to increase contributions and reduce budget authority and outlays as follows: $2,850,000,000 in contributions, $0 in budget authority, and $200,000,000 in outlays in fiscal year 1990.

(d) The Senate Committee on Commerce, Science, and Transportation shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $680,000,000 in budget authority and $680,000,000 in outlays in fiscal year 1990.

(e) The Senate Committee on Environment and Public Works shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $487,000,000 in budget authority and $487,000,000 in outlays in fiscal year 1990.

(f)(1) The Senate Committee on Finance shall report (A) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (B) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (C) any combination thereof, sufficient to reduce budget authority and outlays as follows: $0 in budget authority and $2,800,000,000 in outlays in fiscal year 1990.

(2) The Senate Committee on Finance shall report changes in laws within its jurisdiction sufficient to increase revenues $5,300,000,000 in fiscal year 1990.

(g) The Senate Committee on Governmental Affairs shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $3,400,000,000 in budget authority and $2,900,000,000 in outlays in fiscal year 1990.

(h) The Senate Committee on Labor and Human Resources shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $250,000,000 in budget authority and $430,000,000 in outlays in fiscal year 1990.

(i) The Senate Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $670,000,000 in budget authority and $670,000,000 in outlays in fiscal year 1990.

HOUSE COMMITTEES

(j) The House Committee on Agriculture shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to increase contributions and reduce budget authority and outlays as follows: $2,850,000,000 in contributions, $1,137,000,000 in budget authority, and $1,157,000,000 in outlays in fiscal year 1990.

(k) The House Committee on Banking, Finance, and Urban Affairs shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to increase contributions and reduce budget authority and outlays as follows: $2,850,000,000 in contributions, $0 in budget authority, and $200,000,000 in outlays in fiscal year 1990.

(l) The House Committee on Education and Labor shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $150,000,000 in budget authority and $330,000,000 in outlays in fiscal year 1990.

(m) The House Committee on Energy and Commerce shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $1,087,000,000 in budget authority and $3,787,000,000 in outlays in fiscal year 1990.

(n) The House Committee on Interior and Insular Affairs shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $50,000,000 in budget authority and $50,000,000 in outlays in fiscal year 1990.

(o) The House Committee on Merchant Marine and Fisheries shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $217,000,000 in budget authority and $217,000,000 in outlays in fiscal year 1990.

(p) The House Committee on Post Office and Civil Service shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $3,400,000,000 in budget authority and $2,900,000,000 in outlays in fiscal year 1990.

(q) The House Committee on Public Works and Transportation shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $37,000,000 in budget authority and $37,000,000 in outlays in fiscal year 1990.

(r) The House Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impound-

ment Control Act of 1974, (2) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to reduce budget authority and outlays as follows: $670,000,000 in budget authority and $670,000,000 in outlays in fiscal year 1990.

(s)(1) The House Committee on Ways and Means shall report (A) changes in laws within its jurisdiction that provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974, (B) changes in laws within its jurisdiction that provide spending authority other than as defined in section 401(c)(2)(C) of the Act, or (C) any combination thereof, sufficient to reduce budget authority and outlays as follows: $0 in budget authority and $2,700,000,000 in outlays in fiscal year 1990.

(2) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to increase revenues $5,300,000,000 in fiscal year 1990.

SALE OF GOVERNMENT ASSETS

SEC. 7. (a) It is the sense of the Congress that—

(1) from time to time the United States Government should sell assets to nongovernment buyers; and

(2) the amounts realized from such asset sales will not recur on an annual basis and do not reduce the demand for credit.

(b) For purposes of allocations and points of order under section 302 of the Congressional Budget and Impoundment Control Act of 1974, the amounts realized from asset sales or prepayments of loans shall not be allocated to a committee and shall not be scored with respect to the level of budget authority or outlays under a committee's allocation under section 302 of such Act.

(c) For purposes of this section—

(1) the terms "asset sale" and "prepayment of a loan" shall have the same meaning as under section 257(12) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987); and

(2) the terms "asset sale" and "prepayment of a loan" do not include asset sales mandated by law before September 18, 1987, and routine, ongoing asset sales and loan prepayments at levels consistent with agency operations in fiscal year 1986.

RESERVE FUND FOR SUBSIDIZED HOUSING CONTRACT RENEWALS

SEC. 8. (a) In the Senate, of the amounts specified in section 5 of this resolution, it is assumed that budget authority and outlays in amounts not to exceed the amounts specified in subsection (b) for fiscal year 1990 may be allocated to the Senate Committee on Appropriations to provide for subsidized housing contract renewals (without prejudice to the form or duration of such renewals that such legislation provides) when the Committee on Appropriations or the committee of conference on such renewals has reported legislation that will, if enacted, make funds available for such renewals.

(b) The amounts available for allocation under subsection (a) for subsidized housing contract renewals for fiscal year 1990 shall not exceed $1,092,000,000 of new budget authority and $50,000,000 of outlays.

(c) Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if such a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under section 302(a) of the Congressional Budget and Impoundment Control Act of 1974, altered by amounts not to exceed those in such legislation. Such revised allocations shall be considered for the purposes of such Act as allocations contained in this resolution, and the Committee on Appropriations shall report revised allocations pursuant to section 302(b) of such Act for fiscal year 1990 to carry out this section.

RESERVE FUND FOR MEDICAID

SEC. 9. (a) In the Senate, it is assumed that budget authority and outlays may be allocated to the Senate Committee on Finance for increased Medicaid funding if the Committee on Finance or the committee of conference reports Medicaid funding legislation that—

(1) will, if enacted, make funds available for that purpose; and

(2) to the extent that the costs of such legislation are not included in this resolution, will not increase the deficit in this resolution for fiscal year 1990, and will not increase the total deficit for the period of fiscal years 1990 through 1992.

(b) Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if such a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under section 302(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this section. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of such Act as allocations, functional levels, and aggregates contained in this resolution, and the Committee on Finance shall report revised allocations pursuant to section 302(b) of such Act for the appropriate fiscal year (or years) to carry out this section.

RESERVE FUND FOR IRS COMPLIANCE

SEC. 10. (a) In the Senate, of the amounts specified in section 5 of this resolution, it is assumed that budget authority and outlays in amounts not to exceed the amounts specified in subsection (b) for fiscal year 1990 may be allocated to the Senate Committee on Appropriations to provide for increased Internal Revenue Service compliance funding when the Committee on Appropriations or the committee of conference on Internal Revenue Service compliance funding has reported legislation that will, if enacted, make funds available for such Internal Revenue Service compliance.

(b) The amounts available for allocation under subsection (a) for Internal Revenue Service compliance funding for fiscal year 1990 shall not exceed $109,000,000 of new budget authority and $99,000,000 of outlays.

(c) Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if such a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under section 302(a) of the Congressional Budget and Impoundment Control Act of 1974, altered by amounts not to exceed those in such legislation. Such revised allocations shall be considered for the purposes of such Act as allocations contained in this resolution, and the Committee on Appropriations shall report revised allocations pursuant to section 302(b) of such Act for fiscal year 1990 to carry out this section.

FUEL EXCISE TAXES

SEC. 11. (a) The Senate finds that—

(1) Federal excise taxes are regressive in that a lower income individual must use a higher percentage of his income to pay the taxes than a higher income individual;

(2) adding 10 cents or more per gallon to the cost of fuel will have a devastating effect on the Nation's economy in that such an increase would—

(A) reduce the gross national product by $10 billion in the first year,

(B) reduce automobile production by 1.3 percent,

(C) reduce housing construction by 0.9 pecent,

(D) increase unemployment by 80,000 in the first year and 180,000 by the third year,

(E) reduce petroleum refinery output by 1.2 percent,

(F) reduce income tax revenues by almost $1 billion annually,

(G) reduce personal savings by nearly 3 percent, and

(H) increase the Consumer Price Index by 0.3 percent;

(3) it would be discriminatory for one portion of the Nation's population, highway users, to pay an additional tax in order to reduce the Federal deficit, thereby forcing this segment to shoulder a greater share of our Nation's financial burden;

(4) it would be inequitable for individuals to contribute to Federal deficit reduction based on the number of miles driven per year;

(5) Federal highway and public transit programs are funded at levels significantly lower than documented needs requiring States to provide funds to fill that shortfall;

(6) an increase in the Federal tax on gasoline and diesel fuel—

(A) inhibits the ability of State and local governments to raise revenues to fund transportation projects, and

(B) reduces the revenues for State and local government fuel taxes unless State and local governments increase their taxes; and

(7) total motor fuel taxes (including State and local taxes) account for nearly 25 percent of the retail price of gasoline and about 29 percent of the retail price of diesel fuel making motor fuel among the most heavily taxed essential items in the Nation.

(b) It is the sense of the Senate that the assumptions underlying the revenue totals included in this resolution do not include an increase in Federal excise taxes on gasoline and diesel fuel in order to reduce the Federal deficit.

FURTHER DEFICIT REDUCTION

SEC. 12. It is the sense of the Senate that—

(a) had Congress used the economic and technical assumptions of the Congressional Budget Office, the deficit would have been $109,800,000,000 for fiscal year 1990, $135,300,000,000 for fiscal year 1991, and $134,800,000,000 for fiscal year 1992;

(b) by July 1, 1989, the participants in the Bipartisan Budget Agreement Between the President and the Joint Leadership of Congress should begin negotiations on an agreement for the budget for fiscal year 1991 based upon Congressional Budget Office economic and technical assumptions; and

(c) the participants in those negotiations shall—

(1) seek a budget package in 1989, the outyear effects of which would lead to balancing the Federal budget;

(2) examine broad-scale budget options and recommend legislative changes necessary to implement those options; and

(3) consult fully with appropriate Congressional, Executive, and private parties.

SOCIAL SECURITY TRUST FUNDS SURPLUSES

SEC. 13. (a) FINDINGS.—The Congress finds that—

(1) under current law, the Social Security trust funds are included in calculations of the Federal budget deficit for purposes of comparison with the maximum deficit amount under the Balanced Budget and Emergency Deficit Control Act of 1985 and for purposes of determining across-the-board cuts under such Act;

(2) the inclusion of the Social Security trust funds in the calculation of the Gramm-Rudman-Hollings targets creates the illusion that the Federal budget deficit is being brought into balance when in fact the operating budget deficit is continuing to grow;

(3) Social Security trust funds surpluses are currently being lent to the Treasury to finance the operating budget deficit, which is primarily dedicated to current consumption;

(4) the National Economic Commission concluded that the Congress must have in place by no later than 1993 measures which alter current budgetary practices in order to create true Social Security reserves;

(5) the use of the Social Security trust funds surpluses for current consumption denies such surpluses' intended purpose of providing income for future retirees and increasing national savings, investment, productivity, and the gross national product;

(6) without such increases in national output and wealth, future workers will be unable to honor the claims of retirees without a significant increase in taxes or reduction in Social Security benefits;

(7) the use of Social Security trust funds surpluses as a source of national savings would bolster the economic capacity of the United States, allowing Social Security benefit claims to be honored at the same time future workers enjoy an increased standard of living; and

(8) the intended and legitimate purposes of the Social Security trust funds could best be protected by excluding such funds from the calculations of the Federal budget deficit reduction targets.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the Congress should continue the commitment to keep the Social Security program secure for the Nation's retired and disabled citizens;

(2) the Congress should enact legislation that defines the Federal budget deficit to exclude the surplus (or deficit) from the Social Security trust funds for all purposes;

(3) the Congress should include, for the purposes of calculating Federal budget deficits and deficit reduction targets for fiscal year 1991 and subsequent fiscal years, an amount which is no greater than the amount of Social Security trust funds surplus included in the fiscal year 1990 budget resolution;

(4) in order to create a true balanced operating budget, the Congress should, beginning no later than the fiscal year 1994 budget, accurately reflect the Federal budget deficit by excluding all Social Security revenues and expenditures from such deficit and any deficit reduction calculations; and

(5) to the extent non-Social Security deficits exist after fiscal year 1994, the Congress should develop a strategy which continues Federal budget deficit reduction measures, in order to create a true balanced Federal budget.

ANTI-DRUG ABUSE ACT OF 1988 FUNDING

SEC. 14. It is the sense of the Senate that this resolution should support the funding increases provided in the Anti-Drug Abuse Act of 1988 and that such funding should be consistent with the need to maintain the even balance in that Act between new spending to reduce drug supply and new spending to reduce drug demand.

MORE TRUTHFUL PRESENTATION OF DEFICIT

SEC. 15. (a) The Senate finds that—

(1) this budget for fiscal year 1990 is within the parameters established by the President, and even if inadequate, is essential to keep the Government in operation;

(2) this resolution sets forth the deficit at only $99,400,000,000;

(3) as set forth in section 3 of this resolution, one measure of the deficit, the increase in the public debt subject to limitation, is fully $264,000,000,000;

(4) the Federal debt will rise to fully $3,100,000,000,000 in 1990; and

(5) as set forth in section 5(a)(19) of this resolution, the level of gross interest on the public debt will be $263,000,000,000 in fiscal year 1990;

(b) It is the sense of the Senate that—

(1) as set forth in this resolution, the budget submitted by the President under section 1105 of title 31 of the United States Code and the concurrent budget resolution for fiscal year 1991, in order to more truthfully set forth the deficit, should reflect at least the following changes;

(A) all Social Security and other Federal retirement funds must be accounted for separately;

(B) all gross interest on the public debt subject to limitation must be fully reported and reflected; and

(C) the increase in the gross Federal debt that is subject to the legal debt limit should be shown as a measure of the deficit.

(2) because a multi-year plan of debt and deficit reduction, based on sound economic assumptions, appears imperative, the President is requested to advise the Congress of any proposals relative to the reduction of the national debt, and to inform the Congress whether additional revenues are required for debt and deficit reduction, and if so, the President is invited to make specific revenue recommendations.

RESERVE FUND FOR CHILDREN

SEC. 16. (a) In the Senate, it is assumed that budget authority and outlays may be allocated to the Senate Committee on Finance for increased funding for children, including funding through tax credits, if the Committee on Finance or the committee of conference reports funding legislation that—

(1) will, if enacted, make funds available for that purpose; and

(2) to the extent that the costs of such legislation are not included in this resolution, will not increase the deficit in this resolution for fiscal year 1990, and will not increase the total deficit for the period of fiscal years 1990 through 1992.

(b) Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if such a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under section 302(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this section. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of such Act as allocations, functional levels, and aggregates contained in this resolution, and the Committee on Finance shall report revised allocations pursuant to section 302(b) of such Act for the appropriate fiscal year (or years) to carry out this section.

FUNDS FOR PRISON EXPENSES

SEC. 17. (a)(1) Since the funding levels for Function 750 for the administration of justice programs in the Committee Report is higher than the President's request by $800,000,000 in budget authority and $500,000,000 in outlays.

(2) Since the President's request already includes $658,000,000 for prison expenses related to drug offenders.

(b) It is the sense of the Senate that within the total amount available within the Budget Function 750, there shall be sufficient funds added to bring a level of Federal support for correctional activities at the Federal, State, and local level for the expenses of drug offenders to a level of $1,000,000,000.

BIENNIAL BUDGET PROCESS

SEC. 18. (a) The Congress finds that a biennial budget process would—

(1) create an orderly, predictable process for consideration of spending decisions responsive to policy priorities and improve Congressional control over the Federal budget;

(2) allow sufficient time for the fulfillment by the Congress of its legislative and oversight responsibilities, including the consideration of authorizing legislation, budget resolutions, appropriations bills, and other spending measures;

(3) provide greater stability and certainty for financial markets, and Federal, State, and local government agencies which need sufficient time to plan for implementation of programs; and

(4) streamline the Congressional budget process and therefore promote better accountability to the public.

(b) It is the sense of the Congress that the Congress should enact legislation in the One Hundred First Congress to establish a biennial budget process.

CURRENT SERVICES BASELINE

SEC. 19. (a) The Senate finds that the use of a current services baseline in presenting budget information—

(1) does not provide the public with complete and clear information on the growth in Federal spending from one fiscal year to the next fiscal year;

(2) does not clearly identify the underlying growth rate in particular Federal programs within the Federal budget;

(3) leads to the misconception that Federal spending is being cut when in fact it has grown; and

(4) does not present the Federal budget in terms the public can easily understand.

(b) It is the sense of the Senate that all Congressional and Executive budget documents, including analyses of the Federal budget and any deficit reduction agreements, should prominently include the current level of Federal spending in each category and clearly identify any proposed increase or decrease from that level.

WORLD HEALTH ORGANIZATION AND PLO MEMBERSHIP

SEC. 20. (a) FINDINGS.—The Congress finds that—

(1) the World Health Organization enjoys the strong support of the United States in its mission to eliminate disease and raise public health standards around the world;

(2) the Palestine Liberation Organization (PLO) has observer status at the WHO and other United Nations specialized agencies;

(3) the PLO is an umbrella organization that lacks key attributes of statehood as accepted under international law—it has no permanent population and controls no defined territory;

(4) it is the policy of the United States that the ultimate disposition of the territories under Israeli administration should be decided by negotiation and not by unilateral declarations or by solutions imposed by international organizations;

(5) the Secretary of State has declared that a change in the present observer status of the PLO in international organizations would lead to a halt in further United States assessed and voluntary contributions to these organizations;

(6) a change in the PLO's observer status in international organizations would needlessly politicize these organizations and damage United States support for them; and

(7) the United States seeks the cooperation of all parties, including the members of the Arab League, in putting a halt to these harmful efforts to politicize important international organizations.

(b) SENSE OF THE SENATE.—The Senate hereby—

(1) supports and commends the Secretary of State in his declaration calling for a halt to further United States assessed and voluntary contributions to international organizations which grant full member status to organizations that lack key attributes of statehood;

(2) urges all parties to end efforts to secure a change in the PLO's observer status at the United Nations and its specialized agencies;

(3) calls upon member states of the World Health Organization and other United Nations specialized agencies to vigorously oppose all such efforts.

REDUCING THE GENERATION OF CARBON DIOXIDE

SEC. 21. (a) The Senate finds that—

(1) the concentration of the so-called "greenhouse" gases—including carbon dioxide, methane, nitrous oxide, chlorofluorocarbons, tropospheric ozone is rising;

(2) since the advent of the industrial revolution 150 years ago, a number of scientific experts estimate that the atmospheric concentration of—

(A) carbon dioxide, the most prevalent of these gases, has increased by 25 percent;

(B) methane has increased by 100 percent;

(C) nitrous oxide has increased by 10 percent;

(D) CFC's have increased from zero 60 years ago at an average rate of 5 percent per year; and

(E) tropospheric ozone continues to increase by 1 percent per year;

(3) a large number of the world's leading scientists, including members of National Science Foundation, have warned policy makers that—

(A) increased concentrations of these gases will alter climate; and

(B) such climatic alterations could have devastating effects on weather patterns, agricultural productivity, coastal population centers due to rising sea levels, and biological health;

(4) the majority of these gases are generated in the production of energy;

(5) in 1988, the Department found, based on data collected for the 1985 National Energy Policy Plan, that the United States' generation of carbon dioxide would increase from 1985 levels by 38 percent in the year 2010;

(6) leading scientific experts of the world, including members of the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine have urged the President to take action to reduce the generation of these gases by the United States;

(7) international negotiations are underway to develop strategies to reduce the generation of these gases;

(8) the United States is chair of the Response Strategies Working Group of the Intergovernmental Panel on Climate Change (IPCC), which was established by the United Nations Environment Programme and the World Meterological Organization;

(9) at the first meetings of the IPCC's Response Strategies Working Group, the Secretary of State urged that global solutions to global climate change be as specific and cost-effective as they can possibly be;

(10) it is imperative that the United States and all nations take immediate steps to protect the global environment; and

(11) without action by the United States to protect the global environment, our ability to convince other nations to act on concerns such as global climate change will be constrained.

(b) It is the sense of the Senate that United States policy on global warming should be—

(1) to reduce the generation of greenhouse gases;

(2) to hold, in 1989, a global conference on the environment, hosted by the President;

(3) to encourage other nations to undertake measures to reduce the generation of greenhouse gases;

(4) to develop binding multilateral agreements with other nations by the end of calendar year 1992, or as early as is practicable, to reduce the global generation of greenhouse gases;

(5) to encourage the worldwide protection of tropical rainforests;

(6) to require each Federal agency to examine its programs to determine the impacts of global warming on its missions and activities and to evaluate and propose policies under its authority that could reduce the generation of greenhouse gases; and

(7) to develop new technologies and better utilize existing technologies that will provide reliable supplies of energy and service for the citizens of the United States while reducing the generation of greenhouse gases.

(c) It is also the sense of the Senate that the United States Government should adopt a position with respect to a "Framework Global Climate Convention", and through its representative to the Intergovernmental Panel on Climate Change, should begin discussions on such a convention when it chairs the next meeting of the "Response Strategies Working Group".

(d) To the maximum extent practical, the priorities set forth in this section should be reflected in the Federal budget.

NATIONAL AEROSPACE PLANE

SEC. 22. (a) FINDINGS.—The Congress finds that—

(1) the United States is the world leader in the fields of commercial and military aerospace;

(2) if the United States is to maintain that leadership we must continue to invest in the research and development necessary to build the next generation of aerospace vehicles;

(3) the National Aerospace Plane, or X-30, program represents the United States' best hope for maintaining our lead in aerospace into the next century;

(4) the National Aerospace Plane program represents a model of cooperation between government and industry in which the Federal government already has invested $487,000,000 and private contractors have invested more than $700,000,000;

(5) the National Aerospace program is likely to result in advances in many areas which will have benefits for both commercial and military programs.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that the Senate supports continued funding of the National Aerospace Plane program at the level recommended in the President's February 9, 1989, budget submission in functions 050, 250 and 400.

REVENUE LEGISLATION

SEC. 23. It is assumed that agreements reached between the Administration and the Congressional tax-writing committees on revenue legislation reconciled pursuant to this resolution will be advanced legislatively when supported by the President of the United States.

IMPLEMENTATION

SEC. 24. (a) The Senate finds—

(1) The 1990 Congressional bipartisan agreement to the budget submitted by the President represents the action most probable to avoid a budget impasse and sequester.

(2) The achievement of a reduction in the Federal budget deficit through agreement rather than confrontation between the President and Congress is in the national interest.

(3) National security and international leadership rest on the foundation of a strong economy, capable of financing internally its investment needs.

(b) It is the sense of the Congress that—

(1) The 1990 budget agreement should be fully and quickly implemented;

(2) the Leadership of Congress and the Administration immediately authorize resumption of negotiations aimed at a multiyear deficit reduction package, leading to a balanced Federal budget;

(3) The economic and budgetary assumptions underlying the multiyear agreement be based on sound and realistic forecasts;

(4) The bipartisan, cooperative effort that made this agreement possible be sustained in addressing the Nation's remaining budgetary problems.

DISASTER ASSISTANCE

SEC. 25. (a) The Congress finds that—

(1) agricultural producers in several Midwestern and Southwestern States have experienced adverse weather conditions since planting the 1989 crop of winter wheat, including a lack of rainfall, freeze damage, high-velocity windstorms, and recordbreaking high temperatures;

(2) such extreme conditions have combined to severely damage winter wheat production in several states, including Kansas, Oklahoma, Texas, Nebraska, Colorado, and New Mexico;

(3) the Kansas Wheat Quality Council, after a recent 3-day tour of these States, estimated that production in the Texas and Oklahoma Panhandles would be only one-third of normal;

(4) the mean average of 68 estimates of the 1989 crop of winter wheat in Kansas projected only 209 million bushels of wheat; and

(5) current budget estimates reveal there will be substantial savings resulting from higher prices and lower deficiency payments that could be applied towards disaster payments for drought-stricken winter wheat producers through an extension of the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note).

(b) It is the sense of the Congress that—

(1) legislation should be enacted to extend the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note) to apply to losses due to adverse weather conditions in 1988 or 1989 for agricultural commodities planted in 1988 for harvest in 1989;

(2) such legislation should not add to the deficit and such legislation should not discriminate against other program crops;

(3) such legislation should not discriminate against producers who are currently covered by Federal crop insurance; and

(4) drought assistance should be enacted in a timely fashion so as to ensure that savings from higher prices and lower deficiency payments offset the cost of such assistance.

PUBLIC DEBT LIMIT

SEC. 26. (a) The Congress finds that—

(1) debt held by the public increased from $1,500,000,000,000 in fiscal year 1985 to more than $2,000,000,000,000 in fiscal year 1988 and continues to grow;

(2) compliance with the Gramm-Rudman-Hollings targets each year would result in a debt held by the public of $2,380,000,000,000,000 by the end of fiscal year 1993, when the Gramm-Rudman-Hollings maximum deficit target is zero;

(3) the Congressional Budget Office projects that the debt held by the public will reach $2,760,000,000,000 by fiscal year 1993;

(4) recognizing the need to control deficits and debt, many members have introduced legislation to provide additional fiscal restraint; and

(5) growth in the debt held by the public is detrimental to economic growth and improvements in the Nation's long-term standard of living.

(b) It is the sense of the Congress that—

(1) A target for maximum debt held by the public be set at $2,380,000,000,000;

(2) The appropriate Committees of the Congress shall consider legislation strengthening budget procedures to promote compliance with this target; and

(3) The appropriate committees of the Congress shall consider budget procedures which would take effect in the event that the target is exceeded.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate insist on its amendment, request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees.

There being no objection, the President pro tempore appointed Mr. SASSER, Mr. RIEGLE, Mr. LAUTENBERG, Mr. SIMON, Mr. SANFORD, Mr. WIRTH, Mr. DOMENICI, Mr. GRASSLEY, Mr. KASTEN, and Mr. GRAMM conferees on the part of the Senate.

Mr. MITCHELL. Mr. President, I ask unanimous consent that Senate Concurrent Resolution 30 be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(Mr. LIEBERMAN assumed the chair.)

Mr. MITCHELL. Mr. President, I wish to commend the distinguished chairman of the Senate Budget Committee, Senator SASSER from Tennessee, for a truly outstanding job. For the past several months, Senator SASSER has devoted untold hours and unlimited energy and effort to negotiating this agreement, reaching agreement, and then steering it through the Budget Committee and through the Senate.

The overwhelming vote in support of the resolution, the speed and dispatch with which the resolution was considered and disposed of by the Senate, reflect favorably upon Senator SASSER. It was an enormous challenge as a new chairman of the Budget Committee, and I think every Member of this Senate owes Senator SASSER a great debt of gratitude for the tremendous leadership he displayed in this matter.

I also want to commend the distinguished ranking member of the committee, the former chairman of the committee, Senator DOMENICI, who displayed during this matter his usual skill and knowledge of the budget process, and who was invaluable both in producing the agreement and in producing the votes necessary to enact the resolution implementing the agreement.

As I said earlier, Mr. President, in this decade, the Senate has devoted an average of 9 legislative days—that is about 2 weeks—to the consideration of the budget. This year it was done in 2 days. That represents a significant accomplishment, in part, of course, due to the fact that there was bipartisan agreement, in part due also to the enormous skill of the distinguished chairman and ranking member of the committee.

I also want to pay tribute to the President and to those who handled this matter in his behalf—the Director of the Office of Management and Budget, Richard Darman; and Secretary of the Treasury Nick Brady—for their willingness to reach out and initiate meaningful consultation and negotiation with the Congress in this regard.

Although this agreement does not go nearly as far or do nearly as much as every Member of this Senate would like, it does represent a significant first step for which the President and his representatives deserve great credit.

I want also to thank all the staff who did such a great job in supporting Senators. And finally I want to thank my distinguished colleague, the Republican leader, for the graciousness and cooperative spirit which he has demonstrated throughout this process.

As usual, Senator DOLE was able to organize and produce substantial majorities in support of the agreement on his side. And for that I, and I know the President and all concerned, are very grateful.

Before I proceed to morning business, I will yield to the distinguished Republican leader.

Mr. DOLE. Mr. President, I thank the majority leader for yielding. I wanted to also compliment the chairman of the committee, Senator SASSER, for a splendid job. I know it is difficult. It is a tough thing to do. We have had budgets, as the majority leader indicated that have gone on 7, 8, 9 days. Some have been very, very close. We have had to make last-minute changes to pass budget resolutions.

Certainly Senator SASSER deserves a great deal of credit. I would say the same for my colleague, Senator PETE DOMENICI, the ranking Republican on the Budget Committee. He and Senator SASSER have worked well together. They made a bipartisan agreement, they stuck to it, and they were able in every case to fend off any amendments that might have an adverse impact on their overall work.

So I certainly congratulate both Senators SASSER and DOMENICI, along with members of their staffs and members of the committee, and of course the majority leader for doing as he has indicated, directing the efforts which permitted us to complete action on this bill in 2 legislative days as opposed to an average of 9 over the past decade. That, in itself is certainly a major accomplishment.

I would also congratulate the administration, the President, others who represented the President in the bipartisan negotiations. I understand the House may have passed their budget resolution also today, which means that we can have a conference very quickly and we can, probably, start on appropriation bills in the foreseeable future and stay ahead of schedule, which, again, would be without a great deal of precedent around this place.

The PRESIDING OFFICER. The Chair recognizes the Senator from Tennessee [Mr. SASSER].

Mr. SASSER. Mr. President, I wish to express my appreciation to the majority leader for the kind remarks that he has aimed in my direction this evening and I would be remiss if I did not say, Mr. President, that this bipartisan budget agreement that was agreed to by this body this evening by an overwhelming margin would not have been possible without the support and the counsel of the majority leader, the distinguished Senator from Maine [Mr. MITCHELL] at every point along the way.

I want to express my appreciation, also, to the minoritly leader, the distinguished Senator from Kansas [Mr. DOLE], for his help and cooperation. And finally, Mr. President, I want to express my appreciation to the ranking member of our committee, the Honorable Senator from New Mexico,

Senator DOMENICI. We have worked very, very well together. Senator DOMENICI has put his shoulder to the wheel and we worked hand in glove, all along the line.

That is not to say there were not areas of disagreement; sometimes disagreements that have substantial substance. But, still and all, we have managed to produce, I think, a bipartisan budget agreement that is a good one.

I also want to express my appreciation to those representing the administration, particularly the Director of the Office of Management and Budget, Mr. Richard Darman. But certainly, also, the Secretary of the Treasury, Nick Brady. Mr. Brady is a former colleague of ours here in this body and he and Mr. Darman were a great team for the administration in fashioning this compromise.

I would be remiss if I did not express my appreciation to the magnificant staff of the Senate Budget Committee, on the majority side led so ably by Dr. John Hilley, and also the staff on the minority side which is led ably by Mr. Bill Hoagland.

Mr. President, I would defer, now, to the majority leader.

The PRESIDING OFFICER. The Chair recognizes the Senate majority leader.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business, not to exceed 30 minutes, with Senators permitted to speak therein for up to 5 minutes each.

Mr. GORTON. Would the Senator yield? Would he amend that to make that 10 minutes?

Mr. MITCHELL. If I might, Mr. President, ask that the Senator from Colorado be recognized for 15 minutes and the Senator from Washington be recognized for 10 minutes.

I know of no other requests and therefore will make the request on the basis of 5 minutes each, with those exceptions.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I yield to the distinguished Republican leader.

The PRESIDING OFFICER. The Chair recognizes the distinguished Republican leader.

DANNY BRECHNER: CAPITOL HILL LEGEND, HAPPY RETIREMENT!

Mr. DOLE. Mr. President, the Capitol Hill community is a special one. It is its own unique neighborhood where you develop a close working relationship with the hundreds and hundreds of hard-working men and women who call this place home.

So it is with mixed emotions that I note that one of our most respected and well-known neighbors is retiring after a remarkable career that has spanned four decades.

I am talking about Danny Brechner of Mutual Radio. His official title, I am told, was "Technician." But he was much, much more: He knew every Member here; every office, every hearing room, every staffer, every police officer, every square of marble, every police dog, and every square inch of Capitol Hill.

He also had a nose for news, with the kind of unrivaled access that gave Mutual News more than a few scoops and a career's worth of instant actualities on the big breaking stories of the day. In short, Danny Brechner was a legend.

In fact, he has worked on the Hill longer than any current Member of Congress with the exception of the Honorable Representatives CLAUDE PEPPER and JAMIE WHITTEN.

He was Mr. Everywhere, a hardworking radio man who was apparently born with a microphone in his hands. A tape recorder hanging from his shoulder, and that set of yellow headphones wrapped around his neck—that is Danny.

Tomorrow—at 4 o'clock in the Senate radio and TV gallery, Danny's friends—and that includes Members on both sides of the aisle, on both sides of the Hill—will be honoring him with a special farewell reception.

I urge my colleagues to please stop by to say hello, and to wish Danny Brechner—some would say Senator Brechner—all the best in his retirement.

We will miss him here but we will always remember him with fondness.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico, Mr. DOMENICI.

Mr. DOMENICI. Thank you, Mr. President. Let me first apologize to my friend, including the chairman of the committee, Senator SASSER, for not being present on the floor when the comments about the culmination of the budget work were stated to the Senate. I was called off the floor for an important message.

Let me first say thanks to them for their kind words. I have been at this now for quite a few years. I think I understand this process. I am not at all sure that we did the very best, but I think what we said throughout this debate is that had we not done this it is very questionable whether we would have done much of anything. And I think, knowing where you are going and taking a measurable first step is better than chaos and confusion. And I still happen to believe that it is better than waiting around for confrontation.

I think the locking of the arms by the executive and the bipartisan bicameral leadership in this first step is probably the historic part of what we have done.

I am not at all sure we are going to make the giant strides in deficit reduction that people are clamoring for if that leaves the scene. We might, but I am not sure we will. So it was a rare privilege. I have been hoping for a long time that we could negotiate with the House instead of among ourselves and then do it all over again in conference. I had the long-time hope that the executive would be part of these budget processes. We have done that without changing the law because of the good will and the commitment of leaders. There is nothing to back what we did here the last few days except the good faith that comes from meeting as American leaders with the President in our respective roles, whatever they were. The majority and minority leaders of both Houses and various chairmen, that is what is historic.

To this point, they have lived up to that without any statutory law saying they are supposed to. I think that is the story. If now the committees can do their work in the same spirit, we will take another look in July or August and see where we are. In the meantime, that leadership agreement says let us continue bipartisan, bicameral talking trying to see where the possibilities are for the next 2 or 3 years, continue to get this deficit down. I look forward to that. I hope it does not break down.

My friend, new friend, I might say, because I did not know him very well, the distinguished senior Senator from Tennessee, Senator SASSER, has done a marvelous job. It was a pleasure to work with him. Obviously, he had to start and he had to put a staff together, but I believe what we produced in the last couple of days, both by way of the finished product, the 40 days or so that we negotiated, and the debate on the floor, not always easy and clearly we have to defend some things we would prefer otherwise. But I think he did a very good job. I compliment him. I hope I have been helpful.

I thank those who have supported us. I also thank those who constructively offered their suggestions, both while we negotiated and while we debated. I look forward to continued reductions in the deficit in the years to come. I, for one, think we must do that, but I have been heard to say of late that we have some other problems out there that I do not think are going to go away when we get the deficit down, and I think we ought to look at those, too.

Sometimes I worry that the deficit is an umbrella that permits us to think that productivity is all right in the United States; that 13 percent increase

in health care is all right in the United States; that we really got our work force and our management working together for this country. All of those things have to be looked at, in my opinion, in much different light than we have in the past.

For the nice words that have been said about me, let me just say it has been a pleasure this year to get our job done early, and now we leave it in the hands of those who are supposed to implement it. We are there to help.

I yield the floor.

Mr. WIRTH. I thank the Chair. I also want to add my congratulations to the distinguished chairman of the committee and to Senator DOMENICI and to the leadership on both sides.

MESSAGES FROM THE HOUSE

At 12:44 p.m., a message from the House of Representatives delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 104. Concurrent resolution congratulating the Council of Europe on the 40th anniversary of its founding.

At 5:42 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 106. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations:

John R. Bolton, of Maryland, to be an Assistant Secretary of State.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. NUNN, from the Committee on Armed Services:

Paul Dundes Wolfowitz, of the District of Columbia, to be Under Secretary of Defense for Policy (Exec. Rept. 101-4).

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 923. A bill to authorize flood protection for the city of Belen, NM; to the Committee on Environment and Public Works.

By Mr. KERRY (for himself, Mr. ADAMS, Mr. MOYNIHAN, Mr. CRANSTON, Mr. D'AMATO, Mr. SANFORD, Mr. FORD, and Mr. DECONCINI):

S. 924. A bill to provide additional measures for the control of international drug trafficking, and for other purposes; to the Committee on Foreign Relations.

By Mr. HEINZ:

S. 925. A bill to suspend temporarily the duty on naphthalic acid anhydride; to the Committee on Finance.

By Mr. SASSER (for himself and Mr. ROTH):

S. 926. A bill to improve cash management by executive agencies, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BOND (for himself, Mr. HATCH, Mr. DANFORTH, and Mr. STEVENS):

S. 927. A bill to establish a grant program for States to enable such States to expand the choices available for the provision of affordable child care, and for other purposes; to the Committee on Finance.

By Mr. PELL:

S. 928. A bill to authorize appropriations for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting for fiscal year 1990, and for other purposes; to the Committee on Foreign Relations.

By Mr. ROCKEFELLER:

S. 929. A bill to temporarily reduce and to suspend the duty for 1,6-hexamethylene diisocyanate; to the Committee on Finance.

By Mr. DODD (for himself and Mr. LIEBERMAN):

S. 930. A bill to amend the Occupational Safety and Health Act of 1970 to establish an Office of Construction, Safety, Health and Education within OSHA, to improve inspections investigations, reporting, and recordkeeping in the construction industry, to require certain construction contractors to establish construction safety and health programs and onsite plans and appoint construction safety specialists, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MOYNIHAN:

S. 931. A bill to protect a segment of the Genesee River in New York; to the Committee on Energy and Natural Resources.

By Mr. KASTEN (for himself and Mr. KOHL):

S.J. Res. 119. Joint resolution to provide for the interpretation and implementation of certain provisions of the 1837 and 1842 treaties of the United States with the Chippewa Indians of Wisconsin, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. BRADLEY (for himself and Mrs. KASSEBAUM):

S.J. Res. 120. Joint resolution to designate the period commencing November 12, 1989, and ending November 18, 1989, as "Geography Awareness Week"; to the Committee on the Judiciary.

By Mr. DECONCINI (for himself, Mr. THURMOND, Mr. ADAMS, Mr. CHAFEE, Mr. COATS, Mr. DURENBERGER, Mr. GARN, Mr. GRAHAM, Mr. HEINZ, Mr. HELMS, Mr. HOLLINGS, Mr. KOHL, Mr. MOYNIHAN, Mr. NUNN, Mr. PELL, Mr. RIEGLE, Mr. SHELBY, Mr. WILSON, Mr. MITCHELL, Mr. BOSCHWITZ, Mr. FOWLER, Mr. D'AMATO, Mr. ROBB, Mr. DIXON, Mr. WARNER, Mr. BENTSEN, Mr. PRYOR, Mr. DOLE, Mr. GORTON, Mr. CRANSTON, Mr. COCHRAN, Mr. BRADLEY, Mr. JEFFORDS, Mr. LEVIN, Mr. LUGAR, Mr. MCCLURE, Mr. BUMPERS, Mr. MURKOWSKI, and Mr. METZENBAUM):

S.J. Res. 121. Joint resolution to provide for the designation of September 14, 1989, as "National D.A.R.E. Day"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MITCHELL (for himself, Mr. DOLE, Mrs. KASSEBAUM, Mr. GRAHAM, Mr. PELL, Mr. LUGAR, Mr. MCCAIN, Mr. ROBB, Mr. MACK, Mr. DURENBERGER, Mr. KERRY, Mr. KENNEDY, Mr. ROTH, Mr. COHEN, Mr. BOREN, Mr. BYRD, and Mr. LEVIN):

S. Res. 120. Resolution relating to free and fair elections in Panama; considered and agreed to.

By Mr. SYMMS:

S. Res. 121. Resolution expressing the sense of the Senate regarding lending and financial credits to the Soviet bloc; to the Committee on Foreign Relations.

By Mr. HATCH:

S. Con. Res. 33. Concurrent resolution urging the Government of Greece to extradite Mohammed Rashid to the United States; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 923. A bill to authorize flood protection for the city of Belen, NM; to the Committee on Environment and Public works.

BELEN FLOOD CONTROL PROJECT

Mr. DOMENICI. Mr. President, I send to the desk a bill that is very important to the welfare and future of the city of Belen, NM.

I am pleased that my colleague Mr. BINGAMAN has joined in sponsoring this legislation.

Our bill authorizes the Army Corps of Engineers to construct a flood control project to protect Belen from the serious runoff danger that now faces that community when thunderstorms rip across the mesas and watershed west of town.

Such storms have poured floodwaters into the city of Belen on several occasions, most notably in 1969 and again in 1980. In places, I am told, the floodwaters reached depths exceeding 15 feet following the 1969 storm.

Belen's problem is that it sits in a bowl. The mesas and high ground stand to the west. The Rio Grande runs east of the city. And the bed of the Rio Grande, according to calcula-

tions by the corps, is actually higher than some adjacent portions of Belen.

The bill that Senator BINGAMAN and I are introducing authorizes the corps to construct a project that captures much of that runoff from the mesa, then carries the water safely around the city to the Rio Grande.

The project would widen and deepen an existing irrigation canal, known as the Highline Canal, which is owned by the Middle Rio Grande Conservancy District. With an enlarged capacity, the canal would capture all the mesa runoff, preventing it flooding over the canal and into Belen.

Because of the topography that I have described, the project will have to move that runoff water about 6 miles down river before it can be dumped into the Rio Grande. This lengthy diversion is what makes this project relatively expensive.

One of the most interesting aspects of this bill is the cost-sharing that we propose. All Federal flood control projects, as my colleagues know, now require at least a 25-percent contribution from non-Federal interests.

But because of the unusual topography of Belen that I have mentioned, the corps has been unable to design a project at Belen that can be justified on strict economic terms.

In fact, the benefits of the project we are authorizing in this bill are estimated to be about 80 percent of the project's costs.

Yet, I am convinced and the officials of Belen are convinced, that this project is critical to the city's future.

Therefore, our bill is written in accordance with section 903(c) of the 1986 Water Resources Development Act. Under that provision, projects that appear uneconomic may still be considered and approved by the Congress if non-Federal interests agree to pay all the costs of the project over and above a sum that equals the benefits of the project.

In other words, this bill calls for the standard 25-percent non-Federal cost sharing on that portion of the project's costs that equal the benefits of the project, with non-Federal interests paying all of the remainder of the costs.

Specifically, this means that the citizens of Belen are so convinced of the dire problem confronting their community that they are willing to commit to an expenditure of $7,446,000 toward the full cost of the project: $19,576,000.

I applaud Belen for this forward-looking commitment. And once this project is authorized, I certainly will do everything that I can to assist them in obtaining assistance from a variety of non-Federal sources.

I also wish to say a particular word of gratitude to the Honorable Gilbert Garcia, mayor pro tem of the city of Belen. Mr. Garcia has worked long and hard to make this project a reality. I comend his leadership and that of his fellow members of the city commission.

Mr. President, I ask unanimous consent that a copy of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 923

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) the Congress finds that the historic community of Belen, New Mexico, and its population suffer chronic flooding problems that originate in the watershed and mesas west of Belen.

(2) The Congress finds further that a major canal, the Belen Highline Canal, is located immediately adjacent to Belen, New Mexico, and that a serious danger exists to life and property in the event that flood waters breach the canal.

(b) The Congress, therefore, authorizes a project for flood protection for the City of Belen, New Mexico. Such project shall include measures to increase the capacity of the Belen Highline Canal so that it will function as a conveyance system to divert flood waters safely around the City of Belen, as well as an irrigation facility.

SEC. 2. Subject to the provisions of Section 903(c) of Public Law 99-662, the Secretary of the Army is authorized and directed to undertake the flood control measures described within Section 1(b) of this Act in order to protect the City of Belen, New Mexico, and its residents, at a total cost of $19,576,000, with an estimated first Federal cost of $12,130,000, and an estimated first non-Federal cost of $7,446,000 including necessary lands, easements, rights-of-way, and relocations.

Mr. BINGAMAN. Mr. President, I am pleased to join my colleague Mr. DOMENICI in sponsoring legislation vital to the welfare and future of the residents of Belen, NM.

Belen is located in the central part of my home State, along the western bank of the Historic Rio Grande River. With a population of 9,500, it is one of the fastest growing communities in our State. Originally a small railroad community, Belen has grown into an important transportation hub for the Southwest.

The legislation we are introducing today is critical to Belen's continued growth. Surrounded by mesas and high ground on the west and the Rio Grande on the east, the community faces a constant threat of flooding. Runoff from rainstorms on the mesas above the city cause flash flooding in the valley below, and compounding the problem is the fact that portions of the city actually sit below the water level of the river. Drainage in the city is almost nonexistent.

In the last 10 years the city has suffered two major floods, which have caused severe damage to personal property, disrupted municipal services for weeks, and threaten the lives of the residents. As Senator DOMENICI mentioned, standing flood water in some areas has been as much as 15 feet deep. This problem can only worsen as the community continues to grow and develop.

The bill we are offering today authorizes the U.S. Army Corps of Engineers to construct a project to channel the runoff from the mesas. The project would modify an existing irrigation channel, known as the Highline Canal, which is owned by the Middle Rio Grande Conservancy District. The water capacity of the canal would be increased by deepening and widening the existing structure. The canal would capture the mesa runoff and channel the water downriver to prevent flooding into the city.

Because this diversion canal will be 6 miles in length, the project cost is significant. However, the city's need for this canal is so great that it has committed itself to a greater share in the cost of the project than is required by law. As you may know, Mr. President, section 903(c) of the 1986 Water Resources Development Act requires a 25-percent contribution from non-Federal interests on all Federal flood control projects. Because of the need and commitment to the future of Belen, the community is willing to commit $7,446,000 or—38 percent—toward the full cost of the project estimated at $19,576,000.

The cost-sharing agreement is indicative of the local commitment to the project. Belen is looking ahead and is moving in a prudent manner. The Honorable Gilbert Garcia, mayor pro tempore of the city of Belen, has been diligently working on this project for many years. I commend him, the city council, and the citizens of Belen for their perseverance and commitment.

By Mr. KERRY (for himself, Mr. ADAMS, Mr. MOYNIHAN, Mr. CRANSTON, Mr. D'AMATO, Mr. SANFORD, Mr. FORD, and Mr. DECONCINI):

S. 924. A bill to provide additional measures for the control of international drug trafficking, and for other purposes; to the Committee on Foreign Relations.

INTERNATIONAL NARCOTICS AND TERRORISM CONTROL ACT

Mr. KERRY. Mr. President, I am today, as the result of an outgrowth of 2 years of investigation into the link between international drug trafficking, foreign policy, and law enforcement, introducing legislation entitled the International Narcotics and Terrorism Control Act of 1989. This is cosponsored by Senator ADAMS, Senator MOYNIHAN, Senator CRANSTON, Senator D'AMATO, Senator SANFORD, Senator FORD, and Senator DECONCINI.

Before I get into the details of the legislation, I want to talk a little bit about why the bill is needed and what

it seeks to do. For 8 years we have heard in this country about a war on drugs. It really does not take an expert to understand that if there is a war on drugs, it is far more like the Vietnam war, a low-intensity conflict, than it is like World War II or the kind of war that one might expect for the kind of threat that we face.

Not a day in this country goes by that we do not hear about a drug-related death, a policeman gunned down, a baby born with a drug addition.

As a former prosecutor, I am more than familiar with what the scourge of drugs is doing to the justice system in this country. It is now estimated that in major cities, drugs are responsible for fully 70 percent of all the crimes committed. Our courts are so clogged with drug-related cases and our jails are so full that criminals literally count on being back on the streets within a few days after they are arrested.

One of the foundations of our judicial system that we learned erstwhile attorneys was that deterrence is at the heart of that system and swift and certain punishment is at the heart of deterrence. If there is no punishment, no deterrence obviously will ensue.

Because of the revolving-door policies that have been forced on us by virtue of the prisons being overcrowded, drug dealers can make millions of dollars, spend a few years away and have a trust fund waiting for them on exit. The fact is we have not had a drug policy in the country in the past few years, and "just say no" has not been enough. It is not the way to fight a war. So obviously it is time for a new approach.

To a certain degree, the administration has admitted that Czar Bennett is now in a position to do something about it, but there is no indication in the budget this year that the administration intends to really be serious about stepping up the war with more than "showtime" appearances or rhetoric.

In developing a new strategy, we need to redefine our view of national security and to reexamine our perception of what constitutes threats to ourselves and our friends within this hemisphere and around the world.

When the Foreign Relations Committee began its investigation 2 years ago into the problem of international drug trafficking, the issue was viewed widely as being a law enforcement matter, and the debate in the administration focused on improving international and domestic law enforcement efforts and achieving more effective legal cooperation.

After 2 years of investigation by the Subcommittee on Narcotics and Terrorism, it has been shown that we are facing a national security problem of different and, indeed, extraordinary dimensions. We found that the presence of the Latin American drug cartels was growing rapidly and with pervasive effect. We found that those cartels have become a powerful supranational force with enough political and economic and military clout to help shape, if not shape, developments in Latin and Central America.

These cartels will do business with anyone in any country as long as it keeps them in business with the money rolling in. Their financial and political power makes them a serious foreign policy threat because they undermine the stability of the region and have demonstrated the capacity to destabilize democratic governments.

As Gen. Paul Gorman, former head of the Southern Command, stated very bluntly in his testimony:

> If you want to move arms or munitions in Latin America, the established networks are owned by the cartels. It has lent itself to the purposes of terrorists, of saboteurs, of spies, of insurgents, and of subversives.

This underworld has lent itself to the pursuits of those who engage in illicit movements of arms and ammunition for whatever purpose, right or left, and the cartels clearly have sought stable governments in Latin America, but weak governments, governments they can control where they can do their business freely without interference. They have intimidated successfully officials in Colombia and the Colombian judicial system, corrupted government officials in the Bahamas and Mexico, the military in Haiti, another country which has become a major transshipment point, and elements of the military in Honduras.

In Peru there are reports that the drug money funds the Sandero Luminoso's efforts to topple the democratically elected government of Alan Garcia. In Paraguay a change of government has brought about new hopes for democracy, but stories persist of drug corruption among the highest echelons in the Military. In Bolivia, the democratically elected government survives at the discretion of the drug lords. And in Panama we have the greatest example of all of what narcotics and its trafficking has done to democracy with the continuing problem of General Noriega.

What is clear from the Panama experience is that drug enforcement took a back seat to perceived foreign policy concerns.

Unfortunately, the investigation I chaired showed that there were a number of other occasions in which that happened, even times when high U.S. officials intervened to stop law enforcement operations aimed at nailing drug kingpins.

For example, we found that a U.S. Ambassador to the Bahamas had shut down a Justice Department sting operation aimed at bringing down corrupt Bahamian Government officials.

One of the people who testified before my subcommittee was Richard Gregorie, Miami's top prosecutor in fighting the war on drugs, the man who indicted General Noriega on drug charges and Jorge Ochoa, the head of the Colombian Medellin Cartel. Gregorie told me that our Government wasn't allowing him to win the war on drugs—that he'd give the State Department and foreign policy people the grade of an "F" for their handling of the war on drugs—and that they'd interfered with his investigation and prosecution of some major narcotics trafficking kingpins.

After the U.S. Ambassador stopped him from moving ahead on the sting operation of a major cocaine kingpin recently, he decided that he should quit the war on drugs and go back to the private practice of law.

So I am filing legislation today which I hope will help—it is not a panacea—provide some of the tools that will allow us to fight this war more effectively. This act will not free us from the security threat but it can help to reduce the conflict and permit us to legitimately engage in a war.

First, as to the decertification process, the subcommittee found that drug decertification has not been effective. Under present law, the President can declare a country as not cooperating with the United States on narcotics efforts and therefore it is automatically decertified, but if he does he has to impose the most extreme sanctions against the country of cutting off all aid, including international lending. The only alternative he has under current law is to recertify on national security grounds, which eliminates all the sanctions but puts the President in the position of saying we have a serious problem with the country but we are doing nothing about it.

The result has been that the executive branch has continued to certify countries as cooperating even when we know they are not. So the first provision of this legislation is to establish a new tier of optional sanctions which could be imposed on those countries which do not cooperate but to which the President may not want to cut off all aid. This would give the President new tools to leverage American power, to secure cooperation from countries that are not currently cooperating.

As to the annual drug report, the second provision is aimed at the drug certification process additionally. The State Department currently prepares a report, but we have no input from each of the individual agencies, and this report has, frankly, lacked candor in past years. This year it was significantly better. It is our hope that Congress can do a better job of elevating this process and that the State Department will be more accountable in it if individual agencies contributing to

it place summaries within that report of their views of where we are specifically with respect to the war on drugs.

As to links between narcotics and terrorism, as I stated, we found that drug trafficking does not know any ideology and that terrorists on the right and the left had repeatedly linked up with drug traffickers. To date, Congress has not been given information regarding those links and so we require that, as part of the report, agencies involved in the war on drugs would report about those links between international narcotics trafficking, money laundering, and international terrorism, including the involvement of guerrilla groups on the right or the left without regard to ideology.

The subcommittee found evidence that morale among Federal workers involved in the war on drugs was particularly low and that many were quitting, as I mentioned, at a time when we need them most. Accordingly, the act requires the drug czar to initiate a study to determine whether adequate resources are being devoted to the hiring, training, promotion, and retention of those employees involved in the war.

Another and one of the most disturbing things we learned was that in a number of cases the State Department had refused to assist law enforcement officials with requests for help in making prosecutions involving drug-corrupted foreign officials. Congress should know when and if the State Department interferes with a sting operation or an ongoing criminal investigation, and this act requires that the Secretary of State advise the chairman of the Committees on Foreign Relations and Foreign Affairs when the State Department has rejected a formal request from a law enforcement agency for assistance or action on a law enforcement matter. It may well be that this notification should be made to the chairmen of the Intelligence Committees as well, and this issue will be reviewed in hearings on this legislation.

We also found that people in our Government with extensive knowledge on how to fight drugs were leaving Government and turning around and selling their knowledge to foreign governments, even foreign governments that had been corrupted by drug money, so we should make sure that no one sells that inside knowledge about U.S. antidrug efforts. The act prohibits those leaving the executive branch and Congress who have worked on narcotics-related matters from representing a foreign government on narcotics matters during a period of 3 years and imposes a penalty for violation.

Perhaps the worst thing we found, Mr. President, was that the State Department had hired drug traffickers to provide services to the Contras as part of the humanitarian assistance program in 1986. As a result, taxpayers' dollars went to people who trafficked in cocaine, including individuals and companies already under indictment at the time. Among all of our agencies, the State Department obviously does an enormous amount of business with providers of services beyond our borders. So we are trying to prevent capacity for drug traffickers to infiltrate those activities, and we are requiring in this act that the State Department should be prohibited from entering into any contract with an individual or company indicted by U.S. Federal law enforcement for any narcotics-related offenses including money laundering or who have prior convictions for such an offense.

Similarly, the subcommittee found some information suggesting U.S. intelligence agencies had made payments to certain individuals who are also involved in drug trafficking. Obviously, a ban on employment of convicted drug traffickers by U.S. intelligence agencies would reduce the confusion that has been endangered in recent years by the impact on law enforcement of links between drug traffickers who later claim that they were sanctioned in their actions because of ties to the intelligence community.

This legislation would prohibit any U.S. intelligence agency from making any payments to any person convicted of narcotics-related offenses except as authorized in writing by the Attorney General in connection with the investigation and prosecution of criminal activity.

Finally, the subcommittee found numerous instances in which individuals engaged in paramilitary or military activities directed at foreign nations from the United States believe that they have authorization from the U.S. Government to do so. In several cases prosecution of Neutrality Act cases has been impeded by the difficulty in determining whether or not military activity against nations with whom the United States is not officially at war was in fact authorized by Government officials.

Prosecutors in New York had to drop major indictments against people smuggling arms to Iran because of the Iran-Contra affair. Prosecutors in Miami had similar problems in prosecuting Neutrality Act cases involving the Contras. So this act seeks to eliminate the capacity for that to happen.

A final note with regard to the new optional sanctions which this legislation will authorize the President to impose on countries which do not cooperate with our narcotics control efforts, I would like to clarify that the purpose of authorizing the President to deny or limit visas to nonimmigrant nationals from any such country is to curtail abuse of certain visas by drug traffickers. This provision is not intended to restrict the issuance of nonimmigrant visas which have no history of being abused by drug traffickers, such as visas issued to temporary workers, students, international organization personnel, foreign press, and so forth. Nor is this provision intended to interfere with American travel to noncooperating countries. With regard to those types of nonimmigrant visas which do have a history of being abused by drug traffickers, such as tourist visas, the President should impose this sanction only if safeguards are put in place so that legitimate travel is not impeded.

Obviously, this legislative package is not a panacea. It is an attempt to help law enforcement overcome the serious impact that other foreign policy interests have had on the war on drugs.

If this act passes, it will be much harder for high U.S. officials to intervene, as they have in the past, to stop law enforcement operations aimed at nailing drug kingpins. And if they do, we'll know about it.

If this act passes, when terrorists and drug traffickers work together, the executive branch will have to take note and tell us.

If it passes, the State Department and our intelligence agencies will never again find themselves in the position of hiring drug traffickers with public funds.

If it passes, the Justice Department will more easily be able to make the prosecutions it needs against arms dealers claiming they were doing it for our Government.

If it passes, the President will have new tools to use against foreign governments who aren't cooperating in the war on drugs.

And if it passes, Government employees won't be able to sell the knowledge they gain in government about antidrug activity to foreign governments which have been corrupted by drug money.

As chairman of the Subcommittee on Narcotics, Terrorism, and International Operations, I look forward to hearings on this package in the Foreign Relations Committee in the months to come. I hope to have both current and former U.S. officials testify about the effects these provisions would have on the war on drugs.

Mr. President, I will at a later time be filing additional legislation that will assist in the prosecution of that war on drugs.

I ask unanimous consent that the text of the bill, along with a section-by-section analysis of it, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 924

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. SHORT TITLE.

This Act may be cited as the "International Narcotics and Terrorism Control Act of 1989".

SEC. 2. OPTIONAL SANCTIONS.

For any country for which a certification under section 481(h)(2)(A)(i) of the Foreign Assistance Act of 1961 is not in effect, any of the following additional sanctions may be imposed if the President determines that to do so would contribute to the reduction in the importation into the United States of narcotics drugs from such country:

(1) A prohibition on the loading or unloading of cargo, passengers, or crew, and the refueling or other provisioning, except under emergency circumstances recognized by international law of any vessel which at anytime during the preceding 60 days had engaged in such loading, unloading, refueling, or provisioning in any such country.

(2)(A) The President may direct the Secretary of Transportation to revoke the right of any air carrier designated by the government of such country under the air transportation agreement between the United States and that country to provide service pursuant to that agreement.

(B) The Secretary of State may terminate that agreement in accordance with the provisions of that agreement.

(C) Upon termination of that agreement, the Secretary of Transportation shall prohibit any aircraft of a foreign air carrier owned, directly or indirectly, by the government of that country or by nationals of that country from engaging in air transportation with respect to the United States.

(D) The Secretary of Transportation may provide for such exceptions from the prohibition contained in subparagraph (C) as the Secretary considers necessary to provide for emergencies in which the safety of an aircraft or its crew or passengers is threatened.

(E) For purposes of this paragraph, the terms "aircraft", "air transportation", and "foreign air carrier" have the meanings given those terms in section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301).

(3) Subject goods and containers from any such nation to special inspections, guarantees, or such additional regulations as are deemed necessary to prevent goods and containers from being used to transport prohibited substances to the United States.

(4) Notwithstanding any other provision of law, the Secretary of State may deny or limit the number of nonimmigrant visas or border crossing cards issued to natives of that country.

(5) After providing appropriate notice pursuant to any applicable treaty or other international agreement, the Secretary of the Treasury may terminate customes preclearance by not providing customs services for the preclearance of passengers or baggage at any customs facility located in such country.

SEC. 3. AGENCY COMMENTS AND RECOMMENDATIONS.

Section 481(e) of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new paragraph:

"(9)(A) Each report pursuant to this subsection shall include comments and recommendations regarding the war on drugs by each of the agencies described in subparagraph (B), including information relevant to determining the performance of each illicit drug producing country or drug transit country for purposes of subsection (f).

"(B) The agencies referred to in subparagraph (A) are the Department of State, the Department of Justice, the Department of Defense, the Department of the Treasury, the Department of Health and Human Services, the Agency for International Development, the Drug Enforcement Administration, the United States Customs Service, and other enforcement agencies.".

SEC. 4. ADDITIONAL REVIEW FOR INCLUSION IN ANNUAL REPORT.

Section 481(e) of the Foreign Assistance Act of 1961, as amended by section 3, is further amended by adding at the end thereof the following new paragraph:

"(10) Each report pursuant to this subsection shall include the results of a review of the connections between international narcotics trafficking, money laundering, and international terrorism, including the involvement of guerrilla groups on the right or left, without regard to ideology.".

SEC. 5. REPORT BY THE DIRECTOR OF NATIONAL DRUG CONTROL POLICY ON ADEQUACY OF FEDERAL RESOURCES.

The Director of National Drug Control Policy shall include—

(1) a study of current Federal personnel practices affecting all persons engaged in the war on drugs (including the Department of Justice, the United States Customs Service, the Drug Enforcement Administration, the Department of State, and the Bureau of Narcotics), and

(2) a determination whether adequate resources are being devoted to the hiring, training, promotion, and retention of Federal employees responsible for fighting drugs,

in the National Drug Control Strategy submitted to the Congress on February 1, 1990, pursuant to section 1005(a) of the National Narcotics Leadership Act of 1988.

SEC. 6. REPORT BY SECRETARY OF STATE.

Section 481 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(k) Not later than 10 days after denying a request from a law enforcement agency for assistance or action by the Department of State, the Secretary of State shall submit to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives a report setting forth a full statement of the reasons for such denial.".

SEC. 7. PROHIBITION ON CERTAIN GOVERNMENT EMPLOYEES REPRESENTING FOREIGN GOVERNMENTS ON NARCOTICS MATTERS.

(a) OFFENSE DEFINED.—It shall be unlawful for any person—

(1) who was employed by the Executive branch of Government or by the Congress, and

(2) who performed duties with respect to narcotics-related issues, whether administrative, policy-making, enforcement, or legislative,

to represent a foreign government on narcotics matters during a period of 3 years after leaving such employment.

(b) PENALTY.—Any person who violates subsection (a) shall, upon conviction thereof, be guilty of a felony and shall be punishable by a fine of not more than $10,000, or imprisonment for not more than 5 years, or both.

SEC. 8. RESTRICTIONS ON PROCUREMENT PRACTICES OF THE STATE DEPARTMENT.

(a) PROHIBITION ON CERTAIN CONTRACTS.—Before the Secretary of State or any other officer or employee of the Department of State may enter into a contract, on behalf of the Department of State, with any individual, corporation, partnership, or other business association or entity, such officer or employee shall submit the name of such individual or entity to the Federal Bureau of Investigation, the United States Customs Service, and the Drug Enforcement Administration for their determination that such individual or entity is not under indictment or has not been convicted of any narcotics or narcotics-related offense, including money laundering.

(b) PROHIBITION ON USE OF FUNDS.—No funds appropriated or otherwise made available for the Department of State may be available for payment on any contract entered into with an individual or entity listed by an agency referred to in subsection (a).

SEC. 9. PROHIBITION ON CERTAIN PAYMENTS TO DRUG OFFENDERS.

(a) Notwithstanding any other provision of law, no funds made available to any element of the United States Government authorized to conduct intelligence or intelligence-related activities may be available for payment to any individual who has been convicted of narcotics trafficking or money laundering, except as authorized in writing by the Attorney General in connection with the investigation or prosecution of criminal activity.

(b) for purposes of subsection (a), the term "element of the United States Government authorized to conduct intelligence or intelligence-related activities" refers to the components of the Government enumerated in paragraphs (1) through (10) of section 101(a) of the Intelligence Authorization Act, Fiscal Year 1989.

SEC. 10. LIMITATION ON DEFENSE TO VIOLATION OF CERTAIN UNITED STATES LAWS.

(a) GENERAL.—It is not a defense to prosecution for an offense described in sections 956 through 967 of title 18, United States Code, that an individual was acting pursuant to the authority or direction of any department, agency, or officer of the United States Government, unless—

(1) such action was taken pursuant to the specific authority or direction of the Secretary of State; and

(2) the Foreign Affairs Committee and the Permanent Select Committee on Intelligence of the House of Representatives and the Foreign Relations Committee and the Select Committee on Intelligence of the Senate were notified by the Secretary of State within 48 hours after the conferral of such authority or the giving of such direction.

(b) APPLICABILITY.—This section does not apply to a prosecution under any section referred to under subsection (a) resulting from conduct that occurred prior to the date of enactment of this Act.

SECTION-BY-SECTION ANALYSIS ON THE INTERNATIONAL NARCOTICS AND TERRORISM CONTROL ACT OF 1989

This legislation has been designed to respond to specific problems involving U.S. anti-narcotics efforts and foreign policy identified during a two-year study by the Committee on Foreign Relations Subcommittee on Narcotics, Terrorism and International Operations. The hearings on which these legislative proposals are based are published in four parts (S. Hrg. 100-773) by the Committee on Foreign Relations, entitled "Drugs, Law Enforcement and Foreign Policy." Further justification for each proposal is contained in the Subcommittee

Report, issued by the Subcommittee on March 2, 1989.

Section One. Cites the name of the Act as the "International Narcotics and Terrorism Control Act of 1989.

Section Two. Grants new authority to the President to impose optional sanctions against major drug transit or drug producing countries under Section 481(h)(2)(a)(i)(I) of the Foreign Assistance Act of 1961 if they have failed to cooperate fully with the U.S. on narcotics control, if the President determines that to do so would contribute to reducing the importation to the U.S. of narcotics from that nation. The optional sanctions, any of which the President could impose at his discretion, are to:

(a) Prohibit ships that have stopped at any such nation within 60 days from unloading cargo or passengers in the United States.

(b) Deny landing rights in the United States to the national airlines of any such nation;

(c) Subject goods and containers from any such nation to special inspections, quarantines, or such additional regulations as are deemed necessary to prevent them from being used to transport prohibited substances to the United States.

(d) Deny or limit visas to non-immigrant nationals of any such nation.

(e) Eliminate Customs pre-clearance facilities to any such nation.

The Subcommittee believes the President should have available a group of optional sanctions to place pressure on countries that do not fully cooperate with the U.S. in the war on drugs, in addition to the mandatory sanctions under current law. This provision would allow the President to avoid imposition of the mandatory sanctions by certifying a non-cooperating nation under the national security provision of 481(h)(2)(a)(i)(II), while retaining the right to impose the optional sanctions.

With reference to subsection (e), preclearance, currently, the Bahamas, Bermuda, and Canada are allowed to have individuals clear U.S. Customs on their territory. Of these nations, only the Bahamas is designated a major drug-transit or major illicit drug producing country. Under Customs pre-clearance, individuals arrested and illicit goods seized come under the jurisdiction of the foreign country, rather than the United States. As a consequence, the U.S. cannot ensure adherence to our standards of anti-narcotics law enforcement. While pre-clearance is a convenience for tourists, that convenience is subject to abuse by drug traffickers. The Subcommittee believes that the war on drugs should take precedence over the facilitation of tourism in major drug transit and drug producing countries, and should be denied the Bahamas if it is not certified as fully cooperating with U.S. law enforcement efforts.

Section Three. Agency Comments and Recommendations.

Requires that each agency involved in the war on drugs include its own specific comments and recommendations within the annual International Narcotics Control Strategy Report, including information regarding the specific experience of that agency with each illicit drug producing or drug transit country, in terms of its cooperation with the U.S.

Under current law, the Report is prepared by the State Department and no such comments by other agencies is mandated.

Section Four. Requires the annual International Narcotics Control Strategy Report to review the links between international narcotics trafficking, money laundering and international terrorism, including the involvement of guerrilla groups on the right or left, without regard to ideology.

The Subcommittee received extensive testimony that narcotics funds have been used to subsidize terrorist activity involving groups of varying ideologies. Past reports, while containing a country-by-country review, did not explicitly review or analyze these links.

Section Five. Requires the drug czar to initiate a study to determine whether adequate resources are being devoted to the hiring, training, promotion, and retention of federal employees involved in the war on drugs.

Section Six. Requires the Secretary of State to advise the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives whenever the State Department has rejected a request from a law enforcement agency for assistance or action on any law enforcement matter.

The Subcommittee received testimony regarding a number of examples in which the State Department refused to provide assistance to United States law enforcement personnel in connection with an investigation or prosecution, on the ground that the law enforcement action might have adverse foreign policy implications. This provision would require the Secretary of State to advise Congress whenever the Department had made such a determination and therefore rejected the request.

Section Seven. Prohibits individuals in the Executive Branch and the Congress who have worked on narcotics-related issues from representing a foreign government on narcotics matters during a period of three years after leaving government, and imposes a penalty for violation of up to five years in prison and a fine of $10,000.

The Subcommittee found numerous examples in which government officials involved in fighting the war on drugs represented foreign governments on drug-related matters soon after leaving government. The Subcommittee received extensive evidence of drug-related corruption in a variety of foreign governments. The U.S. would be better protected by having foreign officials who have been corrupted by narcotics money less able to manipulate the U.S. governmental system by hiring former government officials. Accordingly, this provision would extend the current one year prohibition against Executive Branch employees representing a foreign government to three years in connection with drug-related matters, and would extend this prohibition to Congressional Employees as well.

Section Eight. Prohibits the Department of State from entering into contracts with any individual or company indicted by federal law enforcement for any narcotics-related offenses, including money laundering, or convicted of any such offense. The Department would be required to institute procedures by which it would routinely check with the FBI, Customs and DEA to determine whether a company or individual is under indictment for or convicted of a drug-related offense before Department enters into any contract with the company or individual.

The Subcommittee found a number of cases in which the State Department entered into contracts with drug traffickers then under investigation by federal law enforcement authorities without conducting any background check of the contractors. This provision would require such a check and prohibit entering into the contract until the law enforcement agencies certified that the company or individual was not involved in narcotics trafficking or money laundering.

Section Nine. Prohibits any U.S. intelligence agency from payments to any person convicted of narcotics related offenses, except as authorized in writing by the Attorney General in connection with the investigation or prosecution of criminal activity.

The Subcommittee found a number of cases in which persons engaged in narcotics-related activities contended that they were also employed by U.S. intelligence, interfering with effective law enforcement. The Subcommittee believes a ban on the employment of convicted drug traffickers by U.S. intelligence agencies would reduce the confusion that has been engendered in recent years by the impact on law enforcement of links between drug traffickers claiming intelligence ties.

Section Ten. Amends the Neutrality Act to apply solely to actions which are not specifically authorized by the State Department. Each such authorization would require prompt notification by the State Department to the House and Senate Foreign Affairs and Foreign Relations Committees, and Select Committees on Intelligence.

The Subcommittee found numerous instances in which individuals engaged in military activity directed at foreign nations from the United States believed they had authorization from the U.S. government to do so. In several cases, prosecution of Neutrality Act cases has been impeded by the difficulty in determining whether or not military activity against nations with whom the U.S. is not officially at war was in fact authorized by government officials. This provision would clarify current law by establishing a formal system to determine whether such activity has or has not been authorized.

Mr. ADAMS. Mr. President, I am pleased to join with the distinguished sponsor of this bill, Senator KERRY, in cosponsoring this measure. As a former member of the Subcommittee on Narcotics, Terrorism and International Operations, I participated in the extensive and thorough hearings which lead to the legislative proposals contained in this bill. These legislative proposals are the result of months of hearings into the nature and extent of the international narcotics problem. They are aimed at eliminating some of the obvious shortcomings which have in the past contributed to our Nation's inability to halt the trafficking of international narcotics.

An international drug cartel is methodically and strategically targeting the United States as their main market for their drugs. They are making billions and billions of dollars in profits at the expense of our kids and our future. This cartel poses the most serious threat to U.S. national security that we have seen since World War II.

During the hearings held by the Subcommittee on Narcotics and Ter-

rorism which led to the development of this legislation, we learned that the objective of cutting off the supply of drugs became a secondary goal in our foreign policy in Central and Latin America. The work of our law enforcement apparatus to deal with the international drug problem has been frustrated and subverted to broader foreign policy objectives in many countries we examined—in Nicaragua, in Honduras, in Haiti, in the Bahamas and in Panama. Provisions of this bill which require the State Department to notify Congress whenever it refuses to help law enforcement officials because of national security will help address this problem. Other provisions of this bill creating new sanctions which the President may impose on nations that do not cooperate in the war on drugs, amendments to the Neutrality Act, and provisions to prohibit the State Department and U.S. intelligence agencies from making payments to convicted drug traffickers and money launderers will help improve our effort to counter the international drug cartel.

We need to move forward on these legislative proposals without delay. As the new chairman of the District of Columbia Appropriations Subcommittee, I am trying to develop some programs which will help us wake up from a nightmare where our streets and our schools are besieged by drugs. It is a nightmare of kids addicted to crack, of kids killing kids, of drug peddlers going free to poison our streets, and of an overburdened and overloaded law enforcement and criminal justice system.

Last week, I spent 2 full days meeting with local government officials in my home town of Seattle. During those 2 days, I witnessed a criminal justice system which is overburdened because of crack and cocaine. It is a situation which requires Federal action in dealing with both the supply and demand side of the narcotics equation. This bill will help us address what needs to be done to cut down on supply. Through other legislative efforts, we must move with equal vigor on the demand side of the equation.

In closing, I just want to compliment Senator KERRY for his dedication to this cause and my pledge to continue to work with him and others to see that we ultimately win the war on drugs—in foreign countries and in our streets.

By Mr. SASSER (for himself and Mr. ROTH):

S. 926. A bill to improve cash management by executive agencies, and for other purposes; to the Committee on Governmental Affairs.

CASH MANAGEMENT IMPROVEMENT ACT

● Mr. SASSER. Mr. President, I am pleased today to join with my distinguished colleague from Delaware, Mr. ROTH, in introducing the Cash Management Improvement Act of 1989.

This bill was introduced by Senator ROTH and myself in the 100th Congress. It was favorably reported from the Governmental Affairs Committee last year, was unanimously approved by the Senate, and was the subject of a very constructive hearing before the House Government Operations Committee. Although the 100th Congress adjourned before the House could take action on our bill, I am confident that prompt action by the Senate, this year, will be rewarded with final enactment.

The legislation we are reintroducing has the support of the General Accounting Office, the Office of Management and Budget, and the Department of the Treasury. It also has the backing of both the National Association of State Auditors, Comptrollers and Treasurers, and the National Association of State Budget Officers.

Simply put, this bill is designed to improve the efficiency with which billions of dollars of Federal funds are transferred to States to enable them to carry out Federal programs. Our goal is to insure that neither a State, nor the Federal Government, is out-of-pocket an undue length of time as a result of these transfers. Our bill seeks to narrow the time between the transfer of Federal funds—whether an advancement, or a reimbursement—and the time when those funds are paid out by a State for program purposes.

Thus, the cash management bill would prevent State governments from drawing down Federal funds too far ahead of schedule. By the same token, it would keep States from incurring a fiscal penalty when they advance their own funds, and then experience delays in Federal reimbursement.

The way this will be accomplished is by the reciprocal calculation of interest on Federal or State cash advances, pending their payout for program purposes. Our bill provides that each State, and the Federal Government, will enter into an agreement covering funding for all Federal assistance programs in which the State participates. The interest obligation provides a mutual incentive for State and Federal agencies to see that the transfer of Federal funds coincides as closely as possible to actual payments to program recipients.

For instance, if a State requires Federal funds on hand before it can lawfully issue checks, it will be able to have them. The State will simply be accountable for interest from the time when the Federal Treasury transfers the funds, until the time when funds are paid to redeem the State's checks. So each State will certainly work to reduce the time between when they draw down, and when they disburse, Federal funds.

Conversely, if the State advances its own funds for Federal program purposes, subject to reimbursement by the responsible Federal agency, the Federal Government will be liable for interest payment to the State from the time the State pays out funds to redeem its checks, until reimbursement is forthcoming.

Actual payment or setoff of interest between a State and the Federal Government would be performed annually. Last year, the Congressional Budget Office estimated that when fully implemented, the cash management bill would result in a net payment balance of $45 to $50 million in the Federal taxpayer's favor. But I can tell you that nearly all the States we have heard from, including my home State of Tennessee, favor the bill strongly. It ensures predictability in Federal funding, which assists the States' own investment strategies. Through astute management of the Federal money they have on hand, States will suffer no adverse impact from our bill. Let me emphasize that it is intended as a make-whole bill, not a money maker for either a State, or the Federal Government.

This legislation had its origin in a sharp dispute between State and Federal Governments during the early 1980's. Federal agencies complained that States were drawing down excessive funds for Federal programs, and doing it too early. The float earned by a State on these funds was an interest expense to the Federal taxpayer. But the States had an equally valid complaint. When a State advanced its own money—for example, for Federal highway construction—Federal agencies were too often late in making reimbursement. This was an interest expense to the State.

So the present cash management bill was developed by a joint Federal/State cash management reform task force, which was formed in 1983. The interest calculation-and-setoff formula was successfully pilot-tested by four States: Virginia, Indiana, Wisconsin, and California.

The efforts of the task force were followed by intensive work with the Senate Governmental Affairs Committee in the 99th Congress, on a bill introduced by Senator ROTH. As I've noted, Senator ROTH and I reintroduced that legislation in the last Congress, as S. 1381. It was the subject of a hearing before the Subcommittee on Government Efficiency, Federalism, and the District of Columbia, which I chair. S. 1381 was enthusiastically endorsed at that hearing by a number of State fiscal officers and representatives of the administration.

As a result of that hearing, and continuing discussions among Federal executive agencies, States, and congressional staff, we have made some

changes in the legislation being introduced today. I think those changes strengthen S. 1381. Let me summarize the more significant modifications in the cash management bill.

First of all, S. 1381 included a provision, which is repeated in the present bill, that allows the Secretary of the Treasury to financially penalize a Federal agency for failing to adhere to proper cash disbursement guidelines. However, we want to be sure that this Federal housekeeping tool does not end up draining money from funds which are earmarked for the States. Thus, the bill we introduce today provides that any penalty assessed against a Federal agency will come from agency operating funds, not program funds intended for disbursement to the States.

Second, our bill today clarifies that actual payments or offset of interest between the Federal Government and each State will be done once a year.

The present bill also specifies that States are not to be charged for interest that they are required to retain for program purposes. For example, a number of statutory Federal programs specifically intend that States will retain and plow back interest on undisbursed funds. These include certain revolving funds accounts, such as national direct student loans, and certain construction programs such as those authorized by the Clean Water Act. It would be anomalous to demand back the interest earned by States from investing funds for these programs.

Finally, the legislation we are introducing makes an important distinction, concerning State withdrawals from their accounts at the unemployment trust fund. Although the money in question belongs to the individual States, the Secretary of the Treasury is required by statute to invest the fund as a single entity. In order not to diminish the earning power of the fund, it is important that a State return to its account any outside interest it earns when it draws down an advance from its account. Before returning this interest, however, our bill first permits the State to net out the costs it is charged by a bank to handle these drawdowns. Otherwise, the State would bear these banking costs as an out-of-pocket expense for using its own money. That is not what we intend, and our bill so indicates.

In conclusion, Mr. President, the Cash Management Improvement Act of 1989 is much-needed legislation which has already received considerable study and unanimous approval from the Senate. It will improve the efficiency of Federal funds transfers, and insure that neither the Federal nor State taxpayer is disadvantaged by having Government money sit idle too long. I commend this bill to my colleagues and urge them to join me and Senator ROTH in securing its prompt passage.●

● Mr. ROTH. Mr. President, I am pleased to join with Senator SASSER in introducing legislation to govern the cash management practices followed in the transfer of funds between the Federal and State Government, to the 101st Congress.

In the 99th Congress, I introduced the omnibus Federal management bill, S. 2230, the Federal Management Reorganization and Cost Control Act of 1986, which contained, as a title, the essence of the Cash Management Improvement Act of 1989. Although S. 2230 was reported unanimously from the Senate Governmental Affairs Committee, it was never considered on the Senate floor. Two years ago, during the first session of the 100th Congress, Senator SASSER joined with me in introducing S. 1381, the Cash Management Improvement Act of 1987, as a separate bill. This legislation focused on the provisions of title IV of S. 2230.

The ideas encompassed in S. 1381 have been developed and discussed over a number of years. The work was done by the State/Federal Cash Management Reform Task Force which produced two memorandums of understanding, one in 1983 and 1985, as a means for ensuring equity in the exchange of funds between the Federal Government and the States. The documents show the progress of years of negotiation and cooperation between the Federal Government and the States.

For many years, intergovernmental financing methods have been an area of friction between the State and Federal Governments. All sides to this problem have been well noted. The States are known to draw down Federal funds sooner than necessary. On the other hand, the Federal Government has not always provided the States their Federal funds on time so that they must use their own funds to finance Federal programs. It was clear that both parties had to develop viable solutions. With the urging of Congress, the Federal/State Cash Management Reform Task Force was created, and at the core of this legislation lies their findings.

The equity achieved in this legislation is indeed a reflection of the work and cooperation that came from all participants. I would like to thank Senator SASSER for his work in bringing the States and the executive and legislative branches together again to work out a final draft of this legislation which passed the full Senate last year and is being introduced today.

For the record, I want to say a little about why this bill authorizes the exchange of interest between the Federal Government and the States. The interest exchange provision in the bill provides an incentive for the timely payment of funds. If this were a perfect world, this provision would not be needed. But, unfortunately, experience has shown that States don't always get funds from the Federal Government when they need them, and not all States have historically waited until they need funds, to draw them down. Clearly, we must develop cash transfer policies that are fair, uniform, predictable, and enforceable.

To accomplish this end, the bill utilizes the making whole concept in that whoever has use of the money pays for it, compensating the other party for any loss of investment opportunity. Added to the bill is authority for the Treasury Department to penalize an agency that is chronically poor in its cash management. There is a similar statute for the collection activity which was used as a model for disbursements in this legislation.

It is also important to point out that States need not choose a funding option that calls for the interest exchange. Options are available that would not require the exchange of interest, and the U.S. Treasury will work with States to ensure a mutually agreeable option for the drawing down of funds. The bill calls for the establishment of cash management practices which allow that neither the Federal or State Governments prosper or suffer financially as the result of the transfer of funds.

I think it noteworthy that both the National Association of State Auditors, Comptrollers and Treasurers and the National Association of State Budget Officers have called for enactment of the ideas in this legislation. These groups have had members on the State/Federal Cash Management Reform Task Force since its inception, and they endorse the content of the bill, which closely follows the legislation developed by the Task Force.

The Congressional Budget Office has looked at this legislation for cost savings, and has concluded, based on past Treasury information, that it should save the Federal Government between $35 to $50 million a year. This bill can be a key to building a strong level of trust and confidence in the intergovernmental financing process, as it is based on tested principles that have been mutually agreed upon. This is a timely piece of legislation both in concept and in result.

This bill is an excellent example of how the legislative process should work. It has been debated by the parties involved and a compromise, satisfactory to all, has been drafted for the consideration of Congress. Partners in this effort have been Senators on both sides of the aisle, the Treasury, and the States. The bill will save the taxpayer money, and will make government run more smoothly. Further it has previously passed the Senate. As I

have said before, this is a piece of legislation whose time has come.●

By Mr. PELL:

S. 928. A bill to authorize appropriations for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting for fiscal year 1990, and for other purposes; to the Committee on Foreign Relations.

FOREIGN RELATIONS AUTHORIZATION ACT

● Mr. PELL. Mr. President, I am today introducing the Foreign Relations Authorization Act for fiscal year 1990. This legislation provides authority for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting. In addition, it includes a significant expansion of U.S. global environment legislation and important policy provisions, including a ban on any assistance that might directly or indirectly benefit the murderous Khmer Rouge in Cambodia.

This legislation increases funding for these foreign affairs agencies by $300 million over last year's appropriated levels. Most of this increase goes to meet U.S. treaty obligations to the United Nations and the specialized agencies. In the last year the United Nations has proven its value, helping end the bloody Iran-Iraq War, helping bring peace and independence to Namibia, and facilitating the Soviet withdrawal from Afghanistan. It is a source of embarrassment that the United States has not paid its dues to the United Nations and this bill will help rectify that situation.

Unfortunately, the budget summit agreement does not provide sufficient funding to pay for other essential increases in our foreign affairs agencies. Reluctantly, this bill defers the new transmitter for the VOA and Radio Free Europe that was slated to be built in Israel. In addition, we are unable to do more for the State Department and USIA than maintain current services. In some cases, this bill also makes real cuts. The failure to fully fund our foreign affairs agencies does real damage to our national security; it is the tragic price we must pay for 8 years of spend, spend, borrow, borrow.

This bill includes numerous policy provisions. I would like to call my colleagues' attention to several. In the international environmental area, the bill includes language cosponsored by Senators BIDEN, LUGAR, and myself to significantly expand our international programs including preliminary authorization for "debt for nature" swaps. A provision offered by Senator MOYNIHAN seeks to ensure respect for our Constitution by criminalizing efforts to circumvent congressional prohibitions by having other countries do what we cannot.

Finally, I would like to call attention to a human rights provision I consider paramount. This bill includes language to prohibit assistance of any kind to the Khmer Rouge and to any Cambodian military or political group in alliance or association with the Khmer Rouge. With the Vietnamese withdrawal at hand, we must ensure that there is no role in any future Cambodian Government for the murderers who slaughtered over 1 million Cambodians in the 4-year period 1975 to 1979. Rather than accepting the Khmer Rouge as a part of the Cambodian landscape, as some in our Government have suggested, this bill urges the President to do what is necessary to bring them to the bar of justice for the crime of genocide.

I ask unanimous consent that the text of the Foreign Relations Authorization Act for fiscal year 1990 be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 928

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Foreign Relations Authorization Act for Fiscal Year 1990."

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—THE DEPARTMENT OF STATE

PART A—AUTHORIZATION OF APPROPRIATIONS; ALLOCATION OF FUNDS

Sec. 101. Administration of foreign affairs.
Sec. 102. Contributions to international organizations and conferences.
Sec. 103. International commissions.
Sec. 104. Other programs.
Sec. 105. Migration and refugee assistance.
Sec. 106. Availability of funds.
Sec. 107. Prohibition on solicitation of funds to further illegal activities.
Sec. 108. Prohibition on assisting third party countries to further prohibited United States Government actions.

PART B—DEPARTMENT OF STATE AUTHORITIES AND ACTIVITIES; FOREIGN MISSIONS

Sec. 110. Authorization of certain operational activities.
Sec. 111. Fees and reimbursements.
Sec. 112. International center.
Sec. 113. Acquisition of domestic property as interim step to acquiring property abroad.
Sec. 114. Working capital fund for Office of Foreign Missions.
Sec. 115. Middle East reports.
Sec. 116. Munitions control registration fees.
Sec. 117. Use of herbicides for drug eradication.
Sec. 118. Support for the Benjamin Franklin House Museum and Library.
Sec. 119. International Boundary & Water Commission.
Sec. 120. Diplomatic and consular posts abroad.
Sec. 121. Consular officer duties.
Sec. 122. Access to criminal records.
Sec. 123. State Department post offices abroad.
Sec. 124. Authority of Diplomatic Security Service.
Sec. 125. Prohibition on the use of military items in Tibet.
Sec. 126. Opening an American Consulate in Bratislava.
Sec. 127. Construction of United States Embassy in Ottawa.
Sec. 128. Assistant Secretary of State for South Asia.
Sec. 129. Visiting Scholars Program for the Foreign Service Institute.

PART C—DIPLOMATIC IMMUNITY, RECIPROCITY AND SECURITY

Sec. 130. Exclusion of aliens previously involved in a serious criminal offense committed in the United States.
Sec. 131. United States-Soviet reciprocity in matters relating to Embassies.
Sec. 132. United States-Soviet Embassy agreement.
Sec. 133. Child care facilities at certain posts abroad.
Sec. 134. State Department contractor exemption to Polygraph Protection Act.

PART D—PERSONNEL

Sec. 140. Authority to transfer retirement contributions for Foreign Service nationals to local plans.
Sec. 141. Judicial review—separation for cause.
Sec. 142. Travel, leave, and other benefits.
Sec. 143. Amendments to title 5, United States Code.
Sec. 144. Credit for service at unhealthful posts.
Sec. 145. Former spouses of USIA and AID employees.
Sec. 146. Grants for institutions and students and training in international affairs.
Sec. 147. Expansion of model foreign language competence posts.
Sec. 148. Report on foreign language entrance requirement for the Foreign Service.
Sec. 149. Foreign Service promotion panels.
Sec. 150. Change in the employee evaluation report.

TITLE II—UNITED STATES INFORMATION AGENCY

Sec. 201. Authorization of appropriations; allocation of funds.
Sec. 202. Voice of America.
Sec. 203. Bureau of Educational and Cultural Affairs.
Sec. 204. National Endowment for Democracy.
Sec. 205. East-West Center.
Sec. 206. Fees for USIA publications and other programs.
Sec. 207. Diplomatic Construction Program.
Sec. 208. Foreign Language Services.
Sec. 209. Dissemination of information within the United States.
Sec. 210. Establishment of the J. William Fulbright Scholarship Board.
Sec. 211. USIA satellite and television.
Sec. 212. Free enterprise system in television.
Sec. 213. Citizen exchanges.
Sec. 214. Scholarships for Tibetans.
Sec. 215. United States-Soviet exchanges.
Sec. 216. Voice of America hiring practices.
Sec. 217. Distribution within the United States of USIA film entitled "Long Journey Home."

TITLE III—BOARD FOR INTERNATIONAL BROADCASTING
Sec. 301. Authorization of appropriations.
Sec. 302. Procurement of legal services.
Sec. 303. Radio Free Afghanistan.
TITLE IV—INTERNATIONAL ORGANIZATIONS
Sec. 401. United States membership in International Sugar Organization.
Sec. 402. Reform in budget-making at the United Nations and its specialized agencies.
Sec. 403. United Nations voting practices amendment.
Sec. 404. Membership of the PLO in United Nations agencies.
TITLE V—REFUGEE AND OTHER PROVISIONS
Sec. 501. United Nations High Commissioner for Refugees Audit Requirement.
Sec. 502. Worldwide refugee protection.
Sec. 503. Prohibition on exclusion or deportation of non-resident aliens.
TITLE VI—GLOBAL ENVIRONMENT PROTECTION ACT
Sec. 601. Short title.
PART A—COMMERCIAL AND GOVERNMENTAL DEBT-FOR-NATURE EXCHANGES
Sec. 610. Amendment to the Foreign Assistance Act.
PART B—MULTILATERAL FOREIGN ASSISTANCE COORDINATION
Sec. 620. General policy.
Sec. 621. Policy on negotiations.
PART C—INTERNATIONAL DEBT EXCHANGE INSTITUTION
Sec. 630. Establishment of an International Debt Exchange Institute.
Sec. 631. Report.
PART D—SALE OF AGRICULTURAL COMMODITIES
Sec. 640. Amendment to the Agricultural Trade Development and Assistance Act of 1954.
PART E—MONTREAL PROTOCOL TO PROTECT THE OZONE
Sec. 650. Policy in favor of reopening the Montreal protocol.
PART F—WILDLIFE PROTECTION
Sec. 660. Elephant protection.
Sec. 661. Authorization for membership in the International Tropical Timber Organization.
Sec. 662. Authorization for membership in the International Union for the Conservation of Nature and Natural Resources.
Sec. 663. Authorization of appropriations for membership in wildlife conventions.
TITLE VII—TELEVISION BROADCASTING TO CUBA ACT
Sec. 701. Short title.
Sec. 702. Purpose.
Sec. 703. Additional functions of the United States Information Agency.
Sec. 704. Cuba television service of the United States Information Service.
Sec. 705. Amendments to the Radio Broadcasting to Cuba Act.
Sec. 706. Assistance from other Government agencies.
Sec. 707. Authorization of appropriations.
Sec. 708. Definitions.
Sec. 709. Sense of Congress.
TITLE VII—POLICY PROVISIONS
Sec. 801. Policy on Cambodia.

TITLE I—THE DEPARTMENT OF STATE

PART A—AUTHORIZATION OF APPROPRIATIONS; ALLOCATION OF FUNDS

SEC. 101. ADMINISTRATION OF FOREIGN AFFAIRS.

The following amounts are authorized to be appropriated for fiscal year 1990 for the Department of State for the "Administration of Foreign Affairs" to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law:

(1) For "Salaries and Expenses" of the Department of State, including salaries and expenses for the Diplomatic Security program. $1,769,052,000.

(2) For the "Office of the Inspector General," $18,672,000.

(3) For the "Acquisition and Maintenance of Buildings Abroad," $218,900,000.

(4) For "Representation Allowances," $9,100,000.

(5) For the "Protection of Foreign Missions and Officials," $4,600,000.

(6) For "Emergencies in the Diplomatic and Consular Service," $4,700,000.

(7) For the "American Institute in Taiwan," $11,300,000.

SEC. 102. CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND CONFERENCES.

The following amounts are authorized to be appropriated for contributions to "International Organizations and Conferences," for fiscal year 1990:

(1) For "Contributions to International Organizations," $714,927,000.

(2) For "Contributions for International Peacekeepings Activities," $111,184,000.

(3) For "International Conferences and Contingencies," $6,340,000.

SEC. 103. INTERNATIONAL COMMISSIONS.

The following amounts are authorized to be appropriated for contributions to "International Commissions," for fiscal year 1990:

(1) For the salaries and expenses of the "International Boundary and Water Commission, United States and Mexico," $10,460,000.

(2) For construction projects for the "International Boundary and Water Commission, United States and Mexico," $11,500,000.

(3) For the "International Boundary Commission, United States and Canada," $750,000.

(4) For the "International Joint Commission," $3,750,000.

(5) For "International Fisheries Commissions," $11,000,000.

SEC. 104. OTHER PROGRAMS.

The following amounts are authorized to be appropriated for the Department of State for fiscal year 1990 to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law:

(1) For "United States Bilateral Science and Technology Agreements," $4,000,000.

(2) For "Soviet-East European Research and Training," $5,000,000.

(3) For the "Asia Foundation," $18,000,000.

SEC. 105. MIGRATION AND REFUGEE ASSISTANCE.

There is authorized to be appropriated for "Migration and Refugee Assistance," $370,000,000 for fiscal year 1990, of which $25,000,000 shall be available only for assistance for refugees resettling in Israel.

SEC. 106. AVAILABILITY OF FUNDS.

(a) Section 24 of the State Department Basic Authorities Act is amended—

(1) by renumbering subsections (b)(4)-(b)(6) as (b)(5)-(b)(7) and by inserting as new subsection (b)(4):

"(b)(4) No later than the end of the second fiscal year following the last fiscal year for which appropriations (other than no-year appropriations) for any account under the heading 'Administration of Foreign Affairs' have been made available to the Department of State, amounts obligated during the period of availability may, if deobligated after expiration of the period of availability for obligation for such appropriations, be transferred into and merged with the Buying Power Maintenance Account."; and

(2) by inserting the following new subsections (e) and (f):

"(e) If the amount appropriated (or made available in the event of a sequestration order issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177, as amended)) for a fiscal year pursuant to any authorization of appropriations provided by an Act other than an appropriation Act is less than the authorization amount and a provision of that Act provides that a specified amount of the authorization amount shall be available only for a certain purpose, then the amount so specified shall be deemed to be reduced for that fiscal year to the amount which bears the same ratio to the specified amount as the amount appropriated (or made available in the event of sequestration) bears to the authorization amount.

"(f) Amounts authorized to be appropriated for a fiscal year for the Department of State are authorized to be obligated for twelve month contracts which are to be performed in two fiscal years, provided that the total amount for such contracts is obligated in the earlier fiscal year."

(b) Subsection (a) shall apply only to funds appropriated for fiscal year 1987 and thereafter. In the case of appropriations provided for fiscal years 1987 and 1988, it shall apply only to funds which become obligated after the date of enactment of this Act.

SEC. 107. PROHIBITION ON SOLICITATION OF FUNDS TO FURTHER ILLEGAL ACTIVITIES.

Title I of the State Department Basic Authorities Act of 1956 is amended by—

(a) by redesignating section 42 as section 43; and

(b) by inserting after section 41 the following new section:

"SEC. 42. PROHIBITION ON SOLICITATION OF FUNDS TO FURTHER ILLEGAL ACTIVITIES.

"(a) PROHIBITION.—Notwithstanding any other provision of law, no officer or employee of the United States Government may solicit the provision of funds by any foreign government (including any instrumentality or agency thereof), foreign person, or United States person, for the purpose of furthering any military, foreign policy, or intelligence objective expressly prohibited by United States law.

"(b) PENALTY.—Any person who violates the provision of subsection (a) shall be imprisoned not more than five years or fined in accordance with title 18, United States Code, or both.

"(c) DEFINITION.—For purposes of this section, the term 'person' includes (1) any natural person, (2) any corporation, partnership, or other legal entity, and (3) any organization, association, or other group.".

SEC. 108. PROHIBITION ON ASSISTING THIRD PARTY COUNTRIES TO FURTHER PROHIBITED UNITED STATES GOVERNMENT ACTIONS.

Chapter 1 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 620F. PROHIBITION ON ASSISTING THIRD PARTY COUNTRIES TO FURTHER PROHIBITED UNITED STATES GOVERNMENT ACTIONS.

"(a) PROHIBITION.—Notwithstanding any other provision of law, no United States assistance shall be provided for a foreign country if the purpose or effect of that assistance would be to further any military, foreign policy, or intelligence activity expressly prohibited by United States law.

"(b) DEFINITION.—For purposes of this section, the term 'United States assistance' means—

"(1) assistance of any kind under the Foreign Assistance Act of 1961;

"(2) sales, credits, and guarantees under the Arms Export Control Act;

"(3) export licenses issued under the Arms Export Control Act; and

"(4) activities authorized pursuant to the National Security Act of 1947 (50 U.S.C. 410 et seq.), the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a et seq.), or Executive Order Number 12333 (December 4, 1981).".

PART B—DEPARTMENT OF STATE AUTHORITIES AND ACTIVITIES; FOREIGN MISSIONS

SEC. 110. AUTHORIZATION OF CERTAIN OPERATIONAL ACTIVITIES.

Section 2 of the State Department Basic Authorities Act is amended—

(a) in subsection (g) by deleting "and" at the end;

(b) in subsection (h) by deleting the "." and inserting in its place ";"; and

(c) by inserting the following as new subsections (i)-(k):

"(i) obligations assumed in Germany on or after June 5, 1945;

"(j) provision of telecommunications services; and

"(k) provision of maximum physical security in Government-owned and leased properties and vehicles abroad."

SEC. 111. FEES AND REIMBURSEMENTS.

(a) The State Department Basic Authorities Act of 1956 is amended by adding as a new section 43:

"Sec. 43. (a) Notwithstanding any other provision of law, for fiscal year 1990 funds received by the Department in connection with use of Blair House, including reimbursements and surcharges for services and goods provided and fees for use of Blair House facilities, may be credited to the appropriate appropriation account currently available to the Department, and shall be available for maintenance and other expenses of Blair House.

"(b) The authority of this section may be exercised only to such extent or in such amounts as are provided in advance in appropriation acts."

SEC. 112. INTERNATIONAL CENTER.

Section 4 of the International Center Act is amended by inserting at the end the following new subsection (c):

"(c) The Department of State is authorized to charge U.S. Government agencies for the lease or use of facilities located at the International Center and used for the purposes of security and maintenance. Any payments received for lease or use of such facilities shall be credited to the account entitled "International Center, Washington, D.C." and shall be available, without fiscal year limitation, to cover the operating expenses of such facilities including but not limited to administration, maintenance, utilities, repairs and alterations."

SEC. 113. ACQUISITION OF DOMESTIC PROPERTY AS INTERIM STEP TO ACQUIRING PROPERTY ABROAD.

(a) Section 203(c) of the State Department Basic Authorities Act is amended by striking "and" at the end of subparagraph (2); by renumbering subparagraph "(3)" as subparagraph "(4)"; and by inserting as a new subparagraph (3):

"(3) dispose of property acquired in carrying out the purposes of this Act, provided that proceeds from disposition of properties acquired pursuant to section 204(f) shall be credited to the Foreign Service Buildings Fund under section 9 of the Foreign Service Buildings Act, 1926; and";

(b) Section 204 of the State Department Basic Authorities Act is amended—

(1) in subsection (b) by striking the "or" at the end of (b)(3) and inserting "or" at the end of (b)(4), and by adding a new subparagraph (b)(5) as follows:

"(5) to implement an exchange of property with a foreign country, such property to be used by each government in the receiving state for or in connection with diplomatic or consular establishments."; and

(2) adding a new subsection (f) as follows:

"(f) Upon a determination in each specific case by the Secretary or his designee that the purposes of the Foreign Service Buildings Act, 1926, can best be met on the basis of an in-kind exchange of properties with a foreign country pursuant to subsection (b)(5), the Secretary may transfer funds made available under the heading "Acquisition and Maintenance of Buildings Abroad" for such purposes, including funds held in the Foreign Service Buildings Fund, to the Working Capital Fund as provided in section 208(h)(1) of this Act. In addition to any funds that may be provided by a foreign government for the purchase of property, only funds transferred to the Capital Fund from the "Acquisition of Maintenance of Buildings Abroad" account or the Foreign Service Buildings Funds account may be used for the purposes of subsection (b)(5). Furthermore, the Secretary may acquire property in the United States for the purposes of subsection (b)(5) only in the context of a specific reciprocal agreement with a specified foreign government. Property acquired by the United States in the foreign country through such an exchange shall benefit the United States at least to the same extent as the property acquired in the United States benefits the foreign government."

(c) Section 9(a)(1) of the Foreign Service Buildings Act, 1926 is amended by adding "or in the United States pursuant to section 204(b)(5) of the State Department Basic Authorities Act of 1956" at the end.

SEC. 114. WORKING CAPITAL FUND FOR OFFICE OF FOREIGN MISSIONS.

Section 13 of the State Department Basic Authorities Act is amended by inserting "and" before "(4)"; and striking "; and (5) services and supplies to carry out" and inserting in its place ". Such fund shall also be available without fiscal year limitation to carry out the purposes of".

SEC. 115. MIDDLE EAST REPORTS.

(a) REPORTS CONCERNING COMMITMENTS OF THE PALESTINE LIBERATION ORGANIZATION.—

(1) Not more than 30 days after the date of the enactment of this Act, the Secretary of State shall prepare and submit to the Congress a report concerning the actions and statements of the Palestine Liberation Organization as they relate to the carrying out of the commitments of such organization made in Geneva on December 14, 1988, regarding the renunciation of terrorism and the recognition of Israel's right to exist.

(2) In addition to the report under paragraph (1), the Secretary of State shall report to the Congress when there are changes in the procedural or substantive status of the dialogue with the Palestine Liberation Organization.

(3) For the purpose of providing information required by paragraph (1), the term "actions and statements by the Palestine Liberation Organization" shall include actions and statements of the Chairman, members of the Executive Committee, the constituent groups comprising the Palestine Liberation Organization, and the Palestine National Council.

(b) REPORT CONCERNING THE ARAB STATES AND THE PEACE PROCESS.—Not more than 30 days after the date of enactment of this Act, the Secretary of State shall prepare and submit to the Congress a report concerning the policies of Arab states toward the Middle East peace process, including progress toward—

(1) public recognition of Israel's right to exist is peace and security;

(2) ending the Arab economic boycott of Israel; and

(3) ending efforts to expel Israel from international organizations or denying participation in the activities of such organizations.

SEC. 116. MUNITIONS CONTROL REGISTRATION FEES.

Section 38(b)(3)(A) of the Arms Export Control Act (22 U.S.C. 2778) is amended by striking "1988 and 1989" and inserting in its place "1990".

SEC. 117. USE OF HERBICIDES FOR DRUG ERADICATION.

(a) IN GENERAL.—For each foreign country in which the Department of State uses, or approves for use, a herbicide for the purpose of eradicating coca or opium by aerial application, the Assistant Secretary for International Narcotics Matters shall submit a report to the Congress determining:

(1) the expected impact of eradication on the price and availability of cocaine and heroin in the United States.

(2) the extent to which aerial eradication could encourage coca or opium growers to align themselves with insurgent groups against legitimate governmental authorities, and the consequences of strengthening such insurgent groups for broader United States foreign policy objectives;

(3) the total dollar amount of assistance given by the United States, international organizations and local governments to help coca and opium growers in aerial eradication zones shift to production of licit crops, and the likelihood that such assistance will be adequate for this purpose;

(4) what countermeasures cocoa and opium growers may take in response to aerial eradication of their crops, including adoption of guerrilla farming techniques and shifting of cultivation to more isolated areas;

(5) what countermeasures may be taken against aerial eradication by illicit drug cartels, including their recruitment of new growers in more isolated areas.

(b) For countries in which aerial coca or opium eradication programs are already underway, the Secretary shall submit the report required by this section as part of the

annual report required by subsection (e) of Section 481 of the Foreign Assistance Act of 1961. For countries in which no such programs are underway, and for which the Secretary approves the use of herbicides for aerial coca or opium eradication, the Secretary shall submit the report required by this section 60 days prior to the commencement of the eradication program.

(c) LIMITATION ON USE OF EQUIPMENT.—No equipment or aircraft made available to a foreign country for narcotics control purposes under Section 482 of the Foreign Assistance Act of 1961 may be used or deployed in a location to which representatives of the United States Government are not permitted substantially free access by the government of the foreign country.

SEC. 118. SUPPORT FOR THE BENJAMIN FRANKLIN HOUSE MUSEUM AND LIBRARY.

(a) FINDINGS.—The Congress finds that—

(1) the former London residence of Benjamin Franklin is the only surviving home of Benjamin Franklin existing today and should be preserved to commemorate his great contributions to human liberty, science and education.

(2) the Friends of Benjamin Franklin House and the American Franklin Friends Committee are twin charities dedicated to the restoration, preservation and maintenance of the Benjamin Franklin house as a museum and library open to the public.

(b) SUPPORT.—The Congress hereby—

(1) urges the people of the United States to recognize June 17, 1990 as the bicentennial of Benjamin Franklin's death and to celebrate Franklin's long and distinguished public service, his scientific and literary achievements, and his role as a founding father of our country.

(2) calls on the relevant agencies and departments of the federal government of the United States to recognize the important goals of the Friends of Benjamin Franklin House and the American Franklin Friends Committee.

SEC. 119. INTERNATIONAL BOUNDARY & WATER COMMISSION.

(a) Section 101 of the Act of June 20, 1956 (22 U.S.C. 277d-12) is amended as follows:

(1) In the title by inserting "and sanitation" after "flood control"; and by striking "Rio Grande" and inserting in its place "boundary rivers, and boundary sanitation problems";

(2) In the provision by inserting "or sanitation" after "flood control"; by striking the "." after "Rio Grande" and inserting in its place ", Colorado and Tijuana Rivers; and for taking of emergency actions to protect against health threatening sanitation problems by repairing or replacing existing capital infrastructure along the U.S.-Mexico Boundary."

(b) The Act of May 13, 1924, as amended (22 U.S.C. 277-277f), is amended as follows:

(1) in section 3 (22 U.S.C. 277b) by—

(A) inserting "(1)" after "authorized" in the first line; by striking "and (b)" and inserting "(2)"; and by striking the "." and inserting in its place "; and (3) to carry out preliminary surveys, operations and maintenance of the interceptor system constructed to intercept sewage flows from Tijuana and from selected canyon areas."; and

(B) adding the following new subsections (b) and (c):

"(b) Expenditures for the Rio Grande bank protection project shall be subject to the provisions and conditions contained in the appropriation for said project as provided by the Act approved April 25, 1945 (59 Stat. 89).

"(c) The Anzalduas diversion dam shall not be operated for irrigation or water supply purposes in the United States unless suitable arrangements have been made with the prospective water users for repayment to the Government of such portions of the dam as shall have been allocated to such purposes by the Secretary of State."; and

(2) in section 2 (22 U.S.C. 277a) by inserting ", drainage of transboundary storm waters," after "stabilization and".

SEC. 120. DIPLOMATIC AND CONSULAR POSTS ABROAD.

Section 122 of the Foreign Relations Authorization Act, Fiscal years 1988 and 1989 (Public Law 100-204) is amended to read as follows:

"SEC. 122. DIPLOMATIC AND CONSULAR POSTS ABROAD.

"(a) OPERATION OF POSTS.—Except as provided by this section, no funds authorized to be appropriated by this or any other Act shall be available to pay any expense related to the closing of a diplomatic or consular post.

"(b) CONGRESSIONAL NOTIFICATION.—Except as provided in subsections (c) and (d), a diplomatic or consular post may be closed only if not less than 365 days prior to a proposed closing of a post, the Secretary of State prepares and submits a notification, together with any justifications, of such proposed action to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives.

"(c) EXCEPTIONS.—The provisions of subsection (b) shall not apply with respect to any post closed—

"(1) because of a break or downgrading of diplomatic relations between the United States and the country in which the post is located; or

"(2) because there is a real and present threat to United States diplomatic or consular personnel in the city where the post is located and a travel advisory warning against American travel to that city has been issued by the Department of State; or

"(3) is order to provide funds to open a new consulate or diplomatic post which will be staffed by the Department of State on a full-time basis with at least one Foreign Service officer or member of the Senior Foreign Service, if the Secretary of State, prior to the closing of the post, prepares and transmits to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives a report stating that—

"(A) the new post is a higher priority than the post proposed to be closed; and

"(B) the total number of consular and diplomatic posts abroad is not less than the number of such posts in existence on May 1, 1989.

"(d) SEQUESTRATION.—In the case that a sequestration order is issued pursuant to Part C of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 et seq.; Public Law 99-177), the Secretary of State may, as part of an agencywide austerity proposal, submit a report proposing a list of diplomatic and consular posts to be closed in order to comply with the sequestration order, together with a justification for the inclusion of each post on such list. Such report shall be submitted to the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives.

"(e) DEFINITION.—As used in this section, the term 'diplomatic or consular post' does not include a post to which only personnel of agencies other than the Department of State are assigned.".

SEC. 121. CONSULAR OFFICER DUTIES.

Section 31 of the Act of June 22, 1860 (22 U.S.C. 4192) is repealed.

SEC. 122. ACCESS TO CRIMINAL RECORDS.

(a) Section 9101 of title 5 of the United States Code is amended in subsections (b)(1), and (c) by inserting ", the Department of State" before "or the Federal Bureau of Investigation".

(b) The authority provided under this section may be exercised only so long as the Department of State continues to extend to its employees and applicants for employment, at a minimum, those procedural safeguards provided for as part of the security clearance process that are currently available pursuant to Volume 3, Section 163.4 of the Foreign Affairs Manual.

SEC. 123. STATE DEPARTMENT POST OFFICES ABROAD.

(a) Title 39 United States Code is amended as follows:

(1) In Section 406, by adding "and diplomatic posts abroad" after "installations" in the title; and in subsection (a) of Section 406, by striking "and" after "Armed Forces" and replacing it with "," and inserting ", and at diplomatic posts abroad" before the "." at the end; and in subsection (b) of Section 406, by inserting ", State" after "Defense".

(2) In Section 3401, by inserting "and United States Government employees assigned to United States diplomatic missions abroad" in the title; and in subsection (e) of Section 3401, by inserting "and the Department of State" after "Department of Defense" in the first line; by striking "the Department of Defense" in the third line and replacing it with "these agencies"; by inserting "or diplomatic posts abroad" after "Armed Forces post offices"; and by inserting "or a diplomatic post abroad" before the "." at the end; and in subsection (f) of Section 3401, by inserting "or the Secretary of State" after "Secretary of Defense".

(b) The authority provided in this section shall be exercised only to the extent that the total cost of postal service provided by the Department of State pursuant to such authority does not exceed the total cost of postal service that would be incurred by the Department of State in the absence of such authority.

SEC. 124. AUTHORITY OF DIPLOMATIC SECURITY SERVICE.

Section 37 of the State Department Basic Authorities Act (22 U.S.C. 2709) is amended—

(a) by renumbering subparagraph (a)(2)(B) thereof as (a)(2)(C) and inserting a new subparagraph (a)(2)(B) as follows:

"(B) make arrests without warrant for any offense concerning passport or visa issuance or use if the special agent has reasonable grounds to believe that the person has committed or is committing such offense;" and

(b) by revising subparagraph (a)(5) thereof to read as follows:

"(5) arrest without warrant any person for a violation of section 111, 112, 351, 970, or 1028 of Title 18, United States Code—

"(A) in the case of a felony violation, if the special agent has reasonable grounds to believe that such person—

(i) has committed or is committing such violation; and

(ii) is in or is fleeing from the immediate area of such violation; and

"(B) in the case of a felony or misdemeanor violation, if the violation is committed in the presence of the special agent."

SEC. 125. PROHIBITION ON THE USE OF MILITARY ITEMS IN TIBET.

(a) No defense article on the United States Munitions List may be sold or transferred to the People's Republic of China, including helicopter and helicopter parts, if any United States supplied military equipment is used by the People's Republic of China to enforce martial law in Tibet, to suppress demonstrations by the Tibetan people, or to support violations of the human rights of the Tibetan people.

(b) Each year in which licenses for the export to the People's Republic of China of items on the United States Munitions List are proposed to be issued, the President shall, prior to the issuance of any license, certify to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate that no United States defense article has been used in the previous year, or is being used, to enforce martial law in Tibet, to suppress demonstrations by the Tibetan people, or to support violations of the human rights of the Tibetan people.

(c) This section shall have no effect after October 1, 1993.

SEC. 126. OPENING AN AMERICAN CONSULATE IN BRATISLAVA.

(a) FINDINGS.—The Congress finds that:

(1) The State Department's "small consulate" concept offers a model for re-opening a consulate in Bratislava at modest cost and with significant public diplomacy and political benefits;

(2) The United States still owns the old consulate building and in 1987-1988 spent about $500,000 to renovate parts of the building;

(3) The building has been productively used for trade and cultural events, but could be more effectively used by restoring it to its original purpose as the locus of official U.S. representation in the Slovak capital.

(4) Slovakia has been the source of the largest and most recent wave of Czechoslovak emigration to the United States and approximately three and a half million Americans are of Slovak heritage;

(5) American tourists in Slovakia, many visiting relatives, often require consular assistance and this consular support could best be provided by a consulate in Bratislava;

(6) Slovaks account for more than half of all Czechoslovak tourist travel to the United States and this travel, which should be encouraged, could be expedited by an American consulate in Bratislava;

(7) The Slovak underground Catholic church is one of the most vibrant religious forces in Czechoslovakia and each year tens of thousands of Catholics make pilgrimages to Slovakia.

(8) American outreach efforts in Slovakia have been hindered by the absence of a constant and direct American presence in Bratislava;

(9) With its Hungarian, Polish and Ukrainian minorities, an American consulate in Bratislava would provide important information on both regional and local developments.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the President should take all practicable steps to re-open the American consulate in Bratislava.

SEC. 127. CONSTRUCTION OF UNITED STATES EMBASSY IN OTTAWA.

Section 402(a) of the Diplomatic Security Act (22 U.S.C. 4852(a)) shall not apply to the construction or renovation of the United States embassy in Ottawa, Canada.

SEC. 128. ASSISTANT SECRETARY OF STATE FOR SOUTH ASIA.

There is established within the Department of State a Bureau for South Asia Affairs which shall be headed by an Assistant Secretary of State. The jurisdiction for the Bureau of South Asia Affairs shall consist of the following: the countries of Afghanistan, Bangladesh, Bhutan, Burma, India, Iran, the Maldives, Mauritius, Nepal, Pakistan, and Sri Lanka; and Indian Ocean issues.

SEC. 129. VISITING SCHOLARS PROGRAM FOR THE FOREIGN SERVICE INSTITUTE.

There is authorized to be established at the Foreign Service Institute a "Visiting Scholars Program." The visiting scholars shall participate fully in the educational and training activities of the Institute. Each visiting scholar shall be appointed for a term of one year, except that such term may be extended for a one year period. The visiting scholars shall be selected by a five-member board. The Director of the Foreign Service Institute shall serve as the chairman of the board. The other four members shall be selected by the Secretary of State.

PART C—DIPLOMATIC IMMUNITY, RECIPROCITY AND SECURITY

SEC. 130. EXCLUSION OF ALIENS PREVIOUSLY INVOLVED IN A SERIOUS CRIMINAL OFFENSE COMMITTED IN THE UNITED STATES.

(a) Section 212(a) of the Immigration and Nationality Act (8 U.S.C. 1182(a)) is amended—

(1) by striking the period at the end of paragraph (33) and inserting in its place "; and" and

(2) by adding after paragraph (33) the following new paragraph:

"(34)(A) Any alien who has committed in the United States any serious criminal offense, as defined in subparagraph (B), for whom immunity from criminal jurisdiction was exercised with respect to that offense, who as a consequence of the offense and exercise of immunity has departed the United States, and who has not subsequently submitted fully to the jurisdiction of the United States with respect to that offense;

"(B) For purposes of this paragraph, the term 'serious criminal offense' means—

"(i) any felony;

"(ii) any crime of violence, as defined in section 16 of title 18 of the United States Code; or

"(iii) any crime of reckless driving or of driving while intoxicated or under the influence of alcohol or of prohibited substances when that crime involves personal injury to another."

(b) Section 212(h) of the Immigration and Nationality Act of 1952 (8 U.S.C. 1182(h)) is amended by striking "or" after "(10)", and inserting ", or (34)" after "(12)".

SEC. 131. UNITED STATES—SOVIET RECIPROCITY IN MATTERS RELATING TO EMBASSIES.

Section 153(b) of Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204) is amended by striking "until the United States mission in Kiev is able to occupy secure permanent facilities" at the end and inserting in its place "except on the basis of reciprocity as to the establishment by the United States of a consulate in Kiev".

SEC. 132. UNITED STATES-SOVIET EMBASSY AGREEMENT.

Section 151 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204) is amended to read as follows:

"SEC. 151. UNITED STATES-SOVIET EMBASSY AGREEMENT.

"(a) The Soviet Union shall not be permitted to occupy the new chancery building on Mount Alto in Washington, District of Columbia, unless and until the Persident certifies in writing to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate that:

(1) there is completed a new chancery building for use by the United States embassy in Moscow which can be safely and securely used for its intended purpose; and

(2) all feasible steps have or will be taken to eliminate the damage to the national security of the United States due to electronic surveillance from Soviet facilities on Mount Alto."

"(b) Not later than six months after the date of enactment of this section, the President shall terminate the Agreement between the Government of the United States and the Government of the Union of Soviet Socialist Republics on the Reciprocal Allocation for Use Free of Charge of Plots of Land in Moscow and Washington (signed at Moscow, May 16, 1969) and related agreements, notes, and understandings unless he certifies to the Speaker of the House of Representatives and the Chairman of the Committee on foreign Relations of the Senate that the Soviet use of the facility on Mount Alto does not pose a significantly greater threat to the national security of the United States than the potential or actual threat from Soviet use for espionage of existing Soviet facilities in Washington, District of Columbia."

"(c) The President may waive subsection (b) if he determines that it is in the vital national security interest of the United States to so do and reports in writing to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate together with a detailed explanation, in suitably classified form, of the reasons for making this waiver.".

SEC. 133. CHILD CARE FACILITIES AT CERTAIN POSTS ABROAD.

Section 31 of the State Department Basic Authorities Act is amended by adding a new subsection (d) as follows:

"(d) The Secretary of State may make grants to child care facilities, to offset in part the cost of such care, in Moscow and at no more than five other posts abroad where the Secretary determines that due to extraordinary circumstances such facilities are necessary to the efficient operation of the post. In determining that a facility is necessary, the Secretary shall take into account factors such as:

"(1) whether Foreign Service spouses are encouraged to work at the mission because

"(A) the number of members of the mission is subject to a ceiling imposed by the receiving country; and

"(B) Foreign Service Nationals are not employed at the mission; and

"(2) whether local child care is available."

SEC. 134. STATE DEPARTMENT CONTRACTOR EXEMPTION TO POLYGRAPH PROTECTION ACT.

SEC. 7. of the Employee Polygraph Protection Act of 1988 (Public Law 100-347) is amended by

(a) redesignating subparagraph "(d)" as subparagraph "(e)"; and

(b) inserting the following new subparagraph:

"(d) DEPARTMENT OF STATE CONTRACTORS EXEMPTION.—Nothing in this Act shall be construed to prohibit the administration, by the Department of State, in the performance of any counterintelligence function, of any lie detector test, administered under regulations implementing the Department's polygraph program, to an individual under contract to the Department or an employee of a contractor or subcontractor of the Department of State who is engaged in the performance of any work under a contract or subcontract with the Department."

PART D—PERSONNEL

SEC. 140. AUTHORITY TO TRANSFER RETIREMENT CONTRIBUTIONS FOR FOREIGN SERVICE NATIONALS TO LOCAL PLANS.

(a) Subsection 408(a) of the Foreign Service Act of 1980 (22 U.S.C. 3968) is amended by inserting at the end thereof the following new subparagraph:

"(3) At the direction of the Secretary of State, and where a foreign national employee so elects during a one-year period established by the Secretary of State with respect to each post abroad, the Secretary of the Treasury shall transfer such employee's interest in the Civil Service Retirement and Disability Fund to a trust or other local retirement plan certified by the U.S. Government, under a local compensation plan established for foreign national employees pursuant to this section (excluding local social security plans). For purposes of this paragraph, an employee's "interest in the Civil Service Retirement and Disability Fund" shall mean the employee and the total of employing agency contributions with respect to such employee, pursuant to subsections 8331(8) and 8334(a)(1) of title 5, United States Code, respectively, plus interest at the rate provided in subsection 8334(e)(3) of such title. Any such transfer shall void any annuity rights or entitlement to lump sum credit under subchapter III of chapter 83 of such title."

(b) Section 8345 of Title 5, United States Code is amended by adding at the end thereof a new subsection (1), as follows:

"(1) Transfers of contributions and deposits authorized by Section 408(a)(3) of the Foreign Service Act of 1980, as amended, shall be deemed a complete and final payment of benefits under this chapter, for the employee's funds thus transferred.".

SEC. 141. JUDICIAL REVIEW—SEPARATION FOR CAUSE.

Section 610 of the Foreign Service Act of 1980 (22 U.S.C. 4010) is amended by adding at the end of subsection (a)(2) tne following new sentence:

"Section 1110 shall also apply to proceedings under this paragraph.".

SEC. 142. TRAVEL, LEAVE, AND OTHER BENEFITS.

Section 902 of Chapter 9 of the Foreign Service Act of 1980 (22 U.S.C. 4081) is amended in paragraph (9) by striking "from a location" and inserting in its place "to or from an employee's post of assignment."

SEC. 143. AMENDMENTS TO TITLE 5, UNITED STATES CODE.

(a) Section 5523(a) is amended

(1) in subparagraph (1)(A) by inserting "(or that of his dependents or immediate family, as the case may be)" after "departure"; and

(2) in the last sentence by striking the phrase "for not more than 120 additional days" and by inserting in its place "thereafter in 30-day increments, up to a total evacuation period of no more than 270 days".

(b) Section 5551(a), is amended by adding after the word "pay" in the second sentence, "or, for service as part of a tour of duty or extension thereof commencing on or after the effective date of this amending provision, the basic pay,".

(c) Section 5922 is amended by adding at the end thereof the following new subsections (d) and (e):

"(d) When a quarters allowance or allowance related to education under this subchapter, or quarters furnished in Government-owned or controlled buildings under section 5912, would be furnished to an employee but for the death of the employee, such allowances or quarters may be furnished or continued for the purpose of allowing any child of the employee to complete the current school year at post or away from post notwithstanding the employee's death."

"(e) When an allowance related to education away from post under this subchapter would be authorized to an employee but for the evacuation/authorized departure status of the post, such an allowance may be furnished or continued for the purpose of allowing dependent child(ren) of such employee to complete the current school year."

(d) Section 5923, relating to quarters allowance, is amended—

(1) in paragraph (1), by striking the word "lodging" and inserting in its place "subsistence"; and by inserting "including meals and laundry expenses" after "quarters" the first time it appears;

(2) in subparagraph (1)(A), by striking "3 months" and inserting "90 days" in its place; and

(3) in subparagraph (1)(B), by striking "1 month" and inserting "30 days" in its place.

(e) Section 5924(1), relating to post allowances, is amended by adding at the close thereof ", except that employees receiving the temporary subsistence allowance under section 5923(1) of this Title are ineligible for receipt of a post allowance under this paragraph."

(f) Section 5924(2) is amended—

(1) by inserting "subsistence and other relocation" after "reasonable" and inserting "(including unavoidable lease penalties)" after "expenses"; and

(2) in subparagraph (A), by deleting "the Commonwealth of Puerto Rico" and inserting "the Commonwealths of the Northern Mariana Islands or Puerto Rico," in its place; and

(3) in subparagraph (B), by striking "between assignments to posts in foreign areas" and inserting "after the employee agrees in writing to remain in Government service for 12 months after transfer, unless separated for reasons beyond the control of the employee that are acceptable to the agency concerned" in lieu thereof.

(g) Section 5924(4) is amended—

(1) in the introduction, by inserting "or, to the extent education away from post is involved, official assignment to serve in such area or areas," after "dependents,";

(2) in subparagraph (A), by inserting before "kindergarten", "pre-school for handicapped children ages three to five years,"; and

(3) in the first line of subparagraph (B) by striking "undergraduate college" each time it appears and inserting in its place "post-secondary (but not graduate or post-graduate) educational institution".

SEC. 144. CREDIT FOR SERVICE AT UNHEALTHFUL POSTS.

(a) Section 816(i)(2) of the Foreign Service Act of 1980 (22 U.S.C. 4056) is amended to read as follows:

"(2) A former spouse shall not be considered as married to a participant for periods assumed to be creditable service under section 808(a) or section 809(e)."

(b) Section 817 of such Act (22 U.S.C. 4057) is amended by adding, at the end thereof, the following new sentences:

"Such extra credit shall not be used to determine the eligibility of a person to qualify as a former spouse under this subchapter, or to compute the pro rata share under section 804(10). No extra credit for service at unhealthful posts shall be given under this section for any service as part of a tour of duty, or extension thereof, commencing on or after the effective date of this amending provision."

SEC. 145. FORMER SPOUSES OF USIA AND AID EMPLOYEES.

(a) RETIREMENT BENEFITS FOR CERTAIN FORMER SPOUSES.—Section 830 of the Foreign Service Act of 1980 (22 U.S.C. 4069a) (relating to retirement benefits for certain former spouses) is amended by adding at the end the following new subsection:

"(f) Any individual who on February 14, 1981, was an otherwise qualified former spouse pursuant to this section, but who was married to a former Foreign Service employee of the United States Information Agency or of the Agency for International Development shall be entitled to benefits under this section if—

"(1) the former employee retired from the Civil Service Retirement and Disability System on a date before his employing agency could legally participate in the Foreign Service Retirement and Disability System; and

"(2) the marriage included at least five years during which the employee was assigned overseas.".

(b) SURVIVOR BENEFITS FOR CERTAIN FORMER SPOUSES.—Section 831 of the Foreign Service Act of 1980 (22 U.S.C. 4069b) (relating to survivor benefits for certain former spouses) is amended by adding at the end the following new subsection:

"(g) Any individual who on February 14, 1981, was an otherwise qualified former spouse pursuant to this section, but who was married to a former spouse pursuant to this section, but who was married to a former Foreign Service employee of the United States Information Agency or of the Agency for International Development shall be entitled to benefits under this section if—

"(1) the former employee retired from the Civil Service Retirement and Disability System on a date before his employing agency could legally participate in the Foreign Service Retirement and Disability System; and

"(2) the marriage included at least five years during which the employee was assigned overseas.".

(c) HEALTH BENEFITS FOR CERTAIN FORMER SPOUSES.—Section 832 of the Foreign Service Act of 1980 (22 U.S.C. 4069c) (relating to health benefits for certain former spouses) is amended by adding at the end the following new subsection:

"(f) Any individual who on February 14, 1981, was an otherwise qualified former spouse pursuant to subsections (a), (b), and

(c) of this section, but who was married to a former Foreign Service employee of the United States Information Agency or of the Agency for International Development shall be entitled to benefits under this section if—

"(1) the former employee retired from the Civil Service Retirement and Disability System on a date before his employing agency could legally participate in the Foreign Service Retirement and Disability System; and

"(2) the marriage included at least five years during which the employee was assigned overseas.".

SEC. 146. GRANTS FOR INSTITUTIONS AND STUDENTS FOR TRAINING IN INTERNATIONAL AFFAIRS.

The State Department Basic Authorities Act of 1956 (22 U.S.C. 2269 et seq.) is amended by adding the following new section 44:

"SEC. 44. GRANTS FOR TRAINING AND EDUCATION IN INTERNATIONAL AFFAIRS.

"The Secretary of State may make grants to post-secondary educational institutions or students for the purpose of increasing the level of knowledge and awareness of and interest in employment with the Foreign Service, consistent with Section 105 of the Foreign Service, consistent with Section 105 of the Foreign Service Act of 1980, as amended. To the extent possible, the Secretary shall give special emphasis to promoting such knowledge and awareness of the Foreign Service among minority students. Any grants awarded will be made pursuant to regulations to the established by the Secretary of State, which will provide for a limit on the size of any specific grant, and, regarding any grants to individuals, will ensure that no grant recipient receives grants from one or a combination of federal programs which exceed the cost of his or her education and will require satisfactory educational progress by grantees as a condition of eligibility for continued receipt of grant funds."

SEC. 147. EXPANSION OF MODEL FOREIGN LANGUAGE COMPETENCE POSTS.

(a) In order to carry out the purposes of section 702 of the Foreign Service Act of 1980, and in light of the positive report issued on March 28, 1986, by the Department of State as required by Section 2207 of the Foreign Service Act of 1980, the Secretary of State shall designate as model foreign language competence posts at least two Foreign Service posts in each of the Department of State's five geographic bureaus, for a minimum of ten posts, in countries where English is not the common language. Such designation shall be made no later than October 1, 1989, and shall be implemented so that no later than October 1, 1991, each Government employee permanently assigned to those posts shall possess an appropriate level of competence in the language common to the country where the post is located. The Secretary of State shall determine appropriate levels of language competence for employees assigned to those posts by reference to the nature of their functions and the standards employed by the Foreign Service Institute.

(b) At least one of the posts designated under subsection (a) shall be in "hard language" countries as identified in the report to the Under Secretary of State for Management of May 12, 1986, entitled "Hard Language Proficiency in the Foreign Service". These posts shall be in one of the countries where the official or principal language is Arabic, Chinese, Japanese or Russian.

(c) The posts designated under subsection (a) shall continue as model foreign language posts at least until September 30, 1993. The Secretary of State shall submit no later than January 31, 1994, a report to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives describing the operation of such posts and the costs, advantages and disadvantages associated with meeting the foreign language competence requirements of this section.

(d) The Secretary of State may authorize exceptions to the requirements of this section if he determines that unanticipated exigencies so require. Such exceptions shall be immediately reported to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives.

(e) The posts designated under subsection (a) may not include those chosen in implementing Section 2207 of the Foreign Service Act of 1980. Those posts are Dakar, Senegal, and Montevideo, Uruguay. The report requested under subsection (c) shall include progress made in these posts in maintaining the high foreign language standards achieved under the initial pilot program.

(f) Such sums as may be necessary to implement this section are hereby authorized.

SEC. 148. REPORT ON FOREIGN LANGUAGE ENTRANCE REQUIREMENT FOR THE FOREIGN SERVICE.

The Secretary of State shall submit no later than December 31, 1989, a report to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives evaluating an entrance requirement for the Foreign Service of at least one world language at the S-3/R-3 level as defined by the Foreign Service Institute, or one non-world language at the S-2/R-2 level. Such report shall also include:

(a) the time necessary to implement such a requirement;

(b) the use of bonus points on the Foreign Service candidate scoring system for candidates with foreign language ability;

(c) adjustments necessary to raise otherwise qualified candidates, especially including affirmative action applicants, to the levels required for entrance as defined in this section.

SEC. 149. FOREIGN SERVICE PROMOTION PANELS.

It is the sense of the Congress that, to the greatest extent possible, Foreign Service Promotion Panels shall only promote candidates to the Senior Foreign Service who have demonstrated foreign language proficiency in at least one language at the S-3/R-3 level as defined by the Foreign Service Institute and to strive for the objective stipulated in the Foreign Service Manual (3 FAM 870, "Foreign Language Training," 871.2-1 a. (1)) "to be able to use two foreign languages at a minimum professional level of proficiency of S-3/R-3." It is further the sense of the Congress that at least one person on each Foreign Service Promotion Panel shall have attained at least the S-3/R-3 level.

SEC. 150. CHANGE IN THE EMPLOYEE EVALUATION REPORT.

(a) The Department of State and the Agency for International Development shall revise the Employee Evaluation Report for Foreign Service Officers, and the United States Information Agency shall revise the Officer Evaluation Report for its Foreign Service Officers, to require, as a separate entry, an assessment of the employee's performance in each foreign language tested at the S-3/R-3 level, including the date on which the officer was last tested in that language and the score achieved in the officer's last test.

(b) The Director of Personnel at the Department of State, the Agency for International Development and the United States Information Agency shall instruct promotion panels to take account of language ability and, all matters being otherwise equal, to give precedence in promotions to officers who have achieved a level of at least S-3/R-3 in one or more foreign languages over officers who lack a level of S-3/R-3.

TITLE II—UNITED STATES INFORMATION AGENCY

SEC. 201. AUTHORIZATION OF APPROPRIATIONS; ALLOCATION OF FUNDS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the United States Information Agency $425,000,000 for fiscal year 1990 for "Salaries and Expenses" to carry out International Information, Educational, Cultural, and other exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan Number 2 of 1977, and other purposes authorized by law.

SEC. 202. VOICE OF AMERICA.

(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated by section 201, there are authorized to be appropriated $189,700,000 for fiscal year 1990 to the Voice of America for the purpose of carrying out Title V of the United States Information and Educational Exchange Act of 1948 and the Radio Broadcasting to Cuba Act.

(b) ALLOCATION OF FUNDS.—Of the funds authorized to be appropriated by this section, $12,000,000 shall be available only for the "Voice of America: Cuba Service."

(c) RADIO CONSTRUCTION.—In addition to the funds authorized to be appropriated by subsection (a), there authorized to be appropriated $22,000,000 for radio construction in fiscal year 1990.

SEC. 203. BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS.

(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts otherwise authorized to be appropriated by section 201, there are authorized to be appropriated to the Bureau of Educational and Cultural Affairs $197,850,000 for fiscal year 1990 to carry out the purposes of the Mutual Educational and Cultural Exchange Act of 1961. Of the funds authorized to be appropriated by this section, not less than—

(1) $98,000,000 shall be available only for grants for the Fulbright Academic Programs;

(2) $40,400,000 shall be available only for grants for the International Visitors Program;

(3) $5,500,000 shall be available only for grants for the Hubert H. Humphrey Fellowship Program;

(4) $2,000,000 shall be available only for the Samantha Smith Programs;

(5) $10,000,000 shall be available only for the Arts America Program;

(6) $11,900,000 shall be available only for the Office of Citizen Exchanges; and

(7) $150,000 for books and materials to complete the collections at the Edward Zorinsky Memorial Library in Jakarta, Indonesia.

SEC. 204. NATIONAL ENDOWMENT FOR DEMOCRACY.

In addition to amounts authorized to be appropriated by section 201, there are authorized to be appropriated to the United States Information Agency $21,800,000 for fiscal year 1990 to be available only for a grant to the National Endowment for Democracy for use in carrying out its purposes.

SEC. 205. EAST-WEST CENTER.

There are authorized to be appropriated $20,000,000 for fiscal year 1990 to carry out the provisions of the Center for Cultural and Technical Interchange Between East and West Act of 1960.

SEC. 206. FEES FOR USIA PUBLICATIONS AND OTHER PROGRAMS.

Section 810 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1475e) is amended to read as follows:

"SEC. 810. Notwithstanding section 3302 of title 31 or any other law or limitation of authority, all payments received by or for the use of the United States Information Agency from or in connection with Agency-produced publications, English-teaching, and library programs produced or conducted by or on behalf of the Agency under the authority of this Act or the Mutual Educational and Cultural Exchange Act of 1961 may be credited to the Agency's applicable appropriation to such extent as may be provided in advance in an appropriation Act."

SEC. 207. DIPLOMATIC CONSTRUCTION PROGRAM.

Section 402(a)(2) of the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (P.L. 99-399) is amended to read as follows:

"(2) bid on a diplomatic construction or design project which involves physical or technical security, unless—

"(A) the project is for the design or construction of a facility of the United States Information Agency that does not process or store classified material; and

"(B) the total value of the project does not exceed $500,000.".

SEC. 208. FOREIGN LANGUAGE SERVICES.

Section 804(1) of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1474(1) is amended by inserting "when job vacancies occur" after "United States citizens are not available".

SEC. 209. DISSEMINATION OF INFORMATION WITHIN THE UNITED STATES.

Section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461) is amended—

(1) by inserting "(a)" after "501."; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) Notwithstanding the provisions of subsection (a), the Director shall make available to the Archivist of the United States, for domestic distribution, motion pictures, films, videotapes and other material prepared for dissemination abroad 12 years after the dissemination of the material abroad, or in the case of material not disseminated abroad, 12 years after the preparation of the material.

"(2) The Director shall be reimbursed for any attendant expenses. Any reimbursement to the Director pursuant to this subsection shall be credited to the applicable appropriation of the United States Information Agency.

"(3) The Archivist shall be the official custodian of the material and shall issue necessary regulations to ensure that persons seeking its release have secured and paid for necessary United States rights and licenses and that all costs associated with the provision of the material by the Archivist shall be paid by the persons seeking its release. The Archivist may charge fees to recover such costs in accordance with section 2116(c) of title 44, United States Code. Such fees shall be paid into, administered, and expended as part of the National Archives Trust Fund.".

SEC. 210. ESTABLISHMENT OF THE J. WILLIAM FULBRIGHT SCHOLARSHIP BOARD.

(1) AMENDMENT TO THE MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961.—Section 106(a) of the Mutual Educational and Cultural Exchange Act of 1961 is amended to read as follows:

"(a) THE J. WILLIAM FULBRIGHT SCHOLARSHIP BOARD.—There is established the J. William Fulbright Scholarship Board (hereafter in this section referred to as the 'Board'). Membership in the Board shall consist of—

"(A) the Librarian of Congress;

"(B) the Director of the National Gallery of Art;

"(C) the Director of the National Science Foundation;

"(D) the Secretary of the Smithsonian Institution;

"(E) a distinguished scholar from the social sciences who shall be appointed by the Librarian of Congress;

"(F) a distinguished scholar from the humanities who shall be selected by the Librarian of Congress;

"(G) a noted artist who shall be appointed by the Director of the National Gallery;

"(H) an eminent scientist who shall be appointed by the Director of the National Science Foundation;

"(I) a distinguished scholar, scientist or artist who shall be appointed by the Secretary of the Smithsonian;

"(J) six members who shall be appointed by the President from the academic, professional, and public service communities in the United States.

"(2) All appointed members of the Board shall serve for a term of three years, except that—

"(A) the initial appointment made pursuant to paragraph (1)(E) shall be for a term of one year;

"(B) the initial appointment made pursuant to paragraphs (1)(G) and (1)(H) shall be for a term of two years; and

"(C) two of the initial presidential appointments under paragraph (1)(J) shall be for a term of one year, and two shall be for a term of two years.

The Board shall elect a Chairman from among its members who shall serve a term of one year and who is eligible for reelection. All persons on the Board shall serve until a successor is qualified. Vacancies on the Board shall be filled in the same manner in which the original appointment was made for the balance of the original term.

"(3)(A) The Board shall select all scholars, students, teachers, artists, trainees, and other persons participating in programs authorized pursuant to section 102(a)(1) of this Act, including all participants in the Fulbright Academic Exchange Programs and the Hubert H. Humphrey Fellowship Programs. The Board shall have the authority to establish policies for the conduct of the Fulbright Academic Exchange Programs and the Humphrey Fellowship Programs, including authority to regulate and approve all grants made to institutions implementing the Fulbright Academic Exchange and Humphrey Fellowship Programs. Policies established by the Bureau of Educational and Cultural Affairs regarding such programs shall be subject to the policies of the Board. The Board shall not administer any program under its authority.

"(B) In addition to the authority of subparagraph (A), the Board shall supervise the programs authorized by paragraphs (4) and (6) of section 102(b) of the Mutual Educational and Cultural Exchange Act of 1961.

"(4) All recipients of Fulbright Academic Exchange and Humphrey Fellowship awards shall have full academic and artistic freedom, including freedom to write, publish, and create. No award granted pursuant to this Act may be revoked or diminished on account of the political views expressed by the recipient or on account of any scholarly or artistic activity that would be subject to the protections of academic and artistic freedom normally observed in universities in the United States. The Board shall ensure that the academic and artistic freedoms of all persons receiving grants are protected.

"(5) The Board shall formulate a policy on revocation of Fulbright grants which shall be known to all grantees. Such policy shall fully protect the right to due process as well as the academic and artistic freedom of all grantees.".

(b) ABOLISHMENT OF BOARD OF FOREIGN SCHOLARSHIPS.—(1)(A) The Board of Foreign Scholarships, as in effect on the day before the date of enactment of this Act, is hereby abolished.

(B) Section 608 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987, is amended—

(i) in the section heading, by striking out "BOARD OF FOREIGN SCHOLARSHIPS" and inserting in lieu thereof "J. WILLIAM FULBRIGHT SCHOLARSHIP BOARD"; and

(ii) in the first sentence, by striking out "Board of Foreign Scholarships" and inserting in lieu thereof "J. William Fulbright Scholarship Board".

(2) All personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, employed, used, held, or made available to the Board of Foreign Scholarships, as of the day before the date of enactment of this Act, shall be transferred on such date to the J. William Fulbright Scholarship Board as established in this section. Unexpended funds transferred pursuant to this paragraph shall be used only for the purposes for which the funds were originally authorized and appropriated.

(3)(A) The provisions of this section shall not affect any proceedings, including notices of proposed rulemaking, or any application for any scholarship, financial assistance, license, permit, or certificate, pending before the Board of Foreign Scholarships on the day before the date of enactment of this Act; but such proceedings or applications, to the extent that they relate to the Board of Foreign Scholarships, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made under such orders, as if this section had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the President, a court of competent jurisdiction, or by operation of law. Nothing in this paragraph prohibits the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could

have been discontinued or modified if this section had not been enacted.

(B) The President is authorized to issue regulations providing for the orderly transfer of proceedings continued under subparagraph (A).

(4)(A) No action or other proceeding brought by or against the Board of Foreign Scholarships or any member thereof in his official capacity shall abate by reason of the enactment of this section.

(B) If, before the date of enactment of this section, the Board of Foreign Scholarships or any member thereof in his official capacity is a party to an action, then such action shall be continued with the J. William Fulbright Scholarship Board substituted or added as a party.

SEC. 211. USIA SATELLITE AND TELEVISION.

(a) IN GENERAL.—The Director of the United States Information Agency is authorized to lease or otherwise time on commercial or United States Government satellites for the purpose of transmitting agency materials and programs to posts and other users abroad. The United States Information Agency is authorized to produce and transmit only where the programs are—

(1) interactive dialogue programs consisting of live interviews and discussions among participants in different locations;

(2) coverage of current events such as United States elections, candidate debates, and presidential speeches, where coverage is not available from commercial or public television networks at a reasonable cost;

(3) regular coverage of Congressional proceedings, White House news briefings and State Department news briefings where such coverage is not available at a reasonable fee from C-Span or other public and commercial television service; or

(4) short news clips to be provided to foreign broadcasters only for rebroadcast at the discretion of the foreign broadcaster,

(b) PREFERENCE FOR NON-GOVERNMENTAL BROADCASTS.—In transmitting programs by satellite pursuant to subsection (a), the Director of the United States Information Agency shall use programs produced by American commercial and public television broadcasters in preference to material produced by the United States Government where such programs are comparable to programs being produced by the United States Information Agency and where such programs are available at a reasonable cost. The United States Information Agency Film and Television Service is authorized to acquire and transmit by satellite programs produced by United States commercial and public television networks only if such programs—

(1) are comprised of news, public affairs, artistic and cultural, or scientific programming; and

(2) have been on or are being broadcast in the United States.

(c) ALLOCATION OF FUNDS.—Of the funds authorized to be appropriated to the United States Information Agency, not more than $20,000,000 shall be available for the "Television and Film Service" of the United States Information Agency which shall include all funds available for the acquisition, production, and transmission by satellite of television programs. Of the funds authorized to be appropriated to the United States Information Agency for television, not less than $1,500,000 shall be available for the purchase or use of programs produced with grants from the Corporation for Public Broadcasting or produced by United States public television networks.

(d) Television programs transmitted by satellite are intended to supplement the programming of foreign broadcasters. It is not intended that the United States Information Agency establish its own television network in competition with foreign broadcasters or United States commercial and public television networks.

(e) To the extent that significant economies may be achieved by the purchase of large blocks of satellite time, the United States Information Agency is authorized to acquire such satellite time. Satellite time not utilized by the United States Information Agency, or time in excess of four hours of programming each day, shall be made available to other United States Government Agencies on a priority basis and without cost. Time not utilized by the United States Government may be sold to commercial users.

(f) For fiscal year 1990, the restrictions of section 209(e) of PL 100-204 are waived so as to permit television broadcasts in accordance with this section.

SEC. 212. FREE ENTERPRISE SYSTEM IN TELEVISION.

The Congress affirms its belief that the United States free enterprise system, supplemented by public television, provides the highest quality and most objective news and public affairs programming available. The United States Information Agency shall undertake, as a matter of high priority in the field of television, to promote access in foreign countries to the news and public affairs programming of United States commercial and public television networks. Whenever requested by a United States company and permitted by a foreign government, the United States Information Agency shall provide assistance, including use of the United States Information Agency satellite receiving equipment, to facilitate such access.

SEC. 213. CITIZEN EXCHANGES.

There is established in the Bureau of Educational and Cultural Affairs an Office of Citizen Exchanges. The office shall support private not-for-profit organizations engaged in the exchange of persons, including youth, between the United States and other countries.

SEC. 214. SCHOLARSHIPS FOR TIBETANS.

Of the funds authorized in section 203(1), not less than 30 scholarships shall be made available to Tibetan students and professionals who are outside Tibet.

SEC. 215. UNITED STATES-SOVIET EXCHANGES.

The Mutual Educational and Cultural Exchange Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 113. UNITED STATES-SOVIET EXCHANGES.—(a) The President is authorized to negotiate and impiement an agreement with the Union of Soviet Socialist Republics under which repayments made by the Soviet Union on Lend-Lease debts to the United States would be used to finance the exchange of persons between the United States and the Soviet Union for educational, cultural, and artistic purposes. Exchanges authorized by this section shall be administered pursuant to the provisions of this Act. Part of the funds repaid to the United States shall be convertible currency for the purpose of paying the expenses associated with study and other exchange activities by Soviet Citizens in the United States.

"(b) Funds made available for the purposes of this section shall be available only to the extent and in the amounts provided for in an appropriation Act."

SEC. 216. VOICE OF AMERICA HIRING PRACTICES.

After the date of enactment of this Act, the Voice of America shall not select candidates for employment who must be or are pre-approved for employment at the Voice of America by a foreign government or entity.

SEC. 217. DISTRIBUTION WITHIN THE UNITED STATES OF USIA FILM ENTITLED "LONG JOURNEY HOME".

Notwithstanding section 208 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 1461-1(a) and the second sentence of section 501 of the United States Information and Education Exchange Act of 1948 (22 U.S.C. 1461)—

(a) the Director of the United States Information Agency shall make available to the Archivist of the United States a master copy of the film entitled "Long Journey Home"; and

(b) upon evidence that necessary United States rights and licenses have been secured and paid for by the person seeking domestic release of the film, the Archivist shall—

(1) reimburse the Director for any expenses of the Agency in making that master copy available;

(2) deposit that film in the National Archives of the United States; and

(3) make copies of that film available for purchase and public viewing within the United States.

Any reimbursement to the Director pursuant to this section shall be credited to the applicable appropriation of the United States Information Agency.

TITLE III—BOARD FOR INTERNATIONAL BROADCASTING

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

(a) Section 8(a)(1)(A) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877) is amended to read as follows:

"(A) $190,330,000 for fiscal year 1990; and".

(b) Radio Transmitter Construction and Modernization. There is authorized to be appropriated to the Board for International Broadcasting for radio transmitter construction and modernization $23,917,000 for fiscal year 1990.

SEC. 302. PROCUREMENT OF LEGAL SERVICES.

Section 26 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2698) is amended in subsection (b) by inserting ", the chairman of the Board for International Broadcasting," after "Communication Agency".

SEC. 303. RADIO FREE AFGHANISTAN.

Section 2 (5) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2871 (5)) is amended by striking out "(as long as it is under Soviet occupation)" and inserting therein "(until such a time that the government in Kabul is replaced by a government achieved through a free act of self-determination)."

TITLE IV—INTERNATIONAL ORGANIZATIONS

SEC. 401. UNITED STATES MEMBERSHIP IN INTERNATIONAL SUGAR ORGANIZATION.

The President is authorized to continue membership for the United States in the International Sugar Organization. Beginning in fiscal year 1991 and thereafter, the United States assessed contributions to such organization may be paid from funds appropriated under the heading "Contributions to International Organizations."

SEC. 402. REFORM IN BUDGET-MAKING AT THE UNITED NATIONS AND ITS SPECIALIZED AGENCIES.

(a) FINDINGS.—The Congress finds that:

(1) United States membership in the United Nations and its specialized and affiliated agencies serves the national security interests of the United States by promoting world peace, by enhancing protection of the global environment, by policing the use of nuclear energy, and by promoting common solutions to the afflictions of disease, hunger, ignorance and poverty;

(2) Financial and administrative reform in the United Nations system is essential so as to ensure that the vital missions of the United Nations and its specialized and affiliated agencies are efficiently executed;

(3) The United Nations and the specialized and affiliated agencies have made substantial progress toward implementation of reforms in budgetary and administrative matters, including the enactment of a United Nations resolution providing for consensus decisions on the United Nations budget;

(4) United States willingness to pay its full assessed contribution to the United Nations and each specialized and affiliated agency is contingent upon the good faith implementation of the budgetary and administrative reforms by the United Nations or such specialized and affiliated agency; and,

(5) The continued failure of the United States to pay its full assessed contribution to the United Nations and the specialized and affiliated agencies could undermine the reform program, diminish United States influence, and undermine vital United States interests.

(b) Withholding of Assessed Contributions. For any calendar year where the President determines that the United Nations or any specialized and affiliated agency is not implementing agreed upon budgetary and administrative reforms, the President shall withhold twenty percent of the United States assessed contribution to such agency. The President shall notify the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate within five days of making the determination described in this subsection.

(c) Waiver. The President may waive the withholding requirement of subsection (b) if he determines that it is in the vital national interest of the United States to pay the full United States assessed contribution to the United Nations or any specialized and affiliated agency and so reports to the Speaker of the House of Representatives and the Chairman of the Committee of Foreign Relations of the Senate within five days of issuing such waiver.

(d) Sunset Provision. This section shall have no effect after October 1, 1995.

SEC. 403. UNITED NATIONS VOTING PRACTICES AMENDMENT

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(a) title VII of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989, is amended by adding at the end of Part A (relating to the United Nations) the following new section:

"SEC. 709. ANNUAL REPORT TO CONGRESS ON VOTING PRACTICES AT THE UNITED NATIONS

"(a) IN GENERAL.—Not later than 90 days after the usual suspension of the United Nations General Assembly in December of each year, the President shall transmit to the Speaker of the House of Representatives and the President of the Senate a full and complete report which assesses, with respect to each foreign country member of the United Nations, the voting practices of the governments of such countries at the United Nations, and evaluates General Assembly and Security Council actions and the responsiveness of those governments to United States policy on issues of special importance to the United States.

"(b) INFORMATION ON VOTING PRACTICES IN THE UNITED NATIONS.—Such report shall include, with respect to voting practices and plenary actions in the United Nations during the preceding 12-month period, information to be compiled and supplied by the Permanent Representative of the United States to the United Nations, consisting of—

"(1) an analysis and discussion, prepared in consultation with the Secretary of State, of the extent to which member countries supported United States policy objectives at the United Nations:

"(2) an analysis and discussion, prepared in consultation with the Secretary of State, of actions taken by the United Nations by consensus;

"(3) with respect to plenary votes of the United Nations General Assembly—

"(A) a listing of all such votes on issues which directly affected important United States interests and on which the United States lobbied extensively, a brief description of the issues involved in each such vote, and an explanation of the United States position on each such issue;

"(B) a listing of the votes described in clause (A) which provides a comparison of the vote cast by each member country with the vote cast by the United States;

"(C) a country-by-country listing of votes described in clause (A); and

"(D) a listing of votes described in clause (A) displayed in terms of United Nations regional caucus groups;

"(4) a listing of all plenary votes cast by member countries of the United Nations in the General Assembly which provides a comparison of the vote cast by each member country with the vote cast by the United States;

"(5) an analysis and discussion, prepared in consultation with the Secretary of State, of the extent to which other members supported United States policy objectives in the Security Council and a separate listing of all Security Council votes of each member country in comparison with the United States; and

"(6) a side-by-side comparison of agreement on important and overall votes for each member country and the United States.

"(c) Statement by the Secretary of State.—Each report under this section shall contain a statement by the Secretary of State discussing what steps have been taken to keep United States diplomatic missions informed of United Nations General Assembly and Security Council activities.".

(b) The table of contents of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989, is amended by inserting after the item relating to section 708 the following new item: "Sec. 709. Annual report to Congress on voting practices at the United Nations.".

(c) The following provisions of law are hereby repealed.

(1) The second undesignated paragraph of section 101(b)(1) of Public Law 98-151 (97 Stat. 967).

(2) Section 529 of the Foreign Assistance and Related Programs Appropriations Act, 1986, as contained in section 101(i) of Public Law 99-190 (99 Stat. 1307).

(3) Section 528 of the Foreign Assistance and Related Programs Appropriations Act, 1987, as contained in section 101(f) of Public Law 99-500 (100 Stat. 1783) and section 101(f) of Public Law 99-591 (100 Stat. 3341).

(4) Section 528 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, as contained in section 101(e) of Public Law 100-202.

(5) Section 527 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989, as contained in Public Law 100-461.

SEC. 404. MEMBERSHIP OF THE PLO IN UNITED NATIONS AGENCIES.

No funds authorized to be appropriated by this Act shall be available for the United Nations or any specialized agency thereof which accords the Palestine Liberation Organization the same standing as member states. Notwithstanding any other provision of law, the United States may make financial contributions in support of the safeguards program of the International Atomic Energy Agency and may make voluntary contributions to support the global AIDS program of the World Health Organization.

TITLE V—REFUGEE AND OTHER PROVISIONS

SEC. 501. UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES AUDIT REQUIREMENT.

Section 113(a) of Public Law 99-93 is amended to read as follows:

"(a) PROGRAM AUDITS.—Funds may not be available to the United Nations High Commissioner for Refugees under this or any other Act unless provision is made for—

"(1) annual program audits to determine the use of UNCHR funds, including the use of such funds by implementing partners; and

"(2) such audits are made available through the Comptroller General of the United States."

SEC. 502. WORLDWIDE REFUGEE PROTECTION.

(a) REFUGEES FROM THE SOVIET UNION.—

(1) FINDINGS.—The Congress finds that:

(A) the recent increase in the number of Jews and other religious minority groups able to depart the Soviet Union is a significant foreign policy and human rights achievement which the United States should welcome and encourage;

(B) the current practice whereby United States refugee status is denied to some of those now leaving the Soviet Union has led to substantial increases in the numbers of Soviet refugees in Rome waiting to come to the United States.

(2) It is the sense of Congress that:

(A) the United States should reaffirm its commitment to facilitating the departure of Jews and other religious minority groups of special concern from the Soviet Union.

(B) United States refugee processing should recognize the history of persecution that is the compelling reason for Jews and other religious minority groups to leave the Soviet Union. Sufficient funds from this Act should be provided to fulfill the purpose of this section.

(b) REFUGEES FROM INDOCHINA—

(1) FINDINGS.—The Congress finds that:

(A) the refugee crisis in Southeast Asia remains unresolved, and large numbers of refugees continue to flee from Vietnam, Laos, and Cambodia;

(B) while voluntary repatriation appears to be the best solution for most of the 320,000 Cambodian refugees and displaced persons in Thailand, there are many of spe-

cial humanitarian concern to the United States for whom resettlement opportunities must be preserved, including victims of torture and human rights abuses, and family reunification cases;

(C) while the overall rate of pirate attacks on refugee boats in the Gulf of Thailand is lower than in previous years, the numbers of rapes and abductions of refugees increased from 95 in 1987 to 185 in 1988, and the totals for dead and missing refugees increased more than five-fold, from 95 in 1987 to 501 in 1988;

(D) United States rejection rates of refugee applicants for the orderly departure program from Vietnam reached nearly 80 percent in 1989, while in the previous decade these rejection rates never exceeded 10 percent. This unannounced policy change is unfair to the thousands of Vietnamese who, in response to a United States invitation for an interview, have been waiting, often for many years, for an opportunity to leave Vietnam safely and legally through the orderly departure program.

(2) It is the sense of the Congress that:

(A) the United States government should work with the government of Thailand and with other countries of the region, and with refugee resettlement countries, and with the United Nations High Commissioner for Refugees, to assure that refugees and displaced persons continue to receive asylum and protection, and that resettlement opportunities for refugees and others of special humanitarian concern are maintained.

(B) first asylum countries in Southeast Asia should be urged to reinstate the practice of providing adequate refuge for all asylum-seekers, while carrying out the screening of such individuals. Efforts to combat pirate attacks on refugees should be continued and strengthened.

(C) the United States government should advocate the policy that no repatriation of asylum-seekers should occur until strong and effective procedures are in place to guarantee that such asylum-seekers will be returned to their countries of origin in conditions of safety and will not be subjected to persecution.

(D) the United States should review procedures and criteria in the orderly departure program to assure that family reunion cases and others who have received letters of introduction for the United States are given reasonable opportunities to leave Vietnam. The United States should seek to establish a special resettlement program for former "re-education camp" prisoners and their immediate families.

(c) REFUGEES IN SOUTHERN AFRICA—

(1) FINDINGS.—The Congress finds that:

(A) the actions of the government of the Republic of South Africa in forcing Mozambican refugees to return to their violence-plagued homeland in 1988 should be condemned;

(B) the possibility exists that large numbers of Mozambican civilians in South Africa could face similar involuntary return to their homeland in 1989;

(C) the policy of the government of South Africa of deterring and preventing the entry of refugees from Mozambique by means of an electrified fence has resulted in the deaths of numerous refugees and should be condemned.

(2) It is the sense of the Congress that:

(A) the Secretary of State should urge the government of the Republic of South Africa to stop the forcible repatriation of Mozambican civilians, to dismantle the fence upon which numerous refugees have been electrocuted, and to invite the United Nations High Commissioner for Refugees to carry out his customary role of protecting and assisting Mozambican refugees in South Africa.

(B) the Secretary of State shall report to the Congress by September 30, 1989 as to his actions in this regard and the response of the Republic of South Africa, and shall provide a current assessment of the situation of Mozambicans in our seeking to enter South Africa.

(d) REFUGEES IN THE HORN OF AFRICA—

(1) FINDINGS.—The Congress finds that:

(A) while hundreds of thousands of refugees from Ethiopia remain in asylum in contiguous countries, serious internal violence in Sudan and Somalia has uprooted several million civilians and precipitated a major movement of refugees from both countries into Ethiopia;

(B) the government of Ethiopia and the United Nations High Commissioner for Refugees have been unable to provide adequately for the humanitarian needs of the refugees from Sudan and Somalia now in asylum in Ethiopia;

(C) continuing violence in Sudan and Somalia may lead to the arrival of additional large numbers of refugees into Ethiopia from both countries.

(2) It is the sense of the Congress that:

(A) the Secretary of the State should advise the government of Ethiopia and the United Nations High Commissioner for Refugees of the strong concern of the United States government that the situation of refugees from Sudan and Somalia should be improved to acceptable standards.

(B) the Secretary of State should urge the government of Ethiopia to permit cross-border deliveries of food and other humanitarian assistance to the people of Southern Sudan, in order to stem the further flow of Sudanese into Ethiopia.

(C) the Secretary of State shall report to the Congress by September 30, 1989 on the actions taken by the Government of Ethiopia and the United Nations High Commissioner for Refugees to improve the living conditions of these refugees, measures the United States has taken and can take to assist in this regard, and the prospects for additional refugees movements from Sudan and Somalia.

(e) TIBETAN REFUGEES.—Of the amounts authorized to be appropriated for the Department of State for "migration and refugee assistance" for fiscal year 1990, $500,000 shall be made available for assistance for displaced Tibetans in India and Nepal. The Secretary of State shall determine the best means for providing such assistance.

SEC. 503. PROHIBITION ON EXCLUSION OR DEPORTATION OF NON-RESIDENT ALIENS.

(a) TECHNICAL CORRECTION.—Section 901 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (8 U.S.C. 1182 note) is amended in subsection (a) by inserting "subject to restrictions or conditions on entry into the United States," after "United States," the first place it appears.

(b) EFFECTIVE DATE.—Subsection (d) of Section 901 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (8 U.S.C. 1182 note) is repealed.

TITLE VI—GLOBAL ENVIRONMENT PROTECTION ACT

SEC. 601. SHORT TITLE.

This title may be cited as the "Global Environmental Protection Assistance Act of 1989."

PART A—COMMERCIAL AND GOVERNMENTAL DEBT-FOR-NATURE EXCHANGES

SEC. 610. AMENDMENT TO THE FOREIGN ASSISTANCE ACT.

The Foreign Assistance Act of 1961 is amended by inserting after chapter 6 of part I the following new chapter:

"CHAPTER 7—DEBT-FOR-NATURE EXCHANGES

"SEC. 461. DEFINITION.—For purposes of this Act, the term 'debt-for-nature exchange' means the cancellation of the foreign debt of the government of a country in exchange for—

"(1) that government's making available local currencies (including through the issuance of bonds) which are used only for eligible projects involving the conservation or protection of the environment in that country (as described in section 463); or

"(2) that government's financial, resource, and policy commitment to take certain specified actions to ensure the restoration, protection, or sustainable use of natural resources within that country; or

"(3) a combination of assets and actions under both paragraphs (1) and (2).

"SEC. 462. ASSISTANCE FOR COMMERCIAL DEBT EXCHANGES.—

"(a) The President, acting through the Agency for International Development, is authorized to furnish assistance, in the form of grants on such terms and conditions as may be necessary, to nongovernmental organizations for the purchase on the open market of discounted commercial debt of a foreign government of an eligible country which will be cancelled under the terms of an agreement with that government as part of a debt-for-nature exchange.

"(b) Notwithstanding any other provision of law, a grantee (or any subgrantee) of the grants referred to in subsection (a) is not accountable for interest earned on either the grant money or the proceeds of any resulting debt-for-nature exchange pending their disbursement for approved program purposes.

"SEC. 463. ELIGIBLE PROJECTS.—

"(a) The President shall seek to ensure that debt-for-nature exchanges under this chapter support one more of the following activities by either the host government, a local private conservation group, or a combination thereof:

"(1) Restoration, protection, or sustainable use of the world's oceans and atmosphere;

"(2) Restoration, protection, or sustainable use of diverse animal and plant species;

"(3) Establishemnt, restoration, protection, and maintenance of parks and reserves;

"(4) Development and implementation of sound systems of natural resource management;

"(5) Development and support of local conservation programs;

"(6) Training programs to strengthen conservation institutions and increase scientific, technical, and managerial capabilities of individuals and organizations involved in conservation efforts;

"(7) Efforts to generate knowledge, increase understanding, and enhance public commitment to conservation;

"(8) Design and implementation of sound programs of land and ecosystem management; and

"(9) Promotion of regenerative approaches in farming, forestry, fishing, and watershed management.

"(b)(1) In cooperation with nongovernmental organizations, the President shall

seek to identify those areas, which because of an imminent threat, are in particular need of immediate attention to prevent the loss of unique biologicla life or valuable ecosystem.

"(2) The President, acting through the Secretary of State, shall encourage as many eligible countries as possible to propose such exchanges with the purpose of demonstrating to a large number of governments the feasibility and benefits of sustainable development.

"SEC. 464 ELIGIBLE COUNTRIES.—In order for a foreign country to be eligible to participate in a debt-for-nature exchange under this chapter, the President shall determine that—

"(1) the host country is fully committed to the long-term viability of the program or project that is to be undertaken through the debt-for-nature exchange;

"(2) a long-term plan has been prepared by the host country, or private conservation group, which adequately provides for the long-term viability of the program or project that is to be undertaken through the debt-for-nature exchange or that such a plan will be prepared in a timely manner; and

"(3) there is a government agency or a local nongovernmental organization, or combination thereof, in the host country with the capability commitment, and record of environmental concern to oversee the long-term viability of the program or project that is to be undertaken through the debt-for-nature exchange.

"SEC. 465. TERMS AND CONDITIONS.—

"(a) The terms and conditions for making a grant under this chapter shall be deemed to be fulfilled upon final approval by the President of the debt-for-nature exchange, a certification by the nongovernmental organization that the host government has accepted the terms of the exchange, and that the commercial debt has been cancelled in the agreed upon fashion.

"(b) Grants made under this section are intended to complement, and not substitute for, assistance otherwise available to a foreign country under this Act or any other provision of law.

"(c) The United States Government is prohibited from accepting title or interest in any land in a foreign country as a condition on the debt exchange.

"SEC. 466. PILOT PROGRAM FOR SUB-SAHARAN AFRICA.—

"(a) The President, in cooperation with nongovernmental conservation organizations, shall invite the government of each country in sub-Saharan Africa to submit a list of those areas of severely degraded national resources which threaten human survival and well-being and the opportunity for future economic growth or those areas of biological or ecological importance within the territory of that country.

"(b) The President shall assess the list submitted by each country under subsection (a) and shall seek to reach agreement with the host country for the restoration and future sustainable use of those areas.

"(c)(1) The President is authorized to make grants, on such terms and conditions as may be necessary, to United States nongovernmental organizations for the purchase on the open market of discounted commercial debt of a foreign government of an eligible sub-Saharan country in exchange for commitments by that government to restore natural resources identified by the host country under subsection (a) or for commitments to develop plans for sustainable use of such resources.

"(2) Notwithstanding any other provision of law, a grantee (or subgrantee) under this subsection is not accountable for interest earned on either the grant money or the proceeds of any resulting debt-for-nature exchange pending their disbursement for approved program purposes.

PART B—MULTILATERAL FOREIGN ASSISTANCE COORDINATION

SEC. 620. GENERAL POLICY.

It is the sense of the Congress that the Secretary of State should seek to develop an increased consideration of global warming, tropical deforestation, sustainable development, and biological diversity among the highest goals of bilateral foreign assistance programs of all countries.

SEC. 621. POLICY ON NEGOTIATIONS.

(a) IN GENERAL.—The Secretary of State, acting through the United States representative to the Development Assistance committee of the Organization for Economic Coordination and Development (OECD), should initiate, at the earliest practicable date, negotiations among member countries on a coordinated approach to global warming, tropical deforestation, sustainable development, and biological diversity through bilateral assistance programs that would include—

(1) increased consideration of the impact of developmental projects on global warming, tropical deforestation, and biological diversity;

(2) reduction or elimination of funding for those projects that exacerbate those problems;

(3) coordinated research and development of projects that emphasize sustainable use or protection of tropical forests and support for local conservation efforts;

(4) expanded use of forgiveness of foreign assistance debt in exchange for policy changes or programs that address problems associated with global warming, tropical deforestation, sustainable development, and biological diversity;

(5) increased use of foreign assistance funds and technical assistance in support of local conservation, restoration, or sustainable development efforts and debt-for-nature exchanges;

(6) improved exchange of information on energy efficiency and solar and renewable energy sources, and a greater emphasis on the use of those sources of energy in developmental projects; and

(7) increased use of environmental experts in the field to assess development projects for their impact on global warming, tropical deforestation, and biological diversity.

(b) IMPLEMENTATION OF AGREEMENT.—Negotiations described in subsection (a) shall seek to ensure that the recommended changes are implemented as quickly as possible by member countries of the Development Assistance Committee.

PART C—INTERNATIONAL DEBT EXCHANGE INSTITUTIONS

SEC. 630.—ESTABLISHMENT OF INTERNATIONAL DEBT EXCHANGE INSTITUTION.

(a) POLICY.—It is the sense of the Congress that the President, acting through the Secretary of State, should initiate negotiations with other major lender countries to establish an international institution for the purpose of facilitating exchanges of commercial debt for sustainable development and conservation purposes.

(b) FUNCTIONS OF INSTITUTION.—The functions of such institution shall include—

(1) identifying potential conservation projects;

(2) identifying areas in need of emergency action;

(3) finding or providing appropriate technical and financial support for conservation projects;

(4) promoting sound conservation and sustainable development projects; and

(5) evaluating project results.

(c) GOAL OF NEGOTIATIONS.—The negotiations should seek to conclude an agreement on—

(1) the appropriate structure of such an international institution and its independence or association with an existing institution such as the United Nations or the International Bank for Reconstruction and Development (also known as the "World Bank");

(2) the appropriate amount and form of resources that will be required from creditor countries in support of the debt exchanges, including loan guarantees, debt forgiveness, interest rate and principal reduction, and other financial incentives that will facilitate exchanges of commercial debt for conservation purposes;

(3) methods which can be used to minimize the economic impact on donor and recipient countries of the debt exchanges;

(4) criteria which debtor nations would have to meet to qualify for the debt relief;

(5) methods to ensure compliance with the terms of the debt relief;

(6) establishment of a priority system for the institution; and

(7) methods to encourage the involvement of local nongovernmental organizations in projects made possible by such institution.

SEC. 631.—REPORT.

One year after the date of enactment of this Act, the Secretary of State shall submit to the Speaker of the House of Representatives and the appropriate committees of the Senate, including the Committee on Foreign Relations, a report on steps undertaken to initiate the negotiations described in section 301, the status of the negotiations and progress toward reaching an agreement, and recommendations for additional authority that may be needed to reach an agreement.

PART D—SALE OF AGRICULTURAL COMMODITIES

SECTION 640.—AMENDMENT TO THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.

(a) IN GENERAL.—The Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end the following new title:

"TITLE

"SEC. 501. ELIGIBLE COUNTRIES.

"Whenever the President, in consultation with the government of a developing country eligible for assistance under this Act or a private conservation group in that country, determines that such country would benefit from the sale of United States agricultural commodities for conservation or sustainable development efforts, the President may designate such a country eligible for a conservation and environmental protection program under this title. Private conservation groups acting with the support of the host government are also eligible for the program.

"SEC. 502. FORMULATION OF PROPOSAL.

"(a) DEVELOPMENT OF PROPOSAL.—A country or nongovernmental organization designated as eligible under section 501 and seeking to participate in a conservation and environmental protection program shall formulate with the assistance, if requested, of

the United States Government, a multiyear proposal which shall be submitted to the President.

"(b) CONTENTS OF PROPOSAL.—Such proposal shall—

"(1) include a plan for the intended uses of the funds generated from the sale of such commodities;

"(2) specify the nature and magnitude of problems to be affected by the effort;

"(3) specify the possible impact, including environmental impacts, if the problem is allowed to continue unaddressed;

"(4) specify targets or goals to be reached by the projects, programs, or activities to be supported; and

"(5) estimate the cost and expected sources of revenue for the project.

"SEC. 503. ALLOCATION OF SALE PROCESS.

"(a) ALLOCATION OF PROCEEDS.—Up to 15 percent of the funds generated from the sale of agricultural commodities in a fiscal year in a country designated under section 501 which are approved by the President. Funds allocated through this program are intended to complement, and not substitute for, assistance otherwise available for a foreign country under this Act or an other law.

"(b) ACCOUNTABILITY FOR INTEREST.—A grantee (or any subgrantee) of the funds allocated under subsection (a) is not accountable for interest earned on such funds pending disbursement for approved program purposes."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect October 1, 1989.

PART E—MONTREAL PROTOCOL TO PROTECT THE OZONE

SEC. 650. POLICY IN FAVOR OF REOPENING THE MONTREAL PROTOCOL.

(a) POLICY.—It is the sense of the Congress that the Secretary of State, in consultation with the Administrator of the Environmental Protection Agency, should request and convene, at the earliest practical date, a meeting of such parties to the Montreal Protocol as may be necessary for—

(1) a reassessment of the control measures contained in the Montreal Protocol; and

(2) adoption of additional control measures requiring the virtual elimination of all substances identified in the Montreal Protocol not later than 7 years after the date of enactment of this Act and appropriate control measures for other ozone-depleting chemicals not identified in the Montreal Protocol.

(b) DEFINITION.—For purposes of subsection (a), the term "Montreal Protocol" refers to the Montreal Protocol on Substances that Deplete the Ozone.

PART F—WILDLIFE PROTECTION

SEC. 660. ELEPHANT PROTECTION.

(a) FINDINGS.—The Congress finds that:

(1) the elephant is a unique and magnificent species, the survival of which is now seriously endangered by illegal hunting and poaching, as well as by the destruction of its habitat;

(2) the demand for illegal ivory is a major cause of the illegal hunting and poaching that is now decimating elephant herds;

(3) the United States imports ivory from countries that do not enforce bans against illegal hunting or which tolerate the trade in ivory from illegally killed elephants;

(4) action to close the United States market to countries which tolerate illegal hunting of elephants or which tolerate trade in illegally killed elephants will reduce demand for ivory from illegal sources and will provide incentives to countries to enforce measures prohibiting the illegal hunting of elephants and the trade in ivory from illegal sources; and,

(5) urgent action is required if the elephant species is to be saved.

(b) PROHIBITION.—(1) No ivory or other elephant product may be imported into the United States or may be sold in any United States government facility if:

(A) the ivory or other elephant product originated from a country where significant numbers of elephants are killed illegally or are killed in numbers sufficient to reduce the optimal sustainable elephant population in the country or

(B) the ivory or other elephant product was traded in a country where there is any significant trade or transit traffic in the products of illegally killed elephants.

(2) This subsection shall not apply to antique ivory.

(c) PUBLICATION REQUIREMENT.—Not later than six months after enactment the Secretary of State shall publish in the Federal Register a list of all foreign countries from which the imports of ivory and other elephant products are prohibited pursuant to subsection (b).

(d) DEFINITIONS.—For the purposes of this section:

(1) the term "ivory" includes raw ivory and worked ivory;

(2) "Significant numbers of elephants killed illegally" refers to the lesser of (A) 1,000 elephants or (B) a number killed such that the killing adversely affects the ability of the elephant herds in a country to sustain a stable population.

(3) "optimal sustainable elephant population" is the largest population that can be supported in healthy condition by the habitat in the country available for elephants.

(4) "significant trade" refers to ivory valued at more than $200,000 or the product of more than 100 elephants

(5) "significant transit traffic" means traffic in ivory valued at more than $200,000 or the product of more than 100 elephants.

SEC. 661. AUTHORIZATION FOR MEMBERSHIP IN THE INTERNATIONAL TROPICAL TIMBER ORGANIZATION

The President is authorized to maintain membership of the United States in the International Tropical Timber Organization (ITTO).

SEC. 662. AUTHORIZATION FOR MEMBERSHIP IN THE INTERNATIONAL UNION FOR THE CONSERVATION OF NATURE AND NATURAL RESOURCES

The President is authorized to maintain membership of the United States in the International Union for the Conservation of Nature and Natural Resources (IUCN).

SEC. 663. AUTHORIZATION OF APPROPRIATIONS FOR MEMBERSHIP IN WILDLIFE CONVENTIONS

There are authorized to be appropriated to the President $1,511,000 for fiscal year 1990 in support of U.S. participation in the following international environmental organizations and conventions of which:

(a) $650,000 shall be available for dues and arrearages for U.S. contributions to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);

(b) $231,000 shall be available for dues and arrearages for U.S. contributions to the International Tropical Timber Organization (ITTO);

(c) $450,000 shall be available to support U.S. participation in the World Heritage Convention; and

(d) $180,000 shall be available to support U.S. participation in the International Union for the Conservation of Nature and Natural Resources.

TITLE VII—TELEVISION BROADCASTING TO CUBA ACT

SEC. 701. SHORT TITLE.

This act may be cited as the "Television Broadcasting to Cuba Act."

SEC. 702. PURPOSE.

The purpose of this act is to establish United States television broadcasting to Cuba.

SEC. 703. ADDITIONAL FUNCTIONS OF THE UNITED STATES INFORMATION AGENCY.

(a) TELEVISION BROADCASTING TO CUBA.—In order to carry out the objectives set forth in section 702, and notwithstanding the limitation of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461) with respect to the dissemination in the United States of information prepared for dissemination abroad to the extent such dissemination is inadvertent, the United States Information Agency (hereafter in this Act referred to as the "Agency") shall provide for the open communication of information and ideas through the use of television broadcasting to Cuba. Television broadcasting to Cuba shall serve as a consistently reliable and authoritative source of accurate, objective and comprehensive news.

(b) VOICE OF AMERICA STANDARDS.—Television broadcasting in accordance with subsection (a) shall be in accordance with all Voice of America standards to ensure the broadcast of programs which are objective, accurate, balanced, and which present a variety of views.

(c) USIA TELEVISION MARTI.—Any program of United States Government television broadcasts to Cuba authorized by this section shall be designated "USIA Television Marti Program".

(d) FREQUENCY ASSIGNMENT.—

(1) Subject to the Communications Act of 1934, the Federal Communications Commission shall have the authority to assign by order a suitable frequency to further the national interests expressed by this Act, except that no such assignment shall result in objectionable interference with the broadcasts of any domestic licensee, and further, that no such assignment shall result in a change of frequency for an incumbent domestic licensee.

(2) For purposes of section 305 of the Communications Act of 1934, a television broadcast station established for purposes of this part shall be treated as a government station, but the Federal Communications Commission shall exercise the authority of the President under such section to assign a frequency to such station.

(e) INTERFERENCE WITH DOMESTIC BROADCASTING.—

(1) Broadcasting by the Service shall be conducted in accordance with such parameters as shall be prescribed by the Federal Communications Commission to preclude objectionable interference with the broadcasts of any domestic licensee. The Federal Communications Commission shall monitor the operations of television broadcasting in Cuba pursuant section 703(g) of this Act. If, on the basis of such monitoring or of a complaint from any person, the Federal Communications Commission determines that broadcasting by the Service is causing any objectionable interference with the transmission or reception of the broadcasts of a domestic licensee, the Federal Communications Commission shall direct the Service to cease broadcasting and to eliminate the ob-

jectionable interference. Broadcasts by the Service shall not be resumed until the Federal Communications Commission finds that the objectionable interference has been eliminated and will not recur. The Federal Communications Commission shall not have the authority to change the frequency of an existing licensee in order to eliminate objectionable interference caused by broadcasting by the Service.

(2) The Federal Communications Commission shall take such actions as are necessary and appropriate to assist domestic licensees in overcoming the adverse effects of objectionable interference caused by broadcasting by the Service.

(f) COMPLIANCE WITH INTERNATIONAL LAW.—Broadcasting by the Service shall be conducted in accordance with the International Telecommunications Convention promulgated by the International Telecommunications Union of the United Nations, the Annexed Radio Regulations thereto, and all other applicable international laws and treaties. The Federal Communications Commission shall monitor the operations of television broadcasting to Cuba pursuant to section 703(h) of this Act. If, on the basis of such monitoring or of a complaint from any person or foreign nation, the Federal Communications Commission determines that broadcasting by the Service is in violation of the International Telecommunications Convention, the Annexed Radio Regulations thereto, or any other applicable international laws and treaties, the Federal Communications Commission shall direct the Service to cease broadcasting. Television broadcasts to Cuba shall not be resumed until the Federal Communications Commission finds that the Service has brought its broadcasting operation into full compliance with international law, and that the violation will not recur.

(g) MONITORING OF INTERFERENCE.—The Federal Communications Commission shall continually monitor and periodically report to the appropriate committees of the Congress violations of international law arising out of television broadcasting to Cuba under this section, and, interference to domestic broadcast licensees—

(1) from the operation of Cuban television and radio stations; and

(2) from the operations of the television broadcasting to Cuba.

(h) TASK FORCE.—It is the sense of the Congress that the President should establish a task force to analyze the level of interference from the operation of Cuban television and radio stations experienced by broadcasters in the United States and to seek a practical political and technical solution to this problem.

SEC. 704. CUBA TELEVISION SERVICE OF THE UNITED STATES INFORMATION AGENCY.

(a) TELEVISION MARTI SERVICE.—The Director of the United States Information Agency shall establish within the Agency a Television Marti Service (hereafter in this section referred to as the "Service"). The Service shall be responsible for all television broadcasts to Cuba authorized by section 703. The Director of the United States Information Agency shall appoint a head of the Service who shall report directly to the Director. The head of the Service shall employ such staff as the head of the Service may need to carry out the duties of the Service. The Service shall be administered separately from other television functions of the United States Information Agency.

(b) USE OF EXISTING UNITED STATES INFORMATION AGENCY FACILITIES.—To assure consistency of presentation and efficiency of operations in conducting the activities authorized hereunder, the Service shall make maximum feasible utilization of Agency facilities and management support, including those of the Radio Marti Program, Voice of America, and the United States Information Agency Television Service.

(c) ADDITIONAL AUTHORITIES.—The Agency may carry out the purposes of this part by means of grants, leases, or contracts (subject to the availability of appropriations) or such other means as the Agency determines will be most effective.

SEC. 705. AMENDMENTS TO THE RADIO BROADCASTING TO CUBA ACT.

(a) Section 5 of the Radio Broadcasting to Cuba Act (22 U.S.C. 1465c) is amended—

(1) by amending the heading to read as follows: "Advisory Board for Cuba Broadcasting";

(2) by amending subsections (a) and (b) to read as follows:

"(a) There is established within the Office of the President the Advisory Board for Cuba Broadcasting (hereafter in this Act referred to as the 'Board'). The Board shall consist of nine members, appointed by the President by and with the advice and consent of the Senate, of whom not more than five shall be members of the same political party. The President shall designate one member of the board to serve as chairperson.

"(b) The Board shall review the effectiveness of the activities carried out under this Act and the Television Broadcasting to Cuba Act and shall make recommendations to the President and the Director and Associate Director for Broadcasting of the United States Information Agency as it may consider necessary.";

(3) by amending subsection (d) to read as follows:

"(d) The head of the Cuba Service and the head of the Television Marti Service shall serve, ex officio, as members of the Board."; and

(4) in the last sentence of subsection (e) by striking "The ex officio member" and inserting "The ex officio members".

(b) REFERENCES.—A reference in any provision of law to the "Advisory Board for Radio Broadcasting to Cuba" shall be considered to be a reference to the "Advisory Board for Cuba Broadcasting".

(c) CONTINUED SERVICE OF MEMBERS OF BOARD.—Members of the Advisory Board for Radio Broadcasting to Cuba as in existence on the day before the effective date of the amendment made by subsection (a) shall continue to serve for the remainder of the term to which each such member was appointed as members of the Advisory Board for Cuba Broadcasting.

(d) WAIVER.—Section 3 of the Radio Broadcasting of Cuba Act (22 U.S.C. 1465a) is amended in the first sentence by inserting before the comma "and notwithstanding the limitation of section 501 of the United States Information and Educational Exchange Act of 1948 with respect to the dissemination in the United States of information prepared for dissemination abroad to the extent such dissemination is inadvertent".

(e) EFFECTIVE DATE.—The amendment made by subsections (a) and (d) shall take effect on the date of the enactment of this Act.

SEC. 706. ASSISTANCE FROM OTHER GOVERNMENT AGENCIES.

AUTHORITY.—In order to assist the United States Information Agency in carrying out the provisions of this part, any agency or instrumentality of the United States may sell, loan, lease, or grant property (including interests therein) and may perform administrative and technical support and services at the request of the Agency.

SEC. 707. AUTHORIZATION OF APPROPRIATIONS

(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts under section 210, there are authorized to be appropriated to the United States Information Agency, $16,000,000 for fiscal year 1990 for television broadcasting to Cuba in accordance with the provisions of this part.

(b) LIMITATION.—

(1) Subject to paragraph (2), no funds authorized to be appropriated under subsection (a) may be obligated or expended unless the President determines and notifies the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate that the test of television broadcasting to Cuba (as authorized by title V of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1989 (Public Law 100-459)) has demonstrated television broadcasting to Cuba is feasible and will not interfere with the broadcasts of licensees. The Federal Communications Commission shall furnish to the appropriate committees of congress all interim and final reports and other appropriate documentation concerning objectionable interference from television broadcasting to Cuba to domestic television licensees.

(2) Not less than 30 days before the President makes the determination under paragraph (1), the President shall submit a report to the Congress which includes the findings of the test of television broadcasting to Cuba.

(c) AVAILABILITY.—Amounts appropriated under this section are authorized to be made available until expended.

SEC. 708. DEFINITIONS.

As used in this part—

(a) the term "licensee" has the meaning provided in section 3(c) of the Communications Act of 1934;

(b) the term "appropriate committees of Congress" includes the House Foreign Affairs Committee and the House Energy and Commerce Committee, the Senate Committee on Foreign Relations, and the Senate Committee on Commerce, Science, and Transportation; and

(c) the term "Service" means the Television Marti Service established pursuant to section 204 of this Act.

SEC. 709. SENSE OF CONGRESS.

It is the sense of Congress that the Television Marti Service be operated in such a manner so as not to impact adversely the Cuban American community in the United States in terms of the family visits or the implementation of the November 1987 U.S.-Cuba immigration agreement; the prospects for the resumption of broadcast interference talks between the United States and Cuba; and the prospects for cooperation between the United States and Cuba in areas such as narcotics interdiction and the environment.

TITLE VIII—POLICY PROVISIONS

SEC. 801. POLICY ON CAMBODIA.

(a) FINDINGS.—The Congress finds that:

(1) the Khmer Rouge was responsible for the deaths of over one million Cambodians in the period between 1975 and 1979;

(2) the massacre of the Cambodian people by the Khmer Rouge constitutes a crime against humanity; and

(3) any role for the Khmer Rouge in a future government of Cambodia creates a real risk of a return to the Khmer Rouge program of genocide against the people of Cambodia;

(b) POLICY.—It shall be the policy of the United States not to support, accept, recognize, or tolerate any political arrangement in Cambodia which includes any role of any kind for the Khmer Rouge or its leaders.

(c) PROHIBITION ON ASSISTANCE.—Notwithstanding any other provision of law, no assistance of any kind shall be provided, directly or indirectly, to any Cambodian military or political group, party, or faction except as authorized by the Foreign Assistance Act of 1961, or by the annual Foreign Assistance Authorization legislation. Notwithstanding any other provision of law, no assistance of any kind shall be provided to the Khmer Rouge or to any Cambodian military or political group, party, or faction which is in alliance, coalition, or association with the Khmer Rouge or where such assistance will have the effect of promoting or abetting any future Cambodian political arrangement which includes the Khmer Rouge or their leaders.

(d) EXCEPTION FOR HUMANITARIAN ASSISTANCE.—This section shall not be construed as limiting the provision of food, medicine, or other humanitarian assistance to the Cambodian people.

(e) PUNISHMENT FOR ACTS OF GENOCIDE.—The President is directed to undertake appropriate action to bring to justice the perpetrators of Genocide against the Cambodian people in accordance with international law, including the Genocide Convention.

(f) POLICY ON CHINESE AND THAI ASSISTANCE TO THE KHMER ROUGE.—The Congress finds that assistance to the Khmer Rouge by the People's Republic of China, and facilitated by the Government of Thailand, contributes significantly to the viability of the Khmer Rouge as a political and military force in Cambodia. The Congress declares that the continuation of such assistance could harm significantly future U.S. relations with the People's Republic of China and Thailand. The Secretary of State is requested to communicate the policies contained in this section to the Governments of the People's Republic of China and of Thailand.

(g) ENACTMENT.—This section shall take effect on enactment.●

Mr. BIDEN. The steady drumbeat of news on the environment during the past 2 years has developed an ominous tone. Nearly every aspect of our globe's health has been shown to be on a serious downward trend, or worse than expected. In the United States, we pump well over 22 billion pounds of wastes into our Nation's air, ground and waters every year. Productive estuaries are devastated by oilspills of incredible proportions. Smog is a health threat to millions of urban residents. Acid rain damages entire regions.

On the global level, evidence that man is dramatically, and possibly unalterably, changing the world's climate is gaining in credibility. Scientists have discovered that chloroflourocarbons [CFC's] do not simply disappear into thin air. They become destructive particles in the highest reaches of our atmosphere. Carbon dioxide released from the burning of fossil fuels does not harmlessly dissipate. It increases in concentrations in the atmosphere to the point that massive disruptions in Earth's weather patterns are possible.

Changes that will be required to slow and stabilize the presence of so-called greenhouse gases reach to the most basic aspects of everyday life in the industrialized and developing world. It does not mean a return to the stone age; that is an argument for those who do not want to face up to the damage we are causing. It does mean a new look at actions that were thought to be relatively innocuous a decade ago, such as the use of styrofoam cups, how our automobile air-conditioners are recharged, or even what type of lightbulbs we use.

The characteristics of this problem—the long lead time involved, the ocean's ability to store carbon dioxide only to release it years later, thereby disguising the extent of the damage—represents a unique situation in which we must drop the preference for clear and indisputable evidence. We must act on the preponderance of proof that is developing. It will require political leaders of all stripes to take the most unusual step of taking serious account of consequences on a time horizon beyond the next election.

The potential effects of a rise in the Earth's temperature has elevated environmental concerns to a level unseen before. At a hearing before the Foreign Relations Committee last month, George Kennan pointed to the growing international environment crisis as an equal to the threat posed by the weapons of mass destruction. Ambassador Kennan stated:

[T]he general lesson of what [scientist] are telling us is that we have a much shorter time than we think to put things to rights on this planet if our decendants are going to have any sort of civilized life in it . . .We are going to have to take the leadership. There is no other country that could do it as we could it in bringing . . . the whole international community together in a far-reaching attack on this problem of the deterioration of the environment of the planet for the sustaining of human life.

As Ambassador Kennan went on to state, there is a unexpected degree of recognition of this problem, an extraordinary achnowledgement that the risks are monumental. This is a mandate for action that we can build on. The wider the recognition of the threat global warming poses, the harder it will be for countries to sit on the sidelines. It is almost a valuable attribute of global warming that it cuts both ways—none escape blame for its cause and none escape it effects.

Mr. President, as with any threat that has yet to manifest itself, there are those who urge delay. Several arguments have been raised in support of this course of inaction. Everyone can claim that they are only a small part of the problem. Even the United States, the world's largest emitter of greenhouse gases, could make this claim based on our roughly 25 percent share of the problem.

But the fact that none of us can be fingered as the sole culprit does not mean we are all innocent, it means we are all responsible. It means each nation of the world must look to its own activities that contribute to this international problem and act appropriately.

For the United States, it means we must cut our carbon dioxide emission, our CFC emissions, our nitrogen oxide emissions. For Europe it may mean much of the same. For developing countries, it means a review of their logging or agricultural policies, and finding a new path of economic growth.

But for no one does it mean a retreat of standards of living, unless we move on this problem without thinking. The suggestions that the environment has to be abused for development to move forward must be rejected. Indeed, the record too often shows that destruction of the environment is the surest way to undermine long-term development.

Mr. President, there is a second argument which, in effect, puts off action on global warming. The assertion that we cannot help other countries prevent their environmental disasters until we have addressed all of ours. I find this notion to be a dangerous excuse for other countries to resist action.

We do not have a perfectly operating economy, our hands are not completely clean, but it is only in recent years that the realization has grown of how dirty they are. Other countries are looking at their own. The human race cannot allow the question of who has the dirtier hands to obscure the issue that we all need to wash up.

That is why I rise to state my strong support for the global warming provisions of the international environment title of the State Department reauthorization bill Chairman PELL is introducing today. Senator LUGAR, Senator PELL, and I have all worked to develop the details of the provisions and to incorporate them into this bill. They will provide immediate resources to an innovative approach to encouraging environmental projects and programs in developing countries.

The program provides support for so-called debt-for-nature swaps. Through these swaps, nongovernmental organizations [NGO's] have purchased commercial debt of a developing country at a steep discount to its face value. The NGO's have then exchanged that debt for a commitment of funds and resources by the host

government in support of a defined environmental project.

Thomas Lovejoy of the Smithsonian Institution is considered the father of this idea, a tremendous mechanism to multiply the value of each dollar invested in an environmental project. A number of these exchanges have been completed, including swaps in Ecuador, Costa Rica, the Philippines, and Bolivia. There are dozens of other countries that would benefit from swaps of this kind. It is our intention to offer an amendment in committee to provide an authorization of up to $50 million for this program.

The program also urges the Secretary of State to increase consideration of environmental effects of development projects among all nation's foreign assistance programs. The institution is in place to do this: the Development Assistance Council [DAC] of the Organization of Economic Cooperation and Development.

Through the DAC, all the world's major donors meet to discuss their strategies and experiences with development assistance. As debt-for-nature exchanges multiply the value of the dollar invested in the swap, so coordination of bilateral assistance programs can dramatically increase the resources brought to bear on environmental problems throughout the world.

Third, the program urges the Secretary of State to begin the groundwork on establishing an international institution to facilitate debt-for-nature swaps. The institution envisioned would expand the debt-for-nature efforts on the part of the United States started in the first section of the title.

Fourth, the program allows developing countries to use the proceeds from the sale of agricultural commodities for conservation or environmental projects. As with title III of the Food for Peace Program, sale proceeds which are used for approval environmental projects can be considered grants by the Administrator.

Finally, the program calls for a reopening of the Montreal Protocol to accelerate the phaseout of CFCs and other chemicals that deplete the ozone. This is a step that the science has rapidly demonstrated is needed.

The problem puts United States leadership to work in the international arena on global warming, for next year and the years ahead. It also attempts to address the full range of issues related to building a solid base of support in all countries in support of global warming.

The commitment, support and participation by local groups in any environmental project is crucial to its success over the long term. Decisions imposed from outside are doomed to failure. Funds raised through debt-for-nature swaps can be used to provide on-going support for the local component of the project. Sale proceeds raised through the Public Law 480 Program can be used to foster the development of local environmental projects on a scale too small to be supported through a debt-for-nature swap.

The coordination of bilateral assistance programs expands support for small-scale projects and assures that our efforts are not undermined by those of another country. Establishment of a multilateral institution will expand the possibilities for wider use of debt-for-nature swaps.

Mr. President, the five-part program we have called for will place solid resources behind United States efforts for action on global warming. The conclusion is inescapable that this is a problem we recognized late in its development. No action we can take now will release our planet from temperature increases and global changes of our own making. Our responsibility is to minimize the damage that we leave for our children.

By Mr. DODD (for himself and Mr. LIEBERMAN):

S. 930. A bill to amend the Occupational Safety and Health Act of 1970 to establish an Office of Construction, Safety, Health, and Education within OSHA, to improve inspections, investigations, reporting, and recordkeeping in the construction industry, to require certain construction contractors to establish construction safety and health programs and onsite plans and appoint construction safety specialists and for other purposes; to the Committee on Labor and Human Resources.

CONSTRUCTION SAFETY, HEALTH, AND EDUCATION IMPROVEMENT ACT

● Mr. DODD. Mr. President, I rise today on behalf of myself and my colleague from Connecticut, Senator LIEBERMAN, to introduce the Construction Safety, Health, and Education Improvement Act of 1989.

Nineteen years ago, Congress enacted the Occupational Safety and Health Act to protect the Nation's workers from hazards in the workplace. That legislation marked the beginning of Federal involvement in assuring safe and healthful working conditions for men and women in the construction, manufacturing, and maritime industries.

In April 1988, the Senate Committee on Labor and Human Resources held 3 days of oversight hearings on the effectiveness of the Occupational Safety and Health Administration in carrying out its responsibilities under the act. Among other things, those hearings revealed significant problems with OSHA's record in promulgating new health and safety standards, and strengthening existing standards.

Subsequently, on April 26, 1988, I chaired a Labor Committee hearing which focused on OSHA and the construction industry in the context of the L'Ambiance Plaza building collapse in Bridgeport, CT on April 23, 1987.

National tragedies, such as the L'Ambiance Plaza disaster which killed 28 workers and seriously injured 12 others, draw public attention to the situation facing construction workers. However, those in the industry are constantly reminded of the unsafe working conditions by the daily occurrence of accidents, injuries, and deaths on construction sites.

Since 1959, there never has been fewer than 2,100 deaths per year in the construction industry with an average of 2,500 per year. On the average of every 2 hours, three construction workers are electrocuted, buried alive, crushed or fall to their death in the United States.

We all know that construction is a dangerous industry. However, there can be no dispute that the current record of Occupational Safety and Health in the construction industry is horrendous. The number of accidents, injuries, and deaths is appalling and should be of concern to every person in this Nation.

What is so disturbing about the present situation is that it exists notwithstanding Congress' recognition 19 years ago of the need for safety and health legislation in the construction industry.

While blame for the present sad state of affairs should not be placed wholly on OSHA, it is clear that there are numerous deficiencies in the Occupational Safety and Health Act and in OSHA's administration of the act. Clearly, we need more vigorous enforcement of existing law by OSHA, and stronger standards governing the construction industry and the Federal oversight role with respect to that industry.

The Federal Government must do all that it can to ensure that all construction workers, indeed all workers, are guaranteed the basic human right to a safe and healthful workplace. The current legislative and regulatory scheme is not working and therefore, we in Congress must develop new initiatives for improvement in worker safety and health.

The Construction Safety, Health, and Education Improvement Act of 1989, is such an initiative. It will improve OSHA's ability to assure safe and healthful workplaces for working men and women in the construction industry, and I urge my colleagues to support it.

Mr. President, I ask unanimous consent that the bill and a summary of the bill be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 930

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Construction Safety, Health, and Education Improvement Act of 1989".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. References to the Occupational Safety and Health Act of 1970.
Sec. 3. Definitions.
Sec. 4. Office of Construction, Safety, Health, and Education.
Sec. 5. Inspections, investigations, reporting, and recordkeeping.
Sec. 6. Construction safety and health programs.
Sec. 7. Onsite construction safety and health plans.
Sec. 8. Construction safety specialists.
Sec. 9. Construction Safety and Health Training Academy.
Sec. 10. National Institute for Occupational Safety and Health.
Sec. 11. Penalties.
Sec. 12. Advisory Committee on Construction Safety and Health.
Sec. 13. Budget contents.
Sec. 14. Effective dates.

SEC. 2. REFERENCES TO THE OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970.

Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.).

SEC. 3. DEFINITIONS.

Section 3 (29 U.S.C. 652) is amended—

(1) in paragraph (5), by inserting after "employees" the following: "(including a self-employed contractor in the construction industry)";

(2) in paragraph (6), by inserting after 'before the period at the end thereof the following: "(including a self-employed contractor in the construction industry, at such times as the contractor personally performs construction work)"; and

(3) by adding at the end thereof the following new paragraphs:

"(15) The term 'Academy' means the Construction Safety and Health Training Academy established under section 38.

"(16) The term 'Advisory Committee on Construction Safety and Health' means the Advisory Committee established under section 107(e) of the Contract Work Hours and Safety Standards Act (40 U.S.C. 333(e)).

"(17) The term 'construction contractor' means a person (including a prime contractor, general contractor, or subcontractor) who enters into a contract with a construction owner for the performance of construction work.

"(18) The term 'construction owner' means a person who—

"(A) owns, leases, or has effective control of—

"(i) real property, with or without improvements; or

"(ii) a structure or other improvement on real property; and

"(B) performs, or intends to perform, construction work on such property or improvement.

"(19) The term 'construction safety specialist' means—

"(A) an individual who is hired and retained, and performs the duties required, under section 37; or

"(B) in any case in which such individual is not appointed pursuant to section 34(d), an employee designated by a construction contractor to perform such duties.

"(20) The term 'construction work' means work for construction, alteration, or repair, or any combination thereof, including painting and decorating. Such term shall include such work performed under a contract between an employer and an agency of the United States or any State or political subdivision of a State.

"(21) The term 'construction worksite' means a site where construction work is performed.

"(22) The term 'serious injury' means any injury or illness that results in—

"(A) the permanent removal of a part of the body;

"(B) a part of the body being rendered functionally useless; or

"(C) a substantial reduction of a bodily function or efficiency, on or off the job.".

SEC. 4. OFFICE OF CONSTRUCTION, SAFETY, HEALTH, AND EDUCATION.

The Act (29 U.S.C. 651 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 34. OFFICE OF CONSTRUCTION, SAFETY, HEALTH, AND EDUCATION.

"(a) ESTABLISHMENT.—There is established in the Occupational Safety and Health Administration an Office of Construction, Safety, Health, and Education (hereinafter in this section referred to as the "Office") to ensure safe and healthy working conditions in the performance of construction work.

"(b) DUTIES.—The Office shall—

"(1) carry out the powers, duties, and responsibilities of the Secretary under this Act that relate to safety and health in the performance of construction work, including powers, duties, and responsibilities prescribed under subsections (h) through (k) of section 8 and sections 35 through 38;

"(2) develop mandatory criteria for construction safety and health programs established under section 35 and onsite construction safety and health plans established under section 36;

"(3) assume control of a construction site following an accident that results in a fatality to—

"(A) prevent the destruction of any evidence that would assist in the investigation of the accident; and

"(B) oversee rescue operations conducted in response to the accident;

"(4) assist the Advisory Committee on Construction Safety and Health in the development of training courses and curriculum for certification of construction safety specialists and in the training and testing program of the Academy;

"(5) consult with and advise employers, employees, and labor organizations as to effective means of preventing occupational injuries and illnesses in construction work and ensure equal access to such consultative services;

"(6) increase awareness of construction site safety through education, training, and outreach programs;

"(7) provide technical experts who can assist construction contractors with specific technical inquiries; and

"(8) carry out such other duties as are assigned to the Office by law.

"(c) PERSONNEL.—

"(1) DIRECTOR.—The Office shall be headed by a Director, appointed by the Secretary, who shall be responsible for carrying out the duties of the Office prescribed under subsection (b).

"(2) EMPLOYEES.—The Director shall—

"(A) in accordance with the civil service laws, appoint and fix the compensation of such officers and employees as may be necessary to carry out this section; and

"(B) prescribe the powers, duties, and responsibilities of all officers and employees engaged in carrying out this section.

"(3) ADDITIONAL INSPECTORS.—Subject to appropriations, the Secretary shall employ such additional inspectors as are necessary to carry out the duties of the Office prescribed under subsection (b). Such inspectors shall be in addition to inspectors employed under this Act on the effective date of this section.

"(4) SMALL BUSINESS LIAISON.—The Director shall designate an employee of the Office to serve as a small business liaison. The liaison shall be responsible for providing assistance for complying with new and existing standards established under this Act for the performance of construction work (in the form of manuals, videos, and audiotapes and other outreach programs) to trade associations and other small businesses.

"(d) EXEMPTIONS.—

"(1) IN GENERAL.—The Secretary may issue regulations that provide an exemption from the requirements of section 35, 36, or 37, in whole or in part, for certain types of construction projects, operations, or construction contractors, if the Secretary finds that such a requirement is not feasible for such type of project, operation, or contractor and will not promote a significant increase in employee safety and health.

"(2) PROCEDURE.—In issuing such regulations, the Secretary shall—

"(A) condition the exemption on compliance with alternative requirements that are feasible for such project, operation, or contractor and are capable of promoting employee safety and health;

"(B) base the exemption on written information submitted to the Secretary;

"(C) publish notice of the exemption in the Federal Register; and

"(D) provide an opportunity for public comment and response to such submitted information.".

SEC. 5. INSPECTIONS, INVESTIGATIONS, REPORTING, AND RECORDKEEPING.

Section 8 (29 U.S.C. 657) is amended by adding at the end thereof the following new subsections:

"(h)(1) The Secretary shall establish an effective and fair system for construction worksite inspections.

"(2) In establishing such system, the Secretary shall establish construction worksite inspection priorities intended to ensure that resources for enforcement are concentrated on construction worksites and operations having a high potential for fatalities or serious injuries and illnesses.

"(3) In establishing such priorities, the Secretary shall give due weight to the record of the compliance of—

"(A) an employer with standards established under this Act and the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.); and

"(B) a construction owner and an employer with this Act, including compliance with recordkeeping and reporting requirements of this Act.

"(4) The Secretary shall inspect on a priority basis construction projects of construction owners and construction worksites of employers having a higher than average incident frequency or severity rate of injuries or illnesses for the specific type of construction operation involved.

"(5) The Secretary shall use reports and notices filed under subsections (j) and (k) to develop the system of prioritized inspections required under this subsection.

"(6) The inspection priority system required under this subsection shall not have the effect of limiting—

"(A) inspections conducted by the Secretary on the basis of complaints by employees or employee representatives or complaints of imminent dangers; or

"(B) inspections intended as a followup to prior enforcement actions or proceedings.

"(7) No construction owner or employer engaged in construction work shall be—

"(A) excluded by the Secretary from inspections conducted under this subsection; or

"(B) advised directly or indirectly as to the status of the owner or employer or placement on the inspection priority system required under this subsection.

"(8) No advance notice of an inspection conducted under this subsection shall be provided to any person.

"(i)(1) Each construction contractor shall maintain accurate records concerning accidents and injuries at a construction worksite.

"(2) The records required under paragraph (1) shall specify—

"(A) the name, business address, and telephone number of the construction owner;

"(B) the location of the construction worksite;

"(C) the name, business address, and telephone number of the employer whose employee or employees were killed or injured or could have been killed or injured by the incident;

"(D) the name and business address of the project contractor or pertinent general contractor at the construction worksite;

"(E) the date and time of the incident;

"(F) the type of incident (such as whether the incident involved a fire, explosion, or building collapse);

"(G) the number and nature of fatalities or injuries resulting from the incident;

"(H) the number of persons hospitalized as a result of the incident;

"(I) the number of persons unaccounted for at the time the report is made; and

"(J) the identity and mailing address of the construction safety specialist responsible for investigating the incident.

"(3) Such information shall be available for any inspection conducted under this Act.

"(4) Any construction contractor who fails to maintain the information required by this subsection shall be assessed a civil penalty in an amount to be determined by the Secretary.

"(j)(1) Except as otherwise provided in this paragraph, an employer shall report to the appropriate regional office of the Occupational Safety and Health Administration by telephone or telegraph (not later than 24 hours after the occurrence of the incident) any incident involving construction work that results in—

"(A) a serious injury;

"(B) a fatality;

"(C) a structural failure that leads to the collapse of a place of employment; or

"(D) a potential collapse of a place of employment.

"(2) The employer shall submit a followup written report to the regional office as soon as practicable after a report is made under paragraph (1).

"(3) Each report required under this subsection shall specify—

"(A) the name, business address, and telephone number of the construction owner of the project;

"(B) the location of the project;

"(C) the name, business address, and telephone number of the employer or employers whose employee or employees were killed or seriously injured;

"(D) the date and time of the occurrence;

"(E) the nature of the occurrence;

"(F) the number of fatalities and serious injuries;

"(G) the number of persons hospitalized;

"(H) the number of persons unaccounted for at the time the report is made; and

"(I) the name, business address, and telephone number of the construction safety specialist submitting the report.

"(4)(A) The Secretary shall conduct an inspection of the construction worksite, or the pertinent area of the site, to investigate all reports of incidents described in paragraph (1), as well as reports of those categories of serious injuries as the Secretary, by regulation, prescribes.

"(B) The Secretary shall be granted access to the site.

"(C) The Secretary shall conduct the inspection as soon as practicable, but no later than 24 hours, after receipt of a construction safety report under paragraph (1), unless the Secretary determines that conditions at the site would make an inspection dangerous.

"(5) The construction contractor shall take appropriate measures (as defined in regulations issued by the Secretary) to prevent the destruction of any evidence that would assist the Secretary in the investigation of the occurrence.

"(6)(A) As soon as practicable after the investigation, the Secretary shall prepare and make public a narrative description of the occurrence.

"(B) Such description shall include a statement of all of the items referred to in paragraph (3) and shall contain appropriate recommendations for the prevention of a similar occurrence in the future.

"(C) A copy of such description shall be provided by the Secretary to the construction contractor or the construction safety specialist and shall be made available to employees and their representatives.

"(k)(1) Except as provided in paragraph (2), prior to the commencement of construction work on a construction project, the construction safety specialist shall provide to the Secretary notice in writing that provides—

"(A) a description of the project;

"(B) the name, principal business address, and telephone number of—

"(i) the construction owner;

"(ii) the project construction safety specialist; and

"(iii) the prime and general contractors.

"(C) the total number of other employers who the specialist estimates will be engaged on the project;

"(D) the municipal address of the project or its location with respect to the nearest public highway;

"(E) the date construction work will commence and the anticipated duration of such work;

"(F) the estimated total costs of the project for labor and material, including labor and material for work performed by subcontractors; and

"(G) the expected number of employees to be employed on such project at—

"(i) the commencement of construction work;

"(ii) the time when the peak number of employees is expected to be employed; and

"(iii) the conclusion of construction work.

"(2) If it is necessary to perform construction work on a project immediately in order to prevent injury to persons, such work may be commenced without complying with paragraph (1), except that, in any such case, the notice shall be given to the Secretary as soon as practicable after the construction work on the project commences.

"(3)(A) At the completion of a construction project or at intervals of 1-year duration of a project, whichever occurs earlier, the construction safety specialist for the project shall submit to the Secretary a report of all fatalities and serious injuries and illnesses suffered by employees, and of all structural failures that occurred, on the project. If there have been no fatalities or serious injuries or illnesses, or structural failures, on the project, the report shall so state.

"(B) The report shall provide—

"(i) the name, business address, and telephone number of the construction owner, construction safety specialist, and each employer who was engaged on the project;

"(ii) the name of each employer whose employee or employees suffered death, serious injury, or illness;

"(iii) a description of the nature of the work performed by such employer on the project;

"(iv) a description of the nature of the work performed by each employee at the time the employee suffered death or serious injury or illness; and

"(v) the date of each such occurrence.

"(4) The Secretary shall—

"(A) issue such regulations as are necessary to carry out this subsection; and

"(B) prepare and make available standard forms to be used for compliance with the requirements of this subsection.".

SEC. 6. CONSTRUCTION SAFETY AND HEALTH PROGRAMS.

The Act (29 U.S.C. 651 et seq.) (as amended by section 4 of this Act) is further amended by adding at the end thereof the following new section:

"SEC. 35. CONSTRUCTION SAFETY AND HEALTH PROGRAMS.

"(a) REQUIREMENT.—Except as provided in section 34(d), a construction contractor shall establish a written safety and health program (hereinafter in this section referred to as the 'program') in accordance with this section.

"(b) MANAGER.—

"(1) IN GENERAL.—The program shall provide for the assignment of a construction safety specialist or other employee of the contractor who is responsible for general management of the program.

"(2) DUTIES.—The responsibilities and authorities of such employee shall be specified in writing as part of the safety program.

"(c) GENERAL SAFETY AND HEALTH TRAINING.—

"(1) IN GENERAL.—The program shall provide for ensuring that all supervisory per-

sonnel and all employees of the contractor engaged in construction work on the project shall receive, or have received within the immediately preceding 12-month period, general safety and health training in a manner prescribed by the Secretary, with the advice of the Advisory Committee on Construction Safety and Health.

"(2) CONSTRUCTION WORKSITE INSTRUCTION.—The construction worksite instruction required under subsection (g) may be counted toward fulfillment of the minimum training requirements prescribed under paragraph (1).

"(3) DEMONSTRATION OF COMPLIANCE.—The Secretary shall establish a procedure under which a contractor will be able to demonstrate to the Secretary that the employees of the contractor have fulfilled the training requirements prescribed under paragraph (1).

"(4) RECORDKEEPING.—The Secretary shall require a contractor to maintain current records showing the amount of training and instruction received by each employee and supervisor, and the subjects in which such training and instruction have been received, pursuant to paragraph (1) and subsection (g).

"(d) INSPECTIONS.—The program shall provide for regular safety inspections of the construction worksite by the contractor, and for emergency and special inspections as may be appropriate.

"(e) REPORTING.—The program shall provide for the reporting of fatalities, serious injuries, and other injuries and illnesses, in accordance with the requirements of the this Act and other applicable laws, standards, and regulations.

"(f) EMERGENCY EVACUATION PLANS.—The program shall provide for an emergency evacuation plan, including the location of first-aid facilities and the routes of exiting from areas during emergencies.

"(g) CONSTRUCTION WORKSITE INSTRUCTION.—The program shall provide for the instruction of employees in—

"(1) the recognition and avoidance of unsafe and unhealthy conditions;

"(2) the standards and regulations applicable to the work activities of each employee;

"(3) use of construction worksite equipment and required personal protective equipment; and

"(4) the handling and use of poisons, caustics, flammable liquids, gases, and other toxic or harmful substances.

"(h) MATERIAL SAFETY DATA SHEETS.—The program shall provide for—

"(1) obtaining material safety data sheets from manufacturers, distributors, and other suppliers of chemicals and other hazardous materials that the contractor shall use on the project; and

"(2) making available those sheets to their own employees and to employers of other employees who may be exposed.

"(i) COPIES.—The program shall provide for making available to all employees and employee representatives, prior to the commencement of construction work for that contractor, copies of the program.

"(j) MEETINGS.—The program shall provide for regular safety and health construction worksite meetings to be conducted with employees to review and update the program.

"(k) NOTICES.—The program shall provide for the placement of a notice, to be furnished by the Secretary, in a conspicuous place or places where notices to employees are customarily posted—

"(1) informing employees that a program exists on the construction worksite; and

"(2) identifying the name and location of the employee of the contractor who is responsible for general management of the program under subsection (b).

"(l) EVALUATIONS AND ANALYSES.—

"(1) IN GENERAL.—The program shall provide for a procedure under which an employee or employee representative may request the contractor to conduct an evaluation of a perceived hazardous condition or an analysis of a perceived harmful material or substance on a construction worksite.

"(2) CONSTRUCTION SAFETY PROFESSIONAL.—Hazardous condition evaluations and substance analyses shall be conducted for the contractor under paragraph (1) by an individual who, by possession of a recognized degree, certificate, or professional standing, and who by extensive knowledge, training, and experience, has successfully demonstrated the ability of the individual to solve or resolve problems relating to worker safety and health involving construction work.

"(3) WRITTEN REPORT.—A written report of such an evaluation and analysis shall be provided immediately to the construction safety specialist and the employee who requested the evaluation or analysis.

"(4) DENIAL.—If the contractor denies a request to conduct an evaluation or analysis under paragraph (1), the denial and the specific reasons for the denial shall be reduced to writing and provided immediately to the construction safety specialist, the employee who requested the evaluation or analysis, and any employee representative of the employee.".

SEC. 7. ONSITE CONSTRUCTION SAFETY AND HEALTH PLANS.

The Act (29 U.S.C. 651 et seq.) (as amended by section 6 of this Act) is further amended by adding at the end thereof the following new section:

"SEC. 36. ONSITE CONSTRUCTION SAFETY AND HEALTH PLANS.

"(a) REQUIREMENT.—Except as provided in section 34(d), a construction contractor shall develop and maintain an onsite project safety and health plan for each construction project that—

"(1) includes a construction process plan that meets the requirements of subsection (b);

"(2) includes a hazard analysis that meets the requirements of subsection (c); and

"(3) meets the other requirements prescribed in subsection (d).

"(b) CONSTRUCTION PROCESS PLAN.—The construction process plan required under subsection (a) shall—

"(1) describe the construction process to be used, including specific references to critical points and conditions in the process that require special attention;

"(2) identify the means that will be used to ensure the structural stability of all buildings, structures, and excavations during the process;

"(3) contain a list of all inspections and tests required (including a schedule for such inspections and tests) and the criteria established for continuation of construction based on the inspection and test results; and

"(4) make appropriate references to the hazard analysis prepared in accordance with subsection (c).

"(c) HAZARD ANALYSIS.—The hazard analysis required under subsection (a) shall—

"(1) identify any possibilities for major safety failures of the project that could occur throughout the construction process; and

"(2) provide instructions for the prevention of hazards throughout the construction process.

"(d) OTHER REQUIREMENTS.—The plan required under subsection (a) shall—

"(1) protect workers against the hazards anticipated on the project and described in the hazard analysis;

"(2) contain provisions for the construction worksite specific education and training of supervisory personnel and employees in the recognition, avoidance, and prevention of unsafe and unhealthy conditions;

"(3) establish construction worksite specific benchmarks and procedures for monitoring by the construction safety specialist of compliance with such plan by all contractors on the project;

"(4) provide for the posting of a notice, to be furnished by the Secretary, in a conspicuous place or places where notices to employees are customarily posted, informing employees that such plan exists for the project, and identifying the project construction safety specialist, the means for contacting the specialist on the project, and the address and telephone number of the principal place of business of the specialist;

"(5) provide for maintaining on the construction worksite and making available to all employers and employees and their representatives, on request, a copy of such plan;

"(6) provide that a construction safety specialist shall, on behalf of the contractor, stop work at, or remove affected employees from, an area in which danger exists if the specialist believes that an imminent danger exists that cannot be eliminated immediately through actions not requiring the stoppage of such work or the removal of affected employees; and

"(7) comply with all other requirements of this Act.

"(e) APPROVAL.—The construction safety specialist shall evidence the approval of the plan by affixing the signature of the specialist and the certification number on a copy of the plan required under subsection (a)(1).

"(f) COPY.—The construction safety specialist shall provide to each employer on the project, prior to commencement of work by the contractor, a copy of the plan.

"(g) NOTIFICATION OF HAZARDS AND VIOLATIONS.—

"(1) IN GENERAL.—If the construction safety specialist determines that there exists—

"(A) a condition or work practice that violates any Federal, State, or local occupational safety or health law, standard, regulation, or order;

"(B) a failure to comply with the program established under this section or the safety and health program of a contractor; or

"(C) an occupational safety or health hazard,

the specialist shall notify the responsible contractor or contractors and direct such contractor or contractors to correct the condition, work practice, or hazard.

"(2) WRITING.—Such notification shall be reduced to writing by the construction safety specialist as soon as practicable.

"(3) COPIES.—A copy of the notification shall be—

"(A) provided by the construction safety specialist to the responsible contractor or contractors; and

"(B) be made available, on request, to all affected employers, employees, and employee representatives on the project and to the Secretary.".

SEC. 8. CONSTRUCTION SAFETY SPECIALISTS.

The Act (29 U.S.C. 651 et seq.) (as amended by section 7 of this Act) is further amended by adding at the end thereof the following new section:

"SEC. 37. CONSTRUCTION SAFETY SPECIALISTS.

"(a) REQUIREMENT.—Except as provided in section 34(d), a construction contractor shall ensure that a construction safety specialist—

"(1) is hired and retained to perform the duties prescribed by this Act at a construction worksite; and

"(2) performs such duties.

"(b) OVERALL RESPONSIBILITY.—Notwithstanding subsection (a), the construction contractor shall have overall responsibility for the safety of a construction worksite with respect to construction safety, rules, and practices.

"(c) SUBCONTRACTORS AND SUPERVISORS.—The construction contractor shall—

"(1) ensure that each subcontractor and supervisor at a construction worksite is informed of the identity and duties of the construction safety specialist; and

"(2) require such subcontractor and supervisor to comply with the policies of the construction safety specialist regarding health and safety at the construction worksite.

"(d) COMPLIANCE WITH ONSITE CONSTRUCTION SAFETY AND HEALTH PLAN.—

"(1) IN GENERAL.—A construction safety specialist shall ensure compliance at the construction worksite with the onsite construction safety and health plan required under section 36 and with guidelines established by the Secretary and by the Advisory Committee on Construction Safety and Health.

"(2) SAFETY REPORT.—A construction safety specialist shall maintain a detailed safety report with respect to the construction worksite, including information concerning unsafe practices, actions, and conditions, and any accidents, injuries, or fatalities at such worksite.

"(3) HAZARDS.—If a construction safety specialist discovers a hazard at a construction worksite, the construction safety specialist shall—

"(A) order the construction contractor to eliminate such hazard; and

"(B) inform the construction contractor, the construction owner of the construction worksite, and the Secretary of any imminent dangers at the worksite.

"(e) QUALIFICATIONS.—To be considered a construction safety specialist under this Act, an individual shall—

"(1)(A)(i) have obtained written certification of completion of a minimum 40-hour course of study in construction health and safety, the curriculum of which shall be established jointly by the Secretary, the Advisory Committee on Construction Safety and Health, and the Office of Construction, Safety, Health, and Education established under section 34; and

"(ii) continue to receive certification for successful completion of a refresher course at least once each 3 years;

"(B) have completed an on-the-job training program conducted by a certified construction safety specialist, with such training conducted for no less than 18 months and covering each aspect of a project, from the initial stages through project completion; or

"(C) have met satisfactory equivalency education and experience criteria established by the Secretary;

"(2) be capable of identifying existing and predictable hazards or conditions at a construction worksite that are unsanitary, hazardous, or dangerous to construction workers.

"(f) RESPONSIBILITIES.—On behalf of the construction contractor, the construction safety specialist shall—

"(1) prior to the commencement of construction work on the project, prepare or approve an onsite project safety and health program applicable to the entire project in accordance with section 36, except that if it is not practicable to prepare or approve the entire program prior to the commencement of construction work—

"(A) that part of the program that is feasible to prepare or approve at such time shall be prepared or approved; and

"(B) the program as it relates to the specific major phases of construction work to be performed on the subject shall be prepared or approved prior to the commencement of each such phase;

"(2) prior to the commencement of construction work by each contractor on the project, review and approve the safety and health program of such contractor to ensure its consistency with the onsite project safety and health program and compliance with this Act;

"(3) monitor the implementation by contractors of their safety and health programs;

"(4) ensure compliance by contractors with reporting requirements established by this Act;

"(5) obtain, or require a contractor to obtain, the assistance of an individual or organization professionally qualified and duly licensed to perform architectural or engineering services if the construction safety specialist determines that—

"(A) such assistance is required for compliance with the onsite safety and health program, a safety and health program of the contractor, or this Act; or

"(B) a particular aspect of the work involves such safety hazards, is so highly technical, or requires such special expertise for safe construction that the contractor could not reasonably be expected to be aware of the risks; and

"(6) perform all other responsibilities assigned to a construction safety specialist under this Act.".

SEC. 9. CONSTRUCTION SAFETY AND HEALTH TRAINING ACADEMY.

The Act (29 U.S.C. 651 et seq.) (as amended by section 8 of this Act) is further amended by adding at the end thereof the following new section:

"SEC. 38. CONSTRUCTION SAFETY AND HEALTH TRAINING ACADEMY.

"(a) ESTABLISHMENT.—There is established in the Occupational Safety and Health Administration a Construction Safety and Health Training Academy (hereinafter in this section referred to as the 'Academy'), to be headed by a Director appointed by the Secretary.

"(b) FUNCTIONS.—The Academy shall be responsible for—

"(1) the training of—

"(A) employees of the Office of Construction Safety, Health, and Education who conduct inspections of construction worksites; and

"(B) other persons as the Secretary, with the advice of the Advisory Committee on Construction Safety and Health, shall consider appropriate; and

"(2) the training and certification of construction safety specialists who have fulfilled the requirements of a standardized training course and testing program developed or approved by the Academy, with the advice of the Advisory Committee on Construction Safety and Health.

"(c) COOPERATIVE AGREEMENTS.—In carrying out this section, the Academy may enter into cooperative educational and training agreements with educational institutions, State governments, labor organizations, and construction industry employers.

"(d) EQUAL ACCESS.—The Secretary and the Academy shall ensure that employees, employee representatives, and employers have equal access to the services made available pursuant to this section.".

SEC. 10. NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH.

Section 22 (29 U.S.C. 671) is amended—

(1) by striking out "in the Department of Health, Education and Welfare" each place it appears in subsections (a) and (b) and inserting in lieu thereof "as an agency of the Public Health Service"; and

(2) by striking out "Secretary of Health, Education and Welfare" each place it appears and inserting in lieu thereof "Secretary of Health and Human Services".

SEC. 11. PENALTIES.

Subsection (e) of section 17 (29 U.S.C. 666(e)) is amended to read as follows:

"(e)(1)(A) Except as provided in subparagraph (B), any employer who—

"(i) willfully violates any standard, rule, or order promulgated pursuant to section 6, or any regulation prescribed pursuant to this Act, and thereby causes serious injury to any employee; or

"(ii) under circumstances evincing an extreme indifference to human life, recklessly engages in conduct that violates such standard, rule, order, or regulation and creates a grave risk of serious injury to any employee, and thereby causes serious injury to such employee,

shall, on conviction, be fined in accordance with title 18, United States Code, or imprisoned not more than 5 years, or both.

"(B) If a conviction under subparagraph (A) is for a violation committed after a first conviction of such employer, such employer shall be fined in accordance with title 18, United States Code, or imprisoned not more than 10 years, or both.

"(2)(A) Except as provided in subparagraph (B), any employer who—

"(i) willfully violates any standard, rule, or order promulgated pursuant to section 6, or any regulation prescribed pursuant to this Act, and thereby causes the death of any employee; or

"(ii) under circumstances evincing an extreme indifference to human life, recklessly engages in conduct that violates such standard, rule, order, or regulation and creates a grave risk of death to any employee, and thereby causes the death of such employee,

shall, on conviction, be fined in accordance with title 18, United States Code, or imprisoned not more than 10 years, or both.

"(B) If a conviction under subparagraph (A) is for a violation committed after a first conviction of such employer, such employer shall be fined in accordance with title 18, United States Code, or imprisoned not more than 20 years, or both.

"(3) For purposes of this subsection, an employer acts recklessly with respect to a result or circumstance described by this sub-

section if the employer is aware of and consciously disregards a substantial and unjustifiable risk that such result will occur or that such circumstance exists. The risk must be of such a nature and degree that disregarding it constitutes a gross deviation from the standard of conduct that a reasonable person would observe in the situation.".

SEC. 12. ADVISORY COMMITTEE ON CONSTRUCTION SAFETY AND HEALTH.

Section 107(e) of the Contract Work Hours and Safety Standards Act (40 U.S.C. 333(e)) is amended by adding at the end thereof the following new paragraph:

"(4) The Advisory Committee shall have the authority to schedule meetings and set meeting agendas, establish subcommittees, conduct research and issue reports, retain experts and consultants, employ secretarial and clerical personnel, and purchase office equipment and research material as may be necessary to carry out its functions.".

SEC. 13. BUDGET CONTENTS.

In the preparation of the budget message required under section 1105 of title 31, United States Code, the President shall set forth as separate appropriation accounts—

(1) amounts for appropriation for construction industry safety and health activities conducted pursuant to the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.) and the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.); and

(2) amounts required for appropriation for nonconstruction occupational safety and health activities conducted pursuant to the Occupational Safety and Health Act of 1970 and the Contract Work Hours and Safety Standards Act.

SEC. 14. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), this Act and the amendments made by this Act shall become effective on October 1, 1991.

(b) CONSTRUCTION SAFETY SPECIALISTS.—Section 37 of the Occupational Safety and Health Act of 1970 (as added by section 8 of this Act) shall become effective on October 1, 1993.

SUMMARY OF THE CONSTRUCTION SAFETY, HEALTH AND EDUCATION IMPROVEMENT ACT OF 1989

I. OFFICE OF CONSTRUCTION SAFETY, HEALTH AND EDUCATION WITHIN THE OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA)

A. Purpose.—To asssure safe and healthful working conditions for employees in the construction industry by:

1. Developing mandatory criteria for worker health and safety plans.

2. Taking control of a worksite when a fatality occurs to secure evidence and oversee rescue operations.

3. Assisting in the development of training courses and curriculum for the certification of Construction Safety Specialists.

B. Personnel.—

1. Director—appointed by the Secretary of OSHA to be responsible for enforcement of this act.

2. Additional inspectors—Secretary required to hire additional inspectors specifically trained in construction safety.

3. Technical experts—to assist contractors with specific technical inquiries.

4. Small Business Liaison Officer—to be responsible for providing compliance assistance on new and existing standards.

II. INSPECTION SYSTEM, RECORDKEEPING AND NOTIFICATION REQUIREMENTS

A. OSHA will be required to provide contractors with basic compliance information.

B. Upon commencement of any construction project, the contractor will be required to provide OSHA written information on the nature of the project, estimated cost, number of employees, business addresses and telephone numbers. On completion of the project, the contractor will be required to provide OSHA a detailed safety report.

C. All construction contractors will be required to keep accurate records of all incidents, accidents, injuries, fatalities, etc. Any employer failing to keep such records will be assessed a civil penalty determined by the Secretary.

D. Employers will be required to report to the regional OSHA office within 24 hours when there is an incident involving:

1. One serious injury (defined as an injury that "results in a permanent removal of a part of the body; a part of the body being rendered functionally useless; or a substantial reduction of a bodily function, on or off the job").

2. One fatality.

3. A structural failure leading to a collapse or potential collapse of a building.

E. OSHA will be required to inspect the site within 24 hours of incidents mentioned in Section D above.

F. The Secretary will be required to establish an inspection priority system to target resources for construction worksites with a high number of fatalities and serious injuries.

III. PENALTIES

A. Penalties for a willful violation resulting in serious injury

1. First offense—increases criminal penalty from up to six months imprisonment to up to five years imprisonment.

2. Second offense—increases criminal penalty from up to one year imprisonment to up to 10 years imprisonment.

B. Penalties for a willful violation resulting in death

1. First offense—increases criminal penalty from up to six months imprisonment to up to 10 years imprisonment.

2. Second offense—increases criminal penalty from up to one year imprisonment to up to 20 years imprisonment.

C. The OSHA statute will be broadened to enable federal prosecutors to convict employers when they can prove "criminal negligence."

The following three provisions requiring a safety and health program, a construction process and safety plan and construction safety specialists will apply to contractors unless exempted by the Secretary. The Secretary will have the authority to exempt any project, operation or employer if he/she determines such a requirement is not feasible or will not promote greater safety.

IV. SAFETY AND HEALTH PROGRAM

Contractors will be required to develop a safety and health program that will include:

A. Worksite safety and health instruction for all supervisory personnel and employees including use of worksite equipment and personnel protective equipment.

B. Minimum criteria for safety and health determined by the Office of Construction Safety, Health, and Education.

V. CONSTRUCTION PROCESS AND SAFETY PLAN

Certain hazardous construction projects will be required to have a prepared construction process and safety plan that:

A. Identifies possible safety hazards.

B. Describes the process to be used and identifies the means to ensure the structural stability of all structures and excavations.

VI. CONSTRUCTION SAFETY SPECIALISTS (CSS)

A. Contractors will be required to hire a Construction Safety Specialist to monitor the implementation of the safety program, and when applicable, the construction process and safety plan.

B. The CSS will successfully have completed a minimum 40-hour course of study on construction health and safety (curriculum determined by the Office of Construction Safety, Health, and Education), or received on-the-job training with a certified CSS for a minimum of 18 months.

C. The CSS will require the employer to obtain the advice of a qualified design professional if he/she determines a particular phase of the work involves special safety hazards.

D. The CSS will have the authority to stop work in an area where he/she discovers an imminent danger on the worksite.

VII. CONSTRUCTION SAFETY AND HEALTH TRAINING ACADEMY

A construction safety and health training academy will be established to:

A. Train construction safety and health inspectors for OSHA.

B. Certify Construction Safety Specialists.●

By Mr. MOYNIHAN:

S. 931. A bill to protect a segment of the Genesee River in New York; to the Committee on Energy and Natural Resources.

PROTECTION OF A SEGMENT OF THE GENESEE RIVER

● Mr. MOYNIHAN. Mr. President, I rise today to introduce the Genesee River Protection Act. This bill will save for generations to come the beauty and natural qualities of the Genesee River within the boundaries of Letchworth Park's Genesee River Gorge.

The bill I have introduced will afford this gorge the protection granted to rivers included in the Wild and Scenic Rivers Act. There exists no stronger statutory tool for protecting natural rivers. Letchworth State Park contains the 17-mile-long gorge, 300 feet high in spots, that has been called the Grand Canyon of the East. Situated on the border of Wyoming and Livingston Counties, the portion of the river that we will help save today receives thousands of tourists per year from New York and the entire Eastern United States.

Mr. President, the National Park Service has conducted a nationwide inventory of our rivers. The Park Service estimates that more than 60,000 miles of river qualify for inclusion in the Wild and Scenic Rivers System, but to date fewer than 9,300 miles enjoy such protection. That's about one quarter of one percent of all U.S. river miles.

In 1968, Congress enacted the National Wild and Scenic Rivers Act to establish a system for preserving this Nation's rivers. The Wild and Scenic

Rivers System has clearly been underutilized.

New York State has already included this portion of the Genesee River in its Wild, Scenic and Recreational River System, and I think we can afford the same protection at the Federal level. There is a Federal interest here. Years ago, the U.S. Army Corps of Engineers constructed a small dam near this stretch of the Genesee to provide for flood control in the lower stretches of the River. The Corps continues to manage this dam under its original mandate, and so protection of this area by the State of New York is not the end of the story. Action by Congress is appropriate in this case, and I urge my colleagues to support me in this effort.

Mr President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 931

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Genesee River Protection Act of 1989".

SEC. 2. PROTECTION OF THE GENESEE RIVER.

In order to further the purposes of the Wild and Scenic Rivers Act (16 U.S.C. 1271 et seq.) (referred to as the "Act") and to protect for present and future generations the outstanding scenic, natural, recreational, scientific, cultural, and ecological values of the Genesee River within Letchworth Gorge State Park in the State of New York, and to assist in the protection and enhancement of the Gorge's archeological sites of sacred significance to the Seneca Nation, historic areas, endangered plan communities, and diverse recreation users, the protections afforded for rivers listed in section 5(a) of the Act (16 U.S.C. 1276) for study for potential addition to the National Wild and Scenic Rivers System shall apply to the segment of the Genesee River within Letchworth Gorge State Park, except that the protection so afforded shall not interfere with the Secretary of the Army's operation and management of Mt. Morris Dam as authorized for purposes of flood control.●

By Mr. KASTEN (for himself and Mr. KOHL):

S.J. Res. 119. Joint resolution to provide for the interpretation and implementation of certain provisions of the 1837 and 1842 treaties of the United States with the Chippewa Indians of Wisconsin, and for other purposes; to the Select Committee on Indian Affairs.

NATURAL RESOURCES EQUITY

Mr. KASTEN. Mr. President, I rise today to introduce legislation, the Natural Resources Equity Act of 1989, addressing the need for a long-term solution to the Indian treaty right controversy in northern Wisconsin. For years now, northern Wisconsin has been bitterly divided because of Federal court interpretations of the treaties the United States made with the Chippewa Nation in the 1800's. It is time for Congress to play a more active role in resolving this matter.

On July 29, 1837, and again on October 4, 1842, the United States agreed to treaties with the Lake Superior Chippewa Indians. These treaties guaranteed certain usufructuary, or land use, rights to the Chippewa on the territory that they ceded to the non-Indian population. Today that territory covers most of northern Wisconsin. In 1974, the Lac Courte Oreille Band of the Chippewa Tribe took the State of Wisconsin to court in an effort to determine the limits of their usufructuary rights. The State was named party to the lawsuit, as opposed to the Federal Government, because it has been the States which have administered the wildlife and natural resource regulations in their jurisdictions.

The initial decision, known as the Voigt decision, was made in 1983. The Voigt decision reaffirmed that the tribes had rights to hunt and fish on nontribal lands. The Voigt decision also called for further clarification through the courts regarding the scope of those rights. In 1987 and again in 1989, the U.S. District Court ruled on their interpretation of the treaties. The Doyle decision, handed down in 1987, determined that the natural resources should be available to the Chippewa and the harvest should be sufficient to provide a "moderate standard of living." The Crabb decision affecting Indian fishing rights, handed down in March of this year, gave the Chippewa the right to self-regulate their harvest, and because it did not set a specific tribal harvest allocation limit, the tribe is able to harvest up to 100 percent of the safe harvest on any lake in the ceded territory.

Mr. President, this situation is simply intolerable. While I accept the fact that the treaties guarantee tribal members the right to fish on lakes within the ceded territory, I cannot accept the tribal use of the resource precluding anyone else from sharing in that resource. We have to find a solution that protects the rights of all citizens.

The economy of Northern Wisconsin is dependent on two key factors—tourism and natural resources. If the natural resources of Wisconsin are threatened, or even if there is a strong perception that they are threatened, the tourism and vacation-related businesses of Northern Wisconsin will be devastated. Such a situation serves the interests of neither Indian or non-Indian parties.

Northern Wisconsin has erupted in response to the Crabb decision. Thousands of non-Indians have protested, and Indian attempts to exercise their constitutional rights have been marred by violence, threats of violence, verbal abuse, and racists acts. The unlawful actions of treaty right protesters are completely unacceptable, and I renew my call for restraint and respect for the law. I ask all interested parties to focus their energies on working toward a long-term solution, instead of focusing on hatred and violence.

It is with the goal of restarting a dialog on a long-term solution that I introduce legislation today. This proposal has the support of nearly the entire Wisconsin congressional delegation, and close contact has been maintained with State officials in the drafting process.

Simply put, my legislation would prohibit the tribe from taking more than 10 percent of the safe harvest level of sport fish from any lake in the ceded territory. This would guarantee the tribes' ability to conduct primarily ceremonial spearing. It would also assure the State's ability to provide a bag limit of at least 4 walleyes for nontribal fishermen on virtually every affected lake. Such a solution would preserve the rights of tribal members to engage in spearfishing, while protecting the rights of non-Indian anglers, thereby ensuring the stability of our natural resources and the continued strength of the tourism industry in northern Wisconsin. The legislation also provides that, to the extent that the number of fish the tribe is able to spear under this act is less than the number of fish they have taken in recent years, the tribe has the right to seek compensation for that loss before the Federal Claims Court, and the cost of any decision will be borne equally between the State of Wisconsin and the U.S. Government.

Despite the overwhelming support for this proposal within the congressional delegation, however, it is unlikely to be enacted without continued hard work and negotiation on the part of affected local parties. As much as we might like to see this legislation enacted right now, the House and Senate committees of jurisdiction have made perfectly clear, as recently as yesterday, that, and I quote, "in the absence of a locally negotiated agreement to modify practices guaranteed by the court, there is virtually no chance that the Committee would support or the Administration would sign legislation abrogating those treaties."

Thus, while I do not rule out the possibility of Congress acting unilaterally on this legislation, it is clear that we continue to need the cooperation of the tribe and the State. A State-negotiated agreement must first be arrived at before Federal action can take place. This proposal should serve as a basis for negotiations between the tribe and the State for a long-term solution—it is clearly a strong statement

of how the congressional delegation would like to see this issue resolved.

Mr. President, northern Wisconsin has been divided for too long now over the problem of Indian treaty rights. It is time for a renewed focus on finding a long-term solution to this problem. Wisconsinites have too many common areas of concern which need addressing to justify focusing on the one issue that divides us. We need to put the divisions on this issue behind us, restore civil peace, and pursue opportunities for economic development in northern Wisconsin, both on and off tribal reservations.

As I have stated, we cannot be successful unless all parties negotiate in good faith, and earnestly work toward a long-term solution. By working together now in support of the negotiation efforts of the Governor of Wisconsin, and in support of the goal of the Wisconsin congressional delegation, we can restore peace and prosperity in northern Wisconsin.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 119

Whereas the Lake Superior Chippewa Indians have successfully sued the State of Wisconsin for the right to hunt, fish, and gather resources on off-reservation land within the ceded territory of Wisconsin;

Whereas the United States District Court for the Western District of Wisconsin has defined the conditions under which tribal fishing rights may be exercised; and

Whereas the Congress of the United States believes the existence of these rights should be compatible with the ability of all groups to equitably and peacefully participate in the sharing of the resources; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This joint resolution may be cited as the "Natural Resources Equity Act of 1989".

SEC. 2. (a)(1) No provisions of the Treaty of July 29, 1837, between the United States and the Chippewa Nation of Indians (7 Stat. 536) or the Treaty of October 4, 1842, between the United States and the Chippewa Indians of the Mississippi and Lake Superior (7 Stat. 591) with respect to any lake or other discrete fishery in the State of Wisconsin not wholly or partially within any existing Indian reservation, shall be interpreted in a manner which would result in an Indian tribal beneficiary of such treaties being allocated in excess of 10 percent of the safe harvest.

(2) For purposes of this section, the term "safe harvest" means the number of fish determined, pursuant to the formula required by *Lac Court Oreilles, et al.* v. *State of Wisconsin*, (W.D.WIS. March 3, 1989), to be available for harvest from any particular discrete fishery or lake.

(b) To the extent that the application of the provisions of subsection (a) result in an Indian tribe being allocated less of the fishery-wide safe harvest than that which has been taken under the provisions of the treaties or court decision described in subsection (a) and other applicable law as in effect prior to the enactment of this Act, the application of such provision shall represent a taking of such right, the cost of which, to be determined pursuant to proceedings before the United States Claims Court, shall be borne equally between the State of Wisconsin and the United States Government.

Mr. KOHL. Mr. President, I am cosponsoring the legislation which has been introduced today, and I commend the efforts of my colleagues to establish a framework for negotiations between the State of Wisconsin and the Chippewa Tribes in my State. A great deal of hard work has gone into this effort, in hopes of encouraging a negotiated settlement which is acceptable to both parties.

In my view, the dispute is between the State and the tribes, and any settlement of that dispute must be worked out between those two parties. That fact does not change with the introduction of this legislation. Indeed, the agreement of the tribes and the State are a prerequisite for movement on this legislation. Furthermore, the chairman of the committees with jurisdiction over this legislation in both the House and the Senate have assured the delegation that they will not act on this bill until all parties to the dispute are in support.

In my view, the only purpose of the legislation which my colleague and I are introducing today is to ensure that adequate funds are available to compensate the tribes for the treaty rights which they relinquish, the amount of which will be mutually decided between the tribes and the State.

Therefore, while I am cosponsoring this legislation, I am not in any way wedded to the provision in the bill that allows the tribes to take only 10 percent of the safe harvest level on the lakes.

I am not in a position to decide how many fish the tribes should be allowed to take, or how many fish the non-Indians can take. I don't know whether or not 10 percent represents a fair amount. Maybe it is, but that is not for us to decide here in Congress, and I hope that the negotiating parties will not feel bound to the 10 percent figure. I strongly believe that those figures should be decided between the two parties to the dispute.

If anything, by promising that the Federal Government will split the costs for up to 90 percent of the values of the tribal fishing rights, we are making a commitment to share the costs of any agreement. In other words, we are willing to go as high as necessary to insure an equitable settlement.

I am hopeful that this legislation will encourage negotiations to go forward, so that this dispute can be put behind us once and for all. This raging controversy is not good for the people of Wisconsin, it's not good for the State's tourism industry, and it's not good for the Chippewa Tribes.

By Mr. BRADLEY (for himself and Mrs. KASSEBAUM):

S.J. Res. 120. Joint resolution to designate the period commencing November 12, 1989, and ending November 18, 1989, as "Geography Awareness Week"; to the Committee on the Judiciary.

GEOGRAPHY AWARENESS WEEK

● Mr. BRADLEY. Mr. President, I rise today with my distinguished colleague from Kansas [Mrs. KASSEBAUM] to introduce a joint resolution to declare the week of November 12 to November 18, 1989, as "Geography Awareness Week."

Mr. President, 2 years ago when I rose to introduce the first "Geography Awareness Week" joint resolution, an alarming level of geographic illiteracy had developed in our Nation. Surveys found that our Nation's students had at best a distorted understanding of our world and at worst a near total ignorance of the most basic geography. In Dallas, 25 percent of the high school students could not name Mexico as the country that bordered the United States to the south. In Boston, 39 percent of the surveyed students could not name the six New England States.

Mr. President, since the first Geography Awareness Week, progress has been made in dealing with such illiteracy. But this progress is only a beginning. We must continue to revitalize and expand the role of geography in the public consciousness. Much more needs to be done.

Two years ago, as a way to generate interest in geography education, I sponsored a statewide geography "bee" in New Jersey. Over 600 eighth graders from all over the State competed. Robin Cadwallender, a 13-year-old eighth grader from Hopatcong, NJ, was crowned grand champion of geography when she won the final round of the competition. She won her crown by naming the highest mountain in the Western Hemisphere, Mount Aconcagua in Argentina, and correctly naming Key Largo as the largest of the Florida Keys. This year, there will be a national geography competition much like our National Spelling Bee.

Last year, I again sponsored the statewide geography bee. I arranged and participated in a joint geography class for seventh and eighth grade students from Thomas Jefferson Elementary School in Teaneck, NJ, and the United Nations International School. Geography came alive for these students as they met peers from around the world. Geography does not have to be a boring subject. The students at the Ethel McKnight Elementary School in East Windsor Township, showed me projects including a travel

bureau, computer simulations, board games, and research projects. Much has been accomplished.

Our country is unique: a population with a diverse ethnic and racial heritage; a continental landscape; bountiful resources. All of this contributes to our status as a world power.

Knowledge of geography offers necessary perspectives and information for understanding ourselves, our relationship to the Earth, and our interdependence with other peoples of the world.

The United States is a Nation with worldwide involvements and global influence that demand that our citizens have an understanding of the lands, languages, and cultures of the world.

Yet even with this critical need to know where we—and others—are, a majority of American students still receive no significant exposure to geography in their curricula. This is illustrated by the results of a recent Gallup poll which ranked Americans in the bottom third in an international test of geographic knowledge. Americans age 18 to 24 ranked dead last. Fewer than half of these young people could find Central America on a map; only one in three could locate Vietnam; three-quarters could not find the Persian Gulf and half could not identify Nicaragua as the country in which the Sandinistas and Contras are fighting. Clearly, continued ignorance, such as this, places the United States at a distinct disadvantage in matters of business, politics, and the environment.

We must focus our national attention on the integral role that knowledge of world geography plays in preparing our young citizens for the future in an increasingly interdependent world.

For this reason, I am introducing this joint resolution to focus national attention on the important role that knowledge of world geography plays in our lives. I hope this will be just one step in a revitalization of the study of geography. All of our citizens should have access to the sort of education which will help them appreciate the great beauty and diversity of this National and its place in the world.●

● Mrs. KASSEBAUM. Mr. President, I am pleased to join Senator BRADLEY in introducing a joint resolution designating the week of November 12 through 18, 1989, as "Geography Awareness Week."

Over the past 2 years, Governors, State education officials, libraries, teachers, parents, and many others have participated in activities and events designed to promote and improve geographic literacy. "Geography Awareness Week" has provided an opportunity to our increasingly interdependent society, we deal with remote parts of the world on a daily basis. Knowledge of geography has and will continue to become of growing significance in a competitive international market.

Unfortunately, Americans do not rank highly in geographic literacy when compared with citizens of nations such as France, Sweden, and Japan. A study released by the National Geographic Society indicated that 75 percent of Americans surveyed were unable to locate the Persian Gulf. It is disturbing that such a large percentage of our population knows so little about an area as important as the Middle East. Moreover, the study found that one out of seven could not even identify the United States on a world map.

I believe "Geography Awareness Week" will expand public awareness of the importance of geography education in our communities and emphasize geography education in our schools. I urge our colleagues to join us in supporting this joint resolution.●

By Mr. DECONCINI (for himself, Mr. THURMOND, Mr. ADAMS, Mr. CHAFEE, Mr. COATS, Mr. DURENBERGER, Mr. GARN, Mr. GRAHAM, Mr. HEINZ, Mr. HELMS, Mr. HOLLINGS, Mr. KOHL, Mr. MOYNIHAN, Mr. NUNN, Mr. PELL, Mr. RIEGLE, Mr. SHELBY, Mr. WILSON, Mr. MITCHELL, Mr. BOSCHWITZ, Mr. FOWLER, Mr. D'AMATO, Mr. ROBB, Mr. DIXON, Mr. WARNER, Mr. BENTSEN, Mr. PRYOR, Mr. DOLE, Mr. GORTON, Mr. CRANSTON, Mr. COCHRAN, Mr. BRADLEY, Mr. JEFFORDS, Mr. LEVIN, Mr. LUGAR, Mr. MCCLURE, Mr. BUMPERS, Mr. MURKOWSKI, and Mr. METZENBAUM):

S.J. Res. 121. Joint resolution to provide for the designation of September 14, 1989, as "National D.A.R.E. Day"; to the Committee on the Judiciary.

NATIONAL D.A.R.E. DAY

● Mr. DECONCINI. Mr. President, today I am pleased to introduce a joint resolution which designates September 14, 1989 as "National D.A.R.E. Day." D.A.R.E. is an acronym for Drug Abuse Resistance Education, a semester long program which teaches fifth and sixth grade children how to resist pressure to experiment with drugs and alcohol. The D.A.R.E. Program was originally developed in Los Angeles by Police Chief Daryl Gates as a cooperative effort between the LA Police Department and the Unified School District.

Since I introduced the D.A.R.E. Day resolution last year, this exciting program has expanded into 11 additional States for a total of 48. The D.A.R.E. message is being received in more than 50,000 classrooms by over 3 million children. Additionally, the D.A.R.E. Program has been adopted for use internationally in the Department of Defense's dependent schools.

The D.A.R.E. Program is also provided to kindergarten and junior high school students and their parents. The program has proven effective because it targets children who are young enough not to have received maximum exposure to illegal drugs, yet are old enough to fully comprehend the dangers of drug use. In my home State of Arizona, we now have 64 separate agencies that are involved in the D.A.R.E. Program, and 157 certified officers. During this school year alone, these officers will reach 25,000 students in 250 public schools. These numbers are even more impressive when you consider that this is a 17-lesson series, taught once a week over the course of a semester.

When the University of Michigan's annual drug-abuse survey of high school seniors was recently released, the report showed a continued decline in teen drug use. The Michigan survey also reported a decrease in cocaine use for the second year in a row. However, a drug-abuse survey conducted in Arizona by the Criminal Justice Commission presented a far different story. Cocaine use by high school seniors in Arizona was twice the national average. Students also responded that illegal drugs in Arizona were readily available.

When my staff contacted other Western States, they found a similar situation—student drug use higher than the national average. I believe these surveys tell us we still have a long way to go in our efforts to rid society of these deadly poisons. We must fight harder—implementing greater preventive measures and creating greater community awareness. By giving D.A.R.E. the national recognition it deserves, we are working to reverse the trends we are experiencing in the Western States because the program is one that works.

An evaluation completed by the U.S. Department of Justice reveals great enthusiasm among school principals and teachers who say that D.A.R.E. students are less accepting of substance use and better prepared to deal with peer pressure as a result of the innovative drug education. Moreover, educators are finding that the D.A.R.E. Program has contributed to improved study habits and grades, decreased vandalism and gang activity and has generated greater respect for police officers.

Our acceptance of drugs is at the root of the illicit drug problem in America. This acceptance has permeated the Nation's youth—it is not enough to simply hand them a ready-made cliche—"Just Say No." We must cognitively teach them to resist the subtle pressures that cause them to experiment with dangerous substances. If our attitudes' were to change, then narcotics traffickers,

dealers, and producers would be permanently out of business.

Thanks to the D.A.R.E. Program, attitudes are changing. Surveys indicate a significant difference between D.A.R.E. and non-D.A.R.E. students in reported use of all categories of alcohol, tobacco, heroin and inhalants. D.A.R.E. students showed greater improvement in grades, work habits, and cooperation during their first semester in junior high school. D.A.R.E. students are more likely to use effective refusal strategies because resistance techniques are cognitively taught and emphasized in the D.A.R.E. curriculum.

Mr. President, the D.A.R.E. Program is one that works. The program is producing unprecedented results. Hopefully, we will acknowledge the merit of this program for the second straight year by designating September 14, 1989, as "National D.A.R.E. Day." I urge my colleagues to show their support by cosponsoring this meaningful resolution.

I want to give a special thanks to Veronica Arechederra for her fine work on this resolution. I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 121

Whereas D.A.R.E. (Drug Abuse Resistance Education) is a semester-long program that teaches fifth and sixth grade children how to resist pressure to experiment with drugs and alcohol;

Whereas the D.A.R.E. program is also provided to kindergarten and junior high school students and their parents;

Whereas D.A.R.E. targets children when they are most vulnerable to tremendous peer pressure to try drugs and alcohol and teaches the skills to make positive decisions and resist pressure to engage in negative behaviors;

Whereas more than 1,200 communities in 48 States now conduct the D.A.R.E. program in their local schools, and a pilot program has been implemented for use internationally in the Department of Defense Dependent Schools;

Whereas almost 3 million students have been reached through D.A.R.E.;

Whereas because school children are frequently much more sophisticated about substance abuse than are classroom teachers, the D.A.R.E. program is taught by veteran police officers with direct experience in cases involving criminal activity and ruined lives caused by substance abuse;

Whereas each police officer who teaches the D.A.R.E. program completes an 80-hour training course that includes instruction in teaching techniques, officer-school relationships, development of self-esteem, child development, and communication skills;

Whereas the D.A.R.E. curriculum, developed by the Los Angeles Police Department and the Los Angeles Unified School District, helps students understand self-image, recognize stress and manage it without taking drugs, analyze and resist media presentations about alcohol and drugs, evaluate risk-taking behavior, resist gang pressure, apply decision making skills, and evaluate the consequences of the choices available to them;

Whereas independent research shows that the D.A.R.E. program has exceeded its goal of helping students combat peer pressure to use drugs and alcohol, by contributing to improved study habits and grades and decreased vandalism and gang activity and by generating greater respect for police officers; and

Whereas the D.A.R.E. program has achieved outstanding success teaching positive and effective approaches to what is one of the most difficult problems facing our young people today, namely drug abuse: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress Assembled, That September 14, 1989, is designated as "National D.A.R.E. Day", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe that day with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 5

At the request of Mr. DODD, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 5, a bill to provide for a Federal program for the improvement of child care, and for other purposes.

S. 6

At the request of Mr. MCCAIN, the names of the Senator from North Carolina [Mr. HELMS], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Idaho [Mr. MCCLURE] were added as cosponsors of S. 6, a bill to grant the power to the President to reduce appropriated funds within 10 days after the date of enactment of a bill appropriating such funds.

S. 15

At the request of Mr. CRANSTON, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 15, a bill to amend the Public Health Service Act to improve emergency medical services and trauma care, and for other purposes.

S. 100

At the request of Mr. ROCKEFELLER, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of S. 100, a bill to amend title XVIII of the Social Security Act with respect to coverage of, and payment for, services of psychologists under part B of Medicare.

S. 231

At the request of Mr. MOYNIHAN, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 231, a bill to amend part A of title IV of the Social Security Act to improve quality control standards and procedures under the Aid to Families With Dependent Children Program, and for other purposes.

S. 253

At the request of Mr. BINGAMAN, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 253, a bill to establish a coordinated National Nutrition Monitoring and Related Research Program, and a comprehensive plan for the assessment of the nutritional and dietary status of the U.S. population and the nutritional quality of food consumed in the United States, with the provision for the conduct of scientific research and development in support of such program and plan.

S. 321

At the request of Mr. INOUYE, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 321, a bill to revise provisions of law that provide a preference to Indians.

S. 341

At the request of Mr. HOLLINGS, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 341, a bill to amend the Federal Aviation Act of 1958 to prohibit discrimination against blind individuals in air travel.

S. 370

At the request of Mr. CHAFEE, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 370, a bill to amend the Land and Water Conservation Fund Act and the National Historic Preservation Act, to establish the American Heritage Trust, for purposes of enhancing the protection of the Nation's natural, historical, cultural, and outdoor recreational heritage, and for other purposes.

S. 373

At the request of Mr. COATS, the names of the Senator from Mississippi [Mr. LOTT], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 373, a bill to amend the Internal Revenue Code of 1986 to allow an additional 50 percent deduction for the costs to employers of providing family leave in certain cases involving a birth, an adoption, or a serious illness of a child, spouse, or dependent of the employee.

S. 384

At the request of Mr. CHAFEE, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 384, a bill to amend title XIX of the Social Security Act to assist individuals with a severe disability in attaining or maintaining their maximum potential for independence and capacity to participate in community and family life, and for other purposes.

S. 390

At the request of Mr. MCCAIN, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of

S. 390, a bill entitled the "Business Incubator Review Act of 1989."

S. 412

At the request of Mr. MOYNIHAN, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 412, a bill to amend the Internal Revenue Code of 1986 to increase the amount of the credit for expenses with respect to child care for dependent children, to make such credit refundable, to amend the Social Security Act to increase the funds for available child care, and for other purposes.

S. 417

At the request of Mr. HEINZ, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 417, a bill to amend chapters 83 and 84 of title 5, United States Code, to expedite the processing of applications of Federal employees seeking retirement benefits, and for other purposes.

S. 461

At the request of Mr. GRASSLEY, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 461, a bill to amend title XVIII of the Social Security Act to permit payment for services of physician assistants outside institutional settings.

S. 464

At the request of Mr. SANFORD, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 464, a bill to promote safety and health in workplaces owned, operated, or under contract with the United States by clarifying the United States' obligation to observe occupational safety and health standards and clarifying the United States' responsibility for harm caused by its negligence at any workplace owned by, operated by, or under contract with the United States.

S. 485

At the request of Mr. GORE, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 485, a bill to authorize a White House Conference on Homelessness.

S. 539

At the request of Mr. BUMPERS, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 539, a bill to amend the direct and guaranteed student loan programs under the Higher Education Act of 1965 to publicize the current Loan Deferral Program for full-time volunteers with the Peace Corps, VISTA, and tax-exempt organizations, and for other purposes.

S. 540

At the request of Mr. BUMPERS, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 540, a bill to amend the direct Student Loan Program under the Higher Education Act of 1965 to provide for partial loan cancellation for full-time volunteer service with a tax-exempt organization, and for other purposes.

S. 541

At the request of Mr. BUMPERS, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 541, a bill to amend part B of title IV of the Higher Education Act of 1965 to forgive guaranteed student loans for student borrowers who volunteer for service under the Peace Corps Act or under the Domestic Volunteer Service Act of 1973 or for comparable full-time service as volunteers with a tax-exempt organization.

S. 570

At the request of Mr. DANFORTH, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 570, a bill to amend the Internal Revenue Code of 1986 to enhance the incentive for increasing research activities.

S. 611

At the request of Mr. INOUYE, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 611, a bill to establish administrative procedures to determine the status of certain Indian groups.

S. 618

At the request of Mr. SARBANES, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 618, a bill to authorize the Indian American Forum for Political Education to establish a memorial to Mahatma Gandhi in the District of Columbia.

S. 714

At the request of Mr. MCCLURE, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 714, a bill to extend the authorization of the Water Resources Research Act of 1984 through the end of fiscal year 1993.

S. 771

At the request of Mr. REID, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 771, a bill to amend the Internal Revenue Code of 1986 to disallow deductions for costs in connection with oil and hazardous substances cleanup unless the requirements of all applicable Federal laws concerning such cleanup are met, and for other purposes.

S. 785

At the request of Mr. ROCKEFELLER, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 785, a bill to amend title XIX of the Social Security Act to provide States the option of providing quality home and community care to the elderly under their Medicaid Program.

S. 817

At the request of Mr. GRASSLEY, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 817, a bill to amend title VII of the Social Security Act to authorize appropriations for the Office of Rural Health Policy and to establish a National Advisory Committee on Rural Health, and for other purposes.

S. 828

At the request of Mr. DOMENICI, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 828, a bill to amend the Internal Revenue Code of 1986 to provide incentives for the removal of crude oil and natural gas through enhanced oil recovery techniques so as to add as much as 10 billion barrels to the United States reserve base, to extend the production of certain stripper oil and gas wells, and for other purposes.

S. 833

At the request of Mr. METZENBAUM, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 833, a bill to amend the Cable Act regarding cable communications, and for other purposes.

S. 834

At the request of Mr. METZENBAUM, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 834, a bill to amend the Clayton Act regarding cable communications, and for other purposes.

S. 895

At the request of Mr. BOREN, the names of the Senator from Nebraska [Mr. EXON] and the Senator from Nebraska [Mr. KERREY] were added as cosponsors of S. 895, a bill to extend disaster assistance to losses due to adverse weather conditions in 1988 or 1989 for those crops planted in 1988 for harvest in 1989.

S. 917

At the request of Mr. MCCAIN, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 917, a bill to expand the powers of the Indian Arts and Crafts Board, and for other purposes.

SENATE JOINT RESOLUTION 47

At the request of Mr. PRESSLER, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of Senate Joint Resolution 47, a joint resolution to recognize the 75th anniversary of the Smith-Lever Act of May 8, 1914, and its role in establishing our Nation's system of State Cooperative Extension Services.

SENATE JOINT RESOLUTION 64

At the request of Mr. LAUTENBERG, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of Senate Joint Resolution 64, a joint resolution to designate March 25, 1989, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

SENATE JOINT RESOLUTION 66

At the request of Mr. HELMS, the names of the Senator from Nevada [Mr. REID], the Senator from Washington [Mr. GORTON], and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of Senate Joint Resolution 66, a joint resolution to designate the third week of June 1989 as "National Dairy Goat Awareness Week."

SENATE JOINT RESOLUTION 72

At the request of Mr. RIEGLE, the names of the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Texas [Mr. BENTSEN], the Senator from Iowa [Mr. GRASSLEY], the Senator from Illinois [Mr. DIXON], the Senator from New York [Mr. MOYNIHAN], the Senator from Connecticut [Mr. DODD], the Senator from Alabama [Mr. SHELBY], the Senator from Georgia [Mr. NUNN], and the Senator from Delaware [Mr. ROTH] were added as cosponsors of Senate Joint Resolution 72, a joint resolution to designate the period commencing May 7, 1989, and ending May 13, 1989, as "National Correctional Officers Week."

SENATE JOINT RESOLUTION 76

At the request of Mr. HELMS, the names of the Senator from Wyoming [Mr. WALLOP], the Senator from Illinois [Mr. SIMON], and the Senator from Missouri [Mr. DANFORTH] were added as cosponsors of Senate Joint Resolution 76, a joint resolution to designate the period commencing on June 21, 1989, and ending on June 28, 1989, as "Food Science and Technology Week."

SENATE JOINT RESOLUTION 86

At the request of Mr. RIEGLE, the names of the Senator from Texas [Mr. BENTSEN] and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of Senate Joint Resolution 86, a joint resolution designating November 17, 1989, as "National Philanthropy Day."

SENATE JOINT RESOLUTION 98

At the request of Mr. REID, his name was added as a cosponsor of Senate Joint Resolution 98, a joint resolution to establish separate appropriation accounts for the Senate and the House of Representatives for the payment of official mail costs.

SENATE JOINT RESOLUTION 113

At the request of Mr. DIXON, the names of the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. BIDEN] were added as cosponsors of Senate Joint Resolution 113, a joint resolution prohibiting the export of technology, defense articles, and defense services to codevelop or coproduce the FSX aircraft with Japan.

SENATE RESOLUTION 85

At the request of Mr. BYRD, the names of the Senator from Arizona [Mr. DECONCINI] and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of Senator Resolution 85, a resolution relating to the future of Afghanistan.

SENATE RESOLUTION 99

At the request of Mr. BOSCHWITZ, the names of the Senator from Vermont [Mr. JEFFORDS], the Senator from Vermont [Mr. LEAHY], the Senator from Nebraska [Mr. KERREY], and the Senator from California [Mr. CRANSTON] were added as cosponsors of Senate Resolution 99, a resolution requiring the Architect of the Capitol to establish and implement a voluntary program for recycling paper disposed of in the operation of the Senate.

SENATE RESOLUTION 116

At the request of Mr. LAUTENBERG, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of Senate Resolution 116, a resolution commemorating the 50th anniversary of the United States Jewish Appeal.

AMENDMENT NO. 80

At the request of Mr. ROCKEFELLER, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of amendment No. 80 proposed to Senate Concurrent Resolution 30, an original concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1990, 1991, and 1992.

SENATE CONCURRENT RESOLUTION 33—URGING THE GOVERNMENT OF GREECE TO EXTRADITE MOHAMMED RASHID TO THE UNITED STATES

Mr. HATCH submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 33

Whereas international terrorism undermines the security, strength and stability of all nations;

Whereas, the Government of Greece is a member of numerous multi-national organizations, including the United Nations and the North Atlantic Assembly, which have condemned terrorism in all its forms;

Whereas, on December 6, 1988, the Government of Greece overturned a decision by the Greek Supreme Court and denied the request of the Government of Italy to extradite Abdel al-Zomar, an alleged Palestinian terrorist charged with the bombing of a Rome synagogue on October 9, 1982, in which a two-year-old child died and over thirty people were wounded;

Whereas the Government of Greece then allowed Abdel al-Zomar to leave Greece for a country of his own choosing;

Whereas the Governments of the United States and Greece have been parties to a bilateral extradition treaty since 1932;

Whereas Mohammad Rashid, another alleged Palestinian terrorist, is currently completing a prison sentence in Greece for violating Greek immigration laws;

Whereas the United States has officially requested the Government of Greece to extradite Mohammed Rashid to the United States to stand trial for the August 11, 1982 bombing of a Pan American airline in which one person was killed and more than a dozen were injured;

Whereas a lower court in Greece has held that Mohammed Rashid can be extradited to the United States and the Greek Supreme Court is currently reviewing that decision; and

Whereas the Government of Greece's denial of the United States extradition request would allow Mohammed Rashid to leave Greece, escaping justice and further undermining efforts to combat terrorism: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) the Government of Greece should be condemned for permitting Abdel al-Zomar to leave Greece and denying the extradition request of the Government of Italy;

(2) the Government of Greece should adhere to the United States-Greek extradition treaty by granting the United States request to extradite Mohammed Rashid; and

(3) a failure of the Government of Greece to extradite Mohammed Rashid would be regarded as a breach of the United States-Greek extradition treaty and would cause grave concern in the United States regarding the Government of Greece's stated commitment to combat international terrorism.

Mr. HATCH. Mr. President, according to a Federal district court indictment and accounts published in the Wall Street Journal, the Washington Post, and other national media—accounts corroborated by counterterrorism experts, security officers, and FBI investigators—Mohammed Rashid, while flying from Hong Kong to Tokyo on a Pan American World Airways jumbo jet on August 11, 1982, carefully placed a small but powerful bomb beneath his seat cushion. Rashid deplaned in Tokyo; the bomb stayed behind. The plane continued from Tokyo to Honolulu as flight 830, carrying 285 passengers. One hundred and forty miles from Honolulu, the bomb exploded, tearing the legs off the teenaged Japanese boy seated above it, who bled to death, and wounding 15 other innocent people. The cabin lost pressure and filled with smoke. Fortunately—perhaps miraculously—the pilot was able to land his damaged plane safely.

Two weeks later, while cleaning a Pan Am jet in Rio de Janeiro, a woman found another bomb. FBI chemical analysts found that the explosive material used in this bomb exactly matched that used in the earlier one. Designed to slip through the security system, it succeeded, with nearly undetectable miniature electronic components and plastic explosives. Had it not been discovered, it too could have killed innocent passengers.

In December 1983, agents of our Central Intelligence Agency stationed in Greece managed to recover a suitcase containing another bomb, which fortunately had failed to detonate. This one utilized a barometric device as a trigger, adumbrating the technology used in the recent cold-blooded de-

struction of Pan Am flight 103 over Lockerbie, Scotland.

On April 2, 1986, a woman using the name May Mansur sat in seat 10-F of a Trans World Airlines 727. Later that day, after she left the plane, TWA flight 840 was en route to Athens from Rome when yet another terrorist bomb exploded, ripping a large and jagged hole in the fuselage. Four Americans were sucked out of the plane, including a 15-month-old baby. Nine others were injured. Mohammed Rashid acted as the "control," or supervisor, of May Mansur, according to State Department officials.

Rashid and Mansur are strongly suspected in the murders of the four Americans on TWA flight 840. Troubling evidence links them with similar activities elsewhere. Both Rashid and Mansur had been members of the "Arab Organization of 15 May," an anti-Israel, anti-American terrorist group headed by Husayn al-Umari, also known as Abu Ibrahim. Both Rashid and Mansur had moved into a similar terrorist group run by Abdullah Abdel Hamid Labib, who also calls himself Colonel Hawari. This Hawari, at one time Yasser Arafat's security chief, was convicted in absentia in France on October 20, 1988, on charges of transporting arms, ammunition, and explosives, and assembling an arms cache linked to bomb attacks in Europe in 1985 and 1986.

Counterterrorism experts and security officials have independently linked Rashid to several other terrorist organizations that strike against American targets. Rashid himself admitted to a Portuguese court that he belongs to Abu Nidal's Palestinian terrorist group. On November 1, the State Department publicized formerly secret intelligence identifying Rashid with a PLO special operations group.

On May 30, 1988, thanks to a tip from United States intelligence, Mohammed Rashid was arrested in Greece. On July 14 he was sentenced to 7 months in prison for entering Greece on a forged Syrian passport. His prior criminal record includes a hashish trafficking conviction in Greece in 1973, imprisonment for car theft in Turkey in 1978, escape the following year, a drug smuggling arrest in Milan in 1980, subsequent expulsion from Italy, and, in January 1984, a 3-year prison sentence in Portugal for using a forged passport.

But Rashid has never been tried for his most heinous crimes. The May 15 group and other Palestinian terrorist gangs with whom Rashid conspired have developed shocking expertise in the cold-blooded use of virtually undetectible plastic explosives. These secret combinations have placed deadly bombs in planes throughout the world. Considering the daunting nature of the task, we have been remarkably successful in identifying the terrorists behind the carnage. Regrettably, we have been far less successful in bringing them to justice.

The United States has formally requested that Greece extradite Rashid to stand trial here on charges connected with the 1982 Pan Am bombing. On October 10, 1988, a Greek judicial council found that the United States had presented sufficient evidence to warrant Rashid's extradition. The decision was appealed to Greece's Supreme Court. We await that body's decision.

Extraditing Rashid, on the other hand, would send a much-needed positive signal. It would allow the present Government of Greece to begin regaining the respect it has lost.

The tragic irony in this matter is that Greek citizens are victims of terrorism too. In July 1988, terrorists using grenades and automatic rifles attacked the *City of Poros*, a Greek excursion ship in the Aegean Sea, leaving 9 dead and 98 wounded. Although most of the passengers were foreign tourists—casualties included British, Danish, French, Israeli, Moroccan, Norwegian, and Swedish citizens—Greeks were not exempt from the terrorists' random killing. Among the dead was Antonis Demaizis, the first mate of the ship, a Greek. The message is clear: Appeasing terrorists will not prevent them from endangering Greeks as well as others.

But even if terrorists declared Greece a safe haven, and promised to refrain from further endangering Greek citizens, it would be profoundly wrong for that nation to cooperate with them. Even if such promises could be trusted. Greece has fundamental obligations to the international community. How many people need to die before the Papandreou government realizes that terrorism is a menace, not a political flirtation?

A favorable ruling from the supreme court, however, is no guarantee of extradition. Justice Minister Vassilis Rotis makes the final decision, and his track record is abominable. Only a few months ago, on December 6, 1988, he freed the terrorist Abdel Osama al-Zomar, an associate of the notorious Abu Nidal, breaking an agreement with Italy to extradite him. Why did Italy want this man? Because he attacked a Rome synagogue with machine guns and grenades, killing a 2-year-old boy and wounding 34 innocent worshipers. Mr. President, I cannot even begin to comprehend such depravity, such unmitigated evil.

Equally impossible for civilized people to comprehend, however, is the attitude of Prime Minister Andreas Papandreou's Socialist government, which granted this man safe passage to Libya. He spent only 40 months in jail. The rest of the civilized world wants to tell terrorists, "The game is over." The present Government of Greece tells them,"Have a nice flight."

Mr. President, the release of Abdel Osama al-Zomar demonstrated utter contempt for law and life. The Greek Supreme Court ruled in favor of extradition. Papandreou's government overruled that. Greece was a party to an extradition agreement with Italy. Papandreou's government broke that. The blood of a baby boy and the wounds of the worshipers cried for justice. Papandreou's government ignored that.

The government justified its action by maintaining that the attack on the Rome synagogue was not a criminal act, but a political one, justified by the PLO's declaration of an independent state in Israeli-occupied territory. The statement was variously translated, but one passage comes out something like this: The attack was "part of a struggle to obtain the independence of his homeland and constitutes, consequently, an act of freedom."

As Olympic Airways, Greece's national carrier, carried this thug to Libya, Secretary of State George Shultz expressed shock and outrage. A storm of protest in Europe and America expressed not just shock, but utter incomprehension; not just outrage, but fury.

Greece deported another terrorist suspect, Samir Salameh, to Libya in April 1987. Mr. President, if Mohammed Rashid is also set free, Greece will be publicly proclaiming its cavalier willingness to renege on its obligations; its refusal to respect even the most minimal requirements of international law; its surrender to terrorism; and its indifference to the victims of these primitive outlaws.

Will Greece cooperate in fighting international terrorism, or not? If so, we will be grateful. If not, we should consider imposing diplomatic and economic sanctions. And we should inform our citizens that they cannot safely travel in or to Greece.

Compelling evidence links Rashid to the 1982 Pan Am bombing. Persuasive evidence links him to the 1986 TWA bombing. Yet Greece appears unwilling to extradite him. For that reason, I am now submitting a Senate concurrent resolution urging the Government of Greece to extradite Mohammed Rashid to the United States.

One final note, Mr. President. Just before Christmas last year, Pan Am Flight 103 blew up over Lockerbie, Scotland. I quote from Newsweek's account of the tragedy, the January 2, 1989, issue, page 14:

> It rained death in Lockerbie last week. From 31,000 feet up, a wing of Pan Am's Flight 103 hurtled into the little Scottish town like a bomb, digging a crater 50 yards long and spraying its load of flaming jet fuel onto nearby houses and passing cars. A burning engine embedded itself in a roadway; pieces of fuselage ripped into houses.

Then came the bodies and bits of bodies, sprayed from the broken Boeing 747, plummeting to land in fields, in woods, on housetops. A cabin door fell 10 miles from the worst wreckage, and the plane's nose section landed in a field 4 miles from town, looking like the severed, staring head of a giant fish.

Around it, next day, was the hush of shock. Lines of searchers roamed the misty hills and found grisly relics of the flight, littered over some 50 square miles. It might be weeks before the last of the 258 bodies from the plane is found, the last of Lockerbie's 17 missing is identified. Shock waves of grief spread thousands of miles—to New York's John F. Kennedy airport, where relatives sobbed and shrieked at the news; to Syracuse University, where 35 exchange students would never return; to a dozen other States and to countries all over Europe. Everywhere, the joy of Christmas dimmed.

It could have been an accident, but the odds favored a terrorist's bomb.

Well, Mr. President, it was a terrorist's bomb. Investigators with Britain's Ministry of Transport found "conclusive evidence of a detonating high explosive."

Our people have suffered enough. We may never know exactly who sabotaged Pan Am 103. But we have determined responsibility for its precursor, the 1982 bombing. It is time to bring its perpetrator to justice.

SENATE RESOLUTION 120—RELATING TO FREE AND FAIR ELECTIONS IN PANAMA

Mr. MITCHELL (for himself, Mr. DOLE, Mrs. KASSEBAUM, Mr. GRAHAM, Mr. PELL, Mr. LUGAR, Mr. MCCAIN, Mr. MACK, Mr. DURENBERGER, Mr. KERRY, Mr. KENNEDY, Mr. ROTH, Mr. ROBB, Mr. COHEN, Mr. BOREN, Mr. BYRD, and Mr. LEVIN) submitted the following resolution; which was considered and agreed to:

S. RES. 120

Whereas the elections in Panama are of critical importance to the United States and to the people of Panama in determining whether the regime of General Manuel Noriega will give way to a democratically elected government;

Whereas on May 7, 1989 the Panamanian people will be called on to vote in elections for a new president, First and Second Vice Presidents, 67 legislators and 505 District Representatives;

Whereas an estimated 900,000 persons are eligible to cast ballots in the election which officially began on November 7, 1988;

Whereas a fair election requires that the rights of freedom of expression, association, and assembly be respected and that an accurate tallying of ballots take place;

Whereas free and fair democratic elections, expressing the will of the people, have recently been held in countries throughout the Western Hemisphere, including Venezuela, El Salvador, and Jamaica and a plebiscite in Chile;

Whereas the normalization of the relationship between the United States and Panama will be enhanced by the holding of free and fair elections in which the results are respected;

Whereas the Noriega regime has restricted the independent media, has denied opposition candidates equal access to regime-controlled media outlets, and has curbed constitutional guarantees, and

Whereas there is growing concern that the regime is manipulating voting lists, implementing a number of other fraudulent measures and curtailing the presence of international observer teams: Now, therefore, be it

Resolved by the Senate that it—

(1) expresses its support for the right of the Panamanian people to have a full and genuine democracy in Panama;

(2) condemns the Noriega regime's attempts to curtail the rights of participation in the election process thus far;

(3) insists the Noriega regime conduct the upcoming election in a free and fair manner so that the will of the Panamanian people is freely, fully, and accurately expressed by guaranteeing—

(A) free and open access to polling places;

(B) public access to voting lists and public tabulation of ballots in the presence of representatives of the three presidential tickets participating in the elections;

(4) calls upon the Noriega regime to accord full access for electoral activities to the official United States observer team, the Carter-Ford election observer group, as well as other international observer teams;

(5) urges President Bush to encourage other democracies around the world to send international observer teams to Panama;

(6) asks the President to report to Congress on the extent to which the May 7, 1989 elections in Panama were conducted in a free and fair manner and to consult with the Congress on the future course of action for United States foreign policy in Panama.

SENATE RESOLUTION 121—SENSE OF THE SENATE REGARDING LENDING AND FINANCIAL CREDITS TO THE SOVIET BLOC

Mr. SYMMS submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 121

Resolved, That it is the sense of the Senate that the President of the United States should instruct the Secretary of State, the Secretary of the Treasury, the Secretary of Defense, and the Secretary of Commerce to consult immediately with allied governments on the impact on Western security of various types of private and public sector credit flows and debt reschedulings to the Soviet Union, Warsaw Pact countries, Cuba, Vietnam, Libya, and Nicaragua, and to call for a multilateral voluntary initiative, supervised by the Organization for Economic Cooperation and Development, to end untied, general purpose lending to these countries for reasons both of national security and prudent commercial banking.

Mr. SYMMS. Mr. President, I continue to read article after article in countless newspapers and magazines that draw attention to the failing economies of the Communist bloc. The student demonstrations in China because of economic failures, inflation, and political repression are proof that even after several years of liberalization, state-dominated economies cannot function. I don't need to recite the sad tales of Yugoslavia, Poland, and Hungary, which have tried to liberalize and have very little to show for their efforts.

Mr. President, I think we should pause and appreciate that the failures of Communist economies to transform into efficient, or even subsistence level economic systems by introducing partial economic reforms is not due to a lack of effort, or a lack of good intentions, but it is a necessary result.

Most Senators would agree with me that if this Congress imposed wage and price controls, eliminated private property rights, eliminated labor's freedom to change jobs or move from one state to another, or imposed massive government regulation, the American economy would stagnate and go into a depression. Even after liberalization and perestroika, that is where a Communist economic system sits. It is not a free market system, even with liberalization and perestroika.

The Soviets have made significant penetration into Western capital markets since perestroika began. Lending institutions throughout the world are competing for a piece of the new Russia. They are designing loans and other means of financing Western-Soviet ventures.

First Chicago Corp. lent the Soviets $200 million in February of 1987. This loan was only one-eighth of 1 percent above the London Inter-Bank offer rate [LIBOR], and worse than that, it was an untied loan, meaning the Soviets could use it for whatever they chose, including the slaughter of innocent people in such places as Afghanistan.

In January 1988, Russia entered the international securities markets searching for more loans. In addition to this, a Soviet-owned bank in Switzerland sold approximately $65 million in bonds. As recently as last July, American businesses including Shearson, Lehman, Hutton, Salomon Brothers, Morgan Stanley, and Citibank helped to underwrite more Soviet bonds.

The Soviets are using every means available to enter Western markets. They are doing so not only through loans and bonds, but also through joint ventures. A recent article in Business Week summed this danger up by saying:

More than anything, bankers see financing Western-Soviet joint ventures within the Soviet Union as the business with the largest potential and the greatest risk.

The risks referred to are the uncertainties U.S. investors face on legal restrictions on foreign investment, but U.S. businesses are increasingly taking that chance and engaging in joint ventures with Russia.

The United States is somewhat involved in this, but the majority of the lending is coming from banks in Europe and Japan. In fact, some of these banks have lent more money to

Russia than all of the U.S. banks combined.

The most disturbing thing about all of this, though, is the fact that many of these institutions have seemed to forget the current crisis with Latin American borrowers and are repeating the same mistakes with the Soviets. The collapse of the Latin American market seems to encourage European and Japanese banks to look to the Soviets for an outlet for their cash. Many believe they are doing this in order to make it easier in the future to deal with the Soviets.

There is great optimism in the West about reform and democratization in the Soviet bloc—about reform of their economy and hopefully an expanding horizon for economic growth. But many Soviets themselves believe it is virtually impossible for them to meet their currency needs by simply strengthening their economy. Russia is still unable to meet the basic needs of its people despite Gorbachev's reforms.

The last 3 years are witness to a Soviet economic decline. During these years, the growth rate in net material production has slipped from 4.1 percent to 2.3 percent, their terms of trade have deteriorated by 6 percent, and they are seeking financing for very small deals.

On October 18, 1988, the Senate adopted Senate Resolution 492 expressing the sense of the Senate that the President should instruct the Secretary of State, the Secretary of the Treasury, the Secretary of Defense, and the Secretary of Commerce to consult with allied governments on the impact on Western security of various types of private and public sector credit flows and debt reschedulings to the Soviet Union, Warsaw Pact countries, Cuba, Vietnam, Libya, and Nicaragua, and to call for a multilateral voluntary initiative to end untied, general purpose lending to these countries for reasons both of national security and prudent commercial banking.

Mr. President, as I continue to read and hear of declining economies and the problems that face leaders of the Communist bloc nations, I am increasingly convinced that the West must continue to scrutinize lending policies and recognize the flaws associated with central planning—Socialist economies are unable to provide basic necessities to their citizens let alone repay huge debts.

Communist countries continue to suffer severe economic setbacks that are crippling consumer markets and causing long-term economic woes that undoubtedly will directly relate to their ability to repay current loans. Judy Shelton in her excellent scholarly book, "The Coming Soviet Crash," notes that a prime reason the Soviet Union—and one might assume the Soviet bloc in general—is yearning for aid is the survival of perestroika itself.

The only problem, as Shelton points out, is that "little is produced in the Soviet Union for which much market demand exists in the West." This coupled with an internal budget gone awry, an uncontrollable black market, apathetic masses, and a growing distrust of Soviet authority points toward a coming Soviet crash.

The real issue for the East is whether loans to the Soviet bloc will actually be used for economic growth and investment, or whether we are looking at the beginnings of another "debt bomb" similar to the one that is ticking away in Latin America and the Third World. In order to evaluate whether Western capital should be transferred to the Soviets, we need to ask first: Will it ever be repaid?

Today, Congress is attempting to cope with a massive bailout of the savings and loan industry, which has come about largely because of bad investments in Texas and other parts of the Nation. It is just prudent to inquire whether the enthusiasm for joint ventures in the Soviet Union—with financing to be provided by the Western partner—and bank loans to the Soviet bloc "to finance economic restructuring" are likely to produce such results—or whether the capital will simply be squandered by a badly mismanaged economic system.

My answer to that question is firmly pessimistic. I see my responsibility as a member of the Senate Finance Committee and the Congressional Joint Economic Committee to sound the alarm against any financing of the Soviet economy by Western capitalism. The savings and investments of our people are needed in our own economies, where business ventures must withstand the tests of competition and must earn a profit sufficient to repay any borrowings with interest. Our own economic growth in the future requires us to increase our savings rate. Any Western capital that is lent or given to the Soviet bloc, particularly if it is badly invested or used inefficiently in those economies, is accordingly lost and subtracted from our own economic growth.

Although they call it "socialism," the economic system of the U.S.S.R. is actually a modern example of mercantilism, most closely resembling that of 17th century France. The main characteristic of mercantilism is legally sanctioned monopoly. In the earlier period, the selling of monopoly privileges was the king's main source of revenue—and monopoly rent was the main income source for the upper class.

Under that economy, the production of marketable output was heavily regulated by the government and these regulations were enforced by paid civil servants. These regulations were designed to enforce barriers against competitive entry, but the monarchy openly sold regulations as cartel enforcement services. The revenues this created was a chief source of the monarchy's funding. It is good to keep in mind that it was this regime that built the Palace of Versailles and maintained the largest standing army in Europe at the time. At least the French were honest about this, and didn't cover it up with ideological facades. The monarchy used it solely as a means of raising revenue.

Of course, there are numerous differences between the system in France and the one existing in the Soviet Union today. The French had no central planning bureaucracy, and the Soviet Union uses its army to seal its borders to potential emigrants. Some other basic differences exist. For example, positions of authority in the Soviet Union are earned through party loyalty, and are selected from approved lists drawn up by the KGB and the Communist Party.

These lists may prove to be significant in continuing the system in the light of the severe market restrictions in the Soviet economy. It serves as a large, powerful, organized and cohesive interest group whose members benefit from the current system, thus giving them the incentive to continue it. The continuing struggle the KGB fights against can be seen as the result of successful management of those in power. Unfortunately for the Soviet people, they are the only ones who lose.

The Soviet society today is a rent seeking one in which the government controls, or provides, monopoly profits for a privileged minority at the expense of society as a whole. The ideological claims made by the people who benefit from this system—Marxist doctrine—may play a very large role in maintaining the stability of the entire system, but that does not reflect their true economic motivations. These motives are what we must question in dealing with the Soviets.

Nobel laureate economist F.A. Hayek, and his teacher Ludwig von Mises, have shown that in principle an economic system that is planned by the government is impossible to attain and maintain. Students of the modern Soviet economy also do not believe that comprehensive central planning is actually practiced in the Soviet Union or in any other nation that practices their economic model. In spite of this, though, their economy is still alive, maybe a little sick, but alive nonetheless and furthermore, their model is very popular in other dictatorships throughout the world. This is a clue that it is an effective model for concentrating benefits to a governing elite.

The theoretical principles of socialism require centralized government planning, in lieu of markets. Only a small part of the Soviet economy is actually planned even though there is an incredibly high level of government intervention within. This is economically almost undistinguishable from governments with a market economy but which control large nationalized sectors such as health care and major industries.

Mr. President, practically speaking, the Soviet's central planning is observed almost entirely in the breach. However, some continue to assert that predominantly the entire economy is centrally planned. I presume that this means that the central planning authorities somehow reserve the right to intervene throughout the entire economy, even if their reach exceeds their grasp. The fact, however, is that there is a large private sector in the Soviet economy. This segment cannot be planned.

The importance of private agriculture in overall agricultural output is often mentioned. What is not mentioned, however, are the various economic activities, in which many citizens take part, in what are either illegal or quasi-legal activities. This sector is quite large. The estimates of this countereconomy range from between 10 to 40 percent of the Soviet GNP.

In addition to this, the legal private economy contributes between 10 and 20 percent of the GNP. This means that 20 to 60 percent of the Soviet Union's Gross National Product is already from private enterprise—a very large chunk. Furthermore, it has been estimated that the average Soviet citizen receives 11.5 percent of his total household income from private sources, and that he spends an average of 18 percent of his earnings on such illegal products. This private economy, however, is somewhat parasitic on the planned sector of the Soviet economy. Much of this illegal economy is based on the evasion of legal official entry restrictions.

Legal monopolies in the form of entry restrictions are very dominant in the Soviet economy, just as in 18th century mercantilism. The legal controls on price competition are the most important restrictions. This is the characteristic feature of a socialist economy—to abolish markets, it is necessary to eliminate the use of prices as economic indicators. In a free market system the government may own major industries within the market, but to be truly socialist, the free market price system must be abolished. Some analysts have argued that the central planning authorities actually do use a price system, but it is one in which every price is used solely as a tool for accounting purposes, not as a guide to supply and demand. In the latter case, the term "price" is misapplied.

Mr. President, in asking whether the West should contribute capital in the form of loans or joint ventures in this mercantilistic economic system, we should be concerned about whether the proposed investment will actually be profitable in an economic sense—or merely profitable in the sense that resources can be extracted from the system in the form of monopoly rents. Many comparative systems analysts admit the existence of monopolistic restrictions in the Soviet Union, but fail to ask what they do with the profits from these monopolies.

I believe that the obvious answer to this is that those profits are flowing right into the hands of those officials who are capable of transferring the resources from the consumers to their own pockets. One report cites a case in which the deputy director of the supervisory board of the Ministry for the automobile industry and some associates countersigned requisition notes for the supply of vehicle parts at a rate of 1,000 rubles per requisition. Which, I might add, is about what a Soviet worker makes in 3 months.

Another example of the abuse of power within the Soviet hierarchy is the deputy director and chief engineer of a construction trust that supplied state farms with building materials and received 20,000 to 40,000 rubles from each farm he dealt with in order to expedite deliveries. In still another case, an official working in the Novolipetsk metallurgical combine took bribes for releasing supplies of metal against dispatch notes.

Perhaps the best example of abuse of power is the 1964 KGB investigation that discovered the entire leadership of the government and Communist Party in Kirghizia had been on the payroll of underworld racketeers for years. The gang set up a conglomeration of clandestine factories, collective farms, and plantations which grew opium and cannabis, and shared the profits with the government officials in exchange for their protection. It seems kind of strange to me that out of all of those people, only the gang and one junior deputy minister were brought to trial.

Mr. President, we unfortunately have no way to accurately measure how much of this actually goes on in their economy. These accounts are even questionable because they were reported by the Soviet press, and we all know what kind of free press they have. In all probability they only publicize such things to deter others from doing the same thing. But, even with this publicity, most of the officials go unpunished, and the examples publicized are very likely only because those involved have acquired enemies more powerful than they. In light of this, it is also very possible that these stories are invented by the KGB. Thus, these examples cannot be taken as fact, but only as examples of rent seeking—which is the pursuit of monopoly profits—which I would assume are very widespread in the Soviet economy.

Other examples abound. The officials commanding entry barriers in the Soviet Union can easily make enormous profits from bribes resulting from their exercise of coercive restrictions on competition. You see, entry into competition is officially prohibited, but can be achieved in reality by bribing those who enforce the laws. Their system of fixed prices is an incredible incentive for bribery, and from artificially raising prices, which creates gains in legal monopoly revenues to those producers so favored. Not only are monetary bribes widespread, but, possibly more importantly, bribes in the form of transferring goods and services are common mostly because they are harder to trace.

One kind of free market system does abound in the Soviet Union: Officials can easily sell documents necessary for trade to the highest bidder, keeping the profits for themselves. An example of this, which has gained some attention in the West, is the marketing by doctors of above-minimal quality care to patients who can pay more, leaving those who cannot afford this with a lower quality of medical care.

The pursuit of monopolistic gains on the part of those in a privileged position doesn't at all resemble the Marxist dream of a scientifically planned economy. Rather, as I have said, the correct description of such a system would identify it with the mercantilist economy of France under Louis XIV. It was the final breakdown of this kind of pervasive economic intervention and rent extraction that we today call by the name of the "Industrial Revolution."

Clearly the Soviets, as well as the Chinese and some other nations wealthy in natural resources and large populations, are able to benefit from 300 years of Western scientific progress, which 18th century mercantilist France could not. With the aid of the West, the Soviets are able to create at least in their urban centers and in military applications the semblance of a modern economy. But it is in fact just a Potemkin Village.

Grigori Potemkin once humored Tsar Catherine the Great by erecting the equivalent of Hollywood movie sets in the form of neatly painted villages, complete with actors playing the role of happy peasants, during a tour she made down the Volga River. Based on our understanding of exactly how the Soviet system works, it is clear that Western investments and joint ventures in that country are not likely to be economically productive in the

same way that investing the same capital in Europe or North America or in the newly industrializing nations of the Pacific Rim would be.

Mr. President, the legislation I'm introducing is designed to monitor and control the flow of Western capital to the Soviet bloc, both for reasons of strategic defense of the Western Alliance—hard currency is needed by the Soviets to maintain a worldwide military and political presence—and for economic reasons. The Latin American debt situation has demonstrated that financial institutions that enjoy government privileges, such as deposit insurance and access to a central bank as lender of last resort, cannot always be trusted to exercise due diligence with quasi-public funds.

Moreover, the Savings & Loan deposit insurance crisis has shown us that billions of dollars and even the solvency of our financial system will always come home to roost, ultimately, with the American taxpayer. As a representative of that taxpayer, I cannot sit calmly by and excuse irresponsible lending of scarce Western capital to the corrupt Soviet oligarchy just because the papers are signed in the privacy of New York or London or Tokyo boardrooms instead of at Camp David or in Geneva by heads of state.

Moreover, I am troubled that the West is forgetting Soviet actions of but a few years ago. I would ask my colleagues: What was Stalin's response to tsarist and foreign financial claims upon his coming to power? What country walked away from International Monetary Fund and World Bank membership during its formation? President Bush recently made reference to this very point when he voiced the opinion that U.S. foreign policy should not be wholly based upon the existence of one individual as leader. A recent article in the Washington Post notes many of the problems Gorbachev is facing even though he has purged 25 percent of the Communist Party's Central Committee and attempted to dismantle a totalitarian society. Mr. President, it's as if the West is convinced Mr. Gorbachev will live forever. I might say to my colleagues that it's not been that long since Khrushchev himself was ousted from authority.

Mr. President, I'm introducing legislation similar to that passed during the 100th Congress in an effort to bring about an awareness of the severity of this issue. I would urge my colleagues to move forward on this legislation and send a clear signal to the new administration as to how the Senate views current financial relations with the Soviet bloc. This legislation expresses the sense of the Senate that it is high time the United States exert its influence to stop financing the hungry bear that makes us in turn finance a huge defense establishment in order to protect ourselves from overt threats of aggression. After all Mr. President, where are Soviet missiles aimed?

AMENDMENTS SUBMITTED

OMNIBUS CONGRESSIONAL BUDGET RESOLUTION

SANFORD (AND GRAHAM) AMENDMENT NO. 83

Mr. SANFORD (for himself and Mr. GRAHAM) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the end of the resolution, insert the following new section:

"SEC. . (a) The Senate finds that—

(1) this budget for fiscal year 1990 is within the parameters established by the President, and even if inadequate, is essential to keep the Government in operation;

(2) this resolution sets forth the deficit at only $99.4 billion;

(3) as set forth in section 3 of this resolution, one measure of the deficit, the increase in the pubic debt subject to limitation, is fully $264 billion;

(4) the Federal debt will rise to fully $3.1 trillion in 1990; and

(5) as set forth in section 5(a) (19) of this resolution, the level of gross interest on the public debt will be $263 billion in fiscal year 1990;

(b) It is the sense of the Senate that—

(1) as set forth in this resolution, the budget submitted by the President under section 1105 of title 31 of the United States Code and the concurrent budget resolution for fiscal year 1991, in order to more truthfully set forth the deficit, should reflect at least the following changes:

(A) all Social Security and other Federal retirement funds must be accounted for separately;

(B) all gross interest on the public debt subject to limitation must be fully reported and reflected; and

(C) the increase in the gross Federal debt that is subject to the legal debt limit should be shown as a measure of the deficit.

(2) Because a multi-year plan of debt and deficit reduction, based on sound economic assumptions, appears imperative, the President is requested to advice the Congress of any proposals relative to the reduction of the national debt, and to inform the Congress whether additional revenues are required for debt and deficit reduction, and if so, the President is invited to make specific revenue recommendations."

PACKWOOD (AND OTHERS) AMENDMENT NO. 84

Mr. PACKWOOD (for himself, Mr. BENTSEN, Mr. MOYNIHAN, Mr. DOLE, Mr. DECONCINI, Mr. DOMENICI, and Mr. HEINZ) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the end of the resolution, add the following new section:

RESERVE FUND FOR CHILD CARE

SEC. . (a) In the Senate, it is assumed that budget authority and outlays may be allocated to the Senate Committee on Finance for increased funding for child care, including funding through tax credits, if the Committee on Finance or the committee of conference reports funding legislation that—

(1) will, if enacted, make funds available for that purpose; and

(2) to the extent that the costs of such legislation are not included in this resolution, will not increase the deficit in this resolution for fiscal year 1990, and will not increase the total deficit for the period of fiscal years 1990 through 1992.

(b) Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if such a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under section 302(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this section. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of such Act as allocations, functional levels, and aggregates contained in this resolution, and the Committee on Finance shall report revised allocations pursuant to section 302(b) of such Act for the appropriate fiscal year (or years) to carry out this section.

D'AMATO (AND OTHERS) AMENDMENT NO. 85

Mr. DOMENICI (for Mr. D'AMATO, for himself, Mr. MOYNIHAN, Mr. KERRY, and Mr. SPECTER) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the end of the resolution insert the following:

Since the funding levels for Function 750 for the administration of justice programs in the Committee Report is higher than the President's request by $800 million in budget authority and $500 million in outlays, and

Since the President's request already includes $658 million for prison expenses related to drug offenders,

It is the sense of the Senate that within the total amount available within the Budget Function 750, there shall be sufficient funds added to bring a level of federal support for correctional activities at the Federal, State, and local level for the expenses of drug offenders to a level of $1 billion.

GARN (AND OTHERS) AMENDMENT NO. 86

Mr. GARN (for himself, Mr. HEFLIN, Mr. WARNER, Mr. GORTON, and Mr. WILSON) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the appropriate place in the resolution, insert the following new section:

RESERVE FUND FOR CONTINUED SPACE STATION DEVELOPMENT

SEC. . (a) In the Senate, of the amounts specified in section 5 of this resolution, it is assumed that budget authority and outlays in amounts not to exceed the amounts specified in subsection (b) for fiscal year 1990 shall be allocated to the Senate Committee on Appropriations to provide for continued

development of the international space station Freedom when the Committee on Appropriations or the committees of conference on such space station development has reported legislation that will, if enacted, make funds available for such continued development.

(b) The amounts available for allocation under subsection (a) for continued development of the space station for fiscal year 1990 shall not exceed $1,800,000,000 of new budget authority and $1,080,000,000 of outlays.

(c) Upon the reporting of legislation pursuant to subsection (a), and again upon the submission of a conference report on such legislation (if such a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under section 302(a) of the Congressional Budget and Impoundment Control Act of 1974, altered by amounts not to exceed those in such legislation. Such revised allocations shall be considered for the purposes of such Act as allocations contained in this resolution, and the Committee on Appropriations shall report revised allocations, pursuant to section 302(b) of such Act for fiscal year 1990 to carry out this section.

WILSON (AND OTHERS) AMENDMENT NO. 87

Mr. WILSON (for himself, Mr. HUMPHREY, Mr. NICKLES, and Mr. SPECTER) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

On page 25, increase the amount on line 8 by $100,000,000 and increase the amount on line 9 by $100,000,000.

On page 26, reduce the amount on line 12 by $100,000,000 and reduce the amount on line 13 by $100,000,000.

FORD (AND OTHERS) AMENDMENT NO. 88

Mr. FORD (for himself, Mr. ROTH, Mr. DOLE, Mr. WILSON, Mr. HATCH, Mr. BOSCHWITZ, Mrs. KASSEBAUM, Mr. MCCONNELL, and Mr. DANFORTH) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the appropriate place insert the following:

BIENNIAL BUDGET PROCESS

SEC. . (a) The Senate finds that a biennial budget process would—

(1) create an orderly, predictable process for consideration of spending decisions responsive to policy priorities and improve Congressional control over the Federal budget;

(2) allow sufficient time for the fulfillment by the Congress of its legislative and oversight responsibilities, including the consideration of authorizing legislation, budget resolutions, appropriations bills, and other spending measures;

(3) provide greater stability and certainty for financial markets, and Federal, State, and local government agencies which need sufficient time to plan for implementation of programs; and

(4) streamline the Congressional budget process and therefore promote better accountability to the public.

(b) It is the sense of the Senate that the Congress should enact legislation in the 101st Congress to establish a biennial budget process.

BOSCHWITZ (AND OTHERS) AMENDMENT NO. 89

Mr. BOSCHWITZ (for himself, Mr. CONRAD, Mr. KASTEN, Mr. MACK, Mr. GORTON, Mr. SYMMS, and Mr. NICKLES) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the appropriate place insert the following:

CURRENT SERVICES BASELINE

SEC. . (a) The Senate finds that the use of a current services baseline in presenting budget information—

(1) does not provide the public with complete and clear information on the growth in Federal spending from one fiscal year to the next fiscal year;

(2) does not clearly identify the underlying growth rate in particular Federal programs within the Federal budget;

(3) leads to the misconception that Federal spending is being cut when in fact it has grown and

(4) does not present the Federal budget in terms the public can easily understand.

(b) It is the sense of the Senate that all Congressional and Executive budget documents, including analyses of the Federal budget and any deficit reduction agreements, should prominently include the current level of Federal spending in each category and clearly identify any proposed increase or decrease from that level.

HOLLINGS (AND OTHERS) AMENDMENT NO. 90

Mr. HOLLINGS (for himself, Mr. EXON, Mr. CONRAD, and Mr. ROBB) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

Strike all after "That the Congress determines" and insert in lieu thereof the following: "and declares that the concurrent resolution on the budget fiscal year 1990 is established and the appropriate budgetary levels for fiscal years 1991 and 1992 are set forth.

MAXIMUM DEFICIT AMOUNTS

SEC. 2. The following levels and amounts in this section are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985 and the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, whether the maximum deficit amount for a fiscal year has been exceeded, and as set forth in this concurrent resolution, shall be considered to be mathematically consistent with the other amounts and levels set forth in this concurrent resolution:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $1,074,400,000,000.
Fiscal year 1991: $1,146,000,000,000.
Fiscal year 1992: $1,214,500,000,000.

(2) The appropriate levels of total budget authority are as follows:

Fiscal year 1990: $1,311,300,000,000.
Fiscal year 1991: $1,399,700,000,000.
Fiscal year 1992: $1,468,800,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $1,174,400,000,000.
Fiscal year 1991: $1,250,800,000,000.
Fiscal year 1992: $1,297,800,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $99,800,000,000.
Fiscal year 1991: $104,800,000,000.
Fiscal year 1992: $83,300,000,000.

DEBT INCREASE AS ONE MEASURE OF DEFICIT

SEC. 3. The amounts of the increase in the public debt subject to limitation are as follows:

Fiscal year 1990: $264,800,000,000.
Fiscal year 1991: $268,700,000,000.
Fiscal year 1992: $245,200,000,000.

DEFICIT LEVELS EXCLUDING TRUST FUND SURPLUSES

SEC. 4. (a)(1) The amounts of the surpluses of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1990: $67,800,000,000.
Fiscal year 1991: $78,800,000,000.
Fiscal year 1992: $90,400,000,000.

(2) The amounts of the deficits excluding the receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1990: $167,600,000,000.
Fiscal year 1991: $183,600,000,000.
Fiscal year 1992: $173,700,000,000.

(b) The amounts of the deficits excluding the receipts and disbursements of all Federal trust funds are as follows:

Fiscal year 1990: $240,100,000,000.
Fiscal year 1991: $255,200,000,000.
Fiscal year 1992: $243,700,000,000.

RECOMMENDED LEVELS AND AMOUNTS

SEC. 5. (a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1990: $778,900,000,000.
Fiscal year 1991: $827,900,000,000.
Fiscal year 1992: $875,700,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1990: $5,800,000,000.
Fiscal year 1991: $5,800,000,000.
Fiscal year 1992: $5,800,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1990: $70,100,000,000.
Fiscal year 1991: $75,100,000,000.
Fiscal year 1992: $80,200,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1990: $1,021,700,000,000.
Fiscal year 1991: $1,087,500,000,000.
Fiscal year 1992: $1,135,800,000,000.

The appropriate levels of total budget outlays are as follows:

Fiscal year 1990: $952,300,000,000.
Fiscal year 1991: $1,017,200,000,000.
Fiscal year 1992: $1,055,000,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1990: $167,600,000,000.
Fiscal year 1991: $183,500,000,000.
Fiscal year 1992: $173,500,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1990: $3,123,200,000,000.
Fiscal year 1991: $3,391,900,000,000.
Fiscal year 1992: $3,637,100,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1989, October 1, 1990, and October 1, 1991, are as follows:

Fiscal year 1990:

(A) New direct loan obligations, $19,300,000,000.

(B) New primary loan guarantee commitments, $106,600,000,000.

(C) New secondary loan guarantee commitments, $93,200,000,000.

Fiscal year 1991:

(A) New direct loan obligations, $19,700,000,000.

(B) New primary loan guarantee commitments, $114,200,000,000.

(C) New secondary loan guarantee commitments, $97,100,000,000.

Fiscal year 1992:

(A) New direct loan obligations, $19,700,000,000.

(B) New primary loan guarantee commitments, $119,000,000,000.

(C) New secondary loan guarantee commitments, $100,900,000,000.

(B) The Congress hereby determines and declares that the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1990 through 1992 for each major functional category are:

(1) National Defense (050):

Fiscal year 1990:

(A) New budget authority, $298,600,000,000.

(B) Outlays, $295,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $310,700,000,000.

(B) Outlays, $303,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $323,600,000,000.

(B) Outlays, $314,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1990:

(A) New budget authority, $9,600,000,000.

(B) Outlays, $12,300,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $6,400,000,000.

(E) New secondary loan guarantee commitments, $200,000,000.

Fiscal year 1991:

(A) New budget authority, $9,500,000,000.

(B) Outlays, $11,100,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $6,700,000,000.

(E) New secondary loan guarantee commitments, $200,000,000.

Fiscal year 1992:

(A) New budget authority, $10,200,000,000.

(B) Outlays, $9,200,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $6,900,000,000.

(E) New secondary loan guarantee commitments, $200,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1990:

(A) New budget authority, $12,000,000,000.

(B) Outlays, $12,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $12,500,000,000.

(B) Outlays, $12,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $13,000,000,000.

(B) Outlays, $12,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1990:

(A) New budget authority, $5,900,000,000.

(B) Outlays, $3,500,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $6,000,000,000.

(B) Outlays, $3,900,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $6,600,000,000.

(B) Outlays, $4,400,000,000.

(C) New direct loan obligations, $2,300,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1990:

(A) New budget authority, $15,500,000,000.

(B) Outlays, $16,900,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $16,200,000,000.

(B) Outlays, $17,200,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $16,900,000,000.

(B) Outlays, $16,900,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1990:

(A) New budget authority, $18,400,000,000.

(B) Outlays, $15,200,000,000.

(C) New direct loan obligations, $10,000,000,000.

(D) New primary loan guarantee commitments, $4,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $21,100,000,000.

(B) Outlays, $17,100,000,000.

(C) New direct loan obligations, $10,200,000,000.

(D) New primary loan guarantee commitments, $4,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $20,500,000,000.

(B) Outlays, $15,100,000,000.

(C) New direct loan obligations, $9,700,000,000.

(D) New primary loan guarantee commitments, $5,000,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1990:

(A) New budget authority, $23,300,000,000.

(B) Outlays, $17,800,000,000.

(C) New direct loan obligations, $3,300,000,000.

(D) New primary loan guarantee commitments, $60,500,000,000.

(E) New secondary loan guarantee commitments, $93,000,000,000.

Fiscal year 1991:

(A) New budget authority, $21,900,000,000.

(B) Outlays, $17,000,000,000.

(C) New direct loan obligations, $3,300,000,000.

(D) New primary loan guarantee commitments, $66,400,000,000.

(E) New secondary loan guarantee commitments, $96,900,000,000.

Fiscal year 1992:

(A) New budget authority, $16,900,000,000.

(B) Outlays, $13,300,000,000.

(C) New direct loan obligations, $3,400,000,000.

(D) New primary loan guarantee commitments, $69,600,000,000.

(E) New secondary loan guarantee commitments, $100,700,000,000.

(8) Transportation (400):

Fiscal year 1990:

(A) New budget authority, $28,100,000,000.

(B) Outlays, $28,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $28,800,000,000.

(B) Outlays, $29,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $29,900,000,000.

(B) Outlays, $29,900,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1990:

(A) New budget authority, $5,000,000,000.

(B) Outlays, $6,400,000,000.

(C) New direct loan obligations, $1,000,000,000.

(D) New primary guarantee commitments, $500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $4,800,000,000.

(B) Outlays, $6,100,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $4,900,000,000.

(B) Outlays, $4,900,000,000.

(C) New direct loan obligations, $1,100,000,000.

(D) New primary loan guarantee commitments, $500,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1990:

(A) New budget authority, $34,400,000,000.

(B) Outlays, $37,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $12,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $35,400,000,000.

(B) Outlays, $37,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $13,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $36,000,000,000.

(B) Outlays, $35,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $13,700,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1990:

(A) New budget authority, $55,500,000,000.

(B) Outlays, $54,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $60,900,000,000.

(B) Outlays, $60,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $67,000,000,000.

(B) Outlays, $65,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

(12) Medicare (570):

Fiscal year 1990:

(A) New budget authority, $123,900,000,000.

(B) Outlays, $98,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $136,300,000,000.

(B) Outlays, $115,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $149,600,000,000.

(B) Outlays, $130,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1990:

(A) New budget authority, $180,300,000,000.

(B) Outlays, $144,100,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $190,000,000,000.

(B) Outlays, $152,600,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $197,500,000,000.

(B) Outlays, $159,600,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1990:

(A) New budget authority, $5,200,000,000.

(B) Outlays, $5,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $4,300,000,000.

(B) Outlays, $4,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $5,000,000,000.

(B) Outlays, $5,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1990:

(A) New budget authority, $30,300,000,000.

(B) Outlays, $29,600,000,000.

(C) New direct loan obligations, $800,000,000.

(D) New primary loan guarantee commitments, $21,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $31,300,000,000.

(B) Outlays, $31,200,000,000.

(C) New direct loan obligations, $700,000,000.

(D) New primary loan guarantee commitments, $21,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $32,300,000,000.

(B) Outlays, $32,200,000,000.

(C) New direct loan obligations, $700,000,000.

(D) New primary loan guarantee commitments, $22,900,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1990:

(A) New budget authority, $9,500,000,000.

(B) Outlays, $9,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $10,500,000,000.

(B) Outlays, $10,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $11,000,000,000.

(B) Outlays, $11,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1990:

(A) New budget authority, $9,700,000,000.

(B) Outlays, $9,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $10,000,000,000.

(B) Outlays, $9,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $10,400,000,000.

(B) Outlays, $9,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) Net Interest (900):

Fiscal year 1990:

(A) New budget authority, $196,600,000,000.

(B) Outlays, $196,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $210,300,000,000.

(B) Outlays, $210,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $218,800,000,000.

(B) Outlays, $218,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) The corresponding levels of gross interest on the public debt are as follows:

Fiscal year 1990: $261,500,000,000.

Fiscal year 1991: $278,800,000,000.

Fiscal year 1992: $289,900,000,000.

(20) Allowances (920):

Fiscal year 1990:

(A) New budget authority, $-200,000,000.

(B) Outlays, $-200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, $-200,000,000.

(B) Outlays, $-200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, $-200,000,000.

(B) Outlays, $-200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(21) Undistributed Offsetting Receipts (950):

(A) Fiscal year 1990:

(A) New budget authority, -$39,900,000,000.

(B) Outlays, -$39,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1991:

(A) New budget authority, -$32,800,000,000.

(B) Outlays, -$32,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1992:

(A) New budget authority, -$34,100,000,000.

(B) Outlays, -$34,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

RECONCILIATION

SEC. 6. (a) Not later than June 15, 1989, committees named in subsections (b) and (c) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEE

(b) The Senate Committee on Finance shall report changes in laws within its jurisdiction sufficient to increase revenues $5,300,000,000 in fiscal year 1990.

HOUSE COMMITTEE

(c) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to increase revenues $5,300,000,000 in fiscal year 1990.

SALE OF GOVERNMENT ASSETS

SEC. 7. (a) It is the sense of the Congress that—

(1) from time to time the United States Government should sell assets to nongovernment buyers; and

(2) the amounts realized from such asset sales will not recur on an annual basis and do not reduce the demand for credit.

(b) For purposes of allocations and points of order under section 302 of the Congressional Budget and Impoundment Control Act of 1974, the amounts realized from asset sales or prepayments of loans shall not be allocated to a committee and shall not be scored with respect to the level of budget authority or outlays under a committee's allocation under section 302 of such Act.

(c) For purposes of this section—

(1) the terms "asset sale" and "prepayment of a loan" shall have the same meaning as under section 257(12) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987); and

(2) the terms "asset sale" and "prepayment of a loan" do not include asset sales mandated by law before September 18, 1987, and routine, ongoing asset sales and loan prepayments at levels consistent with agency operations in fiscal year 1986."

HEINZ (AND OTHERS) AMENDMENT NO. 91

Mr. HEINZ (for himself, Mr. SIMON, Mr. PELL, Mr. MITCHELL, Mr. DECONCINI, Mr. BOREN, Mr. LEVIN, Mr. LAUTENBERG, Mr. LEAHY, Mr. ARMSTRONG, Mr. BOND, Mr. BOSCHWITZ, Mr. BURNS, Mr. COATS, Mr. COCHRAN, Mr. COHEN, Mr. D'AMATO, Mr. DANFORTH, Mr. DOLE, Mr. DOMENICI, Mr. DURENBERGER, Mr. GARN, Mr. GORTON, Mr. GRAMM, Mr. GRASSLEY, Mr. HATCH, Mr. HEINZ, Mr. HELMS, Mr. HUMPHREY, Mr. JEFFORDS, Mrs. KASSEBAUM, Mr. KASTEN, Mr. LOTT, Mr. LUGAR, Mr. MACK, Mr. MCCAIN, Mr. MCCONNELL, Mr. MURKOWSKI, Mr. NICKELS, Mr. PACKWOOD, Mr. PRESSLER, Mr. ROTH, Mr. RUDMAN, Mr. SIMPSON, Mr. SPECTER, Mr. STEVENS, Mr. SYMMS, Mr. THURMOND, Mr. WALLOP, Mr. WARNER, and Mr. WILSON) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra; as folows:

At the end of the concurrent resolution add the following new section:

WORLD HEALTH ORGANIZATION AND PLO MEMBERSHIP

SEC. . (a) FINDINGS.—The Congress finds that—

(1) the World Health Organization enjoys the strong support of the United States in its mission to eliminate disease and raise public health standards around the world.

(2) the Palestine Liberation Organization (PLO) has observer status at the WHO and other United Nations specialized agencies;

(3) the PLO is an umbrella organization that lacks key attributes of statehood as accepted under international law—it has no permanent population and controls no defined territory;

(4) it is the policy of the United States that the ultimate disposition of the territories under Israeli administration should be decided by negotiation and not by unilateral declarations or by solutions imposed by international organizations;

(5) the Secretary of State has declared that a change in the present observer status of the PLO in international organizations would lead to a halt in further US assessed and voluntary contributions to these organizations;

(6) a change in the PLO's observer status in international organizations would needlessly politicize these organizations and damage US support for them;

(7) the United States seeks the cooperation of all parties, including the members of the Arab League, in putting a halt to these harmful efforts to politicize important international organizations,

(b) SENSE OF THE SENATE—The Senate hereby—

(1) supports and commends the Secretary of State in his declaration calling for a halt to further US assessed and voluntary contributions to international organizations which grant full member status to organizations that lack key attributes to statehood;

(2) urges all parties to end efforts to secure a change in the PLO's observer status at the United Nations and its specialized agencies;

(3) calls upon member states of the World Health Organization and other UN specialized agencies to vigorously oppose all such efforts.

ARMSTRONG (AND OTHERS) AMENDMENT NO. 92

Mr. ARMSTRONG (for himself, Mr. DOLE, Mr. EXON, Mr. KASTEN, Mr. HELMS, Mr. D'AMATO, Mr. COATS, Mr. GRASSLEY, Mr. DECONCINI, Mr. LUGAR, Mr. SYMMS, Mr. CHAFEE, Mr. COHEN, Mr. DOMENICI, Mr. HATCH, Mr. WARNER, and Mr. BRADLEY) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

On page 3, decrease the amount on line 7 by $260,000,000.

On page 3, decrease the amount on line 8 by $670,000,000.

On page 3, decrease the amount on line 9 by $1,070,000,000.

On page 3, decrease the amount on line 14 by $260,000,000.

On page 3, decrease the amount on line 15 by $670,000,000.

On page 3, decrease the amount on line 16 by $1,070,000,000.

On page 3, decrease the amount on line 21 by $260,000,000.

On page 3, decrease the amount on line 22 by $670,000,000.

On page 3, decrease the amount on line 23 by $1,070,000,000.

On page 3, decrease the amount on line 26 by $260,000,000.
On page 4, decrease the amount on line 1 by $670,000,000.
On page 4, decrease the amount on line 2 by $1,070,000,000.
On page 5, decrease the amount on line 4 by $260,000,000.
On page 5, decrease the amount on line 5 by $670,000,000.
On page 5, decrease the amount on line 6 by $1,070,000,000.
On page 5, decrease the amount on line 8 by $260,000,000.
On page 5, decrease the amount on line 9 by $670,000,000.
On page 5, decrease the amount on line 10 by $1,070,000,000.
On page 5, decrease the amount on line 13 by $260,000,000.
On page 5, decrease the amount on line 14 by $930,000,000.
On page 5, decrease the amount on line 15 by $2,000,000,000.
On page 30, increase the amount on line 3 by $−260,000,000.
On page 30, increase the amount on line 12 by $−670,000,000.
On page 30, increase the amount on line 21 by $−1,070,000,000.
On page 34, increase the second amount on line 9 by $260,000,000.
On page 36, increase the second amount on line 1 by $260,000,000.

WIRTH (AND OTHERS) AMENDMENT NO. 93

Mr. SASSER (for Mr. WIRTH, for himself, Mr. CHAFEE, Mr. HEINZ, Mr. JOHNSTON, Mr. GORE, Mr. CRANSTON, Mr. LEAHY, Mr. DURENBERGER, Mr. KERRY, and Mr. GORE) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra; as follows:

At the appropriate place insert the following:

REDUCING THE GENERATION OF CARBON DIOXIDE

SEC. . (a) The Senate finds that—

(1) the concentration of the so-called "greenhouse" gases—including carbon dioxide, methane, nitrous oxide, chlorofluorocarbons, tropospheric ozone is rising;

(2) since the advent of the industrial revolution 150 years ago, a number of scientific experts estimate that the atmospheric concentration of—

(A) carbon dioxide, the most prevalent of these gases, has increased by 25 percent;

(B) methane has increased by 100 percent;

(C) nitrous oxide has increased by 10 percent;

(D) CFC's have increased from zero 60 years ago at an average rate of 5 percent per year; and

(E) tropospheric ozone continues to increase by 1 percent per year;

(3) a large number of the world's leading scientists, including members of National Science Foundation, have warned policy makers that—

(A) increased concentrations of these gases will alter climate; and

(B) such climatic alterations could have devastating effects on weather patterns, agricultural productivity, coastal population centers due to rising sea levels, and biological health;

(4) the majority of these gases are generated in the production of energy;

(5) in 1988, the Department found, based on data collected for the 1985 National Energy Policy Plan, that the United States' generation of carbon dioxide would increase from 1985 levels by 38 percent in the year 2010;

(6) leading scientific experts of the world, including members of the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine have urged the President to take action to reduce the generation of these gases by the United States;

(7) international negotiations are underway to develop strategies to reduce the generation of these gases;

(8) the United States is chair of the Response Strategies Working Group of the Intergovernmental Panel on Climate Change (IPCC), which was established by the United Nations Environment Programme and the World Meterological Organization;

(9) at the first meetings of the IPCC's Response Strategies Working Group, the Secretary of State urged that global solutions to global climate change be as specific and cost-effective as they can possibly be;

(10) it is imperative that the United States and all nations take immediate steps to protect the global environment; and

(11) without action by the United States to protect the global environment, our ability to convince other nations to act on concerns such as global climate change will be constrained.

(b) It is the sense of the Senate that United States policy on global warming should be—

(1) to reduce the generation of greenhouse gases;

(2) to hold, in 1989, a global conference on the environment, hosted by the President;

(3) to encourage other nations to undertake measures to reduce the generation of greenhouse gases;

(4) to develop binding multilateral agreements with other nations by the end of calendar year 1992, or as early as is practicable, to reduce the global generation of greenhouse gases;

(5) to encourage the worldwide protection of tropical rainforests;

(6) to require each Federal agency to examine its programs to determine the impacts of global warming on its missions and activities and to evaluate and propose policies under its authority that could reduce the generation of greenhouse gases; and

(7) to develop new technologies and better utilize existing technologies that will provide reliable supplies of energy and service for the citizens of the United States while reducing the generation of greenhouse gases.

(c) It is also the sense of the Senate that the United States Government should adopt a position with respect to a "Framework Global Climate Convention", and through its representative to the Intergovernmental Panel on Climate Change, should begin discussions on such a convention when it chairs the next meeting of the "Response Strategies Working Group".

(d) To the maximum extent practical, the priorities set forth in this section should be reflected in the Federal budget.

BOND (AND OTHERS) AMENDMENTS NO. 94

Mr. SASSER (for Mr. BOND, for himself, Mr. CONRAD, Mr. WALLOP, Mr. LOTT, Mr. WILSON, Mr. GRAMM, Mr. MACK, Mr. GARN, and Mr. HELMS) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the end of the concurrent resolution add the following new section:

SEC. . (a) FINDINGS.—The Congress finds that—

(1) the United States is the world leader in the fields of commercial and military aerospace;

(2) if the United States is to maintain that leadership we must continue to invest in the research and development necessary to build the next generation of aerospace vehicles;

(3) the National Aerospace Plan, or X-30, program represents the United States' best hope for maintaining our lead in aerospace into the next century;

(4) the National Aerospace Plane program represents a model of cooperation between government and industry in which the Federal Government already has invested $487 million and private contractors have invested more than $700 million;

(5) the National Aerospace program is likely to result in advances in many areas which will have benefits for both commercial and military programs.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that—

The Senate supports continued funding of the National Aerospace Plane program at the level recommended in the President's February 9, 1990 budget submission in functions 050, 250 and 400.

SASSER AMENDMENT NOS. 95 AND 96

Mr. SASSER proposed two amendments to the concurrent resolution (S. Con. Res. 30), supra, as follows:

AMENDMENT NO. 95

At the end of the resolution insert the following new section:

"SEC. . It is assumed that agreements reached between the administration and the congressional tax-writing committees on revenue legislation reconciled pursuant to this resolution will be advanced legislatively when supported by the President of the United States."

AMENDMENT NO. 96

RECOMMENDED LEVELS AND AMOUNTS

On page 28, line 23, decrease the figure by $6,400,000.
On page 28, line 24, decrease the figure by $5,960,000.
On line 3 of the Reserve Fund for Child Care, strike "child care" and insert "children".
On line 6, strike "child care" and insert "children".

GRAHAM AMENDMENT NO. 97

Mr. SASSER (for Mr. GRAHAM) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the end of the resolution insert the following new section:

(a) The Senate finds—

(1) The 1990 congressional bipartisan agreement to the budget submitted by the President represents the action most probable to avoid a budget impasse and sequester.

(2) The achievement of a reduction in the Federal budget deficit through agreement rather than confrontation between the

President and Congress is in the national interest.

(3) National security and international leadership rest on the foundation of a strong economy, capable of financing internally its investment needs;

(b) It is the sense of the Congress that—

(1) The 1990 budget agreement should be fully and quickly implemented;

(2) The Leadership of Congress and the administration immediately authorize resumption of negotiations aimed at a multiyear deficit reduction package, leading to a balanced federal budget;

(3) The economic and budgetary assumptions underlying the multiyear agreement be based on sound and realistic forecasts;

(4) The bipartisan, cooperative effort that made this agreement possible be sustained in addressing the Nation's remaining budgetary problems.

DOLE (AND BOREN) AMENDMENT NO. 98

Mr. SASSER (for Mr. DOLE, for himself, Mr. BOREN, Mr. NICKLES, Mrs. KASSEBAUM, Mr. KERREY, Mr. BENTSEN, Mr. WIRTH, Mr. DOMENICI, Mr. GRAHAM, and Mr. PRESSLER) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

At the end of the resolution, add the following new section:

DISASTER ASSISTANCE

SEC. . (a) The Congress finds that—

(1) agricultural producers in several Midwestern and Southwestern States have experienced adverse weather conditions since planting the 1989 crop of winter wheat, including a lack of rainfall, freeze damage, high-velocity windstorms, and recordbreaking high temperatures;

(2) such extreme conditions have combined to severely damage winter wheat production in several states, including Kansas, Oklahoma, Texas, Nebraska, Colorado, and New Mexico;

(3) the Kansas Wheat Quality Council, after a recent 3-day tour of these States, estimated that production in the Texas and Oklahoma Panhandles would be only one-third of normal;

(4) the mean average of 68 estimates of the 1989 crop of winter wheat in Kansas projected only 209 million bushels of wheat; and

(5) current budget estimates reveal there will be substantial savings resulting from higher prices and lower deficiency payments that could be applied towards disaster payments for drought-stricken winter wheat producers through an extension of the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note).

(b) It is the sense of the Congress that—

(1) legislation should be enacted to extend the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note) to apply to losses due to adverse weather conditions in 1988 or 1989 for agricultural commodities planted in 1988 for harvest in 1989;

(2) such legislation should not add to the deficits and such legislation should not discriminate against other program crops;

(3) such legislation should not discriminate against producers who are currently covered by Federal crop insurance; and

(4) drought assistance should be enacted in a timely fashion so as to ensure that savings from higher prices and lower deficiency payments offset the cost of such assistance.

ROTH AMENDMENT NO. 99

Mr. SASSER (for Mr. ROTH) proposed an amendment to the concurrent resolution (S. Con. Res. 30), supra, as follows:

SEC. . (a) The Congress finds that—

(1) Debt held by the public increased from $1.5 trillion in fiscal year 1985 to more than $2 trillion in fiscal year 1988 and continues to grow;

(2) Compliance with the Gramm-Rudman-Hollings targets each year would result in a debt held by the public of $2.38 trillion by the end of fiscal year 1993, when the Gramm-Rudman-Hollings maximum deficit target is zero;

(3) The Congressional Budget Office projects that the debt held by the public will reach $2.76 trillion by fiscal year 1993;

(4) Recognizing the need to control deficits and debt, many members have introduced legislation to provide additional fiscal restraint; and

(5) Growth in the debt held by the public is detrimental to economic growth and improvements in the nation's long term standard of living.

(b) It is the sense of the Congress that—

(1) A target for maximum debt held by the public be set at $2.38 trillion;

(2) The appropriate Committees of the Congress shall consider legislation strengthening budget procedures to promote compliance with this target; and

(3) The appropriate Committees of the Congress shall consider budget procedures which would take effect in the event that the target is exceeded.

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding an oversight hearing on Friday, May 19, 1989, beginning at 9:30 a.m., in 485 Russell Senate Office Building on actions of the U.S. Civil Rights Commission affecting the White Mountain Apache Tribe.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding a markup on Tuesday, May 16, 1989, beginning at 2:30 p.m., in 485 Russell Senate Office Building on a bill to establish the National Museum of the American Indian; S. 402, the Puyallup Land Claims Settlement Act; S. 611, the Federal Acknowledgment Procedures Act of 1989; and S. 321, the Buy Indian Act Amendments.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LEAHY. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will hold a hearing on Friday, May 12, 1988, at 10 a.m., in SR332 to receive testimony on pending nominations.

For further information, please contact the committee at 224-2035.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY AND THE SUBCOMMITTEE ON FOREIGN OPERATIONS.

Mr. LEAHY. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry and the Subcommittee on Foreign Operations of the Committee on Appropriations will hold a joint hearing on Wednesday, May 10, 1989, at 10 a.m., in SD192 Dirksen Senate Office Building to receive testimony on the potential impacts of global warming on the Third World, and U.S. policy responses.

For further information, please contact Fred Kenney of the subcommittee staff at 224-7209.

AUTHORITY FOR COMMITTEES

COMMITTEE ON ARMED SERVICES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, May 4, 1989, at 9:30 a.m. in open session to receive testimony on the amended defense authorization request for fiscal years 1990 and 1991 and on the fiscal years 1990-94 5-year defense plan.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONVENTIONAL FORCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Conventional Forces and Alliance Defense of the Committee on Armed Services be authorized to meet on Thursday, May 4, 1989, at 2 p.m. in open session to review implementation of the Army's armor and antiarmor programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on May 4, 1989, at 10 a.m. to hold a hearing on medicare reimbursement to rural hospitals.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the full Committee of the Energy and Natural Resources Committee be authorized to meet during the session of the Senate on May 4, 1989, at 9:30 a.m. to receive testimony on S. 694, the strategic petroleum reserve amendments of 1989.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to

meet during the session of the Senate on May 4, 1989, at 2 p.m. to hold hearings on and to consider the nominations of Rufus H. Yerxa to be a Deputy U.S. Trade Representative; Eric I. Garfinkel, to be an Assistant Secretary of Commerce; John E. Robson, to be a Deputy Secretary of the Treasury; Robert R. Glauber, to be an Under Secretary of the Treasury; David Campbell Mulford, to be an Under Secretary of the Treasury; Constance Horner, to be an Under Secretary of Health and Human Services; and, Mary Sheila Gall, to be an Assistant Secretary of Health and Human Services.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, May 4 at 10 a.m. to hold a hearing on USIA authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EDUCATION, ARTS, AND HUMANITIES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Education, Arts, and Humanities, of the Committee on Labor and Human Resources, be authorized to meet during the session of the Senate on Thursday, May 4, 1989 at 9:30 a.m. to conduct a hearing on the challenge of eliminating illiteracy.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON GENERAL SERVICES, FEDERALISM, AND THE DISTRICT OF COLUMBIA

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on General Services, Federalism, and the District of Columbia, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Thursday, May 4, 1988, at 10 a.m. to resume open hearings on infrastructure problems and intergovernmental solutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, May 4, 1989, at 2 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON NUCLEAR REGULATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Nuclear Regulation of the Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Thursday, May 4, beginning at 9:30 a.m., to conduct a hearing on the operation of the Rancho Seco nuclear generating station and on secret monetary payments to nuclear workers to restrict their testimony to the Nuclear Regulatory Commission regarding the Comanche Peak Nuclear Powerplant.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

HUMAN RIGHTS DEVELOPMENTS IN THE SOVIET UNION AND EASTERN EUROPE SINCE VIENNA

● Mr. DECONCINI. Mr. President, as chairman of the Commission on Security and Cooperation in Europe, commonly known as the Helsinki Commission, I would like to take this opportunity to provide my colleagues with an update on the Commission's assessment on human rights developments in the Soviet Union and Eastern Europe. Almost 4 months have passed since the adoption of the Vienna Concluding Document—a Conference on Security and Cooperation in Europe [CSCE] document which, with respect to human rights and other humanitarian concerns, goes beyond any to date. Currently, the 35 signatory states of the CSCE are meeting in London for the information forum, and on May 30, they will gather in Paris for the first of three meetings of the Conference on the Human Dimension. These meetings, mandated by the concluding document, will address specific human rights concerns. For this reason, it is an opportune time to take a look at what has happened in the human rights sphere since the conclusion of the Vienna meeting on January 19, 1989.

There can be little doubt that the Helsinki process, in general, has been instrumental in focusing attention on human rights. As a result, it has improved tangibly the lives of millions of people in the Soviet Union and Eastern Europe. The flow of people and ideas is gradually widening, and the prison gates have opened for some of those who were previously sentenced for calling on their governments to live up to their commitments under the Helsinki Final Act. Clearly, important strides are being made regarding human rights compliance by a number of Eastern signatory states, particularly within the last few years. The once formidable intellectual, spiritual and physical barriers between East and West are showing signs of wear and are slowly beginning to crumble.

Despite these positive changes that have taken place since the Helsinki Final Act was signed in 1975, there are still all too many reminders that many of the promises of Helsinki have yet to be translated into reality; there are still all too many instances of noncompliance with commitments freely undertaken. Even though several signatory nations have shown improvements, especially when their current records are measured against their past practices, the standards of compliance we use must be the standards of Helsinki, Madrid and Vienna—clear and precise standards which aim toward the realization of an ultimately free, open and humane Europe.

While Soviet public life has been significantly liberalized under Gorbachev's rule and the boundaries of what is permissible continue to expand, repression has not ended. The Ukrainian Catholic Church and Jehovah's Witnesses continue to be denied legal status. About 120 known or suspected prisoner of conscience cases remain, and there have been few releases since the conclusion of the Vienna meeting. There are still occasional arrests and incarcerations in psychiatric hospitals. Politically-motivated short-term detentions are still frequent, particularly in conjunction with peaceful demonstrations, as are house searches and police interrogations. Since November, there have been 18 known arrests of political activists, 16 of them involving Armenian nationalists, who are members of the Karabakh Committee. Peaceful demonstrators are occasionally handled roughly by police, particularly in several non-Russian republics, despite the promising initial reversals of Russian political and cultural domination of the non-Russian half of the Soviet population. We especially deplore the deaths of Georgians during the violent dispersal of a peaceful demonstration in Tbilisi on April 9, and we are alarmed at the growing evidence that poisonous gas was used.

As troublesome as these specific instances are, we are also disturbed by the Soviet Government's April 8 decree which replaces previous articles penalizing political activity. This decree, which calls for up to 10 years imprisonment and introduces heavy fines for certain kinds of peaceful political activity, flies in the face of Soviet claims of liberalizing their criminal code. It is not an encouraging signal that genuine legal reform, as the Soviets have led us to believe, is near.

In the area of freedom of movement, the situation is also mixed. Emigration levels continue to rise dramatically over what they were just 2 years ago. Yet arbitrary and capricious restrictions, many based on alleged knowledge of state secrets, continue to prevent people such as Igor Uspensky and his family from emigrating. Indeed, 60 unresolved freedom of movement cases remain from a list of 600 that the Commission submitted to members of the Supreme Soviet during our November meetings in Moscow to dis-

cuss human rights. Unfortunately, the resolution rate of these cases has slowed since the Vienna concluding document was adopted.

Poland and Hungary continue to show the most progress toward human rights compliance as they press forward on the rocky road to political and economic reform. The Hungarian Government took an important step forward in showing greater respect for civil and political rights when, for the first time under Communist rule, they officially proclaimed and celebrated the anniversary of their 1848 revolution against the Habsburg Empire on March 15. In addition, legislation guaranteeing freedoms of association and assembly, as well as an unprecedented law providing for the right to strike, was passed early this year. Most recently, Hungarian authorities have announced a new media law, to be submitted later this year to the national assembly, allowing any individual or group to establish a newspaper, radio or television station.

Recent developments in Poland continue to underscore Poland's role in the forefront of reform in Eastern Europe. There are no political prisoners in Poland and a new passport law allows people to apply for and receive passports on roughly the same basis as in the West. On the political front, four Solidarity activists successfully settled in court a 2-year-old slander suit against Government spokesman Jerzy Urban. Finally, the recently concluded round-table discussions between the Government and Solidarity resulted in the relegalization of Solidarity and the reorganization of the parliament on a substantially more democratic line. We are hopeful that this new parliament will engage in continued reform of some of the more troubling legislation which remains on the books. Thus, progress in both Hungary and Poland has been encouraging although the human rights situation remains below Vienna standards.

Regrettably, the German Democratic Republic [GDR] is resisting the wave of reform efforts occurring in varying degrees in the Soviet Union and other East European countries. It has signalled its reluctance to follow Gorbachev's calls for reform by restricting or banning several Soviet publications. In January, as the Vienna meeting was coming to a close, East German authorities detained and threatened scores of activists who organized an unofficial demonstration in Leipzig. Likewise, officials continue to censor the content of church newspapers. And when GDR authorities published excerpts of the Vienna Concluding Document, they deviated from the official German-language text adopted by the 35 CSCE States in order to weaken a provision in the human contacts section—a flagrant misrepresentation of their CSCE commitments. On the positive side, a new law effective in January broadens categories of individuals eligible to submit travel applications and allows, after July 1, 1989, the right to appeal decisions in court, thus continuing the liberalization of travel.

Bulgaria continues its forcible assimilation campaign against the Turkish minority, banning the use of the Turkish language, forbidding various Muslim rites and reportedly forcibly resettling ethnic Turks to non-Turkish areas of the country. There are at least several hundred political prisoners, many of them ethnic Turks who had resisted the assimilation campaign. Since Vienna, Bulgarian authorities have continued to react to the unprecedented rise in the number of independent groups by breaking up meetings and not permitting activists to attend. They have also continued to harass, threaten with criminal prosecution, detain and vilify in their media, members of these groups, particularly those of the Independent Association for the Protection of Human Rights, or their supporters.

Czechoslovakia's human rights record also continues to be wretched. Increased independent opposition activities have, in general, been met with increased repression on the part of the regime. World renowned playwright Vaclav Havel remains in jail on spurious charges of disruption of the public order, and Charter 77 activist, Jiri Wolf remains in prison at grave risk to his progressively deteriorating health. Scores of others have been imprisoned or detained, or subjected to house searches and confiscation of property for the nonviolent expression of their beliefs, including over 130 signatories to the Democracy for All manifesto of the Movement for Civil Liberties.

The human rights situation in Romania remains especially bleak. There are no signs that Ceausescu's Rural Sistematization Program with its goal of destroying up to half of Romania's 13,000 villages and forcibly resettling their populations into agro-industrial centers will be abandoned. The Government continues to violate the rights of national minority members, religious believers, would-be emigrants and all who seek to exercise the freedom of expression. As a result, thousands of Romanian citizens, mostly members of the Hungarian minority, have taken refuge in Hungary. Hundreds more are in prison for attempting to cross the border illegally.

Since the conclusion of the Vienna meeting, several veteran Communist Party members addressed a critical open letter to Ceausescu and have been detained and interrogated as a result. In late January, several journalists, typesetters, and printers from the newspaper Romania Libera were detained, accused of printing antiregime pamphlets. Their whereabouts and condition are unknown. The Romanian Government's repressive policies are mirrored by its announcement following the adoption of the Vienna Concluding Document that it would abide only by those commitments it did not find objectionable. Since then, Romania has rejected the attempts of several CSCE States to use the new human dimension mechanism to raise several human rights cases.

Mr. President, in his remarks at the conclusion of the Vienna meeting, then-Secretary of State Shultz stated that "the Vienna meeting marks not the end of our journey from Helsinki, but a new beginning." It is encouraging that some states which previously refused to take even the first step are now making that journey. Others, despite the rapidly changing environment, are unfortunately reluctant to make that journey and are even moving backward. The gap between word and deed, between promise and performance, while narrower than 10 or even 2 years ago, still remains. The Helsinki Commission, in accordance with its mandate, will continue to stress the implementation by all signatories of their commitments under the Helsinki Final Act and Madrid and Vienna Concluding Documents. In doing so, we hope to do our part in narrowing further the distance between the still all too often harsh realities, and the noble, yet achievable standards of the Helsinki process.●

A TRIBUTE TO ALCOHOLISM AND DRUG ABUSE COUNSELORS

● Mr. GARN. Mr. President, no problem commands more attention than the scourge of substance abuse. The problem is sadly apparent here in our Nation's Capital, where last year there were recorded 372 homicides in which drugs were a major contributor. This year we are on a pace to top 60 killings. Drugs, again, are the major culprit. However, the problems here are only symptomatic of the larger national problem.

Alcohol also poses a very serious problem, and in some ways, even more menacing than drugs. In fact, alcohol is the most widely used and destructive drug in America. As a result of alcohol abuse, we see enormous costs in lost wages, productivity, and in increased health care and insurance costs. We Americans consume more than 2½ gallons of pure alcohol per person, per year—the equivalent of 50 gallons of beer. A 1983 study by the Research Triangle put the economic cost of alcoholism at $116 billion—a figure equal to one-tenth of the Federal budget. More than 22 million Americans age 14 and older suffer some negative effects from alcohol. That's equal to the combined populations of Washington State, Wisconsin, Virgin-

ia, Alabama, Arizona, and Maine. The national problems with alcohol and drugs have become a crisis affecting society as a whole.

Recent legislation has attacked the problems of alcohol and drug abuse on several fronts—treatment, prevention, interdiction, and research. All of these are important. Interdiction is vital, but it, in itself, is only a partial answer, because it attacks only one symptom. In terms of long-term solutions, there are more important strategies. With all the resources available for the fight against alcoholism and drug abuse, it is my honest belief that prevention is the ultimate answer to the substance abuse problem in our Nation.

That is why today, Mr. President, I rise to commend a particular group of people. As we have just completed Alcohol Awareness Month, I wish to recognize the persons who are in the forefront of the daily battle that is going on—the battle that determines whether a life is saved or lost.

And so today I would like to call to the attention of my colleagues the wonderful work of alcoholism and drug abuse counselors across this country. I am talking about that small group of people who work hard for others—for little money and less recognition, because they have a compelling desire to help others.

I assure you, Mr. President, the problems that I have enumerated here in our Nation's Capital and elsewhere would be far more serious were it not for the contribution that counselors have made. Individuals in this profession are the human beings who have the first and most profound impact on the addict and alcoholic who seeks a release from the living torment of substance abuse. Today there are hundreds of thousands of clean and sober individuals living happy, productive lives only because, in a moment-of-truth, a counselor was there and made the difference. While we here in this body, Mr. President, will continue to offer assistance, I assure you that counselors are the ones who will really make the difference. I, therefore, call on my colleagues to join me in saluting this important group of people.●

SARA O'MEARA SIGHOLTZ AND YVONNE FEDDERSON

● Mr. WILSON. Mr. President, I rise today to recognize and honor two remarkable Californians, Sara O'Meara Sigholtz and Yvonne Fedderson, for their extraordinary contributions to the young people of the world. Individually and in partnership, they have dedicated their lives to children in need, beginning in 1959 when they organized International Orphans, Inc. and created nine orphanages, a hospital and a school for over 15,000 Asian children who were fathered and then deserted by American servicemen.

In 1974, in response to their concern for neglected and abused children, Sara O'Meara Sigholtz and Yvonne Fedderson created Childhelp USA and in 1978, founded Childhelp Village, USA, where abused and neglected children from all over the world have received care and professional treatment in a nurturing environment of home-like residences located on 120 acres of land in Beaumont, CA.

These two dynamic people have succeeded in raising more than $32 million from nongovernmental sources for Childhelp USA/International, harnessing widespread support from many diverse sectors of the international community. Today, Childhelp USA has grown into the largest nonprofit organization combating child abuse and neglect in the United States. Its efforts focus on prevention, treatment and research through effective public awareness campaigns, collaboration with major universities, and pioneering programs including a family evaluation program and a national child abuse hotline.

For the past 30 years, Mrs. O'Meara and Mrs. Fedderson have created and inspired an army of enthusiastic and dedicated volunteers across the country and have led them tirelessly and unwaveringly in the fight against child abuse and neglect. Their extraordinary commitment to this cause is not only exemplary, but also worthy of the gratitude, appreciation, and a standing ovation of an entire nation. I salute Sara O'Meara Sigholtz and Yvonne Fedderson with admiration, with great pride, and in gratitude for the friendship Gayle and I are privileged to share with them. Today, in this Chamber of the U.S. Senate, their inestimable contributions and enrichment to thousands of young people are hereby recorded and inscribed for posterity.●

● Mr. D'AMATO. Mr. President, it is with great pride that I rise today to honor one of the truly great community leaders of our time. Rev. Dr. Arthur L. Mackey will soon celebrate his 25th pastoral anniversary at the Mount Sinai Baptist Church in Roosevelt, NY.

Throughout his quarter century at the pulpit, Reverend Mackey has been a beacon of hope and leadership in the community. As a compassionate man, his concern for the less fortunate extended far beyond his parishioners. Thousands can attest to his efforts to make the world more livable and just.

The reverend's leadership is perhaps most evident in his work on behalf of those who have no place they call home. As an advocate for the homeless and others struggling to realize the American dream, he is responsible for bringing many in from the cold, and providing not only physical shelter, but also spiritual strength to fortify them against that enemy called despair.

Reverend Mackey has been fighting the war on drugs long before many knew a war was raging. He has seen in a most intimate and clear way the ravages of addiction which cling relentlessly to the community body, sapping its life blood. His "Walk Against Drugs" has worked to enlighten our youth about drugs by shining the bright light of reality on the myths of glamour evilly perpetuated by pushers. All the while Reverend Mackey has remained steadfast in lending a strong hand to steady those as they journey out of the abyss of addiction.

Seeing the utter injustice of the evil called apartheid, Reverend Mackey committed long ago to end this system which—contrary to every notion of natural justice and humanity—makes man a master of man. He has worked tirelessly to call attention to this subjugation, and to lead the effort to abolish apartheid, once and for all.

Reverend Mackey's work does not end here. In countless ways through counseling, teaching, praying or simply being a friend, he has touched the lives of so many of our fellow citizens, instilling a sense of dignity and pride.

I am honored to call Reverend Mackey a friend. My regard for his work and leadership goes beyond mere recognition. To me, he is a hero. Reverend Mackey, I salute you.●

TERRY ANDERSON

● Mr. MOYNIHAN. Mr. President, today marks the 1,510th day of captivity for Terry Anderson in Beirut.

I ask that a November 3, 1987, editorial from Terry's hometown paper, the Daily News of Batavia, NY, be printed in the RECORD.

The editorial follows:

BACK TO THE FRAY

If anyone thought Peggy Say had given up her efforts to free her brother, Terry Anderson, from captivity in Beirut, he can now give up those thoughts. Peggy Say is back in the public eye once again, pursuing the goal she has never ceased to pursue—freedom for Terry.

Over the last year, Mrs. Say has pursued a policy of silence in the hope that, if all her earlier public efforts on Terry Anderson's behalf hadn't accomplished anything with Mr. Anderson's captors, maybe silence could.

But it didn't help. So she's back. We don't know which method is "best." Maybe there is no "best." But if nothing else, at least Terry Anderson, after two years and seven months of captivity, can be assured that one very devoted family member hasn't forgotten him. That has to mean a lot when you're locked in a prison for a non-existent crime.

Mrs. Say's renewed efforts come just after Mr. Anderson experienced a sad 40th birthday in captivity, his second such birthday. It's a bitter punishment for one who went to Lebanon only to pursue his craft as a neu-

tral newsman keeping the public informed of events in that war-torn nation.

Unfortunately, Mr. Anderson is in the grip of fanatics who don't understand the idea of neutrality or of informing the public, anymore than they understand the idea of neutral negotiators like Terry Waite, also in captivity and whose only crime was attempting to help the hostages.

One event that seems connected to the return of Mrs. Say to the public arena is the failure of the Reagan administration in its attempts to "do business" with the kidnappers. Mrs. Say is not to be faulted for thinking she can do better than that inept attempt. She is to be admired for her single-minded devotion to helping her brother. The Batavia community should demonstrate its support for her efforts to win the freedom of one of its former residents.

Perhaps the best approach now is to return to dealing with Syria, which holds important power in the Mideast, seems to understand better than the American government who it is dealing with and—most importantly—has had success with other hostages.●

OUR POLICY IN CENTRAL AMERICA

● Mr. REID. Mr. President, I recently entered into the CONGRESSIONAL RECORD some comments by former Nevada Gov. Mike O'Callaghan relating to our policy in Central America. Governor O'Callaghan is the general manager of the Las Vegas Sun newspaper, a highly decorated combat veteran, and is an authority in foreign affairs.

He has just returned from another trip to Central America and has written several additional columns about his trip, and about U.S. policy in the region. I believe that his views are a worthwhile contribution to the debate on our policy and I ask that three columns written by Governor O'Callaghan, which appeared in the Las Vegas Sun, April 24, 25, 26, be printed in the RECORD.

The columns follow:

[From the Las Vegas Sun, Apr. 24, 1989]

WHERE I STAND

(By Mike O'Callaghan)

Being awakened by singing and praying at 4 o'clock in the morning sounds like a bit of heaven on earth. This time it was the Miskito Indian guerrillas just beginning another long day of training for the time they can rebuild their burned-out homes in Nicaragua.

Feeling around on the dirt floor of the tent I eventually found my shoes and dressed. Stepping outside into the misty morning it was easy to forget that I was at the Miskito Indian base camp Lakia Tara (Morning Star) on the Honduras side of the Rio Coco. The now empty hammocks stretched between the trees looked like grazing deer in the early morning shadows.

It was too peaceful for a place where wounded and sick men lay in a nearby tent and others were preparing to return that day to the jungle on the other side of the river. All of their hopes remain in Nicaragua where homes and orchards have been burned, fishing boats sunk and family members herded into camps by the Sandinista soldiers of Daniel Ortega.

The day before I had caught a twin-engine airplane that took me from Tegucigalpa to Puerto Lempira on the Mosquito Coast. It was less than a two-hour flight over the mountains but the drive from Puerto Lempira to the Miskito base camp was more than three hours over dirt roads. The driver knew every bump and sharp curve on the road and drove like he was practicing for next year's Mint 400. We then left the rutted dirt road and were soon among the soldiers of a forgotten war being waged by a forgotten people.

Commandante Blass, a slender dark man with a dazzling smile, greeted us with open arms. His affection for my companion, given the Miskito name of Sula, meaning deer, was apparent. Also warmly greeted were the baseballs, gloves and Las Vegas Star baseball caps. Blass called a formation of the officers and troops so I could make a formal presentation and throw out the first ball. Then after a short talk they shouted in their native tongue "Until our land is free we won't give up our fight."

Later in the evening we were offered a canteen cup of wabul, a native drink made of bananas and other fruit. Blass, Sula and I passed the cup back and forth until it was empty. Then Sula and I shared an army mess kit full of rice and beans with the one spoon available.

Now was the time to sit down around a wooden table with Blass and his staff for a give-and-take session. Miskito Indians, long caught between different invaders and ruling factions, today find themselves caught between the Congress of a nation they consider friendly and the Sandinista communists who have attempted to destroy them and their civilization. Mono, a Miskito officer, said, "Every time we have the Sandinistas down, their friends in Congress rush in and give them oxygen." He said it with a tone of deep disappointment and without anger. Years of quiet suffering does this to people who have been betrayed by others they have considered to be friends.

The Miskitos fought like tigers beside the Sandinistas in their overthrow of the Somoza government. Ortega promised them autonomy or anything they wanted in return for the blood they shed. It wasn't long after the dictator had been deposed that the Miskitos soon learned they had been used by the communists. Mono adds, "The communists in Central and South America have always used Indians as foot soldiers and then forgotten them." He suggests, "The U.S. should use Miskitos to carry the message about what the communists have in store for other Indians and minorities."

Following the Sandinista victory they asked the Indians what they wanted. When the Miskitos said they wanted autonomy the communists called their leaders into Managua for a meeting. The Indian leaders were arrested upon their arrival in the city. Shortly thereafter, the Miskito community leaders were also rounded up and imprisoned. Just one more betrayal of the people who have lived for generations on the Mosquito Coast and the Rio Coco.

Commandate Blass told me, "We were unarmed then and now we are running low on ammunition and they know it. This worries us because we only have enough ammo for basic defense."

Blass, Mono and the other Miskitos remember what they call the "Red Christmas" of 1981 when the Sandinista troops came into their villages and told the people they were going to defend them from the Somoza troops across the Rio Coco. They were referring to the young men who had escaped in March of the year when the community leaders were taken into custody.

In more than one village the communists took them into churches and fired shots in the air to pretend they were defending them. They burned the homes, butchered the cattle, destroyed the orchards, sunk the fishing boats and shot those who refused to be herded out of town. "The most grim time in the Miskito history, it hurts us to see this happen on land we owned and lived on," Mono told me.

During the removal process the Sandinistas overloaded a helicopter with 80 Indian children who died when it crashed on the way to a relocation camp in Western Nicaragua.

"These were members of our families. We can never have faith in the Sandinistas. That's why we wear this uniform today. We trust now only in God and our AK-47," Mono told me.

[From the Las Vegas Sun, Apr. 25, 1989]

WHERE I STAND

(By Mike O'Callaghan)

"We are Indians and this is our land. Even the promise of giving us autonomy or even voting rights is nothing. We always had autonomy until they took it away from us," Commandante Blass answered when asked about Daniel Ortega's promise to hold free elections.

Blass and his Miskito guerrillas remember or have learned the story of how the Sandinista leaders had promised them participation in government when Somoza was overthrown but instead brutalized the Indians.

Nevertheless, the Miskitos are waiting to see if any candidates concerned about their welfare will appear on the ballot promised by Ortega. Most Nicaraguan Miskitos, guerrillas and families, live in the northeast part of Nicaragua. Although they have no faith in Ortega and the communists, they will vote if given a reasonable choice.

According to Blass: "Ortega takes three or four Miskito collaborators to the U.S. and Europe so they can say the Indians are in favor of the Sandinistas. This is wrong and its seems like only the Miskito Indians and our friends understand this."

Like his staff officer Mono, Blass would like the opportunity to tell the true Miskito story to the people of the United States and the world. But too many people would rather hear Ortega's smooth talk and believe his lies than to hear the truth from a Miskito Indian who speaks a language foreign to most of the world. The truth, like the Miskito language, is foreign to decision makers in too much of our world.

How do the Miskitos feel about the recent humanitarian aid voted by Congress? Mono replied, "Areas that we have held with our blood for several years we are losing bit by bit because of ammunition shortages." All of the Miskito guerrillas still operating freely on both sides of the Rio Coco believe that shipping additional guns and ammunition last year would have allowed them to secure a large part of their home area in Nicaragua and would have sent the Sandinistas back over the mountains.

Mono went on to say, "Now after more than a year without lethal aid, the Sandinistas have regained much of the territory that we held." He concluded by telling me his deepest worries are that by next "February they will have regained land we have held

for years. So if there is no political solution, it may be too late for a military win."

So why not just lay down your weapons and go back into the country run by Daniel Ortega?

Blass jumped in to answer: "We have no intention to give up even our empty weapons. We have been tricked too many times."

Treatment of the Miskitos is proof that the only easing of Sandinista policies has come about when the Indians have weapons and ammunition. Both have been limited since Congress voted against President Reagan's lethal aid package. Now the Miskitos are down to only the basic loads for their AK-47 assault rifles.

Also being squeezed are the Miskito refugees because of the practices of the United Nations' high commissioner for refugees. The refugees are being given food and cover for a limited period of time before being told to return to Nicaragua.

Frenchman Jean Quartier runs the refugee camps and is only following orders. It appears to me that the United Nations wants to see the problem disappear and Ortega to strengthen his grip on Nicaragua. At least one vocal resident of Puerto Lempira said she believes that, "Jean Quartier is a communist."

She seemed surprised when I didn't argue with her or appear shocked. Maybe this is because of my experience with the U.N. in other parts of the world.

During a visit of but a few hours at a Miskito refugee camp near Mocoron, it becomes apparent that the people have little desire to return to a Nicaragua run by Daniel Ortega. When they run out of food it's not uncommon for the guerrillas to share their rice and beans with them. They are all one family.

The refugee camp has both a Moravian and a Catholic church. The Miskitos' deep belief in God and hatred for the communists has kept them going under unbelievably brutal circumstances.

Although the sun was shining and the Mocoron River was crystal clear like all creeks and rivers in the land of Miskitos, it takes little imagination to vision how the roads and rivers turn to mud during the rainy season. Just how many more rainy seasons the Miskitos can tolerate without outside help is tough to estimate.

Like true children of God, it's difficult for them to believe that an American jury and judge may imprison one of the few people who tried to help them. Commandante Blass buried his head in his hands when I told him that North could possibly go to jail for 25 or 30 years.

The Miskito Indians, as a people, will survive even if our Congress and/or media opinion makers let them continue their sufferings and refuse to help them return to live in their own country as free men and women. Land they have tilled and rivers they have fished for centuries are unavailable to them unless they are willing to give up their respect and freedom in exchange for these opportunities. Opportunities which the Sandinistas have taken from them through the use of force and brutality.

The Miskitos are a good people who deserve a better hand than fate has dealt them. There is still much our Congress can do to right these wrongs, but you and I know they probably won't because helping this small group of Indians doesn't get them votes or large political campaign contributions.

I'll be more than happy to help some of them find the Mistikos and spend a couple of days and nights with them to learn they are real people who are willing to fight for the freedom all people deserve and so many Americans have come to take for granted.

[From the Las Vegas Sun, Apr. 26, 1989]

WHERE I STAND

(By Mike O'Callaghen)

"Your friend Jehu should be able to walk again . . ." were the heartwarming words of Dr. Lonnie Hammargren after an examination of a young Nicaraguan resistance soldier who hasn't walked since being wounded by the Sandinistas Aug. 5, 1983.

Shortly after my return from the Rancho Grande rehabilitation farm outside of Tegucigalpa, Honduras, and the Yamales Valley in February, I received a letter from Lonnie offering to accompany me on my next trip. The offer of this exceptional physician was gratefully accepted and we returned to Honduras for a week in April.

The Las Vegas doctor joined U.S. Ambassador Everett E. Briggs and the U.S. Agency for International Development's Bill Schoux for a close look at the World Rehabilitation Fund-operated center for the production of artificial limbs and braces before going to Rancho Grande. Later he went into the Yamales Valley with Payo Cabrera by vehicle. The Contra helicopter that had carried me into the valley was unavailable. It had crashed, without loss of life, a few weeks after my prior visit. So Lonnie had a long drive into the Contra base camp where he met with the doctor and patients and even sketched a proposed quonset hut type hospital to replace the tents and shacks now being used.

Rancho Grande, where Jehu and at least 80 other wounded Contras are recuperating, has improved beyond belief since my earlier visit. The contract to run the center has been taken over by International Medical Corps. The Dooley Foundation had previously held the contract and was a failure in almost every sense of the word.

IMC's Stan Patrick, a U.S. Marine in the 1940s, has the rehabilitation center buzzing with activity. The patients are in the process of building an 80-person dormitory with funds provided by the Casey Foundation. Men without legs, arms and eyes are well ahead of schedule as they put up the walls of the dormitory.

Just behind the dormitory is a small shack constructed and being prepared for occupancy before the rainy season comes next month. Candado, without one hand and blind in one eye after being hit by a mortar shell, is the proud builder of the one-room building. He purchased the pine slabs with a few dollars saved over a period of many months.

Patrick introduced Candado with great pride and the 25-year-old Contra showed equal pride in his new home. It is a palace made by a man who has had more than his share of pain and grief during his short life.

About this time my friend Gato came over and shook my hand. He's almost 13 and despite his shoulder wound from rocket fire, has a good arm. Today he has his own glove and a baseball from the Las Vegas Stars.

Playing catch with Gato was 16-year-old Coyote, who lost his right leg when 14. He had found it necessary to start fighting two years earlier when Daniel Ortega's Sandinista soldiers raped and killed his mother and murdered his father. He and his brother escaped before the soldiers could force them into becoming Sandinistas.

Lonnie in the meantime was examining Jehu. It was Jehu who, in February, had reminded me the Contras "didn't begin our war with U.S. weapons but with Soviet weapons we took from the Sandinistas." He went on to say, "We may have to continue in the same way if you let us down."

Jehu's spirits are still high today and with the findings of Lonnie, they are probably even higher. With a properly fitted brace along with some hydrotherapy and other Hammargren recommendations to the camp doctor, Jehu should be moving around a bit without his wheelchair during my next visit.

Yes, Stan Patrick and Dr. Jose Castillo working together at Rancho Grande are making a difference. A fish pond to raise food, chickens for eggs and meat to go with the popular beans and rice dishes, and greens from the garden are good for their diets and equally good for rehabilitation jobs. When the last pig is butchered in the coming weeks, it will not be replaced because of the filth pigs add to the open ranch style center.

It was a warm and rather sticky day so the classes for basic math were being held outside. The wounded soldiers were responding as eagerly as any high school class I have ever taught or visited. These young guerrillas know that, to become productive members of Nicaraguan society, they must improve themselves and learn new skills. There's no doubt in their minds that they will someday return to their homes under better circumstances than those they were forced to leave by the Sandinistas.

The Americans now working on AID-funded projects in Honduras are dedicated and hardworking individuals who are goal-oriented. The results of their work are most obvious where they are working to help wounded soldiers and children. These qualities make them easily identifiable as our fellow countrymen. These American men and women are a most worthy complement to our embassy and foreign service personnel.

I will never forget the shocked look on Lonnie Hammargren's face when the rehabilitation people told us that Honduras schools don't have to, and oftentimes don't, take amputees or other handicapped children into the public school system.

When we departed the camp in early evening, we watched as the wounded men lined up for roll call and inspection. They gathered in straight military lines, answered roll call and ended by singing the national anthem of their native Nicaragua.

The spirit of these men combined with the skills being taught and the example being set by their American friends should make them very valuable to Nicaraguan society. A society they hope is sans Ortega and communism.●

RURAL HEALTH IMPROVEMENT ACT OF 1989—S. 921

● Mr. KERREY. Mr. President, I am pleased to join with my distinguished colleague from Wisconsin, Senator KOHL, in introducing the Rural Health Improvement Act of 1989, a bill that will take action necessary to maintain access to quality health care in rural America and rural Nebraska.

I do not have to remind my colleagues in the Senate that we are in the midst of a rural health care crisis. Each of us who serves a rural constituency has seen all too clearly the symp-

toms. Rural hospitals are financially stressed, access to care is imperiled, more resources and more health care professionals are desperately needed in rural areas. Just last year, 43 rural community hospitals throughout the Nation permanently closed their doors.

In considering rural health care policy, I believe we must address the problem on at least three separate levels.

First, the Federal Government must stop being a part of the problem. The great challenges and difficulties already facing rural communities need not be compounded by a Medicare system with a profound urban bias. The rural-urban Medicare reimbursement gap, established with the implementation of the prospective payment system, has been a Federal villain well-known to the rural hospital. The inadequate DRG rates created a system in which almost two-thirds of rural hospitals lost money in 1986.

Over the past 2 years, Congress has taken action to reverse the unfairness instituted under the original prospective payment system. Perhaps most importantly, rural hospitals have received greater update factors than urban hospitals, and the rural-urban gap—though still large—is shrinking. The legislation we introduce today would continue that progress by enacting the ProPAC update recommendations, which give rural hospitals an update factor 0.6 percent greater than for large urban hospitals, and 1.1 percent greater than for other urban hospitals.

The Rural Health Improvement Act of 1989 will also make much-needed changes in the wage index used for calculating Medicare reimbursement rates. Currently, the Federal Government compounds the problem of the urban-rural gap by using a wage index that tends to skew rural rates downward.

Our bill would require the Secretary of HHS to develop a new wage index that takes into account regional, rather than just local, salaries of professional personnel. This would prove particularly helpful to rural hospitals such as Regional West Medical Center in Scottsbluff, which must compete for health care professionals with Greeley and Fort Collins, CO, both of which enjoy significantly higher indexes.

The bill also requires that the new wage index take into account the severity of illness experienced by hospital patients. It is our intent that, in developing the severity index, the Secretary fully recognize that, by necessity, rural and urban facilities may treat similar conditions differently, simply as a function of available technologies and resources.

Finally, the Secretary would be required to study the impact of removing from the wage index calculations those hospital employees who are assigned to the operation of an attached, but distinct, long-term care facility. Under current law, the characteristically low wages of such employees are included in the index calculations, despite the fact that the nursing home care is not reimbursable under Medicare. Further, such affiliated nursing homes are much more common among rural than urban hospitals.

Our bill would also require a study of an alternative reimbursement system for small rural hospitals; provide for adequate reimbursement for such hospitals that are heavily dependent upon Medicare, until a new system is implemented; and extend rural referral center designations through 1991.

These steps, among others, are necessary to reach the first goal: Ensuring that the Federal Government is no longer a part of the problem. However, our efforts must not stop there. Our second goal must be to look to the future. We must offer flexibility and support to rural hospitals as they adapt to the changing demographics and health care needs of their communities.

For that reason, the Rural Health Improvement Act builds upon the successes of the Transition Grant Program—a program that assists individual hospitals in developing a health care plan that will best serve a changing population. Our bill would give to the Transition Grant Program an added dimension, by allowing the Secretary of HHS to give special attention to transition grant proposals that are based on a cooperative model.

This provision is designed to encourage health care facilities in neighboring communities to work together, to pool resources where appropriate, and to cut expenses through joint projects and purchases where possible. With transition grants, such cooperative enterprises would be voluntary, flexible, and tailored to community needs, so that the viability of each participating hospital could be ensured.

The bill includes a number of other provisions that I believe will enhance access to health care in rural areas in the coming years. Still, it is not a panacea for the rural health care crisis. This problem will require continued vigilance at every level of government. Perhaps most importantly, a permanent solution to the problem of access to health care in rural areas will require a constant dialog with those on the front lines of the battle.

Mr. President, when I began my remarks, I stated that we must consider rural health policy on at least three levels. The first level was taking corrective action so that the Federal Government will no longer be the problem. The second was to recognize that we need to offer support and flexibility in helping rural communities plan for the future.

The final level on which we must consider all health care legislation is, I think, in the context of our whole health care delivery system. Each time we identify a problem of access for a specific population—whether it be older Americans in rural America, or low-income children in inner city America—we must take pause and recognize the similarity of their plight, and the necessity of addressing the general issue of health care access.

The urgency of the rural health crisis leads me to support the specific provisions of this bill, and of S. 306, the Equity for Rural Hospitals Act, of which I am a cosponsor. The immediacy of the need requires prompt attention.

At the same time, I feel that it is incumbent on each of us to remember each time we address one aspect of the health care system, that much work must be done upon our entire system. Our overall goal in health policy must be ensuring access to health care for every American, regardless of place of residence or sufficiency of income.

Mr. President, rural hospitals are the key to health care access in communities across Nebraska and the Nation. Their continued existence is of fundamental importance to rural economies. The Rural Improvement Act of 1989 makes important progress toward maintaining the financial stability of rural hospitals in the immediate future, and helping them prepare for the changing needs and demographics of their communities. I urge my colleagues to join with us, in working to enact these important changes.●

MEETING WITH MULRONEY

Mr. DOLE. Mr. President, I was privileged this morning to join the majority leader in cohosting a coffee for Canadian Prime Minister Mulroney.

Most of us have known the Prime Minister for some time, admired his political leadership and courage, and appreciated just how reliable a friend he has been to this Nation, through some very tough times. So it came as no surprise that he spoke with so much incisiveness and common sense on issues like our free trade agreement and acid rain.

I hope that any Senators who were not able to be at the meeting will seek out their colleagues and get a good debriefing, because all of the Prime Minister's remarks are worth our serious attention.

In particular, though, I want to take this occasion to pass on some of the Prime Minister's comments on NATO. Prime Minister Mulroney is a proud leader of a great nation. He made absolutely clear that he views Canada as

a major player, on the world stage and in the alliance. And he is absolutely right.

But he also acknowledged this reality: The United States is the only real superpower in the Western Alliance, and must assert leadership if NATO is to remain United in purpose and action.

No other NATO nation can play that leadership role. And if we don't, then the alliance will not achieve the solidarity that is absolutely essential if we are to meet this great new challenge we have from Gorbachev's Soviet Union—a challenge made up of equal parts of possible opportunity and potential peril.

That is why the Prime Minister believes the upcoming NATO summit is so important. It is imperative that this be a summit from which the alliance emerges unified and reenergized, under American leadership. It is imperative that we resolve whatever differences may exist on issues like short range nuclear weapons—in a manner that preserves both alliance solidarity and American leadership.

I hope we will all give very careful heed to Prime Minister Mulroney's remarks on this matter. Because, in my view, at least, they bear application not only to the issue of alliance unity; but also to the question of our national unity, behind the President's leadership, on the great issues of national security and peace.

This is a free country; and certainly there may be no body of men and women in the world who are more determined to preserve their own freedom of word and deed than the Members of the U.S. Senate. That is how it has always been, how it should be, and how every one of us is determined to keep it.

But we are also all Americans, with a love for this Nation and a responsibility to have the national good at the very top of our agenda. Our Nation is at a very important juncture in its history. We must reassert our steady and sure leadership of the alliance. We must face our Soviet adversary with clear purpose, and speak with one voice.

More specifically, we must deal with the very sensitive issue of short range nuclear weapons in a way that does exactly what Prime Minister Mulroney prescribed—preserve alliance unity, under American leadership.

I hope that each of us will consider carefully whether right now—in the middle of this sensitive dispute with some of our alliance partners; when the President, Prime Minister Mulroney, and other alliance leaders are working actively and hard to try to resolve the differences which do exist; while some in Western Europe and, let us not forget, in the Soviet Union are poised to exploit any signs of American disunity for their own purposes—I hope we will consider whether right now is the right time to begin publicly peddling our own personal formulas for resolving issues which are under such sensitive negotiation.

The record of this first 100-plus days ought to make it clear to every Senator that this President wants, seeks, and listens to the views of the Senate, or individual Senators. I do not think we have ever experienced a President so open to dialog with this body.

But, in this instance, shouldn't this dialog be conducted quietly—in private meetings in the Oval Office or here on Capitol Hill—and not in public hearings or press conferences; events where the eyes and ears of the media are always so eager to find and report signs of disagreement; where nuances of difference in the full text of an exchange, become chasms of conflict in the next day's headlines; where the details of complex questions are lost in the need to meet deadlines and find "sound bites."

My guess is that—if any Senator has any bright ideas on how to deal with the short range nuclear weapons issue in a way that preserves both our vital national security needs and alliance unity—my guess is that President Bush would be happy to sit down quietly; quietly—and talk about those ideas.

It seems to me that is the best way to proceed. I hope all Senators will agree, and that we can carry on a productive, private dialog with the President on these very important matters—so that President Bush will go to Brussels later this month in the strongest possible position to speak for this Nation, and to provide vitally needed leadership to the alliance.

INTERNATIONAL NARCOTICS AND TERRORISM CONTROL ACT OF 1989

Mr. CRANSTON. Mr. President, I am glad to join my good friend from Massachusetts [Mr. KERRY] in introducing the International Narcotics and Terrorism Control Act of 1989. The results of the hearings and investigations conducted by the Subcommittee on Narcotics and Terrorism of the Committee on Foreign Relations during the last 2 years indicate that the problem of international drug trafficking is indeed serious. It is clear that we need to take steps to encourage cooperation among our Federal agencies involved in drug-interdiction activities and the State Department, as well as to encourage other countries to cooperate with us in our war on drugs.

The report of the subcommittee does much to explain how the lack of cooperation between the State Department and other law enforcement agencies has hampered efforts to stop the flow of drugs into our country. The legislation we are introducing today would provide some practical solutions to this problem which I believe will make our international drug-interdiction activities more effective.

With regard to those provisions in this legislation which are intended to encourage the cooperation of other countries with our drug-control efforts, I generally agree that the President should be authorized to impose optional sanctions—short of the mandatory sanctions authorized under current law—on those countries which refuse to cooperate with us. However, I have reservations about particular proposed sanctions.

For example, I am concerned that imposing the sanction which entails the denial or limitation of visas or border crossing cards to nonimmigrant nationals of a noncooperating country might unduly restrict legitimate travel from these countries. I do not believe that it is in our country's interest to deny visas to temporary workers, students, international organization personnel, foreign press, and other nonimmigrants from these countries when there is no evidence that these categories of nonimmigrants have been involved in drug-trafficking activities. Even in the case of visas issued to nonimmigrant tourists, where there is evidence of some abuse by drug traffickers, I believe that safeguards must be put in place to assure that legitimate travel is not impeded by this sanction. I am glad to see that the Senator from Massachusetts recognizes this problem, and I look forward to working with him to resolve this issue when this legislation is considered in committee.

In conclusion, I would like to reiterate that this legislation is necessary to increase the effectiveness of our drug-control efforts. The continuous supply of drugs into this country has created a crisis situation, and we must take all necessary steps to assure that our international drug-control strategy is effective. For these reasons, I urge my colleagues to support this legislation.

TRIBUTE TO DR. ERNEST STONE

Mr. HEFLIN. Mr. President, I rise today to pay tribute to Dr. Ernest Stone of Jacksonville, AL, who died on February 7. Dr. Stone devoted his entire life to the improvement of the educational system in Alabama. We remain indebted to him for his service and his many accomplishments in his various posts.

Dr. Ernest Stone distinguished himself in the classroom as well as in the work force. He earned a bachelor's degree in education from Jacksonville State University as well as bachelor's and master's degrees from the University of Alabama. He also studied at Michigan State University and Colum-

bia University. His stature in the education field has been such that he was awarded honorary doctorates from Samford University, the University of Alabama, and Jacksonville State University.

Dr. Stone's career in education spanned 48 years and included many different areas of the field. Few would have guessed the heights he would scale when he began his career as the principal of Kilpatrick Junior High School in DeKalb County, AL, near where he grew up. He served in many administrative positions before being selected to be the Alabama State school superintendent.

Alabama was fortunate to have a man of Dr. Stone's ability and intelligence serve as our State superintendent of education from 1967 to 1971. He was widely known as an expert in his field and often lent his services to others wishing to improve their education systems.

Dr. Stone believed firmly in the value of a good education at all levels and was able to support this belief while president of his alma mater, Jacksonville State University, from 1971 until he retired in 1981. He led the university through many changes in his 10 years as president and has left a lasting impression. The university has honored him by naming the Ernest Stone Performing Arts Center in his honor.

Mr. President, Dr. Ernest Stone was a fine gentleman and a devoted leader in education. He gave his life to improving education in Alabama and we will miss him greatly.

I ask unanimous consent that two articles describing Dr. Ernest Stone's accomplishments be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Birmingham Post-Herald, Feb. 8, 1989]

DR. ERNEST STONE, EX-JSU HEAD DIES

Dr. Ernest Stone, former state school superintendent and former president of Jacksonville State University, died yesterday after a long illness. He was 78.

The president of Jacksonville State from 1971 to 1981, Dr. Stone worked in education in Alabama for 48 years. The Ernest Stone Performing Arts Center on the JSU campus was named in his honor.

JSU's current president, Harold McGee, said Dr. Stone will be missed.

"Ernest Stone was my friend," he said. "I valued his support and continuing commitment to Jacksonville State University. His years at the university were a significant part of my heritage. We mourn the loss of that association."

Dr. Stone began his career in education as principal of Kilpatrick Junior High School in DeKalb County. After serving in various administrative posts, he became state school superintendent in 1967.

Dr. Stone grew up on Sand Mountain in DeKalb County.

Dr. Stone received a bachelor's degree in education at Jacksonville and went on to earn bachelor's and master's degrees from the University of Alabama. He studied at Michigan State University and Columbia University and received honorary doctorates from Stamford University, University of Alabama and Jacksonville State University.

Funeral will be held at 3 p.m. at Jacksonville First Baptist Church, with burial at Greenlawn Memorial Gardens, K. L. Brown Funeral Chapel presiding.

Survivors include his wife, Mrs. Katherine Stone; son, Lt. Col. William E. Stone of Fort Jackson, S.C.; sister, Mrs. Addie Wester of Albertville; and brother, D.C. Stone of Dalton, Ga.

[From the Birmingham Post-Herald, Feb. 9, 1989]

ERNEST STONE

Dr. Ernest Stone, who died Tuesday at age 79, spent his life working to improve education in Alabama.

In his 48-year career, he held a variety of administrative positions, most notably state superintendent of education from 1967 to 1971 and president of Jacksonville State University from 1971 until his retirement in 1981. Such was his reputation that on two occasions, in 1950 and again in 1969, he was asked to study or assess educational systems in other countries.

No individual serving in the positions that Stone held could avoid being involved in controversies not of his own making. But Stone preferred a low-key approach that kept the focus on his goal of providing the best possible education to Alabama's children and young adults. He believed strongly in the value of an education.

Even when serving as an elected state superintendent at a time when desegregation was being used for demagogic purposes by various politicians, he avoided the heated rhetoric and was able to serve as a link between the federal courts and local school systems, a role he took great pride in.

Dr. Ernest Stone served the people of this state well.

TRIBUTE TO RESOURCE LEARNING CENTER, SHADES VALLEY HIGH SCHOOL, BIRMINGHAM, AL

Mr. HEFLIN. Mr. President, I rise today to pay tribute to a group of students from the Resource Learning Center at Shades Valley High School in Birmingham, AL. I met Tuesday with the 24 students who are representing Alabama here in the Nation's Capital in the National Bicentennial Competition on the Constitution and Bill of Rights. These students have worked diligently to reach these national finals and have already shown their ability by winning both their district and State competitions.

Each person in this group has earned my respect for the hard work and personal sacrifices he or she has made to reach these national finals. During our meeting, the students showed a keen interest in the operation of our Government and a well-developed understanding of the Constitution. The Resource Learning Center has already gained much deserved recognition for their excellence in this area and I wish them the best of luck in their future endeavors.

In this day when so many students see the recognition gained from athletics, it is refreshing to see students receiving credit for academic excellence. I am a firm believer in this Competition on the Constitution and Bill of Rights and can think of no better way to help our students become better citizens. Through this program, over 1 million students have studied the curriculum and gained a greater understanding of our Constitution and the foundation of this country.

While the students from the Resource Learning Center deserve our respect for reaching this point, all students who participated in the program have gained from their experience. Many people have contributed to this program and helped make it a success. I want to join the students in thanking their teacher, Linda Jones, for all her support and instruction which helped them reach the finals. In addition, I would like to thank Anita Boles, the district coordinator, and Dr. David W. Sink, the State coordinator, for all their efforts. Dr. Sink especially has worked from the program's inception to ensure that as many students as possible benefit from the curriculum. He has been instrumental in developing a program in each of Alabama's seven congressional districts.

Mr. President, I am extremely proud of these students from the Resource Learning Center who are representing Alabama in the national finals of this competition. The students representing Alabama are:

Andrea Atchison, Ian A. Barnes, Ashley Belcher, Tiffany M. Brooks, Franz Bucker, Ericka D. Coats, Cynthia J. Cosby, Riley J. Farrell, Jeffrey D. Goodwin, Jennifer N. Guice, David Lin, Sandra B. Lo, Gregory J. Lukins, Jennifer D. Melvin, Jared E. Mitchem, Apryl H. Moose, Arthur B. Morrow, Jonathan L. Morton, Stephanie H. Settle, Michael W. Whitlark, Matthew L. Williams, James A. Wright, Teresia M. Hook, and Ronald K. Horn.

Thank you, Mr. President.

TRIBUTE TO DR. FREDERICK P. WHIDDON

Mr. HEFLIN. Mr. President, I rise today to pay tribute to Dr. Frederick P. Whiddon, who was selected by the Mobile Civitan Club as the 41st annual "Mobilian of the Year." I can think of no individual more worthy of this award than Dr. Whiddon.

Dr. Whiddon's most obvious and most amazing contributions to Mobile revolve around his duties as the president of the University of South Alabama. He was appointed as the university's first president in 1963 and has guided it through many trials and tribulations to the lofty status it

enjoys today. As the university's only president, Dr. Whiddon has seen the University of South Alabama undergo numerous changes during the past 25 years.

In this silver anniversary year of the University of South Alabama, Dr. Whiddon can look back over the tremendous progress he has fostered. One important aspect of a university is the students it attracts. Under Dr. Whiddon's able guidance, the university's enrollment has grown from 234 students to over 10,000 students—an incredible accomplishment by any standards.

Dr. Whiddon has not just ensured the academic success of the university, he has protected its financial security for generations to come. He led the fight to protect and document the university's ownership in Grant's Pass. His leadership in this effort defending the school's property of the Alabama coast provided the University with a perpetual endowment.

Mr. President, you might expect a man like Dr. Whiddon to be totally immersed in the operations of the university, but that is not the case. He also devoted himself to many worthy causes in the Mobile community, such as the Boy Scouts, the Allied Arts Council, the Mobile Area Chamber of Commerce, the American Red Cross, the Historic Mobile Preservation Society, and the Dauphin Way United Methodist Church.

Many of Dr. Whiddon's efforts to enhance the University of South Alabama have also directly improved the community as a whole. He was largely responsible for restoring the Saenger Theater as a center for the performing arts. He was also instrumental in obtaining Mobile General Hospital for the university and upgrading it into a modern medical facility.

Dr. Whiddon will be honored on April 7 at the awards banquet. Knowing Dr. Whiddon, I suspect he will offer credit to many others for his many accomplishments. Rest assured, Frederick Whiddon has been the driving force and the spirit which has propelled the University of South Alabama to such heights and contributed so much to Mobile. He is most deserving of this reward and I congratulate the Mobile Civitan Club on their most appropriate selection.

TRIBUTE TO JIM ODUM

Mr. HEFLIN. Mr. President, I rise today to pay tribute to a great Alabamian who has devoted over 30 years of his life helping make America's Space Program a success. Jim Odum, who is originally from Decatur, AL, recently announced his retirement from the National Aeronautics and Space Administration where he has been directing the Space Station Program.

Throughout his distinguished career at NASA, Jim Odum has held numerous vital positions in NASA. In each of these positions, Jim has exhibited the utmost ability and leadership which enabled him to succeed in these ventures. His involvement has helped bring NASA to the cutting edge of space exploration.

Jim Odum's life has been tied to the Space Program since before the Marshall Center existed. After earning a bachelor of science degree in mechanical engineering from Troy State College and Auburn University, Jim started working with Chemstrand Corp. in Decatur, AL. The call of space beckoned and in 1956, he joined the U.S. Army's rocket research and development team as a systems engineer at Alabama's Redstone Arsenal. His career with NASA was cemented in 1959 when he transferred and helped organize the Marshall Space Flight Center which opened in July 1960.

Much of Jim Odum's career was spent at the Marshall Space Flight Center in Huntsville, AL. While there, Jim managed many of NASA's most exciting and important programs. He served as the Director of the Science and Engineering Directorate, manager of the External Tank project, and manager of the Hubble Space Telescope project.

Jim Odum has long held the respect and admiration of those familiar with his work. His tireless efforts and ingenious management have enabled his programs to succeed. He has gained recognition both inside NASA and in the entire community. The numerous awards he has received for his contributions to the Space Program include two awards of the Presidential Rank of Meritorious and Distinguished Executive, earned for his efforts on the External Tank Program. He also earned the NASA Exceptional Service Medal for work on the second stage of the Apollo Saturn rocket. In addition, he won the NASA Distinguished Service Medal for work on the space shuttle and most recently, the National Space Club's Astronautics Engineer Award for Engineering and Management Leadership.

Jim Odum had one of the most distinguished careers in the history of America's Space Program. He has dedicated his life to making the United States the world leader in space research, technology, and exploration. He is a strong leader who has the sincere respect of the Congress, the administration and, most importantly, the scientific community. He will be sorely missed at NASA and in Government service, but I wish Jim all the best and hope that he will stay close to the business of space.

FSX RESOLUTION OF DISAPPROVAL

Mr. D'AMATO. Mr. President, I rise today as an original cosponsor of my good friend and distinguished colleague's resolution disapproving the proposed codevelopment and coproduction deal with Japan concerning the fighter support-experimental, or FSX, Program. While the changes made at President Bush's insistence have improved the deal, the FSX is still a bad deal for America. I urge my colleagues to join with the senior Senator from Illinois, the senior Senator from Kentucky, the junior Senator from Alabama, and myself in acting to block this program.

I plan to speak more fully on this issue during floor debate on the resolution, but I want to make these key points today:

The Japanese should have "bought American," purchasing at least 60 F-16's "off-the-shelf," rather than starting this FSX Program that will be at least three times more expensive and take twice as long to put aircraft on the runway.

The only reason for Japan not "buying American" is that they flatly refuse to do it—they want, instead, to gain vital aerospace technology which will help them dominate yet another industry, even if they have to pay three times more for these aircraft than for United States-made planes.

While "* * * sensitive source codes for the aircraft's computer will be strictly controlled; [and] access will be granted [to the Japanese] to only those codes that are essential to complete the project," according to the administration. I believe that this barrier will prove to be more Swiss cheese than Chinese wall—at the end, just as in the F-15 coproduction deal, the Japanese will get everything they want because we lack the political will to stop them.

The proposed FSX deal is indicative of a much larger problem. The United States is in the midst of an economic war with Japan and our Nation has not yet awakened to it. Consider the facts. In a 344-page report by 16 MIT—Massachusetts Institute of Technology—professors released May 2, the authors report on 2 years of study on what is wrong with U.S. corporations.

Their major findings include the fact that:

> Our weak production technologies result in the U.S. spending two-thirds of our time inventing products and one-third making them; while Japan does the opposite. Japan fields and markets technology invented in other countries so fast that other countries are forced out of the market.

A good example is the video cassette recorder [VCR]—invented in the United States but with the market now dominated by Japan.

Another fact from the MIT report is that at the peak of the Arab domination of the oil market, Arab investment in United States real property reached a level of $3 billion. It may come as a surprise to most to learn that Japan today owns over 4 billion dollars worth of United States property. Just last Monday, a prominent Japanese hotel operator agreed to pay a record breaking $110 million for the Los Angeles Hotel Bel-Air.

America must wake up, and wake up now. We are helping the Japanese business barons colonize the American economy.

The FSX deal is a good place to tell them—and those in the executive branch who have failed to preserve American jobs, technology, and economic leadership—that Congress cares and will do what is necessary to make certain that we will remain able to protect our national security without having to beg the Japanese for permission to act.

In 1982, in a report entitled "U.S. Military Coproduction Programs Assist Japan in Developing Its Civil Aircraft Industry," the General Accounting Office said the following about the Japanese decision to coproduce, and these words apply even more strongly to the FSX codevelopment and production project:

> Key objectives of Japan * * * when entering into military coproduction arrangements are obtaining advanced technology, enhancing their high-technology employment base, developing future export industries, and increasing their military self sufficiency. The Department of Defense estimates that coproduction of some items costs Japan two to three times as much as purchasing the equipment from U.S. production lines. * * * Apparently Japan considers the cost premium worth the investment in future industrial capability and increased military self-sufficiency.

In the section of this report containing GAO's conclusions and recommendations, the GAO stated "once a coproduction program has been implemented, the periodic releasability reviews by DOD [the Department of Defense] of technology previously denied result in the transfer of high technology without the other agencies' input into the decisionmaking process." This comment, too, has even more force in the FSX context.

I predict that, regardless of the statement that access to computer source codes will be strictly controlled, that this same releasability review process that GAO criticized in 1982 will take place again, and we will find that the barrier to transfer of this key technology resembles Swiss cheese instead of the Great Wall of China. The Japanese will get it all.

Let's look at what the GAO recommended in 1982:

> We recommend that the Secretary of State take the lead and, in cooperation with the United States Trade Representative and the Secretaries of Defense, Commerce, Treasury, Labor, and other relevant agencies, form a clear and more comprehensive military coproduction policy. This policy should fully recognize the trade and economic implications of military coproduction, as well as the political and military goals to be achieved. We also recommend that the Secretary of State take the lead and, in cooperation with the above-mentioned agencies:
>
> Establish procedures requiring coordination between the Office of the U.S. Trade Representative and Departments of State, Defense, Commerce, Treasury, Labor, and other relevant agencies when considering coproduction requests involving high-technology items.
>
> Develop, with input from industry, criteria for conducting economic assessments to include the impact of impending technology transfers on U.S. industry before approving and negotiating coproduction agreements.
>
> Participate with DOD in determining the releasability of high technology originally denied in MOU's.

These points have never been put into practice. Only the inclusion of Secretary Mosbacher in the review of the FSX deal takes a step in the right direction.

I point out, in particular, the final recommendation of the GAO, regarding review of the releasability of denied technology. In this case, we are not even talking about technology denied in the MOU. We are talking about a subsequent exchange of letters outside the MOU. If, in the past, we've given away denied technology which was specifically barred in the text of a MOU, how much easier will it be to give away the computer source codes allegedly protected in the FSX deal by this exchange of letters?

Mr. President, I make the point again that when the FSX deal is over, the Japanese will have taken all the United States technology they want, MOU's or letters to the contrary notwithstanding. After this debate is over, after the heat is off, the negotiations and reviews will take place behind closed doors. Rest assured that those of us who opposed this deal will never hear a word about what will be given away in these meetings. What is denied now, with great publicity, will be given away later, in secret.

What we are talking about is the survival of a dominant U.S. aerospace industry. Now, in a time of shrinking defense budgets, when the headlines are filled with news about canceled defense programs, we must not begin selling the seed corn for tomorrow's defense systems to Japan.

If we don't act, we will find ourselves buying more and more defense equipment from Japan. Then, we will find ourselves having to negotiate our foreign policy with Tokyo before we can act, because we have become dependent upon Japanese-produced military systems.

This is unacceptable and can't be allowed to happen. This is the place to draw the line and now is the time to fight this fight. If we don't, we will pay a price later.

Mr. President, I urge my colleagues to join me in supporting and voting for this most important resolution. Let's send a message to Tokyo—and to certain quarters in the executive branch—that business as usual is not good enough anymore.

THE LIFESTYLE OF THE IDAHO RANCHER

Mr. SYMMS. Mr. President, there is a dangerous pitfall in presuming that one can solve society's ills from a corner office on Pennsylvania Avenue, Washington, DC. The Federal Government, for all its great information gathering ability, will never comprehend what it takes to earn a living better than the men and women outside the beltway who struggle in that effort every day.

This could not be demonstrated more readily than in the chosen lifestyle of the western rancher. In a recent article in the Post Register of Idaho Falls, ID, Sally Larsen Bailey did a masterful job of describing the unique and instinctive individual who works for a living on the western range.

I ask unanimous consent, Mr. President, that a copy of her article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INSTINCTS PROD COWS AND EX-RANCHERS AT TURN-OUT TIME

(By Sally Larsen Bailey)

Sometimes I feel like a voice in the wilderness among my newspaper colleagues who learned most of what they know at college.

You see, I eloped with a rancher at age 18. I didn't get a college education. But in a lovely little corner of the eastern Oregon desert, I learned to fight dry years, dust, April snow storms, and the Bureau of Land Management. I learned to save the dishwater for the matrimonial vine, slap mosquitoes, wash clothes in a wash boiler, cook on a wood-burning stove, and not cry when at the end of the year there wasn't enough money to pay the bank what we'd borrowed to buy for ourselves the pleasures of all of the above.

Along the way, I got an education that isn't available in books.

So when my colleagues raise their voices in righteous indignation over a rancher who dares to let his sheep set foot on land that "belongs" to elk—or when a coyote or grizzly bear can't sit down to a peaceful dinner of mutton, beef or chicken—I'm the one who says, wait a minute.

It's not always a popular stance.

Many journalists, it seems, see ranchers as tall, tanned, rich fellows who drive around in four-by-four pickup trucks with "The West Wasn't Won With A Registered Gun" plastered on the back windows. Men and women who inherited their land, and spend winters in the coffee shop, summers fishing.

Well, maybe some ranchers have it that way. We didn't.

Sure, our land had belonged to my husband's father. But we paid him the going price for it. Grandpa and Grandma Bailey couldn't retire on fresh air.

As a journalist, I'm incredibly protected. I write my little stories from a comfortable chair in an air-conditioned cocoon.

From here, it's easy to see the world "out there" as a place better run by regulations that come from studies and statistics. Where cattle are happy to live by the calendar, marching off to pasture on April 15, returning in October. (Can't you just see it—"Well, girls, just after daylight-saving time starts, we'll get to take our calves and head for the hillside!")

Believe me, it isn't that way. Since time immemorial, cattle (and ranchers) have smelled it in the wind and felt it in their bones when it's time to turn out.

My husband, who was born on the ranch, got "nervous as a pregnant nun," as he put it, when the grass was greening on the hillsides and the sky was clear and the springtime was coming early—and the cows were still confined in a tromped and muddy feed ground, sniffing the wind and getting more restless by the hour.

That wait until April 15 was worse than counting the days until Christmas.

Unless you own early range, there's nothing to do but keep on feeding hay. When cows can smell grass, they don't like hay.

And, for some reason known only to God and cows, giving birth to a calf is easier when a cow is eating grass and wandering the hillsides, not confined to a muddy corral.

A cow can't thrive on regulations alone. And neither can ranchers. I watched while the eastern Oregon desert was fenced and planted to crested wheat. The ranchers were told to take it smiling. Matter of fact, my husband, like most of the others, made ends meet for many a year by contracting out to build the fences that were ending our way of life.

Maybe we brought on a lot of our problems ourselves. When the co-op ran power lines across the desert, we signed right up for electric power, and a new stove and a washing machine and a water heater. Telephone lines soon followed. What a luxury. I could talk to my mother without driving 100 miles to town to call her.

And my husband's pictures of himself with his mowing machine and team of horses were souvenirs. We put up hay with tractors and swathers and balers. But the gasoline truck made regular visits to the ranch, the bills came regularly, and the taxes and grazing fees went up, but the price of calves never seemed to quite keep pace.

We left the farm about 20 years ago, feeling a bit like the tired old farmer in the tired old joke when the city slicker asks, "What would you do if you had a million dollars?" and the farmer says, "I guess I'd just farm 'till it was all gone."

We moved to Idaho, and my sons grew up not knowing the primal urge that tells a rancher when to torn out cows. I suppose by now that instinct has gone the way of sagebrush branding fires and long lines of wild horses trotting to water.

My sons are a carpenter and a welder. They seem happy. But sometimes, just sometimes, in the early spring when the grass is starting to come up, I wonder if we should have held on a little bit longer. Who knows, maybe there'd have come that one good year.

THIRTY-SEVENTY CONSECUTIVE OBSERVANCE OF THE NATIONAL DAY OF PRAYER

Mr. THURMOND. I rise today in support of the 37th consecutive observance of the "National Day of Prayer."

Our country was founded on a faith in God and has been supported by the prayers of its people throughout its history. We remember our forefathers who first said, "Find me the men on Earth who care enough for faith or creed today to seek a barren wilderness for simple liberty to pray." These men and women left their birthright to pursue the religious freedom which we so often take for granted. With their faith in God as its foundations, our forefathers built a nation which has prospered more than any other civilization in the history of our world.

Unfortunately, many people today have turned away from our religious heritage. As a result, the moral fabric of this country appears to be unraveling before our very eyes. Many people believe that God has simply abandoned us. I believe, however, that many individuals have abandoned God. We are no longer looking toward our Heavenly Father, in prayer and meditation, for guidance and direction as our forefathers did in centuries past. For this reason, our Nation is suffering.

If we hope to continue to enjoy the blessings of this Nation, then I believe we must again practice the faith upon which it was established. We must once again rely on prayer for the answers to the difficult questions which we face in this everchanging world.

Second chronicles chapter 7, verse 14 says: "* * * if my people, who are called by my name, will humble themselves and pray and seek my face and turn from their wicked ways, then I will hear from heaven and will forgive their sin and will heal their land." Let this be our prayer, today, on our country's National Day of Prayer. May God bless the Congress of these United States of America and may He install in each of us the wisdom and discernment required to meet the demands of the positions which we hold.

A TRIBUTE TO NURSES

Mr. BURDICK. Mr. President, Saturday, May 6, is "National Nurses Day." The 1.3 million nurses in this country deserve recognition for their outstanding work. Nurses play a lead in health care, spending more time with patients than any other group of health care professionals. These men and women are the backbone of our health care system.

Since Florence Nightingale first brought the spotlight to nursing, the field had changed substantially. Today's nurses are highly trained and educated to serve a variety of health care needs. The current shortage of nurses in many areas shows the demand for their services, but unfortunately salaries and Federal reimbursement policies do not adequately reflect their value in the health care community.

As cochair of the Senate rural health caucus, I believe that nurses can go a long way toward meeting the unique needs of our rural population. Their skills can mean the difference between life and death in any emergency.

I hope National Nurses Day will call attention to the honorable and rewarding profession of nursing. I call on my colleagues to join me in thanking the nurses of this Nation for their valuable work. Thank you.

REVENUE OPTIONS FOR THE FINANCE COMMITTEE

Mr. BUMPERS. Mr. President, this budget resolution calls on the finance committee to raise $5.3 billion in additional revenue for fiscal 1990. This resolution contains reconciliation instructions which will compel the Finance Committee to take action.

I am not a member of the Finance Committee but I would like to take a minute here to discuss some of the revenue options that the Finance Committee might want to consider in meeting its obligations under this resolution.

Over the last year I have been researching two revenue options with the congressional Joint Committee on Taxation. The two options are a freeze on tax indexation and a surcharge on income tax liability. I believe that the Finance Committee should give consideration to each of these two options as it considers tax legislation.

FREEZE ON TAX INDEXATION

This budget resolution calls on the Senate committees to freeze most spending programs at last year's level. If we are going to freeze most spending programs, it makes sense to me to consider freezing the Government tax system as well and that is what I want to discuss first.

Last year I requested a study by the Joint Committee on Taxation on the revenue implications of freezing tax indexation and I want to make that study available here.

I request that a copy of a letter of Mr. Ronald A. Pearlman, staff director of the joint committee, of July 7, 1988, with attachments be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON TAXATION,
Washington, DC, July 7, 1988.

Hon. DALE BUMPERS,
U.S. Senate, Washington, DC.

DEAR SENATOR BUMPERS: This is in response to your request for a revenue estimate and distributional effects for several options relating to delaying inflation adjustments for the tax brackets (including the dollar amount used for phaseout benefits of the 15% bracket), the standard deduction amounts, and the personal exemption amounts.

Specifically, you requested revenue and distributional effects of one-year, two-year, and three-year delays of inflation adjustments. Using recent forecasts for inflation from the Congressional Budget Office (CBO), we have estimated these options to have the following revenue effects:

[In billions of dollars]

	Fiscal year—						
	1989	1990	1991	1992	1993	1988–91	1988–93
Delay of inflation adjustments:							
1 yr	2.8	6.7	9.3	10.6	11.1	18.8	40.5
2 yr	2.8	10.0	17.2	21.3	23.3	30.0	74.6
3 yr	2.8	10.0	20.6	29.5	34.3	33.4	97.2

For each of these options, the enclosed tables provide the distributional effects as specified by Chuck Ludlam of the Small Business Committee staff.

I hope this information will be helpful to you. If we can be of any additional assistance, please let me know.

Sincerely,

RONALD A. PEARLMAN.

DISTRIBUTIONAL IMPACT OF DELAYING INDEXATION OF BRACKETS, STANDARD DEDUCTION, AND EXEMPTIONS

Income class (1988 dollars)	Change in average tax liability	Percentage change in tax liability
1 YEAR		
Calendar year 1989:		
0 to $10,000	15	(1)
$10,000 to $20,000	19	2.8
$20,000 to $30,000	40	2.2
$30,000 to $40,000	49	1.6
$40,000 to $50,000	122	2.7
$50,000 to $75,000	172	2.1
$75,000 to $100,000	189	1.4
$100,000 to $200,000	296	1.1
$200,000 and over	234	.2
Total	71	1.6
Calendar year 1990:		
0 to $10,000	30	(1)
$10,000 to $20,000	37	5.1
$20,000 to $30,000	61	3.2
$30,000 to $40,000	62	2.0
$40,000 to $50,000	129	2.7
$50,000 to $75,000	219	2.5
$75,000 to $100,000	246	1.7
$100,000 to $200,000	367	1.3
$200,000 and over	295	.2
Total	90	1.9
2 YEARS		
Calendar year 1990:		
0 to $10,000	44	(1)
$10,000 to $20,000	55	7.7
$20,000 to $30,000	90	5.2
$30,000 to $40,000	97	3.1
$40,000 to $50,000	244	5.1
$50,000 to $75,000	409	4.6
$75,000 to $100,000	475	3.3
$100,000 to $200,000	708	2.5
$200,000 and over	509	.4
Total	158	3.4

DISTRIBUTIONAL IMPACT OF DELAYING INDEXATION OF BRACKETS, STANDARD DEDUCTION, AND EXEMPTIONS—Continued

Income class (1988 dollars)	Change in average tax liability	Percentage change in tax liability
Calendar year 1991:		
0 to $10,000	66	(1)
$10,000 to $20,000	85	11.4
$20,000 to $30,000	146	7.5
$30,000 to $40,000	151	4.7
$40,000 to $50,000	323	6.5
$50,000 to $75,000	515	5.6
$75,000 to $100,000	581	3.9
$100,000 to $200,000	843	2.8
$200,000 and over	566	.4
Total	213	4.3
3 YEARS		
Calendar year 1989:		
0 to $10,000	79	(1)
$10,000 to $20,000	103	13.8
$20,000 to $30,000	186	9.5
$30,000 to $40,000	189	5.9
$40,000 to $50,000	451	9.1
$50,000 to $75,000	697	7.6
$75,000 to $100,000	810	5.4
$100,000 to $200,000	1,155	3.8
$200,000 and over	707	.5
Total	280	5.7
Calendar year 1992:		
0 to $10,000	101	(1)
$10,000 to $20,000	135	17.4
$20,000 to $30,000	235	11.6
$30,000 to $40,000	247	7.4
$40,000 to $50,000	545	10.5
$50,000 to $75,000	812	8.4
$75,000 to $100,000	943	5.9
$100,000 to $200,000	1,294	4.0
$200,000 and over	822	.5
Total	338	6.5

[1] The average tax liability in this class is negative. This proposal reduces the average refund.

Source: Joint Committee on Taxation, July 5, 1988.

Mr. BUMPERS. Mr. President, there are many aspects of the Tax Code which are indexed for inflation, the tax brackets, including the phaseout for the benefits of the 15-percent bracket, the standard deduction amount, and the personal exemption amounts. The joint tax study analyzes the revenue impact of freezing all three of these items and it covers freezes for 1, 2, and 3 years.

A 1-year freeze generates $2.8 billion in revenue in the first year. The Finance Committee is called on in this budget resolution to raise $5.3 billion.

A 1-year freeze has an impact on revenue in each succeeding year because each year the tax brackets, standard deduction, and personal exemption would be affected by that 1-year freeze. So, the 1-year freeze would generate $6.7 billion in additional revenue in the second year, $9.3 billion in the third year, $10.6 billion in the fourth year, and $11.1 billion in the fifth year. The 5-year total increase in revenue would be $40.5 billion.

The reconciliation instruction to the Finance Committee only covers revenue for the first year and there are no requirements for raising revenue in succeeding years. In addition, the amounts of revenue which are raised by a 1-year freeze may be more than we need to raise. The economy may not be strong enough to raise such large amounts of additional revenue.

Just as important as the revenue impact of a tax freeze is the question of who would pay these additional taxes. The joint committee study presents a detailed chart showing the distributional effect of the freeze. It finds that the distribution is progressive in terms of the increase in dollar tax liability but it is not progressive in terms of the percentage change in tax liability. This troubles me.

There may be ways to limit the indexation freeze to create a more progressive distribution of the burden. The freeze might only apply to the 28-percent tax bracket, for example, or it might only freeze one of the tax items which are currently indexed. These options need to be researched.

I want to caution that the joint committee study was completed last year and its inflation assumptions might be slightly higher this year than they were last year. If this is true, then the tax system freeze option would generate more revenue than the study I have outlined here.

Let me make one final point. Indexation of the tax system reduces revenue, which increases the deficit. Indexation of various spending programs increases spending, which increases the deficit. Indexation of the tax system and of spending programs both increase the deficit. They constitute a double-whammy on the deficit. We need to be aware of this impact and to focus on what it means for coming to grips with the deficit.

TAX SURCHARGE

In addition to researching the revenue and distributional impact of a freeze on tax indexation, the joint committee has prepared for me a study of the revenue and distributional impact of adopting a 1- to 10-percent surcharge on tax liability.

In 1968 the Congress adopted a tax surcharge to pay for the Vietnam war and great society programs. That surcharge increased individual income tax liability by 7.5 percent in 1968 and 5 percent in 1969 and increased corporate income tax liability by 10 percent in 1968 and 5 percent in 1969. The surcharge analyzed by the joint committee is based on this same model except that it has analyzed surcharges of different percentage amounts.

The joint committee has found that a 1-percent surcharge on individual taxpayers generates $2.5 billion in 1990. A 2-percent surcharge raises $5 billion in 1990, almost exactly what this budget resolution calls for.

If the surcharge is extended, additional amounts of revenue are generated.

Similarly, a 1-percent surcharge on corporate taxpayers would generate $1.3 billion in fiscal year 1990. A 2-percent surcharge would raise $2.7 billion and a 3-percent surcharge would raise $4.1 billion.

Again, if the surcharge is extended, additional amounts of revenue are generated.

The distributional impact of a surcharge on individual taxpayers is strictly progressive, as one would expect. In this sense, it is more desirable than the tax system freeze option.

I request that a copy of a letter of Mr. Ronald A. Pearlman, staff director of the joint committee, of April 20, 1989, with attachments be printed at the conclusion of my remarks.

CONSISTENCY WITH TAX REFORM

I am sure that it will be argued by some that both of these proposals violate the President's no tax increase pledge.

Well, it's clear that they do violate that pledge, but I will say that both of these proposals are for temporary changes in the tax system, not permanent changes. Both of them can be implemented for 1 or more years.

In this sense they do not tamper with the structure and content of the tax reform law. As soon as the tax freeze or surcharge are lifted, the tax system would return to its present state. So, these two proposals do not present a threat to the tax reform law.

In addition, both of these proposals spread the impact of the tax increases out among all taxpayers. If we are moving to meet the deficit crisis, every one should make a contribution to the effort. If the Finance Committee chooses instead to close tax loopholes the tax increases will be paid by those unlucky few whose loopholes are closed.

A tax freeze and a surcharge both call on the American people to make a sacrifice. If we are serious about cutting the deficit, we must call on all Americans to join in the effort.

That is why I am suggesting here that these two revenue increase options be considered by the Finance Committee.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JOINT COMMITTEE ON TAXATION,
Washington, DC, April 20, 1989.

Hon. DALE BUMPERS,
U.S. Senate, Washington, DC.

DEAR SENATOR BUMPERS: This is in response to your request for a revenue estimate and distributional analysis of an income tax surtax similar in structure to that levied by the Revenue and Expenditure Control Act of 1968. That act increased individuals' tax rates 7.5 percent in 1968 and 5 percent in 1969, and increased corporate tax rates 10 percent in 1968 and 5 percent in 1969.

The attached tables show the revenue effects of alternative increases, ranging from 1 percent to 10 percent in individual and corporation tax rates. These estimates assume an effective date of January 1, 1990. We have also provided an analysis of the 1990 distributional effects on individual taxpayers for each rate option.

I hope that this information is of use to you. If we can be of further assistance, please do not hesitate to contact us.

Sincerely,

RONALD A. PEARLMAN.

SURTAX ON INDIVIDUAL INCOME

[Fiscal years 1990–94, in billions of dollars]

Surtax	1990	1991	1992	1993	1994	1990–94
1 percent	2.5	4.8	5.2	5.6	6.0	24.1
2 percent	5.0	9.6	10.3	11.4	12.0	48.3
3 percent	7.6	14.4	15.5	16.7	18.0	72.1
4 percent	10.1	19.2	21.6	22.3	24.1	97.3
5 percent	12.6	24.0	26.0	28.2	30.6	121.4
6 percent	15.2	28.7	31.0	33.5	36.1	144.5
7 percent	17.7	33.5	36.2	39.1	42.2	168.7
8 percent	20.2	38.3	41.4	44.7	48.2	192.7
9 percent	22.7	43.1	46.6	50.2	54.2	216.8
10 percent	25.3	47.9	51.7	55.8	60.2	240.9

Joint Committee on Taxation, Apr. 20, 1989.

Note.—Assumed effective date of Jan. 1, 1990.

SURTAX ON CORPORATE INCOME

[Fiscal years 1990–94, in billions of dollars]

Surtax	1990	1991	1992	1993	1994	1990–94
1 percent	1.3	2.5	2.7	3.0	3.3	12.9
2 percent	2.7	5.0	5.5	6.1	6.7	26.0
3 percent	4.1	7.5	8.4	9.2	10.1	39.4
4 percent	5.5	10.2	11.3	12.4	13.5	52.9
5 percent	7.1	12.8	14.2	15.6	17.0	66.7
6 percent	8.5	15.5	17.2	18.8	20.5	80.6
7 percent	10.1	18.3	20.2	22.1	24.0	94.6
8 percent	11.6	21.0	23.2	25.3	27.6	108.8
9 percent	13.1	23.8	26.3	28.6	31.2	123.1
10 percent	14.7	26.6	29.4	31.9	34.8	137.4

Joint Committee on Taxation, Apr. 20, 1989.

Note.—Assumed effective date of Jan. 1, 1990.

DISTRIBUTIONAL IMPACT OF 1 PERCENT SURTAX ON INDIVIDUAL INCOME

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Less than $10,000	4,963	21	4	(1)
$10,000 to $20,000	21,490	252	12	1.2
$20,000 to $30,000	21,201	442	21	1.0
$30,000 to $40,000	14,810	480	32	1.0
$40,000 to $50,000	8,101	403	50	1.0
$50,000 to $75,000	9,389	840	89	1.0
$75,000 to $100,000	1,960	282	144	1.0
$100,000 to $200,000	2,683	777	290	1.0
$200,000 and over	756	1,055	1,397	1.0
Total	89,353	4,552	53	1.0

[1] Percentage change meaningless due to negative tax liability.

Joint Committee on Taxation, Apr. 20, 1989.

DISTRIBUTIONAL IMPACT OF 2 PERCENT SURTAX ON INDIVIDUAL INCOME

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Less than $10,000	5,296	43	8	(1)
$10,000 to $20,000	21,807	504	23	2.4
$20,000 to $30,000	21,291	885	42	2.1
$30,000 to $40,000	14,836	959	65	2.0
$40,000 to $50,000	8,101	807	100	2.0
$50,000 to $75,000	9,389	1,679	179	2.0
$75,000 to $100,000	1,960	563	287	2.0
$100,000 to $200,000	2,683	1,454	579	2.0
$200,000 and over	757	2,113	2,790	1.9
Total	86,122	9,108	106	2.0

[1] Percentage change meaningless due to negative tax liability.

Joint Committee on Taxation, Apr. 20, 1989.

DISTRIBUTIONAL IMPACT OF 3-PERCENT SURTAX ON INDIVIDUAL INCOME

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Less than $10,000	5,380	65	12	[1]
$10,000 to 20,000	21,941	756	34	3.6
20,000 to 30,000	21,334	1,327	62	3.1
30,000 to 40,000	14,836	1,439	97	3.0
40,000 to 50,000	8,101	1,210	149	3.0
50,000 to 75,000	9,389	2,519	268	3.0
75,000 to 100,000	1,960	845	431	3.0
100,000 to 200,000	2,684	2,332	869	3.0
200,000 and over	760	3,174	4,176	2.9
Total	86,385	13,666	158	3.0

[1] Percentage change meaningless due to negative tax liability.

Source: Joint Committee on Taxation, Apr. 20, 1989.

DISTRIBUTIONAL IMPACT OF 4-PERCENT SURTAX ON INDIVIDUAL INCOME

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Less than $10,000	5,441	86	16	[1]
$10,000 to 20,000	21,972	1,009	46	4.8
20,000 to 30,000	21,344	1,769	83	4.1
30,000 to 40,000	14,839	1,919	129	4.0
40,000 to 50,000	8,102	1,613	199	4.0
50,000 to 75,000	9,390	3,359	358	4.0
75,000 to 100,000	1,960	1,127	575	3.9
100,000 to 200,000	2,686	3,109	1,157	4.0
200,000 and over	762	4,239	5,561	3.8
Total	86,498	18,229	211	4.0

[1] Percentage change meaningless due to negative tax liability.

Source: Joint Committee on Taxation, Apr. 29, 1989.

DISTRIBUTIONAL IMPACT OF 5-PERCENT SURTAX ON INDIVIDUAL INCOME

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Less than $10,000	5,454	108	20	[1]
$10,000 to 20,000	22,032	1,261	57	6.0
20,000 to 30,000	21,350	2,212	104	5.1
30,000 to 40,000	14,847	2,398	162	5.0
40,000 to 50,000	8,102	2,016	249	5.0
50,000 to 75,000	9,390	4,198	447	5.0
75,000 to 100,000	1,960	1,408	718	4.9
100,000 to 200,000	2,689	3,887	1,446	4.9
200,000 and over	763	5,305	6,952	4.8
Total	89,353	22,794	263	5.0

[1] Percentage change meaningless due to negative tax liability.

Source: Joint Committee on Taxation, Apr. 20, 1989.

DISTRIBUTIONAL IMPACT OF 6-PERCENT SURTAX ON INDIVIDUAL INCOME

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Less than $10,000	5,467	130	24	[1]
$10,000 to 20,000	22,059	1,514	69	7.2
20,000 to 30,000	21,358	2,654	124	6.2
30,000 to 40,000	14,847	2,878	194	6.0
40,000 to 50,000	8,102	2,419	299	6.0
50,000 to 75,000	9,392	5,038	536	6.0
75,000 to 100,000	1,960	1,690	862	5.9
100,000 to 200,000	2,689	4,665	1,735	5.9
200,000 and over	764	6,373	8,339	5.8
Total	86,637	27,361	316	6.0

[1] Percentage change meaningless due to negative tax liability.

Source: Joint Committee on Taxation, Apr. 20, 1989.

DISTRIBUTIONAL IMPACT OF 7-PERCENT SURTAX ON INDIVIDUAL INCOME

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Less than $10,000	5,481	151	28	[1]
$10,000 to $20,000	22,123	1,766	80	8.4
$20,000 to $30,000	21,376	3,097	145	7.2
$30,000 to $40,000	14,851	3,358	226	7.1
$40,000 to $50,000	8,101	2,822	348	7.0

DISTRIBUTIONAL IMPACT OF 7-PERCENT SURTAX ON INDIVIDUAL INCOME—Continued

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
$50,000 to $75,000	9,397	5,878	625	7.0
$75,000 to $100,000	1,962	1,972	1,005	6.9
$100,000 to $200,000	2,689	5,443	2,024	6.9
$200,000 and over	766	7,443	9,718	6.7

DISTRIBUTIONAL IMPACT OF 7-PERCENT SURTAX ON INDIVIDUAL INCOME—Continued

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Total	86,746	31,930	368	7.0

[1] Percentage change meaningless due to negative tax liability.

Source: Joint Committee on Taxation, Apr. 20, 1989.

DISTRIBUTIONAL IMPACT OF 8-PERCENT SURTAX ON INDIVIDUAL INCOME

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Less than $10,000	5,495	173	31	[1]
$10,000 to $20,000	22,126	2,019	91	9.6
$20,000 to $30,000	21,377	3,539	166	8.2
$30,000 to $40,000	14,853	3,837	258	8.1
$40,000 to $50,000	8,102	3,225	398	8.1
$50,000 to $75,000	9,398	6,717	715	8.0
$75,000 to $100,000	1,962	2,254	1,149	7.9
$100,000 to $200,000	2,689	6,221	2,314	7.9
$200,000 and over	767	8,514	11,107	7.7
Total	86,768	36,499	421	8.0

[1] Percentage change meaningless due to negative tax liability.

Source: Joint Committee on Taxation, Apr. 20, 1989.

DISTRIBUTIONAL IMPACT OF 9-PERCENT SURTAX ON INDIVIDUAL INCOME

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Less than $10,000	5,507	195	35	[1]
$10,000 to $20,000	22,137	2,272	103	10.8
$20,000 to $30,000	21,388	3,981	186	9.3
$30,000 to $40,000	14,855	4,317	291	9.1
$40,000 to $50,000	8,102	3,629	448	9.1
$50,000 to $75,000	9,399	7,557	804	9.0
$75,000 to $100,000	1,962	2,535	1,293	8.9
$100,000 to $200,000	2,690	6,999	2,602	8.9
$200,000 and over	768	9,586	12,482	8.7
Total	86,807	41,071	473	9.4

[1] Percentage change meaningless due to negative tax liability.

Source: Joint Committee on Taxation, Apr. 20, 1989.

DISTRIBUTIONAL IMPACT OF 10-PERCENT SURTAX ON INDIVIDUAL INCOME

[Calendar year 1990]

Income class (thousands of dollars)	Tax increase			Percent change in tax liability
	Returns (thousands)	Amount (millions)	Average (dollars)	
Less than $10,000	5,523	216	39	[1]
$10,000 to $20,000	22,163	2,524	114	12.0
$20,000 to $30,000	21,391	4,424	207	10.3
$30,000 to $40,000	14,855	4,796	323	10.1
$40,000 to $50,000	8,102	4,032	498	10.1
$50,000 to $75,000	9,399	8,396	893	10.0
$75,000 to $100,000	1,962	2,817	1,436	9.9
$100,000 to $200,000	2,690	7,778	2,891	9.9
$200,000 and over	769	10,661	13,865	9.7
Total	86,855	45,644	526	10.1

[1] Percentage change meaningless due to negative tax liability.

Source: Joint Committee on Taxation, Apr. 20, 1989.

THE TRAGEDY OF THE U.S.S. "IOWA"

Mr. WARNER. Mr. President, the tragedy of the U.S.S. *Iowa* clearly reminds all Americans that the price of freedom is not cheap, but often comes at great cost.

The men and women of our armed services take risks every day. We must always remember that we owe them our total support and our greatest respect, for they are the defenders of our freedom and the protectors of our great Nation.

Mr. President, on May 1, the distinguished Senator from North Carolina [Mr. HELMS], inserted in the RECORD the text of the remarks made at the memorial service on April 24 at Norfolk.

On April 20, the Secretary of the Navy, the Hon. William Ball, addressed the Nation in Dover, DE, concerning the tragedy on board the U.S.S. *Iowa*. Mr. President, Secretary Ball's comments were particularly poignant in that only a few weeks prior he was with these men in turret two during a live fire exercise.

I ask unanimous consent that the text of the Secretary's remarks be printed in the RECORD. I am sure that my colleagues will agree that Secretary Ball humbly expressed the deep sorrow and sympathy of a grateful Nation.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

SECRETARY BALL'S REMARKS IN DOVER, DE, ON APRIL 20, 1989

Today, we gather in time of great sorrow to mourn a terrible loss—a tragedy that has visited one of our great ships and taken from us 47 of our brave men. We are here to receive them on their last return from the sea and to share as best we know how in the grief that hangs over their families, their wives, sons and daughters, their fathers and mothers, and their friends.

Our President grieves with us this day. He knows the special agony which is like no other that attends the loss of a shipmate—he knows the dangers of serving at sea, he knows the incomparable sacrifices made by those who choose to wear the uniform of our naval service, those who must leave our friendly shores even in peacetime to train, to prepare, and to protect our ideals beyond distant horizons, across vast oceans, away from home and family.

The sacrifice made by these men is a jolting reminder of the dangers faced by those who freely make that choice and serve at sea * * * it is a reminder also of the struggle we as a nation must sustain to protect the heritage, the freedom, and the principles that undergird our national life.

These men understood that. They knew of the hazards of their work and they recognized its vital purpose. And they were proud of their ship, of their shipmates, of the captain, and of their guns. And they were proud of their own ability to do such extraordinary good work—hard, punishing, often grueling work performed with skill and dedication for a purpose so important to mankind. And yet so inadequately recognized by many of the world's free people today.

I had met a number of these men. I had sailed with them and had crawled around inside their turrets, shaken their greasy hands, felt the strong sure grip that only a gunners mate can give, seen the ready grin on their faces and watched the steady and rough way they went about their work. They were good sailors; grown accustomed to hardship at sea; and it was out of that hardship that there grew the devotion to one another that in turn created that unbeatable spirit which marks the crew of a good (gun) and which molds the crew of a fine ship. These men had come to share that kind of spirit, and theirs was the hallmark reserved for those who have struggled together, learned together, lived together, and overcome together the trials that would undo lesser men * * * and the adversities that those who do not go to sea cannot know or comprehend.

It is our prayer today that they will go from here to their resting places certain in the knowledge that a grateful nation will not forget—that we find their pride in themselves to be hard-earned and well-deserved and that our debt to them will not go unrecorded in the hearts and minds of those to whom freedom in God's greatest gift.

SOUTH AFRICA ANTI-APARTHEID ACTIVIST ASSASSINATED

Mr. LEVIN. Mr. President, earlier this week David Webster, a prominent anti-aparthied activist—a man of great compassion—was assassinated. The killing was brutal, and appears to have been the work of professionals.

It was a holiday in South Africa. David Webster and his companion had driven to a nursery to buy some plants. Back at his home, they were unloading the plants from the car when a speeding car drove past. Someone in the car gunned David Webster down. Police believe it was a shotgun, a weapon used by professional killers to guarantee death and to hide the identity of the assassin's weapon.

David Webster was dedicated to building nonracial unity. His vision was simple and decent. He wanted to help lay the foundations for a just and democratic future in South Africa. For this, he was assassinated. He died because he believed in unity and democracy in a country which has neither.

David Webster was a distinguished academic and a prolific writer. He was a senior lecturer in social anthropology at Johannesburg's Witwatersrand University. And he was a devoted civil rights campaigner. He was in the forefront of a variety of political action groups committed to nonviolent change, including the Johannesburg Democratic Action Committee; the Conference Academics for a Democratic Society; the Detainees' Education and Welfare; and the Detainees' Parents Support Committee—an organization which fights to improve the conditions under which those detained under South Africa's oppressive laws are imprisoned.

David Webster campaigned tirelessly for an end to detention without trial in South Africa. He campaigned for an end to apartheid in many ways. He wrote articles for papers and scholarly journals, made speeches and arranged gatherings for released detainees and relatives of those still incarcerated. These were harmless nonviolent get-togethers.

David Webster knew that his campaign was not without danger. The Detainees' Parent Support Committee—of which he was such an important member—was silenced on February 24, 1988, by a restriction order issued by the South African authorities. He was also ordered by a police officer not to hold any more tea parties for released detainees.

Life in South Africa is extremely difficult for those who seek a more just and democratic South Africa. David Webster was one of those people.

Mr. President, I know that David Webster was loved and respected by millions of South Africans. I have heard from sources inside South Africa that thousands are planning to attend his funeral on Saturday, May 6. In a letter to South Africa Ambassador Koornhof delivered earlier today, I urged the Ambassador to convey to

President P.W. Botha my concern that there be no restrictions placed on David Webster's funeral.

The Washington Post and the New York Times recently published articles on David Webster's assassination. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, May 2, 1989]

ANTI-APARTHEID WORKER KILLED

JOHANNESBURG, May 1.—A white anti-apartheid campaigner was shot and killed today outside his home by an assailant firing from a passing car, the police said.

Colleagues said they had no doubt that the man, David Webster, 44 years old, was assassinated because of his political activities.

Mr. Webster, a lecturer in social anthropology at the University of the Witwatersrand in Johannesburg and a prominent member in several anti-apartheid organizations, was a strong opponent of the Government's policy of detention without trial and held periodic tea parties for the families of detained blacks.

The police said Mr. Webster died shortly after he was hit in the back by a bullet fired from a heavy-caliber weapon outside his home in the Johannesburg neighborhood of Troyeville. Nothing was known about the assailant, police said, adding that they had no information on either the race or sex of the person who shot Mr. Webster.

With Mr. Webster at the time was Maggie Friedman, a fellow member of the Human Rights Commission, a Johannesburg-based monitoring group established by anti-apartheid workers last year.

She said she heard a noise from a passing car that she thought had backfired, then saw Mr. Webster stagger and tell her: "I've been shot with a shotgun. Get an ambulance."

"It is clear to me that his killing was a highly professional job," she said. "I find it frightening that those who opposed him were prepared to go to such lengths to eliminate someone."

Dozens of blacks who are active in the anti-apartheid movement have been killed in recent years in unsolved murders. The Five Freedoms Forum, a human rights groups with which Mr. Webster worked, said the shooting of Mr. Webster was one of the first assassinations of a white dissident.

"The only beneficiaries of his death are those who have an interest in perpetuating this evil system," said Mohammed Valli Moosa, an unofficial spokesman for anti-apartheid groups.

[From the Washington Post, May 2, 1989]

WHITE ACTIVIST IS ASSASSINATED IN SOUTH AFRICA

PROMINENT RIGHTS FIGURE AIDED POLITICAL PRISONERS

(By Allister Sparks)

JOHANNESBURG, May 1.—In the latest in a series of attacks on government opponents, a prominent white civil rights campaigner was assassinated today when gunmen in a speeding car shot him down outside his home in a Johannesburg suburb.

David Webster, 44, was active in groups that assisted political prisoners and their families. He was a senior lecturer in social anthropology at Johannesburg's Witwatersrand University and a strong supporter of student activists in the anti-apartheid National Union of South African Students, which recently named him an honorary vice president.

He had also made a study of what he called "informal repression," or techniques of intimidation, including assassinations and other attacks, designed to silence opponents of the government's apartheid system of segregation. Webster's friends said he had written a major article on the subject that was due to be published soon.

"Now he has fallen victim to what he was warning about," said Max Coleman, a long-time colleague who was one of the founders of an organization called the Detainee's Parents' Support Committee for which Webster worked.

"I suppose this must be taken as a message, as a threat, to the rest of us, but I don't think it is going to deter any of us one bit," Coleman added.

Webster was highly regarded even beyond his own political circle and his assassination has caused an outcry. A multiracial crowd of about 1,000 attended a memorial service at Witwatersrand University tonight, at which statements from a variety of organizations expressing outrage at his killing were read out.

Today was a public holiday in South Africa and Margaret Friedman, with whom Webster lived, said the two of them had planned to spend the day gardening. They had driven to a nursery to buy plants, and when they returned Webster parked his van in the street outside their modest Victorian-style home in the suburb of Troyeville. It was midmorning, with neighbors sitting on their porches and people strolling in the street.

Webster stepped out of the van and was about to take the plants out of the back, Friedman said, when a white car raced down the street and she heard a loud report as it passed them.

"I thought it was a backfire," Friedman said, "then I heard David say, 'I've been shot.'" He collapsed on the sidewalk and died.

Police said they thought the killer may have used a shotgun, a popular weapon among professional assassins because it leaves no bullet that ballistics experts can match to a gun.

There have been more than 100 assassinations, bombings and other attacks on apartheid opponents and their property over the last four years, according to a monitoring group called the Human Rights Commission.

Several prominent members of the exiled African National Congress, the main black nationalist movement, have also been assassinated in neighboring African countries and in Europe.

No culprits have ever been found or charged by the South African police, leading to a growing suspicion in anti-apartheid circles that a hit squad is operating with the tacit approval of the authorities. Police and government officials deny this.

Mr. LEVIN. Mr. President, I ask unanimous consent to have printed in the RECORD the statements of three prominent and highly respected organizations in South Africa on this tragedy.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT ISSUED BY DETAINEES' EDUCATION AND WELFARE REGARDING THE ASSASSINATION OF ITS MEMBER DR. DAVID WEBSTER, MAY 2, 1989

Detainees' Education and Welfare (DEW) expresses its shock and loss at the assassination of one of our members, David Webster.

David was a central figure in DEW and took a leading role in the activities of the group, especially in the organising and running of tea parties for the families and friends of detainees and ex-detainees.

At the last three tea parties members of the security police, SAP and SADF interrupted the events in large and intimidatory numbers. More than once David was told that he would be held responsible for anything that occurred to them. After a tea party in Alexandra, David was told by the security police that DEW would not be allowed to hold anymore tea parties. However, we did and on the last occasion the police once more closed the meeting. This was a mere ten days ago.

Our anger at what has happened to David comes at a time when another member of DEW has, over the last few weeks, received threatening telephone calls.

We salute our comrade and friend David and his contribution towards a non-racial and democratic South Africa. His death will not be in vain.

Hamba Kahle David.

STATEMENT BY THE DETAINEES PARENTS SUPPORT COMMITTEE [DPSC] ON THE ASSASSINATION OF DAVID WEBSTER MAY 2, 1989.

The Detainees Parents Support Committee (DPSC) is shocked and outraged at the brutal assassination of David Webster. In our view, there is only one group which stood to gain from this act: those who are dedicated to perpetuating the brutal and vicious system which David dedicated his life to opposing.

David was known to us and thousands of others as a caring, committed and compassionate person. He has worked for many years to achieve one goal only: to help those who have been the victims of repression in this country and to put an end to the root causes of that suffering.

David was a long-time, active and dedicated member of the Detainees Parents Support Committee (DPSC). For many years he fought for the rights of those who are locked up in the prisons and police stations of this country for fighting for their basic rights as citizens of South Africa.

Through his active work in the Detainees Movement, David became an authority on various forms of state repression. More particularly, he investigated the different patterns of informal repression, such as assassinations of apartheid's opponents, vigilante attacks and so on. His work went a long way to exposing those acting under the cover of darkness to attack those fighting oppression and injustice.

David was greatly loved by the people who came to know him from the township communities. He was constantly in demand to address community gatherings, such as the meeting of the residents of Mamelodi after the Mamelodi Massacre in 1986.

As convenor of detainees' Tea Parties, David was extremely courageous in intervening on behalf of detainees' families when police and soldiers harassed and disrupted their tea parties. This led to David being involved in frequent confrontations with the Security Police. The most recent such confrontation was less than ten days ago when

security police broke up a gathering for detainees' families in St. George's Presbyterian Church in Johannesburg. Earlier this year the same thing happened at the Ipelegeng Community Centre in Soweto, and late last year David sprung to the defence of detainees' families at a tea party in the NGK Church in Alexandra.

All the halls were booked in David's name and in all three instances the security policy attempted to disrupt the meetings, leading to confrontations between David and the security police. Although diplomatic and polite, David always stood his ground on behalf of people being bullied by those in power.

We cannot imagine that anyone who has the interests of this country's people at heart, would want this true patriot of South Africa to die.

Issued on behalf of DPSC by Max Coleman.

CONGRESS OF SOUTH AFRICA TRADE UNIONS [COSATU] STATEMENT ON THE KILLING OF DAVID WEBSTER, MAY 1, 1989

COSATU condemns with outrage the brutal murder of David Webster. This is yet another manifestation of apartheid violence against the democratic majority in our country.

Not content with brutalizing our people in the townships with apartheid repression those who wish to perpetuate apartheid seek to destroy through death squads the democrats in the white community who have become involved in our struggle for freedom.

David Webster was not just a sympathiser in our struggle, he was a friend, a comrade and active participant in our democratic movement and its struggles to transform the nightmare of racism and apartheid. He was a conscious part of struggle to build a non-racial democratic society, with an elected government based on the will of the people. He recognised and strove to win many other people in the white community to accept that only a truly non-racial, democratic society would lead to peace and stability.

That is why he was murdered. His principles and democratic practices shone as a living example that there is an alternative to apartheid. His murder reminds us also that the hundreds of activists presently restricted are sitting targets for apartheid death squads.

He was loved by all of us. His untimely death is a blow to our struggle but it will only strengthen our determination to uproot and destroy the apartheid evils which David so consistently opposed. We share our grief with his family, friends and comrades here and internationally. We have truly lost a son of Africa.

Issued by Jay Naidoo, COSATU General Secretary.

The PRESIDING OFFICER (Mr. HARKIN). The Senator from Washington is recognized.

ENVIRONMENTAL IRRESPONSIBILITY

Mr. GORTON. Mr. President, yesterday I took the floor to criticize the Exxon Corp. for its miserable failure to fulfill its responsibilities to protect our environment. I proposed a new imposition of risk on companies like Exxon that I believe will dramatically improve their attitude toward environmental stewardship.

But I also pointed out that there are irresponsible extremists at the other end of the environmental spectrum—who flout responsibility with all of the arrogance of an Exxon. I want to discuss some of them today.

Consider the apple: From the days Johnny Appleseed walked the valleys west of here until just a month or two ago, the American apple symbolized plain, wholesome goodness. An apple a day kept the doctor away. And to the great joy of many a politican, eating apple pie was the mark of a patriot, no matter what his or her politics.

But no longer. Not since an environmental organization in New York, the Natural Resources Defense Council, joined with CBS to allege that apples carry a threat of cancer because they are sometimes treated with a substance called Alar.

What CBS, the NRDC, and their ilk share in common is a refusal to acknowledge sound scientific procedures—or to recognize any obligation of fairness in reporting. Perhaps they also share a desire for higher ratings—for each to stand astride their respective heaps. But in their research for self-promotion and sensation, they forsook their responsibility for what really matters—the health of our children.

In its report titled "Intolerable Risks: Pesticides in Our Children's Food," the NRDC alleges that children in particular face a "massive public health problem" from pesticides. It claims that 90 percent of the cancer risk to children from pesticides is attributed to Alar and its breakdown product UDMH.

Surely the NRDC knew, and CBS should have known, that the independent Scientific Advisory Panel—established by Congress precisely for the purpose of scientific peer review—in 1985 rejected the very basis for the NRDC claims. But neither the NRDC nor CBS's "60 Minutes" found anything wrong with portraying this data as valid, or with using other, also unproven, methods to calculate risk estimates.

And although most apple growers have voluntarily stopped using Alar over the last several years so as to maintain public confidence in their product while real scientists continued tests and sorted out the data, CBS essentially portrayed the apple growers and the EPA as, in effect, an unholy conspiracy to poison America's children.

That, Mr. President, is as irresponsible in its way as are the environmental attitudes of Exxon. I understand we are soon to be treated to an update by CBS. I cannot wait to see the next episode of this self-created pseudoscience. It will be a surprise only if it is fair and factual.

In the aftermath of the first NRDC and CBS debacle, a number of scientists and public officials came forward to try to calm public fears and set the record straight. One public offical who is not allowed artistic license is FDA Commissioner Dr. Frank Young, who told the Washington Post:

> You can't do risk assessment by media. There has to be a real scientific process, and we have to inform the American people where the risks are real . . . This is one of the worst instances of where statements are made without the benefit of scientific review. That's not the way to do business.

And Dr. Martyn Smith, associate professor of toxicology at the University of California at Berkeley's School of Public Health said:

> The method of presentation used in the report in which predictions of future cases of cancer are made from animal data is clearly unacceptable and scientifically invalid. I find the arguments presented in the report for childhood vulnerability to be very flaky.

Finally, Dr. Richard Jackson, chairman of the National Academy of Science's panel on pesticides and children said:

> The risks are not meaningful in day-today life for a single family. I don't see the risk as high enough to warrant driving across town to find the special Alarfree whatever. When you sort out the risks, maybe the risk of driving across town is higher.

On the subject of relative risk, one of the nation's leading authorities, Dr. Bruce Ames, professor of biochemistry at the University of California, Berkeley, has placed daminozide into proper perspective. In a recently published study, Dr. Ames found that the risk of cancer from daminozide is only one-tenth that of tap water, and a mere one one-thousandth that of ordinary mushrooms.

The latest irresponsible behavior toward apple consumers comes from none other than the May issue of Consumer Reports magazine, in an article that is balanced and fair only when compared with NRDC and "60 Minutes." Remarkably, the magazine says the latest animal tests show that Alar itself—or, more precisely, its key ingredient, daminozide—may not be carcinogenic at all, though the derivative UDMH probably is. Moreover, Consumer Reports says that raw apples are a good source of dietary fiber, that cities which rushed to pull apples out of school cafeterias overreacted to "confusing news stories," and that yes, apples are indeed safe for children to eat. All this sounds as though Consumer Reports rejected the "60 Minutes" and NRDC tactics.

The fine print further reveals that some apple-growing areas of the country have never used Alar at all, and that even apples of growers who stopped using the chemical may well show a residual presence for several

years. Then it reveals that Consumer Reports only tested apples from New York City supermarkets, although northeastern apple producers are known to rely more heavily on Alar than other growers. To unearth this rather useful information, however, one must delve into the details of the story.

Why? Because the sensationalist cover of this Consumer Report tells precisely the opposite story: A shiny red apple, held by a macabre, black-fingernailed hand—the classic portrayal of a wicked witch luring an innocent child to poison—all under the huge, red headline: "Bad Apples."

I am sorry to say, Mr. President, that in this instance, Consumer Reports is almost as guilty of misleading consumers as are the news organizations it admonishes. This is particularly disturbing considering Consumer Reports' purpose and reputation.

What are we to make of this sad state of affairs? Mr. President, we are left only with the reflection that freedom of speech is a fundamental American right, and that we do not restrict the freedom to be irresponsible on television programs, in print, or with respect to notoriety-seeking, self-appointed priests of nature.

Do you not suppose, Mr. President, that if the headline hounds at the NRDC really cared about people, they would turn their attention to something that actually hurts people? Smoking cigarettes, driving cars unsafely, and using illegal drugs kill real people every day. Apples, with or without Alar, have never killed anyone. Ever.

While every responsible public official charged with the safety of humans and chemicals says that Alar has not harmed anyone and that apples are still safe to eat, the irresponsible actions of CBS and the NRDC have caused immediate and substantial suffering for many conscientious, responsible people—apple growers from Washington State and throughout this country. They have hurt the health of thousands of young people who have no doubt substituted candy or junk food for apples.

And that, Mr. President, is irresponsibility of a very high order. At least Exxon promised to clean up its mess, and pay damages.

Yesterday I pointed out different paths of corporate behavior; I observed that corporations must earn the trust of the consumer, and suggested a variety of ways that they could do so, with and without government's help. Today, whether they realize it or not, the NRDC and CBS should also have lost credibility in the eyes of many. Indeed, as Yeats said,"the worst are full of passionate intensity." But can the center hold? Is innocence drowned?

We cannot legislate responsible behavior in the field of opinion. We can only work for the survival of sound ideas, of fairness. We can only hope that irresponsible environmental extremists, as they are found out, will not undermine a responsible environmental movement which has meant so much to us in the past and has so much still to accomplish.

We, too, have a choice, Mr. President. We, the center, must choose to stand. We, the center, must exert our conviction, that reason and facts and human values are what really count. With these principles in mind, we can manage the environment for nature and people. And we must say to the irresponsible extremists at both ends of the environmental spectrum: you have lost your right to lead. We reject you and your ways.

Yesterday, I began my remarks quoting Yeats. Let me conclude today with his thoughts, this time from his 1921 poem, "The Leaders of the Crowd":

They must—to keep their certainty—accuse
All that are different, of a base intent;
Pull down established honour; hawk for news.

We do not need to do that, Mr. President. We need to deal with these positions responsibly, objectively, and fairly.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 100-607 appoints the following person to the National Commission on Acquired Immune Deficiency Syndrome: Dr. Charles Konigsberg, of Kansas.

THE EXECUTIVE CALENDAR

EXECUTIVE SESSION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Calendar item No. 63, William G. Rosenberg to be Assistant Administrator of the Environmental Protection Agency; and John R. Bolton to be Assistant Secretary of State, reported today by the Committee on Foreign Relations.

I further ask unanimous consent that these nominations be confirmed en bloc, that any statements appear in the RECORD as if read; that the motion to reconsider be laid upon the table en bloc; that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

Mr. GORTON. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

ENVIRONMENTAL PROTECTION AGENCY

William G. Rosenberg, of Michigan, to be an Assistant Administrator of the Environmental Protection Agency.

DEPARTMENT OF STATE

John R. Bolton to be an Assistant Secretary of State, reported today by the Committee on Foreign Relations.

STATEMENT ON THE NOMINATION OF WILLIAM G. ROSENBERG

Mr. BURDICK. Mr. President, I rise to support the nomination of William G. Rosenberg to be Assistant Administrator for Air and Radiation of the Environmental Protection Agency.

Mr. Rosenberg is a lawyer and real estate developer. He was chairman of the Michigan Public Service Commission and later, Assistant Administrator of the Federal Energy Administration. He is a father of three children.

Mr. Rosenberg is highly qualified. He is eager, bright and committed to environmental protection. He will have a difficult job in the months and days ahead as we and the administration wrestle with clean air amendments.

In the past, the Committee on Environment and Public Works has made several attempts to make needed changes to the Clean Air Act. Our efforts were met with outright opposition from the Reagan administration. The appointment of William K. Reilly as EPA Administrator, and now Mr. Rosenberg as his Assistant for Air and Radiation, is a good sign. These appointments show that this administration is serious about improving the quality of our air.

Clean air is the Environment and Public Works Committee's top priority. While our past efforts have been exhaustive, these efforts have not resulted in successful action on the Senate floor. I am optimistic that this Congress, we and the new administration, will work together to achieve an aggressive and workable clean air bill. I look foward to working with Mr. Rosenberg toward this goal.

I urge my colleagues to support the nomination of Mr. Rosenberg as Assistant Administrator for Air and Radiation of the Environmental Protection Agency.

I thank the Chair.

STATEMENT ON THE NOMINATION OF JOHN BOLTON

Mr. KERRY. Mr. President, I have voted to report out the nomination of John Bolton as Assistant Secretary of State for International Organizations, and will vote for his nomination when it reaches the Senate floor. However, I wish to record that I do so with significant reservations.

I base these reservations on the contradictions between his testimony and the testimony under oath of his former deputy, Kenneth Bergquist, regarding the handling by the Justice Department of a Foreign Relations Committee investigation in 1986 into allegations of arms smuggling, drug smuggling, and Neutrality Act violations involving supporters of the Nicaraguan Contras.

A number of things took place in the course of the Justice Department's response to the committee investigation which suggest that serious improprieties may have taken place, including the leaking of confidential Justice Department documents for the purpose of undermining or interfering with the congressional investigation.

Specifically, the investigation I conducted in the Subcommittee on Narcotics, Terrorism and International Operations found evidence that the following improprieties occurred:

First. Confidential materials of the Foreign Relations Committee were improperly provided to the Justice Department and to the U.S. attorney in Miami who was responsible for deciding whether or not to bring a grand jury regarding the allegations under investigation by the committee.

Second. Confidential law enforcement information from the Miami investigation was selectively made available to the committee while the Miami investigation was pending, at a time when the Justice Department generally—and Mr. Bolton specifically—was taking the position that no such material would be provided the committee on any pending case. The information that was made available, to Republican staff alone and withheld from Democratic staff, improperly discredited witnesses who were telling the truth, and allegations that proved to be true. The information was provided without the knowledge of the assistant US Attorney handling the case in Miami, and subsequently appeared in the press in articles attacking the committee investigation.

Third. Justice Department officials made statements to the press, attacking the credibility of potential witnesses and stating that the allegations under investigation by the committee had been investigated and determined to be false.

Fourth. The Justice Department did not provide information to the committee that would have corroborated the allegations being investigated by the committee, although the FBI possessed such information, including confessions of criminality from some of the persons identified by my staff and the committee as being involved in gunrunning and Neutrality Act violations. In light of the information possessed by the FBI, the information that was provided to the committee by Justice Department officials was misleading. Statements made to the press by Justice Department officials regarding the allegations was also misleading.

Mr. Bolton testified that he knew very little about these facts, because he allowed Mr. Bergquist, his deputy, to handle Justice Department responses to the inquiry I initiated on behalf of the committee, as he himself was focused on the nominations of Justice Rehnquist and Scalia to the Supreme Court. While Mr. Bolton did sign letters to me and to the committee regarding the investigation, according to Mr. Bolton he did not draft the letters, and should not be held responsible for matters in which he was uninvolved.

Perhaps the most serious contradiction between Mr. Bolton and Mr. Bergquist relates to the testimony regarding the leaking of the confidential material from the Miami prosecutor's office to the committee.

Mr. Bolton testified that he viewed the leak to be a serious one, and that the Justice Department investigated the leak and could not determine who did it. Mr. Bolton explicitly denied leaking the confidential material himself, or knowing who did so.

I accept Mr. Bolton's testimony on that matter. I will note, however, that it is flatly contradicted by the testimony under oath of his deputy, Mr. Bergquist, Mr. Bergquist, who was the liaison to the Committee for this matter, testified before the committee on September 28, 1987, that he reported to Bolton on essentially all matters concerning the handling of the committee investigation.

Explicitly contradicting the testimony of Mr. Bolton, Mr. Bergquist said specifically that the confidential Justice Department memorandum he provided to the committee, discrediting allegations which were in fact true, he obtained personally from Mr. Bolton, who received it from Mark Richard, another Justice official.

More generally the gist of Mr. Bergquists's testimony is that Mr. Bolton signed off on whatever he did regarding Justice's response to the committee investigation. The gist of Mr. Bolton's testimony is that Mr. Bergquist acted on his own, and that Mr. Bolton was not involved.

I cannot resolve the contradiction between Mr. Bolton's testimony and Mr. Bergquist's testimony on these matters, and believe the contradiction suggests that one of these witnesses was not telling the committee the full truth regarding their role in handling the committee investigation.

The matter is serious because I believe there is a significant question as to whether the U.S. attorney's office in Miami decided not to convene a grand jury on allegations of gunrunning and Neutrality Act violations in May 1986 because of concerns that the convening of a grand jury would increase the probability of an investigation into these allegations by the Senate Foreign Relations Committee, one that might have lead to the revealing of the Iran/Contra affair months before it was ultimately uncovered. Second, I believe this is a significant question as to whether Justice Department officials sought to interfere with the committee investigation itself because of fears it might damage the administration's goal of support to the Contras.

It is my understanding that Independent Counsel Walsh is reviewing these matters as part of his criminal investigation in connection with the Iran-Contra affair. After considerable thought, I have decided that I will accept Mr. Bolton's assurances that he was not involved personally in the handling of the Foreign Relations Committee investigation by the Justice Department, and on the premise that his testimony has been candid, I vote to report out his nomination.

Should other material later call into question Mr. Bolton's statements to the committee regarding his noninvolvement with the improprieties I have reviewed, I will take steps as are appropriate to return to this matter, including calling Mr. Bolton, Mr. Bergquist, and others relevant to the situation, to determine what really happened at the Justice Department in 1986.

At the conclusion of this statement, I ask unanimous consent to print in the RECORD the text of the appendix from the Subcommittee on Narcotics, Terrorism and Foreign Operations report on Drugs, Law Enforcement and Foreign Policy, regarding the Justice Department's handling of the committee investigation in 1986. That appendix reviews in more detail the matters I have touched on here, and more fully suggests why I would not be able to approve this nomination if Mr. Bolton were indeed involved with this matter, contrary to his testimony before the Foreign Relations Committee.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ALLEGATION OF INTERFERENCE WITH THE COMMITTEE INVESTIGATION

The current Subcommittee investigation grew out of a probe conducted in the spring of 1986 by Senate staff of the Subcommittee chairman, Senator John Kerry. This investigation moved to the full Foreign Relations

Committee following an Executive Session of the Committee June 26, 1986.

The Kerry probe explored a variety of charges from a variety of sources that the Contras and their supply operations had engaged in weapons smuggling, narcotics trafficking, misappropriation of funds, and related offenses. The probe also explored allegations that the NSC and Lt. Col. Oliver North were managing Contra military operations and supplies during the period when such activity was proscribed by the Boland Amendment.

Among the specific allegations of criminal activity focused on by Senator Kerry's office were charges relating to alleged weapons shipments involving the Civilian Military Assistance Group and Cuban Americans in Miami active in supporting the Contras, including a number of persons who have since been indicted on Neutrality Act, weapons charges, or narcotics charges.

Beginning in April, 1986, Senator Kerry sought for eight months to convene public hearings regarding these allegations. No such hearings took place, in part because material provided to the Committee by the Justice Department and distributed to members following an Executive Session June 26, 1986 wrongly suggested that the allegations that had been made were false.

On October 5, 1988, the Subcommittee received sworn testimony from an Assistant U.S. Attorney that officials in the Justice Department sought to undermine the attempts by Senator Kerry to have hearings held on the allegations. The Subcommittee also learned that confidential transcripts of Committee proceedings had been provided to the Justice Department without authorization, and placed in the files of the then US Attorney for the Southern District of Florida, Leon Kellner, who was responsible for prosecuting the Miami Neutrality Act cases.

AUSA Jeffrey Feldman, who prosecuted the Neutrality Act cases in Miami related to the Committee's investigation, testified under oath that on November 18, 1987, he met with Tom Marum, assistant head of the Internal Security Division of the Justice Department, and with the head of the Division, John Martin. Feldman testified that at this meeting Marum stated that representatives of the Justice Department, DEA, and FBI met in 1986 "to discuss how Senator Kerry's efforts to get Lugar to hold hearings on the case could be undermined." (Feldman MemCon of November 18, 1987, time-stamped 10:47 am at the Criminal Division of Justice, subpoenaed by Committee; Feldman Testimony, October 5, 1988, p. 24)

Feldman testified before the Subcommittee that a result of Marum's statements, he:

"Became concerned because I felt that perhaps the reason that my investigation was delayed was because I was looking at the identical allegations that you [the Senate Foreign Relations Committee] was looking at. It made sense that if the Department didn't support your investigation, then they wouldn't support my investigation. I became concerned that my investigation . . . could . . . have been quashed because had they gone forward with it, it would have lent credibility to the allegations that you wanted to explore." (Subcommittee Testimony of Feldman, p. 29)

Feldman testified that following his meeting with Marum and Martin, he returned to Miami and reviewed documents given to him by Leon Kellner, the former US Attorney for the Southern District of Florida. Feldman testified that in reviewing these files he found a transcript of an Executive Session of the Senate Foreign Relations Committee, documents from the Committee investigation, and memoranda between Deputy Assistant Attorney General Kenneth Bergquist and Committee staff on coordinating efforts "to basically show that what you [Kerry] were saying wasn't necessarily correct." (Subcommittee Testimony of Feldman, p. 29)

Feldman testified that he has a number of questions regarding the information he found in the files provided him by US Attorney Kellner. "If [the Justice Department] opposed your investigation, did Mr. Kellner know about it, and if he did know about it, did he let that factor influence his decision in delaying my investigation? . . . Was my memo revised for disinformation purposes? Was it revised so that it could be used against you? In other words, if going to the Grand Jury would lend credibility to the [Senate] investigation, the opposite decision would take away from it, and if you had a memo to that effect, it would detract from the allegations that you were trying encourage the Senate to explore." (Ibid pp. 45-46)

Feldman testified that he had recently learned that his memo, classified "sensitive," had been leaked to the Senate Foreign Relations Committee. He testified that he had recently reviewed a June 26, 1986 memorandum prepared by Committee staff in connection with reviewing the Kerry allegations. Upon reviewing that Committee memo, Feldman determined that it incorporated information from Feldman's memo to Kellner, including some material which was "verbatim." (Ibid p. 48)

Feldman testified that his memorandum had a "sensitive" classification on it and was prepared because Kellner asked Feldman to produce it, not for the purpose of going to a Grand Jury. (Ibid. p. 51)

Feldman testified that he would not draw conclusions as to the meaning of the documents he found, but that the documents Kellner had given him, taken together with Marum's statements, had aroused "questions in my own mind again about why the memo was changed." (Ibid pp. 57-58)

Previously, Feldman had testified before the Iran-Contra Committees that a memorandum he wrote recommending that the cases he was investigating be taken to a grand jury had been rewritten without his knowledge in late May, 1986. Feldman testified that the recommendation had been changed to suggest that a grand jury would be merely a "fishing expedition." Before the Subcommittee, Feldman testified that the statements made by Marum could create an inference that the decision not to move to a grand jury had been taken in order to slow down the Foreign Relations Committee inquiry.

In testimony under oath, Marum denied having told Feldman that there had been an agreement to undermine the Committee's investigation into the allegations concerning the Contras. Marum also denied that he had ever participated in discussions to undermine or block Senator Kerry's attempts to hold Congressional hearings. Marum said it was true that the Justice Department and the other participants in the meeting were opposed to such hearings taking place. (Subcommittee Deposition of Thomas E. Marum, October 25, 1988 p. 56)

Marum testified that he was "totally unaware of anything that could even be construed as an unethical attempt to mislead the Committee." Marum added that he did "recognize that the Department saw no need to have hearings about a matter which we were handling." (Ibid p. 75)

On November 7, 1988, Assistant Attorney General Mark Richard testified that Feldman was "wrong" about there being any meeting attended by Richard in which there was any attempt to undermine Senator Kerry's attempts to have hearings. (Subcommittee Deposition of Richard, p. 37) Richard said he was aware of a meeting which had taken place May 2, 1986 regarding the Kerry allegations which he did not attend, and a second meeting on October 15, 1986, which he did attend. Richard testified that the latter meeting, attended by 20 to 25 people, went down the list of outstanding items requested by the Committee to inventory and respond to them. (Ibid pp. 38-40) Richard recalled that the DEA did not want to provide any of the information the Committee had requested. (Ibid p. 39) Richard emphasized that his concern was to respond to the Committee's requests, not to block them. (Ibid pp. 99-100)

Richard recalled seeing the transcript of the Foreign Relations Committee Executive Session of June 26, 1986, but could not recall where or from whom he obtained it. (Ibid p. 52)

Richard testified that he was "aware of nothing that I would characterize as a sinister effort to frustrate" the Committee. (Ibid p. 91)

Former Miami US Attorney Leon Kellner testified before the Subcommittee that he did not recall seeing most of the documents which Feldman testified he had been given as a file by Kellner. Kellner stated that he did recall previously reading the transcript of the June 26, 1986 closed session of the Committee which discussed allegations concerning drug trafficking, weapons violations, corruption and related charges concerning the Contras, but he did not know how he got the material. (Subcommittee Deposition of Leon B. Kellner, November 8, 1988 pp 10-11). Kellner testified that he talked to Justice Department spokesman Pat Korten in May of 1986 after Korten told The New York Times that the allegations concerning the Miami Neutrality Act cases had been investigated and found not to be true. (Ibid pp. 29-30) Kellner testified that he told Korten his statements had not been correct and it was improper to comment on pending investigations. (Ibid) Kellner said that if anyone had come to him and asked him not to go forward with a case because of national security reasons, Kellner would throw the person out of his office. (Ibid p. 34)

The Subcommittee obtained departmental correspondence from the Miami U.S. Attorney's Office between Associate Attorney General Steve Trott and Deputy Assistant Attorney General Ken Bergquist regarding the Justice Department's response to Committee inquiries in the spring and summer of 1986. These documents show that Bergquist sought to release some material from the Miami investigation in order to put to rest contentions that the Justice Department was engaged in a cover-up. These documents, including memoranda between Trott and Bergquist, further show that the Justice Department closely monitored press accounts of the Committee's interest in the allegations concerning the Contras. The memoranda, together with statements made by Justice Department officials to reporters writing about the allegations, also document that some officials in the Department of Justice sought to discredit both the allegations concerning criminal activity relating

to the Contras and the persons making these allegations.

Bergquist testified that he provided the Committee with the arrest records and law enforcement histories of four individuals who had been identified as the key persons making the charges concerning the Contras. (Subcommittee Deposition of Ken Bergquist, September 28, 1987, p. 17)

Bergquist testified that the Office of Legislative Affairs of the Justice Department was provided by July, 1986 with a copy of the "Feldman memo" regarding whether to take the Miami cases to a Grand Jury. He testified he might also have seen it earlier "when Leon Kellner came by." (Bergquist Deposition, p. 59) Bergquist testified that the Feldman memo was the only material he was provided from the investigative files of the Miami investigation, and that he received it from John Bolton who in turn received it from Mark Richards. (Ibid pp. 60, 82)

Bergquist testified that he never had participated in any effort to interfere with Congress or any committee of Congress, and had never knowingly misled Congress or any committee. (Ibid p. 65) More recently, Bergquist denied participating in "any deliberate attempt to undermine a Senate probe," but admitted the administration opposed the hearings. (U.S. News & World Report, December 5, 1988)

The testimony before the Subcommittee by these witnesses and the documents provided by the Subcommittee by the Justice Department conflict in many essential areas. However, the material does enable the Subcommittee to reach some conclusions as to what happened.

It is clear that:

1. Confidential materials of the Foreign Relations Committee were improperly provided to the Justice Department and to the U.S. Attorney responsible for deciding whether or not to bring allegations being investigated by the Committee to a grand jury.

2. Confidential law enforcement information from the Miami investigation was selectively made available to the Committee while the Miami investigation was pending, at a time when the Justice Department was taking the position that no such material would be provided the Committee on any pending case, and without the knowledge of the AUSA handling the case in Miami.

3. The Justice Department provided information to the Committee that tended to discredit the allegations being investigated. The Justice Department advised the Committee that the persons who had made the allegations to Senator Kerry's staff had significant credibility problems, and that there was no truth to the allegations under investigation by the Committee. Justice Department officials made similar statements to the press, attacking the credibility of potential witnesses and stating that the allegations under investigation by the Committee had been investigated and determined to be false.

4. The Justice Department did not provide information to the Committee that would have corroborated the allegations being investigated by the Committee, although the FBI possessed such information. In light of the information possessed by the FBI, the information that was provided to the Committee by Justice Department officials was misleading. Statements made to the press by Justice Department officials regarding the allegations were also misleading.

The conflicting testimony under oath raises serious questions about the actions of Justice Department officials which this Committee cannot answer:

1. Did the U.S. Attorney's Office in Miami decide not to convene a grand jury on allegations of gunrunning and Neutrality Act violations in May, 1986 because of concerns that the convening of a grand jury would increase the probability of an investigation into these allegations by the Foreign Relations Committee?

2. Did Justice Department officials seek to interfere with the Committee investigation, because the investigation might damage the Administration's goal of supporting the Contras?

Related questions are raised by entries in the personal notebooks of Oliver North which appear to concern the Committee and Kerry probes.

The declassified North notebook entries include references to the Kerry and Foreign Relations Committee investigations and investigators on April 18, 1986; April 22, 1986; May 1, 1986; May 13, 1986; June 2, 1986; June 17, 1986; October 15, 1986, November 19, 1986; November 21, 1986.

The entries show that North was provided with information regarding Senator Kerry's attempts to have hearings in the spring and fall of 1986, at a time when the information was Committee confidential.

The North notebook entries raise the further question of whether North and others working with North took steps to interfere with the Committee investigation.

In August, North's courier, Robert Owen, was asked by John Hull to transmit copies of falsified affidavits charging the Kerry staff with bribing witnesses to both the US Attorney's Office in Miami and to the Senate Ethics Committee. The US Attorney then provided a copy of these affidavits to the Justice Department in Washington. Shortly thereafter, these false charges against Kerry staff appeared in press accounts, while the Committee investigation was pending.

Taken together, these facts raise the question of whether North, Owen, and Justice Department officials may have sought to discredit the Kerry investigation because of concerns that it might harm the Administration's efforts to support the Contras.

The Subcommittee views the allegations—that high ranking officials, including officials in the Justice Department, may have acted in concert to obstruct the Committee investigation—to be quite serious. When high ranking officials deliberately provide false or misleading information to a Congressional investigation, the result is that the Congress cannot carry out its Constitutionally mandated responsibilities, and our system of government is put at risk.

ORDER FOR STAR PRINT—S. 847

Mr. MITCHELL. Mr. President, I ask unanimous consent that a star print be made of S. 847, the Uranium Enrichment Organization Act, to reflect the changes I now send to the desk. The section-by-section analysis of the bill as previously printed is correct.

The PRESIDING OFFICER. Without objection, it is so ordered.

FORTIETH ANNIVERSARY OF FOUNDING OF COUNCIL OF EUROPE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Concurrent Resolution 104, a concurrent resolution congratulating the Council of Europe of the 40th anniversary of its founding.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 104) congratulating the Council of Europe on the 40th anniversary of its founding.

The PRESIDING OFFICER. Without objection, the concurrent resolution is considered and agreed to and the preamble is also agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. GORTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORITY FOR COMMITTEES TO REPORT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the committees may file reported Legislative and Executive Calendar business on Monday, May 8, from 12 noon to 3 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE REPUBLICAN LEADER

Mr. GORTON. Mr. President, in accordance with S. Res. 106, section 2(a)(2)(B) on behalf of the Republican leader I hereby appoint the Senators listed below to the Central American Negotiations Observer Group: the Honorable CHRISTOPHER S. BOND of Missouri and the Honorable PHIL GRAMM of Texas.

ORDERS FOR FRIDAY

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 12 noon tomorrow, Friday May 5, and that on Friday the Senate meet in pro forma session only with no business being conducted.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TUESDAY

RECESS UNTIL 11 A.M.

Mr. MITCHELL. Mr. President, I ask unanimous consent that at the close of the pro forma session tomor-

row, the Senate then stand in recess until 11 a.m. on Tuesday, May 9.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that on Tuesday, May 9, following time for the two leaders there be a period for morning business not to extend beyond 12:30 p.m. with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MID-DAY RECESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate stand in recess on Tuesday, May 9, from 12:30 p.m. to 2:15 p.m. in order to accommodate the party luncheon conferences.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. MITCHELL. Mr. President, as I stated earlier, and I will repeat now for the information of Senators, there will be a pro forma session of the Senate tomorrow and no session of the Senate on Monday. On Tuesday the Senate will be in session but there will be no rollcall votes. There will be, it is now anticipated, rollcall votes on Wednesday of next week.

RECESS

Mr. MITCHELL. If the distinguished acting Republican leader has no further business and if no other Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess under the previous order until 12 noon on Friday, May 5.

There being no objection, the Senate, at 8:23 p.m. recessed until Friday, May 5, 1989, at 12 noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 4, 1989:

DEPARTMENT OF STATE

JOHN R. BOLTON, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF STATE.

ENVIRONMENTAL PROTECTION AGENCY

WILLIAM G. ROSENBERG, OF MICHIGAN, TO BE AN ASSISTANT ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

EXTENSIONS OF REMARKS

THE REFUGE WILDLIFE PROTECTION ACT OF 1989

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. GREEN. Mr. Speaker, I have introduced the Refuge Wildlife Protection Act of 1989. That legislation is necessary and appropriate to restore integrity to the management of the National Wildlife Refuge system. For the benefit of my colleagues, I want to review briefly the National Wildlife Refuge System, the destruction of wildlife on refuges, and the provisions of the Refuge Wildlife Protection Act of 1989.

The National Wildlife Refuge System is the world's foremost collection of lands and waters dedicated to the protection and enhancement of wildlife. The system was established not just to benefit individual animals, but also to benefit wildlife populations and whole species. The Refuge System was created in 1903 by President Theodore Roosevelt with the establishment of Pelican Island Refuge—in Florida—as an inviolate sanctuary for the protection of wildlife, principally birds. Since that small beginning, the National Wildlife Refuge System has grown to a spectacular system of 442 refuges, in every State but West Virginia, and I am pleased to note that efforts are now underway to establish a National Wildlife Refuge in West Virginia. Acreage is more than 90 million, with 13 million acres in the coterminous 48 States. It includes nearly every conceivable habitat from beaches, desert, mountains, and tundra to marshes, forests, grasslands, and glaciers.

The Refuge System provides a home during at least some time of some years for 71 endangered and threatened species, and thousands of other species of plants and animals.

But the National Wildlife Refuge System is more than just 442 isolated areas that provide home and life support for resident species. It is a system that provides critical nesting, migration, and wintering habitats for migratory birds and is critical to fulfilling our treaty obligations under Migratory Bird Treaties with Canada, Japan, Mexico, and the Soviet Union. It provides a coordinated network of critical areas to provide needed habitats in various places and times of year. And, over the years, this spectacular system has grown even more important to nonmigratory and migratory animals alike, as development and habitat destruction have enveloped so many other lands.

With this introduction some of my colleagues may yet wonder why I would introduce an act to protect refuge wildlife. Despite these beautiful habitats and areas, refuge animals all too often are under assault, even when they are on the very areas that should provide refuge. Indeed, over the years since refuges were established as inviolate sanctuaries, pressures to exploit their wildlife have grown. In recent years this pressure has become more and more intense and the responsible Government agencies have permitted more and more exploitation of refuge wildlife.

At first, pressure was slight, and the executive branch must have considered these few exceptions to the inviolate sanctuary concept to be insignificant. These few exceptions have grown into a major assault on the integrity of our National Wildlife Refuge System. Indeed, without the recognition of most of the Congress and without knowledge and agreement of the public, national wildlife refuges have become places where wildlife is routinely shot for sport, or trapped for commerce and recreation.

I must emphasize that I am not discussing wildlife killed on refuges as a rule of air or water pollution from outside the refuge, as bad as that would be, but rather I am discussing the intentional killing of wildlife on refuges for primarily commercial or recreational purposes.

Mr. Speaker, this makes a mockery of our entire refuge system. Certainly, the lands and water are stil beautiful, vital and important, but what of the concept of refuge or sanctuary for the wild animals that these areas should protect?

Last year, 259 national wildlife refuges were host to 557 different programs of sport hunting. Moreover, 91 refuges allowed commercial or recreational trapping. These programs resulted in death and wounding of more than 400,000 wild animals that refuges were established specifically to protect.

The animals killed by sport hunting or commercial trapping include arctic fox, grizzly bear, black bear, rabbits, woodchucks, coyotes, skunks, gray foxes, quail, geese, swans, doves, porcupines, wolves, moose, beaver, squirrels, red foxes, oppossum, bobcats, raccoon, mink, and river otter. Also killed are numerous ducks in spite of the fact that duck populations of species such as the black duck and others are at or near the lowest levels in history.

Mr. Speaker, the intentional killing of wildlife on those areas makes our efforts to stop insidious pollution on refuges laughable. How can anyone take seriously our resolve to protect wildlife on refuges from pollution when we allow the responsible Federal agency to conduct programs to kill wildlife for sport and recreation?

For these reasons, I introduce the Refuge Wildlife Protection Act of 1989.

The principal purpose of that legislation is to prohibit killing wildlife for sport, recreational, or commercial purposes on national wildlfie refuges. That bill establishes an orderly procedure whereby refuge managers may allow the killing of refuge wildlife for purposes other than sport, recreation, or commercial use of wildlife. For example, there may be times when refuge managers feel that it is necessary to kill one or more wild animals on a refuge for management purposes, such as to benefit the animals themselves, or to provide some overriding and necessary benefit to other wildlife living on the refuge. My bill would allow such necessary programs. Finally, the Refuge Wildlife Protection Act establishes that activities which are permitted on refuges directly affecting refuge wildlife must be conducted in such a way to ensure that such wildlife is treated in the most humane manner possible.

My bill also reaffirms that it is the policy of the U.S. Congress that national wildlife refuges are inviolate sanctuaries for wildlife. That principal was clearly enunciated in the early days of the National Wildlife Refuge System. The public overwhelmingly supports and expects a refuge system that requires refuges to be true sanctuaries for their wildlife inhabitants.

After all, according to a study by Yale University, a majority of the public opposes any hunting solely for sport or recreation. A majority of the public opposes trapping with the steel jaw trap for any reason. How much more will the public oppose sport hunting or commercial trapping on national wildlife refuges? We can all answer that question; for no one can seriously believe that a public that barely supports any sport or commercial killing of wildlife on any lands, will support such killing on a national wildlife refuge.

Finally, there may be concerns or questions regarding this legislation that need to be addressed now:

First, will that legislation permit wildlife management programs?

Yes. That legislation will permit any wildlife management programs which are otherwise permissible. Indeed, wildlife management programs will be unaffected. That legislation simply prohibits killing of wildlife for sport, recreational or commercial purposes, and makes certain that killing of wildlife for management purposes on national wildlife refuges is conducted as a last resort, is the minimum necessary, and is conducted in the most humane manner possible. These are reasonable and necessary restrictions for management programs which involve killing of refuge wildlife.

Second, is such detailed legislation necessary? Why can't we just prohibit incompatible activities?

That has always been my question. However, Congress has twice previously, in 1962 and in 1966, attempted to prohibit incompatible commercial or recreational activities. However, the agency is under intense pressure to allow recreational hunting and commercial trapping, and, as experience shows, without specific standards the agency will try to bend the rules just to continue to allow these activities.

Third, will this bill stop refuge personnel from killing an animal that has been injured or

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

is otherwise near death, and for which a quick and painless death is the only humane solution?

It is my intention that this bill not prohibit that kind of activity by refuge personnel. If the agency believes that this bill would prohibit such action I shall work with the agency and Mr. STUDDS' subcommittee to ensure that such human action is permissible.

Fourth, there are other abuses of national wildlife refuges; why not prohibit all of them at once?

There are other abuses such as excessive cattle grazing, timber cutting, and farming which reduce wildlife populations. However, such programs do not assault the very integrity of a wildlife refuge or the National Wildlife Refuge System in the manner of recreational hunting or commercial trapping. Indeed, farming and the other activities, if carefully designed and controlled, can be used to provide wildlife benefits; sport hunting or commercial trapping result in death to the animals that refuges should protect, and as such, assault the integrity of refuges themselves.

Fifth, does this protect fish on national wildlife refuges?

No. My bill is limited to wild vertebrate animals, excluding fish. The reason for that is that wildlife and fish have normally been separated in management programs. Clearly, the most egregious wrong occurring on refuges is the destruction of the wildlife which refuges were set aside to protect. My bill is limited to addressing that overriding problem.

Sixth, is this bill designed to affect currently legitimate and legal forms of subsistence hunting by native Americans?

No. My bill, by its terms and in its purposes is designed to address sport hunting and recreational or commercial trapping. It is not my intent to limit otherwise currently permissible native subsistence hunting of wildlife.

Seventh, were not refuge lands purchased by hunters? Does this not give hunters a special right to shoot wildlife on refuges?

Some refuge lands have been purchased with moneys derived from hunting—or duck—stamps. According to the 1985 Fish and Wildlife Service Reality Survey a maximum of only 3 million acres of land—or 3.4 percent of the Refuge System—have been purchased with such funds. The Refuge System contains, however, some 90 million acres of land, most of which has been withdrawn from the public domain or purchased with the land and water conservation fund moneys. Moreover, the fact that funds from hunting stamps were used to purchase refuge lands does not confer any right of hunters to hunt on those lands. That interpretation is consistent with the use of the land and water conservation fund. That land and water conservation fund is derived largely from revenues from offshore oil and gas leasing; however, lands purchased with those moneys, such as city parks and wildlife refuges, are not automatically open to oil and gas leasing. Rather than conferring some specific right to hunt, it is more logical to view revenues from hunting stamps or licenses as a check by society for the privilege of killing any of America's wildlife.

Eighth, are there other places for the public to hunt?

Yes, absolutely. National wildlife refuges constitute only 90 million acres, and all but 13 million acres are in Alaska. As opposed to that, there are 185 million acres of national forest and more than 260 million acres of Bureau of Land Management lands, virtually all of which are open to public hunting. In addition, there are millions of acres of private lands, State lands, and other Federal lands, on which hunting is allowed. Thus, it is clear that many other areas exist for hunting or trapping. Clearly, however, some people would rather hunt on a national wildlife refuge, and those people may be inconvenienced. That inconvenience is a small price for the safety of wildlife and the integrity which our National Wildlife Refuge System deserves.

Ninth, is this antihunting legislation?

Absolutely not. The question of whether hunting is desirable in America is another question entirely. The public is divided on the general issue, as the Yale University survey demonstrates. In my legislation, we discuss only sport or commercial hunting on national wildlife refuges. In essence, we are discussing whether the killing of wildlife for human sport or commercial purposes is legitimate on the one set of lands which were set aside by the U.S. Congress specifically to benefit and enhance wildlife.

I hope my colleagues will join with me in sponsoring and supporting this legislation.

THE BUSH EDUCATION PROPOSALS

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. VISCLOSKY. Mr. Speaker, the first high school graduating class of the 21st century entered first grade last September. They are our future workers, college students, taxpayers, soldiers, leaders, and America's hope. Or, if we accept the education proposals offered last week by President Bush, they are the future unemployed, teen parents, welfare recipients, and homeless.

Education is not only the key to each person's economic survival, it is essential to our Nation's long-term security and economic health. I see nothing in the fiscal year 1990 education budget proposal that President Bush has offered that will reverse the trend that have created an entrenched underclass. According to the Children's Defense Fund, in today's average class of 35 children, 9 are poor, 7 are at risk of becoming a teen parent, and 5 are at risk of dropping out of school. The Bush budget offers no relief for this national disgrace.

At best, President Bush's fiscal year 1990 budget freezes education spending at the fiscal year 1989 level, which amounts to a $900 million cut when taking inflation into account. At worst, most education programs could be included in the President's flexible freeze package. Such a freeze would be more devastating than even a Gramm-Rudman-Hollings sequestration. While sequestration would require an 8.2-percent across-the-board cut below baseline for every discretionary education program, a flexible freeze would require deeper cuts. In fact, $18 billion, or 86 percent, of the President's proposed education budget of $21.9 billion would be included in such a freeze. For example, chapter 1, which serves disadvantaged children, could be cut 46 percent, education of the handicapped 42 percent, vocational and adult education 44 percent, bilateral education 21 percent, libraries 22 percent, and student financial assistance 15 percent.

While it may be convenient for President Bush to ignore the effects of inflation, this is simply not an option for us—and more to the point—our Nation's children. Hopefully, Congress will reject President Bush's proposed education budget. However, I am deeply troubled that President Bush has even suggested such a freeze in the first place.

There is sound and convincing evidence that Federal education programs work. We can no longer afford to stand in the way of this progress. As a candidate, President Bush pledged to be our education President. It's our job to see that he delivers.

MIAMISBURG HAZARDOUS MATERIALS SPILL

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. HALL of Ohio. Mr. Speaker, on July 8, 1986, a train carrying hazardous materials derailed in my congressional district. Twelve thousand pounds of phosphorus and an undetermined amount of sulfur exploded and burned emitting poisonous fumes for 5 days. Over 30,000 people in the Miamisburg, OH area were evacuated and sent to convention centers and high school gyms, causing the largest evacuation in railroad history.

Now, almost 3 years later, we have not seen any substantial regulatory action to assure that another Miamisburg-type accident does not repeat itself. The Federal Railroad Administration [FRA] found that the carrier violated its own track maintenance rules, but has taken no action to prevent a future derailment. The National Transportation Safety Board [NTSB] found that the phosphorus-carrying tank car was over 20 years old and did not meet current design standards. Yet, thousands of these cars continue to carry hazardous materials into our cities and over our farmland.

Today I am introducing the Hazardous Materials Rail Safety Act to respond to some of the glaring problems that surfaced in the Miamisburg accident. My bill is intended to improve the transportation of hazardous materials by rail in the interests of public safety.

Our local officials in the Miamisburg and Dayton area demonstrated outstanding leadership in coordinating over 30 jurisdictional bodies in resolving this crisis. While over 600 people were treated at local hospitals, there were no deaths directly attributed to the accident.

Mr. Speaker, we were extremely lucky in Miamisburg and we must learn from it. We need to review our Federal policies as they

pertain to the transportation of hazardous materials by rail. We need to make sure that we are promoting the safe transportation of these materials so that other citizens across the country are not threatened by potentially deadly spills. My bill does three things:

First, it requires the Department of Transportation to develop emergency response procedures for railroads to follow when these accidents occur. Our Miamisburg firefighters and other emergency officials had trouble getting information about the types of hazardous materials on the train, and where they were located. My bill requires the train engineer or conductor to turn over this information and work with the local officials in responding to the situation.

Second, my bill will retire old tank cars, like the one that carried phosphorus through Miamisburg. That car was over 20 years old, and according to the National Transportation Safety Board [NSTB], it would not meet current design standards. However, because the car was already in operation when the regulations became effective in 1971, it was grandfathered in. My bill would eliminate that grandfathering and not allow these old cars to carry hazardous materials like phosphorus.

Third, my bill requires a DOT study to take a look at the whole design process of tank cars particularly with respect to public safety. Right now, DOT has delegated its authority to the Association of American Railroads [AAA] which designs tank cars. According to the Office of Technology Assessment [OTA], DOT is not involved in the design approval activities and does not attend sessions where designs are analyzed and evaluated. My bill requires the National Academy of Sciences to conduct a study of this process and determine whether public safety considerations require greater control by the Secretary of Transportation in this unique arrangement.

Finally, I should point out that while we have seen no direct regulatory action by the FRA since the Miamisburg accident, the industry has started voluntarily retrofitting or taking out of service the Miamisburg-type tank cars. I have been advised that the industry plans to retire or fix all similar cars by 1992.

This is an important step forward. However, I fear that with every passing day, these old tank cars continue to pose serious threats to communities across the country. I hope we can take them out of service immediately.

Mr. Speaker, I would like to share a copy of my bill and urge my colleagues in the House of Representatives to join me in supporting it:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLIE.

This Act may be cited as the "Hazardous Materials Rail Safety Act."

SEC. 2. FINDINGS.

The Congress finds that—

(1) according to the Department of Transportation, about 4,000,000,000 tons of regulated hazardous materials are shipped each year;

(2) the National Transportation Safety Board estimates that approximately 250,000 hazardous materials shipments are made every day;

(3) approximately 3,000 carloads of hazardous materials are shipped each day by rail;

(4) accidents involving the release of hazardous materials are a threat to public health and safety;

(5) rail accidents are particularly dangerous, because railroads were historically designed and planned to go through populated areas;

(6) the Department of Transportation has failed to issue regulations requiring information pertaining to hazardous materials to be shared with local firefighters and emergency responders, and has developed no uniform criteria directing train crews on proper procedures for communicating with local and other appropriate officials in the event of rail accidents involving hazardous materials;

(7) investigations by the National Transporation Safety Board have shown obsolete tank cars to be the cause of accidents involving the release of hazardous materials into the environment; and

(8) the Office of Technology Assessment has determined that while the Department of Transportation prescribes railroad tank car design specifications, it is not sufficiently involved in the design approval activities of the industry-based Association of American Railroads Tank Car Committee, and is not permitted to attend sessions where the designs are analyzed and evaluated.

SEC. 3. EMERGENCY RESPONSE.

The Hazardous Materials Transportation Act (49 U.S.C. App. 1801 et seq.) is amended by adding at the end a new section as follows:

"EMERGENCY RESPONSE

"SEC. 117. Without 18 months after the date of the enactment of this section, the Secretary shall, by regulation, issue emergency response procedures for rail carriers in accidents or other emergency situations involving the transportation and storage of hazardous materials, including requirements that—

"(1) copies of written information detailing the type and location of all hazardous materials carried on a train be carried on the train and be immediately provided to local emergency personnel responding to such accidents or emergency situations; and

"(2) employees on any train carrying hazardous materials, and other personnel of the involved carrier, that is in an accident or emergency situation provide technical assistance to local emergency personnel and other appropriate officials responding to the accident or emergency situation.".

SEC. 4. RAILROAD TANK CARS.

The Hazardous Materials Transportation Act, as amended by section 3, is further amended by adding at the end a new section as follows:

"RAILROAD TANK CARS

"SEC. 118. (a) No railroad tank car may be used for the transportation in commerce of hazardous materials unless such tank car at a minimum complies with standards for attachments imposed by the Secretary on new railroad tank cars as of the date of enactment of this section, through regulations issued under this Act, the Federal Railroad Safety Act of 1970, or any other law.

"(b)(1) The Secretary shall enter into a contract with the National Academy of Sciences for the performance by such Academy of a study of the railroad tank car design process, including specifications development, design approval, repair process approval, repair accountability, and the process by which designs and repairs are presented, weighed, and evaluated. Such Academy shall also make recommendations as to whether public safety considerations require greater control by and input from the Secretary with respect to the railroad tank car design process, especially in the early stages, along with such other recommendations as the Academy considers appropriate.

"(2) The Secretary shall report the results of such study and such recommendations to the Congress within 1 year after the date of the enactment of this section.

"(3) There is authorized to be appropriated for carrying out this subsection not to exceed $500,000.".

PUBLIC SERVICE RECOGNITION WEEK, MAY 1-7

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. HOYER. Mr. Speaker, today I ask my colleagues to join with me in recognizing our local, State, and Federal work force. This week, May 1-7 is "Public Service Recognition Week." It is an opportunity to express our gratitude and appreciation to those individuals who diligently perform the duties that keep our cities, States, and National Government in motion.

"Public Service Recognition Week" was organized 4 years ago by the Public Employees Roundtable, and is endorsed by the President's Council on Management Improvement. It is the intent of the roundtable, made up of groups that represent over 90,000 U.S. public employees, to educate the public about the significant contributions that civil servants make to our daily lives and to promote careers in the public service.

The observance of "Public Service Recognition Week" will be marked today by a celebration on the Mall with a series of speeches, bands, and exhibits from 10 a.m. to 5 p.m. In addition, ceremonies and events have been scheduled around the country. It is a day in which public servants can participate in an event which pays homage to their contributions.

I am sure that we in the Congress do not spend enough time thinking about the contributions that civil servants make to us including the printing and distribution of the CONGRESSIONAL RECORD in which this statement will appear.

For quite some time, civil servants have felt unappreciated, and with good reason. When the administration seeks to reduce the deficit, civil servant pay and benefits are the first to be scrutinized. We have witnessed the attempt in the current administration's budget proposal to eliminate the cost-of-living adjustment in fiscal year 1990 and limit future COLA's to an amount less than the rise in the Consumer Price Index. In addition, the administration proposed that the lump sum option, offered to Federal employees upon retirement, be eliminated. Furthermore, it was proposed that the Government's contribution to health insurance for employees and retirees be reduced.

Civil servants have carried the burden of deficit reduction for far too long. In fact, since 1980, Federal employees have contributed $101 billion toward deficit reduction by cuts in their pay and benefits. We need to revere our civil service work force and demonstrate our appreciation by achieving parity between public service employees and the private sector rather than attempting to reduce their benefits. We must recognize that the work that they perform is to the benefit of everyone.

Therefore, I would like to join in urging all OPM supervisors and other local, State, and Federal agencies to give those employees who can be spared, time to attend the ceremonies in honor of their accomplishments.

PRODEMOCRACY PROTESTS IN CHINA

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. YATRON. Mr. Speaker, today marks the 70th anniversary of China's May 4 movement of 1919 when students and intellectuals demonstrated in a quest for modernization and democracy. Seventy years later, China's students are still calling for democracy: freedom of speech, assembly, and the press, political reforms, and the opening of a student-government dialog. Exhibiting the largest protest since the Communists took power in 1949, 200,000 students marched on Tiananmen Square today.

This latest expression of the Chinese people's frustration with their Government was sparked by the death on April 15 of Hu Yaobang, the former General Secretary, who was forced to step down from his position in January 1987 after failing to stop prodemocracy student demonstrations. Hu Yaobang was regarded by many Chinese, especially students, as the standard-bearer of democratic change and intellectual freedom. His death is a tremendous loss to China's human rights community. It is very telling that Hu Yaobang expressed only two regrets in his life: his failure to come to the aid of a colleague who was denounced during the anti-rightist movement of the 1950's and his failure to resist engaging in self-criticism, or rather criticism of the prodemocracy movement, when he stepped down as General Secretary.

The last student demonstrations of this scale, in December 1986, were initially tolerated by the Chinese Government, but by January 1987 saw the induction of the campaign against "burgeois liberalization," resulting in the ouster of Hu Yaobang, the dismissal of academics, journalists and other party officials from their jobs. One journalist was arrested and sentenced to 7 years in prison for making a speech which was critical of official policies. I sincerely hope that the Government's current show of tolerance will not result in the same ends. We have already seen essentially the closure of the newspaper, World Economic Herald, and the dismissal of its editor, the declaration of three student organizing committees as illegal, and sightings of thousands of troops in Beijing. The Politburo has already characterized the leaders of the student protests as "counterrevolutionary" and has stated that they will be subject to arrest and imprisonment.

Mr. Speaker, the first step toward democracy and the establishment of basic human rights is the freedom of speech and dialog within and among every sector of a society. I would hope that China is moving in that direction with the enrichment of its people in mind and its place in the world community.

A TRIBUTE TO STEVE AND JOYCE WEINBERG

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. MATSUI. Mr. Speaker, it is indeed a pleasure to rise today to recognize two of my dear friends, Steve and Joyce Weinberg, on the occasion of their 25th wedding anniversary. Steve and Joyce are well-known members of Sacramento and have given much of themselves to the local community.

On March 25, 1989, Steve and Joyce were remarried under the chuppa in celebration of their 25th year of marriage. This unique ceremony included all of the bridesmaids and ushers from the original ceremony along with the Weinbergs' three daughters. The attendance at this event reflected the popularity of the Weinbergs in the community.

As the owners of a successful business, the Weinbergs play a vital role in the economy of Sacramento. In addition, they are widely known and esteemed in the local Jewish community. Steve and Joyce are very active in the Jewish refusenik movement, a movement to give Soviet Jews the freedom to emigrate. The pressure from this movement on the United States Government and, in turn, on the Soviet Government has allowed thousands of Soviet Jews to emigrate each month.

I offer my sincere congratulations to Steve and Joyce on the occasion of their 25th wedding anniversary and my appreciation for their work in the Sacramento community and on behalf of the Soviet Jews. I wish them both another 25 years of happiness and joy together.

TRIBUTE TO DR. JOHN H. VANDERZELL

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. GRAY. Mr. Speaker, I rise today to share with you the outstanding accomplishments of Dr. John H. Vanderzell, who, after 37 years of teaching, retires in June as professor of government at Franklin and Marshall College. It is fitting that we honor him today.

Dr. Vanderzell was born on July 11, 1924, and was reared in Rochester, NY. During World War II, he served his country in combat in Germany and in other parts of the European theater. In 1946 he enrolled at Miami University in Oxford, OH, where he was graduated Phi Beta Kappa in 1949 with a major in political science and minors in economics and sociology. It was in this year that he married Beryl Jane Schelter. They have since had three children: Susan J., John B., and David J.

In 1949 Dr. Vanderzell continued his education at Syracuse University, where he was enrolled in the Maxwell School of Citizenship and Public Affairs. His Ph.D. in political science was awarded in 1954.

In 1952 he began his long association with Franklin and Marshall College in Lancaster, PA, when he accepted an appointment to the faculty in the department of government. His recognized skills as a teacher placed him in such great demand that he also has held from time to time visiting appointments at Bryn Mawr University, the University of Pennsylvania, Geneseo State University, and Syracuse University.

During the 1950's he took time away from teaching to be the director of the research division and then acting director for the Bureau of Municipal Affairs for the Commonwealth of Pennsylvania. Moreover, he has been active as a consultant for the Pennsylvania Department of Education, the Pennsylvania Department of Community Affairs, and the Pennsylvania Economy League.

His proven adeptness at administration and the collegewide respect for his character, intellect, judgment, and leadership resulted in his appointment in 1969 as dean of the college at Franklin and Marshall—the second-ranking administrative post at the college and a position he held until the summer of 1974, when he returned to the faculty. When the same post became suddenly vacant in 1987, he was called upon to return temporarily to the deanship.

As a published scholar, Dr. Vanderzell has written "The Role of Law in Higher Education: An Administrative View" (Villanova Law Review, June 1972); "The Supreme Court and American Government" (Crowell, 1968), and "The Jury as a Community Cross-Section" (Western Political Quarterly, March 1966). He was also a contributor to Richard Frost, ed., "Cases in State and Local Government" (Prentice-Hall, 1968). In addition, he has written papers for the department of internal affairs and the Pennsylvania Economy League on topics such as municipal tort liability, county government under the Pennsylvania Constitution, and the scope of municipal power as interpreted by Pennsylvania courts.

Beyond these accomplishments in education, Dr. Vanderzell has long been a giving member of the Lancaster community. He served as chair of the Lancaster City Planning Commission for 7 years and since 1975 has been a member of the board of directors of Community Hospital. For 3 years he was president of the hospital.

Since he joined the faculty at Franklin and Marshall in 1952, several thousand students like myself who have passed through the college's ivy-covered halls have benefited from the legendary intellectual rigor of his classes. Hundreds of Franklin and Marshall alumni now in the ranks of the legal profession have profited from his wisdom and counsel as chairman of the college's prelaw committee. Dozens of

faculty colleagues have learned from his examples. Franklin and Marshall College today bears Dr. Vanderzell's imprint in so many ways. Although he is leaving active service on the faculty, it is my hope that his legacy will continue to influence the students of coming years.

A TRIBUTE TO JOSEPH E. BURNS, JR.

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. MORRISON of Connecticut. Mr. Speaker, Joseph E. Burns, Jr., of New Haven, CT, retires on May 1, 1989 after 29 years of dedicated service to organized labor. His career is marked by continuous achievement from the time he became an apprentice on the New Haven Railroad, through his service as directing general chairman of district 22 of the International Association of Machinists. The railroad industry has gone through many changes, and Joe was there through all of them, speaking out on behalf of the railroad machinists.

From beginning to end, Joe has been a railroad man. After being honorably discharged by the Navy in 1948, Joe returned to his hometown of New Haven and began working for the New Haven Railroad as an apprentice machinist. He became a member of the International Association of Machinists and began to be selected for leadership positions. In 1960, he was elected general chairman of district 43 which included his local lodge as well as all the others on the New Haven Railroad.

Joe's work for the union began on a small scale and gradually grew in scope. Following the merger and consolidation of many lodges and districts, Joe was elected to the post of directing general chairman of district 22. It was in this capacity that Joe made his greatest contributions. His responsibilities included negotiation, arbitration and servicing for all railroad machinists east of the Mississippi, as well as one Canadian lodge. One hundred local lodges and 20,000 union members fell under his purview.

Although Joe's professional responsibilities extended across the Nation, he maintained his roots in the New Haven community. He was a member of the executive board of the Greater New Haven Central Labor Council, AFL-CIO, sat on the board of directors of the Greater New Haven Central Labor Council's building committee for the Trade Union Plaza, and was the first director of the State machinists political action committee. And he did all of this while he and his wife, Irma, were raising nine children.

The railroad members of the International Association of Machinists have been fortunate to have a man of Joe's caliber leading and serving them. The work he has done has made the jobs of thousands of railroad machinists better and more secure. The thanks he receives from his fellow machinists is for a job well done.

TRIBUTE TO JAMES H. McJUNKIN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to bring to my colleagues' attention, the long and distinguished career of an outstanding citizen in my district, Mr. James H. McJunkin. On February 1 of this year, Jim assumed the post of international trade and marketing adviser for the Port of Long Beach, the second largest port in the United States.

Since coming to the Port of Long Beach, Jim McJunkin has traveled more than 2 million miles selling the cargo facilities of the Port of Long Beach to the trading and shipping industries around the world. During that same period, total annual tonnage moving through Long Beach has more than quadrupled, making Long Beach the leader in cargo among west coast ports. Port operating revenues increased nearly tenfold this same period.

James is a second-time president of the California Association of Port Authorities, vice president of the American Association of Port Authorities, and is first vice president of the International Association of Ports and Harbors. He is a past chairman of the board for the Foreign Trade Association of Southern California, as well as a current member of the National Coal Council. Jim also sits on the prestigious Intergovernmental Policy Advisory Committee, a blue-ribbon Federal group that analyzes international trade impact at the local and State levels.

Most recent among his many honors is receiving the annual Stanley T. Olafson Bronze Plaque Award for outstanding service in world trade presented by the Los Angeles Area Chamber of Commerce at its 62d World Trade Week luncheon.

A University of Arizona graduate, Jim is licensed as a law practitioner before the Interstate Commerce Commission and the Federal Maritime Commission. Prior to joining the port staff, he was general manager of the Northern California Ports and Terminals Bureau before being named traffic manager by the Port of Sacramento.

My wife, Lee, joins me in extending our congratulations to Jim McJunkin. He is a remarkable individual who has contributed greatly to developing the Long Beach Port into one of the Nation's finest. On behalf of the entire community, we wish Jim and his wife Mary, all the best in the years to come.

OZONE AWARENESS WEEK IN MANCHESTER

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mrs. KENNELLY. Mr. Speaker, concern about the deterioration of the ozone layer is growing, and certainly knowledge about the causes of this problem has increased dramatically in the town of Manchester, CT, thanks to a special project conducted by the sixth graders at Bowers Elementary School.

As part of that project, these students wrote "letters to the editor" expressing their concern and calling for action. I am inserting in the CONGRESSIONAL RECORD at this point the letters printed by the Manchester Herald on March 17:

BOWERS SIXTH-GRADERS WRITE LETTERS ABOUT OZONE AWARENESS

I am writing to warn others about the fact that we, and our earth, are becoming endangered. How? Well, certain human causes are breaking down our ozone layer and making our endangered earth even more endangered.

What is ozone? Ozone is a natural gas present in the atmosphere that partially blocks ultraviolet rays from reaching the earth's surface. Without our ozone, ultraviolet rays are allowed to reach the earth's surface, causing many cases of skin cancer. It is a fact that five years ago it was more common for people of age 40 to get skin cancer but now even people of age 20 are getting it.

My opinion is that the things ruining and breaking down our ozone layer, such as CFCs (chlorofluorocarbons), should not be used or should be used less. So all it takes is a little cooperation from you and many others to use less Styrofoam, aerosol cans, refrigerators and halons, and our earth's future would no longer be endangered—neither would mine!

DONNA EDWARDS.

The CFCs in Styrofoam, refrigerators, aerosol cans and other appliances are breaking down the ozone layer. The ozone layer helps keep ultraviolet rays from getting down to earth. The ultraviolet rays are harmful to us in many ways, as they can cause blindness, skin cancer, eye cataracts and damage to the immune system.

Other uses of ozone are bleaching fabrics, fats and oils. The ozone also cleans the air. If we don't do something about the ozone layer now, we may never live to see the year 2020. That's pitiful!

Help save the ozone layer.

KELLIE GRADY.

My sixth-grade class at Bowers School is working on a project about the ozone layer. We are concerned and we would like a cutdown on halons and CFCs (chlorofluorocarbons). CFCs, which are found in Styrofoam, aerosol cans and refrigerants, destroy the ozone layer.

When Styrofoam is broken, CFCs come out and destroy the ozone, aerosol cans, when sprayed, let out CFCs.

Skin cancer was usually only found in older people (40-plus people), but now it is found in younger people. CFCs cut down on the ozone layer and let ultraviolet rays through, which can cause skin cancer, eye cataracts, and cause damage to the immune system.

The ozone is being destroyed more than it used to. We already have a hole in the ozone layer over Antarctica and Australia. We hope that people will stop using CFC products (Styrofoam, aerosol cans and refrigerants) and stop ruining our lives.

SARAH CLANCY.

I am very concerned about the breaking down of the ozone layer. I think the use of chlorofluorocarbons (CFCs), gases which

break down ozone, is too great. CFCs are used in refrigerators, aerosol cans and Styrofoam. When you break Styrofoam or spray aerosol it releases harmful chemicals which destroy ozone.

Ozone, a natural gas found in the upper stratosphere, blocks most of the harmful ultraviolet rays (from the sun) from hitting the earth's surface. Ultraviolet rays are dangerous because they can cause skin cancer and blindness and may harm plant and marine life.

I fear further depletion of the ozone layer may destroy some types of life. They are beginning to cut down on CFCs but I think more should be done.

BRIAN GRADY.

At this very moment our ozone layer is being destroyed. Chlorofluorocarbons (CFCs), found in Styrofoam, aerosols, refrigerators, air conditioners, fire extinguishers, etc., are causing this. I think factories should stop producing aerosols and Styrofoam, and find and equally helpful substitute.

If we don't take action soon, there will be many horrible cases of skin cancer, and we won't be able to go outside, because the sun's ultraviolet rays will be very deadly. This is more important than hairspray for your hair and air fresheners to make your houses smell good. Our lives are at stake.

TRACY DEVINE.

My concern is about the ozone. The ozone is a mixture of gases that help protect us from the sun's ultraviolet rays, which cause blindness, skin cancer and severe burns. The ozone layer is deteriorating because of CFCs and a gas called halons. CFCs (or chlorofluorocarbons) are gases that are in Styrofoam food containers, aerosol cans and refrigerants. We need to cut down the use of these products.

I know I may be upsetting many businesses, but I have a solution. I think every fast-food restaurant should have paper containers like Burger King and Kentucky Fried Chicken have. For aerosol cans, I think they should all be pumps.

There are at least one or two holes in the ozone layer along Antarctica and Australia. So please cut down on using products like aerosol sprays and Styrofoam, unless you don't want to live anymore.

SHANNON SHIRSHUE.

Our sixth-grade class has been working on the ozone problem. We split up into groups and got a whole bunch of facts together. We talked about what was affecting the ozone layer such as aerosol cans, Styrofoam and refigerants. And we're also trying to help prevent people from using CFCs (chlorofluorocarbons).

Some of our facts: It takes two years for CFCs to reach the stratosphere. If the ultraviolet rays were to hit the earth it could cause blindness, severe skin cancer and burns. Five years ago people at age 40 had skin cancer; now at age 20 they are getting it more and more.

I think people are overusing products that damage the ozone layer. They're not even considering what will happen if the ozone breaks down. I'm really concerned what will happen if people just don't consider the consequences.

What will happen to people who do care about our ozone? How will that make them feel? Will they just keep on what they were doing? Or will they keep fighting to keep the ozone and people alive?

But we have to start off small because Styrofoam and refrigerators are big products. If we start off big it could put a lot of people out of jobs.

Our ozone is what is keeping us alive. If people don't start to care we will be destroyed. We're trying to stop people from just sitting and not caring. Please get off your chair and care.

JEN BROWN.

I'm reacting to the ozone problem. CFCs (chlorofluorocarbons) and halons are destroying the ozone layer. Ozone is found in the layers of the atmosphere. The destructive CFCs are found in aerosol cans, refrigerators and Styrofoam. Halons are found in the foam the firemen use to put out fires.

It takes two years for CFCs and halons to reach the stratosphere. There are already holes in the ozone layer over Antarctica and Australia.

I think that they should stop using sprays, Styrofoam, foam and aerosol cans, and stop putting CFCs in refrigerators.

EMILY BURRELL.

I am writing on a subject which will affect lots of generations: the ozone layer. Many people over age 20 don't even know what the ozone layer is. We must inform them. In my school we are trying to help preserve the ozone layer. We are losing our ozone layer quickly. If we keep using CFCs and halons, our ozone layer will be totally destroyed.

The ozone layer is found mostly at the altitude of 19 miles (30 kilometers). We already have holes in this ozone layer over Antarctica and Australia. The Arctic ozone layer is now endangered. With these holes in the ozone layer, the skin-cancer age average has dropped from 40 to 20. If we stop using CFCs (that are found in aerosol cans, refrigerators, and Styrofoam) and halons (found in the special foam firefighters use in putting out fires), maybe the ozone layer would heal itself. It would be nice to live to see my 60th birthday!

SARA BLACKER.

We have a problem: Our ozone layer is being destroyed by CFCs (chlorofluorocarbons) and halons. The ozone blocks the ultraviolet rays. If too much of them reach the earth (and they are) it would cause severe skin cancer, blindness and burns. People at age 40 usually get skin cancer but now they are starting to get it at age 20.

There are holes in the ozone layer over Antarctica and Australia. We don't want that to happen any other place, so let's cut down on Styrofoam and aerosol cans because they are destroying the ozone layer. If we don't do something about the loss of ozone now, we will die sooner than we should. I want to live and so does everybody.

Save the ozone layer!

JESSICA HAMELIN.

I think the ozone layer should be saved. Do you even know what's happening to the ozone layer? Do you even know what the ozone layer is?

I know there are millions of problems in our world today, but a major one is the ozone layer problem.

The problem I'm reacting to is the ozone layer breaking down. The ozone layer blocks harmful and sometimes deadly ultraviolet rays. These rays can cause skin cancer and blindness. The chlorofluorocarbons, CFCs for short, are the chemicals that break down the ozone layer. CFCs can be found in cars, refrigerators and Styrofoam. Halons are another chemical that could ruin our future. Halons can be found in firefighting equipment. This could be a problem. I hope you become more aware.

TOBY LLOYD.

Recently, many problems have come up in our environment. One of them is the deterioration of the ozone layer.

The ozone layer is a protective shield that blocks out the sun's ultraviolet rays. Ultraviolet rays can cause such problems as blindness, cataracts, skin cancer, severe sunburns and deficiencies in the immune system. Five years ago, the average age of a person with skin cancer was 40 years, but now the average age is 20 years.

The main cause of this problem is a man-made chemical called cholorofluorocarbons (CFCs). CFCs are found in Styrofoam industrial solvents, refrigeration units, freon tanks, and aerosol cans (which are now illegal). Another harmful chemical is halon, which is found in firefighting equipment.

I think people should try to cut down on their use of CFCs. This will, in turn, reduce the percentage of ultraviolet rays reaching earth. This will lead to less skin cancer in the future.

A treaty has already gone into effect to reduce the production of CFCs in 46 by 80 percent in the near future, but we, as citizens, should help out as much as possible.

After all, it's our world we've got to save!

SEAN FLETCHER.

The ozone layer, a mass of gases 15 to 20 miles above the earth's surface that protects our planet from the sun's deadly ultraviolet rays, is being depleted.

it's an accepted fact that chemicals used in the construction of air conditioners, aerosol sprays and Styrofoam products are the main culprits in the destruction of the ozone layer.

Businesses should start an immediate search for substitute chemicals in the manufacturing of such necessary items. Government could do its part by helping businesses with the cost of researching and producing these substitute chemicals.

JEFF EAXIDE.

A very serious danger to our world today is the destruction of the ozone layer. This is caused by the use of Styrofoam, aerosol cans and refrigerants.

There are harmful gases in these objects that break down the ozone. the two main gases are CFCs (chlorofluorocarbons) and halons. It actually takes two years for CFCs and halons to reach the stratosphere and damage the ozone layer.

What I'm really worried about is too many ultraviolet rays. If too many ultraviolet rays were to hit the earth, it would cause blindness, severe skin cancer and burns. Today, people are getting skin cancer at much earlier ages than they were just five years ago. Scientists now think that 5 percent less ozone in the earth's atmosphere would allow 25 percent more ultraviolet radiation to reach the United States, and the layer of the ozone's shield protects us from 95 to 99 percent of the harmful ultraviolet rays. For these reasons we must find alternatives to the use of aerosol cans and Styrofoam.

LAURA SMITH.

The problem that I'm concerned about is the ozone layer! The ozone is usually found in the upper regions of the atmosphere. The greatest concentration is at the altitude of 19 miles. Ozone is produced naturally

through photochemical and electrical discharge. Ozone is a natural gas present in the atmosphere that partially blocks ultraviolet rays from reaching the earth's surface. If the ultraviolet rays would happen to reach the earth's surface it would cause severe skin cancer, blindness and burns.

You probably think the ozone is not important, but it cleans the air and absorbs dirt and soot and breaks them up. Ozone is used to bleach fabrics and certain oils and fats, too.

CFCs, which are cholorofluorocarbons, and halons destroy the ozone layers. It takes two years for CFCs (which are in Styrofoam, aerosol cans, refrigerators) and halons to reach the stratosphere.

Now you can do something about it. Cut down on Styrofoam and aerosol cans, and help us try to save our ozone layer. Your grandkids may have a nicer life if you do.

SARA BUTLER.

Our ozone layer is being destroyed by two chemicals found in Styrofoam, aerosol cans and refrigerators. These gases seep into the atmosphere each time you spray an aerosol can, break Styrofoam, or when the coolant in your refrigerator, air conditioner and automobile leaks out. These gases are called halons and chlorofluorocarbons (known as CFCs.)

Without our ozone layer the sun's deadly ultraviolet rays will cause skin cancer, blindness and severe skin burns.

Just five years ago people at the age of 40 were getting skin cancer but now people at the age of 20 are getting skin cancer, blindness and severe burns.

If we were to ban Styrofoam and cut back on the use of aerosol cans to reduce CFCs and halons we would save the ozone layer!

If you want you and your family to live a happy, healthy and longer life, help save the ozone layer.

JESSICA SKOOG.

I am writing out of concern about the ozone layer depletion. CFCs (chlorofluorocarbons), found in Styrofoam products, aerosol cans, refrigerators and some air conditioners, destroy it.

Many little children break up and bite Styrofoam cups. I think that is wrong, because CFCs leak out and eat away at the ozone. Ozone is important for other reasons, too. It has strong cleaning abilities. It reacts with dirt and soot, and causes them to break up.

Five years ago, people in their 40s had skin cancer. Now it's common for people in their 20s to get it, because the holes in the ozone are letting in ultraviolet rays. The deterioration of the ozone layer also causes skin burns (severe) and eye cataracts. So please, please, please stop using CFCs.

ANNE MARIE BRENNAN.

I'm concerned about the problem with the breakdown of the ozone layer. Why is this so important? It's important because if people don't do something about it now, not only people older than 40 but also as young as 20 can get blindness or skin cancer from harmful ultraviolet most of which would have bounced off the ozone layer in the upper atmosphere.

Chlorofluorocarbons (CFCs) released into the air float up and destroy the ozone layer. CFCs are found in plastic foams, spray cans can cooling systems like refrigerators and air conditioners.

Individual people can make a difference. Each could cut back on using Styrofoam because Styrofoam has CFCs trapped inside. When people break or bite Styrofoam they release CFCs into the air!

So every little part you break damages yourself!

JOCELYN SCHNEIDER.

People should stop using chlorofluorocarbons (CFCs) in Styrofoam, aerosol cans and refrigerators. People don't realize the danger of CFCs. For one thing, the ultraviolet rays can cause blindness and severe skin cancer. If people cut down on CFCs maybe the world would last a little longer.

It takes two years for the CFCs to reach the stratosphere and there are already holes in the ozone layer over Antarctica and Australia.

Recently 46 nations signed a treaty that went into effect on Jan. 1. The treaty cuts back on the production of CFCs. By 1994 most nations should cut back on their CFCs by 20 percent. By 1999, 30 percent. So by 1999, the CFC usage should be cut back by 50 percent.

The treaty is a good idea because if we cut back on the usage of CFCs then we may not lose our ozone. But if we don't cut back, we are in danger.

Through our awareness, we can make the world a safer place to live and breathe.

ERIN LEARY.

One of today's problems is the decreasing of our ozone layer. The ozone layer blocks ultraviolet rays that can cause skin cancer and other health problems.

CFCs are destroying the ozone layer. The use of Styrofoam, aerosol cans and refrigerators should be banned. They are eating our ozone layer every day of our lives. Therefore, I think that the United States of America should cut back 100 percent of the use of CFCs and halons.

So let's start to protect the ozone layer because it is protecting us every day.

JEFFREY JOHN REID.

There is a big problem today that we, the people of this wonderful world, cannot ignore any more. This hazardous problem is about the CFCs, an abbreviation of chlorofluorocarbons, and the halons which destroy a three-layered atmosphere which contains ozone. The ozone layer is destroyed by objects that you and I use every day, such as Styrofoam for packing, aerosol cans and refrigerators. When these objects are broken down, the CFCs and halons are freed. It takes two years for these gases to reach the stratosphere. The stratosphere is the upper part of the atmosphere. There already has been damage to the ozone layer in Australia and Antarctica.

I know that the people working for companies like McDonald's, Wendy's, Stop & Shop and so on sometimes are disagreeing with this because of financial reasons or for other personal reasons. But you must think about your lives and people who you care about. So start realizing and stop our destruction of the ozone layer.

On Jan. 1, 46 nations signed a treaty. These 46 nations would have to cut back on the usage of chlorofluorocarbons and halons by more than 50 percent by 1999. Even though we are trying so hard to find the proper solution for the problem, we should work harder and have a better average on these cutbacks. So you must realize that we're all working on this problem as a team.

DARREN REITBERG.

The ozone layer protects us from dangerous ultraviolet rays reaching the earth's surface. CFCs, which are in Styrofoam and aerosol cans, along with halons destroy this ozone layer. It takes two years for CFCs and halons to reach the stratosphere and there is already an ozone hole over Antarctica and Australia.

Scientists think that 5 percent less ozone would allow 25 percent more ultraviolet radiation to reach the United States and if it does it will cause blindness and skin cancer. We must stop CFCs and halons by the year 2000.

JASON STETSON.

JASPER DORSEY

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. DARDEN. Mr. Speaker, one of Georgia's truly outstanding citizens, Jasper Dorsey of Marietta, recently lost his wife of 51 years. For all of us who know Jasper, and who knew his wife Callender Dorsey, it was a tremendous loss; we share with him the grief over her passing, even as we rejoice in the meaning of her life.

Jasper Dorsey has been a giant in the civic life of our State throughout his adult life—from the days when he held various posts for AT&T, through his leadership of all Southern Bell operations in Georgia and into his retirement years. He has accomplished more than most people ever dream of accomplishing.

Still, in a newspaper column he wrote shortly after his wife's death, Jasper was quick to point out that the love he has received from what he called the women in my life will always be his most treasured possession. In his syndicated column, which is carried by newspapers throughout Georgia, he wrote eloquently of what his mother, his wife, his daughter, and his mother-in-law did for him, and meant to him, over the years.

Although I never knew Jasper's mother-in-law, Sally Cobb Hull Weltner, I am pleased that I have known the other three women in his life. When I moved to Marietta shortly after graduating from law school more than 20 years ago, I rented a room from his mother, Annie Robertson Coryell Dorsey. I knew her only briefly, but I know well the personality and spirit which Jasper described in his recent column.

Callender Hull Weltner Dorsey shared her life with Jasper for more than half a century, and her influence on his life and career were immeasurable. His daughter, Sally Hull Dorsey Danner, continues to bring joy to him each day.

Mr. Speaker, I would like to have included in the RECORD a copy of this March 31 column by Jasper Dorsey, in which he reflects on the impact four strong, intelligent, and loving women have had on his life.

JASPER DORSEY

Your indulgence for a moment please, because this is a love story. It is about the women in my life.

Neither time nor space is adequate to do justice to any of them; so, this is merely a

tiny tribute to their magnificent influence upon my life.

If being cherished and loved is real wealth, and I believe it is, then no man is truly richer than I. They are always gentle on my mind and memory. They are my pleasingly unforgettable characters, each in a special dimension.

The first woman in my life was my Mother, Annie Robertson Coryell Dorsey, (1893-1967) was born in Marietta, GA, married John Tucker Dorsey there in 1912 and lived among friends in that small town all the days of her useful life.

She gave me the secrets of happiness: Not so much in doing what you like, but in liking what you have to do; if you want happiness, try giving it away to others; and to always be useful. She believed anyone could make a difference if they tried hard enough. She taught me her religious faith by the way she lived.

People who lacked vision irritated her, especially politicians or church leaders. She often quoted the scriptures to them on the subject, always with a smile and with an affectionate, impatient admonition. She had no pretensions and possessed a true Christian humility. My Mother took her religion seriously.

Patient with ignorance or inexperience in the unlettered, my Mother was intolerant of bad manners or things she considered wrong or anyone's failure to try. Her levels of energy and enthusiasm were so high that if she wanted you to do something, it was easier to just do it, than to try explaining why you couldn't.

Another woman in my life was Sally Cobb Hull Weltner (1887-1957). As my wife's mother, she thereby gave me my life's greatest asset. One of the least judgmental of women, she even learned to love me, after awhile. Her five children were marvelously taught by precept and example to love God and their neighbor as themselves. In her last illness she also taught them courage and a stoic acceptance of pain she could not change.

The youngest woman in my life is Sally Hull Dorsey Danner, our daughter. She has inherited all the good qualities of her mother and both her grandmothers and none of my aberrations. She has a unique quality of enthusiasm for things she supports and a compelling ability to organize others to produce exciting events.

These women shaped my life in inspirational and highly motivational ways. All are unique characters whose tolerance of me was exceeded only by their affection. It's especially pleasing that so many others agreed with my assessment. They made my success possible, they also made it necessary.

The woman who gave a marvelous dimension to my life was Callender Hull Weltner Dorsey (1915-1989). Ours was a college romance. Marrying her over fifty-one years ago was the best thing I ever did. Her decision to share her life with me was my greatest gift. The years flowed by so swiftly and excitedly—none have been better than those.

She had a spritely personality, a lilting laughter, a remarkable sense of humor, an unlimited intellectual capacity, infinite charm, a keen sense of understanding people and great compassion for the unfortunate. She was different, in the nicest way.

We lost her March 15 after a long, painful and wasting illness. She faced it with great courage and a light-heartedness which made her friends proud.

The women in my life have been lovely, charming and unique. "Age could not wither them, nor custom stale their infinite variety." They've been great fun. More than that, they have been awesome.

OLDER AMERICAN MONTH

HON. JIM LIGHTFOOT

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. LIGHTFOOT. Mr. Speaker, recent trends indicate the number of older Americans will continue to rise. My own congressional district is comprised of a large segment of older Iowans.

The month of May has been designated as Older Americans Month, a time when our Nation recognizes the role and contributions of its older citizens. Since 1963, the President of the United States has set aside this month to pay tribute to a group who has contributed greatly to this Nation's history and future. I was pleased to cosponsor legislation celebrating Older Americans Month.

So today, I rise to pay tribute to Bernice Lynn, an older Iowan, who exemplifies the community spirit. Bernice is a youthful 82 who devotes much of her time to others. Bernice has been an active member of the Daughters of the American Revolution for 44 years. In addition, Bernice volunteers her time at two local nursing homes, providing assistance and company for those in the need of a little extra companionship and attention. Bernice also acts as liaison for nursing home residents at the local hospital. Bernice has spent countless hours contributing to the political process. She is an active campaigner and exercises her rights to support the candidate of her choice.

Mr. Speaker, I am sure my colleagues, the people of Shenandoah, IA, and all of the fifth district wish to join me in congratulating Bernice Lynn for her unselfish dedication and giving in the service of her community and country. I hope that both young and old alike will seek to emulate her spirit of selflessness and kindness.

NATIONAL BICENTENNIAL COMPETITION ON THE CONSTITUTION AND BILL OF RIGHTS

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. BLILEY. Mr. Speaker, this week, in our Nation's capital, over 950 young people from 44 States have gathered to participate in the National Bicentennial Competition on the Constitution and Bill of Rights. I am proud to announce that a team from Thomas Dale High School in my congressional district is representing Virginia. These young scholars have worked hard to reach the national finals by winning the district and the State competitions and I would like to wish them the best as they compete for the national title.

The members of the Virginia team are: Robert Bruce Alexander, Aimee Michele Amos, Tabitha Jan Bishop, Wayne Y. Chang, James Chih-Jong Chiu, Christopher Brian Cole, Jennifer Rose Commander, David Alan Crumpler, Michael David Damour, Stephanie Nicole Day, Jeffrey Robert Downes, Noelani Tara Gardner, Bethany Paige Goodwin, Eric Sean Heinz, Keith Michael Jones, Patricia Elizabeth Kellerman, Alesa Lynn Knowles, David Kung, David Arthur Layman, Jr., Kevin Ray Mullins, Laura Leanne Newbanks, Steven Lee Organ, Raaj Kumar Popli, David Jackson Shelton, Victoria Lynn Sims, Laurie C. Walton, and Amy Lynn Woolard.

Along with the students, their teacher, Pamela Tuskey, deserves much of the credit for the success of the team to date. As well, Jan Westbrook, the district coordinator, and Warren Stewart, the State coordinator, have worked hard to help their team reach the finals.

The National Bicentennial Competition on the Constitution and Bill of Rights is the most extensive educational program in the country developed to educate young people about the Constitution and the Bill of Rights. With the support of Congress, the active involvement of Representatives and Senators, and the efforts of thousands of civic and education leaders, the program's achievements over the past 2 years have been dramatic: 1,022,320 students have studied the curriculum; 14,381 teachers are teaching the course; 420 congressional districts and five territories have fully functioning programs; 393 U.S. Representatives are participating in their districts, and 92 U.S. Senators are supporting the program in their States.

The program provides students with a specially designed 6-week course of study designed to provide upper elementary, middle, and high school students with a fundamental understanding of the Constitution and Bill of Rights and the principles and values they embody. Students complete the instructional portion of the program with a test designed to measure their "constitutional literacy" and receive a certificate of achievement signed by their U.S. Representative.

High school participants then enter a nationwide series of competitions at the congressional district, State, and national levels. Students testify before a panel of experts at a simulated congressional hearing designed to measure understanding and capacity to apply principles being learned to historical and contemporary events. Each year, the National Bicentennial Competition culminates in 3 days of intensive competition among classes from almost every State in the Union.

Mr. Speaker, the need to educate our young people about the Constitution and Bill of Rights is well documented. Studies have found that only slightly more than half of the students surveyed were able to indentify the original purpose of the Constitution. Nearly half thought the President could appoint Members of Congress and one-third thought he could adjourn Congress when he saw fit. Indeed, another survey conducted on behalf of the Hearst Corp. suggested that over half of Americans thought that the Marxist credo "from each according to his ability, to each

according to his need" can be found in the Constitution. Most alarming was the finding that a greater proportion of today's students display antidemocratic attitudes than did students in 1952.

The benefits of this educational program are clear and it is making a difference among the over 1 million students who have studied the program. A recent study has shown that the national Bicentennial Competition Program has increased the constitutional literacy of our young citizens. Students in classrooms all over the country are debating the issues that concerned the Founding Fathers and demonstrating how the Constitution's basic principles apply to them today with an extraordinary level of understanding.

The preservation of our freedom and our Nation depends upon our young people, the decisionmakers of tomorrow. We have much to gain from educating them about the Constitution, the Congress, and the continuing responsibilities of citizenship. I am proud to have students from my congressional district in the national finals and I commend each of them and their teacher for their hard work.

TRIBUTE TO EAST MANHATTAN SCHOOL

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. GREEN. Mr. Speaker, I rise to pay tribute to an institution that I am very proud is located in the district I represent, the East Manhattan School for Bright and Gifted Children. I know my colleagues join with me in congratulating the faculty and students as the school observes its 20th anniversary at a ceremony this weekend.

One of the pioneers in educating the gifted child, East Manhattan School combines the most salient elements of the Montessori, Piaget, and John Dewey methods, as well as the latest studies of the learning process, in a unique and effective fashion. The school imphasizes small classes and experimental methods in instilling a real joy in learning. Beginning with kindergarteners, a spirit of playfulness and inquisitiveness is kindled. Yet the environment is always challenging and stimulating, as, for exmaple, computer conversancy and simple French vocabulary words are introduced as early as the kindergarten level, with more comprehensive foreign language instruction commencing in third grade.

Moreover, the school never loses sight of the importance of inculcating good character in its pupils, feeling it goes hand-in-hand with intellectual excellence. Thus has it turned out a whole generation of outstanding children, starting with babies and toddlers and nurturing them through the sixth grade.

The vital recognition that only early stimulation will lead to the development of brilliant minds is the foundation upon which East Manhattan School's education structure rests. Nurturing children's mental and creative capacities as well as developing them socially and emotionally, will lead not only to happy, fulfilled lives for them, but also to meanful contributions to society. I have every expectation that East Manhattan School, a beacon in education for 20 years, will continue to be so for scores more.

IN RECOGNITION OF THE EXEMPLARY ACTIONS OF GEORGE TADROS, A LETTER CARRIER FROM MICHIGAN CITY, IN

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. VISCLOSKY. Mr. Speaker, I would like to take this opportunity to recognize the accomplishments of a resident from Indiana's First Congressional District, George Tadros. George is a letter carrier in Michigan City, IN, and was recently given a National Association of Letter Carriers Hero of the Year Award.

Mr. Tadros received the award because of his alert observations in two separate incidents occurring on the same day.

While on his route, Mr. Tadros became concerned when the previous day's mail was still in an elderly patron's mail box. After he knocked and no one answered, George asked a neighbor to check on the woman.

Later on his route, Mr. Tadros noticed another situation that was abnormal. The screen door to an elderly gentleman's house was locked for the second straight day. This was odd to George because the gentleman had asked that his mail always be placed inside the screen door. Again, he ensured that a neighbor was notified to check on the resident.

Upon seeing an ambulance and police heading toward the first resident's house, George followed and learned that the woman had suffered a stroke. However, the police and medical personnel could not reach the woman because her dog was blocking their way. He quickly responded by wrapping a rug around his arm and maneuvered the dog into the woman's bedroom until a neighbor led the dog out of the house with some meat.

Meanwhile at the elderly man's home, the neighbor who Mr. Tadros had contacted learned that the gentleman had fallen and was unable to get up because of his injuries.

In both cases, the residents would not have received prompt medical attention had George not been conscientious enough to notice something was wrong. Truly this represents someone who takes pride in his work and, more importantly, someone who cares about his fellow citizen.

George's actions are exemplary and should be used as the standard by which we judge ourselves as decent, caring human beings.

OBSERVANCE OF THE NATIONAL DAY OF PRAYER

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. HALL of Ohio. Mr. Speaker, today is a very special day. Today is the first official, automatic observance of the first Thursday in May as the National Day of Prayer. This event, which has been observed for 37 consecutive years, now has a specific calendar date as a result of Public Law 100–307, which was signed into law on the occasion of the National Day of Prayer in 1988.

As the House sponsor of that legislation, I would urge all of our citizens to pause today for a moment to acknowledge God's role in our lives and to turn to Him for both personal and national guidance.

The theme of the National Day of Prayer is "embrace your freedom." It is appropriate today to celebrate the "free exercise" clause of the first amendment by praying for our country in the manner each of us chooses.

As John Adams wrote, "It must be felt that there is no national security but in the Nation's humble, acknowledged dependence upon God and His overruling providence." Let us make today a day in which we truly are "one Nation, under God."

SOVIET SEMINAR TO FOCUS ON "FREE MOVEMENT BY EVERYBODY"

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. HOYER. Mr. Speaker, from May 17 to May 19, the International Foundation for the Survival and Development of Humanity will be holding a symposium in the Soviet Union entitled "Free Movement for Everybody." Led by prominent refuseniks, Leonid Stonov, Emmanuel Lurie, and others, the purposes of the syposium include: "The general examination of world and Soviet practice in the areas of emigration and immigration; the review of existing legislation and methods for their improvement; and the working out of recommendations in order to bring the national emigration and immigration legislation and regulations into agreement with international agreements."

The seminar will include plenary and sectional meetings, round-table discussions of emigration problems, visits to the all union and Moscow visa [OVIR] offices, the intourist office, the head office of the Soviet Customs Administration and a final press conference to report their findings.

As you know, in January of this year, after more than 2 years of negotiation, the 35 states participating in the Conference on Security and Cooperation in Europe agreed to hold three meetings on the Conference on the Human Dimension, the first of which will begin in Paris on May 30. These meetings will focus on human rights and fundamental freedoms, family reunification, and other human contacts issues.

In addition, a key provision of the Vienna Concluding Document states that everyone shall be free to leave any country, including his own, and return to his country." That is what the Moscow "free movement for everbody" seminar is all about. The planners believe that the free movement of people is an inalienable and important human right con-

nected with the other human rights of freedom of speech, expression, and assembly.

Mr. Speaker, in this era of glasnost and perestroika, it is encouraging to see the debate about the free movement of people taking place in the Soviet Union. It is my hope that this debate leads to fundamental changes in Soviet emigration law, including the deletion of restrictions relating to the denial of emigration based on state secrecy as well as a clarification of the so-called "poor relatives" provisions. As cochairman of the Commission on Security and Cooperation in Europe, I rise today to lend my support to this symposium and to congratulate the participants in this effort. May they have a successful conference, and one which will aid our efforts at the upcoming Paris meeting on the Conference on the Human Dimension.

YOUTH DAY IN READING, PA

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. YATRON. Mr. Speaker, every year local businesses, government agencies, schools and other organizations sponsor a Youth Day in Berks Country, PA. On this day, high school students throughout Berks County assume the role of corporate executives, judges, public officials, nurses, and other professions where they gain first hand experience in a selected occupation.

On Youth Day, students will report to their sponsoring organization and participate in a full day of work. When it is their turn to join the working world, some of these students will eventually end up in their Youth Day profession while others will go into different fields. However, all will gain an appreciation for and understanding of the responsibilities that are inherent to any job. In addition, students will learn the advantages and disadvantages of a particular career as well as the qualifications needed to be successful in that career.

Mr. Speaker, Youth Day is always a positive and valuable experience for the students who participate in it. When I was in high school I too participated in Youth Day and found it to be an exceptional experience. Many say that my Youth Day profession was simply a stepping stone in my career as a public servant. I was mayor of Reading for a day.

This year marks the 67th Annual Youth Day in Berks County and Youth Day continues to play an important role in preparing students for their future. Mr. Speaker, Youth Day is a rewarding experience and I commend all of the Youth Day sponsors and students for their participation in this program.

AFDC QUALITY CONTROL REFORM ACT OF 1989

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. MATSUI. Mr. Speaker, today I am introducing the AFDC Quality Control Act of 1989. Aid to Families with Dependent Children [AFDC] programs in California and in 49 other States are facing potentially devastating sanctions. Collectively, the sanctions amount to $1.2 billion. In California, the sanctions backlog is $247,807,000. If this money is collected, our AFDC programs and the positive changes made by the Family Support Act to improve these programs will be in jeopardy.

These sanctions are the product of the so-called quality control or QC system which purports to determine the rate of State misspending in the AFDC Program and levies penalties based on that determination. For fiscal year 1986, 49 of the 54 States and territories exceeded the error rate performance standard or tolerance level established by the current QC system—only 3 percent. How can the current QC system be deemed equitable when it's standards are so harsh? How reasonable is any test which consistently results in a 90 percent failure rate? As summed up by Senator Evans in testimony before the Senate Finance Committee in October 1987:

> Anytime you have a program where 49 out of the 50 States are under sanction * * * that indicates * * * that the system itself is giving us the wrong answers.

I am strongly committed to strengthening the safety net for the many people who find that they must rely on our public assistance programs. We must constantly strive to ensure, in a realistic and responsible manner, that our limited public assistance dollars go to those who meet the eligibility requirements. Controlling payment error is critical to maintaining the integrity of our public assistance programs, both from the standpoint of the low-income Americans who depend on them and the public who supports them through the taxes it pays.

Without question, States must adhere to some form of quality control standards. To be effective such a system must be implemented in a fair, timely, and cost-efficient manner. Our present system simply does not accomplish these goals. In fact, the General Accounting Office, the National Academy of Sciences, and other recognized experts have condemned the program for its major deficiencies and inaccuracy.

The magnitude of these sanctions themselves jeopardize the steady reduction of error rates that States have maintained over the past decade. Many States may be forced to absorb sanctions through reducing administrative funds, possibly resulting in even higher error rates, or worse, passing the cutbacks on to recipients through reduced benefits.

Beyond the obvious negative impact of levying such large sanctions against the States, the current AFDC quality control system has other inherent flaws which must be corrected. The current system clearly overstates the actual overpayment error rate. For example, cases that have errors that are technical in nature and when corrected do not involve misspent funds are counted in error even though these individuals remain eligible and the monthly payment is accurate. States are penalized for client error over which they have little or no control. The current system also fails to take into account economic conditions, as well as significant geographic and program differences among States. Experts agree that demographic factors contribute significantly to higher error rates, yet there has been no effort to consider these factors when determining a State's error rates.

In addition, States have no opportunity to make corrections or recover overpayments to avoid sanctions after they have been officially informed of errors by the Federal Government.

Differences in policy interpretation account for a significant part of the calculated error rates. Congress must look at the reality faced by case workers in the field handling not only AFDC eligibility determinations, but also processing Medicaid and food stamp applications. Conflicting and constantly changing regulations on workers desperately struggling to keep up with a growing caseload are often the true primary cause of errors. AFDC, food stamp and Medicaid programs have undergone major changes in the past few years. The legislation I am introducing would take into account the impact of major policy and regulation changes on the administration of the AFDC Program and the potential for error.

The legislation I am introducing today will ensure that error rate sanctions in the future are fair and do not result in significant reductions of Federal matching funds for recipient benefits or administrative needs. It requires States to continue to attempt to correct errors, but will not assess penalties for errors that are technical in nature and do not result in misspent funds. The bill will also set a more realistic error rate standard and adjust this standard to account for population variations and program as well as caseload designs that differ from State to State. The bill also requires changes in Federal procedures for computing good-faith waivers of State sanctions, and make these decisions more timely and equitable.

The AFDC Quality Control Reform Act of 1989 will also address the treatment of underpayments and inappropriate denials under the quality control system. The National Academy of Sciences has recommended as an essential quality control reform that there be some sort of penalty for excessive erroneous denials and underpayments if there continues to be sanctions for overpayments. This recommendation rests on unchallenged evidence that sanctioning only overpayments causes denial errors.

The time is rite for Congress to act on QC reform legislation. The reforms are urgently needed, and the longer legislation is delayed, the more difficult Federal budget constraints will make the task of enacting the legislation. Although the legality of the current AFDC sanctions is highly suspect, the Congressional Budget Office and the Office of Management and Budget assume partial sanction collection in their Federal budget calculations. Thus, for budget purposes, there is an illusory price on retroactive QC reform that will only increase as time passes and sanctions continue to mount.

Moreover, the threat of massive sanctions handicaps States' abilities to free the funding necessary to implement the reforms of the welfare system enacted in the Family Support Act. The new JOBS Program, the centerpiece of the Family Support Act, is particularly at

risk because States will have difficulty investing in expanded education, training, and work programs for poor parents until the sanctions issue is resolved. In the end, sanctions hurt the very program beneficiaries that Congress seeks to help.

The current backlog of sanctions covers fiscal years 1981 through 1986. I would like to submit for the CONGRESSIONAL RECORD a chart listing State AFDC–QC liabilities through fiscal year 1986, prepared by the Family Support Administration. At the present time, 49 States, the District of Columbia, and Puerto Rico, face penalties totaling $1.2 billion. By fiscal year 1989, the sanction total is expected to reach $2.5 billion. Only Nevada, which accounts for a mere 0.2 percent of the national caseload, has managed thus far to escape penalty liability.

My legislation would resolve the backlog issue by sanctioning States whose error rates—after certain adjustments are made—are greater than 6 percent. The legislation would also authorize the Departmental Appeals Board to examine the case of each State which does not qualify for an exclusion from sanctions under the 6 percent threshold. The Board will determine whether sanctions are warranted for these States and the appropriate sanction amount. These determinations will be based on an inquiry of whether, and to what extent, a State's QC record reflects a pattern of actual, avoidable misspending of Federal dollars. The inquiry will follow the standard used by the National Academy of Sciences: Performers should be held accountable only to rules that were known in advance and for procedures over which they have control.

The purpose of the quality control system is not to force States to cut benefits or develop more restrictive eligibility requirements. Neither is its purpose to shift costs from the Federal budget to the State budgets, and it is certainly not intended to force States to cut back on administrative resources in a manner which will result in increased error rates in the future. The purpose of the quality control system is to help States improve the administration of their programs and to reduce errors, thus providing the most benefits to the greatest number of eligible individuals.

In light of these serious flaws and the counterproductive nature of impending sanctions, the States and Congress must work together to shape a quality control program that reflects a realistic picture of our income security program. The quality control issue presents a unique challenge that can and must be met.

POTENTIAL AFDC DISALLOWANCES FOR FISCAL YEARS 1981–86

[In thousands of dollars]

State	1981	1982	1983	1984	1985	1986	Total	Percent of total
Alabama	47	0	0	0	384	610	1,041	0.09
Alaska	0	0	1,747	0	1,570	584	3,901	.33
Arizona	0	1,091	2,366	2,846	2,476	4,184	12,963	1.11
Arkansas	0	323	192	231	0	286	1,032	.09
California	35,067	27,155	12,705	32,344	48,774	91,762	247,807	21.14
Colorado	1,898	1,130	1,151	868	1,240	184	6,471	.55
Connecticut	313	854	436	0	1,915	1,118	4,635	.40
Delaware	0	553	731	660	539	433	2,916	.25
District of Columbia	0	3,014	3,663	3,066	2,642	2,682	15,067	1.29
Florida	3,467	1,783	726	3,412	3,962	8,761	22,111	1.89
Georgia	0	0	2,201	4,253	6,129	6,530	19,113	1.63
Guam	0	0	500	639	349	224	1,712	.15
Hawaii	1,212	1,084	1,258	1,513	1,315	437	6,819	.58
Idaho	691	169	0	864	115	128	1,967	.17
Illinois	0	0	11,598	14,750	18,603	26,485	71,436	6.09
Indiana	113	0	704	879	1,546	2,262	5,504	.47
Iowa	0	0	0	581	1,653	3,111	5,345	.46
Kansas	1,903	0	451	1,094	916	613	4,977	.42
Kentucky	0	0	0	1,090	158	0	1,248	.11
Louisiana	0	0	1,491	2,606	4,158	1,818	10,073	.86
Maine	168	0	245	559	1,477	811	3,260	.28
Maryland	0	1,094	1,426	0	4,919	7,734	15,173	1.29
Massachusetts	0	0	16,577	9,674	1,283	782	28,316	2.42
Michigan	0	13,306	29,117	30,831	21,760	25,899	120,913	10.32
Minnesota	571	0	0	0	0	144	715	.06
Mississippi	0	0	0	0	0	426	426	.04
Missouri	0	0	0	850	1,088	1,578	3,516	.30
Montana	0	0	0	682	930	666	2,278	.19
Nebraska	280	1,521	209	1,253	1,643	1,587	6,493	.55
Nevada	0	0	0	0	0	0	0	0
New Hampshire	0	0	48	583	265	215	1,111	.09
New Jersey	0	4,020	5,887	5,228	8,365	11,409	34,909	2.98
New Mexico	2,554	1,930	640	1,113	989	1,032	8,258	.70
New York	6,270	19,812	47,550	39,382	44,792	68,552	226,358	19.31
North Carolina	0	0	0	500	0	0	500	.04
North Dakota	0	0	0	164	0	0	164	.01
Ohio	3,930	5,895	5,787	13,602	15,283	30,180	74,677	6.37
Oklahoma	1,508	0	25	0	0	546	2,079	.18
Oregon	0	0	769	907	476	823	2,975	.25
Pennsylvania	0	1,797	21,219	24,588	15,119	11,383	74,106	6.32
Puerto Rico	1,714	1,750	2,210	1,789	1,104	831	9,398	.80
Rhode Island	0	0	857	289	704	1,879	3,729	.32
South Carolina	0	2,072	1,656	2,625	2,603	3,661	12,617	1.08
South Dakota	13	0	0	0	0	0	13	0
Tennessee	1,754	0	172	747	284	1,637	4,594	.39
Texas	1,112	2,189	2,119	2,754	1,601	6,720	16,445	1.40
Utah	0	325	614	993	540	663	3,135	.27
Vermont	0	94	971	784	720	1,167	3,736	.32
Virginia	0	0	102	424	4	6	536	.05
Virgin Islands	0	0	0	0	346	408	754	.06
Washington	4,162	1,827	1,047	1,652	3,509	2,952	15,149	1.29
West Virginia	0	691	0	957	1,681	2,396	5,725	.49
Wisconsin	0	295	2,996	10,670	17,829	11,207	42,967	3.67
Wyoming	413	33	206	155	2	82	891	.08
U.S. total	69,160	95,757	184,339	225,451	247,760	349,588	1,172,055	100.00
Percent of total	5.90	8.17	15.73	19.24	21.14	29.83	100.00	

Note: Waives were granted in 1981 and 1984. Figures for 1985 and 1986 are estimates.

Source: U.S. Department of Health and Human Services, Family Support Administration.

TRIBUTE TO DR. SIDNEY WISE, CHARLES A. DANA PROFESSOR OF GOVERNMENT, FRANKLIN AND MARSHALL COLLEGE

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. GRAY. Mr. Speaker, I rise today to share with the Members of this House the outstanding accomplishments of Dr. Sidney Wise, Charles A. Dana Professor of Government at Franklin and Marshall College. As he retires from 37 years of teaching and researching about the Congress, the legislative process, and the American political system, it is fitting that we pay tribute to him.

Dr. Wise's interest in politics was whetted in his undergraduate years at Harvard College where he graduated cum laude in 1948. Upon the completion of a Ph.D. in public law in 1952, Professor Wise joined the faculty of Franklin and Marshall College and went on to build one of the most distinguished faculty records in the history of that 200-year-old college.

From the beginning of his career, Dr. Wise devoted himself to teaching an appreciation of the role of the politician in our society. And his purpose? To make students realize the nobility of public service and the vital role that political action plays in our democracy. Given this philosophy, Professor Wise's students quickly find themselves immersed in the transcripts of hearings, in dialogs with politicians and other political actors, and in developing a capacity to read commentaries about politics with political sophistication.

This hands-on, observation-and-involvement approach has led hundreds of his students into the halls of government over the past 30 years. Professor Wise was in fact one of the founders in creating political internships which now place thousands of students throughout our local, State, and National Governments. In the early 1960's, Professor Wise worked with the Citizenship Clearing House Foundation in persuading frequently reluctant Pennsylvania Congressmen and Senators to take college students as summer interns. Today, there is probably no congressional office that is without an intern in any month of the year.

Throughout his career, Professor Wise has always informed his teaching with both scholarly and political activity. Always believing that the theory in scholarly journals should be informed by practice, Professor Wise quickly immersed himself in Democractic politics in Lancaster, PA, the home of Franklin and Marshall College. One of his early successes was the election of the first Democratic mayor of the city of Lancaster since the Great Depression. Several years later, he was successful in getting the first Democratic legislator elected by a hairline majority in that traditionally Republican city. And through this activity in politics at the local and State level, Dr. Wise made contacts in both parties which provided speakers and sources of internships for his students.

Professor Wise's scholarly activity has blended academic theory with the practical problems facing politicans. In 1964, Dr. Wise spent a sabbatical year working as a legislative assistant for Senator Joseph Clark of Pennsylvania. During that year and subsequently, he collaborated in researching and writing "Congress: The Sapless Branch," which presented Senator Clark's attack on what he saw as the lacidness of the Senate, and a later work, "Congressional Reform: Problems and Prospects." As a spinoff from his work with Senator Clark, Dr. Wise collaborated with a colleague, Dr. Richard Schier, in publishing two books that gathered together seminal articles on the Congress and the Presidency. Professor Wise's interest in using public policy questions to illustrate and illuminate the nature of politics led him to publish an annual series of issues which presented opposing points of view on current political issues. Since the seventies, Dr. Wise has broadened his research interests to include the Pennsylvania State Legislature. For that body, he developed a program of seminars for freshmen legislators and, in 1984 he published a definitive work entitled "The Legislative Process of Pennsylvania."

But the greatest contributor of Professor Wise lies in the thousands of students he has touched through the decades and in the hundreds of students he has encouraged to enter the public service. At present, there are over 145 of Dr. Wise's students working in Washington. And according to a New York Times article, Professor Wise's network is perhaps one of the largest in the Nation's Capital.

Perhaps most notable among this net is former White House Chief of Staff, Kenneth Duberstein who said this of his former teacher:

> He was a rare teacher who talked about the day-in, day-out process of governing, putting coalitions together, making government work. When I was in the White House, I would call him periodically when I needed advice from someone not inside the Beltway.

But, Mr. Speaker, I must face up to being part of the Wise network for I, myself, was an undergraduate at Franklin and Marshall College. Thus, I can personally testify that Sid Wise changed my life. He encouraged me to get in to public policy, and he was responsible for my first hands-on political experience. In fact, my interest in the vocation of politics stemmed from the summer when, at Professor Wise's urging, I took an internship in the office of my predecessor in the early 1960's.

Mr. Chairman, Dr. Sidney Wise represents the highest ideal of the small college teacher, the teacher committed to working closely and intimately, carefully and caringly, with young people seeking to understand and make sense out of the world around him. Thirty-seven years ago, Professor Wise went into college teaching because he believed that one could make a life in educating the young, making them deeper and more sophisticated thinkers and citizens. For Sidney Wise college teaching is a vocation and a calling.

In saluting him today, we pay tribute to all such men and women who chose teaching as a vocation. For it is they who mediate and direct the changes that education makes in our lives. We salute them all, for truly, they are the carriers of our civilization.

PERSONAL EXPLANATION

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. MORRISON of Connecticut. Mr. Speaker, I was unavoidably absent on May 2 for rollcall No. 37, the use of the frank to distribute the Constitution. Had I been here, I would have cast a "nay" vote.

A CONGRESSIONAL SALUTE TO KATHLEEN M. NAVEJAS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to an outstanding constituent in my district, former mayor of Hawaiian Gardens, Kathleen M. Navejas. On Sunday, May 9, Mrs. Navejas will be presented with an award from the city of Hawaiian Gardens for her outstanding contributions in her capacity as mayor, as well as a private citizen.

Mrs. Navejas has been a vigorous volunteer in the community. She has served as a parent coordinator and volunteer for Head Start for 7 years and received the Outstanding Parent Award in 1979. She started the Hawaiian Gardens Food Bank in 1978, which is still in operation. In 1986, she served as mayor of Hawaiian Gardens, served as mayor pro tem in 1987 and served as mayor again in 1988.

She has also been an account executive for Harte Hanks for 2 years. Prior to this, she was an advertising consultant with the Long Beach Press Telegram, and GTE Corp.

My wife, Lee, joins me in extending congratulations to Kathleen M. Navejas. She is truly a remarkable individual. Kathleen is a person who has devoted her talents and energies to enriching the lives of others. On behalf of the entire community, we wish Kathleen, her husband Frederick, and her children, Adam, Felicia, Gina, and A.J., all the best in the years to come.

TRIBUTE TO PUBLIC EMPLOYEES DURING PUBLIC SERVICE RECOGNITION WEEK, MAY 1-7, 1989

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. RANGEL. Mr. Speaker, I rise today to honor and extend my congratulations to the Nation's more than 20 million public employees for their contributions to "America During Public Service Recognition Week," May 1-7, 1989.

This week has been set aside to acknowledge and pay tribute to those men and women who work diligently everyday for the betterment of society and in the interest of humankind. It is also a time to recognize and

pay tribute to the profession of public service itself and the vital role it plays in the everyday life of the American people.

It is important that we commemorate this special week for all those public employees who through their time and talents, provide valuable services to the American people to help ensure the quality of life for all.

Public Service Recognition Week is sponsored by Public Employees Roundtable and endorsed by the President's Council on Management Improvement. Public Employees Roundtable is a coalition of 27 management and professional associations representing some 900,000 public employees and retirees. The President's Council on Management Improvement was established by President Reagan as an integral part of the Federal Government's objective to deliver more efficient, timely and quality services to the American public.

Mr. Speaker, I ask my colleagues to join me in honoring these fine men and women who make up the public work force at the Federal, State, and local level and to commend them for the excellent work they do.

THE NATIONAL AEROSPACE PLANE

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. LEWIS of Florida. Mr. Speaker, as early as the 1940's, the United States embarked on an aggressive long-term research program in the aerospace industry. The positive effects are still being felt, as evidenced by the record $18.7 billion trade surplus, the largest of any industry.

Unfortunately, it seems as though the lessons we have learned have been forgotten. No program highlights this more than the national aerospace plane or NASP. This program, which holds the key to the greatest advances in the aerospace industry, was recently cut drastically by the Department of Defense.

This funding, along with limited funding from NASA, is not sufficient to build an air breathing experimental aircraft that has the goal of single-stage-to-orbit by 1995.

Technological advancements from the NASP are immeasurable. The only way to ensure tomorrow's success is to invest in long-term research. Toward this end, I have introduced legislation to fully fund the NASP Program.

This legislation does not call for additional funding. It calls on the Defense Department to fully fund the program within its own budget, in accordance with past agreements.

Mr. Speaker, long-term aviation research must be continued. To ignore the lessons of years past is to doom this country's aerospace industry to the same fate as VCR's and televisions.

Instead, let us invest in our own American prosperity and develop the national aerospace plane.

TESTIMONY OF RAYMOND GRODECKI, VIETNAM VETERAN

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. DYSON. Mr. Speaker, Mr. Raymond Grodecki of Easton, MD, was recently invited to testify before the House Veterans' Affairs Subcommittee on Oversight and Investigations on the subject, "Housing Concerns of Vietnam Era Veterans." Mr. Grodecki brings an interesting and important perspective to the prevailing issues of homeless veterans and affordable housing.

Raymond Grodecki's testimony is compelling, frank, and based on a most reliable source, his own experience as a Vietnam veteran and home builder. Therefore, I would like to share his thoughtful observations and recommendations with my distinguished colleagues in the House of Representatives.

STATEMENT BY RAYMOND GRODECKI, VIETNAM VETERAN AND HOME BUILDER, ON HOUSING CONCERNS OF VIETNAM ERA VETERANS

Mr. Chairman and members of the Subcommittee:

My name is Raymond Grodecki and I live in Easton, Maryland. I am testifying here today at the invitation of this Sub-committee, and I thank you very much for giving me this opportunity. I will start by stating that I served in the U.S. Army from 1967 to 1969, and during that time had an extended tour of duty in the Central Highlands of South Vietnam. In 1972 I took advantage of one of the benefits to the G.I. Bill of rights, by enrolling in an apprenticeship program sponsored by the United Brotherhood of Carpenters and Joiners of America. After undertaking many jobs and positions during my years in the building industry, I have evolved into a single-family homebuilder.

I am the Immediate Past President of The Chesapeake Builder Association, which is chartered by the National Association of Home Builders. When not building homes, I am participating on task forces, committees and in general the political process. This consumes most of my free time. The drive, is my strong concern over the rapid depreciation of decent, affordable housing which has now reached crisis proportion.

I come here today not representing a veterans organization nor an industry association, but simply as a Vietnam veteran and a home builder who cares. I will offer my opinions and some recommendations.

Presently, it has been estimated that 1-3 million people in this country are homeless, of which 80,000-plus are Vietnam-era veterans. Veterans comprise the largest percentage of any group of homeless; also, latest research reports that the largest growing group of homeless are the single mothers with children. Both of these statistics, quite frankly, are a national disgrace. What's frustrating to me is the fact that I know we can solve these problems. There are many answers and solutions out there, but we've got to take this problem seriously, make the commitment, then work together. Fortunately, this is starting to happen at the local level. Grass roots participation is a positive step in the right direction.

Today we are in Washington, D.C. asking your help on a federal level. There are two areas pertaining to housing that I will solicit your support for. First, I'd like to comment on House bills before the 101st Congress.

H.R. 1415 sponsored by Rep. Harley Staggers entitled The Mortgage Indemnity Act has been introduced to provide relief to the seriously damaged V.A. Home Loan Guaranty Program. As a veteran it is of utmost importance that whatever solution you as our representatives decide, it must be a long-term solution and not just a quick fix. This program's objectives should not become jeopardized, but continue to provide veterans with the help and services as originally intended.

In addition, I would support the introduction of optional adjustable rate mortgages to V.A. financing programs. All major mortgage financing programs offer this alternative. ARM's within the V.A. could possibly be patterned after FHAs with rate caps and built-in safeguards.

I recognize that some veterans organizations do not support ARMs in VA funding programs. The rationale, I believe, is their concern over "payment shock." As a home builder I can tell you that ARMs are popular during periods of unstable and abnormally high interest rates. The home buyer wants and needs flexibility during these periods. We must remember the importance of making home ownership more achievable, not more difficult. In this regard, unfortunately, the latter has become the case. We must understand that a domino effect occurs when the rate of home ownership declines, hence the alarming number of homeless. If we can reverse this trend, it will result in the increased availability of rental housing at all levels.

Rep. Donnelly, I believe, is or already has introduced a bill to extend the Mortgage Revenue Bond Program through 1992. As you know, this program targets hard working, moderate income, first time home buyers. These bonds can result in a savings of up to 20 percent over the life of a mortgage. I urge you to support this extention.

Senators Cranston and D'Amato have cosponsored The National Affordable Housing Act, which is a detailed authorization bill to provide the framework for national housing policy. Some of the purposes of this bill include:

A. Developing state and local housing strategies;

B. Increase the supply of affordable housing;

C. Preserve low-income housing;

D. Rental assistance;

E. Special housing need (elderly, handicapped, homeless) and,

F. Rural housing programs.

The National Affordable Housing Act represents a serious approach to our housing crisis. And I strongly ask for your support of the House version.

H.R. 6, H.R. 69, H.R. 193 and H.R. 1221 all deal with Enterprise Zone programs. This is an area which I find particularly exciting, as does Secretary Kemp. His enthusiasm on this issue, I hope, will infect many. At a time when housing programs on a federal level have suffered a 75 percent cut, the need to attract private industry to help revitalize the distressed areas of our urban and rural communities has become essential. Many of the problems encountered by Vietnam-era veterans can be provided for through enterprise zoning. Enterprize Zone programs can become that necessary outreach to the veteran wanting to become a productive part of our society. I feel this program lends itself most handily to homeless veterans and those who have become

subsidized entities. Self-esteem and direction are absolutely necessary for those hoping to put their lives back together. The possibilities and potential of Enterprise Zone programs are virtually endless. And I hope you will give these bills your full support. Let me complete this section by asking for your support of the following bills:

H.R. 812—The Home Ownership Assistance Act of 1989

H. Con. Res. 37—Mortgage Interest Deduction

The second area that I would like to touch on is the exploration of innovative and creative concepts. The complexities of our housing crisis are many. One of the reasons why we are where we are is due to bad decisions, poorly planned programs or by simply not reacting to a situation soon enough. In short, many of our approaches to problems, no matter how well intended, simply did not work. The need for open mindedness to new ideas has become apparent. As an example, in the state of Maryland, the homebuilding industry along with social services, and local and state government agencies have been working together to develop minimum standard housing specifications. The concept centers around the idea of collective living conditions. It was felt that a void existed between rental housing and a cardboard box. Collective living may, on the surface, be rejected as unworkable and will likely have its problems, but on the other hand, living in a cardboard box is without a doubt, deplorable.

In conclusion, I will say that home ownership is an American dream, and specifically in the case of the Vietnam-era veteran. It's our responsibility to make available to him or her that slice of pie which they so appropriately deserve. There's one final message I would like to leave with you. All of us here today are just people trying to affect change in a positive manner. We have come to Washington, D.C. because there are things that need to be addressed on a federal level. We are asking for your attention and support on these issues.

Again, I thank you for this opportunity.

THE INTRODUCTION OF AMENDMENTS TO THE POTATO RESEARCH AND PROMOTION ACT OF 1971

HON. RICHARD H. STALLINGS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. STALLINGS. Mr. Speaker, today I am introducing the Potato Research and Promotion Act Amendments of 1989. I am joined by 11 of my colleagues as original cosponsors of these amendments. The National Potato Council representing more than 12,000 potato producers, and several State potato grower organizations have requested these changes to enable a more equitable and effective checkoff program.

In recent years many commodity groups have discovered the necessity of mobilizing grower involvement in the marketing of their respective products. As of last year, producers of dairy, beef, cotton, pork, and eggs all support some sort of national checkoff program to expand domestic markets, promote exports, conduct research, and develop new uses for these products. Checkoff legislation has been introduced in this Congress for limes, soybeans, and other commodities.

The Potato checkoff program, originated in 1971, is one of the oldest programs in the country. Over the years, it has received overwhelming support from producers.

The amendments I am introducing today will make two necessary changes in the current program. First, it will result in assessment being levied on imported potatoes as well as potatoes produced in the United States. Importers now benefit from the generic potato advertisement and market research that domestic producers are paying for. Similar assessments apply to beef and pork imports.

Second, this legislation would eliminate a refund provision in current law which allows producers to reclaim assessments paid to the National Potato Promotion Board. More than 95 percent of potato producers support the checkoff program, while approximately 5 percent annually request refunds amounting to more than 15 percent of checkoff moneys. As a whole, it is evident that the refund requesters are large producers who are benefiting from the promotional efforts of the board while the smaller producers pay for the program.

This sort of free ride is unfair to those who pay for the promotional activities. The amendments I am introducing would effect the elimination of the refund provisions and the assessments of imports without conducting a producer referendum. After 16 years of voluntary collections supported by more than 90 percent of producers, it is evident to me that another referendum is not needed to make these changes.

The plan still has safeguards for accountability, however. The current law requires the Secretary of Agriculture to monitor the actions of the Board, and allows for producers to call for a referendum at any time 10 percent of the growers request such.

I believe it is to the best interest of all potato producers to support these changes, and I call on my colleagues to support this much-needed legislation.

FESTIVAL OF FREEDOM

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. RINALDO. Mr. Speaker, the Festival of Freedom that is being celebrated during the Passover season reminds us that the struggle for human rights and freedom for the Jewish people is as old as human history. The Jewish people symbolize all the ethnic groups and races that have struggled for centuries to ensure their freedom from oppression, hunger, religious persecution, economic exploitation, slavery, and racial genocide.

In modern history, no people have been as exposed to the horrors of hatred and systematic destruction as the Jewish people. The Holocaust is a grim reminder of those events. The exodus that the Jews took from Egypt has by no means ended. It goes on in the Soviet Union, Africa, the Middle East, and other parts of the world where Jewish people are oppressed and suffer from anti-Semitism. I join my colleagues on the Congressional Human Rights Caucus in a special order recognizing the thousands of Jews around the world who remain oppressed and denied their basic freedom and religious rights.

The history of the dissident and refusenik community is a long one in which Soviet Jews have been arbitrarily and capriciously persecuted for their beliefs. It is hopefully changing, but very slowly. It must be one of the aims of our policy toward the Soviet Union to reaffirm and strengthen our commitment to human rights. We should not agree to an international human rights conference in Moscow in 1991, as proposed by the Soviet Government, until we see concrete steps taken to give Soviet Jews the right to emigrate and other rights guaranteed under the Helsinki Human Rights Agreement.

Let us not be lured into believing that the Soviet Union is suddenly tolerant of its Jewish citizens. Far from it. Recently a group of women refuseniks in the Soviet Union began a 3-day hunger strike to protest the continued refusal of authorities to grant them permission to emigrate. Many have been waiting to emigrate for more than a decade. There are still no legal standards in the Soviet Union to address such problems.

In the meantime, our foreign policy should reflect our deep concern for the human rights of Jews oppressed in Ethiopia, Syria, Yemen, and the Soviet Union.

In Ethiopia, as many as 15,000 Jews suffer from family separation, forced population transfers, restrictions on their religious rights, and the denial of the right to emigrate.

In Syria, over 15,000 Jews are refused emigration and treated as second class citizens. They undergo constant surveillance, arbitrary arrests, torture, searches of their homes, and killings by secret police.

Furthermore, Syrian authorities help to keep the Mideast in turmoil by supporting terrorist attacks against Israeli villages along the border.

Reports also show that some 4,000 Jews are victims of targeted killings, unlawful arrest, detention without trial, mail censorship, and travel restrictions by authorities in Yemen.

Human rights also must extend to our citizens and immigrants to the United States. Incidents committed by hate groups are on the rise in our own country. Youthful gangs of "skin heads" preach neo-Nazi rhetoric, hatred, and violence toward Jews and other nationalities.

The Anti-Defamation League of B'nai B'rith recently reported that anti-Semitic incidents rose to a 5-year high in 1988.

I supported the passage of legislation to collect data on the incidences of hate crimes that manifest prejudice. Knowing the extent of the problem, and the steps taken to reduce it, can help us avert the kind of oppression that brought on the Holocaust.

NEW AMERICAN IS SPOUSE OF FORMER COLLEAGUE

HON. ALFRED A. (AL) McCANDLESS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. McCANDLESS. Mr. Speaker, our former colleague, the Honorable Patrick J. Hillings, who served in this House from January 1951 until January 1959 from a district in southern California, recently informed me that a new American now resides with him. She is his wife, Celia Hillings, who recently was sworn in as a new American citizen before Judge Robert P. Aguilar in Los Angeles. The Hillings reside in the 37th Congressional District of California, which I have the honor to represent here in the Congress.

Mrs. Hillings joins many other distinguished Americans of Hispanic descent who have chosen to enrich this country with their culture and intelligence. She is the daughter of the late Ignacio Pesqueira, who served as the consul general of Mexico in Los Angeles, San Diego, and San Francisco, and who was named an honorary American for his efforts to establish friendship between California and Mexico. Her children, Felicia, Paul, Celia, and Roze are already American citizens, active in civic affairs in southern California.

I ask my colleagues to join me in welcoming a new American: Celia Hillings.

WORKERS MEMORIAL DAY

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. HAWKINS. Mr. Speaker, on April 28, the first Workers Memorial Day was observed across the country with numerous activities designed to highlight the growing problem of job-related injuries, illness, and death.

Every year, according to the National Institute of Occupational Safety and Health, some 10,000 workers are killed on the job while millions more are either injured or permanently disabled. Over the past 5 years, my home State of California has recorded the second highest number of work-related fatalities—739 deaths per year.

These and other grim statistics really fail to paint the full picture of the tragedy of occupational hazards. Deaths caused by occupational disease, for example, are not included in official Government statistics and many work-related injuries are not even reported. The Bureau of Labor Statistic omits companies with 10 or fewer employees and public sector employers when they compile figures on work-related injuries.

The first Workers Memorial Day, which is sponsored by the AFL-CIO helped bring national attention to the need for improved working conditions. Over the past 8 years, the Occupational Safety and Health Administration [OSHA] has been crippled by funding reductions, a cut in enforcement staff, and weakened regulations. Yet, workers continue to die in trench cave-ins, motor vehicle and heavy machinery accidents, and are still exposed to toxic substances in the workplace.

Workplace injuries are only a part of the toll suffered by workers. Exposure to workplace chemicals, biological fluids, and even the stress of working at a computer terminal lead to long-term illness, such as cancer, lung disease, or nervous system disorders.

On April 28, in places like Kansas City, where six firefighters died in a chemical explosion and Las Vegas, where hundreds of workers were injured in a rocket fuel plant explosion, union members, their families, religious leaders, and elected officials remembered the dead and urged changes in the law to protect the living.

After almost 20 years of existence, the Occupational Safety and Health Administration has done much to protect workers. But more needs to be done. Enforcement must be strengthened, standards for infectious diseases established, and the number of inspectors must be increased.

This first national Workers Memorial Day signaled an intensified effort to improve the Nation's job safety and health laws. This commitment to protecting the lives of millions of American workers must be a top priority for business, labor, and the Federal Government.

INTRODUCTION OF NATIONAL VISITING NURSE ASSOCIATIONS WEEK

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Ms. OAKAR. Mr. Speaker, it is with great pleasure that I join my colleague, Mr. LEWIS of Florida, in introducing the resolution naming February 18 to February 24, 1990, as "National Visiting Nurse Associations Week."

For the many thousands of people whose lives are touched each day by our Nation's visiting nurses, the adage rings true, home is where the heart is. Over the last 100 years, Visiting Nurse Associations across America have committed their hearts and minds to providing primary home care to people on low or fixed incomes. For those with the greatest need in home care, those who can least afford it, VNA's offer the precious option to be nursed back to health, to receive physical or occupational therapy, or to die with quiet dignity in comfort of their own homes.

Many of my colleagues know of individuals in their districts, or in their own families who have benefited from the work of Visiting Nurse Associations. Over 500 VNA's in 47 States, in both urban and rural communities offer health care, personal care, therapy, social services, nutritional counseling, specialized nursing services, and visiting services to people of all ages, races, and cultures, regardless of ability to pay. These beneficent providers serve nearly 1 million patients each year, including 43 percent of all Medicare patients.

Visiting Nurse Associations in the United States, since 1885, have successfully combined the spirit of charitable voluntarism with the skills of talented and dedicated health care professionals. They ensure quality care through the oversight and participation of local physicians and nurses. Community volunteers assist VNA's wherever they can by delivering meals, running errands, providing office help, fundraising, and, in general, offering their care and compassion to patients.

The volunteers and professionals truly follow in the tradition of Florence Nightingale, one of the founders of the concept of VNA's. They selflessly struggle for the comfort and well-being of others without fanfare, bringing with them the best of modern health care that their limited resources have to offer.

Vsiting Nurse Associations carry on a tradition of innovation in health care. VNA's were among the first organizations to provide physical therapy, diagnostic tests, and durable medical equipment to the disabled in their homes. They were one of the first groups to recognize the home care needs of AIDS victims.

Visiting Nurse Associations are at the forefront in maternal child care, as well as home intravenous therapy and respiratory care. In many cities, VNA's have developed special shelters where the homeless can receive attention they could not get otherwise.

By naming February 18-24 as National Visiting Nurse Associations Week, we can pay tribute to the efforts of these visiting nurses and their contributions to our public health and see that they get the thanks they deserve. This proclamation recognizes not only the medical professionals of the VNA's, but also the volunteers in each community who enable the Visiting Nurse Associations to carry out their vital mission.

CONGRESSMAN STENY HOYER'S REMARKS AT THE RAOUL WALLENBERG HUMAN RIGHTS ASSEMBLY IN BUDAPEST, HUNGARY

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. CARDIN. Mr. Speaker, I would like to place in the RECORD a speech my respected colleague, STENY HOYER, gave on a recent Helsinki Commission trip to Hungary. I know my colleagues would agree that we are fortunate to have such an effective, respected, and committed representative at the Helsinki talks. In his capacity as cochairman of the Commission on Security and Cooperation in Europe, Mr. HOYER spoke passionately about human rights and the remarkable feats of Raoul Wallenberg at the Raoul Wallenberg Human Rights Assembly in Budapest, Hungary on April 16, 1989. I commend to your attention Mr. HOYER'S remarks.

Robert Kennedy once observed that in this often cruel world of ours, there are many who see things as they are, and ask why. But few are the ones who see things as they can be, and ask why not.

Raoul Wallenberg was one of the few—he is one of the quiet heroes of this at times cataclysmic century.

We know the tragic history. We know that many witnessed the murder of Europe's Jewish community—some with horror and

disbelief, others with cold indifference, and they only asked why. But Raoul Wallenberg was different. He saw that Jewish lives could be saved, and asked why not?

He knew that the secret of life could be found in the courage to act on what's right. And so with great risk to himself, he gave the gift of life to more than 100,000 Jews whose lives meant so much to him, but so little to their executioners. Armed only with a forceful personality and enormous courage, Wallenberg plucked people directly from the death lines, telling the Nazis that they were under the protection of the neutral Swedish Government.

When Soviet forces advanced into Hungary near the end of the Second World War, Wallenberg set out to talk with the Soviet commander about a relief plan for the Jewish community. He never returned.

Despite repeated reports that Wallenberg has been seen in Soviet prison camps, the Soviet Union to this day maintains that he died in a Soviet prison in 1947 of a heart attack and was cremated.

In a September 1988 speech to the 35 nations gathered at the Vienna review meeting of the Conference on Security and Cooperation in Europe, where I served as vice-chair of the U.S. delegation, the U.S. Ambassador, Warren Zimmerman called for a "full and open accounting of that part of Soviet history affecting a man who stood for so many ideals to which we are dedicated."

Over the years the Hungarian people have sought to fill in this "blank spot" in history by attempting to honor Raoul Wallenberg for his heroism. It has not been an easy task, as many of you gathered here today can attest. A monument erected to him soon after World War II was almost immediately removed by the Soviets. Twice more, efforts to honor Wallenberg were stymied by the Soviets.

But 2 years ago, An impressive monument was unveiled here in Budapest. Our meeting here this weekend, under the auspices of the Raoul Wallenberg Human Rights Assembly, is a testament to the desire to find out the true history of this case. Even the Soviets have evidenced their interest in coming to terms with their past by agreeing to divulge any information they find about the Wallenberg case.

Whatever the fate of Raoul Wallenberg he does live on—in our hearts and our minds—as does his courage and commitment to those ideals of human life and dignity he espoused and for which he risked his life.

Raoul Wallenberg lives on in the scholars gathered here today, individual leaders who, like Wallenberg, dare to ask why not? It is your task, as the first recipients of these awards, to show the same courage and commitment that Wallenberg did. For all throughout eastern Europe today, Wallenberg's spirit live on.

In Czechoslovakia Raoul Wallenberg's spirit lives on in Vaclav Havel, a world-renowned playwright. In spite of relentless harassment by Czech authorities, including imprisonment, repeated detentions, house searches, and confiscation of property, Havel has remained a leader in the struggle for human rights.

In Romania, Doina Cornea, one of a number of brave young activists, publicly and at great risk of persecution, speaks out against the systematic destruction of homes and villages by the Ceausescu regime.

Raoul Wallenberg's spirit lives on in the courageous opposition leaders in Poland, like Lech Walesa, whose recently concluded talks with Government officials have resulted in expanded liberties. At a time when many people are emphasizing the volatile potential of eastern Europe, the Poles have shown that peaceful negotiations between the Government and the opposition are possible. Many of the objectives sought by Solidarity seemed unreachable even just a few months ago. Among the most important achievements of the roundtable talks has been the relegalization of Solidarity; and the creation of a second chamber in the Parliament to be known as the Senate; and the opening up of substantial and significant number of seats in the Parliament to genuinely democratic elections.

Raoul Wallenberg's spirit lives on in the Hungarian people today. There are approximately 20,000 Romanian citizens who have fled to Hungary seeking refuge since January of last year. The Hungarian state, Red Cross, churches and various voluntary committees have put together an impressive system of aid to the refugees. They are offered teporary housing—in a country already suffering from a severe housing shortage—and jobs, and receive financial aid for the first few months after arrival in Hungary.

And finally, his spirit lives on in the the countless Soviet Jewish families seeking the right to go to their homeland of Israel or to practice their religion openly. While the numbers of Soviet Jews, Pentecostals and Armenians emigrating from the Soviet Union has increased dramatically during the past year, hundreds of long-term refuseniks remain. Inna and Igor Uspensky, Judith and Emmanual Lurie, and Anatoly Genis are only a few of the names of so many who seek no more than the right to leave their country.

Next week, on Wednesday night, Jews the world over will begin to celebrate Passover, in commemoration of their liberation from bondage—it is a time to reflect on the past and welcome the new—a time to explore and remember the painful and celebrate the promising. It is particularly fitting that we pay tribute to Raoul Wallenberg during this holiday. Few men or women better represent the tragedy, the promise, the fullness of life.

As a man of principle, as one who kept his covenant with the family of man, may Raoul Wallenberg be written into the book of life. May his sacrifice restore our faith in what an individual can do for the integrity of the world. And may his example give us, and particularly you young scholars, the inspiration and courage to continue this struggle—to pull life and liberty out of the angry jaws of oppression.

Thank you.

NEWSWEEK'S VIEW OF CONGRESS

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. DREIER of California. Mr. Speaker, as you know, during the last several weeks, Congress has been under attack for the way it conducts its business. Mr. Jim Glassman, editor of Roll Call, has provided a slightly different view of this institution. For those who have missed his article, it follows:

NEWSWEEK'S VIEW OF CONGRESS: TELL IT TO GERALDO

(By James K. Glassman)

I'm sure it's happened to you. A smart reporter for a big-time national publication calls you up for an interview.

He flatters you that he wants your opinion on an important issue of the day. He takes you to a good French restaurant. He listens.

Then he ignores you and writes what he pleases.

I had this experience recently with a reporter from Newsweek. He wanted to talk about the culture of Congress, which is one of my favorite subjects.

I explained my theory to him: that Congress is different from the rest of Washington because it's more connected to the world beyond the Beltway. Few Members are part of the Washington establishment, that congerie of journalists, lobbyists, think-tankers, lawyers, and executive branch types who settle on the conventional wisdom by calling each other every afternoon.

Members of Congress are essentially Rotarians; their synapses are wired to their districts (to which they return practically every week) rather than to the latest chitchat at the Palm.

The Newsweek reporter began shifting around in his seat at La Colline. He didn't like what he was hearing, and he told me so. Alas, my theory may be interesting, he said in effect, but it didn't fit with his magazine's own—which is that Congress is insular, a world apart.

This episode occurred many weeks ago. The product of the reporter's endeavors (and those of others in the group-grope called newsweekly journalism) appeared as the cover story of the April 24 issue of Newsweek: "How Congress Really Works."

It is a sorry piece of nonsense. Newsweek's theory is that Congress lives in "Congress-World—a fortress of unreality, its drawbridges only barely connected to life beyond the moat."

In other words, unlike journalists, Members of Congress are removed from the real America.

The piece complains about everything: that Congress passes "meaningless resolutions to make constituents feel good," that it has elevator operators, that it does a lousy job at oversight, that it's corrupt, that "there's plenty of recess," blah, blah, blah. The piece even trots out the hoary Mark Twain quote about Congress being the only "native criminal class."

But that, at least, is a real quotation. Most of the rest of the piece is riddled with paraphrases, blind qotes, or flat-out opinionating on the part of the authors:

"When the votes do come, they will undoubtedly be suited more to posturing than real lawmaking."

"The filthiest scandal in Washington—far filthier than whether Jim Wright violated disclosure rules—is the perfectly legal system of amassing huge campaign war chests . . ."

"Congressmen hear a lot . . . But can they see? Like the sightless fish found in caves, they move to the vibrations of their environment, with little ability to break from the school, much less peer ahead."

Typically, on most of its judgments, Newsweek is far behind reality. For example, the article (like 300 others you've read) calls Congress "the last plantation" and decries the way it treats its workers. But it missed the news, which is that last year, for the

first time in history, Congress began to rectify that situation.

The piece talks about the vast increase in the number of Hill staffers since 1957, but it ignores the real story, which is that the number has leveled off in recent years.

Is corruption in Congress new? Hardly. What's new—and amazing—is that the ethics committee, against all odds, has cited the Speaker of the House on five charges. Again, Newsweek misses the point.

Despite what Newsweek says, the filthiest scandal in Washington isn't the campaign finance system (certainly, it's imperfect—no news there either—but it tries to reconcile the unreconcilable: the right of Americans to support candidates with the problem of big bucks controlling the system).

No, the filthiest scandal is that Newsweek, a magazine that in the '60s was filled with passion and intelligence, feels that the only way it can do a political cover story and attract readers is to dress it up like a segment of the Geraldo Show.

A BILL TO AWARD A CONGRESSIONAL GOLD MEDAL TO GEORGE MANTELLO

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. SCHUMER. Mr. Speaker, today I am introducing H.R. 2253, a bill to award a Congressional Gold Medal to George Mantello, who is truly one of the great unsung heroes of the World War II era. Mr. George Mantello, now 87 years old, is one of the most outstanding examples we have of a single individual standing up and mobilizing the world against the atrocities of Nazi Germany and its death camps.

George Mantello, who served as the First Secretary of the El Salvadoran Consulate in Switzerland from 1942 to 1945, saved nearly 30,000 Jews from almost certain death in the Holocaust, and perhaps hundreds of thousands more by the means of two extraordinary feats of rescue.

At a time when the Nazis and their Hungarian collaborators were deporting up to 10,000 Jews a day to Auschwitz, threatening to completely exterminate the Hungarian Jewish population of Budapest, Mantello took action which led directly to a halt in these deportations. Almost single-handedly, he initiated a press campaign in Switzerland that finally awakened the Western world to the horrors of the Nazi concentration camps, and forced an end to the deportations in Hungary.

At the heart of this remarkable event lies Mantello's disclosure to the press of the "Auschwitz Protocol." These protocols were contained in a 30-page document that described the ongoing atrocities in the concentration camps, and was based on the testimony of two young escapees from Auschwitz, Josef Lanik and Rudolph Vrba.

With the help of four leading Protestant theologians who supported Mantello's campaign, the "Auschwitz Protocol" was reported in over 400 articles published in 120 Swiss newspapers, which condemned the mass murders at Auschwitz. The response to the report was quick and stunning. It finally evoked an international outcry from such leaders as President Roosevelt, the Pope, Britain's Anthony Eden, the King of Sweden, the international Red Cross, and the Swiss Government. They demanded that Admiral Horthy, the Regent of Hungary, put an end to the deportations of the remaining Jews in Budapest. Despite the ever increasing pressure from Eichmann to complete the "Final Solution," on July 18, 1944, Horthy halted the deportations, and the nearly 200,000 Jews still living in Budapest were saved from the gas chambers.

George Mantello's second rescue effort, though not as dramatic, was responsible for saving an equally impressive number of people during the war. He produced and distributed 15,000 Salvadoran citizenship papers to Jews and non-Jews throughout Nazi occupied Europe. These served as "protective papers" for their holders, and over 95 percent of these families survived the Holocaust. While many Latin American consuls made fortunes selling their country's passports, Mantello provided these papers gratis, out of purely humanitarian motives. All this was fully supported by the Government of El Salvador.

In addition to his rescue work, Mantello was extremely helpful to both the American and British intelligence services, while never taking a penny for his services. Using his diplomatic pouch, Mantello slipped millions of dollars of Swiss technical instruments that were necessary for the war effort out of Axis-surrounded Switzerland and into Allied hands.

Mr. Speaker, it is with unspeakable admiration that I bring to my colleagues' attention the remarkable, and until now relatively unrecognzied, achievements of Mr. George Mantello. Surely this great humanitarian hero deserves our deepest gratitude and the highest honor this body can bestow upon an individual, the Congressional Gold Medal. I ask each one of my colleagues to join with me in sponsoring this important bill.

I ask that the text of H.R. 2253 be printed below.

H.R. 2253

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

The Congress finds as follows:

(1) George Mantello, who served as the First Secretary of the El Salvadoran Consulate in Geneva, Switzerland, during World War II, saved tens of thousands of Jews and other Europeans from extermination by the Nazis.

(2) In June 1944, during the height of the destruction of Hungarian Jewry, George Mantello initiated a press campaign in Switzerland that showed the world the horrors of Nazi concentration camps and forced an end to the deportation of Jews of Hungary, saving the nearly 200,000 Jews remaining in Budapest from almost certain death.

(3) George Mantello produced and distributed approximately 15,000 El Salvadoran citizenship papers to Jews and other Europeans in danger of being exterminated in Nazi-occupied Europe, allowing more than 95 percent of the families which held such papers to survive the Holocaust.

(4) George Mantello, because of his virtually singlehanded efforts to save Jews and other Europeans from death in Nazi concentration camps, is one of the great living humanitarian heroes of the World War II era.

(5) Because of the courageous actions of George Mantello, he is deserving of recognition and honor from the Congress.

SEC. 2. CONGRESSIONAL GOLD MEDAL.

(a) PRESENTATION AUTHORIZED.—The President is authorized to present, on behalf of the Congress, to George Mantello a gold medal of appropriate design, in recognition of his courageous efforts to save the lives of thousands of Jews and other Europeans from extermination during the Holocaust.

(b) DESIGN AND STRIKING.—For purposes of the presentation referred to in subsection (a), the Secretary of the Treasury shall strike a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary.

(c) AUTHORIZATION OF APPROPRIATION.—Effective October 1, 1989, there are authorized to be appropriated not to exceed $20,000 to carry out this section.

SEC. 3. DUPLICATE MEDALS.

(a) STRIKING AND SALE.—The Secretary of the Treasury may strike and sell duplicates in bronze of the gold medal struck pursuant to section 2 under such regulations as the Secretary may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the cost of the gold medal.

(b) REIMBURSEMENT OF APPROPRIATION.—The appropriation used to carry out section 2 shall be reimbursed out of the proceeds of sales under subsection (a).

SEC. 4. NATIONAL MEDALS.

The medals struck pursuant to this Act are national medals for purposes of chapter 51 of title 31, United States Code.

A CONGRESSIONAL SALUTE TO LOU JANICICH

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to an outstanding individual who has devoted so many years of his life to the betterment of the Los Angeles Harbor community. Lou Janicich will be honored on May 6, 1989, by the Harbor District of Los Angeles Area Council, Boy Scouts of America, as "Distinguished Citizen of the Year." Lou is being honored for his outstanding community and church support, as well as his successful career endeavors. This occasion gives me the opportunity to express my sincere appreciation for his many years of hard work and unending commitment.

A graduate of the University of California, with a masters degree from Pepperdine, Lou Janicich arrived in San Pedro in 1942. Once in San Pedro, he began to compile an impressive list of community service activities. He has served on the board of directors of the Avalon Carver Community Center, and the board of managers of the San Pedro and Peninsula YMCA. He is a lifetime member of the U.S.C. Alumni Association, member of the St. Stevens Serbian Orthodox Cathedral, member of the Urban League, member of the Orange County and San Gabriel Chinese Cultural

Committee, member of the Mexican American Alumni Association, and a member of the Performing Arts Council. Currently, Lou Janicich is overseeing the Los Angeles Housing Authority. With Lou's heavy involvement in social, civic, and church-related organizations, it would seem that he would have little time left for a career. However, this is clearly not the case. He worked as director of industrial relations for the Pepsi-Cola Bottling Co. of Los Angeles from 1966 until 1970, and is currently working for Westinghouse Beverage Group of Los Angeles—7-Up/RC Bottling—as senior vice president of human resources.

Lou Janicich joins a list of distinguished and deserving local honorees who have previously been named "Distinguished Citizen of the Year." My wife, Lee, joins me in extending our congratulations to this caring and giving man. He is truly a remarkable individual who has devoted his talents and energies to enriching the lives of so many other people. We wish Lou Janicich all the best in the years to come.

THE OCCASION OF CINCO DE MAYO

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Ms. PELOSI. Mr. Speaker, tomorrow all over the world people will celebrate Cinco de Mayo, honoring the victory led by Ignacio Zaragoza over the French in Mexico on May 5, 1862. This victory was the beginning of the end of foreign domination and Mexico's eventual independence. My district, the city of San Francisco, will be celebrating its Hispanic heritage today in honor of Cinco de Mayo.

The Hispanic community has enriched the culture and pride which San Franciscans share. There will be many festivities throughout the city to celebrate Cinco de Mayo, including a 3.8-mile run through the historic mission district, a parade and a concert on Saturday.

The grand marshals of the parade will be music celebrities Pete Escovedo and his daughter Sheila E. These native San Franciscans are proud of their Hispanic heritage and share it with the world through the universal language of music. Everyone benefits from the joy which their music gives, linking one generation to the next and uniting all cultures. San Francisco is fortunate to have cultural diversity and is enriched by the Hispanic community's contributions to the family and workplace.

The Hispanic community takes pride in its cultural richness and today we all celebrate with them. I invite my colleagues to join me in celebrating Cinco de Mayo and the Hispanic community's contributions to our society. Thank you.

TRIBUTE TO DR. FRANCES MERKLEY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. LAGOMARSINO. Mr. Speaker, I ask my fellow Congressmen to join me in recognition of Dr. Frances Merkley for her 20 years of devoted service to the Assistance League of Ventura County, CA.

Dr. Merkley received her education at LeMoyne College in Syracuse, NY, where she earned a B.S. degree in the social sciences. While attending LeMoyne, she was appointed to the PiGamma Mu National Honor Society. After graduation, Dr. Merkley went on to study at the University of Buffalo where she received her masters degree in teaching the deaf. Later, in 1977, she pursued her doctorate in education at the Fielding Institute in Santa Barbara, CA.

Dr. Merkley has dedicated her life to the education of the hearing impaired. She has served with the Ventura Unified School District and other educational institutions as a speech and hearing consultant, speech and hearing therapist, speech and language consultant, instructor at the University of California at Santa Barbara, educational consultant, program consultant, speech and language therapist and infant consultant, working in the home with infants and parents.

In the course of her work, Dr. Merkley has conducted numerous workshops and seminars for the special education staff of both public and private schools, developed her own teaching method, the Merkley Development Approach to Language, and published several books.

In 1969, Dr. Merkley became director of the Assistance League School in Oxnard, CA, beginning the 20 years of service for which she is recognized today. In 1983, she underscored her dedication to teaching in becoming owner and educational therapist at the Ojai Center for Learning, a position she holds to this day.

In addition to her numerous professional assignments, Dr. Merkley has also worked as a volunteer board member on the Ojai Valley Chamber of Commerce, the community advisory committee to the Ventura County special education local planning area and the Area Board IX Developmental Disabilities Board and as a committee member with the Ventura County interagency infant review team.

Dr. Merkley's extensive list of honors includes recognition in Who's Who Teachers of Exceptional Children (1973), Press Courier's Woman of the Week (1979), LeMoyne National Outstanding Alumni Award for Mainstreaming (1983), Vista Profile "Star Free Press" (1983), and appointment to the State Interagency Coordinating Council by Governor Deukemejian (1988).

It is clear that Dr. Merkley's dedication to the education and council of the hearing impaired is both lifelong and ongoing. I ask my colleagues to join me in honoring Dr. Merkley's 20 years of devoted service to the assistance league of Ventura County, CA and in wishing her continuing success in the future.

SUPPORT FOR DEMOCRACY IN PANAMA

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. FASCELL. Mr. Speaker, as the people of Panama prepare to cast their ballots on Sunday, May 7, to elect a President, the spotlight of world attention is on an electoral process which, by all accounts, is already fraught with irregularities and fraud. Independent polls indicate that the opposition Presidential candidate, Guillermo Endara, would win an overwhelming majority of votes, if the election were free and fair. To prevent this outcome, the Government of Gen. Manuel Antonio Noriega has engaged in widespread manipulation of voter lists, the issuance of multiple voting cards to Government supporters, the intimidation of public employees, and the coercion of opposition supporters to keep them from voting.

In addition, the Government has resorted to the intimidation of foreign journalists and international observers so that these and other blatant efforts to rig the election are not witnessed. Reservation for hotel rooms and car rentals are subject to prior Government approval, visa restrictions were imposed on Americans, and, in a move to discourage foreign coverage, Newsweek correspondent Charles Lane was detained and interrogated last week.

Earlier this week, President Bush spoke out against these abuses and indicated that, if the Panamanian Government resorts to massive election fraud and imposes Noriega's handpicked candidate, Carlos Duque Jaen, as now seems inevitable, the United States would not recognize the results of the election. The President said, "The United States will not recognize the results of a fraudulent election engineered simply to keep Noriega in power." While this was President Bush's strongest public statement on Panama to date, and, in that sense, was welcome, it contained no new pronouncements or directions for United States policy after May 7, 1989. And, to the extent that it focuses on Noriega as the problem rather than the total dominance of the Panamanian military over civilian authorities, United States policy has been and continues to be faulty.

I can understand the frustration felt by the administration in its so far futile attempts to topple Noriega. But the drive to force General Noriega from power, which began when he was indicted on drug smuggling charges in February 1988, has failed because it has enabled Noriega to wrap himself in the Panamanian flag and portray himself as a victim of American aggression and because, quite frankly, United States credibility is lacking.

For far too many years, we conveniently overlooked the overwhelming evidence of Noriega's and the Panamanian Defense Forces' involvement in drugs and human rights abuses. Noriega was helpful to us in our pursuit of other foreign policy goals and so we ignored the violations of human rights, the drug smuggling, the money laundering, and

the military's control of civilian institutions in Panama. We let the promotion of democracy and respect for internationally recognized human rights, which we so boldly proclaim throughout the rest of the hemisphere, play second fiddle to more important concerns.

Following the 1987 defection of Noriega's second in command, Col. Diaz Herrera, and his subsequent exposure of Noriega's misdeeds which precipitated the 1988 indictment, the departure of General Noriega became the focus of United States policy toward Panama as well as the central point in the broad campaign of protest within the country. Yet we should not delude ourselves into believing that Noriega's departure would by itself resolve the country's endemic political problems or end its human rights abuses.

The restoration of genuine democracy and the protection of human rights in Panama will require a government committed to: Legislative, judicial, and administrative reform; to the subordination of the military to democratically elected civilian authority; to taking effective measures to eliminate graft and corruption; and to end human rights abuses.

United States policy should be based on these goals and should openly support indigenous efforts to promote democratic development in Panama. The President's reported authorization of $10 million in covert assistance to the political opposition in Panama—which, as far as I can ascertain, did not reach those actively involved in the struggle for democracy although they took the heat for it—is exactly the wrong approach and is indicative of the shortsightedness of the administration's policy. We should not be ashamed of supporting those working to build democratic institutions, establish political pluralism, ensure free and fair electoral processes, and promote respect for human rights in Panama, or anywhere, for that matter. Regardless of the outcome of Sunday's vote, I hope this lesson will not be lost on U.S policymakers.

Mr. Speaker, I'd like to draw our colleagues' attention to an excellent article on this subject which appeared in the April 30, 1989 edition of the Miami Herald by Ambler H. Moss, the distinguished former United States Ambassador to Panama and presently the dean of the Graduate School of International Studies and director of the North-South Center at the University of Miami. Ambassador Moss' article follows:

PANAMA'S ELECTIONS—IMPORTANT U.S. INTERESTS ARE AT STAKE IN A VOTE IN WHICH GEN. NORIEGA AND THE MILITARY FIGURE PROMINENTLY

(By Ambler H. Moss, Jr.)

Citizens of foreign countries often complain that they have no vote in U.S. elections even though they may be profoundly affected by the outcome. Now the tables seem to be turned; next Sunday's national elections in Pamana are of major importance to U.S. interests. At stake is the continued efficiency of the Panama Canal and the use of our military bases in that country's strategic geography. Getting—and keeping—Panama out of the drug trafficking routes is also a high-priority interest.

The elections take place under extremely difficult circumstances.

Since June 1987 the country has been in a severe political crisis. Triggered by a retired colonel's charges against strongman Gen. Manuel Antonio Noriega of drug-running, electoral fraud, corruption and political assassination, a vocal protest movement known as the "Civic Crusade" took to the streets for several months, calling for Noriega's removal. In a remarkable display of discipline on the part of the demonstrators and the military, however, the violence that often accompanies such Latin American demonstrations was largely avoided.

The Reagan administration stormed onto the scene in early 1988, imposing economic sanctions intended to oust Noriega. They failed to do so, but did cause heavy damage to Panama's fragile economy and a diplomatic impasse that threatens the efficient functioning of the Panama Canal. A dangerous degree of tension now exists for U.S. military personnel and their families based in Panama.

The election campaign has been conducted with good organization and discipline. The two major contending tickets are an opposition coalition headed by Guillermo Endara and two other candidates of impeccable democratic credentials, and a pro-government ticket led by Carlos Duque, candidates who do not hide their close ties with, and loyalty to, Noriega. Panama's electorate is small, and most of the voters will have had the chance to hear the candidates in person. Yet the opposition complains that its principal media, such as the newspaper La Prensa, have remained closed by the government to obtain unfair advantage. For the opposition, the election is a plebiscite.

There are other clear signs of danger regarding the elections. The opposition charges pre-election-day fraud by a biased Electoral Tribunal through padding of voter lists, transfer of voters to more distant polling places and various means of disenfranchisement. Florida Sens. Bob Graham and Connie Mack returned from a trip from Panama last week stating that the pro-Noriega forces plan to "steal" the election. A recent Panamanian government order requires visas for most U.S. citizens. U.S. journalists and television crews are only being allowed three-day visas.

A poll commissioned by the opposition shows their overwhelming popularity over the official ticket, although the figures are disputed by the pro-government candidates. If the opposition is correct, the electoral fraud required for Duque to win would have to be massive, and therefore probably obvious. In such an event, an unknown and unpredictable, but crucially important, element is the reaction of the Panamanian public.

Equally unpredictable is the reaction of the U.S. government. Since the failure of U.S. policies to dislodge Noriega last year, Washington has seemed to defer any policy planning toward Panama until after the May 7 elections. Articles appeared in the U.S. press last week about CIA funding and other involvement to help the opposition ticket win the elections. The stories bore earmarks of deliberate administration leaks, for which the motives are unclear. One source speculates that Washington was trying to preclude a political deal between the opposition and Noriega.

The Reagan administration's policies last year tended to oversimplify Panamaian politics by focusing entirely upon Noriega, who has held command of the Panamanian Defense Forces (PDF) since August 1983. The real problem is the long-time domination of politics by the PDF from behind the scenes. That would clearly continue even if Noriega were to step down. The May 7 elections, even with an Endara victory, will not immediately change the way Panama works.

U.S. policy has been a complicating factor in the equation. Noriega had, for many years, been a useful asset to a prestigious "client list" of U.S. agencies. Even after extensive stories had appeared in the press here about his involvement in drug running through Panama, he traveled to London in September 1986 to meet with Oliver North to discuss aid to the contras, according to a government document released at North's trail this month. The meeting had the blessing of senior administration officials, including then-Secretary of State George P. Shultz. In 1987, Noriega received two letters of commendation from the Drug Enforcement Administration for Panama's antidrug efforts. The DEA cooperates with Panamanian authorities to this day. Many Pentagon officials were conspicuously cool at first to the anti-Noriega efforts of the State Department.

In February 1988, after two indictments in federal courts in Florida against Noriega on drug-running charges, Washington encouraged Panama's President Eric Arturo Delvalle to fire the general, which he did by television announcement. The plot backfired, but the United States continues to this day to recognize Delvalle. The administration instituted a broad array of punitive economic sanctions, including blockage of Panamanian funds in the United States, suspension of payments under the Panama Canal Treaty and executive orders covering U.S. corporations and the Panama Canal Commission that prohibited payments of any kind (even their own employees' withholding taxes) to Panama's government. The sanctions were accompanied by grandiose levels of rhetoric from President Reagan and Secretary Shultz that "Noriega must go." Carrots were tried, too, as well as sticks—the administration offered in May to lift the indictments against Noriega, but no deal was concluded.

The effects of the U.S. interventionist actions have been disastrous. The economy, which still had a positive growth rate in 1987, lost perhaps 25 percent of its gross domestic product in 1988. The principal losers were the private sector and Panama's poor and underemployed. Politically, the administration virtually shoved aside Panama's own internal opposition, becoming Noriega's chief antagonist. Internationally, countries such as Venezuela, Costa Rica and Spain, which were prepared to be helpful in negotiating a settlement, were made to understand that Washington was running the show. Noriega benefited in Latin American circles from the "David and Goliath" image.

What can Washington do after May 7, assuming that, whatever the outcome, Noriega will remain in power? A complete trade embargo, a covert-operation coup and military intervention have all been discussed in Washington but will probably continue to be rejected. They would probably end in even greater embarrassment to the United States than the measures taken to date.

A more constructive approach would be to examine the issues in a broader framework. Democratization and economic reconstruction based on restored private-sector confidence are obviously of supreme importance in assuring the long-term protection of U.S. interests. Pressure from Panama's Latin American neighbors—notably Venezuela, Colombia and Costa Rica—can be useful in promoting the restoration of civil liberties and political evolution. Panama does not presently enjoy the degree of political legiti-

macy that it would like to have from these democracies, which gives them some leverage.

The United States should adopt a lower profile and work cooperatively, not competitively, with Latin American democracies. It should remove the Panama Canal from other bilateral issues and cooperate fully under the treaties that pass control of the waterway to Panama in the year 2000. The most damaging economic sanctions should be lifted after the elections to halt further economic deterioration.

Preparing a major program of economic reconstruction, such as the bill proposed last May by Congressman Sam Gejdensen involving about $200 million in grants and credits, would be appropriate. It should, however, be contingent on a model program of cooperation in the anti-drug effort and on civil rights progress.

The May 7 elections will be an extremely important indication of the will of Panama's people. A well-considered U.S. response must be tailored to take their aspirations into consideration as well as our own long-term interests.

INTRODUCTION OF THE DAVIS-BACON REFORM ACT OF 1989

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. STENHOLM. Mr. Speaker, I find it ironic that my friend, Arlan Stangeland, and I, along with about 80 other House Members, have chosen today to introduce the Davis-Bacon Reform Act of 1989.

Today we vote on a budget resolution for fiscal 1990 in which, nearly everyone agrees, much, and maybe most, of the deficit reduction is not real.

By contrast, our Davis-Bacon reform bill exemplifies the type of tough decisions that should have been part of this budget.

Our bill doesn't depend on rosy scenario economic, have an asterisk for the source of new revenues, or speed up or defer paying our bills. In fact, unlike most of the real options outlined in CBO's recent deficit reduction book, our bill doesn't even cancel, terminate, slow, reduce, or eliminate any Government program.

Our bill only requires commonsense economy and efficiency in Government construction contracting. That same CBO volume projects that our reforms would save $3.55 billion in budget authority and $2.4 billion in outlays over 5 years.

I urge my colleagues to cosponsor and help bring to the floor this much-needed legislation.

I submit for the RECORD a copy and summary of our bill.

H.R. 2259

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Davis-Bacon Reform Act of 1989".

(b) REFERENCE.—Whenever in this Act (other than in section 10) an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Act of March 3, 1931 (commonly referred to as the "Davis-Bacon Act").

SEC. 2. INCREASE IN THRESHOLD AMOUNT.

Subsection (a) of the first section (40 U.S.C. 276a) is amended by striking out "$2,000" and inserting in lieu thereof "$250,000".

SEC. 3. APPROPRIATE CIVIL SUBDIVISION FOR COMPUTATION OF PREVAILING WAGE.

Subsection (a) of the first section is further amended by striking out "the city, town, village, or other civil subdivision of the State, in which the work is to be performed," and inserting in lieu thereof "the particular urban or rural subdivision (of the State) in which the work is to be performed,".

SEC. 4. DETERMINATION OF PREVAILING WAGE.

Subsection (a) of the first section is further amended by adding at the end thereof the following: "In determining the prevailing wage for a class of laborers, mechanics, or helpers where more than a single wage is being paid to the corresponding class of laborers, mechanics, or helpers, the Secretary shall establish as the prevailing wage—

"(1) the wage paid to 50 percent or more of the corresponding class of laborers, mechanics, or helpers employed on private industry projects of a character similar to the contract work in the urban or rural subdivision of the State in which the work is to be performed, or in the District of Columbia if the work is to be performed there, or

"(2) if the same wage is not paid to 50 percent or more of the laborers, mechanics, or helpers in the corresponding class, the weighted average of the wages paid to the corresponding class of laborers, mechanics, or helpers employed on private industry projects of a character similar to the contract work in the urban or rural subdivision of the State in which the work is to be performed, or in the District of Columbia, if the work is to be performed there.".

SEC. 5. EXCLUSION OF FEDERAL PROJECTS FROM PREVAILING WAGE COMPUTATION.

Subsection (b)(1) of the first section is amended by inserting before the semicolon the following: ", excluding the basic hourly rates of pay of individuals whose wages are established pursuant to the requirements of this Act, unless it is determined that there is insufficient wage data to determine the prevailing wages in the absence of data from such Federal or federally assisted projects; data from Federal or federally assisted projects may be used in compiling wage rate data for heavy and highway wage determinations".

SEC. 6. CLASSIFICATION OF HELPERS.

The first section is further amended by adding at the end thereof the following new subsection:

"(c)(1) For the purposes of this Act, helpers of a class of laborers or mechanics shall be considered as a separate class and prevailing wages for such helpers shall be determined on the basis of the corresponding class of helpers.

"(2) For purposes of this section, the term 'helper' means a semi-skilled worker (rather than a skilled journeyman mechanic) who—

"(A) works under the direction of a assists a journeyman,

"(B) under the direction and supervision of the journeyman, performs a variety of duties to assists the journeyman, such as—

"(i) preparing, carrying, and furnishing materials, tools, equipment, and supplies and maintaining them in order,

"(ii) cleaning and preparing work areas,

"(iii) lifting, positioning, and holding materials or tools, and

"(iv) other related semi-skilled tasks as directed by the journeyman, and

"(C) may use tools of the trade which are under the direction and supervision of the journeyman.".

SEC. 7. PROHIBITION ON CONTRACT-SPLITTING.

The first section (as amended by section 6) is further amended by adding at the end thereof the following new subsections:

"(d) Any person entering into a contract under which wages are to be determined in accordance with this Act shall not divide any project into contracts of $250,000 or less if the project would not have been so divided but for the purpose of avoiding application of this Act.

"(e) Whenever the Secretary of Labor determines that a division for such purpose has occurred, the Secretary may (1) require that the contracts, grants, or other instruments providing Federal financing or assistance to amended so as to incorporate retroactively all the provisions which would have been required under this Act or other applicable prevailing wage statute, and (2) require the contracting or assisting agency, the recipient of Federal financing or assistance, or any other entity which awarded the contract or instrument providing Federal financing or assistance in violation of this section, to compensate the contractor, the grantee, or other recipient of Federal assistance, as appropriate, for payment to each affected laborer and mechanic, of an amount equal to the difference between the rate received and the applicable prevailing wage rate, with interest on wages due at the rate specified in section 6621(c) of title 26, United States Code, from the date the work was performed by such laborers and mechanics. The Secretary shall make such a determination only where the Secretary has notified the agency or entity in question no later than 180 days after completion of construction on the project that an investigation will be conducted concerning an alleged violation of this subsection.".

SEC. 8. TECHNICAL AMENDMENT APPLYING REFORM TO RELATED ACTS.

The Davis-Bacon Act is further amendment by adding at the end the following:

"SEC. 8. No provision of any law requiring the payment of prevailing wage rates as determined by the Secretary in accordance with this Act shall apply to contracts for construction, alteration, or repair valued at $250,000 or less, or in the case of rent supplement assistance or other assistance for which the instrument of Federal financing or assistance does not have an aggregate dollar amount, where the assisted project is in the amount of $250,000 or less.".

SEC. 9. TECHNICAL AMENDMENTS.

(a) The following is inserted before the first section:

"SECTION 1. This Act may be cited as the 'Davis-Bacon Act'.".

(b) The first section is amended by striking out "(a) That the" and inserting in lieu thereof "SEC. 2. (a) The".

(c) Sections 2 through 8 are redesignated as sections 3 through 9, respectively.

(d) Subsection (a) of section 3 (40 U.S.C. 276a-2) is amended by striking the first sentence and inserting in lieu thereof the following: "In accordance with regulations issued by the Secretary pursuant to Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267), any wages found to be due to laborers and mechanics pursuant to this Act shall be paid directly to such laborers and mechanics

from any accrued payments withheld under the terms of the contract. Any sums due laborers or mechanics under section 1, not paid because of inability to do so within 3 years, shall revert to or be deposited into the Treasury of the United States. The Administrator of General Services shall distribute a list to all departments of the Government giving the names of persons or firms that the Secretary has found to have disregarded their obligations to employees and subcontractors.".

SEC. 10. COPELAND ACT PAPERWORK REDUCTION AMENDMENT.

Section 2 of the Act of June 13, 1934, entitled "An Act to effectuate the purpose of certain statutes concerning rates of pay for labor, by making it unlawful to prevent anyone from receiving the compensation contracted for thereunder, and for other purposes" (40 U.S.C. 276c) (commonly referred to as the "Copeland Act") is amended by striking out "shall furnish weekly a statement with respect to the wages paid each employee during the preceding week" and inserting in lieu thereof "shall furnish, at the beginning, midpoint, and conclusion of the period covered by the contract, a statement with respect to the weekly wages paid each employee during such period, except that such statement shall be furnished no less than every 3 months.".

SEC. 11. REPORTS REQUIRED.

Beginning 1 year after the effective date of the amendments made by this Act, and at intervals of 1 year thereafter, the Secretary of Labor and the Comptroller General of the United States shall each prepare and transmit to the Congress a report describing the results of a review of the implementation, enforcement, administration, impact on local wages, and impact on local and national economies of the Act of March 3, 1931 (the Davis-Bacon Act), the Act of June 13, 1934 (the Copeland Act), and the amendments made by this Act during the preceding 12-month period, including recommendations for such further legislation as may be appropriate.

SEC. 12. EFFECTIVE DATE.

The amendments made by this Act shall take effect 60 days after the date of enactment of this Act but shall not affect any contract in existence on that date or made pursuant to invitations for bids outstanding on that date.

SUMMARY AND EXPLANATION OF BILL

BACKGROUND

The Davis-Bacon Act of 1931 requires that the minimum wage rates paid to each separate classification of worker on federally-financed construction, repair, and alteration contracts be those determined to be locally "prevailing" by the Department of Labor. Often these rates are higher than the actual averages for the locality. The last major amendments to the Act were enacted in 1935.

This was a Depression-era response to reports that unscrupulous, fly-by-night contractors were hauling gangs of "itinerant, cheap, bootleg labor" around the country to undercut local firms on federal public works projects, at a time when there was little other new construction. The Act predated virtually all of today's basic worker protections, including the minimum wage, right to bargain collectively, and special construction industry rules.

Over the years, Davis-Bacon has come to operate counter to its original purposes. Often, its "prevailing" rates have been far above local averages, actually disrupting the local labor standards it was meant to preserve. The Act discourages many small and minority-owned firms from even bidding on federal work, resulting in a loss of competition that further drives up costs.

The Davis-Bacon Reform Act would improve and make less onerous the way Davis-Bacon applies to federal and federally assisted construction, alteration, and repair projects. The bill would restore the Davis-Bacon Act more closely to its original intent (i.e., reflecting, as opposed to disrupting, locally prevailing labor standards), while still preserving basic worker protections on federal contracts.

This reform bill would reduce the cost of federal and federally-assisted construction, as well as more accurately reflect local labor practices. For these reasons, a surprisingly broad and diverse coalition has supported such reforms, including: The National Association of Minority Contractors, National League of Cities, National Association of Counties, National School Boards Association, National Association of Housing and Redevelopment Officials, and American Farm Bureau Federation.

In terms of budget economics, labor trends, and political momentum, the best arguments are all on the side of reform. H.R. 2328 was the 100th Congress (1987-88) version of what has been the leading reform bill for several years. Since the first Davis-Bacon Reform Act was introduced in August 1983, this issue has gone from being rarely debated seriously and seldom the subject of a recorded vote to becoming, in 1988, the subject of what the National Journal rated as one of the year's five most critical economic votes taken in the House.

$250,000 THRESHOLD

The Reform bill would exempt from Davis-Bacon contracts for less than $250,000, exempting only 7% of the dollar volume of all federally financed contracts for construction, repair, and alteration.

Many small and minority-owned businesses refrain from bidding on federal contracts because they find Davis-Bacon costly, disruptive of local wage schedules, and anticompetitive.

Because a small amount of work is taken up in a large number of very small contracts, about two-thirds of the number of contracts would be exempted, finally opening up significant numbers of small contract opportunities to small firms.

More efficient administration would result: The $250,000 threshold would free up DOL resources now uneconomically required to be spent on many small contracts and reallocate them to provide for more accurate wage determinations and more effective enforcement on the 93% of work that remains covered by Davis-Bacon.

A $250,000 threshold is moderate and reasonable—far from the subterfuge for repeal its opponents claim. It represents a compromise for sponsors of predecessor bills, which, in the 98th and 99th Congress, called for a $1 million threshold. The last Administration supported a $1 million Davis-Bacon threshold for DOD contracts.

A $250,000 threshold represents a politically achieveable goal. In May 1988, the House defeated an amendment applying the core provisions of H.R. 2328 ($250,000 threshold, expanded use of helpers, paperwork reduction) to military construction by a narrow 204-210 vote. In 1986, the Senate voted twice to apply a $250,000 threshold, to military construction and highway projects and, in 1985, narrowly retained a Senate Armed Services provision applying a $1 million threshold (and helpers and other reforms) to military construction. The 1988 House vote is especially striking when compared with a 1986 House vote on a less comprehensive reform amendment that was defeated 167-244.

The Department of Labor has testified that the distribution of workers according to contract size is roughly the same as the distribution of dollar volume. Thus, a $250,000 threshold leaves the vast majority of work and workers covered by Davis-Bacon.

CONTRACT SPLITTING

To prevent any potential abuse of the higher threshold, dividing projects for the purpose of avoiding Davis-Bacon would be prohibited and back pay with interest provided for. Administrative enforcement is provided for. (Prevention of contract splitting was a reason Congress lowered the original 1931 threshold of $5,000 to $2,000 in 1935.)

EXPANDED USE OF HELPERS

A semi-skilled "helper" category would be recognized and ensure that helpers working on Davis-Bacon projects would be paid the wages prevailing for helpers in that locality.

DOL rarely has issued wage determinations for a rate lower than that for a skilled journeyman, regardless of the task to be performed. Thus, labor is allocated, inefficiently, costs rise, and semi-skilled workers are denied entry-level jobs. Davis-Bacon has been left behind by the evolution of a more flexible workplace over the last half-century, as the utilization of helpers has become a widespread practice in private construction, but not on federal jobs.

The helper classification has been upheld in the federal courts as consistent with longstanding Congressional intent that Davis-Bacon reflect, rather than disrupt, locally prevailing practices. The bill carefully defines this classification to prevent substitution of helpers for skilled workers, thus ensuring work assignments appropriate to the craftsmanship required.

The definition of helpers proposed here, essentially proposed by DOL since 1982, would ensure that helpers were paid adequately and could not be substituted for skilled mechanics and laborers. "Helpers" would be defined as semi-skilled workers assisting, and under the direction of, skilled journeymen.

This change would open up job opportunities to those most in need of help up the first rungs of the economic ladder: Minority, women, disadvantaged, displaced, and entry- and training-level workers.

PAPERWORK REDUCTION

Under the Copeland Act of 1934, employers on Davis-Bacon contracts are required to submit complete, certified payroll records to the Department of Labor or contracting agency every week. Under the Reform bill, this onerous paperwork requirement would be reduced from weekly to no less than quarterly.

Approximately 11 million payroll reports are submitted annually to contracting agencies, at an estimated cost of 5.5 million hours of industry employee time. An estimated 5.5% of all DOL's paperwork is generated by Copeland and Davis-Bacon. Paperwork costs to contractors, passed on to the taxpayers, has been estimated at $100 million a year by DOL and $50 million by CBO.

The current flood of paperwork discourages small firms, which would have to hire

additional clerical personnel and/or invest in new equipment, from bothering to bid even on small subcontracts.

Most payroll investigations are initiated upon receipt of complaints, since the sheer volume of and storage problems with the weekly reports greatly limits their practical usefulness.

These reforms would not reduce the contractor's responsibility to maintain orderly and complete payroll records or the government's current authority to conduct on-site investigations and inspect payroll records. Quarterly reports would compliment the enforcement process in a timely and practical way.

The anti-small business bias that has developed in the operation of Davis-Bacon, in all the above areas, becomes especially unconscionable in light of the fact that firms with 9 or fewer people make up about 80% of all construction industry employers.

BUDGET IMPACT

CBO estimates that Davis-Bacon increases total federal construction costs by 3.1% (3.7% prior to regulatory changes effective in 1985). This cost premium amounts to about $1.3 billion a year in Budget Authority, government-wide. Repealing Davis-Bacon outright would produce savings of more than $6.6 billion in Budget Authority and $4.6 billion in outlays over five years (CBO, 1988 estimates).

The Department of Defense has estimated its Davis-Bacon-induced cost premium at 5%. GAO's estimates are similar to CBO's. Most estimates place this cost inflation in the 3%-10% range. While total cost estimates reflect an average premium, the impact on individual projects varies dramatically. The impact on some community development projects has been estimated by local officials as high as 20%-50%. An Oregon State University study found Davis-Bacon to inflate costs in rural areas by 26% to 38%. It should be noted that these figures are increases to total construction costs, not just labor costs.

Current budget constraints on all federally financed construction and repair, whether for the military, low-income housing, veterans' mortgage guarantees, highways, or community development grants, require that we procure the most and highest quality work for the lowest reasonable cost.

For three years in a row, now, CBO has included the core provisions of this bill ($250,000 threshold and expanded use of helpers) in its annual volume, Reducing the Deficit: Spending and Revenue Options. CBO's February 1989 estimates project that these reforms would result in the following savings:

[in millions of dollars]

	Fiscal year—					5-year total
	1990	1991	1992	1993	1994	
Budget authority	670	680	700	730	760	3,550
Outlays	170	410	540	610	660	2,400

(Government-wide, approximately 85% of the savings come from the expanded use of helpers and 15% from a $250,000 threshold. These proportions vary by department.)

Actual savings may be greater, since CBO does not score potential savings from increased competition for federal contracts (as more firms enter the bidding process) or the reduced inflationary impact on local economies (found by GAO and others).

SUMMARY OF REFORMS IN THE DAVIS-BACON REFORM ACT OF 1989

(1) Exempt contracts smaller than $250,000 (7% of current dollar volume);

(2) Allow the expanded use of entry- and training-level "helpers" by requiring that a helper classification be recognized and prevailing wages determined for that classification;

(3) Codify 1982 DOL regulations improving the accuracy of prevailing wage determinations (requiring that separate wage surveys be conducted for urban and rural areas; that minimum wages on Davis-Bacon projects be those paid to 50 percent of workers (or, if no one rate is paid to 50 percent, then a weighted average) for each category of worker; and that Davis-Bacon rates be based on private sector rates, consistent with the Act's original intent);

(4) Reduce paperwork, by cutting from weekly to quarterly the required submission of detailed payroll records to the government; at a minimum, three submissions would be required, at the beginning, midpoint, and conclusion of the contract period;

(5) Prohibit the splitting up large contracts intended to evade the Act and provide for administrative enforcement of this provision;

(6) Technical provisions include: Ensure that reforms apply to the 60-plus "Related Acts" incorporating Davis-Bacon by reference; Move responsibility for debarment of persons or firms violating Davis-Bacon from the Comptroller General to DOL;

(7) Require DOL and GAO to submit to Congress annual reports on the economic impact, administration, and enforcement of Davis-Bacon, the Copeland Act, and these reforms.

A TRIBUTE TO ANNE RAIMONDI

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. MANTON. Mr. Speaker, today I am paying tribute to Mrs. Anne Raimondi as she ends a long and distinguished career at the St. Francis of Assisi School in Long Island City, NY. Since 1966, when she first taught fourth grade class at St. Francis, the school has been a better place because of Mrs. Raimondi's dedication to her profession. During her 23 years as an educator, Mrs. Raimondi enriched the entire Queens community by challenging her students to strive for academic excellence and to be better people.

Mrs. Raimondi is the rare kind of teacher who is as respected and beloved by her students as her peers. Every year, young adults have made their way back to the St. Francis School to visit Mrs. Raimondi. This is a tribute to Mrs. Raimondi and shows the lasting impression she has made on those she has taught.

Mr. Speaker, an exceptional teacher like Mrs. Raimondi will not be replaced easily. Next September the St. Francis School will seem a little emptier without Mrs. Raimondi. I am, however, confident her presence will remain strong in the hearts and minds of her students and friends. As she embarks upon her retirement with her husband, Lennie, I wish Mrs. Raimondi godspeed and offer my heartfelt thanks for her hard work and dedication to the young people of Queens.

TRIBUTE TO MARY CHRISTINA BENNER

HON. ROBERT W. DAVIS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. DAVIS. Mr. Speaker, I would like to pay tribute today to Mary Christina Benner, who passed away recently at the age of 93. Mrs. Benner is survived by 3 daughters, 12 grandchildren, 36 great-grandchildren and 6 great-great-grandchildren. One of her granddaughters, Mrs. Kimberly Jacobson, is a constituent of mine. Mrs. Jacobson wrote to me in an effort to bring recognition to the significant contributions her grandmother made during her lifetime and to bring attention to the many changes she saw during her very long and full life. Mrs. Benner was born on December 13, 1895. She at one time lived in a sod house and traveled the Oregon Trail from Greeley County, KS to Oregon in a covered wagon. Grover Cleveland was president when Mrs. Benner was born. There were a total of 19 different Presidents during her lifetime. I find it refreshing to see people take an interest in their family's heritage and I am proud to give Mary Christina Benner special attention. I would like to extend my best wishes to Mrs. Benner's family, I hope her spirit and the many wonderful blessings she bestowed upon others will be remembered for generations to come.

SECTION 89 OF THE 1986 TAX REFORM ACT

HON. HANK BROWN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. BROWN of Colorado. Mr. Speaker, this week the House Committee on Ways and Means held 2 days of hearings on section 89, a provision of the 1986 Tax Reform Act. Section 89 has proven to be so complex, costly, and unworkable for employers that close to 300 Members of this body are now cosponsors of bills to repeal or simplify it.

As debate on section 89 continues, I would like to commend to you the following remarks by my good colleague and fellow Ways and Means Committee member, Mr. PHIL CRANE of Illinois.

TESTIMONY OF CONGRESSMAN PHILIP M. CRANE, TO THE MEMBERS OF THE HOUSE WAYS AND MEANS COMMITTEE, MAY 2, 1989

Mr. Chairman, it is with great relief that I sit before this committee to testify on what many have deemed the biggest "tax" issue for this esteemed group of Members this year. Section 89 of the Internal Revenue Code has taken us all on an emotional roller-coaster ride in our attempts to better understand its provisions and directives. The results of our 1986 efforts to bring unneeded discrimination rules to employee health plans has resulted in an embarrass-

ment to this committee and an outcry from the backbone of this country—the business community.

As we are all well aware, Section 89 was included in Tax Reform Act of 1986 as an attempt to impose nondiscrimination and qualification rules with respect to certain employer-provided benefits. These provisions were modified in the Technical and Miscellaneous Revenue Act of 1988. In 1989, just three years after the implementation of Section 89, a mere 122 days after these misguided provisions were enacted, and 62 days after the release of the Internal Revenue Service Notice of Proposed Rulemaking, we are now considering a massive overhaul of nondiscrimination rules.

The problems with section 89 are numerous and complex. Exemplifying just one example of the problems faced by employers with the enactment of Section 89, is the limited resources of small businesses and associations. The Internal Revenue Service estimates it will take up to forty-four hours per year for an employer to learn the provisos of Section 89, qualify his plans and apply them as a test for discriminatory practices. Most small businesses and associations will be forced to hire additional consultants to endure this task for them simply because they do not have the technical resources necessary to complete such an immense endeavor. Time and expenses dictated by this process will be detrimental and will ultimately lower the taxable income of the employer for the year. A lower tax base will result in lost revenues and, with the critical status of our nation's budget deficit, a rule that was purportedly designed to raise revenues will ultimately constitute a revenue loser.

It is these problems and complications that have led to near revolt of the business community and prompted the great concern of the Members of this great body. I have personally taken great interest in the intricate maze of Section 89 and have worked vigorously to air the justified complaints of the business community. On January 19th of this year, I introduced the first of two bills designed to breach the problems of Section 89. The first of these bills, H.R. 518, was the first Section 89 bill introduced in the 101st Congress. It was a simple bill that requested a delay of the effective date of Section 89 until January 1, 1990, providing some relief to businesses. Senator Steven Symms of Idaho introduced the Senate counterpart. H.R. 518 garnered over 130 bipartisan cosponsors, including 10 of my colleagues on the minority side of Ways and Means.

On January 24, 1989, Congressman John LaFalce introduced a bill that garnered close to 300 cosponsors. The bill, H.R. 634 would repeal Section 89. The business community, led by the National Federation of Independent Business and the U.S. Chamber of Commerce, mobilized to bring this bill the substantial support it has mustered. Senator Trent Lott introduced the Senate companion bill. After much thought and input from the many firms affected by our attempt to add nondiscrimination rules to the tax code, a series of Section 89 reform bills were introduced including two in the Senate—S. 595 introduced by Senator Pete Domenici, and S. 654 introduced by Senator David Pryor—and two in the House. The pretext of today's hearing is to discuss H.R. 1864, the Chairman's bill, and the other House reform bill of my own design, H.R. 1682, a bill that was introduced April 5. The one common issued touted by all these reform bills is the need to view them as discussion-oriented legislation. I heartily commend you Mr. Chairman, for understanding the need to discuss the issue in an open forum such as today's hearing.

The ideas I wish to address today are included in H.R. 1682, a bill I introduced to provide an open discussion regarding the options for transforming Section 89 into a manageable directive that will receive the support of the business community. H.R. 1682 is a compilation of corrections to Section 89 borne of ideas set forth by numerous representatives of all aspects of the business community. There are five major sections of H.R. 1682;

1. Elimination of all tests except the 80% test which would be reduced to a 70% test. The 70% test has been included to meet the need for a simpler test that would allow for broader compliance. This eliminates the need to run many costly and time-consuming tests to determine compliance.

2. Exclusion from the test of employees who normally work less than thirty-five hours per week. One of the biggest problems with the Section 89 regulations is the perception that a part-time employee is always entitled to the same benefits as a full-time employee. The added cost of including part-time employees will dictate the elimination of many part-time and temporary jobs. The elimination of those jobs can only reduce payroll taxes, increase costs to government need programs, and increase unemployment.

3. Exclusion from the test of leased employees, union employees covered by a collective bargaining agreement, mandatory retirees, and enrollees covered under the Older American Community Service Employment Act. Once again, as in the situation involving part-time employees, the use of leased employees and enrollees will precipitate the elimination of these types of employment opportunities. Union employees covered by collective bargaining agreements already have benefit plans that they have agreed to in principle, so their inclusion in Section 89 will unnecessarily increase the cost to the business. Mandatory retirees who are by law required to terminate employment will also be exempted from the test.

4. The penalties associated with a violation of Section 89 would not exceed the cost of such benefit to the employer. This provision would squarely place the blame for the violation where it belongs—on the employer. Most representatives of the business community have supported this provision. The penalties would also not exceed the cost to the employer of providing the benefit. It was a gross mistake to include in the taxable income the received benefit that is provided to the employee. We all have heard the potential horror stories about an individual who receives heart surgery at a cost of $100,000 and how this forces his income for the year into a drastically higher tax bracket. This provision would place the costs where they belong: in the hands of the business itself.

5. The most important signal we can send to the many affected by Section 89 is the desire for this committee to understand our abilities and to reaffirm our desire to work with them for a more palatable means of regulating nondiscriminatory benefit regulations. By incorporating a delay of the enforcement of Section 89 until January 1, 1990, we say to the business community, "we understand that we have been making much needed corrections to the egregious provisions of Section 89 and, while we continue to pursue more workable provisions, we believe it is in the best interest of everyone to push compliance into the future." Any major changes to Section 89 require a delay to allow the Department of the Treasury to produce needed regulations in a timely manner, allow businesses to make needed adjustments, and allow the members of this body to understand what they have enacted.

Mr. Chairman, I have presented to this committee a position that is designed to heighten the discussion of reform for Section 89. It is imperative that we move to a position that will allow the business community to comply without undue hardship, expense and paperwork. I have stated the need for a delay as an affirmation of those affected by Section 89 that we hear their concerns and want to help. It is vital that we do not let this moment escape us by failing to make a serious attempt to reform Section 89. Mr. Chairman, once again I commend you for your timely call for these most important hearings. From the number of organizations, associations and individuals who have requested to address this body, the importance of the issue is obvious.

THE AGRICULTURAL NITROGEN MANAGEMENT ACT OF 1989

HON. ARLAN STANGELAND

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. STANGELAND. Mr. Speaker, today along with several colleagues, I am introducing legislation to help prevent water pollution caused by improper use of fertilizers and other sources of agricultural nitrogen. My bill establishes an agricultural nitrogen best management practices task force and increases the role of agricultural agencies in protecting ground and surface water from nonpoint source pollution.

This noncontroversial legislation is based upon last year's bill, H.R. 3069, and is virtually identical to related provisions in H.R. 791, the comprehensive ground water research bill, which passed the House 399 to 15. It embodies provisions of the bill analyzed and approved by five House committees last Congress.

The task force would recommend best management practices to help farmers and others involved with fertilizers prevent and control water pollution. Education, information dissemination, technical assistance, and improved coordination are the basic components of my bill. This nonregulatory approach recognizes the critical role the agricultural community must play in providing this Nation's food, while preserving its water resources.

My legislation can serve as a good starting point for renewed discussion of agricultural and water quality issues in the 101st Congress and in particular in the House Agriculture and Public Works Committees. To a large extent, it is already embodied in H.R. 37 and S. 203, two ground water research bills introduced this session, as well as S. 779, which has over 30 cosponsors.

The Agricultural Nitrogen Management Act is also consistent with the spirit of recent administrative policies and initiatives. The De-

partment of Agriculture, EPA, TVA, and other agencies are making headway in recognizing the nonpoint source pollution problem and increasing education and best management practices. The administration has also placed a high priority on the relation between agricultural chemicals and environmental protection. Increased funding and coordination among agencies should follow. My bill is a logical extension of this ongoing effort.

Mr. Speaker, the Agricultural Nitrogen Management Act offers a constructive, noncontroversial approach to improve our water pollution control efforts. I recognize it's a small step but it's one worth pursuing. I hope my colleagues will join me in supporting this modest but worthwhile bill.

SECTION-BY-SECTION SUMMARY OF THE AGRICULTURAL NITROGEN MANAGEMENT ACT OF 1989

Section 1 states the bill may be referred to as the "Agricultural Nitrogen Management Act of 1989."

Section 2(a) directs the Secretary of Agriculture to establish an agricultural nitrogen best management practices task force consisting of 12 specified members. This includes several Department of Agriculture officials, TVA and EPA officials, the Director of USGS, a state representative, a representative of the fertilizer industry, and a member of the public who has considerable training and expertise in farming. The Secretary of Agriculture will provide necessary items for the task force to carry out its functions.

Subsection (b) lists those functions, directing the task force to: (1) review information on water quality and agricultural nitrogen; (2) develop and improve agricultural best management practices for agricultural nitrogen utilization in crop production; and (3) develop educational and training material.

Subsection (c) requires the task force to provide annual progress reports to Congress beginning 1 year after enactment. The reports could include, among other things, the number of BMP's developed by the task force and adopted by farmers.

Subsection (d) defines the key terms "agricultural nitrogen," "environmental nitrogen," and "agricultural best management practices." This distinction between "agricultural nitrogen" and "environmental nitrogen" is meant to clarify that nitrogen problems in ground water have a wide variety of man-made and natural sources, and that some are outside the control of farmers and fertilizer manufacturers. This, however, does not mean the task force should ignore the presence or impact of environmental or natural sources when assessing the problem and developing or recommending best management practices.

Subsection (e) authorizes funds to carry out the task force's activities for five (5) years.

Section 3 provides two amendments to section 319 of the Clean Water Act, which establishes a nonpoint source management program within the Environmental Protection Agency. Subsection (a) amends the Clean Water Act to require that any state assessment report and any state management report and program be developed in consultation with the agricultural nitrogen best management practices task force established by this bill. Similarly, subsection (b) amends the Act to require the Administrator of EPA to consult with the task force in preparing the Administrator's annual and final reports to Congress. These amendments will highlight the important link between nonpoint source pollution and agricultural best management practices and encourage greater consultation with and coordination among Federal, State, and local agencies.

BRIDGE REPLACEMENT BILL

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. TANNER. Mr. Speaker, on the evening of April 1, 1989, a national tragedy struck in our congressional district. A bridge on U.S. Highway 51 over the Hatchie River collapsed. In rapid succession, automobiles and a tractor trailer truck traveling north in the dark of night on that highway fell into the waters below, resulting in the deaths of eight people.

This terrible incident serves as pointed evidence of the necessity of paying more attention to the infrastructure of this country. The bridge that collapsed on Highway 51 in the Eighth District of Tennessee is only 1 of about 240,000 in this country that are currently rated as deficient. In the State of Tennessee alone, there are 7,789 bridges rated as deficient. That is 39.8 percent of all the bridges in Tennessee currently listed on the National Bridge Inventory.

Estimates to repair all of the deficient bridges in our country have risen from $42 billion a few years ago to $51 billion today. In these times of fiscal crisis, I know that we cannot spend all the money we wish on the Federal bridge program. Nonetheless, we must take steps to insure that funds spent to improve our bridges is spent efficiently.

That is why I am, today, introducing legislation to improve the Highway Bridge Replacement and Rehabilitation Program which was enacted several years ago to help restore America's bridges. While the program's goals are worthy and necessary, its operation needs improvement.

Under present law, the Federal Highway Administration's annual report does not differentiate between bridges according to the extent of disrepair and the costs of repair. That makes it difficult to determine which bridges need replacement and which need repair. Bridge inventory is inaccurate, and incomplete. Finally, the FHWA is not providing enough oversight of the States' procedures in data collection or rating of bridges.

All of that means it is virtually impossible to allocate Federal funds for bridge rehabilitation and replacement where those funds are most needed.

This bill is aimed at making corrections in the Highway Bridge Rehabilitation and Replacement Program that will encourage States' compliance with current national bridge inspection standards and also will review the criteria for assigning priorities for bridge replacement and rehabilitation so as to better concentrate limited funding on bridges most in need of repair.

Mr. Speaker, I urge my colleagues to support this legislation. Deteriorating bridges are a national problem that affect every part of this great country. We cannot allow further loss of life before turning our attention to this severe problem.

A VOICE FOR CAPITOL POLICE

HON. HARLEY O. STAGGERS, Jr.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. STAGGERS. Mr. Speaker, today I am introducing a concurrent resolution to establish an Ad Hoc Joint Committee on Labor Relations for the U.S. Capitol Police.

The Capitol Police force is made up of more than 1,000 officers and officials and is the second largest police force in the Washington, DC, metropolitan area. The Capitol Police force works 24 hours a day, 365 days a year, to provide quality police service to more than 540 Members elected to Congress, thousands of congressional staff, and millions of tourists and visitors to Capitol Hill each year. In addition to protecting our visitors, the Capitol Police officers are quite probably our very best ambassadors of good will, helping lost tourists and keeping them from getting that way in the first place.

This bill, Mr. Speaker, calls for the creation of a committee comprised of three Senators appointed by the President pro tempore of the Senate, two Senators appointed by the minority leader of the Senate, three Members of the House appointed by the Speaker, and two Members of the House appointed by the minority leader.

The purpose of this bill is, very simply, to give the Capitol Police a voice in the policies that rule their lives. In the recent Presidential campaign, crime and law and order issues played a significant role. We spend a lot of time talking about the enormous importance of police officers and their role in fighting drugs and crime, but seldom do we ever stop to think that these nameless and faceless police officers are human beings with lives of their own, with families, with the same everyday stresses that we all face, with educations and braces to pay for, in addition to placing their lives on the line to protect others every single day.

When we need them, Capitol Police officers are the most important people in the world, but after those fleeting moments when we are safe again, they go back to what I can only imagine must feel like being a second-class citizen. I am including with my remarks a copy of an article from the May Fraternal Order of Police publication Simulcast, in which a highly decorated Capitol Police officer outlines some of the concerns that we should all consider. I ask my colleagues to face this issue with an open mind. As employers, we are regularly referred to as the "last plantation." We have made real progress in addressing our shortcomings as employers, yet that progress has not extended to the Capitol Police. I make no boast that my bill is the best way, but there must be a way.

I welcome other ideas about how we can extend basic rights to those whose primary job is to put their life between us and those who would do us harm. In the meantime, I en-

courage you to cosponsor this bill as a way of bringing attention to a very real problem.

And finally, Mr. Speaker, I ask my colleagues, the next time you read an article about a Capitol Police officer who took a weapon or drugs away from someone on Capitol grounds, please consider that that man or woman may have saved your life, and then ask yourself whether that man or woman is worth the small amount of time it would take this body to address this problem.

HOW DO YOU KNOW WHEN YOU NEED A LABOR COMMITTEE?

(By V.L. Van Fleet, Vice Chairman)

You know you need a Labor Committee when:

(1) A staff member files a complaint, lies in the statement, and you lose 7 hours leave.

(2) Your Commanding Officer takes 7 hours leave, then says, "The Dept. will back you up."

(3) A $5.00 an hour, parking lot attendant can dictate to the police where they can park scout cars.

(4) You have to learn to play golf to get a good assignment.

(5) The Department issues a Special Order 88.28, stating that due to recent court order which states "you have no jurisdiction beyond U.S. Capitol Boundaries", then you are sent outside the boundaries in a marked cruiser to check on a member's house. Again, the statement "The Dept. will cover you."

(6) There is no loyalty from the officials to the rank & file.

(7) An official can write a statement to Internal Affairs and initial another official's signature to the document, when that official is off on leave.

(8) When officials who have never made an arrest, not written a TVC, try to dictate how to act on the street.

(9) When a high ranking official has to resort to having an officer followed by a plainclothes officer to court to see if the officer is in fact going to court. For no reason other than the officer had a high amount of overtime.

(10) When officials take third party complaints against officers.

These statements above have happened to officers on this Department. One way to stop this type of treatment is to support the Labor Committee.

IT IS TIME FOR THE VATICAN TO RECOGNIZE ISRAEL

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. FEIGHAN. Mr. Speaker, today I am introducing a resolution which calls on the Vatican to recognize Israel and to extend formal diplomatic relations to that country. These actions will foster an enriched dialog between Catholics and Jews and and will constitue an important step toward Middle East peace. I ask all of my colleagues to join with me in calling on the Vatican to take these steps.

Since the end of Vatican II and the declaration of "Nostra Aetate," which rejected the view thast the Jews were responsible for the death of Christ, the Vatican has become a force for understanding and reconciliation between Catholics and Jews, and in the intervening years much has been learned about their shared history and values. Nonetheless, with regard to the crucial importance of the State of Israel to Judaism and Jewish life, a deeper level of understanding can only come, in part, through Vatican recognition of Israel.

Today, the Vatican maintains full diplomatic relations with over 100 countries including Iran, Iraq, Syria, and Egypt, while refusing to accord the same recognition to Israel. As Msgr. George G. Higgins points out, there is a wide gap in perception between what the church intends to say by withholding official relations with Israel and what it is, in fact, saying. Instead of saying that it has some serious problems with particular Israeli policies, it is instead saying that the church rejects the Jewish people's right to organize as a nation.

Vatican recognition of Israel will promote a Middle East peace by reinforcing the basic premise of any successful peace agreement: Israel's right to exist. Ten years after the signing of the Camp David Accords, we can attribute the success of that treaty to Anwar Sadat's willingness to commence negotiations upon that premise. Only after seeing the futility of armed conflict did Mr. Sadat accept Israel's right to exist and sit down to hammer out the peace treaty that still stands today. By recognizing Israel, the Vatican enlists its immense moral standing in support of those moderate elements in the region who are willing to acknowledge Israel's right to exist and who believe that it is time for all interested parties to lay down their guns and talk.

My colleagues, join me today in calling on the Vatican to recognize the State of Israel and thereby continue to fulfill the Vatican's role as a force for peace and understanding in the world.

GOVERNORS DEMAND GREECE ACT AGAINST TERRORISM

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. SMITH of Florida. Mr. Speaker, I want to commend Governor Neil Goldschmidt of Oregon for his leadership in seeking the support of his fellow Governors in a letter to the President to encourage a strong United States policy on the issue of Greece's response to terrorism. Ten other State chief executives joined Governor Goldschmidt in writing to President Bush on this urgent issue.

Last year, I sponsored a resolution, House Concurrent Resolution 14, joined by many of my colleagues on the Foreign Affairs Committee, demanding that Greece bring to justice alleged terrorists in official custody.

In recent months, the Government of Greece has failed to meet its responsibilities to help combat terrorism. Last December, Greece released to Libya Abdel Osama el-Zomar, a member of the Abu Nidal Organization, the most dangerous terrorist cell in operation today. El-Zomar is wanted for the attack on a synagogue in Italy in which a 2-year-old boy was killed, and 37 others wounded. The Greek Minister of Justice, Vassilis Rotis, stated that the release of el-Zomar was justified because his actions, and I quote, "Fall within the domain of the struggle to regain the independence of his homeland." Mr. Speaker, no national liberation movement can be built on the murder of children in a house of worship.

Last June, the Greek Government arrested Mohammed Rashid, who is suspected of the 1982 bombing of a Pan American airliner in which 5 people were killed. He is also suspected of involvement in a 1986 terror bombing of a TWA aircraft enroute from Rome to Athens. Subsequent to his arrest, the United States asked for Rashid's extradition Greece's Supreme Court has decided that the extradition request urgently sought by the United States can be granted by the Government. In an effort to mortally intimidate the supreme court, leftwing urban guerrillas assassinated 2 state prosecutors, and murdered a third—frightening the judiciary and causing 2 supreme court justices to resign. In the past, the Papandreou government has been extremely tolerant of terrorists operating in and out of Greece so long as Greek interests were immune from terrorist attack. The murderous assault on the Greek judicial system demonstrates the cravenness and moral baselessness of such a policy.

Last year, the Greek Supreme Court cleared the extradition of el-Zomar. But the el-Zomar precedent—in which the Greek Government abdicated its responsibility—suggests that the interests of justice will again be sacrificed, unless we do something about it. This is why, Mr. Speaker, the initiative from Governor Goldschmidt and his colleagues is so timely. Moreover, the language of my concurrent resolution regarding the extradition of Mohammed Rashid has been incorporated by the Foreign Affairs Committee into the fiscal year 1990–91 foreign assistance authorization bill.

Mr. Speaker, it is imperative that the U.S. Government—particularly the President and the Secretary of State—speak out firmly and unequivocally on this matter. The letter signed by 11 Governors could not be more helpful in this regard.

I am pleased to bring to the attention of my colleagues the letter signed by Governor Goldschmidt and his fellow chief executives, and request that the letter be included in the RECORD:

OFFICE OF THE GOVERNOR,
STATE CAPITOL,
Salem, OR, March 31, 1989.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: As Governors of our respective states, we wish to express our strong support for your commitment to combat terrorism. We respectfully urge your attention to a pending issue involving the extradition from Greece of a person suspected of terrorism against American citizens, and whom our government wishes to bring to justice in this country.

We deplore the Greek government's breaking an agreement with Italy on December 6, 1988, to extradite Abdel Osama el-Zomar, a terrorist wanted for murder for a 1982 machine-gun attack against a synagogue in Italy in which a two year old boy was killed, and 37 others wounded.

We believe that the Greek government, in full conformance with applicable law, the extradition treaty between the United

States and Greece, and Greece's ostensible commitments to fight terrorism, should extradite Mohamed Rashid, who is wanted by the United States for the 1982 mid-flight bombing of a Pan-American World Airways jetliner.

Based on these two cases and others, including the June 1988 car bomb assassination of U.S. Navy Captain William Nordeen by the "November 17" terrorism group, we are urgently concerned over the Papandreou government's policies toward terrorists operating in and out of Greece.

We therefore call upon you and the Department of State to:

(1) Express to Greece the grave concern of the United States regarding the necessity of Greece undertaking serious, concrete, and positive steps to significantly improve its anti-terrorism efforts and join the Western allies in combatting world terrorism; and

(2) Advise the government of Greece that the imposition of stringent measures affecting the nature of our bilateral relations is under active consideration.

We have a responsibility to protect the safety and welfare of the citizens of our states who travel to Greece and throughout the world.

The requested extradition of Mohamed Rashid is a test of our ability, and the commitment of an ally, to bring to justice those suspected of terrorism.

It is our hope that our voice will strengthen your hand and the resolve of our government to fight terrorism without hesitation and without exception.

Sincerely,

Governor Steve Cowper, Alaska; Governor Joseph Ada, Guam; Governor Rudy Perpich, Minnesota; Governor George A. Sinner, North Dakota; Governor William P. Clements Jr., Texas; Governor Booth Gardner, Washington.

Governor Bill Clinton, Arkansas; Governor Cecil D. Andrus, Idaho; Governor Stan Stephens, Montana; Governor Neil Goldschmidt, Oregon; Governor Norman H. Bangerter, Utah.

TENTH ANNIVERSARY OF MARQUETTE, MICHIGAN'S SISTER CITY RELATIONSHIP

HON. ROBERT W. DAVIS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. DAVIS. Mr. Speaker, I rise in recognition of the 10th anniversary of Marquette, Michigan's sister city relationship with Yokaichi, Shiga, Japan. This partnership has enabled 191 delegates to stay in 182 host homes and 12 Yokaichi college students to spend academic years in Marquette. Thousands of additional citizens have taken advantage of this opportunity to expand their understanding of two very different, yet compatible societies.

Both cities are centers of local government, and have extended themselves to strengthen cultural, educational, and commercial ties across the Pacific. As the international economy becomes more interdependent, the United States' relationship with Japan becomes increasingly important. We are all aware of the problems between our two countries, but the success of such sister city programs remind us that we have much in common, and are capable of maintaining a cooperative and productive friendship. I am sure that my colleagues join me in thanking the citizens of the two cities for their efforts, and in wishing them continued success in their relationship.

CLEAN AIR WEEK

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Ms. PELOSI. Mr. Speaker, I rise today in recognition of National Clean Air Week. It is time for Congress to take the lead in the fight for air quality by passing tough clean air legislation.

We can no longer ignore the threats posed by ozone depletion and global warming. There is mounting evidence that the Earth's ozone layer is being destroyed by chloroflourocarbons and other dangerous emissions. Carbon monoxide and dioxide levels are increasing worldwide and are contributing to the general warming of the Earth. The climactic changes which may result could be devastating.

The Montreal Protocol, adopted in 1987, urged nations to adopt measures to cut the production of chloroflourocarbons in half by 1998. Eighty nations have indicated their support of the protocol. I urge the Bush administration to take the lead in this effort.

The fight for clean air must be waged in every arena of public policymaking. We must look, not only at factory and automobile emissions, but also at transit and urban development policies. Transit development and use must be funded and encouraged and transportation planning should be incorporated in all city and State development plans. Free and subsidized parking contributes to traffic congestion and air pollution. It should be examined in any comprehensive plan to clean up the air.

The United States must also encourage international organizations and their member states to adopt stringent environmental assessment policies to ensure that environmentally unsound development practices are not funded. The multilateral development banks should conduct environmental assessments on all of their development projects and these assessments should be made available to environmental organizations and the public.

As a nonattainment city, San Francisco has made good progress toward providing transportation alternatives (which do not pollute the air). The citizens of San Francisco have repeatedly rated transportation as the primary issue of concern to them. Transit ridership has increased by 10 percent in the past year. Transit is now regularly incorporated into San Francisco's plans for urban renewal and development. In spite of these efforts, carbon monoxide concentrations in San Francisco are still well above Federal and State air quality standards.

Clearly, the Federal Government must develop a clean air strategy to augment the efforts of cities and regional air quality districts. This strategy must include the enforcement of tough emission standards, support for transit programs, energy conservation, research on alternative fuels and the advancement of environmentally sound sustainable development policies worldwide. This latter effort must also include a resolution of the Third World debt problem so that developing countries can focus their attention on long-term problems of environmental degradation and unsustainable development.

In short, Mr. Speaker, clean air policy cannot exist in isolation. Just as our atmosphere is vital to all aspects of life, clean air considerations must be included in all areas of public policy. I look forward to working with my colleagues in pursuit of a comprehensive clean air policy.

CALL TO CONSCIENCE VIGIL FOR SOVIET JEWS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. LAGOMARSINO. Mr. Speaker, I would like to begin by thanking Congressman KOSTMAYER, and Congressman MILLER for their efforts in the call to conscience vigil for Soviet Jews, which has prompted this extension of remarks.

Amidst the news of glasnost and perestroika in the Soviet Union and the celebrity status that General Secretary Gorbachev has assumed in the West, it is urgent for the American people to understand the true nature of the Soviet system. Marxism is a system of repression. It is evident in the Soviet Communists' denial to Jews, Evangelical Christians, and other religious groups to practice their religion or be allowed to emigrate from the Soviet Union. Those families and individuals who are refused emigration are fired from their jobs, harassed, and kept under constant surveillance by the secret police.

One family's plight to which I would like to draw attention is the Jewish family of Boris Efimovich Kelman, of Leningrad. In 1979, Mr. Kelman applied for visas for himself, his wife, and his two sons. When the reply for his visa application returned, Mr. Kelman found himself in a category with thousands of other Soviet visa applicants known as "secrecy refuseniks." These Soviets are denied permission to emigrate on the basis that they have been in professions that put them in contact with "state secrets." In many "secrecy refusenik" cases, such as Mr. Kelman's, the applicant has been out of work for 10 or more years, making it virtually impossible for these people to possess knowledge of sensitive information.

Since their visas have been denied, the Kelmans, like other refuseniks, have been treated very poorly by the Soviet Government. Mr. Kelman, formerly an engineer, now works as a maintenance man, his wife, Alla, a physician, was out of work from 1979 until 1982 when she was sent back to work in a state clinic doing jobs that no one else wanted to do.

This family has been miserable because of the repression imposed on them by the Soviet Government. They expressed their desire to leave the Soviet Union so that they could

come to the United States, practice Judaism, and join Mr. Kelman's cousin, Arkady Kelman, in Los Angeles. While perestroika and glasnost may sound good to the Western World, it hasn't changed the misery of this Jewish family. If glasnost and perestroika are real, we must expect more than smiles from Mr. Gorbachev. We must expect religious freedom for all people, including the Kelman family.

INTRODUCTION OF THE SEAMEN'S LICENSING IMPROVEMENT ACT

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. MANTON. Mr. Speaker, every American was shocked and saddened by the tragic oilspill resulting from the grounding of the Exxon tanker *Valdez* in Prince William Sound, AK. Despite ongoing cleanup efforts, this eminently preventable oilspill continues to spread with deadly and long-lasting consequences.

This spill was preventable, Mr. Speaker, because it was due to human error and possible criminal negligence. Negligence can possibly be attributed to the captain of the vessel, and also to Exxon, the owner of the tanker *Valdez*. Exxon Corp. apparently was well aware of the captain's history of drinking problems, yet Exxon apparently made no effort to monitor his rehabilitation progress.

The captain of the *Valdez* had been convicted of drunk driving several times and his automobile license had been suspended. Yet, Exxon and the Coast Guard allowed this individual to continue to captain an oil tanker through the environmentally sensitive waters of Prince William Sound. Under New York State law, a second conviction for drunk driving is considered a felony. As a result, it is quite possible the FBI would have on file the criminal record of such an individual, which could be confirmed with a simple check of his fingerprints.

Mr. Speaker, I am deeply disturbed about the U.S. Coast Guard's current licensing procedures for merchant seamen. During a recent oversight hearing on the oil spill held by the House Subcommittee on the Coast Guard, the subcommittee learned the Coast Guard has no current procedure for reviewing the criminal record of merchant seamen seeking a renewal of their license. Under current regulations, when the Coast Guard first issues a license, the Coast Guard forwards the fingerprints of the applicant to the Federal Bureau of Investigation for a review of his or her criminal record. However, when a merchant seaman seeks to have his or her license renewed, the Coast Guard merely relies upon the applicant's assertion that he or she has not engaged in any criminal behavior since the license was first issued.

Mr. Speaker, this simply does not make sense. A very logical step in the licensing process would be to utilize the FBI's resources to ascertain whether an applicant for license renewal has any criminal record which might be considered to effect their capabilities and status as merchant mariners.

Therefore, Mr. Speaker, I am introducing legislation today to require this minimum background check before the Coast Guard can reissue a license, as well as codifying current Coast Guard regulations with regard to the original background check of an applicant. This is the minimum step we must take for the safety of our Nation's shipping lanes, waters, shorelines, and merchant mariners.

Mr. Speaker, I strongly believe our Nation's merchant mariners are upstanding and hardworking individuals. I have no doubt the tragedy in Prince Williams Sound is an isolated incident rather than an indication of the quality of the members of our merchant marine. I will be the first to defend their honor against anyone who thinks otherwise. The legislation I am proposing today is in no way a reflection upon those who are employed on our Nation's commercial vessels, but rather a minimum safeguard to ensure we maintain the level of quality and professionalism we have come to know in our merchant mariners.

Mr. Speaker, it may be years before the Sound and surrounding environment recover fully from this most unfortunate incident. The Congress may be called upon in the months ahead to aid in the restoration of this valuable natural resource. However, the Congress can take an effective step now in reducing the likelihood such an accident will occur again by adopting this legislation.

NATIONAL POLIO AWARENESS WEEK

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. GEPHARDT. Mr. Speaker, today I am introducing a joint resolution to designate May 29 through June 4, 1989, as "National Polio Awareness Week". The introduction of this legislation is an effort to call needed attention to the late effects of polio.

The majority of us are fortunate to have benefited from the medical advances that have been made in the prevention of polio. However, an estimated 300,000 individuals in the United States were not as fortunate and contracted this disease. Nearly one-fourth of these survivors were left with some degree of disability. Additionally, there is continued risk for unimmunized travelers to the Third World where the disease remains endemic.

The late effects of polio develop very slowly. Consequently, the sequela are just now coming to the attention of the medical profession. Because of this, there has been limited organized activity to provide services, fund basic research, or educate the public and medical community.

This bill, designating the week of May 29 through June 4, 1989, as National Polio Awareness Week, will coincide with the Fifth International and Independent Living Conference being held in St. Louis, MO. The conference affords the opportunity to bring together national and international experts on postpolio problems. Rotary International also must be recognized for their part in providing financial and humanitarian assistance to eradicate polio in developing nations.

Mr. Speaker, we hope the House will act quickly to enact this joint resolution. An awareness of the problems post polio survivors experience is the beginning of finding solutions.

NATIONAL CONGREGATE AND HOME DELIVERED MEALS WEEK

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. DOWNEY. Mr. Speaker, as a chairman of the Subcommittee on Human Services of the Select Committee on Aging, I am happy to join a very special group of people in celebrating a special week. The National Association of Nutrition and Aging Services Programs [NANASP] has designated the second week in May for their celebration of National Congregate and Home Delivered Meals Week. This week, May 8 to 13, is celebrated annually in conjuction with Older Americans Month, and is a time for all nutrition programs to stress the importance of the program in the lives of the Nation's elderly.

NANASP is an organization dedicated to the development, growth, and improvement of senior meals and other community services for older Americans. As chairman of the subcommittee which has oversight responsibility over the Older Americans Act, I am especially familiar with NANASP and its goals and responsibilities. NANASP works throughout the year to—

Promote professional growth and encourage high professional standards for community based direct service providers;

Promote effective communications among aging network service providers and Congress, Federal agencies, national organizations, and private industry; and

Promote services that support the independence, pride, and skills of older people across the Nation.

Many of the services provided nationally by NANASP are done through title III of the Older Americans Act. Since passage of the Older Americans Act in 1965, title III has evolved from a funding source for social service programs to a planning vehicle for the development of a comprehensive and coordinated service system for older persons with funding authority for a broad range of supportive services, and for congregate and home delivered meals.

The role of NANASP is extremely significant. Almost every community across America has access to a senior nutrition program. Often these nutrition programs provide the elderly with a viable alternative to institutionalization, and become increasingly important as the elder population grows. According to the Administration on Aging, a total of 232,666,418 meals were served nationally in 1987 to seniors. Of this total, 146,704,509 were congregate meals served in senior centers, and 85,961,808 were home-delivered. A recent sample survey conducted by NANASP indicated 14 States had waiting lists for home delivered meals and 7 States had waiting lists for congregate meals. All those who were sur-

veyed indicated a tremendous growth in participation and the need for additional support. In my homestate of New York a total of 23,508,692 meals were served in 1988. Of this total, 14,937,929 were congregate and 8,570,763 were home delivered. It is obvious that this program is extremely important to our seniors in New York. The New York State Association of Nutrition and Aging Service Programs, which has been operating since 1974, is to be congratulated for this tremendous success.

I recently testified before the Subcommittee on Labor, Health and Human Services, and Education on the need for increased funding for title III of the Older Americans Act in order to ensure that organizations like NANASP remain a successful part of the aging network and community, and continue to provide service to the greatest number of needy seniors.

As NANASP celebrates National Congregate and Home Delivered Meals Week, I would like to commend them for maintaining their standard of excellence. The services that they provide are invaluable. I would also like to salute the board of directors of NANASP, the staff, the membership, and the volunteers for their time, energy, and enthusiasm. They are an extraordinary group who have worked hard to help bring us closer to meeting the challenge of long-term care.

VINCE LANE AND OPERATION CLEAN SWEEP: EXPANDING RIGHTS IN CHICAGO'S PUBLIC HOUSING

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. PORTER. Mr. Speaker, Vincent Lane is the director of the Chicago Housing Authority. Operation Clean Sweep is his plan to get public housing under control.

The goal of Operation Clean Sweep is to give Chicago public housing residents a decent living environment. The primary tool is security. Drug dealers, addicts and other trespassers are kicked out. Unauthorized residents, mostly unmarried men, are asked to leave. Families involved with drugs are evicted.

The result? Crime is down 32 percent in Chicago public housing. Children walk to school in relative safety. Residents no longer sleep in bathtubs to avoid stray bullets. For the first time ever, many residents are leaving their homes without fear.

It is a tragic irony that civil liberties groups are fighting Operation Clean Sweep. They suggest that Operation Clean Sweep restricts individual rights. Mr. Speaker, the hard reality is that a person who can't live in or leave his home for fear is the one whose rights are being restricted. Mr. Speaker, Vince Lane is expanding the rights of individuals living in public housing in Chicago and deserves our commendation and support. I encourage civil liberties groups to work with him rather than against him.

TRIBUTE TO THE JOLIET JEWISH CONGREGATION

HON. GEORGE E. SANGMEISTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. SANGMEISTER. Mr. Speaker, on Sunday, May 7, 1989, I have the great honor of addressing a very special group of my constituents, the Rabbi Morris M. Hirshman and members of the Joliet Jewish congregation, as they dedicate their memorial to the victims of the Holocaust. This community has spent the last years committed to raising funds and planning for this work so that none of us will forget the cruelty man is capable of inflicting on his fellow man. With this remembrance, they offer all of us the hope that mankind will use this period in history to ensure that every man, woman, and child lives a life with opportunity, respect and dignity.

As a tribute to the Joliet Jewish congregation, I would like to include in today's CONGRESSIONAL RECORD my address to this inspiring community:

REMARKS BY HON. GEORGE E. SANGMEISTER

Fifty years after the eve of destruction Rabbi Hirshman and members and friends of the Joliet Jewish congregation: It is with a sense of honor that I accept your invitation to participate in the dedication of the memorial to the victims of the Holocaust on this day of remembrance, May 7, 1989.

Fifty years ago, a blink of an eye in the course of human history, the Jewish community of Europe stood on the eve of destruction as the center of Jewish life and culture and learning. Individuals survived the Holocaust and throughout decades have stood in our midst to bear witness to the systematic, bureaucratic extermination of six million of their brethren by the Nazis during the Second World War. Swept into this net of death were millions of innocent non-Jewish victims as well, but the crime against the Jews was a crime unique in the annals of human history, different not only in the quantity of violence, but in the determination of the State to organize an evil enterprise against defenseless civilians whose only "crime" was to be defined as Jewish by German law. The memorial we are gathered here to dedicate symbolizes our determination to remember the most monstrous epoch in modern civilization.

In the Holocaust, we discovered the darkest side of humanity. We learned that a modern society used its skill and ingenuity to degrade and deny what is sacred in man. The Holocaust was not an event rooted in a barbaric medieval past, but rather it was expression of twentieth century science and accomplishment, bureaucratic organization and sophisticated technology. The same society that was capable of creating art and poetry and music and great literature was capable of inciting unrestrained evil on its fellow men, women and children.

In recent years, our generation has come to acknowledge that the price on indifference and the cost of apathy on the part of the nations of the world, including our own great democracy, contributed to the catastrophic moral defeat which made the holocaust possible. America has a tradition of concern for human rights and religious liberty and has always stood as a refuge for the persecuted. We stand together today, in solidarity, remembering a past era and, in so doing, we affirm our hope for making a better moral and political order for the future.

We mourn the victims who died; we give solace to those who survived; we condemn those who committed the atrocities as well as those who permitted them by their silence. And today, on this occasion as we dedicate this sacred memorial, we pledge to remember as we do every year during these days of remembrance.

The great American philosopher, George Santayana, has warned that those who forget history are condemned to repeat it. With these words, which have been imprinted in the official record of our country, with this memorial by which we pledge to remember, we deny victory to those who set out on the path of destruction fifty years ago and we resolve not to let the world be spoiled by such hatred ever again.

PERSONAL EXPLANATION

HON. JOHN G. ROWLAND

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. ROWLAND of Connecticut. Mr. Speaker, on Thursday, May 4, an unavoidable conflict prevented me from casting my vote on Mr. DANNEMEYER's amendment to House Concurrent Resolution 106, the concurrent resolution on the budget—fiscal year 1990. Had I been present, I would have voted "No."

Thank you, Mr. Speaker, for permitting this insertion in the RECORD.

NATIONAL DEBT MEASURES NEEDED

HON. DAN SCHAEFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. SCHAEFER. Mr. Speaker, most Americans recognize our chronic budget deficits as the major threat to our continued prosperity. Despite the fact that controlling Federal spending should be our top priority, Congress continues to avoid addressing this vital issue. Since I came to Congress, I have seen over a trillion dollars added to our national debt. Congress must control its spending; it must reduce its deficit; it must begin to settle the national debt; and it must ensure our Nation's continued economic growth. That is why I introduced H.R. 2154, which would effectively deal with each of these needs.

This measure would require all new revenues to go into the Public Debt Reduction Fund. This Fund was established by Congress to retire the national debt, but it relies solely on gifts from individual taxpayers. By funneling all new revenues into this Fund, Congress will demonstrate its determination to deal with the massive national debt.

This measure would also cap total Federal spending for fiscal year 1990 at 3 percent above this year's level. Since revenues have been increasing by far more than 3 percent in recent years, we can erase our deficits

through economic growth. By capping total Federal spending, Congress would be forced to prioritize its spending. Congress could even decide to eliminate some of the 1,500 spending programs it funds each year.

Finally, H.R. 2154 would implement President Bush's plan to reduce the capital gains tax rate to a maximum of 15 percent for individuals. Not only would this encourage investments and business expansions, it would actually increase revenues for the Federal Government.

I strongly urge my colleagues to take decisive action to deal with our economic future. Please join me in dealing with the national debt, limiting Federal spending, and reducing the capital gains tax.

NOTRE DAME ACADEMY BICENTENNIAL COMPETITION WINNERS

HON. JIM BUNNING

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. BUNNING. Mr. Speaker, this week in our Nation's Capital, over 950 young people from 44 States have gathered to participate in the National Bicentennial Competition on the Constitution and Bill of Rights. I am proud to announce that a team from the Notre Dame Academy in my congressional district is representing Kentucky. These young scholars have worked hard to reach the national finals by winning the district and the State competitions and I would like to wish them the best as they compete for the national title.

The members of the Notre Dame Academy team are: Angeline Bautista, Jill Brown, Katee Creevy, Gail Duddey, Elizabeth Eder, Monica Faust, Christina Goetsch, Marcia Hoffman, Linda Kelley, Kelly Kohlhepp, Meghan Maloney, Deanna Meyerrose, Laura Muck, Diane Noll, Jeannie Purcell, Shannon Robbins, Melissa Scott, Kristin Traud, Jennifer Walter, and Angela Wong.

Along with the students, their teacher, Sister Mary Padraic, deserves much of the credit for the success of the team. As well, Paul Tenkotte, the district coordinator, and Paul Blanchard, the State coordinator, have worked hard to help their team reach the finals.

The National Bicentennial Competition on the Constitution and Bill of Rights is the most extensive educational program in the country developed to educate young people about the Constitution and Bill of Rights. With the support of Congress, the active involvement of Representatives and Senators, the efforts of thousands of civic and education leaders, the program achievements over the past 2 years have been dramatic: 1,022,320 students have studied the curriculum; 14,381 teachers are teaching the course; 420 congressional districts and the five territories have programs; 393 U.S. Representatives are participating in their districts; and 92 U.S. Senators are supporting the program in their States.

The program provides students with a specially designated 6-week course of study to provide upper elementary, middle, and high school students with a fundamental understanding of the Constitution and Bill of Rights and the principles and values they embody. Students complete the instructional portion of the program with a test designed to measure their constitutional literacy and receive a certificate of achievement signed by their U.S. Representative.

High school participants then enter a nationwide series of competitions at the congressional district, State and national levels. Students testify before a panel of experts at a simulated congressional hearing designed to measure understanding and capacity to apply principles being learned to historical and contemporary events. Each year the national bicentennial competition culminates in 3 days of intensive competition among classes from almost every State in the Union.

I'm proud of the young ladies from Notre Dame Academy who have worked and studied their way to these national finals. I wish them luck but more than that, I thank and congratulate them for representing the Fourth District and Kentucky so well.

HOLOCAUST COMMEMORATION AT TEMPLE BETH EL

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. TORRICELLI. Mr. Speaker, each year at this time, Temple Beth El of Hackensack, NJ, and hundreds of other congregations throughout the country, gather to hold a Holocaust memorial service. Each of us, regardless of race or religion, shares in the grief and pain felt by survivors of the Holocaust, their relatives, and their friends. Each of us looks to remembrances such as these to underscore a promise still as strong in our hearts as it was the day it was made: We will never forget.

This year, out of the ashes of the Holocaust, comes a cause for rejoicing. Temple Beth El will be dedicating a Holocaust memorial to be permanently housed in the lobby of the synagogue.

I wanted the Congress to take note of this occasion and to share in this special moment with Temple Beth El. I am indeed honored and pleased to represent the members of this congregation, and to join with them in this year's service.

HONORING ST. CHARLES VFW POST 2866 ON THE CELEBRATION OF LOYALTY DAY

HON. JACK BUECHNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. BUECHNER. Mr. Speaker, I rise today to honor St. Charles Veterans of Foreign War Post 2866 and their celebration of Loyalty Day.

The Veterans of Foreign Wars [VFW] Loyalty Day is a tradition of spring celebration during the first week of May. According to the VFW, Loyalty Day is a time to celebrate "Americanism," which is defined as "an unfailing love of country, loyalty to its institutions and ideals, eagerness to defend it against all enemies, undivided allegiance against all enemies, undivided allegiance to the flag and a desire to secure the blessing of liberty to ourselves and posterity." Loyalty Day is a celebration of the values and freedom which make our country "mankind's last best hope."

Each year, VFW Post 2866 celebrates the values of freedom and patriotism during the first week of May. I have been a proud participant in this event for the past 2 years. Members of this post know that patriotism is more than love for one's country it also means respect. The love and respect our Nation commands symbolizes our view of liberty, justice, and equal opportunity. America is the last beacon of hope that shines in a world full of oppression and tyranny and it is in this spirit that we join together for Loyalty Day.

There are several holidays on which we celebrate the blessings of our Nation and remember those who made the ultimate sacrifice to secure our freedom and liberty. Loyalty Day is a day to celebrate the values which make our country free and proud. Please join with me and VFW Post 2866 in observing Loyalty Day and in appreciation of our great Nation.

RURAL HEALTH IMPROVEMENT ACT OF 1989

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. OBEY. Mr. Speaker, a bill that I introduce today, which my Wisconsin colleague, Senator HERB KOHL is introducing in the Senate, will improve the quality of health care in rural areas. The needs in rural areas are unique and therefore require special attention.

My district and State are in that category: Wisconsin has 65 rural hospitals, 12 of them in my district. One rural hospital in the district recently closed.

This bill will help people and doctors and hospitals in both the short and long term. It is designed to do what it says: Improve the health of rural Americans.

The bill is designed to bring immediate relief to rural hospitals that need it while directing the Federal Government to come up with a more equitable level of payment for the long term for rural hospitals that participate in Medicare, the Federal insurance program for seniors.

This bill differs somewhat from other bills that have been introduced in Congress to address this issue. It is offered to widen the discussion on how to save rural health care from extinction, both through Medicare and other Public Health Service programs. Much of what is proposed in this bill can be done through the Appropriations Committee on which I sit, and it is my hope that the committees and Congress will take up those provisions of the bill this year.

How the bill will help rural areas in Wisconsin and elsewhere.

What the bill does:

First. Medicare payments increased.

Rural hospitals would receive immediate increases in Medicare reimbursement, upon enactment or by 1990, whichever comes first.

The level of increased payment to rural hospitals would be greater than that for nonrural hospitals.

Medicare reimbursement to rural hospitals would increase by 5.6 percent over reimbursement levels of 1989, consistent with the recommendations of the Prospective Payment Assessment Commission [ProPac], which is charged with advising Congress and the Federal Government on Medicare policies for hospitals.

Other hospitals also would receive ProPac's 1990 recommended increases immediately: large urban hospitals would receive 5-percent increases, and other urban hospitals would receive 4.5-percent increases.

The increases or updates in the average rate of payments for Medicare services, would be based on the most current information on costs incurred by hospitals.

In other words, hospitals would be paid what it costs them to deliver the care, so that hospitals should not have to go into debt for services provided the Medicare patients.

Second. Wage factors adjusted.

What Medicare reimburses rural hospitals for costs of wages also would be updated and significantly changed. Under the present system, rural hospital wages are figured at rates paid both professional and nonprofessional staff locally. Under this bill, the Secretary of the U.S. Department of Health and Human Services [HHS] would be required to figure wages based on: First, different wages paid professional and nonprofessional staff, and second, wages paid professionals on a regional rather than local basis.

Those wage factors would be updated annually instead of every 3 years, as they now are.

Third. Costs updated.

The actural costs incurred by hospitals would be figured on more timely bases. Medicare payment rates presently are based on old cost data.

Fourth. Study of alternative reimbursement systems.

The Secretary would be required to study alternative reimbursement systems for rural and small hospitals for the long-term future, and to make recommendations for appropriate changes to Congress.

The objective is to put rural hospitals on a long-range sound footing for purposes of Medicare participation.

Fifth. Interim adequate payments to rural hospitals.

The bill sets up a system of making sure that rural hospitals with no more than 100 beds and at least 50 percent Medicare patients are paid adequately for the costs they incur for providing that care. No hospital should have to go broke or go out of business because that share of its income from Medicare or Medicaid doesn't meet its actual expenses. If such a hospital were found to be underpaid for those services, it could get additional payments to make it viable during the interim period between September 30, 1989 and October 1, 1991.

Sixth. Sole community hospitals.

It would be easier to be identified as a "sole community hospital," which receives special treatment under Medicare. My Wisconsin Seventh District has one such facility and another has applied for that status. Sole community hospital reimbursement rates would be recomputed to reflect current costs, and to take into consideration travel time as well as distance to the next nearest hospital and the hospital's market share of care in the area.

Seventh. Geographical Classification Review Board.

A new five-member board would be established to consider applications from "border" hospitals that are classified as rural for purposes of Medicare payments but would like to be classified as urban because of the volume and kind of care they deliver.

Criteria for reclassification would include a comparison of wages, the most recent census data, and the impact on patients' access to care if the hospital were not reclassified. Hospitals could appeal denials to the Secretary of HHS.

Eighth. Rural hospital transition grants.

A grant program that was established this year, and which I advocated in the Appropriations Committee, would be continued with a new and additional provision that special attention be given to grants for demonstration projects that establish new cooperative models for the delivery of rural health care.

Such cooperative arrangements have long existed in my district and elsewhere for farmers and other groups who share purchasing and providing of services. Wisconsin has a model cooperative health system, the Rural Wisconsin Hospital Cooperative. There may be untapped opportunities for such cooperative arrangements to improve rural health care.

Ninth. Rural referral centers continued.

"Rural referral center" status for certain specialized institutions receiving Medicare payments would be continued until 1991. That status, which is afforded two hospitals in my district and three others in Wisconsin, allows rural hospitals that provide extensive, specialized care to be paid at a rate comparable to urban hospitals.

Tenth. National Health Service Corps attention to rural needs.

The National Health Service Corps, which places doctors, nurses, and other health professionals in medically underserved areas, would be required to give special emphasis to shortages of health manpower in rural areas, which are now experiencing difficulty recruiting certain kinds of professionals such as psychiatrists and allied health care people, including physical and occupational therapists, pharmacists, medical technologists, and others.

Eleventh. National Nurse Service Corps.

A loan-forgiveness program which I sponsored in the 1989 appropriations bill to encourage nurses to practice in National Health Service Corps designated shortage areas or facilities—such as nursing homes and hospitals—would be continued. That program is designed to attract nurses back into the profession by paying for education loans in return for a service commitment after graduation. Many rural areas and facilities in my district would benefit from such placements where there are nurse shortages.

Twelfth. Agricultural Health and Safety.

A new focus would be placed on the need to increase programs to help farmers and agricultural workers improve their health and safety. Injuries and deaths in agricultural work are now nearly five times higher than in other work environments. Programs like Marshfield Clinic's National Farm Medical Center would benefit from expanded attention to this neglected health field. Under the bill, an office would be established in the U.S. Health Department to oversee and emphasize agricultural health and safety.

Thirteenth. Insuring the uninsured.

An overriding problem, which is worse in rural areas, is the appalling lack of health insurance for some 37 million Americans, most of them working and many of them children in families. Wisconsin has more than half a million people who are uninsured, including many farmers. This bill directs the Secretary of HHS to make recommendations on how to deal with that problem by developing a model State law, among other things.

Fourteenth. Office of Rural Health upgraded.

The recently created Office of Rural Health in the Department of HHS would be elevated to the Office of the Assistant Secretary of Health to give it more visibility and authority. The Office would establish a new Office of Agricultural Health and Safety.

The Health Care Financing Administration, which manages Medicare, would be required to have a liaison with the Office of Rural Health in order to better coordinate rural health policy for doctors and hospitals in the Medicare Program.

SUMMARY

These proposals are designed to help rural hospitals in a hurry and to develop long-range policies for Medicare reimbursement and for other health care programs.

The bill does not directly eliminate the differential between rural and urban hospitals under Medicare but it does not preclude that long-range possibility. It proposes quick action to make sure hospitals are adequately reimbursed for their services and stay in business where needed, while a longer term solution to that problem is developed.

In developing a bill, we worked with all major rural health and hospital interest groups, which support the objectives of this approach.

Given today's budget constraints, the money to pay rural hospitals a higher Medicare rate under Medicare would have to come from somewhere—either from new money or from other non-rural hospitals. This bill is designed to do the least damage to the frailest part of the system—rural hospitals. It raises Medicare reimbursement to them more than to other hospitals and provides other safeguards to keep the system running.

The Bush administration has proposed cutting the Medicare system by $5 billion. Under the approach taken in this bill, rural hospitals, and others, would receive necessary increases in Medicare payments without breaking the bank. Greater increases in such payments require more money.

I intend to pursue these objectives to bring stability to a fragile part of the Nation's health

care system with creative and innovative new approaches.

THE NEHEMIAH PROGRAM

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. WYDEN. Mr. Speaker, today I am introducing legislation to extend the eligibility for Nehemiah grants, a program which provides grants to communities for housing rehabilitation.

A unique feature of the Nehemiah Program is its focus on neighborhood redevelopment. In fact, a project utilizing a Nehemiah grant must involve rehabilitation of several blocks of contiguous lots. This means that rehabilitation is done on a neighborhoodwide basis, rather than as a piecemeal approach which leaves a neighborhood with some rehabilitated houses and others decayed or abandoned.

The feature of neighborhood level rehabilitation is an excellent one, and I support it fully. But the current structure of the program ignores the development potential of neighborhoods which are facing significant amounts of decay, but are not entirely abandoned. In my district of Portland, OR, as in many others across the country, there are neighborhoods in which some houses are abandoned and vacant, often taken over by drug dealers, while others are occupied by families who are struggling to preserve their communities. Unfortunately, the decaying houses tend to feed upon each other, so that increasing numbers of houses are abandoned as the neighborhood become less and less habitable.

I believe that by rehabilitating the abandoned houses, existing neighborhoods can be preserved. The Nehemiah Grant Program support efforts to rebuild neighborhoods which are still vibrant, but which have large numbers of decaying, abandoned housing.

My legislation will broaden the criteria by which areas are eligible for Nehemiah grants. It will maintain the spirit of the program by requiring that rehabilitation be done at a neighborhood level. But it eases the eligibility standards by limiting rehabilitation needs to 30 percent of the lots in a neighborhood of contiguous blocks. It also requires that other houses in the neighborhood not be in disrepair.

It's possible to save the thousands of distressed neighborhoods around the country. This measure is just a small step to increase community access to the Nehemiah Program—a proven winner when it comes to neighborhood revitalization.

NATIONAL DAY OF PRAYER OBSERVANCE

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. RAY. Mr. Speaker, today is the "National Day of Prayer." This observance has its roots in a day of prayer and fasting set aside by the Continental Congress in 1775. Last year, Congress declared that the National Day of Prayer would take place on the first Thursday of every May.

I began today at a prayer breakfast in the Capitol. I was reminded how important prayer is to my life, and was saddened by the fact that other people in other countries cannot conduct their prayers in the open. We are very lucky to live in a country where prayers are organized and commonplace. The National Day of Prayer helps us remember this God-given gift.

Prayer has done much for my life. My prayers have led to a faith that allows me to be helpful in a world at a time when hope comes hard. Because I know that God is the Creator, I know that no situation is so dark or bleak that it cannot be changed for the better. There have always been wars, and arms races are difficult to slow down, but I know that the future is not preset or designed by some mysterious destiny. God gave us freedom and wants us to respond freely—personality is paramount and the opportunity to develop one's personality can best be done in an atmosphere of freedom and prayers.

Prayer has taught me the importance of tolerance; it has given me a sense of vocation; it has encouraged me to approach problems with a constructive, compassionate concern; it has given me insights into the issues with which I deal; it has shaped my whole perspective and taught me to try to distinguish between the important and inconsequential; and prayer has taught me to be hopeful.

I hope all my countrymen will take some time today, whether in a structured service or a personal moment of silence, and realize the significance and beauty of prayer. I thank God we can celebrate a National Day of Prayer in this great country of ours.

WELCOME TO THE COLUMBUS GROVE HIGH SCHOOL BAND

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. GILLMOR. Mr. Speaker, I would like to take this opportunity to welcome the Columbus Grove High School Band to the U.S. Capitol today. Columbus Grove is in Putnam County, in the western part of Ohio's Fifth Congressional District.

The Columbus Grove High School Band, under the leadership of Mr. Robert Montooth, is fine, young group of talented individuals. As I met with this group today, I was thinking of how proud I was to be their Representative to the Federal Government.

Mr. Speaker, I welcome the Columbus Grove High School Band to Washington, DC, and look forward to visiting with this group in the future.

A TRIBUTE TO FATHER JOSEPH DORSEY

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. WALSH. Mr. Speaker, it is with sadness that I bring this matter to the attention of the House. But it is with great pride as well. Because surely those of us who believe in God and the hereafter have good reason today to rejoice that one more holy person has joined the ranks of the favored in Heaven.

Father Joseph Dorsey, my cousin, was born in Syracuse, NY, the son of John and Margaret Dorsey. He died on December 28, 1988.

As a proud Irish Catholic, he knew many politicians, whom he never failed to see the good in.

His life was marked by inspiration. Perhaps his greatest show of strength came at the time of his death. He had been hospitalized several times. The future was so uncertain, but he had tremendous faith in the providence of God. In the hospital he told a friend:

I remember my father once saying win, lose or draw, you've got to accept the decision. I've had a wonderful life, I've been surrounded by a loving family, by wonderful friends. I've loved my priesthood and I am grateful to God.

It was said at his funeral that Father Dorsey did some of his finest teaching in that hospital room. He saw in his sufferings his final ministry to God, to the people around him, to the church, and to the world. Those of us who knew him are assured that he still looks upon us—still willing to minister to us.

This great man was also a humble man who would have been honored, and perhaps is honored today, to have his name mentioned inside the walls of this institution, which reflects the values and qualities he so admired in our great country.

WHAT KIDS WHO AREN'T WOLVES SAY ABOUT WILDING

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. GARCIA. Mr. Speaker, I would like to enter into the RECORD and call your attention to a recent editorial in the New York Times regarding the tragic rape of a young woman by a rampaging group of youths in Central Park of New York City in an act called "wilding."

The article focuses on the reaction to this monstrous incident by several youths at the Learning for Living Center at Argus Community, in my congressional district of the South Bronx. These kids, who are of comparable age and background to those who took part on that fateful night, frankly discuss their feelings about crime and delinquency.

The Learning for Living Center at Argus Community is a valuable community organization that has counseled many young men and women on the pressures of growing up in inner-city neighborhoods like the South Bronx.

It is organizations like the Argus Community that must flourish if we are to educate our children and prevent further tragedies.

WHAT KIDS WHO AREN'T WOLVES SAY ABOUT WILDING

(By Elizabeth Lyttleton Sturz)

"She was every bit as vibrant and as vernal as a flower in the spring," was the way her former professor at Yale described the young woman who was chased, thrown to the ground, dragged, hit with a brick and a lead pipe, raped, slashed and left for dead in Central Park, two-thirds of the blood drained from her body.

Up to that fateful moment, she had seemed fortunate. Of her disenchantments we know nothing. But the favorites of the gods can die in a ditch, as the ancients were fond of pointing out.

Was it hubris? She may have believed, as some do, that she was immune from the inequities, the chaos and the cruelties that swirl about us. In any case, she did not follow the advice of those who warned her to avoid running in the park alone at night.

Did the young wolves attack her because she is white and they are black? Because she is rich and they are poor—a blind strike for power by the powerless?

These questions and more were discussed by the kids in the forum that is held every morning in the Learning for Living Center at Argus Community, in the South Bronx. The kids are teen-agers, black and Hispanic, not very different from those who went on the rampage in the park.

Almost unanimously they believe that the perpetrators should be dealt with harshly. Castration and the electric chair are advocated by some. It is a mark of their immaturity that they are Draconian.

"Those who laid a hand on her and violated her body ought to die." "What if it was your mother or your sister?" "They didn't lift a finger to save her life." The verdict of these teen-agers: Wolf packs should reap the consequences of their acts.

"The reason kids are into so much crime is because they know nothing will be done to them," one girl says. "That's why they're out there selling crack and getting away with it." She knows: She was selling crack herself before she came to Argus.

Is it right to call kids on the rampage a wolf pack? "Animals kill to eat. The book of nature and survival teaches us of that," one boy says. "They are not as cruel as people."

The kids in the park were middle class, some of them. They had good families. "But they still had a wolf in their belly," an older boy says. "It's not a hunger for food. They're hungry for acceptance. They're raging because they feel rejected."

Being shut out, humiliated, makes people angry, they agree. And in packs even nice kids can bug out. "You'd have to know these kids," one girl observes. "They're all different from one another." The kids agree but insist that deep down every one of them felt shut out, angry. "Even the ones that just followed along and stood there and watched, that's almost as bad as doing it."

Wilding, they say, is not a thing of race. Anybody could be the victim—black, Hispanic, white, rich, poor. "It's animal, but it's beyond animal acts." Go out, do whatever you want, do it on impulse. If it means hurting someone, so be it.

These kids at Argus have had it worse than the kids in the park. Every day they live out what to many of us are mere statistics on a chart: The breakup of the family, the prevalence of female-headed households, racial and economic discrimination, drug wars on their front stoops, schools that don't work, social agencies that hurt instead of helping.

But everyone agrees the worst is being treated like an outcast in a society that calls itself democratic and egalitarian. It's believing that the high road is restricted to people of the right color, with the right education, the good connections.

These kids look into the future and see nothing promising. They breathe in a contagion of violence in a society where guns are worshipped and material objects and self-gratification are made to seem the aim of life

Their discussion centers on why kids who committed a crime of such ferocity sang in their jail cell. Someone had yelled "Gimme a beat!" and they began to rap. The Argus kids are convinced that even in jail the young wolves felt like celebrities. "They were hot news. Royalty. All the attention was focused on them."

But later, as they lay on their tiers, their jail bunks, "You can bet that they felt bad. They probably cried when they were alone because they had to listen to their own thoughts."

But did they feel remorse? "They were crying for themselves, not for her. Some of them might have felt for her, a little bit. But mostly they're afraid of what's going to happen to them now that they're in jail for a serious crime." "That's when the agony and the pain begin—when they go to prison."

Edwin Joyiens, a director at Argus, believes the young wolves face the worst in prison. "Inmates do not like rapists. They're thinking of their own mothers and sisters. They'll be raped in revenge."

The young investment banker lies in a coma. Vigils are held, candles are lit by blacks and whites. The victim's family is moved by the prayers, the flowers, the messages of sympathy. But no one can undo the harm.

If this is the kind of world we want, we know the formula. We've got it. But we could take a few steps toward reconciliation, toward recognizing that we are all human beings together. We could stop shutting people out and start letting them in. The wilding could wizen, and there could be less of the wolf in all of us. The question is: Will we do it?

HONORING THE ST. CHARLES SMALL BUSINESSMAN OF THE YEAR

HON. JACK BUECHNER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. BUECHNER. Mr. Speaker, I rise today to honor Joseph T. Daues, the St. Charles Small Businessman of the Year.

Joe is the current president of the ISU/St. Charles Insurance Co., which is a branch of the Merrill-Lynch owned company called Insurance Systems Unlimited [ISU]. Prior to being a part of ISU, the St. Charles Insurance Co. was an independent insurance company.

Since its founding in 1956, the St. Charles Insurance Co. has stressed community involvement and consciousness among its employees. Mr. Daus has set an outstanding example for his company. He has served in every office of the St. Charles Kiwanis, as well as the St. Charles Chamber of Commerce. He was also the former chairman of the March of Dimes campaign and the St. Charles Riverfront Development Committee. In addition to his civic and charity work, he has also served as a teacher of insurance agency management for the National Faculty of Certified Insurance Counselors.

Mr. Daues emulates the finest qualities of a small businessman. His tenacity, determination, and good business management enabled the St. Charles Insurance Agency to survive since its founding in 1956. Small businesses are not always blessed with instant success and it is only through the hard work of its founder that the business succeeds and grows. Such is certainly true of Joe Daues, and it is with deep respect and admiration that I join with the other community leaders, friends, and associates in commending Joe for this outstanding recognition—our Small Business Person of the Year.

I urge my colleagues to join me in recognizing and commending Joe Daues for his continued contribution to small busniess and the St. Charles community.

WORKERS' MEMORIAL DAY

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. BONIOR. Mr. Speaker, on April 28, 1989, members of the Michigan AFL-CIO from all walks of life gathered to commemorate friends, coworkers, and fellow laborers who have died due to job-related injuries or illnesses. I would like to make part of the RECORD the comments I shared with the rally participants:

REMARKS BY HON. DAVID E. BONIOR

I would like to commend the Michigan AFL-CIO and its members for organizing and attending this rally to commemorate Workers' Memorial Day. Your presence in Lansing, other state capitals, and other cities across the U.S. should remind city, state and federal governments that protections for workers are not adequate.

Workers' Memorial Day is a day to remember friends who have needlessly lost their lives because of job-related injuries or illnesses. It is also a day to remember the many other fallen workers who lost their lives because their workplace was not safe enough. It is a tragedy that more than 100,000 workers die each year as a result of job related injuries and diseases. It is a tragedy that more than 25 million workers are exposed to toxic chemicals and more than 3 million are exposed to carcinogens.

I cosponsored a resolution to make April 28, 1989, the official Workers' Memorial Day in the United States because I believe that a job is supposed to provide a living, not take a life. A job is supposed to allow men and women to take care of their own financial and health needs as well as that of their families. A job should not cause persons to be unable to provide their own livelihood; work should never take away a person's life.

The deaths of many workers and the illnesses suffered by many others are not the

only tragedy. It is tragic that despite the fact that modern medicine and modern science have made it possible to cure many fatal and disabling illnesses if they are caught early, workers still suffer diseases from the hazardous health conditions at their jobs. And, despite modern engineering and advanced understanding of chemical processes, workers are still injured needlessly on the job.

We in the Congress have an opportunity to prevent work-related injuries. We can insure that the Occupational Health and Safety Act is enforced. We can increase the legal protections for workers who are injured on the job. We can provide preventive medicine and health monitoring for those employees who have been exposed to cancer-causing substances at their job. Finally, we can require greater health and safety precautions on the part of employers.

The federal government and all employers must realize how far we have to go to protect the lives and health of employees.

Again, I commend you for gathering in Lansing today. I hope some day a Workers' Memorial Day will not be necessary. It is possible and it is imperative that the workplace be both safe and healthy.

Mr. Speaker, as I said in my comments to the rally, it is imperative that Congress protect workers' health. I urge my colleagues to remember the needs of workers and their families as we consider health and safety legislation this year.

USTR REPORT ON FOREIGN TRADE BARRIERS: DEJA VU ALL OVER AGAIN

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. GEPHARDT. Mr. Speaker, last week the U.S. Trade Representative issued the 1989 National Trade Estimate Report on Foreign Trade Barriers. This innocuous sounding title masks an eye-opening inventory of foreign protectionism. Filling its 214 pages are barrier after barrier which our 34 leading trading partners have erected to U.S. goods, services, and investment; and abuse after abuse of our intellectual property.

The report is the fourth in a series which Congress required the administration to publish. Its preface states that the report is intended as a guide in developing its strategy to break down barriers over the next year through bilateral and multilateral trade negotiations. For them, the book could be titled Great Expectations.

For me, a better title would be, Remembrance of Things Past. Virtually every major trade barrier listed in the report in past years reemerges in this report, with little to show in the way of progress at breaking them down. To move from Marcel Proust to Yogi Berra, it feels like deja vu all over again.

In April 1987, I released, "The Dirty Dozen of Foreign Trade Practices," which outlined the 12 most egregious cases of foreign protectionism. Among these were:

Japanese dumping of semiconductors, refusal to buy U.S. autoparts, and limits on U.S. service industries;

European agricultural policies and subsidization of Airbus;

Import and services restrictions in Taiwan and Korea;

Abuse of U.S. intellectual property rights;

Brazilian restrictions on foreign informatics; and

Foreign protectionism in telecommunications.

Put together, those practices cost Americans billions of dollars worth of exports and hundreds of thousands of jobs. For many years, my colleagues on Capitol Hill and I have called on administration trade officials to move quickly and forcefully against these and other trade barriers. Had the administration heeded our call, these foreign countries would now be faced with the prospects of either reforming their trading practices or losing part of their access to the American market.

Instead, as the USTR study documents, we continue to see ineffective, halting action with the result that the barriers are still in place, foreign protectionists remain unpunished, and our exporters continue to lose billions of dollars of trade opportunities each year.

Take semiconductors, for example. Nearly 3 years ago, the administration touted the United States-Japan Semiconductor Agreement as the most commercially significant section 301 action ever taken, anticipating $4 billion in United States exports to Japan. Soon after, we in Congress began to point out that even before the ink was dry on the pact, the Japanese were violating it with continued restraints on our access to their market and dumping of semiconductors into the United States and third country markets. President Reagan had no choice but to impose trade sanctions on Japan, but he removed part of them as soon as he could.

The cost to American companies trying to fight off these unfair actions is estimated at about $2 billion. Now, as we face more billions of dollars of losses, the administration admits—in tones so understated as to be laughable—that U.S. market access objectives have not been met. And what does the report state that the Bush administration plans to do about this blatant protectionist flouting of our agreement? Talk tough to the Japanese.

Another of our biggest concerns has been the abuse of U.S. intellectual property, resulting from the failure of foreign countries to enact or enforce laws against pirating, counterfeiting, and patent-copyright abuse. In its report, USTR acknowledges the administration's failure to assert America's rights in this area. The report states that Japan's copyright laws are inadequate; Korea's enforcement of video and audio pirating laws are too weak; Brazil does not provide either product or process patent protection for a wide range of goods; EC legal complications mean that U.S. investors and exporters are hampered in their efforts to sell products and services.

And this is just the tip of the iceberg. A recent study by a group of United States copyright holders identifies 12 foreign countries, led by China, Saudi Arabia, Korea, and India, whose abuse of American film, music, book, and computer softwear copyrights costs us $1.3 billion in sales each year.

Instead of making these intellectual property pirates walk the plank in face-to-face talks, the Bush administration continues to hide behind the GATT Uruguay round, where our best negotiators have worked for more than 2 years with little to show for it. As the round moves towards its conclusion, we can expect country after country to cave to pressure from their domestic pirates and resist meaningful rules. We must recognize that without universal adoption and enforcement, our efforts will have achieved little.

And it is not just specific practices that are protectionist: in some cases, it can be whole countries. Consider the case of Taiwan. In 1988, we ran an incredible $14.1 billion trade deficit with Taiwan, about 10 percent of our world-wide total. Even with the substantial devaluation of the United States dollar versus the Taiwan dollar, United States imports from Taiwan in 1988 were $26 billion, virtually unchanged from 1987.

And while we might expect Taiwan to respond by moving quickly to reduce the surplus, the report notes that Taiwan still maintains a panoply of barriers against United States exports of goods and services. For a start, it cites high tariffs, an extensive import licensing system, discriminatory commodity taxes on imports, restrictive standards and testing requirements for agricultural imports, indirect subsidies to rice and sugar exports, inadequate enforcement of laws protecting U.S. intellectual property rights, rampant piracy of computer software and videotapes, prohibitions on foreign investment in numerous industries, and discriminatory taxes on alcohol and tobacco.

And lest we think that nations in the Far East or Third World have a monopoly of such practices, the report includes 30 pages of barriers in the European Community and its member states. America's comparative advantages in farm products continues to be undercut by EC export subsidies for products ranging from wheat, beef, dairy products, poultry, and certain fruits. In EC member states, a variable levy is so high that it cuts off the market from our farm exports. The report states that the unilateral elimination of these programs could boost U.S. exports by up to $5 billion.

Other abuses by EC members which cost Americans thousands of jobs are the strong "Buy National" policies of a number of EC government-owned utilities and agencies; blatant subsidization of Airbus by France, West Germany, the United Kingdom, and Spain; restrictions of United States telecommunications exports in many EC countries; and restrictive rules of origin and local content requirements.

I appreciate the work the administration has put into its responsibility under the Trade Act of 1988 to prepare this report. It documents case after case of countries that have rejected the doctrine of free and fair trade in pursuit of mercantilist gain. We in Congress can only hope that the administration will closely consider its own report when it moves to name countries with systematic pattern of unfair trading practices under Super 301. More importantly, it should consider the report as a call to action to eliminate these blatantly protectionist measures.

THEY ARE ALL WINNERS

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. BEREUTER. Mr. Speaker, it is with great pride that I come to the floor today to congratulate the 23 students from Lincoln Southeast High School, in Lincoln, NE, who yesterday placed first in the National Bicentennial Competition on the Constitution and Bill of Rights.

These extraordinarily bright and enthusiastic high school history students and their dedicated coach, history teacher Ted Larson, finished first out of 43 high school teams that were the State winners from across the country. The Lincoln Southeast team finished in the top 10 last year, and this year they walked away with the grand prize.

These young people and their coach have demonstrated that hard work and dedication produce a winner. And they are all winners!

All of Nebraska salutes Jeff Aguilar, Lars Anderson, Abbey Bellamy, Derek Chollet, Jenelle Cox, Darcy Davis, Beau Finley, Elaine Gale, Mike Garrison, Ruth Griesen, Scott Hielen, Frank Hoppe, Paige Johnson, Erika Kuebler, Matt Norman, Christine Pappas, Claire Simon, Scott Starr, Jon Steinman, Jessie Sutton, Candace Taft, Colin Theis, Bryan Van Deun, and their especially capable teacher, Ted Larson. Commendations for their support also are due to the co-State coordinators for the bicentennial competition, Carolyn Gegstad of Syracuse and Dennis Lichty of Lincoln—and to Leisa Townsley of this member's district office in Lincoln.

ENSURING THE PROTECTION AND RESTORATION OF MARINE RESOURCES

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. SHUMWAY. Mr. Speaker, today Congressmen BOB DAVIS, DON YOUNG, and I are introducing a bill which will assist the National Oceanic and Atmospheric Administration [NOAA] in carrying out its responsibilities to protect marine resources from environmental harm.

The Clean Water Act designates the President as trustee for natural resources, and directs the President to assess the harm caused to these resources by releases of hazardous substances and discharges of oil. The President is also authorized to recover the costs of these assessments from the party responsible for the release, and to recover moneys to restore or replace the harmed resource. The President has delegated this authority for most marine resources to NOAA.

Acting in its trustee role, NOAA filed one of the first Federal claims for damages to natural resources in December 1983, and has concluded a settlement with one of the five defendants. Approximately $2.5 million is being held in escrow awaiting final disposition of the case by the court. NOAA anticipates negotiating natural resource damage claims in many similar cases, with the most pressing being a coastal site off southern California. Unless NOAA concludes its damage assessment in this case by April of next year, NOAA will be barred from collecting moneys to repair the damage caused by the polluter by a statute of limitations.

NOAA has experienced a serious problem in carrying out its trusteeship duties: lack of up-front funds to perform damage assessments. The Clean Water Act prohibits the expenditure of moneys from the pollution fund established by section 311(k) of the act for damage assessments. NOAA must provide the dollars to conduct these studies from its own pocket, thereby robbing other vital marine programs. In addition, the law is unclear where the dollars recovered from the polluter for reasonable damage assessment costs go, despite a clear intent that the agency conducting the assessments be reimbursed for its costs and that the moneys be made available for future damage assessments.

Our bill fixes both these dilemmas: It provides a small amount as "seed money" for NOAA's assessment activities, and authorizes the creation of a revolving fund, so that successful recoveries can be used for future damage assessments.

Given the recent oil spill in Alaskan waters, proper implementation of measures designed to protect our Nation's marine resources is all the more important. The current law provides a mechanism for carrying out this responsibility: our bill ensures that the machine keeps on running.

A YOUNG MAN'S BELIEF IN SCOUTING

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. SUNDQUIST. Mr. Speaker, a short time ago, I received a letter from a young man in my district named Adam Shaw. Adam is a Life Scout of Troop 260, which is chartered to Living Word Lutheran Church in Memphis, TN. I would like to share Adam's comments with my colleagues in the House. He writes:

I would like to bring to your attention the importance of every young man in America being able to experience Scouting. The Boy Scouts teach young men organization, preparedness, gentlemanly manners, communications skills, camping techniques, and a wide variety of other wonderful skills not offered in a regular young man's life style. It is especially valuable for those adolescent men who are without a father or male adult figure in their lives. Boy Scouting gives them a chance to spend time with trained adult men and to work with them individually.

I would like to encourage you to make a public announcement in support of the Boy Scouts of America. I believe public support from a community leader like you would encourage more young men across the nation to share in this rewarding experience.

Adam, I agree, and I have been proud to encourage and support scouting in all of the 16 counties I represent, and all across the State of Tennessee. I could stand here, Mr. Speaker, and tell my colleagues about the good work the Boy Scouts are doing, but I believe young Adam Shaw says it better and that's why I wanted to share his remarks with you.

HEALTH SCREENING SAVES MONEY AND IMPROVES HEALTH

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. WALGREN. Mr. Speaker, as we consider ways to eliminate the deficit as required by Gramm-Rudman deficit reduction law, I want to call my colleagues' attention to a new report emphasizing the importance of preventive health care. Preventive health care means practicing health habits that avoid problems and identifying potential health problems and correcting them before they become more serious problems. An example would be practicing good nutrition that helps prevent high cholesterol or diagnosing and treating high cholesterol to prevent stroke.

Medicare now provides very limited coverage for preventive health measures. While considering ways to restrain costs, we should not overlook the obvious health benefits and cost savings from encouraging people to take preventive health steps.

In 1984, the Assistant Secretary for Health appointed a Preventive Services Task Force to develop specific recommendations to the Department of Health and Human Services for clinical preventive services. This group, composed of the leaders of the preventive health community, gathered data for 4 years, and published their final report on May 2. The report, titled "Guide to Clinical Preventive Services," defines high risk categories of individuals based on their age and sex, and recommends specific screening and intervention programs for each group.

For the elderly, the recommendations include an annual physical examination, including height, weight, blood pressure, as well as hearing, vision, and an assessment of personal health habits. This process would result in a great savings in future payouts for hospital care that would be avoided by these preventive measures.

Preventive health measures are more effective and less expensive than treatment at any age. This lesson has been demonstrated yet again by the members of this task force. I hope we in Congress can use the conclusions to improve health care in this country by emphasizing prevention when it can make treatment unneccessary. I urge my colleagues to read this study. Implementing its recommendations would be good for our Nation's health, both physically and economically.

TRIBUTE TO ALAN M. KRANOWITZ

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. MADIGAN. Mr. Speaker, I rise to issue my congratulations and appreciation for a job well done.

On May 1, 1989, Alan M. Kranowitz retired after 25 years of Federal service to join the world of the private sector. Alan will be leaving a huge void in the executive branch and in the legislative branch, after having served in both with such integrity and expertise.

Alan served our former colleague Tom Loeffler as administrative assistant with distinction and good humor. He and Tom Loeffler were such a good team that many assumed that Alan was himself a Texan. But Alan first came to Washington from his home State of Connecticut to serve then-Senator Thomas Dodd.

When President Reagan tapped him in 1985 to run his legislative affairs team for the House, those of us who had grown to respect him were quite proud. When President Reagan, in 1988, promoted Alan to head up congressional affairs for the entire Congress, we were prouder still. But when Alan chose to leave the senior staff of the White House to accept a position with the new Republican whip, Dick Cheney, he made us very proud indeed. As Alan put it, "I came home."

Mr. Speaker, I know that we will continue to see Alan on Capitol Hill in his new position. I'm sure I speak for all my colleagues—on both sides of the aisle—when I say that I am looking forward to the day that I next see Alan Kranowitz. To Alan, his lovely wife Carol, and his two sons Jeremy and David, I wish you every success.

LEGISLATION TO TEMPORARILY SUSPEND THE DUTY ON CHLORINATED SYNTHETIC RUBBER

HON. THOMAS J. RIDGE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. RIDGE. Mr. Speaker, I introduce legislation to temporarily suspend the duty on chlorinated synthetic rubber entering the United States. As of February 15, 1989, the last domestic manufacturer of chlorinated synthetic rubber [CSR], the Hercules Corp. of Wilmington, DE, discontinued all commercial production and sale of CSR. Presently, all domestic users who utilize CSR are now forced to purchase their needs from overseas sources.

CSR is used in several industries and has wide applications in several products. CSR has several adhesive formulations for rubber to metal bonding and is used in the adhesion of tank tread pads, automotive components such as motor mounts, body mounts, steering bushings, aircraft engine parts, helicopter rotor blade assemblies, and in general, vibration isolation mounts.

CSR is also widely used in other forms of adhesives, such as tapes where resistance to water fire, chemicals, and good electric properties are desired. CSR can be applied for various kinds of paints, finding its biggest usage in traffic paints. Finally, CSR finds important usage in printing and gravure inks, where rapid-drying characteristics and good chemical resistance is desired.

With domestic production of this product now halted it is no longer necessary that we keep in place duties that only raise the costs to our manufacturers and to the end-users of these products. I urge my colleagues to join with me in cosponsoring this legislation.

TRIBUTE TO COL. DONALD CAMPBELL

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. SMITH of New Jersey. Mr. Speaker, on May 7, 1989, Col. Donald Campbell, of Jackson, NJ, will formally assume the command of the 353d Civil Affairs Command.

Colonel Campbell, a resident of Jackson Township, located in my district, has been an active community leader for several years both as part of the Civil Affairs Command and in his civilian career. Currently serving as a superior court judge in the State of New Jersey, he has long been a respected member of our judicial system.

However, Mr. Speaker, it is not Judge Campbell's distinguished civilian service that I wish to call attention to here today, but rather his military record. For nearly 25 years, Colonel Campbell has served our country in the U.S. Army or the Army Reserve. In 1965, Donald Campbell was commissioned as a second lieutenant in the U.S. Army through the ROTC Program. He entered active duty in 1969 and served our country with distinction in Vietnam. During his active tour, Colonel Campbell was awarded the Bronze Star Medal; the National Defense Service Medal; the Vietnam Campaign Medal; and the Vietnam Service Medal with three Bronze Stars.

In 1972, Colonel Campbell entered the U.S. Army Reserve. He served in various staff positions at the 404th Civil Affairs Company and the 303d Civil Affairs Group before being assigned to the 353d Civil Affairs Command in 1978. He has served in many capacities at the Command including Civil Defense Division Chief, Command Inspector General, and Public Transportation Division Chief. It is his record of achievements, accomplishments, dedication, and hard work, Mr. Speaker, that has made Colonel Campbell a natural to assume the command of the 353d Civil Affairs Command this year.

Mr. Speaker, the civil affairs units of the Army, as you know, perform invaluable services to the men and women of the armed services in times of war as well as in times of peace. The 353d has also reached out and become actively involved in community projects in the Bronx, NY, where it is headquartered. In addition, the 353d provided important technical and humanitarian assistance in the Cuban Refugee Program and its citizen soldiers have provided key assistance to Army commands assigned to special projects throughout Europe.

As the new commander of the 353d, Colonel Campbell will lead a corps of dedicated people who have already established themselves as an significant and effective regiment for the U.S. Army. His education, both military and civilian, as well as his years of dedicated military service have prepared him well to take on this challenge. It is my pleasure to join his family, friends, and colleagues in congratulating him on this occasion and wishing him success in his new assignment.

HOLLAND, MI, A MODEL OF COMMUNITY AND ECONOMIC SUCCESS

HON. FRED UPTON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. UPTON. Mr. Speaker, the community of Holland, MI, is a model of economic success for other cities its size. Many factors have contributed to Holland's achievements. The most critical element, however, has been the constructive approach to economic development which the people of Holland practice. Holland, a city of just over 20,000 people in southwestern Michigan, effectively involves all aspects of the community in the formulation and completion of its economic development activities in the area. In fact, cooperation is the key to the Holland community. Holland sets an example from which other communities throughout the United States would greatly benefit by emulating.

The economic success of the city of Holland and the surrounding area is undeniable. The unemployment rate for Ottawa County—where Holland is located—during the late 1980's has remained consistently in the lower single digit range, and was down to about 4 percent for the second half of 1988. For the city of Holland itself, while the State unemployment rate measured nearly 20 percent in the early eighties, its rate remained in single digits. Holland is an illustration of stability with local tax revenue increases of about 5 to 8 percent every year for the last 20 years.

What is the key to Holland's success? How has this city accomplished economic stability and growth even in hard times? It all boils down to the participatory approach and constructive attitude of Holland's residents. With skill and foresight, business and community leaders have—as far back as the 1960's—identified creative methods for working together to take advantage of Holland's inherent strengths. In a cooperative manner, community leaders then bring their plans to fruition. This approach is the key to Holland's success.

Holland's natural strengths are abundant. Located on the shores of Lake Michigan, the harbor formed by Lake Macatawa is utilized for both recreational and commercial purposes. The city is also conveniently located between the two metropolises of Detroit and Chicago. Still closer is the city of Grand Rapids.

Holland's labor force is not only highly skilled and educated, but it is also hard working. William A. Sikkel, former senior vice president of Haworth, the Nation's third largest office furniture manufacturer, a firm founded in Holland, told the Chicago Tribune, "There is a work ethic in this community that you find in few other areas." Another Holland businessman, Jud Bradford, who is in the specialty packaging business, adds, "A lot of the area's success has to do with the nature of the people, not just the employees, but management as well. You find people here working just as industriously in low periods as well as peaks." The people of Holland take pride in their work and their employers take pride in them. It is a mutually beneficial relationship.

However, these built-in characteristics alone would not have resulted in such economic success had it not been for the foresight and commitment of the Holland community's business, professional, and institutional leaders to plan for the future. Speaking of Holland's apparent achievements, Holland's current mayor, Phil Tanis, states, "It did not just happen. People have worked hard for it."

The integral element of this commitment has been the work of HEDCOR, the Holland Economic Development Corporation. HEDCOR was formed back in 1962 as a partnership of businesses, concerned individuals, bankers, and professionals. This group's private/public partnership, has proven more and more appropriate with each successive year. Its model has been copied in cities throughout the United States. The partnership used HEDCOR's initial contributions to buy land for an industrial park on the outskirts of the city. This seed money essentially assured Holland's businesses a place to grow, and new businesses a place to flourish.

In 1964, HEDCOR opened the South Side Industrial Park on 100 acres of land. The first tenant was a Lifesavers candy plant. Now accompanying this plant in a park expanded to 400 acres are 52 industries employing more than 9,000 people. Holland's well-defined approach was to encourage the development and growth of a myriad of industries, avoiding tying itself too closely to any one type of business. The HEDCOR strategy assisted not only the diverse group of industries which already existed in Holland such as Heinz pickles, Warner Lambert-Parke Davis chemicals, and S-2 Yachts, but also attracted new businesses in numerous sectors of the economy.

Today, the city has over 300 industries of various sizes and specialties. Holland's distinctive economic formula includes pharmaceuticals, office furniture, food processing, soft drink bottling, pleasure boat, construction as well as a growing number of innovative technology firms. Chamber of Commerce President Hallacy remarks, "The secret is the diversity of our industry. Industrial growth has been gradual, largely by design. The area is not dependent on a few major employers and never has been."

What makes Holland stand out among other communities that have generated economic development plans of their own, is the manner in which Holland's plans were so carefully executed. Cooperation is the word that best describes Holland's efforts: cooperation between business and community leaders, between government and industry, between management and labor. In a truly community-oriented spirit, the people of Holland bind together to work for the community's economic and social success.

The city of Holland itself aggressively lures new or expanding businesses with attractive property tax abatements. Perhaps most importantly, the Holland Board of Public Works, a city-operated public utility, offers rates approximately 30 percent lower than those available to other nearby cities.

One particularly shining example of government, community, and business leaders working together is the Streetscape and Snowmelt project. When a number of downtown shops and businesses required renovation, instead of striking out on their own, the downtown business owners banded together. They initiated a plan called Mainstreet to remodel all of the storefronts with a turn-of-the-century theme. At the same time, the Holland city government worked with the group to make infrastructure improvements throughout the downtown. The most unique aspect of this joint effort was the installation of heating tubes in the new sidewalks and streets to melt the wintertime snow.

This type of cooperation is a trademark of every major project in recent memory. Mayor Tanis reports that it is not uncommon for Holland corporations to anonymously make donations to city projects far beyond their tax levies. Nor do GUY VANDER JAGT and I, the two Congressman who represent Holland, hesitate to provide assistance from the Federal level whenever we can. We are currently providing a helping hand on the Holland-Grand Rapids application for a foreign trade zone, and striving to see improvements made in the highway system, and more infrastructure for the new industrial park on the north side of town.

Community leaders are already working together to address the future needs of the Holland area. A prime example will be celebrated at the official grand opening of the Holland Airport's new 5,000-foot runway on May 13, 1989. The expanded runway will greatly facilitate air service for the entire community. Located near the airport is the newly developed Northside Industrial Park in which 11 companies have already purchased sites for their manufacturing needs. Once again, the way is being paved for future community growth and vitality.

The airport ribbon cutting clearly displays the kind of comprehensive planning to provide adequate infrastructure support that is desirable when addressing current and future economic development needs. It is the type of activity which distinguishes the city of Holland from the rest. Clearly, if the people of Holland continue the approach to economic development exemplified by the Holland Airport runway expansion, Holland will remain a model of community excellence far into the next century.

PUTTING SAFETY IN THE RING

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. DORGAN of North Dakota. Mr. Speaker, today I am introducing legislation which is vital to the lives and livelihood of professional boxers, and will add safety and sanity to the sport in the United States.

Scores of boxers have died from injuries sustained in the ring and hundreds have been seriously hurt in the past decade. The shocking and sad part is that no one knows for sure exactly how many have been maimed or even died in the ring. We don't even know how many people engage in boxing in the United States and worldwide.

Unfortunately, the Federal Government has failed to take meaningful action to correct serious problems with the sport. There are no national minimum standards that deal with working conditions, compensation, insurance, medical services, boxing equipment and facilities.

My legislation, the Federal Boxer Protection Act of 1989, would establish a commission at the U.S. Department of Labor to set necessary standards.

The commission would: Set fair labor standards and minimum standards of compensation, insurance, and medical services; ensure minimum standards for equipment and facilities for the physical safety of professional boxers; set up a national registry of boxers and boxing matches; have investigative powers and hold public hearings; and consist of five commissioners appointed by the Secretary of Labor to serve staggered 6 year terms. At least two of the commissioners must have extensive experience in boxing, but cannot be involved in any aspect of boxing while serving on the commission.

The cost of a Federal boxing commission would be minimal, and would be offset by reasonable fees to register boxers and matches.

This legislation would not infringe on the authority of the States to set up their own boxing commissions as long as their standards are not below Federal guidelines.

Passing meaningful legislation protecting boxers would be a major accomplishment for the 101st Congress.

IMPROVEMENT IN THE HUMAN RIGHTS SITUATION IN ZAIRE

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. BURTON of Indiana. Mr. Speaker, I wish to express, for the RECORD, my satisfaction with certain recent events pertaining to Zaire. Some of our colleagues may or may not be aware that the U.N. Human Rights Commission has reported on the marked improvement in the human rights situation in Zaire. In addition, the World Bank just issued a survey which cited Zaire as one of 14 countries in the

entire world who are "strong reformers." These are welcome developments in a country that is very important to U.S. interests. They ought to be applauded and encouraged most heartily.

I had the great pleasure of being able to visit Zaire several months ago. The Government and people of Zaire are indeed warm and sincere allies of the United States and they value our friendship. Are they perfect? Certainly not. Like in many countries in the Third World, there is much that needs to be done. I think our friends in Zaire are aware of that. We greatly value their support and assistance on matters of mutual concern, and we thus are delighted when there are visible signs of progress. As we congratulate President Mobutu and the people of Zaire, we look forward to continued progress and continued cooperation.

RECOGNITION OF HOUSING OPPORTUNITY DAY IN HOUSTON, TX

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. LELAND. Mr. Speaker, on Saturday, May 6, the Houston Board of Realtors will host an inventive housing fair celebration to publicize the many affordable programs operating in the city of Houston.

As a gesture of support the Texas House of Representatives designated May 6, 1989, as Housing Opportunity Day in Texas, in recognition of the need to encourage and expand housing choices for all Texans.

I am proud that Houston is leading the way in providing reasonable and affordable housing for its citizenry. Home ownership has always been a traditional aspiration for Americans. It remains a measure of success; of whether one has made it.

This housing festival will present the opportunity for Houston realtors to make the general public more aware of home ownership and rental choices. The festival is especially geared to first-time home buyers.

I give my full support to the festival, for it will work to advance the housing opportunities to all Houston residents without regard to race, creed, national origin, or religion. Houstonians have been through rough times, times which saw a lot of Houstonians lose their homes. However, the city of Houston has now begun its economic recovery. This celebration hosted by the Houston Board of Realtors, and the commemoration of this event by the Texas House of Representatives are all a part of that recovery.

RESOLUTION

Whereas, The Houston Board of Realtors will host a landmark event on May 6, 1989, to be known as the "Houston Housing Opportunity Festival," and will use the occasion to celebrate the many affordable housing opportunities in Houston, which are greater than those of any other major American city; and

Whereas, The goal of the festival is to make the public aware of the home ownership and rental opportunities that are available in all prices and neighborhoods; and

Whereas, The festival is especially geared to first-time home buyers, who now include a growing number of older people, single women and mothers, handicapped individuals, and newcomers from a variety of ethnic backgrounds; moreover, the program will appeal to people of all income levels from all areas of the city; and

Whereas, The gala event will likewise be an opportunity for local realtors to announce and underscore that they are united in advancing housing opportunities to everyone without regard to race, color, creed, national origin, sex, handicap, or family status; in addition, housing industry specialists will perform an important service in providing needed information to those contemplating the purchase of a home; and

Whereas, The festival will provide a grand finale to the activities of American Home Week, which has the theme of "Creating a Nation of Neighbors"; and

Whereas, It is fitting that the house of representatives extend its full support to those groups and organizations that work toward improving the quality of life for the citizens of this state and that it encourage other groups around the state to follow this innovative and promising example: Now, therefore, be it

Resolved, That the House of Representatives of the 71st Legislature of the State of Texas hereby recognize May 6, 1989, as Housing Opportunity Day in Texas, and encourage its observance in communities across the state; and be it further

Resolved, That the Texas House of Representatives commend the Houston Board of Realtors for its sponsorship of the Houston Housing Opportunity Festival.

LOYALTY DAY IN ST. JAMES PARISH, LA

HON. CLYDE C. HOLLOWAY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. HOLLOWAY. Mr. Speaker, the Congress has designated May 1 of every year as Loyalty Day. This is a special day in which Americans can counter the annual May Day demonstrations staged by the Communists. The basic idea of staging patriotic demonstrations to offset the Communist rallies started in 1930. Loyalty Day is the specific occasion when all American citizens can publicly reaffirm their complete loyalty to America.

Each and every year, the citizens of St. James Parish, LA, celebrate Loyalty Day. It has become a tradition in the town of Lutcher. The Loyalty Day celebration is one of the largest of its kind in the entire Nation.

Mr. Speaker, the freedom which we in America have enjoyed for more than 200 years is something which far too many Americans have taken for granted. No other nation on Earth can boast of a form of government which has endured for so long while working so well. Mr. Speaker, I take great pleasure today in recognizing a group of citizens whose pride in America should serve as an example to us all.

Mr. Speaker, I want to commend in particular the Veterans of Foreign Wars Post 5852, the citizens of Lutcher, LA, the St. James Parish, LA, School Board, the school children of St. James Parish, and other participants in annual Loyalty Day ceremonies.

Mr. Speaker, Loyalty Day, 1989 was a clear expression of pride and loyalty. The people of St. James Parish took the initiative to say "thanks" for liberty and opportunity. They do not take freedom lightly. The people of St. James Parish took the time to publicly and enthusiastically confirm their belief in cherished values which make American democracy great: The freedom to speak and write as we wish, to associate with whomever we wish, to worship in the manner of our choice, to have both ideas and grievances heard, to influence the course of events for the better; the chance to make the most of opportunity through the use of individual skill, ability, imagination, and drive.

Mr. Speaker, it is with great pride that I rise in praise of the people of St. James Parish. All Americans should demonstrate such loyalty, character, and love of country.

FUNDING FOR MASS TRANSIT

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. GREEN. Mr. Speaker, I rise today to introduce legislation that will assure annual funding for mass transit and reduce our Federal deficit. My bill would place a 10-cent-a-gallon additional tax on gasoline, earmarking 3 cents for mass transit and returning the balance to the Treasury for deficit reduction. The tax would be added to the current 9-cent-a-gallon tax, of which 1 cent goes to the mass transit trust fund.

Each year we have a battle trying to protect mass transit aid. Each year we work to resolve the Federal deficit. For every cent the gas tax is raised, $1 billion in revenue will be received. Essentially, the 10-cent-a-gallon gas tax would raise $3 billion for mass transit, moving it off budget as well as an additional $7 billion for further deficit reduction. Many may question the costs that are passed onto the consumer. The costs would be minimal. The 10-cent tax would add approximately $40 to the annual costs of operating an automobile. Even with last month's nominal increase, gasoline prices were still 26.8 percent below their peak level in March 1981. In addition, increasing mass transit funding will enable mass transit to become more cost efficient. This, ultimately benefits low-income households which remain dependent on mass transit.

The administration's fiscal year 1990 budget would reduce Federal funding for mass transit by $1.7 billion. The cuts not only would effect large cities, but would be devastating to small urban areas which must rely primarily on Federal funding for their mass transit services. If the fiscal year 1990 budget proposal were adopted mass transit would have to rely almost exclusively on $1 billion from trust fund revenue. To believe that mass transit services could survive on such a budget is ludicrous.

In addition to preserving mass transit and reducing our deficit, the legislation would conserve energy and protect our environment. Maintaining energy-efficient mass transit will

conserve limited domestic petroleum resources and avoid further growth in the risky dependency on foreign sources. The enactment of this tax will also reestablish a gas conservation ethic. With regard to the environment, reduced gasoline use will help with respect to our massive carbon monoxide and ozone noncompliance problem, as well as have a positive impact on the greenhouse effect scientists have warned about.

I urge my colleagues to join me in protecting our environment, conserving energy, maintaining steady funding for mass transit, and reducing the Federal deficit.

IN HONOR OF RICHARD RICKETTS, JR.

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. HORTON. Mr. Speaker, I rise today to speak about a man who dedicated his life to the Rochester community. I am referring to my friend Dick Ricketts in whose honor the new gymnasium of the Boys and Girls Club of Rochester was recently dedicated.

Dick Ricketts was known as a good pitcher, and excellent athlete, and, most importantly, a good all-around person. While I was president of the Rochester Red Wings, he was our star pitcher. Dick later pitched in the major leagues as well as played professional basketball. After concluding his successful professional sports career, he went to work for the Eastman Kodak Co.

The Rochester community suffered a great loss when he passed away for he was an inspirational role model to young and old alike. In March, his life's work of promoting strong character in the community's youngsters was honored when the Boys and Girls Club, with the financial backing of the Eastman Kodak Co., dedicated the new gymnasium as the Dick Ricketts Gym.

I would like to take this opportunity to enter into the RECORD the remarks of some of the participants in the dedication ceremony including Mrs. Richard Ricketts; Frank Zaffino, Kodak vice president and general manager; and Ritter Shumway, chairman of the board, Rochester Boys and Girls Club of Rochester, Inc.

REMARKS BY MARGARET RICKETTS (MRS. RICHARD J. RICKETTS, JR.)

My dear friends***

We are extremely proud of the high esteem in which Dick was held throughout his life—and it pleases us as a family that Eastman Kodak Company and the Boys and Girls Club have paid tribute to him in such a special way.

We accept humbly and in his name this great honor. It is a testimonial to that indomitable spirit, that honesty and integrity, that deep and abiding faith and love which showed him how to play the game of life and win.

It is our hope that the life which Dick led will serve as an example to all those young people who enter these doors.

May they learn from his life all they need to know about competition, dedication and sense of responsibility.

May they share his belief that with God, all things are possible—and that much is attainable for those who truly trust Him.

For the warmth of your love, your generous hearts, your compassionate hands, this lasting memorial—we are, in Dick's name and ours—most humbly grateful.

DICK RICKETTS

REMARKS BY FRANK ZAFFINO, VICE PRESIDENT AND GENERAL MANAGER, EASTMAN KODAK

Good afternoon, I would like to start out by thanking all of you for the opportunity to participate in this dedication to my very special friend and associate—Dick Ricketts.

Dick Ricketts came to KAD at a time when we needed him most. It was a difficult time in our history—a time of massive restructuring and employee layoffs.

Our challenge was to make these tough business decisions in an environment that treated all of our people fairly and with dignity.

Dick Ricketts helped us to achieve this balance.

Dick was a larger than life individual—not only in physical stature, but in the strength of his character and the size of his heart.

During the worst of these times he helped us to keep our focus. Dick reminded us that the costs we were streamlining were not just numbers—they affected people's lives. He had an uncanny ability to view our actions through the eyes of a machine operator—keeping us sensitive to their anxieties and concerns.

And finally, when the downsizing was all over, Dick helped us all through the healing process.

He recognized the need for counseling—not only for those employees who had left the company—but for those who remained. He arranged for outside consultants to help our employees to work through the pain and anxiety of the downsizing and become more fully productive again.

It is difficult to articulate all that Dick Ricketts meant to the people of KAD.

He has been described as a team player, a motivator—a person who used his sense of humor to teach us lessons about ourselves.

The people at KAD are grateful for the fact that there was a Dick Ricketts and that he was assigned to our division during a very difficult time in our history.

We believe that through this dedication, young people for generations to come will continue to learn the lessons of fair play, integrity, team spirit and courage—lessons that Dick Ricketts taught each of us through his life. And so we are happy to be with you today—not to mourn a loss—but to celebrate a life that helped so many of us—and through this dedication will continue to help young people for years to come.

DEDICATION OF RICKETTS GYMNASIUM AT THE BOYS AND GIRLS CLUB OF ROCHESTER

COMMENTS BY: F. RITTER SHUMWAY

There never was a time in our society when citizens of strong character were more needed than today. The drug problem with all of its ancillary problems of crime, poverty, inability of addicts to function properly in our society, broken homes, babies and children already committed to drugs and many other facets of life is perhaps the clearest and most threatening evidence of the need for citizens of strong character. Are we not most fortunate that at such a juncture in our affairs, the Eastman Kodak Company should bring to this community strong financial support to enable the Boys & Girls Club to do better the job to which the Club is committed, namely building future citizens of strong character.

In the process of learning team play and the discipline of striving to reach an athletic goal in the Dick Ricketts gymnasium, the participants will, with some help and guidance, build their own strong characters. Persons of all ages will sacrifice and discipline their lives in order to accomplish their goals in activities in which they are interested. Athletic prowess and a respected position in business are goals that are widely accepted and sought especially by young people.

But young people need a person who embodies and has achieved such goals to be their "hero" or "role model." Such was the life of Dick Ricketts. By providing the funding that will allow the gymnasium of the Boys & Girls Club to be brought up to standards worthy of the life and accomplishments of Dick Ricketts and by his family allowing Dick Ricketts' name to be permanently inscribed here on a most suitable symbol of one of the fields of his great accomplishments, a great honor is being accorded to Dick and a great contribution is being made to this community.

However important as a gymnasium and athletic equipment may be as an outward and visible sign of goals and a means for their accomplishment, the inward and spiritual accomplishment of strength of character needs more than that for its nourishment and growth. Very important, therefore, is the Dick Ricketts Sports and Motivational Clinic which will also be funded for a five year period by the Kodak Company's contribution. The Clinic will now be described by our Executive Director, Tonja Olds.

Now on behalf of the Officers, the Board of Directors and the entire staff of the Boys and Girls Club of Rochester, I want to express and record our profound and enduring gratitude for the vision, the dediction and the practical support of the Eastman Kodak Company in their many great contributions for a better, fuller life in our city and particularly for this current contribution to the Boys and Girls Club of Rochester that will enable the Club to assist more effectively in creating a better life for all of the residents of the southwest quadrant of the city. We are also most grateful for the special honor which the Kodak Company is giving in lasting remembrance of their friend and fellow worker and our inspiration—Dick Ricketts.

NATIONAL SPACE CLUB LUNCHEON SPEECH

HON. BILL NELSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. NELSON of Florida. Mr. Speaker, with the successful launch of the space shuttle *Atlantis* today and the beginning of the Magellan Mission to Venus, I thought it would be appropriate to read the remarks about NASA's planetary exploration in the future, by Dr. Lennard A. Fisk.

The remarks follow:

NATIONAL SPACE CLUB LUNCHEON SPEECH

(By Dr. Lennard A. Fisk, NASA Associate Administrator for Space Science and Applications)

Two days from now, weather permitting, the shuttle *Atlantis* will lift off from the cape. A few orbits into the mission, the Magellan spacecraft will be deployed. The IUS will fire, Magellan will be on its way to Venus, and the United States Space Science Program is back in business.

The return to flight of the shuttle last September, was a magnificent accomplishment. A triumph of dedication and perseverance. A testimony to the Nation's will to overcome adversity. Also, the shuttle has flown twice now to place in orbit tracking and data relay satellites—the infrastructure to support future missions.

All this has been but a prelude—the overture to the main work. The orchestra is warmed up now; and the main symphony is about to begin with Magellan. It will be a long symphony with crescendo after crescendo for years to come.

It is appropriate that the Space Science Program begins again with a planetary launch. After decades of world leadership, at the beginning of the Space Age, our planetary program has been on the verge of becoming an also ran. The last planetary launch was in 1978, eleven years ago. The last planetary event was the Voyager encounter with Uranus in 1986. Generally no one remembers that because it coincided with the *Challenger* accident.

But with Magellan the leadership passes back to the United States. Magellan will map the surface of Venus with radar, with ten times the resolution of any previous United States or Soviet mission. It will cover 90 percent of the surface, as opposed to only 25 percent on the last Soviet mission. It should answer the fundamental question of why Venus—which is so similar to us in size and location—is so different.

Venus is essentially the same size as the Earth, and it is only slightly closer to the Sun than we are and yet it has evolved to be one of the most inhospitable places in the solar system. An atmosphere 90 times that of the Earth, made up of carbon dioxide—a runaway greenhouse effect—yielding a temperature of 900 degrees Fahrenheit. Plus it rains sulphuric acid.

Is there a lesson in this for us? That our global environment is fragile? That only slight variations in conditions could lead to catastrophic changes?

Perhaps we should ask also which is the more likely state, Earth or Venus? If you want to project that earth-like planets are commonplace around other stars—and therefore that life as we know it exists elsewhere in the universe—it would be interesting to know what was so different that in one case we have Venus, and in another, the Earth, and which result is more likely.

Magellan will determine the geological structure of Venus, and therefore its history—both recent and ancient. It will search for volcanos and evidence of plate tectonics, and thus probe the internal workings of the planet. Our knowledge of Venus will increase dramatically with Magellan. The cloud-covered planet will be unshrouded; and the secrets of its past, which led to its inhospitable present will be revealed.

But Magellan is only the beginning—the first notes of the symphony. The cosmic background explorer will be launched this summer—to probe the background radiation left over from the birth of the universe—the big bang. It's an expendable launch—the mixed fleet plan in operation.

In October, *Atlantis* will again roll out to the pad to launch Galileo to Jupiter, with a side trip by Venus and the Earth to pick up speed.

In December, the Hubble space telescope, the premier science mission of all time, will fly to observe the universe in visible light and ultra-violet, with more resolution and sensitivity than has ever been possible before.

In March of next year, the Astro Spacelab Mission will fly to make the definitive measurements of the recent supernova—the closest observable supernova in 400 years.

In April, the Gamma Ray Observatory—the second of the great observatories—will fly to observe the universe in high energy photons—gamma rays—with greater resolution and sensitivity than has ever been possible.

The list goes on with Ulysses, and the upper atmospheric research satellite, and numerous spacelabs, and so on. Four launches in 89. Six in 90. Six in 91. Fourteen in 92, and six in 93. Thirty-six launches in five years. Essentially the highest launch rate for space science missions in the history of the U.S. Space Program.

It is difficult to comprehend how different the United States Space Science Program will be after Magellan, compared to how it has been in the recent past. In the last decade, only 11 space science and applications missions were launched, as compared to 36 in the next five years.

There are only a total of eight working NASA satellites in Earth orbit today. Two were launched more than a decade ago. Two, the Landsats, are no longer under NASA's control. Two are about to reenter or be shut off. The two remaining are small Earth science satellites.

The Hubble Space Telescope alone weighs more than all the currently working space science satellites in Earth orbit combined. The Magellan mission alone will return more data than all previous planetary missions combined. The upper atmospheric research satellite alone will return more data in a week than the current Earth science satellites return in a year.

I believe that it is safe to say that a new golden age of space science is upon us, and if we have our way, it is an age that will not end.

We are committed to completing the great observatories for astronomy. The Hubble Space Telescope and the Gamma Ray Observatory are only the beginning. The mirror development is underway, and going well, for the advanced x-ray facility. And plans are being made to undertake the space infrared telescope facility. Four great observatories, which span the electromagnetic spectrum from infrared to gamma rays, with resolution and sensitivity never before possible in astronomy.

We are determined that never again will leadership in planetary exploration be allowed to pass from us again. Magellan to Venus. Mars observer to Mars in 1992. Galileo arrives at Jupiter in 1996; and this year's new start is Craf-Cassini. Craf to rendezvous with a comet in 2000 to 2002, and send a penetrator into its nucleus. And Cassini to Saturn, to orbit the planet from 2002 to 2006, and send a probe into its moon Titan. A U.S. planetary mission in its prime exploration phase essentially continuously from 1990 to 2006. A tour de force of the solar system, from Venus to Saturn, a feat no other nation can accomplish.

In addition to exploring the planets of our solar system, we are making preparations to begin the Earth observing system—ESO—a program to study our own planet. EOS will fly on the polar platforms of space station freedom to make continuous, long-term, and comprehensive measurements of the Earth, and what we as humans are doing to it—to serve as the basis of sound policy decisions, to protect the future of our planet. It will be a graphic demonstration of American technology in space serving the peoples of the world.

We need to appreciate that with all these activities and plans, we are sending a simple, but very powerful message—that we are a nation that believes in its future.

There is no task more important for a government than to instill in its people the conviction that the future will be brighter than the present. For from this conviction comes motivation, and ambition, and perseverance, and accomplishment.

I was always struck by the fact that the Morrill Act, which established the land-grant university system, the backbone of higher education in this country—was passed in 1862—during the darkest days of the Civil War. The leaders of the Nation in that generation believed that no matter how bad their problems, it was important to undertake activities which enhanced the nation's future, and by doing so gave hope to the people of that time for a brighter tomorrow.

We too need to undertake the activities that will enhance our future and give hope to our people. And, in my judgment, there are three.

First, we should actively invest in basic research. Advances in basic research beget new technologies—advances in basic knowledge are an essential first step for a better life in the future. Investment in basic research is a statement of our faith that the world can be made better tomorrow.

Research in the microgravity environment of space will lead to advances in materials and fluids, and the processes which control them. And advances in biomedicine.

Even astronomy, which may seem like a somewhat esoteric subject, tests our understanding of the laws of physics. We are exhausting, today, our ability to test our understanding of the laws of physics on Earth. There is a limit to the densities and the pressures and the magnetic field strengths that we can achieve in the laboratories. But there is almost no limit to the densities, pressures, and magnetic fields in neutron stars, and black holes.

Just as surely as Faraday's and Maxwell's playing with the novelty of electricity and magnetism in the mid-1800's led to radio and television in the 1900's—the testing of the laws of physics in the extreme conditions available in astronomy will lead to better understanding, and, in time, useful applications.

The most important basic research, to ensure a brighter tomorrow, may be how the Earth works and how we as humans are influencing its behavior. The planet is fully inhabited now and we are a powerful influence on its future. The quality of life for future generations will depend on whether we are a constructive or a destructive influence. But to do so we have to understand how the Earth works as an integrated system; and that requires the global perspective that can only come from comprehensive observations from space.

Basic research in space for a better tomorrow. It is a symbol of hope that all can understand.

The second task for a brighter tomorrow is to expand the frontiers. Our forebearers expanded this Nation from east to west. Their exploits, whether it was the early explorers, or the early settlers, or the people who built the railroads across the country inspired in the people of the east of the hope for limitless growth and opportunity.

Our generation is no difference, except that our frontier is space. And as we extend the human presence into the solar system, with the shuttle into low Earth orbit, with the space station freedom, the first outpost in our inexorable march into space, and with robotic exploration of the our potential domain—the solar system—we inspire in the people of our generation the hope for a limitless tomorrow.

The third task is the same as it has been in all generations—motivate the young, for they will determine the future of the Nation. All the land-grant universities established by the Morrill Act, all the student aid, will do us no good, unless the best and the brightest of the youth of this Nation are motivated to pursue careers in science and engineering—to build a better world.

We will launch 36 science missions in the next five years, and if we are smart we will use these missions to conduct the biggest and the most public science and engineering lesson ever, for the youth of this Nation. Each mission will reveal a different, wonderous aspect of science—whether it is in planetary exploration, or in astrophysics, or in plasma physics, or in Earth science, or in materials and life science research. Each is an engineering marvel. Let the youth of our Nation learn from what we are doing and be inspired to do better in their generation.

We have many problems in this country. We fear for our national security—and expend a large fraction of our national wealth on defense. We rail at the injustice that leaves a significant fraction of our people homeless and impoverished—and we expend funds for housing and public assistance.

But somewhere among these expenditures that are based on fear and on injustice, there should also be expenditures based on hope—hope for a brighter tomorrow. Where basic research is yielding new, exciting technologies and a better quality of life; where there are ever new worlds to explore, and opportunities for our people, and a brighter tomorrow where the youth of today can excel.

Somewhere among the expenditures based on fear and injustice there also needs to be a vibrant and exciting and inspirational space program.

INTRODUCTION OF THE WORKFORCE 2000 EMPLOYMENT READINESS ACT OF 1989

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1989

Mr. HAWKINS. Mr. Speaker, today I am pleased to introduce the Workforce 2000 Employment Readiness Act of 1989. This legislation is intended to be a catalyst for meeting our Nation's future work force needs through the provision of additional sources of funding for education and the strengthening of Equal Employment Opportunity law.

The Workforce 2000 report, prepared by the Hudson Institute for the Department of Labor, has warned that in the year 2000, the majority of new entrants into the labor force will be women and minorities, many of whom have historically suffered substantial barriers to access in education and employment, and as a result, lack the skills and education necessary for many of the jobs in our increasingly technical and complex labor market.

A similar warning was offered in the Department's more recent study entitled, "Opportunity 2000, Creative Affirmative Action Strategies for a Changing Workforce." In its introduction the study notes:

Traditional sources of labor are rapidly shrinking. And many members of the potential new workforce—women, minorities, the economically disadvantaged, disabled—face significant hurdles to their full and effective participation in the workplace. Businesses will be able to satisfy their labor needs only if they successfully confront those barriers and empower individuals presently outside the economic mainstream to take advantage of meaningful employment opportunities.

Today, some 23 to 27 million Americans cannot read above the fifth grade level, and another 35 million cannot read above the eighth grade level. Yet, 70 percent of the written material in the workplace is between the 9th and 12th grade level reading. The literacy problem is so extensive that the costs to business are staggering: over $200 billion annually; the costs to the country's economic competitiveness are immeasurable.

The number of high school dropouts is estimated to be as high as 1 million a year and, in addition, another 700,000 cannot digest a newspaper or fill out a job application despite having completed 12 years of formal education. The average Japanese high schooler has better math skills than the top 5 percent of Americans taking college prep courses.

Twenty-five million entrants to the labor force will be needed by the year 2000 to fill jobs requiring increased levels of skill. In those same years, 83 percent of the available new workers will be nonwhite, female, or immigrants, populations which are traditionally less skilled. Annually 600,000 to 750,000 people immigrate to the United States. The majority lack English language skills and many lack basic skills in their native language.

In addition to literacy problems of workers and potential workers at the lower end of the socioeconomic ladder, American college students are not pursuing advanced degrees in areas of national importance, such as engineering, the sciences, mathematics, and the teaching profession. This situation is disproportionately exaggerated for women and minorities. For those who do succeed in climbing the corporate and academic ladders, however, there continues to be a lack of acceptance on a par with white male peers, and careers are often stymied due to sex, race, and national origin discrimination.

Therefore, education, while of critical importance, is only part of the answer. In the short term, we will not construct the kind of workplace environment and the necessary perception of employment opportunity critical to motivating women and minorities to seek the kind of job skills which this Nation will need to have a competitive work force in the year 2000 without a period of sustained, strong enforcement of the Nation's equal employment opportunity laws.

The committee has completed two major staff reviews, one examining the effectiveness of the Office of Federal Contract Compliance Programs' [OFCCP, U.S. Department of Labor] contractor monitoring and law enforcement activity, and one examining the level of contractor compliance with applicable employment discrimination laws and regulations. In addition, the Department of Labor's Office of Inspector General [OIG] completed an investigation of OFCCP. Recently, the General Accounting Office briefed committee staff on the results of its review of the status of equal employment opportunity in the aerospace industry.

In general, these reports found that the OFCCP as a law enforcement entity was in substantial disarray, and had evolved policies and operational modes that were inconsistent with applicable, current regulations, as well as with legal precedent. These and other serious problems were compounded by severe understaffing and increasingly limited fiscal resources.

While efforts are currently being made to correct problems, the changes in administrative procedures of the OFCCP in this bill are a response to the serious deficiencies identified during the investigations and data analyses, to the information gathered, and concerns raised over the course of nearly 8 years of hearings, conferences, discussions and agency briefings.

The Workforce 2000 Employment Readiness Act of 1989 is being introduced to provide a comprenhensive framework from which business and Government can work together to prepare workers first through education and job training, and second, by ensuring equal employment opportunity for the available jobs.

By establishing additional funding sources for education, and focusing training and skills development on the occupations and fields in which American businesses will need well-qualified workers, we will create a more competitive and diverse work force and will increase the productivity of American business and labor in the 21st century. Through enhancing equal employment administrative procedures in the Department of Labor and establishing more adequate employment data bases, the bill will ensure that women and minorities' involvement throughout the American work force will be strengthened and continue to grow.

Highlights of the bill are as follows:

An education improvement fund would be established by assessing a small portion of every Federal contract equal to one-half of 1 percent. The purpose of the fund is: First, to underwrite an education improvement fund scholarship award program; second, to establish a grant program for educational institutions and agerncies; and third, to fund the data collection and analysis provisions of the bill. Small businesses would be assessed half of the general assessment—0.25 percent. Employers who could demonstrate and certify

that they have contributed to comparable programs—as determined by the Department of Education—would be able to reduce their assessment by up to 50 percent. Preliminary estimates suggest that the fund would accrue approximately $800 million per year, depending upon the amount of contracts awarded in any given year and the amount of reductions made due to employers' contributions to comparable programs.

The Department of Education would award the 1-year renewable grants and scholarship funds. There would be a 15 member advisory board, composed of Federal contractors, educators, civil rights advocates, equal opportunity specialists, labor representatives and others to provide direction to the Education Department regarding the fields in which there is an underrepresentation of gender/racial/ethnic groups and in which there is a national need.

In addition to the scholarship program for underrepresented students who demonstrate financial need, grants to education agencies and institutions would be available for:

Innovations and improvements in instruction;

Early identification and preparation for minorities and females to enter fields requiring substantial preparation in math, science and in the teaching profession.

State and local agency assessments for the need for minority teachers;

Partnership programs between schools of education and school districts for minority teacher training in fields in which there is an underrepresentation of women and minorities and in which there is a national need;

Workforce development centers for strengthening teacher skills as they relate to the teaching of underrepresented groups; and

Pre-apprenticeship programs to prepare underrepresented persons for employment in the skilled trades.

DATA COLLECTION AND EMPLOYER REPORTS

The bill authorizes the Bureau of Labor Statistics [BLS] to collect employment data by gender and race/ethnicity based upon the decennial census and upon empirical studies which it conducts periodically. This provision is intended to provide both the Federal Government and the employer community with better data with which to determine the availability of women and minorities in the various occupational groups and hiring areas.

The bill requires employers to submit an annual report of their workforces according to the occupational categories established by the BLS. Employers who are Federal contractors are also required to report regarding their utilization of various groups and to establish goals for groups which are underutilized. These reports will replace affirmative action plans.

ADMINISTRATIVE ENHANCEMENTS

Several administrative proposals to enhance the ability of the Department of Labor to enforce the equal employment laws are included in this measure. Specifically, the bill provides for:

An expedited pre-award review procedure, to enable the Secretary of Labor to examine the actions taken by contractors to comply with the act before a contract of $5 million or more is awarded;

An administrative process by which the Secretary may conduct investigations of complaints and compliance reviews;

Hearings before the administrative law judges [ALJ's] of the Labor Department regarding cases referred for adjudication, and direct appeals in Federal courts of appeals;

A private right of action for complainants who wish to bypass the often-lengthy administrative process;

Relief, including back pay, and liquidated damages in the case of willful violations; debarment and suspension of contracts and progress payments; treble damages for violations of the antiretaliation—blackballing—provision;

Civil penalties of up to $1 million per violation;

Attorney's fees, which are available at the administrative and court levels and ALJ or court appointment of an attorney;

An election of remedies provision, so that if a person seeks to file an action under this statute, she or he is precluded from also filing an action under title VII of the Civil Rights Act of 1964;

The creation of the office of assistant secretary for contract compliance and the codification of Executive Order 11246, so that subsequent amendments to this order may only be made pursuant to an act of Congress;

A limitation on the Federal Government's reimbursement or payment of costs incurred, including penalties, fees, and the education fund assessments; and

Authority for aggrieved persons to sue the Labor Department to compel it to enforce the statute when the Department fails or refuses to do so.

SENATE—*Friday, May 5, 1989*

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 12 noon and 21:00 seconds, on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

RECESS UNTIL TUESDAY, MAY 9, 1989 AT 11 A.M.

The PRESIDENT pro tempore. The Senate will stand in recess under the order.

Thereupon, at 12 noon and 21:53 seconds p.m., the Senate recessed until Tuesday, May 9, 1989, at 11 a.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

HOUSE OF REPRESENTATIVES—*Monday, May 8, 1989*

The House met at 12 noon.

The Reverend Charles Mallon, permanent deacon, Holy Family Church, Mitchellville, MD, offered the following prayer:

The Lord is my light and my salvation; whom shall I fear?

The Lord is the stronghold of my life: of whom shall I be afraid?

Almighty and ever-living God, Your spirit anoints us, Your children, and enables us to call You Father. Increase Your spirit of love within us and bring us to our promised inheritance.

Grant this through our Lord Jesus Christ, Your Son who lives and reigns with You and the Holy Spirit, one God for ever and ever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from California [Mr. ROHRABACHER] kindly come forward and lead us in the Pledge of Allegiance.

Mr. ROHRABACHER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

THE BRAVERY OF KENDALL TRUITT

(Mr. POSHARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. POSHARD. Mr. Speaker, America learned something about the brave men and women in its Armed Forces recently. And I in particular learned something about a young man I am extremely proud to represent in Congress.

On April 19, a terrifying explosion claimed the lives of 47 sailors aboard the U.S.S. *Iowa.* Their sacrifice will forever be appreciated. They will forever be missed.

Surely an even greater tragedy would have resulted, if not in part for the actions of a young man from Marion, IL, Petty Officer Kendall Truitt.

Kendall Truitt helped extinguish the raging fires and direct the rescue and containment efforts during the intense hours following the explosion.

There are men alive today, thanks to the commitment Kendall Truitt has to the principles of honor, duty, and service.

We are eternally thankful, for those 47, and for young men the stature of Kendall Truitt.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
May 5, 1989.

Hon. JIM WRIGHT,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in clause 5 of rule III of the Rules of the U.S. House of Representatives, the Clerk received at 1:58 p.m. on Friday, May 5, 1989, the following message from the Secretary of the Senate: That the Senate passed without amendment, H. Con. Res. 104.

With great respect, I am
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
May 5, 1989.

Hon. JIM WRIGHT,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in clause 5 of rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House at 4:40 p.m. on Friday, May 5, 1989, and said to contain a message from the President whereby he transmits the 1988 annual report on the Administration of the Radiation Control for Health and Safety Act.

With great respect, I am
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

REPORT ON RADIATION CONTROL FOR HEALTH AND SAFETY ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Energy and Commerce:

To the Congress of the United States:

In accordance with section 360D of the Public Health Service Act, I am submitting the report of the Department of Health and Human Services regarding the administration of the Radiation Control for Health and Safety Act during calendar year 1988.

The report recommends that section 360D of the Public Health Service Act that requires the completion of this annual report be repealed. All the information found in this report is available to the Congress on a more immediate basis through congressional committee oversight and budget hearings. This annual report serves little useful purpose and diverts agency resources from more productive activities.

GEORGE BUSH.

THE WHITE HOUSE, *May 5, 1989.*

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 2, FAIR LABOR STANDARDS AMENDMENTS OF 1989

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 2) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON THE BUDGET REGARDING CURRENT LEVEL OF SPENDING AND REVENUES FOR FISCAL YEAR 1989

The SPEAKER. Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, on behalf of the Committee on the Budget and as chairman of the Committee on the Budget, pursuant to the procedures of the Committee on the Budget and section 311 of the Congressional Budget Act of 1974, as amended, I am submitting for printing in the CONGRESSIONAL RECORD the official letter to the Speaker advising him of the current level of spending, credit, and revenues for fiscal year 1989. This is the third report of the 101st Congress.

The term "current level" refers to the estimated amount of budget authority, outlays, credit authority, and revenues that are avail-

able—or will be used—for the full fiscal year in question based only on enacted law.

Current level reports are intended to provide Members information to compare enacted spending and revenues with the aggregate ceilings on budget authority, outlays, and revenues established in a budget resolution, and also to compare enacted legislation with the allocations of new discretionary budget authority, entitlement authority, and credit authority made to a committee pursuant to subsection 302(a) of the Budget Act. This report compares the spending credit, and revenue levels in current level with those assumed in the budget resolution for fiscal year 1989—House Concurrent Resolution 268—adopted on June 6, 1988.

Current level reports provide information that is necessary for enforcing section 311 of the Budget Act. Section 311(a) prohibits the consideration of a spending or revenue measure if the adoption of that measure would cause the ceiling on total new budget authority or total outlays set in the budget resolution for a fiscal year to be exceeded or would cause revenues to be less than the appropriate level of revenues set forth in the budget resolution.

Section 311(b) provides an exception to the 311(a) point of order for measures that would breach the ceilings on total spending set forth in the budget resolution but would not cause a committee to exceed its "appropriate allocation" of discretionary spending authority made pursuant to section 302(a) of the Budget Act. Such an exception was first provided by the budget resolution for fiscal year 1985—House Concurrent Resolution 280, 98th Congress. The exception was made permanent by the amendments to the Budget Act included in the Balanced Budget and Emergency Deficit Control Act of 1985—Public Law 99-177, Gramm-Rudman-Hollings. This exception is intended to protect a committee that has stayed within its allocation of discretionary budget authority and new entitlement authority from points of order if the total spending ceilings have been breached for reasons outside of its control. For fiscal year 1989, the 302(a) allocations to House committees made pursuant to the conference report on House Concurrent Resolution 268 were printed in House Report 100-662, June 1, 1988.

Section 311(c) of the Budget Act provides that, for purposes of enforcing section 311, the levels of new budget authority, entitlement authority, outlays, and revenues shall be determined on the basis of estimates made by the Committee on the Budget. Current level reports represent partial fulfillment of this enforcement responsibility of the Budget Committee by providing both estimates of enacted aggregate spending and revenues, and, for purposes of determining the applicability of the section 311(b) exception, estimates of the relationship between the budgetary effect of enacted legislation within a committee's jurisdiction and the allocation of spending authority made to that committee.

The estimates in this report are based on economic and technical assumptions in place at the time of the adoption of the budget resolution, House Concurrent Resolution 268, on June 6, 1988. This is intended to protect committees which acted on the basis of the assumptions of the budget resolution from changes in economic and technical factors over which they have no control. Unless the Congress adopts a subsequent budget resolution for a fiscal year that alters the assumptions concerning legislative actions, committees should be able to expect that measures that conform with the budget resolution will not be subject to points of order for violation of the Budget Act. To do otherwise and base enforcement on constantly changing economic and technical estimates would seriously disrupt the legislative process, penalize committees that are unable to complete work on legislation within a short period after adoption of a budget resolution, and undermine respect for budget enforcement procedures.

In addition to section 311, the Budget Act contains another point of order that requires Budget Committee estimates for enforcement. Section 302(f)(1) of the Budget Act prohibits the consideration of a measure providing new budget authority, new entitlement authority, or new credit authority if the adoption of that measure would cause a committee to exceed its allocation of new spending or credit authority made pursuant to subsection 302(b) of the Budget Act. The 302(b) allocation is a subdivision of the new spending, new entitlement, and new credit authority allocated to a committee pursuant to section 302(a), among either the subcommittees of that committee or among programs over which the committee has jurisdiction. This point of order was added to the Budget Act by the amendments included in the Balanced Budget and Emergency Deficit Control Act of 1985.

Section 302(g) provides that the enforcement of section 302 shall be based on estimates of spending and credit authority made by the Committee on the Budget. The Budget Committee fulfills this responsibility by providing, as necessary, a separate section 302 status report to the Speaker.

For information purposes only, current level reports will continue to include a comparison of the budget and credit authority divided among the Appropriations Subcommittees by that committee's 302(b) division with the actual enacted spending and credit legislation within each subcommittee's jurisdiction.

As chairman of the Budget Committee, I intend to keep the House informed regularly on the status of the current level.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, DC, May 3, 1989.

Hon. JAMES C. WRIGHT, Jr.,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: On January 30, 1976, the Committee on the Budget outlined the procedure which it had adopted in connection with its responsibilities under Section 311 of the Congressional Budget Act of 1974, as amended, to provide estimates of the current level of revenues and spending.

I am herewith transmitting the status report under H. Con. Res. 268, the Concurrent Resolution on the Budget for Fiscal Year 1989.

In the House of Representatives, the procedural situation with regard to the spending ceilings (total budget authority and total outlays) is affected by Section 311(b) of the Congressional Budget Act of 1974, as amended by P.L. 99-177. Enforcement against possible breaches of the spending ceilings under 311(a) of the Budget Act would not apply when a measure would not cause a committee to exceed its "appropriate allocation" of "new discretionary budget authority" or "new entitlement authority" made pursuant to Section 302(a) of the Budget Act. It should be noted that under this procedure the committee's outlay allocation is not considered.

The intent of Section 311(b) of the Budget Act is to protect a committee that has stayed within its spending authority allocations—discretionary budget authority or new entitlement authority—from points of order if the total spending ceilings have been breached for reasons outside of its control. The 302(a) allocations to House committees made pursuant to the conference report on H. Con. Res. 268 were printed in H. Rept. 100-662 (June 1, 1988).

The enclosed tables compare enacted legislation to each committee's 302(a) allocation of discretionary budget authority, new entitlement authority, new direct loan obligations and new primary loan guarantee commitments. The estimates of spending and revenues for purposes of the application of points of order under the Budget Act are based upon the ecomomic and technical assumptions underlying the fiscal year 1989 budget resolution, H. Con. Res. 268.

The Energy and Commerce Committee and the Ways and Means Committee have exceeded their targets for new entitlement authority because of the enactment of P.L. 100-360, the Medicare Catastrophic Coverage Act and P.L. 100-485, the Family Welfare Reform Act. The Concurrent Resolution on the Budget for Fiscal Year 1989 assumed enactment of both pieces of legislation but made no allocations for them. The House report on the Budget Resolution explained that such legislation, if deficit-neutral, would be appropriate even though it exceeded the Resolution's Section 302 allocations or spending aggregates.

Revenues exceed the revenue floor established by the Concurrent Resolution on the Budget for Fiscal Year 1989 because of enactment of P.L. 100-360, the Medicare Catastrophic Coverage Act and P.L. 100-485, the Family Welfare Reform Act. Passage of this legislation was assumed in the Budget Resolution but not reflected in the revenue floor. The Budget Resolution assumed deficit-neutral catastrophic health and welfare reform legislation, but not a specific dollar amount. As explained in the House report on the Budget Resolution, the revenue increases in P.L. 100-360 and P.L 100-485 were intended to offset and make deficit neutral the multi-year spending in those bills. Therefore, it would not be consistent with the assumptions in the Budget Resolution to enact any additional revenue-losing legislation beyond P.L. 100-418, the Omnibus Trade Act and P.L. 100-449, the Canada-U.S. Free Trade Agreement.

Sincerely,

LEON E. PANETTA,
Chairman.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1989 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 268

REFLECTING COMPLETED ACTION AS OF MAY 2, 1989

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate level	1,231,700	1,099,700	964,400
Current level	1,232,623	1,100,091	964,780
Amount under ceilings			
Amount over ceilings	924	391	
Amount under floor			
Amount over floor			34

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate of budget authority for fiscal year 1989, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 268 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate of outlays for fiscal year 1989, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 268 to be exceeded.

REVENUES

Any measure that would result in a revenue loss which is not included in the current level estimate and that exceeds $34 million in revenues for fiscal year 1989, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 268.

Fiscal year 1989 discretionary action budget authority comparison of current level and budget resolution allocation by committee pursuant to section 302

[In millions of dollars]

House Committee	*Current level budget authority*
Agriculture	+412
Appropriations [1]	+283
Armed Services	.....
Banking, Finance, and Urban Affairs	.....
District of Columbia	.....
Education and Labor	.....
Energy and Commerce	.....
Foreign Affairs	.....
Government Operations	.....
House Administration	.....
Interior and Insular Affairs	.....
Judiciary	.....
Merchant Marine and Fisheries	.....
Post Office and Civil Service	.....
Public Works and Transportation	.....
Science and Technology	.....
Small Business	.....
Veterans' Affairs	.....
Ways and Means	−79

[1] See next table for detail.

NOTE.—Committees are over (+) or under (−) their 302(a) allocation for "discretionary action".

FISCAL YEAR 1989 HOUSE APPROPRIATIONS COMMITTEE DISCRETIONARY ACTION

COMPARISON OF CURRENT LEVEL AND BUDGET RESOLUTION SUBDIVISIONS OF THE HOUSE APPROPRIATIONS COMMITTEE PURSUANT TO SECTION 302

[In millions of dollars]

House Appropriations Subcommittee subdivisions	Current level budget authority	Direct loans	Primary loan guarantees
Commerce, State, Justice	+309	−3	
Defense	−249		
District of Columbia	−6		
Energy and Water	−47	+3	
Foreign Operations	+15	−3,632	
Interior			
Labor, HHS, Education	+164	−33	
Legislative Branch	−41		
Military Construction			
Rural Development and Agriculture	+14	−243	+6
Transportation	+98		
Treasury, Postal Service	+26		
VA/HUD-Independent Agencies			
Total	+283	−3,908	+6

Note.—Subcommittees are over (+) or under (−) their 302(b) subdivisions of discretionary action.

FISCAL YEAR 1989 ALLOCATION OF NEW ENTITLEMENT AUTHORITY (NEA) PURSUANT TO SECTION 302

[In millions of dollars]

Committee	Allocation	Reported [1]	Enacted [2]	Enacted over (+)/ under (−) allocation
Agriculture		+611	+532	+532
Armed Services		+2,234	+2,234	+2,234
Energy and Commerce		+75	+55	+55
Interior and Insular Affairs		+35	+16	+16
Judiciary		+39	+14	+14
Veterans' Affairs	+408	+395	+389	−19
Ways and Means		+1,624	+1,461	+1,461
Undistributed to Committees	+125			

[1] These figures are used for 401(b)(2) of the Budget Act.
[2] These figures are used for 302(f) points of order.

Note.—The Energy and Commerce and the Ways and Means Committees have exceeded their targets because of the enactment of P.L. 100–360, the Medicare Catastrophic Act, and the completion of H.R. 1720, the Family Welfare Reform Act. The Fiscal Year 1989 Budget Resolution assumed enactment of such legislation but made no allocations for it. The House report on the Budget Resolution explained that such legislation, if deficit-neutral, would be appropriate even though it exceeded the Resolution's Section 302 allocations or spending aggregates.

Further, P.L. 100-418, the Omnibus Trade and Competitiveness Act, provided $111 million of NEA that is scored in the "enacted" column against the Ways and Means Committee Allocation. This amount can be counted against the undistributed $125 million in NEA that was assumed by the Budget Conferees to be available for programs in functions 500, 550 and 600.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 3, 1989.

Hon. LEON E. PANETTA,
Chairman, Committee on the Budget, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority, estimated outlays, estimated revenues, and direct and guaranteed loan levels in comparison with the appropriate levels for those items contained in the most recently agreed to concurrent resolution on the 1989 budget (H. Con. Res. 268). This report for fiscal year 1989 is tabulated as of close of business May 2, 1989. A summary of this tabulation is as follows:

[In millions of dollars]

	Current level	Budget resolution H.Con.Res. 268	Current level +/− resolution
Budget authority	1,232,624	1,231,700	924
Outlays	1,100,091	1,099,700	391
Revenues	964,434	964,400	34
Direct loan obligations	24,370	28,300	−3,930
Guaranteed loan commitments	110,956	110,950	6

Since my last report, Congress completed action on P.L. 101-14, Implementation of the Bipartisan Accord on Central America Act of 1989, changing budget authority estimates for 1989.

Sincerely,

ROBERT D. REISCHAUER,
Director.

PARLIAMENTARIAN STATUS REPORT 101ST CONG., 1ST SESS. HOUSE SUPPORTING DETAIL, FISCAL YEAR 1989 AS OF CLOSE OF BUSINESS MAY 2, 1989

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			964,434
Permanent appropriations and trust funds.	855,280	708,311	
Other appropriations	594,475	609,315	
Offsetting receipts	−218,335	−218,335	
Total enacted in previous sessions.	1,231,420	1,099,291	964,434
II. Enacted this session:			
Adjust the Purchase Price for Non-Fat Dry Dairy Products (P.L. 101–7).		−10	
Implementation of the Bipartisan Accord on Central America (P.L. 101–14).	−11		
Total enacted this session.	−11	−10	
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses			
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Dairy Indemnity Program	(1)	(1)	
Special Milk	4		
Food Stamp Program	253		
Federal Crop Insurance Corporation Fund.	144		
Compact of Free Association.	1	1	
Federal Unemployment Benefits and Allowances.	31	31	
Worker Training	32	32	
Special Benefits	37	37	
Payments to the Farm Credit System.	35	35	
Payment to the Civil Service Retirement and Disability Trust Fund.	−85	−85	
Supplemental Security Income.	201	201	
Special Benefits for Disabled Coal Miners.	3		
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Medicaid:			
P.L. 100–360	45	45	
P.L. 100–485	10	10	
Family Support Payments to States:			
Previous law	355	355	
P.L. 100–485	63	63	
Total entitlement authority.	1,214	810	
Total current level as of May 2, 1989.	1,232,624	1,100,091	964,434
1989 budget resolution H. Con. Res. 268.	1,231,700	1,099,700	964,400

PARLIAMENTARIAN STATUS REPORT 101ST CONG., 1ST SESS. HOUSE SUPPORTING DETAIL, FISCAL YEAR 1989 AS OF CLOSE OF BUSINESS MAY 2, 1989—Continued

[In millions of dollars]

	Budget authority	Outlays	Revenues
Amount remaining:			
Over budget resolution	924	391	34
Under budget resolution.			

[1] Less than $500,000.

Note.—Numbers may not add due to rounding.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman, from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

[Mr. ANNUNZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

[Mr. OWENS of New York addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

[Mr. GONZALEZ addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

CONFERENCE REPORT ON H.R. 2

Mr. HAWKINS submitted the following conference report and statement of the bill (H.R. 2) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 101-47)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Fair Labor Standards Amendments of 1989".

(b) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.).

SEC. 2. MINIMUM WAGE INCREASE.

(a) INCREASE.—Paragraph (1) of section 6(a) (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than $3.35 an hour during the period ending September 30, 1989, not less than $3.85 an hour during the year beginning October 1, 1989, not less than $4.25 an hour during the year beginning October 1, 1990, and not less than $4.55 an hour after September 30, 1991;".

(b) ADJUSTMENT.—

(1) DUTIES.—

(A) REVIEW.—Not later than January 1, 1992, and each January 1 thereafter, the Minimum Wage Review Board shall begin a review of current economic data on wages, prices, and other economic indicators and determine the amount by which the minimum wage rate in effect under section 6(a)(1) of the Fair Labor Standards Act of 1938 should be adjusted to reflect the changes in wages and prices since the last adjustment in such rate.

(B) TRANSMITTAL.—Not later than October 1, 1992, and each October 1 thereafter, the Minimum Wage Review Board shall transmit to Congress a recommendation to adjust the minimum wage rate under such section 6(a)(1). The recommendation shall include an estimate of the economic effects of placing such wage rate into effect.

(2) ESTABLISHMENT.—

(A) COMPOSITION.—

(i) IN GENERAL.—There is established the "Minimum Wage Review Board" (hereinafter in this paragraph referred to as the "Board"). The Board shall be composed of 5 members appointed as follows:

(I) One member of the Board shall be appointed by the Speaker of the House of Representatives.

(II) One member of the Board shall be appointed by the Minority Leader of the House of Representatives.

(III) One member of the Board shall be appointed by the Majority Leader of the Senate.

(IV) One member of the Board shall be appointed by the Minority Leader of the Senate.

(V) The fifth member of the Board shall be appointed jointly by the appointing authorities referred to in subclauses (I), (II), (III), and (IV).

Initial appointments to the Board shall be made within 180 days of the date of the enactment of this Act.

(ii) TERMS.—The term of office of a member of the Board shall be 5 years, except that of the initial members of the Board—

(I) the member appointed under clause (i)(V) shall be appointed for a term of 5 years;

(II) the member appointed under clause (i)(I) shall be appointed for a term of 4 years;

(III) the member appointed under clause (i)(IV) shall be appointed for a term of 3 years;

(IV) the member appointed under clause (i)(III) shall be appointed for a term of 2 years; and

(V) the member appointed under clause (i)(II) shall be appointed for a term of 1 year.

(iii) VACANCIES.—Any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom the individual succeeds. Each member of the Board shall be eligible for reappointment. A vacancy in the Board shall be filled in the manner in which the original appointment was made.

(iv) REMOVAL.—Any member of the Board may be removed jointly by the appointing authorities under clause (i) for neglect of duty or malfeasance in office.

(v) CHAIRPERSON.—The Chairperson of the Board shall be the member of the Board appointed under clause (i)(V).

(B) COMPENSATION AND EXPENSES.—

(i) COMPENSATION.—Members of the Board who are not officers or employees of the Federal Government shall each be paid at a rate not to exceed the rate of basic pay payable for GS-18 of the General Schedule for each day (including travel time) during which they are engaged in the actual performance of services for the Board.

(ii) EXPENSES.—While away from their homes or regular places of business in the performance of services for the Board, members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

(C) GENERAL AUTHORITY.—The Board may prescribe such rules as may be necessary to carry out its duties under paragraph (1). The Board may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as it deems advisable. Upon request of the Board, the head of any Federal department or agency is authorized to detail, on a reimbursable basis, any of the personnel of such department or agency to the Board to assist it in carrying out its duties under paragraph (1).

(D) ASSISTANCE.—The Secretary of Labor shall furnish such professional, technical, and research assistance as is required by the Board. The Administrator of General Services shall provide to the Board on a reimbursable basis such administrative support services as the Board may request to carry out its duties under this subsection. The Board may secure directly from any department or agency of the United States such information as the Board may require to carry out its duties under paragraph (1). Upon request of the Board, the head of any such department or agency shall furnish such information to the Board.

(E) MAILS.—The Board may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(F) STAFF.—The Board may appoint an executive director of the Board to perform such duties as the Board may prescribe. With approval of the Board, the executive director may appoint and fix the pay of such clerical personnel as are necessary for the Board to carry out its duties. The executive director and staff shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates but at rates not in excess of the annual rate payable for grade GS-18 of the General Schedule under section 5332 of such title. The executive director, with the concurrence of the Board, may obtain temporary and intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

SEC. 3. CHANGE IN ENTERPRISE TEST.

(a) IN GENERAL.—Subsection (s) of section 3 (29 U.S.C. 203(s)) is amended to read as follows:

"(s)(1) 'Enterprise engaged in commerce or in the production of goods for commerce' means an enterprise that—

"(A)(i) has employees engaged in commerce or in the production of goods for commerce, or that has employees handling, selling, or otherwise working on goods or materials that have been moved in or produced for commerce by any person; and

"(ii) is an enterprise whose annual gross volume of sales made or business done is not less than $500,000 (exclusive of excise taxes at the retail level that are separately stated);

"(B) is engaged in the operation of a hospital, an institution primarily engaged in the care of the sick, the aged, or the mentally ill or defective who reside on the premises of such institution, a school for mentally or physically handicapped or gifted children, a preschool, elementary or secondary school, or an institution of higher education (regardless of whether or not such hospital, institution, or school is public or private or operated for profit or not for profit); or

"(C) is an activity of a public agency.

"(2) Any establishment that has as its only regular employees the owner thereof or the parent, spouse, child, or other member of the immediate family of such owner shall not be considered to be an enterprise engaged in commerce or in the production of goods for commerce or a part of such an enterprise. The sales of such an establishment shall not be included for the purpose of determining the annual gross volume of sales of any enterprise for the purpose of this subsection.".

(b) PRESERVATION OF COVERAGE.—

(1) IN GENERAL.—Any enterprise that on September 30, 1989, was subject to section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) and that because of the amendment made by subsection (a) is not subject to such section shall—

(A) pay its employees not less than the minimum wage in effect under such section on September 30, 1989;

(B) pay its employees in accordance with section 7 of such Act (29 U.S.C. 207); and

(C) remain subject to section 12 of such Act (29 U.S.C. 212).

(2) VIOLATIONS.—A violation of paragraph (1) shall be considered a violation of section 6, 7, or 12 of the Fair Labor Standards Act of 1938, as the case may be.

(c) CONFORMING AMENDMENTS.—

(1) SECTION 13(a).—Section 13(a) (29 U.S.C. 213(a)) is amended by striking out paragraphs (2) and (4).

(2) SECTION 13(g).—Section 13(g) is amended—

(A) by striking out "paragraphs (2) and" and inserting in lieu thereof "paragraph"; and

(B) by striking out ", except that" and all that follows in such subsection and inserting in lieu thereof a period.

(d) TECHNICAL AMENDMENTS.—Section 3(r) (29 U.S.C. 203(r)) is amended—

(1) by inserting "(1)" after "(r)";

(2) by striking out ": Provided, That, within" and inserting in lieu thereof a period and "Within";

(3) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(4) by striking out "For purposes of this subsection" and inserting in lieu thereof the following:

"(2) For purposes of paragraph (1)";

(5) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively; and

(6) by striking out "public or private or" in subparagraph (A) (as so redesignated).

(e) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1989.

SEC. 4. PUERTO RICO, VIRGIN ISLANDS, AND AMERICAN SAMOA.

(a) SPECIAL INDUSTRY COMMITTEES.—Section 5 (29 U.S.C. 205) is amended—

(1) in the first sentence of subsection (a), by striking out "Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands," and inserting in lieu thereof "American Samoa";

(2) in the second sentence of subsection (a)—

(A) by striking out "such island or islands" and inserting in lieu thereof "American Samoa"; and

(B) by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa";

(3) by striking out subsection (e); and

(4) in the section heading, by striking out "PUERTO RICO AND THE VIRGIN ISLANDS" and inserting in lieu thereof "AMERICAN SAMOA".

(b) MINIMUM WAGE.—Section 6 (29 U.S.C. 206) is amended—

(1) in subsection (a)(3)—

(A) in the first sentence, by striking out all that follows "appoint" through the period at the end of the sentence and inserting in lieu thereof "pursuant to sections 5 and 8."; and

(B) by striking out the second sentence; and

(2) by striking out subsection (c) and inserting in lieu thereof the following new subsection:

"(c)(1) The rate or rates provided by subsection (a)(1) shall be applicable in the case of any employee in Puerto Rico who is employed by—

"(A) the United States,

"(B) an establishment that is a hotel, motel or restaurant,

"(C) any other retail or service establishment that employs such employee primarily in connection with the preparation or offering of food or beverages for human consumption, either on the premises, or by such services as catering, banquet, box lunch, or curb or counter service, to the public, to employees, or to members or guests of members of clubs, or

"(D) any other industry in which the average hourly wage is greater than or equal to $4.65 an hour.

"(2) In the case of any employee in Puerto Rico who is employed in an industry in which the average hourly wage is not less than $4.00 but not more than $4.64, the minimum wage rate applicable to such employee shall be increased on October 1, 1989, and each October 1 thereafter through October 1, 1993, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on October 1, 1993.

"(3) In the case of an employee in Puerto Rico who is employed in an industry in which the average hourly wage is less than $4.00, except as provided in paragraph (4), the minimum wage rate applicable to such employee shall be increased on October 1, 1989, and each October 1 thereafter through October 1, 1994, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on October 1, 1994.

"(4) In the case of any employee of the Commonwealth of Puerto Rico, or a municipality or other governmental entity of the Commonwealth, in which the average hourly wage is less than $4.00 an hour and who was brought under the coverage of this section pursuant to an amendment made by the Fair Labor Standards Amendments of 1985 (Public Law 99-150), the minimum wage rate applicable to such employee shall be increased on October 1, 1989, and each October 1 thereafter through October 1, 1995, by equal amounts (rounded to the nearest 5 cents) so that the highest minimum wage rate prescribed in subsection (a)(1) shall apply on October 1, 1995.".

(c) WAGE ORDERS.—Section 8 (29 U.S.C. 208) is amended—

(1) in the first sentence of subsection (a), by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa";

(2) by striking out the second sentence of subsection (a);

(3) in the third sentence of subsection (a)—

(A) by striking out "Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands," and inserting in lieu thereof "American Samoa"; and

(B) by inserting before the period at the end of the sentence ", and who but for section 6(a)(3) would be subject to the minimum wage requirements of section 6(a)(1)";

(4) in the third sentence of subsection (b)—

(A) by striking out "Puerto Rico or in the Virgin Islands" and inserting in lieu thereof "American Samoa";

(B) by striking out "Puerto Rico and the Virgin Islands" and inserting in lieu thereof "American Samoa"; and

(C) by striking out "section 6(c)" and inserting in lieu thereof "section 6(a)(3)"; and

(5) in the section heading, by striking out "PUERTO RICO AND THE VIRGIN ISLANDS" and inserting in lieu thereof "AMERICAN SAMOA".

(d) EMPLOYMENT UNDER SPECIAL CERTIFICATES.—Section 14(b) (29 U.S.C. 214(b)) is amended by striking out "(or in" and all that follows through "section 6(c))" each place it appears in paragraphs (1)(A), (2), and (3).

SEC. 5. TIP CREDIT.

Effective October 1, 1989, the third sentence of section 3(m) (29 U.S.C. 203(m)) is amended by striking out "in excess of 40 per centum of the applicable minimum wage rate," and inserting in lieu thereof "in excess of (1) 45 percent of the applicable minimum wage rate during the year beginning October 1, 1989, and (2) 50 percent of the applicable minimum wage rate after September 30, 1990,".

SEC. 6. TRAINING WAGE.

(a) IN GENERAL.—

(1) AUTHORITY.—Any employer may, in lieu of the minimum wage prescribed by section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206), pay an eligible employee the wage prescribed by paragraph (2) while such employee is engaged in on-the-job training.

(2) WAGE RATE.—The wage referred to in paragraph (1) shall be a wage—

(A) of not less than $3.35 an hour during the year beginning October 1, 1989; and

(B) beginning October 1, 1990, of not less than $3.35 an hour or 85 percent of the wage prescribed by section 6 of such Act, whichever is greater.

(b) WAGE PERIOD.—An employer may pay an eligible employee the wage authorized by subsection (a) for a period that—

(1) begins on or after October 1, 1989;

(2) does not exceed the maximum period during which an employee may be paid such wage as determined under subsection (g)(1)(B); and

(3) ends before September 30, 1992.

(c) WAGE CONDITIONS.—No eligible employee may be paid the wage authorized by subsection (a) by an employer if—

(1) any other individual has been laid off by such employer from the position to be filled by such eligible employee or from any substantially equivalent position; or

(2) such employer has terminated the employment of any regular employee or otherwise reduced the number of employees with the intention of filling the vacancy so created by hiring an employee to be paid such wage.

(d) LIMITATIONS.—

(1) EMPLOYEE HOURS.—During any month in which employees are to be employed in an establishment under this section, the proportion of employee hours of employment to the total hours of employment of all employees in such establishment may not exceed a proportion equal to one-fourth of the total hours of employment of all employees in such establishment.

(2) DISPLACEMENT.—

(A) PROHIBITION.—No employer may take any action to displace employees (including partial displacements such as reduction in hours, wages, or employment benefits) for purposes of hiring individuals at the wage authorized in subsection (a).

(B) DISQUALIFICATION.—If the Secretary determines that an employer has taken an action in violation of subparagraph (A), the Secretary shall issue an order disqualifying such employer from employing any individual at such wage.

(e) NOTICE.—Each employer shall provide to any eligible employee who is paid the wage authorized by subsection (a) a written notice stating the requirements of this section and the remedies provided by subsection (f) for violations of this section. The Secretary shall provide to employers the text of the notice to be provided under this subsection.

(f) ENFORCEMENT.—Any employer who violates this section shall be considered to have violated section 15(a)(3) of the Fair Labor Standards Act of 1938 (29 U.S.C. 215(a)(3)). Sections 16 and 17 of such Act (29 U.S.C. 216 and 217) shall apply with respect to the violation.

(g) DEFINITIONS.—For purposes of this section:

(1) ELIGIBLE EMPLOYEE.—

(A) IN GENERAL.—The term "eligible employee" means with respect to an employer an individual who—

(i) is not a migrant agricultural worker or a seasonal agricultural worker (as defined in paragraphs (8) and (10) of section 3 of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1802 (8) and (10)) without regard to subparagraph (B) of such paragraphs and is not a nonimmigrant described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(ii)(a)); and

(ii) is eligible to be paid the wage authorized by subsection (a) as determined under subparagraph (B).

(B) DURATION.—An employee shall be eligible to be paid the wage authorized by subsection (a) until the employee has been employed a cumulative total of 60 days by all employers. For purposes of this subparagraph, the term "employer" means with respect to an employee an employer who is required to withhold payroll taxes for such employee.

(C) PROOF.—

(i) IN GENERAL.—An individual is responsible for providing the requisite proof of previous period or periods of employment with other employers. An employer's good faith reliance on the proof presented to the employer by an individual shall constitute a complete defense to a charge that the employer has violated subsection (b)(2) with respect to such individual.

(ii) REGULATIONS.—The Secretary of Labor shall issue regulations defining the requisite proof required of an individual. Such regulations shall establish minimal requirements for requisite proof and may prescribe that an accurate list of the individual's employers and a statement of the dates and duration of employment with each employer constitute requisite proof.

(2) ON-THE-JOB TRAINING.—The term "on-the-job training" means training that—

(A) is offered to an individual while employed in productive work that provides training, technical and other related skills, and personal skills that are essential to the full and adequate performance of such employment; and

(B) should be at least 30 days in duration.

(h) REPORT.—The Secretary of Labor shall report to Congress not later than July 1, 1992, on the effectiveness of the wage authorized by subsection (a). The report shall include—

(1) an analysis of the impact of such wage on employment opportunities for inexperienced workers;

(2) any reduction in employment opportunities for experienced workers resulting from the employment of employees under such wage;

(3) the nature and duration of the training provided under such wage; and

(4) the degree to which employers used the authority to pay such wage.

SEC. 7. MAXIMUM HOUR EXEMPTION FOR EMPLOYEES RECEIVING REMEDIAL EDUCATION.

Section 7 (29 U.S.C. 207) is amended by adding at the end thereof the following new subsection:

"(q) Any employer may employ any employee for a period or periods of not more than 10 hours in the aggregate in any workweek in excess of the maximum workweek specified in subsection (a) without paying the compensation for overtime employment prescribed in such subsection, if during such period or periods the employee is receiving remedial education that is—

"(1) provided to employees who lack a high school diploma or educational attainment at the eighth grade level;

"(2) designed to provide reading and other basic skills at an eighth grade level or below; and

"(3) does not include job specific training.".

SEC. 8. APPLICATION OF RIGHTS AND PROTECTIONS OF FAIR LABOR STANDARDS ACT OF 1938 TO CONGRESSIONAL EMPLOYEES.

(a) SENATE EMPLOYEES.—

(1) SENSE OF SENATE.—It is the sense of the Senate that the rights and protections provided under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) should apply with respect to an employee of the Senate or any office thereof.

(2) ADMINISTRATION.—Not later than 180 days after the date the minimum wage rate prescribed by section 6(a)(1) of such Act (29 U.S.C. 206(a)(1)) is increased pursuant to the amendment made by section 2(a), the Senate Committee on Rules and Administration shall report to the Senate a Senate resolution (including necessary amendments to Senate rules and regulations) that—

(A) applies rights and protections in accordance with paragraph (1);

(B) establishes the scope of coverage of such rights and protections; and

(C) establishes such remedies and enforcement and other procedures as are necessary to carry out subparagraph (A).

(b) HOUSE EMPLOYEES.—

(1) IN GENERAL.—The rights and protections under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) shall apply with respect to any employee in an employment position in the House of Representatives or under the Architect of the Capitol and to any employing authority of the House of Representatives.

(2) ADMINISTRATION.—In the administration of this section, the remedies and procedures under the Fair Employment Practices Resolution shall be applied.

(3) DEFINITION.—As used in paragraph (2), the term "Fair Employment Practices Resolution" means House Resolution 558, One Hundredth Congress, agreed to October 3, 1988, as continued in effect by House Resolution 15, One Hundred First Congress, agreed to January 3, 1989.

SEC. 9. CIVIL PENALTIES FOR VIOLATIONS.

Section 16(e) (29 U.S.C. 216(e)) is amended—

(1) in the first sentence, insert after "or any regulation issued under that section," the following: "or any person who repeatedly or willfully violates section 6 or 7"; and

(2) in paragraph (3), by adding after "section 15(a)(4)" the following: "or a repeated or willful violation of section 15(a)(2)".

SEC. 10. REGULATIONS CONCERNING CERTAIN EMPLOYEES.

Not later than 90 days after the date of enactment of this Act, the Secretary of Labor shall promulgate regulations that interpret the professional exemption contained in section 13(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)(1)) in a manner that permits computer systems analysts, software engineers, and other similarly skilled professional workers to qualify under such section for such exemption. Such regulations shall ensure that such employees shall continue to be eligible for such exemption even if such employees are compensated on an hourly basis, except that to qualify for such exemption such employees shall be compensated at an hourly rate that is at least 6 1/2 times greater than the applicable minimum wage rate under section 6 of such Act (29 U.S.C. 206).

SEC. 11. STUDIES AND SURVEYS.

(a) STUDIES AND SURVEYS.—The Minimum Wage Review Board established under section 2(b) shall, subject to the availability of funds, enter into a contract with the Secretary of Labor to provide for the conduct by the Bureau of Labor Statistics of—

(1) a study of the impact of increasing the Federal minimum wage required under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et. seq.) (as amended by section 2(a) of this Act) on rural areas and high unemployment areas; and

(2) surveys and research on the characteristics of minimum wage employment and the impact of modification of the scope of coverage and minimum wage levels under the Fair Labor Standards Act of 1938 (7 U.S.C. 201 et seq.) (as amended by this Act) and section 6 of this Act, including—

(A) a survey of the distribution of wages earned by employees subject to the Fair Labor Standards Act of 1938 and section 6 of this Act by wage level, industry affiliation, and regional, State, and other demographic characteristics, including an analy-

sis of the feasibility of conducting such survey on a regular periodic basis;

(B) a study of the impact of increasing the sales level that subjects an enterprise to the Fair Labor Standards Act of 1938 under section 3(s) of such Act (29 U.S.C. 203(s)) (as amended by section 3(a) of this Act);

(C) a study of the degree of compliance with, and methods of enforcement of, the Fair Labor Standards Act of 1938, including goals and plans for ensuring compliance with such Act (as amended by this Act) and section 6 of this Act;

(D) a study of the impact of increasing the tip credit provided under section 3(m) of such Act (as amended by section 5 of this Act);

(E) a study of the impact of the increase of minimum wage levels on public assistance and family life and family formation; and

(F) a study of the stimulative economic effect of the increase of minimum wage levels.

(b) FACTORS.—In carrying out the study described in subsection (a)(1), the following shall be considered:

(1) The impact of the small business exemption provided under section 3(s) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(s)) (as amended by section 3(a) of this Act).

(2) The impact of the training wage established under section 6 of this Act.

(3) Employment levels, the potential for job creation, the average cost of living, average wage levels, and average income levels in rural areas and high unemployment areas.

(c) COMPLETION DATES.—The Minimum Wage Review Board shall require the studies and surveys to be completed as follows:

(1) The study conducted under subsection (a)(1) shall be completed not later than June 1, 1991.

(2) The survey and study under subparagraphs (A) and (C) of subsection (a)(2) shall be completed not later than September 30, 1991.

(3) The studies required under subparagraphs (B), (D), (E), and (F) of subsection (a)(2) shall be completed not later than September 30, 1992.

The Minimum Wage Review Board shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate the results of the studies and surveys.

(d) CONTRACTS.—The contract entered into under subsection (a) shall require reimbursement by the Minimum Wage Review Board of the expenses incurred by the Bureau of Labor Statistics in the conduct of the studies and surveys described in such subsection.

(e) DEFINITIONS.—As used in this section:

(1) HIGH UNEMPLOYMENT AREA.—The term "high unemployment area" means a standard metropolitan statistical area that has an unemployment rate that is at least 150 percent higher than the national unemployment rate.

(2) RURAL AREA.—The term "rural area" shall have the same meaning given such term in section 1886(d)(2)(D) of the Social Security Act (42 U.S.C. 1395ww(d)(2)(D)).

And the Senate agree to the same.

For consideration of the House bill, and the Senate amendment (except sec. 115 and title II), and modifications committed to conference:

GUS HAWKINS,
AUSTIN J. MURPHY,
WILLIAM D. FORD,
WILLIAM CLAY,
PAT WILLIAMS,
CHARLES A. HAYES,
CARL C. PERKINS,
DONALD M. PAYNE,

For consideration of sec. 115 and title II of the Senate amendment, and modifications committed to conference:

DAN ROSTENKOWSKI,
ANDREW JACOBS,
Managers on the Part of the House.

EDWARD M. KENNEDY,
HOWARD M. METZENBAUM,
PAUL SIMON,
JAMES M. JEFFORDS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2) to amend the Fair Labor Standards Act of 1938 to restore the minimum wage to a fair and equitable rate, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

MINIMUM WAGE RATE

Both the House and the Senate bills contain identical provisions regarding the amount of the increases and their effective dates, and were adopted unchanged in the conference agreement.

Section 2(a) of the conference agreement provides for an increase in the minimum wage to $3.85 on October 1, 1989, $4.25 on October 1, 1990, and $4.55 on October 1, 1991.

MINIMUM WAGE REVIEW BOARD

The House bill contains a provision establishing a minimum wage review board to recommend periodic increases in the minimum wage. The Senate bill contains no similar provision. The Senate recedes, with an amendment.

Section 2(b) of the conference agreement establishes a 5-member Minimum Wage Review Board which will conduct continuous analyses of economic and other relevant data and submit periodic recommendations to the Congress regarding adjustments necessary to preserve the purchasing power of the minimum wage. Each recommendation is to be accompanied by an estimate of the economic effects of enacting such an adjustment.

The Board is established to create a permanent group of experts to inform the Congress as to the advisability of making periodic adjustments in the minimum wage. The role of the Board is strictly advisory. Its recommendations will have no force or effect in law. The Congress is not obliged to either accept, reject or otherwise act or react to any of the Board's advice. Under the amendment, the Board shall be appointed by designated leaders of the Congress. The Board is bipartisan in nature. The chairman is selected jointly by leaders of both Houses.

The first and most compelling reason to establish the Board is to ensure periodic reconsideration of the continued appropriateness of the minimum wage level then in effect. Such reconsideration, in the past, typically has been neglected for inordinate lengths of time. In 1989, the minimum wage had not been adjusted in eight years. This excessive delay caused low-wage workers to be victimized by inflation for an intolerable length of time. Since 1981, when the current minimum wage went into effect, the cost of living has increased 40 percent, and the purchasing power of minimum wage workers has eroded by nearly 30 percent. The dismal situation faced by low-wage workers today demonstrates the need for a more systematic method for keeping the minimum wage issue before the Congress on a continuing basis.

A second and equally important reason for establishing such an independent advisory Board is the need to have an enhanced capacity to compile, synthesize, and analyze the maze of data which presently is offered to inform the decision to adjust the minimum wage. At present, the Committees of jurisdiction in the House and Senate are left with the formidable job of assessing the validity of often conflicting reports and studies produced by proponents and opponents of minimum wage increases. During recent debates on this matter, these committees have been presented volumes of contradictory data and conclusions. It will be the job of the Board to analyze the data, measure the soundness of the contradictory positions, conduct its own studies and, finally, to advise the Congress regarding the most appropriate action.

The Board's important advisory responsibilities cannot be discharged properly unless it is able to use the most current and accurate information. In aid of its responsibilities in this regard, the conference agreement authorizes the Board to enter into a contract with the Bureau of Labor Statistics to conduct certain studies, surveys and other research relating to the minimum wage and minimum wage employees. The managers rejected the portion of the Senate bill which requested the Secretary of Labor to make a recommendation regarding the feasibility of a wage differential for rural or high unemployment areas. Indeed, none of the studies authorized by this legislation shall be construed to require or permit a study of any differential in relationship to the minimum wage or any action taken respecting the minimum wage.

The managers view the Minimum Wage Review Board as a vital new tool in helping the Congress to discharge its legislative and oversight responsibilities over the Fair Labor Standards Act of 1938 (FLSA). The Board, in turn, cannot be accountable to the Congress unless it has the appropriate information on which to base its advisories. Since the Secretary of Labor is responsible for compiling that data on a timely basis, the Congress expects the Secretary to increase and improve the Secretary's survey capabilities to enable the Secretary to maintain the most current information available on FLSA coverage and exemptions.

ENTERPRISE TEST

Both the House and the Senate bills contain provisions increasing the enterprise dollar test and expanding the establish-

ments to which it applies. The sole difference between the two provisions is that the House bill leaves the coverage for hospitals and schools unchanged. The Senate recedes.

Section 3 of the conference agreement increases the enterprise test dollar threshold for most small enterprises to a more uniform $500,000 in gross annual sales, eliminating several of the separate tests. The managers agree that this increase in the minimum wage to account for the eroded value of the wage should be accompanied by a commensurate increase in the enterprise test dollar threshold. The current provisions regarding public agencies, hospitals, schools, and family businesses remain unchanged from existing law.

The new provision will continue the wage, overtime and child labor protections for workers currently covered under the separate tests, and the net coverage of total employees covered by the Act will remain approximately the same by eliminating two other exempt categories, section 13(a)(2) and (4), of the Act.

The managers conclude that this more streamlined version of a threshold test, accompanied by the continued protection of workers currently covered and the elimination of the separate exemption elsewhere in the Act, simplifies the enterprise test. Small business will be afforded an increase in their threshold test commensurate with the increase in the minimum wage.

PUERTO RICO, THE VIRGIN ISLANDS, AND AMERICAN SAMOA

The Senate and the House bills contain virtually identical provisions regarding the treatment of the territories under the Act.

Section 4 of the conference agreement adopts the Senate language regarding the treatment of the territories. Under this section, the Virgin Islands are brought to the full mainland rate, and American Samoa continues to be subject to the industry committee mechanism of the Act. For the first time in the history of the Fair Labor Standards Act, a substantial majority of workers in Puerto Rico will be brought to full inclusion in the increases specified for the United States generally in section 6(a)(1) of the Act. All hotel and restaurant workers, and all other workers in industries where the average hourly wage is $4.65 or higher, will receive the increases on the same schedule as other United States workers. No extended phase-in provisions, as were included in both the 1974 and 1977 Amendments, are provided for these employees.

Special industry committees, which have been a feature of the Act since 1938, are eliminated entirely with respect to Puerto Rico and the Virgin Islands. Authority for these committees, and for the promulgation of wage orders at less than the section 6(a)(1) rates, is retained only for American Samoa.

However, the Puerto Rico Minimum Wage Board was recently granted authority to raise wages above the Federal minimum, which it already has done in several industries, and this amendment does not preclude further increases by this Board to levels above those Federal rates.

Employees in very low wage industries (where average wages are well under one-half of the United States average), will be guaranteed full inclusion in the section 6(a)(1) rates under a schedule tailored to their particular circumstances, as follows:

For industries in which the average hourly wage is between $4.00 and $4.65, the full section 6(a)(1) rate will be delayed two years, to take effect on October 1, 1993. In each of the intervening years, beginning on October 1, 1989, the employees will be guaranteed increases in equal cents per hour amounts, rounded to the nearest five cents.

For the lowest wage industries, those where the average hourly wage is less than $4.00, the full increase will be delayed three years, to take effect on October 1, 1994 with equal increases each year beginning October 1, 1989. With respect to certain public employees, including those of Puerto Rico's Municipalities, brought under coverage by Public Law 99-150 and subject to the same less than $4.00 per hour average wage ceiling, the phase-on period will be extended by one additional year, to take effect on October 1, 1995. Again, the full rate will be phased in through equal annual increments beginning October 1, 1989.

For any industry to qualify for an extended period within which to reach the $4.55 minimum, Puerto Rico will be required to furnish official survey data substantiating that any industry's average hourly wage is below either the $4.65 or the $4.00 threshold levels. At the present time, the only such data available are produced in Puerto Rico's annual Census of Manufacturing, but the government intends to collect additional data where appropriate. In these industries, wage data should be at a level of specificity comparable to the four digit Standard Industry Code (SIC) code level, consistent with the average hourly earnings data published by the Department of Labor. For other industries, wage data will be based upon surveys which, to the extent practicable, will be at a comparable level of specificity, consistent with the method by which such survey data are regularly furnished by States and the Commonwealth to the Department of Labor.

Such data must be compiled and submitted for review to the Department of Labor by the effective date of this Act to qualify for any of the extended compliance periods.

In light of the time constraints imposed by these considerations, the managers direct the Secretary of Labor to assist the Commonwealth with the collection and compilation of wage data, including the design of a sampling plan which can be accomplished within available resources.

For purposes of the public employees described in section 4(c)(4) of the conference agreement, the average wage to be considered is for specific categories of employment in distinct entities of the Commonwealth or its municipalities, or for specific employment classifications, such as non-supervisory maintenance, clerical, and groundskeeping.

TIP CREDIT

The House and the Senate bills contain identical provisions regarding the adjustment of the tip credit.

Section 5 of the conference agreement increases the tip credit from the current 40 percent to 45 percent on October 1, 1989, and to 50 percent after September 30, 1990. This provision will not result in a decrease in the statutory wage component for any tipped employees, although it will result in a significant reduction in their increase relative to other employees. Under the present 40 percent tip credit, the wage component for tipped employees would have gone from current $2.01 an hour to $2.73 by the third year of the increase. Under the 50 percent tip credit provision adopted in the conference agreement, the wage component will go from $2.01 an hour to $2.28 in 1992. However, tip employers will continue to be liable for the full minimum if the tips actually received do not equal the difference between the tip credit and the section 6(a)(1) wage rate.

TRAINING WAGE

The House and the Senate bills contain similar provisions for a lower rate to be paid while providing on the job training. The House bill provides for such a rate for 60 days during an individual's first non-agricultural employment.

The Senate bill allowed such a rate for up to 60 days of that individual's cumulative work experience, 30 days of which must be with one employer for the other employment durations to accumulate for purposes of ineligibility. Migrant and seasonal agricultural employees are excluded from eligibility.

Section 6 of the conference agreement provides for a training wage drawn from elements of both the House and the Senate provisions. An inexperienced worker may be paid the lower rate ($3.35 or 85 percent of the applicable section 6(a)(1) rate, whichever is higher) while receiving on-the-job-training for the first 60 days of their cumulative work experience. The conference agreement specifies that on-the-job-training should last at least 30 days. The managers recommend that short-term jobs designed to last less than 30 days should be presumptively ineligible for the training wage.

The agreement contains safeguards and remedies for the displacement of existing employees for the purpose of hiring at the lower rate, and no employer may pay the lower rate for more than 25% of the hours worked in the establishment. All employees to be paid the lower rate must be provided with a notice prepared and distributed by the Secretary of Labor of their rights and remedies, and the training wage will be enforced through the existing provisions of the Act. Migrant and seasonal farmworkers and non-immigrant aliens admitted to perform temporary farm labor under the (H)(ii)(a) program are not eligible for the training wage.

Section 6(d)(2) of the conference agreement prohibits displacement of current employees for purposes of hiring individuals at the subminimum training wage. Employees displaced in violation of this section shall have the same remedies available to employees displaced under section 15(a)(3) of the FLSA. In addition, the Secretary must disqualify any employer found in violation of section 6(d)(2) of the conference agreement from employing individuals at the subminimum wage.

Section 6(e) of the conference agreement provides that each employer and any employee who is being paid the subminimum be provided with written notice of the training wage requirements and remedies. Employees who may be potentially displaced in violation of the conference agreement also should be informed of their rights and remedies. The managers expect the Secretary of Labor to ensure that such information is available to displaced employees.

The individual is responsible for providing the requisite proof of previous employment durations, and an employer's good faith reliance on proof provided by the individual is a defense to a charge that the employer violated the 60 day limitation on eligibility.

The Secretary shall issue regulations defining the requisite proof required, and the managers urge the Secretary to provide that an accurate list of previous employers with the dates and durations of employment would satisfy the proof standard to be met

by the individual. The Secretary shall also report to Congress on the effectiveness of this provision in providing inexperienced workers with actual training and employment opportunities, on the nature and duration of such training, on the extent of the utilization of the lower rate by employers, and on any adverse impact on ineligible employees resulting from the hiring of others at the lower rate.

Proponents of the training wage argue that a reduced wage for a limited period of time is a necessary inducement for employers to hire unskilled workers and that the training period is necessary to provide such workers with the minimal skills needed to peform productive work. In acquiescing to a training wage, the conferees firmly believe that the period authorized for a reduced wage should be used for real training that enhances the skills, productivity and future employability of the employee. The conference agreement accepted a definition of the term "on-the-job training" which has been the Department of Labor's operative definition for "on-the-job training" provided under Federal job training programs included in the Comprehensive Employment and Training Act and included by reference in the Job Training Partnership Act. The Department's long experience in the application of this term should facilitate the administration of the training wage provision.

The conference agreement adds "personal skills" as one of the elements which must be provided as part of "on-the-job training". The conferees note that inculcation of personal skills such as appropriate dress and demeanor, punctuality and other work habits must be accompanied by technical and other job related skills training in order to be in compliance with the requirements of this section.

The managers have serious reservations as to the efficacy of this training wage in either increasing actual training or increasing employment opportunities. Nevertheless, largely as an accommodation to the Administration's insistence on a training wage, the managers are willing to authorize this provision on a trial basis, and will closely examine the results of the studies, the enforcement data, and the report by the Secretary of Labor as to the impact of this section.

Recent work by the General Accounting Office and Congressional oversight persuade the managers that adequate enforcement of the training wage will not be possible unless the Wage and Hour division receives significant new resources. The Secretary is directed to seek funds for enforcement personnel.

In addition, the managers direct the Secretary to undertake a review of Wage and Hour regulations to determine whether current record-keeping requirements and enforcement procedures and illegal exploitation at the subminimum wage.

REMEDIAL EDUCATION

The Senate bill contains a provision exempting from the overtime provisions of the Act a limited number of hours worked while receiving remedial education. The House bill contains no similar provision.

The House recedes to the Senate.

Section 7 of the conference agreement provides that up to 10 hours in the work week will be exempt from the overtime provisions of the Act for periods during which the employee is receiving remedial education. The exemption only applies to such employees lacking a high school diploma or eighth grade basic skill levels, if the education is designed to provide those basic skills, and does not include job specific training.

It is the view of the managers that this limited exemption should encourage employers to provide remedial education where needed, and that such education is necessary and would benefit some segments of our workforce and the competitiveness of their employees. To be of maximum benefit to both the employer and the employee, such remedial education is to be conducted during discrete set aside time periods, and to the extent practicable, away from the normal work stations of the employees.

CONGRESSIONAL EMPLOYEES

Both the House and the Senate bills contain provisions regarding the coverage by the Act of their respective employees.

The Senate bill contains a resolution that the Senate Rules Committee shall, within 180 days of the effective date of the first increase, report to the Senate a resolution which applies the FLSA rights and protections to Senate employees, and which establishes the scope, coverage, remedies and enforcement mechanisms necessary to effectuate those rights and remedies.

The House bill contains a provision directly applying the FLSA rights and protections to House employees, to be administered through the Fair Employment Practices Resolution.

Section 8 of the conference agreement adopts both provisions, with a slight modification in the House language clarifying that employees of the Architect of the Capitol are covered by the House provision.

INCREASED CIVIL PENALTIES

The Senate bill contains a provision increasing the civil penalties for certain violations of the Act.

The House bill contained no similar provision. The House recedes.

Section 9 of the conference agreement provides for civil penalties of up to $1,000 for repeated or willful violations of the minimum wage, overtime, and other provisions of the Act.

REGULATION CHANGE FOR CERTAIN EMPLOYEES

The Senate bill contains a provision regarding the treatment of certain computer professionals under the overtime exemptions in current regulations.

The House had no similar provision. The House recedes.

Section 10 of the conference agreement directs the Secretary of Labor to promulgate regulations that interpret the professional exemption in a manner that permits computer system analysts, software engineers, and other similarly skilled computer professionals to qualify under that section, but only if such employees are compensated at an hourly rate at least six and one-half times the wage rate described in section 6 of the FLSA.

The managers intend this to be a narrow exception, one necessitated by recent changes in the tax code and a lack of updating in the regulations regarding professionals. The managers also are concerned that the salary tests in these regulations have not been adjusted since 1975. When the Secretary of Labor adjusts these tests, this level of six and one-half times the minimum wage should serve as a guide as to the appropriate levels for the salary tests.

The managers have been made aware of changed circumstances in the personnel placement industry. That industry places people in jobs and compensates its consultants primarily through commissions. In 1941, the Secretary of Labor determined that personnel placement firms were not "retail or service establishments" for purposes of the Fair Labor Standards Act. That determination was consistent with then-current concepts of interstate commerce and the functioning of the personnel placement industry, and was sustained in Federal court. Since 1941, there have been changes both in the understanding of interstate commerce and in the evolution of the personnel placement industry. Accordingly, the managers direct the Secretary of Labor to reexamine whether personnel placement firms should be treated like other service establishments under section 7(i) of the Act.

STUDIES AND SURVEYS

The Senate bill contains two provisions for studies and surveys by the Secretary of Labor on a variety of issues related to the minimum wage. The House bill contains no similar provisions. The House recedes with an amendment.

Section 11 of the conference agreement provides that the Minimum Wage Review Board shall contract with the Secretary of Labor and Bureau of Labor Statistics for studies of: the impact of the minimum wage on rural areas and high unemployment areas; characteristics of minimum wage employment; impact of the changes in the Act by this conference agreement provisions regarding the enterprise test, tip credit, and training wage; compliance and methods of enforcement of the Act; impact of the increase in the wage on public assistance, family life and family formation; the stimulative economic effect of the increase.

It is the view of the managers that these studies are essential to provide the necessary factual foundation for the Minimum Wage Review Board to base its recommendations for further adjustments in the rate, and for Congress to act on those recommendations. During the course of the debate on this minimum wage legislation, widely disparate facts and studies have been cited as to the economic and employment consequences of increasing the minimum wage. The completion and availability of these studies should serve the Congress well in providing the basis for informed debate.

COMPETITIVENESS AND ECONOMIC IMPACT STATEMENT

The Senate bill contains a provision requiring each committee which reports legislation requiring employers to provide new employee benefits to seek objective analysis of the impact of the legislation on employment, competitiveness, growth, budget, and trade, and to include such analysis in the committee report on such legislation.

The House bill has no similar provision. The Senate recedes.

AGRICULTURAL IRRIGATION OVERTIME EXEMPTION

The Senate bill contains a modification of the overtime exemption for employees of irrigation districts which handled water exclusively for agricultural purposes.

The House bill has no similar provision. The Senate recedes.

EARNED INCOME TAX CREDIT AMENDMENT

The Senate bill contains a Sense of the Senate amendment expressing its view that the addition of the family size adjuster to the Earned Income Tax Credit would be an effective and desirable addition to increasing the minimum wage as a method of assisting the working poor. The amendment further stated that access to health care, child care and education and training are also necessary to effectively combat pover-

ty. The amendment was adopted by a vote of 97 to 1, and thus the conferees believe that the objective of the provision, to express the Sense of the Senate, has been accomplished.

The House bill has no similar provision The Senate recedes.

SECTION 89 OF THE INTERNAL REVENUE CODE

The Senate bill contains an amendment expressing its sense that section 89 of the Internal Revenue Code should be repealed or modified. The amendment was adopted by a vote of 98 to 0, and thus the conferees believe that the objective of the provision, to express the Sense of the Senate, has been accomplished. At the time the Conferees were meeting, efforts towards addressing this issue were already underway.

The House bill contains no similar provision. The Senate recedes.

REVIEW OF MEDICARE CATASTROPHIC COVERAGE ISSUES

The Senate bill contains an amendment expressing its sense that the Senate Finance Committee should hold public hearings on Public Law 100-360 relating to medicare catastrophic coverage. The amendment was adopted by a vote of 97 to 2, and thus the conferees believe that the objective of the provision, to express the Sense of the Senate, has been accomplished. The Chairman of the Senate Finance Committee has reiterated his intent to review the issue in hearings and thus inclusion of the amendment in the final conference report is unnecessary.

The House bill contains no similar provision. The Senate recedes.

SOCIAL SECURITY RETIREMENT TEST ADJUSTMENT

The Senate bill contains a three-part amendment relating to the social security retirement test (under which benefits are reduced when earnings exceed certain levels). The first section of the amendment increases by approximately $1,080 the amount of earnings a beneficiary aged 65-69 can have before any reductions take place. The second part of the amendment expresses the Sense of the Senate in favor of further increases in the amount of earnings exempt from reduction with a total elimination of the retirement test for those age 65 and over by the year 2000. It also expresses the Sense of the Senate that an actuarially accurate delayed retirement credit be fully phased in by the year 2000. The third part of the amendment partially offsets the costs of the first section by eliminating provisions of existing law which allow certain persons to claim up to six months of retroactive benefits for months of eligibility prior to age 65.

The House bill contains no similar provision. The managers conclude that it is inappropriate to include an amendment which provides substantive changes in social security benefit entitlement as a part of a bill amending the Fair Labor Standards Act.

The Senate recedes.

For consideration of the House bill, and the Senate amendment (except sec. 115 and title II), and modifications committed to conference:

GUS HAWKINS,
AUSTIN J. MURPHY,
WILLIAM D. FORD,
WILLIAM CLAY,
PAT WILLIAMS,
CHARLES A. HAYES,
CARL C. PERKINS,
DONALD M. PAYNE,

For consideration of sec. 115 and title II of the Senate amendment, and modifications committed to conference:

DAN ROSTENKOWSKI,
ANDREW JACOBS,
Managers on the Part of the House.

EDWARD M. KENNEDY,
HOWARD M. METZENBAUM,
PAUL SIMON,
JAMES M. JEFFORDS,
Managers on the Part of the Senate.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MONTGOMERY) to revise and extend their remarks and include extraneous material:)

Mr. PANETTA, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. LIPINSKI, for 5 minutes, each day on May 9 and 10.

Mr. GONZALEZ, for 60 minutes, each day on May 9, 10, and 11.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MONTGOMERY) and to include extraneous material:)

Mr. ANDERSON for 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. ACKERMAN.

Mr. SKELTON.

Mr. COELHO in two instances.

Mr. ROE.

Mr. FASCELL in two instances.

Mr. BORSKI.

ADJOURNMENT

Mr. MONTGOMERY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 7 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 9, 1989, at 12 noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currency and U.S. dollars utilized by them during the fourth quarter of calendar year 1988 and the first quarter of calendar year 1989, as well as a consolidated report of foreign currencies and U.S. dollars utilized by individuals and official delegations in connection with 1988 foreign travel authorized by the Speaker of the U.S. House of Representatives, are as follows:

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Visit to Belgium, Germany, and United Kingdom, Dec. 14-20, 1988:											
Delegation expenses	12/18	12/20	United Kingdom						480.27		480.27
Committee total									480.27		480.27

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

LES ASPIN, Chairman, Apr. 27, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1989

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Richard Durbin	1/6	1/7	Thailand		157.00						157.00
	1/7	1/10	Bangladesh		240.00						240.00
	1/10	1/12	India		351.00						351.00
	1/13	1/15	Nepal		112.50						112.50
	1/16	1/17	India		100.00						100.00
	1/17	1/18	England		262.00						262.00
Commercial transportation							4,490.00				4,490.00
Hon. Charles Wilson	1/4	1/8	United Arab Emirates		784.00						784.00
	1/8	1/10	Kuwait		460.00						460.00
	1/10	1/14	Iraq		812.00						812.00
	1/14	1/18	Saudi Arabia		757.00						757.00
	1/18	1/20	England		524.00						524.00
Transportation							5,485.10				5,485.10
Hon. Frank Wolf	1/5	1/8	Sudan								
	1/8	1/9	Ethiopia								
	1/9	1/12	Kenya		459.00						459.00
Commercial transportation							3,739.00				3,739.00
Robert S. Kripowicz	1/4	1/10	Japan		1,627.00		21.17		16.13		1,664.30
	1/10	1/17	S. Korea		1,456.00		23.10		29.53		1,508.63
	1/17	1/21	Peoples Republic of China		856.00				50.61		906.61
Commercial transportation							4,458.30				4,458.30
Committee total					8,957.50		18,216.67		96.27		27,270.44

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JAMIE WHITTEN, Chairman, Apr. 30, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, SURVEYS AND INVESTIGATIONS STAFF, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1989

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Ranald T. Adams	1/15	1/19	England		683.68		3,403.00		149.02		4,235.70
	1/20	1/22	Austria		390.50						390.50
	1/22	1/24	Cyprus		220.50						220.50
	1/25	1/26	Israel		220.50						220.50
Richard H. Ash	1/14	1/19	Korea		692.50		1,592.14		34.54		2,319.18
	1/19	1/24	Japan		803.75						803.75
	1/24	1/26	Thailand		214.00						214.00
G. Carter Baird	1/15	1/20	England		792.00		2,618.00		132.52		3,542.52
	1/20	1/21	Austria		248.50						248.50
Albert J. Boudreau	1/28	2/3	Germany		1,142.00		2,298.00		2.92		3,442.92
Ronald B. Carpenter	1/28	2/1	Germany		479.00		2,231.00		71.51		2,781.51
	2/1	2/2	The Netherlands		130.50						130.50
Robert C. Goffus	1/15	1/19	England		683.68		3,403.00		156.22		4,242.90
	1/20	1/22	Austria		390.50						390.50
	1/22	1/24	Cyprus		220.50						220.50
	1/25	1/26	Israel		252.00						252.00
Carroll L. Hauver	1/14	1/19	Korea		692.50		1,592.14		108.04		2,392.68
	1/19	1/24	Japan		803.75						803.75
	1/24	1/26	Thailand		214.00						214.00
Robert W. Lautrup	1/21	1/28	Norway		1,225.00		2,511.00		19.15		3,755.15
Steven R. Pletcher	1/30	2/3	Germany		475.00		2,367.00		35.00		2,877.00
R. W. Vandergrift	1/19	1/24	Japan		787.50		3,810.28		234.16		4,831.94
	1/25	1/26	Thailand		160.50						160.50
B. Alan Weaver	1/21	1/28	Norway		1,225.00		2,511.00		105.68		3,841.68
Committee total					13,147.36		28,336.56		1,048.76		42,532.68

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JAMIE L. WHITTEN, Chairman, Apr. 30, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1989

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Delegation to Hong Kong, Thailand, Turkey, and Spain, Jan. 7–18, 1989:											
Hon. Marvin Leath	1/7	1/10	Hong Kong		597.00						597.00
	1/10	1/13	Thailand		471.00						471.00
	1/13	1/16	Turkey		423.00						423.00
	1/16	1/18	Spain		375.00						375.00
Military transportation							5,555.59				5,555.59
Hon. Richard Ray	1/7	1/10	Hong Kong		597.00						597.00
	1/10	1/13	Thailand		471.00						471.00
	1/13	1/16	Turkey		423.00						423.00
	1/16	1/18	Spain		375.00						375.00
Military transportation							5,555.59				5,555.59
Hon. George (Buddy) Darden	1/7	1/0	Hong Kong		597.00						597.00
	1/10	1/13	Thailand		471.00						471.00
	1/13	1/16	Turkey		423.00						423.00
	1/16	1/18	Spain		375.00						375.00
Military transportation							5,555.59				5,555.59

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1989—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Albert G. Bustamante	1/7	1/10	Hong Kong		597.00						597.00
	1/10	1/13	Thailand		471.00						471.00
	1/13	1/15	Turkey		282.00						282.00
Military transportation							4,113.90				4,113.90
Commercial transportation							2,494.00				2,494.00
Hon. Floyd Spence	1/7	1/10	Hong Kong		597.00						597.00
	1/10	1/13	Thailand		471.00						471.00
	1/13	1/16	Turkey		423.00						423.00
	1/16	1/18	Spain		375.00						375.00
Military transportation							5,555.59				5,555.59
Hon. Herbert H. Bateman	1/7	1/10	Hong Kong		597.00						597.00
	1/10	1/13	Thailand		471.00						471.00
	1/13	1/16	Turkey		423.00						423.00
	1/16	1/18	Spain		375.00						375.00
Military transportation							5,555.59				5,555.59
Mr. Williston B. Cofer, Jr	1/7	1/10	Hong Kong		597.00						597.00
	1/10	1/13	Thailand		471.00						471.00
	1/13	1/16	Turkey		423.00						423.00
	1/16	1/18	Spain		375.00						375.00
Military transportation							5,555.59				5,555.59
Mr. Peter M. Steffes	1/7	1/10	Hong Kong		597.00						597.00
	1/10	1/13	Thailand		471.00						471.00
	1/13	1/16	Turkey		423.00						423.00
	1/16	1/18	Spain		375.00						375.00
Military transportation							5,555.59				5,555.59
Ms. Nora Slatkin	1/7	1/10	Hong Kong		597.00						597.00
	1/10	1/13	Thailand		471.00						471.00
	1/13	1/16	Turkey		423.00						423.00
	1/16	1/18	Spain		375.00						375.00
Military transportation							5,555.59				5,555.59
Mr. Andrew K. Ellis	1/7	1/10	Hong Kong		597.00						597.00
	1/10	1/13	Thailand		471.00						471.00
	1/13	1/16	Turkey		423.00						423.00
	1/16	1/18	Spain		375.00						375.00
Military transportation							5,555.59				5,555.59
Delegation expenses	1/7	1/10	Hong Kong				1652.91		2,888.68		4,541.59
	1/13	1/16	Turkey				812.45		623.72		1,436.17
	1/16	1/18	Spain						2,712.57		2,712.57
Visit to Russia and Federal Republic of Germany, Jan. 19–29, 1989:											
Hon. Les Aspin	1/14	1/27	Russia		555.00						555.00
	1/27	1/29	Germany		557.50						557.50
Military transportation							1,528.56				1,528.56
Commercial transportation							2,232.00				2,232.00
Mr. Lou Finch	1/22	1/27	Russia		750.00						750.00
	1/27	1/29	Germany		557.50						557.50
Military transportation							429.80				429.80
Commercial transportation							2,515.00				2,515.00
Mr. Clark A. Murdock	1/19	1/27	Russia		1,300.00						1,300.00
	1/27	1/29	Germany		557.50						557.50
Military transportation							859.60				859.60
Commercial transportation							2,515.00				2,515.00
Mr. Vernon A. Guidry	1/22	1/27	Russia		1,300.00						1,300.00
	1/27	1/29	Germany		557.50						557.50
Military transportation							1,528.56				1,528.56
Commercial transportation							1,385.00				1,385.00
Visit to Federal Republic of Germany, Jan. 27–29, 1989:											
Hon. Beverly B. Byron	1/27	1/29	Germany		337.50						337.50
Military transportation							1,291.50				1,291.50
Hon. William L. Dickinson	1/27	1/29	Germany		557.50						557.50
Military transportation							1,291.50				1,291.50
Hon. John M. Spratt	1/27	1/29	Germany								
Military transportation							1,291.50				1,291.50
Hon. Jon Kyl	1/27	1/29	Germany								
Military transportation							1,291.50				1,291.50
Visit to Egypt, Israel, Jordan, and Syria, Feb. 11–23, 1989:											
Hon. Les Aspin	2/11	2/16	Egypt		385.50						385.50
	2/16	2/21	Israel		750.00						750.00
	2/21	2/22	Jordan		141.00						141.00
	2/22	2/23	Syria		83.00						83.00
Military transportation							5,222.07				5,222.07
Mr. Warren L. Nelson	2/11	2/16	Egypt		777.00						777.00
	2/16	2/21	Israel		750.00						750.00
	2/21	2/22	Jordan		141.00						141.00
	2/22	2/23	Syria		166.00						166.00
Military transportation							5,222.07				5,222.07
Ms. Rita D. Argenta	2/11	2/16	Egypt		777.00						777.00
	2/16	2/21	Israel		750.00						750.00
	2/21	2/22	Jordan		141.00						141.00
	2/22	2/23	Syria		166.00						166.00
Military transportation							5,222.07				5,222.07
Delegation expenses	2/21	2/22	Jordan				71.79				71.79
Visit to France and the United Kingdom, Feb. 12–15, 1989:											
Mr. Archie D. Barrett	2/12	2/15	France		651.00						651.00
	2/15	2/18	United Kingdom		786.00						786.00
Commercial transportation							2,308.00				2,308.00
Ms. Colleen A. Preston	2/12	2/15	France		494.01						494.01
Commercial transportation							2,387.00				2,387.00
Mr. Rudy F. de Leon	2/12	2/15	France		363.72						363.72
	2/15	2/18	United Kingdom		786.00						786.00
Commercial transportation							2,308.00				2,308.00
Visit to El Salvador, Feb. 13–16, 1989:											
Hon. James H. Bilbray	2/13	2/16	El Salvador		381.00						381.00
Military transportation							1,426.94				1,426.94
Visit to Honduras, Mar. 3–4, 1989:											
Hon. G. V. Montgomery	3/3	3/4	Honduras		97.00						97.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1989—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Military transportation							845.24				845.24
Hon. Earl Hutto	3/3	3/4	Honduras		97.00						97.00
Military transportation							845.24				845.24
Hon. Bob Stump	3/3	3/4	Honduras		97.00						97.00
Military transportation							845.24				845.24
Mr. Henry J. Schweiter	3/3	3/4	Honduras		97.00						97.00
Military transportation							845.24				845.24
Visit to Panama, Honduras, Cuba, and Puerto Rico, Mar. 25–30, 1989:											
Hon. Patricia Schroeder	3/25	3/28	Panama		546.00						546.00
	3/27	3/27	Honduras								
	3/28	3/29	Cuba								
	3/29	3/30	Puerto Rico								
Military transportation							1,823.36				1,823.36
Ms. Alma B. Moore	3/25	3/28	Panama		546.00						546.00
	3/27	3/27	Honduras								
	3/28	3/29	Cuba								
	3/29	3/30	Puerto Rico								
Military transportation							1,175.68				1,175.68
Commercial transportation							198.00				198.00
Mr. Andrew A. Feinstein	3/25	3/28	Panama		546.00						546.00
	3/27	3/27	Honduras								
	3/28	3/29	Cuba								
	3/29	3/30	Puerto Rico								
Military transportation							1,175.68				1,175.68
Visit to Switzerland, Mar. 27–28, 1989:											
Hon. Robert K. Dornan	3/27	3/28	Switzerland		30.00						30.00
Commercial transportation							958.00				958.00
Committee totals					35,719.23		110,112.71		6,224.97		152,056.91

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

LES ASPIN, Chairman, Apr. 27, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1989

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. G. Ackerman	1/5	1/8	North Ireland		573.00				1,138.27		1,711.27
	1/8	1/12	Ireland		936.00						936.00
Commercial transportation							4,470.00				4,470.00
N.A. Agris	1/6	1/11	El Salvador		635.00						635.00
	1/11	1/13	Costa Rica		276.00						276.00
Commercial transportation							1,352.00				1,352.00
J. Armstrong	1/6	1/12	France		1,350.00		38.83				1,388.00
	1/12	1/15	Sweden		750.00						750.00
	1/15	1/17	Hungary		332.00						332.00
Commercial transportation							4,447.40				4,447.40
Hon. C. Atkins	1/9	1/10	Egypt		247.00						247.00
	1/11	1/13	Bangladesh		326.00						326.00
	1/13	1/14	India		275.00						275.00
	1/16	1/17	India								
Committee total					5,700.00		10.308.23		1,138.27		17,146.50
	1/14	1/16	Pakistan		[3] 15.80						15.80
	1/18	1/19	Philippines		[3] 201.00						201.00
Military transportation							13,082.04				13,082.04
D. Barton	1/6	1/12	France		1,575.00						1,575.00
Commercial transportation							2,309.00				2,309.00
Hon. B. Blaz	2/5	2/8	Costa Rica								
Commercial transportation							686.00				686.00
K. Bolognese	1/12	1/17	Switzerland		950.00						950.00
Commercial transportation							4,090.00				4,090.00
T. Bruce	1/15	1/17	Cameroon		269.00						269.00
	1/17	1/18	Nigeria		[3] 125.00						125.00
	1/18	1/19	Benin		75.00						75.00
	1/19	1/20	Togo		134.00						134.00
Committee totals					3,344.80		20,167.04				23,511.84
	1/20	1/21	Senegal		309.00						309.00
Commercial transportation							4,580.00				4,580.00
Hon. D. Burton	2/11	2/12	Zaire		233.00						233.00
	2/12	2/16	South Africa		617.00						617.00
	2/16	2/18	Zimbabwe		279.80				6.30		286.10
	2/18	2/19	Malawai		133.00						133.00
	2/19	2/20	Cape Verde								
Military transportation							14,029.90				14,029.90
R. Bush	3/25	3/26	China		214.00						214.00
	3/26	3/28	Thailand		362.00						362.00
	3/28	3/29	Vietnam		125.00						125.00
	3/29	3/30	Cambodia		125.00						125.00
	3/30	4/1	Singapore		147.00						147.00
	4/1	4/2	Philippines		144.00						144.00
Military transportation							8,381.10				8,381.10
Committee total					2,688.80		26,991.00		6.30		29.686.10
D. Calabia	1/9	1/10	Egypt		247.00						247.00
	1/11	1/13	Bangladesh		326.00						326.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1989—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	1/13	1/14	India		275.00						275.00
	1/16	1/17	India								
	1/14	1/16	Pakistan		[3] 91.00						91.00
	1/18	1/19	Philippines		201.00						201.00
Military transportation							13,082.04				13,082.04
N. Carman	3/27	4/1	Malaysia		740.00						740.00
	3/27	4/5	Singapore		441.00						441.00
Commercial transportation							6,471.20				6,471.20
F.M. Chambers	3/27	4/1	Australia		975.00						975.00
Commercial transportation							7,105.44				7,105.44
Committee total					3,296.00		26,658.68				29,954.68
Hon. G. Crockett	3/31	4/2	England								
Commercial transportation							4,298.00				4,298.00
Daoust, E.	1/6	1/12	France		1,350.00		38.83				1,388.83
	1/12	1/15	Sweden		750.00						750.00
	1/15	1/17	Hungary		332.00						332.00
Commercial transportation							4,447.40				4,447.40
Hon. M. Dymally	1/8	1/11	Zambia		630.50						630.50
	1/11	1/12	Kenya		153.00						153.00
Commercial transportation							5,781.94				5,781.94
Hon. E. Faleomavaega	3/25	3/31	Philippines		864.00						864.00
Commercial transportation							4,142.95				4,142.95
B. Ford	1/6	1/12	France		1,350.00		38.83				1,388.83
	1/12	1/15	Sweden		750.00						750.00
	1/15	1/17	Hungary		332.00						332.00
Commercial transportation							4,447.40				4,447.40
Committee total					6,511.50		23,195.35				29,706.85
M.E. Galey	3/27	4/1	England		1,356.00						1,356.00
	4/1	4/8	France		434.00				139.99		573.99
Commercial transportation							3,187				3,187.00
Hon. B.A. Gilman	1/6	1/12	France		1,350.00		38.83				1,388.83
	1/12	1/15	Sweden		750.00						750
	1/15	1/18	Hungary		498.00						498.00
Military transportation							4,447.40				4,447.40
R.T. Huber	1/6	1/12	France		1,350.00		38.83				1,388.83
	1/12	1/15	Sweden		750.00						750.00
	1/15	1/17	Hungary		332.00						332.00
Commercial transportation							4,447.40				4,447.40
W. Inglee	1/8	1/12	Germany		728.00						728.00
	1/12	1/15	Soviet Union		555.00						555.00
	1/15	1/17	England		[3] 342.00						342.00
Commercial transportation							4,768.00				4,768.00
Committee total					8,445.00		16,927.46		139.99		25,512.45
R.M. Jenkins	1/7	1/10	Italy		603.00						603.00
	1/10	1/14	Greece		576.00						576.00
Commercial transportation							4,979.00				4,979.00
V. Johnson	1/6	1/11	El Salvador		635.00						635.00
	1/11	1/13	Costa Rica		276.00						276.00
Commercial transportation							1,352.00				1,352.00
	2/9	2/15	Guatemala		[3] 605.00						605.00
Commercial transportation							1,223.00				1,223.00
G. Kapen	2/11	2/12	Zaire		233.00						233.00
	2/12	2/16	South Africa		617.00						617.00
	2/16	2/18	Zimbabwe		279.80				6.30		286.10
	2/18	2/19	Malawi		133.00						133.00
	2/19	2/20	Cape Verde								
Military transportation							14,029.90				14,029.90
Committee totals					3,957.80		21,583.90		6.30		25,548.00
Hon. P. Kostmayer	3/28	3/30	Haiti		139.00						139.00
Commercial transportation							571.00				571.00
Hon. R. Lagomarsino	1/6	1/12	France		1,350.00				38.83		1,388.83
	1/12	1/15	Sweden		750.00						750.00
	1/15	1/18	Hungary		498.00						498.00
Military transportation							4,447.40				4,447.40
Hon. T. Lantos	1/6	1/12	France		1,350.00				38.83		1,388.83
	1/12	1/15	Sweden		750.00						750.00
	1/15	1/18	Hungary		498.00						498.00
Military transportation							4,447.40				4,447.40
R. McBride	2/15	2/19	Costa Rica		550.96						550.96
Commercial transportation							1,319.00				1,319.00
Hon. F. McCloskey	3/25	3/27	Hong Kong		597.00						597.00
	3/27	3/30	Thailand		543.00						543.00
Military transportation (one-way)							19,475.67				19,475.67
Committee total					7,025.96		30,260.47		77.66		37,364.09
Commercial transportation (one-way)							2,086.34				2,086.34
S. Morrison	1/10	1/12	Zambia		488.25						488.25
	1/12	1/13	Malawi		133.00						133.00
	1/13	1/14	Zimbabwe		131.00						131.00
	1/14	1/15	Nigeria		135.00						135.00
Military transportation							15,386.33				15,386.33
	3/25	3/28	Ethiopia		507.00						507.00
	3/28	3/29	Kenya		750.00						750.00
	3/29	4/1	Ethiopia		676.00						676.00
	4/1	4/4	Sudan		600.00						600.00
	4/4	4/7	Ethiopia		338.00						338.00
Commercial transportation							5,459.00				5,459.00
Committee total					3,758.25		22,931.67				26,689.92

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1989—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
R.S. Oliver	3/19	3/20	Germany		91.00						91.00
	3/20	3/23	Iraq		609.00						609.00
	3/23	3/24	Bahrain		154.00						154.00
	3/24	3/26	United Arab Emirates		392.00						392.00
	3/26	3/28	Oman		388.00						388.00
	3/28	3/30	Yemen		408.00						408.00
	3/30	4/1	Israel		308.00						308.00
Commercial transportation (one-way)							1,021.12				1,021.12
Military transportation (one-way)							561.20				561.20
Hon. W. Owens	2/10	2/13	Tunisia								
Commercial transportation							5,130.00				5,130.00
	3/24	3/27	Egypt		518.00						518.00
	3/27	3/29	Saudi Arabia		328.00						328.00
	3/29	3/21	Jordan		211.50		143.74				355.24
Committee total					3,407.50		6,856.06				10,263.56
	3/31	4/4	Israel		616.00						616.00
Commercial transportation							4,878.67				4,878.67
B. Paolo	2/12	2/17	Switzerland		950.00						950.00
Commercial transportation							4,090.00				4,090.00
K. Peel	2/12	2/14	El Salvador		[3] 254.00						254.00
	2/14	2/19	Costa Rica		690.00						690.00
Commercial transportation							1,420.00				1,420.00
R. Reid	1/6	1/12	France		1,350.00				38.83		1,388.83
	1/12	1/15	Sweden		750.00						750.00
	1/15	1/18	Hungary		498.00						498.00
Commercial transportation							4,447.40				4,447.40
Committee total					5,108.00		14,836.07		38.83		19,982.90
A. Roberts	1/10	1/11	Singapore		144.00						144.00
	1/11	1/13	Bangladesh		[3] 187.13						187.13
	1/14	1/16	Pakistan		310.00						310.00
	1/13	1/16	India		275.00						275.00
Commercial transportation (one-way)							1,887.20				1,887.20
Commercial transportation (one-way)							1,952.00				1,952.00
	3/25	3/27	Hong Kong		597.00						597.00
	3/27	4/1	Thailand		724.00						724.00
Military transportation (one-way)							19,475.67				19,475.67
Commercial transportation (one-way)							2,036.00				2,036.00
Committee total					2,237.13		25,350.87				27,588.00
Hon. T. Roth	1/12	1/16	Chile		556.00						556.00
Commercial transportation							4,014.00				4,014.00
M. Sletzinger	3/19	3/24	Yugoslavia		839.00		92.00				931.00
Commercial transportation							1,538.10				1,538.10
Hon. L. Smith	3/25	3/27	Hong Kong		597.00						597.00
	3/27	4/1	Thailand		724.00						724.00
Military transportation							22,323.80				22,323.80
Hon. E. Feighan	3/25	3/27	Hong Kong		597.00						597.00
	3/27	4/1	Thailand		724.00						724.00
Military transportation (one-way)							19,475.67				19,475.67
Commercial transportation (one-way)							2,036.00				2,036.00
B. Ford	3/25	3/27	Hong Kong		597.00						597.00
	3/27	4/2	Thailand		905.00						905.00
Military transportation							22,323.80				22,323.80
Committee total					5,539.00		71,803.37				77,342.37
S. Smith	3/25	3/27	Trinidad and Tobago		437.00						437.00
	3/28	3/29	Trinidad and Tobago								
	3/29	3/30	Guyana								
	3/29	3/30	Barbados		108.09						108.09
	3/30	3/31	Antigua		258.00						258.00
Commercial transportation							1,556.00				1,556.00
Hon. S. Solarz	1/9	1/10	Egypt		294.00						294.00
	1/11	1/13	Bangladesh		326.00						326.00
	1/13	1/14	India		150.00						150.00
	1/14	1/16	Pakistan		205.00						205.00
	1/16	1/19	India		450.00						450.00
	1/21	1/22	Soviet Union		520.00		89.72		196.13		805.85
	1/22	1/24	Soviet Union								
Committee total					3,098.09		1,645.72		196.13		4,939.94
Military transportation							13,082.04				13,082.04
Commercial transportation							1,959.91				1,959.91
	3/25	3/26	China		214.00						214.00
	3/26	3/28	Thailand		362.00						362.00
	3/28	3/29	Vietnam		125.00						125.00
	3/29	3/30	Cambodia		125.00						125.00
	3/30	4/1	Singapore		147.00						147.00
	4/1	4/2	Philippines		144.00						144.00
Military transportation							8,381.10				8,381.10
I. Spalatin	1/8	1/12	Germany		728.00						728.00
	1/12	1/15	Soviet Union		555.00						555.00
	1/15	1/17	England		524.00		19.67		17.27		560.94
Commercial transportation							4,768.00				4,768.00
Committee total					2,924.00		28.210.72		17.27		31,151.99
G.M. Strand	1/10	1/12	Zambia		488.25						488.25
	1/12	1/13	Malawi		133.00						133.00
	1/13	1/14	Zimbabwe		81.00						81.00
	1/14	1/15	Nigeria		135.00						135.00
Military transportation							15,386.33				15,386.33
Hon. G. Studds	1/6	1/11	El Salvador		635.00						635.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1989—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	1/11	1/13	Costa Rica		276.00						276.00
Commercial transportation							1,352.00				1,353.00
M. Tavlarides	1/7	1/10	Italy		603.00						603.00
	1/10	1/14	Greece		576.00						576.00
Commercial transportation							4,979.00				4,979.00
Hon. R. Torricelli	2/3	2/4	England		262.00				129.39		391.39
	2/4	2/7	Israel		600.00						600.00
Commercial transportation							4,953.00				4,953.00
Committee total					3,789.25		26,670.33		129.39		30,588.97
J. Weber	1/8	1/12	Germany		728.00						728.00
	1/12	1/15	Soviet Union		555.00						555.00
	1/15	1/17	England		524.00		19.67		17.27		560.94
Commercial transportation							4,768.00				4,768.00
Hon. T. Weiss	1/9	1/10	Egypt		[3] 215.00						215.00
	1/11	1/13	Bangladesh		326.00						326.00
	1/13	1/14	India		[3] 264.60						264.60
	1/16	1/17	India								
	1/14	1/16	Pakistan		34.10						34.10
	1/18	1/19	Philippines		200.80						200.80
Military transportation							13,082.04				13,082.04
K. Wilkens	1/7	1/12	France		900.00		38.83				938.83
	1/12	1/14	Belgium		378.00						378.00
Commercial transportation							4,048.00				4,048.00
Committee total					4,125.50		21,956.54		17.27		26,099.31
R. Wilson	1/6	1/12	France		1,350.00				38.83		1,388.83
	1/12	1/15	Sweden		750.00						750.00
	1/15	1/17	Hungary		332.00						332.00
Commercial transportation							4,447.40				4,447.40
J. Wright	1/8	1/12	Germany		728.00						728.00
	1/12	1/15	Soviet Union		555.00						555.00
	1/15	1/17	England		524.00		19.67		17.27		560.94
Commercial transportation							4,768.00				4,768.00
Committee total					4,239.00		9,235.07		56.10		13,530.17
Grand total for the 1st quarter											486,607.64

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Represents refunds of unused per diem.

DANTE B. FASCELL, Chairman, Apr. 28, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1989

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Mike Synar	1/6	1/7	Thailand		157.00		1,190.00				1,347.00
	1/7	1/10	Bangladesh		240.00						240.00
	1/10	1/12	India		117.00						117.00
	1/13	1/15	Nepal		112.50						112.50
	1/16	1/17	India		100.00						100.00
	1/17	1/18	England		262.00						262.00
Hon. William F. Clinger, Jr	1/6	1/12	France		1,350.00						1,350.00
	1/12	1/15	Sweden		750.00						750.00
	1/15	1/18	Hungary		498.00						498.00
Military transportation							4,447.40				4,447.40
Hon. Thomas C. Sawyer	1/6	1/12	France		1,350.00						1,350.00
	1/12	1/15	Sweden		750.00						750.00
	1/15	1/18	Hungary		498.00						498.00
Military transportation							4,447.40				4,447.40
Hon. John Conyers, Jr	1/6	1/9	Egypt		345.00		6,933.90				7,278.90
	1/9	1/15	Morocco		620.00						620.00
	1/16	1/18	Senegal		412.00						412.00
Mr. Cedric Hendricks	1/6	1/9	Egypt		345.00		4,446.70				4,791.70
	1/9	1/15	Morocco		620.00						620.00
	1/16	1/18	Senegal		412.00						412.00
Committee total					8,938.50		21,465.40				30,403.90

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JOHN CONYERS, JR., May 1, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE, SPACE AND TECHNOLOGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1989

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Robert S. Walker	1/12	1/15	Switzerland	971.80	630.00					971.80	630.00
Commercial air transportation							3,951.30				3,951.30
David D. Clement	1/12	1/15	Switzerland	971.90	630.00					971.90	630.00
Commercial air transportation							3,951.30				3,951.30
Michael L. Rodemeyer	2/6	2/7	Costa Rico	43,773.60	552.00					43,773.60	552.00
Commercial air transportation	2/8	2/11	Guatemala				559.60				559.60
Committee total					1,812.00		8,462.20				10,274.20

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

ROBERT A. ROE, Chairman, Apr. 27, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON VETERANS' AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1989

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. J.P. Hammerschmidt	3/2	3/3	Honduras		97.00		[3] 845.24				942.24
Hon. Bob McEwen	3/2	3/3	Honduras		97.00		[3] 845.24				942.24
Hon. Claude Harris	3/2	3/3	Honduras		97.00		[3] 845.24				942.24
Committee total					291.00		2,535.72				2,826.72

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military (Army) transportation.

G.V. MONTGOMERY, Chairman, Apr. 28, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 1, 1989

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Samuel G. Wise	12/27	1/22	Austria		[3] 1,846.00		945.80		[4] 2,307.00		5,098.80
Robert A. Hand	12/27	1/19	Austria		3,266.00		945.80				4,211.80
Ronald J. McNamara	1/8	1/22	Austria		1,988.00		945.00				2,933.00
John J. Finerty	2/26	3/11	Soviet Union		2,590.00		2,870.00				5,460.00
John J. Finerty	3/12	3/13	England		212.00						212.00
Ronald J. McNamara	3/6	3/11	Austria		940.00		740.00		190.40		1,870.40
Ronald J. McNamara	3/6	3/11	Austria				3,933.00				3,933.00
Steny H. Hoyer	3/9	3/11	Austria		376.00		9,112.80		190.40		9,679.20
Edward Feighan	3/9	3/11	Austria		376.00		9,112.80		190.40		9,679.20
Mary Sue Hafner	3/9	3/11	Austria		376.00		9,112.80		190.40		9,679.20
Samuel G. Wise	3/9	3/11	Austria		376.00		9,112.80		190.40		9,679.20
Ronald J. McNamara	3/29	3/30	England		226.00		769.00				995.00
Committee total					12,572.00		47,599.80		3,259.00		63,430.80

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] 1/2 per diem.
[4] Hotel expenses.

STENY H. HOYER, Apr. 17, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1989

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Barbara Kennelly	1/27	1/29	Europe		489.00						489.00
Military air transportation							2,802.08				2,802.08
Hon. Dave McCurdy	2/13	2/16	Central America		381.00						381.00
Military air transportation							4,432.31				4,432.31
Richard H. Giza, Staff	2/13	2/16	Central America		381.00						381.00
Military air transportation							4,432.31				4,432.31
Hon. Bill Richardson	3/25	4/1	Asia		1,117.00						1,117.00
Military air transportation							5,935.53				5,935.33
Michael J. O'Neil, Staff	3/25	4/1	Asia		1,117.00						1,117.00
Military air transportation							5,935.33				5,935.33
Committee total					3,485.00		23,537.36				27,022.36

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

ANTHONY C. BEILENSON, Chairman, Apr. 27, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO HONG KONG, TOKYO, JAPAN, U.S. HOUSE OF REPRSENTATIVES, EXPENDED BETWEEN APR. 1 AND APR. 12, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Representative Thomas S. Foley	4/2	4/5	Hong Kong		162.00						810.00
	4/10	4/12	Japan		244.00						732.00
Representative Robert H. Michel	4/2	4/5	Japan		1,220.00						1,220.00
Mr. Michael Johnson	4/2	4/10	Japan		2,196.00		4,986.00				7,182.00
Committee total											9,944.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
Note.—Werner W. Brandt of Rep. Foley's office was also authorized travel and per diem as part of the above delegation. Due to illness, he did not make the trip.

THOMAS S. FOLEY, Apr. 27, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO AUSTRIA, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JUNE 3 AND JUNE 6, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Representative Thomas S. Foley	6/3	6/5	Austria				2,903.00				2,903.00
Committee total											2,903.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

THOMAS S. FOLEY, Apr. 27, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SPEAKER'S TRIP TO THE UNITED KINGDOM, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND JULY 6, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
James C. Wright, Jr	7/1	7/6	England	718.32	1,220.00		2,633.00			718.32	3,853.00
Military air transport (Washington to New York)							542.00				542.00
Marshall Lynam	7/1	7/6	England	718.32	1,220.00		2,633.00			718.32	3,853.00
Military air transport (Washington to New York)							542.00				542.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JIM WRIGHT, Apr. 14, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MS. CHERYL L. MENDONSA, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPT. 21 AND SEPT. 24, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Cheryl L. Mendonsa	9/21	9/24	U.S.S.R.		400.00		758.00				

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CHERYL L. MENDONSA, Oct. 26, 1988.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. STEVEN R. ROSS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 5 AND AUG. 11, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Steven R. Ross	8/5	8/11	Canada	633.20	524.00		487.42		200.00	633.20	1,211.42

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

STEVEN R. ROSS, Sept. 27, 1988.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SPEAKER'S TRIP TO AUSTRALIA, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 19 AND AUG. 31, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
James C. Wright, Jr	8/22	8/29	Australia	1,840	1,479.00			203	162.00	2,043	1,641.00
Military air transport (R.T.)							8,438.00				8,438.00
Jerry Lewis	8/22	8/29	Australia	1,840	1,479.00			203	162.00	2,043	1,641.00
Military air transport (R.T.)							8,438.00				8,438.00
Jack Brooks	8/22	8/29	Australia	1,840	1,479.00			203	162.00	2,043	1,641.00
Military air transport (R.T.)							8,438.00				8,438.00
Eddie Boland	8/22	8/29	Australia	1,840	1,479.00			203	162.00	2,043	1,641.00
Military air transport (R.T.)							8,438.00				8,438.00
J.J. Pickle	8/22	8/29	Australia	1,840	1,479.00			203	162.00	2,043	1,641.00
Military air transport (R.T.)							8,438.00				8,438.00
Charles Wilson	8/22	8/29	Australia	1,840	1,479.00			203	162.00	2,043	1,641.00
Jim Oberstar	8/22	8/29	Australia	1,840	1,479.00			203	162.00	2,043	1,641.00
Military air transport (R.T.)							8,438.00				8,438.00
Beryl Anthony	8/22	8/29	Australia	1,840	1,479.00			203	162.00	2,043	1,641.00
Military air transport (R.T.)							8,438.00				8,438.00
Pat Williams	8/22	8/29	Australia	1,840	1,479.00			203	162.00	2,043	1,641.00
Military air transport (R.T.)							8,438.00				8,438.00
John Porter	8/22	8/29	Australia	1,840	1,479.00			203	162.00	2,043	1,641.00
Military air transport (R.T.)							8,438.00				8,438.00
Bill Richardson	8/22	8/29	Australia	1,840	1,479.00			203	162.00	2,043	1,641.00
Military air transport (R.T.)							7,470.00				7,470.00
Sherry Boehlert	8/22	8/29	Australia	1,840	1,479.00			203	162.00	2,043	1,641.00
Military air transport (R.T.)							8,438.00				8,438.00
Esteban Torres	8/22	8/29	Australia	1,840	1,479.00			203	162.00	2,043	1,641.00
Military air transport (R.T.)							6,484.00				6,484.00
Marshall Lynam	8/22	8/29	Australia	1,840	1,479.00			203	162.00	2,043	1,641.00
Military air transport (R.T.)							8,438.00				8,438.00
Kathy Mitchell	8/22	8/29	Australia	1,840	1,479.00			203	162.00	2,043	1,641.00
Military air transport (R.T.)							6,484.00				6,484.00
Anne Page	8/22	8/29	Australia	1,840	1,479.00			203	162.00	2,043	1,641.00
Military air transport (R.T.)							8,438.00				8,438.00
Charmayne Marsh	8/22	8/29	Australia	1,840	1,479.00			203	162.00	2,043	1,641.00
Military air transport (R.T.)							8,438.00				8,438.00
Anne Grey	8/22	8/29	Australia	1,840	1,479.00			203	162.00	2,043	1,641.00
Military air transport (R.T.)							8,438.00				8,438.00
Chris Walker	8/22	8/29	Australia	1,840	1,479.00			203	162.00	2,043	1,641.00
Military air transport (R.T.)							8,438.00				8,438.00
Dan Popp	8/22	8/29	Australia	1,840	1,479.00			203	162.00	2,043	1,641.00
Military air transport (R.T.)							8,438.00				8,438.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JIM WRIGHT, Apr. 18, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO JAPAN, THAILAND, AND VIETNAM, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPTEMBER 1 AND SEPTEMBER 6, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Mickey Leland	9/1	9/3	Japan		150.00						
	9/3	9/4	Thailand		157.00						
	9/4	9/5	Vietnam		125.00						
	9/5	9/6	Thailand		157.00		13,227.37				
Hon. Albert Bustamante	9/1	9/3	Japan		150.00						
	9/3	9/4	Thailand		157.00						
	9/4	9/5	Vietnam		125.00						
	9/5	9/6	Thailand		157.00		13,227.37				
Hon. Solomon Ortiz	9/1	9/3	Japan		150.00						
	9/3	9/4	Thailand		157.00						
	9/4	9/5	Vietnam		125.00						
	9/5	9/6	Thailand		157.00		13,227.37				
Hon. Stephen J. Solarz	9/6	9/6	Thailand				6,265.67				
Miranda Katsoyannis	9/1	9/3	Japan		150.00						
	9/3	9/4	Thailand		157.00						
	9/4	9/5	Vietnam		125.00						
	9/5	9/6	Thailand		157.00		13,227.37				
Jeffrey Clark	9/1	9/3	Japan		150.00						
	9/3	9/4	Thailand		157.00						
	9/4	9/5	Vietnam		125.00						
	9/5	9/6	Thailand		157.00		13,227.37				
Earl Johnson	9/1	9/3	Japan		150.00						
	9/3	9/4	Thailand		157.00						
	9/4	9/5	Vietnam		125.00						
	9/5	9/6	Thailand		157.00		13,227.37				
Robert Jackson	9/1	9/3	Japan		150.00						
	9/3	9/4	Thailand		157.00						
	9/4	9/5	Vietnam		125.00						
	9/5	9/6	Thailand		157.00		13,227.37				
Philip Robertson	9/1	9/3	Japan		150.00						
	9/3	9/4	Thailand		157.00						
	9/4	9/5	Vietnam		125.00						
	9/5	9/6	Thailand		157.00		13,227.37				
Angela Jones	9/1	9/3	Japan		150.00						
	9/3	9/4	Thailand		157.00						
	9/4	9/5	Vietnam		125.00						

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	9/5	9/6	Thailand		157.00		13,227.37				
Committee total					5,301.00		125,312.00				

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

MICKEY LELAND, Sept. 14, 1988.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO BERLIN, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPT. 24 AND SEPT. 30, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Barry M. Hager	9/26	9/29	Berlin, West Germany	1036.10	552.00		709.00				1261.00
William P. Binzel	9/24	9/30	Germany (West Berlin)	2,072.21	1,104.00		709.00				1,813.00
Committee totals					1,656.000		1,418.00				3,074.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BARRY M. HAGER, Nov. 1, 1988.
WILLIAM P. BINZEL, Nov. 1, 1988.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MS. MARIE PAMPUSH, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT 17 AND OCT. 21, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Marie Pampush	10/18	10/21	Soviet Union Berlin)		550.00						550.000

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

MARIE PAMPUSH, Nov. 11, 1988.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MS. ANN M. SCHONFIELD, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 14 AND NOV. 3, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Ann Schonfield	10/15	10/19	Kenya	10,000	500.00			4,000	200.00	14,000	700.00
	10/21	10/23									
	10/19	10/21	Uganda		300.00				50.00		350.00
	10/23	10/27	Ethiopia		400.00				300.00		700.00
	10/27	11/1	Sudan						20.00		20.00
	11/1	11/3	London		400.00				100.00		500.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

ANN SCHONFIELD, Nov. 18, 1988

REPORT OF EXPENDITURES FOR OFFICIAL TRAVEL, MS. EMILY YOUNG, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN NOV. 10 AND NOV. 22, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Emily Young	11/10	11/16	France		(3)						
	11/16	11/19	West Germany		(3)						
In country rail fare							60.00				
Commercial air fare							2,467.64				

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] To be filed on supplemental receipts not issued by embassy.

EMILY YOUNG, Dec. 21, 1988.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO MEXICO, BELIZE, JAMAICA, CUBA, DOMINICAN REPUBLIC, GUYANA, TRINIDAD AND TOBAGO, AND VENEZUELA, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN DECEMBER 8 AND DEC. 20, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Vivian Jones	12/8	12/11	Mexico		402.00		45.21		8.52		455.73
	12/11	12/11	Belize				20.49				20.49
	12/11	12/13	Jamaica		350.00						350.00
	12/13	12/14	Cuba		132.00				56.87		188.87
	12/14	12/17	Dominican Republic		590.00						590.00
	12/17	12/17	Guyana								
	12/17	12/20	Trinidad and Tobago		540.00						540.00
	12/20	12/20	Venezuela				14.82				14.82
Military transportation							2,776.60				2,776.60
Saundra Watkins	12/8	12/11	Mexico		402.00		45.21		8.52		455.73
	12/11	12/11	Belize				20.49				20.49
	12/11	12/13	Jamaica		350.00						350.00
	12/13	12/14	Cuba		132.00				56.87		188.87
	12/14	12/17	Dominican Republic		590.00						590.00
	12/17	12/17	Guyana								
	12/17	12/20	Trinidad and Tobago		450.00						540.00
	12/20	12/20	Venezuela				14.82				14.82
Military transportation							2,776.60				2,776.60
Committee total					4,028.00		5,714.24		130.78		9,873.02

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CHARLES B. RANGEL, Jan. 31, 1989.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HON. JACK RUSS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN DEC. 12 AND DEC. 23, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Jack Russ	12/10	12/12	Spain		597.00				646.00		1,243.00
	12/12	12/12	Malta								
	12/12	12/16	Turkey		619.00				556.89		1,171.89
	12/12	12/19	Kenya		459.00				146.00		605.00
	12/19	12/22	Senegal		618.00				57.00		675.00
Military air transportation							6,819.19				6,819.19
Committee total					2,289.00		6,819.19		1,405.89		10,514.08

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MS. FRANCES CAMPBELL, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN DEC. 10 AND DEC. 22, 1988

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Frances Campbell	12/10	12/12	Spain		597.00				646.00		1,243.00
	12/12	12/12	Malta								
	12/12	12/16	Turkey		615.00				556.00		1,171.89
	12/16	12/19	Kenya		459.00				146.00		605.00
	12/19	12/22	Senegal		618.00				57.00		675.00
Military air transportation							6,819.19				6,819.19
Committee total					2,289.00		6,819.19		1,405.89		10,514.08

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

FRANCES CAMPBELL, Feb. 7, 1989.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1129. A letter from the Deputy General Counsel, Department of Defense, transmitting a draft of proposed legislation to authorize certain construction at military installations for fiscal years 1990 and 1991, and for other purposes, pursuant to 31 U.S.C. 1110; to the Committee on Armed Services.

1130. A letter from the Comptroller General of the United States transmitting a report, entitled "Managing the Govern-

ment: Revised Approach Could Improve OMB's Effectiveness" (GAO/GGD-89-65); to the Committee on Government Operations.

1131. A letter from the Deputy Associate Director for Collection and Disbursements, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

1132. A letter from the Acting Administrator, General Services Administration, transmitting copies of three lease prospectuses, pursuant to 40 U.S.C. 606(a); to the Committee on Public Works and Transportation.

1133. A letter from the Acting Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize the President to appoint Richard H. Truly to the Office of Administrator of the National Aeronautics and Space Administration; to the Committee on Science, Space, and Technology.

1134. A letter from the Deputy Secretary of Defense transmitting a report on the funding sources for the $66.6 million in transfers and the $10.6 million rescission approved by the Congress on April 13, 1989, for support of the Nicaraguan Democratic Resistance; jointly, to the Committees on Appropriations and Foreign Affairs.

1135. A letter from the Secretary of State transmitting a draft of proposed legislation to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act, and related statutory provisions, to authorize additional development and security assistance programs for fiscal year 1990, and for other purposes; jointly, to the Committees on Foreign Affairs and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAWKINS: Committee of conference. H.R. 2 (Rept. 101-47). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FISH:

H.R. 2264. A bill to encourage innovation and productivity, stimulate trade, and promote the competitiveness and technological leadership of the United States; to the Committee on the Judiciary.

By Mr. MATSUI:

H.R. 2265. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income the value of certain transportation furnished by an employer; to the Committee on Ways and Means.

By Mr. SHUMAY:

H.R. 2266. A bill to authorize the coveyance of the addition to the Lassen Memorial Hospital in Susanville, CA; and to waive any debt relating to the conveyance owed to the Federal Government by Lassen County, CA; to the Committee on Public Works and Transportation.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 118: Mr. HERGER.

H.R. 505: Mr. PEPPER, Mr. HOLLOWAY, Mr. NOWAK, Mr. BROOKS, Mr. MCCRERY, Mr. WHITTAKER, Mr. LAGOMARSINO, Mr. REGULA, Mr. SCHUETTE, Mr. DWYER of New Jersey.

H.R. 563: Mr. PETRI, Mr. MILLER of Washington, Mr. SAVAGE, and Mr. BOUCHER.

H.R. 586: Mr. PURSELL, Mrs. JOHNSON of Connecticut, Mr. LIGHTFOOT, Mr. HERTEL, Mr. KENNEDY, Mr. DOWNEY, Mr. CARR, Mr. BATES, Mr. PALLONE, Mr. BONIOR, Mr. CROCKETT, Mr. TRAXLER, Mrs. KENNELLY, and Mr. GRANDY.

H.R. 594: Mr. CARR and Mr. GEPHARDT.

H.R. 682: Mr. DORNAN of California, Mr. RHODES, and Mr. SHAYS.

H.R. 774: Mr. STAGGERS and Mr. GEJDENSON.

H.R. 855: Mr. MORRISON of Connecticut and Mr. BURTON of Indiana.

H.R. 1009: Mr. RANGEL.

H.R. 1012: Mr. ACKERMAN, Mr. ATKINS, Mr. BATES, Mr. BERMAN, Mr. DWYER of New Jersey, Mr. EVANS, Mr. FOGLIETTA, Mr. FLORIO, Mr. FUSTER, Mr. GARCIA, Mr. HENRY, Mr. HUGHES, Mr. JACOBS, Mr. MORRISON of Connecticut, Mr. MURPHY, Mr. RANGEL, Mr. ROE, and Mr. WOLPE.

H.R. 1060: Ms. SCHNEIDER.

H.R. 1100: Mr. TRAFICANT and Mrs. VUCANOVICH.

H.R. 1196: Mr. LEWIS of Georgia.

H.R. 1466: Mr. PAXON.

H.R. 1467: Mr. PAXON.

H.R. 1485: Mr. LAGOMARSINO and Mr. VENTO.

H.R. 1693: Mr. MATSUI, Mrs. BOXER, and Mrs. PATTERSON.

H.R. 1771: Mr. VOLKMER and Mr. WHEAT.

H.R. 1870: Mr. GILMAN, Mr. ARMEY, Mr. SMITH of New Jersey, Mr. LEWIS of California, Mr. SMITH of Mississippi, Mr. GRANDY, and Mr. MILLER of Washington.

H.R. 1899: Mr. BROWN of California, Mr. BUSTAMANTE, Mr. CLAY, Mrs. COLLINS, Mr. CONYERS, Mr. CROCKETT, Mr. DEFAZIO, Mr. DE LUGO, Mr. FAUNTROY, Mr. FLAKE, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mr. GARCIA, Mr. HAYES of Illinois, Mr. KENNEDY, Mr. MFUME, Mr. MOAKLEY, Mr. OWENS of New York, Mr. SIKORSKI, and Mr. TOWNS.

H.R. 2060: Mr. LEWIS of Georgia, Mr. KANJORSKI, Mr. DELLUMS, Mr. WOLPE, Mr. DWYER of New Jersey, Mr. OWENS of New York, Mr. ATKINS, and Mr. HAWKINS.

H.R. 2102: Mr. HAMMERSCHMIDT.

H.R. 2126: Mr. FAUNTROY, Mr. MRAZEK, Mr. DE LUGO, Mr. DE LA GARZA, Mr. HORTON, Mr. RANGEL, Mr. NIELSON of Utah, Mr. PENNY, Mr. FAZIO, Mr. ATKINS, Mr. ROBINSON, Mr. CHAPMAN, Mr. FOGLIETTA, Mr. GARCIA, and Mr. MFUME.

H.R. 2131: Mr. GREEN, Mr. MCCURDY, Mr. OLIN, Mr. WILSON, Mr. OWENS of New York, and Mr. FAUNTROY.

H.R. 2191: Mr. ACKERMAN.

H.J. Res. 223: Mr. STARK, Mr. LANCASTER, Mr. OWENS of New York, and Mr. GUARINI.

H.J. Res. 247: Mr. SAXTON, Mr. RAHALL, Mr. LAFALCE, Mr. SHARP, Mr. HUTTO, Mr. MCDADE, Mr. ARMEY, Mr. BARTON of Texas, Mr. HOLLOWAY, Mr. PETRI, Mr. DUNCAN, Mr. BARTLETT, Mr. HAYES of Illinois, Mr. SMITH of Florida, Mr. RICHARDSON, Mr. JOHNSON of South Dakota, Ms. KAPTUR, Mr. QUILLEN, Mr. ROGERS, Mr. HOUGHTON, Mr. PEPPER, Mr. BROWN of Colorado, Mr. HOCHBRUECKNER, Mr. OWENS of New York, Mr. BAKER, Mr. HUCKABY, Mr. GREEN, Mr. LIPINSKI, Mr. YATRON, Mr. SHAW, Mr. BROWN of California, Mr. OLIN, and Mr. SCHUETTE.

H.J. Res. 254: Mr. JONTZ, Mr. LIPINSKI, Mr. LANCASTER, Mr. HERTEL, Mr. BONIOR, Mr. SMITH of Florida, Mr. MCGRATH, Mr. RAHALL, Mr. GLICKMAN, Mr. ERDREICH, and Mr. NEAL of Massachusetts.

H. Con. Res. 105: Mr. FRANK.

EXTENSIONS OF REMARKS

AMERICAN JUSTICE AND CIVIL RESPONSIBILITY

HON. ROBERT A. BORSKI
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1989

Mr. BORSKI. Mr. Speaker, I would like to share with you a speech by Dr. Joy Cherian, a Commissioner of the U.S. Equal Employment Opportunity Commission. His speech, entitled "American Justice and Civic Responsibility," was delivered on April 23, 1989 at the annual banquet sponsored by the Council of Indian Organizations of Greater Philadelphia. I am most impressed with the Commissioner's comments and would like to share his remarks so others can benefit from his wisdom:

AMERICAN JUSTICE AND CIVIC RESPONSIBILITY

Tonight, it is indeed a great honor for me to be the keynote speaker at this gathering. I am thankful to the Council of Indian Organizations in Greater Philadelphia for inviting me to speak.

Let me take this opportunity to express a few thoughts on a special topic dear to my heart—a topic which has to make an indelible impact in the minds and deeds of all inhabitants in the United States of America—and I mean *all* inhabitants—citizens and noncitizens, women and men, blacks and whites, Asians and Hispanics, Jews and Christians, Hindus and Muslims, rich and poor, democrats and republicans—all inhabitants who want justice for all Americans. That topic is the civic responsibility of all the people of the United States: for it is we the people—nothing more and nothing less—that ourselves constitute this great nation. Our successful performance of this civic responsibility can help us to preserve the democratic values of a strong government of all the people and to bring justice for all of us in this nation. To bring justice to people who fall down in the streets and parking lots of industrial cities; to bring justice to people who toil with fishing nets from our seacoasts; to bring justice to migrant workers who work in the fruit orchards and on the farm lands; to bring justice to bright students who seek admission to academic institutions; and to bring justice to people who suffer in modern professional servitude in American hospitals, scientific labs, and academic institutions, we the people must perform our civic responsibilities with high dedication and full commitment.

Someone may ask, "What are these civic responsibilities you are talking about which would bring justice for all the people?" These civic responsibilities include, but are not limited to, all the duties, services, and obligations to all fellow members of this society derived from the precious gift of citizenship conferred upon all of us either by birth or by naturalization. Those duties arising out of social needs to preserve cultural and religious values of all the people; those services emerging from economic necessities to secure financial stability through labor, professions, and businesses of all the people; and those obligations originating from political realities to protect rights and privileges guaranteed to all the people by the constitutions and laws of all jurisdictions in America make up an outline of our civic responsibilities.

It is true, many people preach but few practice what they preach with respect to civic responsibilities. Let us preach and practice our civic responsibilities with full commitment consistent with our convictions. Tonight my brothers and my sisters, I request of you one thing: let us pledge together that we will try our best to become model citizens of this blessed land on the living planet earth.

Let us become loving parents; let us become good neighbors; let us become loyal taxpayers; let us become government officials with high standards of ethics. Thus let us become responsible and dedicated model citizens.

In order to achieve this goal at least in a humble way, we have to pledge tonight that we will become part of a new movement—an invisible but invincible movement. This movement should not be a traditional organization or group to do what other groups are already doing, but it should become a common bond of civic minds of all those who have discovered a common ground for thinking and feeling the desire to bring justice through performing our responsibilities of citizenship. My friends, just demands for rights alone will not deliver true justice, but performance of responsibilities will bring true justice which will ever last in a democratic society.

To begin this movement tonight, I pledge before you that I will perform my duties without any fear or reservation. I assure you that I will try my best to uphold your reasonable expectations by performing my civic and governmental responsibilities by enforcing the fair employment laws of the United States. I am extremely proud that I am a member of the United States Equal Employment Opportunity Commission (EEOC). This Commission, whose 3,000 employees try their best through our 50 offices to bring justice to the victims of job discrimination enforce Title VII of the Civil Rights act of 1964, the Age Discrimination in Employment Act of 1967, the Equal Pay Act of 1963, and Section 501 of the Rehabilitation Act. The Commission has made remarkable progress in the 1980's under the energetic leadership of Chairman Clarence Thomas in cooperation with his fellow Commissioners and other senior officials. I am proud that I am part of a winning team in the U.S. Government which is dedicated to bringing justice in the American workplace. But I have to be honest with you, I am disappointed whenever an investigation or litigation fails to produce justice for victims of employment discrimination. However, I want to assure you that EEOC is making progress and I will be there to fight for all the rights of all protected groups under the law.

Recently, I reminded my fellow EEOC employees: "Employment at EEOC is not a job—it is a mission, a mission to uphold the expectations of 243 million Americans that their equal employment opportunity rights will be protected. I trust that every one of us everywhere within the EEOC shares this commitment to bringing justice to bear through the laws that we enforce." They know what I really meant with those words.

I am pleased that we have as President at the White House George Bush, a leader of all the people who has proclaimed his support for affimative action in appropriate situations in the American workplace. I am thankful to former President Ronald Reagan for my appointment to the EEOC; and to the U.S. Senate for their unanimous confirmation of that appointment; and to you for your fantastic support and blessing, which have made me a true "people's Commissioner" at the EEOC.

When I look back to my past 17 months at the EEOC, I am gratified that I was part of those efforts which brought justice to many American workers. Since most of you gathered here are Indian Americans, I want to focus on one area of interest to you concerning employment issues relating to national origin discrimination. Recently, somebody at the Commission told me, "Joy, your presence has already brought a new sensitivity toward foreign-born Americans to the Commission." However, my concept of national origin—which is consistent with EEOC policy—goes beyond the interest of foreign-born Americans. It affects employment interests of all Americans who are discriminated against because of their ancestry, accept, physical appearance, or last name. Since I joined the Commission, we have taken many initiatives on a number of employment cases concerning national origin. The following are some selected examples of public and private sector employees for whom the EEOC has made favorable decisions:

Setta Mittal, a postal worker who filed a national origin discrimination claim and was later discharged under suspicious circumstances;

Harushi Yoshimoto, a carpenter foreman who was taunted by his boss over Japanese involvement in World War II;

Rosalie Tung, a Wharton professor who was denied tenure;

Manuel Fragante, who was denied a job because of his Filipino accent;

Kee Y. Park, who was removed from an IRS training program because of her Korean accent;

Max K. Ozawa, who suffered harassment through an advertising campaign depicting Japanese as brutal, threatening, and fierce people;

Pioquinto Voluntad, a restaurant manager who despite an exemplary record was discharged by Marriott Corporation, even though other managers were granted transfers;

Vijay Rai, a well-qualified geologist who was denied a promotion in circumstances which suggested the presence of discrimination;

Syahrul Abidin, an Indonesian Muslim broadcaster who was denied employee privileges at the U.S. Information Agency in Washington, D.C.; and

John Duddey, an Internal Revenue Service employee who was denied a job at the U.S. Securities and Exchange Commission because of his Indian accent.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

At this point I want to make it clear that I am not taking any credit for these EEOC actions, because these actions were possible only due to the performance and responsibility of my fellow Commissioners, senior EEOC officers, and other staff members.

This progress at the EEOC is not going to keep me idle. I am going to speak out on some very significant and needed changes to the current authority of the EEOC that will enhance civil rights protections, including: getting additional authority to bring enforcement actions against state and local governments; obtaining EEOC jurisdiction over discrimination against certain self-employed persons; providing for liquidated damages for willfull violations under Title VII; extending limited EEOC jurisdiction to international organizations and foreign government entities whose employment-related discriminatory activities within the United States go beyond their traditional role under the rights and privileges granted by international treaties; and developing Memoranda of Understanding with the Departments of Education and Health and Human Services on employment discrimination to protect rights of university professors and medical professionals, respectively. My friends, this list will soon grow longer because I am committed to making progress and I have only limited time at the EEOC (only 4½ years more). I want to accomplish many things in the civil rights area affecting job opportunities. I need your blessing and support. Together we will definitely bring justice to the American workplace—which is still the only place in the world where descendants of former slaves can become masters of their own destiny toward the future of the nation. But still we have to go a long way. Never give up. The dawn of hope of a bright tomorrow is approaching. Let us work together; let us respect each other; let us recognize each other. Finally, we will become partners of a new future in America.

May God bless all of us and our beloved country, the United States of America. Thank you, my friends.

TRIBUTE TO JOHN "JACK" WHITNEY

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1989

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to an outstanding member of the community, Mr. John B. "Jack" Whitney, in recognition and sincere appreciation of his dedicated efforts toward the betterment of the city of Burbank. Jack is retiring after 20 years as city treasurer and over 30 years of public service.

Jack Whitney has a longstanding commitment to serving the city of Burbank and has been one of the most involved, dedicated, and effective city leaders. His accomplishments are boundless and his career includes a full spectrum of triumphs in the many associations and programs designed to better the city of Burbank. Jack's hard work and high professional standards have had a lasting impact on the fiscal direction of Burbank in revenue and taxation matters, finance administration, improved earnings on municipal investments and economy and efficiency in government.

John B. "Jack" Whitney has been a resident of Burbank for over 38 years and has served the city for over 12 years as an elective and appointive official. He was on the city planning board from 1957 to 1961 and was elected to the city council in 1961. He was elected twice as mayor in 1963–64 and in 1968–69 and in November 1969 Jack Whitney was appointed city treasurer. In addition to city treasurer, Jack was responsible for the safekeeping, disbursement and investment of project funds as treasurer of the Burbank Redevelopment Agency. He has also served as treasurer of the Burbank-Glendale-Pasadena Airport Authority, now a public agency with an important investment portfolio.

Throughout his career, Jack has always shown a willingness to give freely of his valuable time. He is past president of the Finance Officers Department of the League of California Cities, California Municipal Treasurers Association, representing city treasurers throughout the entire State of California, and municipal Treasurers Association of the United States and Canada. He was chair of the Burbank March of Dimes and the United Crusade as a part of the YMCA Building Drive and actively participated in many other community organizations. Jack is also the recipient of several impressive honors in recognition of outstanding civic and charitable service.

John B. "Jack" Whitney and his wife Mable have one son, John, and three grandsons, Christopher, Craig, and Michael, of whom they are very proud.

It is my honor and pleasure to ask my colleagues to join me in saluting Mr. John B. "Jack" Whitney, a lifetime leader of the city of Burbank and a truly dedicated citizen.

TRIBUTE TO GRANT LOOKER

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1989

Mr. COELHO. Mr. Speaker, I would like to bring to your attention, by way of the following story that appeared in the Santa Barbara News Press, a young man of great talent and courage, who was recently chosen as the "South Coast Special Olympics Athlete of the Year."

Grant Looker and I have something in common, as we are 2 of the 43 million Americans who have a disability. Grant's enthusiasm and determination is an inspiration to me and to all other individuals who strive to be the very best that they can be. The Special Olympics Program is one way in which people with disabilities can compete and affirm their unique capabilities. Special Olympics offers year-round sports training and competition in more than 25,000 communities, representing 97 percent of the counties in the United States alone, and in over 70 nations around the world. Since 1968, the program has reached more than 1 million athletes worldwide.

I ask that my colleagues join me in congratulating Grant Looker on his special honor, his undying enthusiasm, and his abilities as an athlete and a role model. I would also ask that you join me in commending Special Olympics International for giving individuals, like Grant, the opportunity to achieve great things.

A FAMILIAR FACE IS BACK TO LEAD SPECIAL OLYMPICS

(By Mark Patton)

The South Coast Special Olympics was sadly missing one of its brightest smiles at last year's Area Meet.

Grant Looker had been a familiar, happy face around the Special Olympic locker-room ever since the event first came to Santa Barbara in 1970. Major back surgery, however, knocked him out of last year's lineup.

But Grant and his famous smile are back, as brilliant as ever.

Looker, this year's Athlete of the Year, will light the torch at 9 a.m. Saturday when the Special Olympics opens its 20th anniversary Area Meet.

The event will be held at UCSB's Pauley Track.

"It was very hard on him last year," recalled Bill Fernberg, his coach at the Alpha Training Center. "He had to wear a big cast. He really wanted to get out of it because he couldn't do much.

"It was just amazing how quickly he sprung back from it. He was playing softball again in a couple of tournaments just months after having a disc repaired. He came down with us to the state championships in September and led us to second place in our division."

Looker, a hard-hitting third baseman, was happy with the medal—but even happier to just be back out there.

"It took awhile for me to recover, and I was anxious," he admitted. "I really like softball. It's a team sport, and I get to play with my buddies."

Fernberg says he's in great shape: "He runs well and he's strong."

Looker lives in Goleta with his parents, Warren and Vera Looker, and is a student at Alpha. He also works part-time with the training center's maintenance crew.

"I ride my bike here everyday," he said. "I especially like working here—and playing for the team."

He plans to compete Saturday in the 50 meters, the relay and—of course—the softball throw. Fernberg said Looker is a natural.

"Just back from his surgery, he was the batting champion at the World Series we held here in September," he noted. "He has an excellent arm and he's a great hitter. He's more of a long ball hitter—he hits triples and home runs even more often than singles."

Looker is also a leader at the training center.

"He was the captain of one of our teams at the school," Fernberg observed. "A lot of the players look up to him because of his ability, but also because he's always in good spirits.

"Grant is always good for morale."

Looker will be looking for another medal when he leads Alpha's sluggers back to the State Special Olympic Games on June 23-25. But you can count on his winning smile, win or lose.

"He's in it more for the fun of it," Fernberg said. "He wants to do well, but for him it's not a 'you-have-to-win' situation."

Looker was honored at a banquet on Jan. 18 following his selection.

"I was so excited," he said. "There were a lot of people there, and Anita (Ho) gave me

a medal. I met Terry Schroeder there. He was in the Olympics. He's into water polo."

Looker was chosen from 600 athletes who will compete Saturday and Sunday in the 20th annual meet.

"They like to pick someone who has dedication, ability and desire," Fernberg said, "and Grant fits all the criteria."

The smile is just a big bonus.

(Special Olympics notes: Volunteers are needed to help work at Saturday's Special Olympics Area Meet. Those interested should call 584-5421 daytime or 964-9804 evenings and ask for Joan Lake . . . In celebration of the 20th anniversary, each athlete will receive a commemorative Special Olympic medallion, ribbon and T-shirt. The meet is also being expanded to Sunday for the learn sports (basketball, soccer, volleyball and rowing—plus gymnastics . . . Special Olympic bowling is scheduled for May 21 at the Orchid Bowl.)

SOVIET ELECTIONS

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1989

Mr. FASCELL. Mr. Speaker, the recent elections in the Soviet Union marked a significant departure from past practices in that country. For the first time in memory, politics as we understand it in the West is beginning to emerge. There is now developing a nascent political spectrum. Dissent is beginning to be tolerated. Open public disagreement with General Secretary Gorbachev does not mean jail, banishment to Siberia or worse.

Perhaps the case that most vividly illustrates the depth of change that is occurring in the Soviet Union is that of Boris Yeltsin. Mr. Yeltsin last year was dismissed from the Politburo for criticizing Mr. Gorbachev for going too slowly in his reforms. In the recent election, voters in Moscow elected Mr. Yeltsin to the Congress of Deputies with an 89.4-percent majority. Now Mr. Gorbachev has a critic on his left, in addition to those conservatives to his right who are not fond of his reforms. This allows the General Secretary to position himself in the center of the political spectrum.

Recently an article on the election, written by Dr. Olin Robison, president of Middleburg College and a respected expert on Soviet affairs, was published in the New York Times. Dr. Robison has been closely involved with United States-Soviet relations for nearly 20 years. He helped establish important United States-Soviet exchange programs in the early 1970's and most recently has founded a consortium of New England colleges which has undertaken an extensive undergraduate student exchange program that has proven to be an outstanding success. A few years ago, Dr. Robison quietly negotiated the release of the Pentecostal dissidents who had taken refuge in the basement of the American Embassy. He travels to Moscow frequently and is a close observer of the Soviet scene. I believe our colleagues will find Dr. Robison's views of interest:

YELTSIN DOES AN OLD FRIEND A FAVOR

(By Olin Robison)

MIDDLEBURY, VT.—Mikhail Gorbachev's luck continues to hold. With his erstwhile friend Boris Yeltsin winning a seat in the Congress of Deputies, he now has a valuable new weapon in his fight for reform: a critic on his left.

Mr. Yeltsin will represent Moscow, but there will be 2,300 members in the new congress. Why so much attention to a man who has now won one seat, albeit with a resounding 89.4 percent of the vote?

Mr. Yeltsin, until recently the powerful head of the Moscow Communist Party, was a longtime friend and crony of Mr. Gorbachev. Early last year, Mr. Yeltsin was expelled from the Politburo, the Soviet Union's most important governing body, because he criticized Mr. Gorbachev for going too slowly in his much publicized reforms.

Mr. Gorbachev, of course, has good reason to fear the right wing of his own Communist Party. They think he is going too fast on reform. And so to prove that he would not tolerate insubordination from his left, Mr. Gorbachev fired Mr. Yeltsin.

Twenty or 30 years ago, nobody would ever again have heard of Mr. Yeltsin. But these are leaner times for the Gulag. Not only was he not sent into Siberian exile, he was made deputy head of an important ministry and many of his special privileges were left intact.

Last June, Mr. Gorbachev convened a party conference, the first in 43 years, where he announced that, first, there was to be a real parliament and, second, that many of the seats could be contested. Re-enter Mr. Yeltsin. If he could no longer be one of Mr. Gorbachev's right-hand men, then he would get himself elected to represent Moscow.

His election is full of irony. He is, in fact, an old-line party regular who got to the top by the usual system of patronage and backscratching. He even looks and sounds a bit like an old-fashioned Western politician, campaigning against the very system he helped to build.

So far, Mr. Gorbachev has found himself preaching the gospel of change to an entrenched and privileged party, a skeptical military, an almost autonomous secret police establishment and a lethargic and bloated bureaucracy. These are the people who, in many ways, actually run the Soviet Union. In addition, change is made more difficult by a deeply conservative and cautious population.

The Yeltsin election is not likely to have any immediate or demonstrable effect on Mr. Gorbachev's plans, programs or policies—or their reception by his skeptical conservative critics. But Mr. Yeltsin will make it possible for Mr. Gorbachev to look cautious while pressing for more progressive reforms. Thus, it is in Mr. Gorbachev's best interests not to squelch or even restrain Mr. Yeltsin.

Mr. Yeltsin will render a great service to his old friend if he creates the illusion of public debate in which Mr. Gorbachev takes the middle ground. Illusions sometimes become real. Every time Mr. Gorbachev disavows Mr. Yeltsin, he gains credibility with less progressive elements in the party. It makes his walking of the tightrope a little easier.

Early election reports suggest that, in every instance where a maverick opposed a party regular, the maverick won. How many are needed before they are genuinely heard? If Mr. Gorbachev really wants democratization, he should hope their numbers increase.

The concept of a political spectrum in which there is a middle ground is a new idea in the Soviet system. But that is where Mr. Gorbachev needs to be. If he can press his reforms as a centrist, as the arbiter of conflicting ideas, then his prospects are much brighter.

And, thus, in one of the strangest twists in modern Soviet politics, Mikhail Gorbachev is being helped by a man he fired, who was his friend and who is now the Soviet Union's No. 1 maverick. Just plain lucky, one supposes. Or, as the baseball executive, Branch Rickey, once said, luck is the residue of design.

SENIOR CITIZENS DAY

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1989

Mr. TRAFICANT. Mr. Speaker, it is a pleasure for me to join today with my colleagues in recognizing Tuesday, May 16, 1989, as Senior Citizens Day. Senior Citizens Day will be celebrated by the people in my 17th District of Ohio at the Multipurpose Senior Center in Youngstown, OH.

This year's theme is "Caring and Sharing—Generations in Action." Ladies and gentlemen, I can think of no better words to adequately describe the vital role that senior citizens play in the community. They care enough to give so generously of their time to ensure that the quality of life in our communities remains the same. Also, by sharing their insight, wisdom, and knowledge, they guide and lead our country carefuly into the future.

Mr. Speaker, please join me in saluting the senior citizens of this country as they celebrate Senior Citizens Day on May 16, 1989. I thank them for their contribution to our communities, our States, and our Nation. And, I would also at this time, like to wish them a most joyous, well deserved celebration.

THE BUSH CABINET, THE PLATONIC IDEAL, AND FAINTING GOATS

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1989

Mr. WILSON. Mr. Speaker, the following is an article that appeared in the May 1 addition of Roll Call, entitled "The Bush Cabinet, the Platonic Ideal, and Fainting Goats" by Eugene McCarthy. I would like to share the text of the article with my colleagues, as I believe the authors makes some very interesting points:

THE BUSH CABINET, THE PLATONIC IDEAL, AND FAINTING GOATS

(By Eugene McCarthy)

The observation of the Duke in "Measure for Measure" that there is "so great a fever on goodness that the disssolution of it must cure it" has become more and more applicable to the procedures for clearing nominees for official positions in the Bush administration.

If we were more foresighted, we could introduce a training and testing program for prospective federal appointees in the

manner recommended by Plato for the guardians of his ideal state, persons who had been watched from their youth, made to perform actions which they most likely to forget or be deceived by. Those who remembered were to be selected. They were also to be tested in toils and pains and finally by enchantments.

But lacking such training methods, we have developed modern techniques to purify officials in particular decisions, at least temporarily, or protect the nation from their corruption.

The critical standard is that of financial interests, either in the past or potentially for the future. The controlling scripture is that "Money is the root of all evil," a tenet popularized by John Gardner and Common Cause in promoting the program for federal financing of national elections.

Meanwhile, the temptations traditionally considered to be more dangerous and corrupting—the desire for power, and pride (for politicians usually manifest in a concern over what history might say about them)—are discounted if not wholly ignored.

We have developed three protective devices: The blind trust, the special prosecutor (the underlying concern is that of the integrity of the Attorney General of the United States, who is bound by law and oath to defend the Constitution and faithfully execute its laws), and "recusing" (this practice, traditionally limited and accepted in judicial procedures, has subtly spread to both the legislative and executive branch).

A number of Cabinet members and lesser officials have promised or indicated that they will not act in major areas of the responsibilities of their office. Who will act in their place—during "Recusement"—has not been indicated.

The champion "recuser" would have been former Sen. John Tower (R-Texas), who, had he won confirmation, had pledged to take himself out of participation in procurement proposals on about half of the prospective weapons systems—systems produced by companies he once represented.

The only significant question asked during the hearings on the nomination of his replacement, Rep. Dick Cheney (R-WYO), was one asked by Sen. John Warner (R-VA). He wanted to know about Cheney's draft deferral during the Vietnam War.

Cheney replied, "I would have been happy to serve if called." His record shows that from Jan. 24, 1962, to Jan. 19, 1966, Cheney five times sought deferments, and received three, of different types.

The new Secretary of Defense obviously will not have to face problems of conflict of interest involving militay decisions since he comes to office without such associations and involvements—though perhaps he will have to shun decisions involving man- and woman-power procurement.

Along the way to his confirmation as Assistant Secretary of State, Lawrence Eagleburger, because of possible confusion of his interests in government with his previous interests out of government—especially as a member of the Henry Kissinger foreign counseling organization, which had worldwide interests—was reported as intending to rescue himself in any case involving countries, possibly continents, in which he had had an interest.

Drug Czar William Bennett has taken the cure for his nicotine habit. If the cure does not take, he may have to rescue himself from any decision involving smoking, cigars, pipes, cigarettes, chewing tobacco, or the use of snuff.

TRIBUTE TO SHANNON A. BYRNE, CONNECTICUT WINNER, VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1989

Mrs. JOHNSON of Connecticut. Mr. Speaker, it is rare that I am so moved by a piece of writing that crosses my desk as to share it with my colleagues on the floor of the House of Representatives. The following script, written by 17-year-old Shannon A. Byrne, winner of the VFW Voice of Democracy Scholarship Program for Connecticut, is such a treasure. I share this piece with you, because Shannon reminds us so eloquently of the great responsibility we hold here as trustees of American democracy. And so, as we wrestle with the grave problems facing our Nation—the deficit, homelessness, drug abuse—let us step back a moment and let Shannon's words inspire us.

PREPARING FOR AMERICA'S FUTURE

More than two hundred years ago the forefathers of this nation promulgated a document that would impart a heritage of principles and ideals not only for their generation, but for generations yet to be born. They wrote of honorable and decent values—the love of country, the necessity of unit, the role of each citizen in the destiny of American history, the essential dignity and integrity of the human being. These men left a legacy of courage and greatness for future Americans to inherit and emulate. Yet somewhere in this often complex and unjust world, many of the ideals that our forefathers gave up their lives to attain, have become obscured. Unfortunately, the noble acts of mankind often escape our gaze, while the worst often dominates our attention. We have become a society more concerned with materialism and power than morality, a society that is willing to build its future on the shattered dreams of others, a society content with the present. The future of this nation must be invested in idealism and hope, in those who realize that the best America has yet to be achieved. Surely our future greatness as a nation, and as a people, should not be measured by the quantity of our possessions, but rather by the quality of our people. By recommitting ourselves to the values of our heritage, we shall all be ennobled and enriched.

With the privilege of being born a citizen of the United States comes the responsibility to cherish the laws and philosophies of our country. It is also our responsibility, as citizens and as compassionate human beings, to help those less fortunate than we. We must always strive for excellence in technology, space and medicine, but unless our country is united in the eternal quest for the betterment of all mankind, we will never achieve true greatness. In attempting to minimize the number of starving children, the number of people without homes or hope, the amount of prejudice among fellow citizens or injustice and cruelty, we will discover the very principles that make life worthwhile. Society shall be improved by such acts, for people, whether they be rich or poor, black or white, young or old, are still America's greatest asset. We must not ignore the plight of those who need our assistance. Rather we must take care of today's problems in order to achieve a better tomorrow.

In order to rekindle the principles of excellence in the American spirit, we must direct our energies toward patriotism, family and education. Patriotism inspires the individual to become an active and concerned citizen. The family provides the essential foundation of ideals, values and morals required for a productive and meaningful citizenship. Education enhances one's ability to become a knowledgeable and informed citizen. The successful future of this country depends on the aggressive nurturing of these goals.

Many individuals deny themselves their rightful place in the history of this nation, simply because they believe one person cannot make a difference in this world. Senator Robert F. Kennedy once declared, "Few of us will ever have the courage or the greatness to bend history itself, but each of us can work to change a small portion of events." It was one man named Martin Luther King who inspired a nation, and one man named John Quincy Adams who willingly destroyed his own political career for the well-being of his beloved country. However, one must remember that he need not be a Martin Luther King or a John Quincy Adams to shape the destiny of this country.

Each one of us contributes to society in his own right, whether that be as a lawyer, a teacher, a mother, a friend or a fellow citizen. Each time a man strikes back against injustice, each time he helps one less fortunate than he, each time he enriches another life by a smile or a laugh, he is helping to perpetuate the principles of this nation.

Perhaps the unheralded heroes of this country are those who live the quiet heroics of everyday life, those people who live simply, pay their taxes, vote in elections and are concerned with the issues facing this society. Those citizens who choose not to actively participate in the problems and concerns of our country are denying themselves their rightful place in the molding of this nation's destiny. Sir Francis Bacon was correct when he stated that "Men must know that in this theatre of man's life, it is reserved only for God and the angels to be lookers on." This is the true essence of democracy.

The future of this nation does not belong to those who are content with the present. Rather it belongs to those who possess the greatness to envision a world of love instead of hatred, peace instead of war, understanding instead of ignorance. Like the brave knight Don Quijote we must all search for the unattainable ideal, for in this quest we shall discover a new and better world. President John F. Kennedy once declared that "the torch has been passed to a new generation of Americans." Yet in order for the flame of the torch to keep burning, we must invest the future of this nation in idealism, in hope and in the dignity of the human being. Then like the forefathers of the past, we will become the forefathers of the future, and in the process earn our rightful place in the continuing history of our country.

AMENDMENT TO H.R. 7

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1989

Mrs. ROUKEMA. Mr. Speaker, then the House takes up consideration on the floor of H.R. 7, the reauthorization of the Carl D. Perkins Vocational Education Act, I will be offering an amendment which will extend the "hold harmless" provisions of title II, section 201(c) of H.R. 7, as reported out of the Education and Labor Committee.

My amendment proposes an extension of the hold harmless period from 2 years to 4 years with a rolling 85 percent allocation to those areas of the country that will sustain large decreases in Federal funds under the new formula. In the first year of my hold harmless proposal, no local education agency would receive less than 85 percent of the average annual allocation it received over the past 3 years. In the second, third, and fourth years, no local education agency would receive less than 85 percent of the amount allocated to it in the preceding fiscal year. After the fourth year, the new formula would be in full effect.

In addition, my amendment has a 4 year 150 percent "stop-gain" provision to place a cap on the increase that any local education agency will realize under the new formula.

I believe adoption of this amendment is necessary in order to mitigate the impact that the new allocation formula could have on many of our congressional districts. The fact is that no reliable figures are available to reflect the cuts, or increases, our districts could face. It is important that we pass legislation which contains real safeguards against drastic changes in the allocation offers those safeguards while allowing the new formula to be in effect for 1 full year before reauthorization comes up again in 1995. I believe this is the prudent approach to adopt when implementing such a fundamental change to the formula used to allocate Federal funds to the States.

AMENDMENT TO H.R. 7, AS REPORTED, OFFERED BY MRS. ROUKEMA OF NEW JERSEY

Strike line 6 on page 61 and all that follows through line 9 on page 62 and insert the following:

"(c) LIMITATION. —

"(1)(A) In the first fiscal year in which amounts are allocated under this section, no local educational agency or eligible institution shall be be alloted under this section an amount equal to less than 85 percent of the average of its allocation percentage for each of the 3 fiscal years proceeding the fiscal year for which the allocation is made.

"(B) In the second fiscal year in which amounts are allocated under this section and for each of the 2 succeeding fiscal years, no local educational agency or eligible institution shall be be allocated under this section an amount equal to less than 85 percent of its allocation percentage for the fiscal year preceding the fiscal year for which the allocation is made.

"(C) If the amount received by the State for any fiscal year is not sufficient to provide to each local educational agency and eligible institution within the State an amount equal to the amount described in subparagraph (A) or (B), as appropriate, the amounts allocated to each such agency and institution shall be ratably reduced.

"(2) In each of the first 4 fiscal years in which amounts are allocated under this section, no local educational agency or eligible institution shall be allocated under this section an amount equal to more than 150 percent of its allocation percentage for the preceding fiscal year.

"(3) For purposes of this subsection, the term 'allocation percentage' means the percentage which a local education agency or eligible institution received of the total amount allocated pursuant to this section or allotted under the Carl D. Perkins Vocational Education Act, as in effect on the day before the date of the enactment of the Applied Technology Education Amendments of 1989, to all agencies and institutions within the State.

CHINESE NURSE EXCHANGE

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1989

Mr. ACKERMAN. Mr. Speaker, I rise to pay tribute to a group of health care institutions in New York which has taken a bold, innovative step to meet the enormous challenge we face today in providing proper health care to all of our citizens.

Booth Memorial Medical Center, the Parker Jewish Geriatric Institute at Long Island Jewish Medical Center, and the Adelphi University's School of Nursing have developed an extraordinary cooperative program with the People's Republic of China that will see the arrival of eight mature and qualified nurses in the United States on May 9. These nurses come to our country from China to pursue advanced nursing studies at Adelphi University and to perform clinical activities at both Booth Memorial and the Parker Institute.

As a Member who has recently introduced important legislation in this area—the Emergency Nurse Shortage Relief Act—and, as a member of the Foreign Affairs Committee, I declare my strong support for the goals of this project. This creative undertaking will permit the sharing of our medical expertise with these nurses who will return to their homes in Beijing and Shanghai. At the same time, our nurses and the teachers at Adelphi University will gain a better understanding of Chinese medicine. During the course of this exchange, we may be certain that better relationships culturally and at the personal level with China will develop. Another important feature of this program is the assistance the Chinese nurses will provide in easing our current nursing shortage.

On May 15, many of the civic and professional leaders of New York City will gather at the Crystal Gardens in Flushing, Queens, to welcome officially the nurses from China.

Mr. Speaker, I would like to take this moment to ask all of my distinguished colleagues in the U.S. House of Representatives to join me now in commending Booth Memorial Medical Center and the executive director, Lt. Col. Thomas Adams; the Parker Jewish Geriatric Institute and the director of human resources, Mr. Irwin Plotkin; the Adelphi University's School of Nursing and Dean Jacqueline Hott; and the eight nurses from China,—LiJun Chou, Xiachui Jin, Yan-Ling Zhang, JunPing Zhao, Ya-jing Zhou, Qiang Li, Lei Xiao, and Jing-yi Yu—for their participation in what I understand to be the first program of its kind in our Nation.

TRIBUTE TO THE SAN FERNANDO VALLEY INTERFAITH COUNCIL

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1989

Mr. BERMAN. Mr. Speaker, it is a pleasure to ask my colleagues to join me in paying tribute to a fine organization in my community, the San Fernando Valley Interfaith Council. On May 25, the council will hold a gala celebration in recognition of 25 years of outstanding community service.

The San Fernando Valley Interfaith Council [VIC] is a nonprofit organization with a longstanding commitment to facilitating and improving the quality of life for the economically disadvantaged and often neglected members of the community.

Through organization, determination, and community support, VIC has been able to provide vital services to the truly needy members of the community. AIDS victims, senior citizens, the homeless and hungry have benefited significantly by the innovative programs, support groups, and constant outreach selflessly given by the entire VIC organization.

With over 400 participating members from over 250 congregations, the Valley Interfaith Council is an advocate for many whose lives are in crisis. Over the past 25 years the VIC's most notable accomplishments include receipt of the first contract from the city of Los Angeles to develop a senior multipurpose center in the San Fernando Valley, the establishment of a day care center for Alzheimer's and dementia sufferers and the development of support groups for caregivers and community education on Alzheimer's disease.

The VIC purchased and renovated a motel which became the Valley Shelter, the first shelter of its kind, which offers shelter to families and to single persons and includes mental health, medical, and job counseling, as well as a daily food program. In addition, their program to prevent premature institutionalization of the very frail elderly and the city of Los Angeles long term care ombudsman program benefit many older members of the community. In an ongoing program, the council is coordinating eight food pantries providing emergency food for over 200,000 persons annually.

In the past 25 years, thousands of men, women, and children of all ages have been emotionally, physically, and spiritually enriched by the efforts of the Valley Interfaith Council. I am proud to salute the San Fernando Valley Interfaith Council whose humanitarian mission is an inspiration to all of us dedicated to helping victims of poverty.

A TRIBUTE TO B.F. BERNIE SISK

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1989

Mr. COELHO. Mr. Speaker, on Friday, May 12, in Fresno, CA, the friends and family of former Congressman B.F. (Bernie) Sisk, will gather to pay tribute to him for his many years of service in the U.S. House of Representatives.

For those of you who had the opportunity to serve with Mr. Sisk, you can appreciate how appropriate and well-deserved this tribute is. I, as his successor in the House, find special meaning in this type of recognition, not only because I now have the privilege of representing his beloved district, but because I served on his staff for 13 years prior to his retirement. Bernie Sisk has been many things to many people—an astute legislator, a strong leader, an effective representative, and a faithful friend.

Bernie Sisk was born in Montague, TX, in 1910, where he attended school and assisted his father in the operation of a cotton farm until 1937. At the age of 26, with his wife Reta, Mr. Sisk joined the Dust Bowl migration to California, and began his new life in the San Joaquin Valley. Over the next 18 years, Bernie was employed in a food processing plant, served as a civilian flight dispatcher, and worked as a salesman for the General Tire & Rubber Co. Contacts with customers during this period brought Mr. Sisk's attention to the unmet water needs of farmers on the San Joaquin Valley's west side. At the same time, Fresno Democrats were recruiting a challenger for Republican Congressman Oakley Hunter. In his maiden campaign, at the age of 54, Fresno voters sent Bernie Sisk to Washington.

Mr. Sisk describes himself as "probably the most naive person who ever went to Congress". He was a quick study of the legislative process, however, and, convinced that the San Joaquin Valley's west side faced economic ruin without a supplemental water supply, the Central Valley project was born. Together with his colleagues Harold Johnson of Roseville and John McFall of Manteca, the project eventually developed into a $3.7 billion water system that continues to serve California's 400-mile-long Central Valley. So significant was this project that it serves as an example of how much of the history of California can be told through the history of its water development.

In 1961, Mr. Sisk was appointed to the Rules Committee, and faced his weightiest assignment with his floor management of the Legislative Reorganization Act of 1970, a massive modernization and democratization of congressional procedures. The result of these reform efforts were significant: Congressional participation in the budget process; televised proceedings, including Watergate; a stronger General Accounting Office; electronic voting; relaxation of the seniority system; and a host of parliamentary moves designed to make the House run more openly and efficiently. Appointed to the Agriculture Committee in 1969, as the only California Democrat serving on that panel, he became chairman of the Cotton Subcommittee, and helped heal the long-standing rift between southern and western producers. A proponent of production inducements rather than direct farm subsidies, he backed legislation to aid the dairy, wine, sugar, fig, and raisin industries.

In 1965 Bernie Sisk offered me a position in his Washington office. He taught me the value of public service. But more importantly, he believed in me at a time when I was searching for my own identity and learning to deal with my epilepsy. Over the next 13 years, he became my mentor, my friend, and a second father to my wife Phyllis and me. When he decided to retire in 1978, he encouraged me to run for his seat.

Bernie Sisk is a special man. He has left a great legacy in the House, and is respected and admired for his tireless work on behalf of his district. I ask my colleagues to join his family and friends, in honoring Mr. Sisk for his extraordinary dedication and service to his country, his community, and his family.

THE ALASKAN OILSPILL AND SOUTH FLORIDA'S CONCERN FOR ITS OWN SAFETY

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1989

Mr. FASCELL. Mr. Speaker, I rise today to comment further concerning the recent oilspill in Alaska. The debate on our Nation's oil exploration policy and programs will surely be influenced by this incident, and these discussions will more than likely become heated and intense at times. The statistics, data and documentation which were brought to our attention will serve a useful purpose, but let us not forget another important influence in the decisionmaking process, humor. I would like to call to our colleagues' attention an article by Carl Hiaasen which appeared in the April 24 edition of the Miami Herald. While Mr. Hiassen's use of satire in his article is amusing, based on recent events, the fictionalized chronology of a south Florida oilspill is no laughing matter. While those of us in the Florida congressional delegation realize the importance of domestic energy sources, we strongly believe that we can no longer afford to recklessly endanger our Nation's precious natural treasures.

[From the Miami Herald, Apr. 24, 1989]

SPILL WOULD DEVASTATE SOUTH FLORIDA

(By Carl Hiassen)

This is how it might happen: Midnight, tricky seas, hazy visibility. Maybe the captain is sleeping off a Nyquil. Maybe the second or third mate is at the wheel, or maybe the helm is on autopilot.

The tanker Exxon Oops, on its way to Port Everglades from a well field off the Dry Tortugas, slams into the John Pennekamp coral reef at 12 knots. The coral rips holes in eight of the tanker's 15 holds. Oil floods out with such astonishing force that it shoots from the water in an inky, acrid geyser.

The tides and a strong wind become conspirators in the disaster. By dawn, when the first three-man cleanup crew arrives, the shores of North Key Largo are turning black. By midmorning, other boats arrive with booms and skimmers, but the rocky shoals and shallow flats make it impossible to pursue and encircle the heart of the slick.

The reef—the only living reef in North America—is the first thing to die; drowned, literally, in the unstoppable torrent of oil. More than one million barrels bleed from the gashes in the crippled ship. There is no way to stop it, nothing to do but wait.

The pelagic fishes flee quickly, but many of the bottom dwellers—snappers, groupers, angelfish—linger and become disoriented. The gunk coats the coral heads, clings like black gum to the turtle grass. The plankton and the minnows that feed on them are doomed. The larvae of shrimp and game fish begin to perish immediately.

On shore, the first casualties are the sea birds. Cormorants, flightless and half blind; gulls, egrets and wild ducks. Dozens of volunteers wade the flats in a desperate rescue mission, but most of the birds will not make it. Tar nestles deep, irretrievable, in the mangroves.

A charter boat from the Ocean Reef Club discovers a mother dolphin and her new baby coated in oil and thrashing near the surface off Cesar Creek. A North American crocodile, one of the last of its species, is found dying in a cove north of the Carysfort marina.

By early afternon, 12 hours after the accident, Exxon has established a command center at the Pennekamp park. Company spokesmen attribute the chaotic cleanup efforts to lack of manpower, unfamiliarity with the local waters and bureaucratic haggling between federal and local authorities.

At the White House, President Bush, an avid angler and frequent visitor to the area, voices "consternation over possible environmental damage to South Florida." He expresses confidence that Exxon will act quickly to avoid the mistakes made in the Alaskan oil spill.

On the second day, maybe the wind shifts hard to the north and the slicks drift down toward the Keys. Barriers are hastily strung across some of the main channels—Tavernier Creek, Rock Harbor, Lignum Vitae—but it's not enough. Coast Guard helicopters photograph the first large amoebic glops entering the backcountry of Florida Bay. Exxon officials assert that Everglades National Park remains safe, providing that current conditions hold.

Or maybe the wind swings the other way, and a high spring tide lifts the 987-foot tanker off the reef. Cutters swiftly tow the ship offshore, but it continues to leak millions of gallons. The oil is captured by the Gulf Stream, which sweeps it north in vast, swift-moving clots.

Five days after the spill, a Swedish tourist looks out the window of his room at the Fontainbleau Hilton and notices that the beach is the wrong color. Bulldozers, hired by the city of Miami Beach, frantically plow the black glop, but it's too late. The hotels empty.

Up the coast, a dead manatee lies belly-up on Dania Beach. Biologists say it literally gagged to death. All three major networks get grisly footage for the nightly news.

Six weeks later, Exxon declares that the spill is "under control." Tourism in South Florida is down 87 percent. Joe's Stone Crab closes indefinitely until its boats can find some actual live stone crabs. The last bald eagle in Everglades National Park dies after swallowing an oil-encrusted mullet.

In Washington, the White House announces that President Bush's next fishing vacation will take him to New Zealand.

TRIBUTE TO JOYCE PATTERSON

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1989

Mr. TRAFICANT. Mr. Speaker, I would like to take this time to bring to the attention of my colleagues the accomplishments and contributions of an outstanding woman in my 17th District of Ohio, Mrs. Joyce Patterson.

After 27 years of teaching, Joyce will be retiring this year. She has dedicated her life to the education of our children and her contributions will always be remembered. She began her teaching career in Fostoria, OH, where she taught third grade. She then moved on to teach the fifth and sixth grade split at the old Tod School. In 1965, she came to Williamson, and has been there for the past 24 years. She is also a member of the Youngstown Education Association, the Ohio Education Association, and the National Education Association.

In addition to teaching, Joyce is very involved with the Poland Methodist Church and its choir. She is married to Jim Patterson. They have two daughters, Jill and Judy, both of whom are also teachers.

Mr. Speaker, I would like to first thank Joyce Patterson for her patience and dedication to the children and future leaders of our community and our Nation. Second, and most importantly, I would like to wish Joyce Patterson continued success and happiness in all future endeavors.

FOURTH ANNUAL SALUTE TO PASSAIC SEMI-PRO BASEBALL STARS

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1989

Mr. ROE. Mr. Speaker, there is nothing so truly American as the game of baseball. Like the spring itself, it returns every April and blossoms in a renewal of its affirmation as the true national pastime.

In my Eighth Congressional District of New Jersey we have been, indeed, fortunate to have a rich baseball tradition down through the decades, a tradition that has been carried forth by the high level of competition in the Passaic County Semi-Pro League. On Friday, May 12, 1989, that tradition will be celebrated with the Fourth Annual Salute to Passaic Semi-Pro Baseball at the Athenia Veterans Hall in Clifton, NJ.

Mr. Speaker, this year's event is truly special because it will honor five great men whose contributions made their era a golden one for the Passaic Semi-Pro League. The honored group this year includes Pete Karl, Hon. Nicholas Martini, Bob Curley, the late Hon. Benjamin F. Turner and the late Art McMahon. I know that, as in past years, this dinner will be a great success, which will be a great tribute to the dedicated dinner committee, comprised of Ted Lublanecki, Charles Lajeskie, Ben Lublanecki, Jean Lublanecki, Mike Ivanish and Ted Lublanecki, Jr.

Mr. Speaker, for the benefit of you and our colleagues, I would like to note some of the great accomplishments of these outstanding individuals:

Pete Karl, for a half century, was widely known as an outstanding umpire and football referee in Passaic County, working high school, college, semi-pro and major league exhibition games. By trade he was a letter carrier in the city of Passaic for 36 years, during which time he became one of the city's best known and most popular figures.

His love of athletics led Pete Karl to be involved in sports in almost every way. He is past president of the New Jersey State Umpires Association and of the Passaic Umpires Baseball Association. Pete is also an honorary member of the Collegiate and New Jersey High Schools Baseball and Football Associations. His many great contributions to sports in the northern New Jersey area gained him induction into the Bergen County Baseball Umpires Hall of Fame in 1976.

Nicholas Martini gained fame as a gifted attorney and a visionary leader who served two decades as a Passaic City commissioner, as mayor of Passaic, as a Passaic County Freeholder, and, for 18 years, as Passaic County counsel. During the many years of an outstanding law pratice, Nicholas Martini has received numerous awards and citations for his many local, State, National, and worldwide activities, including his efforts on behalf of the U.S. War Financing Program during World War II.

Among his myriad of accomplishments and activities, Nicholas Martini has always been a vigorous supporter of and contributor to sports and semipro baseball in Passaic. His unceasing community efforts have earned him numerous awards and plaudits, including honors from the Passaic Area Chamber of Commerce in 1980 for outstanding services and sustaining leadership in community and business development of the Passaic area; the "Man of the Year" award from UNICO in 1980, and an award from the Knights of Columbus in 1981, recognizing his many civic achievements.

Bob Curley made a tremendous contribution to athletics and semipro baseball in Passaic as a talented and insightful sportswriter with the Passaic Herald-News for a decade beginning in 1952. His newspaper column, "Sports Whirl," became a local institution, providing Passaic area readers with a veritable cornucopia of information on all facets of Passaic sports on the high school, college, semipro, and professional levels.

A former baseball, basketball, and football coach, Bob Curley left New Jersey in the 1960's and headed for Florida, where he continued his outstanding sportswriting career. For his many noteworthy journalistic accomplishments, Bob Curley was honored with awards by the New Jersey and the Florida Press Associations on eight different occasions—1948, 1954, 1956, 1962, 1973, 1975, 1979, and 1980. In 1968 while working in Florida, he was also nominated for the highly prestigious Ernie Pyle Award.

Like Bob Curley, the late Art McMahon was an outstanding writer and reporter with the Passaic Herald-News. He began his journalistic career in 1924 after his graduation from East Rutherford High School, where he was a top athlete. During his 48 years with both the Passaic Daily News and the Herald-News, Art McMahon became recognized as one of the top reporters, editors and newspaper executives, serving as sports editor, city editor, managing editor and executive editor before retiring in 1972.

A highly skilled and diligent reporter, Art McMahon covered such diverse events as the Kentucky Derby, Indianapolis 500, and Presidential Campaign tours of President Eisenhower and Adlai Stevenson. A past president of New Jersey Associated Press and Pica Club, Art McMahon established the Annual Herald-News Band Festival. He also served his country during World War II as a lieuenant commander, participating in the invasion of the Philippines and Borneo.

The Honorable Benjamin Franklin Turner, for many decades, was one of the most colorful and well-known figures in Passaic, serving 27 years on the city's police force, for 20 years on the Passaic City Commission and as mayor. It was during his five terms on the city commission that he made an invaluable contribution to athletics and recreation in the city of Passaic.

It was in 1931 that former Mayor Turner began a highly productive four-term tenure as Commissioner of the Passaic Parks Department. In this capacity, he promoted and expanded the use of the city's parks and recreational facilities. Through his efforts, the citizens of Passaic came to enjoy a wide range of activities, from semipro baseball and other athletic endeavors to egg rolling and fishing contests. Because of Mayor Turner, the city's recreational system thrived as never before.

Mr. Speaker all of these people, through their countless and diverse contributions, have enriched the heritage of baseball in not just in Passaic County, NJ, but the heritage of baseball where ever it is played throughout the world. I ask that you and our colleagues join me in saluting these outstanding individuals on their being honored in the Fourth Annual Salute to Passaic Semi-Pro Baseball.

TRIBUTE TO SGT. JOHN W. WRIGHT

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1989

Mr. SKELTON. Mr. Speaker, it is with great pleasure that I rise today to honor Highway Patrol Sgt. John W. Wright, a devoted public servant and a great American, who will be retiring in June. I am sure that my fellow colleagues in the House of Representatives will recognize and appreciate the 34 years of dedicated duty that Sergeant Wright has served with the Missouri Highway Patrol and wish him well as he hangs up his belt to enter his retirement years.

John's military career spanned for 4 years in the United States Air Force which included

service in Korea and Japan. After graduating from patrol academy, Trooper J.W. Wright was assigned to Lexington, MO. He was the first resident ever to be assigned to Ray County. After being promoted to sergeant in 1967, John Wright became the first zone commander of zone 12 covering Carrol and Ray Counties. Sergeant Wright then became assigned to troop A headquarters in Lee's Summit, MO.

In closing, I wish to extend my warmest, personal congratulations to Sgt. John W. Wright and send a fond thank you for his years of service with the Missouri Highway Patrol and to our State. May he enjoy his time of retirement in good health among the company of family and friends. All the best to John and his family.

THE PUBLIC TRANSIT AND VAN POOLING RIDERSHIP EQUITY ACT OF 1989

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1989

Mr. MATSUI. Mr. Speaker, today I am introducing legislation that would promote energy conservation, rebuild our damaged environment and restore equity to this Nation's tax system.

The measure is properly entitled the Public Transit and Van Pooling Ridership Equity Act of 1989. It would increase the allowable employer-provided fringe benefit for public transit from $15 to $60 per month. It would also reinstate a tax exemption for qualified van pooling programs.

The Public Transit and Van Pooling Ridership Equity Act is designed to effectively achieve clean air in our communities by promoting the use of public transportation and van pooling over single occupancy vehicle commuting. My congressional district of Sacramento, CA, like many of my colleagues' districts, is currently out of compliance with Federal regulations for both ozone and carbon monoxide pollution. Constituents in Sacramento as well as many other cities across this Nation are facing a host of Clean Air Act related sanctions including the loss of Federal funding, construction bans, and the potential health risks due to air pollution.

The single largest contributor to this noncompliance in my district is automobile emissions. This legislation would promote the use of public transit and van pooling which will greatly reduce auto emissions. The results would be cleaner, healthier air.

This measure simply levels the playing field for employer-provided tax free benefits for public transit users. Our current tax system allows a corporate executive to receive a tax free subsidy for employer-provided, monthly parking. Free parking encourages that individual to use his own vehicle to commute daily. Parking is a significant benefit in many of our urban centers, averaging well into the hundreds of dollars per month in some areas. Those individuals who use buses, van pools and mass transit each day, however, are currently discriminated against by the tax code. This bill will finally make our tax policy consistent with our environmental and transportation goals.

Current tax law, besides promoting wasteful single occupant commuting, also penalizes employer subsidies to public transportation. An employer can only provide $15 per month for those employers who use the bus, train, or subway to work. If the employer provides $15.01 to the employee, the Tax Code declares the entire amount to be taxable income to that employee. In addition, under current law, employer-provided van pooling may be completely taxable to the employee driver. In contrast, parking subsidies are completely tax free even when provided on a discriminatory basis to top executives.

This bill would eliminate this inequity by increasing the allowable employer-provided transit fringer benefit to $60 per month and fully exempting employer-provided van pools. It would also remove the "cliff" after which the entire contribution becomes taxable to the employee.

By promoting public transit and van pooling, we can greatly lessen the burden on our transportation infrastructure which is facing increasing pressure and dwindling Federal resources. Gridlock, which was once only associated with our largest urban centers is now rapidly becoming a reality for too many American communities.

The only hope for many communities is a significant conversion to public transit and van pooling. This bill would aid that effort. It is simply not enough to impose sanctions through the Clean Air Act. We must be responsible for removing inequities from the tax code that discourage the use of public transportation and van pooling.

A primary benefit of public transit and van pooling usage is of course increased fuel economy and conservation. Legislation which promotes conservation efforts is a goal I believe we all share. The fuel shortages of the seventies are still fresh in our memories. Our dependence on fossil fuels has allowed us to place risk on our most sensitive environmental areas in search of more and cheaper oil. The recent jump in gas prices caused by the Alaskan tanker disaster is a reminder of the dangers inherent with our dependence.

At the conclusion of my remarks, I am adding for the record the areas in noncompliance with the Clean Air Act for carbon dioxide and ozone pollution as compiled by the Environmental Protection Agency. I have also included data supplied by the American Public Transit Association [APTA] on the commuting costs in all urban areas serving populations over 500,000. Nationwide, APTA has estimated the average cost of commuting on public transit in these areas to be $58 per month.

Mr. Speaker, the legislation I am introducing today makes our environmental, transportation, and taxation policies sound and consistent. I urge my colleagues to join me in supporting this effort that would greatly benefit our national fight for clean air. Thank you.

CONGRATULATING THE FEDERAL ASIAN PACIFIC AMERICAN COUNCIL [FAPAC]

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1989

Mr. FALEOMAVAEGA. Mr. Speaker, I was privileged this morning to attend a special ceremony at the White House where our President signed an official proclamation to declare this week as Asian-Pacific Heritage Week, a special tribute to all Americans who are of Asian-Pacific descent.

Mr. Speaker, this event came about by a resolution introduced years ago by my colleague from New York, FRANK HORTON, and several other Members. At that time, I and several other Asian-Pacific Americans who were with the Federal Government had established an organization known as the Asia-Pacific Federal Employees Council [APAFEC]. I have learned since returning to Washington that the council is now known as the Federal Asian-Pacific American Council [FAPAC].

The Federal Asian-Pacific American Council is an interagency group organized to provide a focus for Asian-Pacific American activities within the Federal Government. The council, through its interagency membership, is responsible for spearheading training awareness of the impact of Asian and Pacific cultures, work ethics, and behavior as related to employment in the Federal work force.

Over the past 4 years, the ability of the council to plan, coordinate, and implement successfully, ambitious activities—including the 1986 training conference and the 1987 recognition luncheon for Federal Asian senior executives—is attributed to, first, the enthusiasm and dedication of council members and, second, their overwhelming agency support. I can state with confidence that both are essential to the council's continued success.

Asian-Pacific Americans bring to the national workplace a diversity of cultural perspectives and work ethics; however, they are often misinterpreted which results in barriers to communication, productivity, and advancement.

In an effort to overcome these barriers, I am proud to announce the council's sponsorship of the second national Federal Asian-Pacific American heritage recognition luncheon for Asian-Pacific Americans holding senior military, public health, and foreign service positions. The luncheon is scheduled for Thursday, May 11 at Bolling Air Force Base in Washington, DC.

The council will also initiate a multiyear rolling exhibit at the Smithsonian to celebrate Asian-Pacific American heritage. It begins with a 2-month exhibit—May 8 through July 4—of a photographic essay on Filipino Americans. The theme of the exhibit is "Focus on the Filipino: 226 years of Filipinos in the United States" at the Dillon-Ripley Center of the Smithsonian Institution.

Mr. Speaker, I would call upon my esteemed colleagues to acknowledge the Federal Asian-Pacific American Council for their

past accomplishments, of which I have cited, and to actively support their endeavors.

CONSEQUENCES OF PLO ADMISSION TO WORLD HEALTH ORGANIZATION

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1989

Mr. SMITH of New Jersey. Mr. Speaker, I want to commend the Bush administration for the strong stand it has taken in response to the Palestine Liberation Organization's request for full membership in the World Health Organization. In the words of Secretary of State James Baker, "The United States vigorously opposes the admission of the PLO to membership in the World Health Organization or any other U.N. agency. To emphasize the depth of our concern, I will recommend to the President that the United States make no further contribution, voluntary or assessed, to any international organization which makes any change in the PLO's present status as an observer organization."

As an example of bipartisan cooperation between the executive and legislative branches, Mr. Speaker, last Thursday, May 4, the Foreign Affairs Subcommittee on Human Rights and International Organizations unanimously approved a bill introduced by TOM LANTOS, myself and other Members of the House. The bill prohibits United States contributions to the World Health Organization should the Palestine Liberation Organization be granted full membership in the organization. I am pleased to say that the bill has tremendous bipartisan support and action by the full committee is expected soon.

Mr. Speaker, the World Health Assembly convenes this week in Geneva and I believe this request which has been presented by the PLO should be rejected. Not only is this request politically devisive, PLO admission would be detrimental to the integrity of the World Health Organization. Mr. Speaker, for the benefit of my colleagues who may be uncertain about the inherent danger in admitting the PLO to the WHO, I insert our bill, H.R. 2145, and a concise report entitled "Political Poison for the World Health Assembly," written by the Heritage Foundation in the RECORD:

H.R. 2145

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States shall not make any voluntary or assessed contribution—

(1) to any affiliated organization of the United Nations which grants full membership as a state to any organization or group that does not have the internationally recognized attributes of statehood, or

(2) to the United Nations, if the United Nations grants full membership as a state in the United Nations to any organization or group that does not have the internationally recognized attributes of statehood, during any period in which such membership is effective.

POLITICAL POISON FOR THE WORLD HEALTH ASSEMBLY

(By Robert Winters, Research Assistant)

The stage has been set for a confrontation as the World Health Assembly convenes this week in Geneva, for its 42nd session. The cause of the problem is the demand by backers of the Palestine Liberation Organization that the PLO be allowed to attend the Assembly as the official representative of "Palestine." The World Health Assembly, comprised of representatives from all member states of the World Health Organization, is empowered to decide overall policy questions for WHO—including questions of membership. It was anticipated on the eve of the Assembly's opening that a majority of the 166 states attending this session is inclined to accept the PLO application. The United States, however, is firmly opposed. Secretary of State James Baker warned last week that he would "recommend to the President that the United States make no further contributions, voluntary or assessed, to any international organization which makes any change in the PLO's present status as an observer organization."

The matter of whether there should be a Palestinian state deserves serious consideration. The forum for this consideration, however, is not the World Health Assembly. Of all the United Nations agencies, many of which are known primarily for their waste and proliferating bureaucracies, the World Health Organization deservedly may be the most respected. The WHO was created to address world health problems. Its often effective work is now threatened to be undermined by the PLO and its backers who want to force the World Health Assembly to confront contentious political—rather than medical or scientific—problems. The Bush Administration is wise in threatening to cut financial support for the WHO if it admits "Palestine." A politicized WHO is of little use to the world. Politicization has poisoned the work of other once-useful U.N. agencies; the World Health Assembly should not let it happen to the WHO.

EXPELLING ISRAEL

The U.S. government rightfully has declared unequivocally that it will withdraw from any U.N. organization that denies Israel full participation. Senate Concurrent Resolution 68, passed unanimously on April 14, 1982, and House Concurrent Resolution 322, passed a month later by a vote of 401-3, endorsed this policy. By section 115 of P.L. 98-164, enacted on November 22, 1983, this became law. This is no idle threat. In September 1981, even before the congressional resolutions were passed, the U.S. withdrew from the International Atomic Energy Agency after it expelled Israel, forcing the IAEA to reverse that decision.

The PLO and its allies in WHO hope to "end run" this U.S. withdrawal threat while effectively achieving the expulsion of Israel. Israel would undoubtedly withdraw from any organization that includes the self-proclaimed Palestinian state, since it claims the territory of Israel as its own. The Palestine National Covenant, charter of the PLO, declares the state of Israel to be legally nonexistent. Even the letterhead on which the PLO's application for membership on the WHO is written displays a map of "Palestine" that includes all of Israel within its territory. Yet, if Israel withdrew "voluntarily" from the World Health Assembly and WHO, the PLO backers could urge the U.S. to stay, arguing that Israel was not "expelled."

A STATE WITH NO TERRITORY

Two other serious problems make the admission of "Palestine" to the World Health Organization unacceptable to the U.S. First, the World Health Organization has no right to recognize an organization with no actual territory under its control as a legitimate government. Under the U.N. Charter, only the Security Council—in which the U.S. and other permanent members have veto power—can extend membership and in effect, recognize nations as legitimate. WHO, like all U.N. agencies, has a charter which limits its membership to legitimate nations. Admitting "Palestine" would make other U.N. organizations more likely to accept the PLO as a state, and would encourage the other terrorist organizations recognized by the U.N. as representatives of their people, such as the African National Congress and the South West Africa Peoples Organization, as well as other insurgent groups, to declare statehood and apply for admission.

Second, admitting the PLO would exacerbate the trend of politicizing U.N. specialized agencies. WHO's credibility depends on its neutrality and professionalism. But, like much of the U.N. System, the WHO has allowed itself to be used as an anti-Israeli forum. Every year since 1976 it has adopted resolutions against Israel's occupation and "illegal exploitation" of "Arab territories," issues entirely extraneous to WHO's purpose of promoting health care. In 1979 and 1983 attempts were made to expel Israel from WHO. WHO should be trying to disentangle itself from an issue as divisive as the "Question of Palestine." Admitting "Palestine" achieves the opposite effect: it puts WHO in the middle of the controversy.

TOUGH U.S. CONGRESS

The WHO must understand that if the U.S. withdraws from the agency, as the Bush Adminstration promises, then WHO will lose the $73.8 million American contribution that provides one-quarter of WHO's budget. The U.S. Congress will surely back the White House on this, as the Congress has on UNESCO, after the U.S. withdrew in late 1984. In fact, the Congress typically is less patient with and tougher on the U.N. than are the State Department and White House. Already, 38 Senators from both parties, led by Vermont Democrat Patrick Leahy and Wisconsin Republican Robert Kasten, have sent a letter to Secretary Baker sounding their alarm and threatening "a range of punitive action, including withholding U.S. financial participation" from any U.N. agency that admits the PLO as a state. And House Foreign Affairs Subcommittee on Human Rights and International Organizations unanimously reported out California Democrat Tom Lantos's bill prohibiting U.S. contributions to an U.N. organization which grants full membership to any group "that does not have the internationally recognized attributes of statehood."

At the World Health Assembly this week, the U.S. delegation should make sure that all representatives fully understand that a vote to admit "Palestine" could cost the World Health Organization dearly. Should WHO defy these warnings, the U.S. should carry out its threat to withdraw from the organization.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a

system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 9, 1989, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 10

9:00 a.m.
Foreign Relations
International Economic Policy, Trade, Oceans and Environment Subcommittee
To hold hearings on the replenishment of the Inter-American Development Bank.
S-116, Capitol

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings in conjunction with the National Ocean Policy Study on oil spill clean up assessment and prevention, focusing on clean up status containment and natural resource assessment.
SR-253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Foreign Relations
To hold hearings on the proposed FSX Co-development Project with Japan; and to consider S.J. Res. 113, prohibiting the export of technology, defense articles, and defense services to co-develop or co-produce the FSX aircraft with Japan, and pending nominations.
SD-419

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings to review drug problems in public housing projects.
SD-342

Labor and Human Resources
Handicapped Subcommittee
To hold hearings on the proposed Americans with Disabilities Act of 1989.
SD-430

10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold joint hearings with the Committee on Appropriations' Subcommittee on Foreign Operations on global environment issues.
SD-192

Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the District of Columbia.
SD-138

Appropriations
Foreign Operations Subcommittee
To hold joint hearings with the Committee on Agriculture, Nutrition, and Forestry on global environment issues.
SD-192

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Supreme Court of the United States.
S-146, Capitol

Armed Services
Strategic Forces and Nuclear Deterrence Subcommittee
To hold closed hearings on operational requirements of the Strategic Air Command, and proposed budget request for fiscal years 1990 and 1991 for strategic forces.
SR-222

Environment and Public Works
Superfund, Ocean and Water Protection Subcommittee
To hold oversight hearings to examine the implications of and responses to the Toxic Release Inventory, released pursuant to section 313 of the Emergency Planning and Community Right to Know Act (P.L. 99-499).
SD-406

Finance
To hold hearings on the European Community's (EC) program to complete its internal market by 1992.
SD-215

1:30 p.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on oil spill clean up assessment and prevention, focusing on oil spill prevention and maritime regulation.
SR-253

Judiciary
Constitution Subcommittee
To hold hearings on S. 675, to eliminate discriminatory barriers to voter registration.
SD-226

2:00 p.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on the foreign policy context of defense.
SD-138

Armed Services
To resume hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, and to review a 5-year defense plan.
SR-222

Foreign Relations
Business meeting, to mark up S. 928, authorizing funds for fiscal years 1990 and 1991 for the Department of State, U.S. Information Agency, and the Board for International Broadcasting.
SD-419

MAY 11

9:00 a.m.
Judiciary
To hold hearings on the nominations of Carol T. Crawford, of Virginia, and Shirley D. Peterson, of Maryland, each to be an Assistant Attorney General, Department of Justice, and Ferdinand F. Fernandez, of California, to be U.S. Circuit Judge for the Ninth Circuit.
SD-226

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development and Rural Electrification Subcommittee
To hold hearings on rural development.
SR-332

Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-116

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the National Aeronautics and Space Administration, focusing on space transportation and related issues.
SR-253

10:00 a.m.
Appropriations
Defense Subcommittee
To continue open and closed hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on the Strategic Defense Initiative (SDI).
SD-192

Appropriations
Transportation Subcommittee
To hold hearings on transportation trust funds.
SD-138

Environment and Public Works
To hold hearings on the nomination of F. Henry Habicht, of Illinois, to be Deputy Administrator, U.S. Environmental Protection Agency.
SD-406

Foreign Relations
Business meeting, to mark up S. 928, authorizing funds for fiscal years 1990 and 1991 for the Department of State, U.S. Information Agency, and the Board for International Broadcasting.
SD-419

Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings on S. 543, to strengthen the program of employment and training assistance under the Job Training Partnership Act.
SD-430

Joint Economic
To hold hearings on the distribution of income.
SD-562

1:30 p.m.
Armed Services
Defense Industry and Technology Subcommittee
To hold hearings on recommendations for an acquisition policy agenda.
SR-222

2:00 p.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the General Accounting Office, Office of Technology Assessment, and Capitol Police Board.
SD-116

Armed Services
Manpower and Personnel Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on manpower programs.
SR-253

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 83, to establish the amount of costs of the Department of Energy's uranium enrichment program that have not previously been recovered from enrichment customers in the charges of the Department of Energy to its customers.
SD-366

Foreign Relations
Business meeting, to mark up S. 928, authorizing funds for fiscal years 1990 and 1991 for the Department of State, U.S. Information Agency, and the Board for International Broadcasting.
SD-419

Select on Intelligence
To resume closed hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the intelligence community.
SH-219

2:30 p.m.
Select on Indian Affairs
To hold hearings on S. 321, to establish certain preferences for Indians under Federal grants to Indian organizations.
SR-485

MAY 12

9:00 a.m.
Armed Services
Readiness, Sustainability and Support Subcommittee
To resume open and closed hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the Department of Defense.
SR-222

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for certain programs of the Departments of Labor, Health and Human Services, Education and Related Agencies.
SD-192

Foreign Relations
To hold hearings on the nominations of Donald Phinney Gregg, of Maryland, to be Ambassador to the Republic of Korea and John Cameron Monjo, of Maryland, to be Ambassador to the Republic of Indonesia.
SD-419

Rules and Administration
To hold joint hearings with the Select Committee on Indian Affairs on proposed legislation to establish a National Museum of the American Indian within the Smithsonian Institution.
SR-301

Select on Indian Affairs
To hold joint hearings with the Committee on Rules and Administration on proposed legislation to establish a National Museum of the American Indian within the Smithsonian Institution.
SR-301

10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on pending nominations.
SR-332

Finance
International Trade Subcommittee
To hold hearings to explore the problem of industrialized countries manipulating the value of their currencies to maintain a trade surplus, and to discuss the U.S. response to this practice.
SD-215

MAY 15

9:30 a.m.
Environment and Public Works
Toxic Substances, Environmental Oversight, Research and Development Subcommittee
To hold hearings to review procedures relating to the use of chemicals in food crops.
SD-406

Governmental Affairs
Government Information and Regulation Subcommittee
To hold oversight hearings on federal information policy.
SD-342

10:00 a.m.
Finance
Social Security and Family Policy Subcommittee
To hold hearings to review proposed regulations to implement the Family Support Act of 1988.
SD-215

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

2:00 p.m.
Armed Services
Projection Forces and Regional Defense Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for the Department of Defense, focusing on aircraft carrier force structure management.
SR-232A

Foreign Relations
To hold hearings on the nomination of Ivan Selin, of the District of Columbia, to be Under Secretary of State for Management.
SD 419

MAY 16

8:30 a.m.
Office of Technology Assessment
The Board, to meet to consider pending business.
EF-100, Capitol

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development and Rural Electrification Subcommittee
To resume hearings on rural development.
SR-332

Governmental Affairs
Oversight of Government Management Subcommittee
To hold oversight hearings on the use of off-the-shelf items by the Department of Defense.
SD-342

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on land warfare.
SD-192

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development.
SD-138

2:00 p.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on issues relating to high definition television.
SR-253

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Office of the Inspector General, Office of Disaster Assistance, and American Schools and Hospitals Abroad.
SD-138

Select on Indian Affairs
Business meeting, to mark up S. 321, establishes certain preferences for Indians under Federal grants to Indian organizations, S. 402, to provide for the settlement of land claims of Puyallup Tribe of Indians in the State of Washington, S. 611, to establish administrative procedures to determine the status of certain Indian groups, and proposed legislation to establish an Indian museum in the District of Columbia.
SR-485

MAY 17

9:30 a.m.
Armed Services
Defense Industry and Technology Subcommittee
To hold hearings on the defense industrial base.
SR-222

Commerce, Science, and Transportion
To hold oversight hearings in conjunction with the National Ocean Policy Study on marine fisheries management.
SR-253

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on space commercialization.
SH-216

Energy and Natural Resources
Business meeting, to mark up S. 783, to eliminate wellhead price and non-price controls on the first sale of natural gas and make certain technical and conforming amendments to the Natural Gas Policy Act of 1978 and other pending calendar business.
SD-366

Governmental Affairs
To hold hearings on biological weapons proliferation.
SD-342

Rules and Administration
Business meeting, to mark up S. 136, to establish a single poll closing time in the continental United States for Presidential general elections, S. 377, to establish a series of five Presidential primaries, S. 874, to establish national voter registration procedures for Presidential and Congressional elections, S. 326, to repeal a provision of the Federal Election Campaign Act allowing use of excess contributions, and S.J. Res. 98, to establish separate appropriation accounts for the Senate and the House of Representatives for the payment of official mail costs.
SR-301

10:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on trading practices in the commodity futures markets.
SR-332

Commerce, Science, and Transportation
Communications Subcommittee
To told hearings on proposed legislation authorizing funds for the Federal Communications Commission.
SR-232A

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on S. 497, to provide that States be subject to suit in Federal court for infringement of copyright material.
SD-226

1:00 p.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on Army posture.
SD-192

2:00 p.m.
Armed Services
To hold hearings on proposed legislation authorizing funds for fiscal years 1990 and 1991 for defense programs of the Department of Energy.
SR-222

MAY 18

8:00 a.m.
Veterans Affairs
To hold hearings on certain provisions of S. 13, S. 165, S. 573, S. 574, S. 748, bills to strengthen and improve Veterans' health care programs.
SR-418

9:00 a.m.
Commerce, Science, and Transportation
To continue oversight hearings in conjunction with the National Ocean Policy Study on marine fisheries management.
SR-253

10:00 a.m.
Appropriations
Defense Subcommittee
To continue open and closed hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on space programs.
SD-192

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

Governmental Affairs
To hold hearings on nuclear and missile proliferation.
SD-342

1:30 p.m.
Agriculture, Nutrition, and Forestry
Conservation and Forestry Subcommittee
To hold hearings on the U.S. Forest Service appeals process.
SR-332

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Peace Corps, African Development Foundation, Inter-American Foundation, Overseas Private Investment Corporation, and Export-Import Bank.
SD-138

MAY 19

9:30 a.m.
Select on Indian Affairs
To hold oversight hearings on the U.S. Civil Rights Commission's effects on the White Mountain Apache Tribe.
SR-485

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Housing and Urban Development and certain independent agencies.
SD-116

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on proposed legislation to control the manufacture, use, and disposal of ozone depleting substances.
SD-406

Finance
Medicare and Long-Term Care Subcommittee
To hold hearings to examine approaches to modify or change Medicare policies to improve the health care system in rural America.
SD-215

MAY 31

2:00 p.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on seapower.
SD-192

JUNE 1

9:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1990 for the Department of Transportation and Federal Maritime Commission.
SR-253

Energy and Natural Resources
To hold hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SH-216

Governmental Affairs
Oversight of Government Management Subcommittee
To resume oversight hearings on the use of off-the-shelf items by the Department of Defense.
SD-342

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on Navy posture.
SD-192

Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on S. 804, to conserve North American wetland ecosystems and waterfowl and other migratory birds and fish and wildlife that depend on such habitat.
SD-406

1:30 p.m.
Government Affairs
To hold hearings on alcohol abuse prevention.
SD-342

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on Central America.
SD-138

Energy and Natural Resources
To continue hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SH-216

JUNE 2

9:30 a.m.
Energy and Natural Resources
To continue hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SH-216

2:00 p.m.
Energy and Natural Resources
To continue hearings on S. 710, S. 711, S. 712, bills to provide for a referendum on the political status of Puerto Rico.
SH-216

JUNE 6

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on tactical airpower.
SD-192

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on the status of current and future use of alternative motor vehicle fuels in the United States.
SD-366

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on the Middle East, Pakistan and Afghanistan.
SD-138

JUNE 7

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253

Governmental Affairs
To resume hearings on alcohol abuse prevention.
SD-342

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on Air Force posture.
SD-192

JUNE 8

8:00 a.m.
Veterans Affairs
To hold hearings on certain provisions of S. 13, S. 263, S. 564, bills to provide for Veterans' health care benefits and other related measures.
SR-418

9:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on manpower and personnel programs.
SD-192

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253

JUNE 12

9:30 a.m.
Governmental Affairs
Government Information and Regulation Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Paperwork Reduction Act.
SD-342

JUNE 13

9:00 a.m.
Appropriations
Defense Subcommittee
To resume open and closed hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense, focusing on strategic programs.
SD-192

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs.
SD-138

JUNE 14

9:00 a.m.
Veterans Affairs
To hold hearings on certain provisions of S. 13, S. 86, S. 192, S. 405, and S. 846, bills to strengthen and improve VA health care programs, and related measures.
SR-418

JUNE 15

9:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1990 for the Department of Defense.
SD-192

JUNE 16

9:30 a.m.
Governmental Affairs
Government Information and Regulation Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Paperwork Reduction Act.
SD-342

JUNE 22

8:00 a.m.
Veterans Affairs
To hold hearings on S. 404, to extend certain Department of Veterans Affairs home loan guaranty provisions, and related measures.
SR-418

JULY 20

9:30 a.m.
Veterans Affairs
Business meeting, to mark up proposed legislation to revise certain provisions of VA health care programs, including S. 13, S. 86, S. 165, S. 192, S. 263, S. 405, S. 564, S. 574, S. 748, and S. 846.
SR-418

CANCELLATIONS

MAY 9

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1990 for foreign assistance programs, focusing on international narcotics control.
SD-192

MAY 11

9:30 a.m.
Governmental Affairs
To resume hearings on export controls over chemical biological materials.
SD-342

MAY 18

9:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on airline concentration.
SR-301